



Ms. Sarah Cremin,  
Committee Secretariat,  
Committee of Public Accounts,  
Leinster House,  
Dublin 2.

28 November 2022

**Your Ref: S1067 PAC33**

Dear Ms. Cremin,

I refer to your letter of the 9<sup>th</sup> November requesting

- further information relating to Miesian Plaza regarding mechanisms to identify what gave rise to the issue and what actions have been taken to prevent a recurrence and
- details of the reasons for the delay in closing the sale of Glanmire Garda station in Co. Cork and what steps are being taken to avoid this type of situation arising again.

### **Miesian Plaza**

The terms agreed for the lease of Miesian Plaza were negotiated on the basis of net internal area (NIA - SCSi Measuring Practice Guidance Notes) which is the norm in Dublin City rental negotiations. However, an exceptional situation arose when a new measurement standard, International Property Measurement Standard (IPMS3), was introduced in February 2016 when the lease terms were already substantially agreed. The IPMS3 standard was adopted to standardise the approach to office measurement internationally.

There are technical differences between the two measurement standards which tends to result in a larger floor area measurement under IPMS3.

Miesian Plaza was measured by independent consultants to both NIA and IPMS3 standards. In formalising the lease, a discussion should have taken place about recalibrating the rental rate as a result of the new measurement. However, this did not happen and the larger IPMS3 measurement was used as the basis for the calculation of rent without any negotiation on a possible adjustment of the rate.

Although the changing of an international standard is an exceptional occurrence, the OPW processes have since been reviewed and strengthened. Approval arrangements now include an independent verification of Heads of Terms agreed on leasehold or freehold acquisitions, to ensure alignment between the Heads of Terms and the final legal documentation.



As stated in my previous letter following lengthy, complex and intensive engagement between the OPW and the Landlord an agreement has been reached to mitigate the impact of this issue. A Deed of Variation has now been finalised which extends the lease on Miesian Plaza by a period of 9 months at a nominal rent of €10 per annum.

The OPW considers this agreement reached to be the best possible outcome for the taxpayer in the circumstances, in particular as the rent being paid for Miesian Plaza has at all times been in accordance with the terms of the Lease.

**Purchase of a site for Glanmire Garda Station.**

The purchase of any property is, by its nature, a complex transaction and the length of time it takes to complete such transactions can vary from case to case. As part of the normal due diligence in the acquisition of any property, the OPW requires specific documentation, relating to title etc. in specific timeframes. The quality and timely receipt of the required documentation is a major factor in the timeframe involved.

In the purchase of the site for Glanmire Garda Station, the required documentation was not provided within the expected timeframes. As the provision of the required documentation is a matter for the vendor and is part of the legal process of purchasing a property, the timeframe involved was largely outside the control of the OPW. This led to the initial delay. The purchase of the premises was agreed with the vendor and contracts signed in November 2011.

The Commissioners were of the opinion that, given the way property values had moved during the initial delay, the purchase proposition no longer reflected optimum value for money. The purchase contract had not been completed between the parties and OPW sought, and was advised, that the contract was no longer binding. The matter then became the subject of High Court proceedings initiated by the vendor in 2013. The High Court ruled against the OPW in 2016 and the purchase was completed in January 2017.

This was an unusual set of circumstances that pertained in this particular case.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Maurice Buckley', with a stylized, cursive script.

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Maurice Buckley  
Chairman