



# DETERMINATION OF MERGER NOTIFICATION M/16/029 GOLDMAN SACHS / BRIDGEWATER SHOPPING CENTRE AND BRUNEL HOUSE

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## Section 21 of the Competition Act 2002

### Proposed acquisition by The Goldman Sachs Group, Inc., through ELQ Investors II Limited, of certain assets, constituting Bridgewater Shopping Centre and Brunel House

Dated 15 July 2016

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#### Introduction

1. On 9 June 2016, in accordance with section 18(1) of the Competition Act 2002, as amended (“the Act”), the Competition and Consumer Protection Commission (“the Commission”) received a notification of a proposed transaction whereby The Goldman Sachs Group, Inc. (“Goldman Sachs”), through its wholly-owned subsidiary ELQ Investors II Limited (“ELQ II”), would acquire, from North Quay Developments Limited (“the Vendor”), certain assets, namely, Bridgewater Shopping Centre and Brunel House, (collectively “the Target Assets”), situated in North Quay, Arklow, County Wicklow.

#### *The Transaction*

2. The proposed transaction is the subject of an agreement for sale by private treaty of Bridgewater Shopping Centre and Brunel House, located at North Quay, Arklow, County Wicklow, which was entered into by ELQ II and the Vendor on 9 June 2016 (the “Agreement”).
3. Pursuant to the proposed transaction, Goldman Sachs is to acquire ownership and thus sole control of the Target Assets, consisting of Bridgewater Shopping Centre, together with existing leases over retail space, offices, storage, parking spaces and residential and community accommodation therein, and Brunel House, a detached two-storey office building adjacent to Bridgewater Shopping Centre.
4. Once the proposed transaction is completed, it is proposed that ELQ II will assign the Agreement to [...] <sup>1</sup>, which will be acquired by ELQ Investors VIII Limited, another subsidiary of Goldman Sachs, before the date of completion of the proposed transaction. <sup>2</sup>

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<sup>1</sup> [...].

<sup>2</sup> This inter-group transfer will not constitute a merger or acquisition for the purposes of the Act, as all of the undertakings involved will be directly or indirectly under the control of the same undertaking, namely Goldman Sachs (see section 16(6)(b) of the Act).



## **The Undertakings Involved**

### ***The Acquirer – Goldman Sachs***

5. Goldman Sachs, headquartered in New York and registered in Delaware, USA, is a global financial services firm involved in a wide range of activities, including investment banking and securities and investment management services. Goldman Sachs' customers include corporations, financial institutions, governments and high net worth individuals.<sup>3</sup>
6. Goldman Sachs has a number of portfolio companies active in the State, which are primarily active in financial services, fund management services and aircraft leasing.
7. Goldman Sachs' real estate interests in the State currently comprise joint ownership and controlling interests in a number of hotels through its joint controlling interests in Halstonville Limited and in Tifco Limited.<sup>4</sup>
8. Goldman Sachs' worldwide turnover for the financial year ended 31 December 2014 was approximately €49 billion, of which approximately €[...] was generated in the State.

### ***The Target Assets***

9. The Target Assets consist of the property known as the Bridgewater Shopping Centre and an adjacent building known as Brunel House, both of which are located on North Quay, Arklow, Co. Wicklow.
10. The Bridgewater Shopping Centre extends to approximately 324,640 sq.ft., of which 259,543 sq. ft. comprises retail and cinema space and the remainder is residential, office and community accommodation. Bridgewater Shopping Centre is anchored by Dunnes Stores and also contains an Omniplex multi-screen cinema and a food court and restaurants, including Eddie Rockets, Abrakebabra, O'Briens and Costa. Other retailers with stores in Bridgewater Shopping Centre include New Look, TK Maxx, Next, Argos, River Island and Elverys Sport. There is also a surface level and multi-storey car park which links to the main shopping centre and which can accommodate approximately 970 cars.
11. Brunel House is a detached two-storey office building located adjacent to the Bridgewater Shopping Centre on North Quay in Arklow.
12. For the financial year ending 31 December 2015, the Target Assets generated turnover in the State, consisting of rental income received, of approximately €[...].

### ***The Vendor***

13. The Target Assets are currently owned by the Vendor which is a wholly-owned subsidiary of North Quay Property Company Limited. North Quay Property Company Limited is majority-owned by Alfred Street Properties Limited, a private limited

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<sup>3</sup> <http://www.goldmansachs.com/index.html>

<sup>4</sup> M/14/031 – Tifco and M/16/010 – Halstonville.



company registered in Northern Ireland, with its registered address at 19-21 Alfred Street, Belfast.

### **Rationale for the Proposed Acquisition**

14. The notification states:

*“The commercial objective of the Proposed Transaction is to enable the Goldman Sachs Group to further its investment strategy relating to commercial property, including retail assets.”*

### **Third Party Submissions**

15. No submission was received.

### **Competitive Analysis**

16. Goldman Sachs’ commercial real estate interests in the State currently comprises joint ownership and control over a number of hotels as set out in paragraph 7 above.

17. The Target Assets comprise mainly of rentable commercial property, both retail and office space, as well as residential and community accommodation, details of which are set out at paragraphs 9-12 above.

18. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. It is not necessary for the Commission to define precise relevant product and geographic markets in this instance since there is only a very limited horizontal overlap between the parties’ activities in the State. While there is a minor horizontal overlap between the parties’ activities in relation to the supply of rentable commercial property in the State, the hotels which are currently jointly owned and controlled by Goldman Sachs<sup>5</sup> and the Target Assets provide different services and cater for different customers. In addition, demand for hotel accommodation is mostly on a short term basis compared with retail shopping, office space and residential accommodation for which demand is generally for a longer term.

19. The proposed transaction does not raise any vertical competition concerns.

20. In light of the above, the Commission considers that the proposed acquisition will not substantially lessen competition in any market for goods or services in the State.

### **Ancillary Restraints**

21. No ancillary restraints were notified.

### **Determination**

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, has determined that, in its opinion, the result of the proposed acquisition whereby The Goldman Sachs Group, Inc., through its wholly-owned subsidiary ELQ

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<sup>5</sup> See paragraph 7 above.



Investors II Limited, would acquire, from North Quay Developments Limited, certain assets, namely, Bridgewater Shopping Centre and Brunel House, together with existing leases, situated in North Quay, Arklow, County Wicklow, will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

**Gerald FitzGerald**  
**Member**  
**Competition and Consumer Protection Commission**