

‘Dangerous’ assets & secret deals – what’s on Luke Comer’s mind

The Galway developer is unusually talkative in a rare interview on Comer Group’s expanding empire



Killian Woods

Luke Comer didn’t know he was about to do a 50-minute interview when he returned a missed call, from an unknown number, on his Monaco mobile last Tuesday evening.

Neither did the *Business Post* when he called back, but he just kept talking, willingly.

Everything was on the table, even his recent ban from horse racing after 12 of his string tested positive for anabolic steroids – something he was keen to address.

“I can assure you, no Comer doped any horse. It’s the biggest load of rubbish,” he said.

He talked about the “dangerous” office market, his battles with Galway County Council in Portumna and why Ireland doesn’t produce developers anymore.

Investments he made during the pandemic, why government inaction on taxing tech giants is killing town centres, and a property spending spree he is planning in Germany were also topics of discussion.

Luke and Brian, the billionaire brothers behind Comer Group, are known for being quite media-shy. So why so open on this occasion?

Could it perhaps have anything to do with the new Labour government’s big drive to zone more land for housing in green belts around UK cities, from which the Comers stand to benefit?

If even a fraction of the 2,000 acres Comer Group owns in London is rezoned, it would boost the value of their portfolio by billions of pounds.

The Comers could be on their way to the top of Ireland’s rich list if that comes to pass.

“We could be,” he said, laughing. “I don’t know... It’s a bit dangerous, being the richest man in Ireland though. They don’t last very long, those rich guys.”

Investments

Comer, who is in his mid-sixties, had just arrived into Berlin from Monaco on Tuesday evening when he returned the *Business Post*’s call.

The property mogul, who started out as a plasterer by trade, already has some very valuable assets in Germany. During the pandemic, his company added the Airport Plaza Hotel in Hamburg, which was built in 2018, to their portfolio.

“They built it for €55 million and the banks were owed €30 million, and they sold it to us for €30 million.”

He wants more in Germany, but only at the right price. One off-market deal he has in the works is a deal for the Skyline Plaza in Frankfurt.

“Now, [the price] might go too much. You’ve got to be very careful with shopping centres and office blocks because maybe they haven’t fallen in value enough yet.”

Another property he is eyeing up is Trianon, a 45-storey skyscraper in Frankfurt. It was bought by a South Korean consortium in 2018 for €670 million, but they have now defaulted on a loan linked to the property.



Luke Comer. ‘It’s a bit dangerous, being the richest man in Ireland though. They don’t last very long, those rich guys’
Barry Cronin

€1.2bn

The value of the Comer brothers’ Irish assets

1,000

Acres of London land owned by the Comers in line to be zoned for housing

£4.75bn

The potential value of the Comers’ London land once zoned



The office market, you’ve got to be very, very careful. If you’ve high blood pressure, you’d be dead

“I’d be hoping to buy that tower pretty soon for a fraction of that, but it won’t be for €680 million, I can assure you. I think it will be sold for probably under €200 million. If you pay any more for it, you would lose it.”

Comer is keen on buying office and retail assets, but added these sectors are “very dangerous” right now.

“This work-from-home trend is making offices even more dangerous. They were renting space in Trianon for about €35 per sq m,” he said.

At the end of last year, the average rent in the city was €22.8 per sq m and Deka Bank, a tenant, has announced it will leave the block in August.

“You wouldn’t get €35 per sq m in rent any more and maybe you won’t get big

tenants again. You may never get the long 20-year leases again.

“Tenants are leasing for about four or five years and then they want nearly one year rent-free. The office market, you’ve got to be very, very careful. You would be brown bread.

“It means if you’ve high blood pressure, you’d be dead,” he adds. “Coffee shops, bars, restaurants – they’re dying in an awful lot of cities because of this working from home.

“I was over in Dusseldorf looking at the Vodafone headquarters that is on the market. There are 6,000 people working in the office, I think I saw two or three people in all the offices. I went for a drink and meal with the agent on a Friday evening and there wasn’t one sinner in the

bar. Five or six years ago, you would have standing room only.”

Taxing Amazon

The working-from-home trend and slowdown in office leasing, compared to pre-pandemic, make the construction of new-build office blocks even more dangerous, Comer said.

“It’s like shopping centres, I mean, you can buy them for a fraction of what they cost to build, but you can’t go building them.

“If you make the wrong move and buy something for too much, you can get a financial power failure. We bought Bow Street shopping centre six years ago for €12 million (\$14.29 million). It sold for

€100 million only ten years before. And I tell you, there’s no fortune to be made out of it for €12 million.”

He added that the other threat to in-person retail is online sellers, who have an unfair advantage over brick-and-mortar stores.

“Councils and governments are not moving fast enough to try and tax online shopping. They expect businesses to pay huge rates in the middle of the cities and yet allow Amazon to sell all their stuff by post into the middle of the cities and no tax on that at all.

“And if they kill the town centres, what would life be like in places like Galway city centre? It would be zombie land.”

Irish homes

Comer Group is focused on expanding its portfolio on mainland Europe, but it is by no means taking its eyes off Ireland.

The Galway brothers’ portfolio of land and property in Ireland, controlled through 80 holding companies, has surged in value to be worth more than €1.2 billion in recent years.

The company is active across a number of sites in Ireland, developing 110 apartments in the part-built, 14-storey Sentinel Building in south Dublin and 428 apartments on an adjacent site it acquired in 2011 from Ires Reit, Ireland’s biggest landlord.

It has also secured permission to build 517 apartments and 155 houses in Dunboyne, Co Meath.

“Those homes in Dunboyne will be off the ground very soon. We have many big sites in Ireland, so we could be on site with 2,000 units in Ireland very soon. And not a penny debt on any of them.”

Comer Group will directly build the majority of the homes it has in the pipeline, but they may start to partner with smaller housebuilders on some projects, he said.

“We’ll do most of those sites ourselves. For some of the sites in the country, we will probably do a deal with young, hungry builders. Lots of people can’t get money now, so we may make a deal that they will pay us when they complete the houses.”

Comer said this is how many young developers used to get their break in the country, but it doesn’t happen any more.

“In the old days, the 1970s, 1980s and 1990s, when myself and Brian started building, you always got three months’ credit from the builders’ merchants. So if you were a really good, hard-working grafter, you could run the site without borrowing at all.

“The merchants knew there would be collateral there. The guys selling you the site, they knew they would be getting paid very quickly. So you could get started without begging to borrow. That was the way builders used to come up.”

Bills, bills, bills

Comer, who lives abroad in Monaco, doesn’t come back to Ireland often.

He was invited by Galway United, which he has put millions of euro into, to their game against Longford Town on Friday. On Tuesday evening, he hadn’t made his mind up whether he would attend.

“It all depends if there is good hay weather,” he said.

He may not see his Irish portfolio as often as his son Barry, who is managing director of the Comer Group. What he does see are the bills.

“Barry sends a bill to Monaco every month, and they’re quite big.”

How much?
“It’s a few million every month anyway, but you have to speculate to accumulate, of course. It should be worth a lot of money some day.”

Comer on...

The Labour government and business

The Comer Group is one of London’s biggest landowners, controlling around 2,000 acres of unzoned land in London.

The newly-elected Labour Party has committed to reintroducing mandatory housing targets for local councils and prioritising “green belt” land for development, and to introducing a flexible zoning system to streamline the planning process for developers.

Rezoning of these plots for residential use would likely boost the value of the company’s portfolio by billions of pounds.

Comer said the signals from the Labour Party on planning reform could “speed up” the zoning process for the Comer Group’s 450-acre site called Vicarage Farm, in the Enfield area of north London.

“The new Labour government might speed up the zoning a bit. I understand our Enfield site is needed and the local authority is putting it through,” he said. Comer said the Enfield site has capaci-

ty for up to 5,000 homes.

The company owns a further 500 acres near Shenley, which is based 14 miles from Central London, and located near Arsenal FC’s training grounds in north London.

Comer said the Labour Party, which has said it will enable the delivery of 1.5 million homes over the next five years, “will have to make big moves to try and get a lot of housing off the ground.”

“Between all the land we have in London, it is about 2,000 acres. It all won’t be zoned. At most, we will get about 1,000 acres zoned. These are the biggest land banks in London by a country mile.”

He added if the land is zoned for housing, its value would likely be around £5 million an acre, which would give the Enfield and Shenley sites a combined value of roughly £4.75 billion.

The Comer brothers acquired the large farmland sites in London 20 years ago to use for grazing horses.

His future in horse racing

Following the loss of his appeal against a three-year ban from horse racing, Luke Comer is considering leaving the sport for good.

In 2023, Luke Comer was hit with a suspension from horse racing and ordered to pay a penalty of €840,754 in fines and legal costs when a dozen of his horses tested positive for anabolic steroids.

The businessman appealed the licence suspension and penalties imposed on him by the Irish Horseracing Regulatory Board. He lost an appeal against the decision last month.

Comer told the *Business Post* he is “seriously thinking about leaving horse racing.”

“I can assure you, no Comer doped any horse. It’s the biggest load of rubbish. I spend up to €15 million a year on horses. That won’t be anymore.

“It cost me €6 million to date defending myself and getting scientists from all over the world. I don’t need the hassle that I got.”

Comer said he has invested heavily in horse racing with no intention of ever seeing a return.

“If my horse was in a photo finish, I’d prefer the small trainer to win it than me because I’d be happy that my horse was in the photo finish, but your man needs the money. Sometimes their life depends on it.

“I never put one cent into horses to get anything back.”

Regrets over his Portumna hotel

In recent years, businesses and residents of Portumna in Co Galway have called on the Comer brothers to either develop or sell the site of the town’s burnt-out hotel.

The hotel has been boarded up for more than a decade ever since a fire ravaged large sections of the building.

The business behind the hotel went into liquidation soon after the fire, with the property acquired by Galway brothers and property developers Luke and Brian Comer in 2016.

Luke Comer has told the *Business Post* it was not a good decision to buy the hotel. “I made the mistake of buying that site with the burned-out hotel, but if I build there I’m going lose money on it.”

He said the company, which has invested heavily in Galway’s leisure scene and wider economy, has faced unfair criticism over the site.

“We have five hotels in Galway, including the Shearwater in Ballinasloe and Connacht Hotel in Galway. Some of them are rented and we run some ourselves.

“In Galway United, I put €1.5 million into it and put more money into Galway properties. I built out more stuff in Galway.

“We have hundreds if not a thousand units rented in Galway, and that’s all good for the economy and we finished out every one of them units ourselves.”

He said the company will, in time, develop the Portumna site. “We are seeing what we can do with that hotel in Portumna, so we’re probably going to build it, but we do these things in our own time. We were always going to build it.”