

Dublin Industrial Q2 2022

YOY %
Change

147,850 sq m

Take Up H1 2022



3.9%

Vacancy Rate



228,200 sq m

Space Under Construction



CONSTRUCTION ACTIVITY REACHES 20 YEAR HIGH, AS AVAILABILITY REMAINS CRITICALLY LOW:

The Dublin industrial and logistics market continued to perform strongly in Q2 2022, with development activity being key. Take up, meaning space newly occupied by occupiers, in Q2 2022 totalled 57,750 sq m bringing total H1 take up to 147,850 sq m. This volume will mean take up is likely to surpass 2021 and 2020 annual volumes at year-end. The South-West accounts for the largest proportion of this, 57%, followed by the North-West at 41%. This is not surprising given that seven out of the top ten largest occupations in H1 were located in the South-West, with examples including space at Mountpark Baldonell, Aerodrome Business Park and Greenogue Logistics Park.

Outside of take up, other measures show demand within the market and particularly, demand for modern space. For example, a total of 61,000 sq m of new space was acquired or leased by an occupier in the second quarter of 2022. All but one of these units remain under construction, with approximately 26,200 sq m due to complete and be occupied this year.

In total, there is 228,200 sq m under construction as of the end of June in Dublin, a 20-year high, with expected completion dates ranging from 2022 to 2023. Importantly, almost 61% of space under construction is already pre-let or pre-sold to an occupier, with pre-lets proving much more prevalent. This is a change to historic trends, where typically the market would have seen a higher proportion of freehold transactions. However, the change is perhaps telling of the changing nature of this asset class, which now attracts significant investor interest. In H1 2022, industrial and logistics accounted for 18% of investment volumes in the Irish investment market. Activity outside of investment in the traditional sense, such as vacant possession purchases, are also prevalent, with these units arriving back to the market as to let opportunities.

Further units under construction have terms agreed with an occupier with the expectation that more units will transact as they get closer to completion. This would be in line with patterns we have observed over most recent quarters. In the six months to June, a total of 74,085 sq m of new space completed in the market, surpassing the total completed in 2021 and is one of the highest volumes since 2008. Of note, 88% of this was let to an occupier before or upon completion.

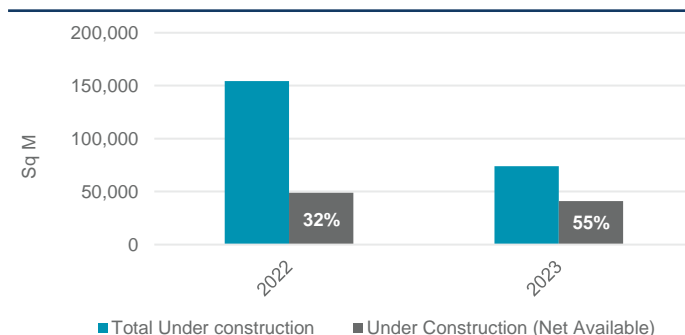
It is no surprise to see the rapid absorption of such space under construction when turning to availability within the market. Total availability sat at just 169,750 sq m at the end of June 2022, reflecting a vacancy rate of 3.9%. This is largely unchanged from the beginning of the year, with availability levels representing 20-year market lows. Within this space, the majority are units between 1,000 – 5,000 sq m in size or sub 500 sq m. There are just three units readily available above 10,000 sq m in size.

Brendan Smyth, Head of Industrial & Logistics at Cushman & Wakefield, commented: “Confidence within developers of new build logistics space remains high as the market is struggling to provide sufficient buildings to meet market demand. While construction inflation is pushing up the cost of new builds and subsequently rents, this is being absorbed by the market with further rental growth expected in the coming months”.

AVAILABILITY & VACANCY RATE, 2000 – Q2 2022



CONSTRUCTION ACTIVITY Q2 2022, EXPECTED DELIVERY



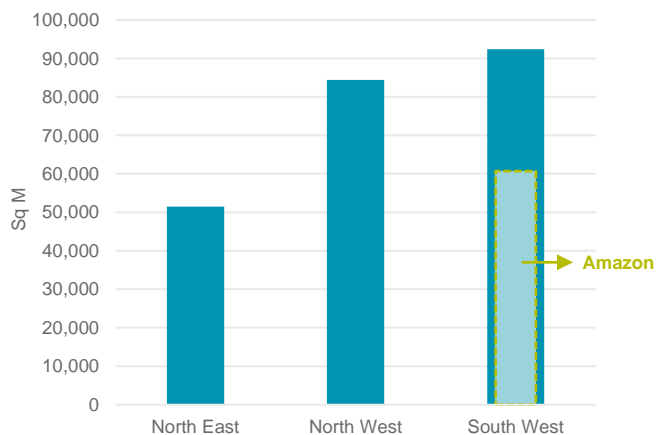
Source: Central Bank of Ireland, Quarterly Bulletin No. 3 2022

Dublin Industrial Q2 2022

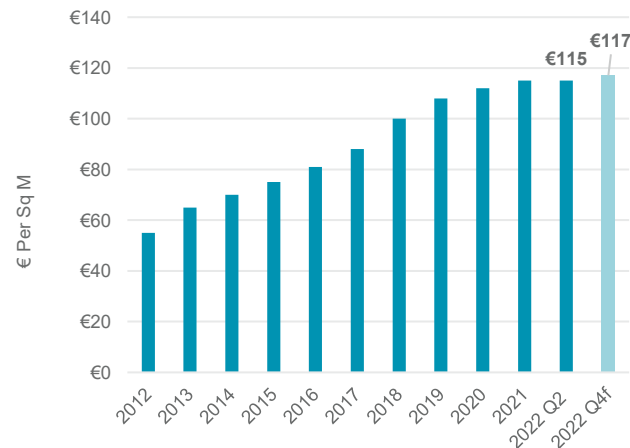
TOP UNDER CONSTRUCTION, Q2 2022

PROPERTY	REGION	SIZE (SQ M)	EXPECTED COMPLETION	TYPE
E, MountPark, Baldonnell, D22	South West	60,750	2022	Pre-Let (in Q1 2021)
Block R, Aerodrome Business Park, Co. Dublin	South West	22,300	2023	Available
1, Quantum Distribution Park, Co. Dublin	North West	19,150	2022	Pre-Let (Q2 2022)
3, Quantum Distribution Park, Co. Dublin	North West	16,550	2022	Pre-Let (Q2 2022)
637 Northwest Logistics Park, D15	North West	11,075	2022	Available

UNDER CONSTRUCTION BY LOCATION, Q2 2022



TRENDS IN PRIME RENTS, 2012 – 2022



ABOUT CUSHMAN & WAKEFIELD

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in 400 offices and 60 countries. In 2020, the firm had revenue of \$7.8 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services.

To learn more, visit cushmanwakefield.ie or follow @CushWakeIRL on Twitter.

Contact Details

KATE ENGLISH

Chief Economist,
Head of Research & Insights
Tel: +353 1 639 9206
Research.Ireland@cushwake.com

KATIE O'NEILL

Economist,
Research & Insights
Tel: +353 1 639 9200
Research.Ireland@cushwake.com

BRENDAN SMYTH

Director
Head of Industrial & Logistics,
Tel: +353 6399383
Brendan.Smyth@cushwake.com

CONFIDENTIALITY CLAUSE

This information is to be regarded as confidential to the party to whom it is addressed and is intended for the use of that party only. Consequently, and in accordance with current practice, no responsibility is accepted to any third party in respect of the whole or any part of its contents. Before any part of it is reproduced, or referred to, in any document, circular or statement, our written approval as to the form and context of such publication must be obtained.