

IRELAND

Dublin Office Q2 2022

YOY %
Change

5.9%

CBD Net Vacancy Rate



110,350 sq m

Reserved as of Q2 2022



415,800 sq m

Space Under Construction



| Annual % Change | Central Bank (QB3 – July '22) | | |
|--------------------------|----------------------------------|-------|-------|
| | 2021 | 2022F | 2023F |
| GDP | 13.5 | 9.1 | 4.8 |
| Personal Consumption | 5.7 | 5.9 | 4.4 |
| Modified Domestic Demand | 6.5 | 4.3 | 4.2 |
| Unemployment Rate | 6.2 | 5.2 | 4.8 |
| HICP | 2.4 | 7.8 | 4.2 |

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

SUSTAINABILITY DRIVES DUBLIN OFFICE MARKET, WITH RENTAL GROWTH EVIDENT:

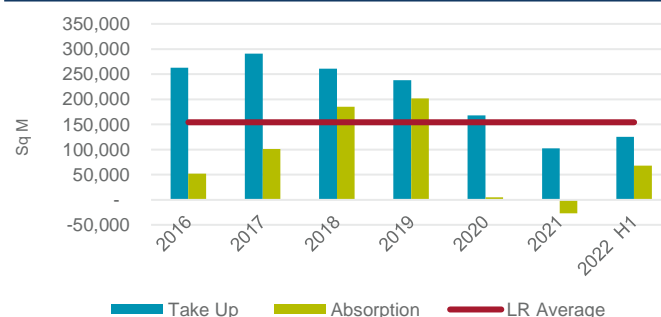
The Dublin office market is displaying resilience in the face of growing global economic uncertainty. What is proving most interesting in this performance is a clear two-tier market dynamic at play; the CBD and ESG playing a more important ROLE than ever before. Take up increased to 125,400 sq m in H1 2022, surpassing 2021 as a whole. Beyond take up, a further 90,100 sq m was signed in the first six months of the year while at the end of June, a total of 110,350 sq m was reserved. The CBD is absorbing a much larger proportion of demand today than at any point in our database series. It accounts for 65% of take up in the year to date, however close to 80% of space signed and 75% of active live requirements. This compares to the long-run absorption rate of 51%. Also evident within all indicators of demand is the importance of sustainability. The best example of this is a breakdown of signed space by energy ratings. An estimated 75% of all space signed in the Dublin office market is in space of a BER B or higher energy rating, with new space driving this.

In line with the robust levels of take up, vacancy levels improved in Q2, however again with a divide between the CBD and outside the CBD. A total of 635,850 sq m was available as of the end of Q2, representing a vacancy rate of 15.4%. Excluding signed and reserved space, the net vacancy rate figure falls to 9.0%, while in the CBD it is lower again at 5.9%. Within the CBD some sub-markets are experiencing increasingly tight net vacancy levels. For example, in the South Docks and Ballsbridge areas, net vacancy is as low as 3.0%. The highest volume of space available is in the city centre secondary market and the South Suburbs. An analysis of all availability by BER rating provides an interesting insight into the market dynamics at present. As of Q2, approximately 45% of net availability is of a BER C energy rating or lower. This varies within different sub-markets as expected. *Commenting on the market, Ronan Corbett, Head of Offices “There is clear evidence of upward rental pressure on prime buildings with high environmental credentials, as record rents are being achieved for the most sustainable buildings. With greater questions emerging on older quality stock, a two-tier market is emerging, this trend is set to continue for the remainder of the year and into 2023 despite economic headwinds and some commentator's negativity to the sector”.*

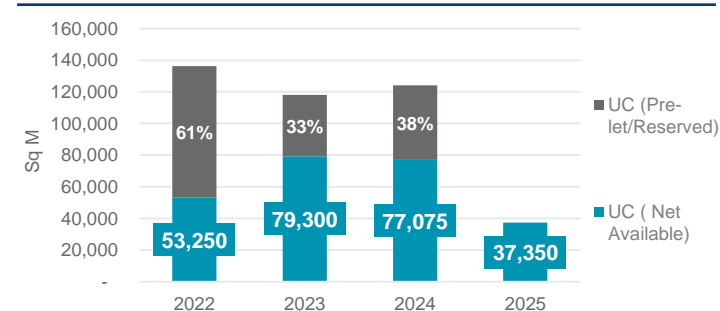
Much focus now turns to construction activity. A total of 415,800 sq m is under construction as of the end of June, with completion dates ranging from 2022 to 2025. Over 364,400 sq m of this space is located within the CBD, with the largest proportion in the Traditional Core. So far this year, a total of 120,900 sq m completed construction across new builds and refurbishments. A further 136,300 sq m is due to complete over the second half of 2022, of which 61% is signed and reserved, leaving 53,250 sq available. In total there is 246,950 sq m under construction out to 2025 that is net available.

Lastly, prime rents in Dublin's office market are experiencing upward pressure. As of Q2 2022, prime rents sat at €673 per sq m. With numerous examples of recent deals achieving higher than this, further rental growth is anticipated this year. However once again, this will be focussed on the prime, high-quality buildings, which meet environment requirements of today's occupiers.

Take Up & Absorption, 2016 – H1 2022



Development Activity by Expected Completion Year, Q2 2022



IRELAND

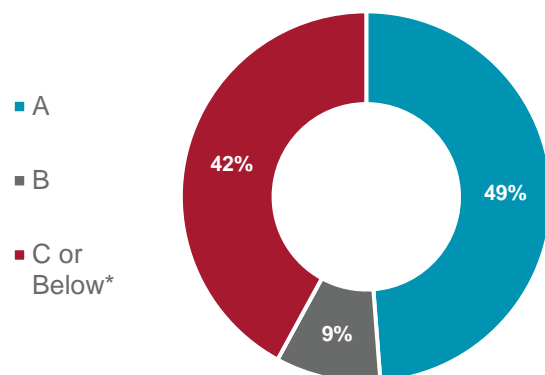
Dublin Office Q2 2022

TOP TRANSACTIONS, Q2 2022

| PROPERTY | SUB-MARKET | SIZE (SQ M) | STATUS | TENANT TYPE | RATINGS* |
|------------------------------------|------------------|-------------|--------|-----------------------|-----------------------|
| 60 Dawson Street, D2 | Traditional Core | 8,175 | Signed | Tech | BER A3/LEED GOLD/NZEB |
| Dockline, D1 | IFSC/North Docks | 6,800 | Signed | Tech | BER A3/LEED Gold |
| 35 Shelbourne Road, D4 | Ballsbridge | 4,850 | Signed | Professional Services | BER A3/LEED Gold/NZEB |
| The Bottleworks, Barrow street, D4 | South Docks | 2,950 | Signed | Serviced Offices | BER A3/NZEB |

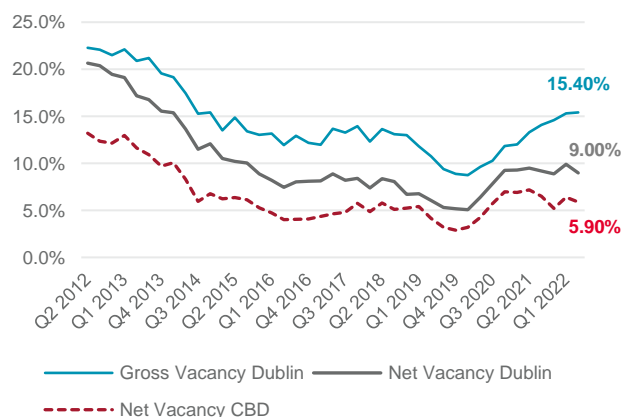
* In some cases these are targeted ratings

NET AVAILABILITY BY BER RATING, Q2 2022



*includes exempt and unknowns

TRENDS IN VACANCY, Q2 2012 – Q2 2022



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