

IRELAND



Dublin Office Q1 2022

70,550 sq m
Reserved in Q1 2022

YOY %
Change



6.7%
CBD Net Vacancy Rate



445,150 sq m
Space Under Construction



NEW DEVELOPMENTS DRIVE DUBLIN OFFICE DEMAND, AS THE RECOVERY CONTINUES IN 2022:

Demand continues to strengthen in the Dublin office market, with modern, sustainable and well-located space being key factors. The most recent research from Cushman & Wakefield highlights take-up of 78,650 sq m in the opening quarter of 2022. This take up is reflective of a significant rebound in leasing activity in the second half of 2021 and also the completion of fit-out works at several newly constructed schemes.

Perhaps even more telling of the current level of activity and continued bounce back in demand within the office market is the volume of space signed and reserved in the quarter. In total, over 70,550 sq m was reserved in the three-month period, while a further 48,750 sq m was signed. This is again largely led by new space, where the market saw significant volumes of space reserved at The Shipping Office, 60-63 Dawson Street, The Tropical Fruit Warehouse and 35 Shelbourne Road, or space signed at 10-12 Hanover Quay and One Park Place. Commenting on the market, **Ronan Corbett, Head of Offices, Cushman & Wakefield**; *“It is no surprise that activity in the market has picked up with occupier demand returning to a healthy level. After two years of disruption, the value of ‘the office’ as a place to work is back.”*

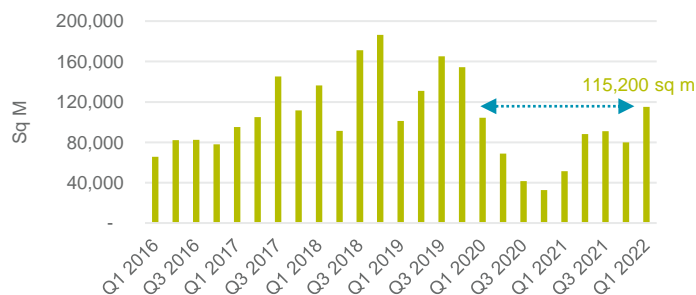
Interestingly, despite strong leasing activity, availability within the market rose, as a notable volume of second-hand space was released to the market. It now sits at its highest level since 2014, with just over 408,000 sq m net available. The net vacancy rate, which excludes any space signed or reserved, now sits at 10.1%, or 6.7% in the CBD. Within the CBD, space is tightest in the South Docks and Ballsbridge submarkets. In the South Docks, just 21,200 sq m was net available as of Q1 2022, down from 52,950 sq m in Q1 2021. In Ballsbridge, net availability reached 6,750 sq m in the quarter. An analysis of all space released to the market in the opening quarter of this year, reveals just 16% had a LEED accreditation, while the 71% was of BER C energy rating or lower. **Kate English, Chief Economist, Head of Ireland Research & Insights**: *“Availability patterns will be an interesting one to watch this year in the Dublin office market. Market demand indicators such as live active requirements, reserved and signed space have continued to show the market is in a fast-paced recovery, with take up expected to be back above the long-run market average this year. However, availability levels may trend differently, as the drive to sustainable buildings sees the market diverge. A detailed breakdown of availability will be key for investors, occupiers and developers monitoring the market.”*

Leasing activity on space under construction further highlights the focus on location, quality and sustainability. Construction statistics show a total of 240,775 sq m is due to complete development over the remaining quarters of this year. However, as of the end of quarter one, a remarkable 68% is pre-let or reserved. Similarly, of the 51,950 sq m which completed construction in the opening quarter of 2022, just under 9,300 sq m had no tenant signed or reserved at the time of completion. In total, 445,150 sq m is under construction in the Dublin office market with completion dates between 2022 and 2024. Rising construction costs and lack of prime sites sees limited expectations for significant new stats this year.

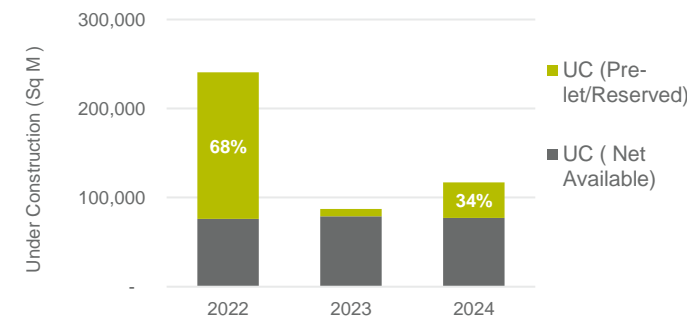
% Change	Central Bank (QB2 – April '22)		
	2021E	2022F	2023F
GDP	13.5	6.1	5.5
Personal Consumption	5.7	7.4	4.7
Modified Domestic Demand	6.5	4.8	4.3
Unemployment Rate	6.3	6.0	5.4
HICP	2.4	6.5	2.8

Source: Central Bank of Ireland, Quarterly Bulletin No. 2 2022

Total Space Reserved in the Market, Q1 2016 – Q1 2022



Development Activity by Expected Completion Year, Q1 2022



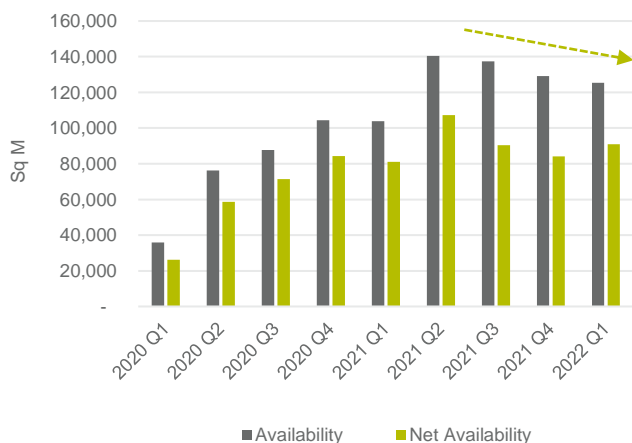
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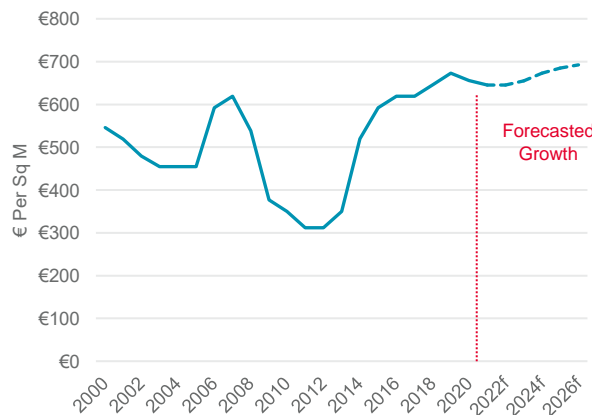
TOP TRANSACTIONS, Q1 2022

PROPERTY	SUB-MARKET	SIZE (SQ M)	STATUS	TENANT TYPE	RATINGS
Exco Building, Point Village	IFSC North Docks	7,200	Signed	State	BER A3/LEED Platinum/NZEB
10-12 Hanover Quay	South Docks	6,400	Signed	Tech	BER B1/LEED Gold/Wired Scored
One Park Place	Traditional Core	5,500	Signed (Sublease)	Tech	BER D1
124-127 Stephen's Green	Traditional Core	3,200	Signed (Sublease)	€1.5m	BER E1

TRENDS IN SUBLEASE SPACE, Q1 2020 – Q1 2022



TRENDS IN PRIME RENTS, 2000 – 2026F



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