

## Dublin Industrial Q1 2022

YOY %  
Change**90,085 sq m**  
Take Up Q1 2022**4%**  
Vacancy Rate**201,150 sq m**  
Space Under Construction

% 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

## PRE-LET ACTIVITY DRIVES DUBLIN INDUSTRIAL AND LOGISTICS MARKET, AS AVAILABILITY REMAINS CRITICALLY LOW

Occupier activity continues to surge in the Dublin industrial and logistics market as the market shows no signs of slowing down. A total of 90,085 sq m was occupied in the opening quarter. This figure is highly driven by the completion of new builds under construction, for which pre-lets were already in place. Interestingly, due to the location of such new units, take up figures are dominated by the North-West sub-market, in contrast to the historical trends which shows the South-West as the top performer. Outside of take up, the strength of demand and interest in the sector is highlighted by the volume of units under active negotiation with terms agreed and the continued purchase of vacant units by investment vehicles. One such example was the sale of The Cooks Collection. Comprising primarily industrial space, the mixed-use portfolio in Tallaght, Dublin 24, sold for a reported €19million to M7 Real Estate.

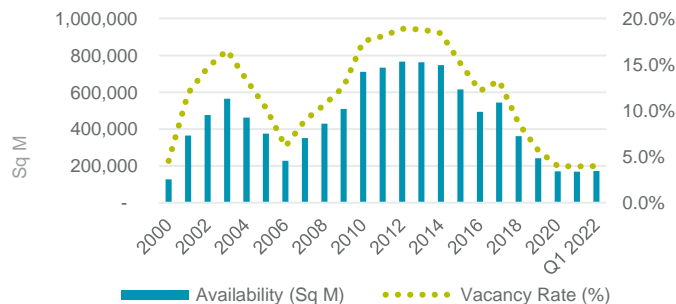
The prevalence of pre-lets in the market, is a factor of availability constraints. At the end of Q1 2022, just 174,350 sq m was available in the Dublin Industrial and Logistics market. This equates to vacancy rate of 4%. Availability has remained largely unchanged over the past two years as new supply is absorbed. Similarly, market churn is limited, with units released to the market also witnessing in many cases fast paced activity/re-letting. To put into context the availability constraints, today's vacancy rate is one of the lowest in two decades. 2006, reflective of the previous boom/economic expansion period, recorded a vacancy rate of 6.1%. Key to this availability story is also a size analysis. As of Q1 2022, just 8 units greater than 5,000 sq m were available, limiting big box occupiers' choices in the market.

Positively, demand within the market and supply dynamics is driving a new development cycle. At the end of March 2022, a total of 201,150 sq m was under construction. All bar one unit is due to complete in 2022, while strong pre-let activity see's some 51% already accounted for by a tenant. Pre-let's are expected to continue with terms agreed on a further two units already on site. In total, 49,500 sq m completed construction in the opening quarter of 2022, of which over 80% was pre-let prior to the completion date.

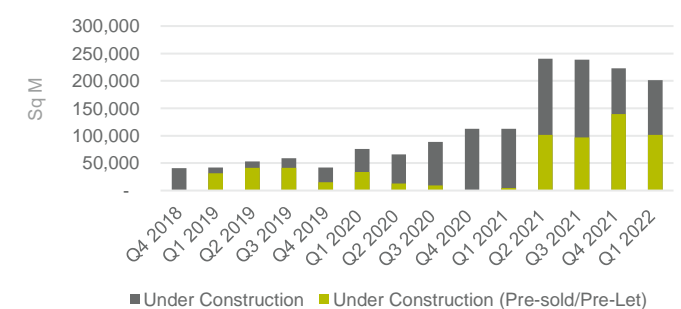
The South-West sees the largest share of development activity, 112,750 sq m. However, it is worth noting a large proportion of this is Amazon's distribution centre, measuring 60,750 sq m at E Mountpark Baldonnell, Dublin 22. This unit is due for completion in the coming quarter. Pipeline development activity indicates further units are likely to come on stream in the South-West sub-market, with examples where ground works have commenced including units at Brownsbarn, Citywest and Mountpark Baldonnell. Ground works have also commenced for space at Vantage Business Park in the North-West. This new development cycle is putting a focus on ESG, with the units having targeted LEED and BREEAM accreditations in many cases.

Lastly, unsurprisingly, rental growth continues for prime rents in the Dublin industrial and logistics market. Prime rents increased to €115 per sq m at the end of 2021, an annual increase of 2.7%. Further growth to €117 per sq m is forecast this year. Rental inflation is evident across all locations and all grades, as strong demand versus limited supply continues to be at play. Interestingly, rental growth is stronger at present for some of the older stock within the market, as these units are seeing more flexibility within the lease terms versus new stock.

## Availability &amp; Vacancy Rate, 2000 – Q1 2022



## Construction Activity, Q4 2018 – Q1 2022

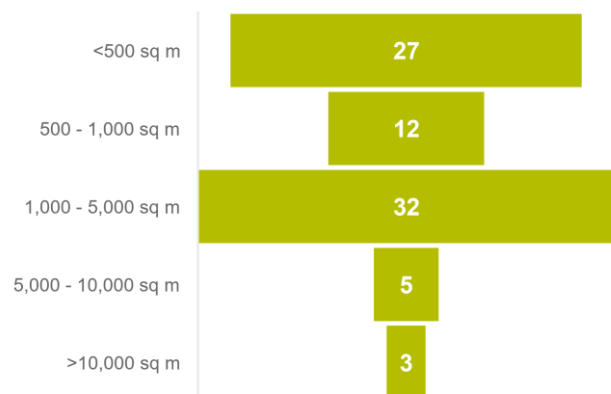


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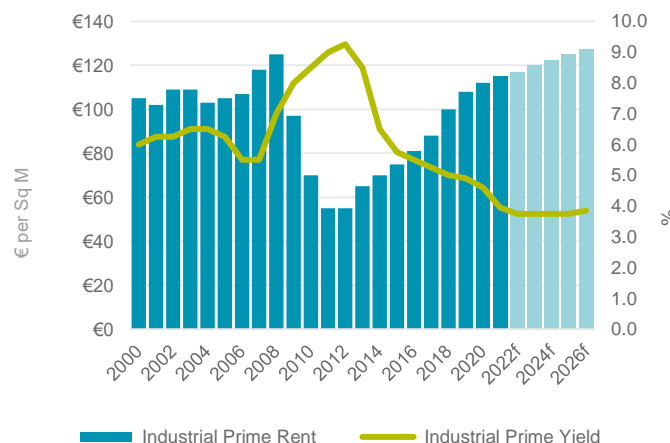
## TOP UNDER CONSTRUCTION, Q1 2022

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
3, Quantum Distribution Park, Co. Dublin	North West	16,550	2022	Available
D MountPark, Baldonnell, D22	South West	12,450	2022	Pre-Let
G, Aerodrome Business Park, Co. Dublin	South West	11,175	2022	Pre-Let

## AVAILABILITY BY LOT SIZE, Q1 2022



## TRENDS IN PRIME RENTS &amp; YIELDS, 2000 – 2026F



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