

IRELAND

Investment Market Q1 2022

YOY %
Change

€762m
Turnover Recorded



31
Assets Sold



€25m
Average Deal Size



BEDS AND SHEDS FUEL €762M WORTH OF INVESTMENTS IN Q1 2022:

The opening quarter of 2022 witnessed healthy levels of turnover transact in the Irish investment market, with almost €762m trading across 31 real estate assets. This compares to €848m across 36 deals in the same period last year, representing a marginal decline of approximately 10%. However, it should be noted that the investment volumes of Q1 2021 were significantly boosted by the closing of a number of deals that were under offer at the end of 2020.

Momentum continued from the final quarter of 2021, where an impressive €2bn worth of commercial property assets traded hands, with much of the same investor appetite trends evident, those being, residential and logistics fueling marking activity. Residential assets continue to absorb the majority share of investor capital, accounting for 31% of turnover in quarter one, approximately €233m of turnover.

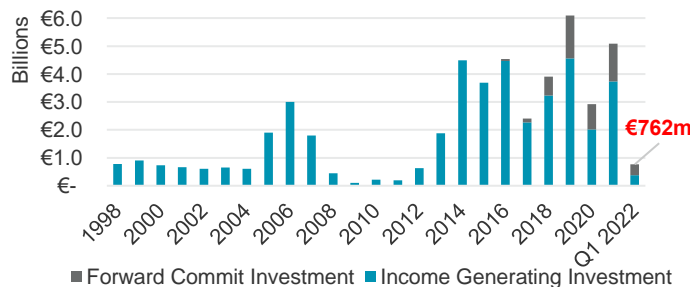
Akin to 2021 trends, the acute shortage of suitable stock coupled with strong occupational demand ranks industrial and logistics assets as second on the leaderboard of investor interest in the opening three months. Impressively, this puts the asset group ahead of offices in the quarter. Approximately, €178m worth of assets traded hands, although, a significant proportion of this is attributed to the largest transaction in that segment: Union's €128m acquisition of a logistic warehouse pre-let as a distribution centre to Primark.

Bain Capital's sale of three student accommodation blocks in Dublin and Galway was the largest sale of the opening quarter, purchased by US based Ares Capital, for €145m.

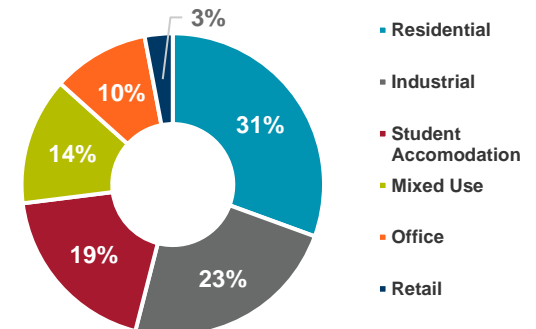
Of note, office investment amounted to just €78m worth of turnover in quarter one, representing just 10% of activity. This is the lowest level of quarterly activity for the asset class since Cushman & Wakefield's detailed series began in 2013. However, critical to the understanding of the performance of office assets in quarter one, is the lack of suitable investments situated in prime locations. Market insights affirms that if an asset of quality with good tenant covenants was available, a strong bidding process would ensue. Across Europe investor demand for core office assets remains strong, with some further yield compression evident. Commenting on the market, **Clive Roche, Divisional Director, Capital Markets Ireland**, noted: *"While investor demand for core offices remains robust, a lack of suitable opportunities is directly impeding turnover levels. We expect this situation to improve as the year goes on with visibility on a number of sales scheduled for later in the year."*

Overall, the Irish investment market has begun 2022 on strong footing, as the economy and occupier markets continues to perform well. The conflict in Ukraine has without doubt impacted the global economic outlook, as inflation continues to gather pace. Revisions to forecasts do continue to show economic growth, despite the increased risks, with markets now watching the ECB for interest rates movements.

Total Capital Inflow, 1989 – Q1 2022



Sector Breakdown by Turnover, Q1 2022



% 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

Investment Market Q1 2022

TOP TRANSACTIONS, Q1 2022

Asset	Price (Approx.€)	Sector	Purchaser
Project Rugby, Dublin & Galway	€145m	PBSA	Ares Capital
Distribution Centre, Newbridge, Kildare	€128.7m	Industrial	Union
Point Square, Dublin	€85m	Mixed Use	Ballybunion Capital
Off-Market (Emergency Accommodation), Dublin	€85m	Residential	Private Irish
Hansfield Wood, Dublin	€47m	Residential	Carysfort Capital / Angelo Gordon
Greenogue Portfolio, Dublin	€39m	Industrial	Kennedy Wilson

PRIME YIELD OUTLOOK, 2022

Sector	Prime Yields Q1 2022	Outlook 2022
Dublin Office	3.85%	Yield Compression ↓
Dublin High Street Retail	4.50%	Yield Stable —
Dublin Industrial	3.90%	Yield Compression ↓

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
Kate.English@cushwake.com

KATIE O'NEILL

Economist,
Research & Insights
Tel: +353 1 639 9200
Katie.O'Neill@cushwake.com

KEVIN DONOHUE

Director,
Head of Capital Markets
Tel: +353 6399234
Kevin.Donohue@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.