

IRELAND

Dublin Office Q4 2022



YOY %
Change

8.4%

CBD Net Vacancy Rate



62,000 sq m

Reserved as of Q4 2022



336,000 sq m

Space Under Construction



SOLID END TO THE YEAR FOR DUBLIN OFFICE MARKET:

The Dublin office market performed well in the final quarter of 2022, with solid volumes of take up evident. During the fourth quarter of the year, a total of 51,600 sq m was taken up, bringing the yearly total to 243,700 sq m. This surpasses total take up in 2019, 2020 and 2021 and see's it well above the Long-Run market average of just under 200,000 sq m. Close to two thirds of overall take up for 2022 was within the CBD, with the total much higher than the long-run average for the CBD and reflective of a clear shift in occupier preference since Covid-19. The volume of signed space declined to 22,000 sq m during the three-month period, while the total volume of space reserved in the market at the end of 2022 was 62,000 sq m. The reserved space total has decreased in recent quarters and now stands at its lowest level since Q1 2021.

Gross availability volumes increased in Q4, with the total market vacancy rate now standing at 18.3%. Within the CBD, this figure sits lower, at 17.3%. Excluding signed and reserved space, the net vacancy rate in the CBD is significantly lower at 8.4%, however up from 6.6% at the end of Q3. Location variations are present, with availability remaining lowest in the Fringe and Ballsbridge submarkets.

In terms of new supply, a total of 69,800 sq m across 4 schemes completed construction in the fourth quarter. Over half of the space was accounted for by Fibonacci Square, Ballsbridge at just over 37,600 sq m. This brings total completions YTD to 227,300 sq m. The majority of this is in the North Docks and Traditional Core areas of the CBD, with just three units located outside the CBD. Furthermore, 336,000 sq m remains under construction as of the end of December, with the CBD accounting for 299,700 sq m. Of the total, 28% is pre-let/reserved. A further 147,100 sq m is due to complete construction in 2023, with the remainder in 2024, however it is expected that some 2023 builds will fall into 2024.

Lastly, prime rents in Dublin's office market are continuing to experiencing some upward pressure. As of Q4 2022, prime rents sat at €689 per sq m, with this rental growth solely focused on prime, high-quality, sustainable buildings. Beyond this segment of the market, rental pressure is not expected to be evident in the near term.

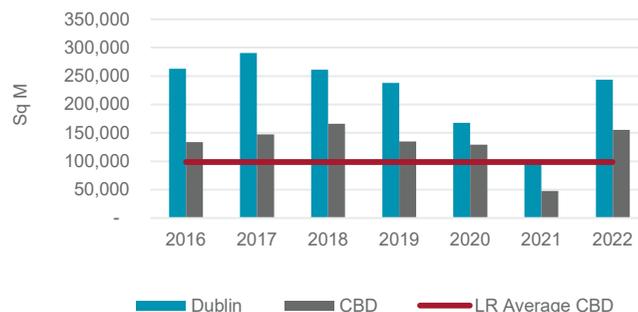
Ronan Corbett, Head of Offices, Cushman & Wakefield.

"2022 proved to be a very resilient year for the Dublin Office market despite the significant head-winds of construction inflation, hybrid working and Tech sector retrenchment. Our Q4 metrics reflect what we saw on the ground last year where the best buildings in the best locations attract occupiers and are resilient in terms of headline rents and lease terms achieved".

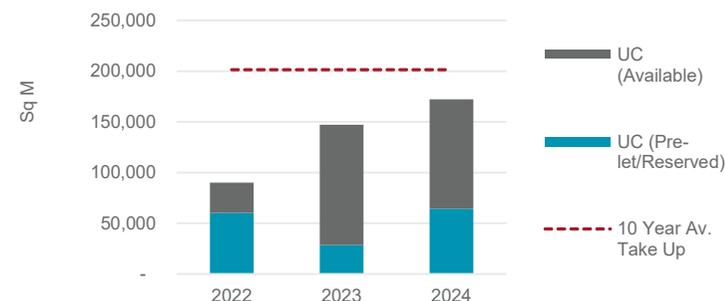
| Annual % Change | Department of Finance (Budget 2023, September '22) | | |
|--------------------------|---|-------|-------|
| | 2022F | 2023F | 2024F |
| GDP | 10.0 | 4.7 | 3.3 |
| Personal Consumption | 5.5 | 1.8 | 4.6 |
| Modified Domestic Demand | 7.7 | 1.2 | 3.3 |
| Unemployment Rate | 5.2 | 5.1 | 5.0 |
| HICP | 8.5 | 7.1 | 2.4 |

Source: Budget 2023, Department of Finance Forecasts

Take Up 2016 – 2022



Development Activity by Expected Completion Year, Q4 2022



IRELAND

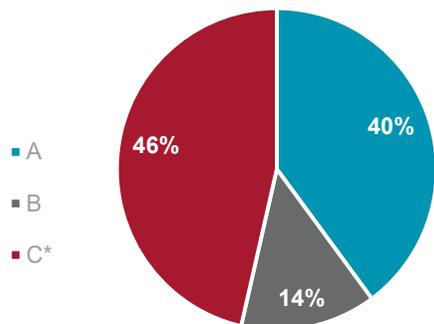
Dublin Office Q4 2022



LARGEST TAKE UP, Q4 2022

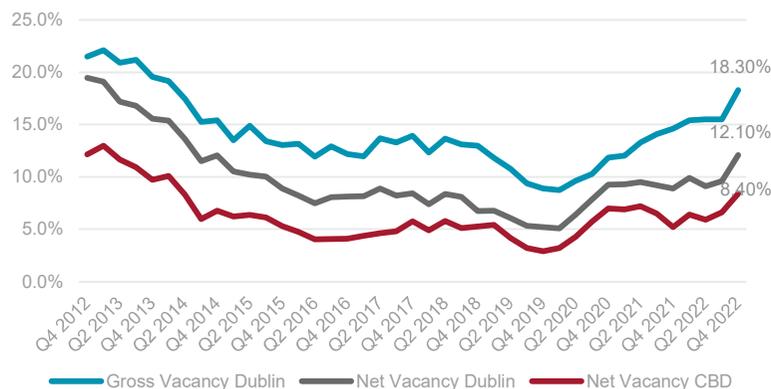
| PROPERTY | SUB-MARKET | SIZE (SQ M) | STATUS | TENANT TYPE |
|-----------------------------|-------------|-------------|----------|-------------|
| The Distillers Building, D7 | Secondary | 15,100 | Taken Up | State |
| Military Road, D8 | Secondary | 8,600 | Taken Up | State |
| 10 – 12 Hanover Quay, D2 | South Docks | 6,400 | Taken Up | Financial |
| 35 Shelbourne Road, D4 | Ballsbridge | 4,850 | Taken Up | Financial |

NET AVAILABILITY CBD BY BER RATING, Q4 2022



*C or Lower, includes exempt and unknowns

TRENDS IN VACANCY, Q4 2012 – Q4 2022



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