

Dublin Industrial Q1 2023

YOY %
Change**64,400 sq m**

Take Up Q1 2023

**4.4%**

Vacancy Rate

**210,300 sq m**

Space Under Construction

**€123 per sq m**

Prime Rents

**SOLID Q1 FOR INDUSTRIAL MARKET UNDERPINNED BY STRONG DEMAND AND LOW AVAILABILITY**

Take-up in the Dublin Industrial and Logistics market rose on a quarter-on-quarter basis in Q1 2023 with total activity across 31 transactions broadly in line with the Q1 average over the past five years. On a rolling twelve-month basis over 345,000 square metres of space had been taken up in the sector by the end of Q1 2023, close to recent highs and underlining the strong growth in demand powered by evolving themes such as e-commerce and supply chain efficiency. The biggest deal of the quarter encapsulated all of this, with Wincanton signing for almost 27,000 square metres of space in Greenogue Logistics Park which will act as IKEA's new national distribution centre.

Over 60% of the space taken up in Q1 was A grade and the strong demand for such high-quality space is pushing prime rents towards €123 per square metre in the sector. A tight vacancy picture is also supporting rents – in the first quarter of 2023 only 200,000 or so square metres of industrial space was available which equates to a headline vacancy rate of just over 4%, largely unchanged over the past year. Once reserved space is stripped out the availability rate drops even further to approximately 2%.

Supply is forthcoming for the industrial market with approximately 210,000 square metres of new space currently under construction with targeted completion dates for this year. However, in another sign of the strong demand backdrop, around half of this space is already pre-let meaning that the supply pipeline is unlikely to move the vacancy needle significantly in the short term. The grade A quality of the forthcoming supply pipeline is another obvious attraction and factor behind its swift absorption.

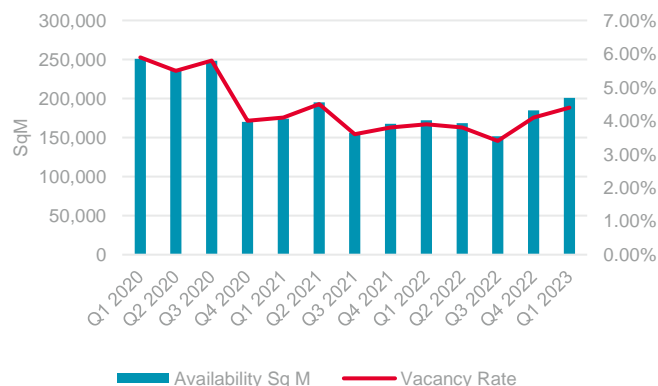
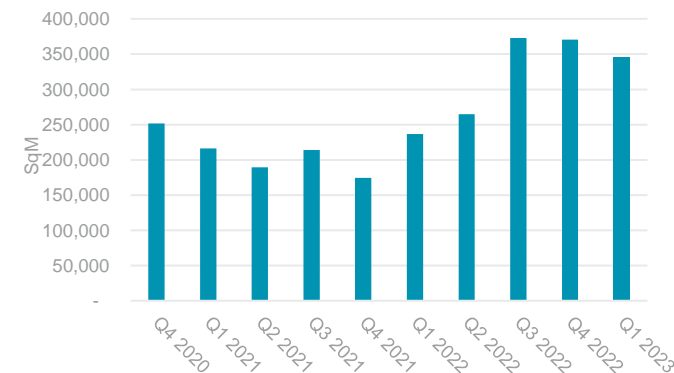
Brendan Smyth, Head of Industrial & Logistics at Cushman & Wakefield, commented:

The Industrial and Logistics market lead the performance of the commercial real estate market in the first quarter of 2023. The song remains the same in terms of the drivers of this performance – long term structural changes to how customers shop and spend and how businesses service these customers remain central to demand. Supply meanwhile remains relatively constrained. All of this is translating into a tight market characterised by hardening rents.

Annual % Change

	2022 (A)	2023F	2024F
GDP	12.0	4.7	3.3
Personal Consumption	6.6	1.8	4.6
Modified Domestic Demand	8.2	1.2	3.3
Unemployment Rate	4.4	5.1	5.0
HICP	8.2	7.1	2.4

Source: CSO, Department of Finance Forecasts for 2023 and 2024

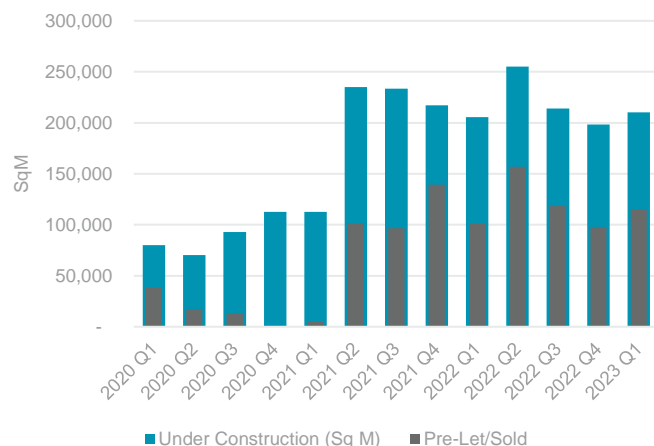
AVAILABILITY & VACANCY RATE, 2020 – 2023**Rolling 12m Take Up (Sq M), Q4 2020-Q1 2023**

Dublin Industrial Q1 2023

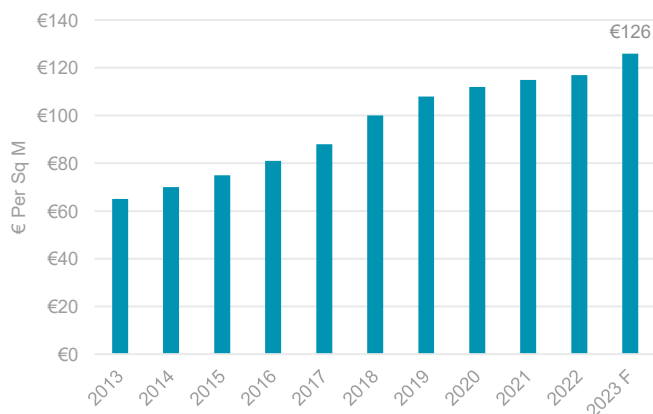
TOP UNDER CONSTRUCTION, Q1 2023

PROPERTY	REGION	SIZE (SQ M)	EXPECTED COMPLETION	TYPE
Block C, Greenogue, Co. Dublin	South West	29,950	2023	Pre-Let (in Q3 2022)
Block R, Aerodrome Business Park, Co. Dublin	South West	22,300	2023	Available
1, Quantum Distribution Park, Co. Dublin	North West	19,150	2023	Pre-Let (Q2 2022)
Unit 902, Northwest Logistics Park, D15	North West	18,600	2023	Pre-Let (Q2 2022)
3, Quantum Distribution Park, Co. Dublin	North West	16,550	2023	Pre-Let (Q2 2022)

CONSTRUCTION ACTIVITY, PRE-LET/SOLD 2020 – 2023



TRENDS IN PRIME RENTS, 2013 – 2023



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