

## IRELAND

## Dublin Office Q1 2023

YOY %  
Change

11.6%

CBD Net Vacancy Rate



41,500 sq m

Reserved as of Q1 2023



347,000 sq m

Space Under Construction



At first glance Dublin office take-up for Q1 2023 came in at just over 82,000 square metres although this was skewed by a number of previously signed deals. Excluding these, Q1 take-up was lower on a sequential basis. On a rolling 12-month basis however, Dublin take-up was almost 257,000 square metres in Q1 – an impressive figure, one which exceeded five-year averages prior to the outbreak of the COVID 19 pandemic.

The most notable deal signed in the quarter came via Datadog which took up just over 4,000 square metres at One and Two Dockland Central. Location and sustainability remained pivotal themes behind the deals to take up space in the first three months of the year. Much of the space occupied was in the core areas of Dublin city centre while the majority of this space had energy ratings of above B3, underlining how sustainability is swiftly becoming a 'must have' for occupiers.

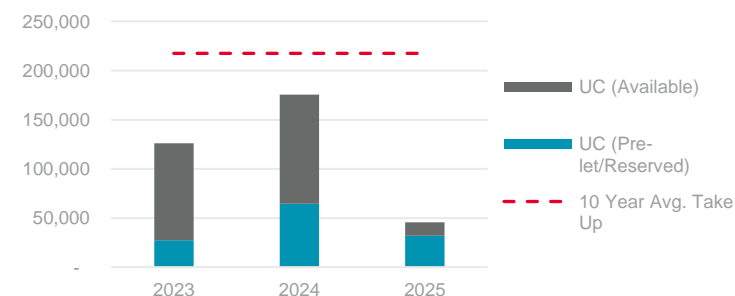
A quick scan of occupier business lines from Q1 shows that financial and professional firms are featuring more prominently now. Not surprisingly, technology sector demand for office space has waned of late as firms have reassessed their future plans and, in some cases, reduced headcount. However thus far we estimate that Irish job losses in the sector have been modest, only accounting for approximately 7% of the jobs created since before the COVID pandemic. On the whole, we have seen a steady increase in the number of enquiries for office space through the early part of 2023 although size requirements have eased.

Vacancy rates have drifted higher over the past few quarters although the headline rate fell slightly in Q1 to 17.5% from 18.3%. Excluding signed and reserved space this rate drops to 13.5%. Within the CBD however, the office supply-demand dynamic is tighter. At the end of the first quarter headline vacancy rates stood at 16.6% which falls to an availability rate of 11.6% once signed and reserved space was excluded. This, together with the strong sustainability characteristics of much of the new CBD stock, is keeping prime rents at or around recent highs.

We estimate that approximately 347,000 square metres of office space was under construction at the end of the first quarter of 2023. Of this, approximately 35% was already reserved or pre let. Almost all of the space being delivered is in the CBD with almost 90% of it due by the end of 2024. However, we believe that some of these projects could be delayed, particularly against the backdrop of elevated construction and debt costs as well as lingering global economic uncertainty.

**Ronan Corbett, Head of Offices, Cushman & Wakefield.**

*"The office market was in something of a lull in Q1 as owners, investors and occupiers struggled for answers to questions around the wider economic landscape, the future of the office and technology sector demand. So far this year the global economy has proved more resilient than expected while tech sector job losses have up to this point been relatively modest across an Irish economy which is still forecast to perform strongly in 2023. In our experience occupiers are still trying to identify the optimal hybrid working model to meet their business and staff needs. However, the one common denominator we've noticed in this debate is that it is still universally recognised that role of the office remains central to businesses' needs."*

**Rolling 12 Month Take Up****Development Activity by Expected Completion Year, Q1 2023**

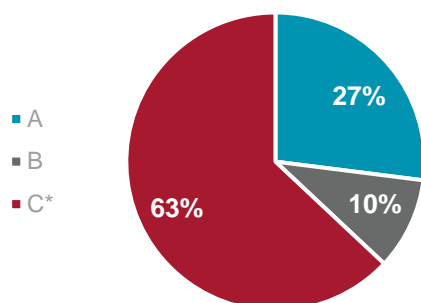
Source: CSO, Department of Finance Forecasts for 2023 and 2024

## SIGNED DEALS, Q1 2023

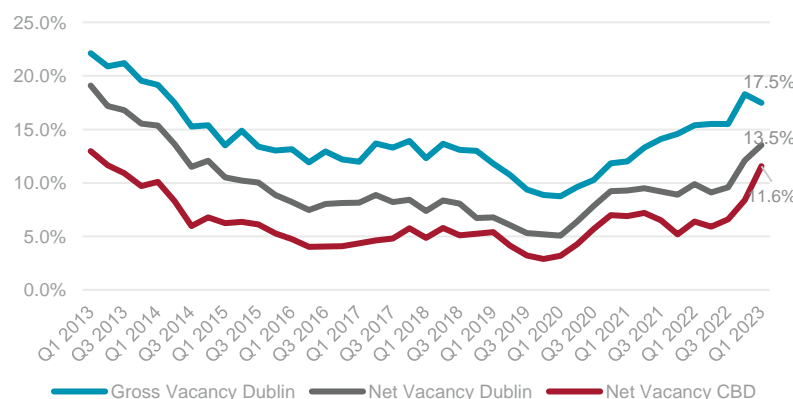
PROPERTY	SUB-MARKET	SIZE (SQ M)	STATUS	TENANT TYPE	TENANT
One & Two Dockland Central	CBD	4,000	Signed	ICT	Datadog
Block A, Westland Park	West	2,400	Signed	ICT	Virtual Access
Three Park Place	CBD	2,000	Signed	Financial & Insurance	Scotiabank
Building 3, Cherrywood	South	1,700	Signed	Financial & Insurance	OUTsurance

## NET AVAILABILITY CBD BY BER RATING, Q1 2023

## TRENDS IN VACANCY, Q1 2013 – Q1 2023



\*C or Lower, includes exempt and unknowns



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