



IRELAND

# DUBLIN OFFICES

QUARTER 4 | 2020



## Q4 TAKE-UP

**320,000**

SQ FT

PRIME  
QUOTING RENTS**€55-€65**

PSF PER ANNUM

## STOCK UNDER CONSTRUCTION

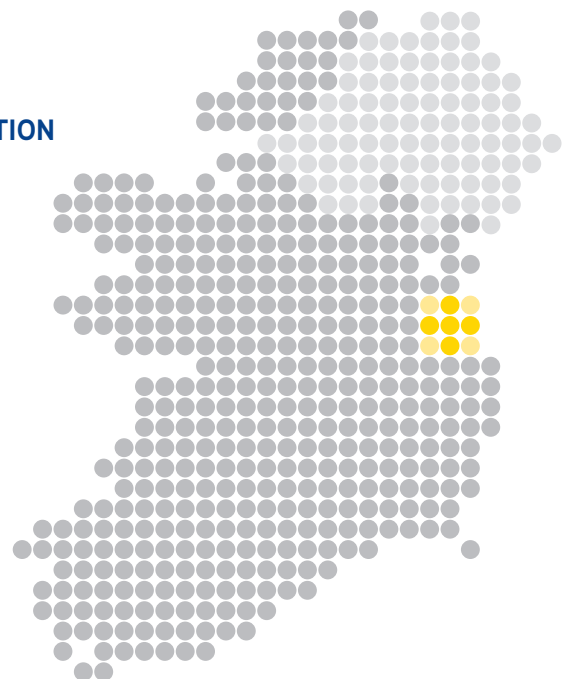
**45%**

PRE LET

## VACANCY

**10%**

OVERALL



## MARKET TRENDS

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- » The office market is expected to remain in effective pause mode with Level 5 lockdown extended into March however we are seeing an increase in the number of requirements as occupiers are in a position to make more concrete real estate decisions with the arrival of vaccines
- » 2020 was a challenging year for the office market, but it was encouraging to see multi-nationals like Microsoft; Amazon; Gilead; Twilio; Rabobank all taking space during the pandemic
- » The total take-up for 2020 was 1.78 million sq ft which is below the 10 year average of approx. 2.4 million sq ft. Unsurprisingly, 2020 was carried by Q1 where a total 1.15 million sq ft was leased across 34 deals. It is interesting to note that the average deal size in Q1 was 33,000 sq ft compared to 10,000 sq ft in Q4. The confirmed “reserved space” at the end of Q4 is 300,000 sq ft- this compares to 950,000 sq ft at the end of Q1 2020
- » The vacancy rate increased dramatically in 2020- moving from 6% in Q1 to 10% in Q4. This is largely attributed to an increase in Grey Space hitting the market. There is now over 1.3 million sq ft of sub-lease / assignment space on the market which makes up approximately 30% of the vacant stock
- » Landlords are now in competition with occupiers offloading fully fitted space. This will lead to downward pressure on rents and force them to offer more flexible lease terms and other incentives
- » Critically, 45% of the 5 million sq ft of stock under construction is already pre-let. The phased delivery of stock and more conservative lending approach in this cycle should mitigate risk of a market crash

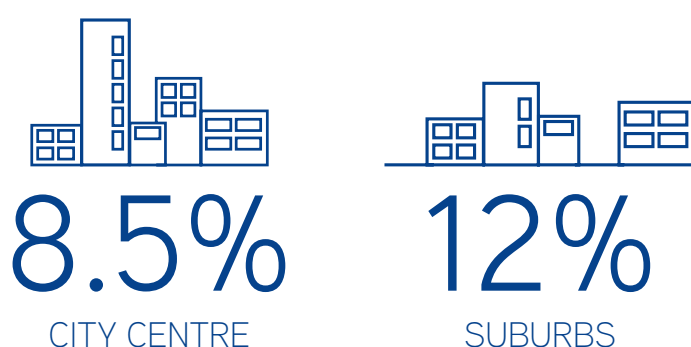
## TAKE-UP

- » Q4 take-up at 320,000 sq ft is a 36% increase on Q3 2020
- » 33 deals signed in the quarter (versus 29 in Q3)
- » 70% of take up in city centre versus 30% in the suburbs
- » 2020 take-up was 1.78 million sq ft but 65% of take-up was recorded in Q1 before the onset of Covid 19 restrictions in March
- » 300,000 sq ft of space “reserved” going into 2021 across 25 deals

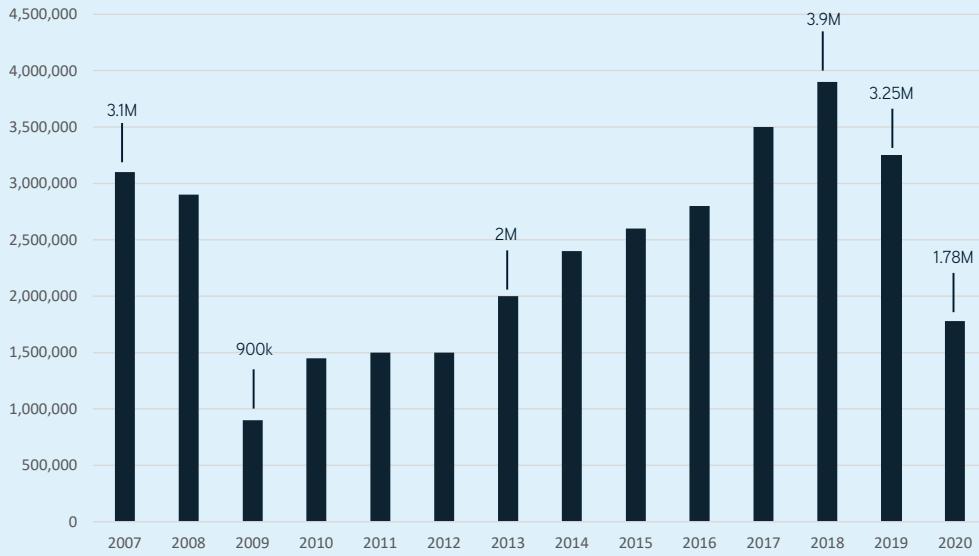
## SUPPLY

- » Total stock 44 million sq ft
- » 5 million sq ft currently under construction
- » 45% of stock under construction is pre-committed
- » 1.5 million sq ft of new completions in 2020
- » Increase in supply of Grey Space hitting the market- this sector now makes up almost 30% of vacant stock

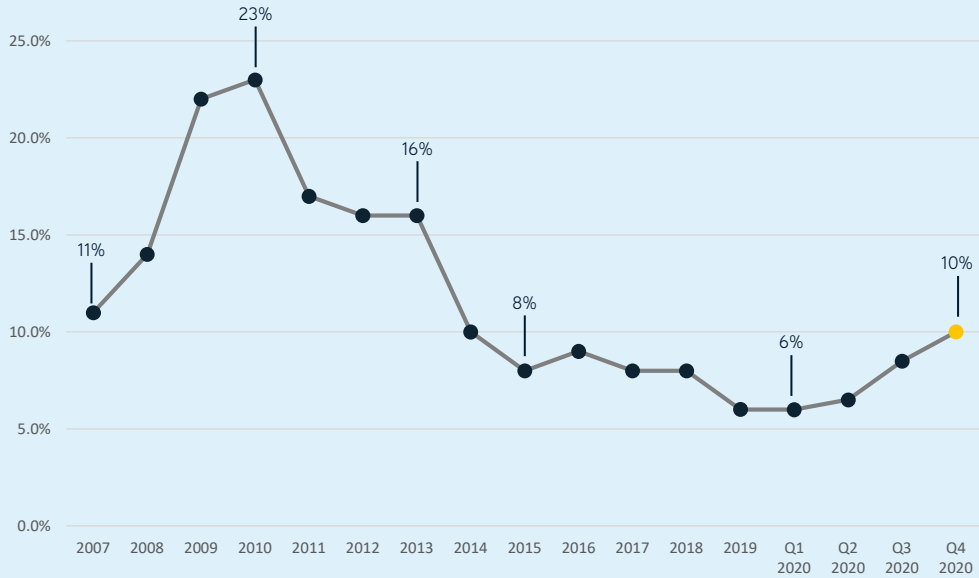
## VACANCY



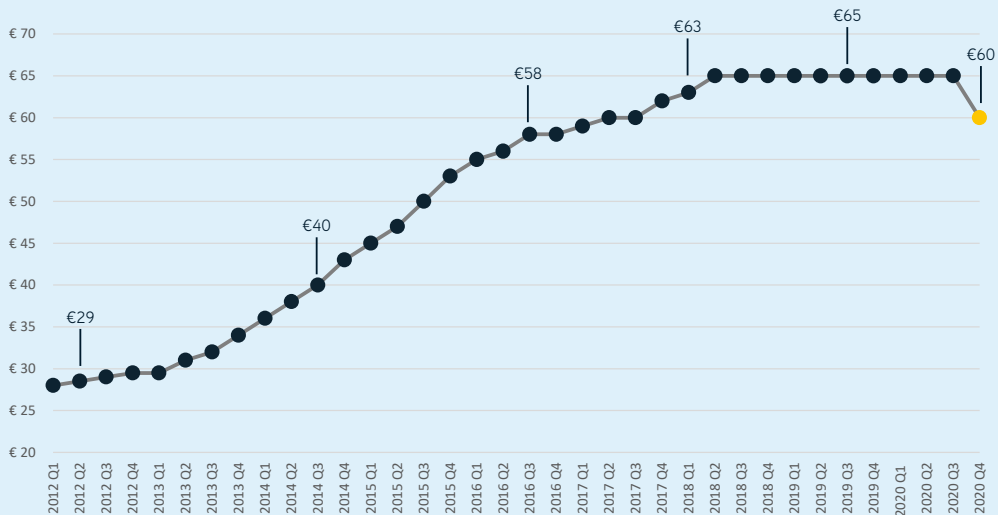
## HISTORICAL OFFICE TAKE-UP



## OVERALL DUBLIN HISTORICAL VACANCY



## HISTORICAL AVERAGE CITY CENTRE QUOTING RENTS



## DUBLIN RENTS BY AREA

LOCATION	PER SQ. FT. PER ANNUM
Prime CBD	€55 - €65
North Docks	€50 - €60
South Docks	€55 - €60
North Suburbs	€18 - €35
South Suburbs	€22 - €32.50
West Suburbs	€16 - €28

## NOTABLE Q4 2020 DEALS

OCCUPIER	SQ. FT	LOCATION
Amazon	75,000	CBD
HSE	43,500	City Fringe
Confidential	30,000	North Suburbs
Rabobank	23,500	South Docks
Blueface	15,000	North Docks

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