

Q2 DUBLIN OFFICE MARKET 2017



**BNP PARIBAS
REAL ESTATE**

RESEARCH

Q2 KEY TRENDS

TOP 5 DEALS

TMT AND FINANCIAL SERVICES SECTORS

TOP 4 DEALS

NEW / REFURBISHED SPACE

TOP 3 DEALS

DUBLIN 2 WITH TWO BEING NEW BUILDINGS

#1 DEAL CITY CENTRE

CAPITAL DOCK

#1 DEAL SOUTH SUBURBS

BLOCK H CENTRAL PARK

CONTENTS

- 3 Q2 OFFICE OCCUPIER MARKET AT A GLANCE
- 4 TOP 10 DEALS Q2
- 5 TOP 5 DEALS
 - DUBLIN 2
 - DUBLIN 1 & IFSC
 - DUBLIN 4
- 6 TOP 10 DEALS SUBURBS
- 7 TOP 5 DEALS
 - SOUTH SUBURBS
 - NORTH SUBURBS
- 8 KEY INSIGHTS
- 10 BNP PARIBAS REAL ESTATE NEWSFLASH
- 12 CONTACTS

Q2 OFFICE OCCUPIER MARKET AT A GLANCE



JOAN HENRY
Head of Research,
BNP Paribas Real Estate, Ireland

In turn these factors are supporting investor confidence in Irish commercial property where there is arguably excess demand for prime Dublin office assets, particularly for the larger lot sizes of €50m plus.

“Occupier demand for Dublin office space reached over 118,000 sq m in Q2, the strongest quarterly take-up for over a decade”

The net effect can clearly be seen in the office occupier sector, where pent up demand from occupiers is evident as the delivery of new Grade A supply becomes more of a reality. New supply is facilitating job creation and the expansion of key strategic sectors such as the TMT sector, with demand for space in the central business districts leading the way.

There are multiple factors supporting the strength of Dublin's office occupier market. Irish economic growth continues to exceed expectations, with 2017 set to maintain Ireland's position amongst the top performers in the European Union. The pace of employment growth also continues to surprise on the upside, with the unemployment rate falling to 6.2%, and a drop below 6% expected by year end. The high value-add nature of the jobs being created in, for example the TMT and professional services sectors, are having a positive multiplier effect throughout the economy.

50% of office space taken up in Q2 was from five transactions combined, three of which were for space in Dublin 2 (High profile occupiers from TMT and financial services companies – Facebook, Google, Zendesk, JP Morgan and AIB closed five largest transactions).

Demand for suburban space continues at a steadier pace in the West and South suburbs, particularly for relatively smaller space but remains constrained in the North suburbs by the lack of supply of both new and existing stock.

50%
OF OFFICE SPACE
TAKEN UP IN
Q2 FROM
5 DEALS



The Beckett Building,
East Wall Road:
Number one
Q2 2017 deal
in Dublin

TOP 10 DEALS Q2

	BUILDING	LOCATION	TENANT	SIZE SQ FT	SIZE SQ M
1	The Beckett Building, East Wall Road	Dublin 3	Facebook	170,000	15,794
2	Block H, Central Park	Dublin 18	AIB	152,000	14,121
3	200, Capital Dock, Sir John Rogersons Quay	Dublin 2	J.P Morgan	128,220	11,912
4	55 Charlemont	Dublin 2	Zendesk	57,865	5,376
5	Velasco, Grand Canal	Dublin 2	Google	51,096	4,747
6	Block 5, First Floor, Tallaght Retail Centre	Dublin 24	n/a	38,100	3,540
7	21 Charlemont	Dublin 2	Via Sat	36,834	3,422
8	1 WML, Windmill Lane	Dublin 2	Informatica	35,263	3,276
9	31-32 Golden Lane	Dublin 2	New Relic	31,000	2,880
10	40 Molesworth Street	Dublin 2	Jet.com	30,000	2,787

TOP 5 DEALS DUBLIN 2

	BUILDING	LOCATION	TENANT	SIZE SQ FT	SIZE SQ M
1	200, Capital Dock, Sir John Rogersons Quay	Dublin 2	J.P Morgan	128,220	11,912
2	55 Charlemont	Dublin 2	Zendesk	57,865	5,376
3	Velasco, Grand Canal	Dublin 2	Google	51,096	4,747
4	21 Charlemont	Dublin 2	Via Sat	36,834	3,422
5	1 WML, Windmill Lane	Dublin 2	Informatica	35,263	3,276

TOP 5 DEALS DUBLIN 1 & IFSC

	BUILDING	LOCATION	TENANT	SIZE SQ FT	SIZE SQ M
1	The Exchange, IFSC	Dublin 1	Food Safety Authority	19,401	1,802
2	2nd, 3rd & 4th Floor, 5 Lamps, Amiens Street	Dublin 1	The Mater Private Hospital	7,304	679
3	Fourth Floor, Ulysses House, Foley Street	Dublin 1	Citas College	6,581	611
4	Second Floor, Block B Joyces Court, Talbot Street	Dublin 1	Smartbox	6,383	593
5	Part Fourth Floor, 2 Dockland Central	Dublin 1	ENI	5,644	524

TOP 5 DEALS DUBLIN 4

	BUILDING	LOCATION	TENANT	SIZE SQ FT	SIZE SQ M
1	Two Haddington Buildings (Haddington Court), Haddington Road	Dublin 4	Dentsu Aegis Network	28,385	2,637
2	2/4 Claremont Road, Sandymount	Dublin 4	Boulder Media	20,667	1,920
3	Second Floor, Waterloo Exchange, Waterloo Road	Dublin 4	GLG	10,900	1,013
4	3 Ballsbridge Park, Ballsbridge	Dublin 4	Wipro	7,772	722
5	Part Fourth Floor, Connaught House, Burlington Road	Dublin 4	Theravance Pharma	6,200	576

TOP 10 DEALS SUBURBS

	BUILDING	LOCATION	TENANT	SIZE SQ FT	SIZE SQ M
1	Block H, Central Park, Leopardstown	Dublin 18	AIB	152,000	14,121
2	Block 5, First Floor, Tallaght Retail Centre	Dublin 24	n/a	38,100	3,540
3	Building A, Aurora House, Ballycoolin Business Park, Blanchardstown	Dublin 15	Ebay	22,604	2,100
4	Building 4, Cherrywood Business Park, Cherrywood	Co. Dublin	Genomics	17,855	1,659
5	Maple House, Blackrock	Co. Dublin	Darta Fund Services	13,719	1,275
6	3090 - 3094 (3100) Lake Drive, Citywest Business Campus	Dublin 24	Adobe	11,240	1,044
7	3 West Pier Business Campus, Dun Laoghaire	Co. Dublin	Tobam	7,427	690
8	Block 60, The Park, Carrickmines	Dublin 18	Venus Medical	6,890	640
9	Blanchardstown Corporate Park 10-3	Co. Dublin	Movianto	6,308	586
10	Second Floor Block A, The Crescent Building, Santry	Dublin 9	Capital Flow	6,216	577

Block H, Central Park
Number one
Q2 2017
suburban deal

TOP 5 DEALS SOUTH SUBURBS

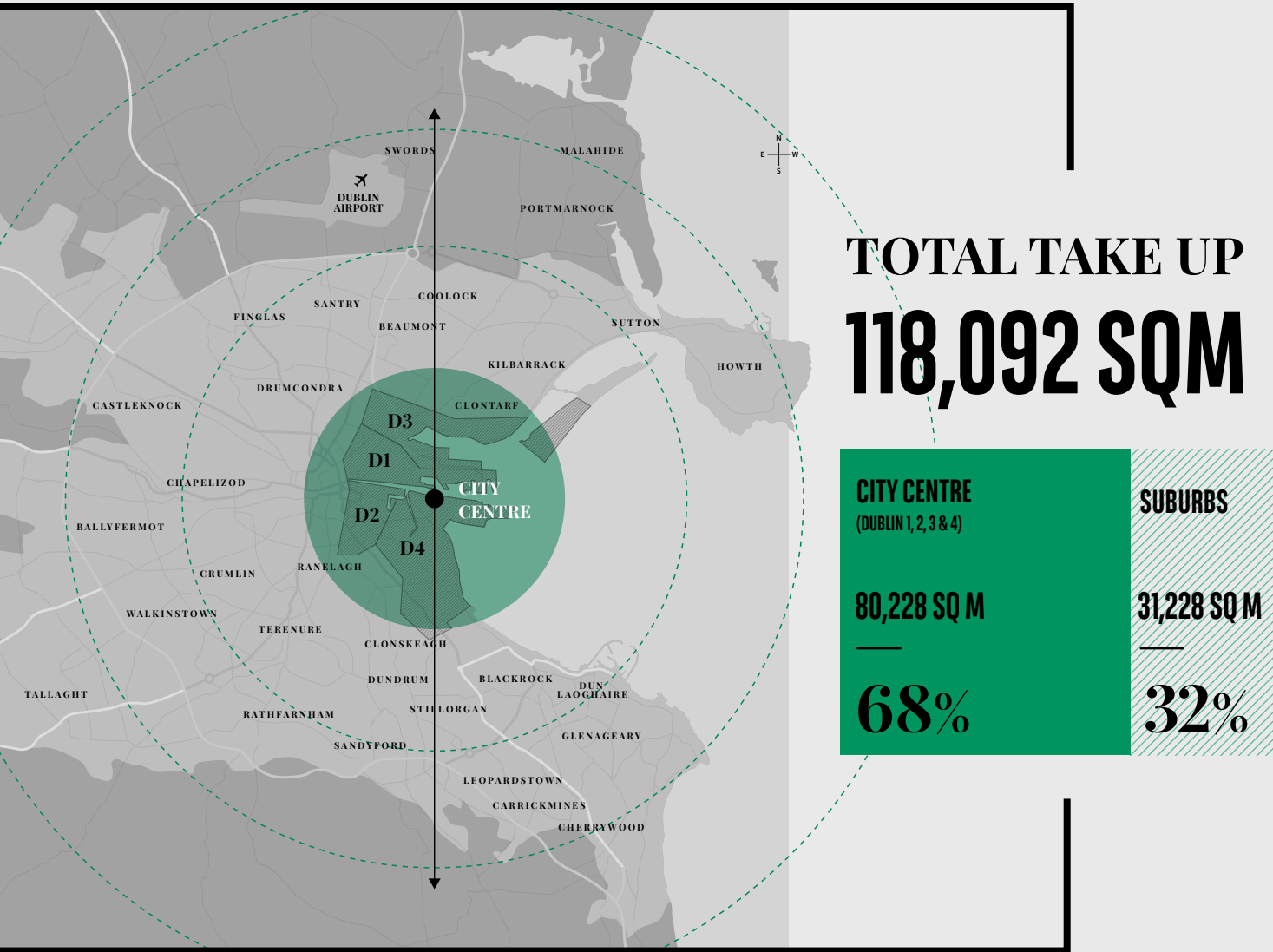
	BUILDING	LOCATION	TENANT	SIZE SQ FT	SIZE SQ M
1	Block H, Central Park	Dublin 18	AIB	152,000	14,121
2	Block 5, First Floor Tallaght Retail Centre	Dublin 24	N/A	38,100	3,540
3	Building 4, Cherrywood Business Park, Cherrywood, Co.Dublin	Co. Dublin	Genomics	17,855	1,659
4	Maple House, Blackrock	Co. Dublin	Darta Fund Services	13,719	1,275
5	3090 - 3094 (3100) Lake Drive, Citywest Business Campus	Dublin 24	Adobe	11,240	1,044

TOP 5 DEALS NORTH SUBURBS

	BUILDING	LOCATION	TENANT	SIZE SQ FT	SIZE SQ M
1	Building A, Aurora House, Ballycoolin Business Park, Blanchardstown	Dublin 15	Ebay	22,604	2,100
2	Blanchardstown Corporate Park 10-3	Co. Dublin	Movianto	6,308	586
3	Second Floor Block A, The Crescent Building, Santry	Dublin 9	Capital Flow	6,216	577
4	Unit 4A, Swords Business Campus, Swords	Co. Dublin	SAS	6,156	572
5	Skybridge House, Dublin Airport	Co. Dublin	TBC	4,779	444

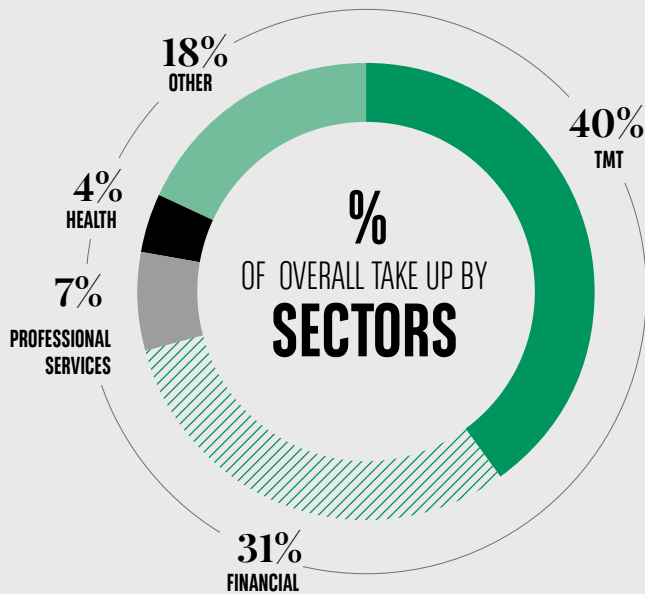
“Typical Suburban lease terms range from 10 to 15 years with break options in years 5 or 7. One noticeable exception to this is Block H, Central Park.”

KEITH O'NEILL Director Office Agency BNP Paribas Real Estate



“Typical City Centre lease terms range between 15 and 20 years with earliest break options at year 12.”

SHANE DUFFY Director Office Agency BNP Paribas Real Estate



“The active supply pipeline and modernisation of Dublin City’s office landscape are delivering a critical product to the market, essential for the economy to reach its full potential and be prepared for the outcomes of Brexit and other global geo-political changes.”

JOAN HENRY Head of Research, BNP Paribas Real Estate Ireland

	CITY CENTRE (DUBLIN 1, 2, 3 & 4)	SUBURBS
HIGHEST RENTS	€672.74 PER SQ M PART FOURTH FLOOR, CONNAUGHT HOUSE, DUBLIN 4	€322.92 PER SQ M MAPLE HOUSE, BLACKROCK, CO. DUBLIN
NUMBER OF DEALS	63	28
AVERAGE DEAL SIZE	1,273 SQM	1,117 SQM
OFFICE STOCK RESERVED	49,274 SQM	17,031 SQM

	BREAKDOWN OF DEALS PER SIZE CATEGORY:			
	UNDER 1,000 SQ M	1,000 / 2,000 SQ M	2,000 / 3,000 SQ M	3,000 SQ M AND ABOVE
CITY CENTRE	48	4	5	6
SUBURBS	22	3	1	2

SOME OF OUR CURRENT PROJECTS

#6 IPUT plc and Davy launch 6, 7 & 8 Waterside, Citywest

A development comprising 16,723 sq.m. of Grade A office accommodation.



#1 Three Park Place, Hatch Street Upper, Dublin 2

3 floors reserved. In excess of 10,000 sq.m. of prime Grade A office accommodation available for tenant fit out in August.



#5 Two Dockland Central, IFSC Dublin 1

Hubspot recently secured the 3rd floor in Two Dockland Central, taking their occupancy across the two buildings to over 5,574 sq.m.



#2 One South County, Sandyford, Dublin 18

Construction of 13,100 sq.m. of prime suburban Grade A office accommodation commenced August 2017 with completion Q4 2018.



#4 Bishops Square, Kevin Street, Dublin 2

Hines announce plans to construct a new 6th floor penthouse and the refurbishment of the 4th & 5th floors. 4,500 sq.m. available for tenant fit out Q2 2018.



#3 Dublin Airport Central, Dublin Airport, Co. Dublin

In May Dublin Airport Authority launched the impressive Dublin Airport Central Office Development extending to total area 41,000 sq.m. across four Grade A Office Buildings.



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