OFFICE REPORT

Q1 2025

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The Dublin office market remained steady in Q1 2025. Take-up was supported by the continued return of employees to the workplace and growing employer confidence in committing to new leases. Most tenants continued to favour fully fitted space due to the high cost of fit-out. Vacancy rates across Dublin eased, and with several notable deals reserved at the end of March, availability is expected to decline further in the coming months.

38,300sqm
Take Up

42
Number of Transactions

910 sqm
Average Lot Size

82%
City Centre
Busiest Region

39%
Professional Services
Busiest Sector

€678 psm
(€63 psf)
City Centre Prime Headline Rent

111,000 sqm
81% in the city centre
Reserved

16.7%
Dublin Headline Vacancy Rate

157,000 sqm
Under Construction

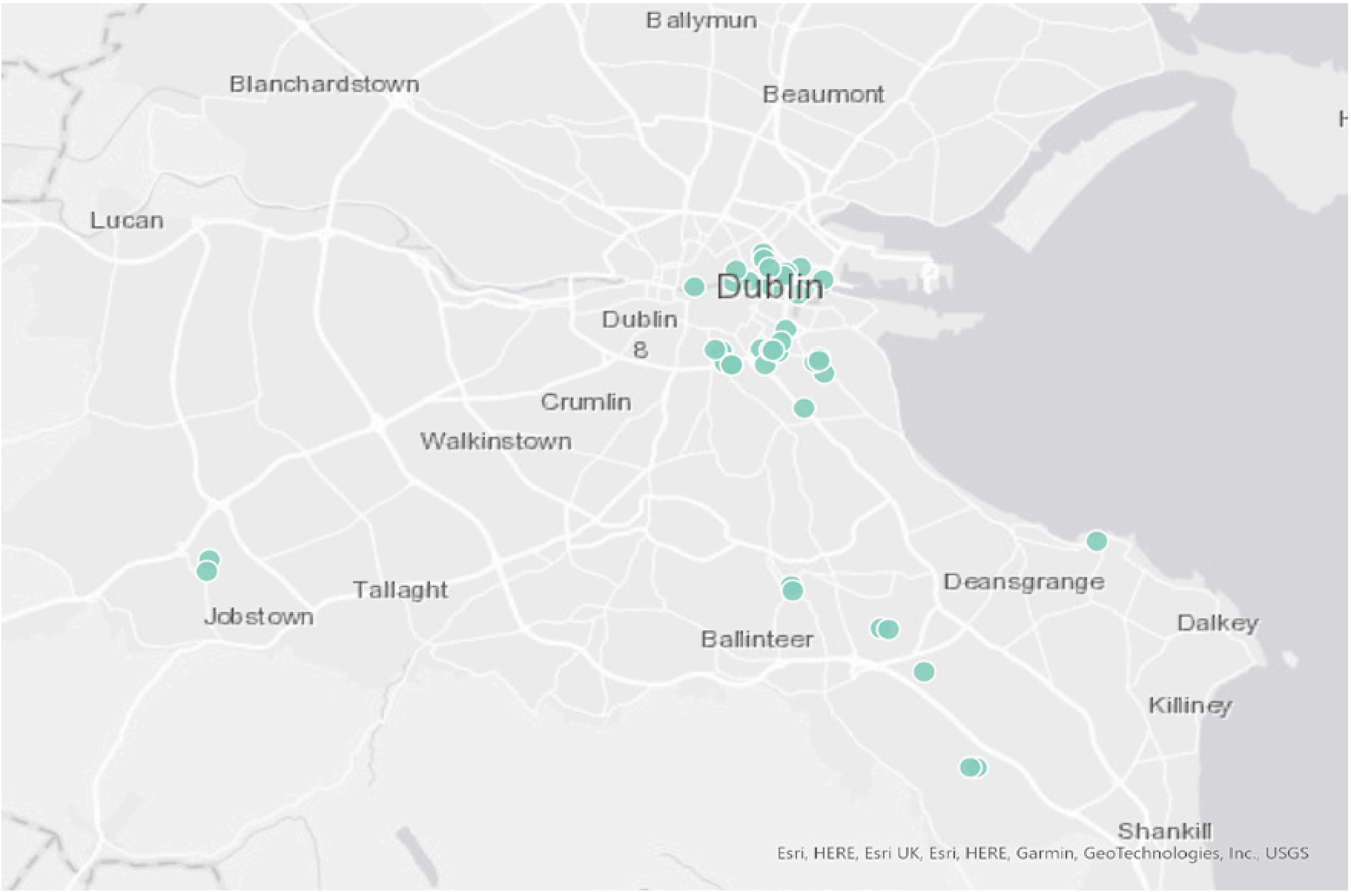
Arrows represent quarterly trends unless otherwise stated.

Top 10 Office Transactions (Q1 2025)

BUILDING	SQM	REGION	OCCUPIER
3 Wilton Park, Dublin 2	5,080	City South	EY
Four & Five Park Place, Harcourt Road, Dublin 2	3,510	City South	Apple
110 Amiens Street, Dublin 1	2,900	City North	HSE
Glencar House, Dublin 4	2,000	City South	Blackrock Asset Management
North Dock Two, Dublin 1	1,460	City North	Fenergo
35 Shelbourne Road, Dublin 4	1,220	City South	USAA
Iveagh Building, Carrickmines, Dublin 18	1,210	South Suburbs	HSE
Kilmore House, Spencer Dock, Dublin 1	1,200	City North	Optum
Bloodstone Building, Dublin 2	1,190	City South	DBT Labs
3052-3036 Lake Drive, Citywest, Citywest, Dublin 24	1,050	West Suburbs	Regus

Source: Lisney

Office Take-Up (Q1 2025)



Source: Lisney

RIGHT: 110 Amiens Street, Dublin 1

Activity

Activity in the Dublin office market remained steady in Q1 2025, with quarterly take-up reaching 38,300 sqm. While this was 27% less than in Q4 2024 (52,550 sqm), it was a substantially stronger start to the year compared to Q1 2024 (15,700) and Q1 2023 (26,280 sqm). However, the Q1 take-up remained below the 20-year quarterly average of 52,500 sqm.

CITY CENTRE DOMINANCE

- The city centre region remained the most active in Q1 with 82% of all activity taking place there. The south region followed, at 14%, and the west region at 4%, while no transactions were recorded in the north region.

DEAL INSIGHTS

- 42 deals were completed in Q1, with the top 10 accounting for 69% of the total take-up.
- Three deals exceeded 2,000 sqm each, including one greater than 5,000 sqm.
- The largest deal comprised accountancy firm EY leasing 3 Wilton Park in Dublin 2 (5,080 sqm). This letting accounted for 13% of the quarter's activity.

DEAL SIZES

- The average deal size in Q1 decreased to 910 sqm, down from 1,030 sqm in Q4 2024 and remained below the 10-year average of 1,250 sqm.
- Smaller lettings (<1,000 sqm) continued to dominate transaction numbers accounting for 32 out of 42 deals. However in terms of size, combined they accounted for 45% (17,500 sqm) of all space

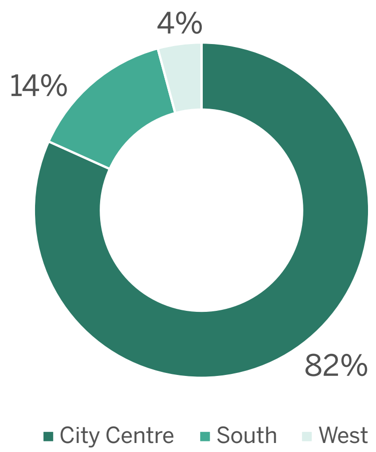
OCCUPIER ORIGIN & TYPE

- Domestic occupiers led take-up in Q1, accounting for 46% of the quarter's activity, while North America occupiers followed closely, at 41%. EY's deal significantly contributed to the North America's activity share, and when excluded, it accounted for 32% of the total.
- The average lot size taken by the Irish occupiers was 800 sqm, compared to 1,310 sqm taken by North American companies (970 sqm excluding EY's letting).
- Professional services was the most active occupier sector at 39% of take-up, although it was down on the previous quarter of 60%, which was primarily driven by Deloitte's lease.

BUILDING TYPE

- There were five deals completed for accommodation in newly constructed buildings (12,400 sqm).
- A further five deals were completed in refurbished properties (2,240 sqm).
- Previously occupied space dominated activity with 32 deals (23,700 sqm).

Take-Up by Region (Q1 2025)



Source: Lisney

TERMS

The prime city centre headline rent remained stable in the quarter at €678 psm (€63 psf), having been at €700 psm (€65 psf) at the end of 2023. Rental rates on secondary space also remained steady in Q1. Overall, Lisney's office rent index for the Dublin region (prime and secondary buildings in all areas) showed no change in March 2025 when compared to 12 months ago and 6.3% lower than in March 2020.

DEMAND

The evolving landscape of WFH and hybrid working presented significant challenges for occupiers in recent years as they struggled with defining their property needs. However, last year a clearer understanding of space requirements and staff patterns emerged. Unfortunately, the market was impacted by further uncertainty in Q1 due to US policy, particularly around global tariffs (and their pauses or escalations) and the potential for slower or negative economic growth in the short-term. A better understanding of this will emerge in the months ahead.

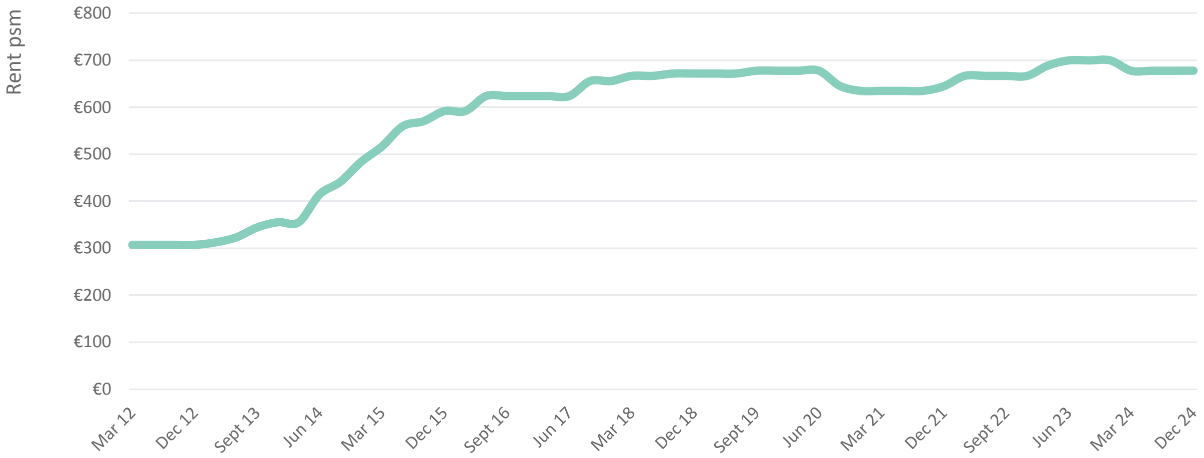
While demand for fully fitted space persists as the preferred option, companies are increasingly more open to taking newly built grade A space and investing in fit-out, reflecting the growing confidence in their size requirements.

At the end of March 2025, there was just over 111,000 sqm of office accommodation reserved, of which 81% was in the city region. This includes 38,660 sqm reserved by Workday at College Square in Dublin 2; 9,700 sqm reserved by Maples at 75 St Stephen's Green in Dublin 2; and 8,110 reserved by Deloitte at 2 Burlington Road, Dublin 4.

There is significant demand for office accommodation from professional services firms such as Eversheds, Bank of Canada, Hudson River, Dillon Eustace and The Pensions Authority all of which are actively looking in the market. More demand is also expected from the State and State-backed bodies, including purchases of new premises in addition to some of the premises it already occupies as tenants.

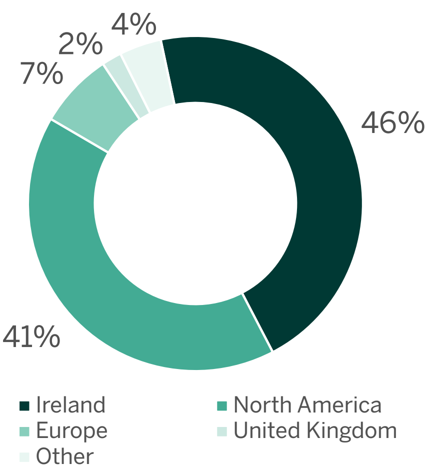
The importance of sustainability in businesses' property decision-making remains strong. This is encouraging landlords with tenants in place to ensure their buildings meet the required credentials to encourage tenants to renew agreements as lease events approach.

Prime City Centre Headline Office Rent (Q1 2012 – Q1 2025)



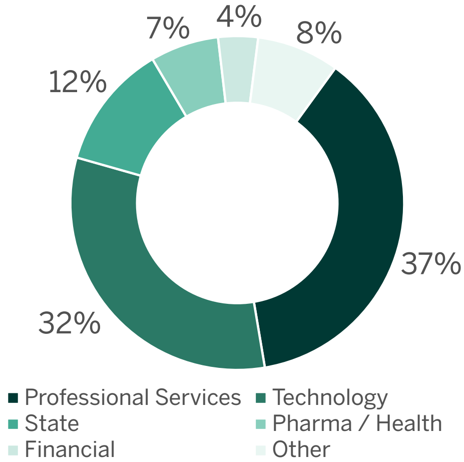
Source: Lisney

Take-Up by Occupier Origin (Q1 2025)



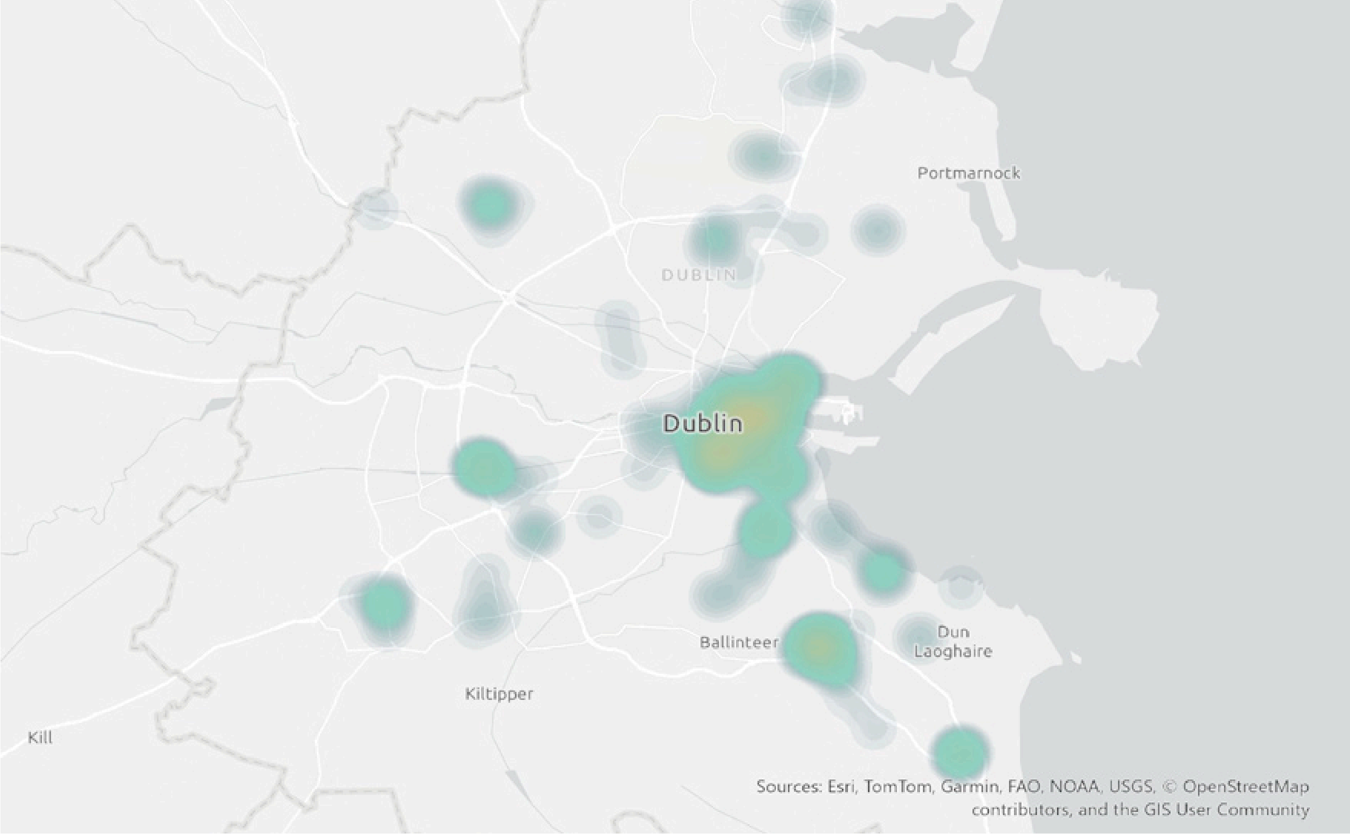
Source: Lisney

Take-Up by Occupier Sector (Q1 2025)



Source: Lisney

ABOVE: 35 Shelbourne Road,
Dublin 4



*ABOVE: Office supply Q1 2025

Supply

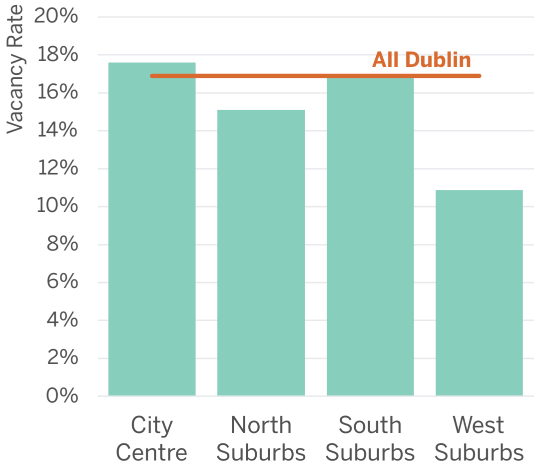
At the end of March 2025, 756,000 sqm of modern, purpose-built office accommodation was vacant across Dublin, a slight reduction from 760,000 sqm in Q4 2024.

The largest availability within a single scheme remained in Fibonacci Square in Ballsbridge, Dublin 4 where 35,300 sqm was available to let. This was followed by Cooper's Cross One and Two, Dublin 1 (31,400 sqm) and 4 & 5 Grand Canal Square, Dublin 2 (23,100 sqm).

Dublin's overall headline vacancy rate was 16.7% at the end of March, generally stable compared to 16.8% in December 2024. This represents a significant rise from 6.9% in early 2020, with the majority of the increase coming from new speculatively built buildings and grey space. The vacancy rates across the regions varied with the city centre headline rate at 17.6% and the true rate (when obsolete stock that is never likely to be occupied again is removed) at 17.2%.

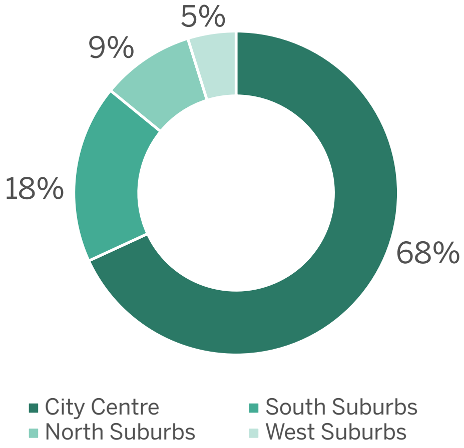
AVAILABLE	756,360 sqm
GRADE	56% used 39% new / not previously occupied
HEADLINE VACANCY RATE	16.7%

Headline Vacancy Rate by Region (March 2025)



Source: Lisney

Supply by Region (March 2025)



Source: Lisney

ABOVE: Glencar House,
Dublin 4

New Stock

UNDER CONSTRUCTION	157,000 sqm
LARGEST SCHEME UNDER CONSTRUCTION	Waterfront Central, North Wall Quay, Dublin 1
AVERAGE NEW SCHEME SIZE	11,700 sqm City Centre
DEAL AGREED / RESERVED PRE-COMPLETION	68%

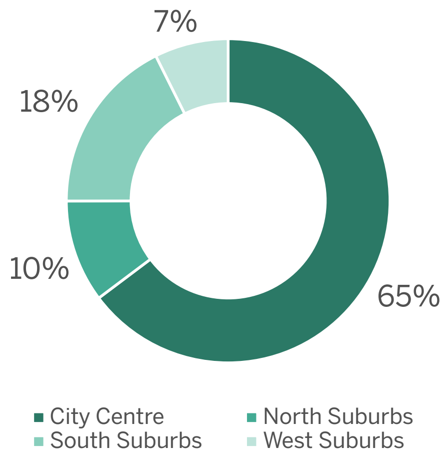
In Q1 2025, Leeson Lane building in Dublin 2 was completed, adding 5,570 sqm to Dublin's office stock. The building was let to OPW prior its completion.

At the end of March 2025, there was approximately 157,000 sqm of office space under construction, down from 220,000 sqm at the end of 2024. The decline is largely attributed to Camden Yard on Kevin Street in Dublin 2 (53,100 sqm), which is currently in receivership and has been placed on hold while partially completed. Substantial schemes under construction in Q1 included:

- Waterfront Central, North Wall Quay, Dublin 1 (40,000 sqm) – part is available with Citi Bank taking 60% of the scheme
- Harcourt Square, Dublin 2 (32,000 sqm) – pre-let to KPMG as its new HQ
- 1 Adelaide Road, Dublin 2 (14,860 sqm) – pre-let to Deloitte as its new HQ, bringing all Dublin operations into one scheme.

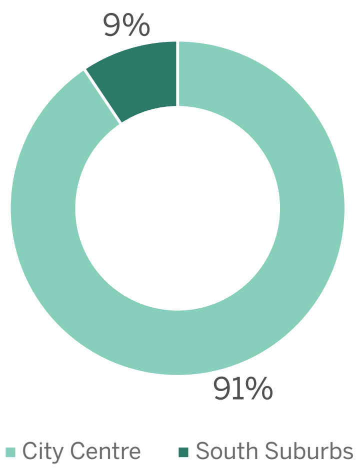
Building works will continue on accommodation already under construction, and while there are a substantial number of new schemes available, as the last property cycle showed, these can get taken up very quickly as the market improves. Notably, this brings future risks as a shortage of A-rated / zero-emission buildings could emerge in two to three years to meet the demand arising from occupiers' 2030 sustainability commitments and EU directives. Developers, investors and funders need to keep this in mind and where there is planning for well-located central schemes and funding is available, developers should consider speculatively building.

Existing Office Stock by Region (March 2025)



Source: Lisney

Office Stock Under Construction (March 2025)



Source: Lisney

There is much talk about the threat to Ireland's FDI industry with the change in US government and its adoption of protectionist policies.

Outlook

As 2025 progresses, and assuming no further US tariff shocks (especially on the tech industry), rental terms will begin to tighten in favour of the landlord; rent free periods will lessen and break options will be pushed out. While rents will remain generally stable over the year, rental terms for newer quality buildings in prime city areas will improve. Similarly, voids and rental terms will improve heading into H2 2025 for landlords of well positioned business parks.

In the medium term, professional services will continue to be the most active sector, but law firms will take the lead as the Irish legal sector continues to undergo change through M&A. This change is taking various formats; some smaller to mid-size Irish firms are joining up with one another, and large international practices (mainly from the UK and US) are entering the market and either merging with existing Irish firms or establishing new operations.

While overall office availability remains high, much of it is concentrated in older or less central buildings. Toward the end of 2025, pockets of supply constraints are expected to emerge for new, ESG-compliant space in prime CBD locations such as Dublin 2 and Dublin 4. At the same time, speculative development remains limited, with only one or two new scheme commencements likely this year as funders remain cautious. While this reflects current market logic, it risks creating a supply gap in the coming years, particularly for ESG-compliant space.

To meet future demand, some landlords will opt to refurbish older buildings to high BER standards, typically A or high B. Refurbishment offers a faster, less risky route to market than new construction and is increasingly necessary, as buildings below A3 may be excluded from consideration by State bodies and ESG-focused tenants.

Following a steep learning curve in the last two to three years, sustainability and its implications on the office market became better understood in 2024. The US administration has signalled a reduced focus on sustainability and certain US occupiers will adopt a similar mindset. However, the various European and domestic sustainability policies will continue to influence how properties are funded and occupied. We believe the flight to quality will intensify for many cohorts of occupiers – both to meet their own ESG promises, but also to assist in attracting staff to the office and providing attractive work-life amenities. As we move closer to 2030, the focus on sustainability will intensify.

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