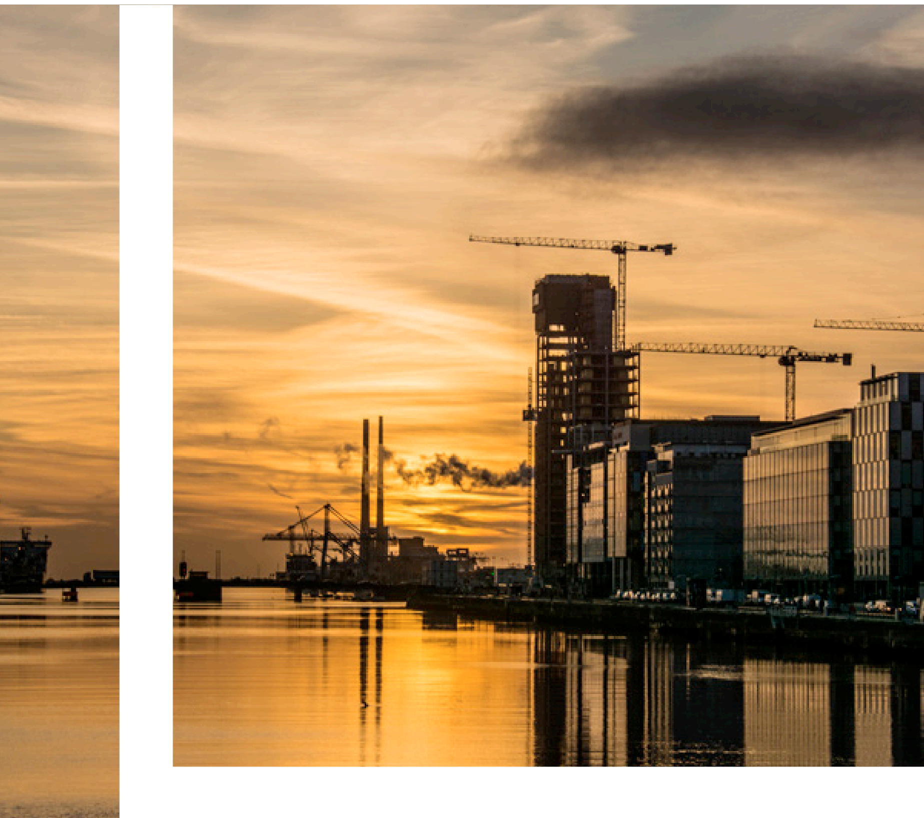
Lisney
COMMERCIAL REAL ESTATE

INDUSTRIAL REPORT

Q2 2025



Q2 2025

Activity in the Dublin industrial market remained reasonably strong in Q2 2025, driven in part by a small number of significant deals that boosted overall volumes. Lettings continued to dominate, while vacancy rates remained unsustainably low, especially for larger modern units. Development activity continued at a steady pace, with several new schemes breaking ground. While most construction remained speculative, appetite for modern, sustainable space persisted.

▲ 58,800 sqm

Activity

▼ 23

No of Deals

▼ 14,300 sqm
Two buildings in Dublin 15

Largest Transaction

▼ 86%

Lettings

▲ 2,560 sqm

Average Lot Size

▲ 2.3%

Vacancy Rate

▲ 43%
Northwest

Busiest Region

▶ €145 psm
(€13.50 psf)

Prime Headline Rent

▲ 120,200 sqm

Under Construction

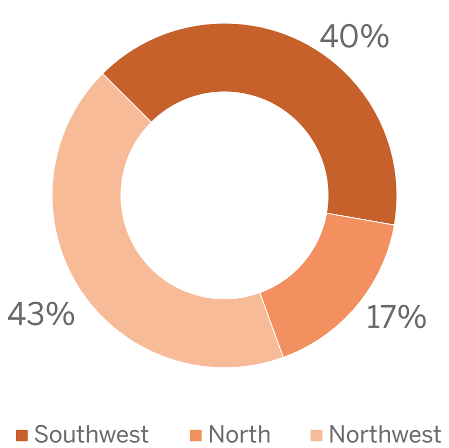
Arrows represent quarterly trends unless otherwise stated.

Top 10 Transactions (Q2 2025)

PREMISES	SQM	REGION	DEAL TYPE
Two buildings in Dublin 15	14,300	Northwest	Letting
Unit 1 Cloverhill Industrial Estate, Clondalkin, Dublin 22	10,240	Southwest	Letting
Unit 6 Vantage Business Park, Co Dublin	10,070	Northwest	Letting
Former Agnelli Building, Greenhills Road, Tallaght, Dublin 24	4,390	Southwest	Sale
Unit 1 Poppintree Industrial Estate, Dublin 11	4,070	North	Sale
Unit C Airport Business Park, Santry, Dublin 9	2,030	North	Letting
Unit 2A Southwest Business Park, Cheeverstown, Citywest, Dublin 24	1,860	Southwest	Letting
Unit 1B & 1C Finches Industrial Park, Long Mile Road, Dublin 12	1,720	Southwest	Letting
Unit 9B Beckett Way, Parkwest, Dublin 12	1,710	Southwest	Letting
27A Moyle Road, Dublin Industrial Estate, Dublin 11	1,560	North	Letting

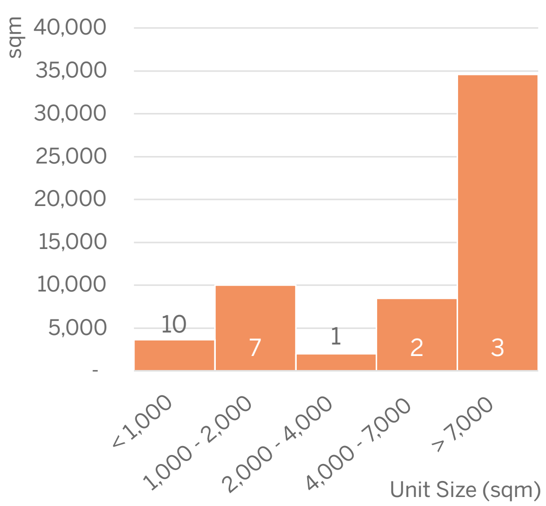
Source: Lisney

Take-Up by Region (Q2 2025)



Source: Lisney

Take-Up and No of Deals by Size (Q2 2025)



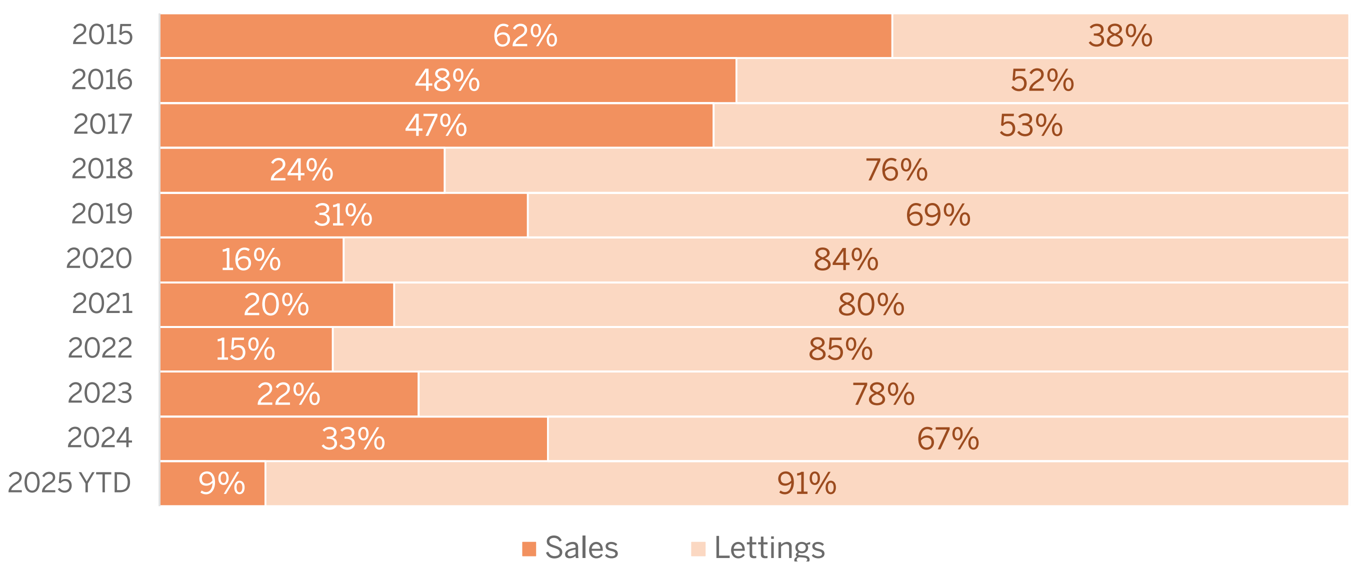
Source: Lisney

Activity

The Dublin industrial market remained steady in Q2 2025, with take-up reaching 58,800 sqm across 23 deals. This was slightly up from 54,300 sqm in Q1, although remaining below the 10-year quarterly average of 73,060 sqm.

- Activity was led by the northwest region, which accounted for 43% of the quarter's take-up, followed by the southwest (40%) and the north (17%) regions. There was no activity in the south region in Q2. The average deal size was reasonably stable at 2,560 sqm, slightly above the previous quarter (2,260 sqm), and above the 10-year average of 2,150 sqm.
- Larger transactions drove the market, with three deals over 10,000 sqm accounting for over two-thirds of the total volume of take-up (69%). There were ten transactions with lot sizes under 1,000 sqm, accounting for only 6% of quarter's activity. The mid-size bracket (1,000 to 4,000 sqm) was reasonably active, with eight deals completed, representing 20% of activity.
- The top 10 deals combined made up 88% of the total activity. Eight of these were lettings and each exceeded 1,000 sqm with one deal more than 14,000 sqm. Five out of the top ten deals were in the southwest region and combined accounted for 34% of the overall activity and 84% of the region's activity. The north region had three deals in the top ten, accounting for 13% and 78% of the take-up, respectively. The northwest region, with two deals in the top ten, accounted for 41% of the total quarters' activity and 96% of the region's activity.
- The largest transaction was the confidential letting of two units in Dublin 15 (14,300 sqm). This deal accounted for 24% of quarter's activity.
- Lettings accounted for 88% of all space transacted in Q2 and 91% in the first half of 2025. While sales had been steadily rising over the past few years (15% of activity in 2022, 22% in 2023, and 33% in 2024), 2025 so far has been very much letting-driven. There were only two sales in Q2 2025, and a total of four in the first half of the year. This, however, is predominantly due to the limited availability of suitable buildings for purchase rather than the lack of demand from owner-occupiers

Annual Take-Up by Deal Type (2015 – 2025 YTD)



Source: Lisney

Supply

Dublin's industrial vacancy rate rose to 2.3% at the end of June 2025, up from 1.7% three months earlier, as available supply increased by 41% to 191,700 sqm. While this marked a notable rise, availability remains unsustainably low across the market. Vacancy rates were below 5% in all regions, with the southwest region recording the lowest rate at just 1.2%.

Availability of larger units remains severely restricted, with only one unit over 10,000 sqm available on the market. As has been the case for the last few years, smaller units (< 1,000 sqm) make up the bulk of supply, accounting for approximately 66% of all units available for occupation, although much of it is dated in terms of specification.

DEMAND

Occupier demand remained steady in the quarter but was softer than the elevated levels seen during the post-pandemic and post-Brexit boom of 2020–2023, and more in line with long-term trends. Demand was driven by 3PL operators, retailers, and service providers, with a continued focus on modern, well-located space. Many requirements were contract-led, particularly among logistics operators, resulting in a preference for lease terms of five years or shorter.

Many businesses remained cautious about relocation or expansion, weighing the benefits of moving to more efficient buildings against the lower rents available in their existing premises. Additionally, the introduction and pausing of US tariffs early in the quarter also caused some initial delays, however activity picked up as the quarter progressed. A limited supply of suitable options continued to shape occupier decision-making in.

Tenants across all size ranges are becoming increasingly aware of the cost advantages of occupying buildings with BER ratings of B3 and better. At the same time, in an increasingly competitive labour market, the proximity to residential catchments and access to staff remains an important location driver.

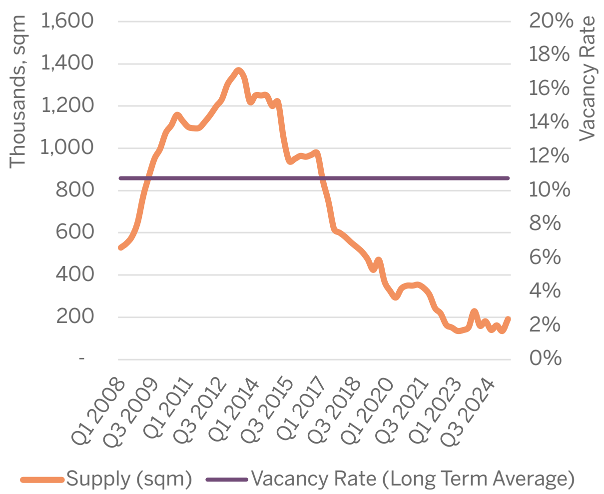
TERMS

Overall, Dublin industrial and logistics rents increased in Q2 2025 with the prime headline rate rising to €145 psm (€13.50 psf) from €140 psm (€13.00 psf). For large new build units, most landlords continue to secure 10 to 15-year leases with break options at years 5 or 10, rent-free periods of 3 or 4 months and headline rents at €134 - €145 psm (€12.50 - €13.50 psf). Rents for smaller enterprise units of sub 1,500 sqm remained stable at €183 psm (€17.00 psf) to €1,194 psm (€18.00 psf) for refurbished secondary stock.

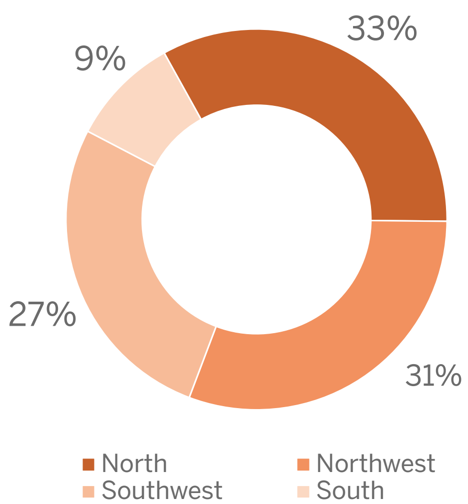
Lisney's index of industrial rents in Dublin (prime and secondary buildings of varying sizes across the four regions) grew by 4.5% in 12 months to the end of June 2025 and 1.1% in three months.

AVAILABLE	191,700 sqm
LARGEST SUPPLY	33% North Region
LARGE UNITS (>10,000 SQM)	Only 1 available 6% of Supply
SMALL UNITS (<1,000 SQM)	≈ 97
VACANCY RATE	≈ 2.3%

Dublin Industrial Supply (Q1 2008 – Q2 2025)



Industrial Supply by Region (Q2 2025)



Source: Lisney

New Stock

In Q2 2025, Phase II of Vantage Business Park was completed, adding four buildings with a combined area of just under 35,000 sqm to the stock.

Further completions included Units F1 and G1 in Horizon Logistics Park (31,100 sqm combined) and Unit 34 in Magna Business Park, Citywest, Dublin 24 (13,900 sqm). Of these, three buildings in Vantage Business Park and Unit 34 in Magna Business Park remain available.

At the end of June, approximately 120,200 sqm of accommodation was under construction in Dublin. The southwest region accounted for 54% of the total, followed by 24% in the northwest and 22% in the north region. The average unit size was 5,700 sqm, with eaves heights ranging from 9m to 14.6m. Only 12% of space under construction was spoken for. This reflects a notable shift from recent years, when up to half of new space was committed before completion. That said, there are indications that some of these new builds are either reserved or in active negotiations.

NOTABLE DEVELOPMENT ACTIVITY

In Q2, IPUT commenced construction on the first phase of Nexus Logistics Park at the Cherryhound interchange on the M2. Works started on Unit 4 (10,440 sqm) and Unit 8 (4,850 sqm), both of which are available to let. On completion, the Park will comprise 232,000 sqm of accommodation across 17 units, all targeting BER A1 and LEED Gold certification. Nexus is designed as a high-spec, sustainable logistics park, with features such as glue-laminated timber frames, rainwater harvesting, EV charging, and renewable energy systems. It will also offer a range of shared on-site amenities, including a gym, full-size astro pitch, two padel courts, and cycling and jogging paths. Occupiers will also have access to IPUT's city centre space for meetings, events, or working.

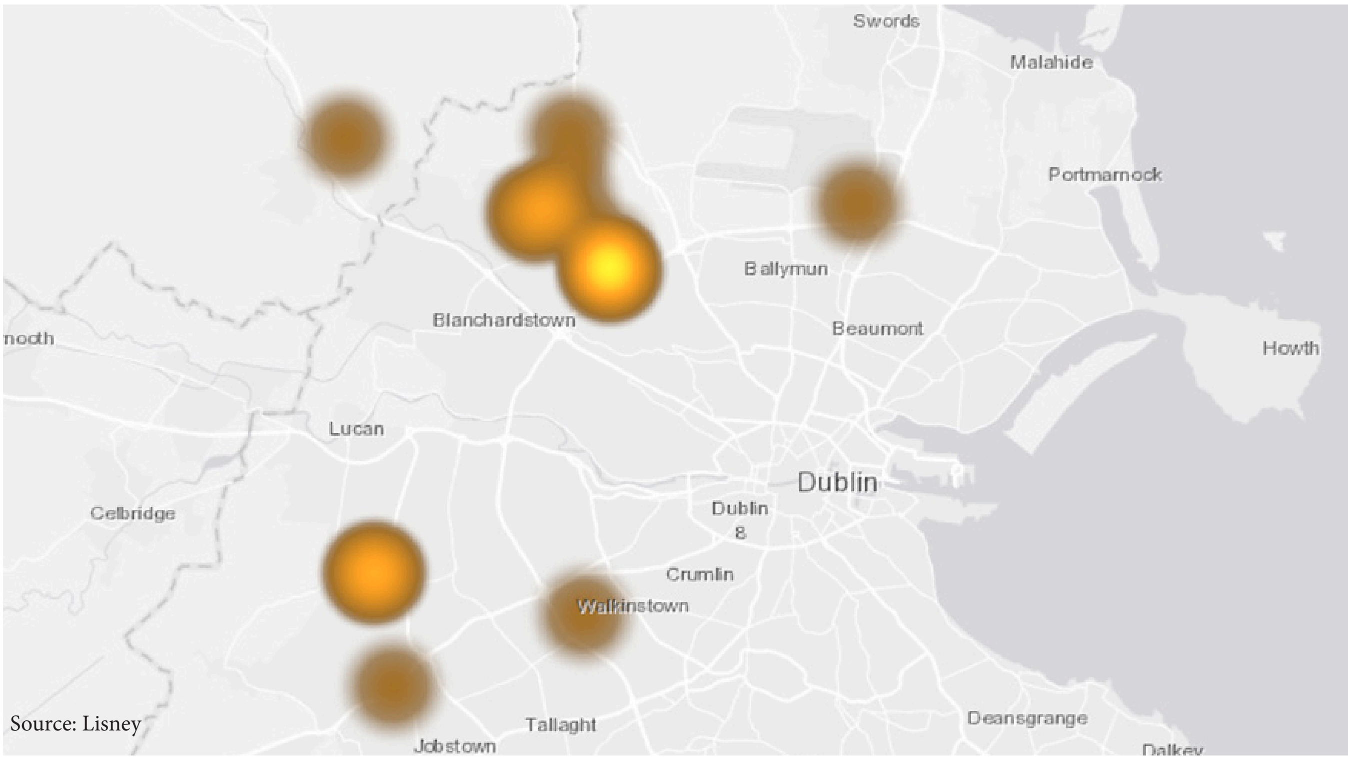
Construction also commenced on five units at Stadium Business Park in Ballycoolin. Developed by Dunquin Capital and Bridges Fund Management, the scheme is due for completion in Q2 2026. The units will range from 1,500 sqm to 2,100 sqm and are being built to NZEB standards, targeting a BER rating of A2 and LEED Gold certification. All units are being developed speculatively and are available to let.

Mountpark continued work on Grange Castle West Business Park in Dublin 22, which on completion, will comprise five buildings ranging from 6,500 sqm to 18,400 sqm. The scheme is being built to high sustainability standards, targeting BREEAM Outstanding and BER A1 ratings.

UK developer Chancerygate (in the Irish market since 2022) also continued construction of Airport Trade Park, located on Old Swords Road. The Park will deliver 13 units ranging from 330 sqm to 2,100 sqm and will be the first multi-let, smaller-unit scheme built in Ireland since 2007. Designed to LEED Gold standard, it will provide modern, sustainable industrial accommodation and help address the strong demand and undersupply of smaller-sized units in the market.

In terms of pipeline, approximately 222,000 sqm of industrial space had planning permission granted but had not yet started construction at the end of June 2025. 54% of this is in the north region, with the remainder spread across the northwest (22%) and southwest (24%) regions.

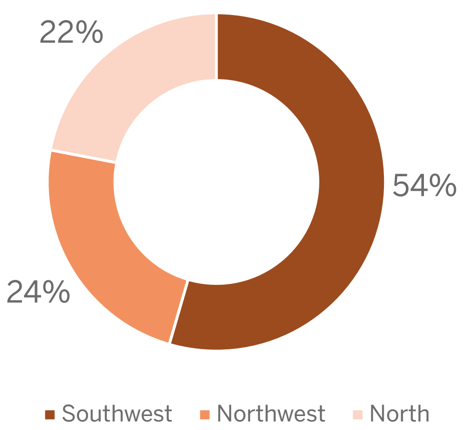
Under Construction Activity (End-June 2025)



Source: Lisney

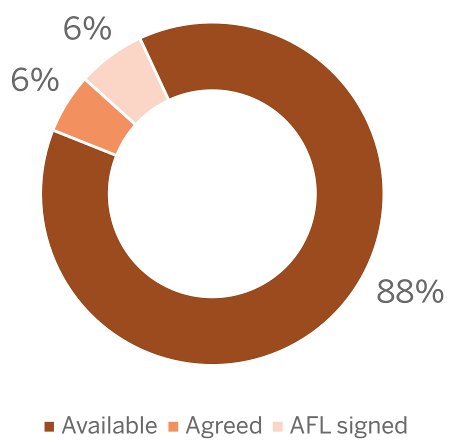
ABOVE:
Unit 1 Poppintree, Dublin 11

Accommodation Under Construction by Region (Q2 2025)



Source: Lisney

Accommodation Under Construction by Status (Q2 2025)



Source: Lisney

It is expected that towards the end of 2025 and into 2026, several larger requirements will become active as occupiers become more confident in their decision-making processes and there is greater certainty around world trade.

ABOVE:
Unit 2A Southwest Business Park, Dublin 24

Outlook

Dublin's industrial and logistics market will remain active in the second half of 2025, albeit with demand and activity levels more in line with longer-term trends. The heightened level of requirements that prevailed during the pandemic and as a result of Brexit, diminished in 2024 and the market has reverted to more normal levels of demand.

The ongoing volatility in international trade negotiations is expected to fuel a cautious approach among many occupiers in the months ahead, particularly those in the pharmaceutical sector.

Strongest demand will continue to come from 3PL operators and individual retailers. Several 3PL operators with contracts in Ireland and the UK will continue to review the Irish market as a hub for both jurisdictions. There will continue to be demand for space along the M1 corridor towards Northern Ireland from such operators.

It is expected that towards the end of 2025 and into 2026, several larger requirements will become active as occupiers become more confident in their decision-making processes and there is greater certainty around world trade. There will be extremely limited supply in the southwest corridor (M7/M8/M9 inter-urban routes), with the majority of buildings currently ‘under construction’ being located on the north side.

Lettings will continue to dominate the market in 2025 but with interest rates trending downwards, smaller scale owner-occupiers may consider buying a premises as repaying a mortgage is likely to be less than rent. They will have a strong preference for buildings that are in good condition and do not need substantial refurbishment as costs are still high and timelines for programmes of work uncertain. ESG criteria will be less of a consideration for them.

For good quality accommodation, there will be little change in other lease terms. Landlords will continue to seek 10-to-15-year terms with break options at years 5 or 10 and rent-free periods between 3 and 4 months.

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