

OFFICE REPORT

Q2 2025



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Overall activity levels in the Dublin office market improved in Q2 2025, however this was predominantly driven by Workday leasing over 38,650 sqm in the city centre – the largest office letting in Europe in almost five years. While hybrid working continued to shape demand, companies showed greater confidence in leasing decisions including longer-term commitments. Fully fitted space remained the preferred choice for most tenants due to the high fit-out costs, though many are now open to considering CAT A specification offices. Vacancy rates declined in Q2, and with large amounts of space reserved at the end of June, further tightening is likely in H2 2025.

▲ 61,900sqm

Take Up

▼ 34

**Number of
Transactions**

▲ 1,820sqm

Average Lot Size

▲ 85%

City Centre

Busiest Region

▲ 66%

Technology

Busiest Sector

▶ €678psm

(€63 psf)

**City Centre Prime
Headline Rent**

▲ 100,700sqm

59% in the city centre

Reserved

▼ 15.4%

**Headline Vacancy
Rate**

▼ 143,400sqm

Under Construction

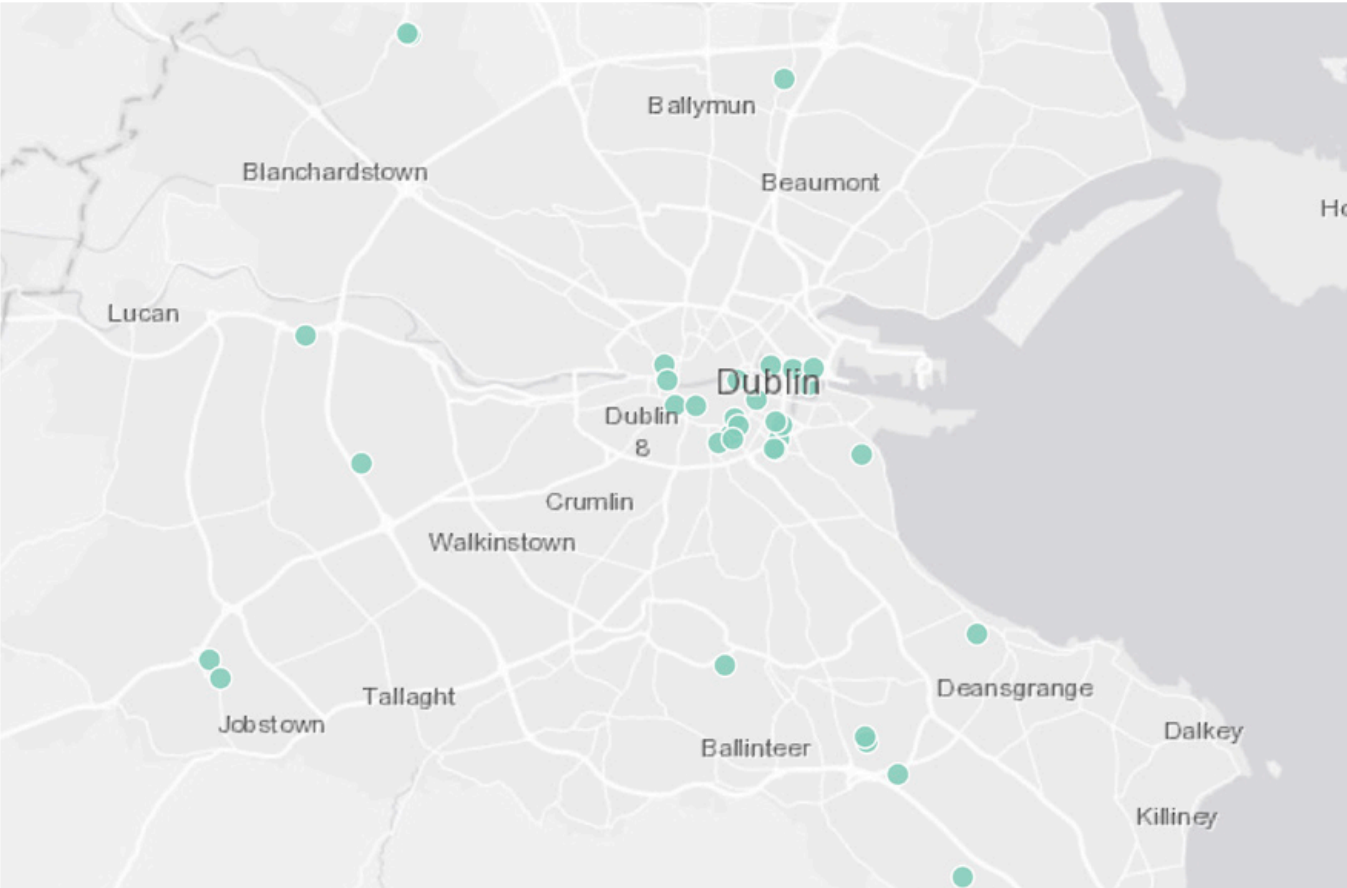
Arrows represent quarterly trends unless otherwise stated.

Top 10 Office Transactions (Q2 2025)

BUILDING	SQM	REGION	OCCUPIER
College Square, Dublin 2	38,660	City South	Workday
70 St. Stephen's Green, Dublin 2	5,860	City South	Vodafone
3008 Lakedrive Citywest, Dublin 24	2,120	West Suburbs	Confidential
9b Beckett Way, Park West, Dublin 12	1,710	West Suburbs	NorDan Vinduer
Block B, Liffey Valley Office Campus, Dublin 22	1,020	West Suburbs	Re-Turn
42 Westland Row, Dublin 2	1,010	City South	Clearspace
Corrig Court, Sandyford, Dublin 18	950	South Suburbs	Yuno Energy
2-4 Claremont Road, Dublin 4	820	City South	Neurodiversity Ireland
Styne House, Dublin 2	800	City South	ION
The Herbert Building, The Park, Carrickmines, Dublin 18	780	South Suburbs	Veonet Limited

Source: Lisney

Office Take-Up Q2 2025



Source: Lisney

RIGHT: 3008 Citywest,
Dublin 24



Activity

Dublin office market take-up reached 61,900 sqm in Q2 2025, up from 38,300 sqm in the previous quarter. While this was 26% lower than the same period last year (84,000 sqm), it was the strongest quarter recorded since then. It also exceeded the 10-year quarterly average of 58,500 sqm. However, Q2 2025 activity was heavily driven by the largest letting in the quarter, excluding which, the take-up stood at 23,240 sqm.

DEAL INSIGHTS

- 34 deals were completed in Q2, with the top 10 accounting for 87% of the total take-up.
- Three deals exceeded 2,000 sqm each, including one greater than 38,000 sqm.
- The largest deal comprised Workday, a cloud-based software vendor, leasing of two buildings at the recently completed (2024) College Square development in Dublin 2 (38,660 sqm). This letting accounted for 62% of the quarter's activity.

CITY CENTRE DOMINANCE

- The city centre region remained the most active in Q2 with 85% of all activity taking place there. The west region followed, at 9%, the south region at 5% and the north region at only 1%.

DEAL SIZES

- The average deal size in Q2 increased to 1,820 sqm, up from 910 sqm in Q1 2025 and was also above the 10-year average of 1,210 sqm. However, if the Workday letting is excluded, the average deal size drops to just 700 sqm.
- Smaller lettings (<1,000 sqm) continued to dominate transaction numbers, accounting for 28 out of 34 deals. However, in terms of size, combined, they accounted for 19% (11,510 sqm) of all space.

OCCUPIER ORIGIN & TYPE

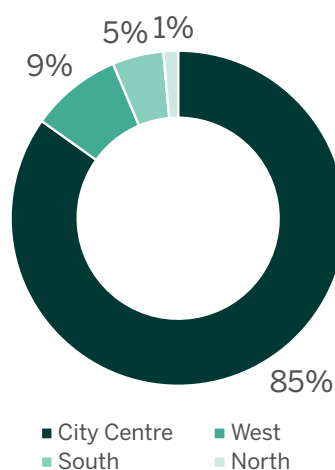
- North American occupiers led take-up in Q2, accounting for 66% of the quarter's activity. Domestic occupiers accounted for 13% of the activity, and occupiers from the UK were close behind at 12%. Workday's deal significantly contributed to North America's activity share, and when excluded, North America accounted for only 9% 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 Workday's letting).
- Following a prolonged period of decline, the technology sector rebounded sharply, accounting for 66% of Q2 2025 take-up, albeit this was primarily driven by Workday's lease. The sector has averaged 25% per quarter over the last five years.

BUILDING TYPE

- Only one deal was completed in a newly constructed building (38,660 sqm).
- A further four deals were completed in refurbished properties (2,630 sqm).
- Previously occupied space dominated activity with 29 deals (20,600 sqm).

Take-Up by Region (Q2 2025)



Source: Lisney

TERMS

The prime city centre headline rent remained stable in the quarter at €678 psm (€63 psf), and it's been at this level since the end of 2023. Rental rates on secondary space also remained steady in Q2. Overall, Lisney's office rent index for the Dublin region (prime and secondary buildings in all areas) showed minimal change in June 2025 when compared to 12 months ago (up by 0.3%) and it was 6.2% lower than in March 2020.

DEMAND

The evolving landscape of hybrid working continues to shape occupier behaviour. Simultaneously, the unpredictable nature of US trade policy is causing economic unease worldwide and adding uncertainty. In spite of this, it appears that companies have developed a clearer understanding of their space requirements and working patterns, which is allowing them to commit to longer-term leases.

Demand for fully fitted office space remains strong, largely due to the significant fit-outs cost. However, as the supply of fully fitted options declines, occupiers are increasingly being forced to consider CAT A specification offices. Commitment to longer-

term leases help spread the cost of fit-outs in CAT A spaces over the duration of their lease.

The city centre remains the main focus for office demand, though there has been a slight increase in interest in the South Suburbs, a region that has struggled since 2020. At the end of June, just over 100,000 sqm of space was reserved, 59% of which was located in the city region. This included reservations by Maples (9,700 sqm at 75 St Stephen's Green), and Deloitte (8,110 sqm at 2 Burlington Road).

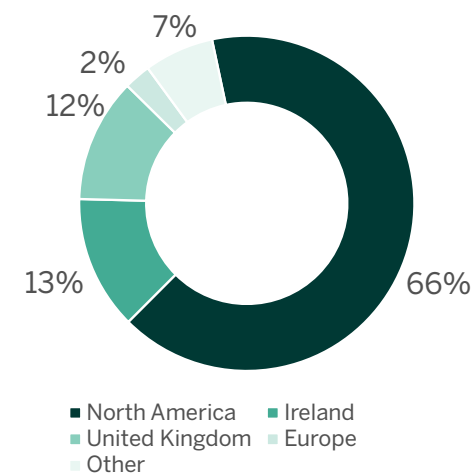
There is significant demand for office accommodation in the market with several requirements coming from professional services firms including McCann Fitzgerald, State Street, Mazars, Asana and MetLife. State-backed occupiers are expected to play a larger role in the second half of the year, both as purchasers and as tenants.

Sustainability remains a key consideration for occupiers, particularly when evaluating renewal options. Consequently, landlords are encouraged to improve the energy performance of buildings and meet the credentials required, particularly where lease events are approaching.

Prime City Centre Headline Office Rent (Q1 2012 – Q2 2025)

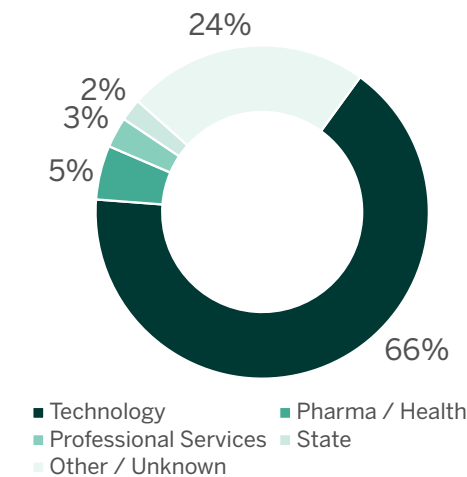


Take-Up by Occupier Origin (Q2 2025)



Source: Lisney

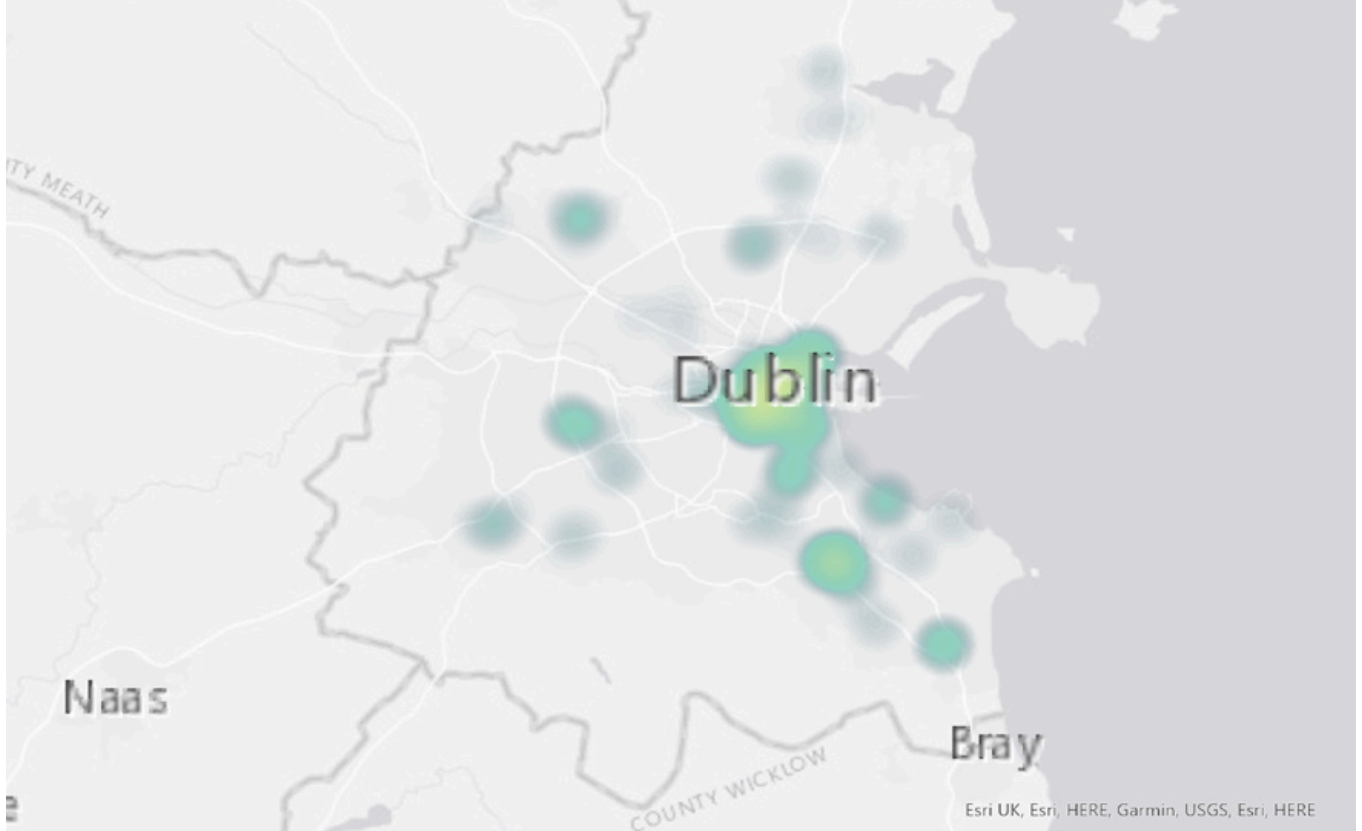
Take-Up by Occupier Sector (Q2 2025)



Source: Lisney



ABOVE: 35 Shelbourne Road,
Dublin 4



*ABOVE: Office supply Q2 2025

Supply

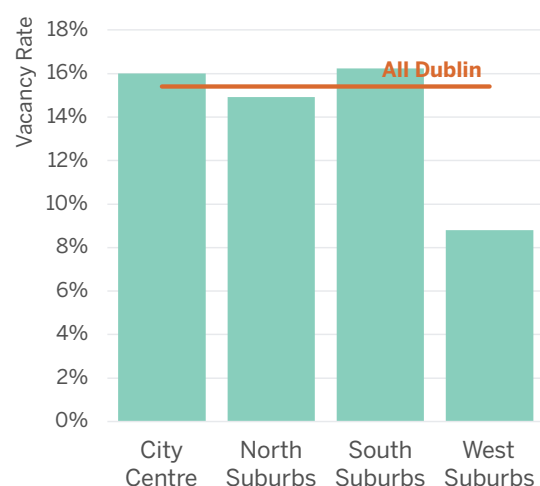
At the end of June 2025, approximately 700,000 sqm of modern, purpose-built office accommodation was vacant across Dublin, a reduction from 756,000 sqm three months previous.

The largest availability within a single scheme remained in Fibonacci Square in Ballsbridge, Dublin 4 where 35,300 sqm was available on a sub-let basis. 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 15.4% at the end of June, down from 16.7% in March 2025. However, this remains substantially above the 6.9% recorded in early 2020, with the majority of the increase coming from new buildings and grey space. The vacancy rates across the regions varied with the city centre headline rate at 16.0% and the true rate (when obsolete stock that is never likely to be occupied again is removed) at 15.5%.

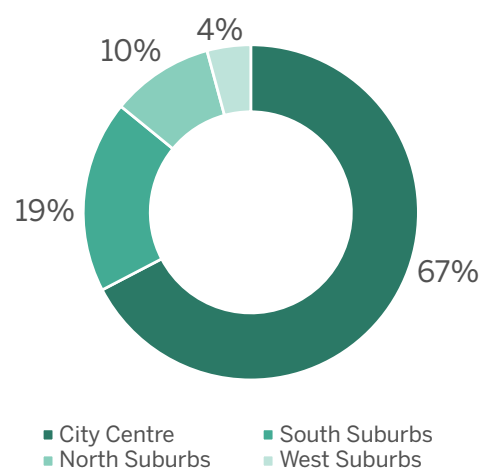
Grey space availability in Q2 2025 stood at 185,100 sqm, down slightly from Q1 (194,000 sqm) and notably below the peak of 242,400 sqm recorded in Q2 2023. While grey space remains elevated compared to pre-2022 levels, the general trend since mid-2023 suggests a gradual decline.

Headline Vacancy Rate by Region (June 2025)



Source: Lisney

Supply by Region (June 2025)



Source: Lisney



ABOVE: Glencar House,
Dublin 4

New Stock

UNDER CONSTRUCTION	128,700 sqm
LARGEST SCHEME UNDER CONSTRUCTION	Waterfront Central, North Wall Quay, Dublin 1
AVERAGE NEW SCHEME SIZE	12,900 sqm City Centre
DEAL AGREED / RESERVED PRE-COMPLETION	64%

In Q2 2025, 12,000 sqm of office space over two schemes was completed - 25 North Wall Quay in Dublin 1 (4,000 sqm extension) and Treasury Annex on Macken Street in Dublin 2 (8,000 sqm).

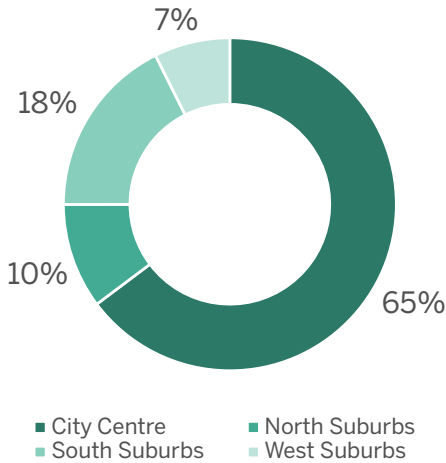
This brings total accommodation completion to 17,500 sqm in the first half of 2025. At the end of June 2025, there was approximately 128,700 sqm of office space under construction, down from 142,000 sqm in Q1 2025. No new construction commenced in the quarter. Substantial schemes under construction in 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. Currently the only developments being built speculatively (without pre lets in place) are 2 Grand Canal Quay, The Greenside Building and 160 Townsend Street, all in Dublin 2.

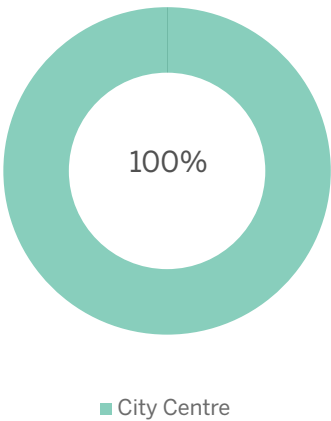
Notably, this brings future risks as a shortage of A-rated / zero-emission buildings could emerge in two to three years to meet the demand arising from occupiers' 2030 sustainability commitments and EU directives.

Existing Office Stock by Region
(June 2025)



Source: Lisney

Office Stock Under Construction
(June 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 H2 2025 progresses, and assuming there is no additional US tariff on specific sectors outside of the EU general tariff (likely to land at 15% at the time of writing), rental terms will begin to tighten in favour of Dublin office landlords. 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 in 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 central 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.

Meet The Team

THE LISNEY OFFICE TEAM



Paul Hipwell
Senior Director



James Nugent
Senior Director and
Head of Commercial
Real Estate



Deborah Mahon
Divisional Director



Conor Lennon
Divisional Director



Colm O'Connor
Surveyor



Lucy Geoghegan
Surveyor



Patrick Quinn
Graduate

THE LISNEY RESEARCH TEAM



Aoife Brennan
Senior Director



Ausra Marcelyte
Senior Research Analyst

OUR OFFICES

DUBLIN

St. Stephen's Green House,
Earlsfort Terrace, Dublin 2,
D02 PH42

t: +353 (0) 1 638 2700

e: dublin@lisney.com

CORK

1 South Mall,
Cork, T12 CCN3

t: +353 (0) 21 427 5079

e: cork@lisney.com

BELFAST

Montgomery House,
29-33 Montgomery Street,
Belfast, BT1 4NX

t: +44 2890 501501

e: belfast@lisney.com

