

INVESTMENT REPORT

Q3 2025



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Irish investment activity picked up in Q3 2025, led by a rebound in the living sector, which was the most active for the first time since early 2023, and steady growth in office investment. Industrial activity also improved, while retail activity slowed following a strong first half of the year. Larger transactions continued to shape the market, with deals over €50m accounting for more than half of total turnover for the fourth consecutive quarter. Overseas investors, particularly from France, remained active across sectors, while domestic capital increased significantly, driven by two major purchases in the living sector.

▲ €698m

Turnover

Over €1m lot size deals

▲ 34

No of Deals

Over €1m lot size deals

▲ €177m

Spencer Place, Dublin 1

Largest Deal

▲ 97%

Dublin

Proportion of the market

▲ 51%

Off-Market

▲ €20.5m

Average Deal Size

Over €1m deals

Arrows represent quarterly trends unless otherwise stated.

Market Backdrop

Global economic volatility persists as the US Administration's protectionist policies reshape the landscape, and geopolitical tensions remain unresolved in various regions.

Despite this, the IMF's World Economic Outlook projects global growth of 3.2% in 2025 and 3.1% in 2026. Most advanced economies, including the EU, US, UK and China, are expected to expand over the next two years, albeit at levels averaging 1.8% this year and 2% next year, but with certain emerging markets growing more quickly. Lower inflation and the prospect of further rate cuts will support CRE investment activity into 2026.

Domestically, Ireland's economy remains resilient. Central Bank of Ireland forecasts Modified Domestic Demand (MMD) growth of 2.9% in 2025 and 2.2% in 2026, with inflation expected to stay below 2%, and employment levels near record highs. While the inclusion of pharmaceuticals in the revised 15% EU-US tariff rate reduced short-term uncertainty, ongoing trade negotiations and softer global demand continued to pose risks for Ireland's export-focused economy. The tech and pharmaceutical industries remain central to Ireland's economic stability, supporting occupier demand across the office, logistics, and life sciences sectors.

RIGHT: Spencer Place,
Dublin 1



Activity & Demand

In Q3 2025, Irish investment activity reached €698m across 34 transactions, up from €381m in Q2 and €547m in Q1. The average deal size in Q3 was €20.5m, broadly in line with the year-to-date average of €20.1m and up from €18.2m in Q2 2025 but below €24.9m in Q3 2024. This brought total turnover for the first nine months to €1.6bn, ahead of the same period in both 2024 (€1.3bn) and 2023 (€1.4bn).

The living sector led activity in Q3, accounting for 37% of turnover, followed by offices at 35% and industrial at 13%. This was the first quarter since Q1 2023 where living was the most active sector. Over the first nine months, offices and retail were the strongest performing sectors at 31% and 30% of total turnover, respectively.

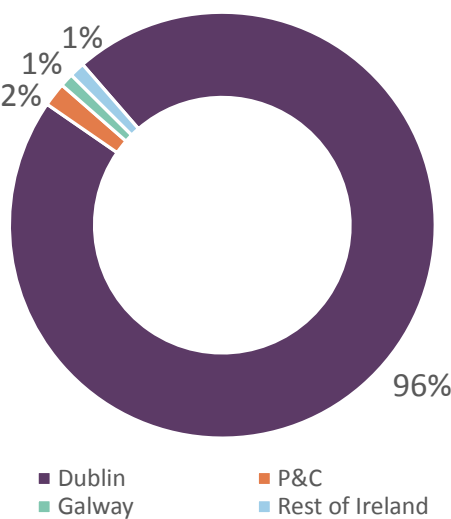
Larger transactions again played a key role in supporting turnover. In Q3, deals over €50m accounted for 54% of total investment, which compares to 68% in Q2 and 56% in Q1. In the first nine months of 2025, €940m was invested in assets over €50m, representing 58% of total turnover to date. This is up from 36% in 2023 and 48% in 2022 over the same period, when some quarters saw less than 35% of activity coming from large-scale deals.

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Top 5 Investment Transactions Q3 2025

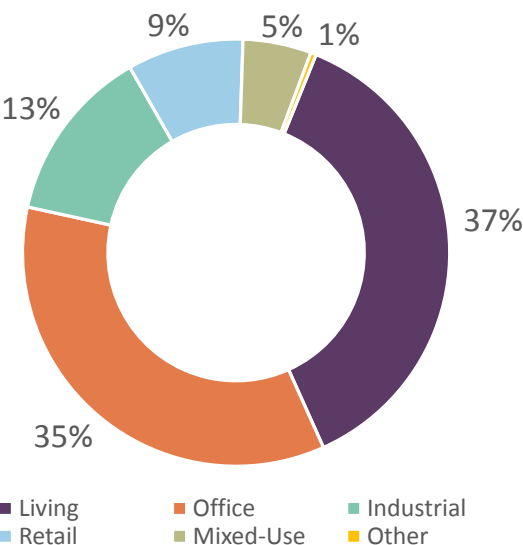
PROPERTY	LOCATION	SECTOR	REPORTED PRICE	PURCHASER
Spencer Place, Dublin 1	Dublin	Living - PRS	€177,000,000	Ardstone
Birchwood Court, Santry, Dublin 9	Dublin	Living - PRS	€79,000,000	Ardstone
ParkWest Industrial Park, Dublin 12	Dublin	Industrial	€65,000,000	ICG
24-26 City Quay, Dublin 2	Dublin	Office	€53,500,000	Corum Asset Management
La Touche House, Dublin 1	Dublin	Office	€36,500,000	SIG

Activity By Location (Q3 2025))



Source: Lisney

Activity By Sector (Q3 2025)

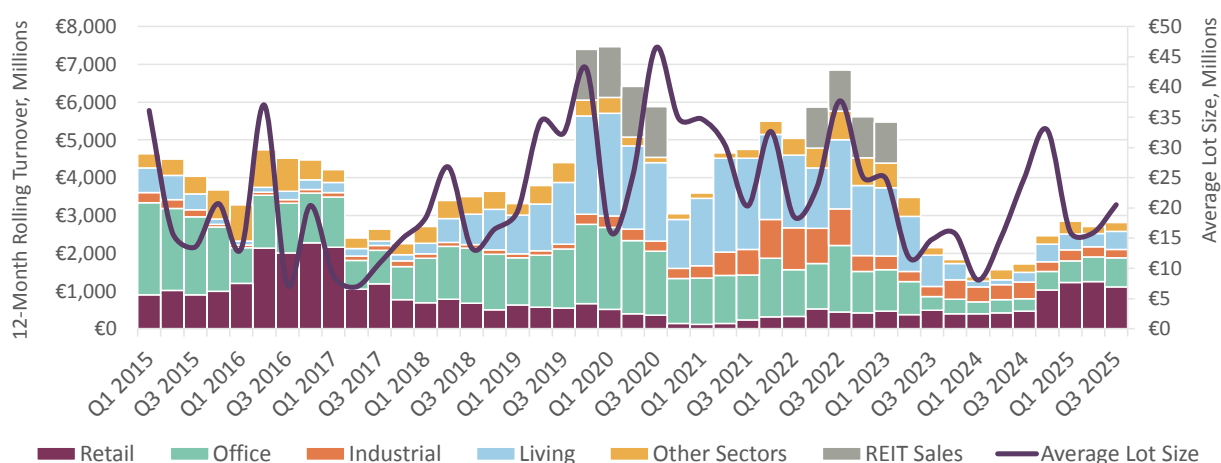


Source: Lisney



ABOVE: Belgard Retail Park, Tallaght, Dublin 24

Quarterly 12-Month Rolling Turnover by Sector & Average Lot Size (Q1 2015 – Q3 2025)



Source: Lisney

TRANSACTION TRENDS

Dublin dominated investment activity in Q3, accounting for 96% of total turnover, well above the 10-year average of 80% and the 5-year average of 79%. The remaining activity in Q3 was limited to a handful of smaller deals in Co. Galway, Co. Kerry, Co. Cavan, Co. Clare and Co. Kildare.

Off-market sales remained a major feature of the quarter, making up just over half of the quarter's turnover (51%) and 58% of activity over the first nine months of the year. While still high by historical standards, this is down from the record levels seen through 2024 and early 2025, when off-market transactions accounted for as much as 80% of quarterly turnover.

INVESTOR PROFILE

The buyer profile in Q3 2025 remained varied, though French investors were particularly active, accounting for 30% of turnover across the office, retail, and industrial sectors. Key French buyers included Corum, Iroko

Zen, Atland Voisin, Arkea, and Alderan. Other notable international investors included ICG from the UK and SIG from the US. Irish private investors were most active in the sub-€5m range, where assets continued to attract steady demand depending on sector, location, and capital requirements.

International capital accounted for 53% of total turnover in Q3, with two of the four large-scale transactions (over €50m) backed by overseas investors. Domestic buyers made up 46% of activity, well above their five-year average of 22%. This was largely driven by Ardstone's acquisition of the two largest deals of the quarter. Excluding those, domestic purchasers would account for just 14% of total turnover.

Investors' focus in Q3 2025 remained on assets with strong tenant covenants, longer WAULTs (typically over six years), and high ESG credentials. This is particularly relevant given the high cost of refurbishment and the difficulty of upgrading BERs in tenant-occupied buildings.

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€20.4m

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Activity By Asset Type

LIVING

After a slow start to the year, activity in the living sector rebounded sharply in Q3 2025, with €259.5m traded across three PRS transactions. This accounted for 37% of total quarterly turnover, a strong recovery compared with the first half of the year, when just €10.6m transacted in Q1 and none in Q2.

Q3 2025 was the strongest quarter for PRS since Q1 2023 (€332.5m), ending two years of subdued activity when quarterly volumes remained below €100m, and several quarters recorded no deals at all. The average deal size in Q3 was €86.5m, the highest since Q2 2022 (€91.3m), indicating some renewed institutional appetite for stabilised, income-producing assets in prime locations.

Despite this rebound, total PRS investment in 2025 remains well below historic highs of 2019 (€2.39bn) and 2021 (€2.14bn). The sector continues to face viability pressures linked to construction costs and rental regulation. While recent government policy changes have been broadly welcomed, most investors are taking a wait-and-see approach to gauge whether these changes will be enough to restore confidence and drive sustained activity.

The largest PRS transaction of the quarter was Ardstone's €177m purchase of Spencer Place in Dublin 1, followed by its €79m off-market acquisition of Birchwood Court in Santry, Dublin 9. Spencer Place Residential is the final phase of the Spencer Place campus developed by Ronan Group and reportedly includes 360 private units across two buildings, offering a mix of build-to-rent apartments and co-living spaces. Birchwood Court, a newly completed 180-unit apartment complex, is currently vacant and expected to be ready for leasing shortly. The third deal was the sale of Dean Swift Square in Dublin 8 to a domestic investor for an undisclosed amount (guide price €3.5m). The scheme comprises 11 vacant apartments.

OFFICES

Office investment activity accelerated in Q3 2025, reaching €245.3m across 12 transactions, a strong increase from €180.2m in Q2 and €87.4m in Q1, bringing the total for the first nine months of 2025 to €512.9m. Compared to Q3 2024 (€143.4m across 11 deals), turnover in Q3 2025 was up 71%, reflecting a steady recovery in investor confidence. The sector accounted for 35% of total turnover in Q3, second only to the living sector.

The average deal size stood at €20.4m, down from €45m in Q2, reflecting a broader mix of lot sizes this quarter. Activity was again concentrated in Dublin, where investor appetite for offices has strengthened over the year but stayed selective, focused on well-located, prime city centre offices with strong tenant covenants. Dublin 2 remained the most sought-after postcode, which is seen as leading the sector's recovery due to its established occupier base and limited new construction over the next few years. Suburban markets continued to move at a slower pace, with most interest centred on properties offering secure, long-term income in these locations.

The largest office transaction of the quarter was the €53.5m sale of 24-26 City Quay in Dublin 2 to French investor Corum Asset Management, which also acquired 30 Herbert Street for €32.4m. SIG, a US investor, bought La Touche House in Dublin 1 for €36.5m. One and Two Shelbourne Buildings in Ballsbridge were sold to French investor Arkea for €35.8m in an off-market transaction, while Three Shelbourne Buildings was purchased off-market by another French investor, Remake, for €29.7m. Three and Five Custom House Plaza were sold to a UK investor for €24.5m, and 76 Baggot Street in Dublin 2 was sold off-market to Irish investor Lanthorn for €18m. The remaining five transactions ranged between €1.8m and €5m, all located in Dublin.



ABOVE: 14, Joyce Way, Parkwest Business Park, Dublin 12

RETAIL

Retail investment activity reached €61.5m in Q3 2025 across eight transactions, accounting for 9% of total turnover. This was substantially below Q2 (€158.7m) and Q1 (€272m) levels, when retail dominated market activity. For the first nine months of 2025, total retail turnover stood at €492m, accounting for 30% of the total, keeping the sector among the strongest performers of the year. Most of the Q3 deals were smaller lot sizes, with an average value of €7.7m, well below the year-to-date average of €20.5m.

Despite the quieter third quarter, investor appetite remains strong, particularly for well-performing retail parks and dominant regional schemes offering steady returns. Supply, however, remains limited, and some investors are now also considering shopping centres, subject to strong anchors, tenant mix and WAULT. Demand for single high-street stores continues to come mainly from smaller private investors, while larger institutions remain selective, focusing on assets with reliable income and low capital expenditure requirements.

The largest retail transaction of the quarter was the off-market sale-and-leaseback of the Bright Motor Campus and Unit 4 at Airside Motorpark in Swords, acquired by French investor Iroko Zen for €24.5m. Another French investor, Atland Voisin, purchased Nutgrove Retail Centre, adjacent Nutgrove Shopping Centre and Retail Park, in an off-market deal for €11.9m. A portfolio of 12 retail units in Blocks 1 and 2 at The Pavilion, forming part of the wider mixed-use scheme in Dún Laoghaire, was sold to Alderan,

also a French investor, for €11.4m. The remaining five retail transactions range from €1.252m to €5.25m, three of which were in Dublin, one in Tralee, Co Kerry and one in Shannon, Co Limerick.

INDUSTRIAL

Investment in the industrial sector picked up in Q3 2025, with €92.7m transacted across six deals, accounting for 13% of total market turnover. This followed a slower first half of the year, when just €64m was invested across eight transactions. However, activity remained below the same quarter last year (€135m). The average deal size in Q3 2025 rose to €15.45m, roughly double that of the previous quarter (€7.6m) and Q1 (€8.25m).

Investor demand remains strong, focused on well-located logistics and light industrial assets with stable tenants and rental growth potential. Most activity was concentrated in Dublin, with only two sales taking place outside the capital. A number of significant assets are currently on the market for sale, pointing to another active quarter ahead for the sector.

The largest transaction of the quarter was ICG's €65m off-market acquisition of a portion of Park West Business Park in Dublin 12, reportedly comprising more than 41,000 sqm across several blocks. Another significant deal involved the €11.6m sale of a property outside Dublin in an off-market transaction. French investor Atland Voisin acquired Building 1 at Parkmore West Business Park in Galway for €7.2m. The remaining three transactions, all in Dublin, ranged between €1.3m and €4m.

Pricing

The table below outlines our estimated prime yields in Dublin in Q3 2025.

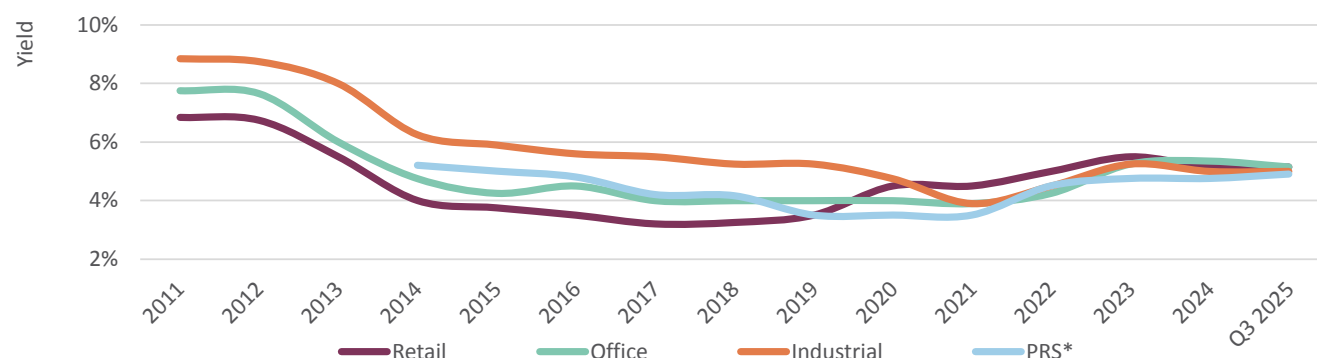
Prime Net Equivalent Yields

	RETAIL	OFFICE	INDUSTRIAL	PRS*
Q3 2025	5.15%	5.15%	5.00%	4.75%-4.90%
Quarterly Change	-10 bps	0 bps	0 bps	0 bps
Annual Change	0 bps	-20 bps	0 bps	+15 bps

* PRS yields assume OPEX at 20% of income

Source: Lisney

Prime Net Equivalent Yields (2011 – Q3 2025)

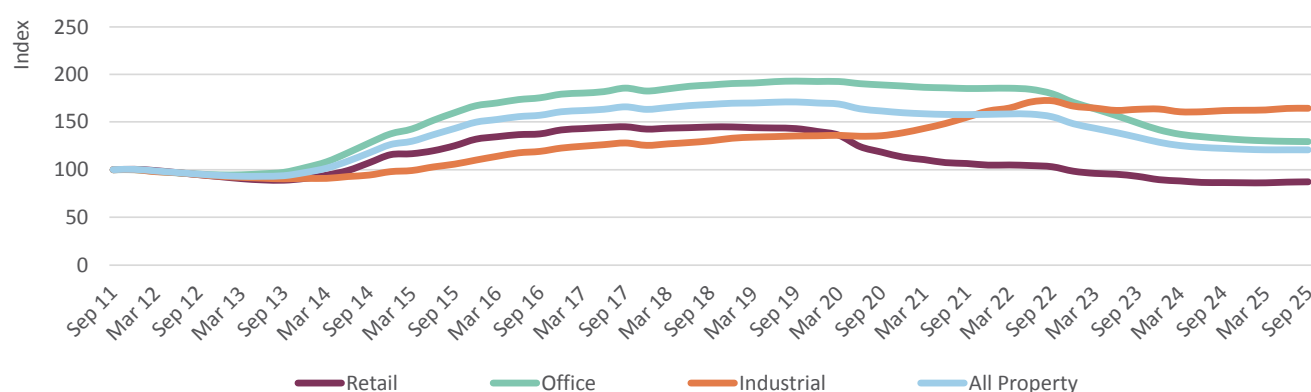


* PRS yields assume OPEX at 20% of income

Source: Lisney

The most recent MSCI / SCSI Ireland Property Index figures are for Q3 2025 where the capital value growth index fell by 1.4% for 'all property' in the year with minimal decline (-0.1%) in the quarter. Offices was the only sector that returned a capital value decline in Q3, and that was on both an annual and a quarterly basis.

MSCI / SCSI Capital Value Growth Index (Q4 2011 – Q3 2025)



Source: MSCI, Lisney analysis



ABOVE: 30 Herbert Street,
Dublin 2

Supply

At the end of September 2025, there was in excess of €1bn worth of on-market investment opportunities available, some of which had deals agreed. However, considering the off-market sales activity, supply is potentially larger.

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€1bn

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Activity levels are expected to improve further in the final quarter of 2025, with total annual turnover likely to reach €2.5bn, contingent on the completion of several large transactions before year-end.



Outlook

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Yields are expected to harden across most sectors by the end of 2025, with offices being the exception, where stabilisation is more likely following substantial repricing over recent years.

Forward-looking sentiment from investors seems to be cautiously optimistic but very dependent on wider global policy. Demand is expected to come from a range of sources. French investors will remain active alongside other European players. Private Irish investors (typically targeting lots under €5m) will continue to be active. Irish funds are expected to seek good quality opportunities once again.

The various domestic and European sustainability policies will continue to impact how buildings are funded and occupied. For some sectors (especially offices), there is a fear that a certain grade of building will become a stranded asset – too modern to justify the high cost of upgrading significantly, but also not meeting the sustainability standards required in the years ahead. The influence of sustainability measures is a growing trend in the industrial and logistics sector and in 2025, landlords of both new and refurbished buildings will continue to focus on sustainability and seeking certifications.

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