Industrial & Logistics Market Update

Lisney
COMMERCIAL REAL ESTATE

Q2 2026

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OVERVIEW

Activity in the Dublin industrial market improved in Q2 2026, following a slower start to the year.

Take-up increased and was supported by several larger lettings, with the southwest region leading activity. Vacancy increased slightly but remained low by historic standards, with supply still constrained for medium to large modern units.

Development activity continued to focus on high-specification sustainable schemes, although the level of space committed before completion remained below the levels seen in previous years.

▲ 58,000 sqm
Activity

▲ 25
No. of Deals

▼ 8,600 sqm
Largest Transaction
Letting of Unit D1, Airport Business Park, Co Dublin

▲ 2,320 sqm
Average Lot Size

▲ 47%
Busiest Sector
Southwest

▲ 89%
Lettings

▲ 3.2%
Vacancy Rate

▲ €156 psm
Prime Headline Rent
(€14.5 psf)

▼ 55,100 sqm
Under Construction

Unit 287 Blanchardstown Corporate Park, Dublin 15

ACTIVITY

Dublin's industrial market improved in Q2 2026, with take-up reaching 58,000 sqm across 25 transactions, bringing take-up for H1 2026 to 99,000 sqm, down from 113,100 sqm in H1 2025.

Take-up in Q2 2026 was up from 41,100 sqm in Q1 and broadly in line with 58,800 sqm in Q2 2025, although it remained below the 10-year quarterly average of 69,500 sqm.

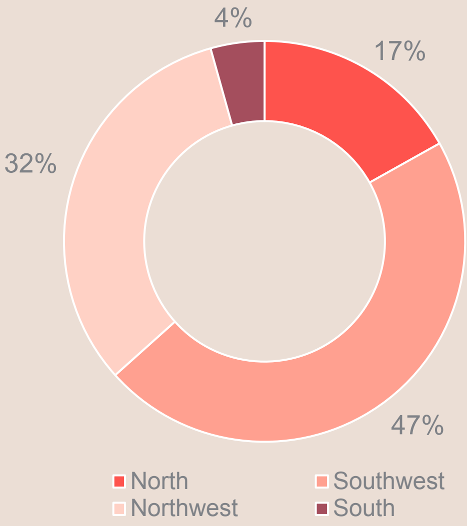
- The average deal size increased to 2,320 sqm in Q2, up from 1,960 sqm in Q1 and was slightly above the 10-year quarterly average of 2,150 sqm. The average lot size in H1 stood at 2,150 sqm compared to 2,400 in H1 2025.
- The southwest region led activity in Q2, accounting for 46% of total take-up, a shift from Q1, when activity was heavily concentrated in the north. This was followed by the northwest at 32% and the north at 17%, while activity in the south remained limited at 4%. This is broadly in line with longer-term trends, with the southwest consistently being the most active industrial region in Dublin, and the south typically accounting for only a small share of take-up.
- The top five deals exceeded 4,000 sqm each and included two greater than 8,000 sqm. All five were lettings and combined accounted for 61% of the total activity. The top two deals were in the southwest region, accounting for over a third (37%) of quarter's activity.
- The largest deal was the letting of newly completed Unit 7 at Mountpark Grange Castle West in Dublin 22 (12,960 sqm) to CEL Critical Power, an Irish power solutions company. The letting was an operational expansion to scale up production, which is driven by the global AI and data centre boom. This deal alone accounted for 22% of total take-up.
- While larger transactions continued to drive take-up in Q2 2026, the mid-sized market (1,000 to 4,000 sqm) was also active, with six deals accounting for 28% of take-up. Smaller transactions under 1,000 sqm continued to dominate deal numbers (12 of the 25) in Q2, however, they represented just 6% of total take-up.
- Lettings remained the main driver of activity, accounting for 89% of total take-up in Q2 and 88% in H1 2026. Although sales accounted for a higher share of activity in parts of 2024 and 2025, the market has remained primarily letting-led in recent years. Since 2020, lettings have generally accounted for more than three-quarters of take-up, with an average quarterly share of 79% over the period.
- There were a total of four sales in Q2 with a combined size of 6,130 sqm, accounting for 11% of total take-up. This was slightly below Q1, when sales accounted for 15% of take-up. The largest sale was Unit 803 in Northwest Business Park, Ballycoolin, Dublin 15, extending to 2,940 sqm, followed by Unit 84 at Lagan Road in Dublin Industrial Estate, extending to 2,520 sqm. The remaining two sales were each sub-1,000 sqm.

Top 5 Transactions (Q2 2026)

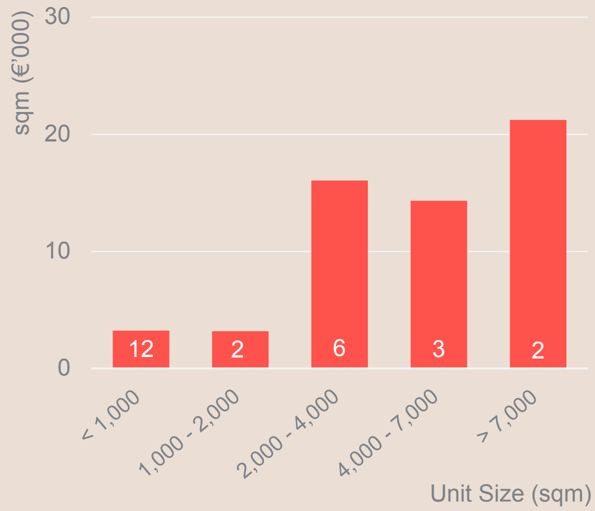
Premises	Sqm	Region	Deal Type
7 Mountpark Grange Castle West, Dublin 22	12,960	Southwest	Letting
Unit 605 Greenogue Business Park, Rathcoole, Dublin 24	8,230	Southwest	Letting
Unit 735 Northwest Logistics Park, Dublin 15	5,320	Northwest	Letting
Sanguine House, Huntstown Business Park, Dublin 11	4,960	Northwest	Letting
McKee Avenue Facility, Finglas, Dublin 11	4,040	North	Letting

Source: Lisney

Take-Up by Region (Q2 2026)



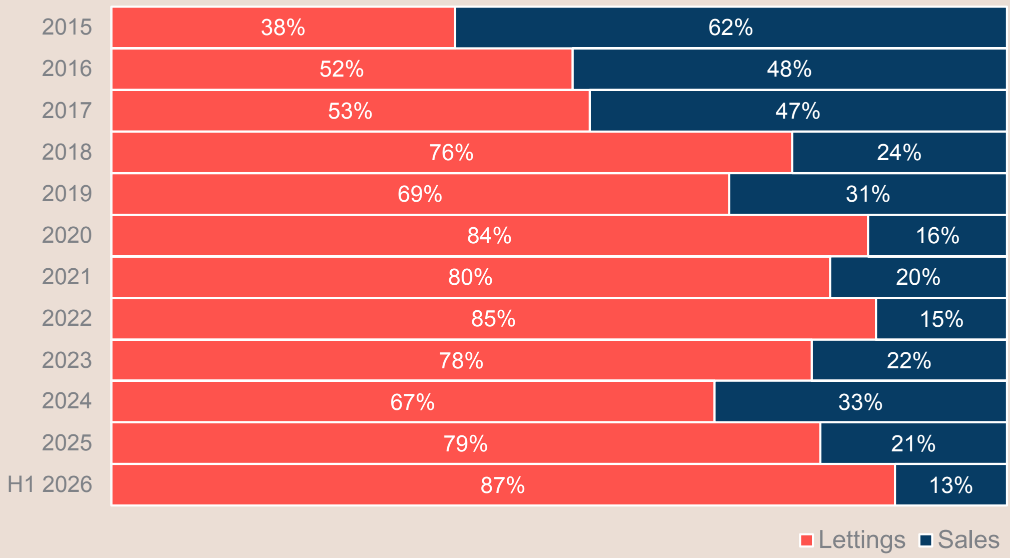
Take-Up and No of Deals by Size (Q2 2026)



Source: Lisney

Annual Take-Up by Deal Type (2015 – H1 2026)

Source: Lisney



SUPPLY

Dublin's industrial vacancy rate increased slightly to 3.2% at the end of Q2 2026, up from 3.0% in the previous quarter and 2.3% in Q2 2025 as total availability rose to 268,100 sqm, a 5% increase quarter-on-quarter.

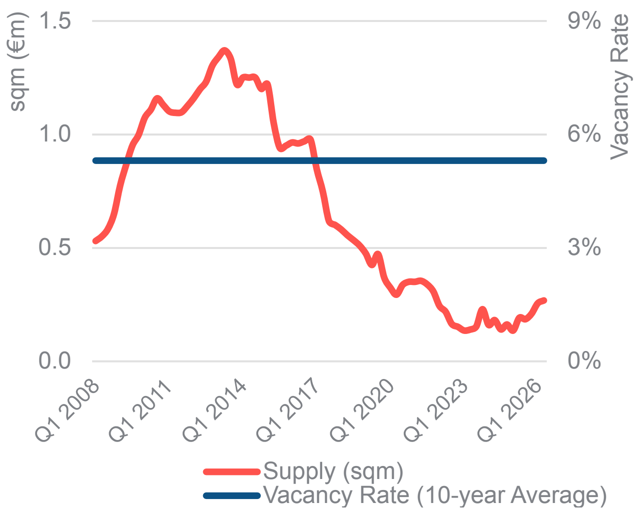
Available	268,100 sqm
Largest Supply	45% Southwest Region
Large Units (>10,000 sqm)	Only four available
Small Units (<1,000 sqm)	20% of supply
Vacancy Rate	≈ 100

Despite this increase, vacancy remains low by historical standards and is still well below the 10-year average of 5.3%. Vacancy rates remained low across all regions, ranging between 2.7% and 4.6%. The southwest recorded the lowest rate at 2.7%, while the northwest region saw the highest rate at 4.6%, although still relatively low.

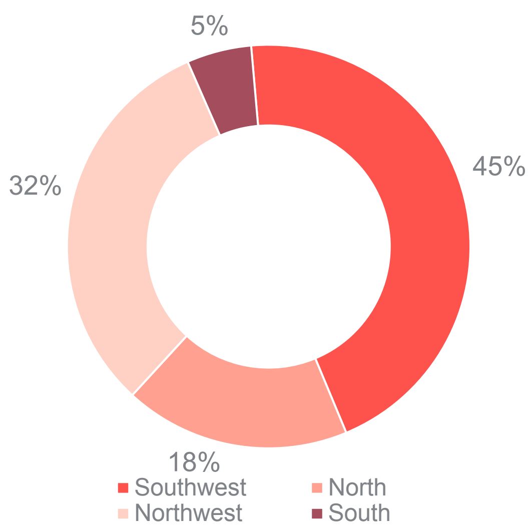
While the increase in availability shows some easing in supply, the market continued to be constrained, particularly for modern buildings that meet current occupier requirements. Larger units remained limited in Q2 2026, with only four buildings above 10,000 sqm available across Dublin. Two of these are in the southwest region and two in the northwest. Smaller units continued to make up most of the available stock by number, accounting for 66% of available units, but only 16% of available floorspace. Much of this smaller stock, however, is older and does not meet the requirements of occupiers seeking more efficient, higher specification space, including better loading facilities and stronger ESG credentials.

Institutional landlords continue to play a growing role in reshaping supply by refurbishing older units once vacant possession is secured. Works typically include upgrades to the office HVAC, EV charging points, PV panels and other energy-efficiency improvements, alongside external and internal upgrades typically involving recladding or respraying the cladding, servicing or replacing roller shutter doors and installing new finishes throughout. However, refurbishment costs have risen significantly, increasing the capital required for such works, particularly for the older industrial units. As a result, some landlords are reassessing the scope of works, with certain non-essential upgrades being scaled back to maintain viable project returns.

Dublin Industrial Supply (Q1 2008 – Q2 2026)



Industrial Supply by Region (Q2 2026)



Source: Lisney

DEMAND

Occupier demand remained relatively stable in Q2 2026. Enquiry levels were healthy and broadly in line with long-term trends, although some occupiers remained cautious amid ongoing geopolitical uncertainty and the wider economic outlook. Demand continued to focus on modern, well-located buildings, particularly those offering high clear heights, generous yards, multiple loading bays, and strong sustainability credentials. Demand for smaller enterprise units also remained healthy, with notable interest in the new accommodation at Airport Trade Park.

Logistics and data centre-related occupiers remained among the most active in the market in Q2 2026. While logistics operators continue to expand or relocate to support distribution and fulfilment requirements, rising rental levels and tighter operating margins are pressuring some occupiers to assess operational efficiency and viability more carefully. Demand from data centre operators and their associated supply chains remained robust, driven by continued investment in digital infrastructure and the increasing need for high-quality industrial accommodation capable of supporting power-intensive uses.

Most occupiers remain sensitive to higher quoting rents, particularly against a backdrop of wider economic and geopolitical uncertainty. Global macroeconomic turbulence linked to tensions in the Middle East has also led to some requirements being placed on hold, with parties generally taking longer to progress terms. Larger multinational occupiers remain better placed to take new space and continue to plan for future growth, particularly where expansion is supported by contract commitments. However, many indigenous Irish businesses have become more cautious and are reassessing their property requirements as occupational costs rise.

Logistics and data centre-related occupiers remained among the most active in the market in Q2 2026.

A growing challenge for many occupiers is the gap between historic lease rents and current market levels. Businesses paying well below current market rents are increasingly facing substantial increases at rent review or lease renewal, forcing them to consider whether to absorb higher costs, renegotiate terms, relocate, use third-party logistics or purchase their own premises.

TERMS

Dublin's prime industrial and logistics rents increased in Q2 2026 from €153 psm (€14.25 psf) to €156 psm (€14.50 psf). For large new-build units, most landlords continue to secure 10 to 15 years term certain with a 6- to 12-month rent-free period. Rents for smaller enterprise units less than 1,500 sqm also increased and range from €188 psm to €226 psm (€17.50 psf to €21 psf). CPI-linked rent reviews have become more common, reflecting a market view that rental growth is unlikely to continue at the same pace over the next five years.

Lisney's index of industrial rents in Dublin (prime and secondary buildings of varying sizes across the four regions) grew by 7% over 12 months to the end of June 2026 and by 3.4% over three months.

NEW STOCK

In Q2 2026, 8,950 sqm of industrial accommodation was completed across five buildings at Stadium Business Park in Ballycoolin.

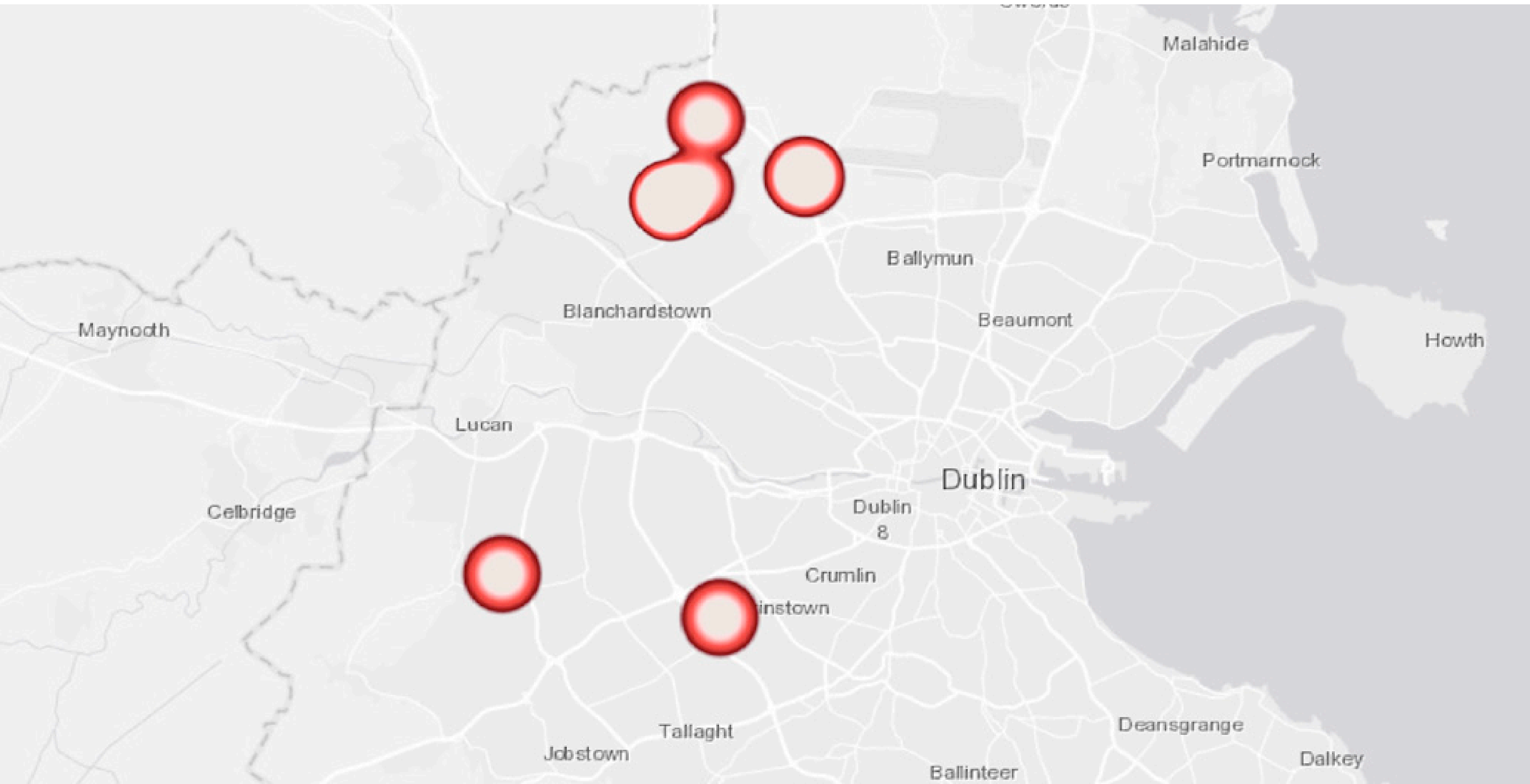
Under Construction	55,100 sqm
Busiest Region	North 67%
Largest Scheme Under Construction	26,860 sqm Drake House, Dublin Airport Logistics Park, Co Dublin
Average Unit Size	6,120 sqm
Design-&-Build / Taken Mid-Construction	23%

Developed by Dunquin Capital and Bridges Fund Management, the units range from 1,500 sqm to 2,100 sqm and are built to NZEB standards, BER A2 rating and LEED Gold certification. All units were developed on a speculative basis and remain available to let.

At the end of June, approximately 55,100 sqm of industrial accommodation was under construction across nine units, down from 61,600 sqm three months earlier. The north region accounted for 67% of the total, followed by the southwest at 22% and the northwest at 11%. There was no construction activity in the south. The average unit size stood at approximately 6,100 sqm, although this was pushed up by Drake House, which accounts for almost half of all space currently under construction, with eaves heights ranging from 9m to 18m. Excluding Drake House, the average unit size is 3,530 sqm.

Approximately 23% of the space under construction was let or under offer at the end of Q2, broadly unchanged from 25% three months earlier. While this remains below the levels seen in previous years, when up to half of new space was committed prior to completion.

Under Construction Activity (End-June 2026)



Source: Lisney

Notable Development Activity

Rohan Developments on behalf of Sports Direct continued construction of Drake House at Dublin Airport Logistics Park. Extending to 26,860 sqm, it remains the largest stand-alone logistics unit under construction in Dublin and is due for completion later in the year. On completion, Drake House will provide a clear internal height of 18m.

Rohan Developments also commenced construction of Goldcrest House at Dublin Airport Logistics Park in Q2. The 5,480 sqm unit is being developed on a speculative basis and is due for completion in Q1 2027.

Channor continued works on three units at Blanchardstown Corporate Park, comprising Unit 271 (2,800 sqm), Unit 272 (794 sqm) and Unit 273 (1,030 sqm). Unit 271 has been let, while the other two units are under offer. All three are due for completion in Q3 2026.

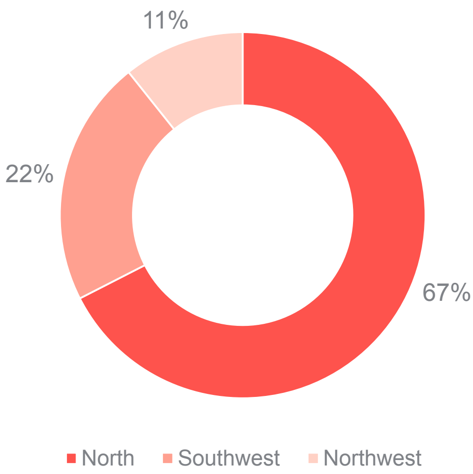
Park Developments continued works on Unit 6 (3,030 sqm) at Apex Hub in Dublin 12 in Q2. Unit 1 (3,030 sqm) was completed in the previous quarter. Once complete, Apex Hub will comprise five logistics units ranging in size from approximately 3,160 sqm to 4,180 sqm. The scheme is targeting LEED Gold certification and will include a range of ESG features, including green roofs and walls, photovoltaic roof panels, energy and water sub-metering, and EV charging spaces.

IPUT continued construction of Unit 8 (4,850 sqm) at Nexus Logistics Park at the Cherryhound interchange on the M2. The unit is under offer and is expected to complete in Q3 2026. It forms part of the first phase of the scheme. Once completed, 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, featuring elements like glue-laminated timber frames, rainwater harvesting, EV charging points, and renewable energy systems. It will also offer a range of shared on-site amenities, such as a gym, a 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 work.

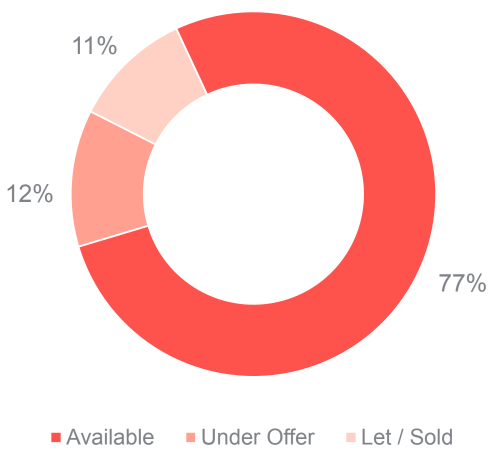
Mountpark continued work on the remaining Unit 4 (8,980 sqm) at Grange Castle West Business Park in Dublin 22, which is available to let. The scheme comprises five units in total and is being developed targeting BREEAM Outstanding and BER A1 ratings.

In terms of pipeline, approximately 291,700 sqm of industrial space had been granted planning permission but had not yet started construction at the end of June 2026. 53% of this is in the north region, with the remainder spread across the southwest (30%) and northwest (17%) regions.

Accommodation Under Construction by Region (Q2 2026)



Accommodation Under Construction by Status (Q2 2026)



Source: Lisney

IN FOCUS

Ireland's Data Centre Market

This is the first part of a short series examining Ireland's data centre market. With the effective moratorium on new grid connections now lifted, this first part provides an overview of the data centre market and its growing electricity demand before the new planning and grid connection framework is discussed in more detail in future reports.

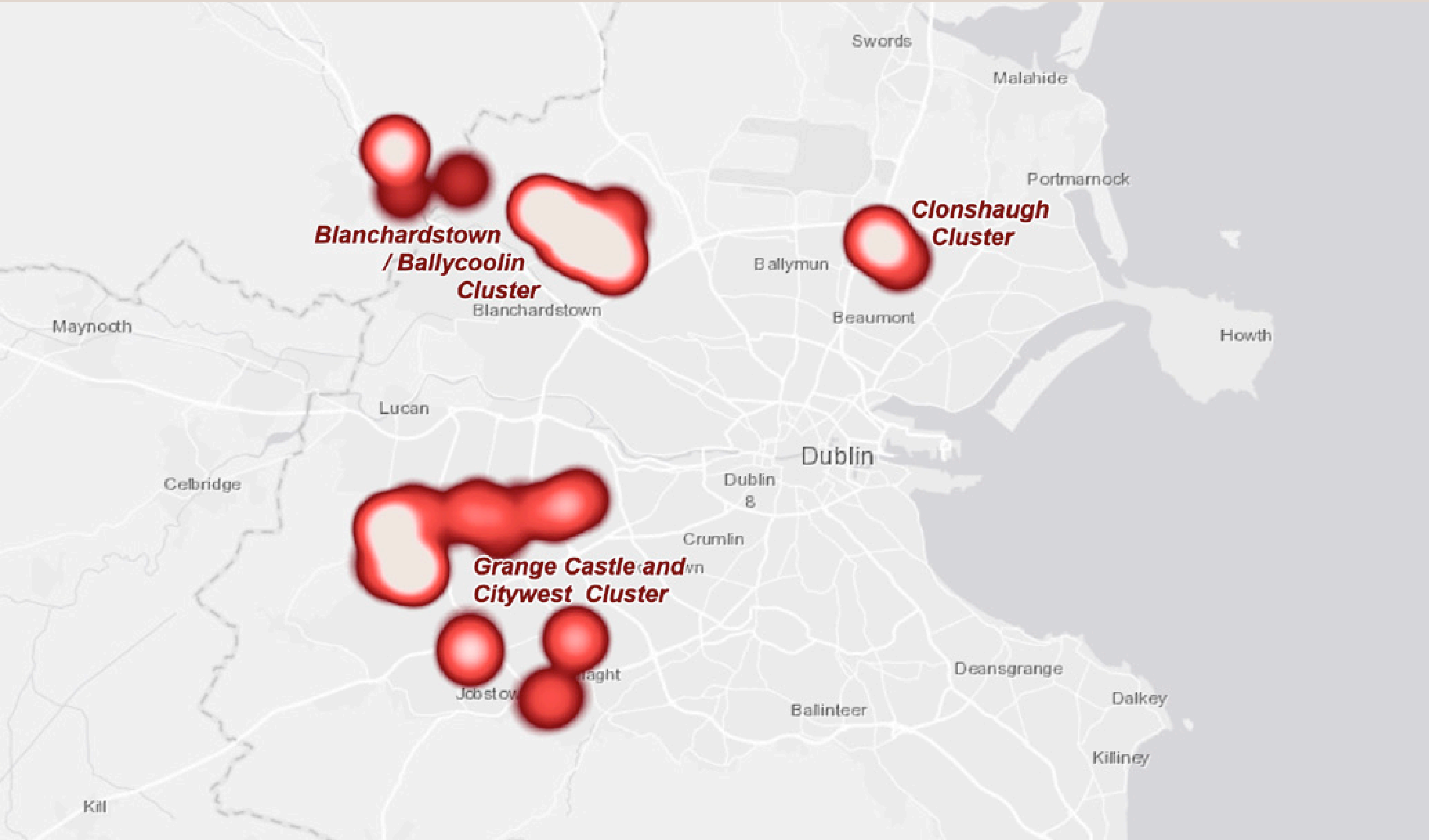
According to Bitpower, Ireland had 107 operational data centres at the end of Q2 2026, with combined IT capacity of approximately 1,320 MW. This is the maximum power available to their servers and, if fully used, would exceed the average electricity demand of all Irish homes combined. A further nine data centres were under construction, 43 had planning permission granted, and 29 had planning applications submitted. Bitpower estimates that approximately €15bn has been invested in data centre buildings in Ireland to date. This figure excludes IT fit-outs, land acquisitions and planning costs.

Most of Ireland's data centres are in Dublin, where development is concentrated in a small number of established industrial areas. The main clusters are to the west of the city, across the southwest and northwest regions, with a smaller concentration in north Dublin. These locations benefit from access to high-voltage electricity infrastructure, the T-50 fibre network and other major fibre routes.

Ireland had 107 operational data centres at the end of Q2 2026, with enough IT capacity to exceed the average electricity demand of all Irish homes combined if fully used.

The largest clusters include Grange Castle and Citywest in the southwest, where Microsoft, Google, Digital Realty and CyrusOne have established major campuses, and the Blanchardstown / Ballycoolin cluster in the northwest, which includes centres operated by Amazon, Equinix, Digital Realty, Pure DC and K2 Data Centres. A smaller cluster is located at Clonshaugh in north Dublin, where Digital Realty and Amazon have established operations.

Data Centres Clusters in Dublin

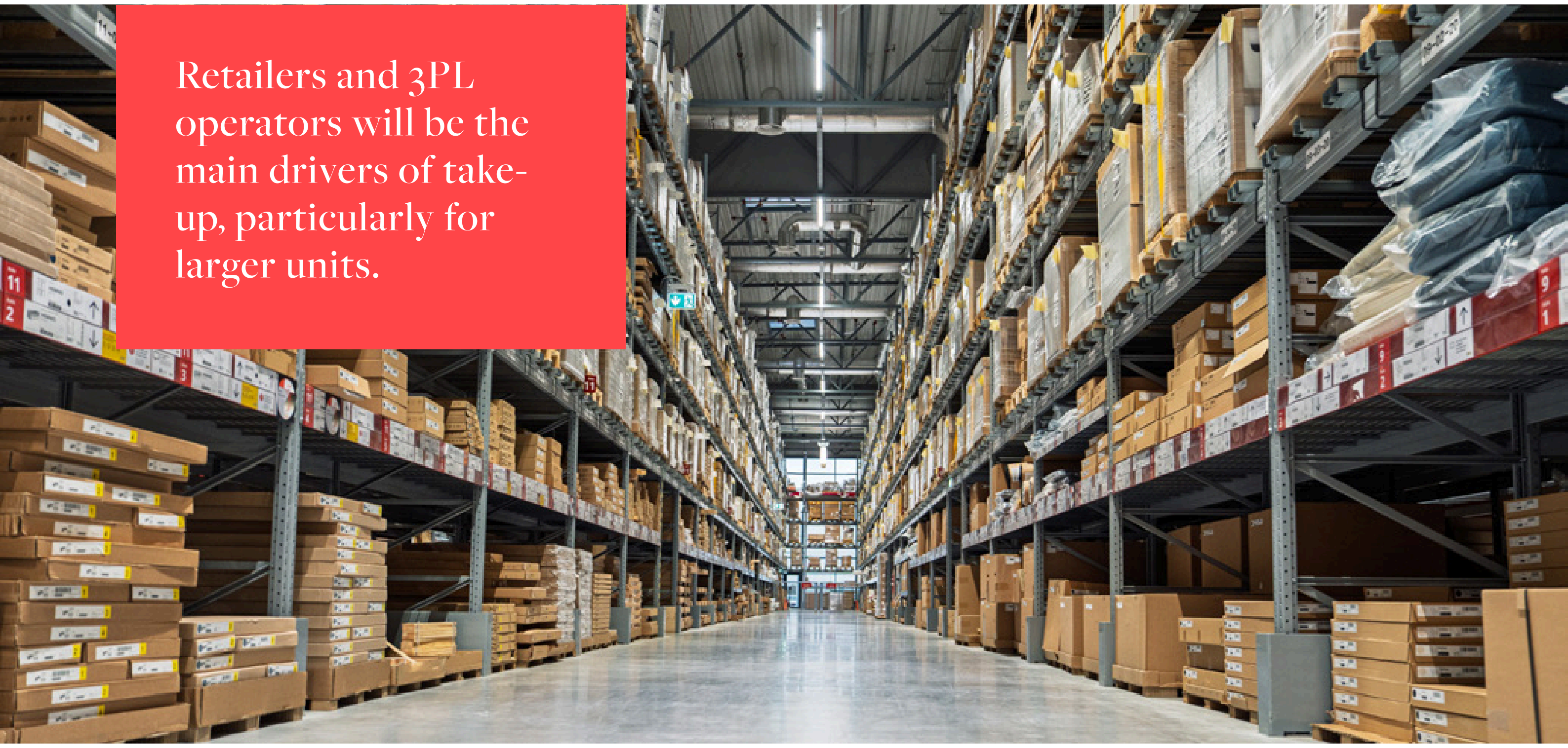


Source: DataCentreMap, Lisney analysis and map recreation

The concentration of data centres within these areas has placed considerable pressure on the electricity network. EirGrid and the Commission for Regulation of Utilities (CRU) have identified the Greater Dublin Area as constrained due to the cumulative load of existing and committed data centre demand.

CSO shows that data centres accounted for 5% of metered electricity use in 2015, rising to 22% in 2024 and 23% in 2025. Over the same period, the share used by urban households fell from 22% to 18%, meaning data centres now consume more metered electricity than all urban homes combined. In 2025, data centres consumed approximately 7.66 TWh of electricity out of a national total of almost 33 TWh. This was enough to power approximately 8.7m 100-watt light bulbs continuously for a full year.

The scale and concentration of this demand has made access to power the main constraint on further development. As a result, the location and pace of future growth will depend largely on where sufficient power and supporting infrastructure can be secured.



Retailers and 3PL operators will be the main drivers of take-up, particularly for larger units.

OUTLOOK

- Despite healthy occupier demand, activity levels in 2026 are likely to remain below the 10-year average of almost 300,000 sqm. We expect take-up to range between 200,000 sqm and 225,000 sqm, constrained by limited supply, particularly of larger buildings, while mid-sized deals are expected to continue driving the market.
- Demand for industrial and logistics space will remain broadly in line with long-term averages, although below the elevated post-Brexit and pandemic peaks. While some requirements have been paused amid wider geopolitical and macroeconomic uncertainty, underlying demand remains active and is expected to support further transactions, albeit at a slower pace.
- Retailers and 3PL operators will be the main drivers of take-up, particularly for larger units. Mechanical and electrical occupiers are also likely to continue supporting activity in smaller and mid-sized accommodation, reflecting ongoing data centre expansion. Demand from the pharmaceutical sector will be more subdued given reshoring threats and tariff-related cost pressures.
- With the vacancy rate remaining around 2%-3% since early 2022, supply conditions will remain tight and well below levels required in a functioning market. Premises smaller than 1,000 sqm will continue to account for the majority of available units, while larger accommodation will remain in short supply. New supply due to complete in 2026 is unlikely to materially shift vacancy levels.
- The development pipeline remains heavily concentrated in the north and northwest markets, with limited activity in the southwest corridor likely to constrain occupier choice and may redirect some demand towards county Kildare and other outer markets over time. At the same time, increasing construction and refurbishment costs will place further pressure on development viability in 2026. In some cases, this may delay refurbishment projects or speculative development activity, particularly where occupier demand may not support the higher rents required to offset the costs.
- Industrial Open Storage (IOS) is expected to become a more established part of the Dublin industrial market over time, supported by demand coming from logistics and infrastructure-related occupiers. While the sector remains relatively untested locally, upcoming schemes such as Dublin Central Logistics Park in Finglas may provide a clearer indication of long-term occupier appetite for institutional-grade IOS accommodation.
- Sustainability will remain a key consideration across the industrial and logistics market, shaping both development and refurbishment strategies. Occupiers continue to focus on the operational cost advantages of buildings with stronger BER ratings, particularly amid elevated energy prices and tighter corporate reporting requirements. At the same time, developers and investors remain focused on delivering greener buildings targeting LEED Gold and BER A ratings, accelerating the obsolescence risk for older stock. However, more affordable secondary accommodation is still expected to retain a role, particularly among smaller and more localised occupiers.

MEET THE TEAM

The Lisney Industrial & Logistics Team

James Nugent

Managing Director of Commercial Real Estate

Sean Gormley

Chartered Surveyor

Sam Clarke

Surveyor

The Lisney Research Team

Aoife Brennan

CEO

Ausra Marcelyte

Divisional Director, Senior Research and Data 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

Lisney

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