# Investment Market Update

Lisney
COMMERCIAL REAL ESTATE

## Q2 2026

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# OVERVIEW

Irish investment activity rebounded in Q2 2026, although the improvement was driven by a small number of larger transactions rather than an increase in deals.

The industrial sector led activity, with one large industrial portfolio accounting for half of the total turnover. The living sector remained active, office turnover improved, and retail recovered from a very weak start to the year. Investor demand continued to focus on assets with secure income, strong tenant covenants and limited short-term capital expenditure requirements. While sentiment improved compared with Q1, buyers remained cautious, with global economic and geopolitical events, pricing, upgrade costs and transaction timelines continuing to influence activity.

▲ €1bn
Turnover
Over €1m lot size deals

▲ 25
No of Deals
Over €1m lot size deals

▲ €500m
Horizon Logistics Park, Co. Dublin
Largest Deal

▲ 51%
Industrial Sector
Proportion of the market

▲ 83%
Off-Market

▲ €40.3m
Average Deal Size
Over €1m lot size deals

Arrows represent quarterly trends unless otherwise stated.

One Molesworth Street, Dublin 2


Ilac Shopping Centre, Dublin 1

# MARKET BACKDROP

## Ireland's property market remains closely linked to global economic conditions, with geopolitical uncertainty, protectionism and energy price volatility continuing to shape the outlook.

Ireland's property market remains closely linked to global economic conditions, with geopolitical uncertainty, protectionism and energy price volatility continuing to shape the outlook. The conflict in Iran and the ongoing risk to energy flows through the Strait of Hormuz have kept inflation and energy costs in focus. Global growth remains uneven, while the disinflation process has become less certain. In response, central banks have moved back to a more cautious position, with the ECB raising rates in June and signalling that future decisions will depend on incoming data.

Domestically, the Irish economy remains relatively resilient, although headline GDP continues to be affected by volatility in multinational-dominated sectors. Underlying domestic activity is still expanding, supported by household spending, investment and government expenditure, but structural constraints in housing and infrastructure remain, alongside elevated costs for businesses and households. Public finances remain in surplus, although the margin has narrowed compared with last year, and corporation tax receipts remain concentrated among a small number of multinational companies. While the near-term outlook is stable, Ireland's exposure to global trade, multinational activity and external shocks continues to present risks for investment activity, pricing and market liquidity.

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# ACTIVITY & DEMAND

## Investment activity rebounded strongly in Q2 2026, with turnover reaching €1bn, a sharp increase from €443m in Q1 and also well ahead of the €381m recorded in Q2 2025.

.This, however, was heavily driven by the €500m sale of Horizon Logistics Park, which accounted for half of total turnover (50%) and pushed the average deal size to €40.3m, more than double the Q1 level of €19.3m and the highest quarterly average since Q3 2020. Excluding this sale, the average deal size stood at €21.2m, still above the Q1 level. Deal numbers were broadly unchanged, with 25 transactions completed compared with 23 in Q1. In the first half of 2026, total investment turnover reached €1.45bn, 56% higher than in H1 2025.

The market in Q2 remained heavily dependent on large transactions, with four sales above €50m completed, of which two exceeded €100m.

Combined, these four deals accounted for 76% (€761m) of total quarterly turnover. Excluding transactions above €50m, Q2 turnover stood at €247.5m, slightly ahead of the €231m recorded in Q1. The average deal size below €50m was €11.8m, slightly above the €10.5m seen in the previous quarter. This shows that underlying mid-market activity remained relatively steady.

On a rolling 12-month basis, turnover rose to €2.96bn, up from €2.34bn in Q1, the strongest rolling annual figure since Q2 2023, although it remained well below the peak levels recorded in 2021 and 2022, when rolling annual activity was above €5bn.

The industrial sector led the market in Q2 2026, accounting for 51% of total turnover. This was a notable shift from Q1, when living was the dominant sector and industrial accounted for only 9% of activity. The living sector remained active in Q2, accounting for 23% of turnover, followed by offices at 18% and retail at 6%. Activity in mixed-use and other sectors was limited in Q2 2026.

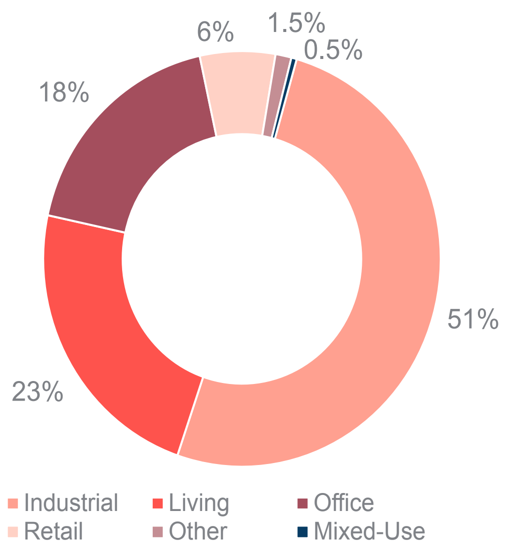
As a result, the industrial sector also led the market in H1 2026, accounting for 38% of turnover. The living sector followed closely at 34%, while offices accounted for 20%. Retail remained more limited at 5%, with mixed-use and other assets accounting for only a small share of activity.

### Top 5 Investment Transactions Q1 2026

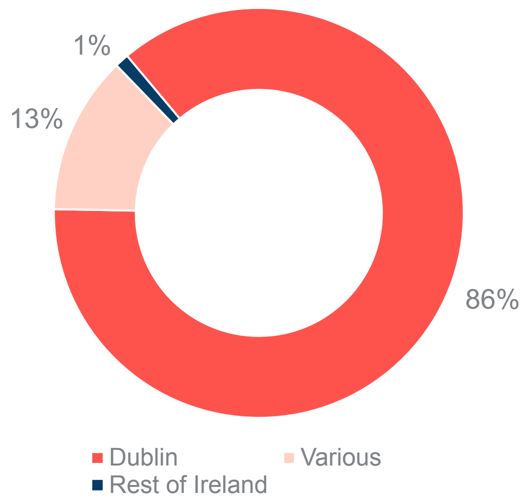
| Property | Location | Sector | Reported Price | Purchaser |
|---|---|---|---|---|
| Horizon Logistics Park, Swords, Co Dublin | Dublin | Industrial | €500,000,000 | Valor / GIC |
| One Molesworth Street, Dublin 2 | Dublin | Office | €110,000,000 | MEAG |
| Project Lime, Irish Social Housing Portfolio, Nationwide | Nationwide | Living – Social Housing | €84,000,000 | Home for Life |
| Seafield Strand, Sutton, Dublin 13 | Dublin | Living - PRS | €67,000,000 | MEAG |
| Ilac Shopping Centre, Henry Street, Dublin 1 | Dublin | Retail | €45,000,000 | Hammerson |

Source: Lisney

## Activity By Sector (Q2 2026)



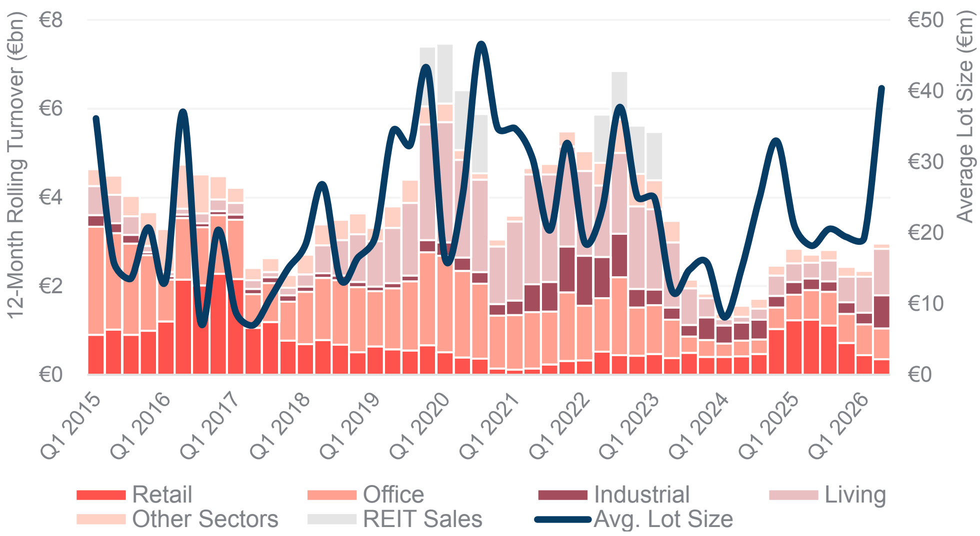

## Activity By Location (Q2 2026)




Source: Lisney

## Quarterly 12-Month Rolling Turnover by Sector & Average Lot Size (Q1 2015 – Q2 2026)

Source: Lisney



# IN FOCUS

## Q2 2026 in a Wider Context

To put the quarter in a wider context, the chart below compares Q2 2026 with quarterly activity since 2019, based on the number of transactions and average deal size. Higher transaction numbers sit to the right, while larger average deal sizes sit in the upper part of the chart.

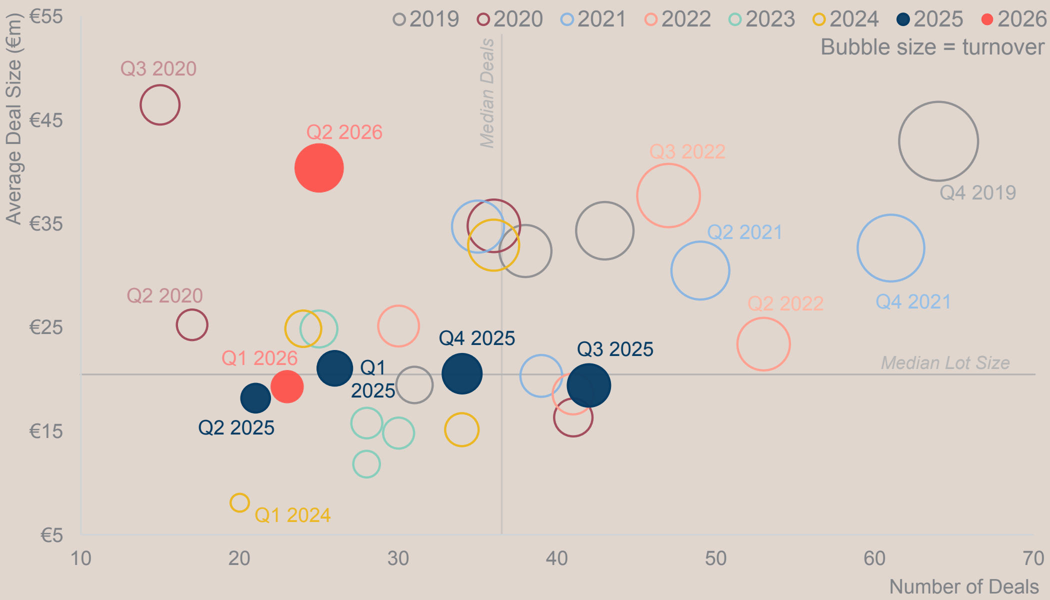
Q2 2026 sits in the upper-left quadrant, with a high average deal size but a below-median number of transactions. This contrasts with Q1, which sat in the lower-left quadrant and reflected weaker activity in terms of both deal numbers and deal size. The shift in Q2 was driven by a sharp rise in average deal size, placing Q2 among the larger-deal quarters since 2019. However, Q2 did not see the same level of transaction activity as the strongest quarters, such as Q4 2019 and Q4 2021, that sit in the upper-right quadrant, where turnover was supported by both higher deal numbers and larger average lot sizes, indicating that the improvement in Q2 was driven by larger deals rather than a broader pickup in market activity. More recent quarters have generally clustered closer to median levels, reflecting a more moderate pace of activity than in earlier cycles.

Q2 2026 sits in the upper-left quadrant, with a high average deal size but a below-median number of transactions. This contrasts with Q1, which sat in the lower-left quadrant and reflected weaker activity in terms of both deal numbers and deal size.

### Quarterly Investment Activity (2019-Q2 2026)[1]

Source: Lisney

The right-hand side indicates higher transaction volumes, the upper quadrants reflect larger average lot sizes, while bubble size represents turnover.




[1] The chart plots investment activity by number of transactions (horizontal axis) and average deal size (vertical axis), with bubble size representing turnover. Reference lines indicate median levels.

The Hive, Sandyford, Dublin 18

## Transaction Trends

Dublin continued to dominate investment activity in Q2 2026, accounting for 86% of total turnover, above the quarterly 10-year average of 81% and the 5-year average of 76%. Activity outside the capital was extremely limited, with transactions in Co Clare and Co Waterford accounting for 1% of turnover combined. Two further portfolio transactions included assets across various counties.

Off-market transactions remained a significant feature of the market, accounting for 83% of total turnover in Q2 and 79% in H1. This was up from 69% in Q1 and 77% in Q4 2025. It also remained well above the 5-year average of 60% and the longer-term average of 50%.

## Investor Profile

The buyer profile in Q2 2026 was heavily weighted towards international capital, which accounted for 79% of total turnover, up from 73% in Q1. Overseas investors continued to dominate larger transactions, with activity mainly concentrated across Germany, France and the UK. Notable buyers included GIC, MEAG, Hammerson, Valeo Management Europe and Akrea.

Domestic investors were more active in smaller transactions, although there were also some larger domestic-led deals. Key Irish buyers included Home for Life, IPUT, UCD and Carrolls Irish Gifts, alongside continued participation from private Irish investors. Domestic activity was most evident in sub-€10m transactions, where lot sizes remain more accessible to private capital. However, French SCPIs continue to be active in this price bracket.

## Market Tone

Investors' focus remained on assets with strong tenant covenants, longer WAULTs (typically over five years), and good ESG credentials with the more resilient sectors of living, logistics and grocery-led retail in greatest demand. Refurbishment costs and BER upgrades remain important considerations, particularly for office assets, where works can be costly and more difficult to complete in occupied buildings. However, this varies by sector, with value-add opportunities, particularly in industrial and logistics, continuing to attract demand where there is a clear route to improving the asset and supporting rental growth.

Market activity improved in Q2, although the rebound was concentrated in a small number of large transactions rather than a wider pick-up in deal numbers. Institutional capital remains active, but investors continue to be selective. Pricing, transaction completion risk and capital expenditure are key considerations, particularly for larger lot sizes where decision-making processes can still take some time. As a result, the overall market tone remains cautious but with improving activity levels.

# LIVING SECTOR

## Living sector activity was steady in Q2 2026, with €233m transacted across four deals, bringing H1 2026 turnover to €486.8m across eight deals.

This was significantly ahead of H1 2025, when just €10.6m transacted. Q2 turnover was slightly below Q1, however, there was a significant improvement compared to Q2 2025, when no living sector transactions were recorded. The sector's share of total turnover fell from 57% in Q1 to 23% in Q2, although this mainly reflects the larger overall market in Q2. The average deal size was high at €58.3m in Q2, broadly in line with €63.5m in Q1. On an H1 basis, the average living sector deal size stood at €60.9m.

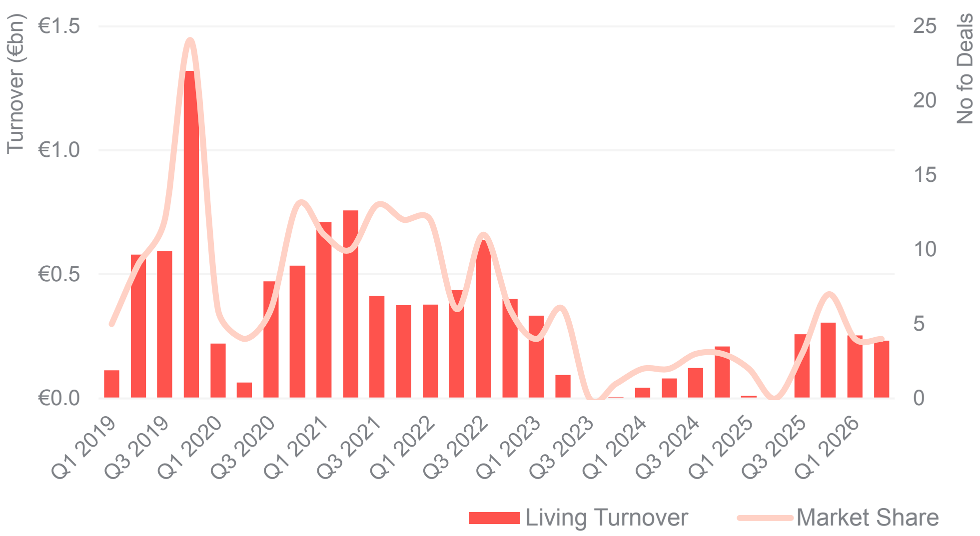
Activity in Q2 was spread across PRS, PBSA and social housing, with social housing accounting for 54% of living sector activity across two transactions. PRS and PBSA each saw one transaction. This was a change from Q1, when activity was heavily weighted towards PRS and driven by one large deal.

The largest living sector transaction in Q2 was the €84m acquisition of Project Lime, an Irish social housing portfolio, by an Irish investor, Home for Life. Project Lime comprises 276 residential units across the Greater Dublin Area and Cork. Home for Life also acquired Project Harp, another social housing portfolio, from Goldman Sachs for €42m. The portfolio comprises 145 properties across Ireland, with the majority located in Dublin. All living sector transactions in Q2 were completed off-market.

Institutional investor demand for living sector assets remains strong, although activity has been uneven, with periods of limited transactions followed by more active quarters, particularly over the past few years. This was partly because of higher financing costs, geopolitical uncertainty, and uncertainty around residential legislation in Ireland contributing to a more cautious market and held back activity. With the new legislation now adopted, the market has greater clarity, and activity has been more stable over the last four quarters.  However, development costs for new schemes is not the biggest hinderance to additional stock.

### Quarterly Living Sector Investment Activity (Q1 2019-Q2 2026)

Source: Lisney



# OFFICE SECTOR

## Office investment activity reached €183.7m across seven deals in Q2 2026, bringing H1 2026 turnover to €296.9m across 17 deals, up from €267.6m across ten deals in H1 2025. This shows a modest improvement in turnover, but a more notable increase in deal numbers.

Q2 2026 activity was up from €113.2m in Q1 and broadly in line with the €180.2m recorded in Q2 2025. The quarter was the third strongest for office investment since the start of 2023, although activity remained well below the stronger period seen before the market repricing, when quarterly office turnover regularly exceeded €300m and reached €852.9m in Q4 2019. The sector accounted for 18% of total turnover in Q2, down from 26% in Q1. The average deal size rose to €26.2m, the highest since Q2 2025.

The largest office transaction of the quarter was MEAG's acquisition of One Molesworth Street in Dublin 2 for €110m, which accounted for 60% of total office turnover in Q2 and drove the average deal size. Excluding this

Q2 2026 activity was up from €113.2m in Q1 and broadly in line with the €180.2m recorded in Q2 2025.

East Wing Block R, Dublin 1

transaction, office turnover stood at €73.7m across six deals, with an average lot size of €12.3m, slightly above the average deal size of €11.3m in Q1.

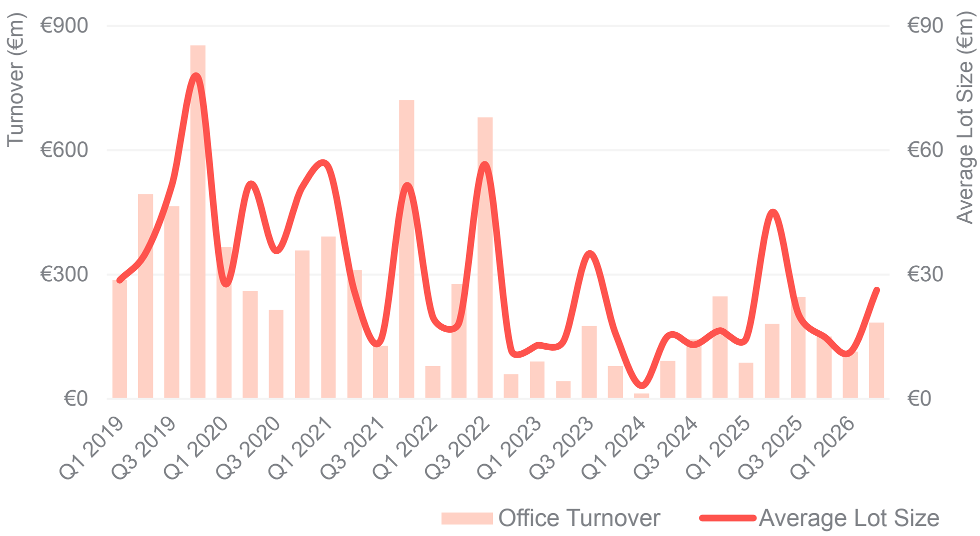
Another notable transaction was the sale of One Haddington Buildings in Dublin 4 for €27.15m to Spanish insurer Mapfre and German-based investment manager Manova Partners for their European Real Estate Fund II (SIEREF II). The fully let Grade A office was constructed in 1995 and extensively refurbished in 2022, meeting a BER A3 rating and NZEB status. The remaining deals were all completed off-market and ranged from €2.55m to €19.86m.

Investor demand continues to focus on prime assets where pricing has moved closer to market expectations, although buyers remain selective and transaction timelines remain longer, particularly for larger assets. This has shaped the recent office investment recovery, with stronger quarters now more reliant on a small number of large transactions than was typically the case before the repricing cycle.

Clonmell House, Dublin 2

## Quarterly Office Sector Investment Activity (Q1 2019-Q2 2026)

Source: Lisney



# RETAIL SECTOR

## Retail investment activity also improved in Q2 2026, with €61.8m transacted across five deals following a very weak Q1, when just €7.4m transacted.

However, activity remained well below the €158.7m recorded in Q2 2025 and the stronger retail quarters seen in 2024 and early 2025, when turnover exceeded €600m. This brought H1 2026 retail turnover to €69.2m across six deals, well below €430.7m across 16 deals in H1 2025. The sector accounted for 6% of total turnover in Q2 2026, up from 2% in Q1, but still well below the 42% recorded in Q2 2025.

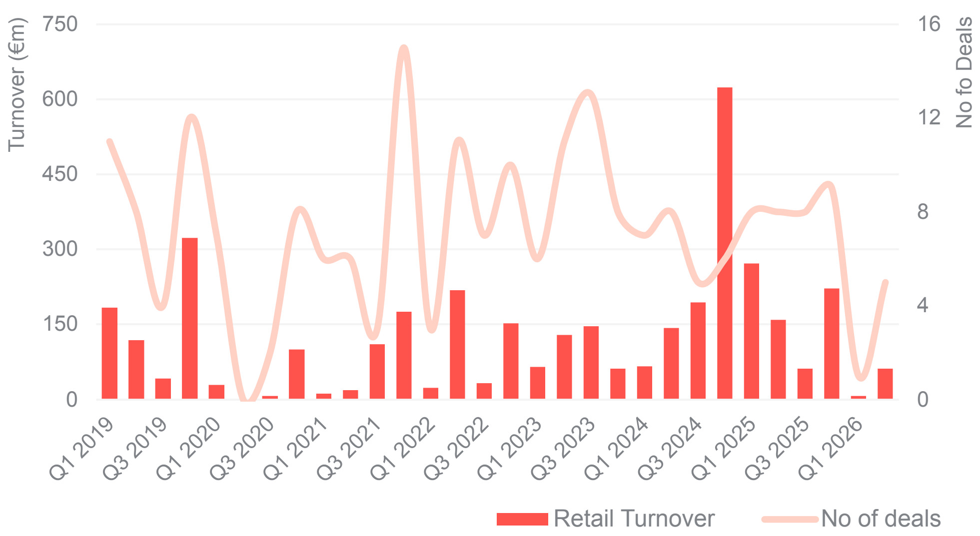
The improvement in Q2 was driven mainly by Hammerson's €45m acquisition of Irish Life's 50% stake in the Ilac Shopping Centre on Henry Street in Dublin 1. With this acquisition, Hammerson secured full ownership of the centre as it already held the other 50%, having acquired it in 2015 as part of the wider Project Jewel transaction. This deal accounted for 73% of retail turnover in Q2. The remaining retail transactions were sub-€10m each, with only one located outside Dublin.

While Q2 showed some recovery from the very weak start to the year, retail activity remains selective and closely tied to stock availability and pricing. Demand continues to focus on well-performing assets with resilient occupier line-ups and secure income, particularly grocery-led schemes, retail parks and shopping centres where pricing reflects current market conditions. Deal numbers can recover quickly when assets come to the market, but they can also fall back sharply when stock is limited, or pricing expectations are harder to align. As a result, retail turnover can fluctuate noticeably between quarters, even where underlying investor demand has not materially changed.

> H1 2026 retail turnover reached €69.2m across six deals, well below €430.7m across 16 deals in H1

**Quarterly Retail Sector Investment Activity (2019-Q2 2026)**

Source: Lisney



# INDUSTRIAL SECTOR

## Industrial investment activity increased sharply in Q2 2026, with €512.5m transacted across four deals. This was up from €41.3m in Q1 and well ahead of the €22.7m recorded in Q2 2025.

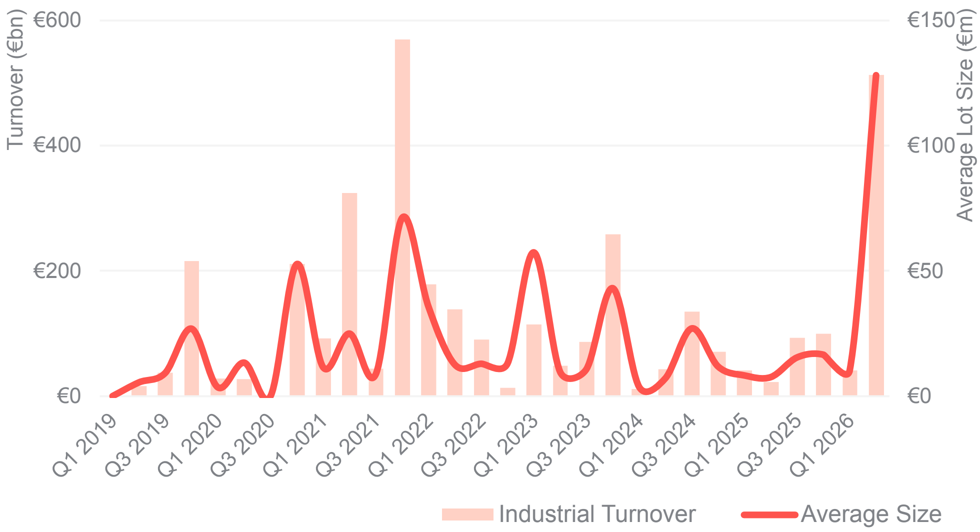
The sector accounted for 51% of total turnover in Q2, a notable increase from 9% in Q1. In H1 2026, industrial turnover reached €553.8m across eight deals, compared with €64m across the same number of deals in H1 2025.

The increase was driven almost entirely by the €500m off-market sale of Horizon Logistics Park in North Dublin to Singapore's sovereign wealth fund GIC and UK investor Valor Real Estate Partners. The transaction was one of the largest ever recorded in the Irish investment market and comprised 25 high-spec logistics units, with tenants including DHL, UPS and FedEx, alongside 260 acres of development land. The deal accounted for 50% of total Q2 turnover and 98% of industrial turnover. Excluding this transaction, industrial activity totalled €12.5m in Q2 and €53.8m in H1. The remaining industrial deals were each below €9m, of which only one was outside Dublin.

Investor demand for industrial and logistics assets remains strong, particularly for well-located stock with strong tenant covenants and value-add potential. However, the Q2 figures show how much quarterly turnover can depend on the availability of large logistics assets.

**Quarterly Industrial Sector Investment Activity Q1 2019-Q2 2026)**

Source: Lisney



# PRICING

With some cautious vendors holding off on bringing assets to market in recent times, much of the activity took place off-market. However, competition for prime assets remained strong enough to put downward pressure on yields in Q2, where the asset quality and income profile supported it.

Prime yields were broadly stable in Q2, except for offices, where prime yields compressed by 20 bps to 4.80%, driven by MEAG's acquisition of One Molesworth Street in Dublin 2. In addition, while industrial yields were unchanged in Q2, deals agreed in the quarter and expected to complete in Q3 may also put downward pressure on prime industrial yields.

## Prime Net Equivalent Yields

| | Retail* | Office | Industrial | PRS** |
|---|---|---|---|---|
| Q2 2026 | 5.15% | 4.80% | 5.00% | 4.75%-4.90% |
| Quarterly Change | 0 bps | -20 bps | 0 bps | 0 bps |
| Annual Change | 0 bps | -35 bps | 0 bps | 0 bps |

* Grafton Street, Dublin 2
** PRS yields assume OPEX at 20% of income
Source: Lisney

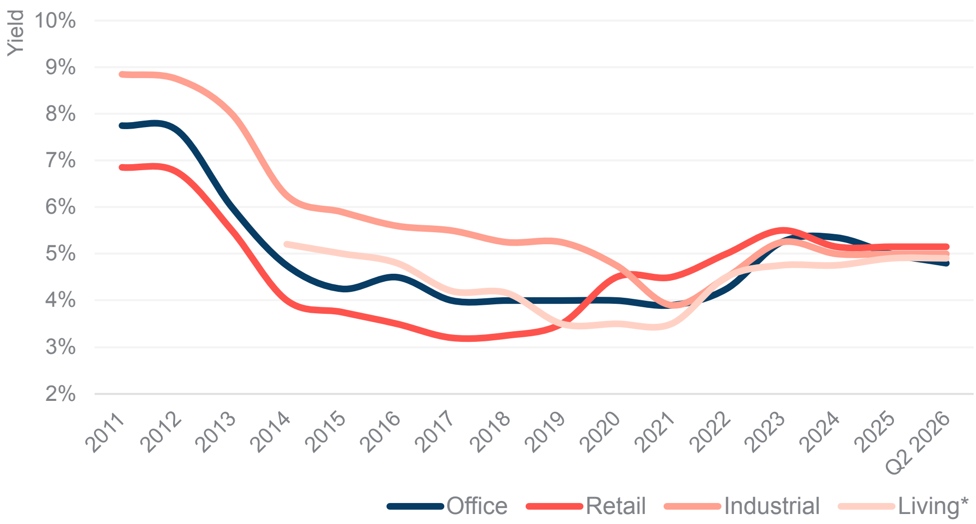
Muirfield Drive, Naas Road, Dublin 12

The Q2 2026 MSCI/SCSI Ireland Property Index increased slightly in capital values for 'all property', having been broadly stable in recent quarters. Capital values rose by 0.7% in the quarter and by 1.2% year-on-year. All sectors recorded growth, with retail experiencing the strongest increase and offices the weakest.

### Prime Net Equivalent Yields (2011 – Q2 2026)

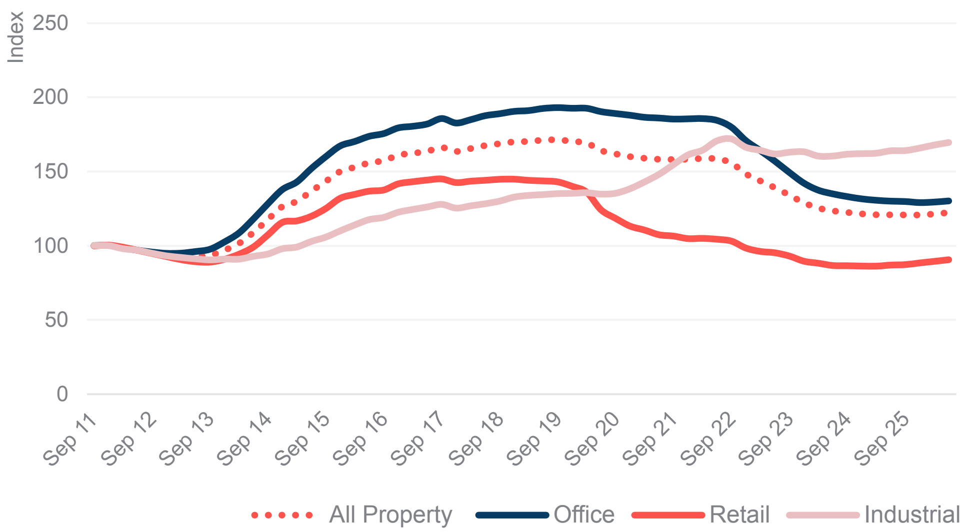
Source: Lisney

* PRS yields assume OPEX at 20% of income




### MSCI / SCSI Capital Value Growth Index (Q4 2011 – Q2 2026)

Source: MSCI, Lisney analysis




# SUPPLY

At the end of June 2026, there was more than €500m in on-market investment opportunities available, some of which had deals agreed. However, considering the off-market sales activity, supply is significantly larger. The supply side of the market has also become more active than is typical for the summer period, with several larger investment opportunities being brought to the market. This should provide investors with a broader range of options and may support activity in the second half of the year.


> Market movements will remain closely linked to wider economic conditions, including interest rate expectations and the cost of capital.

# OUTLOOK

- Geopolitical and economic uncertainty will remain an important feature of the market in 2026, contributing to a more cautious investment environment. While underlying demand remains, increased uncertainty around pricing and the macroeconomic outlook is continuing to impact transaction timelines, with several deals taking longer to progress or being delayed.
- Institutional investors will remain active but more selective, with greater scrutiny around pricing and execution. This is particularly evident in larger lot size transactions, where decision-making processes have lengthened. Domestic investors, along with French SCPIs, are likely to continue to play a role at smaller lot sizes, where opportunities remain more accessible.
- Market movements will remain closely linked to wider economic conditions, including interest rate expectations and the cost of capital.
- Investor demand will stay focused on assets with strong tenant covenants, secure income profiles and limited short-term capital expenditure requirements. More resilient sectors, including living and grocery-led retail, are likely to remain more liquid, while activity in other sectors may remain constrained until there is greater clarity on pricing and market conditions.

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