Office
Market Update

Lisney
COMMERCIAL REAL ESTATE

Q2 2026

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OVERVIEW

Activity in the Dublin office market improved in Q2 2026 after a quieter start to the year, although first-half take-up remained below the same period in 2025.

Demand continued to focus on well-located, high-quality accommodation, particularly fitted offices and grade A space with strong sustainability credentials. Activity was less reliant on tech than last year, with financial, professional services and pharma / life sciences occupiers all active in the quarter. The city centre remained the most active, although activity in the suburbs increased when compared to the same period last year. Availability increased only slightly, with the headline vacancy rate still below the level recorded a year earlier.

▲ 55,070 sqm
Take-Up

▲ 52
No. of Transactions

▼ 1,060 sqm
Average Lot Size

▼ 61%
Busiest Region
City Centre

▲ 26%
Busiest Sector
Professional services

▲ €727 psm
City Centre
Prime Headline Rent
(€67.50 psf)

▲ 86,600 sqm
Reserved
87% in the city centre

▲ 15%
Headline Vacancy Rate

▼ 99,020 sqm
Under Construction

Sandwith Court, Dublin 2.

2 GCQ, Dublin 2

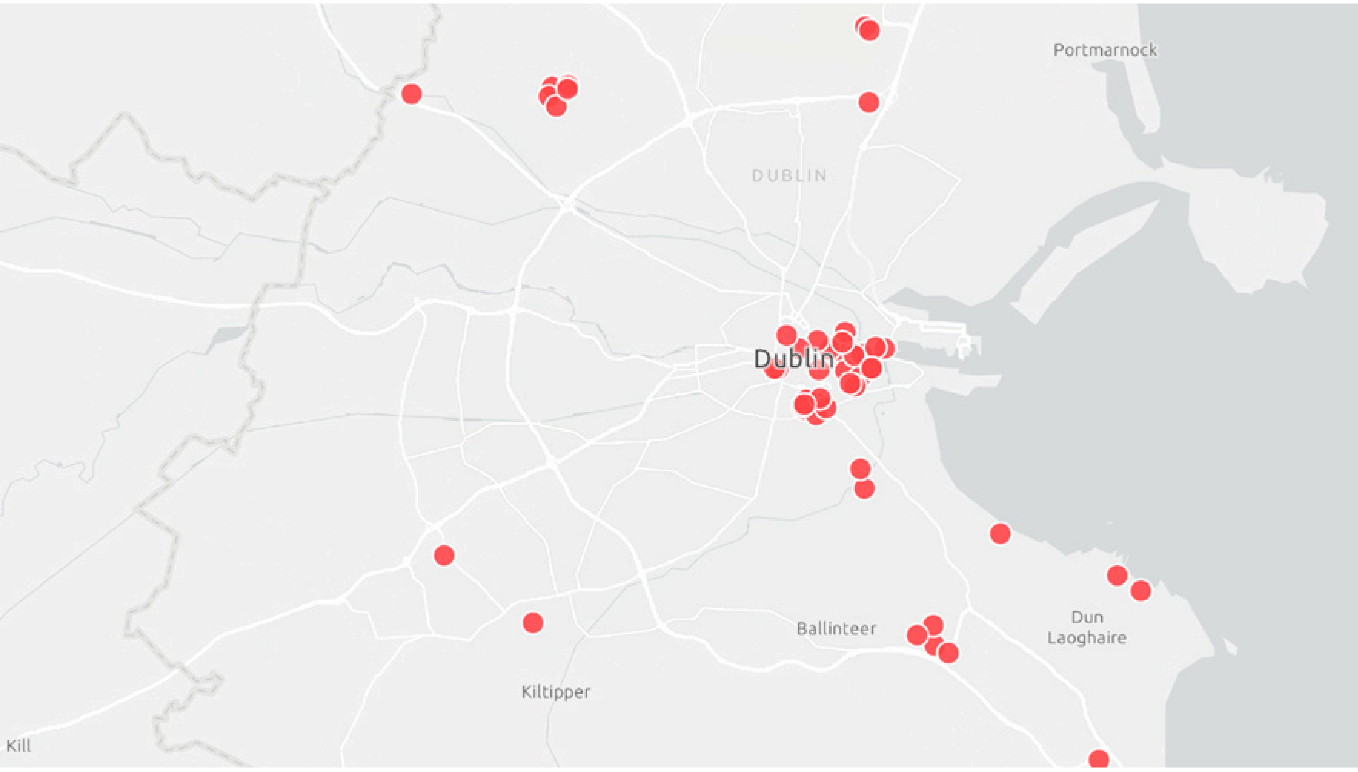
ACTIVITY

Top 10 Office Transactions (Q2 2026)

Building	Sqm	Region	Occupier
2 Grand Canal Quay, Dublin 2	City South	7,250	State Street
Sandwith Court, Dublin 2	City South	6,040	Iconic
Building 1, Cherrywood, Dublin 18	South Suburbs	5,570	HSE
Block 9, Richview Office Park, Dublin 14	South Suburbs	3,330	Blackrock Health
The Sidings, Grand Canal Dock, Dublin 2	City South	2,580	Asana
One Charlemont Square, Dublin 2	City South	2,360	Bloomberg
Airside Green, Airside Business Park, Co Dublin	North Suburbs	1,800	Bidvest Noonan
5-9 South Frederick Street, Dublin 2	City South	1,840	Cantor Fitzgerald
20 on Hatch, Dublin 2	City South	1,640	The AA
1a Damastown Walk, Dublin 15	North Suburbs	1,390	Elliot Group

Source: Lisney

Office Take-Up Q2 2026



Source: Lisney

MARKET ACTIVITY

Dublin office market activity improved in Q2 2026, with take-up reaching 55,070 sqm.

This was up from 36,000 sqm in Q1, but below the 61,900 sqm recorded in Q2 2025 and only marginally below the 10-year quarterly average of 58,000 sqm. H1 2026 take-up totalled 91,060 sqm, down from 100,200 sqm in H1 2025. The Q2 improvement was in line with the trend seen in recent years, with activity generally strengthening after a quieter first quarter.

Smaller lettings (under 1,000 sqm) continued to dominate activity, with 34 of the 53 deals completed in Q2.

Deal Insights

- 52 transactions were completed in Q2 2026, up from 43 in Q1 and 34 in Q2 2025. This brought H1 2026 deal numbers to 95, compared with 76 in H1 2025.
- The average deal size was 1,060 sqm in Q2, up from 840 sqm in Q1, although it remained below the 1,820 sqm recorded in Q2 2025 and the 10-year average of approximately 1,200 sqm. The Q2 improvement was not enough to bring the first-half average to last year's level, with H1 2026 average standing at 960 sqm compared with 1,320 sqm in H1 2025.
- The top ten deals accounted for 61% of total take-up, with six transactions exceeding 2,000 sqm, three of which exceeded 5,000 sqm. The largest transaction was State Street's letting of 7,250 sqm at 2 Grand Canal Quay in Dublin 2, which accounted for 13% of Q2 take-up. This was followed by Iconic taking Sandwith Court in Dublin 2 (6,040 sqm) and the HSE taking Building 1 in Cherrywood, Dublin 18 (5,570 sqm).
- The city centre remained the most active region, accounting for 61% of total take-up in Q2 and 65% in H1. However, this was down from 70% in Q1, 85% in Q2 2025 and 84% in H1 2025, as suburban activity increased. In Q2 2026, the suburbs accounted for the remaining 39% of take-up, with activity spread across the south (22%), north (15%) and west (2%).
- Smaller lettings (under 1,000 sqm) continued to dominate activity, with 34 of the 53 deals completed in Q2. Combined, these transactions accounted for 22% of total take-up, down from 42% in Q1 and below the 10-year quarterly average of 32%, as activity was supported by a greater number of mid-size deals.

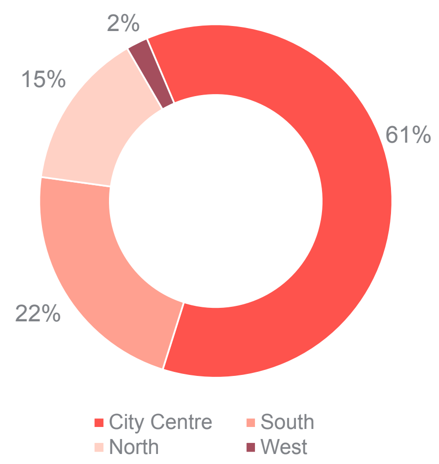
Occupier Trends

- Irish and North American occupiers were the most active in Q2, accounting for 46% and 38% of take-up respectively. This was a shift from Q2 2025, when North American companies dominated activity at 66%, while Irish companies accounted for 13%. Activity from other countries and regions was more limited in Q2 2026, with Europe accounting for 8% and the UK for just 1%. In H1 2026, Irish occupiers accounted for 42% and North American companies for 36%, compared with H1 2025, when North American companies accounted for 56% and Irish occupiers for 25%.
- Over the longer term, Irish and North American occupiers have each played an important role in Dublin office take-up, although their share has varied from quarter to quarter. North American occupiers tend to dominate stronger quarters, while Irish occupiers have maintained a more consistent level of activity. In Q2, the average transaction size for Irish occupiers was 1,700 sqm, compared with 1,750 sqm for North American companies.
- Financial occupiers were the most active sector in Q2 2026, accounting for 26% of total take-up, closely followed by professional services at 24%. This was a shift from Q1, when professional services led activity and financial occupiers accounted for just 10% of take-up. Pharma and life sciences also increased notably in Q2, accounting for 21% of take-up, compared with just 2% in Q1, while tech accounted for 11%, down from 23% in Q1.
- In H1 2026, professional services remained the largest sector overall, accounting for 27% of take-up, up from 17% in H1 2025. Financial occupiers followed at 20%, compared with just 2% in H1 2025. Tech accounted for 16% of take-up, well below the 54% recorded in H1 2025, when the sector dominated activity.

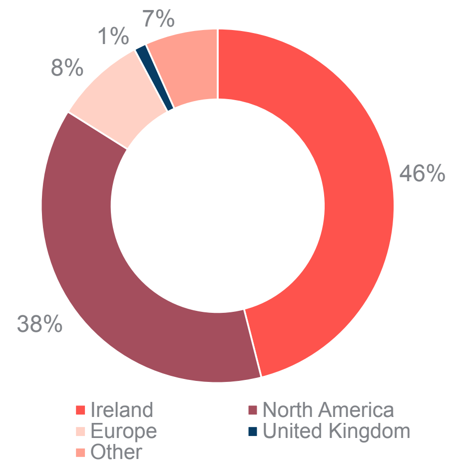
Building Profile

- In Q2 2026, eight deals were completed in newly constructed buildings (16,900 sqm).
- A further two deals were completed in refurbished properties (1,590 sqm).
- As has been the case over the years, previously occupied space dominated activity, accounting for 42 deals (36,590 sqm).

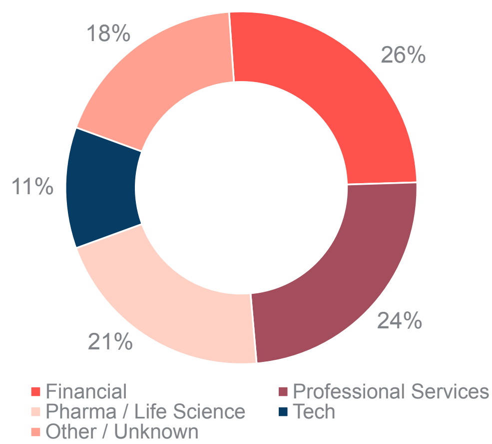
Take-Up by Region (Q2 2026)



Take-Up by Occupier Origin (Q2 2026)



Take-Up by Occupier Sector (Q2 2026)



Source: Lisney

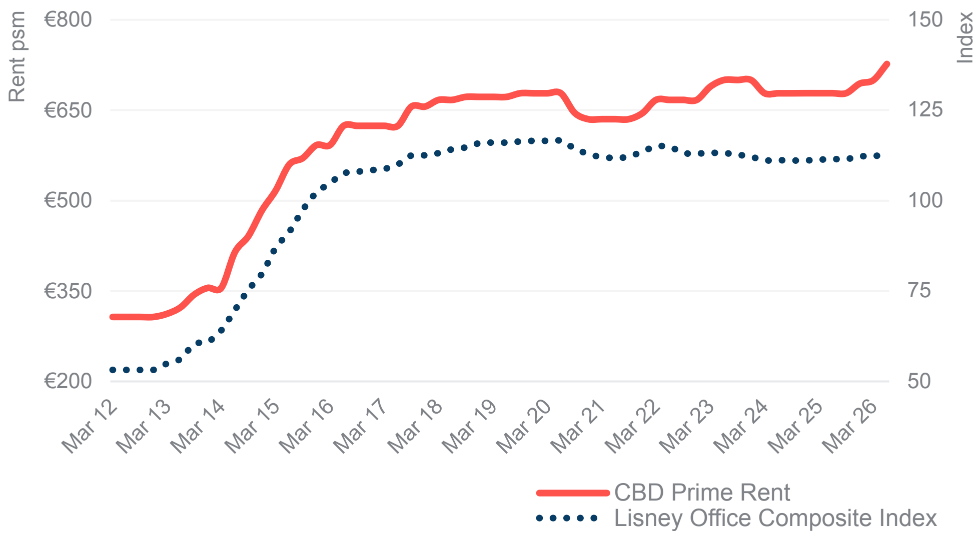
TERMS

The prime city centre headline rent increased in the quarter from €700 psm (€65 psf) to €727 psm (€67.50 psf), having been somewhat stable since the end of 2023. Rental rates on prime secondary space held firm at around €457 psm (€42.50 psf) for the third consecutive quarter.

Overall, Lisney's office rent index for the Dublin region (covering prime and secondary buildings across all areas) increased by 1.4% in June 2026 compared to 12 months ago, although it remained 3.0% below March 2020 levels.

Headline Office Rent (Q1 2012 – Q2 2026)

Source: Lisney



DEMAND

Occupier demand remains concentrated in prime city centre locations as employers continue to focus on enticing staff back into the office. Occupiers favour high-quality accommodation, particularly fully fitted offices and new grade A space with strong sustainability credentials. As a result, landlords of older office stock are increasingly under pressure to improve specification and BER ratings to remain competitive.

At the end of June 2026, approximately 86,600 sqm of space was reserved, 87% of which was in the city region. This includes Enterprise Ireland agreed to take the entire of 160 Townsend in Dublin 2 (9,340 sqm), Open AI taking Tropical Fruit Warehouse in Dublin 2 (7,830 sqm) as an assignment from TikTok; Klaviyo agreeing 5,320 sqm at One Le Pole Square in Dublin 8, and Pembr reserving 16 Stephens Green in Dublin 2 (3,720 sqm).

While this represents a reduction on levels seen in recent years, underlying demand remains relatively stable, supported by activity from AI occupiers, as well as continued interest from professional services companies. The potential impact of AI on future space requirements is becoming a consideration for occupiers, albeit has not been fully worked out. In addition, geopolitical uncertainty and interest rate expectations are weighing on confidence in certain sectors. Both factors mean that some occupiers are taking longer to make decisions on requirements.

Occupiers remain focused on building quality and operational efficiency when assessing accommodation requirements. Sustainability is one of the key considerations for occupiers, particularly when assessing renewal or relocation options. Consequently, landlords are increasingly offering fully fitted solutions across both new-build and existing office stock, reflecting the growing challenge tenants face in justifying rising fit-out costs. The provision of CAT B accommodation is becoming a more common leasing incentive, particularly where occupiers are seeking to minimise upfront capital expenditure. In return, landlords are generally seeking to recover the associated fit-out costs through a rental premium and/or by amortising the expenditure over the lease term.

SUPPLY

At the end of June 2026, approximately 689,000 sqm of modern, purpose-built office space was vacant across Dublin, slightly up when compared to three months earlier (680,000 sqm).

Available	680,000 sqm
Grade	61% used 33% new / not previously occupied
Headline Vacancy Rate	15%

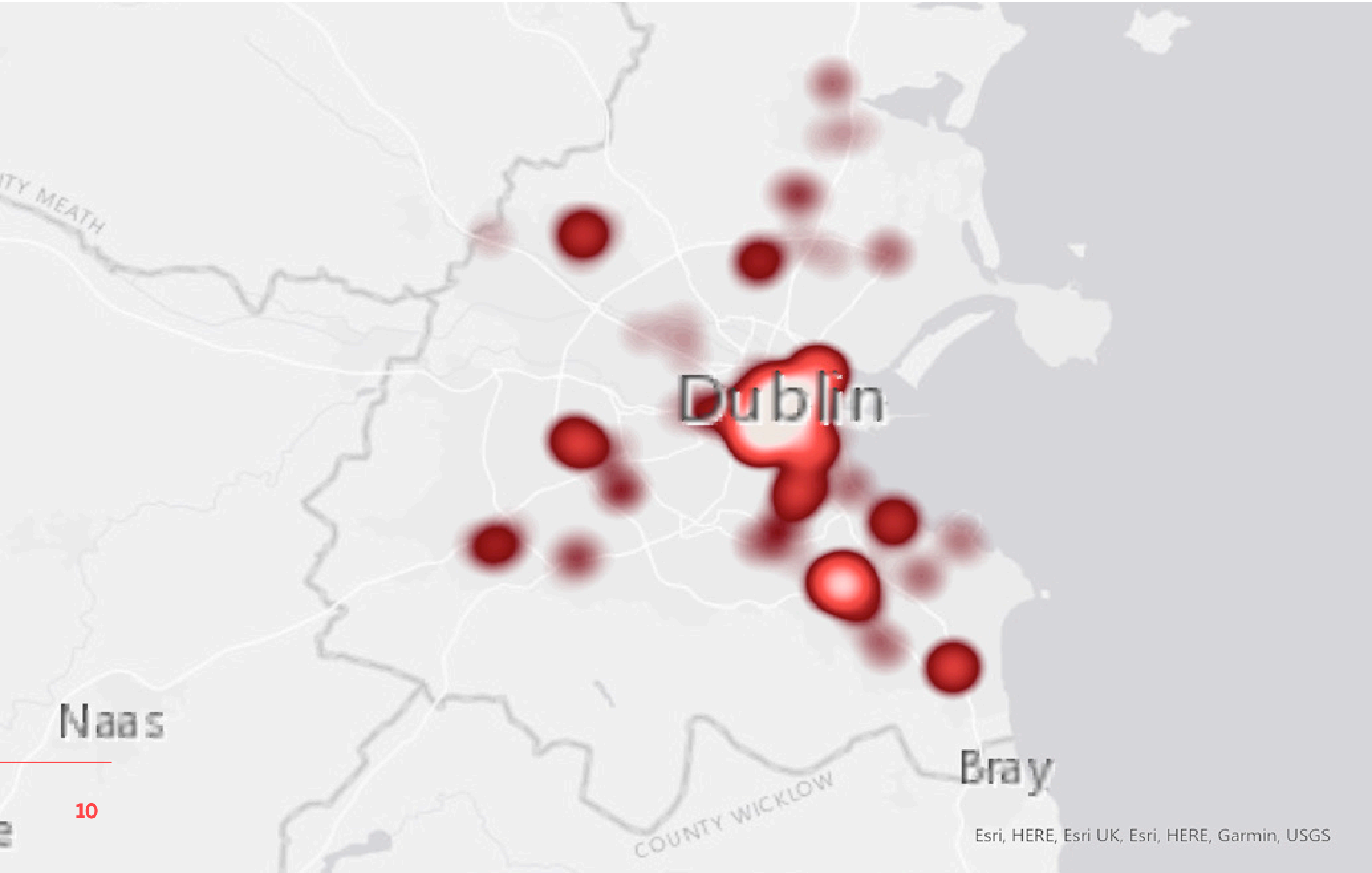
Most of the available space was concentrated in the city centre (68%), followed by the south suburbs (16%), north suburbs (10%) and west suburbs (6%).

The largest availability within a single scheme remained in Fibonacci Square in Ballsbridge, Dublin 4, where 31,000 sqm was available on a sub-let basis. Although some space has been let since the scheme came to the market in 2024, with lettings in 2025 and Q1 2026, the remaining available space is still substantial. This was followed by Cooper's Cross One and Two, Dublin 1, with 26,700 sqm available, and 4 & 5 Grand Canal Square in Dublin 2, where 23,140 sqm is under construction.

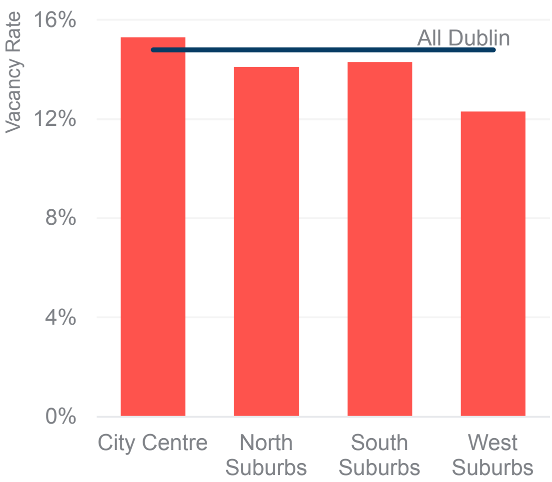
Dublin's overall headline vacancy rate stood at 15% at the end of June 2026, marginally up from 14.9% in March but below 15.4% in June 2025. While vacancy has eased slightly over the past year, it remains well above the 6.9% recorded in early 2020, with much of the increase still attributed to new developments and grey space. The vacancy rates across the regions varied, with the city centre headline rate at 15.6% and the true rate (after removing obsolete stock that is never likely to be occupied again) at 15.3%.

Grey space availability also decreased in Q2 2026, standing at 162,500 sqm, down from 175,200 sqm three months earlier and well below the peak of 242,400 sqm recorded in Q2 2023.

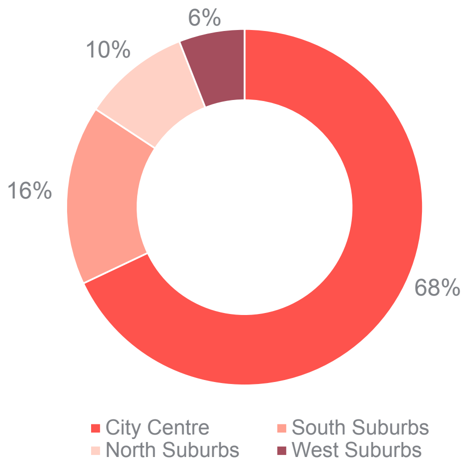
Office supply Q2 2026



Headline Vacancy Rate by Region (Q2 2026)



Supply by Region (Q2 2026)



Source: Lisney

NEW STOCK

No new office construction commenced in Q2.

Under Construction	90,000 sqm
Largest Scheme Under Construction	Waterfront Central, North Wall Quay, Dublin 1
Average New Scheme Size	22,500 sqm
Deal Agreed / Reserved Pre-Completion	83%

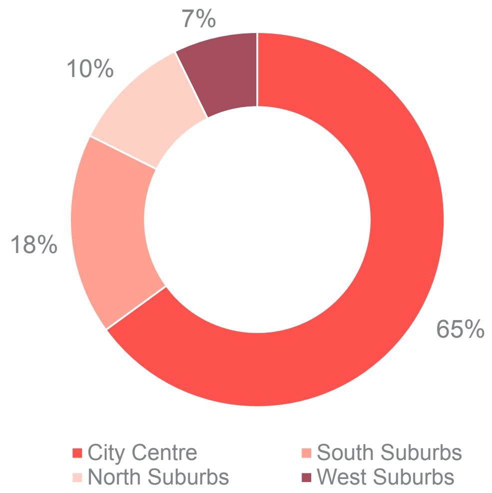
In Q2 2026, a total of 34,800 sqm of office accommodation was completed across four schemes, including Treasury Building extension (6,250 sqm), 5,500 sqm of refurbished space at Irish Life Centre and 160 Townsend on Townsend Street in Dublin 2 (9,550 sqm), which is currently available to let. 2 Grand Canal Quay (13,450 sqm) was also completed, having been developed speculatively, with the fourth to tenth floors (7,250 sqm) let to State Street in Q2 in the largest transaction of the quarter.

No new office construction commenced in Q2. Construction continued on approximately 90,020 sqm of office space at the end of June. The largest schemes under construction in Q2 included:

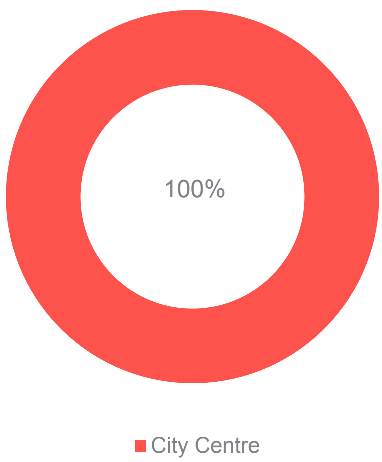
- Waterfront Central, North Wall Quay, Dublin 1 (40,000 sqm) – part is available with Citi Bank taking 60% of the scheme
- Harcourt Square, Dublin 2 (32,000 sqm) – pre-let to KPMG as its new HQ
- 1 Adelaide Road, Dublin 2 (14,860 sqm) – pre-let to Deloitte as its new HQ, bringing all Dublin operations into one scheme

While there are several new schemes available to let, the last property cycle showed that these can get taken up very quickly as the market improves. Currently, none of the developments are being built speculatively (without pre-lets in place). This creates a risk of a shortage of grade A and zero-emission accommodation emerging in the short to medium term to meet demand for occupiers seeking best-in-class office space.

Existing Office Stock by Region (Q2 2026)



Office Stock Under Construction (Q2 2026)



Source: Lisney

Rents on Grade A buildings in Dublin 2 will begin to increase as pressure mounts on availability.

OUTLOOK

- Occupiers' flight to quality will continue. Corporate tenant demand will remain focused on Grade A+ high specification, tech-enabled, net zero, city centre offices to meet sustainability commitments and attract talent within vibrant, amenity-rich environments.
- Smaller, more cost-conscious businesses also want the best-in-class buildings in central locations, but their decisions will be dictated by affordability. In recent years, they benefited from the flexibility offered by fully fitted grey space, which provided cheaper solutions. However, this opportunity will diminish further in the months ahead, and the capital expenditure necessary to carry out fit-out works will be a barrier for some to occupy new, best-in-class buildings, even if the rent is affordable.
- The headline vacancy rate continues to overstate effective availability, with supply of prime CBD accommodation already tighter than the overall market suggests. If current trends persist, this is likely to shift lease terms for high-quality city space in favour of landlords in short term, leading to upward pressure on rents.
- As prime accommodation options narrow, demand is likely to broaden into less sought-after city districts, such as D1 and D8, and refurbishment of Grade B buildings will accelerate to meet occupier requirements.
- Rents on Grade A buildings in Dublin 2 will begin to increase as pressure mounts on availability. There is evidence of transactions being agreed at levels approaching €753 per sqm (€70.00 per sqft) for new-build and pre-let opportunities in Dublin 2. This reflects a combination of elevated construction costs and the continued reduction in the availability of Grade A office accommodation in the area. The scarcity of high-quality space is particularly pronounced for larger occupier requirements, supporting rental levels at the upper end of the market.
- Refurbishment strategies are expected to become more selective and asset-led, with viability increasingly determined through detailed cost-benefit analysis rather than standard upgrade approaches. This will weigh costs against potential improvements in energy performance, building quality and long-term asset competitiveness.

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