

IRISH INVESTMENT MARKET

Q2 2017



OVERVIEW

Following a bumper year of activity in the Irish investment market in 2016, and indeed robust activity over the past three years, the opening half of 2017 saw the market perform quite differently.

A prominence of smaller lot sizes, combined with a lack of prime available product, saw just over €775m transact in the opening six months of the year. A notable decline on the €2.8bn which transacted in the same period in 2016, this total reflects a much anticipated return to more normalised values in the market.

- Large big ticket items were absent from the investment market in the opening half of the year, with the €1-€10m price bracket accounting for 27% of turnover. This compares to just 8% during the same period last year.
- The office sector absorbed €338.7m, or 44% of total spend, during the first half of 2017. Investment in the sector was largely driven by the sale of 13-18 City Quay for €126m.
- Investment in the office sector continues to be dominated by Dublin, however, H1 2017 saw a decline in terms of both the volume and value of capital invested in the Dublin's Central Business District

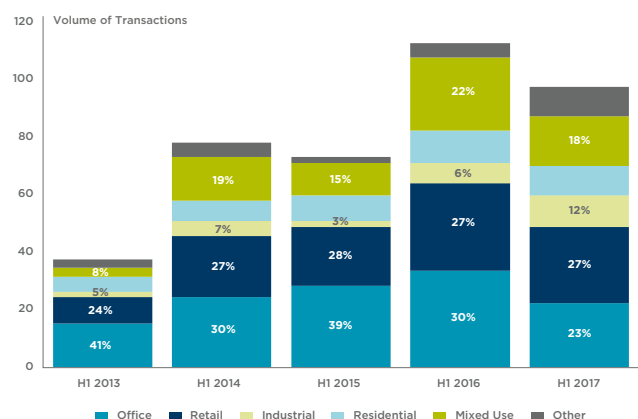
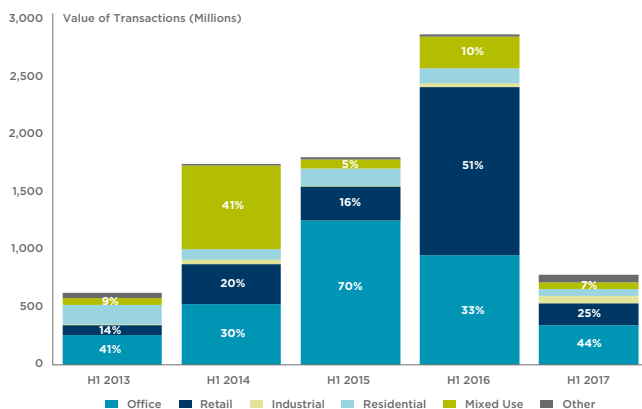
€775 m

APPROXIMATELY €775M WAS INVESTED IN IRISH COMMERCIAL PROPERTY IN H1 2017.

(CBD), as a lack of prime available product impacted investor opportunities.

- Following an exceptional year for the retail sector in 2016, retail accounted for €190.5m, or 24% of investment in the six months to end June. As with the entire investment market, transactions in the sector were dominated by smaller lot sizes. Transactions below €20m accounted for 74% of investment in the sector in the period.
- Perhaps the most interesting element of the sector analysis in the opening six months of 2017, is the increased proportion of investment turnover accounted for by other sectors, such as industrial, residential and hotels. Although a key factor of this increase is the lack of transactions in the +€50m price bracket, the spread of investment has also changed in terms of volume.
- In contrast to the previous three years, which saw overseas capital become an increasingly larger part of the Irish investment market, domestic capital accounted for 62% of spend in the first half of 2017.

Irish Investment Market Sector Breakdown (Value & Volume), 2013 - 2017



Source: Cushman & Wakefield Research

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Marian Finnegan
 Chief Economist,
 Director Research
 +353 (0)1 237 6341
 marian.finnegan@cushwake.ie