

DUBLIN INDUSTRIAL MARKET

Q2 2018



OVERVIEW

The Dublin industrial sector delivered a strong performance in the opening half of 2018, with **164,650 sq m of space occupied, a rise of 17% annually. In terms of market driver, logistics and 3PL occupiers are playing a key role, alongside pharmaceuticals, e-retailing and data centres.**

Activity continues to be largely focussed in the South West, however, with the North West and North East of Dublin also seeing a growing demand.

In an interesting emerging trend, leasehold transactions are dominating the market at present. Lettings accounted for 64% of activity in the opening half of the year, while the level of freehold transactions dropped to its lowest point since 2010. This is due to a lack of available product on a “for sale” basis and heightened concerns surrounding Brexit.

Availability continues on a downward trend, standing at approximately 544,300 sq m, down 29% from peak availability in 2012. Likewise, vacancy levels have also declined, sitting at 13.2% at the end of Q2. When

164,650 sq m

THE FIRST HALF OF 2018 SAW 164,650 SQ M OF INDUSTRIAL SPACE OCCUPIED IN DUBLIN.



64%

LETTINGS ACCOUNTED FOR THE MAJORITY, 64%, OF TRANSACTIONS IN H1 2018, WHILE FREEHOLD TRANSACTIONS HAVE DECLINED.



obsolete stock is stripped out the vacancy rate declines to sub 10%.

Lastly, speculative development was earmarked to become a larger feature of the market in 2018, and this prediction has indeed come to fruition. Since the beginning of 2018, approximately 25,000 sq m of speculative space has commenced construction. Combined with works already in motion, this brings the total speculative space under construction to over 34,000 sq m. This space is all due to complete this year.



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