

May 2023


Edition no. 3



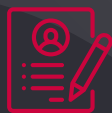
# Bannon **Office Pulse**




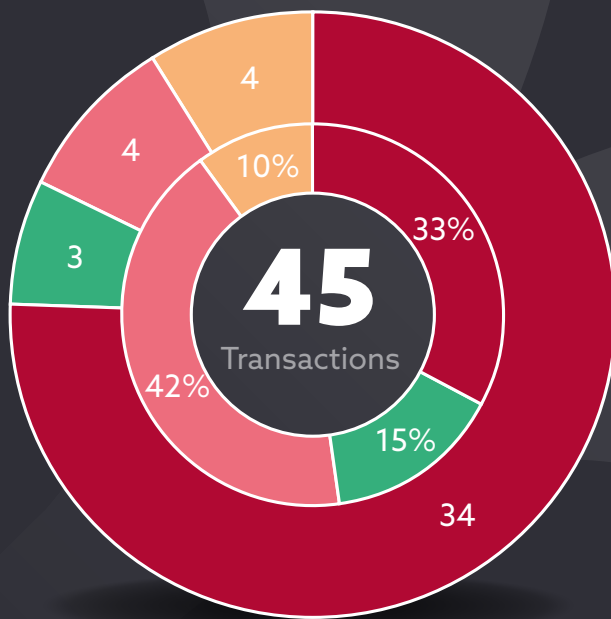
# Q1 2023 At A Glance

 Transactions Signed (Sq.ft.)  
**278,600**





 By Size  
**42%** of take-up attributable to 4 deals in the 20,000 - 49,999 Sq.ft. bracket

 Reserved (Sq.ft.)  
**602,130**  
(71 Transactions)

 Largest Transaction (Sq.ft.)  
**43,700**  
One & Two Dockland Central  
Datadog (Sub-Lease)



No. of Deals by Size Band, & of Total Take-Up

-  Under 5,000 Sq.ft.
-  5,000 - 9,999 Sq.ft.
-  10,000 - 19,999 Sq.ft.
-  20,000 - 49,999 Sq.ft.

## Transactions By Location

**65%** CBD      **35%** City Fringe and Suburbs

## Tenant Profile

**20%** Domestic      **80%** International

## Transactions By Sector

**53%** TMT      **21%** Finance      **9%** Professional Services

## Transaction by Type

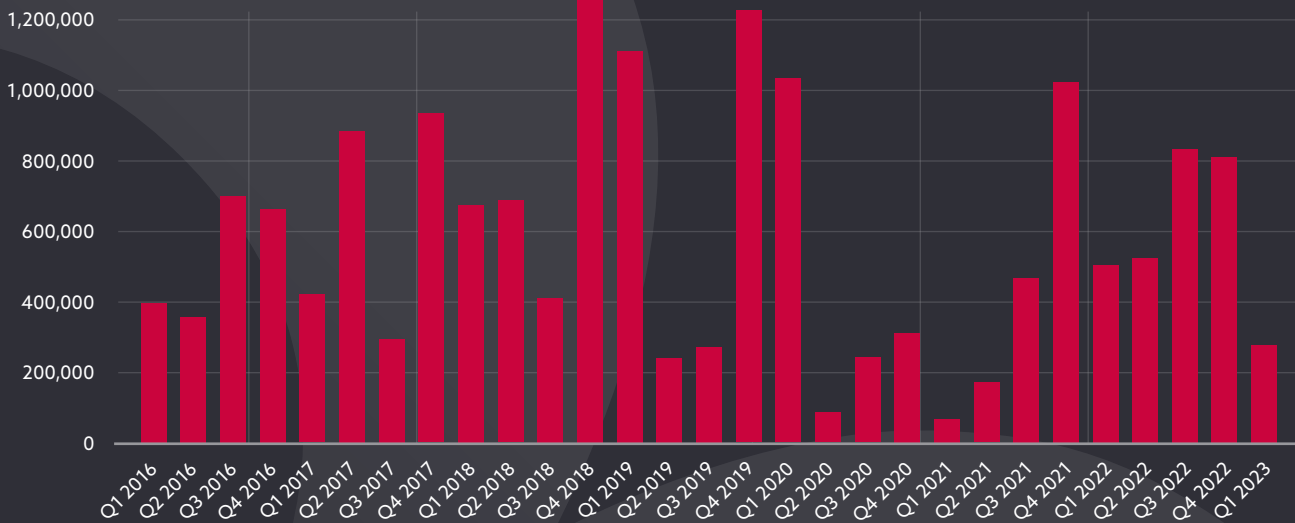
**70%** New Lease      **30%** Sub-Lease/Assignment

# Dublin office market

Following a busy Q4 2022, the first quarter of the year has had a subdued start with just over 278,000 sq.ft. transacting across 45 deals, representing a 45% decrease on Q1 2022. Deal sizes have reduced this quarter with 76% of transactions falling into the sub 5,000 sq.ft. bracket

resulting in an average deal size of 6,200 sq.ft. (Avg. deal size 2022 – 11,990 sq.ft.). Moving forward into quarter 2, there is currently 602,000 sq.ft. of office accommodation reserved across the capital.

## Office Take Up By Quarter (Sq.ft.)



## Top 5 Transactions




Property	Occupier	Size (Sq.ft.)
One & Two Dockland Central, D1	Datadog	43,776 (Sub-Lease)
60 Dawson Street, D2	Pinterest	27,739
Block A, Westland Park, D12	Virtual Access	25,478
Three Park Place, D2	Scotia Bank	21,195 (Assignment)
Building 3, Cherrywood, D18	OUTsurance	18,201

## Other Notable Transactions

### Central Business District (CBD)

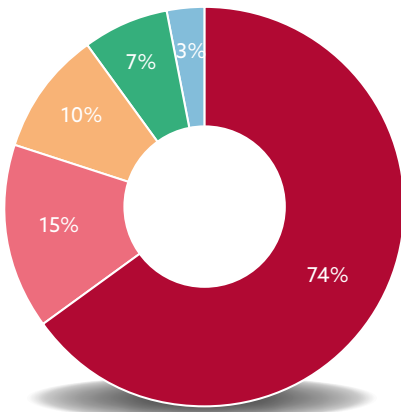
 PLURALSIGHT	 OCORIAN	 AXIS
The Reflector, D2	1WML, D2	20 Kildare Street, D2
13,857 Sq.ft.	7,339 Sq.ft.	6,131 Sq.ft.






### Suburbs and City Fringe

 HORSEWARE IRELAND	 oneview	 HE
Dublin Airport Central, Co. Dublin	Avoca Court, Blackrock, Co. Dublin	Richview Office Park, D14
10,333 Sq.ft.	3,809 Sq.ft.	3,633 Sq.ft.

# Office Take Up

## By Location



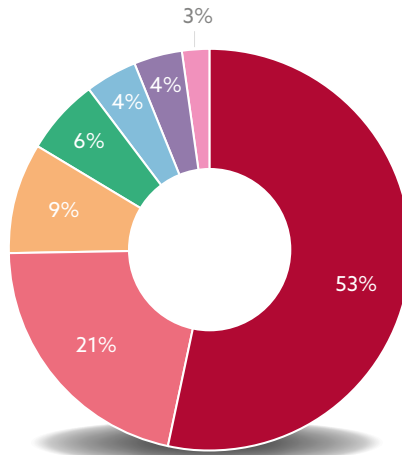
-  Prime City Centre
-  South Suburbs
-  West Suburbs
-  North Suburbs
-  City Fringe










### Location

The appetite for prime CBD office accommodation continued and accounted for 65% of all transactions in the first quarter of the year. This represents a slight decrease on previous quarters locational activity however, this shift is mainly attributable to two large suburban transactions; Virtual Access's acquisition of 25,400 sq.ft. at Westland Park, Dublin 12 and OUTsource acquiring 18,200 sq.ft. at Building 3, Cherrywood.

## By Sector



-  TMT
-  Banking & Finance
-  Professional Services
-  Other / Unknown
-  Health & Pharmaceutical
-  Retail & Warehousing
-  State

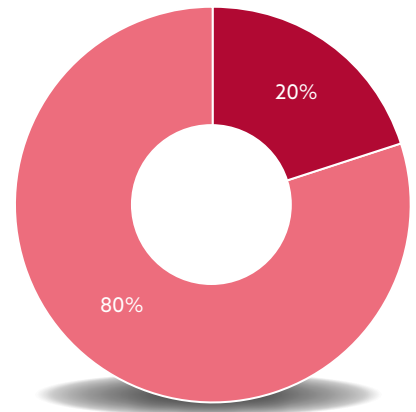


### Sector

Contrary to recent press reports regarding the demise of the tech sector, TMT featured heavily this quarter accounting for 53% of all take up. Professional and financial services activity remained steady with 30% of take up attributable to these sectors.

The flight for quality accommodation continues to be a fundamental factor in real estate decision making across the sectors.

## Tenant Profile



-  Domestic
-  International



### Tenant Profile

International occupiers accounted for 20% of take up this quarter, however domestic occupiers were more active by number of deals, accounting for 80% of transactions.

# Prime Quoting Rents

(Per Sq.ft.)



# Vacancy Rate



## Construction



**4.4m Sq.ft.**

Under  
Construction



**34%**

Pre-Let or  
Reserved



**39%**

Due for completion  
in 2023



**89%**

Located in the  
CBD

Property	Size (Sq.ft.)	Status
Coopers Cross, Dublin 1	381,000	Due for completion Q2 2023 (Building 1)
College Square, Dublin 2	416,000	Due for completion Q1 2024
Camden Yard, Dublin 2	402,600	Due for completion Q2 2025
The Shipping Office	175,500	Due for completion Q2 2023



## Expert Insight

By Cillian O'Reilly and Lucy Connolly



### Musical Chairs in the Dublin Office Market

**The Dublin office market is currently experiencing a game of musical chairs as ESG goals and policies drive office occupiers to relocate to green buildings. This has been further accelerated by changing occupier demands. It has created a redevelopment and refurbishment opportunity that attracts occupiers from brown buildings.**

Many owners and occupiers recognize the opportunity to achieve their ESG goals and policies while reducing occupational costs. Moreover, the ability to attract high-quality occupiers is only possible with a green building. The game of musical chairs provides vacant possession to allow the redevelopment or refurbishment of brown buildings, thus enhancing the value of the asset.

One example of this trend is AIB's decision to vacate Irish Life's 1 Adelaide Road and consolidate to 10 Molesworth Street. This move allowed Deloitte, who currently occupy Deloitte & Touche House on Earlsfort Terrace, to commit to the redeveloped 1 Adelaide Road. As a result, the Earlsfort Terrace property becomes available to IPUT for their proposed redevelopment.

Another example is the relocation of An Garda Siochana from their Harcourt Street headquarters to the recently completed Walter Scott House on Military Road. Hibernia Real Estate Group swiftly demolished the building, paving the way for the construction of Harcourt Square, which will become KPMG's new Dublin office upon completion. This shift will result in Kennedy Wilson achieving vacant possession of KPMG's current office on Stokes Place, which received the green light from An Bord Pleanála earlier this year.

Waterfront South Central in the North Docklands area of Dublin is set to become the new European headquarters of Citi Group. The deal was made with Ronan Group Real Estate (RGRE), which acquired Citi Group's current premises at 1 North Wall Quay. The current premises will undoubtedly be redeveloped or refurbished and reintroduced to the market as a green building.

Aside from the discussed redevelopment opportunities, there are currently significant quantities of grey space available, including accommodation at Fibonacci Square leased to Meta, 1 Cumberland Place leased to Twitter and



2 and 3 Wilton Park leased to LinkedIn. This Grade A ESG compliant space will undoubtedly be involved in the next round of musical chairs in the Dublin office market. As occupiers of older buildings take up this space, it will free up further development opportunities. The attractiveness of these options to developers will depend on the specifics of the building, location, floor-to-ceiling heights, and the practicality and cost of upgrading them to either new offices or alternative uses.

The Dublin office market's game of musical chairs has created opportunities for owners and occupiers to achieve their ESG goals and policies while simultaneously reducing occupational costs. This trend also presents an exciting opportunity for the redevelopment and refurbishment of brown buildings and the enhancement of asset value. Bannon has databased the entire Dublin office market, providing valuable insights into who the winners and losers will be in this accelerating game. For further information, readers can contact Lucy Connolly or Cillian O'Reilly.

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# Bannon Office Pulse

## Contact The Office Team



**Rod Nowlan**  
Director  
rnowlan@bannon.ie



**Lucy Connolly**  
Divisional Director  
lconnolly@bannon.ie



**Julia Halpenny**  
Surveyor  
jhalpenny@bannon.ie



**Cillian O'Reilly**  
Sustainability Manager  
coreilly@bannon.ie



Hambleden House  
19-26 Lower Pembroke Street  
Dublin 2



+353 1 6477900



[linkedin.com/company/bannon](https://www.linkedin.com/company/bannon)



[www.bannon.ie](http://www.bannon.ie)



[twitter.com/bannon](https://twitter.com/bannon)

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