

Dublin Industrial and Logistics Market

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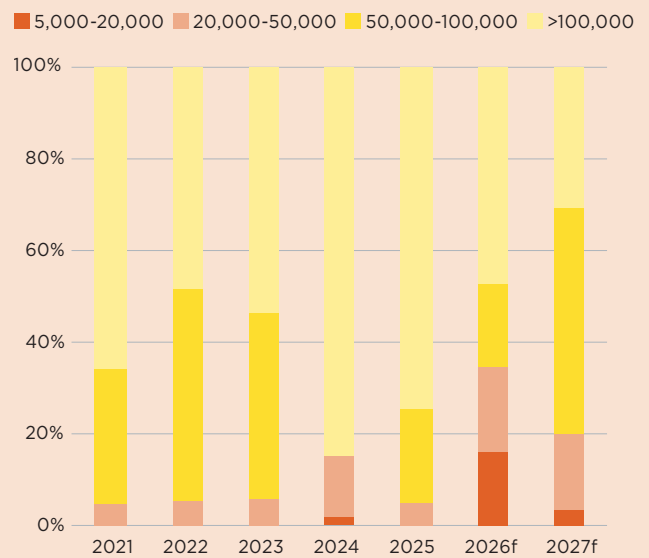
Outlook for 2026

1

Greater diversity of supply as occupier preferences evolve

As we enter 2026, the typology of industrial and logistics supply is changing. Over the last five years, big-box units larger than 100,000 sq ft have accounted for an average of 65% of space constructed each year. We expect this to decline to 47% this year and to just 30% in 2027. There are 16 units under 20,000 sq ft due to be delivered in 2026, marking a significant shift from recent developer trends, as well as the first significant developments of under 10,000 sq ft in the Dublin market since the last cycle. Additionally, we anticipate greater delivery of units between 20,000 and 50,000 sq ft, rising from a five-year average of 7% of delivery to 18% in 2026 and 17% in 2027. This translates to seven units in each year, compared to a five-year average of just two per year. Furthermore, rents of up to €20.00 psf are being quoted for units under 50,000 sq ft due to the higher cost of construction. Big-box developments remain key to the Dublin market; however, developers are increasingly offering a greater variety of units. This is in response to a greater diversity of occupiers seeking high quality units with strong ESG credentials.

Figure 1: Delivery pipeline by size bands, sq ft

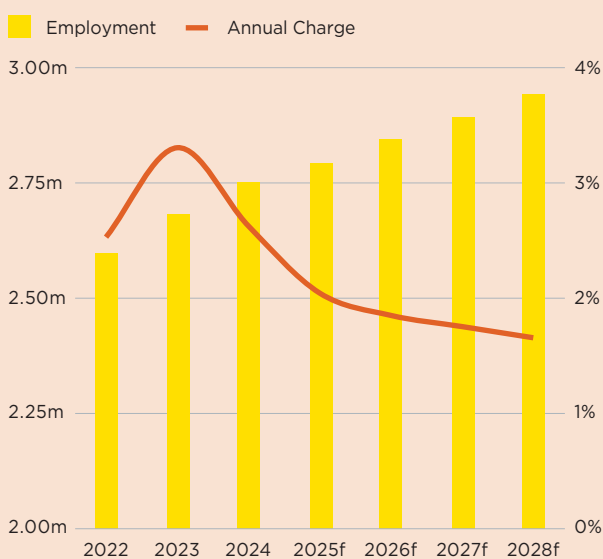


Source: Savills Research

2

Consumption growth will continue despite headwinds

Figure 2: Employment growth



Source: Savills Research

Consumption growth outperformed expectations in 2025 despite economic headwinds. However, indicators are emerging that this growth is weakening. Growth in real VAT receipts moderated to 2.2% y/y by year-end, compared to 5.8% in the previous year. Similarly, in recent consumer sentiment surveys, only 9% of households felt they had more spending power than in the previous year. This softening in consumption growth coincided with a weakening labour market, underlined by total employment growing by just 1.1% y/y. Furthermore, job postings on Indeed are declining by 8.9%. Taken together, these indicators illustrate a clear softening in the market. Looking ahead, employment growth is expected to ease from an average of 2.7% since 2022 with the Central Bank of Ireland (CBoI) forecasting growth of 1.9% in 2026 and 1.8% in 2027. Consumption is expected to follow a similar path with the CBoI forecasting growth of 2.2% in 2026 and 2.0% in 2027, marking a decline from 3.0% in 2024 and 2.9% in 2025. Notably, Irish consumption is still outpacing the EU where the European Commission is forecasting growth of 1.5% in 2026 and 2027. This moderate consumption growth will, nevertheless, support demand in the logistics sector.

3

New data centre policies start to take effect

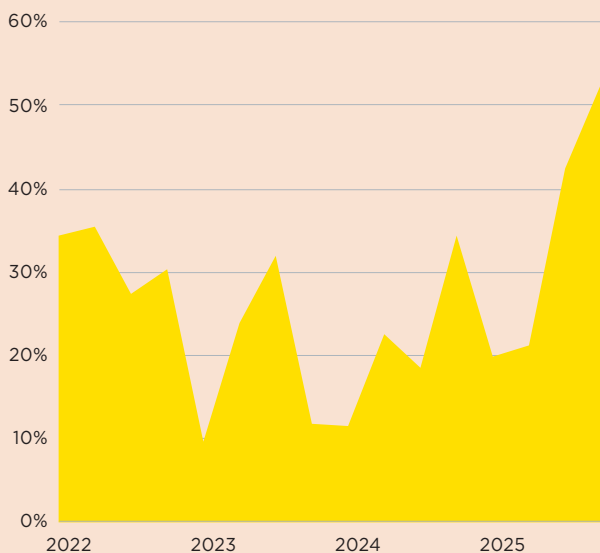
The moratorium on data centres in Dublin officially ended at the beginning of 2026 with the announcement of the government's Large Energy User Action Plan (LEAP). While the focus of this policy is on regional development, construction of data centres in Dublin will be permitted subject to grid capacity. Under the new connection policy published by the Commission for Regulation of Utilities (CRU), large data centres must develop new renewable energy projects to match at least 80% of the energy demand they will generate on the electrical

grid. This has the deliberate effect of driving support for the renewable energy industry in Ireland, in addition to providing a path forward for data centre developments. Key to facilitating this policy will be the passage of legislation, due this year, to allow private companies to install private electricity infrastructure. Data centre developers will prioritise power availability and proximity to clients to minimise network latency. The re-emergence of data centres will further constrain supply of land available for industrial development.

4

Vacancy rate to remain steady in 2026

Figure 3: Share of vacancy built in the 2020s



Source: Savills Research

There has been significant speculative development taking place in Dublin, resulting in a number of units entering the market vacant and pushing the vacancy rate slightly upwards from 1.7% to 2.5%. Although this has created some loosening in the market, we see this as a sign of developer confidence that high-quality units will be leased. Notably, this construction also represents a catch-up in new supply following a period of limited delivery in the 2010s. While units constructed in the 2020s accounted for 53% of vacant space at the end of 2025, the respective shares were 34% and 12% at the end of 2024 and 2023, albeit newer vacant stock makes up a larger share of availability as it becomes a bigger share of stock more generally.

Looking ahead, vacancy will remain above the ultra-low rates of recent years, creating an improved market for occupiers. However, the vacancy rate is relatively low compared to European peers with continued rental growth in the market.

5

Uncertainty is the new normal

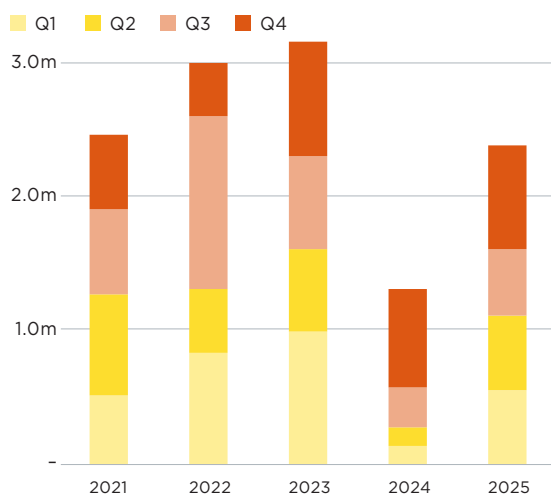
Economic and geopolitical uncertainty have defined the world and Irish economy over the last two years. Despite trade deals agreed in 2025 and early 2026, namely the Turnberry agreement between the EU and the US and the EU-India free trade agreement, risks remain. The US administration has demonstrated a willingness to continue to use tariffs as leverage to achieve foreign policy aims, despite trade agreements. Similarly, the EU will retain the ability to introduce retaliatory tariffs, amongst other trade instruments. This level of uncertainty seems to be here to

stay; geoeconomic confrontation was ranked as the largest global risk in 2026, according to a World Economic Forum survey. Consequently, occupiers in the Dublin market will make investment decisions against a volatile backdrop, with challenges likely to emerge across inventories, supply chains and access to customers. That said, there is an ongoing structural shift towards regionalisation that will support the duplication of industrial and logistics footprints in multiple continents including Europe, underpinning demand for space.

Table 1: Key statistics, sq ft

	2024	2025	y/y
Take-up	1.32m	2.39m	+1.07m
Completions	0.38m	1.48m	+1.10m
Vacancy rate	1.7%	2.5%	+80bps
Prime rent, psf	€13.00	€14.00	+€1.00

Source: Savills Research

Figure 4: Take-up, sq ft

Source: Savills Research

Dublin Industrial and Logistics Market

Market activity recovers amidst strong delivery.

There was 2.4 million sq ft of take-up across 70 deals in 2025, resulting in an average deal size of 34,100 sq ft. Despite growing by 81% compared to 2024, take-up remained 10% below the five-year average of 2.7 million sq ft. In Q4 alone, take-up totalled 782,000 sq ft, marking a rise of 5% y/y. Taking place across 24 deals, this was the most transactions recorded in a single quarter since Q3 2022. There was continued momentum in the delivery of new stock, with more than 550,000 sq ft completed in Q4, which brought total annual completions to 1.5 million sq ft. This was significantly above the five-year average of 1.2 million sq ft. Recent market activity has led us to review prime rents upwards by €1.00 psf to €14.00 psf.

DEAL ANALYSIS

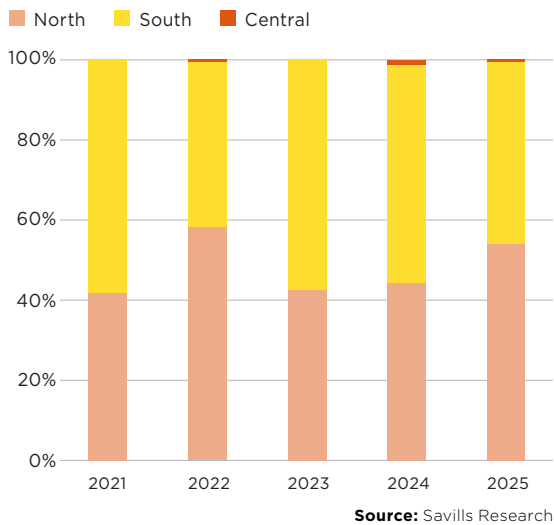
The largest deals of the year were dominated by Irish and international logistics firms. The biggest transaction took place in Q4 with the letting of 178,100 sq ft at Unit 3, Quantum Distribution Park to DSV, the global logistics company. Notably, DSV doubled its size in 2025 with the acquisition of Schenker from Deutsche Bahn. The next largest deal was the letting of 172,300 sq ft at Block Q1 in Aerodrome Business Park to the Irish logistics provider, PRL. This was followed by the 154,000 sq ft letting in Damastown Business Campus to BMC Manufacturing and the letting of 151,900 sq ft at the refurbished Ballymount Logistics Hub in M50 Business Park to JMC. The top five was rounded off by the letting of 110,200 sq ft in Cloverhill Industrial Estate to the Irish logistics firm, Primeline.

Analysing by building vintage, 49% of space taken in 2025 was across modern units constructed since 2000. This marks an improvement compared to 2024 when the modern share was just 37%, although it trails the five-year average of 62%. In recent years, the size of units has been closely related to age, with modern units tending to be larger. Consequently, while units which were constructed in the 2020s accounted for 28% of space taken, they only represented 14% of the number of units.

Table 2: Top five deals

Property	Quarter	Tenant	Sub-sector	Sq ft
Unit 3, Quantum Distribution Park, Dublin 11	Q4	DSV	3PL	178,100
Block Q1, Aerodrome Business Park, Dublin 24	Q1	PRL	3PL	172,300
Buildings 1 and 2, Damastown Business Campus, Dublin 15	Q2	BMC Manufacturing	Industrial	154,000
Ballymount Logistics Hub, M50 Business Park, Dublin 12	Q3	JMC	3PL	151,900
Unit 1B and 3, Cloverhill Industrial Estate, Dublin 22	Q2	Primeline	3PL	110,200

Source: Savills Research

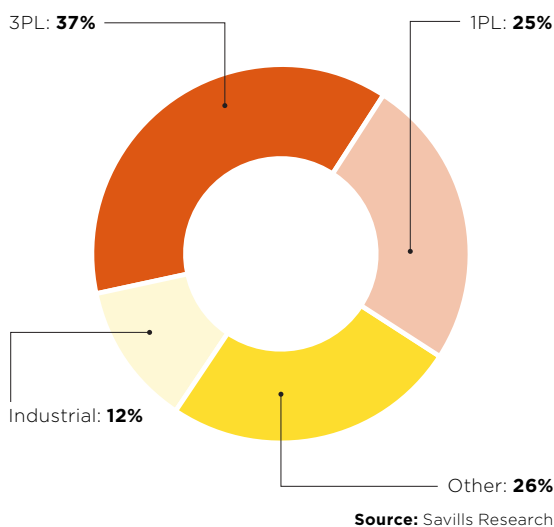
Figure 5: Take-up by location**TAKE-UP SPREAD ACROSS THE SUBURBS**

Take-up was highest in the northern suburbs, representing 54% of space taken last year. This was the first time since 2022 that there was more activity in the northern suburbs than in the south. The northern share was underpinned by activity in Q4, when it accounted for 73% of sq ft. Furthermore, the south-west experienced its lowest share of take-up since Q3 2022, making up just 27% of sq ft. Meanwhile, the longer-term trend of limited activity in the south-east and central Dublin continued amid the low supply of stock in these regions.

3PL REGAINS PROMINENCE

We observed a return to the dominance of third-party logistics (3PL) last year, when it represented 37% of space taken. This was up from 13% in 2024. Indeed, four of the five largest deals of the year were attributable to 3PL providers. The next largest sectors were 'other' and first party logistics (1PL), accounting for 26% and 25% of space taken respectively. Looking at Q4 alone, 3PL accounted for 39% of space taken, followed by 1PL at 27%.

In the latter half of the year, there was significant take-up by automotive occupiers contributing to an unusually large share of take-up in the 'other' sector. Automotive and transport occupiers accounted for 36% of take-up within the 'other' sector.

Figure 6: Take-up by sector**VACANCY**

The vacancy rate closed out the year at 2.5%, which was up from 2.3% in the previous quarter and 1.7% a year ago. As such, it remains constrained when compared with European peers. The increase in the vacancy rate was, nevertheless, driven by the delivery of uncommitted space in the latter part of the year, accounting for 52% of available space in Q4. The average size of vacant new builds was 102,300 sq ft compared to 22,800 sq ft for all other vacant units. Due to the size differential, new builds have an outsized effect on total vacant space.

The vacant sq ft was evenly distributed between the north (50%) and south (48%) suburbs, with the remaining vacancies located in Central Dublin. These vacant units offer options to occupiers seeking space immediately, particularly those seeking big-box units greater than 50,000 sq ft.

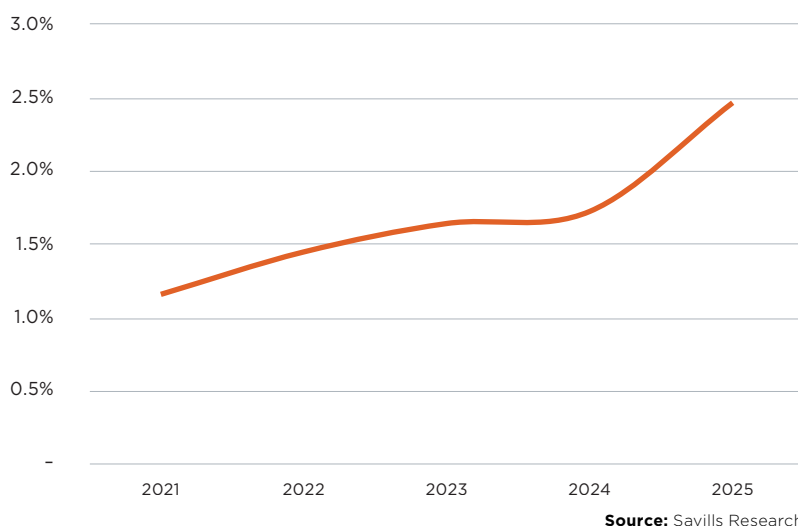
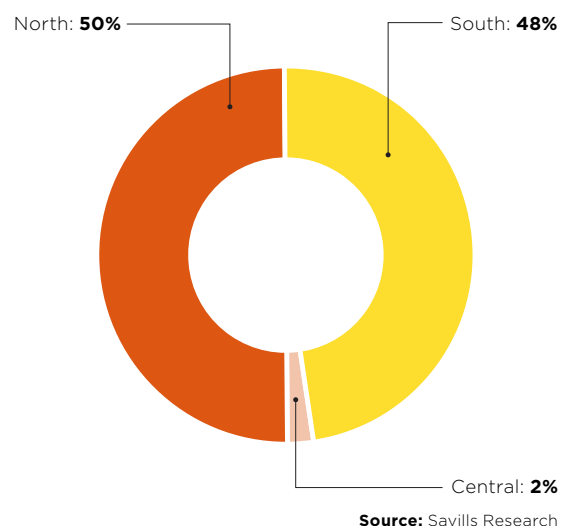
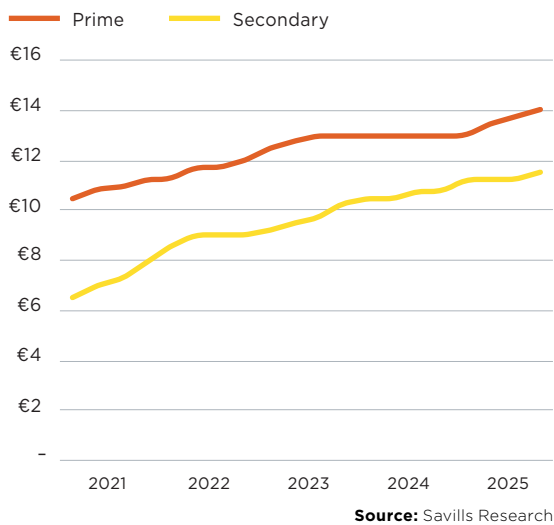
Figure 7: Vacancy rate**Figure 8: Vacancy by location**

Figure 9: Headline rents, psf


RENTS

Prime rents rose by €1.00 psf from €13.00 psf at the beginning of the year to reach €14.00 psf by year end, including a €0.25 psf increase in Q4. This was driven by strong transactional activity of best-in-class units throughout the year. This growth was in line with our rental expectations at the beginning of 2025. Meanwhile, secondary rents increased by €0.25 psf in Q4 to reach €11.50 psf, marking a €0.75 psf increase over the course of the full year. Newly constructed light industrial and refurbished units, sized under 30,000 sq ft, also commanded rents up to €20.00 psf.

SUPPLY

Delivery increased by more than threefold in 2025 to reach 1.5 million sq ft across 15 units, representing an average unit size of 98,400 sq ft. Supply ended the year on a strong note with 552,000 sq ft completed across five units in Q4. Notably, momentum picked up markedly towards the end of last year with 89% of space completed in H2. Although we had originally expected 1.7 million sq ft to complete across 25 units, a number of smaller units at Airport Trade Park and Stadium Business Park that were scheduled to complete towards the end of 2025 were pushed into the beginning of 2026.

The largest completion of the year, occurring in Q4, was 198,000 sq ft at Unit 2, Mountpark Grange Castle West, in South County Dublin. This was followed by 163,000 sq ft at Unit F1, Horizon Logistics Park, Dublin 11, and 150,000 sq ft at 34 Magna Drive, Magna Business Park, Dublin 24. Notably, 32% of delivery was pre-let, with a further 18% reserved at the end of the year. Additionally, 25% of completions were design and build developments, in line with the five-year average of 26%. Analysing by location, 47% of completed space was in the south-west, including Mountpark's delivery of four units at Grange Castle West. Additionally, 549,000 sq ft was delivered in the environs of Dublin County, namely logistics parks close to the border with Dublin. These units were primarily delivered through developments at Momentum Logistics Park and Globe Logistics Park in Naas, Co. Kildare. Looking ahead, we expect 1.1 million sq ft to complete this year across 29 units, with a particular focus on smaller units as discussed in our Outlook above. Notably, 85% of space expected to deliver this year is located in the Northern suburbs of Dublin.

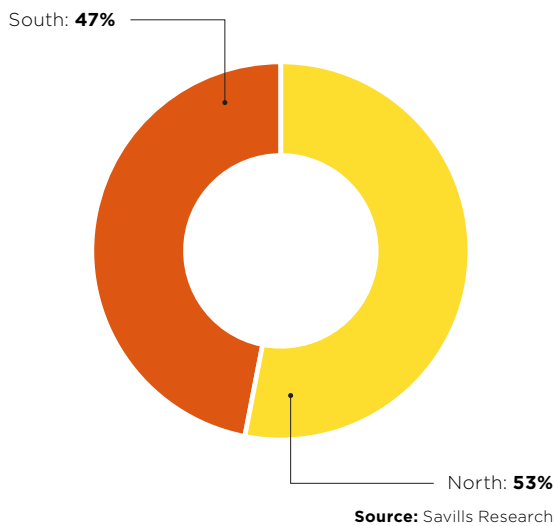
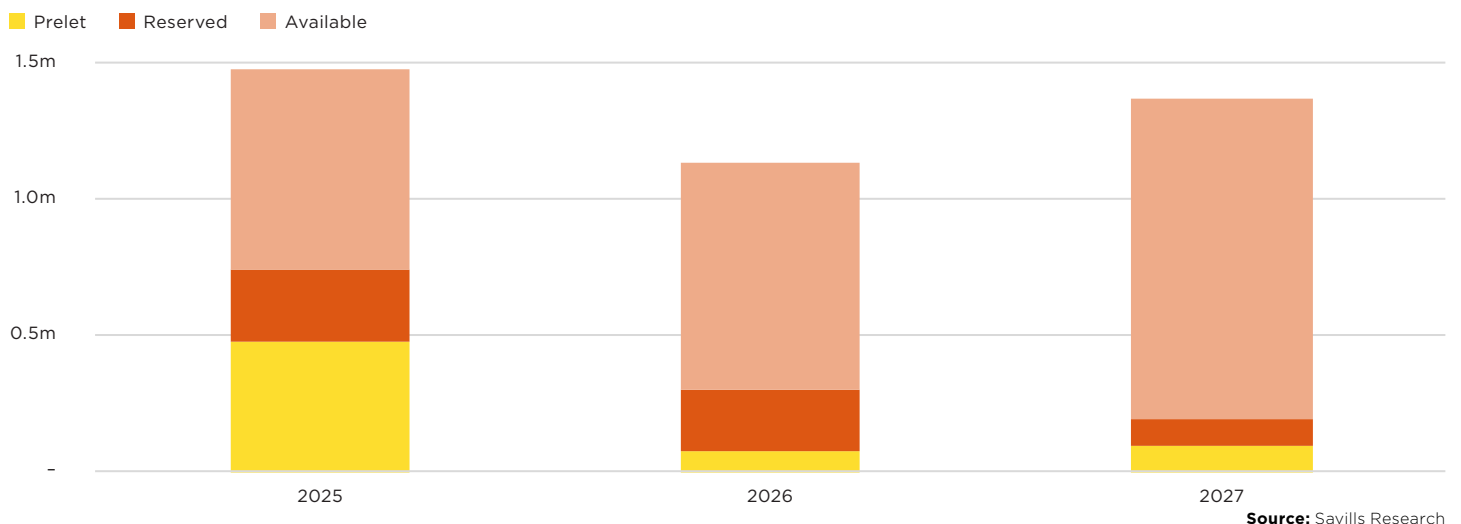
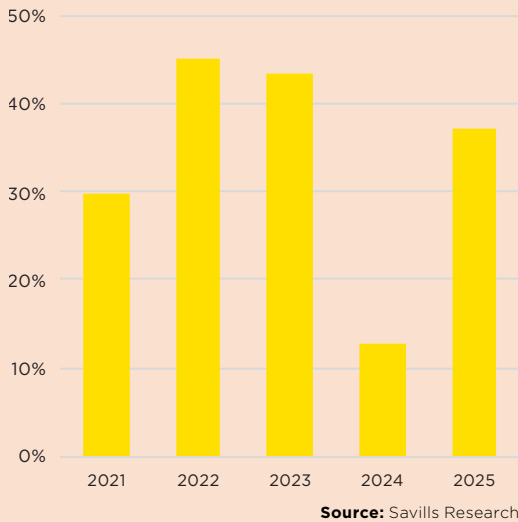
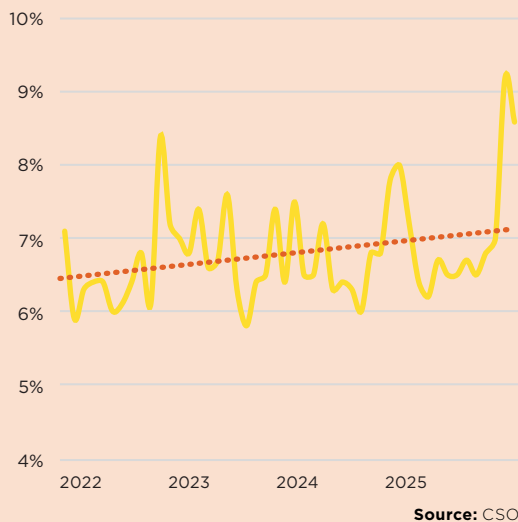
Figure 10: Delivery by location

Figure 11: Pipeline, sq ft


Figure 12: 3PL share of take-up**Figure 13:** Turnover from online sales

Analysis: 3PL back in the driver's seat

Online sales growth supporting logistics demand.

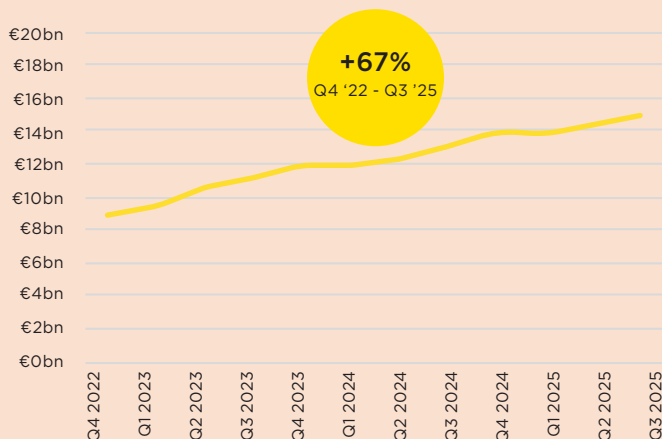
One of the primary drivers of the recovery of take-up in the industrial and logistics market in 2025 was the re-emergence of third-party logistics (3PL). Between 2021 and 2023, occupiers in the 3PL sector accounted for an average of 40% of space taken each year before declining suddenly to 13% in 2024. This contraction coincided with a sharp reduction in total take-up due to constrained supply of new stock. This reflected cycles in the logistics market where developers and occupiers increased activity to take advantage of the e-commerce boom following the pandemic, before reducing activity in 2024 after reaching capacity requirements. In contrast to the contraction observed in 2024, 3PL accounted for 37% of space taken last year, indicating significant demand in the Irish market pushing occupiers to increase 3PL capacity.

The e-commerce market is growing in Ireland with the proportion of turnover generated by online sales for Irish businesses (excluding motor trades) rising to 9% in November, the highest level since the pandemic. While the e-commerce share always increases in the lead up to the Christmas period, the 12-month average rose to 7% in November. This was the highest level since February 2022, underlining the upward trend of e-commerce importance to Irish businesses. Similarly, recent card payments growth was driven by online spending with online and point of sale payments increasing by 16% y/y and 5% y/y respectively, reflecting the long-term trends illustrated in Figure 14.

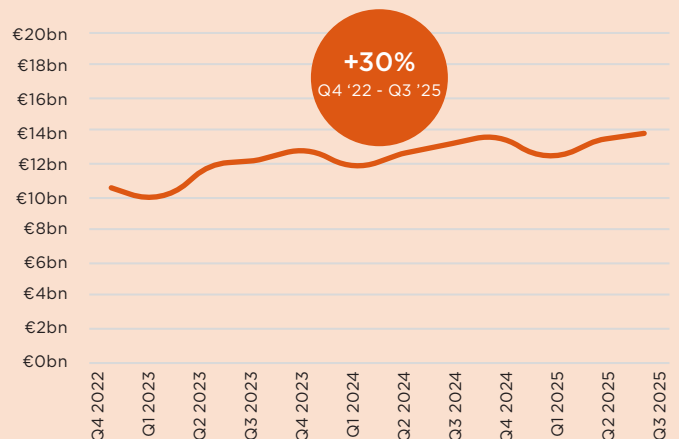
As e-commerce expands, 3PL capacity in Dublin will need to rise in response. However, the collapse of Fastway Couriers in October illustrated the tight margins in last mile logistics. Higher operating costs, in conjunction with price competition, pushed the company into receivership. Notably, 3PL occupiers included in the top five deals of the year are not as exposed to these tight margins due to operating across multiple logistics services which can include freight forwarders, last mile, and supply chain management. The return to 3PL, combined with e-commerce growth, indicates that the logistics market will continue to strengthen in 2026.

Figure 14: Quarterly card payments by type of transactions

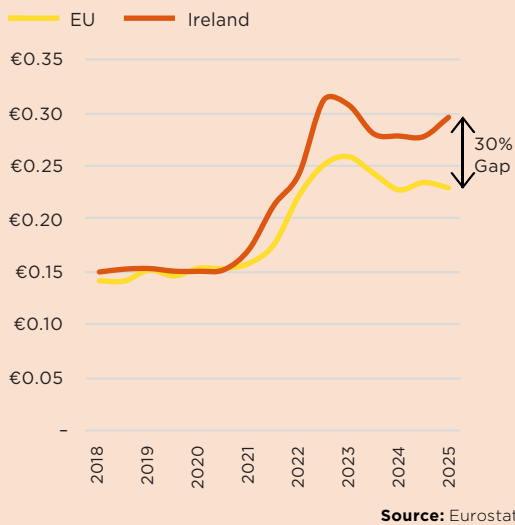
Online Payments



Point of Sale Payments



Source: Central Bank of Ireland

Figure 15: Non-household electricity €/kWh

Source: Eurostat

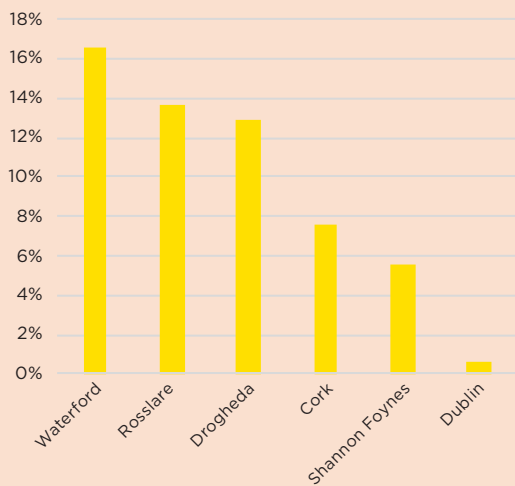
Macro View

Infrastructure constraints persist.

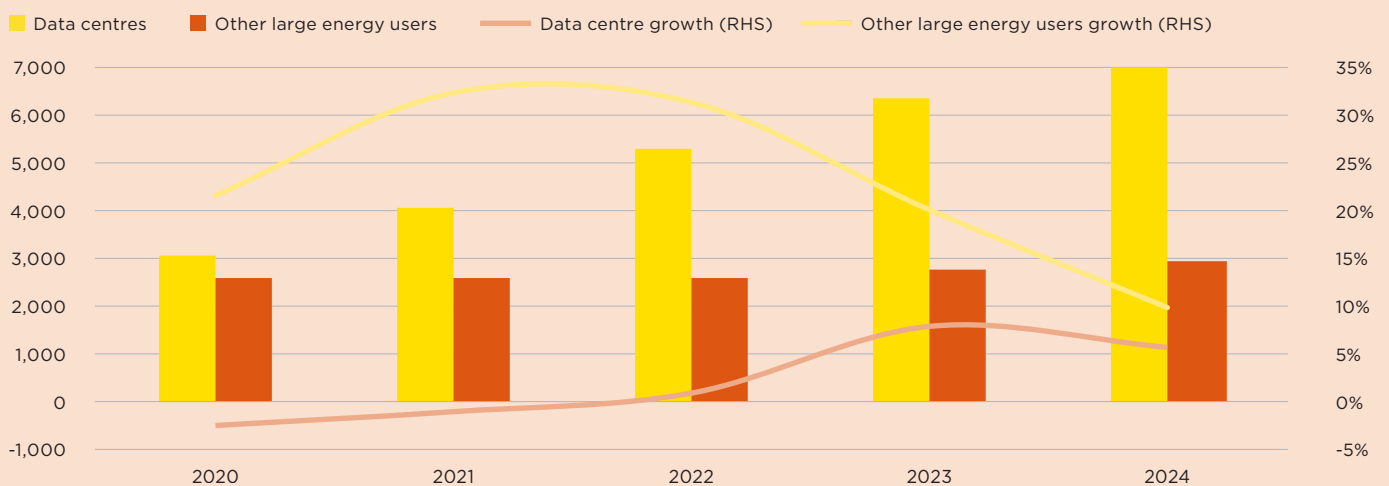
Increasing pressure on Ireland's infrastructure is creating barriers to investment in the Dublin market for developers and potential occupiers. Among the most prominent of these barriers is the supply and cost of electricity. While data centres are the fastest growing sectoral demand on the electrical grid, the pace of growth has slowed since the moratorium on new data centres in Dublin was introduced in 2021, as illustrated in Figure 17. Meanwhile, other large energy users, including energy intensive industrial sectors such as semiconductors and life sciences, have started to increase their demand on the electrical grid. Irish electricity prices for non-household consumers have historically matched EU averages but began to diverge in 2021 and are now nearly 30% higher. As a consequence, existing occupiers are moving towards high quality units with greater electricity efficiency to reduce costs. Importantly, these high costs may also be dampening investment among international occupiers seeking European bases of operations, particularly large energy users.

Infrastructure elsewhere in Dublin is also under pressure, with Dublin Port currently running at near capacity, as evident in comparable port traffic growth rates. In the four quarters to Q3, Dublin port traffic grew by just 1% y/y, compared to 5% across all Irish ports (excluding Greenore Port in Louth which was added to the major ports data in 2025). Such capacity constraints may be pushing occupiers to consider their transport links with other ports such as Drogheda and Rosslare, where port traffic increased by 13% and 14%, respectively, in this period.

Ireland's infrastructure deficit requires long-term solutions, some of which are beginning to emerge. For instance, the government has announced a €3.5 billion investment package to shore up the country's electric grid. Similarly, Dublin Port is undergoing an expansion including new roll-on roll-off capacity in Terminal 4 which opened in August. This supports the aim of expanding Dublin Port to facilitate an annual throughput capacity of 77 million gross tonnes by 2040, more than double the 2024 figure of 35 million gross tonnes. Ultimately, infrastructure constraints will continue in the short term with long term capacity determined by the ability to deliver on these plans.

Figure 16: Port traffic growth

Source: CSO

Figure 17: Energy consumption, gigawatt hours and annual growth

Source: CSO



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