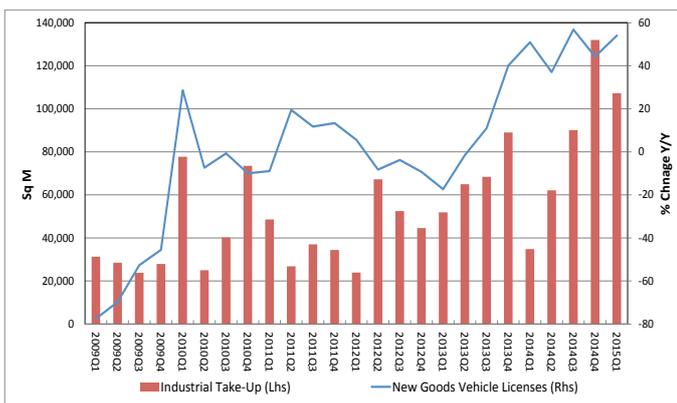


Market in Minutes Dublin Industrial Market

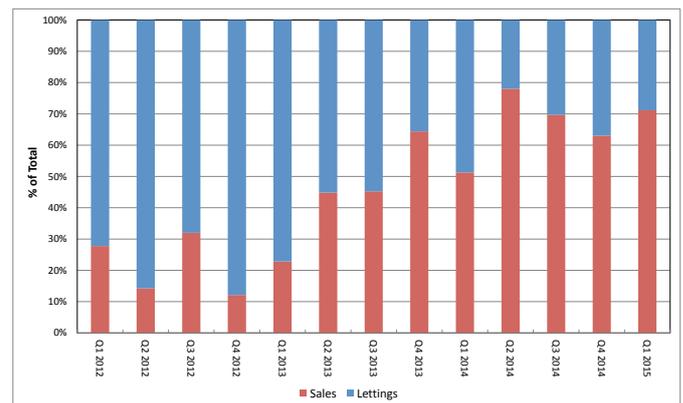
Q1 2015

GRAPH 1
Industrial Take-Up and New Goods Vehicle Licenses



Source: Savills Research

GRAPH 2
Sales Versus Lettings Activity



Source: Savills Research

Introduction

Dublin Industrial Market

Ireland's economic recovery continues to gather momentum with GDP growth of 4.8% making Ireland Europe's top performer in 2014. With Quantitative Easing (QE) forcing down the Euro in the first quarter, exports have continued to drive growth leading to an increased movement of goods within the economy. Reflecting this, Dublin Port saw its best Q1 in ten years with cargo volumes up 5.3%.

This increase in activity has also benefited the markets for commercial vehicles and logistics property. Total take up of industrial space in Q1 2015 was over 107,000 sq m – a 72,000 sq m increase on the same quarter last year, and the highest Q1 figure since 2008. In part this reflects a significant

number of deals that were signed before the withdrawal of capital gains tax incentives last December, but which did not close until Q1 2015. With capital values still well below reinstatement cost there continues to be strong demand for industrial property from owner occupiers. As a result, outright sales accounted for 71% of all transactions and eight of the ten biggest deals in Q1.

Looking ahead, the main forecasting institutions are now upgrading their GDP projections for 2015 and beyond. The consensus view is that Ireland's economy will grow by 4.3% this year and 3.8% in 2016. In part, this will be driven by a resurgence in domestic demand which last year contributed to growth for the first time since 2007 and

which, among other things, will drive the demand for warehousing space through the remainder of 2015 and beyond. As a result the industrial property market should continue to tighten with further growth in capital and rental values. ■



Market Trends

- Take up of over 107,000 sq m in the first three months of the year was the highest Q1 figure since the onset of the Global Financial Crisis.
- Continued strong demand from cash-funded owner occupiers as industrial values remain significantly below reinstatement cost.
- Evidence of prime capital and rental values increasing in Q4 2014 & Q1 2015 as tightening availability has led to competitive tension amongst occupiers. ■

OUTLOOK

■ Continuing growth in both exports and imports will drive the demand for warehousing space.

■ With capital values recovering from a very low base, and with QE continuing to suppress interest rates for the foreseeable future, activity will remain weighted towards sales.

■ Capital values and rental growth will increase further in 2015 & 2016 with no new supply of speculative stock expected until 2017.

TABLE 1
Top 10 Deals – Q1 2015

Property	Sold / Let	Sq M
Alcatel Lucent, Blanchardstown IDA Business & Technology Park, Dublin 15	Sold	21,582
AMCOR, Jamestown Road, Finglas, Dublin 11	Sold	14,924
Lands at Portan, Clonee, County Meath*	Sold	92 Hectares
Jamestown Road, Inchicore, Dublin 8	Sold	8,713
Units 1 & 2 JFK Park, Bluebell, Dublin 12	Let	6,280
Belgard Service Centre, Belgard Motor Complex, Tallaght, Dublin 24	Sold	6,120
Units 3 & 4 Stag Industrial Estate, Ballyboggan Road, Dublin 11	Sold	3,806
6B Northern Cross Business Park, Finglas, Dublin 11*	Let	3,578
Unit 4 Rosemount Business Park, Ballycoolin, Dublin 11	Sold	3,537
Unit 11 Broomhill Business Park, Tallaght, Dublin 24*	Sold	2,885

Source: Savills Research *Denotes Savills involvement in deal

Savills Industrial

Please contact us for further information



Gavin Butler
Director, Industrial
Savills Ireland
+353 (0)1 618 1340
gavin.butler@savills.ie



John McCartney
Director of Research
Savills Ireland
+353 (0) 1 618 1427
john.mccartney@savills.ie



Daniel Blain
Negotiator, Industrial
Savills Ireland
+353 (0)1 618 1475
daniel.blain@savills.ie



Alex Byrne
Research Analyst
Savills Ireland
+353 (0)1 618 1455
alexander.byrne@savills.ie

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