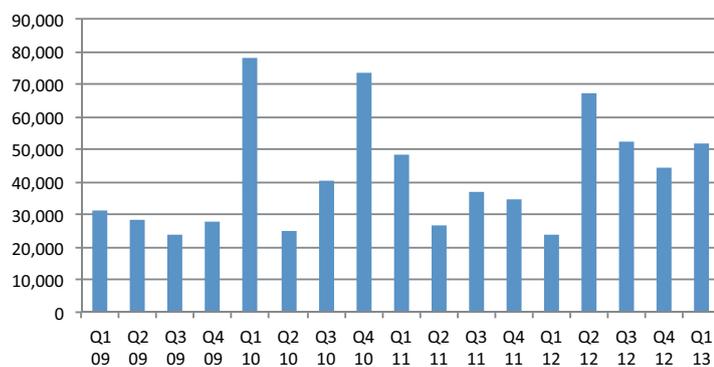


Market in Minutes Dublin industrial market

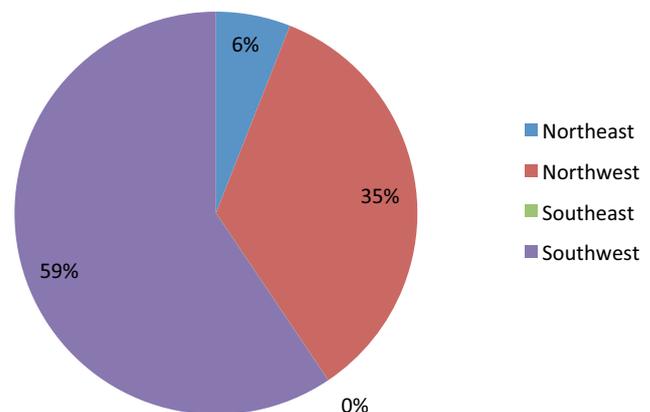
Q1 2013

GRAPH 1
Quarterly take-up



Graph source: Savills

GRAPH 2
Take-up in Q1 by location



Graph source: Savills

SUMMARY

Dublin industrial market

■ Take-up of industrial space in Dublin for Quarter One 2013 was approx. 52,000 sq.m., over double the level of take-up recorded for the same period in 2012.

■ There were a total of 35 deals including 9 sales in Dublin during Quarter One with 45% of these taking place in Southwest Dublin. Southwest Dublin also accounted for 59% of the volume of space taken-up in Q1.

■ The largest transaction was the letting of a 7,000 sq.m. facility at Jamestown Road, Finglas, Dublin 11 on a short term lease. 74% of all transactions in Dublin were lettings with

sales for the most part continuing to be restricted to cash buyers.

■ The vacancy rate continues to increase and stands at approx. 1.57 million sq.m. at the end of Quarter One, up 4% from the beginning of the year and up 22% from the same period in 2012.

■ There is a shortage of units in excess of 10,000 sq.m. and an increase in the number of large enquiries in recent months means that there is likely to be a shortage of units in this size category as the year progresses.

“Letting transactions continue to dominate market activity with sales restricted for the most part to cash buyers. Despite evidence of bank finance being available, letting transactions are likely to dominate market activity in 2013.” Gavin Butler, Director, Industrial, Savills Ireland

Market Trends

→ There was no take-up activity in Southeast Dublin in Quarter One 2013 and the vacancy rate in the region has remained static since the beginning of the year with no new stock coming to the market.

Southwest Dublin continues to dominate take-up activity with 59% of the volume of space taken-up in the quarter located in the region. The largest deal in Southwest Dublin was the letting of a 6,715 sq.m. coldstore facility in Parkwest Industrial Park. The letting of 4,614 sq.m. in Baldonnell Business Park and 4,117 sq.m. at Fonthill Industrial Park represented other significant lettings in the area during Quarter One. Two of the larger sales in the area were a 2,562 sq.m. unit in Cookstown Industrial Estate and a 2,285 sq.m. building in Parkwest Industrial Park.

Take-up in Northwest Dublin accounted for 35% of the total volume of space taken-up for Quarter One, comprising a total of 13 deals including two sales. One of these sales was a 3,028 sq.m. hi-bay facility at Northwest Business Park, Ballycoolin, Dublin 15. Northwest Dublin witnessed an increase in its vacancy rate, up 5% from the beginning of the year and 21% since Quarter One 2012. This reflects a continuation of the number of receiver lead instructions coming to the market.

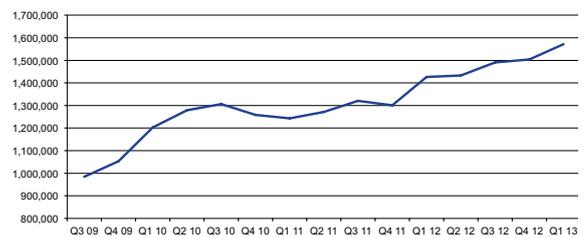
Take-up in Northeast Dublin accounted for 6% of the total volume of space taken-up in Quarter One and included

just one sale – a 942 sq.m. facility at Clonshaugh Industrial Estate, Dublin 17. Northeast Dublin recorded the highest increase in the vacancy rate, up 10% since the beginning of the year and up 31% since Quarter One 2012. This significant rise in the vacancy rate for the region can be accounted for by two large facilities totalling over 27,000 sq.m. coming to the market in Dublin 1.

Despite robust levels of take-up for Quarter One, the vacancy rate continues to increase as occupiers continue to exercise break options and consolidate the number of outlets from which they operate. However, there is a shortage of units in excess of 10,000 sq.m. and an increase in the number of large enquiries in recent months means that there is likely to be a shortage of units in this size category as the year progresses. The starter/enterprise style units under 500 sq.m. continue to be a particularly oversupplied area of the market with over 500 units of this size currently available in and around the M50. ■

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 "Prime rents beginning to show signs of stability at between €45 - €55 per sq.m. per annum with further declines likely for secondary and tertiary stock." Gavin Butler, Director, Industrial, Savills Ireland

GRAPH 3 **Total vacant space (sqm)**



Graph source: Savills

OUTLOOK

- Vacancy rate likely to increase to over 1.6 million sq.m. by the end of 2013.
- Some evidence of bank finance being available for purchasers however sales transactions are likely to be dominated by cash purchasers over the coming months with letting transactions likely to dominate market activity for the foreseeable future.
- Due to strong take-up levels in Quarter One, we have revised our take-up forecast for 2013 upwards to between 175,000 – 200,000 sq.m.

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