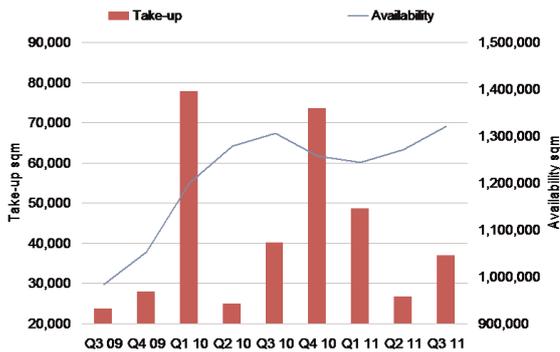


Dublin industrial market in minutes

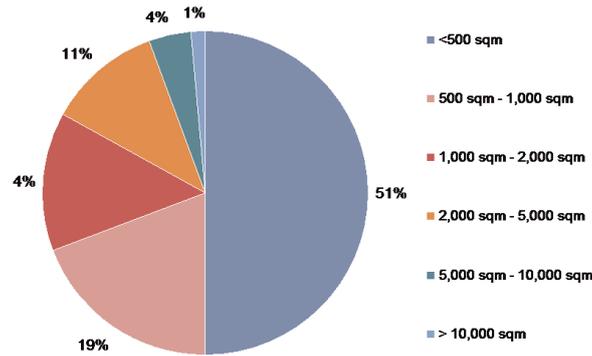
Q3 2011

Take-up and availability



Source: Savills Research

Size of available units



Source: Savills Research

“Take-up in the industrial market increased by 38% in Q3 compared to Q2 and is expected to total 150,000 sqm for the year as a whole. The emergence of Ireland as a hub for data management centres was further highlighted with Google purchasing a site for the establishment of a data centre in southwest Dublin. ”

Davina Gray (Research Analyst)



- Take-up of Dublin industrial space was 37,000 sqm in Q3, up 38% on Q2. Total take-up to date in 2011 is 112,400 sqm, down 21% on the same period in 2010.
- In total there were 31 deals completed in Q3, up on 22 deals completed in the previous quarter. To date in 2011, 79 deals have been completed – down compared to 113 deals for the same period in 2010.
- The ICT sector continues to be a strong driver of demand, with Google buying 4.45 hectares at Profile Park (Dublin 22) for the establishment of a data management centre. This further highlights the emergence of Ireland as an ideal location for cloud computing, due to favourable climatic conditions, fibre connectivity and power capacity.
- There were six sales completed in quarter three bringing the total number for the year to date to 11. This compares to just four for the same period in 2010, as there is perceived value in the market and cash buyers are taking advantage of this.
- The amount of vacant industrial space available on the market increased by 3.1% by the end of Q3, as banks and receivers are making more space available to the market.
- Rents have remained stable in quarter three, with prime rents in the region of €45 - €65/sqm/year.
- Our forecast for take-up for the year as a whole remains the same at 150,000 sqm. This will represent a 25% lower level of take-up than in 2010 and reflects the cautious business sentiment that has prevailed in 2011.

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Dublin industrial market in minutes

Market trends

There were a number of high profile deals transacted during the quarter, including the sale of 4.45 hectares to Google (including a 4,000 sqm unit) in Profile Park, Dublin 22, for the establishment of a data centre - further highlighting the emergence of Ireland as an ideal location for cloud computing.

Another significant deal was the sale of the former Cormac McNaughton facility on the Naas Road, comprising of approximately 4,500 sqm on 2.16 hectares. This was a cash purchase, the site principally being bought for its long term re-development potential. Both of the above deals were in southwest Dublin, which accounted for over 64% of the total space taken-up in quarter three.

Vacancy and rents

The amount of vacant industrial space available increased by 3.1% during the quarter, as a result of banks and receivers bringing more space to the market. There is currently just over 1.3 million sqm of vacant industrial space in the greater Dublin area. The most significant addition to the available stock level was the 13,700 sqm DHL facility in Ballymount (southwest Dublin). Over 48% of the vacant stock available on the market at the end of Q3 2011 was located in the southwest region.

Analysis of the vacant stock currently available on the market suggests that 61% of total space available has been on the market for more than two years. The vacancy market is also dominated by a large number of smaller industrial units, with over 50% of the number of available units less than 500 sqm in size, by contrast only 2% are greater than 10,000 sqm.

Rents have remained stable in quarter three, with prime rents still in the region of €45 - €65/sqm/year.

Outlook

Our forecast for the year as a whole remains stable with take-up for 2011 expected to be in the region of 150,000 sqm. The ICT sector has been and is expected to become a significant participant in the occupier market, as Ireland becomes a hub for data centres and cloud computing operations.

The number of sales for 2011 will be significantly higher than 2010, as there is perceived value in the market and cash buyers are increasingly taking advantage of this. Continued sales are expected to remain dependent on cash buyers for the remainder of 2011 and into 2012.

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