

# Market Watch

## Industrial Division

February 08/ Issue 5

### Summary 2007...

- Land values increase by up to 25% with building values up by between 10-15% in 2007.
- Take-up of industrial space approx. 237,900 sq.m. in 2007 with 70% recorded in the second half of the year.
- Vacancy rate falls from approx. 15% in July 2007 to approx. 13% in January 2008 reflecting increased activity in the market place.

### A snap shot of some of the larger deals done by Savills Hamilton Osborne King in 2007...

- DHL Facility, Swords Business Park, Swords, Co Dublin, approx. 4,529 sq.m. on approx. 2.8 hectares sold in December for excess €13 million.
- Lease assignment of former John Player & Sons facility at Parkwest Industrial Park in November comprising approx. 9,283 sq.m. at a passing rent of €865,000 per annum.
- Unit 103, Northwest Business Park, Ballycoolin, Dublin 15, approx. 12,665 sq.m. let at €1.35 million per annum in July.
- Unit 4, Northern Cross Business Park, North Road, Dublin 11 approx. 4,196 sq.m. sold in September for €7 million.

### Outlook for 2008...

- Take-up for 2008 will exceed 200,000sq.m. in the greater Dublin Area
- Modest growth of between 5-10% anticipated for prime land and building values

### Approximate Take-up by area

	Northeast	Northwest	Southeast	Southwest	Total
Jan- June 07	7,500 sq.m.	28,000 sq.m.	2,700 sq.m.	33,000 sq.m.	71,200 sq.m.
July- Dec 07	35,000 sq.m.	51,000 sq.m.	1,700 sq.m.	79,000 sq.m.	166,700 sq.m.
2007 Total	42,500 sq.m.	79,000 sq.m.	4,400 sq.m.	112,000 sq.m.	237,900 sq.m.

Source: Savills Hamilton Osborne King

### Approximate Vacancy by area

	Northeast	Northwest	Southeast	Southwest	Total
Jan 07	67,000 sq.m.	115,000 sq.m.	3,000 sq.m.	153,000 sq.m.	338,000 sq.m.
July 07	99,000 sq.m.	173,500 sq.m.	18,000 sq.m.	207,000 sq.m.	497,500 sq.m.
Jan 08	94,000 sq.m.	146,000 sq.m.	11,000 sq.m.	188,000 sq.m.	439,000 sq.m.

Source: Savills Hamilton Osborne King

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Research

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Our research shows that the overall vacancy rate has decreased from 15% in July 2007 to 13% in January 2008. This reflects the take-up of a number of large facilities throughout the greater Dublin area including Unit 103 Northwest Business Park (12,655 sq.m.) and the former John Player & Sons facility at Parkwest (9,283 sq.m.).

Take-up for 2007 totalled approx. 237,900 sq.m with approx. 166,700 sq.m. of the take-up taking place in the second half of year.

## Northeast Dublin

The take-up of space in northeast Dublin was approx. 42,500 sq.m. in 2007 with almost 35,000 sq.m. of the take-up occurring in the second half of the year.

The significant increase in the second half of the year is due to the disposal of a number of large facilities in the region including the former AF8 Facility comprising approx. 3,903 sq.m. at Clonsbaugh Industrial Estate, a 4,206 sq.m. unit at Airways Industrial Estate and two units totalling approx. 4,000 sq.m. at North Dublin Corporate Park. Fifteen starter/enterprise units of approx. 300 sq.m. each were sold at Metro Point Business Park in Swords in the second half of 2007.

The amount of vacant space in Northeast Dublin was approx. 94,000 sq.m. in January 2008 compared with approx. 67,000 sq.m. in January 2007. Although higher compared to this time last year, the vacancy level fell in the second half of 2007 from approx. 99,000 sq.m. in July.

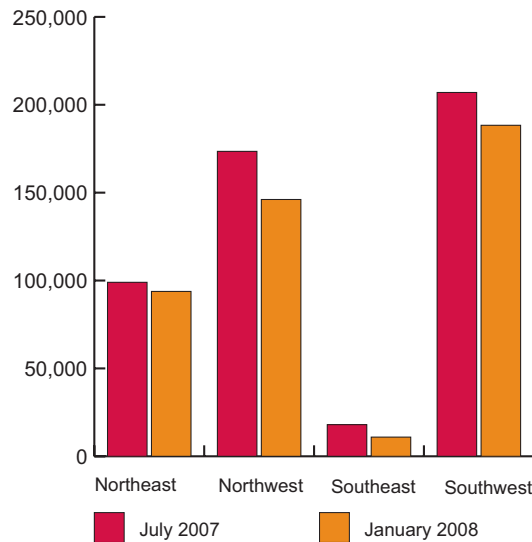
## Northwest Dublin

The overall take-up for 2007 in Northwest Dublin was approx. 79,000 sq.m. with almost 12,000 sq.m. representing units designed and built to occupiers' requirements. The take-up for the region is broadly in line with the 85,000 sq.m. of space taken-up in 2006.

Over 50,000 sq.m. of the space taken up in 2007 occurred in the second half of the year. One of the larger deals was the sale of Unit 4, Northern Cross Business Park, just off the M50/N2 junction comprising approx. 4,196 sq.m. for a price in the region of €7 million in September 2007.

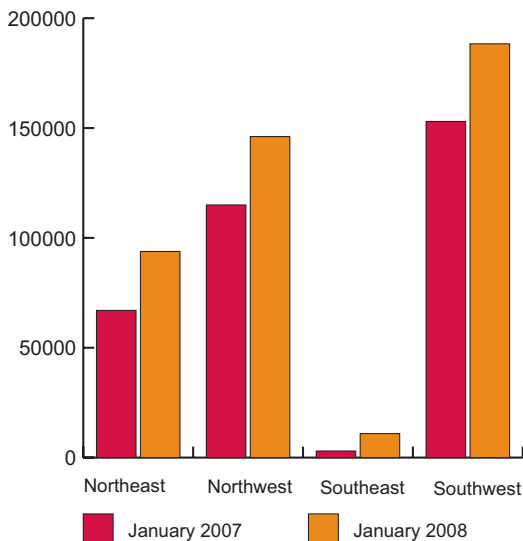
The vacancy rate in northwest Dublin stood at approx. 146,000 sq.m. as of January 2008 down from approx. 173,500 sq.m. in July 2007.

## Availability 2007



Source: Savills Hamilton Osborne King

## Availability 2007 V's 2008



Source: Savills Hamilton Osborne King

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This is higher than the 115,000 sq.m. which lay vacant in Northwest Dublin in January 2007 and a significant proportion of the increased figure represents the Lucent Technology Facility in Ballycoolin totalling approx. 28,590 sq.m. together with a selection of starter/enterprise units which were built in the second half 2007. The majority of these units are likely to be taken-up during the first half of 2008.

## Southwest Dublin

Southwest Dublin again accounted for the highest level of take-up in the greater Dublin area in 2007 at approx. 112,000 sq.m. This is significantly higher than the 75,000 sq.m. taken up in 2006 and reflects a significant increase in the levels of activity at Greenogue and Aerodrome Business Parks where the take-up was almost 18,000 sq.m. in the second half of 2007.

Some of the larger deals in the area include the letting of approx. 4,082 sq.m. to Fannin Healthcare at Greenogue Business Park, the sale of approx. 5,525 sq.m. at Kylemore Park West for €6.8 million in July and the assignment of a 9,283 sq.m. facility in Parkwest Industrial Estate at a passing rent of €865,000 per annum in November.

The vacancy rate for the region was approx. 188,000 sq.m. in January 2008 down from approx. 207,000 sq.m. in July 2007.

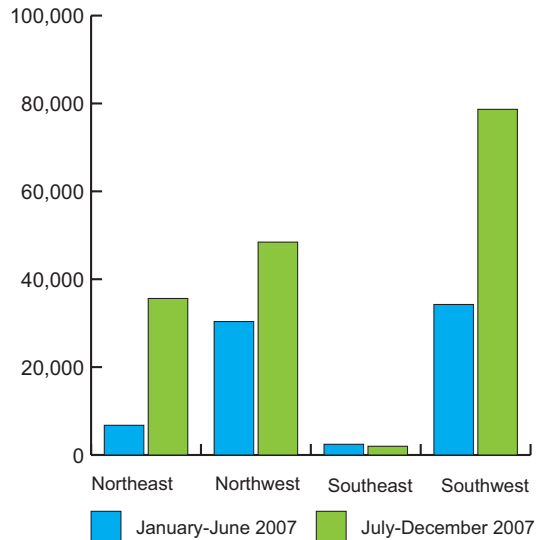
## Southeast Dublin

The total take-up for 2007 in southeast Dublin was approx. 4,400 sq.m. of which approx. 1,700 sq.m. was taken up in the second half of the year. This take-up figure is significantly down on the 15,000 sq.m. recorded for 2006 and is primarily due to the diminishing supply of space available as redevelopment of industrial sites for higher value uses underpins the industrial sector in the region.

Many occupiers seeking space in Southeast Dublin are now broadening the scope of their search to include locations such as Bray, Newtownmountkennedy, Rathnew and Ashford etc.

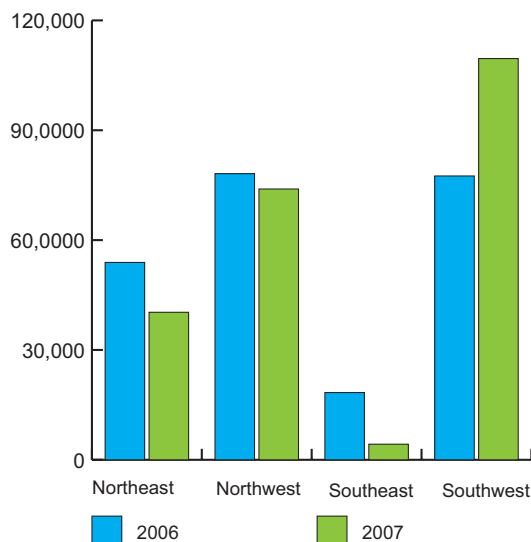
The vacancy rate in southeast Dublin was at approx. 11,000 sq.m in January 2008 down from approx. 18,000 sq.m. in July 2007. The vacancy rate is likely to continue to diminish in 2008 as units are taken-up on short-term leases or are redeveloped for offices, apartments, retail outlets etc.

## Take-Up Total 2007



Source: Savills Hamilton Osborne King

## Take-Up Total 2006 V's 2007



Source: Savills Hamilton Osborne King

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## Industrial Yields and Rents

Prime industrial yields in the second half of 2007 moved from 5% to 5.25% reflecting lower levels of demand from investors as lending institutions impose tighter credit terms. Rental levels remained steady for much of 2007 and prime rents now stand at approx. €135 per sq.m per annum.

	January 2006	July 2006	January 2007	July 2007	January 2008
Prime Yields	5.75%	5.25%	5%	5%	5.25%
Prime Rents Per Annum	€125 per sq.m.	€125 per sq.m.	€125 per sq.m.	€125 per sq.m.	€135 per sq.m.
Prime Capital Values	€2,500 per sq.m.	€2,800 per sq.m.	€3,000 per sq.m.	€3,175 per sq.m.	€3,175 per sq.m.

Source: Savills Hamilton Osborne King

## For further information please contact



**Gavin Butler**  
Head of Industrial  
+353 1 618 1340  
gavin.butler@savills.ie



**Paddy Cusack**  
Negotiator  
+353 1 618 1332  
patrick.cusack@savills.ie



**David O'Malley**  
Negotiator  
+353 1 618 1458  
david.omalley@savills.ie



**Paddy Jordan**  
Negotiator  
+353 1 618 1453  
paddy.jordan@savills.ie



**Ruth Miley**  
Graduate Surveyor  
+353 1 618 1448  
ruth.miley@savills.ie



**Joan Henry**  
Head of Research  
+353 1 618 1487  
joan.henry@savills.ie



**Mary-Kate McGarry**  
Economist  
+353 1 618 1483  
marykate.mcgarry@savills.ie

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