

Dublin Industrial and Logistics Market

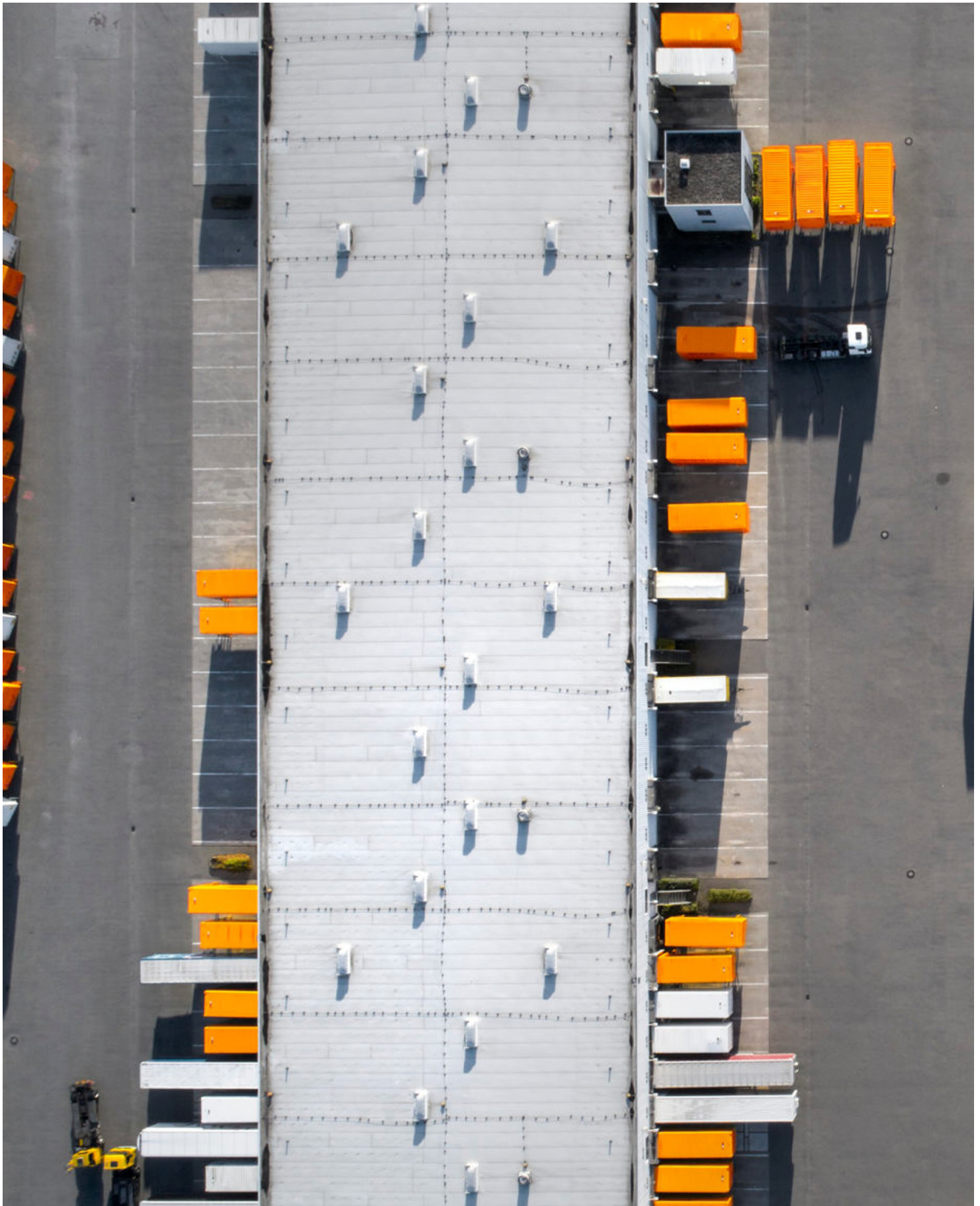
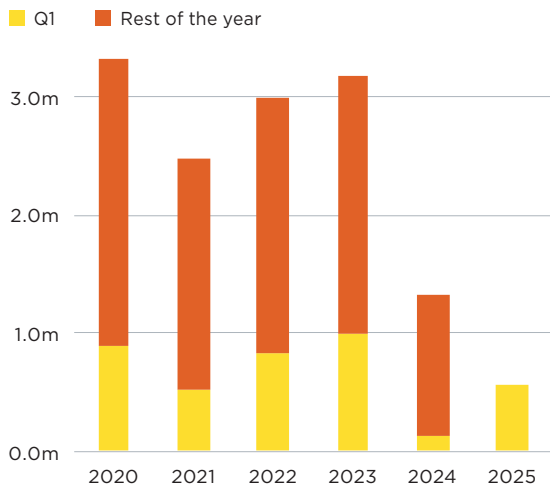


Table 1: Key statistics, sq ft

	Q1 2024	Q1 2025	Qy/y
Take-up	144,000	560,000	+416,000
Completions	-	47,000	+47,000
Vacancy rate	1.7%	2.4%	+70bps
Prime rent, psf	€13.00	€13.00	-

Source: Savills Research

Figure 1: Take-up, sq ft

Source: Savills Research

Q1 Dublin Industrial and Logistics Market

Rebound in take-up accompanied by rising vacancy.

Take-up rebounded to 560,000 sq ft in Q1, nearly three times as high as the first quarter of 2024. However, it is still 18% below the five-year average. There were 14 deals in the quarter with an average deal size of 40,000 sq ft. There were three units larger than 50,000 sq ft taken up in this quarter. Comparably, there were no units of this size taken in Q1 2024. This demonstrates a recovery in demand for 'big-box' units which have dominated take-up in recent years. At the same time, take-up of smaller units decreased significantly with only one unit leased between 5,000 and 10,000 sq ft. Over half of all take-up was situated in the south-west, which is reflective of long-term trends and the concentration of industrial stock in this region.

ANALYSIS

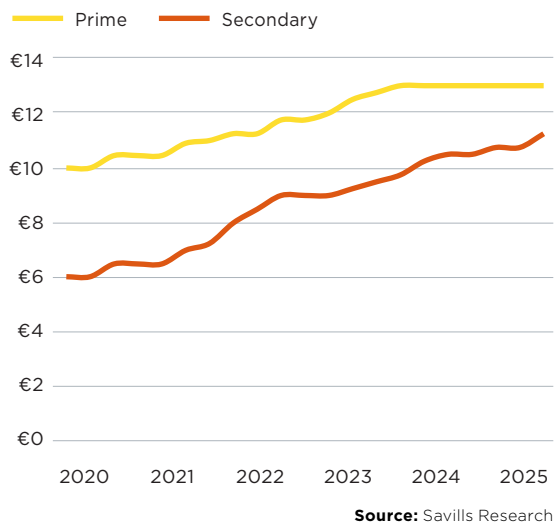
The industrial market in 2024 was largely defined by a lack of take-up of modern units, namely those built in the 00s or later. Q1 illustrates a rebound in this market with 468,000 sq ft of modern stock taken up. This is more than triple the first three quarters of 2024 combined. However, it is 12% below the five-year Q1 average for modern stock, illustrating the continued presence of uncertainty in the market. Meanwhile, take-up of legacy units, constructed in the 90s or earlier - fell to just 93,000 sq ft, representing the lowest level in our series.

The largest deal of the quarter was the letting of 172,300 sq ft in Block Q1 in Aerodrome Business Park to PRL, the Irish logistics company. This was followed by the letting of 100,000 sq ft at Unit 900, Northwest Logistics Park and Regen Aviation's lease of 74,400 sq ft in Unit C, Horizon Logistics Park. This was followed by the pre-letting of 47,000 sq ft at Unit 3, Grange Castle West to An Post and the letting of the former Flood Paper Recycling in Damastown Industrial Park. 3PL's accounted for the largest occupier type accounting for 43% of sq ft taken, followed by 1PL's which represented 25%. There was only one sale in the quarter with lettings accounting for 98% of sq ft transacted.

Table 2: Top five transactions

Property	Tenant	Sub-sector	Sq ft
Block Q1, Aerodrome Business Park, D24	PRL	3PL	172,300
Unit 900, Northwest Logistics Park, D15	P&C	Other	100,000
Unit C, Horizon Logistics Park, Co. Dublin	Regen Aviation	1PL	74,400
Unit 3, Grange Castle West, D22	An Post	3PL	47,000
Former Flood Paper Recycling, Damastown Industrial Park, D15	Gem Pack Foods	1PL	38,300

Source: Savills Research

Figure 2: Headline rents, psf**RENTS**

Prime rents remained at €13.00 psf in Q1, representing the seventh consecutive quarter at this level. We expect prime rents to rise in the coming months as new best-in-class supply, some of which is reserved, reaches practical completion. Secondary rents have risen to €11.25 psf, from €10.75 psf in Q4 2024. This was driven by the letting of Block Q1 in Aerodrome Business Park.

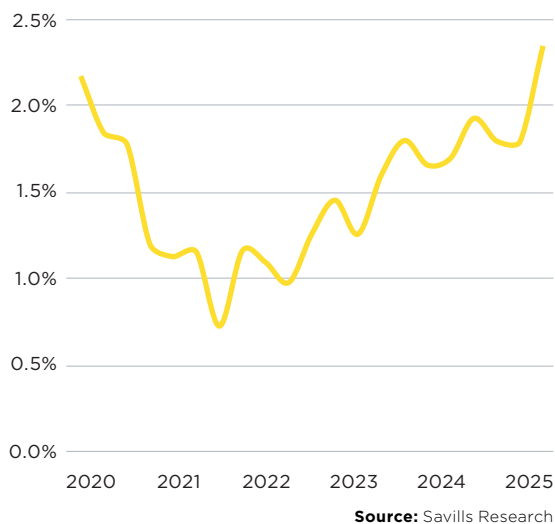
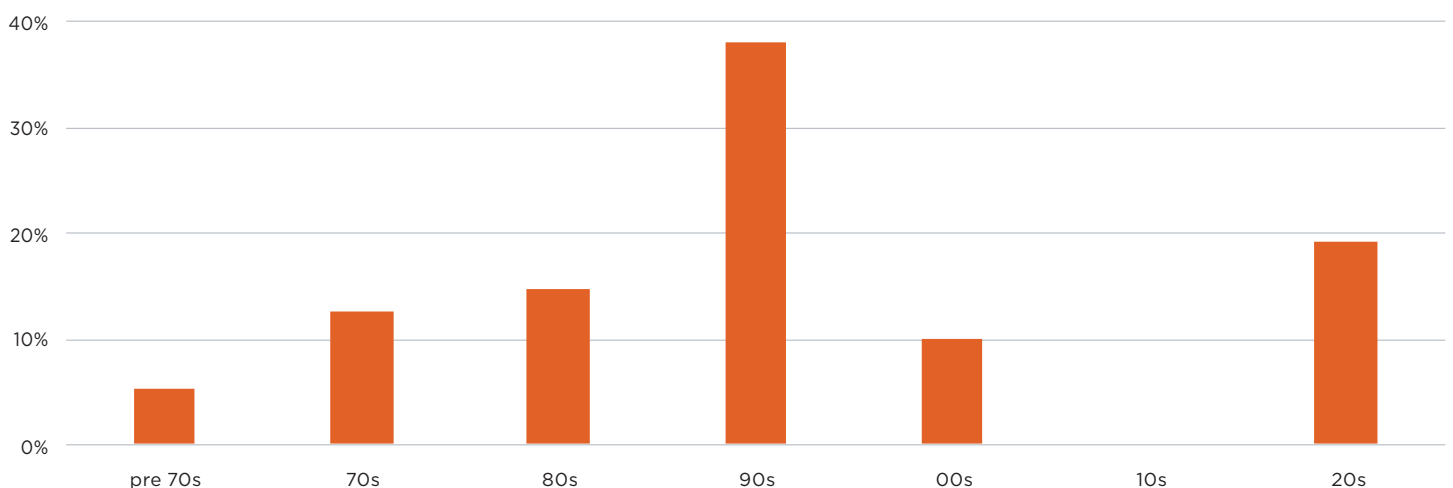
SUPPLY

There was one completion in Q1, namely 47,400 sq ft at Unit G1 in Horizon Logistics Park which was pre-let to Excellence, the food services business. Over 1.4 million sq ft is due to be delivered across 23 units over the rest of 2025. In Q2, 888,000 sq ft is expected to complete across nine units. Two of these units are pre-let and total 276,000 sq ft, namely Unit F1 and Unit P2, Horizon Logistics Park. A further 108,000 sq ft is reserved at Unit 6, Vantage Business Park. However, over 500,000 sq ft due to complete in the next quarter is currently available. Delivery in Q3 is scheduled to be 392,000 sq ft, followed by 152,000 sq ft in Q4. There is only one building pre-let for H2 of this year, namely Unit 3 Grange Castle West which let in this quarter.

VACANCY

The vacancy rate rose to 2.4% in Q1, up from 1.8% in the final quarter of 2024, marking the highest rate since 2019. This reflects 475,000 sq ft in additional vacant space. As the only completion in this quarter was pre-let, the higher vacancy rate is driven by existing stock returning to the market and refurbished units including Ballymount Logistics Hub and Newtown Hub on the Malahide Road which total almost 200,000 sq ft. Notably, significant vacant completions in Q2 will likely push the vacancy rate upwards in the short term. This will be mitigated by over 300,000 sq ft of reserved stock.

The largest available unit is Unit 3 in Quantum Distribution Park which is 178,000 sq ft. However, larger units, over 50,000 sq ft, represent just 14% of available units and 51% of vacant sq ft. Occupier preference for best-in-class stock may result in legacy and smaller units remaining vacant in the short term.

Figure 3: Vacancy rate**Figure 4:** Share of total vacancy by age

Analysis: Pharma Timelines in the Context of Tariffs

The current US Administration refers to two main aims in their implementation of tariffs: to reduce trade deficits and to reshore manufacturing. Focusing on the latter, analysis by GetReskilled - an Irish education company - demonstrates that the development of a new pharmaceutical plant can take anywhere between five and 12 years. As a result, it is unlikely that there will be a shift in the global supply chain away from Ireland due to this friction between short-term policy uncertainty and the required long lead time for the development of any new pharmaceutical facility.

Five stages of pharmaceutical plant development (Source: GetReskilled)



Stage 1: Site identification (1-2 years)

The imposition of tariffs is designed to bring pharmaceutical manufacturing back to the United States, but companies must first identify a suitable site. This is followed by designing a manufacturing facility and applying for planning permission. At this stage, the development must also secure financial approval from the company.

Stage 2: Design and build (2-3 years)

This is primarily the construction of the building. However, it also includes the ordering and delivery of specialised manufacturing equipment, which often require long lead times. The company will begin the initial stages of regulatory validation during the construction process.

Stage 3: Technology transfer and process qualification (1-2 years)

Pharmaceutical manufacturing requires reliability and consistency. The company must demonstrate that the new site makes medicines that are exactly the same every time. The duration of this testing is dependent on the product being manufactured. This is also the stage where manufacturing operators are trained on the processes.

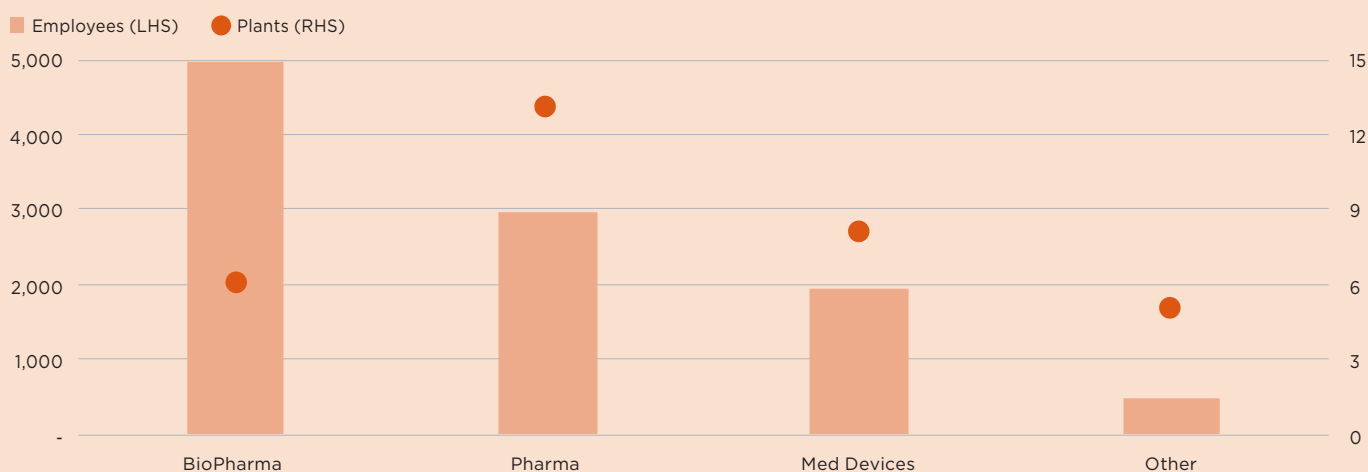
Stage 4: FDA audit and inspections (1-2 years)

All pharmaceutical plants require regulatory approval from the US Food and Drug Administration (FDA). FDA audits typically generate a series of areas that require additional testing or updating. The development will move between stage 3 and 4 until all points are addressed and the company can start selling medicines that are produced on site.

Stage 5: Manufacturing and scale up (< 3 years)

It takes up to three years for a new plant to fully replace a well-established manufacturing site. A company will aim to increase production each year until 100% of the product is produced in the new plant. Up to that point, the original site needs to remain operational to meet market demand.

Figure 5: Dublin pharmaceutical employment and number of plants



Source: GetReskilled



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