

Savills Research – Q2 2025

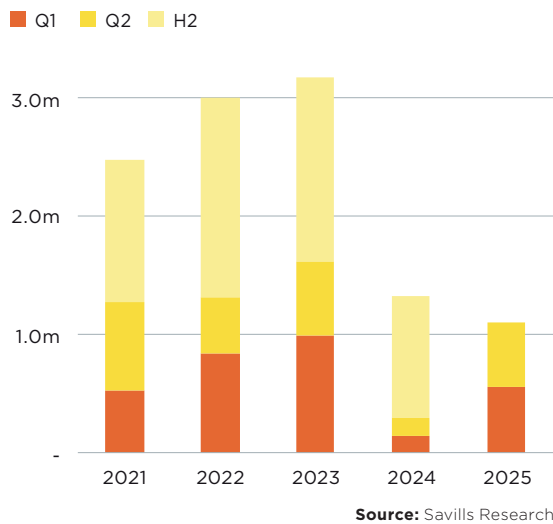
Dublin Industrial and Logistics Market



Table 1: Key statistics, sq ft

	Q2 2024	Q2 2025	y/y
Take-up	148,000	549,000	+401,000
Completions	198,000	113,000	-85,000
Vacancy rate	1.9%	2.1%	+20bps
Prime rent, psf	€13.00	€13.50	+€0.50

Source: Savills Research

Figure 1: Take-up, sq ft

Q2 Dublin Industrial and Logistics Market

Take-up returns to long-term average, with strong H2 forecast.

The market continued to recover in Q2, as take-up reached 549,000 sq ft across 14 deals. This was in-line with the long-term average (10-year) but almost four times higher than the same period last year and represents a continued strengthening of the recovery that started in Q4 2024. The recovery versus Q2 2024 was driven by an increase in both the number and size of deals, after respective growth of 75% and 272% compared with last year. Notably, 68% of sq ft transacted was for units larger than 100,000 sq ft. There was also a noticeable decline in transactions of units sized between 5,000 and 10,000 sq ft. As a result of the uptick in market activity and evidence, we have reviewed prime rents upwards by €0.50 psf to €13.50 psf.

DEAL ANALYSIS

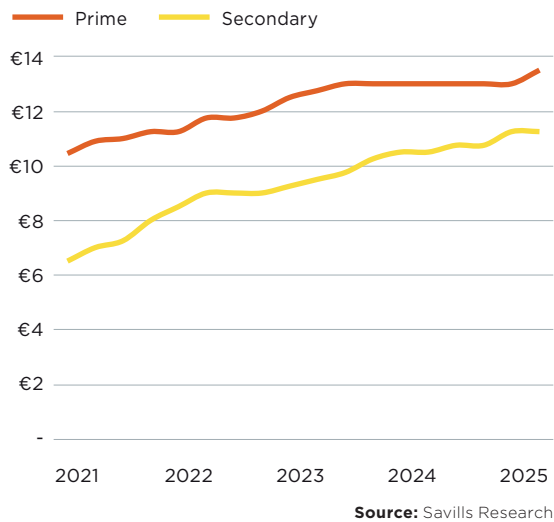
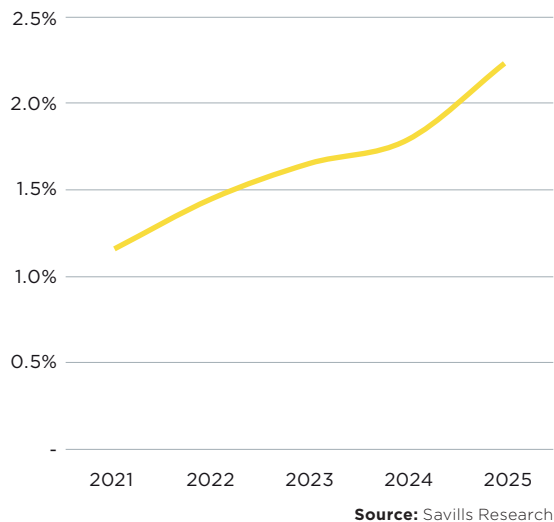
The largest deal of the quarter was the letting of 154,000 sq ft at Buildings 1 and 2, Damastown Business Campus in Dublin 15 to BMC Manufacturing. This was followed by the letting of Units 1B and 3 Cloverhill Industrial Estate in Dublin 22 totalling 110,200 sq ft to Primeline, the independent Irish logistics provider. The third largest deal was the 108,400 sq ft pre-let of Unit 6, Vantage Business Park on the M2 motorway to Musgraves. This was followed by the sale of 47,300 sq ft at the former Premier Accessories building in Hibernian Industrial Estate. The top five was rounded off by the letting of 21,900 sq ft at Unit C, Airport Business Campus, Santry. Additionally, it is notable that Unit 1, Poppintree Industrial Estate in Dublin 11, was sold in Q2. The 43,800 sq ft unit is undergoing a refurbishment before being returned to the market.

Analysing by building vintage, only 27% of space taken this quarter was for buildings constructed since 2000. The majority of take-up occurred in the north suburbs (57%) with the south suburbs accounting for the remaining 43%. While it is unusual for the north to dominate take-up, it was predominantly driven by two of the three largest deals taking place here.

Table 2: Top five transactions

Property	Tenant	Sub-sector	Sq ft
Buildings 1 and 2, Damastown Business Campus, D15	BMC Manufacturing	Industrial	154,000
Units 1B and 3, Cloverhill Industrial Estate, D22	Primeline	3PL	110,200
Unit 6, Vantage Business Park, D11	Musgraves	1PL	108,400
Premier Accessories, Hibernian Industrial Estate, D24	P&C	P&C	47,300
Unit C, Airport Business Campus, D9	Trimtech	Industrial	21,900

Source: Savills Research

Figure 2: Headline rents, psf**Figure 3:** Vacancy rate

RENTS

Prime rents increased by €0.50 psf to €13.50 psf in Q2, following seven consecutive quarters at €13.00 psf. As take-up volumes improved in H1, best-in-class supply has begun to transact at higher rents. Prime rents reflect the market for big-box units, but it is notable that new light industrial and logistics developments (sub 50,000 sq ft) are now seeing quoting levels of €17.50 to €18.50 psf, with much of this new stock due to be delivered in Q4 this year. Secondary rents remained unchanged at €11.25 psf in Q2, following a €0.50 increase in Q1.

SUPPLY

There was one notable completion in Dublin this quarter, namely 113,000 sq ft at Unit P2, Horizon Logistics Park. This was a design and build development for WestRock, the American packaging company that merged with Smurfit Kappa in 2024. Outside of Dublin, 82,000 sq ft at City North Business Campus in Meath also completed in this quarter. This level of delivery was lower than expected with multiple developments pushed into H2. Consequently, Q3 delivery is scheduled to reach 1.3 million sq ft across 13 units. Delivery is expected to moderate in Q4 with 152,000 sq ft due to complete across 10 units. The strength of delivery across this year demonstrates developer confidence in occupier demand, while the completion of smaller units across this year reflects a shift in the market towards a broader mix of unit delivery. Scheduled completions in Airport Trade Park will mark the first significant delivery of units under 10,000 sq ft since 2008, with quoting rents at or above €18.50 psf. Overall, 1.5 million sq ft is expected to complete in H2, of which 22% is pre-let and a further 53% is expected to be reserved by the end of the year.

VACANCY

The vacancy rate declined to 2.1% in Q2 from 2.3% in the previous quarter. Notably, this included an 18% decline in the number of units vacant compared to Q1. Big-box units, larger than 50,000 sq ft, accounted for 61% of vacant space but just 17% of vacant units. The largest availability is Unit 3, Quantum Distribution Park, which extends to 178,000 sq ft. Additionally, 66% of available space is legacy stock, constructed before 2000, which is consistent with long-term trends. Despite overall vacancy trending upwards in recent years, the supply of modern high-quality units remains constrained.

Figure 4: Pipeline, sq ft

Pre-let Post PC Reserved Available

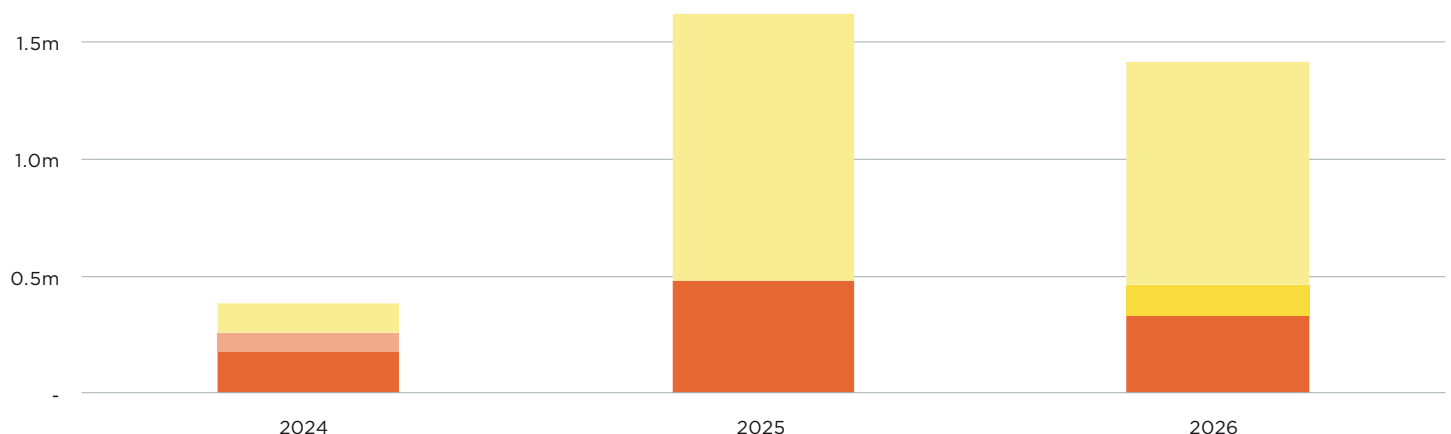
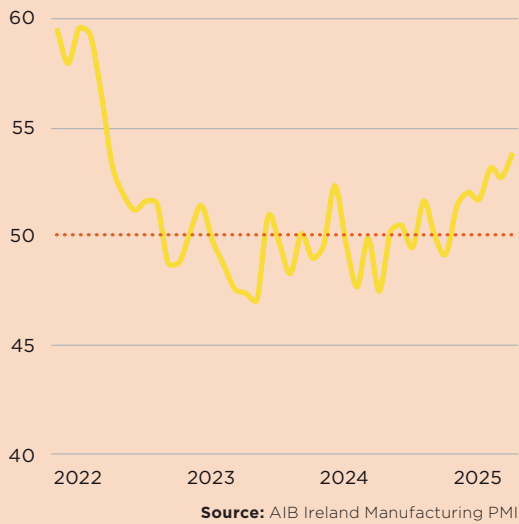
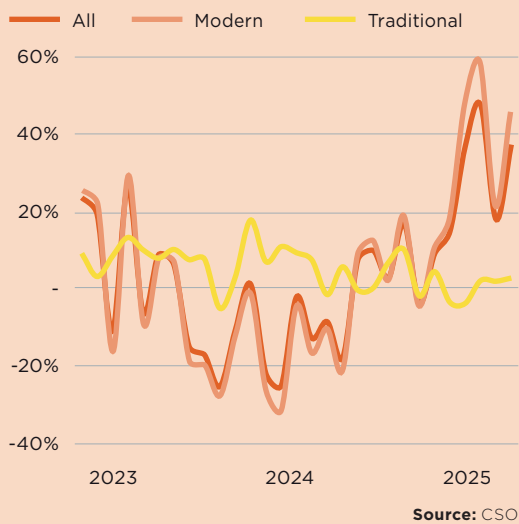


Figure 5: Ireland Manufacturing PMI**Figure 6:** Industrial Production Index, y/y

Macro View

Manufacturing production expands despite global headwinds.

The Irish manufacturing sector turned a corner in the first half of 2025, registering six successive months of expansion for the first time since 2022. The Purchasing Managers Index (PMI) reached 53.7 in June, where anything above 50.0 indicates expansion. Notably, increased demand was largely driven by domestic consumers, with foreign demand declining each month in Q2. In particular, respondents noted weaker demand from the UK, which weighed on export orders. UK manufacturing production decreased for the eighth successive month in June, according to recent PMIs.

While the industrial production index has also illustrated growth throughout 2025, it is notable that the growth has been almost exclusively confined to the modern sector, which includes industries such as pharmaceuticals, medical devices and computers. In contrast, the traditional sector weakened at the beginning of the year before observing modest growth in recent months. Activity was expected to increase significantly in Q1 as companies pre-empted the introduction of US tariffs by front-loading production. A subsequent contraction in Q2 did not materialise after tariff implementation was postponed until August.

Looking ahead, improvements in sentiment within the PMI indicate that manufacturing growth will continue over the rest of the year. However, manufacturers face significant headwinds including volatile US trade policies, a weakening US dollar and geopolitical risk. Some certainty nevertheless arose after a 15% tariff on EU exports to the US was agreed in late July. That said, sector specific rates may still emerge after the US completes its Section 232 investigations, which are aimed at determining the effects of imports on the country's national security. In the meantime, the value of the US dollar has declined against the euro by 11.4% since the beginning of the year, weakening the competitiveness of Irish exports to the US. Elsewhere, shipping through the Red Sea remains largely suspended amidst conflict in the Middle East. For now however, manufacturers appear to be effectively adapting to these challenges.

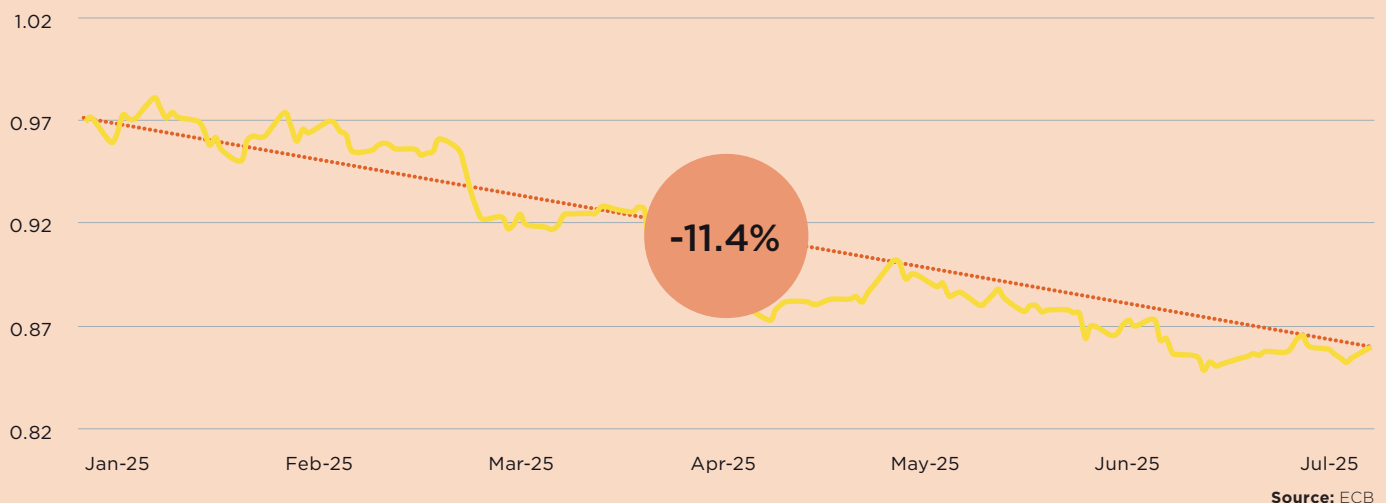
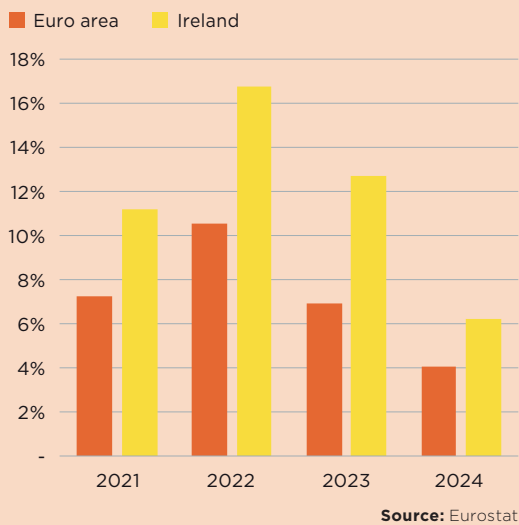
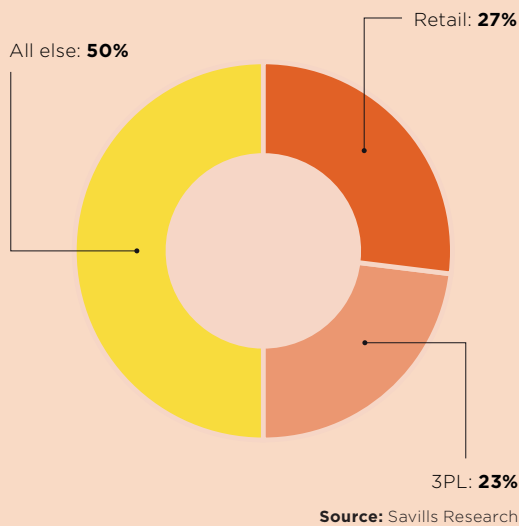
Figure 7: USD to EUR exchange rate

Figure 8: AIC annual growth**Figure 9: Take-up, sq ft Q3 '24 – Q2 '25**

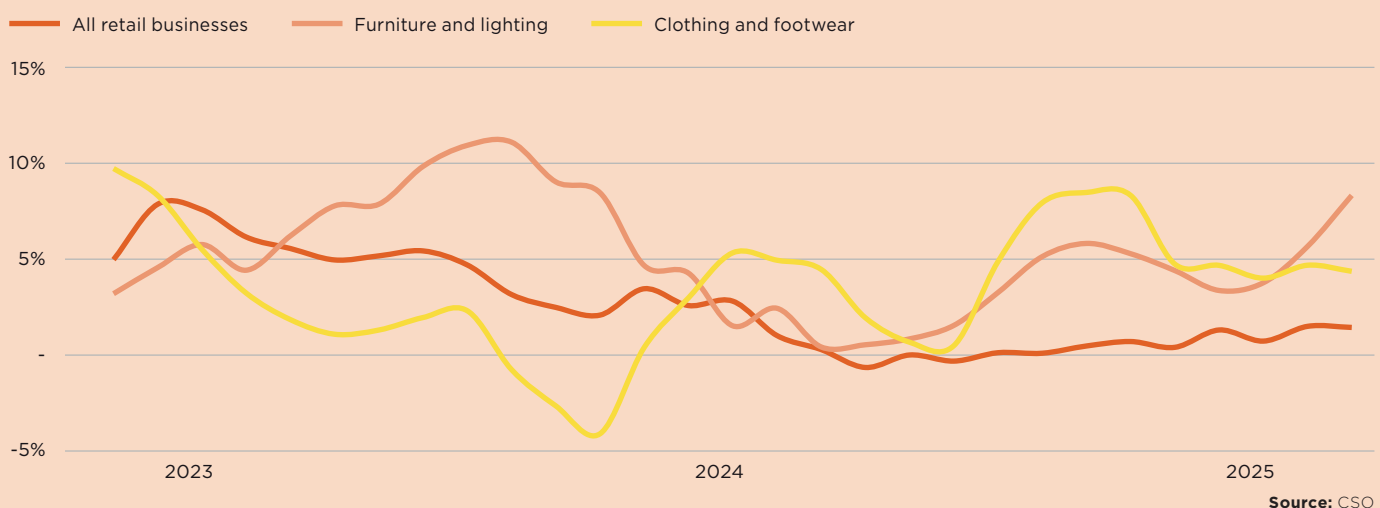
Analysis: Demanding Consumers

Resilient consumer demand to underwrite logistics recovery.

Consumption has underpinned the strength of the Irish economy in recent years. Economic uncertainty softened overall demand for space but Irish consumer demand has continued unabated and consequently, retail businesses are pushed into acquiring space. Irish actual individual consumption (AIC), the comparative international measure of consumption, experienced growth of 6.2% in 2024, outpacing the euro area average of 4.1%. Consumption rates are underpinned by a resilient labour economy which is operating at full employment, where all available labour resources are being utilised. As a result, labour demand is pushing earnings upwards with real wages increasing by 3.5% y/y in Q1.

New entrants and expansions in the retail market have supported demand for 1PL and warehousing space. Irish retail sales volumes experienced growth of 1.6% y/y in May, slightly lagging consumption growth which was bolstered by the strength of services consumption. Retail companies have consistently represented a significant portion of take-up, accounting for 27% of space taken in the last four quarters. There have been particular sub-sectors with stronger retail sales growth over the last year. Most notably, the clothing and footwear sector and the furniture sector have significantly outperformed the overall retail sales index, as illustrated in Figure 10. These two sub-sectors alone represent 19% of all space taken in the last twelve months. E-commerce continues to support logistics demand; the proportion of retail sales executed through e-commerce has stabilised at an average of 7.3% since 2022. This drives take-up for 3PL space in the market which increased more than fourfold in H1 compared to the same period last year.

Looking ahead, we expect resilient consumer demand for retail goods to maintain steady occupier demand for retail warehousing and logistics space. ESRI forecasts suggest wages will continue to grow faster than inflation, resulting in real wage growth of 3.5% and 2.3% in 2025 and 2026, respectively. While this should support consumption growth, consumer confidence remains below long-term trends as households remain cautious in the face of continued global economic uncertainty.

Figure 10: Retail sales annual growth, 3MMA



Jarlath Lynn
Head of Industrial and Logistics
+353 (0) 1 618 1355
jarlath.lynn@savills.ie



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



Billy Flynn
Senior Surveyor, Industrial and Logistics
+353 (0) 1 663 4337
billy.flynn@savills.ie



Savills team

Please contact us for
further information



John Ring
Director, Research
+353 (0) 1 618 1431
john.ring@savills.ie



Sarah Clavin
Junior Research Analyst
+353 (0) 1 663 4366
sarah.clavin@savills.ie