



Demands from tech giants boost Dublin office rental market

Large office deals for tech giants helped to mask a weakening in demand for smaller lettings in the Dublin market, a report has found (Paul O'Donoghue writes).

The study from HWBC, a prominent commercial property firm, said that rental agreements with companies such as Google, Facebook and LinkedIn helped to boost the amount of space let out in the capital to 3.85 million sq ft in 2018, a record. The figure was up by 8 per cent, beating the record 3.6 million sq ft let out in 2017.

HWBC said that several of the deals involved 100,000 sq ft of space or more. The biggest single deal was Facebook taking on the former AIB bank centre in Ballsbridge. The social media giant, which directly employs about 2,000 people in Ireland, recently announced plans to hire an extra 1,000 staff.

The company, which

has a presence in several areas of Dublin, plans to move its entire operation to the Ballsbridge campus, which is estimated to have space for about 7,000 workers.

Google was involved in the second largest deal in the capital last year when it agreed to lease space in Bolands Quay in the docklands. The site is on Barron Street, where the technology multinational has its existing Irish base.

LinkedIn agreed the third largest deal with its new offices at One Wilton Plaza while We Work, a US company which provides co-working spaces for start-up tech companies, was responsible for four of the top ten transactions.

However, HWBC said that this disguised a weakening at the lower end of the market. The company said that it was taking longer to fill spaces of 30,000 sq ft or less.

It said this reflected "a more cautious outlook — potentially Brexit-related — from business in other



Impressive glazed in walkways provide links between the buildings in Google's complex in Dublin, while LinkedIn's European headquarters in the capital have a more traditional look

sectors like finance, professional services and life sciences".

"2018 was the year of the mega tech deal, and we're aware of several

active requirements from tech companies in the market who are looking to take over 100,000 sq ft of space in 2019," Tony Waters, right, managing director of HWBC, said.

"Although this level of pre-letting demand is very positive for the office market and wider economy, it somewhat masks activity on the ground where demand for

smaller lot sizes is not as active."

Mr Waters said that overall, the group expects prime Dublin office rents to remain steady this year at about €50 to €55 per sq ft a year, having surged after the economic recovery. He said that the



market in Dublin was reaching "a more mature phase in the cycle".

He added that this would give "greater clarity to occupiers, developers and investors on the costs and returns available".