

MOMENTUM CONTINUES INTO 2025 WITH OVER 1M SQ FT RESERVED

After a slow start to the year the Dublin office market staged a strong recovery in the final three quarters to record FY take up of 2.15m sq ft, which is 63% ahead of the 2023 figure. In our outlook this time last year we predicted leasing activity of around 2m sq ft, with clear signs of a build-up in tenant activity and a push to accelerate return to the office mandates. This momentum has been carried into the beginning of 2025 with over 1.2m sq ft of reserved space including advanced discussions for the entire 420k sq ft office element of Marlet's new development at College Square. There are other significant deals at late-stage negotiations including Bartra's new offices at The Sidings, 4&5 Park Place and 75 St Stephens Green which will see a much stronger start to this year than the low 200k sq ft recorded in Q1 last year.

- 2024 saw a return to leasing deals of scale with 7 transactions over 50k sq ft recorded, with 4 of these over 100k sq ft. This was in stark contrast to 2023 with only one deal over 50k sq ft for the entire year. There was an element of pent-up demand with around 2m sq ft of transactions completed over the final three quarters of the year. Financial and professional services firms were the dominant sectors with notable lettings to Deloitte, EY and BNY Mellon.
- The technology sector also made a welcome return with Stripe taking 155k sq ft at the newly completed Wilton Park campus, a good example of developer led placemaking initiatives to transform the local neighbourhood. EY also chose Wilton for their new HQ against stiff competition from other D2 locations.
- Looking at the trends for 2024, there was a noticeable swing in demand for CBD space over the suburbs, with companies choosing city space in an effort to entice staff back to the office. There is now a growing push from multinational firms to get staff back in the office with city space accounting for 75% of market take-up last year.
- There were 22 transactions of 20k sq ft+ across the market last year of which 14 were in Dublin 2/4. There was 1m sq ft of deals over 20k sq ft in D2/4 (47% of the entire market) with all of these corporate occupiers choosing BER A rated space.
- For most stakeholders including funders, institutions, developers and investors this sector of the market is more relevant, and the availability of this stock will be key in terms of tracking the supply pipeline as new construction comes to an end.
- We estimate there is around 1.55m sq ft of BER A rated offices over 20k sq ft currently available in D2/4 including new and existing stock, grey space and speculative space under construction to be delivered over the next 12 months. Current availability includes quality schemes at One Charlemont, Park Place, Sidings, Shipping Office and Fibonacci to keep pace with the current level of corporate demand.
- This equates to less than 2 years supply in D2/4 at current demand, with no speculative space under construction for delivery beyond 2027.
- In the north docks there is approx. 800k sq ft of BER A rated available space over 20k sq ft and we expect to see a bounce in activity in this sub-market as the D2/4 supply begins to tighten.
- The average deal size for the Dublin market is 13k sq ft with much of the smaller demand happy to consider older buildings with an attractive 'brown discount' available for less sustainable space. There is still over supply of older space with poor BER ratings leading to the high market vacancy rate, but this sector is not relevant to the demand profile at the top end of the market.



One Pembroke, Ballsbridge, Dublin 4.
New landmark offices coming soon to Ballsbridge. (96,000 sq ft to lease)

OFFICE SUPPLY / NEW CONSTRUCTION

- There is approx. 1.57m sq ft of new office space under construction in Dublin with around 79% of this space reserved to companies such as KPMG, Citi, Deloitte and Google. We estimate 675k sq ft is due to complete this year including the Treasury Annex for Google (274k sq ft), 2 Grand Canal Quay (145k sq ft) and The Frame on Baggot Street (48k sq ft).
- In 2024 there was 1.99m sq ft of new office completions including Coopers Cross in the north docks (290k sq ft), The Sidings (161k sq ft) and Park Place (196k sq ft) in Dublin 2 and Two Grand Parade (106k sq ft). The overall market vacancy is 16.5% which will peak in 2025 and start to reduce in the second half of the year as new completions start to fall off.
- There is currently no new speculative space due for completion from 2027 and we predict new prime A rated space will become increasingly scarce from the second half of 2026. Sites with planning in Dublin 2 include for example the former Anglo HQ on St Stephens Green owned by ILIM for 150k sq ft, the Clancourt site at Harcourt Place (260k sq ft) and the Hibernia site at Clanwilliam (255k sq ft). In Dublin 4 Orion Capital have demolished the old Carrisbrook House at the corner of Pembroke Road with planning for a new office HQ of 96,000 sq ft.

OFFICE STATS FY 2024

Take-Up FY 2024	2.15m sq. ft
Vacancy Rate (entire market)	16.5%
New Completions FY 2024	1.99m sq. ft
% Pre-committed on completion	60%
Under Construction	CBD 1.57m sq. ft (79% Reserved)
	Suburbs 0

SUBURBS

The suburbs recorded around 550k sq ft or 25% of take up over the year with Sandyford, Cherrywood, Dublin Airport and Blanchardstown the most active. In Sandyford John Paul Construction moved to Termini (20k sq ft) and APC expanded in Cherrywood (60k sq ft). Dublin Airport continued to attract occupiers with its connectivity advantages with deals to Boeing (20k sq ft) and Flogas (30k sq ft).

The increased focus from corporate occupiers on city space will continue to impact demand in the suburbs with oversupply in most sub-markets likely to continue over the medium term.

However, we expect to see more leasing activity in the suburbs this year as price sensitive occupiers extend their search areas for sustainable A rated offices beyond the CBD.

HEADLINE OFFICE RENTS (DEC 2024)

CBD (Grade A)	€57.50 - €62.50 per sq. ft
Suburban (Grade A)	€28.00 - €34.00 per sq. ft
Car spaces; City Suburbs	€4,000 pa per car space €1,750 - €2,000 pa per car space

TOP 10 OFFICE DEALS (FY 2024)

	Size (sq.ft)	Tenant	Sector
1. The Seamark Building, Elm Park D4.	182,000	HSE	Government / Health
2. One Wilton Park, D2.	156,000	Stripe	Technology
3.1 Adelaide Road, D2.	151,000	Deloitte	Finance
4.2 Wilton Park, D2.	133,500	EY	Finance
5.The Shipping Office, South Docks D2.	79,000	BNY Mellon	Finance
6.Building G3 Cherrywood, Co. Dublin.	60,000	APC	Medtech
7. 3-8 Hume Street, D2.	49,000	Iconic Offices	Professional
8. One Charlemont Square, D2.	43,700	Mark Anthony Brands	
9. Two Dublin Airport.	30,000	Flogas	Finance
10. Fitzwilliam 28, Fitzwilliam Street, D2.	25,000	Addleshaw Goddard	Professional

OUTLOOK

HWBC expect the year ahead will be similar in terms of leasing activity with expected take up in the 2-2.5m sq ft range and the focus of the corporate sector to continue to target CBD A rated space. Other than the potential large outlier letting at College Square, we are unlikely to see an increase on 50k sq ft+ lettings this year as many of the active mandates concluded in 2024.

There may be some slowdown in decision making from US companies as the implications of the trade policies of the second Trump administration become clearer in terms of rhetoric verses action.

There is no doubt on the 'green premium' for sustainable space as the corporate sector chooses the most energy efficient offices

including the statutorily required BER rating and other industry adopted metrics such as LEED and BREEAM.

We expect the supply of currently available A rated city space to continue to reduce over the next 12 months leading to more competition and a squeeze on headline terms currently available. All eyes will be on the 'shovel ready' sites in Dublin 2/4 for new commencements with a number of developers having cleared sites to prepare for construction and first mover advantage. For new office development to be viable, headline rents will need to increase to €70.00 psf+. This reflects a combination of build cost inflation, higher quality buildings with greater amenities for occupiers and the transition to fossil free zero emission buildings.



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