Office Review and Outlook

H1 2026

HWBC

Prime rents to hit €70 psf plus by year end

The Dublin office market had a solid first half with take up reaching 1.05m sq ft with another 900k sq ft of reserved space to complete by year end. Occupier demand remains resilient despite the conflict in Iran weighing on investor concerns with no obvious exit strategy having emerged to date. Demand for new A-rated space remains strongest within the CBD with limited prime standing stock putting upward pressure on headline rents. The vacancy rate continues to decline, and the current construction cycle is coming to an end with limited space on site for delivery in 2027.

Taking a wider view, there are different levels operating in the Dublin market with corporate activity mainly focused on prime A rated standing stock in the central business district. The strong performance at the top level is not market wide with older space continuing to weigh on availability and vacancy rates. This is distorting the overall picture where sectors of the market are continuing to struggle with over supply and reduced activity.

There is a growing impact from AI companies on the Dublin market with new entrants Anthropic, OpenAI, Cognizant, Klavio, F5 and Core42 all active. Some AI firms are taking short term fitted and serviced office space to establish and quickly scale operations. Other firms are now expanding to the next level of growth. For example, in a recent announcement, OpenAI are expanding and taking 88k sq ft at the former TikTok offices at Tropical Fruit Warehouse in the South Docks.

KEY MARKET STATISTICS

- Take up for H1 totalled 1.05m sq ft including significant lettings to State Street at 2 Grand Canal Quay (78k sq ft), MetroLink (TII) at Coopers Cross (50k sq ft) and Asana at The Sidings and Rippling at 1 Cumberland Place taking 28k and 32k sq ft respectively.
- Underlying demand remains strong with approx. 900k sq ft of reserved deals expected to sign before year end. This includes the newly completed 160 Townsend Street (104k sq ft) and the redevelopment of Stephens Court on St Stephens Green.
- Prime rents have increased to around €67.50 psf and expected to hit €70.00 psf by year end as reduced supply of A-rated standing stock leads to increased competition with occupiers. Recent developments at 4&5 Park Place (197k sq ft), One Charlemont (184k sq ft), Shipping Office (177k sq ft) and 2 Grand Parade (106k sq.ft) have seen increased tenant activity over the last 6 months with a number of lettings in advanced legals and close to signing.
- In a further sign that tenant activity is pushing out from the centre, A rated developments such as One Le Pole Square in Dublin 8 and The Highmark in Dublin 1 that had availability are now leasing up putting added pressure on the remaining A rated stock.

2 Ballsbridge Park, Ballsbridge, Dublin 4.
Grade A office headquarters available to let (54,750 sq ft)

- Demand is being driven by a diverse mix of sectors including State bodies, technology, finance and professional firms with tenant focus on energy efficient and sustainable space. In many cases corporate occupiers are moving to new offices to comply with ESG regulations to manage, measure and report their carbon footprint under EU directives.
- Large pre-lets will return as a market trend in H2 as professional services companies with lease events over the next 3-5 years, look to secure the best located sites to upgrade and expand their office footprint. Rents required to justify construction will be in the region of €80 psf plus.

OFFICE SUPPLY / NEW CONSTRUCTION

- Office space under construction is down to 800k sq ft with over 65% of this space already reserved including new HQ offices for KPMG, Citibank and Deloitte. In terms of pipeline supply Union Invest are on site to upgrade the ex-Meta offices at 4&5 Grand Canal Square to provide 250k sq ft in 2027. Westlink Capital has commenced demolition works on Adelaide Road to replace Marsh House and the old Dept of Fisheries building with the new Florian scheme (220k sq.ft) to be available from 2028.
- In Dublin 4 developers Aran Street are now on site to refurbish 2 Ballsbridge Park to provide 55k sq ft of A rated and LEED Gold office space. The building will retain its high car parking ratio and is available for occupation from Q1 2027 with enhanced tenant amenities.
- There are a number of ready to go prime sites in Dublin 2 which could begin construction over the next 12 months to target expansion from professional firms and the growing demand from the AI sector. IPUT have planning for 196k sq ft of new offices on the corner of Earlsfort Terrace, which is due to be vacated by Deloitte by the end of 2026. Kennedy Wilson will also get possession of Stokes Place on St Stephens Green this year which has permission for around 440k sq ft of new offices. KPMG are currently fitting out their new HQ at the top of Harcourt Street to be ready for the move in Q4.
- The potential for substantial new office supply at Camden Yards on Kevin Street will not now come to market after DCC completed the purchase of the partially built mixed scheme with capacity for around 407k sq ft of office space and 199 apartments.

OFFICE STATS H1 2026

Take Up H1 2026	1.05m sq ft
Vacancy Rate (entire market)	13.5%
New Completions H1 2026	870k sq ft (85% reserved on completion)
Under Construction CBD	800k sq ft (60% currently reserved)
Suburbs	0

HEADLINE OFFICE RENTS (JUNE 2026)

CBD (Grade A)	€65.00 - €67.50 per sq. ft.
Suburban (Grade A)	€28.00 – €35.00 per sq. ft.
Car spaces; City Suburbs	€4,000 - €4,500 pa per car space €1,750 - €2,000 pa per car space

TOP 10 OFFICE DEALS (H1 2026)

Top 10 Office Deals (H1 2026)	Size (sq.ft)	Tenant	Sector
1. 2 Grand Canal Quay, D2	78,000	State Street	Finance
2. Sandwith Court, D2	65,000	Iconic	Serviced Offices
3. Building 1 Cherrywood, D18	60,000	HSE	State / Health
4. B2 Coopers Cross, North Docks, D1	50,100	MetroLink	State / Transport
5. 1 Cumberland Place, D2	32,500	Rippling	Technology
6. 4&5 Park Place, Harcourt Road, D2	21,500	Orix Aviation	Aviation
7. 4&5 Park Place, Harcourt Road, D2	21,000	Metlife	Insurance
8. The Sidings, South Docks, D2	27,750	Asana	Technology
9. One Charlemont	25,500	Bloomberg	Finance / Media
10. Bindery House, Sth. Frederick Street, D2	20,000	Cantor Fitzgerald	Finance

CITY FRINGE AND SUBURBS

- With the supply of standing stock in Dublin 2 under pressure, we expect to see more tenant focus on city fringe and suburban locations in the second half of the year. Quality developments with availability to cater for larger requirements such as Coopers Cross and The Highmark in the North Docks are attracting tenant interest with large floor plates and best in class energy credentials.
- One Le Pole Square in Dublin 8 is also attracting interest with its range of tenant amenities on site including café, restaurant, gym, hotels and conference centre in a campus style development close to Grafton Street and St Stephens Green.
- There was continued activity in the suburbs with Cherrywood recording deals to the HSE for 60k sq ft in Building 1 and OUTsurance expanding its presence to take 16k sq ft in Building 3. Locations such as Sandyford, Blanchardstown and East Point have availability of A rated space and will attract more tenant activity over the next 12 months as supply in the core city locations gets absorbed.

OUTLOOK

The outlook for the second half of the year remains positive particularly for prime energy efficient space in the CBD as the supply of standing stock continues to be absorbed by corporate tenants. We expect recent developments such as 4&5 Park Place, One Charlemont, The Shipping Office, The Sidings and 2 Grand Parade, to be substantially leased or reserved by year end. This is going to impact the market for larger requirements and see corporate occupiers widen search areas to the North Docks, city fringe and suburban locations.

There will still be sectors of the market underperforming principally due to the age of stock and generally substandard energy credentials. The economics of these sub sectors are very different to the top level of the market with more attractive terms, flexibility and tenant incentives on offer. With the ongoing squeeze on prime standing stock, we see headline rents being established at €70.00 psf plus by year end and rents to fund the next wave of office development at €80.00 psf plus over the next 3-5 year cycle.

The outcome for the full year is likely to be in the 2.3m to 2.5m sq ft range and in line with the long term averages for the Dublin market. We expect this level of demand will be the new norm for this cycle. Dublin as an established 'tech hub' and with an abundance of highly skilled tech workers is well placed to attract the growing investment and demand for office space from the emerging AI sector.

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