

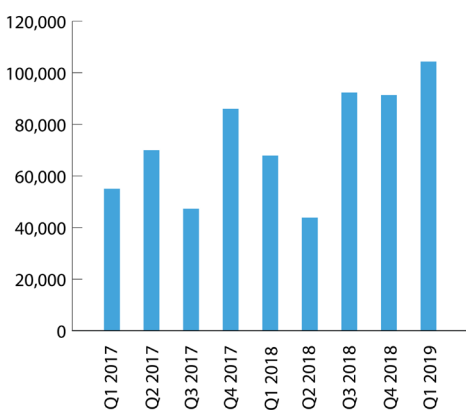
104,387 sq m of industrial space transacted in Q1 across 36 deals, representing a 54% increase compared to the same quarter last year. Lettings accounted for 63% of activity with sales accounting for the remaining 37%. Looking at the geographical spread of activity within Dublin, the North-West had the highest market share with 52%, followed by the South-West and the North-East with 33% and 14% respectively.

An interesting feature of the market in Q1 was the increase in new construction activity as a driver of large transactions, with two deals over 10,000 sq m involving new development compared to just two in the entirety of last year. The larger of these was the letting of Unit A, Mountpark Baldonnell by United Drug which was completed in Q4 last year and extends to 11,045 sq m. The



Unit H, Aerodrome Business Park, Rathcoole, Co. Dublin

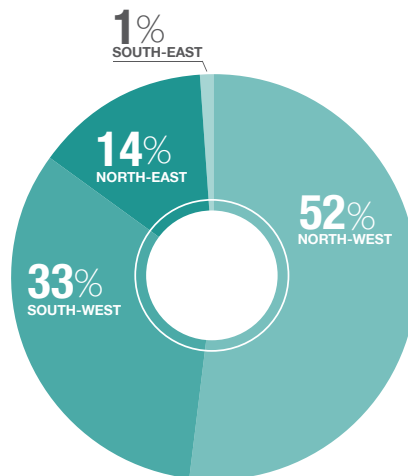
FIGURE 1
Industrial transactions sq m



Source: Knight Frank Research

other was Bunzl Ireland's pre-letting of Unit D9, Horizon Logistics Park which will extend to 10,684 sq m when completed in Q4 of this year. The deal comprises a rent of €107 psm for a term of 20 years with a break at 12 and incorporating six months rent free. With prime rents now comfortably clearing the €100 psm mark, we can expect to see further speculative development take place.

FIGURE 2
Transactions by location

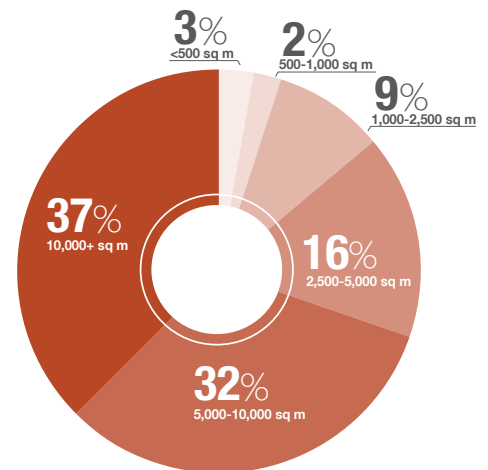


Source: Knight Frank Research

While not a new build, the largest transaction of the quarter was also motivated by a construction angle. This was IPUT's purchase of Unit 1, Dublin Airport Logistics Park for €19.0 million, with a substantial refurbishment and repositioning of the asset having now commenced. The property comprises 17,176 sq m of space and was vacated by Easons as part of a wider strategy by the firm to divest their property holdings across the business. In total, these three deals over 10,000 sq m accounted for 37% of the market.

There was also strong activity at the next deal level with 32% of transactions occurring between

FIGURE 3
Transactions by deal size



Source: Knight Frank Research

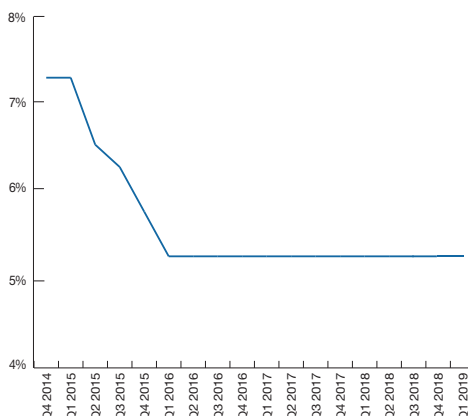
5,000 and 10,000 sq m. This included a new build letting at Dublin Airport Logistics Park, comprising 5,481 sq m at Osprey House, which will be completed in Q3 of this year. Of the remaining deals, 16% of transactions were between 2,500 and 5,000 sq m, while 14% of the market was comprised of deals

104,387
sq m of take-up
transacted in Q1 2019

that were less than 2,500 sq m.

Looking at new commencements, Erigo have started construction on Unit 2, The Vantage Business Park which will extend to 5,483 sq m upon completion with packing company NPP Group already having contracted to purchase the building. Erigo will now turn their attention to pre-letting Unit 1 which has planning permission for 4,265 sq m. In terms of investment activity, Aviva purchased Unit H, Aerodrome Business Park for €7.6 million, with the deal representing a net initial yield of 5.19%.

FIGURE 4
Industrial yields



Source: Knight Frank Research

FIGURE 5
Top 10 industrial transactions

Property	District	Size (Sq m)	Type
Unit 1, Dublin Airport Logistics Park, Co. Dublin	North-West	17,176	Sale
Unit A, Mountpark Baldonnell, Dublin 22	South-West	11,045	Letting
Unit D9, Horizon Logistics Park, Co. Dublin	North-West	10,684	Letting
Former Electrolux Facility, Naas Road, Dublin 12	South-West	8,866	Letting
Former Gateway Facility, Clonshaugh Business & Technology Park, Dublin 17	North-East	7,252	Letting
Grattan Business Park, Clonshaugh, Dublin 17	North-East	6,444	Sale
Unit 2, Vantage Business Park, Co. Dublin	North-West	5,483	Sale
Osprey House, Dublin Airport Logistics Park, Co. Dublin	North-West	5,481	Letting
Former Johnson Brothers Facility, Ballymount, Dublin 12	South-West	4,500	Letting
JFK Park, Naas Road, Dublin 12	South-West	4,290	Letting

Source: Knight Frank Research

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