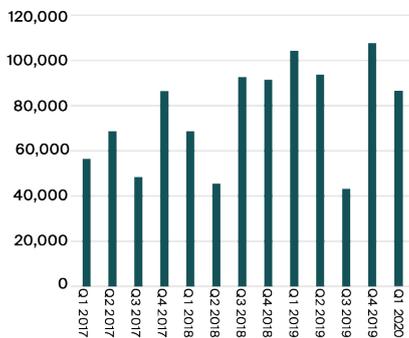


87,000 sq m of industrial space transacted in Q1, 17% behind the 104,000 sq m that was taken during the same quarter last year. However, this still represents a strong start to the year, sitting above the three-year quarterly average of 75,000 sq m. Take-up was concentrated in the North-West and the South-West of Dublin, accounting for 56% and 43% of the market respectively.

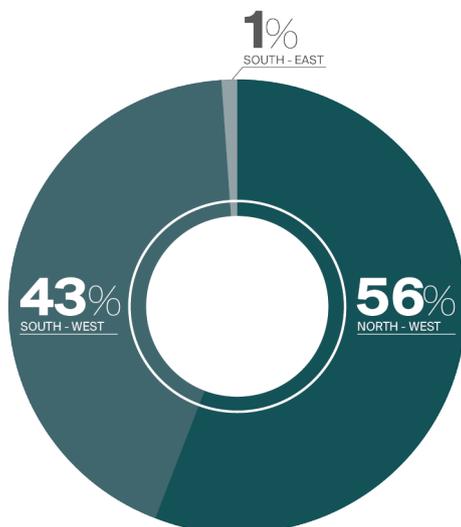
FIGURE 1  
Industrial transactions sq m



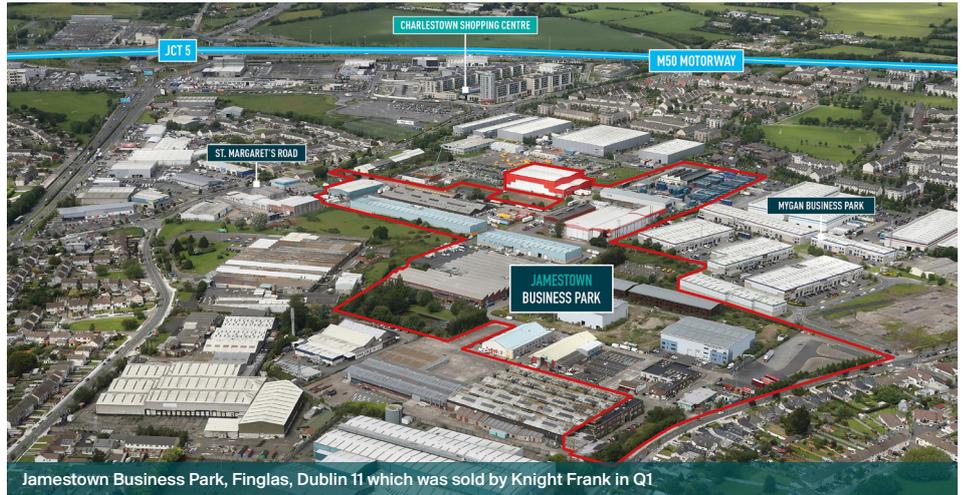
Source: Knight Frank Research

Although there were just two deals in excess of 10,000 sq m, together they accounted for 57% of take-up. The largest of these was the letting of 30,000 sq m to Dunnes Stores at the former Geodis facility at Damastown Industrial Park, followed by the taking of 19,800

FIGURE 2  
Transactions by location



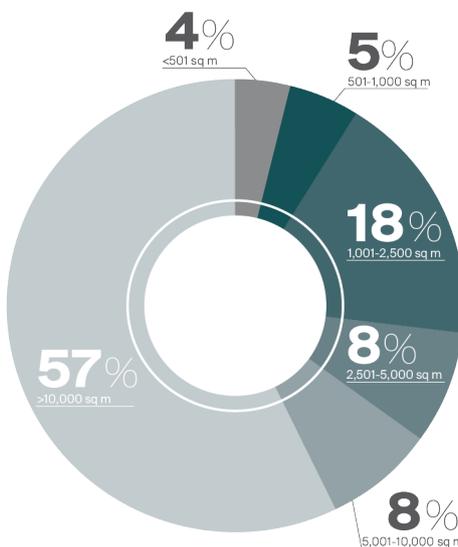
Source: Knight Frank Research



Jamestown Business Park, Finglas, Dublin 11 which was sold by Knight Frank in Q1

sq m by an undisclosed occupier at the Former Lufthansa Technick site on the Naas Road. The supply of newly delivered units also played an important role in supporting transaction volumes: Unit 527, Greenogue Business Park (6,800 sq m) was taken by Amazon, thus establishing their first warehouse in Ireland, while Harrier House, Dublin Airport Logistics Park (3,600 sq m) was taken by Dnata. Similarly, D6 (2,300 sq m) and D7 (3,200 sq m) Horizon Logistics Park were let to AvAir and Expeditors respectively. Finally, in terms of investor activity, €27.9 million was invested in industrial assets, with the largest deal consisting of the sale of the Jamestown Business

FIGURE 3  
Transactions by deal size



Source: Knight Frank Research

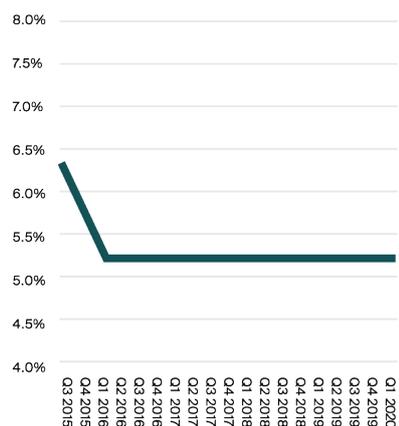
**87,000**  
sq m transacted in  
Q1 2020

Park - which comprised a mix of income producing and vacant product - for in excess of the guide price of €10.75 million.

It should be noted that this strong opening quarter belies the current turmoil that has been inflicted on the industrial market by the outbreak of Covid-19. Letting and investment deals in Q2 will be substantially down while the commencement dates for upcoming speculative developments will also be re-evaluated. Due to the uncertainty, we could see some softening in prime rents and yields from their current levels of €105 psm and 5.25% respectively. However, in the longer-term, Covid-19 could have some unintended consequences which could boost long-term demand for space. Firstly, the crisis may force occupiers to transform their supply chains so that they are more resistant to future shocks. Given that it can be expensive to hold inventory, supply chains have traditionally

been designed to keep inventory levels low. However, the shortages of certain products experienced during this crisis may force occupiers to rethink upwards optimal inventory levels. Finally, those previously not accustomed to online shopping have, through necessity, shifted to this platform and may continue to use it long after the crisis dissipates. In March, Amazon announced that it was hiring an additional 75,000 staff across its facilities so that it can process the spike in online orders as a result of Covid-19. Greater e-commerce adoption will see occupiers add further capacity to their supply chains.

FIGURE 4  
Prime industrial yields



Source: Knight Frank Research

### Top 10 industrial transactions Q1 2020

| Property   | District   | (Sq m) | Type    |
|--|------------|--------|---------|
| Former Geodis Facility, Damastown Industrial Park, Mulhuddart, Dublin 15 | North-West | 30,009 | Letting |
| Former Lufthansa Technik Site, Naas Road, Saggart, Co. Dublin            | South-West | 19,788 | Letting |
| Unit 527, Greenogue Business Park, Rathcoole, Co. Dublin                 | South-West | 6,809  | Letting |
| Harrier House, Dublin Airport Logistics Park, St Margaret's, Co. Dublin  | North-West | 3,563  | Letting |
| Unit D7, Horizon Logistics Park, St Margaret's, Co. Dublin               | North-West | 3,178  | Letting |
| Unit D6, Horizon Logistics Park, St Margaret's, Co. Dublin               | North-West | 2,257  | Letting |
| Unit 39, Airways Industrial Estate, Santry, Dublin 9                     | North-West | 2,140  | Sale    |
| Units C1 & C2, Ballymount Cross Industrial Estate, Ballymount, Dublin 24 | South-West | 2,139  | Letting |
| Unit 1B, Damastown Way, Mulhuddart, Dublin 15                            | North-West | 1,887  | Letting |
| Unit 6, Northwest Business Park, Ballycoolin, Dublin 15                  | North-West | 1,660  | Sale    |

Source: Knight Frank Research

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