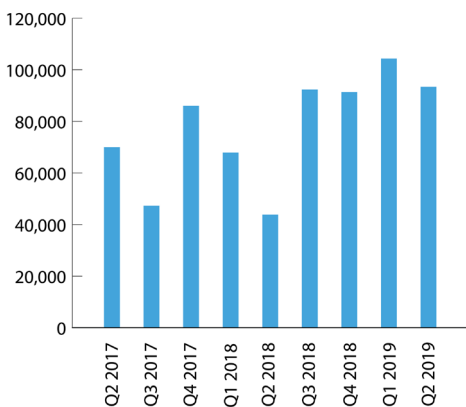


93,414 sq m of industrial space transacted in Q2 to bring take-up to 197,801 sq m at the half-year point - a 77% increase compared to the same period last year. Breaking down take-up in Q2 shows that lettings comprised of 68% of activity with sales accounting for the remaining 32%. Looking at the geographical spread of activity within Dublin, the North-West of the county had the highest market share with 52%, followed by the South-West and the North-East with 39% and 8% respectively.

In contrast to Q1, there was a lack of large deals with none greater than 10,000 sq m taking place compared to three in the opening quarter. Seven of the top ten transactions in Q2 involved secondary space with the largest deal being the sale of 7,978 sq m at Unit BC2, Ballycoolin Business Park, Dublin 15.



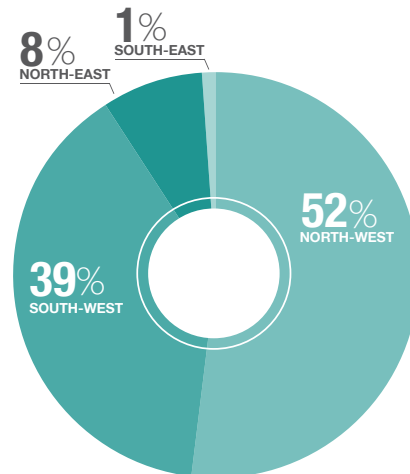
FIGURE 1
Industrial transactions sq m



Source: Knight Frank Research

The second largest letting was Kuehne + Nagel's deal with Green REIT to build a 7,432 sq m extension to their main unit at Horizon Logistics Park, which will bring their total presence in the park to 19,250 sq m upon completion in Q1 2020. The third and fourth largest deals both took place at Blanchardstown Business and Technology Park, with Securispeed taking 6,476 sq m at Lyncon Court

FIGURE 2
Transactions by location

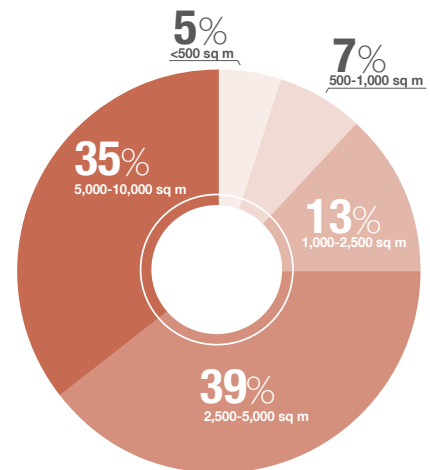


Source: Knight Frank Research

and DB Schenker taking 5,574 sq m at Clyde House.

There were a total of five deals in the 5,000-10,000 sq m range - the same as Q1 - but the number of deals in the 2,500-5,000 sq m size bracket more than doubled quarter on quarter - 10 versus 4 - such that this market segment grew from 16% to 39%. This included the letting of 4,646 sq m at Park Development's Northwest Logistics Park. The newly completed unit was taken by the HSE for €100 psm on a 20-year lease. Elsewhere, Harvey Norman let 4,530 sq m at Heron House at the Rohan Group's Dublin Airport Logistics Park - which was completed in Q4 2018.

FIGURE 3
Transactions by deal size



Source: Knight Frank Research

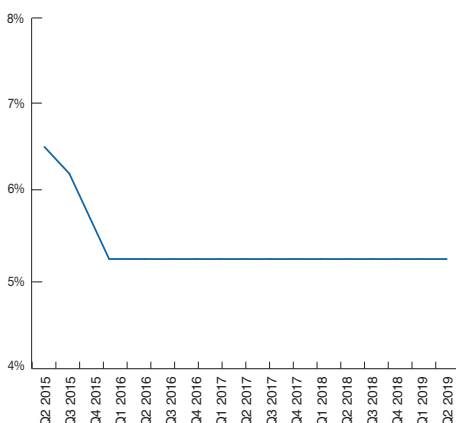
With persisting excess demand, new schemes continue to work their way through the planning process. Having grown the number of units at Horizon Logistics Park from three to ten in less than six years, Green REIT secured planning for a further 15,300 sq m in Q2.

93,414

sq m of take-up transacted in Q2 2019

Appetite for industrial investment opportunities remains strong, supported by further rental growth expectations. The largest investment transaction was the sale of Unit 1, Stadium Business Park by New Frontier Property Group to a private investor for in excess of €10.0 million, representing a net initial yield of 6.53%. Prime industrial yields remained steady at 5.25%.

FIGURE 4
Industrial yields



Source: Knight Frank Research

Top 10 industrial transactions

Property	District	Size (Sq m)	Type
Unit BC2, Ballycoolin Business Park, Dublin 15	North-West	7,978	Sale
Extension of Unit D2, Horizon Logistics Park, Co. Dublin	North-West	7,432	Letting
Lyncon Court, Blanchardstown Business & Technology Park, Dublin 15	North-West	6,476	Letting
Clyde House, Blanchardstown Business & Technology Park, Dublin 15	North-West	5,574	Letting
Unit 2, Baldonnell Business Park, Dublin 22	South-West	5,560	Letting
Unit 42, Park West Industrial Park, Dublin 12	South-West	4,842	Letting
Unit 629, Northwest Logistics Park, Dublin 15	North-West	4,646	Letting
Unit 502A, Greenogue Business Park, Co. Dublin	South-West	4,630	Sale
Heron House, Dublin Airport Logistics Park, Co. Dublin	North-West	4,530	Letting
Units 7-10, Bracetown Business Park, Dublin 15	North-West	3,910	Letting

Source: Knight Frank Research

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