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Market Outlook



Ireland Residential Investment Market Overview

Research. Q1 2022

Special Focus – Dublin residential investment market review

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2.5m

People are now in employment, the highest number on record.

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77%

of residential deals done in Q1 were standing stock

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5 KEY TAKEAWAYS

71,600

additional jobs were created in TMT and Professional Services between Q4 2020 and Q4 2021

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50%

of Q1 investor spend was in residential investment assets

PAGE 6

€145m

was invested in Project Ruby, a deal involving the purchase of three student accommodation blocks in Dublin and Galway

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ECONOMIC CONTEXT Q1 2022

The Irish economy was in a strong position in terms of overall economic growth at the beginning of 2022, despite the Covid-19 impact. Coupled with a strong labour market, Ireland has the scope to absorb the impact of the current shock to the global economy and financial markets from the Ukrainian war.

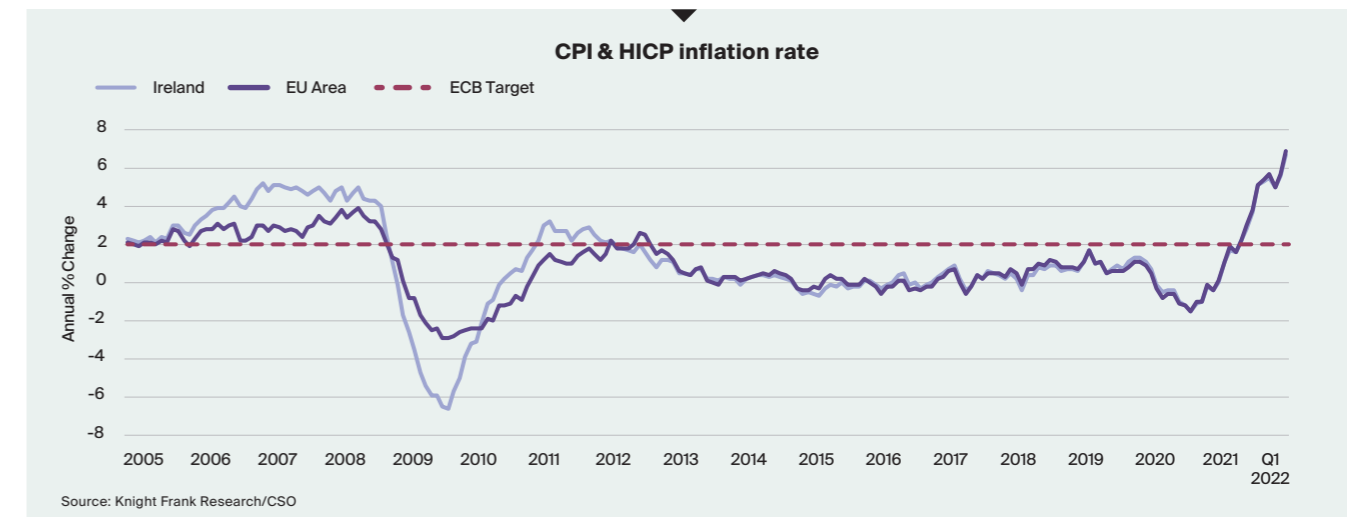
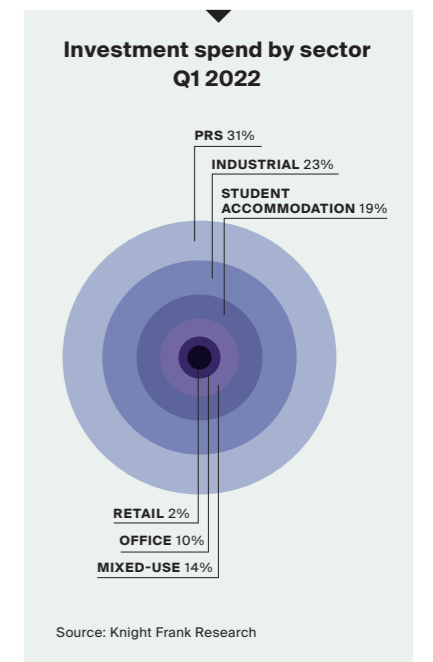
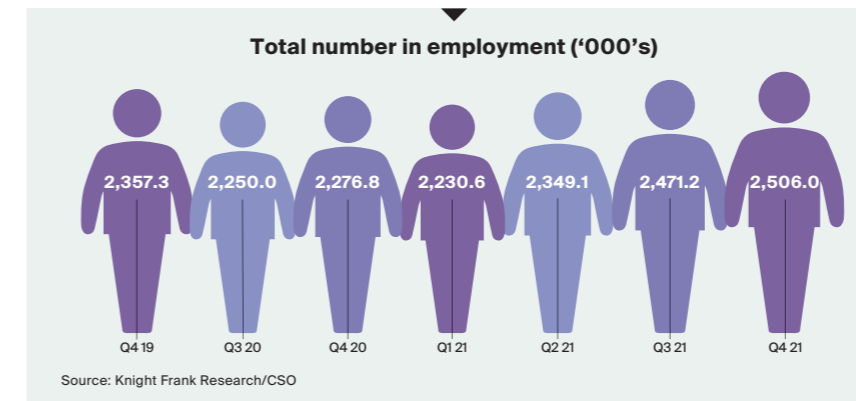
71,600 of the 229,100 additional jobs created over the last two years are in the TMT and Professional Services sectors.

Inflationary pressures, which were evident already, but are now gathering pace, will have the biggest impact across all sectors. For the housing and residential investment market, this comes at a time when a shortage of supply is the biggest constraint facing the ability of the Irish economy to fully benefit from the multiplier effect of such an increase in high value adding employment and taxation revenue.

There are more people in employment in Ireland than ever before (2.5m), with a total of 229,100 more in employment at the end of 2021, compared to the end of 2020.

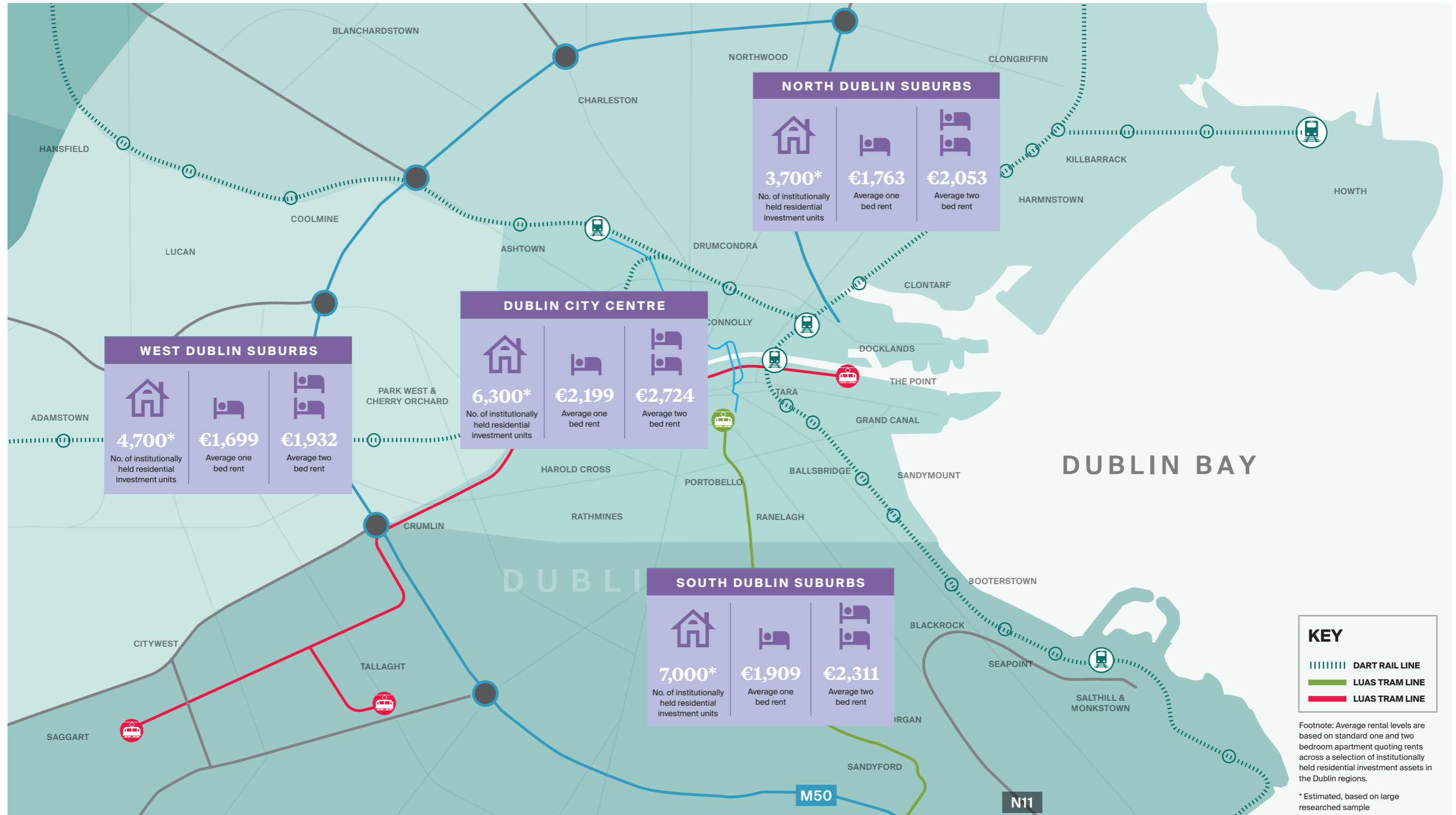
A lack of housing supply, along with rising prices and a buoyant employment market, is now even more challenging for the property sector and all stakeholders to address.

While new completions are expected to be higher in 2022, they will not come near the 35,000 units per annum that would be needed to meet demand and address the structural problems that exist in the market.



SPECIAL FOCUS

PROFILE OF DUBLIN'S INSTITUTIONALLY HELD RESIDENTIAL UNITS - NUMBER OF UNITS & RENTAL LEVELS



RESIDENTIAL INVESTMENT MARKET Q1 2022

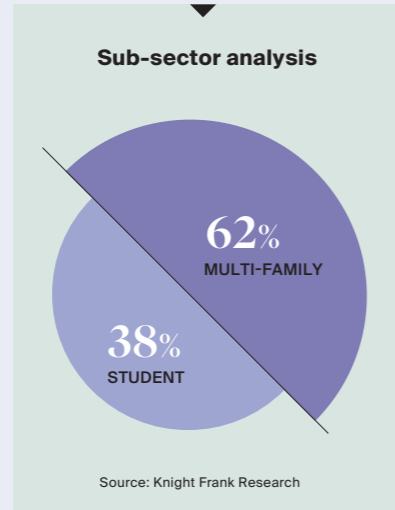
INVESTMENT MARKET

The Irish investment market had a strong start to the year, with a total of €759 million transacting in the first quarter. Although not as strong as the €1.3 billion that transacted in Q1 2021, it was higher than the €667 million and the €546 million that was sold in Q1 2020 and Q1 2019 respectively.

Residential investment accounted for €378 million or 50%. In the first quarter of 2022, there were ten residential investment transactions over €1 million, compared to fourteen in Q1 2021 and six in Q1 2020. There was one deal in excess of €100 million and a further three deals between €20 and €90 million.

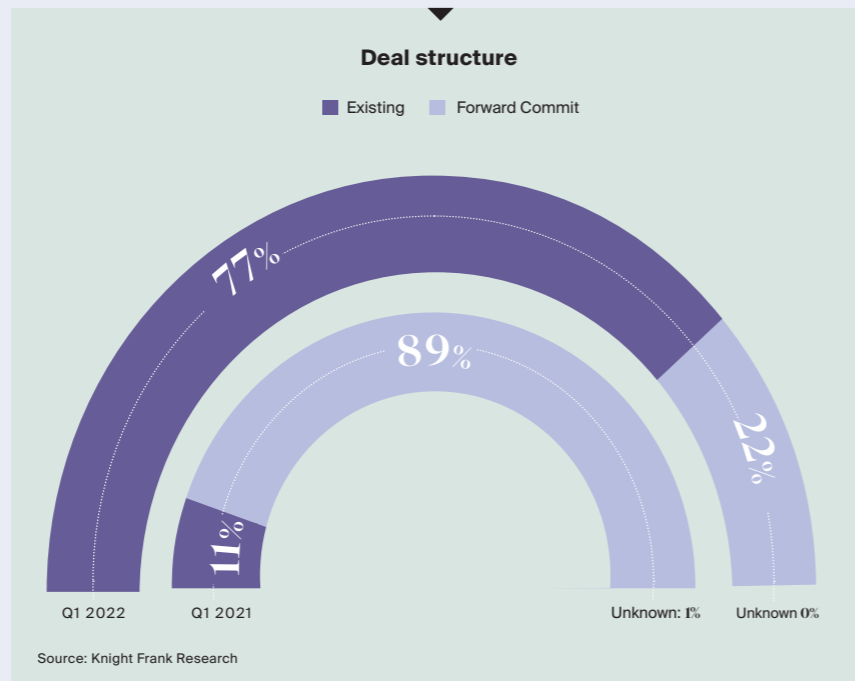
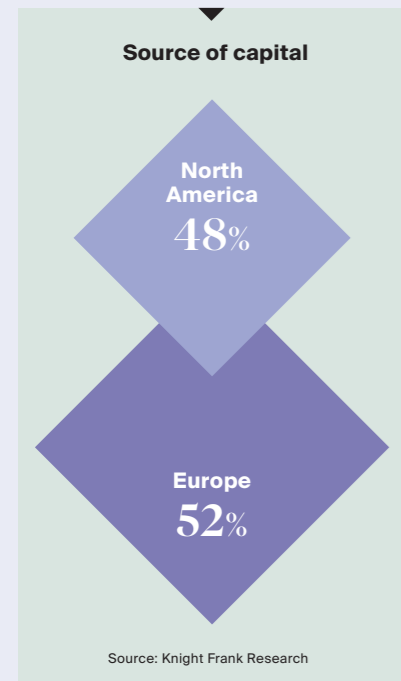
SUB-SECTOR ANALYSIS

The student accommodation sector was predicted to return as a strong



sub-sector of the market and this asset class accounted for 38% of residential investment spend in the first quarter. The remaining 62% was multi-family transactions.

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The largest transaction was in the student accommodation sector, with a portfolio of three student accommodation blocks (Project Ruby) selling for €145m
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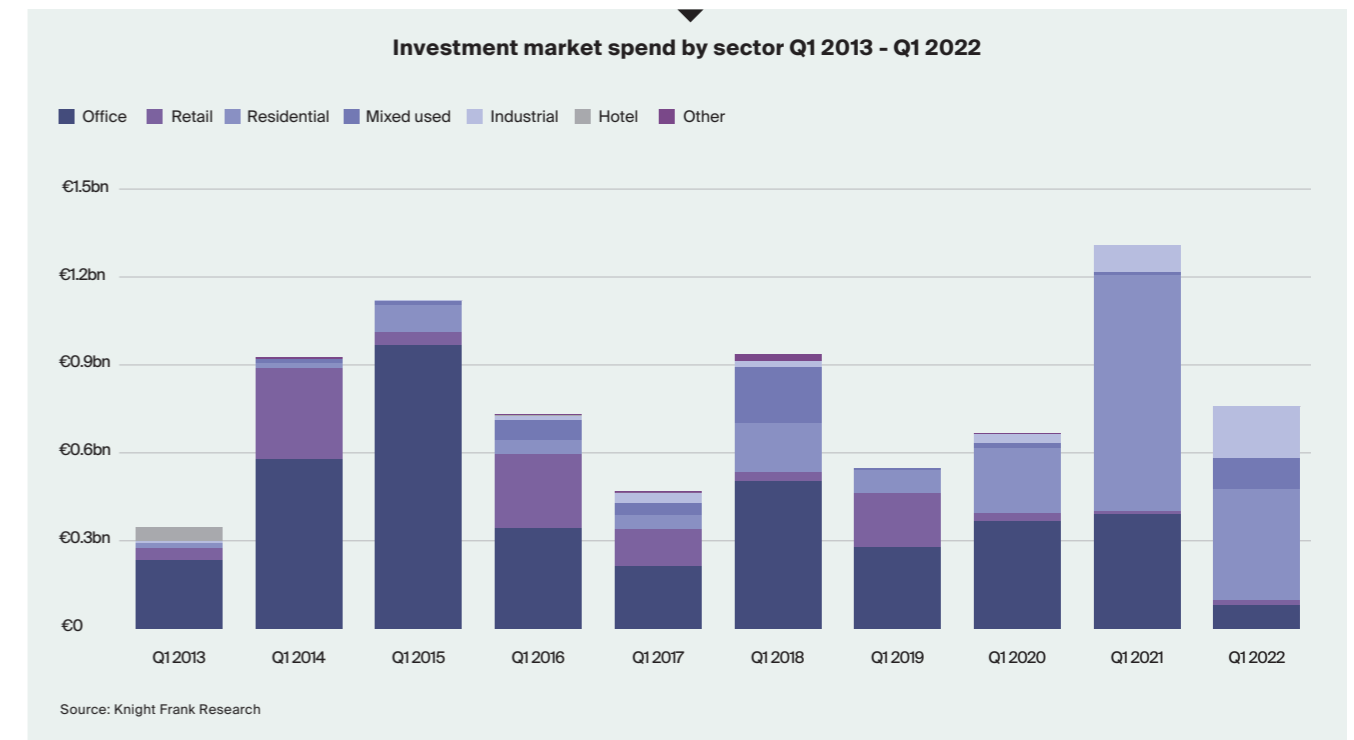
DEAL TYPE - FORWARD FUND VS STANDING STOCK

The composition of deal structures in the first quarter was a complete reversal of what occurred in the same period in 2021. Existing stock represented 77% of transactions in the first quarter, in comparison to 11% in Q1 2021. Considering the lack of existing stock opportunities

in the market to date, there was without doubt strong investor demand.

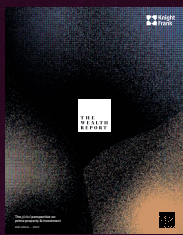
The source of capital for residential investment in the first quarter was nearly evenly split between Europe and North America, at 52% and 48% respectively. This is very different to Q1 2021 where 88% of capital was from Europe.

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For the second consecutive year, residential investment was the dominant asset class to transact in the market
 ◆◆



OUTLOOK





The Wealth Report
2022



Ireland Residential
Market Overview
Q4 2021



Dublin Office Market
Overview Q1 2022



Dublin Investment Market
Overview Q4 2021

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