Ireland Living Sectors

Market Report

July 2026

Knight Frank assess the evolving Living Sector in Ireland, with a Special Focus on what is next for the Multifamily sector

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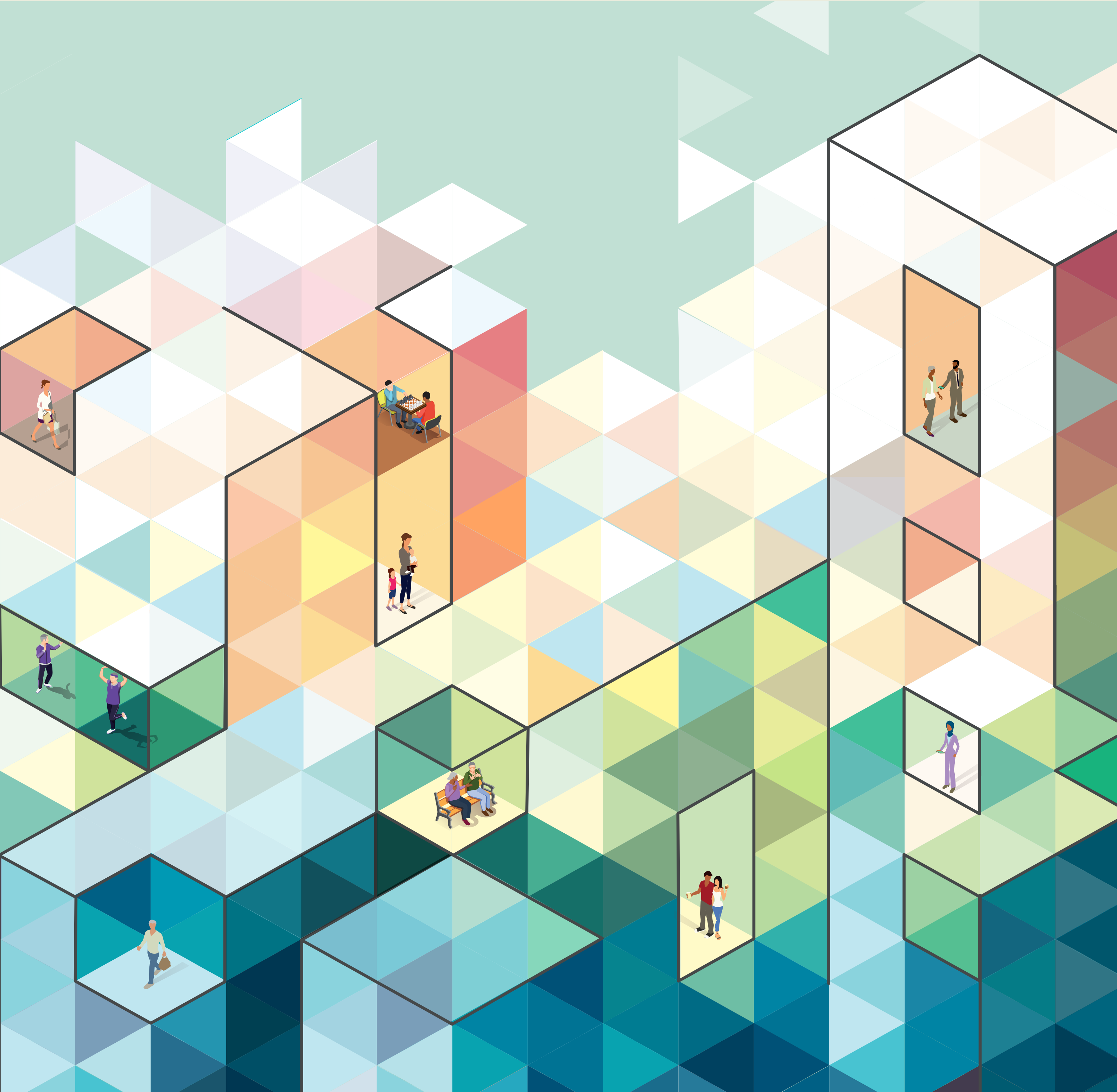


Key take-aways from activity in the first half of 2026

1. Rent regulation changes have accelerated investor interest in the Irish Living sectors, with a particular focus on Dublin.

2. There is a significant increase in liquidity levels driven by some of the largest global sovereign investors and pension funds.

3. While lot sizes of €50 million – €100 million are where the biggest demand is, larger lot-sizes are trading. Major global players are now active in the Irish Living Sector market, completing transactions in excess of €200m.

4. Viability remains a major constraint, but interest is expected to return to forward commit and potentially forward funding deals to unlock new development. State backed purchasers have retreated significantly.

5. While there is activity across all sub-sectors, Multifamily/PRS assets are seeing significant demand from investors leading to an increase in trading activity. This trend is expected to continue.

6. The Irish economy continues to perform, against a backdrop of multiple global challenges. The value adding profile of employers coupled with strong demographics further enhance Ireland's position relative to other countries.

Introduction

Ireland is benefitting from global investor trends as large scale capital focuses on the Living Sector.

Trends identified by analysis carried out on the findings from the Knight Frank Active Capital Survey 2026*, are clearly emerging in the Irish Living Sector market.

For investors, the challenge throughout 2026 was not expected to be a shortage of capital, but how quickly and selectively it can be deployed.

Geographically, investors are forecast to converge on markets where liquidity, transparency and repricing have aligned.

This geographic focus reflects a broader shift in behaviour. Investors are no longer waiting for a uniform global recovery but instead they are prioritising markets where entry pricing is clearer, and execution risk is lower. Capital is becoming more selective, concentrating in locations where confidence in values, liquidity and exit prospects is highest.

Ireland is benefitting from these global trends. Investors have reacted positively to the regulatory reforms (rent cap) and other positive measures around construction viability.

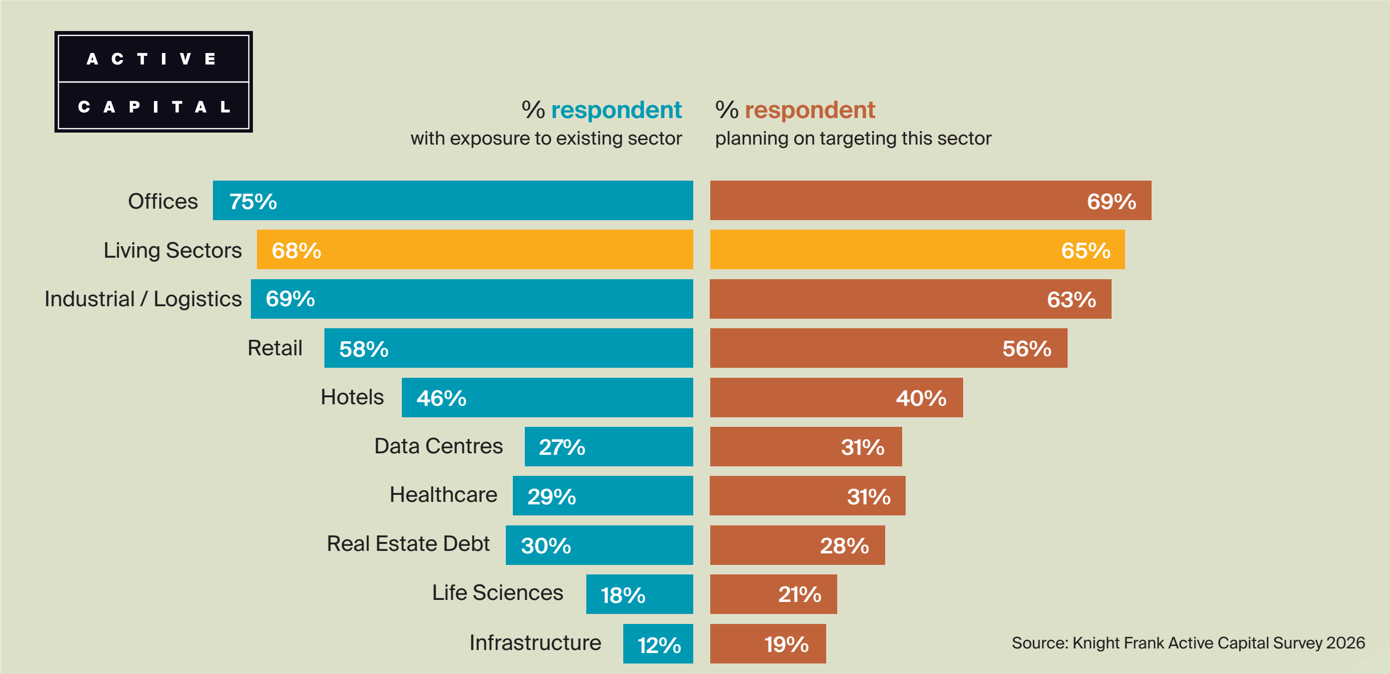
Globally, the Living Sector is expected to be the second most sought after asset class in 2026, with 65% of investors surveyed in Knight Frank's Global Active Capital Survey planning on targeting this sector.

Irish Living Sector investment spend year to date has been the second strongest, at 34% of the total €1.4bn transacted.

As larger lot sizes come to the market in the second half of the year, Living Sector investment deals have the potential to reach €800m to €1bn, a 100% increase compared to 2025.

Joan Henry, Chief Economist & Director, Research, Knight Frank Ireland

* Knight Frank's Active Capital Survey 2026 captures the views and investment intentions of 119 of the world's largest global real estate investors, tracking $144bn of capital.



Source: Knight Frank Active Capital Survey 2026

Living Sector Investment Market

Total investment spend in the first half of the 2026 reached €1.45 billion, the strongest H1 since 2022.

Living Sector investment accounted for 34% of spend, €477.8 million, the second highest sector behind industrial which accounted for 38% in H1. One large industrial transaction, the largest on record, drove the scale of spend in that sector in Q2.

While the H1 Living Sector investment spend is positive for the sector, sales volumes are still considerably below the 2018-2022 average of €764 million, but with clear evidence of the beginning of a new cycle.

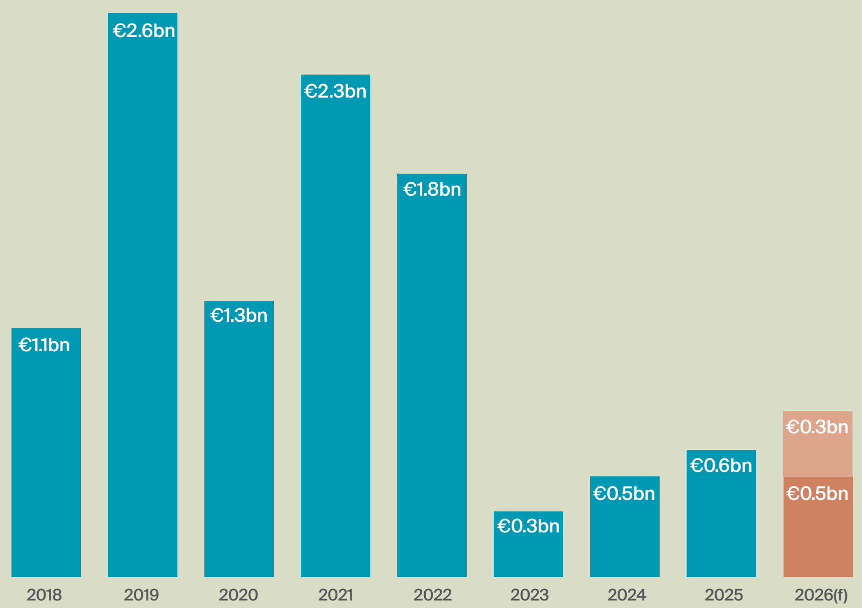
In 2025 there were twelve deals over €1million and only seven transactions above €10 million. In comparison, the peak years of 2018 to 2022 saw on average twenty-five deals per year above €10 million. The expectation at the outset of 2026 was there would be considerably more transactions compared to 2025.

H1 2026 was a stark contrast compared to H1 2025. In the first half of 2025, there were no Living Sector investment deals over €10 million.

> "In the first half of 2026, there were six residential investment deals over €10 million and total spend for H1 2026 was only 18% below the full year residential spend for 2025."

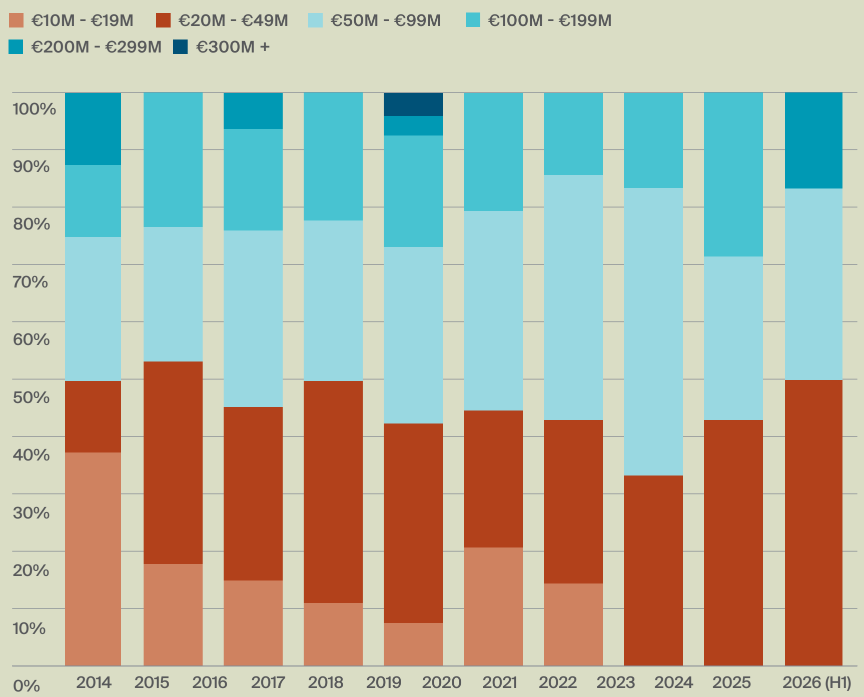
Multifamily was the dominant sub-sector in H1 2026, with 65% of overall living spend. Social, which did not feature in the 2025 deals completed, was 26% of living spend with two portfolios trading. PBSA made up the remaining 9% of spend.

Living sector spend 2018 - 2026 (f)



Source: Knight Frank Research

Percentage of transactions by lot size 2018-2025



Source: Knight Frank Research

In a break from the previous two years, there was one forward commit deal completed with the remaining deals being stabilised existing stock.

> "As larger lot sizes come to the market throughout 2026, Living Sector investment deals have the potential to reach €800m to €1bn, a 100% increase compared to 2025."

SIGNS OF YIELD TIGHTENING

Between 2021 and 2024, prime Living Sector investment yields had been trending upwards due to factors such as interest rate changes and regulation uncertainty. 2025 saw yields begin to contract driven by more liquidity and certainty in the market.

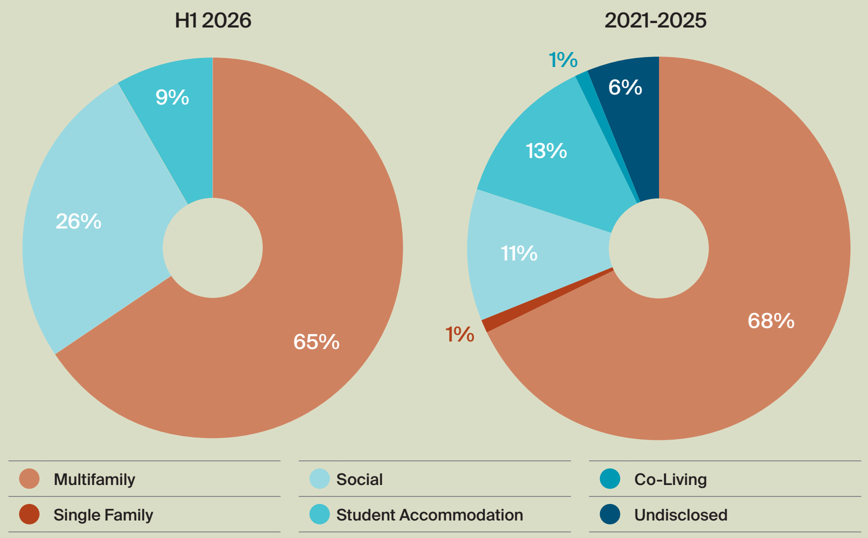
> "Prime Living Sector yields are currently under 5% trending towards 4.75%, with the potential for yield contraction where a robust reversion exists to capture rental growth leading to stronger returns."

POSITIVE GOVERNMENT INTERVENTION HAS PUT DUBLIN BACK ON THE MAP

Investors have reacted positively to the rent cap reforms and other positive measures around construction viability. Collectively, they bring a positive sentiment to the market. This is key as Ireland and Dublin in particular, competes with other major European cities to attract investment.

The market is now entering a new cycle in living sector investment across Europe with Ireland set to benefit alongside other key cities such as Berlin, Madrid and Copenhagen.

Spend by sub-sector H1 2026 vs. spend by sub-sector 2021-2025



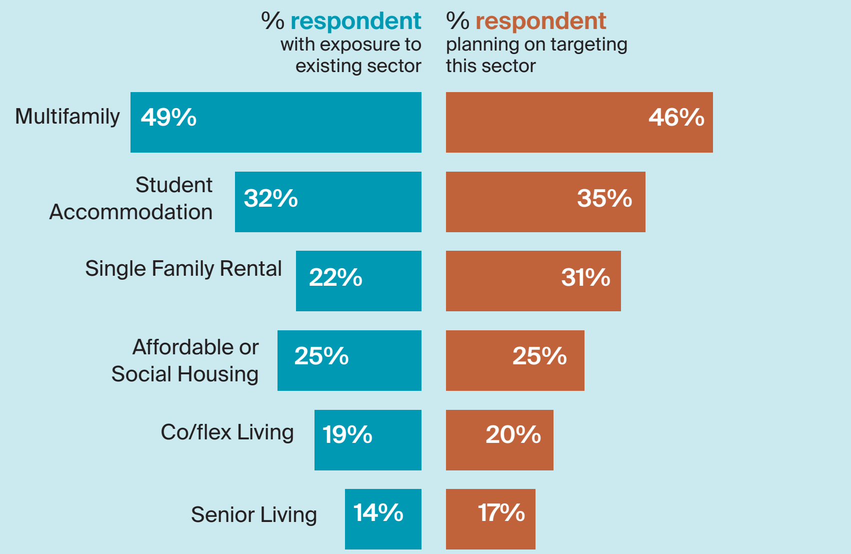
Source: Knight Frank Research

ACTIVE CAPITAL

Key findings from Knight Frank's Active Capital 2026 survey, representing 119 global views, $1.4tn+ of commercial real estate and tracking $144bn of planned global capital deployment, identifies multifamily as the top asset within the living sectors, which investors are planning to target in 2026.

Living Sectors are the second most targeted sector (65%)

with multifamily (46%) and student accommodation (35%) attracting the most planned investment by number of responses.



Source: www.knightfrank.co.uk/research/reports/active-capital

Special Focus: Where Next for the Multifamily Market

Pre-2016 just over 5,000 units were held by institutional investors. The residential investment market was an emerging sector and there were only a handful of participants in the space.

The sector is now much more evolved. Institutional owners along with developers who have created operating platforms, now provide over 35,500 living sector units to the market. The market, however still remains under supplied.

MULTIFAMILY AMENITY REVIEW

An analysis of 130 institutionally owned multifamily schemes in Dublin with a minimum of 50 units was carried out by Knight Frank.

The aim was to review the amenity provision within the standing stock and assess the level of amenities across various schemes, from traditional apartments blocks to new schemes.

Schemes were placed in amenity tiers based on the number of amenities provided.

The tiers are set out below:

- **Tier 1:** 10 or more amenities
- **Tier 2:** 8-9 amenities
- **Tier 3:** 6-7 amenities
- **Tier 4:** 4-5 amenities
- **Tier 5:** 3 or less amenities

Amenity Types:

- Garden/ Courtyard
- Roof Garden / Roof Terrace
- Playground / Play Room
- Gym/ Yoga Studio
- Padel Court/ Tennis Courts
- Spa: Sauna / Jacuzzi / Plunge Pool
- Games Room / Entertainment Room / Function Room
- Cinema Room /Screening Room / Media Room
- Chefs Kitchen / Dining Area
- Business Centre / Co-working
- Lounge
- Positive Pet Policy
- Dog Washing Station
- Dog Park/ Dog friendly area
- BBQ Area
- Guest Rooms
- Sky Lounge
- Weekly Classes / Events

"Of the Tier 1 and Tier 2 schemes, approximately 20% are located in Dublin City Centre and 15% in the south suburbs."

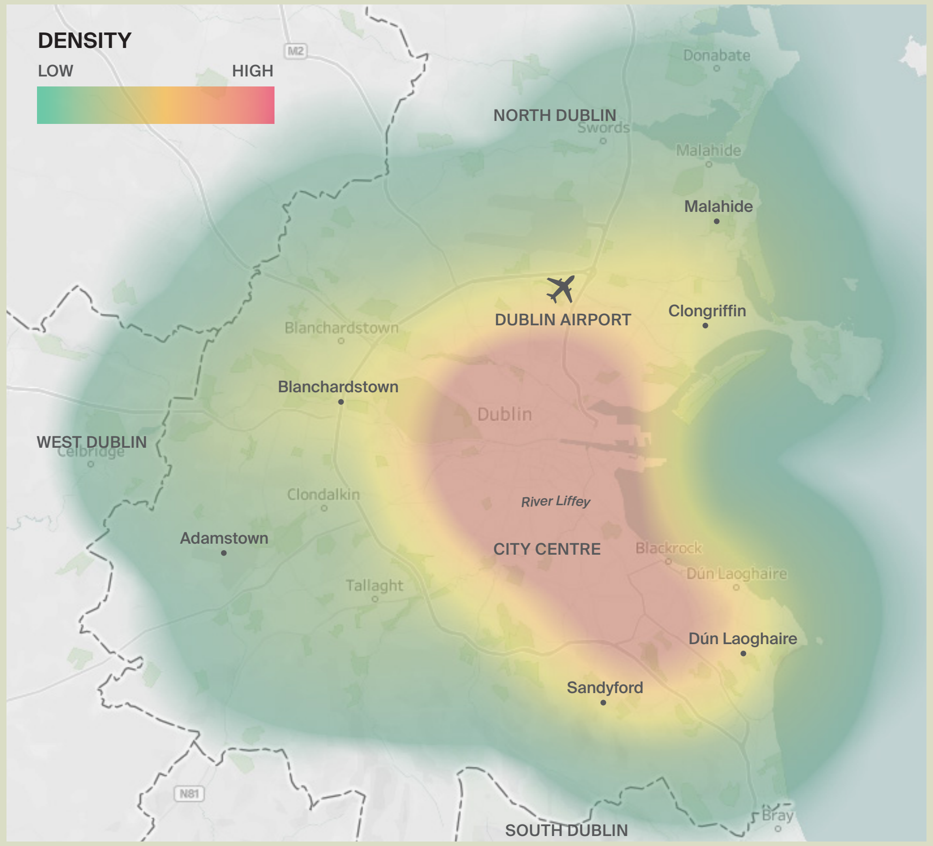
Within the schemes reviewed it was found that 40% of units are ranked as Tier 1 and Tier 2 assets, with 8 or more amenities of which 33% were completed between 2021-2025 and 7% completed between 2016 -2020.

30% of units are ranked as Tier 5 assets with 3 or less amenities provided of which 17% were completed between 2010-2025 and 14% completed Pre 2010. Tier 5 schemes are more prominent in suburban locations with only 9% of schemes in Dublin City Centre being categorised as Tier 5.

"A combined 63% of existing institutional holdings in Dublin are concentrated in Dublin City Centre and south Dublin suburbs."

CURRENT INSTITUTIONAL OWNERSHIP

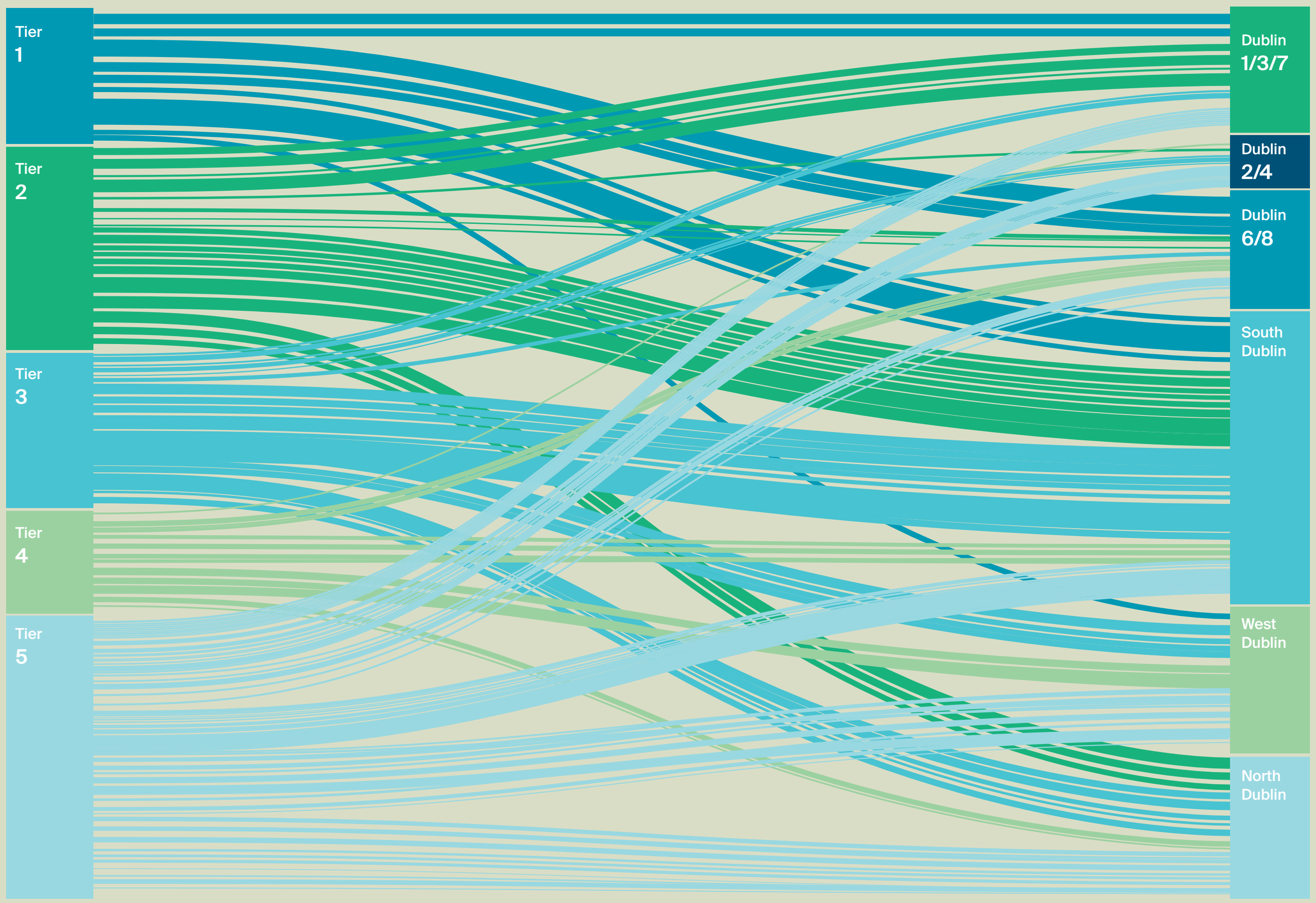
- Initial investment in the sector was in city centre and south suburban locations in Dublin. As the market moved on from the earliest investment, there was push to locations in west and north Dublin suburbs.
- A combined 63% of existing institutional holdings in Dublin are concentrated in Dublin city centre and south Dublin suburbs.
- Key city centre locations with institutional holdings are Dublin 1 and Dublin 8.
- In the south suburbs, Dublin 18 and South County Dublin areas such as Dun Laoghaire and Blackrock are the core locations for existing owners.
- Drilling down into the top 5 locations of institutional ownership in Dublin, the areas with the highest concentration of units are Dublin 18, Dublin 8, South Co. Dublin, Dublin 1 and Dublin 24.



Location of current standing stock

Source: Knight Frank Research

MULTIFAMILY AMENITY REVIEW: AMENITY TIER & LOCATION



Source: Knight Frank Research

Special Focus: Where Next for the Multifamily Market

SO, WHAT WILL THE FUTURE LOOK LIKE FOR RESIDENTS IN THE NEXT GENERATION OF MULTIFAMILY DEVELOPMENTS?

The “hotel-isation” of multifamily has been advancing, becoming more “experience” driven with residents expecting a certain quantity and quality of amenities and services in purpose built rental schemes.

The next generation of design and development will look at the competitive environment and seek to evolve the amenity offering and keep up with trends to attract residents who are seeking a best-in-class, unique living experience.

The new cohort of operators have built a brand which focuses on delivering the best experience for residents and investors alike, encompassing everything from management, leasing, maintenance and community events and engagement. They have also embraced digitisation to deliver a frictionless experience for residents from initial enquiries and viewings to move in and life within the scheme.

One of the key drivers will be advancements in technology which will allow for more smart home options, higher specification tech options and eco-friendly homes that align with residents’ sustainability goals.

Residents’ preference to be able to access wellness trends in the scheme may become a standard feature in new developments.

> “With the evolution of the market, specialist operators have emerged, moving away from traditional property and block management and embracing the resident experience dynamic of new schemes.”

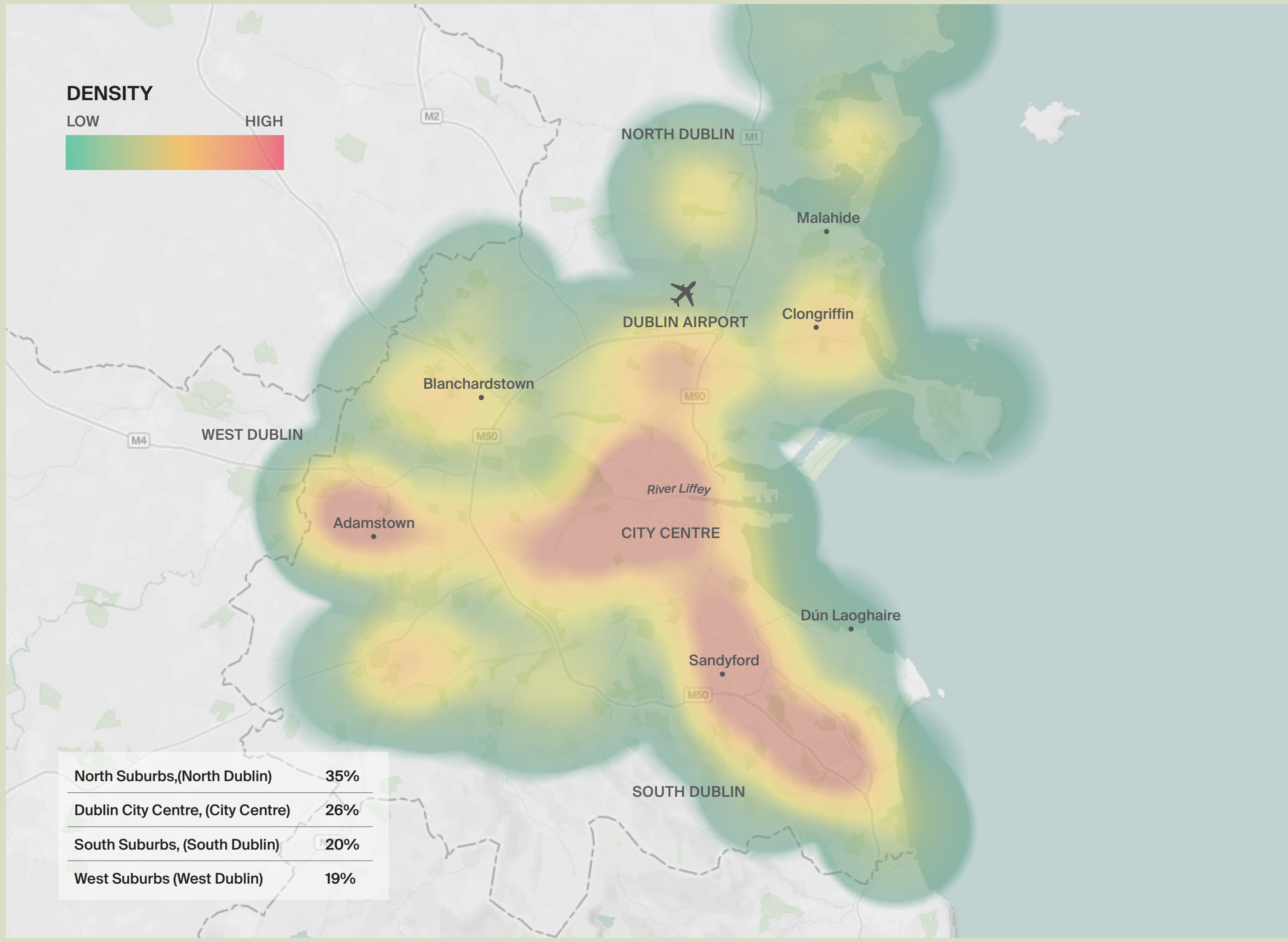
WHERE NEXT FOR MULTIFAMILY PIPELINE?

- With investors refocussing on Dublin, the next wave of new investment stock will remain in core locations in the city centre and south Dublin but new concentrations potentially appearing in west and north Dublin suburban locations.
- Dublin 1/3/7 are expected to remain core locations for new schemes.
- The focus on Dublin 6/8 is expected to widen further south west to Dublin 8/12 along the Luas train line corridor.
- South Dublin will also remain a core suburban location, specifically Dublin 18 due to sites in other south suburban locations being developed in the earlier investor cycle.
- West and north Dublin are now proven locations for investors. Increased investor interest in these locations is expected, particularly given the strong demographic profile.
- Looking to the future, the top areas for potential pipeline are Dublin 12, Dublin 18, Dublin 15, West Co. Dublin and Dublin 1. The two overlapping areas where institutional owners already regard as strong rental locations are Dublin 18 and 1. As shown on the pipeline map, opportunities are emerging along the Red Line Luas corridor and further to west Dublin.
- What is yet unclear is how much of this potential stock will be absorbed by the various market participants such as private buyers, local authorities/AHB's and institutional investors.
- Ultimately, land availability, development viability and pricing aspirations will determine whether investors come back to the market in a positive way and where stock will be delivered.

> “New investment stock will remain in core locations in the city centre and south Dublin but new concentrations potentially appearing in west and north Dublin suburban locations”

Top 5 Locations	Current Institutional Ownership: Dublin	Potential Multifamily Pipeline: Dublin
1	Dublin 18	Dublin 12
2	Dublin 8	Dublin 18
3	South Co. Dublin	Dublin 15
4	Dublin 1	West Co. Dublin
5	Dublin 24	Dublin 1

Source: Knight Frank Research



Source: Knight Frank Research

Ireland's Living Sector – New Legislation Guideline

New legislation implemented from March 1st 2026, brings clarity to two key questions which are imperative for investors looking to increase their exposure to Living Sector assets in Ireland.

Q. 1 HOW LONG CAN A TENANT STAY IN THE RENTAL ACCOMMODATION?

All landlords can end a tenancy in the first six months for any reason. After six months, a landlord can only end a tenancy for specific legal reasons.

These depend on:

- When the tenancy began, and;
- How many tenancies the landlord has (for tenancies created from 1 March 2026).

TENANCY CREATED FROM 1 MARCH 2026

All landlords can end a tenancy at any time if:

- A tenant breaches their obligations.
- The property is no longer suitable for the tenant's needs.

If a landlord has 4 or more tenancies (or is a company): The 2 reasons above are the only reasons they can end a tenancy.

If a landlord has 1-3 tenancies: There are some additional reasons they can end a tenancy:

During a 6-year tenancy cycle (Tenancy of Minimum Duration):

- If they need to sell to avoid undue financial or other hardship.
- If the landlord or a close family member needs to live in the property.

At the end of a 6-year tenancy cycle:

- If the landlord or a family member needs to live in the property.
- To sell the property.
- To substantially refurbish or renovate.
- To change the use of the property.

TENANCY CREATED BEFORE 1 MARCH 2026

A landlord can end a tenancy at any time for 6 reasons:

- If a tenant breaches their obligations.
- If the property is no longer suitable for the tenant's needs.
- If the landlord or a family member needs to live in the property.
- To sell the property.
- To substantially refurbish or renovate.
- To change the use of the property.
- **There is no difference based on how many tenancies a landlord has.**

TENANCY CREATED BEFORE 11 JUNE 2022

At the end of a tenancy term, a landlord can also end the tenancy for any reason. It does not have to be one of the 6 specific reasons for tenancies created before 1 March 2026.

Note: A landlord cannot re-set to market rent for the next tenancy after a 'no-fault termination'. This includes when the tenancy ends in the first 6 months. Source: RTB

Q.2 WHAT ARE THE NEW RULES ON RENT INCREASES?

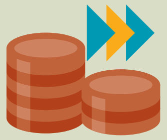
	Annual increase allowed	Re-setting to market rent
Private tenancy started before 1 March 2026	2% or rate of inflation (CPI) if lower	Not allowed
Private tenancy started from 1 March 2026	2% or rate of inflation (CPI) if lower	**For private tenancies created form 1 March 2026:** Re-setting to market rent is allowed in specific cases. These are: • When a new tenancy begins (but only if the last tenancy ended because the tenant left by choice, breached their obligations or if the property no longer suits their needs). • At the end of a 6-year tenancy cycle (Tenancy of Minimum Duration)
New private apartment (constructions commenced after 10 June 2025)	In line with inflation (CPI). **No 2% cap** applies	• Allowed at beginning of new tenancy, except after 'no-fault termination' • Allowed at end of 6-year tenancy cycle
Student specific accommodation (SSA)	2% or rate of inflation (CPI) if lower	Allowed once every 3 years from 1 March 2029
New SSA (construction commenced after 10 June 2025)	In line with inflation (CPI). **No 2% cap** applies	Allowed once every 3 years from 1 March 2029

Source: RTB

Shifting Trends

What do we expect to see in the second half of 2026 and beyond?

1. Demand continues across sub-sectors with Multifamily set to be the dominant sub-sector.

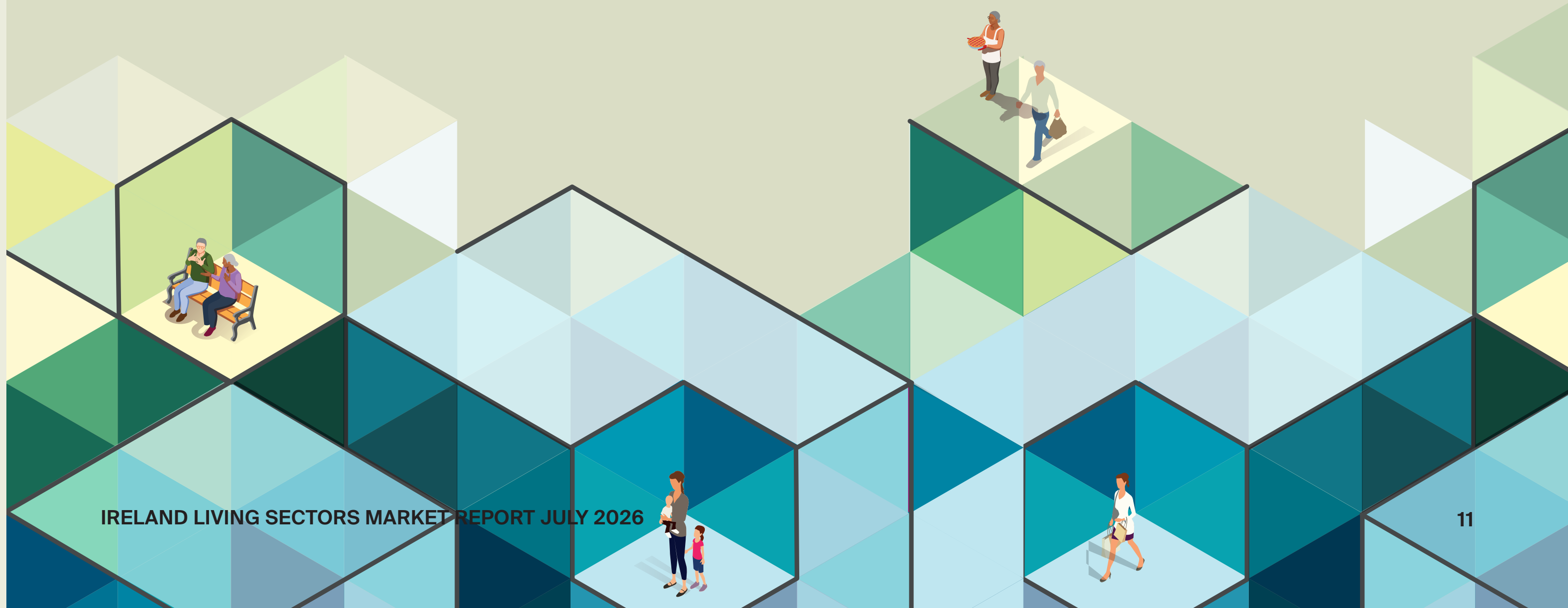


2. Lack of product coming to the market is now leading investors to look at forward commit structures and in some instances forward fund.

3. JV / Equity deals are expected to help with platform delivery as capital is becoming more comfortable with the risk factors balanced by Ireland's favourable macro economic and demographic fundamentals.

4. Viability constraints will remain and the market is likely to see further positive government intervention to help delivery with particular emphasis on promoting delivery around affordable rental product.

5. PBSA is seeing major growth in international student numbers and with a lack of new schemes on-site, the pressure on bed rates will continue to grow. This will make standing PBSA investment stock a very compelling buy.



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We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.

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