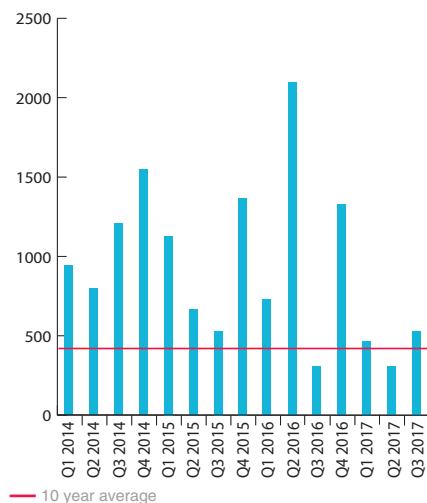


€530.9 million worth of investment transactions changed hands in Q3, making it the strongest quarter of the year and 72% ahead of Q3 2016, although the year-to-date spend of €1.3 billion is 58% behind the corresponding period last year. Given the number of large assets presently on the market that are likely to close by year-end - The Square Tallaght for example - the investment market in 2017 should exceed its ten-year average of €1.8 billion.

Looking at the geographical distribution of activity, Dublin continues to dominate. However, this is the third consecutive quarter that the regional share of the market has accounted for at least 20% of activity. Most

**FIGURE 1**  
Irish commercial investment volumes  
€ million



Source: Knight Frank Research

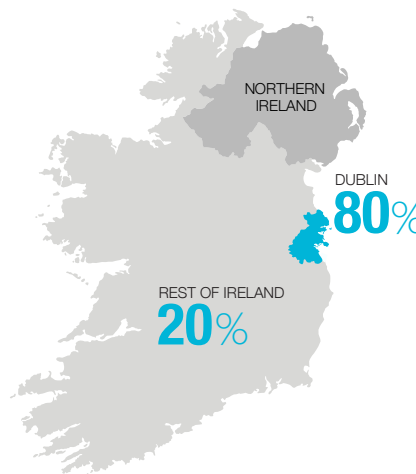
notably, Real IS purchased the Capital Building in Cork for €45.5 million in what represented the most significant transaction in Cork since One Albert Quay in 2016. Turning to investment sales by sector, the office market amounted to approximately €215.6 million in Q3. In contrast to recent quarters, the city core dominated suburban locations with all of the top four office transactions located in Dublin 2 and Dublin 4, with IPUT's purchase of Gardiner House

**€531m**  
worth of investments  
transacted in Q3

for €60.0 million representing the largest office transaction of the quarter. Irish Life's purchase of 3046-3050 Lake Drive, Citywest for €10.2 million was the only large suburban office asset traded this quarter.

Investors are continuing to gain exposure to the positive rental story in the retail and industrial markets. Retail sales accounted for €132.6 million in Q3 as Irish Life further strengthened its position on Grafton Street through the purchase of the AIB tenanted 100-101 Grafton Street for €50.1 million in what was the largest retail transaction of Q3. The price sees GLL crystallise a €22.1 million profit on the building they purchased for €28.0 million in 2010 while also confirming that

**FIGURE 2**  
Investment spend by location

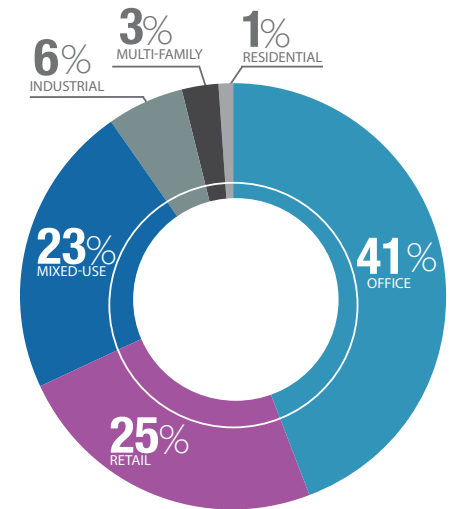


Source: Knight Frank Research

retail yields have stabilised at 3.5%, unchanged over the past year. Meanwhile, Friends First's acquisition of Unit 2 of the Merrywell Business Park for €25.0 million was the largest transaction in the industrial market bringing the total spend for the sector to €32.1 million.

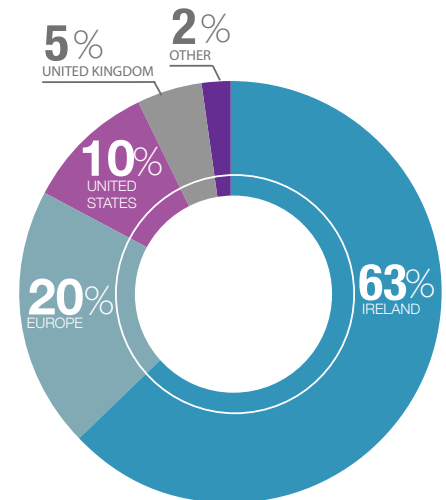
Irish buyers accounted for the lion's share of transactions with 63% of the market in Q3, followed by European and United States investors who accounted for 20% and 10% of the market respectively. In what represented their first entry into the Irish market, French investor La Française purchased 21 Charlemont for €45.0 million which equated to a net initial yield of 4.00%. Meanwhile, US buyer ARES which already has substantial holdings in Ireland, purchased Blocks 4 and 5 of the Harcourt Centre for €47.0 million for a net initial yield of 4.42%.

**FIGURE 3**  
Investment spend by sector



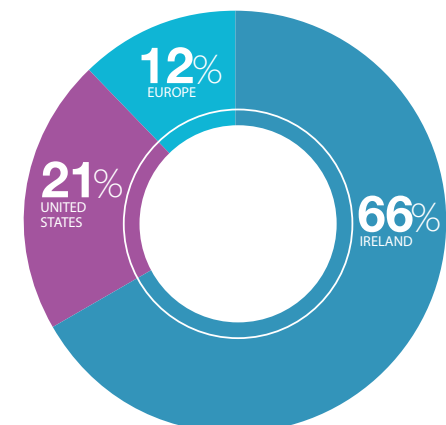
Source: Knight Frank Research

**FIGURE 4**  
Investment spend by buyer origin



Source: Knight Frank Research

**FIGURE 5**  
Investment spend by vendor origin



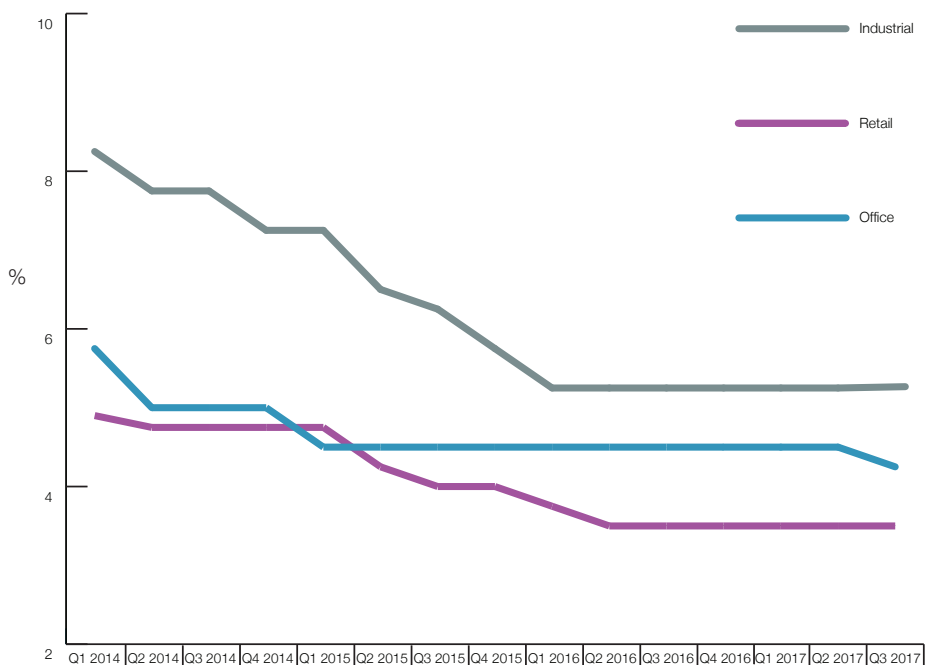
Source: Knight Frank Research

FIGURE 6  
Top 5 investment transactions

| Property  | Sector    | Seller                   | Buyer        | Price (million) | Yield |
|---|-----------|--------------------------|--------------|-----------------|-------|
| Gardiner House, Dublin 2                              | Office    | Kennedy Wilson           | IPUT         | €60.0           | N/A   |
| 100-101 Grafton Street & 4-5 Wicklow Street, Dublin 2 | Retail    | GLL Real Estate Partners | Irish Life   | €50.1           | 3.44% |
| Blocks 4&5 Harcourt Centre, Dublin 2                  | Office    | Clancourt Group          | ARES         | €47.0           | 4.42% |
| The Capitol Building, Patrick Street, Cork            | Mixed-Use | JCD                      | Real IS      | €45.5           | 5.50% |
| 21 Charlemont, Dublin 2                               | Office    | Rohan Group              | La Francaise | €45.0           | 4.00% |

Source: Knight Frank Research

FIGURE 7  
Investment yields



Source: Knight Frank Research

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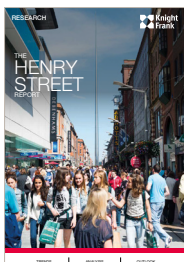
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