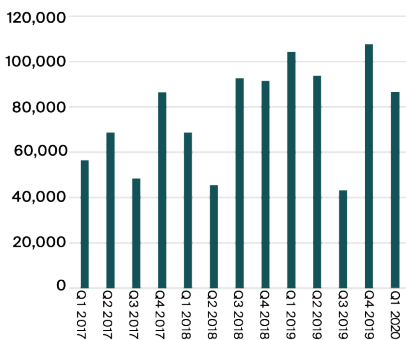


87,000 sq m of industrial space transacted in Q1, 17% behind the 104,000 sq m that was taken during the same quarter last year. However, this still represents a strong start to the year, sitting above the three-year quarterly average of 75,000 sq m. Take-up was concentrated in the North-West and the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

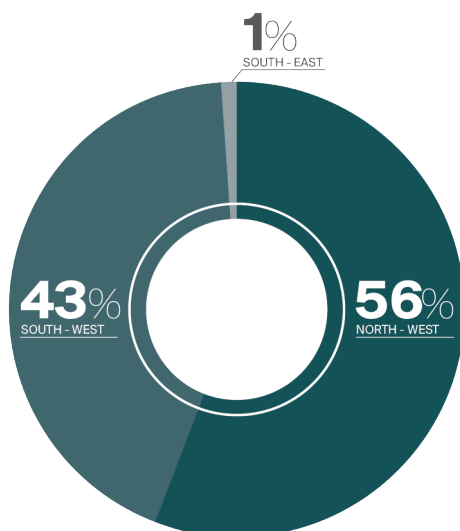
FIGURE 1
Industrial transactions sq m



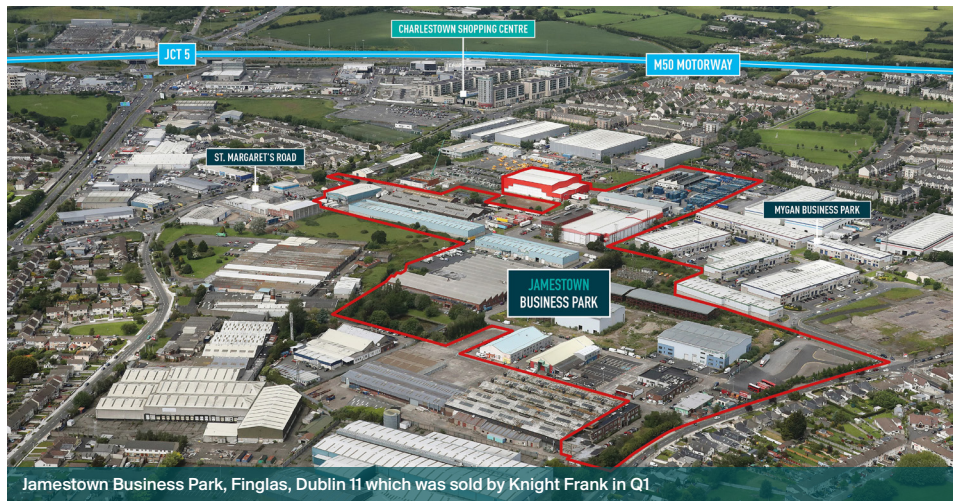
Source: Knight Frank Research

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



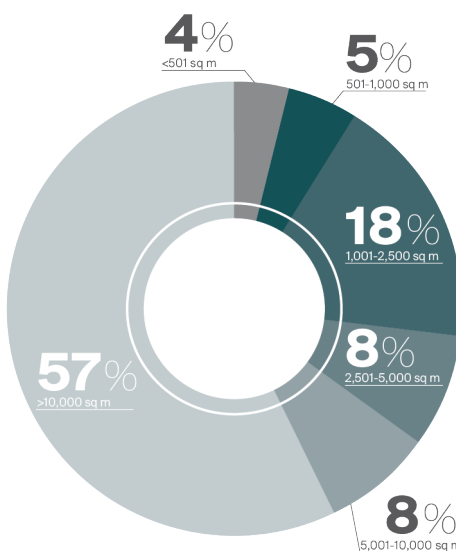
Source: Knight Frank Research



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

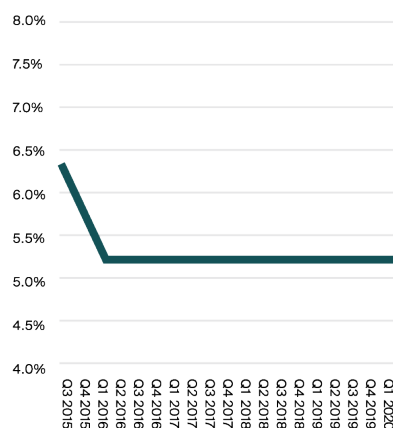
87,000
sq m transacted in
Q1 2020

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

INDUSTRIAL

JP McDonagh, Divisional Director
jp.mcdonagh@ie.knightfrank.com

Evan Lonergan, Director
evan.lonergan@ie.knightfrank.com

Ryan McGettigan, Surveyor
ryan.mcgettigan@ie.knightfrank.com

RESEARCH

John Ring, Head of Research
john.ring@ie.knightfrank.com

Robert O'Connor, Research Analyst
robert.oconnor@ie.knightfrank.com

RECENT MARKET-LEADING RESEARCH PUBLICATIONS



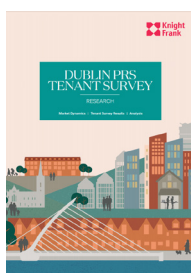
Dublin Office Market Overview Q1 2020



Under Pressure #3 - March 2020



Wealth Report 2020



Dublin PRS Tenant Survey

© HT Meagher O'Reilly trading as Knight Frank

This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by HT Meagher O'Reilly trading as Knight Frank for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of HT Meagher O'Reilly trading as Knight Frank in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of HT Meagher O'Reilly trading as Knight Frank to the form and content within which it appears. HT Meagher O'Reilly trading as Knight Frank, Registered in Ireland No. 385044, PSR Reg. No. 001266. HT Meagher O'Reilly New Homes Limited trading as Knight Frank, Registered in Ireland No. 428289, PSR Reg. No. 001880. Registered Office - 20-21 Upper Pembroke Street, Dublin 2.

