

# Q1 DUBLIN OFFICE MARKET 2020



**BNP PARIBAS  
REAL ESTATE**

OFFICE  
RESEARCH

## Q1 2020 KEY TRENDS

### NO. 1 DEAL

MASTERCARD  
SOUTH COUNTY OFFICE  
CAMPUS, DUBLIN 18

### 4 OFFICE MEGA-DEALS (>10,000M<sup>2</sup>)

56%  
OF TAKE-UP

### TMT SECTOR

93%  
OF TAKE-UP

### SUBURBS

42%  
OF TAKE-UP

### AVERAGE DEAL SIZE

3,321 SQ.M

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## OFFICE OCCUPIER MARKET AT A GLANCE

KATE RYAN

Associate Director & Head of Research  
BNP Paribas Real Estate

“ The office occupier market delivered a strong opening quarter, driven by above average activity in the TMT sector with Google, Dropbox, Slack and Salesforce all expanding their presence in Dublin during the first three months of the year. ”

Total take-up for Q1 2020 reached 106,278 sq.m across 32 deals, marking the sixth strongest quarter on record. This positive performance is somewhat at odds with the negative impact of the COVID-19 pandemic, which led to a major slowdown in market activity from March onwards with all ‘non-essential’ businesses asked to close until further notice.

There were 4 office ‘mega-deals’ or transactions exceeding 10,000 sq.m in size. These deals had a significant impact on the market in Q1, accounting for 56% of take-up. Due to the high proportion of mega-deals, the average deal size increased by 37% annually to reach 3,321 sq.m.

The largest letting of the quarter involved Mastercard signing for 23,148 sq.m at One and Two South County, Dublin 18 in a deal negotiated by BNP Paribas Real Estate.

Another significant deal completed during the quarter was Google’s acquisition of the Treasury Building for a price in the region of €115 million. While there were other tenants in place at the time of purchase, Google will eventually occupy the entire building which has the potential to

accommodate close to 1,200 employees. The company also leased 6,995 sq.m in the suburbs at Block I, Central Park during Q1 2020, bringing total office space now leased or owned by Google in Dublin to more than 130,000 sq.m.

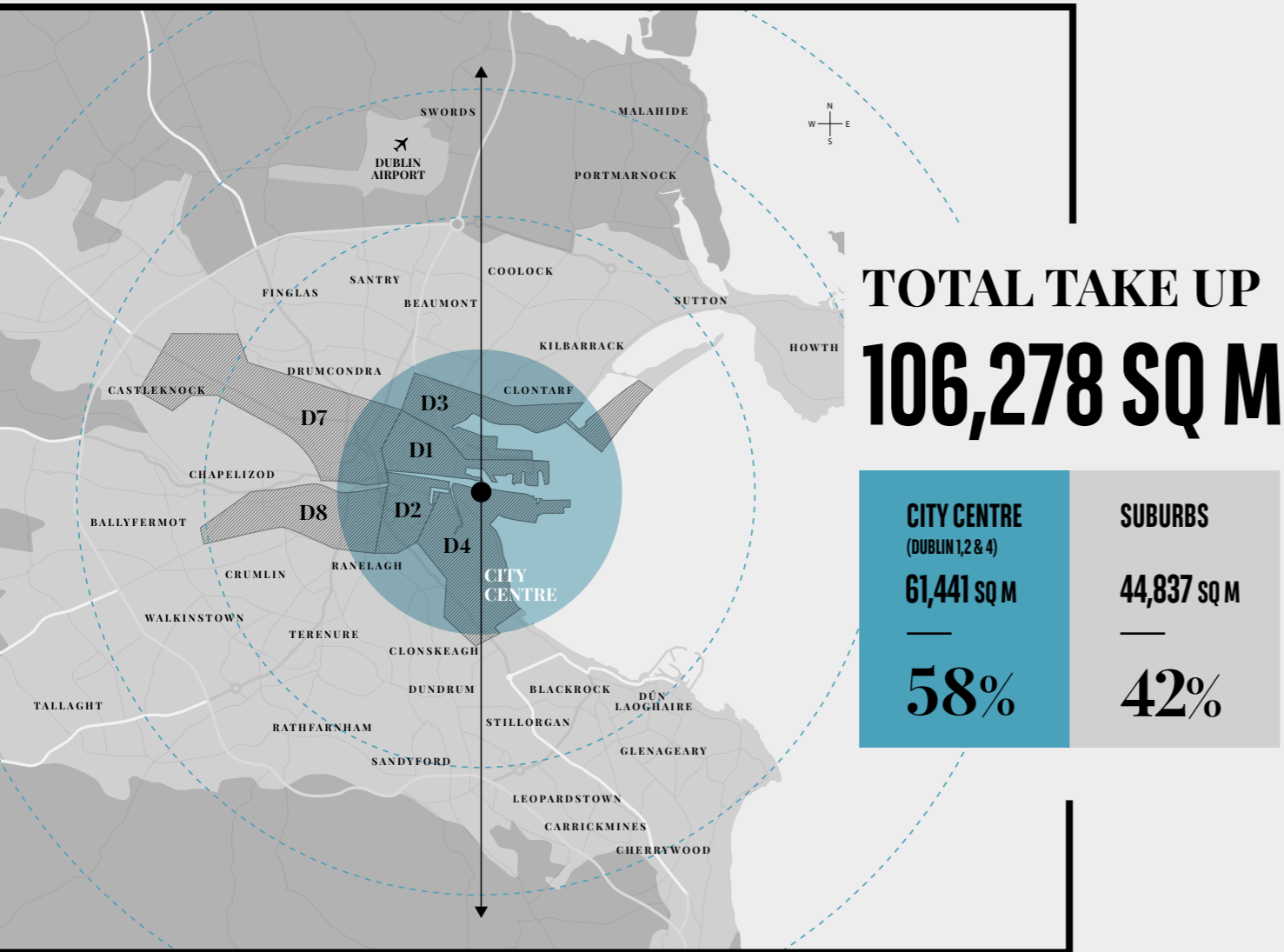
In our last report we noted that Irish occupiers had been increasing their presence in the Dublin market with strong growth in take-up recorded from State entities in particular. This was not the case in Q1 with overseas occupiers accounting for 91% of total take-up during the quarter. Since the Dublin office occupier market continues to be heavily influenced by multinationals, particularly in relation to larger lettings, the situation in other countries in relation to COVID-19 will also have an impact on these companies’ expansion plans and consequently on overall take-up in the near term.

As a result of COVID-19, a large scale ‘working from home’ experiment has been unexpectedly triggered which may impact the occupier market in the longer term. On one hand this may prompt companies to reconsider prior reservations in relation to flexible working arrangements, leading to a potential decline in the amount of space needed. On the other, it may reinforce the value of the physical office and the benefits associated with a shared workspace. We believe the more likely scenario will be somewhere in the middle. Flexible working practices will become more normalised, however the importance of the physical office as a place of collaboration and community will remain. Office space requirements and layouts are likely to continue evolving to support changing work practices to the benefit of employers and employees alike.

The impact of the COVID-19 pandemic on the office market became apparent in late-March as some companies deferred or pulled out of leasing decisions. New letting activity has also been affected as viewings and meetings are not possible at present. While Q1 take-up was robust, with many large deals that had already been in progress since 2019 concluding, we anticipate a significant decrease in take-up during Q2 and potentially into Q3 as COVID-19 restrictions on businesses and movement impact on market activity.

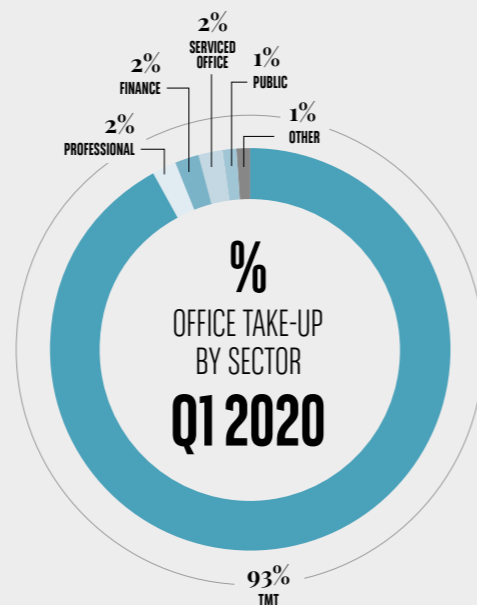
In terms of supply, at the time of our last report we noted that more than 310,000 sq.m of office space was due for delivery in Dublin during 2020. Coronavirus restrictions have led to construction sites being closed indefinitely, meaning that much of this stock is likely to be deferred by a number of months. Provided the lockdown lasts just one quarter, and Q4 deliveries are deferred to 2021, we now expect that just under 200,000 sq.m of new or substantially refurbished office space will be delivered in Dublin this year. Of this total, 53% of space is pre-let with a further 9% of space reserved at the time of writing.

TMT ACCOUNTED FOR  
**93%**  
OF TAKE-UP IN Q1 2020



“BNP Paribas Real Estate were delighted to act on behalf of developer Infinity Capital in negotiating the terms of the Mastercard deal at One and Two South County, Dublin 18. The South County Office Campus has set a new benchmark for office development in Sandymount and has deservedly succeeded in attracting a world class occupier.”

**KEITH O'NEILL**  
Executive Director & Head of Office Agency, BNP Paribas Real Estate



Source: BNP Paribas Real Estate Research

	CITY CENTRE (DUBLIN 1, 2 & 4)	SUBURBS
HIGHEST RENTS	€652 PER SQ M 2WML, DUBLIN 2	€339 PER SQ M Q HOUSE, FURZE ROAD, DUBLIN 18
NUMBER OF DEALS	21	11
AVERAGE DEAL SIZE	2,926 SQ M	4,076 SQ M
OFFICE STOCK RESERVED	66,041 SQ M	20,785 SQ M
TYPICAL LEASE BREAK	10-12 YEARS	5 YEARS
UNDER CONSTRUCTION	520,229 SQ M	85,015 SQ M

**BREAKDOWN OF DEALS PER SIZE CATEGORY**

	UNDER 500 SQ M	500 / 1,000 SQ M	1,000 / 2,000 SQ M	2,000 / 5,000 SQ M	5,000 / 10,000 SQ M	10,000 SQ M AND ABOVE
CITY CENTRE	8	6	1	2	1	3
CITY FRINGE	-	-	-	-	-	-
SUBURBS	4	1	2	1	2	1
<b>% OF TOTAL TAKE-UP</b>	<b>3%</b>	<b>5%</b>	<b>3%</b>	<b>10%</b>	<b>23%</b>	<b>56%</b>

Source: BNP Paribas Real Estate Research



## TOP 10 DEALS Q1 2020

	BUILDING	LOCATION	TENANT	QUANTITY SIGNED SQ FT	QUANTITY SIGNED SQ M
1	One & Two South County	Dublin 18	Mastercard	249,164	23,148
2	Fitzwilliam 28	Dublin 2	Slack	134,656	12,510
3	124-127 St. Stephen's Green	Dublin 2	Indeed	126,771	11,777
4	The Treasury Building	Dublin 2	Google	125,000	11,613
5	Ground, 4th, 5th & 6th Floors, One Park Place	Dublin 2	Indeed	102,893	9,559
6	Stemple Exchange, Blanchardstown Corporate Park	Dublin 15	Guidewire	85,000	7,897
7	Ground to Fifth Floors, Block I Central Park	Dublin 18	Google	75,294	6,995
8	Second to Fifth Floors, 2WML	Dublin 2	Zalando	47,562	4,419
9	Second & Pt. Third Floors, 78 Sir John Rogerson's Quay	Dublin 2	Salesforce	36,954	3,433
10	First & Second Floors, 2009 Lake Drive, Citywest Business Campus	Dublin 24	NBI	35,951	3,340

## TOP DEALS DUBLIN 2

	BUILDING	LOCATION	TENANT	QUANTITY SIGNED SQ FT	QUANTITY SIGNED SQ M
1	Fitzwilliam 28	Dublin 2	Slack	134,656	12,510
2	124-127 St. Stephen's Green	Dublin 2	Indeed	126,771	11,777
3	The Treasury Building	Dublin 2	Google	125,000	11,613
4	Ground, 4th, 5th & 6th Floors, One Park Place	Dublin 2	Indeed	102,893	9,559
5	Second to Fifth Floors, 2WML	Dublin 2	Zalando	47,562	4,419

## TOP DEALS DUBLIN 4

	BUILDING	LOCATION	TENANT	QUANTITY SIGNED SQ FT	QUANTITY SIGNED SQ M
1	Second Floor, 45 Mespil Road	Dublin 4	Ellucian	8,041	747
2	Pt. First Floor, Embassy House	Dublin 4	NBC Global Finance	4,413	410
3	60 Northumberland Road	Dublin 4	John Scotus	4,144	385
4	Ground & Pt. First Floors, Waterloo Exchange	Dublin 4	CashAnalytics	3,912	363
5	Pt. Third Floor, Donnybrook House	Dublin 4	DRES Properties	3,315	308

## TOP DEALS SUBURBS

	BUILDING	LOCATION	TENANT	QUANTITY SIGNED SQ FT	QUANTITY SIGNED SQ M
1	One & Two South County	Dublin 18	Mastercard	249,164	23,148
2	Stemple Exchange, Blanchardstown Corporate Park	Dublin 15	Guidewire	85,000	7,897
3	Ground to Fifth Floors, Block I Central Park	Dublin 18	Google	75,294	6,995
4	First & Second Floors, 2009 Lake Drive, Citywest Business Campus	Dublin 24	NBI	35,951	3,340
5	Plaza 211, Blanchardstown Corporate Park	Dublin 15	BHP Insurance	13,631	1,266
6	Block 5/6 A, Swords Business Campus	Co. Dublin	Rotunda	11,237	1,044
7	Unit 4a, Sandyford Business Centre	Dublin 18	Invesco	6,000	557
8	First Floor, Block 1, Airvista Office Park, Santry	Dublin 9	Sangoma Technologies	2,693	250
9	Unit 512, Q House, Furze Road	Dublin 18	Nazar Point	1,515	141
10	Suite 23, The Hyde Building, Carrickmines	Dublin 18	Atlantic IP Services Ltd.	1,174	109



## PLANS SUBMITTED

BUILDING	LOCATION	LANDLORD	SIZE SQ FT	SIZE SQ M
Former Post Office Site, Sandwith St. and Boyne St.	Dublin 2	Rails Investment Ltd.	101,051	9,388
Block B, George's Quay (Refurbishment & Extension)	Dublin 2	IPUT	84,486	7,849
Former Trinity Street Car Park, 14-15 Trinity Street and 1-4A Dame Lane	Dublin 2	BCP / Deutsche Finance	80,299	7,460
45-47 Cuffe Street	Dublin 2	KC Capital	50,773	4,717
42A Parkgate Street	Dublin 8	Ruirside Developments	39,805	3,698
18 Leeson Street Lower (Amendments)	Dublin 2	Aviva Life & Pensions	37,187	3,455
Chatham House, Chatham Street	Dublin 2	SDO Structures 14 Ltd.	15,339	1,425
Victoria Buildings, 1-2 Haddington Road (Extension)	Dublin 4	Tullington Ltd.	5,285	491

## PERMISSION GRANTED

BUILDING	LOCATION	LANDLORD	SIZE SQ FT	SIZE SQ M
Block N, Central Park	Dublin 18	Henderson Park (Formerly Green REIT)	508,228	47,216
Coopers Cross	Dublin 1	Kennedy Wilson	487,906	45,328
20 Merrion Road (Amendments)	Dublin 4	Knockanore Properties	75,541	7,018
Northwood Avenue	Dublin 9	Kategale Ltd.	32,615	3,030
47, 48 & 49 Kildare Street and 1 & 2 Nassau Street	Dublin 2	Ternary Ltd.	29,106	2,704
73 North Wall Quay	Dublin 1	Oakmount	22,314	2,073
140 Pembroke Road (Extension)	Dublin 4	October Investments	2,530	235

## ON SITE

BUILDING	LOCATION	LANDLORD	SIZE SQ FT	SIZE SQ M
Two, Three & Four Wilton Park	Dublin 2	IPUT	450,039	41,810
Four Park Place	Dublin 2	Clancourt Group	198,745	18,464
The Sidings, Grand Canal Quay and Macken Street	Dublin 2	Bartra Capital Property Group	161,179	14,974
Two South County, South County Business Campus	Dublin 18	Infinity Capital	104,248	9,685
Stemple Exchange (Block B), Blanchardstown Corporate Park	Dublin 15	Channon Ltd.	82,500	7,665
Haymarket House, 1-6 Haymarket and 56-58 Smithfield	Dublin 7	The Linders Group	64,648	6,006

Source: Property brochures and/or relevant planning authorities.

## SOME OF OUR CURRENT PROJECTS



### #1 South County Office Campus, Sandyford, Dublin 18

BNP Paribas Real Estate acted on behalf of developer Infinity Capital in securing global payments giant Mastercard as a tenant at the South County Office Campus, Dublin 18. The letting, which was completed during Q1, saw Mastercard signing to lease One and Two South County (23,148 sq.m) with an option to lease the planned Three South County building (4,200 sq.m) at a later date. One South County reached completion in Q3 2019. Construction has commenced on Two South County, which will be completed mid-2021. This high-profile suburban campus-style development will be home to Mastercard's Technology Hub for Europe, providing a 'Campus of the Future' for the global payments giant.



### #2 One Cherrywood, Dublin 18

BNP Paribas Real Estate are delighted to have been instructed by US real estate developer Hines as joint letting agents on One Cherrywood. Designed by world renowned architects Gensler, this exceptional landmark development comprises 14,752 sq.m of Grade A office accommodation set over 6 floors fronting onto the Wyatville Road. The building, which will be constructed to the highest specification, can accommodate requirements from 1,561 sq.m to 14,752 sq.m. With the development of the new residential quarter and the Cherrywood Town Centre well underway, incoming tenants will have immediate access to living accommodation as well as a wide range of amenities.



### #3 Dublin Airport Business Park, Co. Dublin

BNP Paribas Real Estate are delighted to have secured the letting of the entire Block B, Dublin Airport Business Park to international software giant WiseTech Global on a new 10 year lease. Block B, which extends to 930 sq.m, is the latest addition to Dublin Airport Business Park in the north suburbs having reached practical completion in Q4 2019. The landlord and developer B&C Contractors will now turn their attention to developing the final phase of the scheme, Block C, Dublin Airport Business Park which will provide an additional 4,000 sq.m of Grade A office space at the business park.



### #4 One Warrington Place, Dublin 2

BNP Paribas Real Estate on behalf of Centrica Plc. have recently agreed terms to a global occupier on the 4th and 5th floors of One Warrington Place. One Warrington Place is a striking landmark corner office building located in an unrivalled location in Dublin City Centre. The floors extend to 1,268 sq. m of fully fitted, Grade A accommodation and have been let on a 6 year sublease. The new tenant will join Bord Gáis and Mars Capital as the third occupier at One Warrington Place.



### #5 The Harcourt Building, Harcourt Street, Dublin 2

BNP Paribas Real Estate are delighted to have secured the subletting of 4th and 5th floors at the Harcourt Building to global speech technology business Nuance Communications. The two floors, which together extend to 1,323 sq.m, were let on an 8 year sublease. The third floor of this building, extending to 1,028 sq.m, is now being offered to the market for lease. Constructed in 2003, the Harcourt Building is a landmark ice building at the corner of Harcourt Street and Adelaide Road, in the heart of Dublin 2.



### #6 The Plaza, Tallaght, Dublin 24

BNP Paribas Real Estate were recently appointed to act as sole letting agents on the Penthouse (5th floor), The Plaza on behalf of Davy Real Estate. The Plaza is a mixed use development located in the heart of Tallaght beside The Square Shopping Centre, just off the M50. The 5th floor extends to 2,200 sq.m and provides flexible and efficient space with great natural light.



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With our international scope, expertise and on-the-ground presence, you will find the perfect partner that can ensure the success of your real estate projects.



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