

# Q3 DUBLIN OFFICE MARKET 2020



**BNP PARIBAS  
REAL ESTATE**

OFFICE  
**RESEARCH**

## Q3 2020 KEY TRENDS



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## OFFICE OCCUPIER MARKET AT A GLANCE

**KATE RYAN**  
Associate Director & Head of Research  
BNP Paribas Real Estate

“ **Total office take-up in Dublin reached 21,328 sq.m during Q3 2020. While this is a good increase on Q2 take-up, it is still very low compared to pre-pandemic levels of market activity.** ”

This brings total take-up for the first nine months of the year to 135,125 sq.m which is a decline of 32% relative to the same period in 2019. There were 29 lettings completed during Q3, up from just 13 in Q2, while the average deal size was low at just 735 sq.m.

The largest letting of the quarter saw Microsoft take 4,080 sq.m across three floors at No. 3 Dublin Landings. This is an interesting move for Microsoft, who have been based in Sandyford / Leopardstown since entering the Irish market in 1985, as it is their first official city centre office location. The letting at Dublin Landings will bring the total amount of office space occupied by Microsoft in Dublin to more than 30,000 sq.m.

As usual, the TMT sector was the top performer with 34% of take-up attributable to technology, multimedia and telecommunications companies. Health & Pharma companies are increasingly taking office space in

Dublin, with 26% of take-up attributable to this sector in Q3 compared with 7% last year. Both sectors have not been as badly impacted by the pandemic as others and it is encouraging to note that U.S. companies such as Microsoft, Regeneron and Gilead Sciences have continued to expand their presence in Dublin during this uncertain period.

News of Google pulling out of a deal to lease space at the newly constructed Sorting Office development in the South Docks during Q3 was portrayed as a negative sign for the sector at large, however we do not believe this to be the case. Rather, with more than 120,000 sq.m of office space in Dublin owned / occupied by Google and a further 20,507 sq.m under construction at Boland’s Quay, the company decided that it would no longer need the extra space as staff would be working from home until at least the middle of next year as a result of the pandemic. Still, with several of the main TMT companies already committed to large office campuses it is unlikely that they will be looking for significantly more space any time soon. Positively, major new entrants such as TikTok, along with smaller start-ups and Brexit movers, continue to explore opportunities in Dublin and may fill this gap somewhat.

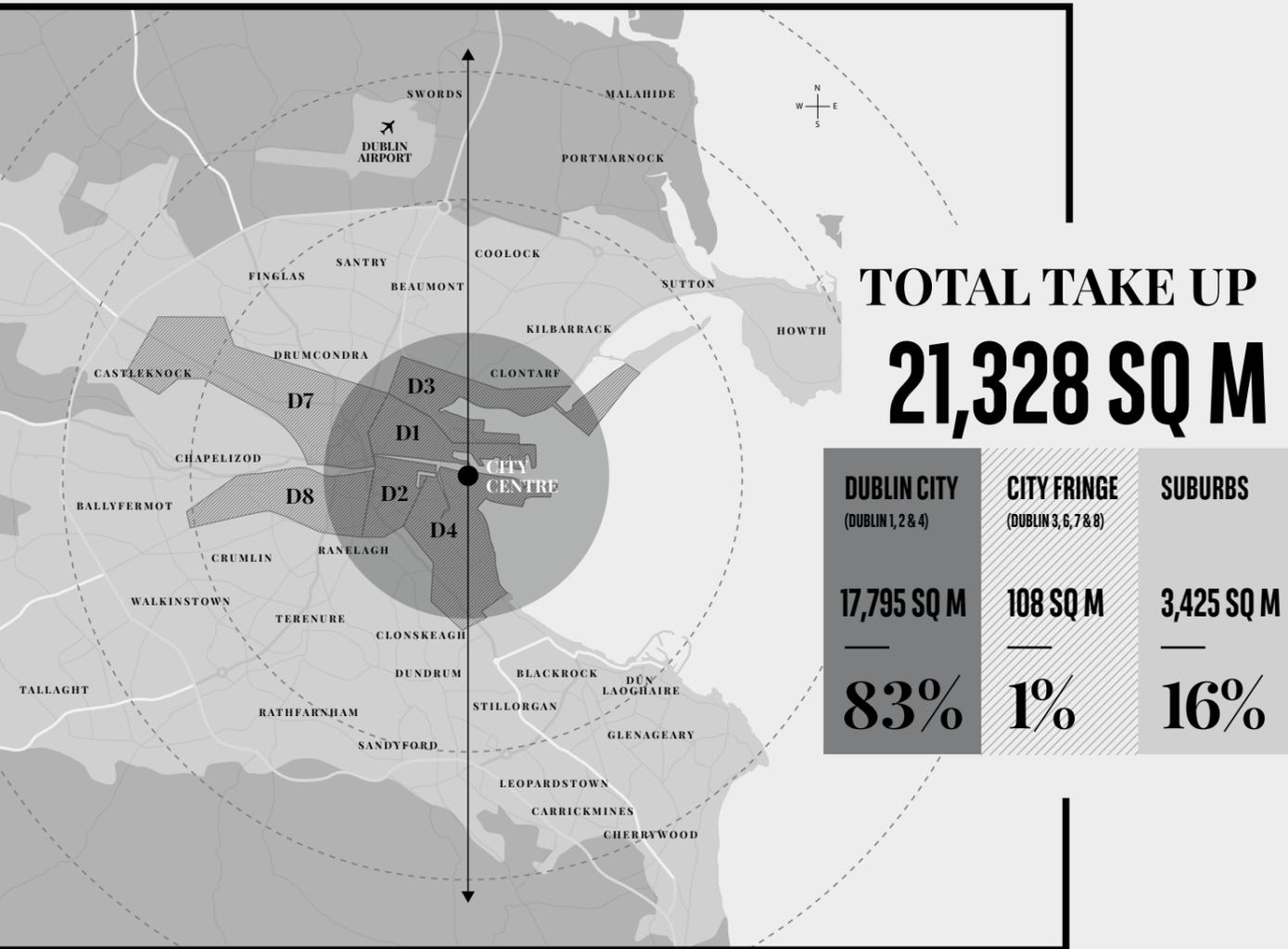
On a broader scale, there are a number of factors at play which will impact the future of the office sector, not least the evolution of the current working from home environment. While many companies had already implemented remote working in some form, its

widespread adoption was necessitated by the pandemic and its viability longer term tested by all companies. In most cases it was found to work just fine, with trust between management and employees strengthened and a greater work / life balance provided.

Still, there are many benefits to having a physical workspace. Remote working full time can lead to isolation and communication issues, which can negatively affect mental health, productivity and innovation. The office provides a place for employees to meet and work together, so the design of offices has been increasingly focused on community, collaboration and culture. These elements are difficult to recreate or support remotely, so we expect the physical office will continue to be a driver of business success in the post-pandemic world. We expect that the future of the office market will see a balance between remote and office-based work as opposed to one or the other.

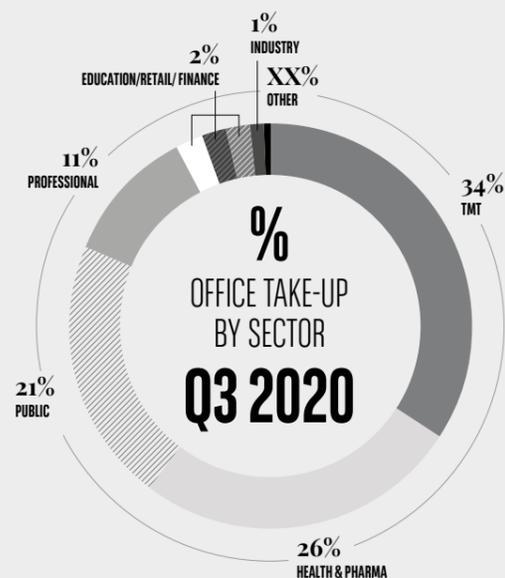
## HEALTH & PHARMA

**26%**  
OF TAKE-UP



“ IDA Ireland have done excellent work in attracting multinational companies to Ireland in recent years, with particular success in the Health & Pharma sector. A recent deal with U.S. pharma company Regeneron – brokered by BNP Paribas Real Estate – is a prime example of this. The deal saw Regeneron lease 1,300 sq.m of fully fitted space at One Warrington Place to support its Irish expansion. This is in addition to a manufacturing site in Limerick which employs more than 1,000 people. ”

**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	€657 PER SQ M ONE WARRINGTON PLACE, DUBLIN 2	€325 PER SQ M BEACON COURT, SANDYFORD, DUBLIN 18
NUMBER OF DEALS	19	9
AVERAGE DEAL SIZE	937 SQ M	381 SQ M
OFFICE STOCK RESERVED	19,287 SQ M	13,570 SQ M
TYPICAL LEASE BREAK	10-12 YEARS	5 YEARS
UNDER CONSTRUCTION	547,239 SQ M	141,652 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	12	2	2	3	-	-
CITY FRINGE	1	-	-	-	-	-
SUBURBS	7	2	-	-	-	-
<b>% OF TOTAL TAKE-UP</b>	<b>22%</b>	<b>12%</b>	<b>15%</b>	<b>51%</b>	-	-

Source: BNP Paribas Real Estate Research



## TOP DEALS CITY CENTRE

	BUILDING	LOCATION	TENANT	QUANTITY SIGNED SQ FT	QUANTITY SIGNED SQ M
1	Lower Ground, Ground & 1st Floors, No. 3 Dublin Landings	Dublin 1	Microsoft	43,918	4,080
2	Part 2nd & 3rd Floors, 1GQ	Dublin 2	OPW	42,060	3,908
3	5th & 6th Floors, North Dock 2	Dublin 1	Gilead Sciences	31,301	2,908
4	4th & 5th Floors, One Warrington Place	Dublin 2	Regeneron	13,637	1,267
5	The Bondwell, 35 Westland Row	Dublin 2	Confidential	5,629	523
6	12 Fitzwilliam Square	Dublin 2	Saudi Arabian Embassy	5,547	515
7	3rd & 4th Floors, 2 Central Plaza	Dublin 2	Confidential	4,800	446
8	Part 3rd Floor, Donnybrook House	Dublin 4	Mark Anthony Brands International	3,925	365
9	Part 2nd Floor, The Exchange Buildings, IFSC	Dublin 1	Aqua Comms	3,729	346
10	3 Harbourmaster	Dublin 1	FTI Treasury	3,106	289

## TOP DEALS DUBLIN 1

	BUILDING	LOCATION	TENANT	QUANTITY SIGNED SQ FT	QUANTITY SIGNED SQ M
1	Lower Ground, Ground & 1st Floors, No. 3 Dublin Landings	Dublin 1	Microsoft	43,918	4,080
2	5th & 6th Floors, North Dock 2	Dublin 1	Gilead Sciences	31,301	2,908
3	Part 2nd Floor, The Exchange Buildings, IFSC	Dublin 1	Aqua Comms	3,729	346
4	3 Harbourmaster	Dublin 1	FTI Treasury	3,106	289
5	2nd Floor, Astor House, 4-8 Eden Quay	Dublin 1	ProVerum Medical	2,700	251

## TOP DEALS DUBLIN 2

	BUILDING	LOCATION	TENANT	QUANTITY SIGNED SQ FT	QUANTITY SIGNED SQ M
1	Part 2nd & 3rd Floors, 1GQ	Dublin 2	OPW	42,060	3,908
2	4th & 5th Floors, One Warrington Place	Dublin 2	Regeneron	13,637	1,267
3	The Bondwell, 35 Westland Row	Dublin 2	Confidential	5,629	523
4	12 Fitzwilliam Square	Dublin 2	Saudi Arabian Embassy	5,547	515
5	3rd & 4th Floors, 2 Central Plaza	Dublin 2	Confidential	4,800	446

## TOP DEALS DUBLIN 4

	BUILDING	LOCATION	TENANT	QUANTITY SIGNED SQ FT	QUANTITY SIGNED SQ M
1	Part 3rd Floor, Donnybrook House	Dublin 4	Mark Anthony Brands International	3,925	365
2	Part 3rd Floor, 23 Shelbourne Road	Dublin 4	FAMI	1,545	144

## TOP DEALS SUBURBS

	BUILDING	LOCATION	TENANT	QUANTITY SIGNED SQ FT	QUANTITY SIGNED SQ M
1	4th Floor, The Concourse Building, Beacon Court, Sandyford	Dublin 18	Beacon Hospital	8,553	795
2	3rd Floor, The Highline, Dun Laoghaire	Co. Dublin	Clifton Scannell Emerson Associates	7,000	650
3	Ground Floor, The Crescent Building, Northwood	Dublin 9	Fold Ireland	5,100	474
4	2nd Floor, The Mill, Greenmount Avenue	Dublin 12	Hugh McCarthy & Associates	5,000	465
5	Unit 6, Block 8, Blanchardstown Business Park	Dublin 15	Icomera	2,796	260
6	Unit H, Citywest Shopping Centre	Dublin 24	NeoDyne	2,768	257
7	Unit 2B, Block H, Centrepoint Business Park	Dublin 12	Tether	2,242	208
8	Unit 6, Orchard Avenue Business Park, Citywest	Dublin 24	IndePharm	2,140	199
9	Unit 7, Block 9 Burnell Court, Northern Cross	Dublin 17	JV Hutton	1,270	118



## PLANS SUBMITTED

	BUILDING	LOCATION	LANDLORD	SIZE SQ FT	SIZE SQ M
1	Junction 6, River Road, Castleknock	Dublin 15	Propotron Ltd.	369,417	34,320
2	ESB Lands, Leopardstown (Extension of Duration)	Dublin 18	ESB	268,559	24,950
3	Two Office Buildings, Blanchardstown Corporate Park	Dublin 15	Channon Group	249,507	23,180
4	25-28 North Wall Quay (Refurbishment & Extension)	Dublin 1	IPUT	226,742	21,065
5	Three South County (Redesign)	Dublin 18	Infinity Capital	152,901	14,205
6	73-83 Mount Street Lower	Dublin 2	IPUT	138,779	12,893
7	Zurich House, Blackrock	Co. Dublin	Kintrona	66,467	6,175

## PLANS GRANTED

	BUILDING	LOCATION	LANDLORD	SIZE SQ FT	SIZE SQ M
1	Clanwilliam Court, Clanwilliam Place and Lower Mount Street	Dublin 2	Hibernia REIT Plc	200,521	18,629
2	Brunswick Villas, Shaw Street, Townsend Street	Dublin 2	Esprit Investments	148,197	13,768
3	Project Royal, Long Mile Road	Dublin 12	Allied Real Estate Group	127,940	11,886
4	17 Corrig Road / Junction of Carmanhall Road, Sandyford	Dublin 18	Private Investor	79,147	7,353
5	Enterprise Centre, New Street	Dublin 8	BCP	47,996	4,459
6	The Dublin Institute of Design, 45 Kildare Street (Change of Use)	Dublin 2	Ternary Ltd.	11,313	1,051
7	18-19 Bow Street	Dublin 7	Bow Street Properties	6,857	637

## ON SITE

	BUILDING	LOCATION	LANDLORD	SIZE SQ FT	SIZE SQ M
1	Block N, Central Park	Dublin 18	Henderson Park	508,228	47,216
2	Coopers Cross	Dublin 1	Kennedy Wilson	487,906	45,328
3	The Shipping Office, 20-27 SJRQ	Dublin 2	Marlet	177,002	16,444
4	Greenside Building, 45-47 Cuffe Street	Dublin 2	KC Capital	36,417	3,383
5	The Highline, Dun Laoghaire (Extension)	Co. Dublin	Kouchin Properties	14,015	1,302

Source: Property brochures and/or relevant planning authorities

## SOME OF OUR CURRENT PROJECTS



### #1 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.



### #2 One Warrington Place, Dublin 2

BNP Paribas Real Estate have leased the 4th & 5th floors of One Warrington Place, Dublin 2 to global pharmaceutical company Regeneron, who have taken a 6-year sublease on both floors. The floors extend to 1,267 sq.m of fully fitted Grade A office space. The Henry J Lyons designed building occupies a prominent position overlooking the Grand Canal at the junction of Mount Street Lower and Warrington Place.



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

Block B, which extends to 930 sq.m, is the latest addition to Dublin Airport Business Park in the north suburbs. The offices have now reached practical completion and are attracting significant attention from indigenous and overseas occupiers. Upon securing a tenant, the landlord and developer B&C Contractors will 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 to the business park.



### #4 Citywest Shopping Centre, Citywest, Dublin 24

BNP Paribas Real Estate are delighted to have secured the letting of 2nd Floor, Unit H, Citywest Shopping Centre to Engineering firm NeoDyne. The space, which extends to 249 sq.m, was let on a 10-year lease with a break option in year 5. The 1st and 2nd Floors at Unit H, which together extend to 498 sq.m, are now being offered to the market. Citywest Shopping Centre is an attractive office location in Dublin's west suburbs close to a host of amenities and transport links.



### #5 Custom House Plaza, IFSC, Dublin 1

BNP Paribas Real Estate are delighted to have acquired the 5th Floor, Custom House Plaza 2, IFSC, Dublin 1 on behalf of insurtech firm Companjon. The space, which extends to 454 sq.m, was acquired on a 5-year lease assignment from WeTrade. Companjon are an expanding company in Dublin and have outgrown their serviced office space in Iconic Offices' Lennox Building location.



### #6 12 Fitzwilliam Square, Dublin 2

BNP Paribas Real Estate secured the Saudi Arabian Embassy as a tenant for 12 Fitzwilliam Square during Q3. The Saudis committed to a new 10-year lease on the entire building. The property is a high profile four-storey over basement Georgian office building extending to 416 sq.m that has been refurbished to the highest standard throughout. The property also includes a mews to the rear extending to 92 sq.m that can be accessed via the main house or Lad Lane, along with secure car parking for 8 cars.



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