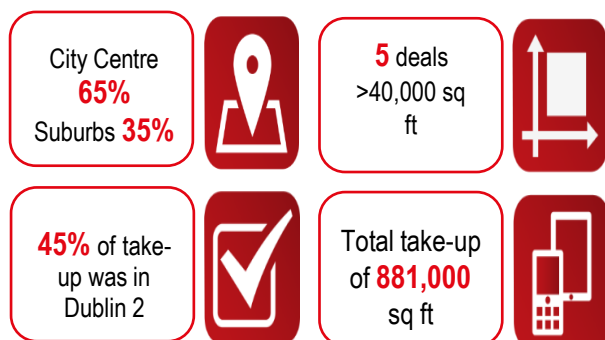


Dublin Office Market Overview - Quarter 1 2018

Take Up Trends

- 2018 has started as 2017 finished, with strong take-up for Q1 totaling 880,846 sq ft which is a 61% increase on Q1 2017.
- There were 57 transactions in the first quarter. Significantly, 42% of these deals were for 10,000 sq ft or above with an average deal size of 15,600 sq ft.
- Demand for larger space has continued with 5 transactions above 40,000 sq ft to LinkedIn, WeWork, Google and Autodesk.

Take-Up



- The city centre remains dominant, representing 65% of take-up in Q1. Within this, Dublin 2 is once again the most popular location, accounting for 45% of all take-up.
- The technology sector represented just under half of Q1 take up (48%) with transactions to LinkedIn, Autodesk and Google accounting for 4 of the top 5 deals completed. The Flexible Office sector came in second at 17%, primarily driven by WeWork while Banking and Finance was third at 12%.
- 23% of all transactions (13 deals) completed this quarter were sub-lettings or assignments.

- The majority of take-up has been as a result of strong business growth by existing occupiers rather than Brexit.

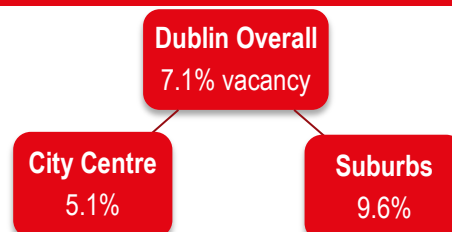


1WML – 48,500 sq ft Acquired by JLL for Autodesk in Q1

Supply

- The overall vacancy rate has fallen slightly to 7.1%, down from 7.8% at the end of Q4.
- Taking the space reserved out of vacancy this figure falls to 5.3%.

Breakdown of Overall Vacancy



- There is 291,668 sq ft available for sub-lease or assignment in the market, representing 10% of space currently vacant. This includes Avolon's existing offices in the Oval and the 4th floor of 1WML.

- There is 4.7 million sq ft of office accommodation currently under construction or refurbishment. 85% is located in the city centre and 15% in the suburbs. Of this space, 32% is either pre-let or reserved.
- 2.9m sq ft of space is due for completion in 2018. Of this, 52% is already let or reserved.



One Wilton Plaza Pre-let to LinkedIn in Q1 2018

- The majority of demand continues to come from existing occupiers expanding. Deals such as WeWork in Dublin Landings, Google in Sandyford and LinkedIn in One Wilton Plaza are prime examples.
- In the Flexible Office sector, WeWork has completed its largest deal yet in Dublin at No.2 Dublin Landings while IWG have signed for the entire of 77 Sir John Rogersons Quay. There is still further demand from Huckletree, The Office Group and Iconic Offices who are active in the market looking for further opportunities.
- Demand remains high for both city centre and suburban locations. We have identified 210 live requirements in the market totaling 2.5 million sq ft in active demand.

Rent and Lease Terms

- Transactional evidence continues to indicate prime rents of €60.00 - €65.00 per sq ft in the city centre and €25.00 - €30.00 per sq ft in the suburbs.
- Leases in the city centre continue to be long term - generally 20-25 years with a break at year 12-15. There can be more flexible leases available in the suburbs with earlier breaks at year 10 and shorter leases in second hand buildings.

Outlook

- With take up reaching record levels in 2017, indications are that 2018 will look to reach these heights again. With a strong first quarter, 1.2 million sq ft of space reserved, a healthy pipeline of new stock coming on stream and strong underlying demand evidenced by over 210 live enquiries, there is reason for continued optimism.

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