

IRELAND

Investment Q4 2023

€0.44bn

Turnover Recorded, Q4 2023

YOY %
Change

28

Assets Sold, Q4 2023



€15.8m

Average Deal Size, Q4 2023



Annual % Change

	2022 (A)	2023 F	2024 F
GDP	9.4	2.0	4.5
Personal Consumption	9.4	3.3	3.2
Modified Domestic Demand	9.5	2.2	2.2
Unemployment Rate	4.4	4.1	4.2
HICP	8.2	5.3	2.9

Source: CSO, Department of Finance Forecasts for 2023 and 2024

INVESTMENT VOLUMES REACH €2.1 BILLION FOR 2023, WEAKEST PERFORMANCE SINCE 2013

Irish investment volumes in the final three months of 2023 totalled €442m with 28 deals happening in the period, effectively unchanged compared to the levels of activity seen in Q3. For many investors 2023 is most likely to be remembered for the most aggressive ECB monetary tightening cycle in history which led to significant repricing of commercial real estate assets in Ireland and further afield. This repricing had a very negative impact on investment volumes last year. For the year as a whole investment volumes amounted to €2.1 Billion, down 45% compared to 2022 and the lowest level since 2013.

Not surprisingly most market sectors saw falling investment volumes in 2023 with living sectors (residential and Purpose-Built Student Accommodation) struggling most despite demographic based demand remaining very strong. On the flip side the healthcare and industrial sectors actually saw investment volumes increase by 30% and 11% respectively for the full year.

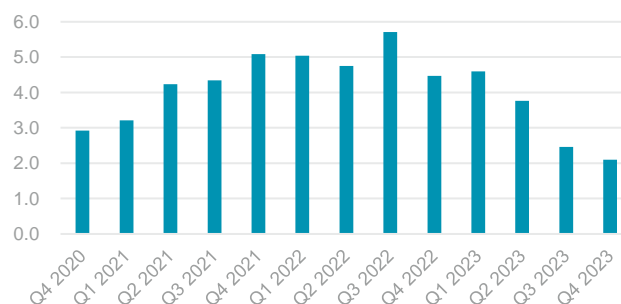
The growth in transactions in the industrial sector in 2023 owed much to Pontegedea's acquisition (advised by Cushman & Wakefield) of Phase 2 Mountpark at Baldonnell Business Park for €225 million in Q4. This space consisted of five specialised logistics units extending to approximately 98,000 square metres and represented the largest industrial transaction in Ireland in 2023. Apart from Pontegedea's activity, we saw five further industrial deals in Q4, the most notable of which was the acquisition of a datacentre at Citywest for approximately €21 million which Cushman & Wakefield also advised on.

Across the office sector we saw five mainly confidential deals unveiled in Q4 which amounted to €79 million. The largest deal involved the acquisition of the offices at Trinity Point in Dublin for a consideration of €40 million although three other Dublin office deals in the period ranged from €9 million to €15 million.

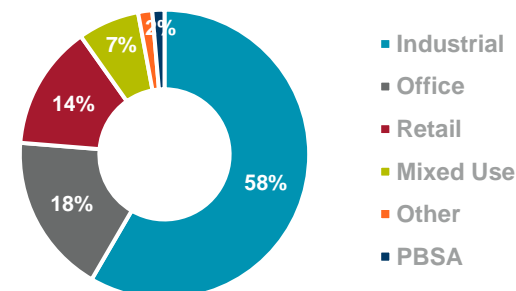
The improved backdrop for deals in the retail sector continued in the fourth quarter with a total of €62 million of deals across eight transactions while retail's weight of overall transactions in 2023 doubled to close to 19%. The biggest Q4 deals involved a confidential transaction in Cork for approximately €21 million as well as the purchase of a portfolio of properties spanning Grafton and Nassau Streets for €13.5 million.

"Irish investment volumes steadied in Q4 although it was a difficult year for transactions despite the Irish economy performing solidly. Generally, investors chose to keep their power dry in 2023 until greater evidence emerges that the market has adjusted to the rapid increase in interest rates we have seen in this cycle. The significant inflation improvement we saw last year provides a lot of optimism that the ECB will begin to cut interest rates in 2024 and we are hopeful this will be the catalyst for real estate values and transaction levels to begin to recover later in the year." Kevin Donohue, Director, Head of Capital Markets at Cushman & Wakefield

ROLLING 12 MONTH INVESTMENT ACTIVITY, €Bn



SECTOR BREAKDOWN OF IRISH INVESTMENT VOLUMES, Q4 2023

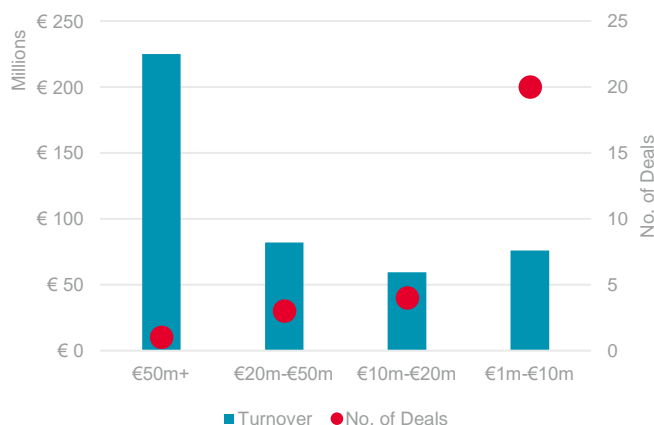




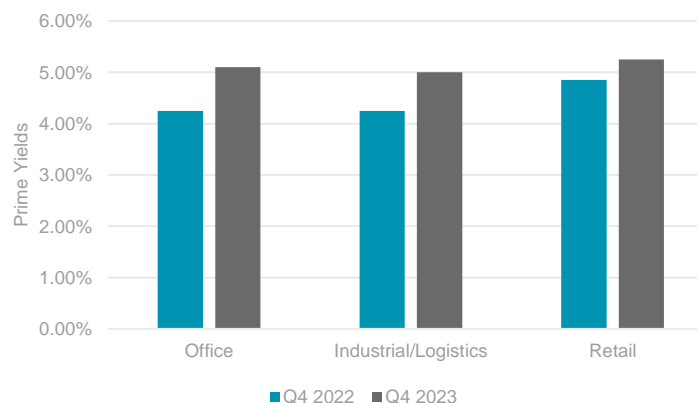
TOP TRANSACTIONS, Q4 2023

ASSET	PRICE (APPROX.€)	SECTOR	PURCHASER
Mountpark II, Baldonnell	€225m	Industrial	Pontegedea
Trinity Point, Dublin 2	€40m	Office	Private
P & C, Cork	€21.5m	Retail	Private
Citywest Business Park	€20.6m	Industrial	Private

TURNOVER BY LOT SIZE, VALUE v VOLUME, Q4 2023



PRIME YIELDS DUBLIN, Q4 2022 v Q4 2023



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