

European investors boost Dublin market

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News editor

Investment into Dublin's property market hit €1.9bn (£1.7bn) during the first six months of the year, according to BNP Paribas Real Estate.

The second quarter was particularly active, doubling Q1's €618.3m to reach €1.24bn in Q2.

Deals have soared amid an increase in European appetite, with Brexit a possible cause, said BNP PRE associate director and head of research Kate Ryan.

"We are seeing an increase in the level of investment from mainland Europe, potentially as a result of Brexit and a bounce in investment from the UK to Ireland," she said. "European investment accounted for 25% of H1 turnover, compared with 19% in 2018 overall."

Residential was the top-performing sector in Q2, with more than €600m invested across 12 PRS deals (48% of turnover).

In Q1, residential accounted for 30% of the total, with offices representing half of all transactions.

In Q2, offices accounted for just 19% of turnover, with €233m invested, down from €283m in Q1. However, a number of



significant deals are at the sale-agreed stage and likely to transact in Q3.

The largest office deal of the second quarter was the sale of a portfolio of offices in Citywest, Dublin 24, for €125m to Henley Bartra, a joint venture between UK investors Henley

and Bartra Properties.

Retail represented 8% of turnover, with just under €96m invested across nine deals (down from €186m in Q1).

In the lettings market, office take-up was low in Q2, with just 322,000 sq ft leased across 50 deals. This compares with

Press cutting

DUBLIN PROPERTY INVESTMENT IN NUMBERS

€1.9bn

total investment during H1

25%

proportion of total investment originating from Europe

1.8m sq ft

H1 take-up

€125m

largest office deal in H1 – a portfolio of offices in Citywest, Dublin 24, to Henley Bartra

€600m

residential investment in Q2 – the top-performing sector during the quarter

Source: BNP Paribas Real Estate

take-up of more than 1.4m sq ft in Q1.

Take-up for the first half of 2019 was 1.8m sq ft, which represents an increase of 4% on the same period in 2018.

Key deals

Key European deals included German investor DWS's purchase of 7-9 Henry Street in Q1 for around €44m and 214 apartments at the Fairways Dún Laoghaire in Q2 for €108m.

Union Investment, another German fund, purchased Ballast House (a mixed-use development in Dublin 2) in Q2 for €26.9m.

In addition, German fund Wealthcore Group is in talks to buy Airbnb's Dublin office for around €160m. The Reflector, one of Dublin's iconic new office buildings, was put up for sale in February for €155m. The 121,089 sq ft, six-storey office block is in Dublin's Grand Canal Dock area.

Swiss Life purchased the Lennox Building in Dublin 2 in May for close to €27m, while Cypriot investor LRC Group acquired a €150m portfolio of residential assets to bring the total number of Irish residential properties in its portfolio to just over 1,600.