

# Dublin, Ireland



## Contact

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& Lyons

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## Country Data

Area (KM <sup>2</sup> )	70,282
Population (Millions)	4.3
GDP 2006 (US\$ B)	253.3
GDP Growth (%)	4.6
GDP/Capita (US\$)	58883.34
Inflation Rate (%)	2.5
Interest Rate (%)	4.25
Unemployment Rate (%)	4.7

Ireland is an open trade economy and has been one of the fastest growing economies in the developed world. Over the last decade, unprecedented economic growth has nearly doubled the Irish real GDP growth. Ireland's success is due to a combination of EU membership, a high proportion of the population working, a reversal in the trend from emigration to immigration and a more stable public finance position. While economic growth has slowed in comparison to the late 90's and early part of the decade, GDP growth still reached 5.6% in 2007 and is expected to continue at around 5.4% in the medium term.

The Irish property market continued to be one of the strongest sectors driving economic growth in Ireland. Despite ongoing negative sentiment regarding interest rates and economic performance, the retail sector continued to remain strong in rental and capital values achieved. The office market saw record levels of letting transactions during the first half of 2007 and the industrial sector has shown signs of recovery with vacancy rates falling and both rental and capital values increasing.

Demand for prime investment product remains strong although the underlying trend is that investors are more cautious and are taking longer to make investment decisions; however, demand is still outstripping supply by a large margin. Yields for prime retail properties have in some cases fallen as low as 2% causing many to look abroad for quality investment product. NAI Mason Owen & Lyons completed the €80 million sale of Hibernian (AVIVA) Insurance's former headquarters in Dublin 2 and the €50 million sale of Ashleaf Shopping Centre in the Dublin 12.

The demand for residential development land has slowed in recent months as developers react to the slowdown in residential sales market. However, NAI Mason Owen & Lyons concluded sales of two prime development sites; the 1.23 hectare site on Dublin's prestigious Roebuck Road and a 3.24 hectare site zoned town centre in Ennis, County Clare, which both achieved prices in excess of the asking.

The Dublin office market saw record levels of letting transactions during the first half of 2007, with over 121,000 square meters of office accommodation leased in the first six months of the year, representing a 55% increase on the same period last year. Much of the leased space has focused on the upgrade of the Dublin Docklands where corporate occupiers have been able to satisfy their demands for third generation accommodation.

Suburban office vacancy rates have fallen during 2007, with areas such as Sandyford, Santry and locations around the M50 performing well. The demand from owner occupiers remained strong, with purchasers seeking small own door offices in the suburban market.

Notable retail developments in 2007 included the opening of The Charlestown Centre in Dublin 11, comprising approximately 19,000 square meters of retail accommodation in phase one where NAI Mason Owen & Lyons is the letting agent. Phase 2 will be launched in 2008 and will comprise an additional 35,000 square meters of mixed uses. 2008 will also see the launch Citymart, Kilkenny, a major shopping centre totaling 35,000 square meters.

## Dublin At A Glance

Conversion: .70 Euro = 1 US\$

	NET RENT/M <sup>2</sup> /YEAR		US\$ NET RENT/SF/YEAR		Vacancy
	Low	High	Low	High	
<b>CITY CENTRE OFFICE</b>					
New Construction (AAA)	€ 520	€ 550	\$ 69.01	\$ 72.99	8.0%
Class A (Prime)	€ 430	€ 475	\$ 57.07	\$ 63.04	8.0%
Class B (Secondary)	€ 320	€ 430	\$ 42.47	\$ 57.07	10.0%
<b>SUBURBAN OFFICE</b>					
New Construction (AAA)	€ 260	€ 396	\$ 34.51	\$ 52.56	30.0%
Class A (Prime)	€ 250	€ 300	\$ 33.18	\$ 39.82	25.0%
Class B (Secondary)	€ 210	€ 240	\$ 27.87	\$ 31.85	30.0%
<b>INDUSTRIAL</b>					
Warehouse	€ 70	€ 125	\$ 9.29	\$ 16.59	11.5%
Manufacturing	€ 70	€ 130	\$ 9.29	\$ 17.25	11.5%
High Tech/R&D	N/A	N/A	N/A	N/A	N/A
<b>RETAIL</b>					
City Centre	€3,200	€8,000	\$424.70	\$1,061.74	N/A
Neighborhood Service Centers	€1,500	€3,500	\$199.08	\$ 464.51	N/A
Community Power Center (Big Box)	N/A	N/A	N/A	N/A	N/A
Regional Shopping Centres/Malls	€ 360	€ 500	\$ 47.78	\$ 66.36	
Solus Food Stores	N/A	N/A	N/A	N/A	N/A
<b>DEVELOPMENT LAND</b>					
	<b>Low/Hectare</b>	<b>High/Hectare</b>	<b>Low/Acre</b>	<b>High/Acre</b>	
Office in CBD (per buildable M <sup>2</sup> /SF)	€ 1,200	€ 2,500	\$ 694	\$ 1,445	
Land in Office Parks	€ 2,000,000	€ 5,000,000	\$ 1,156,245	\$ 2,890,612	
Land in Industrial Parks	€ 1,200,000	€ 1,500,000	\$ 693,747	\$ 867,184	
Office/Industrial Land - Non-parc	€ 1,200,000	€ 5,000,000	\$ 693,747	\$ 2,890,612	
Retail/Commercial Land	€ 2,500,000	€ 7,500,000	\$ 1,445,306	\$ 4,335,918	
Residential	€ 3,750,000	€ 7,500,000	\$ 2,167,959	\$ 4,335,918	