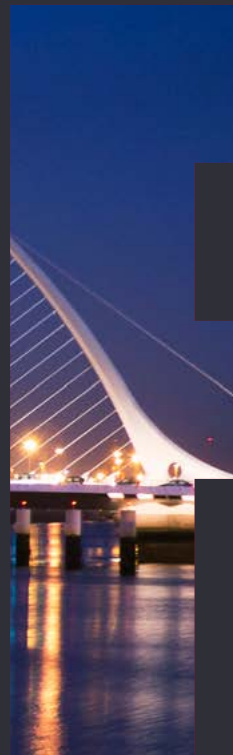
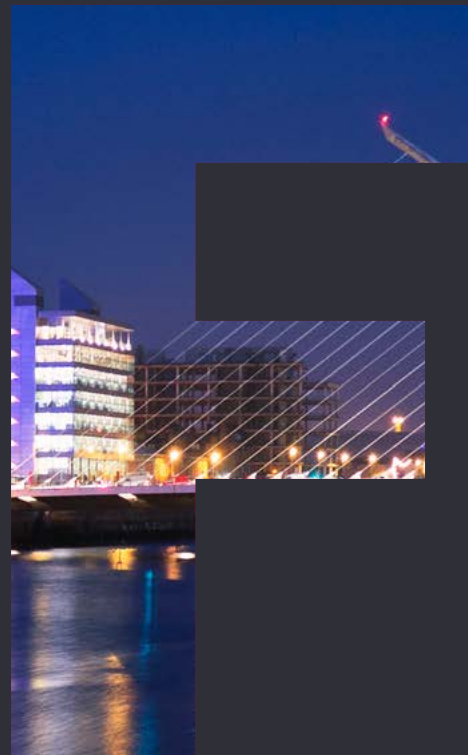


Q1 2022



Q1 2022

Office Market Commentary



Q1 2022 At A Glance



Transactions Signed (Sq.Ft.)

490,850

Take-Up Q1 2022 (Sq.Ft.)
Substantial increase from
Q1 2021 (52,187 sq.ft.)



By Size

30%

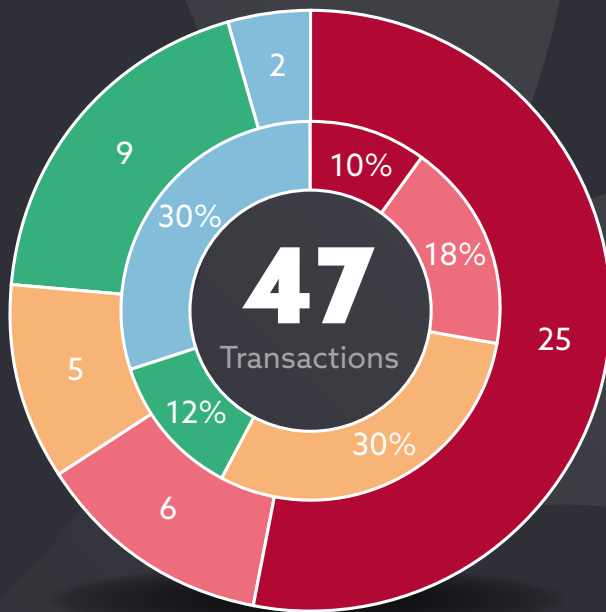
2 deals in excess of 50,000 sq.ft.








Largest Transaction (Sq.Ft.)

78,871

EXO Building | An Post



Transactions

-  Under 5,000 Sq.Ft.
-  10,000 - 19,999 Sq.Ft.
-  20,000 - 49,999 Sq.Ft.
-  5,000 - 9,999 Sq.Ft.
-  Over 50,000 Sq.Ft.

Transactions By Location

82%

CBD

18%

City Fringe and Suburbs

Tenant Profile

29%

Domestic

71%

International

Transactions By Sector

52%

TMT

16%

State

11%

Banking and
Finance

Construction

6m sq.ft.

Under Construction

46%

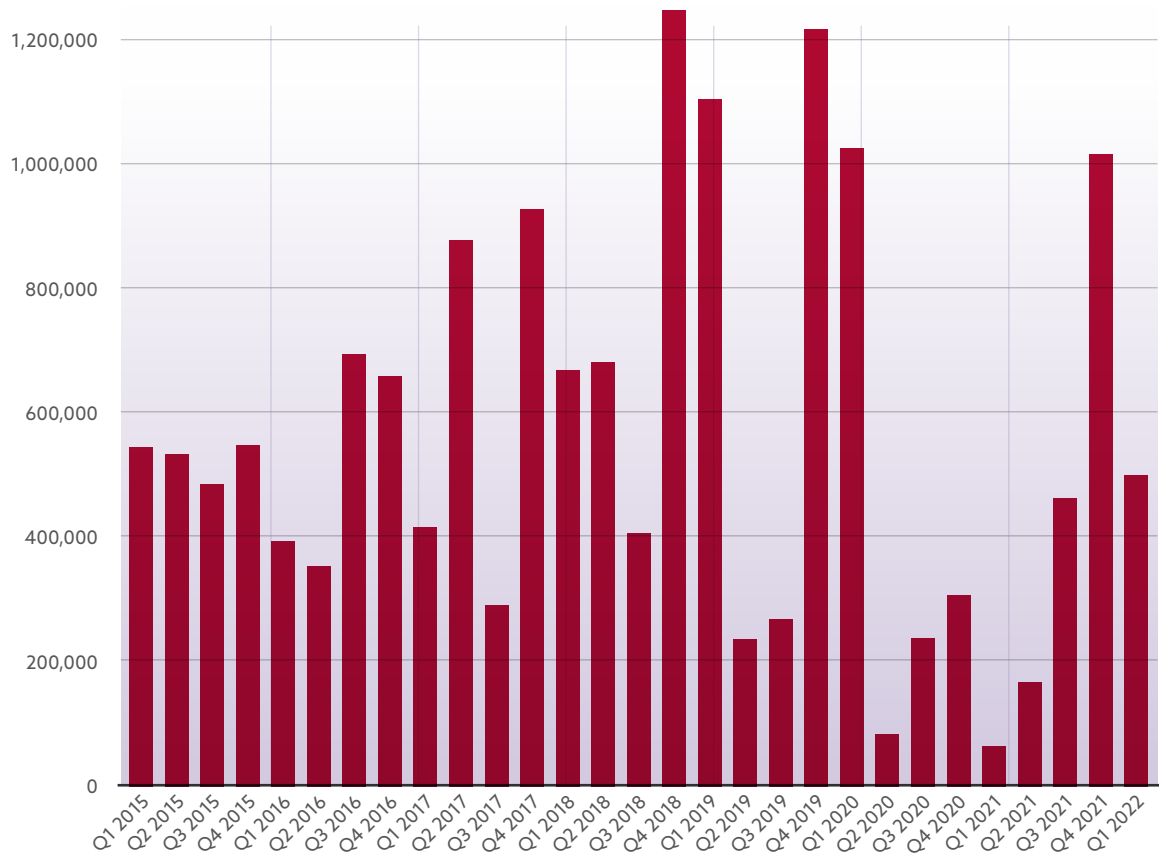
Pre-Let/Reserved



Office Take Up

Following a busy Q4 2021, which saw over 1,700,000 sq.ft. transacting in the final quarter of the year, 2022 has commenced at a more modest pace with take up reaching 490,850 sq.ft. across 47 transactions. However, this reflects a 940% increase on Q1 2021, which saw the closure of all non essential business and a continuation of remote working under a level 5 Covid-19 mandate during that period, which inevitably impacted the sector significantly. With the removal of the majority of Covid 19 restrictions from the 4th February this year the office market is now in 'recovery mode' with take up expected to increase for the remainder of the year, evidenced by an increase in occupier appetite with over 1.24 million sq.ft. currently reserved.

Office Take Up By Quarter (Sq.Ft.)



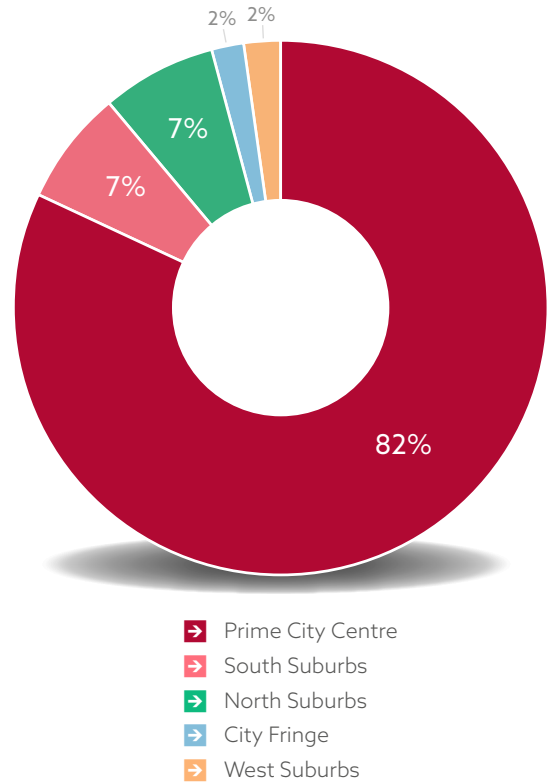
Source: Bannon Research

By Location

The CBD remained the most active location accounting for 82% of take up in 2021.

Whilst 36.6% of the total CBD take up was attributable to the quarters 2 largest transactions (An Post's leasing of The Exo Building and Fiserv's leasing of 10 Hanover quay), there was a further 31 transactions concluded in the City Centre with companies such Toast, LinkedIn, Wayflyer and Interactive Brokers active in the market this quarter.

Transactions in the South Suburbs reached 7% of take up, largely due to the letting of 28,493 sq.ft. of The Hive building in Sandyford to Cubic Telecoms. Other notable deals included lettings to Regus at Two Dublin Airport Central and Allegro at The Nexus Building. Overall, the suburbs accounted for 16% of take up with 2% transacting in City Fringe locations.



Top 5 Transactions

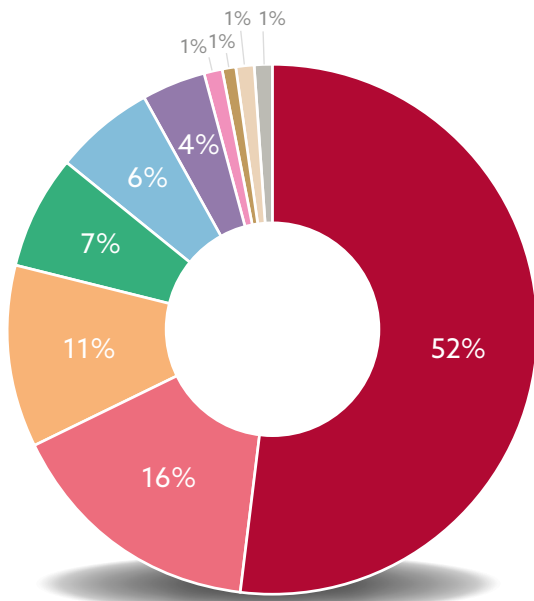
Property	Tenant	Size (Sq.ft.)
Exo Building	An Post	78,871
10 Hanover Quay	Fiserv	69,000
124/127 St Stephens Green	Toast	34,482
One Park Place	LinkedIn	29,220
One Park Place	LinkedIn	28,654



By Sector

Technology, Multimedia and Telecommunications (TMT) continued to be the top performing sector this quarter accounting for with 37% of overall take in 2021. TMT accounted for 52% in Q1 2022, with six lettings in excess of 25,000 sq.ft. Notable TMT occupiers this quarter include Fiserv, Toast, LinkedIn and Cubic Telecom.

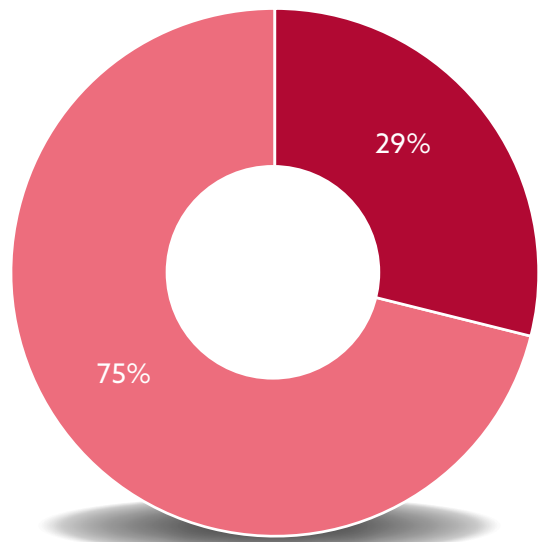
The State increased their market share this quarter at 7% following the completion of An Post's leasing of 78,000 sq.ft of the EXO building. The Banking & Finance sector was particularly active this quarter with Interactive Brokers, Morgan Stanley and Deutsche Bank all acquiring office space in excess of 12,000 sq.ft.



- TMT
- State
- Banking & Finance
- Professional Services
- Serviced Office Provider
- Other / Unknown
- Health & Pharmaceutical
- Real Estate
- Education
- Retail & Warehousing

Tenant Profile

Occupier profile remains consistent with previous quarters, with 71% of take up from International occupiers and 29% from domestic companies.



- Domestic
- International



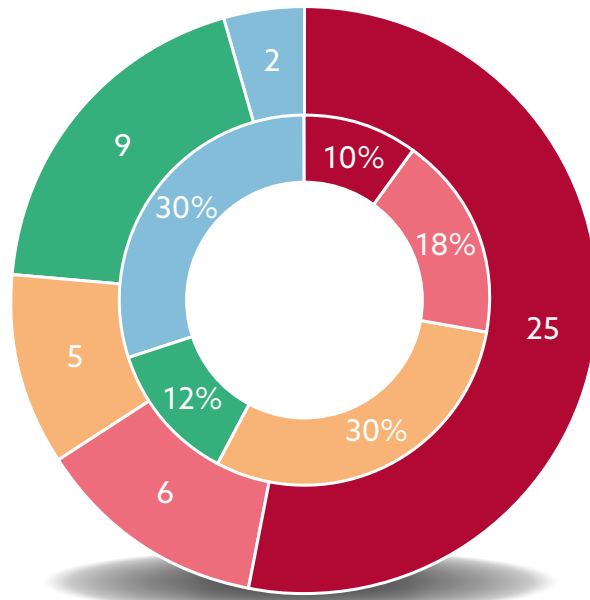
By Size

The most active size bracket in terms of number of deals completed was once again sub 5,000 sq.ft. with 25 transactions in Q1. Whilst this accounts for 53% of all transactions signed, it only represents 10% of the overall floor space leased. There were 2 transactions in Q1 which exceeded the 50,000 sq.ft. bracket and represented 30% of overall floorspace leased.

There were 5 transactions in the 20,000 – 50,000 sq.ft. bracket accounting for 30% or 145,965 sq.ft. of floor space leased.

The average deal size for Q1 stands at 10,444 sq.ft.

No. Deals By Size | % Of Total Take-Up



- Under 5,000 Sq.Ft.
- 10,000 - 19,999 Sq.Ft.
- 20,000 - 49,999 Sq.Ft.
- 5,000 - 9,999 Sq.Ft.
- Over 50,000 Sq.Ft.



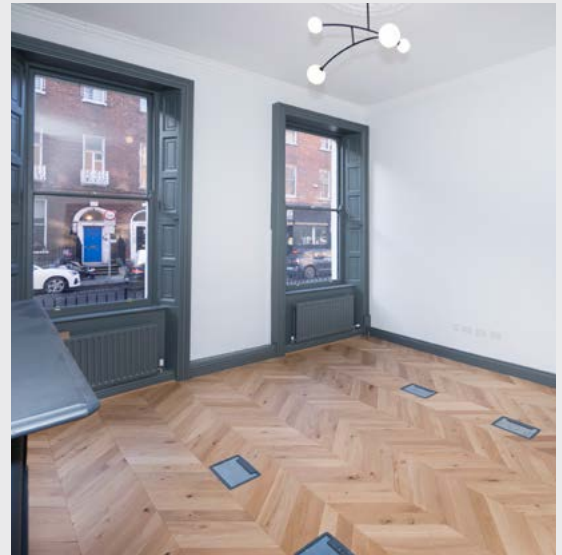


Rents /Terms

Prime quoting rents for Grade A offices have remained steady, with City Centre schemes quoting levels between €57.50 - €65.00 per sq.ft. and suburban schemes quoting levels of €32.50 - €35.00 per sq.ft.

Owners continue to seek long term leases, particularly for Grade A stock with a typical term certain of 10 - 12 years.

In 2021 we saw headline rent levels being sustained and an increase in occupiers seeking lease flexibility with earlier break options being introduced and an increase in incentives agreed. Lease flexibility continues to be sought by occupiers with 21% of deals completed benefitting from early break options, we do expect flexibility to retract particularly for prime Grade A stock.



Construction

A total of 400,000 sq.ft. of office accommodation was delivered in Q1. Currently there is over 6,000,000 sq.ft. of grade A accommodation under construction, 46% of which is pre-let or reserved.

With planning permissions granted for over 8,000,000 sq.ft. and a further 1,500,000 sq.ft. going through the planning system, construction pipeline remains steady with commencements on site dependent on continued demand in the market.

Property	Size (Sq.Ft.)	Status
Fibonacci Square	583,533	Due for completion Q3 2023
Tropical Fruit Warehouse	80,234	Due for completion Q2 2022
The Shipping Office	177,000	Due for completion Q4 2022
60 Dawson Street	145,176	Due for completion Q3 2022



Outlook

With employers beginning a phased return to the office, remote and hybrid working are here to stay with the government implementing new legislation in this regard, which will see employees given the right to request remote working.

ESG will continue to be a focus for companies when considering office relocations with an importance on grade A 'Green buildings' coming to prominence in order to meet ESG targets in the longer term. Owners and Investors will also need to evaluate their assets in terms of ESG in order to maintain investment value and letability.

Having had the largest share of office take up in 2021, Bannon expect international occupiers to continue to drive demand for Grade A office space in Dublin's CBD.

With planning permissions granted for over 8,000,000 sq.ft. of office space in Ireland. The continued delivery of Grade A product is secured subject to continued demand.

With 1.24 million sq.ft. currently reserved in the market, coupled with an increase in requirements, enquiries and re-activation of paused acquisition projects, Bannon expect a strong H2 in 2022.

Key Predictions for 2022



Prime headline rents to remain steady

Retraction of lease flexibility offered, particularly for Grade A buildings

ESG agendas continue to shift focus to Grade A 'green buildings', thus demand for same to increase.

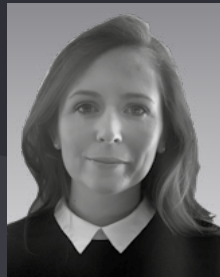
Q1 2022

Office Market Commentary

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