# Q2 2026

# CAPITAL MARKETS IRELAND


BNP PARIBAS REAL ESTATE

ONE MOLESWORTH STREET
Dublin 2

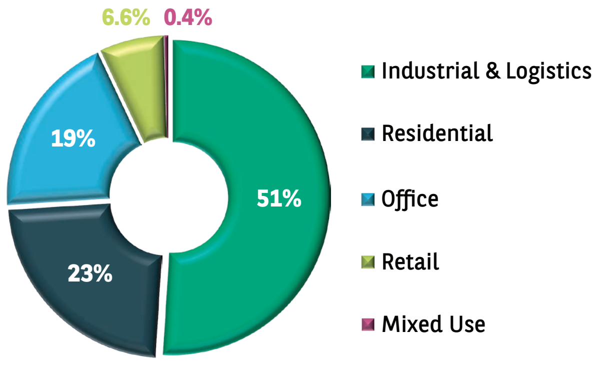
# MARKET ACTIVITY & KEY TRENDS

## KEY STATS

| | |
|---|---|
| Q2 2026 TURNOVER<br>€993M | YTD 2026 TURNOVER<br>€1.435BN |
| NO. OF TRANSACTIONS<br>25 | AVERAGE DEAL SIZE<br>€39.7M |

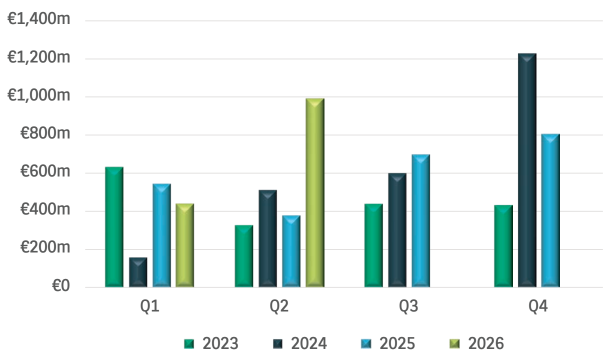
Source: BNPPRE

## INVESTMENT TURNOVER BY SECTOR



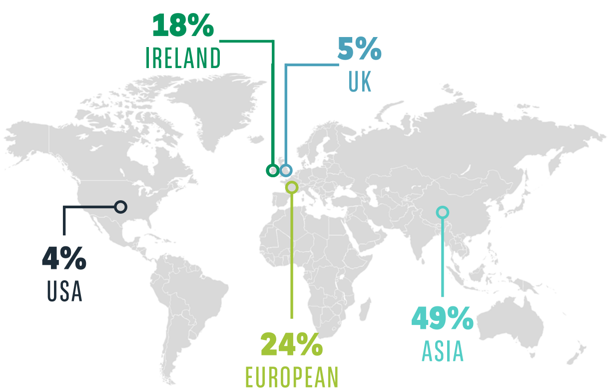

Source: BNPPRE

## QUARTERLY INVESTMENT TURNOVER Q1 2023 - Q2 2026




Source: BNPPRE

## ORIGIN OF CAPITAL




Source: BNPPRE

## TOP 5 TRANSACTIONS BY DEAL SIZE IN Q2 2026

| | BUILDING | SECTOR | PRICE (€M) | PURCHASER |
|---|---|---|---|---|
| 1 | Horizon Portfolio | Industrial | €485.0m | Valor / GIC |
| 2 | One Molesworth St. | Office | €110.0m | MEAG |
| 3 | Project Lime | Residential | €84.0m | Homes for Life |
| 4 | Seafield Strand | Residential | €67.0m | MEAG |
| 5 | Ilac Centre (50%) | Retail | €45.0m | Hammerson |

Source: BNPPRE

## PRIME INITIAL YIELDS (%)

| | Q2 2026 | OUTLOOK |
|---|---|---|
| Dublin Office | 5.00% | → |
| Dublin Logistics | 4.90% | ↓ |
| Retail (High Street) | 5.00% | → |
| Dublin Residential | 4.75% | → |

Source: BNPPRE





# OVERVIEW

The Irish investment market recorded almost €1.0 billion of investment in Q2 across 25 transactions. This brings total to end H1 2026 of €1.435 billion. Average deal size in Q2 was €39.7m, almost double the average deal size in Q1 and in 2025.

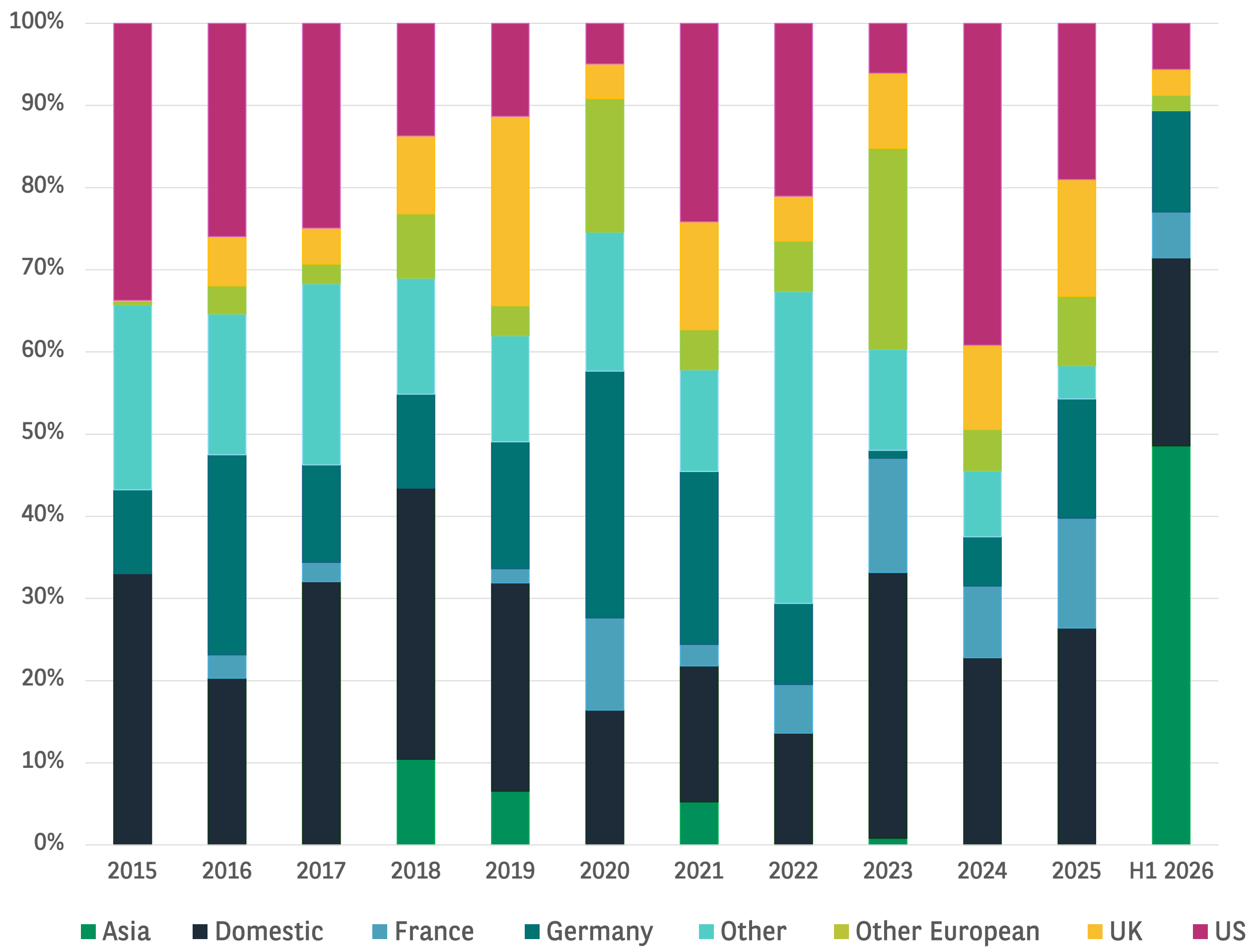
Industrial & Logistics investment topped the table in Q2 with 51% share of the total investment volume. This was followed by Residential at 23%, Office at 19% and Retail at close to 7.0%.

The Capital flow was dominated by Asian investors at 49% followed by Europeans at 24%, Irish at 18% and UK & USA at 5% and 4% respectively.

> "The latter half of Q2 saw levels of investment activity increase markedly. The positive market momentum and increased competition for assets was enough to check the 25 bps rate rise by the ECB in June. As a result, most sectors actually saw yields hardening in spite of continued geopolitical risk and rising swap rates"

**PETER FLANAGAN**
Managing Director &
Head of Capital Markets
IRELAND

## FIGURE 1: ORIGIN OF CAPITAL 2015 - H1 2026




Source: BNPPRE

# Q2 2026 - OVERVIEW

## OFFICE MARKET

- The Office investment market gathered further momentum during the first half of 2026, with improving investor confidence experienced by a number of significant institutional transactions. The standout deal was MEAG's acquisition of One Molesworth Street for approximately €110 million, the largest Dublin office investment transaction since Q2 2022, while several other office investment sales above the €20 million mark demonstrated improving liquidity across the sector.
- International capital continued to drive activity, with overseas investors accounting for 87% of deployed capital, reaffirming Dublin's position as one of Europe's most attractive gateway office markets. Investor confidence is further underpinned by the increasingly constrained supply of Grade A office stock, particularly of best-in-class ESG-compliant buildings, which is expected to support both occupational and investment fundamentals over the medium term.
- This supply dynamic, coupled with the sustained strength of occupational demand from international businesses over recent years, which has continued throughout 2026, provides investors with confidence in the long-term resilience and return prospects of the Dublin office market.
- The limited availability of assets coming to market is increasingly becoming one of the greatest constraints on activity in the office investment sector.

## RETAIL MARKET

- The retail investment market remained relatively subdued in Q2 2026, with just seven transactions completed during the quarter and a total investment volume of approximately €67 million accounting for just 6.6% of total investment turnover during the quarter. This brings year-to-date turnover to €74 million for the asset class. 2026 turnover to date, represents a significant decline of 83% compared with the same period in 2025, reflecting the lack of schemes being brought to market for the period.
- The dominant retail investment transaction in Q2 was Hammerson's acquisition of Irish Life Investment Managers' stake in the Ilac Centre, Dublin 1, for approximately €45 million. The transaction accounted for approximately 67% of total retail investment volume during the quarter and consolidates Hammerson's position as the majority owner of the shopping centre. Excluding the Ilac Centre transaction, all remaining deals completed below €8 million. As a result, the average retail deal size for the first half of 2026 stood at approximately €9.3 million.
- Geographically, investment activity remained concentrated within Dublin 1 and Dublin 2, which accounted for 85% of Retail transactions.
- Despite the relatively modest level of transactions, investor appetite for well-located retail assets remains strong, as evidenced by a number of transactions currently progressing through the market. Interest continues to be strongest for high street assets and grocery led schemes, where occupational fundamentals remain resilient. Looking ahead, we expect investment volumes to increase during the second half of the year as a number of shopping centre and high street transactions move towards completion. Against this backdrop, we expect prime retail yields will remain broadly stable.



Q2 2026 CAPITAL MARKETS IRELAND

## INDUSTRIAL & LOGISTICS MARKET

- Industrial & Logistics transaction activity in Q2 was dominated by the sale of the Horizon Portfolio in North Dublin for approximately €485 million, marking the largest logistics transaction ever completed in Ireland. This represented GIC's second major investment in the sector in recent times, following the Singaporean sovereign wealth fund's purchase of the North Gate portfolio alongside Chancerygate in Q4 2025.
- The Horizon Portfolio comprised 25 units extending to approximately 167,225 sq.m., together with a substantial land bank. The sale highlighted the continued strength of investors demand for industrial and logistics assets, underpinned by attractive market fundamentals, a limited supply of modern accommodation (with vacancy currently below 3%), sustained rental growth, further growth in e-commerce, and the expanding data centre sector in Ireland. It is anticipated that GIC together with their operator partner Valor will look to expand Horizon Logistics Park by speculatively building various units in the short to medium term.
- Looking ahead to Q3, prime yields are expected to harden below 5.00% as both Irish and international institutional investors continue to compete for high-quality assets, the majority of whom are seeking to increase their exposure to the sector from portfolios that have traditionally been more heavily weighted towards offices and retail.

## RESIDENTIAL MARKET

- Residential investment transaction activity in Ireland in Q2 totalled €233m. The quarter was led by Homes for Life acquisition of two social housing portfolios for a combinate €126 million. The largest PRS trade in the quarter was Union Investment's off-market sale of Seafield Strand in Sutton to MEAG for €67m. In the PBSA sector Greystar successfully completed the acquisition of an established student block on Church Street in Smithfield from Valeo Management Europa for €40m.
- Notwithstanding the ECB's interest rate rise in June, Prime Yields for PRS stock remain at 4.75%. Supply of institutional grade stock remains extremely limited. Owners of existing stabilised stock remain unlikely sellers in uncertain market conditions and delivery of new PRS schemes remain beset by feasibility challenges.
- Residential rents continue to rise at rates higher than core inflation. Daft's Q1 2026 Rental Report notes an average 2-bedroom apartment in Dublin costs €2,609 per month, a rise of 7.6% year on year. One-bedroom apartments rose 8.0% in the same period and 3-beds by 9.1%.
- Returns to existing PRS investors were also boosted in March by the Government's easing of rental caps. Under the new Residential Tenancies Act 2026, Landlords are permitted to reset unit rents to market level on majority of new lettings. With annual churn rates of 20% plus across the Dublin market, this will allow investors to capture the reversionary income that has been frozen since the annual caps were introduced in 2016.


» One Molesworth Street
Dublin 2

# TOP TEN INVESTMENT DEALS OF H1 2026

| | PROPERTY | SECTOR | LOCATION | PURCHASER | VENDOR | PRICE |
|---|---|---|---|---|---|---|
| 1 | Horizon Portfolio | Industrial & Logistics | Co. Dublin | Valor/GIC | Henderson Park | €485,000,000 |
| 2 | Newmarket Yards | Residential | Dublin 8 | GIC | Bain Capital | €212,000,000 |
| 3 | One Molesworth Street | Office | Dublin 2 | MEAG | Henderson Park | €110,000,000 |
| 4 | Project Lime | Residential | Various | Homes for Life | Angelo Gordon | €84,000,000 |
| 5 | Seafield Strand Sutton | Residential | Co. Dublin | MEAG | Union Investment | €67,000,000 |
| 6 | Ilac Centre (50%) | Retail | Dublin 1 | Hammerson | Irish Life | €45,000,000 |
| 7 | Project Harp | Residential | Various | Homes for Life | Goldman Sachs | €42,000,000 |
| 8 | Liv Student Church Street | Residential | Dublin 7 | Greystar | Valeo Management Europa | €40,000,000 |
| 9 | North City Business Park & Dublin Airport Logistics Park | Industrial & Logistics | Dublin 11 | SSGA | Rohan Holdings | €33,150,000 |
| 10 | Harbour Gate | Residential | Co. Kildare | IRES | Westar Homes | €31,750,000 |



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### GLOBAL VISION AND LOCAL MARKET KNOWLEDGE
### OUR EXPERT TEAMS ARE DEDICATED TO YOUR REAL ESTATE PROJECTS

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