Q3 2025 IRISH INVESTMENT MARKET

BNP PARIBAS REAL ESTATE

SPENCER PLACE RESIDENTIAL
Dublin 1

MARKET ACTIVITY & KEY TRENDS

€699.5 MILLION

of real estate investment spend in Ireland across all sectors resulting a **16.3% increase** compared to Q3 2024 and a **58.4% increase** on Q3 2023

Total year-to-date turnover in 2025 at

€1.63 BILLION

TOTAL INVESTMENT

in **Q3 2025 dominated by Residential & Office** accounting for over **72.4% combined**

34 TRANSACTIONS

completed in Q3 2025
41.7% increase compared to Q3 2024 and **17.2% increase** on Q3 2023

BROAD INVESTOR BASE

Led by **Domestic investors at 48.8%**. Followed by **European investors at 35.4%** (including French investment at 30.2%) and **UK investors at 14.0%**

The investment market in 2025 continues to show signs of consolidation and recovery. Total real estate investment spend in Ireland in Q3 2025 reached €699.5 million, representing a 16.3% increase compared to Q3 2024 and a 58.4% increase on Q3 2023. The current quarter's investment spend brought year-to-date turnover to €1.63 billion, reflecting a cautious yet steady improvement in market momentum.

The Residential and Office sectors dominated the investment activity in Q3 2025, collectively accounting for 72.4% of total investment spend.

Transaction activity also strengthened, with 34 transactions completed in Q3, marking a 41.7% increase compared to Q3 2024. Over 35.0% of these transactions were executed in the office sector, underscoring the sectors continuing recovery.

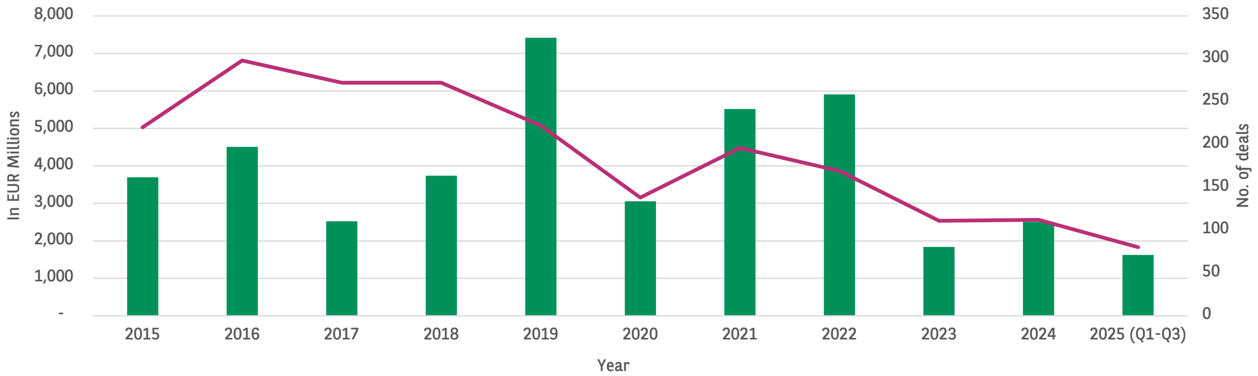
The market has now recorded 80 transactions YTD at the end of Q3 2025, a marginal rise from 73 transactions recorded in the same period in 2024, and a slight decline from 84 transactions in 2023.

The average deal size in 2025 stands at €20.3 million, a decrease from €22.4 million in 2024 and an increase from €16.6 million in 2023, indicating a shift toward mid-range transactions. The quarter witnessed strong activity in the €3m - €10m segment, alongside sustained interest in the €1m - €3m range. However, high-value deals (≥€50m) have notably declined, with only 9 transactions recorded to date in 2025, (down significantly from 19.7 transactions per year between 2015 and 2024).

> The emerging real estate investment data for Ireland confirms a steady improvement in sentiment generally and in the office sector particularly. The Residential market has also re-ignited but remains limited to standing stock only for the time being.

PETER FLANAGAN
Managing Director &
Head of Capital Markets
IRELAND

FIGURE 1: INVESTMENT MARKET ACTIVITY



Source: BNPPRE

Residential spend totals €259.5 million or 37.1% of total turnover and is majorly accounted by Ardstone's acquisition of two PRS schemes at Spencer Place, Dublin 1 and Birchwood Court in Santry, Dublin 9.

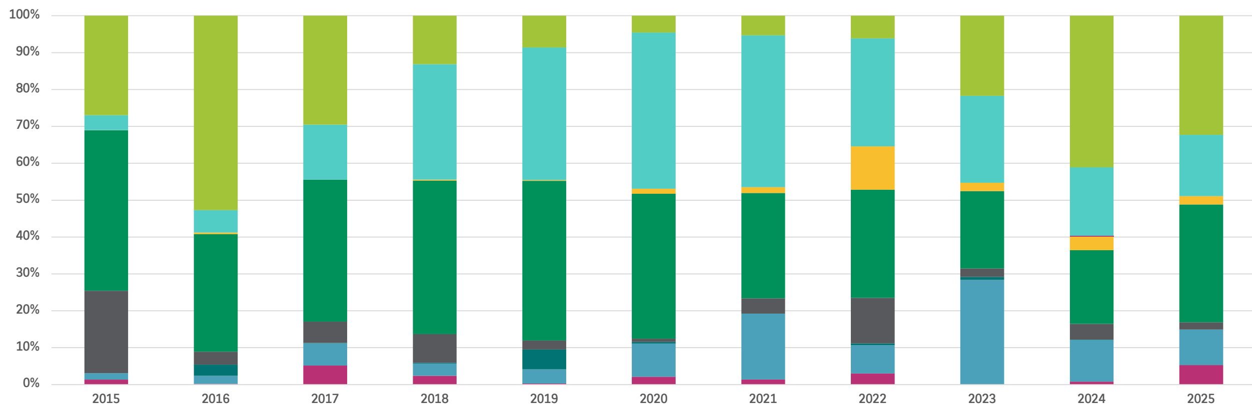
The transactions in the office sector amounted to €246.8 million in total or 35.3% share of total transactions, reflecting investor's continued desire for centrally located, income-producing modern Office assets. The Office sector's resilience is highlighted by the substantial acquisitions at City Quay and Herbet Street in Dublin 2 by Corum AM, La Touche House in Dublin 1 by SIG and at Shelbourne Buildings, Dublin 4 by Arkea and Remake, amounting to €189.4 million cumulatively.

Investment in the retail sector slowed to just €94.5 million, or 13.5% of the total investment spend in Q3 2025. However, Q1 to Q3, retail sector still dominates the investment landscape amounting to 32.3% of the cumulative turnover for 2025. This includes the Park West Portfolio, Dublin 12 transaction amounting to €65.0 million is the third largest deal in Q3 2025. The Industrial and Logistics sector accounted for €92.7 million in turnover, or 13.2% of the total turnover in Q3 2025.

TURNOVER BY SECTOR

Sector distribution in 2025 highlights a balanced portfolio, with Retail leading the way at €525.1 million (32.3% of total investment spend), driven largely by the sale of Retail Parks (including the Trinity Collection). Office follows closely at €519.2 million (31.9%) with 68.2% of these transactions located in Dublin's Central Business District (CBD). Residential contributes €270.1 million (16.6%), bolstered by Ardstone's two major Q3 acquisitions, though overall residential investment activity remains subdued compared to previous cycle peaks. Industrial & logistics has fallen to €156.7 million (9.6%), a function of limited supply in Q1-Q3, but with a significant rebound anticipated in Q4.

FIGURE 2: SECTORAL DISTRIBUTION OF INVESTMENT



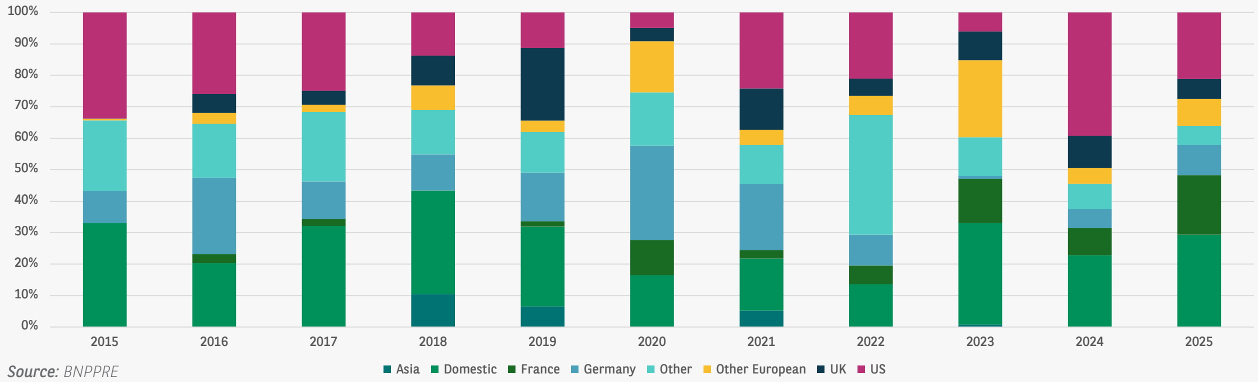
Source: BNPPRE

ORIGIN OF CAPITAL

In 2023, total investment turnover dropped to €1.8 billion, the lowest level recorded since 2015. This can largely be attributed to ECB interest rates peaking at 4.25% and supply chain disruptions impacting construction costs, which rose by 15.0% year-on-year. 2024 activity was further tempered by Russia's invasion of Ukraine. In spite of this, investment spend increased to €2.50 billion, with the US making a significant contribution of €981.6 million (39.2% of total spend), signalling the emergence of a new real estate cycle.

Total year to date investment spend in Ireland in 2025 stands €1.6 billion. It is led by European investors at 37.1% of the total spend, including French investment at 18.9%. This is followed by domestic investment at 29.4% of total spend, US investment at 21.1%, and UK investors at 6.4%.

FIGURE 3: ORIGIN OF CAPITAL



Source: BNPPRE

OUTLOOK - INVESTMENT MARKET

After a strong year to date performance, supply constraints are evident in the Retail sector, within both the Retail Park and Shopping Centre segments. We expect strong private investor demand to persist for Retail High Street sales. The Office sector's recovery and momentum is expected to continue through to the end of the year and into 2026, with competitive demand returning for modern income producing assets. The Industrial and Logistics sector has been impacted by limited investment supply to date in 2025, but the sector remains in favour by investors. We expect a strong rebound in logistics activity before year end, with a number of transactions underway, including the Henderson Park sale of Horizon Logistics Park, EQT's Project Liffey Portfolio sale and IPUT's North Gate Portfolio sale. Finally limited supply will impact the Residential sector turnover for the foreseeable future, with activity restricted to standing stock. However, yields returning to sub 5.0% levels will present a tempting exit window for many developers and investors.

By the end of Q3 2025 investment spend has reached €1.63 billion across 80 deals, with the market showing a steady resurgence. A typically strong Q4 could take investment spend north of €2.50 billion, a slight increase potentially on 2024, but activity still below 10-year average spend of €4.10 billion.

TABLE 1: NET INITIAL YIELDS (%), PRIME ASSETS

	Q2 2025	Q3 2025	OUTLOOK
Dublin Office	5.00%	5.00%	→
Dublin Logistics	5.00%	5.00%	→
Retail (High Street)	5.25%	5.25%	→
Dublin Residential	5.00%	4.75%	→

Q3 2025 IRISH INVESTMENT MARKET

TOP 5 TRANSACTIONS BY DEAL SIZE IN Q3 2025

	BUILDING	POSTCODE	SECTOR	PRICE (€M)	PURCHASER
1	Spencer Place	Dublin 1	Residential	€177.0m	Ardstone
2	Birchwood Court, Northwood, Santry	Dublin 9	Residential	€79.0m	Ardstone
3	Parkwest Portfolio	Dublin 12	Industrial / Logistics	€65.0m	ICG
4	24-26 City Quay	Dublin 2	Office	€55.0m	Corum AM
5	La Touche House, IFSC	Dublin 1	Office	€36.5m	SIG

CONTACTS

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

PETER FLANAGAN
MANAGING DIRECTOR &
HEAD OF CAPITAL MARKETS
BNP PARIBAS REAL ESTATE
IRELAND

peter.flanagan@bnpparibas.com

GAVIN MAGUIRE
DIRECTOR
CAPITAL MARKETS
BNP PARIBAS REAL ESTATE
IRELAND

gavin.maguire@bnpparibas.com

SUMIT BAGUL
ANALYST
CAPITAL MARKETS
BNP PARIBAS REAL ESTATE
IRELAND

sumit.bagul@bnpparibas.com

BNP PARIBAS REAL ESTATE

**57 Adelaide Road, Dublin 2,
D02 Y3C6, Ireland**
+353 1 661 1233
realestate.bnpparibas.ie
PSRA No: 002702

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