“Q2 Irish Investment Market At A Glance”

“While the sale of prime offices continued to dominate activity in the Dublin investment market in Q2, investors looking for retail opportunities focused on shopping centre assets out of the capital”. Joan Henry, Head of Research at BNP Paribas Real Estate.

“Investor spend in Q2 was split almost 50/50 between Dublin and the rest of the country – a trend which indicates that the market has entered a more mature phase in the current cycle”, said Henry.

Kenneth Rousse of BNP Paribas Real Estate’s investment team said that “Retail opportunities are set to remain a key theme in the market over the coming months as investors’ look to tap into the rental growth cycle in this sector”.

Irish Investment Market Turnover, by location, % of €value

<table>
<thead>
<tr>
<th>Location</th>
<th>% of Value</th>
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</thead>
<tbody>
<tr>
<td>Dublin market</td>
<td>52%</td>
</tr>
<tr>
<td>Rest of country</td>
<td>48%</td>
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</tbody>
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Source: BNP Paribas Real Estate

Total investment market turnover in Q2 was €671m, down 30% from the level reached in Q1.

€323m was invested in the Dublin market in Q2 – with prime offices dominating investor attention. €207m (64%) of the total was spent on offices and of the nine buildings sold, the largest transaction was the purchase by IPUT of Riverside One, Sir John Rogerson’s Quay. (€80m).

Another prime office deal done on Sir John Rogerson's Quay - the sale of No's 17-19, The Anchorage, for €26m, coupled with Riverside One; give investors a good sense of where prime yields have tightened to across two key sectors, (4.3% and 4.6% respectively).
Investor spend on retail in the Dublin market was low in Q2 – partly due to lack of supply on the market in the capital and partly due to the amount of opportunities that came to market outside Dublin. At a total of €10m (spread over 6 transaction) this level of spend in Dublin can be considered unusually low/quarter specific with retail opportunities expected to re-emerge as a key theme over the next year.

€348m was spent outside of Dublin – dominated by shopping centre sales, against a backdrop of much improved retail sales and strong employment growth data. The Cornerstone Portfolio consisting of six shopping centres, in six counties was the largest retail transaction, achieving a price of €117m.

Another interesting trend in Q2 is the fact that 55% of investment spend was by domestic purchasers – with IPUT, Irish Life and private Irish investors all very active in the market.

The largest office deal outside Dublin in Q2 was Albert Quay in Cork, a Grade A opportunity purchased by Green REIT for €58m. 10% of total market turnover was in the office sector outside of Dublin, a significant % and once again an indication of the wider confidence in the economy and property market as a whole.

There is a strong pipeline of deals in progress and the expectation is that turnover will be strong for the year as a whole.

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BNP Paribas Real Estate, one of the leading international real estate providers, offers its clients a comprehensive range of services that span the entire real estate lifecycle: property development, transaction, consulting, valuation, property management and investment management. BNP Paribas Real Estate has local expertise on a global scale through its presence in 36 countries with more than 180 offices and 3,400 employees (17 wholly owned subsidiaries and 17 by its Alliance network, that represents today more than 3,000 people). BNP Paribas Real Estate is a subsidiary of BNP Paribas. For more information: [www.realestate.bnpparibas.com](http://www.realestate.bnpparibas.com)

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**Press Contact:**

Jennifer ROSS - Tel: +353 (0)1 66 11 233 – [jennifer.ross@bnpparibas.com](mailto:jennifer.ross@bnpparibas.com)

Joan HENRY – Tel: +353 87 687 5066 – [joan.henry@bnpparibas.com](mailto:joan.henry@bnpparibas.com)