

Intelligent Investment

2026 Ireland Real Estate Market Outlook

REPORT

Your guide to the
year ahead in CRE.

CBRE RESEARCH
JANUARY 2026

CBRE



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Executive Summary

- In the last year, Irish commercial real estate **showed continued signs of stabilisation**. Further ECB rate cuts brought capital values to the cusp of positive growth, while the office sector – the cornerstone of the market – experienced a revival. However, geopolitical uncertainties, including tariff threats, cast a shadow over parts of the year, influencing market dynamics.
- After a period of reduced friction, European–U.S. trade tensions have recently resurfaced, leaving risks more elevated in the year ahead. **Ireland has remained relatively unscathed for now**: key sectors such as pharmaceuticals are exempt from reciprocal tariffs, and domestic economic expansion continues, with **a further 3% MDD growth forecast for 2026**.
- The potential impact of Artificial Intelligence on jobs growth and the risk of **an emerging ‘AI bubble’ is one of the other threats to markets this year**. However, the extent of AI’s ability to replace workers remains in question, while the biggest technology groups who are said to be in ‘bubble’ territory are fundamentally well-capitalised enough to absorb a shock.
- For real estate in Ireland, total returns are now in positive territory and asset value growth will emerge selectively. Monetary conditions are supportive – indeed **we have already seen intense competition emerging in real estate debt markets**.
- **ECB interest rates will remain largely stable this year with an outside chance of a further decline**, while the Federal Reserve’s anticipated cuts will aid global liquidity, though further dollar devaluation could challenge U.S. investors and the 10-year treasury remains stubbornly high at 4%+.
- **We see little signs of further distress in 2026 in the Irish market**. The ownership and funding profile of the market, now made up of global institutional funds, has offered downside protection during this recent period of volatility. Where distress has occurred it has been worked out proactively with only a handful of heavily discounted sales.
- This year we expect pent-up investment sales to come to market as asset strategy plans that have been deferred over recent years finally have a less volatile market in which to execute. **Sales volumes should rise to above €3bn and even potentially trend towards €4bn**. The profile of capital seeking to acquire assets has changed however.



Introductory Note by

Myles Clarke

Managing Director, CBRE Ireland

Stronger Foundations

Welcome to the 37th edition of CBRE Ireland’s Outlook report, in which we analyse the main drivers of Irish commercial real estate performance in the last year and what will be key in 2026.

The stabilisation of monetary conditions and resilient economic fundamentals have supported growing momentum in Irish real estate markets, a trend we expect to strengthen further in the year ahead, notwithstanding ongoing global uncertainties. Ireland’s credit profile continues to shine, exemplified by the 10-year government bond yield holding below 3%, reflecting the country’s strong fiscal position and attracting sustained investor confidence.

Domestically, housing policy is now on a firmer footing, with pragmatic reforms – including streamlined planning and infrastructure enablers – expected to meaningfully accelerate delivery. Alongside record public capital commitments under the updated National Development Plan, there is still a sizeable opportunity for private equity deployment to support ambitious residential, commercial and infrastructure development pipelines over the next decade.

I would like to thank our incredible CBRE Ireland team and partners for their dedication and support, and our clients for their trust – we look forward to working together to seize opportunities in 2026.

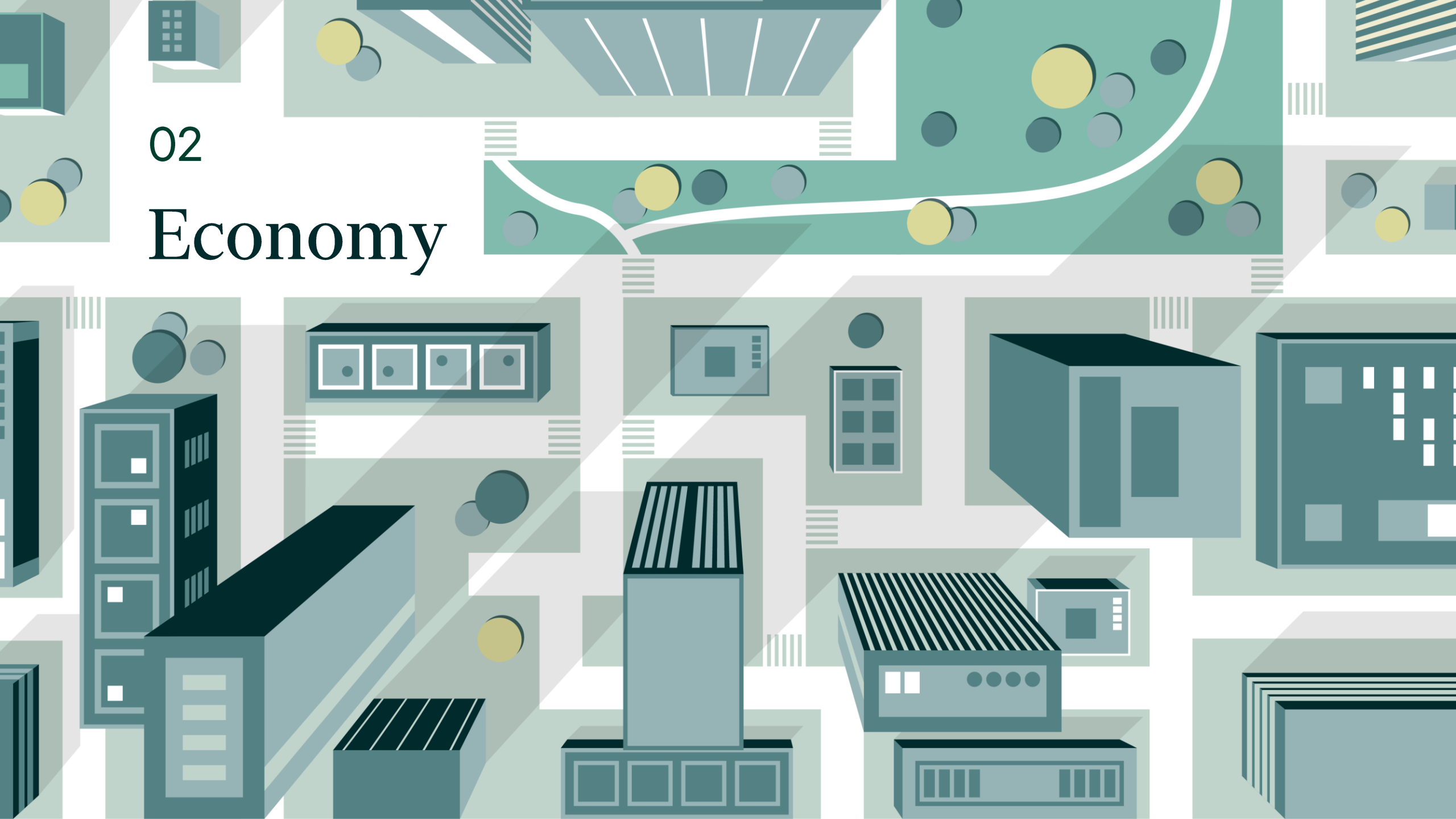
Executive Summary

- Investment in the office and logistics sectors is set to increase. Most notably, **policy shifts in the residential sector are fostering greater liquidity**, and we expect sales volumes to double, accompanied by yield compression in both prime and secondary assets.
- **The Irish Government is now adopting a more pragmatic stance on planning and development.** The recent publication of *Delivering Homes, Building Communities, the Accelerating Infrastructure Report & Plan*, following on from the *National Development Plan (NDP)* all set out supportive frameworks.
- Further commercially-oriented measures were published early this year including new data centre policy (LEAP), and a **Student Accommodation Strategy is also expected.** While Ireland will also have the benefit of the EU Council presidency in H2.
- **VAT reductions on the sale and construction of apartments should improve viability, giving a boost to land sales.** The Hartfield Place development site in Dublin, with plans for 334 private rental units, is now sale agreed, providing evidence of this. While we have also started to see the impact of RZLT in bringing more sites to market.
- The availability of office space in the core city centre is into its final phase, with just 92,000 sq m now available in Dublin 2, and little more under construction. **Office take-up should total >200,000 sq m and prime rents will rise by at least 8%.**
- **Logistics continues to benefit from Ireland's economic expansion and prime rental growth of 5% is expected.** However, the focus is shifting somewhat to the development of small- and mid-sized boxes where there is a clear gap in the market.
- **Retail will continue to experience a bounce-back, catalysed by high-profile openings** such as a new flagship store for a premium clothing brand on Grafton Street and one of Europe's largest Zara stores in the former Debenhams unit on Henry Street.
- The hotels market saw record sales volumes in 2025, propelled by the Dalata Hotel Group sale. Supply will be a key consideration but **tourism growth is expected to rebound**, aided by loosening airport restrictions, while **the sale of a portfolio of 10 nursing homes will serve as a bellwether for the healthcare market.**

Dublin's office market is strengthening and availability is contracting – positioning prime rents for a marked step-change this year.

02

Economy



Inward investment and economic growth despite tariff threat

Tariffs, Trade Impact & FDI

Ireland emerged relatively unscathed from the EU-U.S. trade uncertainty that dominated part of last year. The headline tariff on EU goods of 15% falls to an effective rate of under 3% for Ireland, as our most prominent exports – pharmaceuticals, computer chips, and aircraft parts – are exempt. So far, this has meant FDI-led demand and IDA job creation have remained remarkably resilient.

Tariffs on pharmaceutical products remain a key downside risk for the economy in the year ahead, given that the sector can account for up to 70% of national goods exports by value. In January, tariff-related uncertainty resurfaced, and the threat of an escalating trade dispute with the U.S. would clearly be detrimental to both the European and Irish economies.

European & Irish Economic Growth

European GDP growth in 2026 is forecast to be muted (around 1%), but Ireland’s economy remains an outlier. After an inflated +12.8% GDP growth in 2025 (forecast), headline output will likely normalise to +3.2% in 2026. More relevant than GDP for the domestic economy is

Modified Domestic Demand, which is also projected at +3% this year, also outperforming Europe.

Employment and Artificial Intelligence

Despite a soft rise in the unemployment rate last year, driven by rising youth unemployment (now ~14%), the national rate at year-end was 4.9%. The outlook is that this will likely remain stable through 2026. AI-related efficiencies were cited as a contributing factor to rising youth unemployment globally last year and some of the leading global professional services firms have indicated that less graduate hires may be required going forward. However, questions remain as to the full extent of the impact of AI on the labour market, particularly at more senior levels.

The other related concern flagged is the potential emergence of an “AI bubble,” which could be a key risk to global financial markets in the year ahead. While valuations of AI-focused technology companies have surged, many of whom have an Irish presence, these firms generally maintain strong balance sheets and are better positioned to absorb short-term equity market volatility, even if sentiment shifts.

Figure 1: Key Irish Economic Indicators

| Indicator | 2025 | 2026 (F) |
|-------------------|---------|----------|
| GDP | +12.8%^ | +3.2% |
| MDD | +3.9%^ | +3.0% |
| Real Wage Growth | +2.5% | +3.0% |
| Unemployment Rate | 4.9% | 4.9% |
| Debt/GNI* | 61.7% | 58.6% |
| HICP | +2.0% | +1.7% |
| ECB Deposit Rate | 2.0% | 2.0% |

Source: CBI, Davy, NTMA, CBRE

^Forecasts

*Modified Gross National Income

Fiscal position supporting real estate & infrastructure spend

‘Windfall’ corporation taxes underpin fiscal strength, enabling record public investment.

National Debt and Spending

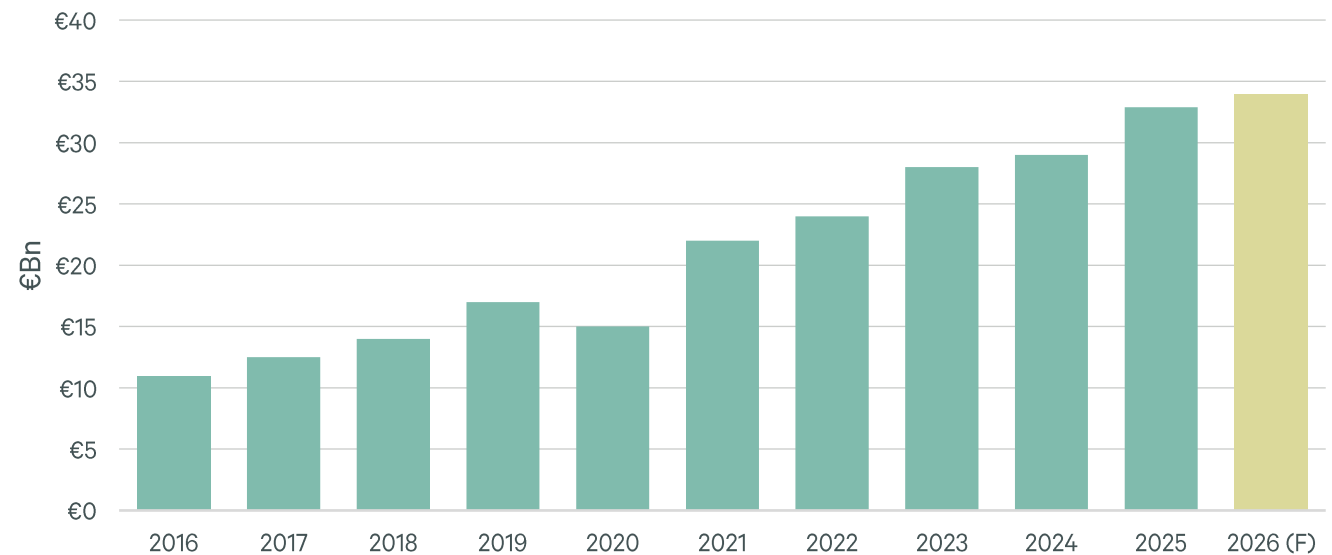
Ireland’s fiscal position, with government debt at approximately 62% of GNI*, continues to be enviable and favourable compared to most developed economies. Corporation tax receipts reached a record €32.9 billion in 2025, 31% of total tax income, with the Department of Finance forecasting an up to €34 billion return in 2026 – which will mean a fifth consecutive annual government budget surplus.

However, successive coalition governments are facing growing criticism for repeatedly breaching national spending guidelines (which limit core public spending growth to 5% annually) and their reliance on ‘windfall’ corporate tax receipts which are heavily concentrated in a small number of companies. Recent statements from the new Minister for Finance emphasise the need for greater restraint; however, ambitious housing and infrastructure commitments through to 2035 make a material slowdown in spending unlikely.

Implications for Real Estate

Ireland’s economic backdrop – anchored by robust employment, consumption, income and population growth – continues to provide a compelling foundation for real estate investors and developers. These fundamentals underpin sustained demand for core commercial properties in office, logistics and retail, alongside strong demand for living sector assets (housing, PBSA and hotels) as well as healthcare facilities.

Figure 2: Ireland Corporation Tax Receipts

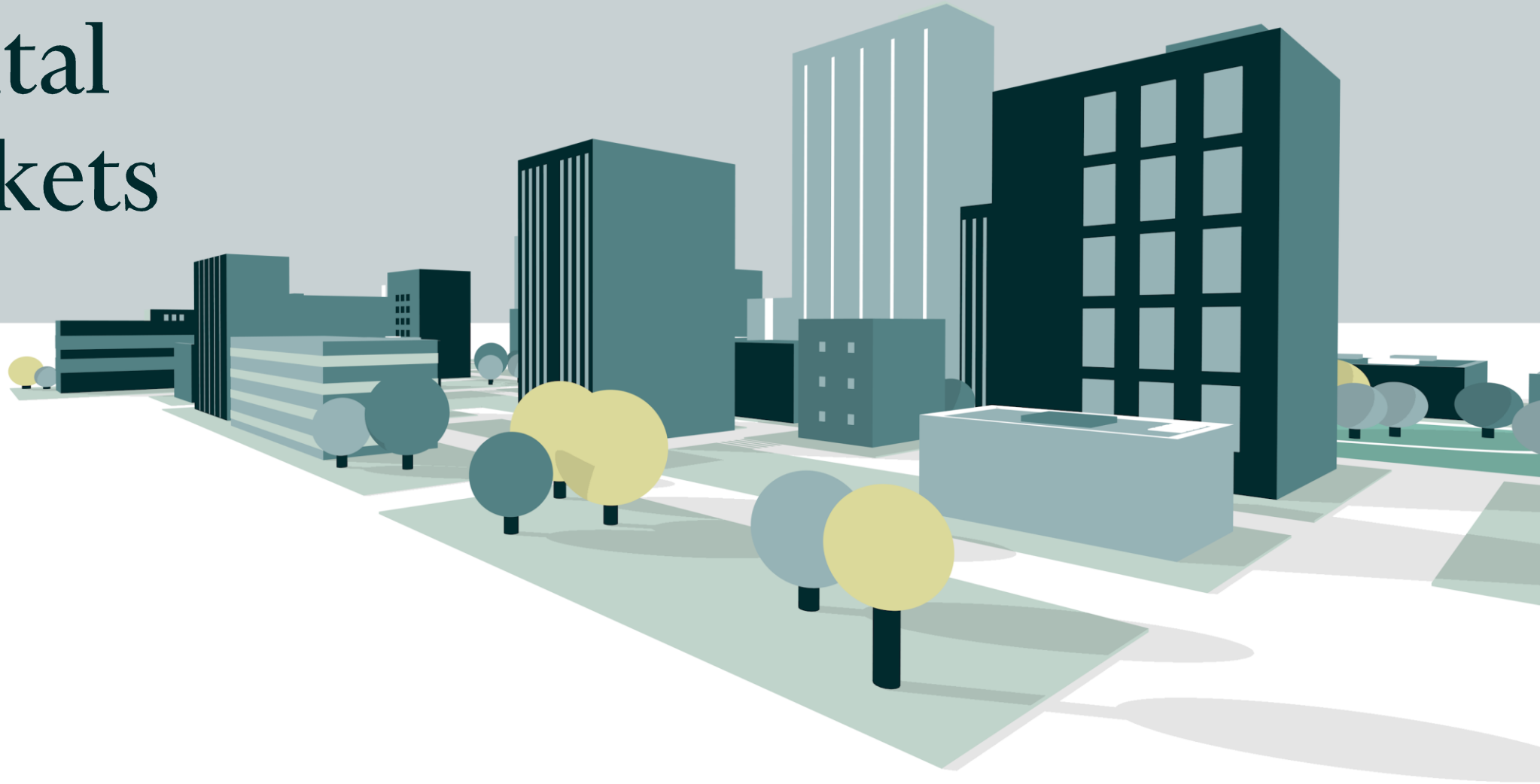


Source: Dept. of Finance

*Modified Gross National Income

03

Capital Markets



03

Capital
Markets

Trends to Watch

- Overall investment spend in Ireland remained flat at €2.5bn in 2025, despite stronger deal momentum and increased investor interest as the year progressed. Activity is expected to accelerate further in 2026, with forecasted sales **exceeding €3bn and possibly trending towards €4bn for the year.**
- **Pent-up activity in the residential sector will lead the market**, with several large-scale processes likely to launch in the coming months. **CBRE also has visibility of a number of high-profile offices coming for sale**, both prime and secondary, while logistics portfolio transactions already in progress should deliver a strong Q1.
- CBRE has observed an **increase in core-focused capital ready to be deployed around Europe.** The scarcity of core money has been notable over the last three years, so this activity is coming from a low base, but **there will be a number of core Dublin assets coming to market to test this appetite in 2026.**
- **The availability of private debt for real estate surged late last year**, as evidenced by recent high-profile residential and office deals in Dublin that showcased increased leverage and competitive pricing. This will be a key theme that will support activity in the coming months, with **tighter margins making debt more accretive across a broader range of assets.**
- **A large-scale investment opportunity in healthcare is** being prepped for sale in 2026, and should attract some new players to the Irish market. Separately, the recent sale-and-leaseback (S&LB) of a pan-European Lidl supermarket portfolio has just closed, including four Irish stores. We believe that the S&LB transaction structure is one that **should be adopted more widely by Irish owner-occupiers who are aiming to raise capital** while ensuring operational security.



Core capital and competitive debt key themes in 2026

Gradual Reemergence of Core Capital

Core transactions in the Irish market last year included the sale of Dublin offices at 20 Kildare Street and 10 Hanover Quay. But for much of the past three years, there has been a scarcity of active core-focused capital around Europe. Bidding depth has been relatively thin on core asset sales at the pricing levels required for true core returns, though noticeably deeper at slightly lower pricing points.

There is already evidence of core money resurfacing in Europe. Bids on a €700m Paris office, Trocadéro, in H2 2025 revealed some re-engaged investors that could compete for the prime Dublin offices set to come to market. While an increase in focus on Dublin’s private rental sector will also bring some core money back to considering the sector. CBRE’s Investor Intentions Survey 2026 showed that 17% of investors this year are targeting ‘Core Strategies’, up from 14% in 2025.

Some argue that the profile of core returns has shifted outward slightly, reflecting higher capital costs, yield expectations and a recalibration of risk. Nonetheless, we see a gradual rebuilding of depth for best-in-class assets in Dublin and Europe this year.

Intensifying Competition in Private Debt Markets

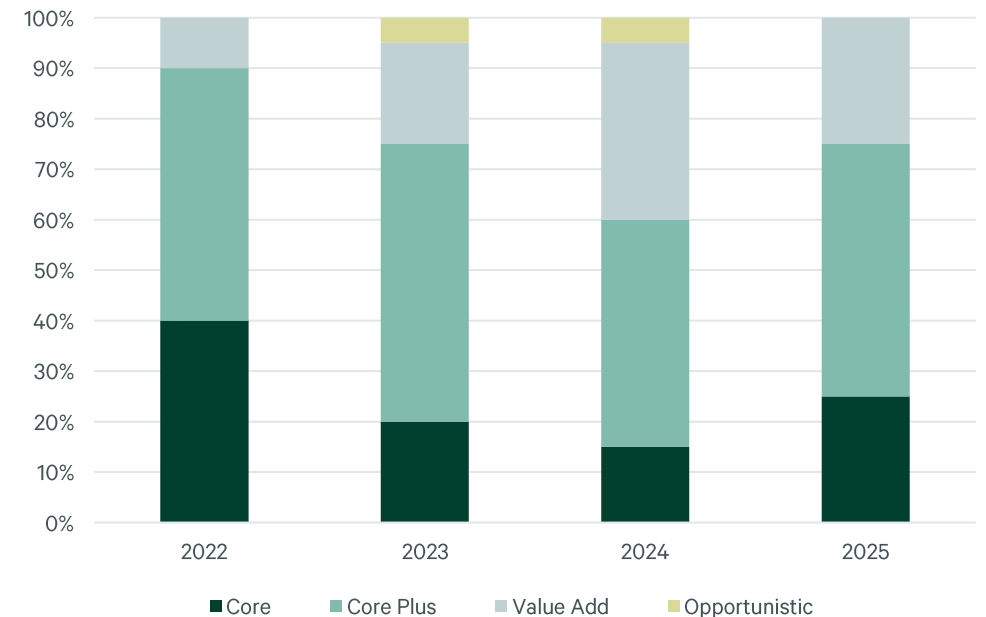
In the face of the market volatility and price discovery of the last three years, many would-be direct investors have shifted their focus to debt strategies, with the aim of de-risking part of the capital stack while still capturing attractive risk-adjusted returns in a higher interest rate environment. This influx of capital is now actively seeking deployment opportunities across Europe, intensifying competition among private lenders and resulting in more aggressive pricing and leverage.

Some recent Dublin financing transactions have shown this. We saw financing secured for the acquisition of a residential asset in late 2025 at terms not seen since pre-2022, with margins as low as 1.5% for >60% LTV.

We see this dynamic persisting into 2026, with more competitive terms for financing across sectors making debt more accretive and supporting more core and core-plus investment, across sectors.

Considering there are some high-profile, large-scale assets to come to market in 2026, there will be strong demand for debt in Dublin and we expect competition among prospective lenders.

Figure 3: Irish Investment Transactions Split by Strategy*



Source: CBRE; *Definition: The top 20 Irish investment transactions each year from 2022 to 2025 categorised by investment strategy.

Funding & Yield Analysis

Irish asset values are now in the early stages of a renewed growth cycle across both commercial and residential sectors.

Monetary Conditions Supportive of Investment

ECB base rates are expected to remain steady throughout the year, with the deposit rate currently at 2.0%. Euro area inflation is still running at 2%, which is considered too high to justify any rate cuts. It remains uncertain whether this level represents the appropriate neutral rate.

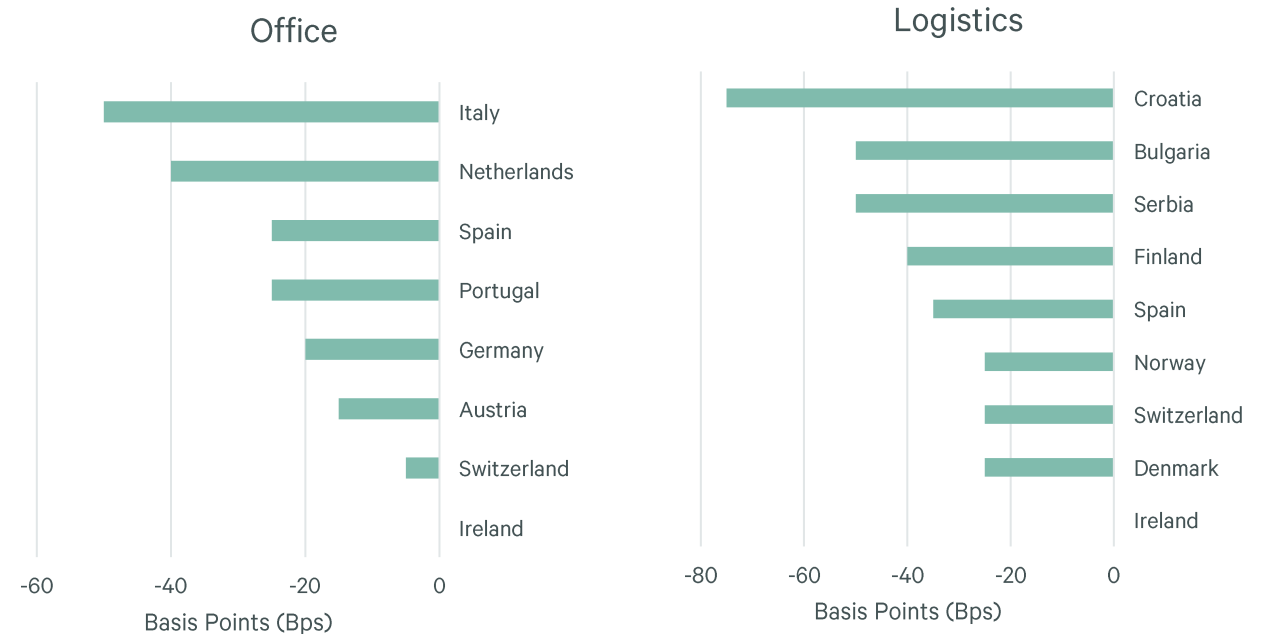
The likelihood of further rate hikes appears low, given the sluggish growth outlook for Europe this year. Swap rates have edged up recently to ~2.4% (5Y EURIBOR), though competitive private lending conditions mean borrowers continue to secure attractive financing terms.

Some Compression in Real Estate Yields

We see Irish assets entering the early stages of a gradual growth cycle across the core commercial sectors and in residential. Prime Dublin office and industrial assets are forecast to remain steady at 5.0% in 2026 but notably yield compression has been evident in other European markets through the last 12 months. It will be important to watch European trends as a potential lead indicator for Dublin, given there will be more liquidity in the Irish market this year.

PRS yields are expected to compress toward 4.50%, driven by policy changes and increased competition for assets. Purpose-Built Student Accommodation (PBSA) may follow a similar trend, particularly if legislative changes align the sector with residential rent regulations later this year.

Figure 4: Prime Yield* Compression - Europe 2025



Source: CBRE

*Refers to the prime city or market in each country

04

Living



Trends to Watch

- The institutional rental sector will be the market to watch in 2026. Policy changes and pent-up activity are expected to drive a significant uptick in transaction volumes over the next 12 months. Full-year investment volumes in the private rental sector (excl. PBSA) for 2025 were €400m, and **we anticipate this figure will more than double in 2026.**
- The **profile of capital active in the sector has shifted** since the market peak in 2022. This year, a new profile of high-net-worth investors, insurance companies, and some domestic platforms will be most active. The recent sale of 18 Newmarket Square (developed by Revelate Capital) to MEAG for €75m attracted significant interest, with **many of the underbidders new entrants to the Irish market.**
- Rent control changes set for March 2025 will **allow landlords to reset rents when tenants vacate**, a measure CBRE has advocated for for more than two years. This **provides greater certainty when underwriting long-term investment plans**, by assuming a natural tenant churn level (typically 15% to 20%) to capture reversionary rent.
- For this new capital to truly unlock more apartment development in Dublin, **investors must have confidence that development is viable for forward structured deals to re-emerge.** While VAT reductions on apartment sales and added flexibility on rent controls are supportive, there are still question marks around construction viability.
- **Yields will compress by at least 25 bps. Although more compression may be required for new construction projects to approach viability.** The CBRE European Investor Intentions Survey 2026 shows that the Living sector is once again the most targeted, and upcoming regulatory change has brought Dublin back into focus for many investors.



Residential investment to rebound

New Capital to Enter the Market

The profile of capital seeking to acquire private rental assets has now shifted. Previously, the dominant players were large German institutional and pension funds seeking scale through forward-structured deals.

In contrast, we see a new cohort of high-net-worth family offices, insurance companies, and some domestic platforms who are focused on stabilised, income-producing assets. Their investment strategies prioritise predictable cash flow and lower volatility and these investors typically are investing over a longer time horizon making core residential assets attractive.

For the Irish market, understanding the requirements of this new capital will be critical for stakeholders aiming to maximise transactional liquidity in 2026.

Alongside these new players, traditional Irish landlords remain influential. IRES REIT has repositioned with fresh capital and a revised strategy, while Ardstone Capital has risen to be among the largest investors in the market. New entrants in the residential market last year include MEAG and N&W Capital (a Dutch private family office).

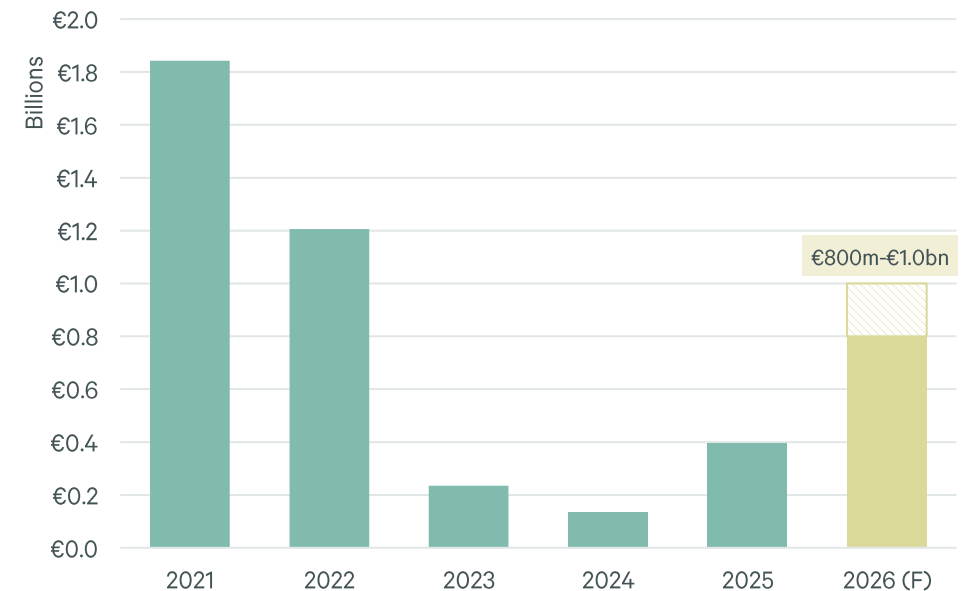
Regulation to Drive Yield Divergence

2025 will go down as a year of change in the Government’s regulatory approach towards the residential sector in Ireland. VAT reductions are now in place on the sale and construction of apartments and we will see the implementation of new rent regulation imminently. The challenge will now be whether both investors and developers can execute with all of these changes. Regardless, it is certainly encouraging for the country at large to see this more pragmatic approach to unlocking investment into the private rental sector.

We expect prime PRS yields to compress by 25 bps this year as new capital competes for stock in a market that is supported by a number of tailwinds, including being the most targeted sector for investors around Europe and seeing more favourable debt terms on offer.

But yield compression may be more evident in stock that is not necessarily new-build, prime stock. The longer an asset has been stabilised the more under-rented it is likely to be. So this slightly older cohort of assets should see greater yield compression, as regulatory changes enable the capture of more reversionary income over time.

Figure 5: Ireland Private Rental Sector Investment*



Source: CBRE Research

*Excludes social, student and ‘other’ residential investment transactions

Spotlight on Purpose-Built Student Accommodation (PBSA)

Regulatory reforms are expected to be enacted in 2026 which could support PBSA development.

New Regulatory Framework Anticipated

We expect the Department of Housing to introduce a new specialist PBSA regulatory framework, which is likely to ease certain controls, improving development viability and enhancing investment appeal.

Several large platform transactions have taken place across Europe this year, including the sale of the 1,200-bed Nido Student Living platform in the Netherlands. Given the strong capital competition in these processes, Ireland is expected to feature in similar considerations over the coming year.

There are also a number of development site sales ongoing in Dublin including Independent House, Dublin 7, and sites at Amiens St., Northwood in Santry and Clonskeagh. We expect that supportive regulatory change can unlock some of these sales and lead to further development and in turn investment.

Investment Case Remains Compelling

Many specialist residential investors, who traditionally focused on the private rental sector, shifted their attention to PBSA in the last two years. And while we

believe the private rental sector will attract more capital this year, PBSA will remain of interest to investors. Indeed, there was a record number of PBSA investment transactions in the Irish market last year, the largest of which was the sale of ‘Project Galaxy’ to Greystar (€104m). The investment case for the sector remains compelling:

- A pronounced supply-demand imbalance persists in Ireland, with an unmet bed demand ratio of 4.3 students to every 1 bed.
- Challenges to construction viability mean little development competition is emerging albeit we expect there will be measures to change this.
- Operational expertise can be a significant driver of NOI growth, offering more upside potential than conventional rental apartments.
- While summer management is often perceived as a risk, it can deliver upside if marketed effectively in well-located schemes.
- Wider yields (vs. PRS) have enabled debt accretion even in a higher interest rate environment.

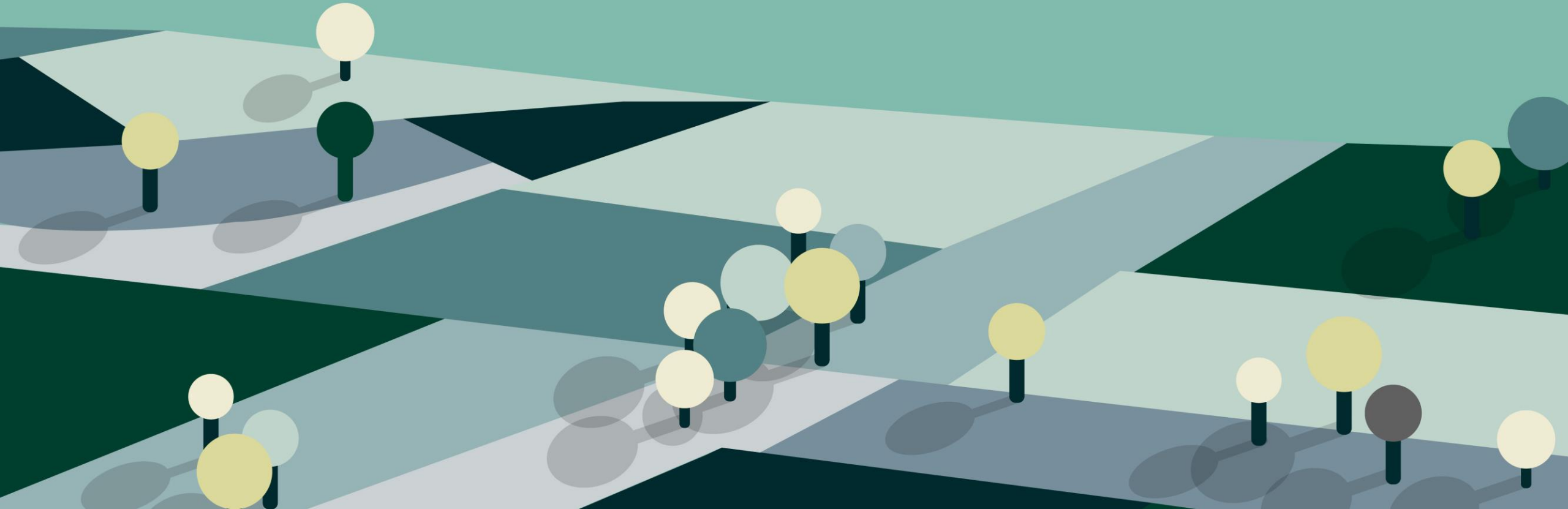
Figure 6: Irish PBSA Transactions

| Property | Structure | Price | Investor/Lender |
|---|-------------|--------|---------------------|
| Project Galaxy | Investment | €104m | Greystar |
| Heyday Carman’s Hall | Investment | €48m | Catella |
| Swuite, Stoneybatter | Investment | €22.5m | Commerz Real |
| Hatch Student Living, Carlow | Investment | €8.5m | Confidential |
| New Mill, The Tannery, Ardcairn House & Broadstone Hall | Refinancing | €175m | GSA/Bank of Ireland |
| Kavanagh Court | Refinancing | €81m | GSA/Bank of Ireland |

Source: CBRE Research

05

Development & Planning



05

Development
& Planning

Trends to Watch

- Given the level of demand for residential and infrastructure sites and now that commercial markets have fully reset, **we expect land sales to rise in 2026**, supported by large-scale deals including the sale of Camden Yard, which is progressing.
- Despite rising construction and financing costs, **land pricing has remained incredibly competitive** and is likely to remain firm in 2026 which will keep pressure on development margins.
- Housing development will remain central to the national agenda in 2026 and **up to 37,000 new completions are possible this year**. Budget 2026, the NDP and *'Delivering Homes, Building Communities'* introduced a broad range of government schemes and capital investment, and we are confident these measures will drive a meaningful increase in homebuilding in the coming years.
- The 4.6-acre Hartfield Place site on the Swords Road, with full planning permission for 334 units, is now sale agreed and stands out as a marquee transaction that could signal the **beginning of a recovery in private rental development underwrites**.
- State bodies continued to shape the land market in 2025, highlighted by the LDA's continued growth, including the purchase of 11.74 acres at Lehaunstown, Cherrywood in Q1. Given Ireland's new national housing plan is targeting 162,000 new social & affordable homes by 2030, **State players will remain central to the market going forward**.
- The **residential zoned land tax (RZLT)** has sparked debate over its effectiveness, but it is clearly having an influence. We have seen more landowners opting to sell, citing RZLT as the catalyst. While it frustrates those committed to development, **the tax appears to be achieving its goal**.



Government interventions to improve apartment viability

Private Apartment Construction Outlook

CBRE’s research has consistently highlighted the challenges facing private apartment development over the past three years. Encouragingly, recent government policy changes – including VAT reductions on apartment sales, the easing of rent regulations, attempts to relax design standards, and the Section 28 rezoning directive – are set to support increased housing delivery, particularly private apartments.

The impending sale of the Hartfield Place site is another encouraging indicator for renewed confidence in private apartment development. The site is now sale agreed with an Irish developer. Notably, four of the five strongest bidders for the site evaluated and underwrote the scheme on a PRS delivery model. Greater appetite for private rental development will translate into more apartment commencements, but the impact on completions will not be felt for a number of years.

There is also increased momentum behind the Croí Cónaithe scheme, with Cairn Homes, Glenveagh Properties and Park Developments all having sites under construction or approved under the scheme, totalling nearly 1,000 units.

Other Tenures and the LDA

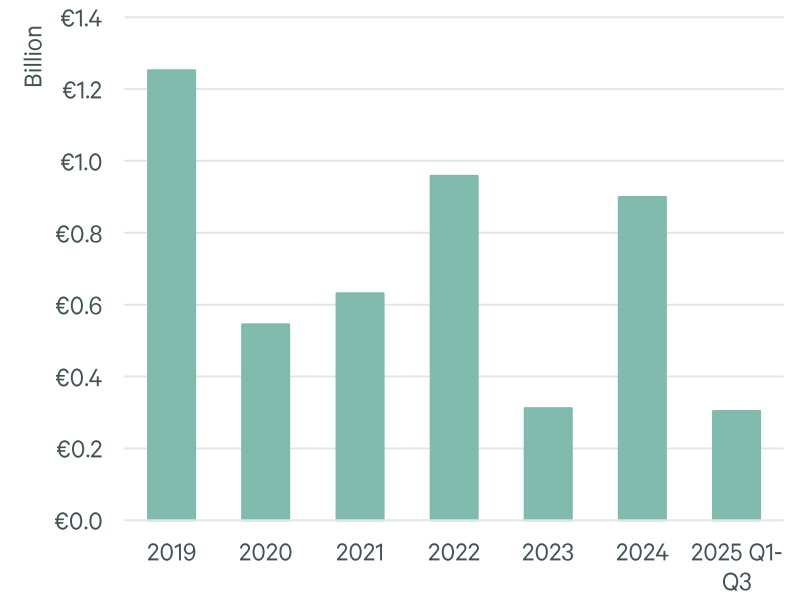
Despite these encouraging signs for the private market, the social and affordable tenures will dominate the market again this year, in terms of both commencements and completions. The LDA now have 27,000 units at different stages of delivery, a hugely material piece of the market, and will see further completions this year at sites like Cromcastle, Coolock.

Build-to-Sell housing sites in Dublin, the GDA and regional towns and cities will remain a key target for private developers. Annual house price inflation remained elevated at +8.9% nationally in 2025 (to October) and is forecast to be +5.5% in 2026, leaving development margins attractive.

Activity in Commercial Sectors

The sale of the Camden Yard site is progressing and is likely to conclude in the first half of the year. We expect to see some office development sites come to market as the availability of office space declines in the city. Hotel, industrial and data-centre sites will continue to be sought after, underpinned by exceptionally strong underlying demand in all three sectors.

Figure 7: Ireland Development Land Sales



Source: CBRE Research

05
Development & Planning

Spotlight on Planning & Infrastructure

Key steps being taken to streamline and reform the judicial review process.

Reform of JR System Crucial

Reforming the judicial review (JR) process remains one of the most critical steps to unlocking housing and infrastructure delivery in Ireland. Persistent JR challenges have delayed major projects such as MetroLink, proposed LUAS extensions, and the Dublin Wastewater Treatment upgrade, each essential to supporting housing and economic growth.

The *Accelerating Infrastructure Report and Action Plan* published in December explicitly addresses judicial review reform as a key element under its Legal Reform pillar. It proposes legislative changes to rebalance the process, introducing fast-track routes for nationally significant projects. The report further recommends enacting a *Critical Infrastructure Bill* (targeted for 2026) that would create a legal obligation for State bodies to accelerate key projects through planning.

These proposals complement the recently published *Civil Reform Bill 2025*, which centres on a public interest/common good test in the process, and aims to prevent misuse on technical grounds.

Design Standards, Rezoning Directive & the LRD

In June the Minister of Housing proposed new apartment design standards that allowed for more flexibility around unit mix, space standards and dual aspect. Developers welcomed the proposal, noting that the newly proposed standards could allow for more one-bedroom units, potentially increasing overall unit density in schemes by up to 10%, which could be crucial for the economics of a development. However a judicial review challenging aspects of the policy was lodged.

However, since then Part 3, Chapter 3 (25–27) of the *Planning & Development Act 2024* has been enacted, replacing the Ministerial Guidelines with legally binding National Planning Statements (NPSs), thus shifting apartment design policy from discretionary guidance to statutory policy, which is even more enforceable.

Separately, we have seen that applications under the Large-scale Residential Development (LRD) process are now consistently decided within statutory timeframes, with local authorities meeting the eight-week decision window and appeals to An Coimisiún Pleanála generally resolved within the 16-week target.

Figure 8: Notable Infrastructure Development Projects

| Project | Developer/Authority | Status |
|---|---------------------|--|
| MetroLink | TII | Permission granted; JR withdrawn; procurement underway; construction due to commence in 2026 |
| LUAS Green Line Extension | TII | JR lodged Dec 2025; targeted completion c.2031 |
| DART+ West & Coastal North | Irish Rail | JRs withdrawn; commencing construction in 2026 & 2028 respectively |
| Greater Dublin Drainage & Wastewater Scheme | Uisce Éireann | Planning granted; JR withdrawn; procurement underway; rollout into early 2030s |

Source: CBRE Research

06

Office/ Occupier



Trends to Watch

- Dublin office take-up outperformed expectations in 2025, totalling 243,000 sq m – marginally ahead of the 10-year average. **Return-to-office trends, strong demand for energy-efficient, amenity-rich space, and a resurgence in tech sector activity** are collectively shaping the market as it enters 2026 and **we are** forecasting another year of >200,000 sq m of take-up.
- **Demand for fitted space continues to grow as occupiers seek to avoid the capital outlay associated with fit-out works.** This will influence take-up trends and rental negotiations this year. Much of the grey space in the market has been absorbed, and we are also seeing a rise in corporate landlords focused on flex offerings for the year ahead.
- A key theme for 2026 is the **shrinking availability of modern office space in Dublin's core**, particularly Dublin 2. Only 92,000 sq m of vacant Grade A+ space remains, against average annual take-up that historically exceeds 105,000 sq m in the postcode.
- **Only three speculative office schemes are currently under construction in Dublin 2** and all are scheduled for completion in 2026. Beyond these, there are no speculative buildings in the under construction pipeline. Several sites benefit from active planning permissions and are being prepared for development, with landlords actively pursuing pre-lets, however these are not easy to secure.
- **Dublin office rents are projected to grow by 8%** to €754 psm (€70 psf) in 2026, due to the increased competition for a smaller amount of available stock. Indeed, headline rents may need to rise even higher (€807 psm+) (€75 psf+) to support the viability of new construction.



Technology and public sector to drive take-up

What Can San Francisco Take-Up Tell Us?

Corporate decision-making slowed in Q2 last year in response to tariff-related uncertainty but picked up as market confidence recovered over the rest of the year, resulting in the best year for Dublin take-up since 2019.

The San Francisco Bay Area office market has historically acted as a leading indicator for technology-related take-up in Dublin, particularly during the 2014-2019 period. YTD to Q3, San Francisco leasing activity was up 29% in 2025, with AI-focused companies, including OpenAI, Databricks, Anthropic, Brex, and Resolve AI, among the biggest lessors of new space.

Technology take-up accounted for 32% in Dublin last year, and we remain bullish that a similar level will be achieved this year.

Public sector activity will also be key in 2026. The Energy Performance of Buildings Directive (EPBD) requires that from 1 January 2028, all new public buildings managed by the OPW must be zero-emission. This is underpinning a number of active mid- to large-sized requirements for 2026, with deals for some prime space already close.

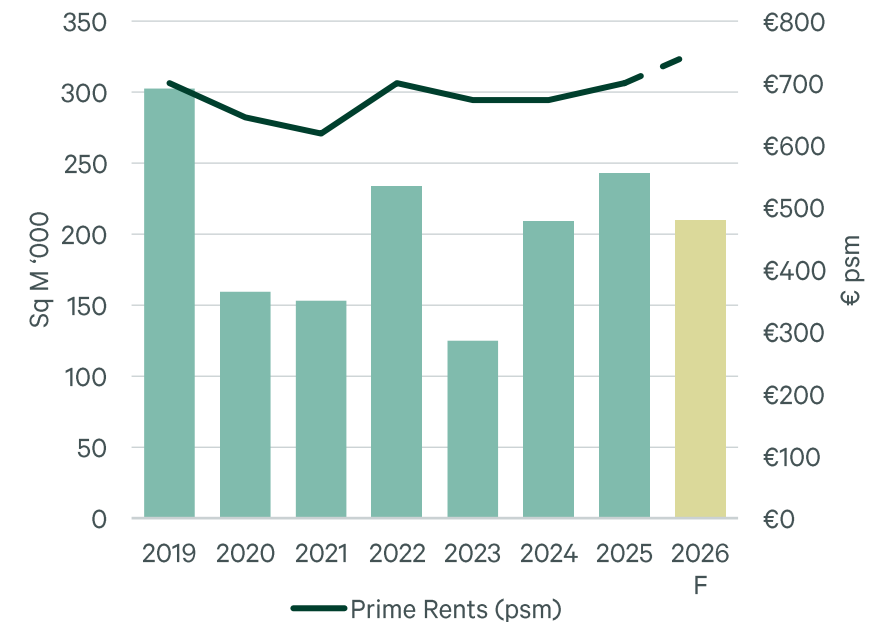
The largest requirements at present are in the legal sector. A >10,000 sq m requirement for a top-10 firm will likely be filled this year. While one of the Big-5 has started to assess its options also. Separately a financial services company is set to complete a >8,000 sq m lease for newly completed prime space that will boost overall take-up too. This demand, combined with a significant slowdown in the construction pipeline, will lead to a continued decline in the vacancy rate.

Fitted Space in Demand

Fit-out costs will continue to influence decision-making in 2026. The cost of a good CAT B fit-out in Dublin can now in some cases total up to €2,150 psm (€200 psf), leading many occupiers to opt for already fitted space where possible. This will remain a focus in rent negotiations.

Landlords are responding in different ways, with many expanding fitted space offerings, particularly in refurbished buildings, like Bankside and Two Riverside. We have also seen, and will continue to see, an uptick in the expansion of flex office offerings among specialist office landlords.

Figure 9: Dublin Office Take-Up & Rents



Source: CBRE Research

06

Office/
Occupier

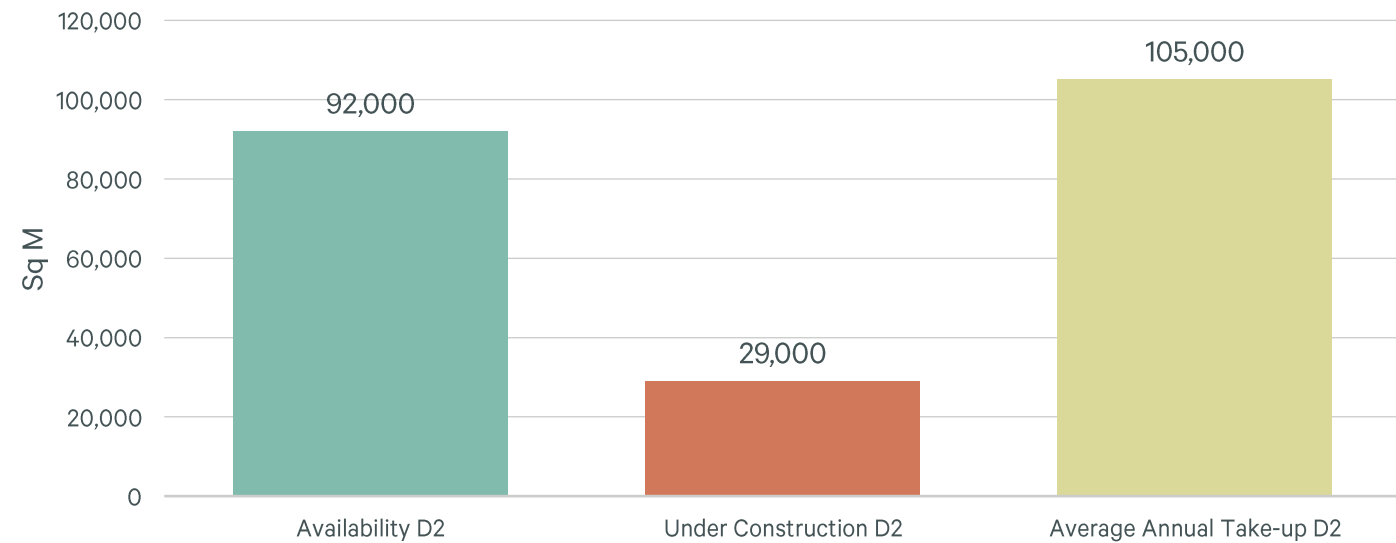
Further contraction in Dublin 2 availability

In Dublin 2, just 92,000 sq m of office space is available to let, while annual take-up averages 105,000 sq m.

Availability in Dublin 2 has contracted sharply, with only a limited amount of space left to let as we enter 2026. Occupiers with upcoming lease events face increased competition for quality options, reinforcing upward pressure on rents and minimising incentives.

- There is now just 92,000 sq m of modern vacant space in Dublin 2, with just 29,000 sq m currently under construction speculatively, all due for completion in 2026.
- Average take-up in the Dublin 2 postcode over the last 10 years is 105,000 sq m per annum.
- Just three speculative buildings are currently under construction for delivery in 2026 in Dublin 2: 2 Grand Canal Quay, The Greenside Building and 160 Townsend Street.
- This constrained pipeline is creating a pronounced supply-demand imbalance in the city core.
- Sites such as Clanwilliam Quarter, Stephen Court, Stokes Place, and 29 Earlsfort Terrace are being primed for development, but many landlords are seeking pre-lets before commencing.
- The most recent major pre-construction lettings or acquisitions in the Dublin market were Citibank at Waterfront South Central and Deloitte at One Adelaide Road.

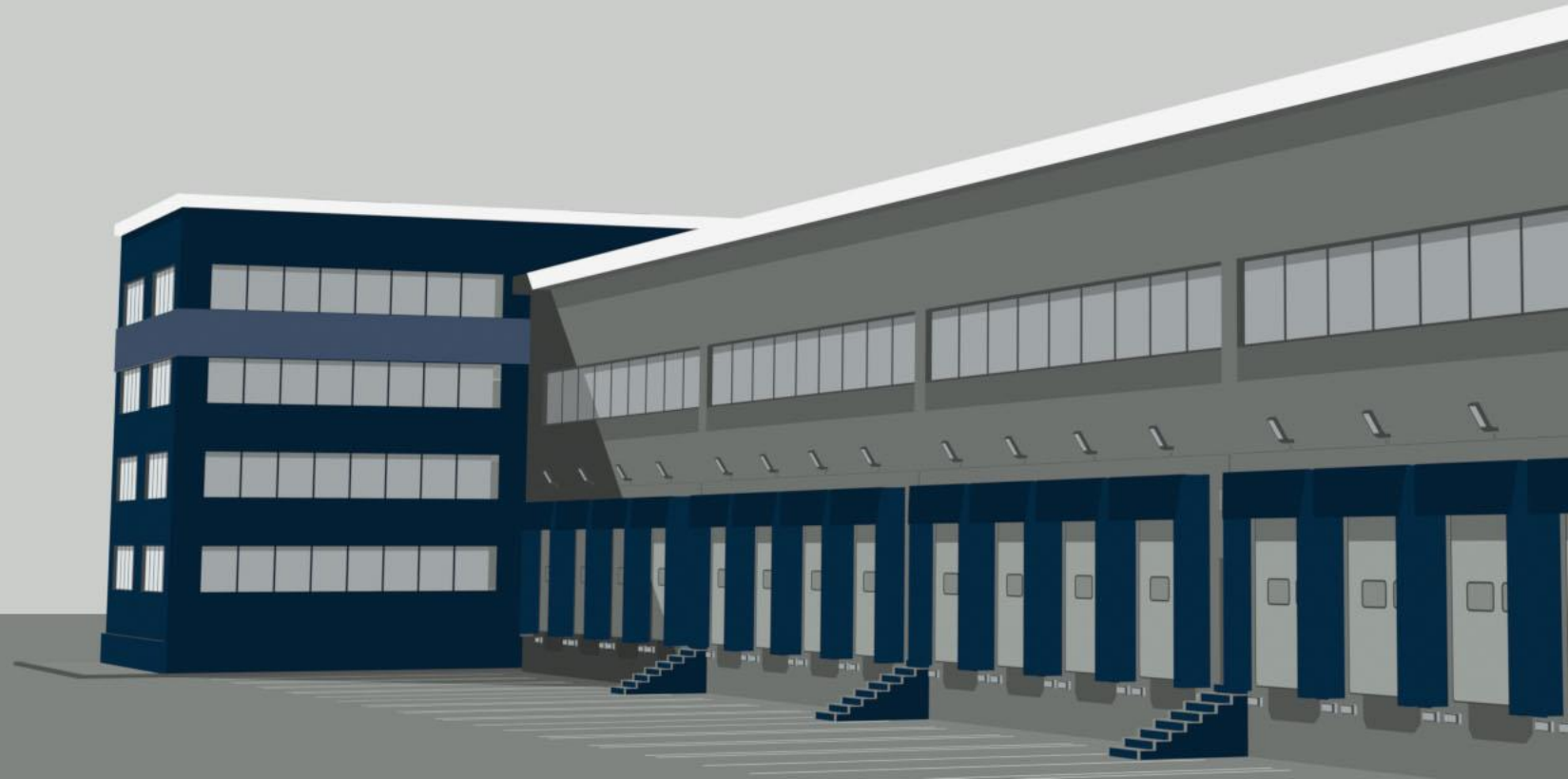
Figure 10: Dublin 2 - Available Space & Under Construction vs. Historical Take-up



Source: CBRE Research

07

Industrial & Logistics



07
I&L

Trends to Watch

- **Tariffs had less of an impact on Dublin's industrial and logistics (I&L) market than initially anticipated**, as operators largely adjusted the timing of their real estate plans rather than cancelling activity. Take-up reached 221,000 sq m – almost 50% higher than in 2024 – and several large-scale requirements point to an optimistic outlook for 2026, though geopolitical volatility remains a source of uncertainty.
- Ireland's economy continues to demonstrate resilience, with **retail and consumption trends on an upward trajectory – positive for imports that underpin logistics demand**. Pharmaceutical export front-loading in early 2025 means national export levels are expected to ease year-on-year in 2026.
- The exceptional five-year average of 330,000 sq m of annual take-up from 2019 to 2023 set a high benchmark. This is now **trending toward the 220,000-250,000 sq m range as the market stabilises to a new normal**.
- Further rental growth is expected in 2026, with **prime rents forecast to reach €161.50 psm (€15 psf), a 5% uplift year-on-year. Small- and mid-box multi-let industrial units will continue to outperform**, with some already achieving rents up to €269 psm (€25 psf).
- Investment activity is expected to remain healthy, with **the sector still regarded as 'the darling of the market'** among European investors. IPUT's disposal of the North Gate portfolio to Chancerygate, at a price in excess of the €55m guide, closed in Q4, while the sale of Horizon Logistics Park – set to complete this year – has attracted strong interest from global institutional investors.



Repositioning strategies and MLI, two key themes for 2026

Strategic Repositioning of Older Stock

Repositioning older industrial stock is set to remain a core strategy in 2026. Given the age profile of much of Dublin’s industrial stock, sustainability upgrades offer strong value-add potential. M7 Real Estate’s portfolio-wide refurbishment programme highlights this trend: its upgrades to a 14,000 sq m facility, Ballymount Logistics Hub, achieved a BER of A2 and BREEAM In-Use rating of ‘Very Good’. The formerly vacant unit was let to JMC on a long-term lease, marking one of 2025’s largest deals and reinforcing demand for energy-efficient space, close to the M50.

Strong Fundamentals Drive MLI Growth

Value-add strategies are equally prevalent in the growing Dublin [multi-let industrial \(MLI\)](#) segment, supported by sustained demand from SMEs, driving rents up €269 psm (€25 psf) for units on good transport networks. Development activity is likely to increase, particularly from non-institutional developers delivering small infill schemes. The first new-build MLI park, scheduled for completion in Q1, Airport Trade Park, is already 50% pre-let.

Logistics to Keep Driving Momentum

There are currently five active big-box requirements for logistics operators exceeding 12,000 sq m each. This is largely driven by sustained e-commerce growth and heightened pharmaceutical activity, both of which underpin demand for large-scale warehousing and specialised logistics facilities.

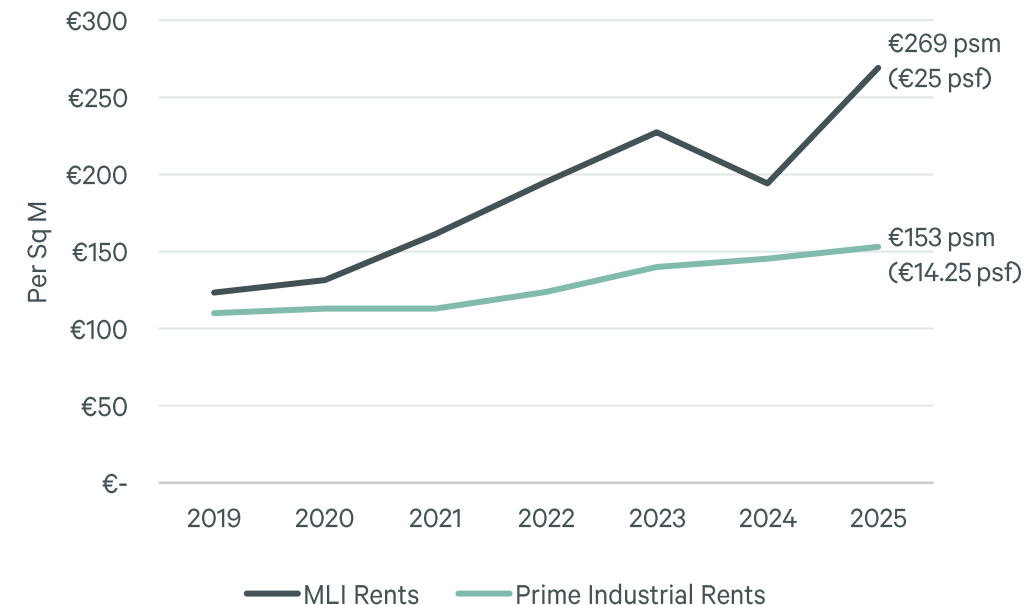
There is also an 18,000+ sq m retail-led requirement, a number of pharmaceutical mandates and an increased interest from indigenous manufacturing firms.

Active Pipeline Concentrates on North Dublin

The construction pipeline remains active with 112,000 sq m of stock scheduled to complete this year. Approximately 40% of the space under construction is pre-committed (reserved or pre-let).

Three big box units are set to complete, namely Drake House at Dublin Airport Logistics Park, Unit 4 Southwest Business Park, and Unit 4 Nexus Logistics Park. Additional MLI units will also be delivered at Stadium Business Park and Blanchardstown Corporate Park.

Figure 11: MLI vs. Prime Dublin I&L Rents



Source: CBRE Research

08

Data Centres



08

Data Centres

Trends to Watch

- Grid constraints will continue to hamper development and investment in Dublin, though the **government's new LEAP strategy and the CRU's connections policy aim to reopen connections to the grid**. New connections must include on-site generation and battery storage to alleviate the pressure on the national grid and enhance energy security.
- **Designing sustainable, energy-efficient data centres** with a higher share of renewable energy is now **more critical than ever**. Under the CRU's latest decision paper, large energy users must demonstrate in their grid connection applications how they will meet the 80% renewable energy obligation - either through Corporate Power Purchase Agreements (CPPAs) or by directly developing renewable energy projects.
- **Rapid AI, alongside the emergence of neo-cloud platforms, expansion will continue to drive demand** for large-scale data centre facilities. Dublin is now well-positioned to capture a share of this growth, supported by emerging changes in the business environment and its status as one of the key Tier 1 FLAPD markets (Frankfurt, London, Amsterdam, Paris, Dublin), which are at the forefront of investor focus.
- Adopting **liquid cooling, air-cooled systems and heat recovery solutions will be important** to reduce environmental impact. This is especially true for Dublin where data centres face scrutiny over water consumption for cooling.
- **Regional diversification beyond Dublin will be encouraged** as grid constraints and planning restrictions persist and early examples of this are now emerging among hyperscalers. LEAP emphasises developing green energy parks to host energy-intensive industries in regional areas, aligning new data centre locations with renewable energy sources.



Dublin to come back into focus for data centre development

A new framework has lifted the de facto ban on connecting new data centres to the electricity grid in the Greater Dublin Area.

CRU Ends Moratorium

The Commission for Regulation of Utilities (CRU) published its long-awaited decision paper on large energy user connection policy in December, drawing broadly positive industry feedback.

The new framework effectively ends the moratorium on data centre development in the Greater Dublin Area by permitting grid access where developers can demonstrate that 80% of required electricity will come from renewable sources. Dublin had slipped down the list of preferred European data centre locations in recent years due to the moratorium. However, given the presence and economic contribution of major global technology companies here, ensuring adequate infrastructure to support operations is critical.

Large Energy User Action Plan (LEAP)

This policy shift is set to stimulate growth across both digital infrastructure and renewable energy. LEAP is Ireland’s new vision for sustainable, regionally balanced, renewable-aligned development for large energy users – directing new projects toward planned regional

locations and establishing Green Energy Parks where users co-locate with renewable power. Aligned with the CRU’s requirement for 80% renewable energy usage, the plan aims to maintain Ireland’s attractiveness for FDI while protecting the national grid.

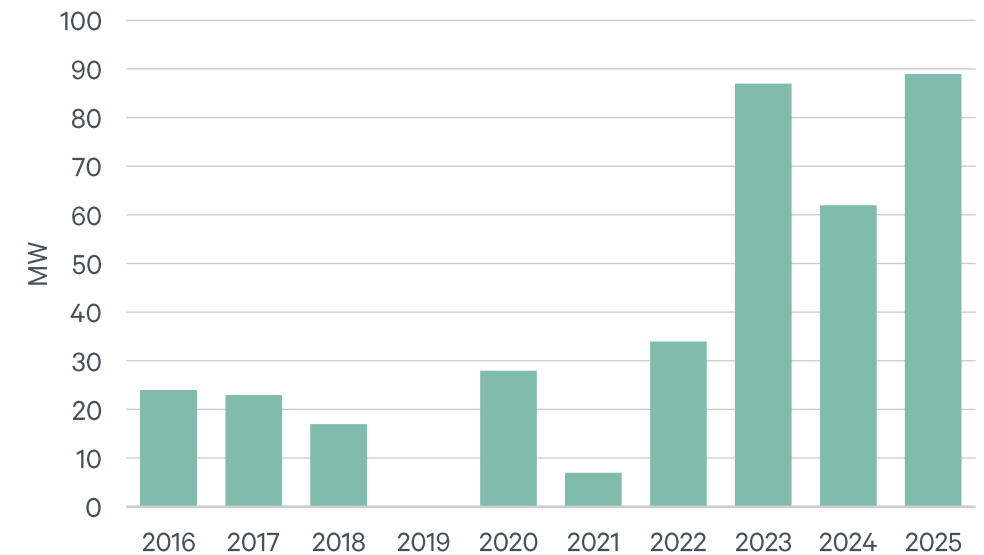
Development & Sales Activity

Earlier this year, Energia received planning approval for a data centre at its Huntstown power station, developed in partnership with a large hyperscaler. Under a Corporate Power Purchase Agreement (CPPA), the facility will be supplied with renewable power generated by Energia’s Monaghan wind farm.

Separately Echelon has now commenced construction at two sites - DUB20 and DUB30 in Arklow, Co. Wicklow.

Also, notably, DUB20 is the first large-scale data centre to secure a grid connection in four years. In addition, three data centres with a combined capacity of 73 MW in North West Dublin were recently granted planning permission after delays related to third-party appeals.

Figure 12: New Dublin Data Centre Supply



Source: CBRE

09

Retail



Trends to Watch

- Dublin's prime high streets, specifically Grafton Street, now have a **scarcity of suitable stock for occupiers seeking flagship stores**. While there are pockets of availability, the larger store formats sought-after by modern retailers are largely occupied and this presents a challenge for the market. The vacancy rate on Grafton Street at the end of last year was just 3% (on a per unit basis), and will likely remain stable through 2026, while Grafton Place at 60 Dawson Street is also set to reach full occupancy.
- **Two flagship openings this year are set to boost footfall** on both Grafton Street and Henry Street. A premium fashion retailer is close to securing a prime unit on Grafton Street, while Henry Street will see the long-anticipated rollout of Sports Direct with an Everlast gym, alongside one of Europe's largest Zara stores in the former Debenhams unit.
- Beauty products are proving somewhat resilient to e-commerce and the assignment of No. 28-29 to Space NK to upsize to a 1,850 sq m store is reflective of a **growing trend of health and beauty expansion in the UK&I**. Space NK also opened a 2,500 sq m store on Oxford Street, London last year. Boots are also assessing options to open a standalone beauty store in Broadgate, Central London.
- **F&B continues to be a key driver of demand**, both in the city and suburbs. Following a raft of high-profile deals last year, a number of requirements for new international chains will likely be filled this year. In the suburbs, nine new F&B units will open in the Blanchardstown SC Blue Mall this year, while fast food offerings like Wingstop and Taco Bell are expanding at centres, parks and forecourts in the GDA.
- **Minimum wage rose a further 65 cent** to €14.15 per hour on January 1st and Ireland's new auto-enrolment pension system will also require employer contributions starting at 1.5% of gross earnings. Budget 2026 also includes a **reduction in the VAT rate on food, catering, and hairdressing services**, from 13.5% to 9%, effective 1 July 2026, which will partially offset these rising employment costs.



Improved outlook for prime city centre retail

The outlook for prime city centre retail is the strongest it has been in several years. Since the pandemic, Grafton Street and Henry Street have seen significant occupier churn, resulting in a refreshed retailer mix, bolstered by several high-profile openings scheduled for this year and multi-year low vacancy rates.

Grafton Street's southern end continues to gain momentum, enhanced by premium arrivals such as Alo Yoga and a luxury watch and jewellery quarter on Chatham Street. The opening of a flagship store for a premium fashion brand is anticipated by this summer, which we expect to act as a major footfall draw on the street – behind only the established anchors of Brown Thomas, M&S, and Bewley's – while also enhancing dwell time.

Outside of the main thoroughfare, Grafton Place at 60 Dawson Street will reach full occupancy this year, with one F&B and a clothing occupier close to signing at the remaining space.

Activity extends beyond the prime retail pitches, with encouraging signs that premium restaurants are increasingly willing to locate away from traditional upscale hospitality hubs like Dawson Street.

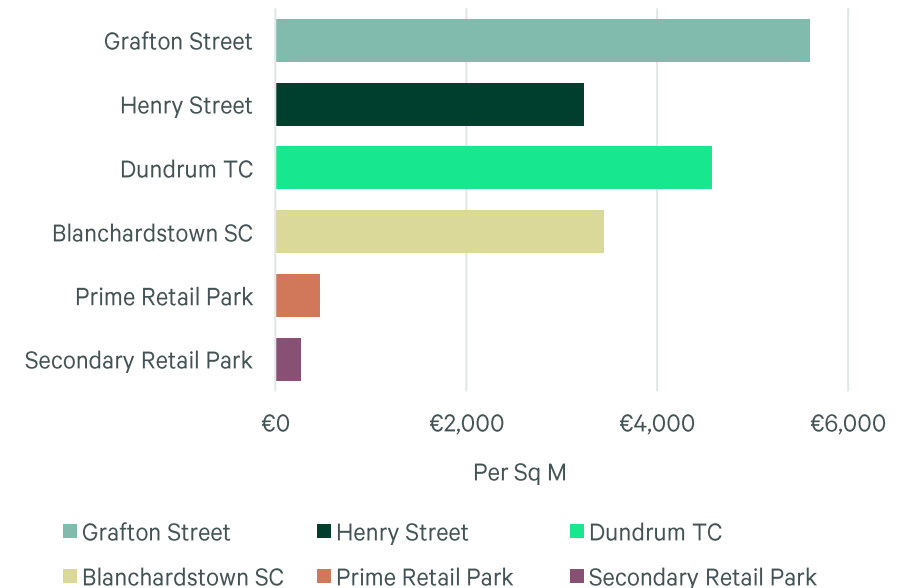
Notable examples include the openings of Díon at Central Plaza, Big Mamma Group's Gloria on Westmoreland Street and Hawksmoor on Dame Street, in recent years. This trend highlights growing confidence in secondary city-centre locations, which is encouraging for the year ahead.

On the northside, we remain strongly optimistic about the continued revival of Henry Street and its surrounding area. The reopening of the former Debenhams unit – set to house three new occupiers – marks a significant milestone. In addition, the recent sale of Jervis Shopping Centre is promising, with fresh investment and new ideas expected to drive improvements at the scheme.

Weekend footfall is increasingly supported by tourism, and 1,260 hotel rooms have been added in the Henry Street catchment since 2022, with a further 320 scheduled to open this year. This footfall growth will benefit traditional retailers as well as food and beverage operators in the locality.

Prime rent levels for both streets will trend stronger in 2026, currently sitting at €5,597 psm (€520 psf)* and €3,230 psm (€300 psf)* respectively.

Figure 13: CBRE Guideline Retail Rents*



Source: CBRE Research;
*ITZA

Spotlight on Supermarkets

Food price inflation is projected to ease to 2.0% in 2026.

Supermarket expansion continues to track Ireland’s population growth, particularly in Dublin and the Greater Dublin Area (GDA), where suburbs and towns are growing rapidly. The GDA now accounts for roughly 40% of Ireland’s population, with steady annual growth of around 1% driving demand for grocery offerings in commuter towns such as Dunboyne, Enfield and Maynooth – towns that have seen new supermarkets open in the last year.

Supermarkets are being deemed as critical infrastructure in locations where the main homebuilders are delivering at scale, e.g. in new towns like Clonburris and Seven Mills, and high growth locations like Donabate, Adamstown and Cherrywood.

Lidl continues to expand strategically, not just in the Dublin region, and last year had multiple openings in locations such Wexford (Rocksborough), Kerry (Listowel and Killorglin), Limerick (Ballysimon), Galway (Moycullen and Claregalway), Longford (Ballymahon) and Donegal (Carndonagh). The discount retailer currently has multiple sites under construction and store openings are expected in Dublin (Ballybough), Wicklow (Baltinglass) and Carlow (Carlow town) among others.

Competitors Tesco have a €40m investment to deploy across the year to July 2026, aimed at opening 10 new stores, a mix of larger supermarkets and smaller Express outlets.

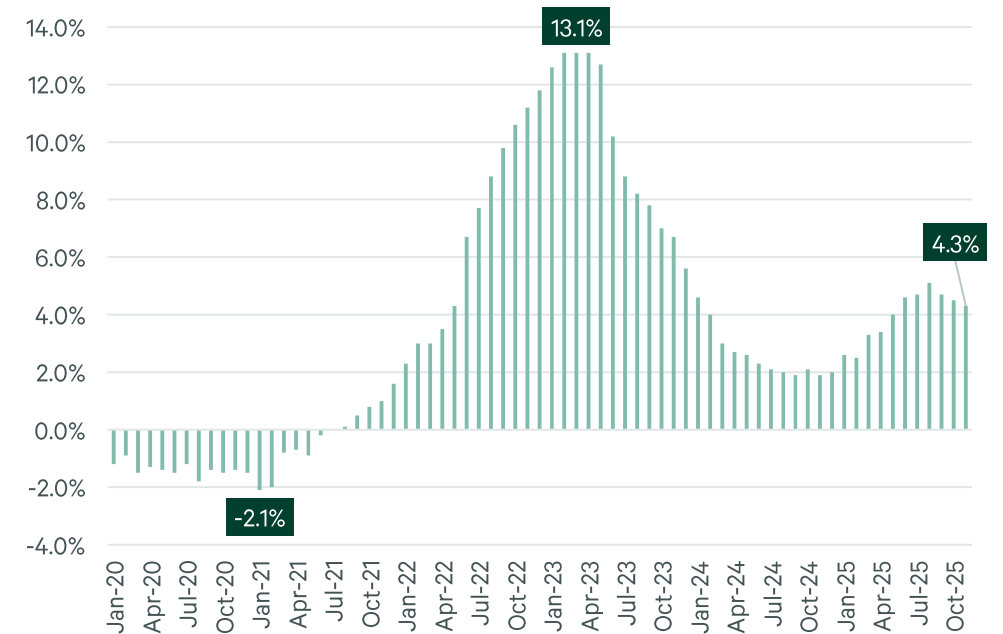
Dunnes Stores, which continues to hold the dominant national market share at approximately 25%, along with SuperValu and Aldi, are all expected to pursue further expansion in the year ahead.

Inflation Boost for Discount Chains

Irish food and non-alcoholic beverage price inflation peaked at over 13% in April 2023 before easing to below 2%, only to spike again to more than 5% in August 2025. We anticipate inflation will moderate to around 2% in 2026.

Discount retailers experienced market share gains at various points during the last two years as consumers sought more competitive pricing due to the high inflation environment. The larger traditional operators have also been pivoting their offerings in order to stay competitive. But even with price inflation slowing, price sensitivity remains, and discounters are well-positioned to continue expanding their market share in 2026.

Figure 14: Ireland CPI Food & Non-Alcoholic Beverages – 12-Month % Change



Source: CSO

10

Hotels



Trends to Watch

- Both **Occupancy and Average Daily Rate (ADR) remain strong** across the Dublin market at just under 85% and €173 respectively. The pipeline of new supply being delivered to the market may result in a slight softening of occupancy levels in the coming years, however tourism numbers are forecast to grow.
- Last year saw another record year for the Irish hotel market, with **over €1.75bn worth of transactions**. This is largely attributable to the landmark sale of the Dalata Hotel Group portfolio, which included 27 Irish freehold and leasehold hotels. Excluding the Dalata transaction, a further 20 hotels changed hands for more than €600m. Transactional activity is set to remain strong in 2026, albeit significantly below last year's level.
- 2025 saw more modest levels of **new supply**, with just under 880 bedrooms delivered to the Dublin market. However, **nearly 1,400 bedrooms are expected to complete in 2026**, adding approximately 5% to the existing stock. The city's hostel offering also continues to grow at pace, with a total of 1,800 bedspaces currently under construction.
- The Irish Tourism Industry Confederation (ITIC) are forecasting **strong growth in tourism revenue in 2026**, of between 5% and 7%. Dublin Airport recorded its busiest year on record in 2025, with more than 36 million passengers. The highly anticipated loosening of the passenger cap at the airport will be a further boost. Furthermore the Government's renewed focus on the tourism sector and its economic function could mark a key inflection point for the industry.
- **Yields on VP / trading hotels continue to trend 'stable'**. The lack of hotel investment transactions in the Irish market in recent years has resulted in little evidence for prime leased hotel yields. The disposal of the Ruby Molly in Q1 2025 however provided some evidence, while the ongoing sale of the Premier Inn at Clery's Quarter, which has been brought to the market on a forward fund basis, will test pricing levels.



Robust operational performance; anticipated growth in tourism

Operational Performance Remains Strong

Although trading performance lagged in the opening months of the year, both occupancy and ADR were bolstered in the latter half by large-scale events such as the Oasis concert and Ireland’s first NFL regular-season game. Data from CoStar revealed that in the year to November, Dublin’s occupancy rate has increased by one percentage point year-on-year, while ADR has remained stable at €173. At nearly 85%, Dublin enjoys a top three position in terms of occupancy across Europe, as occupational demand continues to outweigh supply.

That being said, there may be a slight softening in occupancy in coming years, given the pipeline of new stock coming to the market, and in particular the heavy weighting of stock within the budget and midscale categories.

Outside of Dublin, occupancy and ADR remain strong in the major regional cities. Data from Trending.ie shows that Cork’s occupancy rate has increased to 79%, while ADR also rose to €157. Galway also boasts an occupancy of 79% and a higher ADR of €164. Limerick continues to enjoy particularly high occupancy rates of 84%, albeit this is counteracted by a lower ADR of €135.

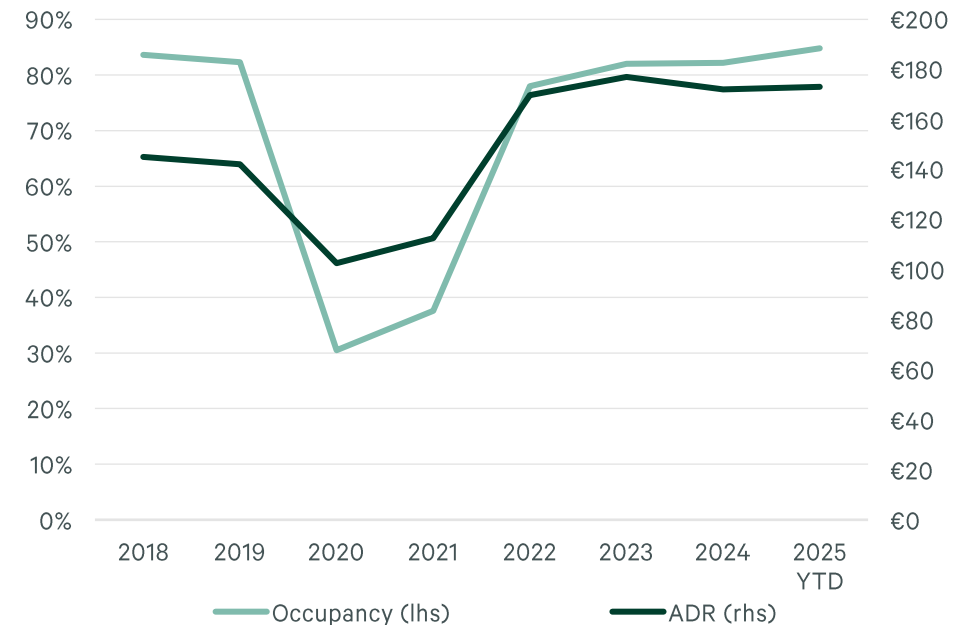
An Inflection Point for the Tourism Sector?

Tourism demand will be bolstered in 2026 by major events in Dublin such as the annual Aer Lingus College Football Classic, the potential return of the NFL regular-season game, and large-scale concerts such as Metallica and Bon Jovi. Regionally, events such as the Cork Jazz Festival continue to be cited as significant demand drivers by local hotel operators.

Hailed as “a new era for Irish tourism”, the recent publication of the new National Tourism Policy, with €400m allocated over the next five years, is welcomed by those in the hotel industry. The policy sets out ambitious growth targets to increase tourism revenue, with a specific focus on capitalising on the opportunity within key source markets like Great Britain and the US.

The policy statement clearly recognises and outlines the tourism sector’s economic importance, as evidenced by the strategic repositioning of the industry to sit within the Department of Enterprise, Tourism and Employment. This renewed focus on tourism at a government level, coupled with the potential easing of passenger-number restrictions at Dublin Airport, could result in a substantial increase in tourism volumes in the years ahead.

Figure 15: Dublin Hotel Trading Performance



Source: CoStar

Spotlight on Hotel Development

There are over 3,000 hotel beds under construction in Dublin at present and a further 1,800 hostel bedspaces

Nearly 880 rooms opened in 2025, with a further 1,400 set to open in 2026. New entrants to the Irish market in 2025 included the Hoxton and CitizenM, while Point A and Moxy expanded their Irish portfolios. 2026 will see notable brands such as Sofitel and Hilton Home2Suites make their debuts within the market.

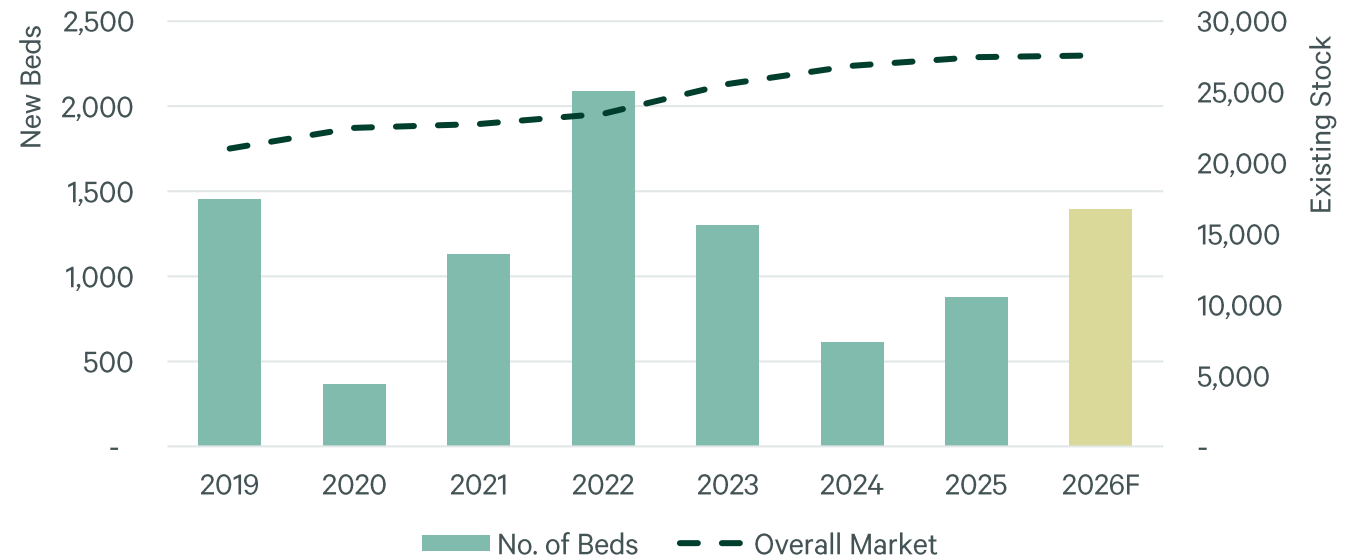
New supply continues to be dominated by budget and midscale offerings, with very few openings in the upscale and upper upscale categories. This is largely due to the lack of suitable sites brought to the market in recent years. There are however some prime city centre development opportunities coming to the market in 2026 which will prove the depth of appetite for this segment of the market.

There has been a dearth of development in the luxury sphere in Dublin in recent years, again due to a lack of suitable sites. However, existing owners of the Shelbourne, the Westbury, the Merrion and the Conrad have demonstrated their continued confidence in the market through their decisions to invest further in their offerings.

Surge in Hostel Development Activity

A supply demand imbalance, coupled with lower operating costs, continues to draw developers towards hostels. There are 1,800 hostel bedspaces under construction in Dublin at present. Operator demand for this type of product is undoubtedly strong, as brands like Meininger and a&o Hostels have publicly confirmed that they are keen to enter the Irish market.

Figure 16: Dublin Hotel Supply*



Source: CBRE; *excludes hostels

11

Healthcare



11

Healthcare

Trends to Watch

- As a defensive asset class, **healthcare continues to attract international capital** across each of the subsectors: nursing homes, primary care centres (PCCs), medical office buildings, private hospitals and residential care.
- **Transaction volumes are set to increase in 2026**, despite weaker activity in 2025 compared to previous years. **New capital is emerging** for long-income healthcare investments and nursing home portfolios that can offer efficiencies of scale.
- Against a backdrop of an ageing population, an **acute shortage of stock** continues across all subsectors from elderly care beds, hospital capacity, PCCs, residential care and senior living. This shortage will continue in the medium-term.
- **Development activity is rebounding after a two- to three-year hiatus**, signalling renewed confidence across the nursing home and PCC sectors despite elevated costs. The viability of new greenfield projects remains relatively tight, meaning lower delivery volumes, yet any expansion in bed capacity represents a welcome boost for the market.
- Although nursing homes continue to grapple with high operating costs and staffing challenges, strong occupancy levels coupled with **an increase in the NTPF Fair Deal rate has brought some stability**.
- **Operators and investors continue to diversify their portfolios**. Bartra Healthcare announced their entry into the primary care market, PHP acquired the Laya health and wellbeing clinic in Cork, and Aedifica REIT is forward funding a cancer care hospital in Limerick. In addition, nursing home operators continue to expand into home care services.



New capital to seek opportunities in Ireland this year

The healthcare sector featured a mix of operational business transactions and investment deals in 2025, with most activity concentrated in the nursing home and PCC sectors.

Several notable deals completed including Euryale’s sale of four nursing home investments to JWP and the disposal of the Sonas nursing home group to Ethos Care, a rapidly expanding new entrant in the Irish market. Operator Mowlam completed a number of sale and leaseback transactions and leased the new Gorey Nursing Home.

Valley Healthcare acquired two operational PCCs, and have commenced new developments in Glanmire, Douglas and Bishopstown in Cork as well as a scheme in Galway city. Additional schemes commenced in Citywest and Youghal, with further projects advancing in Nenagh, Adamstown and Dundalk. The introduction of HSE ‘buy out clauses’ continue to shape how these developments are underwritten.

Positive development activity also took place in the private hospital sector. Bon Secours Health System completed a new hospital at Towlerton, Limerick, and construction has commenced on a new cancer centre in Ballygrennan, forward funded by Belgian REIT Aedifica. The entire facility will be let to Bon Secours and UPMC.

Nursing home development has slowed in recent years, with many schemes proving unviable given Fair Deal rates and expected end values. Nonetheless, Aedifica has committed to forward-funding a 109-bed nursing home in Kilcoole, Wicklow and a 151-bed home in Crumlin, Dublin representing a total investment of about €59m.

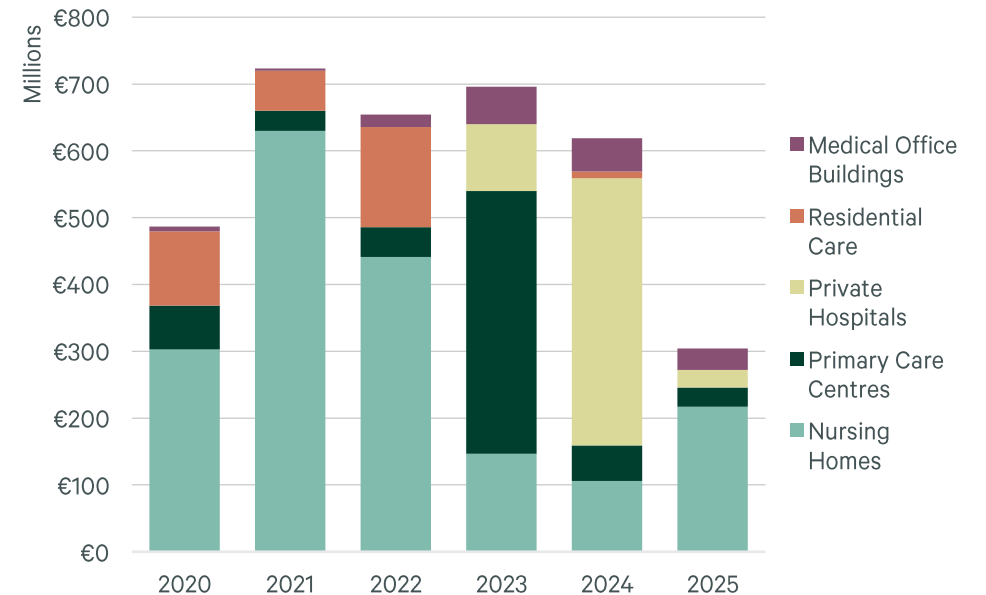
Yields and Outlook

Yields remained stable in the healthcare sector throughout 2025, largely due to strong demand for government-backed, long-income assets with CPI-linked rent reviews. Prime nursing home yields will remain stable this year at 5.5% while prime PCC yields are trading closer to 5%.

A rebound in deal activity is expected in 2026 as fresh capital targets long-income healthcare assets and nursing home portfolios. Investor interest will focus on operators that can deliver efficiencies of scale, resilient income streams, and growth through CapEx investment, operational improvements, bolt-on acquisitions, and selective new development.

In particular, residential care is expected to see a pick-up in activity, driven by the possibility of some platform sales coming to market.

Figure 17: Irish Healthcare Transaction Volumes



Source: CBRE

12

Sustainability

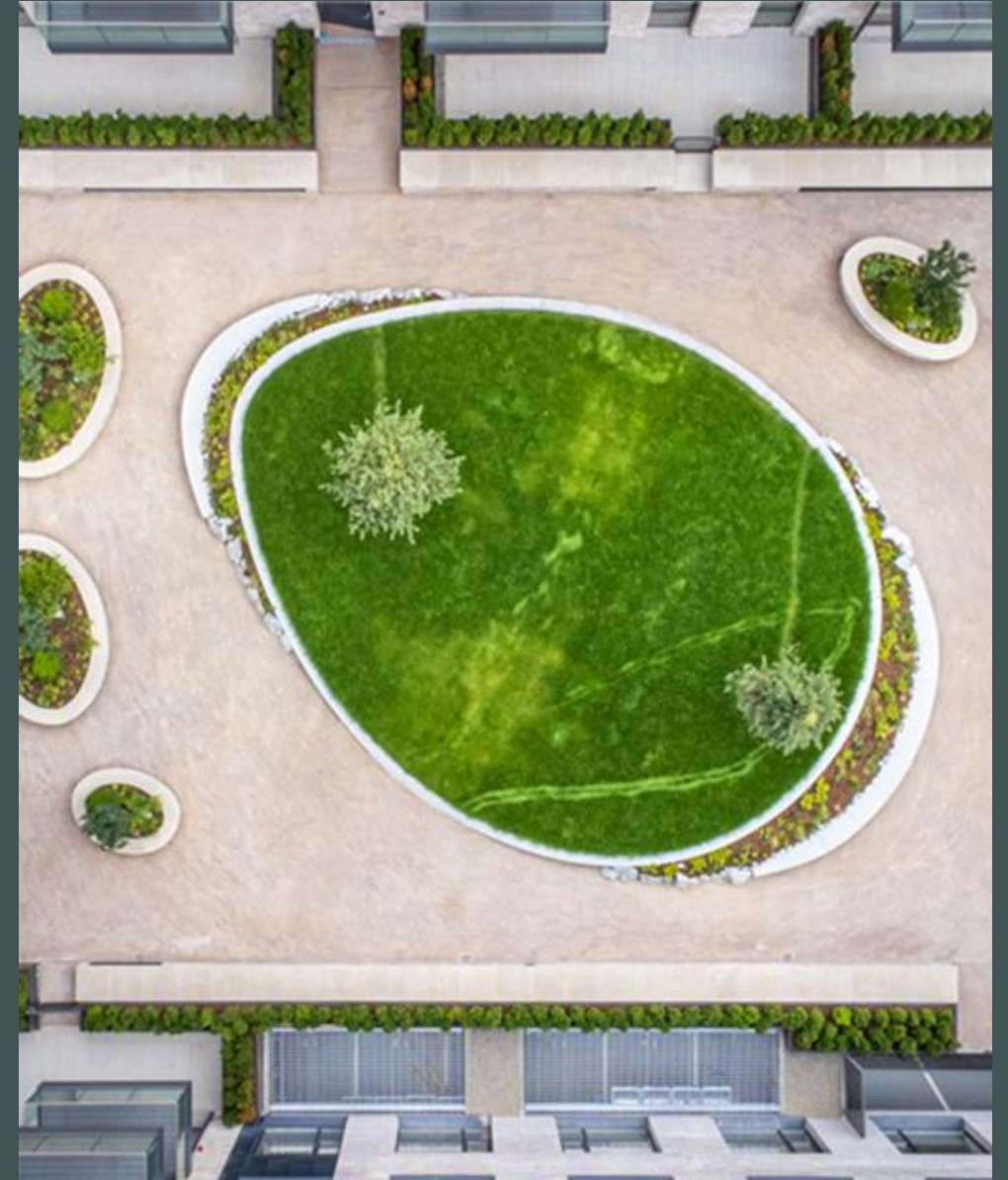


12

Sustainability

Trends to Watch

- In 2026, the rescaling of the A–G BER system could lower the ratings of some current A and B assets, raising investor and lender scrutiny and increasing demand for better building data and upgrade plans. At the same time, new MEPS rules for poorly performing non-residential buildings will add further pressure. We expect **growing interest in LEED O+M, BREEAM In-Use and real-time analytics** as landlords shift from design-focused credentials to greater operational transparency.
- **More major refurbishment and repositioning projects are expected to enter the pipeline in 2026** as owners begin upgrading ageing assets ahead of tightening performance standards. Union Investment's €70 million redevelopment of 4/5 Grand Canal Square highlights the scale of investment as landlords future-proof buildings for leasing competitiveness and regulatory alignment.
- Sustainability upgrades remain capital-intensive and largely viable only in strong locations where rental resilience supports the business case. **The gap will widen as institutional owners will be best placed to advance on high-performance standards and wellness features as part of a broader strategy to secure premium tenants and protect long-term value.**
- U.S.-headquartered occupiers are expected to take a more measured approach to ESG in the year ahead, reflecting the evolving U.S. regulatory landscape. Meanwhile, European occupiers' views are likely to remain unchanged as they prepare for **the introduction of the EPBD regulations coming into force from May 2026 onward.**
- Electricity grid constraints and rising energy demand are accelerating investment in renewables. **Corporate Power Purchase Agreements (CPPAs), private wires, and on-site generation will dominate headlines** as developers and occupiers seek to guarantee a reliable energy supply alongside meeting sustainability goals.



Shift towards performance-led sustainability

Under new EU regulations, Ireland’s real estate market is moving from promised sustainability to proven performance, with real world energy efficiency becoming a key measure.

The Performance Gap

Building certifications are often awarded at the design stage, confirming operational potential if managed in line with the model. In practice, many fail to meet these standards as day-to-day operations take into account unpredictable human behaviour and weather changes. Operational accreditations such as LEED O+M & BREEAM In-Use are increasingly recognised as more reliable certifications to verify the actual performance of buildings. As such, energy intensity, electrification, and transparent reporting are anticipated to play an increasingly important role in leasing and lending decisions.

Energy Performance of Buildings Directive (EPBD)

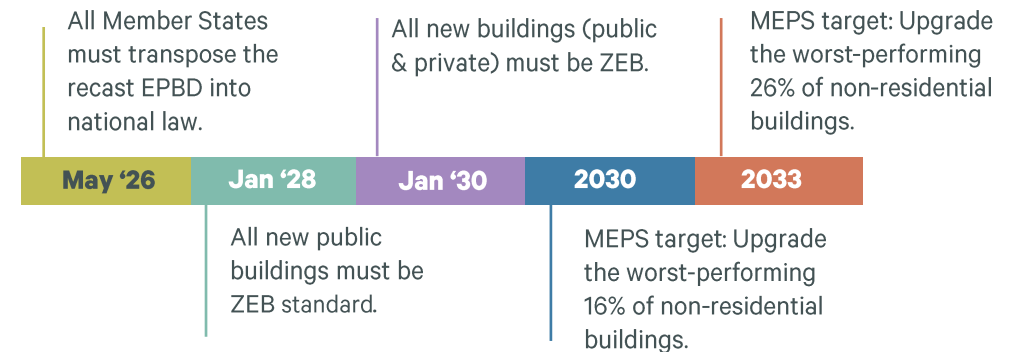
Driving this shift is the recast EPBD, which elevates in-use energy and emissions as the core measure of building quality. The framework tightens expectations across both new and existing stock: new buildings must

meet forward-looking operational standards under the ZEB* framework, while older assets are steered by BER rescaling and MEPS*, which raise performance requirements for the poorest-performing buildings. Leading landlords are already responding to this performance-driven environment. Spencer Place in Dublin’s North Docklands - developed by Ronan Group Real Estate and recently acquired by Ardstone - achieved a BREEAM In-Use ‘Excellent’ in mid-2025 with a score of 79%, the highest for any residential asset in Ireland or the UK. This sets a clear benchmark for verified, in-use operational performance.

Impacts on Real Estate Activity

As regulatory baselines tighten and operational performance becomes a core pricing metric, building efficiency will increasingly influence rents and yields. Prime assets with verified performance will be resilient, while secondary stock risks becoming obsolete unless upgraded. Such upgrades are viable in prime locations where tenant demand supports the investment, leaving secondary areas at risk. This dynamic will widen the gap between large and small investors, as the cost and complexity of improvements will limit who can remain compliant and competitive.

Figure 18: Revised Energy Performance of Buildings Directive (EPBD) Timeline



Source: CBRE Research

*MEPS: Minimum Energy Performance Standards

*ZEB: Zero-Emission Building

13

Cork



13

Cork

Trends to Watch

- **Residential development continues to dominate activity in Cork.** The year ahead will be driven by progress on **key schemes such as Horgan's Quay (LDA), the Railyard Apartments (JCD), Cairn Homes' Creamfields site, and Glenveagh's Marquee project.** As in much of the country, demand for cost-rental and build-to-sell housing remains exceptionally strong in Cork where house price inflation, which was recorded at +15%, has outpaced Dublin over the past 12 months.
- **We anticipate that Section 28 directives - requiring local councils to rezone land in line with national housing targets - combined with recent rezoning submissions, will unlock a pipeline of new suburban development sites.** The development land market recorded approximately €88 million in sales last year, with average pricing for suburban residential sites approaching €500,000 per acre. .
- Prime modern office availability is shrinking, **with just 9,595 sq m of A-rated space available to let in the city.** Headline office rents are expected to push beyond €430 psm (€40 psf) in 2026 as demand consolidates around best-in-class space. The largest deal in 2025 was the letting of 3,425 sq m in Horgan's Quay to Qualcomm. The office vacancy rate has improved and now stands at 13.2%.
- Large-scale IDA-backed industrial requirements and potential new entrants are set to drive activity, amid tight vacancy of 1.7% and rising demand for modern, high-spec space. **Lettings at Blarney Business Park and Nova Business Park highlight demand. Prime Industrial rents are currently at €148 psm (€13.75 psf).**
- The Cork investment market has been impacted by stronger relative value emerging in Dublin over the past year, following price corrections there. **As a result, fewer investors have needed to look beyond the capital. Investment volumes in Cork were subdued in 2025, totalling just €68 million.** Looking ahead, activity will be largely confined to isolated transactions of stock within core sectors such as office and retail.



Strong residential demand and industrial & logistics set to rebound

Residential

The first homes at the LDA’s 302-unit Horgan’s Quay are nearing completion, while JCD and Clúid advance their 217-unit Albert Quay scheme. Cairn Homes has started works on the CMP site (606 units) following last year’s €25.6m acquisition, and Glenveagh’s 337-unit Marquee Phase 1 in the Cork docklands is progressing toward a 2027 completion.

Together, these projects will deliver 1,160 units across the city and suburbs, signaling growing confidence in large-scale urban delivery, with cost-rental and mixed-tenure models expected to shape demand through 2026.

Offices

Improved momentum defines Cork’s office market heading into 2026, following 47,155 sq m of take-up last year, with Apple’s Holyhill campus, Qualcomm’s 3,425 sq m letting at Horgan’s Quay, and Motorola’s 2,323 sq m letting at Navigation Square 2 highlighting the demand for Grade A stock. The vacancy rate is 13.2%.

Future supply depends on pre-lets, notably No. 2 Horgan’s Quay (10,000 sq m). After a period of stability since late 2023, prime rents are climbing, with recent deals approaching €430 psm (€40 psf).

Industrial & Logistics

Despite muted activity over the past year, low vacancy of 1.7% and significant requirements are setting the stage for a stronger year ahead. Notably, IDA-backed MedTech companies with 8,000-10,000 sq m requirements signal robust demand.

Recent leasing activity includes Block 8007 at Blarney Business Park let to CWS. Two further units - 8008 and 8009 - remain available, quoting at €172 psm (€16 psf) and €167 psm (€15.50 psf) respectively. Construction continues at Evergreen Business Park in Little Island, with the first building, E100 (5,990 sq m), now complete.

Investment Activity

After limited deal activity last year, Cork’s investment outlook hinges on pricing shifts and the release of prime stock in 2026. Key deals included PHP’s East Gate acquisition and Tesco Express in Brewery Quarter.

Investor appetite remained subdued as Dublin offered stronger value-add opportunities. With yield compression yet to emerge, 2026 depends on improved pricing and prime stock release, though activity will remain selective.

Figure 19: Historic Cork Yields



Source: CBRE

Rezoning to provide increased opportunities for development

Two standout land deals in Cork last year, the sale of St Patrick’s Quay and the 14-acre Dulux Paints site in Blackpool.

Buoyed by rezoning-led transactions and strong pricing in recent months, Cork’s land market is primed for heightened competition ahead. Last year’s €88m in sales was driven largely by off-market deals and the announcement of Section 28 of the National Planning Framework to rezone land for housing in order to help meet growing housing targets. This continues to reinforce market confidence, with the majority of submissions being developer-led.

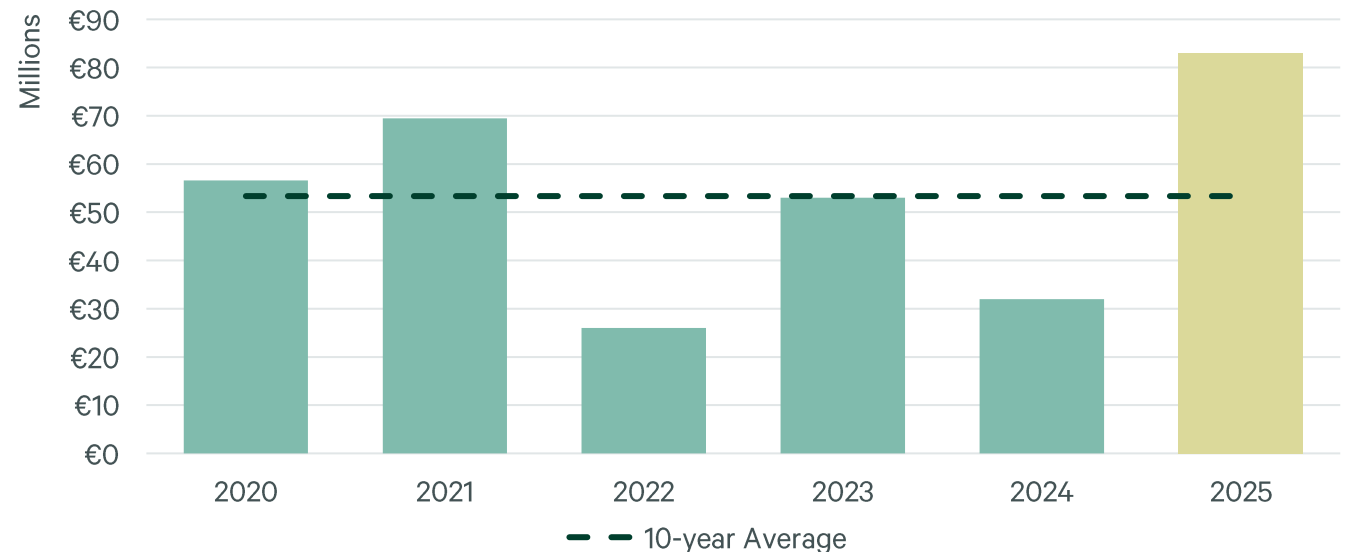
Zoned residential land now commands approximately €500,000 per acre, even without planning, reflecting confidence in project delivery and sustained housing demand.

Appetite for Scale

Landmark deals like Cairn Home’s Creamfields project with Respond - where construction has recently commenced on 606 units - demonstrate the market’s appetite for scale. With further rezoning expected and major housing-led schemes advancing, demand for prime suburban sites is set to intensify.

Two of the standout deals in the market last year were the disposal of a one-acre, former warehouse, site at St Patrick’s Quay and the sale of the 14-acre Dulux Paints site in Blackpool.

Figure 20: Cork Development Land Sales Volumes



Source: CBRE

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