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YIELD MATRIX	REPUBLIC OF IRELAND			NORTHERN IRELAND		
SECTOR	Q1 2017	3 MONTH MOVEMENT (BPS)	12 MONTH MOVEMENT (BPS)	Q1 2017	3 MONTH MOVEMENT (BPS)	12 MONTH MOVEMENT (BPS)
RETAIL						
Prime Shops ¹	3.25%	 	 	5.50%	 	
Prime Shopping Centres ²	4.75%	 	 	7.50%	 	
Good Secondary Shopping Centres	6.50%	 	 	9.50%		
Prime Bulky Goods	5.00%	 	 	7.50%	 	
Secondary Bulky Goods	9.00%	 	 	8.75%		
Supermarkets ³	5.75%	 	 	5.75%		
OFFICE						
City Prime	4.65%	 	 	6.25%	 	
City Secondary	5.50%	 		7.50%	 	 
INDUSTRIAL						
Prime Distribution ⁴	5.50%	 		6.00%	 	 
Regional Prime Distribution	7.75%	 		7.00%	 	 
Regional Prime Multi-Let	8.00%	 	 	8.50%	 	 
ALTERNATIVES						
Car Parks	5.75%	 	 	5.00%	 	 
Hotels	6.25%	 	 	6.50%	 	 
Multi-Family Residential	5.50%	 	 	n/a	 	 
Student Accommodation	7.25%	 	 	6.75%	 	 

Note: All yields are based on the assumptions that assets are rack rented, have a stabilised WAULT and typical covenant profile for the asset under consideration.

¹Prime shops refers to Grafton Street in Dublin and Donegall Place in Belfast. ²Northern Ireland value excludes Victoria Square Shopping Centre Belfast.

³15 year lease with index linked rent reviews. ⁴20 year lease with index linked rent reviews.

SOURCE: LSH Research

YIELD SENTIMENT

	REPUBLIC OF IRELAND	NORTHERN IRELAND
RETAIL		
OFFICE		
INDUSTRIAL		

MARKET COMMENTARY

REPUBLIC OF IRELAND

Total investment in Q1 was €475.7mn. Whilst this has been a healthy start for the Republic of Ireland's investment market, the overall transaction total is lower than the initial quarter of recent years. The trend this quarter has been for an increased number of transactions at lower than average values.

Most notably during Q1 2017, Irish Life purchased the City Quay office development which is currently under-construction in Dublin 2 for €126.32mn. This development is pre-let on a 25 year lease to Grant Thornton. Other key deals included the €36.7mn Montrose Student Residence in Dublin 4, the €28mn Aerodrome Business Park in Dublin and the €23mn Parkway Retail Park in Limerick.

Activity across all sectors indicates a healthy market, with office investment activity particularly strong and further pipeline stock will become available in 2017. We expect that the Dublin-dominant trend of investment activity will continue and that overall transaction levels this year will be on par with recent years.

NORTHERN IRELAND

Total investment volume in Q1 was just £11.6mn, signalling a typically slow start to the year. Despite the low level of activity, good quality stock performed well in Q1 and attracted multiple expressions of interest as investors adopted a 'flight to quality' strategy. Secondary stock suffered a dent in value and liquidity.

Notable transactions in the retail sector included Iceland investments on the Antrim Road (£1.3mn) and Newtownards Road (£1.325mn), Belfast, and a Next investment on Church Street Coleraine (£0.99mn). In the office sector, LSH sold Chancery House for £1.685mn whilst Elizabeth House sold for £1.21mn. In the industrial sector, LSH sold a building in Duncrue Industrial Estate, let to Speedy Hire, for £1.1mn.






We expect investment volumes to be significantly greater as the year progresses, with retail likely to dominate yet again. We are aware of almost £200mn of retail deals (across five transactions) in legals. There are also a number of small industrial investments (<£3mn) currently sale agreed.

Q1 INVESTMENT

REPUBLIC OF IRELAND

6.03% ALL PROPERTY TRANSACTION YIELD




€475.7mn

	Office	41.5%
	Alternatives	27.8%
	Retail	19.5%
	Industrial	9.9%
	Multi-Family	2.2%

NORTHERN IRELAND

7.00% ALL PROPERTY TRANSACTION YIELD

£11.6mn

	Retail	71.9%
	Office	15.1%
	Industrial	13.0%

OUR IRELAND VALUATION TEAM

Our valuation team possess in-depth national and specialist local knowledge. We undertake property valuations for loan security, acquisition and disposal, financial accounting, tax planning and expert witness.

JAMES FARRELLY
Director
00 353 1 673 1444
jfarrelly@lsh.ie

DARREN FITZSIMONS
Director
028 9026 9264
dfitzsimons@lsh.ie

EDMUND DOUGLAS
Director
00 353 1 673 1422
edouglas@lsh.ie

NIGEL KINGSTON
Director
00 353 1 673 1419
nkingston@lsh.ie

JOHN ADGEY
Director
028 9026 9227
jadgey@lsh.ie

IAN GIVEN
Director
00 353 1 673 1410
igiven@lsh.ie

SEBASTIAN JUDD
Senior Surveyor
00 353 1 673 1428
sjudd@lsh.ie

ANDREW MEARNS
Senior Surveyor
028 9026 9266
amearns@lsh.ie

OLIVER JOHNSTON
Surveyor
028 9026 9268
ojohnston@lsh.ie

PHILIP LENNON
Graduate Surveyor
00 353 1 673 1465
plennon@lsh.ie

CLAIRE COLE
Research Analyst – Ireland
028 9026 9235
ccole@lsh.ie

**Lambert
Smith
Hampton**