

# Dublin Flexible Office Market Overview 2024

This analysis includes a survey conducted with the leading flexible office operators in the Irish market



DUBLIN FLEXIBLE OFFICE MARKET OVERVIEW | FEBRUARY 2024

# More Flexible Working Practices are Driving Higher Demand for Serviced Offices

## Introduction

- The evolving, more flexible nature of the modern workplace has resulted in more Dublin office occupiers seeking flexible, short-term office real estate solutions.
- The Dublin market and many of its occupiers are currently in a transitional phase as they adapt to increased hybrid working arrangements and are structuring their real estate portfolios accordingly.
- Higher fit-out costs and financing costs are also pushing occupiers away from making larger, long-term real estate decisions that require capital expenditure at this point.
- Flexible, cost-effective, short-term arrangements are an ideal solution.
- Despite softer sentiment within the office market generally, the serviced/flexible office sector in Dublin is bucking this trend and achieving strong take-up, rents, and lower levels of vacancy.
- CBRE Research has held discussions with and surveyed the leading flexible office operators in the city in relation to key metrics in their market.
- The vacancy level among these operators' portfolios at the end of December 2023 stood at 7% in the core city centre locations of Dublin 2 and 4, while rents of €600-€900 per desk per month are being achieved for prime space.
- Further serviced office supply is due to come available in 2024 with the launch of several new schemes totalling a combined 9,383 sq m (101,000 sq ft).



## Operator Survey

- CBRE Ireland surveyed the leading office operators in the Dublin market in Q4 2023. In the **'Flexible Office Operator Survey 2023'**, operators were asked key questions regarding demand, vacancy, and market growth potential in Dublin.
- Office operators who collaborated in this survey include: IWG, Iconic Offices, Glandore, Pembr, Sonbrook, Whitefire Offices, Huckletree, Prosperity Chambers, Graftor, and Viridis Offices.

### Survey Findings

- The response demonstrates that there is momentum building towards the flexible office model as it has become an increasingly important element of occupier strategy.
- Dublin operators are continuing to expand in the sector, and an increasing number of traditional landlords are beginning to explore a serviced office model for a percentage of their overall office portfolios.
- Demand has also been noted from several overseas operators looking to secure space in Dublin in 2024.

FIGURE 1: Dublin Flexible Office Operators



Source: CBRE Research

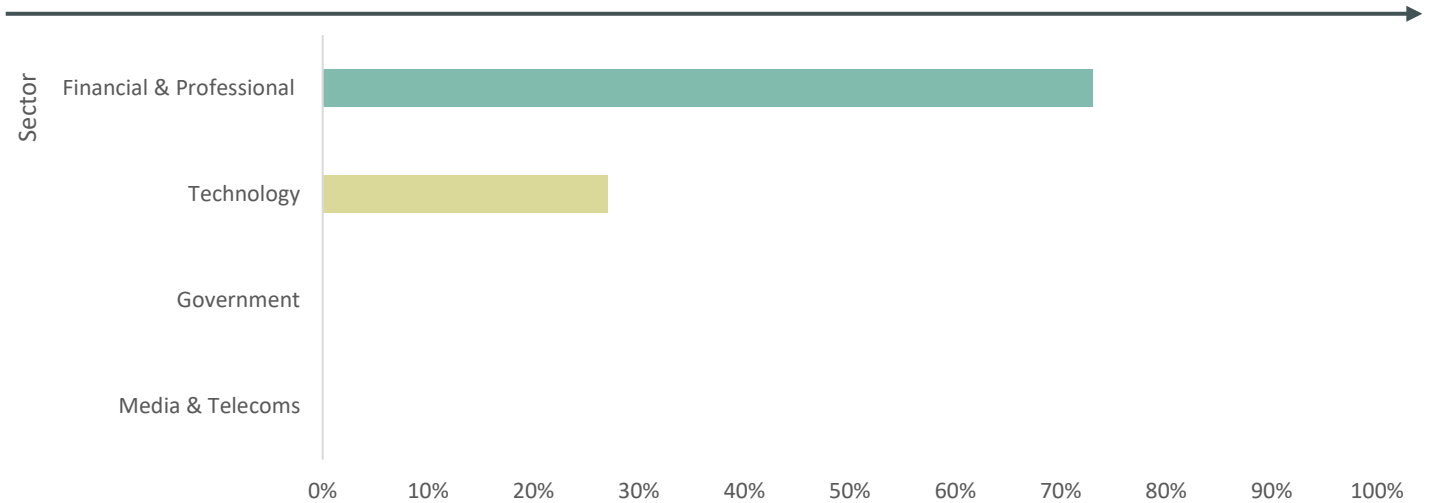
**Demand**

- In 2023, the primary demand for flexible offices in Dublin was centered in the core city centre location of Dublin 2.
- The Technology and Professional Services sectors accounted for the highest proportion of demand for flexible offices, with the Professional Services sector accounting for roughly 70% of total take-up in 2023.
- The findings from our office operator survey reveal that a significant portion of the take-up, 82%, was from companies seeking up to 25 desks.
- The remaining 18% of transactions involved companies requiring between 25 and 50 desks.

**Vacancy**

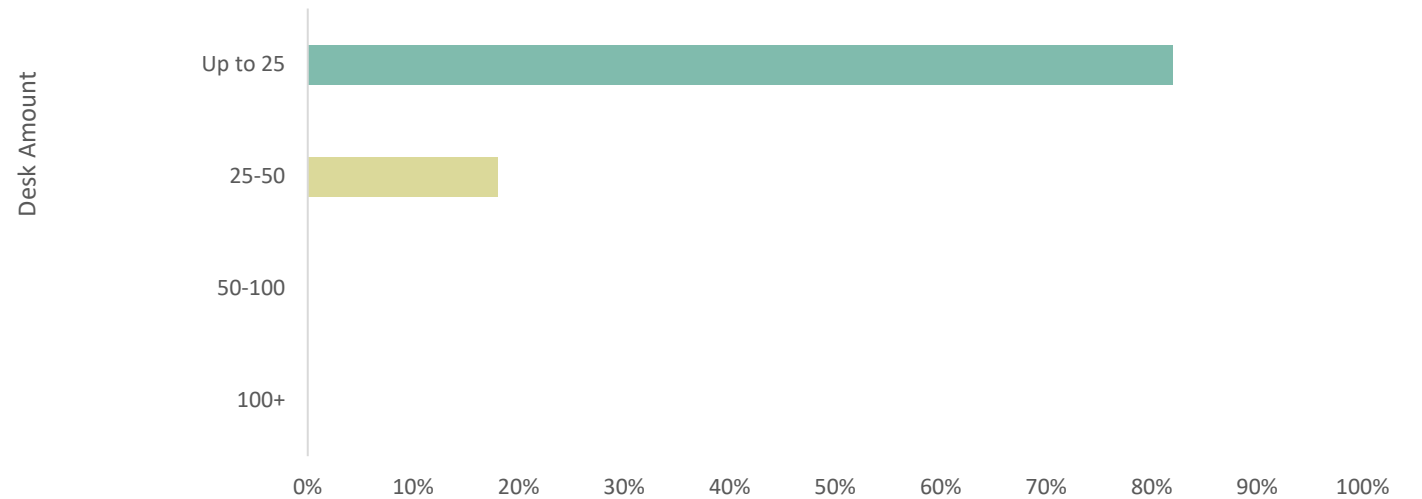
- The size of the Dublin city centre serviced office market currently stands at approximately (122,630 sq m) 1.32m sq ft.
- This is expected to grow in 2024 with the launch of several new city centre schemes, including Ella House (phase two) and Donnybrook House, both of which are in Dublin 2/4.
- According to our office operator survey, serviced office vacancy in the core central business district stood at approximately 7% in December 2023.

FIGURE 1: Flexible Office Operator Survey 2023: Demand by Tenant Sector



Source: CBRE Flexible Office Operator Survey

FIGURE 2: Flexible Office Operator Survey 2023:: Average Size Requirements (per desk)



Source: CBRE Flexible Office Operator Survey


**Pricing**

- The pricing for desks in flexible offices in Dublin can vary depending on factors such as location, amenities, and the level of flexibility in terms of membership options.
- On average, the cost for a desk in a flexible office in Dublin can range from €600 to €800 per month.
- Super-prime locations or offices with additional amenities may have higher pricing, reaching up to €900 per month.
- It is important to consider the specific needs and budget of your business when exploring pricing options for desks in Dublin's flexible offices.

**Commentary on WeWork’s Dublin Operations**

- Following WeWork’s Q2 2023 financial results the company raised ‘substantial doubt’ over its ability to trade as a viable business.
- The company which leased a total of (44,315 sq m) 477,000 sq ft in Dublin between 2017 and 2020 has begun to exit some of its slower performing schemes in Dublin city.
- However, notably, some of WeWork’s Dublin offices have performed well over recent years.
- WeWork are set to move ahead with the opening of its planned new development, ‘Central Plaza’ on Dame Street, Dublin 2 in May 2024. The building is currently undergoing a tenant fit out and once finished will provide (6,782 sq m) 73,000 sq ft of flex space to the market.
- A strong sign of confidence in the demand for flexible offices in the Dublin market.

FIGURE 1: Dublin Flexible Office Prices, Q4 2023



	Price per desk per month, range
Super Prime Dublin 2/4	€900
Prime Dublin 2/4	€600 – €800
Georgian & second-hand stock	€500 – €700
Enterprise & HQ office floors	€120 – €150

FIGURE 2: European Market Pricing levels, Q4 2023

City	Price per desk per month, range
Amsterdam	€450 – €1200
Barcelona	€325 – €500
Berlin	€600 – €900
Brussels	€400 – €700
Dublin	€700 – €800
London	£500 – £1,500
Madrid	€325 – €500
Milan	€250 – €1000
Munich	€600 – €900
Paris	€500 – €2500

Source: CBRE Research

## Case Study - New Dublin Supply 2024

### Ella House, Merrion Square, Dublin 2

The building comprises a host of initiatives that empower business owners and their teams to succeed by providing them with the ideal environment and resources. The space also has a focus on wellness, offering a creative fitness zone and various other innovative work environments.

<b>Operator</b>	Sonbrook
<b>Size</b>	910 sq m (9,800 sq ft) (phase 2)
<b>Available</b>	Q1 2024
<b>Commentary</b>	Premium amenity rich workspace with 10 meeting rooms, overlooking Merrion Square. Super prime locality. The entire development will boast 2,790 sq m (30,000 sq ft) of 'flex' space.

Key features of this building:

- Concierge services
- Prime city centre location
- Adaptive working and wellness spaces
- Fully restored and refurbished Georgian building



## Case Study - New Dublin Supply 2024

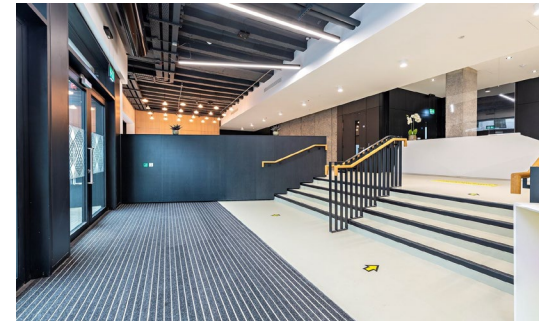
### Donnybrook House, Donnybrook, Dublin 4

The building offers a range of initiatives to support business owners and their teams, creating a conducive working environment. With a focus on providing a comprehensive package, the building boasts innovative working spaces and a wealth of amenities, in an upscale Dublin suburb.

<b>Operator</b>	Spaces (IWG)
<b>Size</b>	1,580 sq m (17,000 sq ft)
<b>Available</b>	Q2 2024
<b>Commentary</b>	Modern grade A serviced office space with a high quality break out space and a range of meeting rooms. Prime locality.

Key features of this building:

- Collaborative working spaces
- Close proximity to Dublin City Centre
- Substantial refurbishment led by award winning architects



## Conclusion

01

The demand for flexible office space in Dublin is being driven by various factors, primarily the increased adaption of hybrid working among office occupiers. The cost-effectiveness and scalability offered by such spaces allows occupiers to adapt quickly to changing needs. Flexible office spaces often provide an all-inclusive package without additional expenses and access to amenities and services. This is particularly attractive to occupiers at this point in the cycle.

02

The year 2023 proved to a success for the sector in Dublin, despite more generally challenging conditions in the broader office market. The Financial Services and Technology sectors predominantly drove the demand with vacancy levels much lower than in the traditional Dublin office market and rent levels holding firm.

03

Throughout the survey and conversations that CBRE Ireland held with the leading flexible office operators in Dublin, an optimistic sentiment carried through consistently. We expect several existing providers will expand their operations in Dublin in the next 1-2 years, while the market will also likely see the emergence of new entrants establishing their presence.





## Contacts

### Megan Burke

Director  
Advisory & Transaction Services  
[megan.burke@cbre.com](mailto:megan.burke@cbre.com)

### Megan O'Donnell

Junior Broker  
Advisory & Transaction Services  
[megan.odonnell@cbre.com](mailto:megan.odonnell@cbre.com)

### Colin Richardson

Director  
Head of Research & Consultancy  
[colin.richardson@cbre.com](mailto:colin.richardson@cbre.com)

### Zach Maguire

Graduate Analyst  
Research & Consultancy  
[zach.maguire@cbre.com](mailto:zach.maguire@cbre.com)

© Copyright 2024. All rights reserved. This report has been prepared in good faith, based on CBRE's current anecdotal and evidence based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

Nothing in this report should be construed as an indicator of the future performance of CBRE's securities or of the performance of any other company's securities. You should not purchase or sell securities—of CBRE or any other company—based on the views herein. CBRE disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CBRE as well as against CBRE's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.