Long Income, Evolving Capital; Emerging Sectors and a New Cohort of Investors

▲ €1bn
Investment Volumes Q2 2026

▲ €44m
Average Deal Size Q2 2026

▼ €233m
Residential Investment Q2 2026

▼ 23%
Residential Proportion of Q2 2026 Investment

▲ 2.25%
ECB Deposit Rate

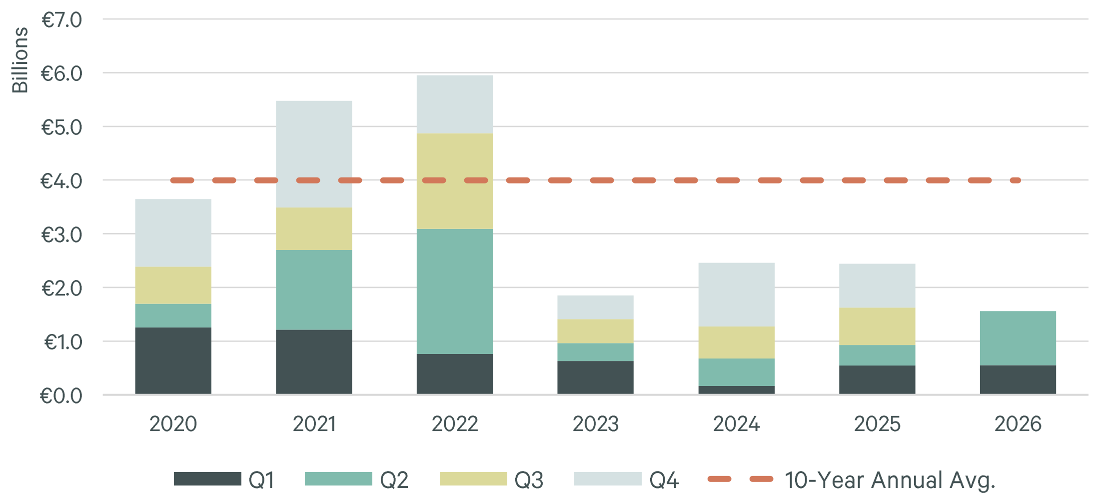
▲ 2.86%
EURIBOR 3M Swap 5-Year Term

Note: Arrows indicate change from previous period.

Q2 Highlights

- Investment volumes exceeded €1bn in Q2 2026, the strongest quarterly performance since Q2 2022. H1 2026 investment totalled approximately €1.5bn, almost 70% ahead of H1 2025
- Industrial & logistics dominated Q2, driven by the Horizon portfolio transaction, accounting for over 50% of quarterly volumes
- The convergence of real estate and infrastructure capital continues to emerge as a theme, with long-income, government-backed and operationally critical assets attracting demand
- Key transactions included Project Lime (social housing) and two European portfolios with Irish exposure in healthcare and supermarkets, which have also closed this year
- Residential investment represented 31% of H1 2026 volumes driven by regulatory reform and a new cohort of active buyers including European insurance capital
- MEAG's €110m acquisition of One Molesworth Street underlined the conviction of institutional capital in core Dublin 2 office fundamentals
- Office and retail yields tightened despite ongoing interest rate uncertainty, with active deal flow driving compression in prime pricing

FIGURE 1: Ireland Investment Volumes - All Sectors



Source: CBRE Research

Market Overview

Ireland's investment market demonstrated resilience through the first half of 2026, with H1 volumes reaching approximately €1.5bn, almost 70% ahead of H1 2025 and the strongest first half since 2020, with large-scale deals closing across sectors. Geopolitical uncertainty and a subsequent increase in swap and interest rates have nonetheless slowed some decision-making, and full-year volumes are unlikely to reach the levels anticipated at the start of 2026, with a new forecast of €3bn.

Convergence of Real Estate and Infrastructure

One of the features of the current investment cycle, in Ireland and across Europe, is the convergence of real estate and infrastructure. Traditional real estate investors are extending into infrastructure-style assets, with social housing, healthcare and supermarket sale-leasebacks attracting significant interest from investors seeking longer income and stronger covenants, while digital infrastructure commands strong demand globally.

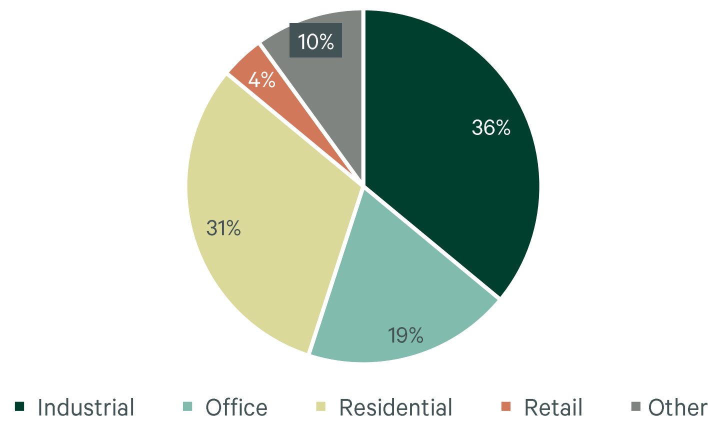
Long leases, government or quasi-government income streams, the critical nature of the assets, along with inflation-linked cash flows that match the long-dated liabilities these investors carry, make them attractive as well as strategically useful on institutional balance sheets.

In Ireland, two social housing portfolios changed hands in H1, including Project Lime, sold by Angelo Gordon for €84m and attracting five competitive bids. In healthcare, Q1 saw Cofinimmo sell a portfolio including approximately €100m of Irish assets to Aedifica as part of a wider European transaction, while late last year a supermarket chain completed a European sale and leaseback, with four Irish supermarket assets included. Infrastructure capital also assessed the Horizon portfolio, while some investors are targeting land banks suitable for digital assets with a longer-term holding strategy.

New Cohort of Active Capital in Residential

Residential generated increased activity and investor attention in H1, with rent regulation reform the catalyst, but what is particularly encouraging is the breadth of new capital active in the market. New direct investors have entered alongside significant international capital backing domestic platforms, GIC's investment alongside Beo being a clear example. New JV structures are also forming that will drive future rental apartment delivery, the Kennedy Wilson and APG partnership among them.

FIGURE 2: Ireland Investment Volumes by Sector H1 2026



Source: CBRE Research

FIGURE 3: Infrastructure-Adjacent Asset Classes Attracting Real Estate Capital

Social Housing Long-lease, government-backed income streams	**Student Accommodation** State-backed delivery, university covenant*	**Healthcare / Primary Care** Ageing demographics, HSE covenant support
Supermarkets / Food Retail Essential occupier, inflation-hedged long leases	**Digital Infrastructure** Energy-critical, national strategic importance	**Renewable Energy** Utility-adjacent returns, regulated income

Source: CBRE Research; *In Ireland, the State is backing the delivery of some PBSA

FIGURE 4: Key Irish Investment Property Transactions Q2 2026

Property	Location	Primary Sector	Sub Sector	Sale Price (Approx.)	Purchaser	Vendor
Horizon Logistics Park	Co. Dublin	Industrial & Logistics	Distribution Hub	€500m	GIC / Valor	Henderson Park
One Molesworth Street	Dublin 2	Office	City Office	€110m	MEAG	Henderson Park
Project Lime	Various	Residential	Social Housing	€84m	Confidential	Angelo Gordon
Seafield Strand	Dublin 13	Residential	PRS	Confidential	MEAG	Union Investment
LIV Dublin	Dublin 7	Residential	PBSA	€40m	Greystar	Valeo Group

Source: CBRE Research

Industrial & Logistics Dominant in H1; Residential Re-emerges as Key Sector

Industrial & logistics accounted for 36% of H1 2026 investment volumes, driven by the Horizon Logistics Park transaction. Residential represented 31% of H1 volumes, with further deals expected to close in H2. Office activity has also picked up, with additional stock anticipated to come to market in the second half, including the recent launch of George's Court (guide price €76m).

Offices: Accounted for 19% of H1 volumes, with Q2 investment of approx. €180m the strongest quarterly performance in several years, led by the sale of One Molesworth Street. Dublin 2 fundamentals continue to strengthen, with lower vacancy supporting renewed investor demand and competitive bidding on Molesworth Street evidencing yield compression for prime stock.

Retail: Retail investment represented approximately 5% of H1 volumes, with the sale of a 42% stake in ILAC Shopping Centre to Hammerson for €45m the standout transaction. It is encouraging to see the specialist retail REIT active again and consolidating its position in one of Dublin's prime retail assets.

Industrial & Logistics: The Horizon transaction dominated Q2, with the sector accounting for 36% of H1 volumes. Structural tailwinds across Europe continue to underpin strong demand. The conclusion of the EQT deal this year now looks unlikely to materialise, which will weigh on full-year volumes.

FIGURE 5: Ireland Investment Volumes By Sector Year-to-Date H1 2026

Source: CBRE Research

Residential Investment Overview

H1 residential investment of approximately €486m represents 31% of total H1 activity and is materially ahead of any comparable H1 period since 2022. Of this, just over €350m is focused specifically on the private rental sector. The rebound has been driven by a combination of improved regulatory clarity, plentiful debt availability, and a new cohort of buyers entering the market, with a number of live mandates and new processes to come that will shape H2 volumes.

Q2 residential investment of approximately €233m was characterised by a diverse range of transactions. The standout deal was Seafield Strand, Sutton, a prime stabilised rental scheme in an upmarket coastal north Dublin location, acquired by MEAG at a price close to prime yields. The scheme had previously transacted in 2022, and the repricing evident in this deal is broadly reflective of how the market has moved through this cycle.

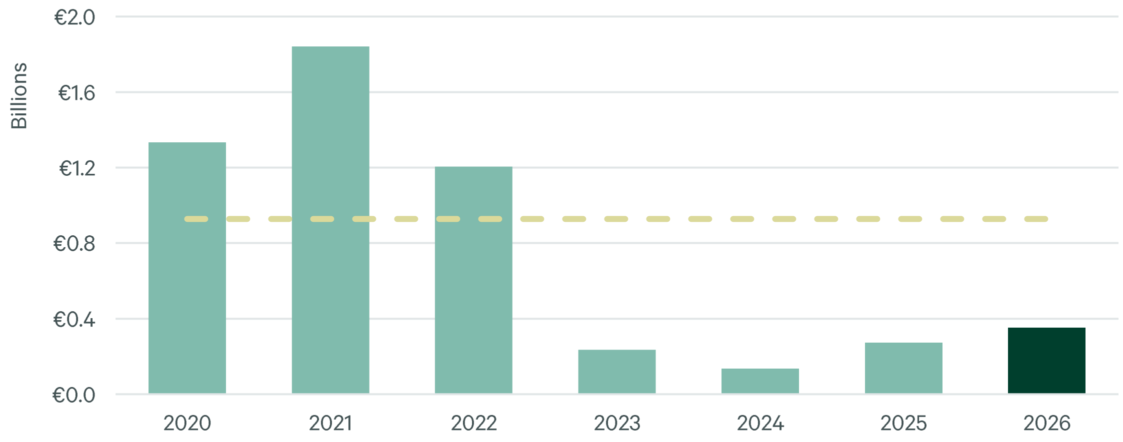
While the sale of Culanor has reportedly stalled (our forecast for PRS sales now falls from €800m to €600m), the sale of One Three North remains ongoing, with further prime stock expected to come for sale in H2. Social housing and student accommodation also contributed to Q2 activity, with Project Lime and LIV Dublin among the notable transactions.

Supply Pipeline Heavily Weighted Towards Social & Affordable

The regulatory reforms introduced in March 2026 have been the primary catalyst for renewed investor interest. The principal change, allowing landlords to reset rents to market levels at the end of a tenancy, restores the ability to capture reversion over time, a fundamental underwriting assumption that had been absent from the Irish PRS market for several years. Investor enquiries have increased materially since implementation, and a number of live mandates and processes reflect that returning confidence.

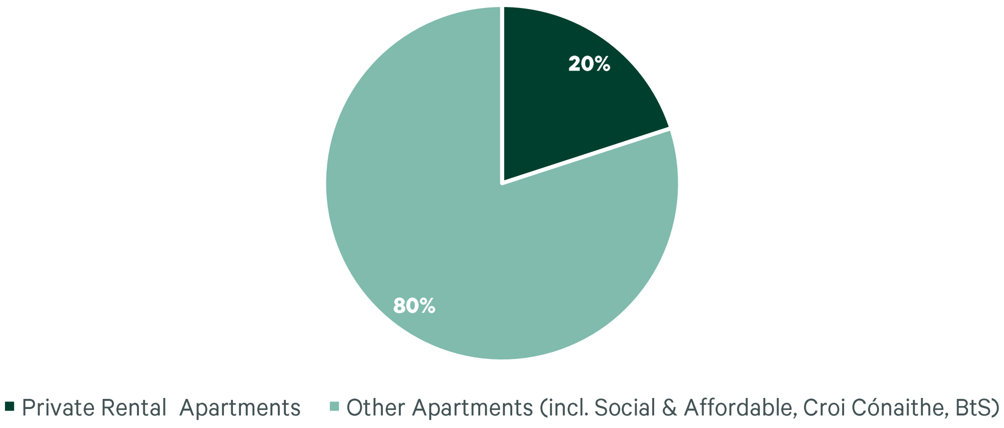
The supply context reinforces the investment case. Based on the largest apartment schemes currently under construction in Dublin, private rental sector accounts for approximately 27% of forecast 2026 completions, with the balance comprising social housing, cost rental and affordable schemes. The private market supply share falls further to approximately 12% in 2027. Private rental supply remains structurally constrained, and with demand continuing to outpace delivery, the conditions for sustained investment returns remain firmly in place.

FIGURE 6: Ireland Private Rental Apartment Investment Volumes*



Source: CBRE Research; *Solely PRS investment, excludes PBSA and Social Housing investment

FIGURE 7: Dublin Apartment Supply by Tenure 2026 & 2027



Source: CBRE; Analysis Based on Large-Scale Apartment Schemes Under Construction in Dublin with 2026 or 2027 Delivery

Interest Rates, Yields & Funding

The ECB raised its deposit facility rate by 25 bps at its June meeting to 2.25%, its first hike since 2023, and markets are currently pricing an increased possibility of a further move this year. The 5-year EURIBOR swap rate had already moved 40–50 bps earlier in the year in advance of the June decision, and has again spiked in recent days trading around 2.8%.

Against this backdrop, Irish prime yields have shown resilience, with compression recorded across two sectors in H1. Prime office yields moved in by 25 bps to 4.75%, supported by deal evidence from the sale of One Molesworth Street. Retail park and supermarket yields sharpened by a further 25 bps in July, reflecting the pricing on both recent and ongoing transactions in retail assets.

Prime industrial and logistics yields held within guideline ranges based on the core component of the Horizon portfolio sale, though one notable transaction stalled mid-quarter. Residential yields remain stable on a headline basis; net initial yields on certain ongoing transactions are tracking below guideline levels, reflecting under-rented stock rather than movement in prime pricing.

Capital Flows Into Irish Real Estate Across the Stack

The financing market remained active in H1, with a number of notable transactions. The residential sector continues to attract focus and highly competitive terms from bank and non-bank lenders. Homebuilder Glenveagh Properties expanded its debt facilities to €550m in May, comprising a €450m revolving credit facility syndicated across AIB, Bank of Ireland, Barclays, HBFI and ING, alongside €100m in seven-year private placement notes placed with MetLife Investment Management.

Equity capital formation was also evident, with the Kennedy Wilson and APG joint venture, a €2bn residential platform announced in June, which will unlock approximately 2,300 new private rental units across the Player Wills, Bailey Gibson and Clonliffe Road sites in Dublin.

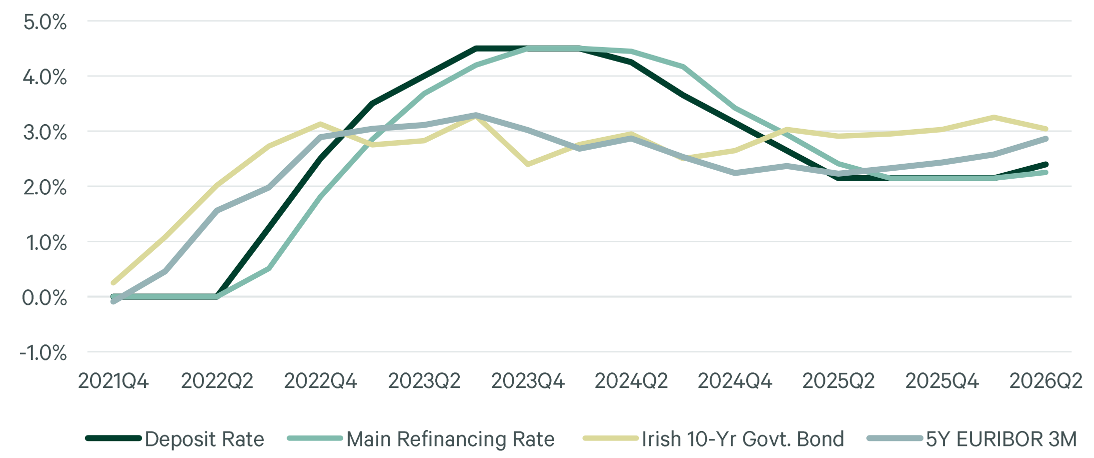
IPUT completed a €300m revolving credit facility in June with ABN AMRO, Bank of Ireland and ING, all new lenders to the fund.

FIGURE 8: Prime Irish Investment Yields (EY%)

Sector	Q2 2026	Quarterly Change	Trend Outlook
Prime Residential (PRS) (Standing Stock)	4.75%	-	Stable
Prime Office	4.75%	-25 bps	Stable
Prime Industrial & Logistics	5.00%	-	Stable
Prime Leased Hotels	4.75%	-	Stable
Prime PBSA	5.25%	-	Stable
Prime High Street Retail	5.25%	-	Stable
Prime Retail Warehouse/Parks	6.25%	-25 bps	Stronger

Source: CBRE Research

FIGURE 9: ECB Interest Rates, Irish 10-Year Govt Bond Yield, EURIBOR Swap Rate



Source: ECB, Oxford Economics; Rates are based on end of period

Figure 10: Seafield Strand, Sutton, Dublin 13; Acquired in Q2 by MEAG

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