

What's Happening in ... Dublin?



Dublin - the capital of the Republic of Ireland - has been making a name for itself as a center of finance and tech excellence for a number of years. Companies like Google, Accenture, Stripe, SAP, HubSpot and Microsoft all maintain big offices there, and this has driven demand in both residential and commercial real estate (CRE) over the years.

In fact, the average disposable income per person in Dublin is 110% of the national average – but Dubliners need that extra cash because it's also one of the most expensive cities in the European Union (EU). In fact, this was becoming a major talking point about the city in 2019.

So how are they faring now with the effect of the pandemic? Here's what you need to know about CRE trends and news in this region...

Pandemic Effect

Dublin is both the biggest city and the economic hub of Ireland. Because it is the seat of the Irish parliament, civil service is a big employer in the city. It is considered a magnet for technology-related businesses, hospitality, retail, financial services, education and more.

Like most major cities, the effect of Covid-19 on the economy was profound – especially on customer-facing businesses like retail, dining, and tourism, with considerable job losses at the peak of 2020 lockdown. The government has instituted a robust recovery plan aimed at mitigating the effects.

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State of Recovery

There are positive signs though that Ireland has positioned itself nicely to see good recovery signals in the second half of 2021. Significantly, more than two million people in Ireland are now fully vaccinated (two doses), reports the BBC.

About 70% of the adult population has had at least one of their vaccination injections, and 50% of the adult population has received two or two injections.

Despite this, the government is being responsible and cautious in reopening. Many major events, including the Dublin Marathon, are being pushed out. Dublin is considering the use of the proposed EU digital certificate (for fully vaccinated people) as part of their efforts to facilitate regional travel again.

Taking the CRE Pulse

After a dismal 2020, Dublin is showing signs of vigor again. Independent.ie reports: "This year has seen health insurance rises, home-heating oil increases, rents surging and property prices increasing at rates last experienced during [boom times]".

The EU number-crunchers are predicting GDP growth in 2021, and there is a significant interest in developments that tick the greener and sustainable boxes.

Residential housing prices in the EU are already gaining comfortably, with Ireland seeing 3.1% growth year-on-year, but being such an expensive city for living, Dublin has been rocked by the remote work movement which has led to record low occupation rates.

Irish Times, quoting a Virgin Media survey, reports that 43% of people surveyed want to work at home three days a week with two days in the office. This, they predict, will drive an even tighter crunch in office real estate, but that's not scaring off the big businesses still interested in Dublin.

Salesforce, for example, recently told Diginomica it plans to invest more in these offices, with a view to changing how they use the space at hand. Bret Taylor, president, and COO of Salesforce explained he's thinking of the office as "a place that you go to collaborate with your team...That's changing the shape of our real estate, you know, more team spaces and fewer individual desks."

