

Dublin 2019 flexible office market snapshot

Pricing

- The average cost per private office desk in Dublin was €527 in 2019, down 6% year-on-year. This was due to an increase in the availability of serviced office space across the city and suburbs offering competitive rates and packages to clients in order to secure business.
- The average term length was 10.2 months and the average rental discount achieved by Workthere was 9.6% compared to 5.7% in 2018. As a result of the increase in serviced office options, negotiating power shifted further towards the occupiers.

	Monthly private office desk price (€)	Term length (months)	Average rental discount achieved by Workthere (%)
2018	561	11.6	5.7
2019	527	10.2	9.6
Year-on year change (%)	-6%	-12%	3.9%

Demand

- The average number of desks required by our clients was 12.2 desks per enquiry in 2019, which is 26% higher than the 9.7 desks the previous year. This is a result of a trend that we're seeing globally in which flexible offices are more frequently being used by larger companies that require more desks on longer contract terms.
- Last year, 8% of enquiries were from businesses that were unhappy with their current space, noticeably higher than the previous year at 2%. Occupiers were generally unsatisfied due to inflexible contract terms (in particular those based in conventional offices were looking for shorter term contracts), additional costs of services and steep rent increases.
- In 2019 the number of businesses requiring more space fell to 14%, compared to 26% in 2018. Competitive pricing in the serviced office market recently has meant that occupiers have been looking to move laterally to other serviced offices with the same size teams due to better pricing.



€527

Average monthly cost per desk in Dublin



12.2

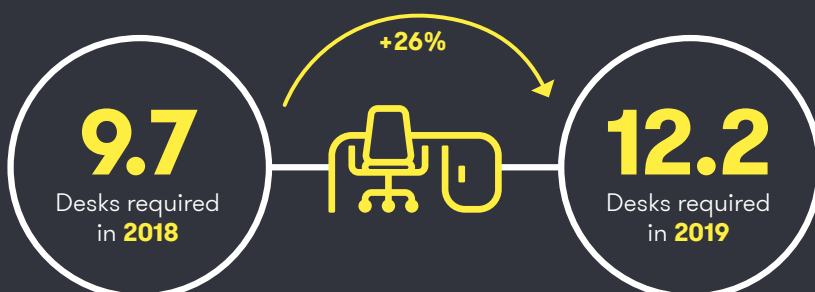
Average no. of desks per enquiry in 2019



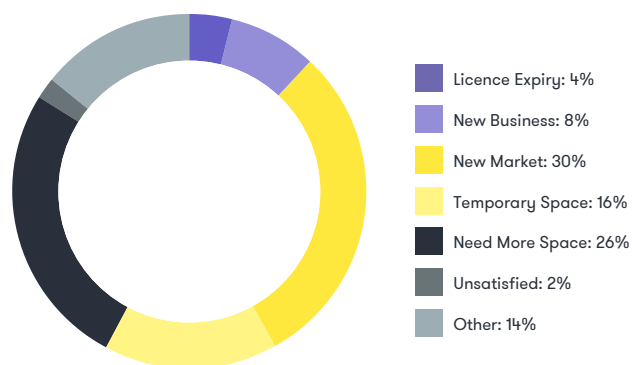
8%

of enquiries were due to dissatisfaction with current office

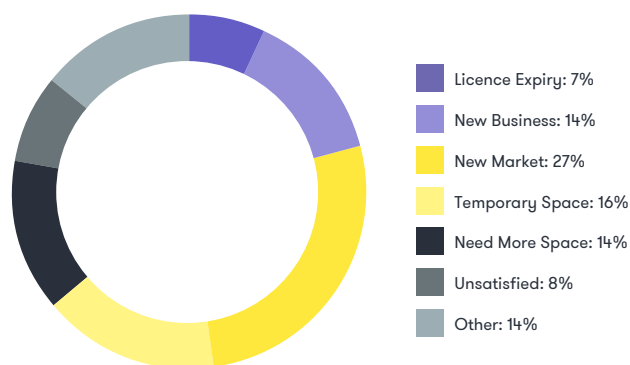
Average no. of desks required



2018 reasons for moving offices



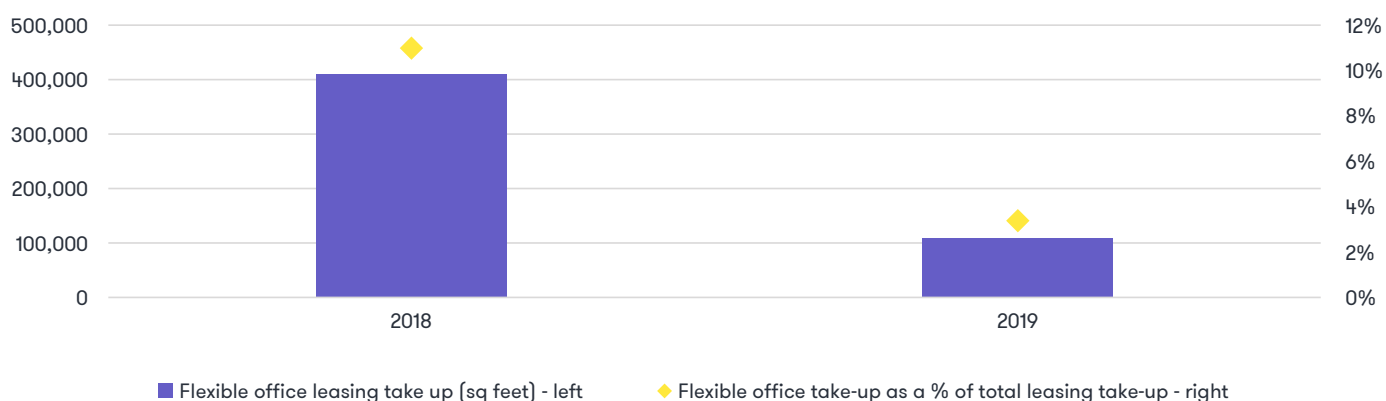
2019 reasons for moving offices



Supply

- The amount of space leased by flexible office providers in Dublin fell 73% year-on-year from 410,266 square feet in 2018 to 109,710 square feet in 2019. This was predominantly due to 2018 being an anomaly in terms of flexible office space take up with exceptionally high levels of this type of space being acquired during the year. Further to this, WeWork's planned deals falling through in the second half of 2019 has inevitably impacted the figures for last year. Further to this, the take-up figures recorded for the second half of 2019 were inevitably impacted by the two reported WeWork deals that did not progress. The take-up volumes of flexible space recorded in 2019 reflected more normalised levels, which we expect to continue throughout 2020.
- Despite both 2018 and 2019 seeing the same number of flexible office leasing deals, the average size reduced from 58,609 square feet in 2018, skewed upwards by two particularly large WeWork leases at Charlemont Exchange and One Central Plaza, to 15,673 square feet.
- Flexible office providers leasing space reduced from 11.0% of all office space leased in 2018 to 3.4% in 2019. IWG and WeWork (two of the largest flexible office providers) combined accounted for 96% of the total space leased by flexible office providers in 2018, compared to only 55% in 2019. This is partly due to the lower leasing activity by WeWork and partly due to more providers entering the Dublin market in 2019, such as Knotel and WhitefireHQ. Further to this, given Dublin's attractive rental figures, we expect more new providers to enter the market in 2020 and 2021.

Dublin flexible office leasing take-up



Workthere.com

Workthere is a business by Savills focused solely on helping businesses find flexible office space, whether that's a serviced office, co-working or shared space.

Get in touch for further information

Georgina Dillon
Team Lead
+353 (0) 1 618 1425
georgina.dillon@workthere.ie

Carolina Lees
Office Space Consultant
+353 (0) 1 618 1423
carolina.lees@workthere.ie

Liz Williams Bew
PR Director
+44 (0) 20 7409 8140
lwbew@savills.com

Jess Alderson
Global Research
+44 (0) 20 7409 4561
jessica.alderson@workthere.com