




# Quarterly Report Q3 2025 Pension Irish Property Fund

more **INVESTED**

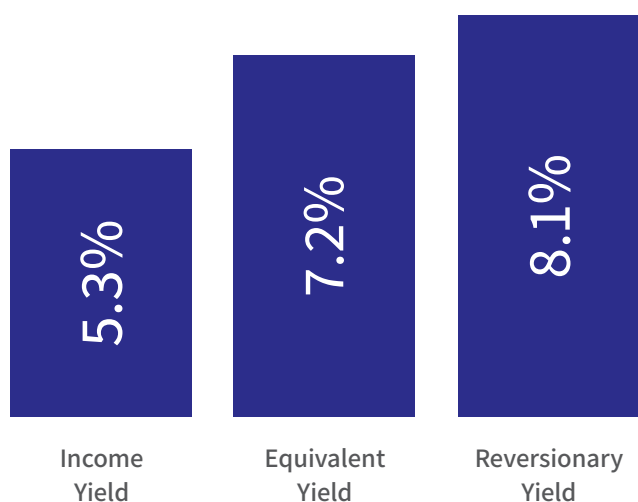
# FUND CHARACTERISTICS



## AT A GLANCE ▼

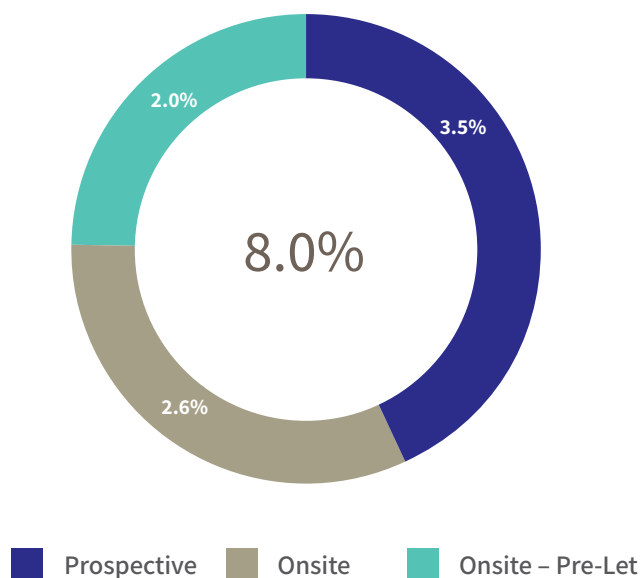
NAV €1.06bn	GAV €1.32bn	NO. OF ASSETS 86	 GRESB ★★★★★ 2024
FLOOR AREA (SQ FT) 4.25m	PASSING RENT PA €99.25m	MARKET RENT PA €120.62m	WAULT 6.01 yrs

## YIELD PROFILE ▼



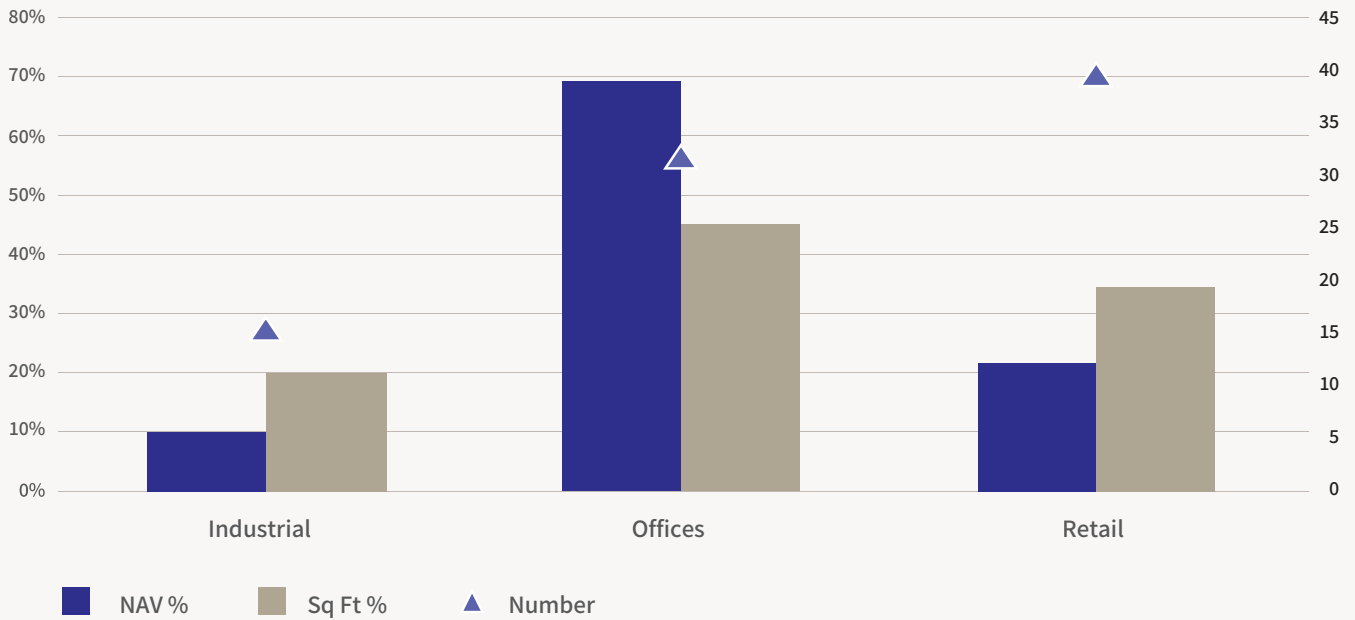
## DEVELOPMENT ASSETS

as % of NAV

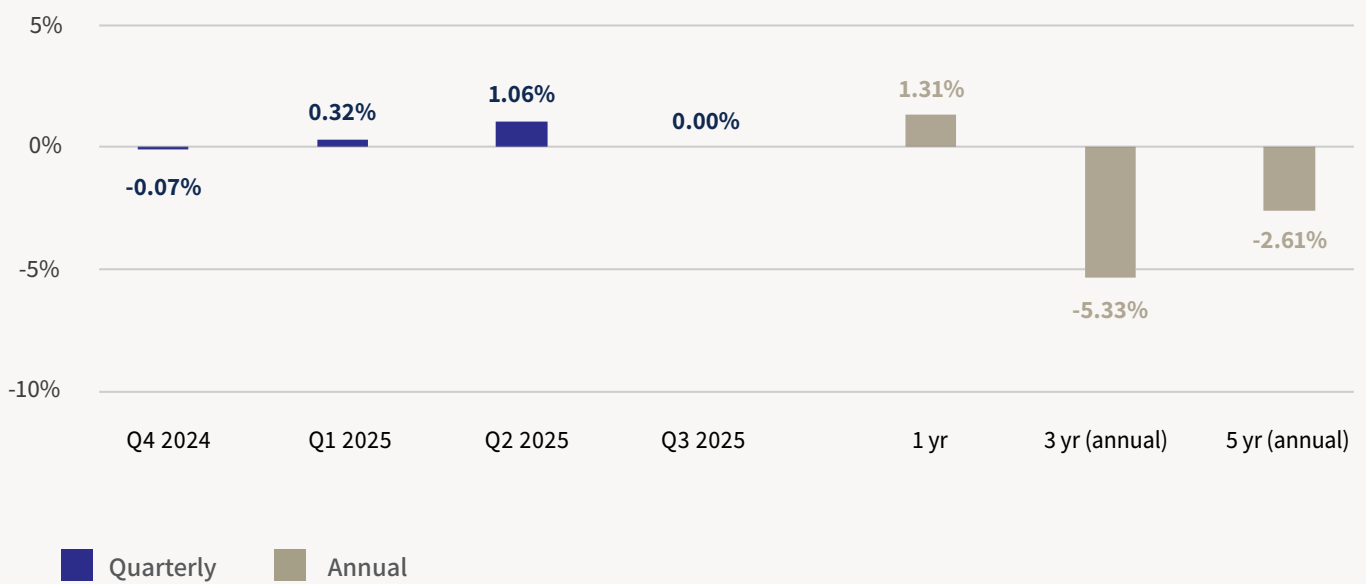


## FUND CHARACTERISTICS

### SECTOR



### FUND PRICE PERFORMANCE





# MARKET COMMENTARY

Turnover in the Irish property investment market in Q3 2025 amounted to €694m. 46% of investors were from Ireland, with 32%,12% and 5% from mainland Europe, the UK and the US respectively. This brings the total year-to-date turnover to €1.6bn.

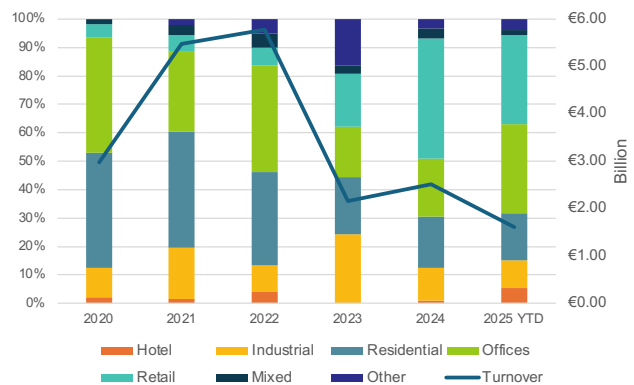
The office sector accounted for 35% of all transactions in Q3. Approximately €237m was deployed into the sector across eight transactions, bringing the total year-to-date turnover to €512m, surpassing the full-year volume recorded in 2024 and accounting for 30% of all investment spend year-to-date. Significant office deals included Corum's acquisition of 24-26 City Quay and 30 Herbert Street from Irish Life, for a combined consideration in the region of €85m. In Dublin 4, IPUT disposed of 1 & 2 Shelbourne Buildings to Arkéa for €34.7m, while Remake AM acquired 3 Shelbourne Buildings for €28.8m.

The industrial market had transactions amounting to €93m, 13% of all transactions for the quarter. Residential accounted for the largest proportion of investment in Q3 at 37%, with two sales to Ardstone taking up most of the activity in this sector.

Following significant trades in the first half of the year, a further €78m of transactions occurred in the retail sector in Q3. Investment demand is buoyed by high income returns and growth prospects in a market that has recovered from a structural shift and some shocks in the recent past. The sale process for Jervis Shopping Centre, a 1990s city centre scheme of 385,000 sq. ft. and over 90 retail units, progressed in Q3. The sale is believed to have been agreed at close to the guide price of €120m.

A number of large lot-size sales processes commenced post quarter end, particularly in the industrial and logistics sector, which will feed into the activity levels over the coming months.

Ireland Investment Volumes & Sector Breakdown



Source: Savills

## Office

Take-up of office space in Dublin during Q3 amounted to 860,000 sq. ft. across 61 deals, representing a 33% increase compared to Q2 and above the long-term quarterly average. The average deal size for the quarter was 14,000 sq. ft., in line with the market in recent years.

The largest deal of the quarter was of 87,300 sq. ft. at 2 Burlington Road to Deloitte, which will provide the firm short-term accommodation in advance of moving into new premises at 1 Adelaide Road in 2027, for which Deloitte has recently signed a long-term lease with Irish Life.

Marsh McLennan signed a new lease with Irish Life for entire office demise at The Frame, a newly constructed office at the junction of Baggot Street and the Grand Canal. The building extends to 48,000 sq. ft. and will become that company's Irish headquarters when it takes occupation in 2026.

Other notable lettings include AIB's lease in Block B, Central Park (77,300 sq. ft.); an assignment to Aer Lingus in One Dublin Airport Central (81,200 sq. ft.); and Mediolanum's lease in No.3 Dublin Landings (47,000 sq. ft.).

In Q3, the financial services sector accounted for the largest proportion (23%) of take-up, across eight separate deals. On a year-to-date basis the technology sector has accounted for 40% of all take-up, with professional services and financial services accounting for 14% and 13% respectively.

Leasing activity was driven by strong demand for prime space, as evidenced in the top deals this quarter, which saw a marked acceleration in decision-making that fed into a rise in activity. Indicators of growing confidence and decisiveness among occupiers followed a period of economic uncertainty, combined with a realisation that available space in the core locations in Dublin is declining. The market is seeing a very wide delta in rental levels between the most desirable space and less attractive offerings.

Savills estimates a market-wide vacancy of approximately 17%. This figure does not constitute all availability however, which is estimated to be approximately 22% when grey space (space that is leased but available for sub-let) is accounted for. The majority of vacant space is contained within older or off-pitch office buildings, as demand is now firmly focused on modern or strategically located properties. Prime rents for such space remain resilient and ranges €60-€65 per sq. ft., with a notable fall-off in supply projected over the coming years due to a decline in the development pipeline.

## Retail

Footfall in shopping centres and high streets remains consistent with the last few years but is below pre-covid levels by approximately 10%. Footfall in retail parks again remains consistent with recent years but is higher than pre-covid levels by approximately 10%.

Prime shopping centres are approaching full occupancy. Notable leases in the quarter included Masahi and Wingstop in the Liffey Valley Shopping Centre. Significant take-up in retail parks in Q3 were JYSK leasing 22,000 sq. ft. in Sallynoggin and American Golf taking 6,000 sq. ft. in Blanchardstown.

Occupier demand for prime retail space in high streets or schemes remains healthy, with signs of incremental rental growth developing. Vacancy levels remain low, with less than 6% vacancy across all retail real estate and retail parks having a vacancy of less than 2.5%.

## Industrial

A take-up of 492,000 sq. ft. was recorded in Q3 in the industrial space, approximately 30% below the 10-year quarterly average. The yearly take-up to-date stands at 1.6m sq. ft., already above last year's total of 1.3m sq. ft., but still unlikely to hit the 10-year average of 2.8m sq. ft.

The low vacancy level of 2.3% and sustained demand is maintaining historically high rental levels and continuing to generate rental growth. Prime rents increased again this quarter, now sitting at €13.75 per sq. ft., as occupiers compete for space in a scarce market.

17 lettings took place in Q3, the largest of which was of 151,900 sq. ft. at Ballymount Logistics Hub to Irish logistics company JMC. Much of this quarter's take-up came from occupiers targeting modern, high-specification units, often newly completed or refurbished.

Meanwhile, 793,900 sq. ft. of new space was delivered across eight units, the highest quarterly delivery since the second quarter of 2023. This accounts for much of the vacant space as leasing processes on some of those properties continues.



**The Frame: developed by Irish Life and leased to Marsh McLennan in 2025.**

## FUND UPDATE

The Fund received its 2024 GRESB score at the end of Q3 (funds are assessed annually in arrears due to the quantum and nature of data analysed). The highest designation, five stars, was retained for 2024. Greater detail on this is provided in the ESG section below.

The Fund's on-going office development at 1 Adelaide Road progressed in Q3. The building will provide 155,000 sq. ft. of Grade A office space, designed for flexibility to suit either a single occupier or multiple tenants. The development will feature high-quality amenities such as generous reception and business lounge areas, townhall space, external terraces and extensive end-of-journey facilities. Sustainability is a key focus, with the project targeting LEED Platinum, WELL Gold, NZEB, BER A2 and Wired Score Platinum certifications, and a dedicated team overseeing the integration of sustainable design and construction practices.

Walls Construction, the Irish contractor, began work in early 2025, with piling completed in Q1 and excavation of two basement levels following immediately after. The first concrete pour for the -2 basement level took place in September, with the final pour scheduled for November. Three tower cranes are being utilised. The shell and core works will continue throughout 2026 and into 2027, with overall completion expected by mid-2027. Deloitte, the anchor tenant, is set to begin a phased fit-out in early 2027, aiming for occupation by mid-2028.

In Q3, having recently reached practical completion, a lease was signed for the entire office demise of The Frame with global professional services firm Marsh McLennan. This property occupies a prominent location at the junction of Baginbun Street and the Grand Canal and will become the tenant's Irish headquarters. The building extends to approx. 48,000 sq. ft., over six floors and enjoys views onto the Grand Canal and across Dublin City's southern skyline.

The Frame was designed by Reddy A+U and has been built to the highest modern office standards including Net Zero, LEED Platinum and WELL Gold, as well as achieving a BER rating of A2.

The Fund has an extensive office portfolio of 30 individual assets and weighting by value of 68%, which is subject to an explicit renewal strategy to align with modern occupier requirements and generate sustainable long-term returns. As part of this strategy, two properties were disposed of in Q3. 24-26 City Quay and 30 Herbert Street, both located in Dublin 2, were sold to Corum, a French investment manager for approximately €85m. 24-26 City Quay had been extended and refurbished by ILIM in 2020/2021, and 30 Herbert Street was fully let to three tenants with which the latest round of rent reviews had been recently completed.

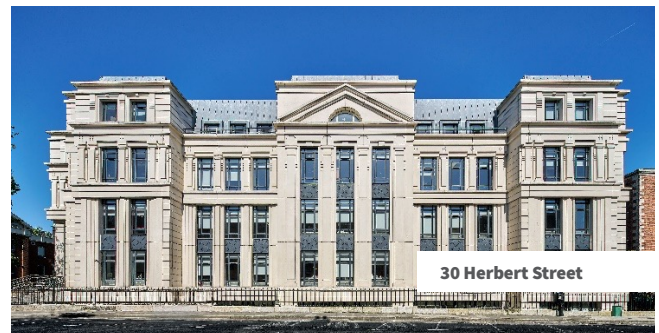
The Fund's office renewal pipeline comprises strategically located sites that are at various stages of activity and will provide sequential exposure to development activity into the medium term.



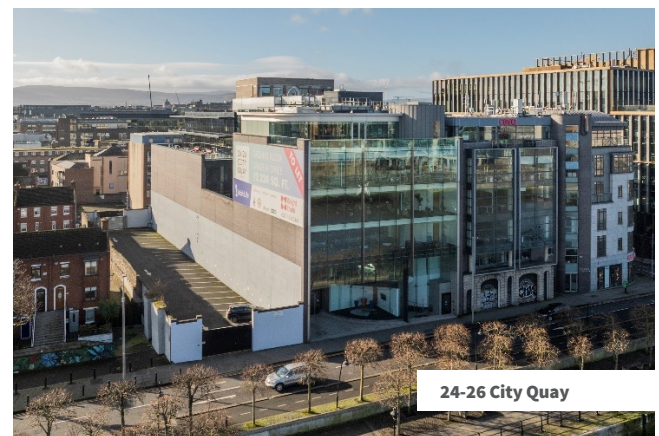
1 Adelaide Road: current construction site



1 Adelaide Road: CGI of completed building



30 Herbert Street



24-26 City Quay



# ESG

ILIM believes that prudent integration of ESG factors into physical property investment decisions will lead to more sustainable long-term returns, helping to manage risk and enhance growth opportunities. ILIM adopts an active ownership approach across the real estate assets in which it invests on behalf of its clients and aims to maximise the medium- to long-term value for its clients.

Regarding standing assets, this involves constructively engaging with property managers, and encouraging better standards and management processes covering financially material sustainability risks. At asset level, ILIM has developed an Environmental Management System (EMS) to manage sustainability impacts, risk and opportunities across its clients’ real estate portfolios. The EMS also aims to improve resilience and performance in clients’ portfolios and assets, thereby avoiding a significant diminution in value which might result from poor environmental management, and which may lead to the ‘stranding’ of a real estate asset.

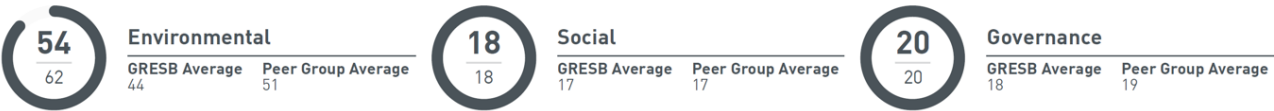
In all new developments, key elements of globally recognised sustainability standards, including LEED (Leadership in Energy and Environmental Design), WELL Building Standard and net-zero carbon are integrated, while being mindful of broad environmental considerations.

As part of the real estate acquisition process, a comprehensive due diligence process is conducted, including financial, physical, governance, regulatory, market, environmental and social considerations. The due diligence process includes a technical assessment against material ESG themes. These technical assessments result in Property Improvement Plans which seek to improve ESG impacts and put the asset on a pathway to net zero to reduce its carbon emissions.

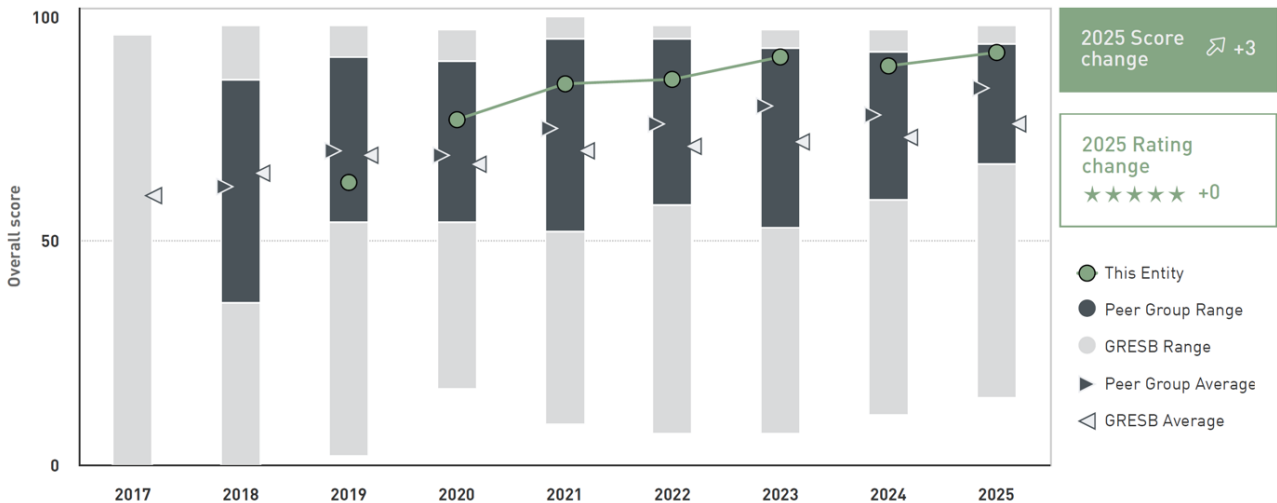
ILIM participates in the Global Real Estate Sustainability Benchmark (“GRESB”) and received its 2024 results at the end of Q3. The Fund achieved an overall score of 92%, which placed it in the top quintile of participants and earned it a rating of five stars. To put this in context for this period, the GRESB average was 79% and the peer group average was 87%.

The GRESB scoring model assesses environmental, social and governance metrics. A summary of the Fund’s performance across these areas is provided below, as well as the trend of results since the Fund was first benchmarked.

## GRESB Score Breakdown



## Trend



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