SCSI Chartered property, land and construction surveyors

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ANNUAL COMMERCIAL PROPERTY MARKET MONITOR

REVIEW AND OUTLOOK 2026

MARCH 2026

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KEY FINDINGS

Investment sentiment strengthens across all major commercial sectors

National investor confidence continued to firm through late 2025, with the investor demand index rising to a **+16% net balance**, supported by clearer pricing signals and stabilising credit conditions.

Industrial assets forecast to deliver the strongest returns through 2026

Prime industrial assets remain the standout performer, with capital values expected to rise by **4%** and rents by **4.4%** over the next 12 months, driven by sustained occupier demand from the logistics, e-commerce and pharmaceutical sectors. This is reinforced by strong occupier demand, reflected in a **+34%** net balance in H2 2025.

Constrained development pipeline driving upward pressure on values

Reduced availability, falling to **-11% net balance** in H2 2025, is contributing to increased competition for all prime stock. Limited speculative development, higher construction costs and extended planning timelines are cited as key factors behind the positive outlook for capital and rental growth, with near-term expectations at **+33%** for both indicators.

Prime retail sees renewed stability as vacancy remains exceptionally low

Prime retail assets continue to demonstrate resilience, with capital values expected to grow by **1.2%** and rents by **1.1%**, supported by low vacancy rates and steady consumer activity. Investor sentiment in the sector turned positive in H2 2025 (**+8% net balance**), driven by strong demand for prime locations where supply is significantly below requirements.

Occupier priorities shift decisively towards ESG-focused, high-quality buildings

A significant majority of surveyors (**91%**) report rising demand for health, well-being and amenity-focused workplace environments, with 73% noting that occupiers are willing to pay a premium for such features. Over the years, this shift has continued to widen the performance gap between prime and secondary assets.

INTRODUCTION

The Commercial Property Market Monitor and Outlook 2026 provides a sentiment-based assessment of current conditions across Ireland's office, retail, and industrial sectors, drawing on survey responses from Chartered Commercial and Valuation Surveyors, as well as wider economic indicators.

The Monitor forms part of the SCSI's ongoing effort to track sentiment and activity trends within the commercial real estate market, offering timely insights into occupier demand, investment appetite, supply dynamics, valuation shifts, and forward expectations.

This edition is published at a period when the Irish commercial property market is showing signs of stabilisation following several years of adjustment. Survey results highlight improvements in sentiment across key indicators, supported by more favourable financing conditions and clearer pricing signals. While global economic headwinds and structural challenges continue to shape decision-making, the data suggests a gradual strengthening of both occupier and investor confidence heading into 2026.

In addition to the quantitative survey findings, this report incorporates qualitative perspectives shared by the SCSI's commercial agency members. These practitioner-based insights provide further context around emerging trends, sector-specific dynamics, and on-the-ground market behaviour. Their contributions deepen the analysis by highlighting the operational realities influencing occupier strategies, development viability, and investment activity.

Taken together, the survey results and member commentary offer a comprehensive view of current market conditions and the outlook for the year ahead.

The Monitor aims to support property professionals, policymakers, investors, and occupiers by providing an informed, sector-specific assessment of Ireland's commercial property landscape as it enters a new phase of cautious recovery.

OVERVIEW OF THE COMMERCIAL PROPERTY MARKET

Ireland's commercial property market is entering 2026 with signs of cautious improvement, supported by a stabilising macroeconomic environment and gradually strengthening sentiment across key sectors.

Despite ongoing global uncertainty, the domestic economy has demonstrated resilience. According to the Central Statistics Office and the Department of Finance, Modified Domestic Demand[1] remains stable and grew strongly through 2025, while labour market conditions continue to be robust, with unemployment holding close to multi-year lows.[2]

Disinflation has also progressed, with headline inflation easing towards the European Central Bank's 2% medium-term target,[3] enhancing purchasing power and contributing to improved business confidence.

These improvements in the wider economic environment are reflected in evolving market sentiment.

Commercial activity continues to show divergence across sectors, with prime industrial assets outperforming on the back of persistent logistics and distribution demand, while the office and retail sectors remain more mixed. Nonetheless, both occupier and investor expectations have strengthened relative to previous years, supported by a modest recovery in take-up, clearer pricing signals, and more stable credit conditions.

Survey data indicate that a growing share of market participants now view valuations as closer to fair value, suggesting that repricing across several segments may be approaching its cyclical floor.

Structural themes continue to shape market dynamics. Occupiers are showing stronger preferences for high-quality, energy-efficient premises meeting EU-mandated sustainability requirements, while older secondary assets face heightened obsolescence risk due to tightening environmental standards and shifting tenant priorities.

Supply constraints persist in several prime sub-sectors, particularly industrial, reinforcing competitive tension and underpinning rental growth. Conversely, development viability remains challenged by elevated construction costs and extended planning timelines, despite recent legislative reforms aimed at improving system efficiency. International developments continue to pose a degree of uncertainty. Heightened global trade tensions, including evolving US tariff policies, together with persistent geopolitical instability, exert pressure on investor sentiment and influence corporate investment decisions.

Notwithstanding these external risks, Ireland's strong fiscal position, sustained budget surpluses, and ongoing inflows of multinational investment constitute important stabilising factors for the wider economy and the property market.

Overall, the commercial property landscape in Ireland is characterised by measured optimism.

While headwinds persist, especially for secondary assets and sectors undergoing structural adjustment, the combination of improved economic fundamentals, more favourable monetary conditions, and clearer market pricing is contributing to a more stable outlook heading into 2026.

Investors and occupiers alike are expected to remain selective, with asset quality, sustainability performance, and location continuing to act as the primary differentiators in driving activity.

[1] Central Bank of Ireland. Quarterly Bulletin Q4 2025. Available from: https://edit.centralbank.ie/publication/quarterly-bulletins/quarterly-bulletin-q4-2025.
[2] Central Bank of Ireland. Quarterly Bulletin Q4 2025. Available from: https://edit.centralbank.ie/publication/quarterly-bulletins/quarterly-bulletin-q4-2025.
[3] European Central Bank. Monetary policy decisions. Available from: https://www.ecb.europa.eu/press/pr/date/2025/html/ecb.mp251218~58b0e415a6.en.html.

TRENDS IN OCCUPIER AND INVESTOR DEMAND

The Commercial Property Market Monitor tracks activity across the national office, retail, and industrial sectors.

Figure 1 illustrates occupier and investor demand sentiment, showing that a greater proportion of SCSI agents reported rising occupier demand in 2025 (+22% net balance) compared with those reporting declines. This marks a notable improvement from the period between H2 2022 and H2 2023, when the index ranged from -1% to -10%. Investment enquiries have strengthened as well, reaching +16% in H2 2025. An SCSI member noted that "demand for high-quality, ESG-compliant office space continues to strengthen, particularly in central, well-connected locations". Further, SCSI agents noted that the uptake over the past year exceeded expectations, and members anticipate that leasing momentum will continue as occupiers prioritise modern, energy-efficient buildings. Members also note that supply constraints driven by construction costs, longer planning timelines, and limited speculative development are influencing rental dynamics. Several agents expect stronger leasing activity in the latter half of the year, as larger occupier decisions feed through to the investment market.

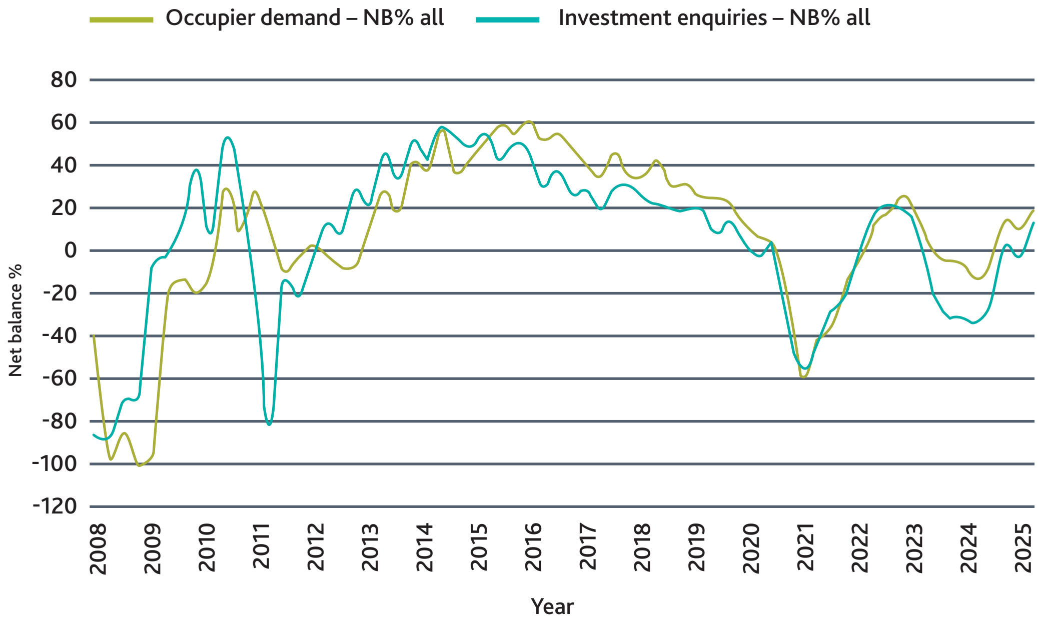

FIGURE 1: National occupier and investor demand sentiment indices – % net balance.
Source: SCSI research.
Note: net balance = proportion of respondents reporting a rise in a variable minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the net balance would be 25%). Net balance data can range from -100 to +100.

Occupier demand for office, industrial and retail

Figure 2 outlines occupier demand trends across the retail, office, and industrial sectors, all of which continue to show steady improvement, signalling a sustained post-pandemic recovery. After several years of negative sentiment in the retail and office markets (2020-2023), demand has strengthened, with the SCSI office index returning to positive territory in H2 2024 (+15% net balance), H1 2025 (+15% net balance), and H2 2025 (+25% net balance). Retail demand has also stabilised, moving from persistent declines between 2018 and 2022 to recent gains, recording a +22% net balance in H2 2024 before moderating to +8% net balance in H2 2025. Industrial demand remains the strongest performer, supported by continued growth in e-commerce, logistics, and pharmaceutical activity. The latest reading of +34% net balance in H2 2025 (+15% net balance in H1 2025) reflects robust and accelerating momentum in the sector.

Investor sentiment, incentives, and supply conditions

Investor sentiment across the commercial property market strengthened over the latter half of 2025 (**Figure 3**), supported by

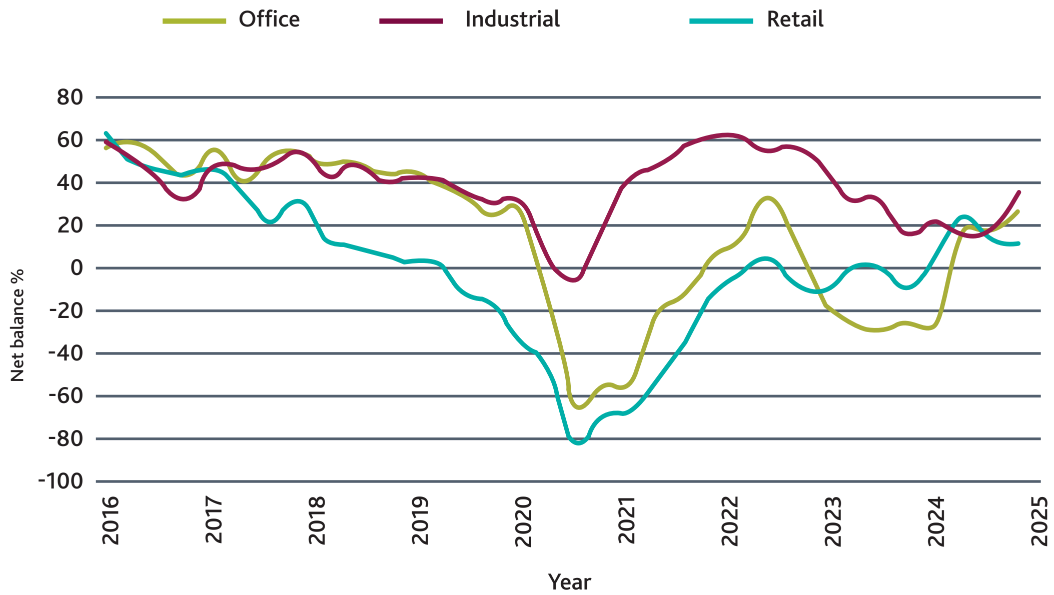

FIGURE 2: National occupier sentiment index – retail, office, industrial – % net balance.
Source: SCSI research.
Note: net balance = proportion of respondents reporting a rise in a variable minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the net balance would be 25%). Net balance data can range from -100 to +100.

FIGURE 3: National investment sentiment index – retail, office, industrial – % net balance.
Source: SCSI research.
Note: net balance = proportion of respondents reporting a rise in a variable minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the net balance would be 25%). Net balance data can range from -100 to +100.

clearer pricing signals, stabilising credit conditions, and improved expectations around the broader economic environment. Survey results indicate a more positive outlook across the office, retail, and industrial sectors, with respondents reporting increasing enquiry levels and a notable improvement in investor confidence as the market enters 2026.

Feedback from the Commercial Agency Committee reinforces this trend. Practitioners report that investor appetite is active across all major asset classes, with expectations that transaction volumes will improve over the coming year. Larger office transactions are anticipated to materialise later in 2026 as stronger occupier activity underpins renewed confidence. Industrial and residential assets continue to attract sustained interest due to persistent structural supply shortages, while demand for prime retail and hospitality assets is also increasing, as vacancy levels remain low and trading performance strengthens. Office investment sentiment had seen a negative net balance percentage consistently from H1 2022 (-27%) until H1 2025 (-5%). The sentiment has now entered the positive territory and stands at +11% in H2 2025. Similarly, the SCSI retail investment sentiment index has remained consistently negative for most of the period since 2018. It has witnessed a positive reading in H2 2025 (+8% net balance). Feedback from SCSI agents indicates that demand for prime retail space significantly exceeds

available supply, particularly in the strongest high street and regional shopping locations. Vacancy levels are reported to be exceptionally low, and agents expect this imbalance to support modest rental growth over the coming year. However, the sector continues to face operational pressures, including elevated fit-out costs, rising labour and compliance burdens on SMEs, and high upfront capital requirements, especially for food and beverage operators. These factors are influencing expansion strategies, even among well-performing brands. As with occupier demand, industrial assets are the standout performer. The SCSI index recorded a +29% net balance in H2 2025.

Figure 4 illustrates the relationship between occupier demand, supply conditions, and inducements across the office, retail, and

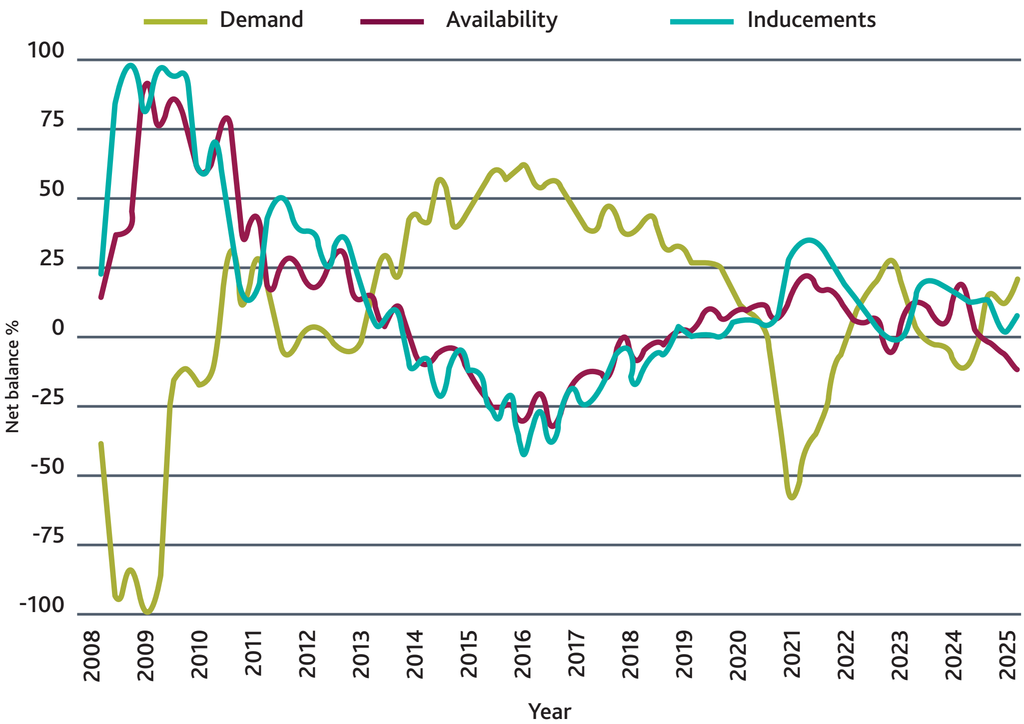

FIGURE 4: National occupier demand, availability and inducements index – net balance.
Source: SCSI research.
Note: net balance = proportion of respondents reporting a rise in a variable minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the net balance would be 25%). Net balance data can range from -100 to +100.

industrial sectors. In H2 2025, occupier demand remained firmly positive at +22% net balance (+13% in H1 2025; +17% in H1 2024), while availability continued to tighten, falling to -11%. Incentives eased to +9%, down from +15% in H2 2024, indicating that although inducements remain more prevalent, their upward momentum has moderated.

Most landlords reported holding incentive levels steady (68-75% across sectors), although increases were more common in office and retail (24% and 19%, respectively), reflecting ongoing competition for tenants (**Figure 5**).

The industrial sector remains the most stable, with the lowest share of landlords increasing incentives and the highest proportion maintaining current levels, underscoring stronger underlying demand.

Figure 6 indicates a continued decline in commercial property supply, with levels falling by -7% in H2 2025, following -17% in H1 2025 and -10% in H2 2024. Investment enquiry activity has strengthened, reaching a net balance of +16% in H2 2025, compared with 0% in H1 2025. Foreign investment enquiries also increased, registering a +10% net balance.

This imbalance between tightening supply and rising enquiry levels suggests that reduced availability is gradually supporting stronger investment demand, including interest from international buyers.

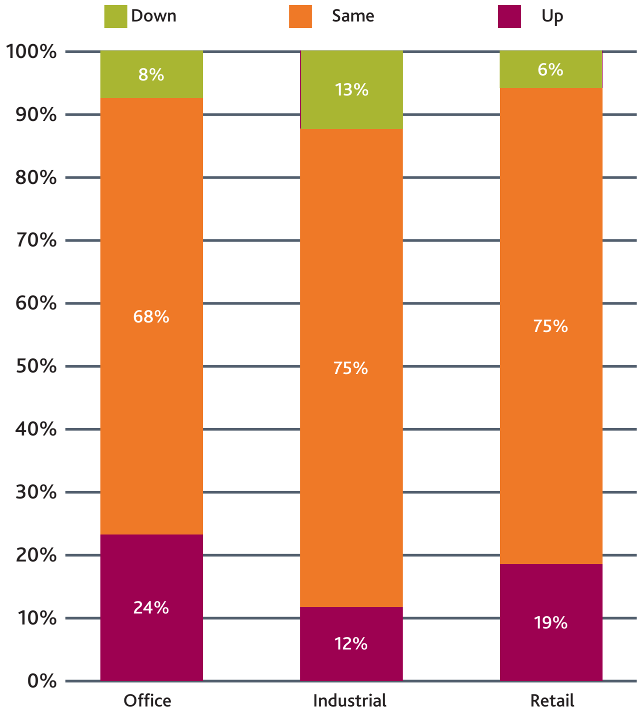

FIGURE 5: Value of inducements to new tenants during H2 2025.
Source: SCSI research.
Figures are rounded and may not add up to 100%.

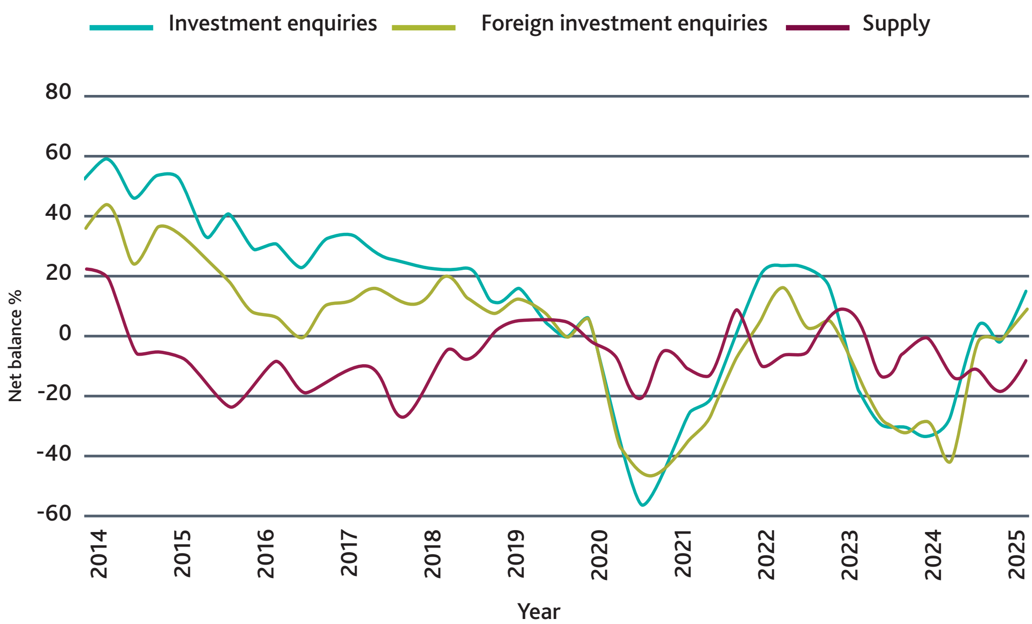

FIGURE 6: Investment enquiries, supply and foreign investment enquiries across office, retail and industrial.
Source: SCSI research.

CREDIT CONDITIONS

Credit conditions have stayed consistent over the past year as between H2 2024 and H2 2025, nearly half of the respondents reported no change. For H2 2025, 39% of respondents noted an improvement in credit conditions (**Figure 7**).

FIGURE 7: Views on credit conditions H2 2024, H1 2025, and H2 2025.
Source: SCSI research. Figures are rounded and may not add up to 100%.

MARKET VALUATION LEVELS

Since H2 2024 and H1 2025, the proportion of respondents viewing the market as expensive has declined to 34% and 31%, respectively, while those considering valuations to be at fair value increased to 57% in both periods. In H2 2025, 36% still regard the market as expensive, whereas half of respondents view it as fairly valued. This suggests that market sentiment is gradually shifting toward a perception of more balanced and sustainable valuation levels (**Figure 8**).

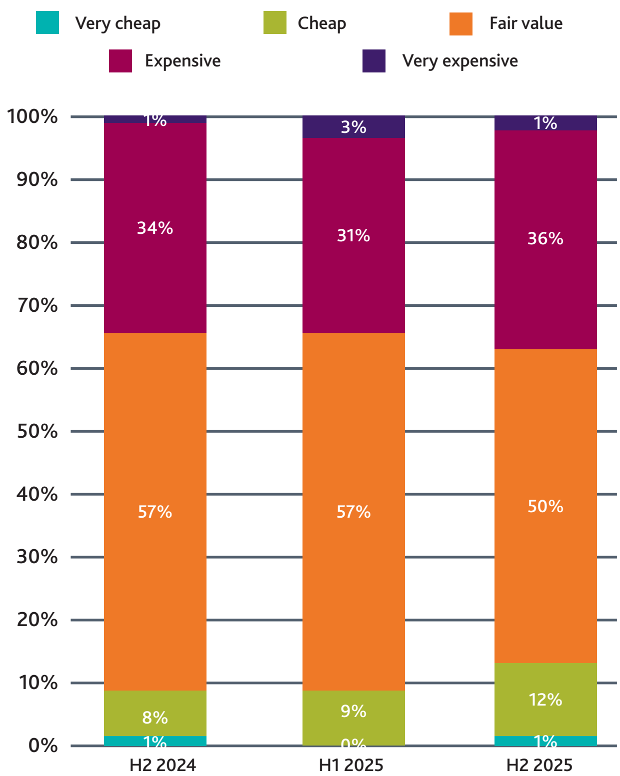

FIGURE 8: Views on current market valuation levels H2 2024, H1 2025 and H2 2025.
Source: SCSI research. Figures are rounded and may not add up to 100%.

COMMERCIAL PROPERTY CYCLE: UPTURN PHASE

Figure 9 indicates that 47% of respondents view the market as being in some phase of recovery or upswing, with 28% identifying an early-recovery stage and 19% a mid-upturn. An additional 15% perceive the market to be at its peak, while 27% believe conditions reflect an early or mid-downturn. Taken together, these responses point to a prevailing sense of cautious optimism, with the majority anticipating continued improvement rather than a reversal in market conditions.

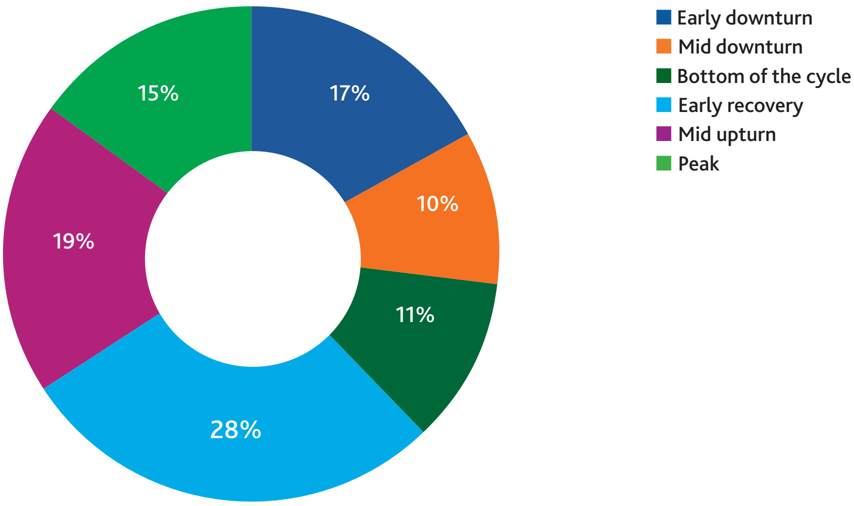

FIGURE 9: Overall average perception of the property cycle at the end of H2 2025.
Source: SCSI research.
Figures are rounded and may not add up to 100%.

In **Figure 10**, rental and capital value expectations are both firmly positive at +33% as of H2 2025, indicating that SCSI agents anticipate further near-term growth in income and asset pricing. When considered alongside the recent stabilisation in credit conditions and the increased share of respondents viewing valuations as closer to fair value, the data suggest that the market is entering an early recovery phase, with scope for continued capital appreciation and moderate rental growth.

SCSI agents indicate that prime office capital and rental values are expected to record modest growth in 2026, with most projections falling within the 0% to +10% range. As illustrated in **Figure 11**, 56% of respondents anticipate an increase in prime office capital values, while 35% expect values to remain unchanged and 9% foresee a decline.

Expectations for prime office rents follow a similar pattern: 60% of agents anticipate growth, 29% expect stability, and only 10% predict a decrease.

Sentiment towards secondary office assets is considerably weaker. Only 28% of respondents expect capital values to rise, and 72% believe values will remain unchanged or fall; rental expectations also reflect subdued confidence, with 71% forecasting either stability or decline.

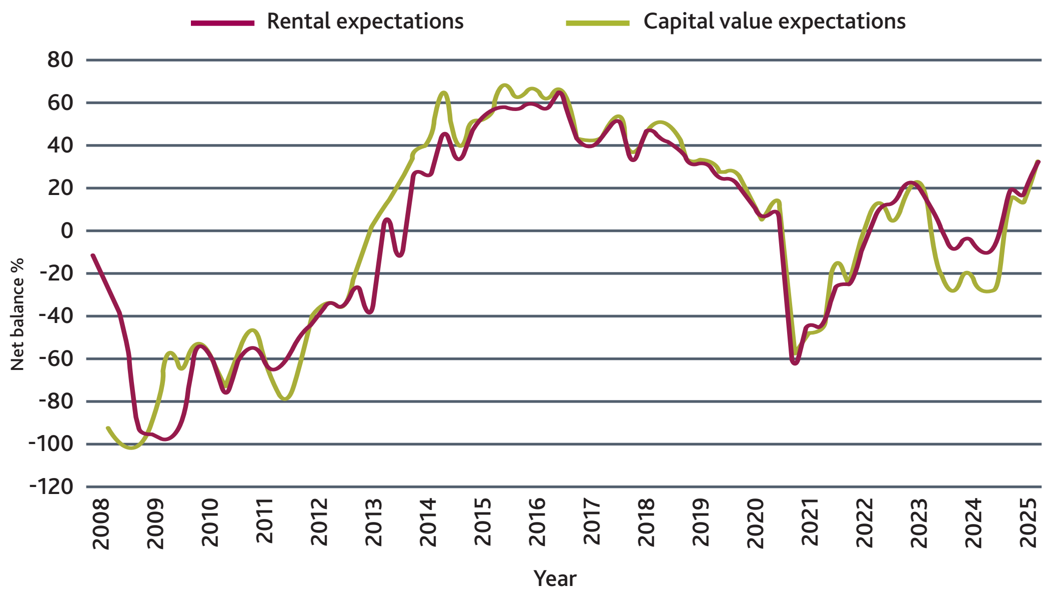

FIGURE 10: Anticipated percentage change in capital values and rental expectations (+3 months), office, industrial and retail – net balance.
Source: SCSI research.
Note: net balance = proportion of respondents reporting a rise in a variable minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the net balance would be 25%). Net balance data can range from -100 to +100.

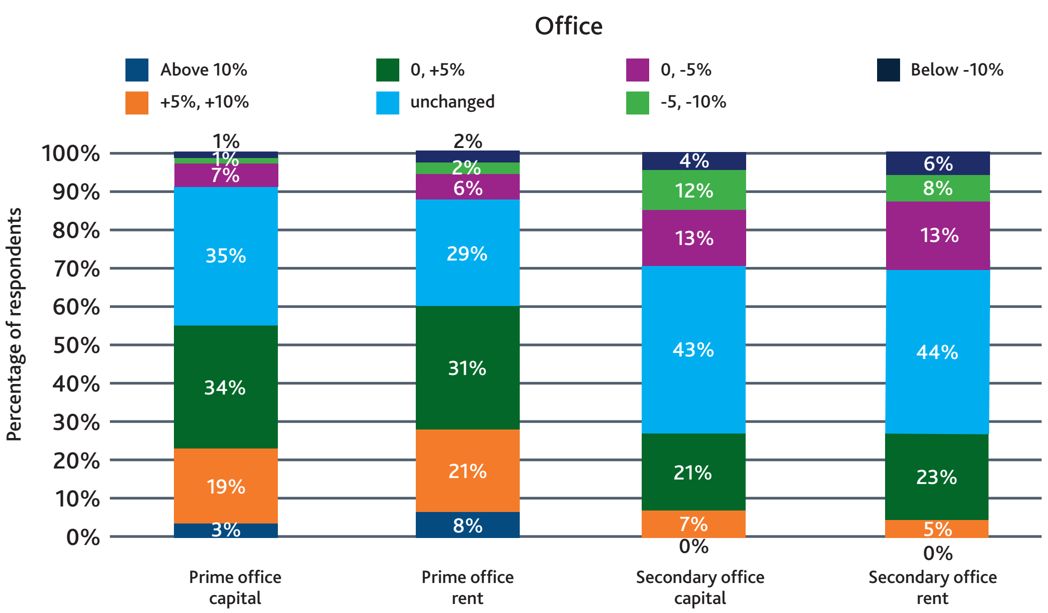

FIGURE 11: Anticipated percentage change in office capital and rent values in 2026 (% of respondents).
Source: SCSI research.
Figures are rounded off and may not add up to 100%.

Figure 12 presents a more positive outlook for the industrial sector, particularly for prime assets. For prime industrial capital values, 69% of respondents expect an increase, 29% anticipate stability, and only 2% foresee a decline. Rental expectations are even stronger, with 71% projecting growth and just 5% expecting a fall. Sentiment towards secondary industrial assets is comparatively moderate: 50% anticipate an increase in capital values, while the other half expect values to remain unchanged or decline. Rental projections all but mirror this trend, with 51% expecting growth and 49% anticipating limited movement or some downside risk.

As illustrated in **Figure 13**, the retail sector continues to present a mixed picture, with a clear divergence between prime and secondary locations. Prime retail assets remain relatively resilient, with sentiment largely skewed towards stability and modest growth. For prime retail capital values, 45% of SCSI agents expect values to remain unchanged, while 42% anticipate increases, including 12% forecasting growth of more than 5%. Only 12% expect declines. A similarly stable outlook is evident for prime retail rents, where 44% of respondents predict rents will remain unchanged and 42% expect growth, indicating sustained demand in the strongest locations. In

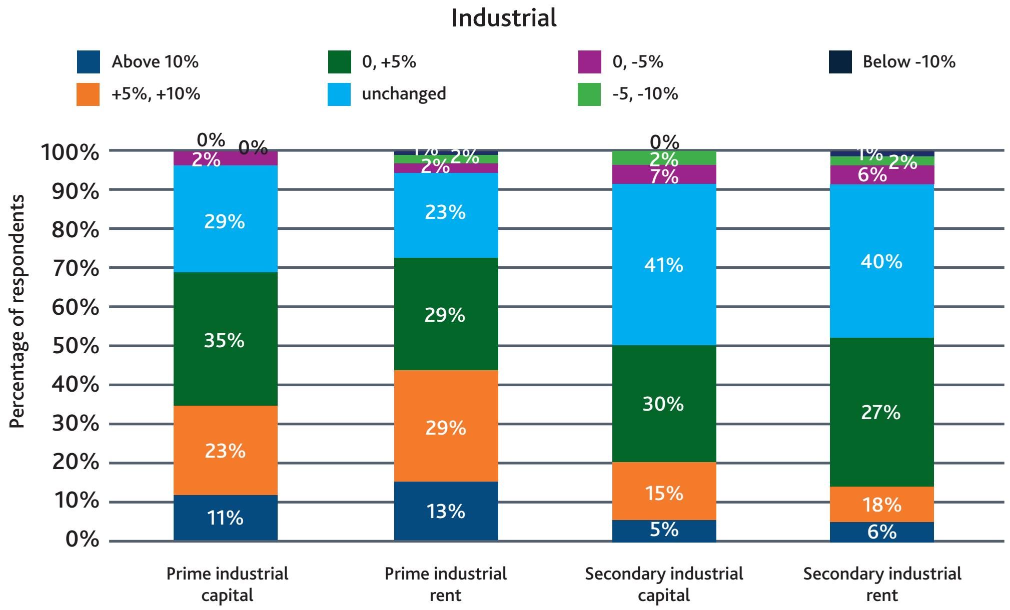

FIGURE 12: Anticipated percentage change in industrial rents and capital values in 2026 (% of respondents).
Source: SCSI research.
Figures are rounded off and may not add up to 100%.

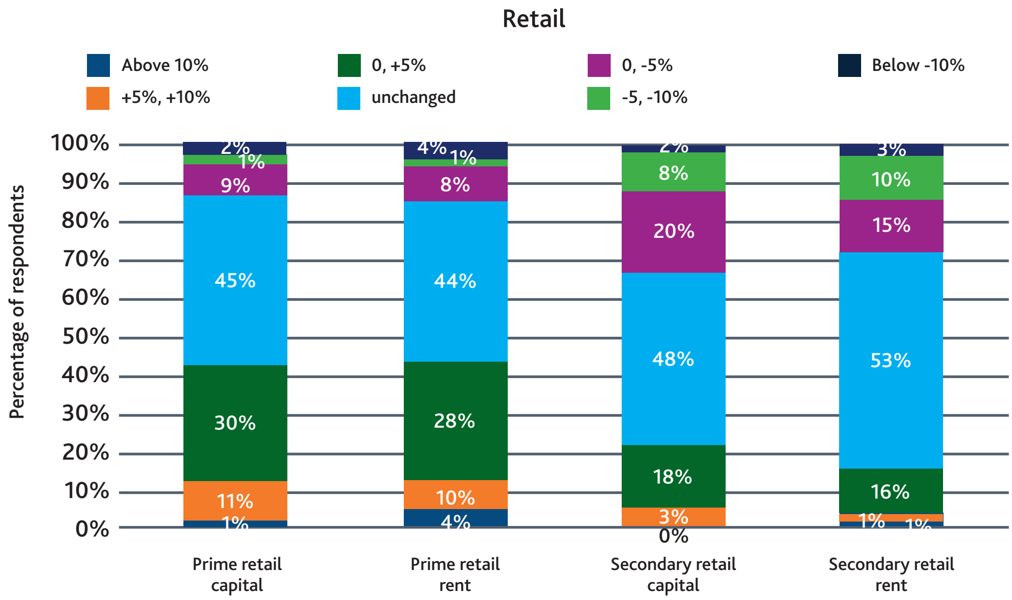

FIGURE 13: Anticipated percentage change in retail rents and capital values in 2026 (% of respondents).
Source: SCSI research.
Figures are rounded off and may not add up to 100%.

contrast, secondary retail assets continue to face more pronounced challenges. While 48% of respondents expect secondary retail capital values to remain unchanged, a notable 30% anticipate declines, compared with just 21% forecasting growth. Rental expectations show a similar pattern, with 28% of respondents predicting falls in secondary retail rents, against only 18% expecting increases. This reflects ongoing structural pressures in weaker locations, including subdued footfall, changing consumer behaviour, and limited occupier demand. Overall, the current market data reinforce the ongoing divergence between prime and secondary retail assets. Prime locations continue to demonstrate relative stability and an ability to adapt to evolving consumer behaviours and economic uncertainty, while secondary retail properties remain under pressure. This trend mirrors the broader pattern observed across the office, industrial, and retail sectors, where asset quality and location remain key determinants of performance.

As shown in **Figure 14**, the industrial sector continues to outperform other property sectors, recording the strongest growth in both capital values and rents. Prime industrial assets lead the market, with capital values increasing by 4% and rents by 4.4%, underpinned by sustained occupier demand for logistics and distribution space. Secondary industrial assets also show positive momentum, with capital values and rents rising by 2.2% and 2.4%, respectively, highlighting the sector's broad-based resilience.The office sector presents a more mixed performance. Prime office markets continue to recover, with capital values increasing by 2.4% and rents rising by 2.9%, reflecting ongoing demand for high-quality, well-located space. However, secondary office assets remain under pressure, with capital values declining by 0.7% and rents falling by 0.8%, underscoring the persistent polarisation within the sector. By comparison, the retail sector continues to lag behind. Prime retail assets record modest growth, with capital values increasing by 1.2% and rents by 1.1%, indicating relative resilience in the strongest locations. In contrast, secondary retail assets experience further softening, with capital values declining by 0.7% and rents falling by 1%, reflecting ongoing structural challenges and subdued occupier demand. Overall, this comparative analysis reinforces the industrial sector's dominance in current market dynamics, highlights selective strength and continued polarisation within the office market, and points to ongoing headwinds across much of the retail sector, particularly outside prime locations.

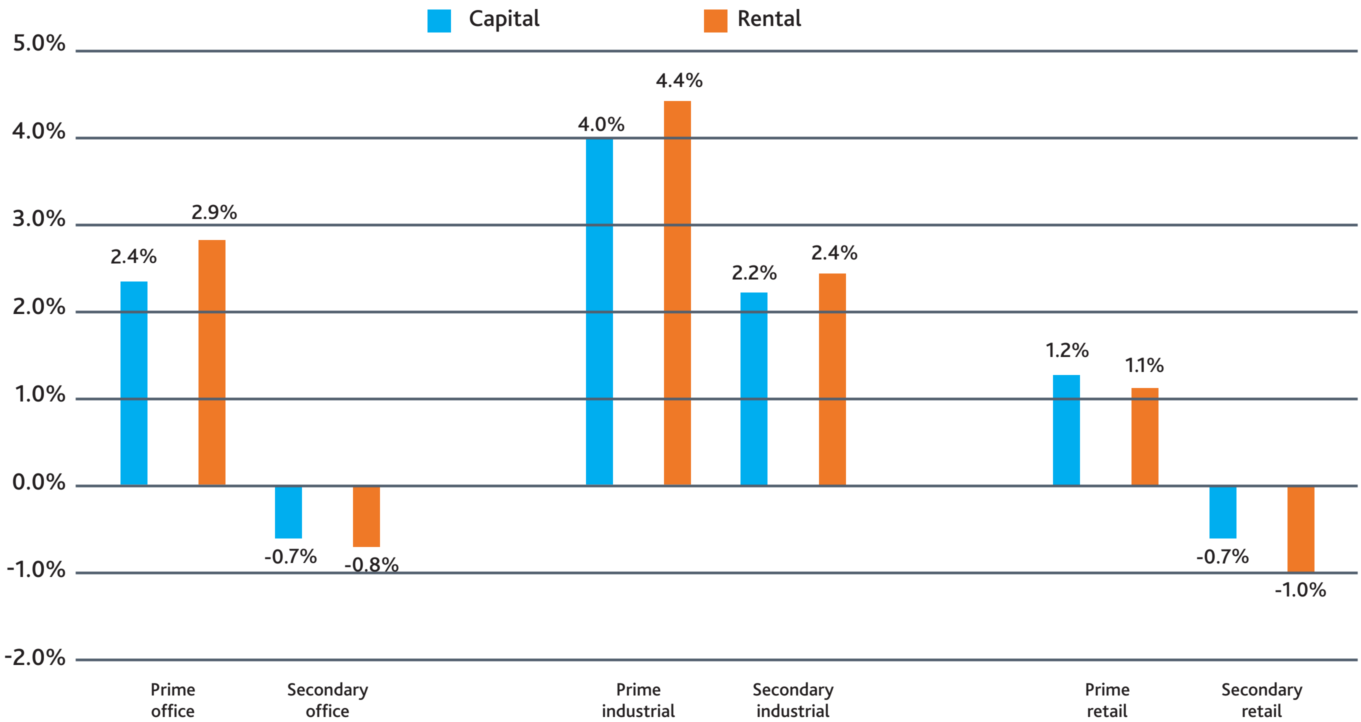

FIGURE 14: National average capital and rental value (% forecast +12 months) expectations.
Source: SCSI research.

In H2 2025, alternative real estate sectors continue to exhibit varied rental and capital value growth expectations, reflecting the distinct drivers underpinning each market. As shown in **Figures 15** and **16**, student housing remains one of the stronger-performing sectors, with rental growth projected at 3.2% and capital values expected to rise by 3.1%, supported by resilient demand and structurally constrained supply.

Data centres also demonstrate comparatively robust momentum, with rents forecast to increase by 3.5% and capital values by 3.2%, underpinned by ongoing expansion in the digital economy and sustained occupier demand. Aged care facilities are expected to deliver steady, albeit more moderate, performance, with rental growth of 2.8% and capital value growth of 2.7%, reflecting long-term demographic support tempered by operational and funding considerations. Multi-family residential assets are forecast to record solid but moderating growth, with rents rising by 2.7% and capital values by 2.4%, in line with easing but still positive housing market fundamentals. Hotels are expected to deliver the weakest performance among the alternative sectors, with rental and capital value growth both projected at 2%, indicating a cautious and uneven recovery within the hospitality sector.

Overall, SCSI agents continue to highlight relatively stronger growth prospects in residential and infrastructure-aligned sectors such as student housing and data centres, while performance in hotels is expected to remain more subdued compared with other alternative asset classes.

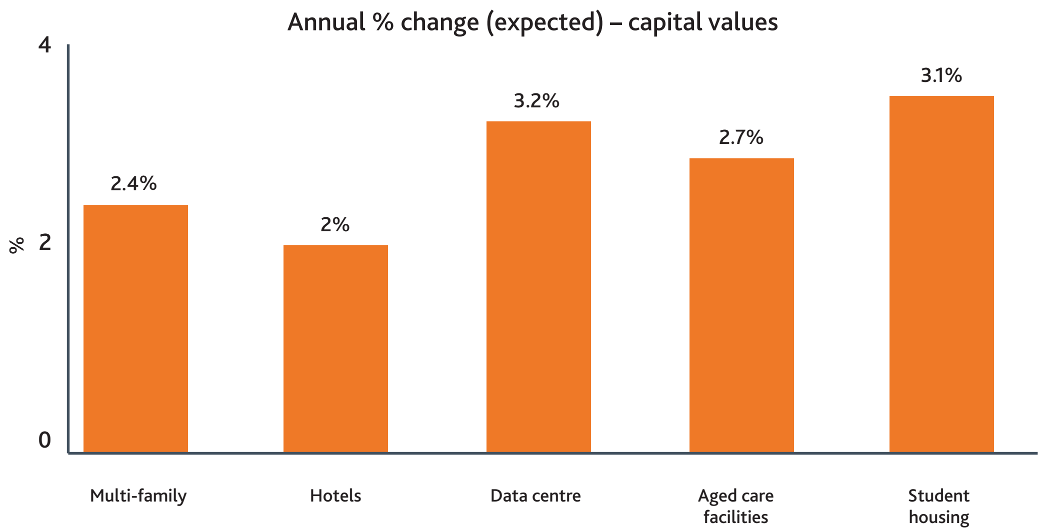

FIGURE 15: National average capital value (+12 month) percentage change for 2026.
Source: SCSI research.

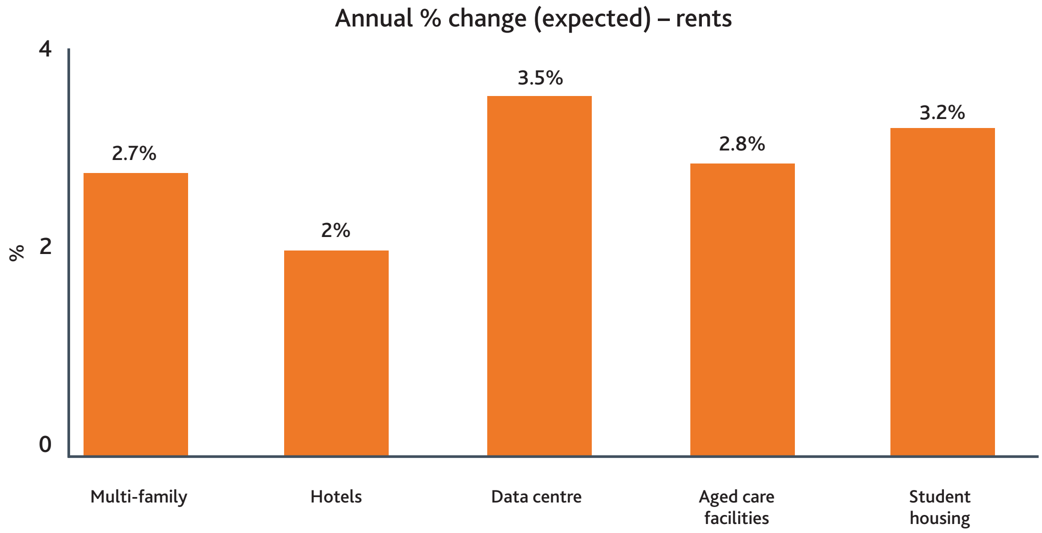

FIGURE 16: Expected national average rent change in 2026 (% forecast +12 months).
Source: SCSI research.

OUTLOOK FOR 2026

Survey responses suggest that the majority of businesses anticipate stability in their office space requirements over the next two years. As illustrated in **Figure 17**, 55% of respondents expect no reduction in their current office footprint, while 8% of respondents anticipate a modest reduction of up to 5%, 20% expect reductions between 5% and 10%, and 16% foresee a contraction of 10-15%, with just 1% projecting reductions of 15-20%.

Overall, the data suggests that while a sizeable minority of SCSI agents continue to anticipate some degree of downsizing, sentiment has shifted towards greater stability in occupier requirements compared with previous periods. This divergence is likely to reinforce the ongoing polarisation between prime and secondary office assets.

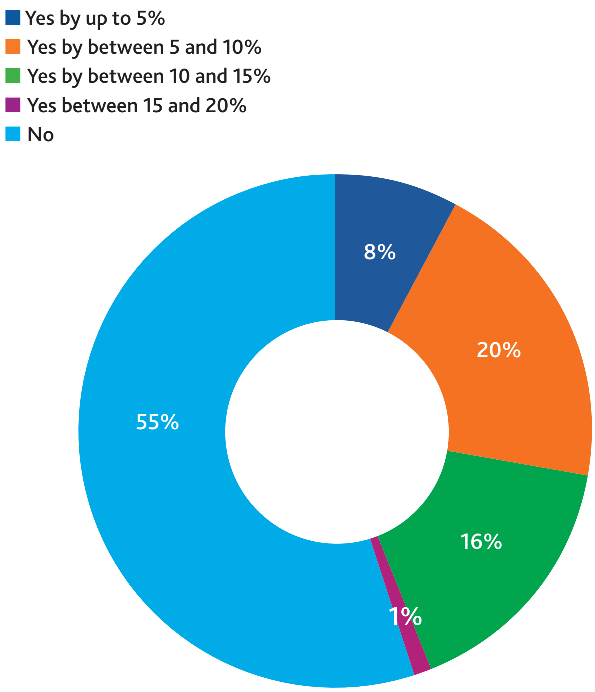

FIGURE 17: Do you envisage that within the next two years, businesses will scale back their office real estate footprint?
Source: SCSI research. Figures are rounded and may not add up to 100%.

Where occupiers do seek to rationalise space, this is expected to be focused on consolidation into higher-quality, well-located buildings, placing continued pressure on secondary office stock with weaker specifications or locations (**Figure 18**).

Looking ahead to 2026, SCSI agents also report strong and increasingly uniform expectations around occupier requirements for health and well-being. As seen in **Figure 19**, a significant majority of respondents (91%) believe tenants will demand more in terms of health and well-being features in the real estate they occupy, and notably, 73% expect tenants to be willing to pay a premium for these facilities. This points to a structural shift in occupier priorities, reinforcing the competitive advantage of modern, sustainable and amenity-rich office buildings.

Taken together, the findings highlight an outlook characterised by greater stability in overall space requirements, continued polarisation by asset quality, and rising expectations around workplace standards. While macroeconomic and geopolitical uncertainties remain a backdrop to decision-making, the survey results suggest that occupier demand in 2026 will be increasingly selective rather than uniformly contractionary.

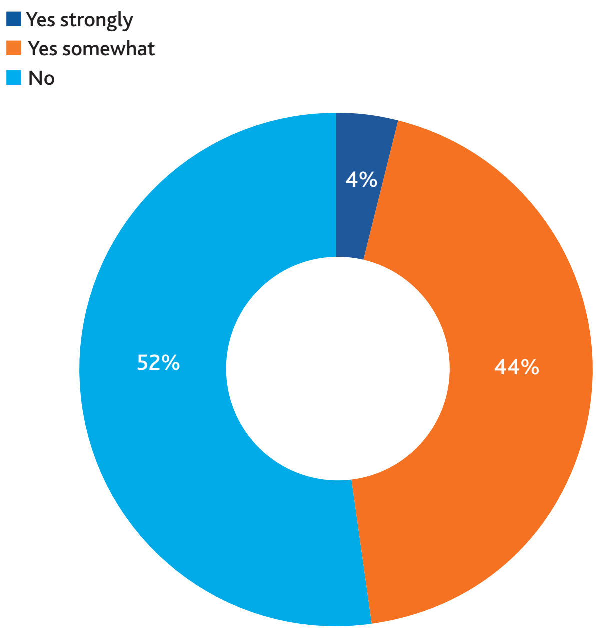

FIGURE 18: Do you envisage demand rising over the next two years for suburban offices in place of urban locations?
Source: SCSI research. Figures are rounded and may not add up to 100%.

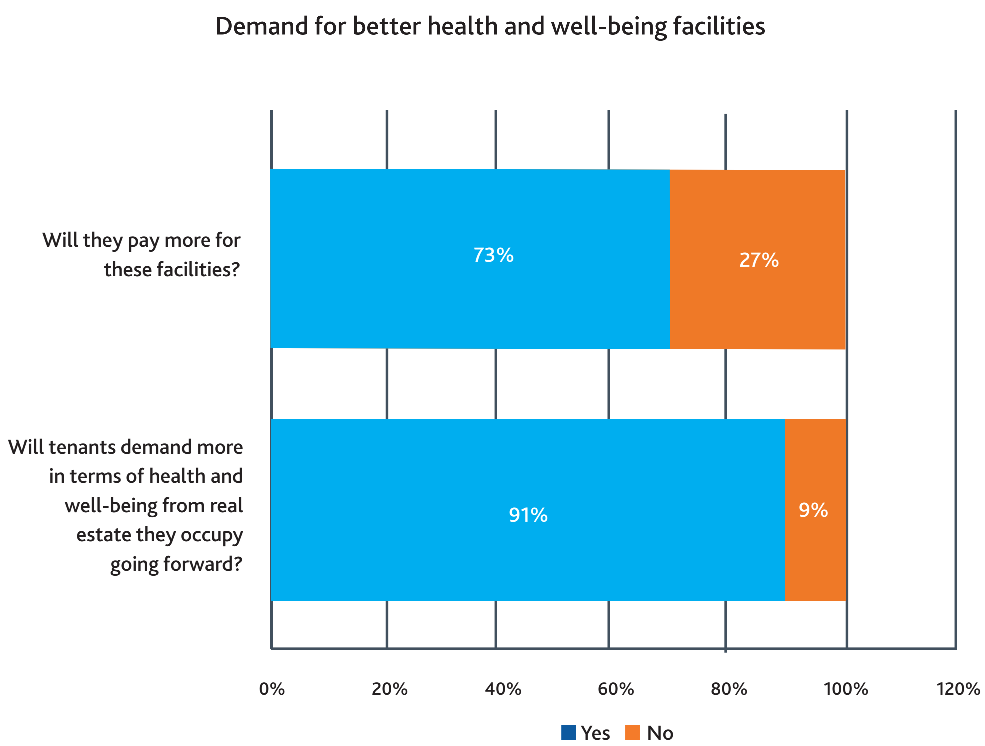

FIGURE 19: Demand for better health and well-being facilities and willingness to pay more for these facilities.
Source: SCSI research.

METHODOLOGY

The Commercial Property Monitor and Outlook 2026 is informed by the surveys completed in December 2025 by Chartered Commercial and Valuation Surveyors. The report provides net balance index charts illustrating surveyor sentiment on market trends. Net balance is calculated by taking the total number of "increase" responses from "decrease" responses and displaying the result. The index charts provided are unweighted composite measures capturing overall market momentum, encompassing variables on supply, demand, and expectations. A total of 122 responses informed the latest figures within this report.

ABOUT THE SCSI

The Society of Chartered Surveyors Ireland (SCSI) is the independent professional body representing Chartered Surveyors across Ireland. Its core mission is to deliver impartial, authoritative guidance to consumers, businesses, and policymakers, while upholding and advancing professional standards within the property, land, and construction sectors. All aspects of the profession, from education through to qualification and the continuing maintenance of the highest professional standards, are regulated and overseen through the partnership of the Society of Chartered Surveyors Ireland and the Royal Institution of Chartered Surveyors, in the public interest.

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