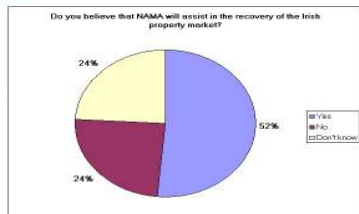


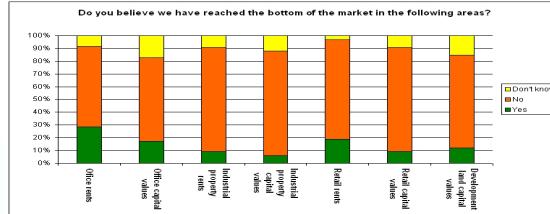


Survey participants were asked to rank their responses between 1 to 5 with 3 being no change, less than 3 being a decrease in trend and more than 3 being an increase in trend		Q1 10	Q2 10
Offices: The office market is currently showing some signs of improvement with the number of lettings being completed during the first quarter of the year holding steady following a large decline in the last quarter of 2009. The number of enquiries received by prospective office tenants fell during the last quarter and consequently survey respondents expect a small further decline in the number of lettings to be completed during Q2 2010. There has been a continued marked increase in office vacancy rates which has followed on from a large increase in vacant office supply towards the end of 2009. As a result, respondents believe that office rents will fall at a faster pace in Q2 2010 than at the beginning of this year and the continued availability of inducements as agreed by landlords is expected to continue.	Transactions	2.65 ↓	2.94 ↓
	Future Trans.	2.99 ↔	2.87 ↓
	Enquiries	2.96 ↓	2.75 ↓
	Stock	3.69 ↑	3.71 ↑
	Rents	2.30 ↓	2.12 ↓
	Lease length	2.10 ↓	2.00 ↓
	Inducements	3.56 ↑	3.52 ↑
Retail: Even though survey respondents expect the volume of retail lettings to drop further during 2010 they were also more optimistic about the performance of the retail sector than any other commercial property sector. While the number of lettings of retail premises fell during the first quarter of the year, it did so at a much slower pace than in the last quarter of 2009. Falls in retail rents are expected to decline at the same pace in Q2 10 as that of Q1 10 and survey respondents expect a very minor moderation in the increased value of inducements. The volume of retail vacancy present in the market is expected to increase in Q2 2010.	Transactions	2.66 ↓	2.91 ↓
	Future Trans.	2.90 ↓	2.87 ↓
	Enquiries	2.83 ↓	3.00 ↔
	Stock	3.72 ↑	3.66 ↑
	Rents	2.21 ↓	2.21 ↓
	Lease length	2.09 ↓	2.09 ↓
	Inducements	3.65 ↑	3.59 ↑
Industrial: The number of lettings of industrial property fell markedly during the first quarter of 2010 compared to the previous three months while the vacancy rate for industrial property grew slightly during the quarter. Survey respondents have reported a drop off in the number of industrial enquiries received during Q1 2010 and as a result they predict that the volume of industrial lettings which will be completed during Q2 2010 will show a sharp decline if compared quarter on quarter. Respondents continue to expect industrial rents to fall during the three months to June 2009 although they also predict a moderate increase in the value of inducements for new leases for the same time period.	Transactions	2.54 ↓	2.30 ↓
	Future Trans.	2.91 ↓	2.38 ↓
	Enquiries	2.77 ↓	2.39 ↓
	Stock	3.67 ↑	3.74 ↑
	Rents	2.26 ↓	2.16 ↓
	Lease length	2.07 ↓	1.97 ↓
	Inducements	3.45 ↑	3.31 ↑
Investment: The volume of Irish investment turnover continued to fall during Q1 2010, showing no change in the pace of decline reported in the last quarter of 2009. Respondents were much less confident about the number of transactions they expect to see during the coming quarter, reflecting a marked decline in the number of enquiries about investment opportunities received. Survey respondents do however expect an increase in the number of investment opportunities being brought to the market in Q2 2010.	Transactions	2.15 ↓	2.17 ↓
	Future Trans.	2.70 ↓	2.21 ↓
	Enquiries	2.56 ↓	2.32 ↓
	Volume of property for sale	2.97 ↓	3.13 ↑

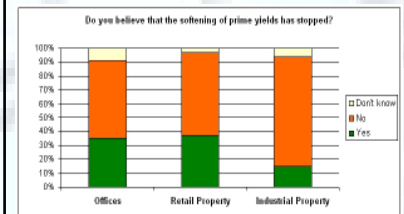
		Q1 10	Q2 10
Development Land: The number of sales of development land fell in the first quarter of 2010, following a similar decline in the last quarter of 2009. Survey respondents also reported a slowdown in the number of enquiries received for development land during the quarter and as a result they do not expect the number of land deals being completed to increase in Q2 2010. The availability of development land being brought to the market for sale has increased in Q2 2010 but at a slower rate than in the previous quarter.	Transactions	1.45 ↓	1.30 ↓
	Future Trans.	1.78 ↓	1.42 ↓
	Enquiries	1.77 ↓	1.59 ↓
	Volume of Land for Sale	3.34 ↑	3.11 ↑
Overall Market: Overall, respondents are seeing a continued decline in the number of new enquiries each quarter, which is resulting in low expectations for the number of lettings and sales which will be completed during the coming months. Rising vacancy levels for all of the commercial property sectors continues to be a problem and will hinder the pace of the recovery of the Irish commercial property market. This increased vacancy, plus low levels of interest from potential occupiers and purchasers is placing continued pressure on rental levels and forcing them lower. Shorter lease lengths are increasingly becoming the market norm and landlords are increasingly agreeable to conceding to inducements when negotiating new leases.	Transactions	2.29 ↓	2.32 ↓
	Future Trans.	2.65 ↓	2.35 ↓
	Enquiries	2.57 ↓	2.41 ↓
	Stock	3.48 ↑	3.47 ↑
	Rents	2.25 ↓	2.16 ↓
	Lease length	2.08 ↓	2.02 ↓
	Inducements	3.55 ↑	3.47 ↑



Click on link below to view large chart:
<http://www.scs.ie/CPS-Nama.jpg>



Click on link below to view large Graph:
<http://www.scs.ie/CPSurvey-Market.jpg>



Click on link below to view large Graph:
<http://www.scs.ie/CPS-Yields.jpg>

Will NAMA assist in the recovery of the Irish property market? 52% of respondents believe that NAMA would assist in the recovery of the market, though 24% of respondents did not know if it would assist in the recovery of the market and a further 24% stated that it definitely wouldn't assist in the recovery. (Click on link above to view graph)

Have we reached the bottom of the market? Respondents were asked to state whether they believe the various sectors of the commercial property market had reached the bottom. The overwhelming response was "no" – respondents believed further declines in rents and capital values were likely. However respondents were slightly more optimistic that office and retail rents had reached the bottom, but believed that industrial property rents and capital values still have further to fall.

Have the softening of prime yields stopped? Respondents reported that prime yields continued to soften, with further declines expected in each sector, most notably the industrial property market. Click on link above to view graph)

Notes: This is the second quarterly commercial property survey undertaken by the Society of Chartered Surveyors. Respondents were asked for their experiences under a number of headings during the previous quarter (Q1 2010: January to March 2010) and to give their forecasts for the current quarter (Q 2010: April – June 2010). Results were anonymous and gathered online. The next quarterly survey will be issued to SCS members in the first week of July 2010 to record the period Q2 2010 and make forecasts for Q3 2010.