6 The OPW's management of office accommodation

6.1 The Office of Public Works (OPW) provides several key services for the State including managing its property portfolio, maintaining heritage sites and managing flood risk. It manages an estate of around 2,500 properties, including offices for civil servants, and buildings for use by An Garda Síochána.

6.2 The OPW reported that, as of 2 April 2025, there were approximately 535 office buildings with estimated useable space of around 875,000 m^2 within its estate. This included

- 270 State-owned buildings, accounting for nearly 60% of the overall floor area
- 265 buildings either fully or part leased, under 325 lease agreements, accounting for just over 40% of the floor area.[1]

6.3 This examination was undertaken to review three main issues.

- Does the OPW collect sufficient and appropriate data to enable it to assess the office accommodation needs of its clients?
- Are the OPW's lease/build/buy decisions regarding office accommodation for its clients informed by appropriate analysis?
- Has the shift towards hybrid and remote working since Covid-19 led to a reduction in the requirement for office space?

6.4 The examination team interviewed OPW staff and reviewed documentation relating to the estate management function. The team also conducted on site fieldwork at a sample of locations. In terms of investment decisions, the focus of the examination was on those made by the OPW during the 2022 – 2024 period.

6.5 The respective roles and responsibilities of the OPW and its clients for establishing and satisfying office accommodation needs are set out in Figure 6.1.

Figure 6.1 Roles and responsibilities in relation to office accommodation

OPW	Client bodies
Engage with client bodies to remain appraised of current and emerging accommodation requirements.	Day-to-day facilities management including waste disposal, cleaning, utilities and anchor tenant responsibilities.
Operational management of leases/licences including approval of payments.	Notify the OPW of issues that could affect a lease or issues on site.
Property management.	Managing elective works e.g. client-initiated business/operational changes.
Liaising on the delivery of constructions, refurbishments and fit-outs to meet client needs. Liaising with the Chief State Solicitor's Office on legal matters.	Comply with Circular 01/2025 *Management and Maintenance of Accommodation in Government Departments, Offices, Central State Agencies and Cultural Institutions* and the OPW's *Accommodation Guidelines* including managing use of space.

Source: Office of Public Works

1 There are 325 separate lease or licence agreements in place in respect of the 265 leased buildings. The OPW may have more than one lease agreement in respect of a single building.

Data on the office estate held by the OPW

6.6 The OPW uses an integrated workplace management system from IBM, known as Tririga, to manage data and payments in relation to owned and leased office accommodation. The property management function of the database went live in 2022. The database holds information on managed properties, individual buildings at those properties and building occupancy. The extent of information maintained on the database differs for owned and leased properties (see Figure 6.2).

Figure 6.2 Sample of information maintained by the OPW property management function

Owned properties data	Leased properties additional data
Property name	Net letting area square metre
Property address	Contract status
Details of the primary use	Commencement date
Building class	Expiration date (current)
Gross area square metre	Car parking spaces
Usable area square metre	Base lease rate
Percentage allocated to OPW client[a]	Landlord information
Workstation count	Payee details
Climate information[b]	Payment schedules

Source: Office of Public Works

Notes: a This will be 100% where an entire property is allocated to a single OPW client. For shared properties, it will show the percentage allocated to each client.

b For example, the system can record information in relation to the building energy rating (BER) and the display energy rating (DEC) including the type of certificate, validity period and the classification.

6.7 The OPW has stated that

- the scale of the managed property portfolio generates a substantial volume of property-related data,[1]
- there is a project underway to collate and upload BER/DEC information onto the database and this has currently been completed in respect of 111 offices
- it does not currently record fire safety information (e.g. service reports or fire alarm reports) in the database and
- its responsibilities in relation to fire safety are managed through a separate process by the relevant business unit.

6.8 The OPW provided the examination team with extracted reports from its database on owned and leased property. The size of each property is expressed in square metres (m^2). The OPW stated that the measurement standard it uses is the Royal Institution of Chartered Surveyors' *Code of measuring practice*.[2]

1 For example, where buildings are shared by multiple clients or where there are multiple leases related to a building, there will be an increased number of datasets on the database.

2 Code of measuring practice, Royal Institute of Chartered Surveyors, sixth edition, May 2015.

Owned office accommodation

6.9 More than one third of the office buildings owned by the OPW are relatively small, recorded on the database at less than 500 m^2 (see Figure 6.3). This includes 59 properties where the size is recorded as either zero or 1 m^2.

Figure 6.3 Size of owned property, 2 April 2025[a]

Area (m^2)	No. of properties
0 – 1	59
2 – 499	46
500 – 1,999	68
2,000 – 4,999	57
5,000 – 9,999	34
10,000 – 20,000	6
Overall	**270**

Source: Office of Public Works
Note: a Owned property with a primary use as office.

6.10 Excluding properties where the size is recorded as zero or 1 m^2, there were 44 owned office buildings for which the gross area and the usable area were recorded as being identical. Gross area is typically higher than usable area, as it includes other space usage such as walls, columns etc. The OPW has indicated that these records will be reviewed as part of an overall data improvement exercise.

6.11 The OPW stated that its previous property management system had limitations in relation to updating information on owned-property records. The transition to the current system in June 2022 afforded the opportunity to include additional functionality and data fields. The OPW informed the examination team that additional functionality will be activated in line with available data and resources.

6.12 The OPW stated that due to resource constraints, it has not been possible to date to fully address inaccuracies, including owned properties for which no area is recorded, across the owned-property portfolio. The OPW further stated that these legacy issues are now being addressed with a dedicated resource recently being appointed to assist with the prioritisation of data enhancements on owned properties.

Leased office accommodation

6.13 The OPW provided a listing from the database of leased office property. Almost half of the office leases held by the OPW are relatively small, at less than 500 m^2 (see Figure 6.4).

Figure 6.4 Size of leased office property, 2 April 2025

Area (m^2)	No. of leases
0	9
1 – 499	151
500 – 1,999	111
2,000 – 4,999	45
5,000 – 9,999	7
10,000 – 20,000	2
Overall	**325**[a]

Source: Office of Public Works

Note: a There are 325 separate lease agreements in place in respect of the 265 leased buildings.

6.14 The OPW's total operating lease expenditure for 2024 was €122 million (including VAT and other expenses). The leased office buildings with the highest expenditure (including rent, VAT and other expenses) in 2024 were

- Miesian Plaza, Dublin 2 (€10.9 million)
- the Distillers Building, Dublin 7 (€10 million) and
- Bishop's Square, Dublin 2 (€7.6 million).

6.15 The Distillers Building is classified on the OPW database as being 'reserved' (i.e. allocated but currently unoccupied), which the OPW states reflects the fact that it is in the process of being fitted out for clients.[1] The OPW stated that the lease commenced in July 2022, with two rent-free periods which concluded in March 2024, and a total of €12 million rent (excluding VAT) paid up to the end of September 2025.

6.16 The OPW has stated that the delay in occupying the Distillers Building has been due to complex design and construction issues, both for the landlord and itself, and the practicalities of dealing with multiple clients with unique specialised requirements. The OPW expects that 'substantial completion' status will be achieved for the fit-out by the end of September 2025, and the building will be available for clients to occupy thereafter.

6.17 At the end of 2024, the OPW's total commitments in relation to leased office properties were estimated at €1.1 billion.[2] The largest commitments related to

- the Distillers Building — €221 million, to July 2047
- Miesian Plaza — €184 million, to December 2041
- One George's Quay, Dublin 2 — €48 million, to May 2041.

1 The building is expected to be the headquarters for Tailte Éireann, the Chief State Solicitor's Office, the Valuation Tribunal and the Insolvency Service of Ireland. Tailte Éireann is an amalgamation of Ordnance Survey Ireland, the Valuation Office and the Property Registration Authority.

2 Appropriation Account 2024, Vote 13, Office of Public Works.

6.18 The OPW stated that the properties listed provide long-term modern, efficient and sustainable key infrastructure for critical government services. They were acquired through long-term lease hold acquisition, reflecting client requirements, market conditions, the economic environment at the time, and available funding and have enabled it to divest itself of sub-optimal buildings that are no longer fit-for-purpose and do not meet the expanding needs and consolidation requirements of clients.

Sample testing of OPW data

6.19 The examination team selected a sample of eight properties (four leased and four owned) to verify the data contained in the OPW database.

- For three of the leased buildings, the property sizes recorded in the database matched the size referenced in the lease documentation. In the other case, the size of the property was not included in the lease.
- The OPW was unable to provide any documentation independently certifying the size of the four owned buildings.

The OPW stated that it is in the early stages of a process to standardise and digitalise area measurements across its office portfolio.

6.20 The eight sampled sites were visited by the examination team. The locations were notified in advance to the OPW and in all cases the examination team was accompanied by the OPW employee responsible for managing the individual sites. Issues with the data recorded were noted in three locations.

Finglas Driving Test Centre — leased

6.21 The examination team visited this site but found that despite being recorded on the database as an office building, it is actually a heavy goods vehicle compound for driver testing, being used by the Road Safety Authority (see Figure 6.5). The database mistakenly records this area as over 6,400 m^2 of office space. The OPW stated that this classification error is being corrected on the system.

Figure 6.5 Road Safety Authority facility, Finglas

Source: Office of the Comptroller and Auditor General

An Garda Síochána HQ, Phoenix Park — owned

6.22 The database noted several separate buildings at Garda headquarters which the examination team visited. However, on site, the examination team found that two of the buildings listed on the database — the 'clock building' and 'finance building' — were in fact one building.

6.23 Separately, a number of buildings present on the site (e.g. the International Building and Dooley's building) were not included in the listing of owned buildings provided to the examination team by the OPW.

Department of Education and Youth, Marlborough Street — owned

6.24 Information provided by the OPW in advance of the visit to the Department of Education and Youth site in Marlborough Street indicated that there were 11 active office building records for the campus. Two of those buildings were recorded as having useable areas of 1 m^2.

- One of the buildings, recorded on the system as 'office blocks', could not be identified during the site visit.
- For the other building, labelled on the system as 'Tyrone Annex', the examination team was directed on site to a building beside Tyrone House (see building labelled as 'No. 28' in Figure 6.6).

6.25 The OPW subsequently informed the examination team that the entries on the database refer to two buildings that have been demolished. It stated that a note was entered on the system to record the demolition of the buildings but that the building codes remained active. The OPW has confirmed that errors noted by the examination team in respect of the sample buildings have now been addressed.

Figure 6.6 Marlborough Street

Source: Office of the Comptroller and Auditor General

Office property acquisitions and disposals

6.26 The OPW mainly sources office accommodation through

- acquisition (leasehold or freehold)
- refurbishment and fit-out of existing office accommodation.

Lease renewals

6.27 The OPW provided the examination team with a listing of 61 leases that expired during the 2022 – 2024 period. Of those, the OPW had taken decisions to renew the lease in 30 cases. In another 26 cases, the OPW is continuing to pay rent on property for which the lease term has expired, but where its clients are still in occupation under an implied or periodic tenancy.[1] The OPW has stated that this practice is in keeping with the relevant landlord and tenant legislation. The OPW has exited three of the remaining leases and two are still under consideration.

6.28 Two sample decisions on lease renewals were selected by the examination team for detailed review.

Central Statistics Office building, Swords

6.29 The lease on a building, Unit 5/6 in the Swords Business Campus, occupied by the Central Statistics Office (CSO), was due to expire in January 2022. The CSO occupies Unit 4 and Unit 5/6 which are adjoining and fully connected physically and for ICT network connectivity. Unit 4 occupied under a 25-year lease comprises a large office space and a warehouse which holds paper copies of the census. Unit 5/6 consists of an open plan office space, a small kitchen and some meeting rooms. The combined area is 4,332 m^2. The annual lease cost of Unit 5/6 was €142,000.

6.30 The OPW provided the examination team with supporting information for its decision to renew the lease. This included a CSO letter (dated February 2021) to the OPW outlining the need to retain the premises until at least Q2 2027 due to

- the expectation of a shorter period (as a result of Covid-19) before the next census[2] and
- the anticipated extra work involved in facilitating an online option for that census.

The letter also noted that the costs of returning the building to its pre-lease condition and acquiring alternative accommodation would far exceed that of retaining the building until Q2 2027.

6.31 The OPW also provided a March 2022 lease renewal report, setting out the details of the property and the proposed new lease agreement. The new ten-year lease included a seven-year tenant-only break clause and a diluted reinstatement requirement to address the CSO's concern of the costs of returning the building to its pre-lease condition.

6.32 During a site visit on 19 May 2025, the examination team noted that while Unit 4 was busy and the warehouse was being used to store census material, there was little use of the adjoining Unit 5/6 on that particular day. However, the proximity and connectivity to the main unit (i.e. Unit 4) and the potential benefits when additional temporary staff are needed before and after the census was clear.

1 A periodic tenancy may be inferred where there is a landlord and tenant relationship, and rent is demanded and paid by reference to a time period. For example, a tenancy can be implied by holding over premises on the expiration of a lease.

2 The planned April 2021 census was delayed to April 2022. The next census is planned for April/May 2027.

Additional office space at Bishop's Square, Dublin 2

6.33 The OPW has leased the lower three floors in the Bishop's Square building since 2002. In 2018, the owners were extending the building and were actively marketing the new space.[1] A cost effectiveness appraisal was commissioned by the OPW in November 2018.

6.34 The proposed lease terms were compared to two other negotiated rental agreements from that time, adjusting for floor areas and car parking spaces to allow for direct comparison. Based on the net present value of lease payments over a 20-year period, the Bishop's Square lease compared favourably to the two rental agreements.[2]

6.35 The OPW identified the Department of Foreign Affairs and Trade as having a potential need for replacement of two existing leased properties due to expire in the medium term.

- A property (1,056 m^2) on Hatch Street was being leased (in early 2019) at a cost of €210,000 a year. The lease had originally commenced in September 1978 and was due to expire in 2023.[3] The building was considered to have reached the end of its useful life. The OPW stated that the rental amount was under review in early 2019, with the worst-case scenario being a potential increased annual rent of €680,000.
- A leased space (1,624 m^2) on Clonmel Place was also due to be vacated by April 2024. The annual cost of that lease was €804,500.

6.36 The new lease in Bishop's Square was due to commence in Q2 of 2019 with the building in a shell and core condition.[4] However, the OPW estimated during the appraisal that fit-out works would not commence until early 2020 and that the building would not be ready for occupation until Q1 of 2021.[5]

6.37 The landlord agreed to contribute approximately €1.9 million towards the cost of Category A fit-out works (to be offset as a credit for the OPW once the works were completed). The expected cost to the OPW to complete the entire fit-out was €7.2 million, net of the landlord's contribution.

6.38 A request for sanction submitted to the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation (Department of Public Expenditure) in January 2019 proposed a 20-year lease term with a tenant-only break option after 15 years. The proposed annual rental cost was €2,440,415 excluding VAT. Provisions were included for rent reviews and a 15-month rent-free period (September 2019 to December 2020).

6.39 The Department of Public Expenditure's sanction for the lease was received in February 2019, subject to a number of conditions regarding cost control, value for money, budget and compliance with public financial procedures and building control regulations.

6.40 The lease was signed in May 2019. Delays were encountered in getting the building ready for use. The OPW has stated that the delays primarily related to the impact of Covid-19 and the reallocation of OPW resources to other priority projects such as Brexit-related works. In addition, the building was sold in 2020 which caused further complications in obtaining certification and other documentation.

1 The newly available space in Bishop's Square included part of the fourth floor and all of the fifth and sixth floors, amounting to approximately 4,284 m^2.

2 The appraisal took account of rent-free periods included as part of the lease terms.

3 The original 35-year lease expired in 2013. A new ten-year lease to 2023 was subsequently extended by a further year to August 2024.

4 There are three main levels of building fit-out ranging from 'shell and core' which provides basic structural elements (e.g. external walls, roof, windows etc.) to Category B which is customised to the tenant and includes partitioning, IT infrastructure, lighting etc. Category A is an intermediate fitout level between 'shell and core' and Category B.

5 Design work and a public procurement process had to be completed prior to commencement of the works.

6.41 Rent of almost €7.9 million (excluding VAT) was paid by the OPW from May 2019 to March 2024, while the property was not occupied. The net cost to the OPW of the fit-out was €10.45 million (excluding VAT and fees) which exceeds the amount included in the January 2019 request for sanction by over 45%.[1]

6.42 The Department of Foreign Affairs and Trade exited the Hatch Street building and moved to its new premises in Bishop's Square in May 2024. The Hatch Street building was surrendered at the end of August 2024.

6.43 Section 8(1) of statutory instrument (SI) 426/2014 states that a public body shall not purchase or lease a building, or a portion of a building, for its own use unless it has a building energy rating (BER) of A3 or higher.[2] Section 8(3) of the statutory instrument sets out a number of exemptions that a public body may invoke, at its own discretion, including for example where it intends to bring the building to an A3 rating within three years of occupation.

6.44 The OPW stated that the exemption that could be applicable to this case is Section 8(3)(d), whereby a public body has established that no alternative building, rated A3 or higher, is available that is satisfactory in terms of location, size, specification or price. It stated that as part of the 2019 appraisal process for the additional space in Bishop's Square, it undertook a multi-criteria analysis assessing a range of properties that were available to lease at that time. This analysis fed into the cost effectiveness appraisal that was included in the sanction request submitted to the Department of Public Expenditure. The OPW asserts that the appraisal outcome supports the designation of the space in Bishop's Square as the most appropriate building available in terms of size, specification and price.

6.45 The OPW stated that a building energy assessment from 2019 gave the building a base assessment of a B3 rating. It intends to commission a revised energy certificate in the near future.

Lease break clauses

6.46 Break clauses or options are provisions in lease agreements allowing a tenant (and sometimes a landlord) to terminate the lease before the end of its fixed term. There can be a cost to the tenant to include a break clause in a lease agreement.

6.47 A policy introduced by the Department of Public Expenditure in 2016 requires lease agreements with terms exceeding ten years to include a tenant-only break clause at the end of the tenth year.[3] The policy states that in most cases, a lease term of ten years is sufficient to allow a return on any relocation and fit-out costs.

6.48 The examination team noted that the lease signed by the OPW in May 2019 for additional space in the Bishop's Square building was for a 20-year term but that a tenant-only break option only applied after 15 years.

6.49 The OPW stated that

- the policy issued by the Department of Public Expenditure is intended to provide high-level guidance
- a requirement to always include a break option is extremely restrictive and would hinder the OPW's ability to negotiate the best overall terms

1 A contribution from the landlord towards the cost of the Category A fit-out works was received in the form of an additional 9-month rent-free period from July 2024 to March 2025. The value of the credit was €1.9 million.

2 SI 426/2014 – *European Union (Energy Efficiency) Regulations 2014*.

3 Circular 17/2016: *Policy for Property Acquisition and for Disposal of Surplus Property*. The stated intention of the circular is to provide high-level guidance on what should be considered before a decision is made to acquire or dispose of a property. However, the section on lease break options states that for leases with terms of more than ten years, a tenant break right must be included at the expiry of the tenth year.

- it is mindful of the policy and that its starting position is always to seek a lease break clause to achieve value for money and maintain flexibility in its leasehold property portfolio
- due to the level of investment in the fit-out of providing new premises to a client, the inclusion of a lease break at year ten is not always beneficial.

However, there was no explicit reference in the OPW's January 2019 sanction request to the Department of Public Expenditure, in respect of the Bishop's Square lease, to any intention to depart from the requirements of circular 17/2016 in respect of lease break options.

6.50 There were 62 OPW leases with break clauses that could have been activated during the 2022 – 2024 period. None of those break clauses were activated. Two break clause decisions were selected for review by the examination team, with issues arising in one of those cases.

Bloom House, Dublin 1 — break clause consideration

6.51 The OPW agreed a 20-year lease for Bloom House, Dublin 1, in November 2015. The agreement gave the OPW the option to terminate the lease after ten years, or after 15 years, subject to serving 12-months' notice in writing to the landlord and vacating the property before the option date.

6.52 The property is occupied by the Companies Registration Office (CRO) and the Competition and Consumer Protection Commission (CCPC). In June 2024, the CCPC wrote to the OPW stating that it had outgrown its footprint in Bloom House and had an imminent critical need to relocate to modern premises of suitable location and size.

6.53 Despite having received the CCPC's correspondence almost 18 months in advance of the option date, the OPW could not provide the examination team with any evidence that activating the break clause in November 2025 had been considered.

6.54 The OPW has confirmed that in response to the issue raised by the examination team, decisions on whether to activate lease break clauses are now being formally documented by its property management team as part of quarterly lease event workshops.

6.55 The examination team found the Bloom House building to be fully allocated for use. There was a variable level of occupation on the day of the visit with high levels of staff attendance in some areas and lower levels elsewhere. It was noted that a CRO public office that was closed since Covid-19 restrictions were applied had not been changed or adapted for other uses. The OPW stated that it is working with both clients in this building to see how existing space can be used more efficiently.

Acquisitions

6.56 The examination team reviewed two new acquisitions of property by the OPW — a new lease and a new purchase.

Passport Office, Cork — lease acquisition

6.57 In August 2022, the OPW (in conjunction with the Department of Foreign Affairs and Trade) prepared a preliminary appraisal to lease a new Passport Office facility in Cork. The lease was to replace the existing facility on the South Mall considered to be at the end of its useful life. The annual rent for the South Mall building was €290,000 for an area of nearly 1,330 m^2 (see Figure 6.7).

6.58 The final business case included a multi-criteria analysis of three options over a 20-year term, to commence in Q2 2024. A proposed new building on Navigation Square was deemed the most favourable option, at €26 million (economic net present value, discount rate 4%).[1] The building was to be received by the OPW in a shell and core condition.

Figure 6.7 Old Passport Office, Cork[a]

Source: Office of the Comptroller and Auditor General

Note: a Since 1987, the Passport Office has had a public office on the ground floor and additional space on the first and fifth floors. The building dates from the mid-1960s and is classified as a 'first-generation' office on the OPW database.

6.59 Sanction to proceed with the new lease was given in November 2023 by the Department of Public Expenditure. The 20-year lease commenced in January 2025 (over six months later than anticipated in the final business case) and includes part of the ground floor, the full first floor and a number of car parking spaces. A break option after 12 years was included.

6.60 The OPW stated that a contribution in lieu of a Category A fit-out was agreed with the landlord and will be recouped by way of a rent-free period.[2] In addition, the OPW noted that a rent-free period of 19 months was agreed with the landlord.

6.61 The OPW stated that the delay in the commencement of the lease was due to the negotiation of lease details taking longer than expected. As at end June 2025, the design phase for the building is ongoing (see Figure 6.8). It is now expected that the building will be ready for occupation by September 2026.

1 The costs compared as part of the appraisal included rent, service, maintenance, fit-out, professional and parking costs.

2 Category A is an intermediate fitout level, between 'shell and core' (the most basic) and Category B (full client customisation).

Figure 6.8 Ground floor of Navigation Square building in 'shell and core' condition (May 2025)

Source: Office of the Comptroller and Auditor General

Trinity Point, Dublin 2 — building purchase

6.62 During 2023, the OPW held several leases in Trinity Point, with annual rents totalling €1.98 million, which were due to expire in 2032.

6.63 In July 2023, a memorandum was prepared for the OPW Management Board considering the purchase of the building. The identified strategic benefits included

- long-term security over 4,000 m^2 of centrally located office space
- office accommodation for current civil service needs and future growth
- aligning with investment objectives, OPW strategy and wider government policy including the National Development Plan and climate action plans.

6.64 The proposal noted that the first floor (827 m^2) remained vacant but that there were clients with a business requirement to be in proximity to government buildings that could be accommodated there. It also noted that the OPW had a number of options for the building if vacated, or part-vacated, by existing clients.

6.65 The OPW commissioned valuation reports relating to the Trinity Point building that fed into the preliminary and final business cases. A financial appraisal compared the option of the OPW purchasing the building to it leasing additional space at Trinity Point or leasing additional space at an alternative location. The purchase option ranked first. The final business case in September 2023 costed the purchase option at a net present value of €39.5 million.

6.66 The purchase proposal noted that the current energy rating of the building was B3 but that this could be improved to a B2 rating, with minimum additional cost. The final business case estimated that the costs of completing works to achieve a rating of A3 would be €11.4 million, including VAT and fees.

6.67 In October 2023, the Department of Public Expenditure conveyed sanction for the OPW to purchase the Trinity Point building for a negotiated sum of €39.85 million (excluding VAT). The purchase was completed in December 2023.

6.68 The examination team noted that the OPW database records the area of the Trinity Point building as 0 m^2**.** The OPW stated that this will be rectified as part of the ongoing project to address inaccuracies in its property database.

6.69 During a site visit in May 2025, the examination team noted that the first floor remained unoccupied. In addition, the third floor had been recently vacated, when the Office of the Data Protection Commissioner moved to new premises.

6.70 The OPW has stated that

- It operates in a dynamic environment which requires the ongoing reallocation of space to meet the accommodation needs of its clients.
- Since the acquisition of Trinity Point in December 2023, the first floor has been allocated to a client, and following the recent completion of a required fit-out, this client is in the process of occupying this space.
- The third floor which has recently been handed back by the Office of the Data Protection Commissioner is under offer to another client.
- The Section 8 (3)(d) exemption under SI 426/2014 is also relevant to the acquisition of Trinity Point i.e. the OPW identified as part of the appraisal process that no alternative building was available to meet the specific objectives in terms of location, size, specification or price.

However, the examination team found no reference to the Section 8(3)(d) exemption in the final business case which did note the intention to upgrade the property to an A3 BER standard by 2026.

Post-Covid-19 space requirement

6.71 Over recent years, there has been a widespread move towards more flexible working arrangements in the public sector and in particular, 'hybrid' working pattern models featuring more home/remote working and less requirement to attend the office.

6.72 In July 2021, the OPW prepared a discussion paper on office accommodation issues arising from the move to hybrid working. The paper recognised that hybrid working patterns would be likely to enable efficiencies in the use of office space to be achieved over time. However, it noted that reducing the level of accommodation held, whether owned or leased, may not be straightforward for a number of reasons, including

- the condition and configuration of buildings
- the nature of some leases and timings of lease events, including break options and expiry dates
- potential dilapidation liabilities and title issues
- future strategic accommodation needs from across the portfolio.

6.73 The discussion paper proposed that new accommodation will not be considered in central business districts and high-cost locations unless there were exceptional circumstances. It stated that occupier departments and offices would have the responsibility to work with the OPW to consolidate existing accommodation and to release surplus space for reallocation to others.

6.74 The *Blended Working Policy Framework for Civil Service Organisations* was published in March 2022. Among other things,

- it obliged organisations to plan how office space could be best used to enable collaboration and communication among teams
- it provided that hybrid workers will have no automatic right to a dedicated workstation or single-occupancy office but will have a shared work-space available to them, when attending the office.

6.75 In September 2022, the OPW asked departments and offices to identify accommodation which was or might become surplus to requirements, and that may be partly or entirely surrendered back to the OPW. In general, the OPW stated that responses received stressed the need to maintain existing accommodation levels until hybrid working policies become more established.

6.76 In November 2023, the OPW again requested departments and offices to review their use of their own accommodation and that of agencies under their remit. While promoting desk/office sharing, the OPW discouraged building-wide 'anchor days' as they can reduce the potential efficiencies of hybrid working, in terms of office accommodation. The OPW letter also highlighted the issue of energy efficiency and government targets set out in the *Climate Action Plan*.[1,2]

6.77 The OPW stated that responses received generally reinforced the need for high-quality ICT infrastructure to ensure flexibility for a dispersed workforce. It was noted that several organisations had used the transition to hybrid working as a catalyst to reduce the overall footprint occupied by their staff.

6.78 During 2023, the OPW began a new programme of occupancy surveys to identify how space is being used by clients since the widespread adoption of blended working and how it might be better used.[3] The purpose was to gather high-level information to allow the OPW to engage actively with its clients regarding current and future accommodation requirements.

6.79 The first surveys, completed during 2023 and 2024, covered 20 of 146 buildings located outside Dublin, spanning over 66,000 m^2 in total. The surveys found a number of buildings with relatively low desk occupancy on the single day visited. Overall, 29% of desks were occupied with 71% unoccupied. It also found that in aggregate, there was the potential to add up to 30% more desks in the premises visited (before considering the mechanical, electrical and fire implications).

6.80 A second series of surveys, completed over 2024 and 2025, focused on around 47 offices in Dublin city centre from a total of 219, amounting to approximately 137,000 m^2. Overall, the average desk occupancy was reported to be 45%.[4] For seven buildings, the occupancy rate was in excess of 65% (the OPW reports international best practice would suggest rates of at least 60%). In aggregate, it was estimated that there was potential for 15% more desks in the offices visited (subject to considering mechanical, electrical and fire implications and value for money).

1 The targets underlined by the OPW as impacting how the Civil Service procures, designs and operates buildings are the target to improve energy efficiency by 50% by 2030 and the target to reduce greenhouse gas emissions by 51% by 2030.

2 Ireland's first *Climate Action Plan* was launched in June 2019. The plan has been updated on a number of occasions. The current plan is the *Climate Action Plan 2025* (published April 2025).

3 As well as looking at occupancy (how many desks were occupied when visited) the survey considered optimisation (how many desks could potentially be accommodated in the space).

4 Each building was surveyed on two days during the working week (except Friday) between November 2024 and April 2025 (excluding the weeks around Christmas and Easter).

6.81 The UK Cabinet Office publishes monthly average building occupancy rates for departmental headquarters. The latest available occupancy rates (for June 2025) range from 59% in two offices to 100% in the Department for Energy Security and Net Zero.[1]

6.82 A January 2025 circular issued by the Department of Public Expenditure sets out procedures for the management and maintenance of accommodation provided by the OPW.[2] In terms of managing accommodation, it states that OPW clients must

- be responsible for the day-to-day management and efficient use of space allocated
- advise the OPW if space is underused and proactively engage with the OPW on the reallocation of space for alternative purposes
- share facilities (e.g. conference rooms) with other government departments/offices and State agencies if capacity allows
- engage with the OPW regarding alternative uses of property, for external purposes as required
- submit an annual return to the OPW with occupant numbers, use and functions in their allocated space, and
- adhere to the principles, roles and responsibilities as outlined in the OPW's accommodation guidelines.

6.83 As of August 2025, the OPW has yet to finalise the reporting mechanism or format for the annual returns envisaged under the circular. It stated that it plans to finalise the annual return process by the end of 2025. Detailed accommodation guidelines issued alongside the circular set out

- guidance for clients in conducting an assessment of their current and emerging accommodation requirements
- roles and responsibilities in delivering office accommodation and for maintenance services, environmental, health and safety, building related risks and fire safety.

Office space per civil servant

6.84 In 2013, the OPW published a property asset management delivery plan, in response to the 2011 Government Reform Programme which required the OPW to set out targets for space norms for the Civil Service.[3]

6.85 In 2014, the OPW published a capacity and capability review of its estate portfolio management function.[4] The report set a target for the OPW to achieve a space allocation of approximately 12 m^2 per staff member. (The report referenced a UK target to reduce the space allocation per person from 13 m^2 to 10 m^2.)

6.86 Between 2015 and 2024, the number of full time equivalent (FTE) civil servants employed in Ireland increased by 45% to nearly 52,800. The total area of office accommodation managed, as reported by the OPW, rose between 2016 and 2022 but has fallen by over 3% since then. The office space per civil servant has decreased significantly from a level of 24.2 m^2 in 2015 to 16.4 m^2 in 2024 (see Figure 6.9).

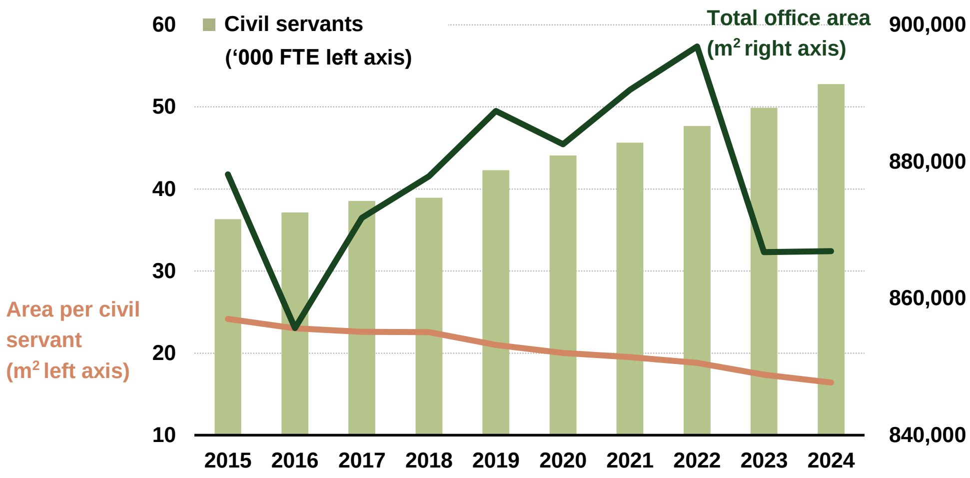
1 UK Cabinet Office: Monthly average HQ building occupancy. The data presented is sourced and collected by the departments and provided to the Cabinet Office.

2 Circular 1/2025: *Management and Maintenance of Accommodation in Government Departments, Offices, Certain State Agencies and Cultural Institutions*.

3 *OPW Property Asset Management Development Plan*, July 2013.

4 *OPW Capacity and Capability review of the Estate Portfolio Management Function*, April 2014.

Figure 6.9 Office space per civil servant for the period 2015 to 2024



Source: Office of Public Works

6.87 The OPW stated that while the metric of 16.4 m^2 is a useful indicator, it does not account for its diverse accommodation portfolio across a variety of government business functions. The OPW stated that when developing new or refurbishing existing accommodation, it will apply a high-level allocation target of 12 m^2 net internal floor area per workstation.

Office space vacancy

6.88 At the Government Offices in Dundalk, the examination team noted that some office space had recently been surrendered by the Office of the Revenue Commissioners to the OPW and had been allocated for use by other departments and An Garda Síochána. The OPW informed the examination team that Revenue has surrendered office space in a total of 16 locations since the start of 2022.

6.89 The National Shared Services Office informed the team during an examination site visit that it has also recently surrendered office space to the OPW. The OPW has stated that this space is under active consideration for another client.

6.90 The OPW stated that it continually engages with client organisations to understand emerging accommodation needs. It stated that a key feature of this interaction is to differentiate between client 'wishes' and 'needs' which helps to determine actual requirements. In some cases, where no suitable accommodation was identified within the OPW portfolio, client organisations have gone directly to the private market to source accommodation.

Impairment of asset value

6.91 Impairment is an accounting concept whereby the holding value of an asset may be reduced if it is no longer in full use or no longer delivering the benefits anticipated. Annual impairment reviews are a requirement of central government accounting standards, effective for annual financial statements for periods commencing on or after 1 January 2024.[1]

1 CGAS 21 Impairment of non-cash generating assets and CGAS 26 Impairment of cash generating assets Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation.

6.92 The OPW has obtained a temporary derogation from the requirement to carry out impairment reviews due to the size and complexity of its asset portfolio and the absence of up-to-date fair values for a complete subclass of assets. The OPW informed the examination team that it is progressing a revaluation review project looking at historic carrying values of properties that it owns and controls.

Conclusions and recommendations

Data quality

6.93 The OPW is responsible for, *inter alia*, managing and maintaining the State's accommodation portfolio which includes around 535 office buildings.

6.94 To effectively manage a property estate on this scale, it is necessary to have complete and accurate data on each building. The OPW uses a combined database to record property details and manage payments in relation to office accommodation, both owned and leased. Several errors and inconsistencies were noted in respect of the database. This included 68 of 595 property listings being recorded on the database as having areas of either zero or 1 m^2; 44 of 270 owned buildings recorded with identical gross and usable areas; and no documentation available to verify the sizes of buildings recorded in the database in five of eight sample cases. It was not possible to reconcile information on the database with the buildings on the ground at some of the locations visited by the examination team.

6.95 The OPW does not currently record fire safety information (e.g. service reports or fire alarm reports) in the database. It stated that it currently manages its responsibility for fire safety through a separate process but is exploring measures to activate this functionality in the database.

Recommendation 6.1

The OPW should take steps to ensure it maintains a property database that is accurate and up-to-date and should explore the potential for the database to record key legal requirements such as fire safety.

Accounting Officer's response

Agreed.

The OPW manages an estate of around 2,500 properties, including over 500 offices for civil servants. These 500 offices generate over 11,000 records relating to the tenure of the building which excludes maintenance records and associated documents. The OPW currently has an existing functional property database that records information in relation to the owned and leased office accommodation portfolio, which includes facilitating the payment of rent by the OPW.

The property management element of this database went live in 2022 and this transition to the current system afforded the opportunity to include additional functionality and data fields. Additional functionality will be activated in line with available data and resources.

Although the report highlights some anomalies in data, I can confirm that this has had a negligible impact on the operation and management of the overall estate and there are no financial implications for the State arising from any data anomalies identified as part of this audit.

The OPW is prioritising a review of all office records to ensure the accuracy of the key information is recorded centrally on Tririga by (i) conducting a verification exercise of legacy records as identified by the examination team; and (ii) a broader review of the owned and leased office data during 2026.

The OPW is managing its obligations pertaining to its responsibility for fire safety through the relevant business unit. The OPW is actively exploring ways to supplement the existing process of managing relevant fire safety information pertaining to the OPW's responsibility through further integration with the existing Tririga system. This will be further scoped by the relevant business units in 2026.

Timeline for implementation

End of 2026.

Lease costs

6.96 The OPW's total operating lease expenditure for 2024 was €122 million (including VAT and minor expenses). At the end of 2024, the OPW's total commitments in relation to office accommodation leases were estimated at €1 billion.

6.97 The property with the second highest rent expenditure in 2024 (€10 million) — the Distillers Building in Dublin 7 — is classified as being 'reserved' (i.e. allocated but currently unoccupied) on the OPW database. The lease term commenced in July 2022, and since the expiry of a rent-free period in March 2024, the OPW has paid rent totalling €12 million (excluding VAT) up to the end of September 2025. The OPW has stated that it expects the building to be ready for occupation by September 2025.

Office acquisitions and disposals

6.98 Of 61 leases that expired during the 2022 – 2024 period, the OPW stated that it is still considering whether to retain the property in 28 cases. In 26 of those cases, the OPW is continuing to pay rent on property for which the lease term has expired, but where its clients are still in occupation under an implied or periodic tenancy.

6.99 Break clauses in lease agreements afford tenants the option to terminate a lease before the end of the contract term. To use them optimally, there needs to be long-term planning and timely consultation with occupiers about what are their accommodation needs and priorities.

6.100 There were 62 OPW leases with break clauses that could have been activated during the 2022 – 2024 period. None of the break clauses were activated. In one case selected by the examination team for review, the OPW was unable to provide any evidence that activating the break clause had been considered despite receiving correspondence from one of the occupants that it had an imminent and critical need to relocate.

Recommendation 6.2

The OPW should undertake appropriate appraisals and formally record decisions made regarding lease break clauses, as they arise. Client views and concerns should be recorded and factored into lease break clause decisions.

Accounting Officer's response

Agreed.

The main financial benefits associated with triggering a lease break is when the accommodation is no longer required or when alternative accommodation can be provided from within the existing portfolio without the need to acquire additional space and incur additional rental and fit-out costs.

The OPW takes its decision on whether or not to avail of lease breaks based on the overall accommodation need of clients; long term ongoing needs of clients in the particular lease; and prevailing market conditions. Much of this is done through normal and ongoing client interactions by the team in OPW Property Management.

Notwithstanding the OPW's directive role in the area of office accommodation, the OPW always considers client views when making decisions on lease breaks. However, this has to be balanced against the overall usage of the portfolio, the stability of client operations, availability/cost of alternatives, associated delivery times, and wider value for money considerations.

The OPW accepts that it should more formally record its decision-making processes regarding lease break events.

Timeline for implementation

Q2 2026.

6.101 Circular 17/2016: *Policy for Property Acquisition and for Disposal of Surplus Property* introduced by the Department of Public Expenditure requires lease agreements with terms exceeding ten years to include a tenant-only break clause at the end of the tenth year. The examination team noted both examples in a sample of two lease renewal/acquisition cases where leases put in place since 2016 do not have a tenant-only break clause at the end of the tenth year.

Recommendation 6.3

The OPW should acknowledge and document any significant departures from obligations under circulars in force in relation to property acquisition and disposal. The matters recorded should include the reasons for any non-compliance.

Accounting Officer's response

Agreed.

Although the circular is considered to be high-level guidance only, I can confirm that this recommendation will be incorporated into all approvals for new leases within the Property Management Section of the OPW.

Timeline for implementation

Q4 2025.

6.102 A statutory provision in force since 2014 states that a public body shall not purchase or lease a building, or a portion of a building, for its own use unless it has a building energy rating (BER) of A3 or higher. There are certain exemptions to this requirement that a public body may decide to invoke, including for example where it intends to bring the building to an A3 rating within three years of occupation.

6.103 The examination team noted a number of examples where the OPW has purchased or leased a building with a BER of lower than A3 and has not yet brought the building to BER A3. The OPW stated that in those cases, it has invoked the exemption whereby it established that no alternative building, rated A3 or higher, was available that was satisfactory in terms of location, size, specification or price. An intention to invoke this exemption was not documented as part of the appraisal process in the cases noted by the examination team.

Recommendation 6.4

The OPW should acknowledge and document any non-compliance with the energy rating obligations imposed by SI 426/2014 *European Union (Energy Efficiency) Regulations 2014* regarding the purchase or lease of buildings. Where the energy rating upgrading exemption is availed of, the sanction sought for the acquisition should indicate the planned upgrading timetable and expected cost. The expected cost of energy upgrading should be included in the cost-benefit analysis underpinning the sanction request.

Accounting Officer’s response

Agreed.

I can confirm that OPW operates in compliance with the obligations as set out under Section 8 of SI 426/2014.

The OPW will strengthen the process for future acquisitions with regard to whether specific exemptions under SI426/2014 are considered relevant. The OPW will document this as part of the sanction process. The OPW will continue to take an overall portfolio approach in relation to which buildings to prioritise for energy upgrades.

The OPW will continue to incorporate the cost of energy upgrading into relevant submissions as part of the approvals process for new office accommodation.

Timeline for implementation

Q4 2025.

6.104 The OPW entered into a lease agreement on a building in Bishop’s Square, Dublin, in May 2019. Due to delays with fit-out works, the intended tenant — the Department of Foreign Affairs and Trade — did not occupy the building until May 2024. Total rent of €7.9 million (excluding VAT) was paid in respect of the period before the building was occupied.

6.105 The OPW purchased Trinity Point for €39.85 million (excluding VAT) in December 2023. As of end May 2025, the first floor of the building remained vacant. The OPW has stated that the first floor has now been allocated to a client who is in the process of occupying the space. Planned works to improve the energy rating of the building have not been carried out to date.

Space requirements

6.106 Since 2020, more flexible working arrangements, including hybrid working models, have become commonplace in the public sector. This shift has implications for office accommodation requirements. The OPW has engaged regularly with departments and offices requesting them to review their use of space and seeking to identify surplus accommodation that could be handed back to the OPW.

6.107 Circular 1/2025 codifies the arrangements in place between the OPW and its clients for the management and efficient use of space. It puts the onus on clients of the OPW to identify underused space and to actively engage with the OPW on the reallocation of accommodation. It also requires clients to submit an annual return to the OPW with occupant numbers, use and functions in their allocated space. As of end August 2025, the OPW has yet to finalise the format or reporting mechanism for the annual returns envisaged under the circular.

6.108 The examination team noted that several clients have surrendered office space to the OPW in recent years.

6.109 Between 2015 and 2024, the number of full time equivalent (FTE) civil servants employed in Ireland increased by 45%. The total area of office accommodation managed, as reported by the OPW, decreased by 1% in the same period. The office space per civil servant has decreased significantly from a level of 24.2 m^2 in 2015 to 16.4 m^2 in 2024. This is about one third higher than the 12 m^2 indicated as a general target by the OPW in 2014.

6.110 The OPW stated that when developing new or refurbishing existing accommodation, it will apply a high-level allocation target of 12 m^2 net internal floor area per workstation.

Recommendation 6.5

The OPW should report publicly on the utilisation of its portfolio of office accommodation. The report should take account of information in annual returns received from clients, as required under circular 1/2025. This should commence with a report on the 2026 results, to be published during 2027.

Accounting Officer’s response

Agreed.

The OPW's ability to publish meaningful information on this will require a consistent approach by the OPW's client base.

The Department of Public Expenditure circular 1/2025 puts an onus on clients to report on utilisation, and the OPW is in the process of finalising the form of the return which will be issued to clients in Q3 2025.

The OPW will assess the responses from 2025 in terms of data maturity and consistency. Subject to the refinement of the process, and consultation with the OPW client base, the OPW will seek to publish information in 2027, or as soon as meaningful and comparable information is available in a consistent manner.

This will be done in consultation with the Civil Service Management Board.

Timeline for implementation

Q2 2027.