

# IRISH OFFICE MARKET

Q3 2016

## OVERVIEW

The following report incorporates a detailed overview of the regional office markets including Dublin, Cork, Limerick and Galway. This market analysis covers occupation levels, vacancy levels and rental performance in each location.

- The Irish office market saw 65,950 sq m transact across the four regional markets in the third quarter of 2016. This brought year to date take up to 211,050 sq m, and while 14% lower than the comparable period in 2015, this was 24% higher than the 10-year average of 170,200 sq m.
- In the year to date, the Dublin and Cork markets performed the strongest, while Limerick and Galway were more subdued in comparison. The Galway market, in particular, is suffering from a supply-side shortage, hampering take up activity.
- Grade A office space remains the most sought after across all regional centres.
- Availability levels varied across the regional centres. Dublin in particular saw some volatility emerge in the quarter; while supply levels are trending downwards on an annual basis, a quarterly increase was recorded. Galway also witnessed a rise in supply, due to one large building being made available. In contrast, Cork saw availability fall, while supply in Limerick remained stable.
- Vacancy rates also varied across the respective markets. Galway continues to have the lowest of the four centres, at 7.1%.
- The supply of the best quality Grade A1 space in the Dublin Central Business District (CBD) continues to diminish.
- 2016 to date has seen the first meaningful delivery of office space in Dublin since 2011. However, all of this space was immediately taken up and therefore

## 211,050 sq m

TOTAL TAKE UP IN THE NINE MONTHS TO SEPTEMBER 2016 STOOD AT 211,050 SQ M.



## 24%

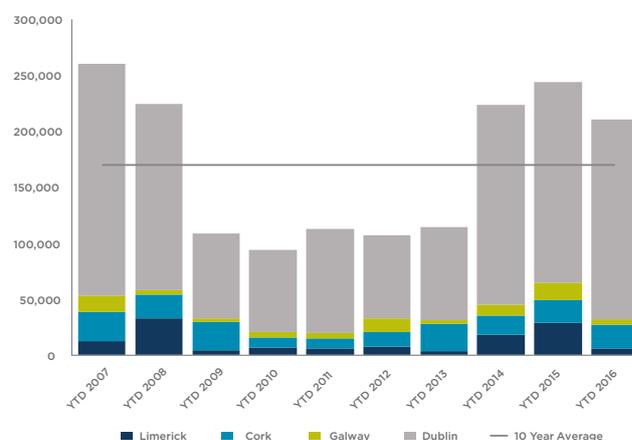
YTD TAKE UP WAS 24% HIGHER THAN THE 10-YEAR AVERAGE.



any new development to date has failed to address the shortage of Grade A space in Dublin. Limerick and Cork are relatively active, while there is no current development activity in Galway.

- Upward pressure for prime headline rents remains across all markets in the year to date. At the end of September, prime rents were broadly stable compared to quarter two, with the exception of Galway, which saw a 13.6% uplift.

Irish Office Take Up, (Sq M)



Source: Cushman & Wakefield Research

## Irish Office Market – Key figures Q3 2016

	Dublin	Galway	Cork	Limerick
Market Stock	3,357,950 Sq M	304,000 Sq M	564,850 Sq M	335,050 Sq M
Take Up YTD 2016	178,900 Sq M	5,150 Sq M	20,650 Sq M	6,300 Sq M
Availability	440,700 Sq M	21,600 Sq M	67,400 Sq M	71,550 Sq M
Vacancy Rate	13.1%	7.1%	11.9%	19.4%
Under Construction	341,300 Sq M	0 Sq M	5,000 Sq M	11,300 Sq M

Source: Cushman & Wakefield Research

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