

IRISH OFFICE MARKET

Q2 2017

OVERVIEW

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

- Following a robust performance in the Irish office market in the opening quarter of 2017, the second quarter was more subdued in comparison. A total of 38,600 sq m transacted in the three months to June, bringing total take up, across the four regional office markets over the six-month period, to 140,950 sq m.
- An exceptional first quarter of the year resulted in activity for the six-month period standing 24% higher than the long-run average.
- Once again, leasing activity was driven by Dublin, accounting for 91% of take up in the period. In particular, the Dublin CBD market accounted for 61% of Irish office occupation; this compares with 42% in the same period in 2016.
- Outside of Dublin, activity remains subdued across the three regional centres, all of which are suffering from a shortage Grade A space. Activity in the six months to June was strongest in Limerick.
- Grade A availability and vacancy rates continue on a downward trajectory across all markets. The shortage of Grade A space is most acute in Galway, with just 6,150 sq m of space net available at the end of June.
- Development looks set to remain a feature of the Irish office market for the medium term, with quite a large number of schemes in the pipeline. Notably in Dublin, a total of 334,850 sq m of space was under construction at the end of quarter two, of which a very healthy 27% is pre-let, and a further 11% reserved. It is anticipated that, as the year progresses, pre-lets will increase further and approach 50%.

140,950 sq m

TAKE UP ACROSS THE FOUR REGIONAL OFFICE MARKETS AMOUNTED TO 140,950 SQ M FOR THE FIRST HALF OF 2017.

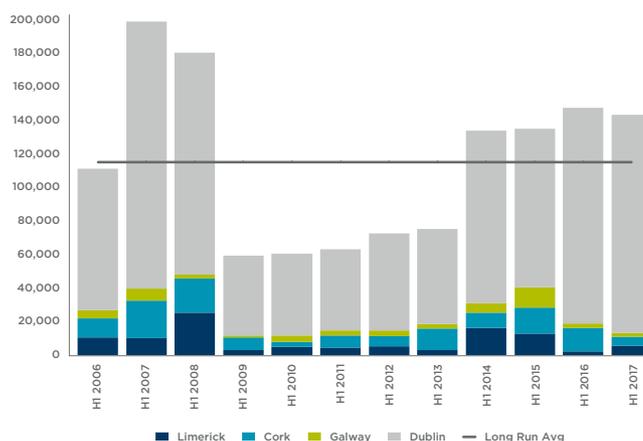


24%

ACTIVITY WAS 24% HIGHER THAN THE LONG-RUN AVERAGE LEVEL OF H1 TAKE UP.



Irish Office Market H1 Take Up (Sq M)



Source: Cushman & Wakefield Research

Irish Office Market - Key Figures Q2 2017

	Dublin	Galway	Cork	Limerick
Market Stock	3,436,200 sq m	304,000 sq m	569,850 sq m	346,400 sq m
Take Up H1 2017	128,050 sq m	2,150 sq m	5,150 sq m	5,550 sq m
Availability	472,800 sq m	24,050 sq m	60,000 sq m	74,500 sq m
Vacancy Rate	13.8%	9.5%	10.5%	19.8%
Under Construction	334,850 sq m	10,800 sq m	28,800 sq m	24,800 sq m

Source: Cushman & Wakefield Research

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