

LIMERICK OFFICE MARKET

Q4 2017

Occupier Activity

The Limerick office market saw just under 10,000 sq m of space taken up in 2017. This represents a moderate decrease on 2016 activity, during which 11,200 sq m transacted.

The year ahead looks more promising for letting activity. Approximately 7,550 sq m of second hand available space was either signed or reserved at end December 2017. A further 8,400 sq m of space under construction is already pre-committed, due for delivery by the end of 2018.

2017 take up was boosted by the newly completed 2,250 sq m extension to the Vistakon building in the National Technology Park (NTP). Two other deals over than 1,000 sq m in size in the NTP resulted in the suburbs dominating take up, accounting for 70% of activity. The rise in take up in the suburbs was driven by a 47% YOY uplift in suburban supply.

Pharmaceutical occupiers led demand in Limerick, accounting for over one-third of take up in the year.

Availability

At the end of December 2017, approximately 74,300 sq m of office space was available in Limerick, 1.4% lower than the previous quarter, but up 11.5% YOY.

As previously noted, the supply increase was largely driven by the suburbs, while the city centre saw availability fall by 6%. The city centre, where demand is greatest, continues to suffer from a scarcity of large, Grade A office stock. Just one Grade A building, greater than 1,000 sq m in size, was available at year end. Grade A net availability in the city centre declined by 14% over the year.

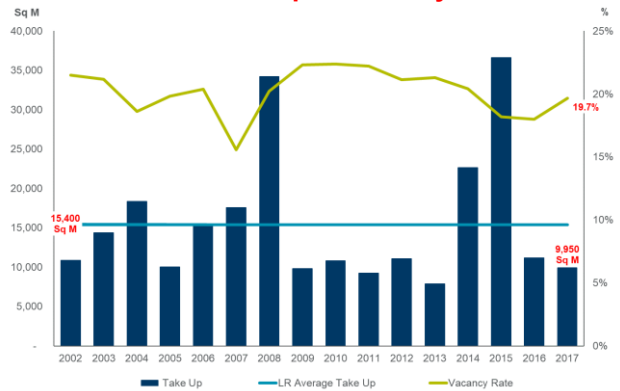
A high vacancy rate (VR) persists in Limerick, of 19.7%. However, over half of this supply consists of either Grade B or Shell & Core stock, and is unsuitable for occupiers' requirements. Demand, in contrast, is predominately for Grade A office accommodation, with floor plates of 1,000 sq m+.

Development Activity

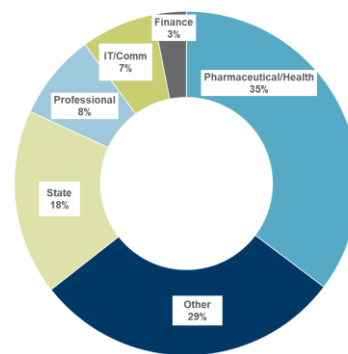
Three new office development schemes are ongoing in Limerick, totalling 24,800 sq m. All three are speculative builds due to be delivered in 2018, with 35% of the buildings either pre-let or reserved.

A further 64,000 sq m is in the planning process, the majority of which is pipelined for the city centre, where demand is greatest. Most notably, approx. €190m in funding was granted to Limerick 2030 for the mixed-use development of the Opera site. This is still at planning stage but is pipelined to deliver over 34,000 sq m of new city centre space.

Annual Take Up & Vacancy Rate



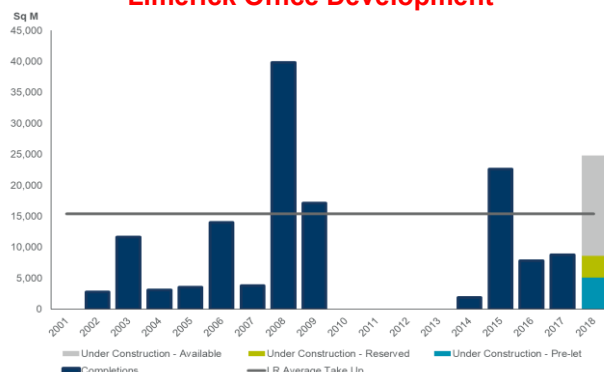
Take Up by Tenant Type, 2017 (Sq M)



Net Availability by Grade A, Q4 2017

A Stock	No. of Offices	Sum of Net Availability (Sq M)	%
City Centre			
< 1,000 sq m	23	7,200	24%
≥ 1,000 – 5,000 sq m	1	1,300	4%
≥ 5,000 sq m	-	-	-
Sub-total	24	8,500	28%
Suburbs			
< 1,000 sq m	18	5,500	19%
≥ 1,000 – 5,000 sq m	4	8,000	27%
≥ 5,000 sq m	-	-	-
Sub-total	22	13,500	46%
Shannon Free Zone			
< 1,000 sq m	2	1,400	5%
≥ 1,000 – 5,000 sq m	3	6,100	21%
≥ 5,000 sq m	-	-	-
Sub-total	5	7,500	26%
Total	51	29,550	100%

Limerick Office Development





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