

# LIMERICK INDUSTRIAL MARKET

Q4 2017

## Transaction Activity

The Limerick industrial market recorded a notable uplift in activity in 2017. Approximately 38,200 sq m transacted, making it the strongest performing region outside of Dublin. This compares to 18,500 sq m in 2016.

Activity in the year was driven by a rise in the number of deals above 1,000 sq m transacting, with the average size being 1,750 sq m.

The largest transaction was the sale of the former Banta Building, Raheen Industrial Estate. The Grade C unit measures circa 9,350 sq m and was purchased by an existing occupier in the estate. Other transactions of note include the sale of Bay 145, Shannon Free Zone, measuring 6,200 sq m and the letting of the Former Rusk Site, Dock Road, measuring 3,150 sq m.

Demand was concentrated in the South West; Raheen and the Dock Road. The region accounted for 55% of total take up. The Shannon Free Zone absorbed a further 27%. Market intelligence suggests that current enquiries are focused on the Ballysimon Road, Annacotty and Shannon.

## Availability

Availability in the Limerick industrial market declined to 135,350 sq m in 2017. The release of second hand stock to the market was markedly slow in the year. In addition, a number of existing units were removed as part of the Shannon Redevelopment Programme. When combined with the increase in the volume of activity, availability declined by 21% annually.

In line with the decline in availability, the vacancy rate also shifted downwards, sitting at 15% at year end.

As is the case in the wider industrial market, Limerick suffers from a lack of suitable stock. This can be illustrated by an analysis of available, net of signed and reserved, space by grade. This reveals that 70% of net available space is Grade C, with just 16 Grade A units available at year end.

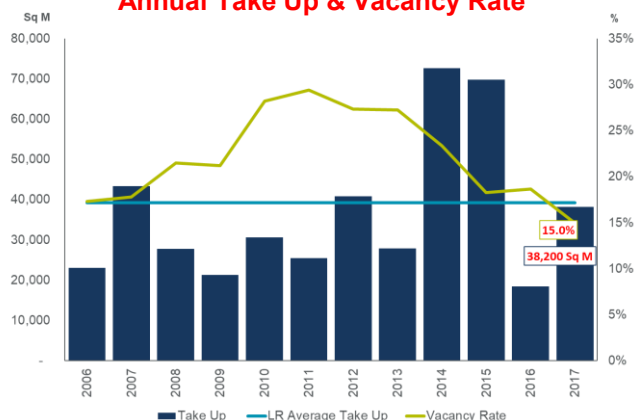
In terms of location, the South West and Shannon Free Zone account for the largest proportion, 34% and 31% respectively. The South East, which includes the much sought after Ballysimon Road, holds just 21%.

## Market Commentary

*“Within the marketplace we have noticed a considerable increase in enquiries for modern units over 1,500 sq m. In particular, the enquiries are led by distribution companies.”*

**John Buckley, Director, Cushman & Wakefield, Limerick.**

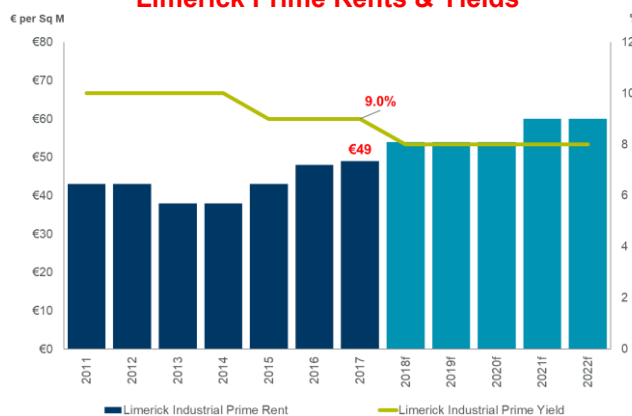
## Annual Take Up & Vacancy Rate



## Net Availability by Grade, Q4 2017

	No. of Units	Sum of Net Availability (Sq M)	%
<b>A Stock</b>			
< 1,000 sq m	10	5,300	4%
≥ 1,000 – 5,000 sq m	6	10,200	8%
≥ 5,000 sq m	-	-	-
<b>Sub-total</b>	<b>16</b>	<b>15,500</b>	<b>12%</b>
<b>B Stock</b>			
< 1,000 sq m	17	8,100	6%
≥ 1,000 – 5,000 sq m	9	16,250	12%
≥ 5,000 sq m	-	-	-
<b>Sub-total</b>	<b>26</b>	<b>24,350</b>	<b>18%</b>
<b>C Stock</b>			
< 1,000 sq m	42	21,950	17%
≥ 1,000 – 5,000 sq m	18	31,800	24%
≥ 5,000 sq m	5	38,850	29%
<b>Sub-total</b>	<b>65</b>	<b>92,600</b>	<b>70%</b>
<b>Total</b>	<b>107</b>	<b>132,450</b>	<b>100%</b>

## Limerick Prime Rents & Yields



## Market Summary – 2016 v. 2017

Indicator	2016	2017
Take Up Q4	1,450 sq m	20,150 sq m
Annual Take Up	18,500 sq m	38,200 sq m
Availability Q4	171,650 sq m	135,350 sq m
Vacancy Rate Q4	18.7%	15.0%
Under Construction Q4	0 sq m	0 sq m



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