

LIMERICK OFFICE MARKET

Q1 2018



Occupier Activity

Leasing activity in the Limerick office market continues to be constrained by a dearth of available large Grade A floorplates. Take up totalled 2,050 sq m in the first quarter of 2018. This brings take up in the year to quarter one to 6,700 sq m. Year on year take up has been in steady decline for five consecutive quarters, and at the end of March, stood 57% below its long-run average.

The year ahead looks more promising for letting activity. Quarter one saw an improvement in reserved space, particularly in the city centre. Approx. 6,450 sq m of second hand available space was reserved at the end of March, with a further 1,950 sq m signed. Moreover, approx. 8,600 sq m of the space under construction was pre-committed at quarter end.

Quarter one saw the expansion of the serviced office provider, Regus, in the Limerick market. Opening their first office in the city centre, Regus took up 750 sq m of space in Bedford Row in the city centre.

Availability

Availability declined by 6.7% in the three months to end March, to stand at approx. 69,250 sq m. This resulted in the vacancy rate (VR) falling from 19.6% to 18.1% over the quarter.

While the supply of office space in Limerick remains elevated, there remains a shortage of large Grade A space to meet demand. Net Grade A availability declined by 1% in the quarter, to stand at 29,200 sq m, while at the end of March, there were only three Grade A units greater than 1,000 sq m in size net available in the suburbs and just one in the city centre.

Development Activity

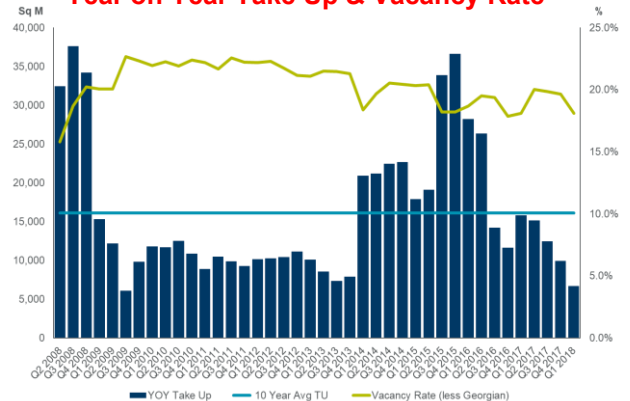
Development activity in Limerick looks promising. Approximately 24,800 sq m across three schemes is under construction, of which 35% was pre-let at quarter end. With all three due for completion this year, these will provide a positive boost to Limerick.

A number of other schemes are in the planning pipeline for Limerick. Three schemes in the suburbs have planning permission granted, with a further two in the city centre and one in the SFZ. Combined, these units will measure over 60,000 sq m of office space.

Rental Levels

Pre-lets agreed at a new city centre development has meant that Limerick now enjoys a prime office rental level of €325 per sq m for the first time. Rents are forecast to rise to €350 per sq m by year end. In the Limerick suburbs, rents increased by 10% in quarter one, to stand at €237 per sq m for prime buildings.

Year on Year Take Up & Vacancy Rate



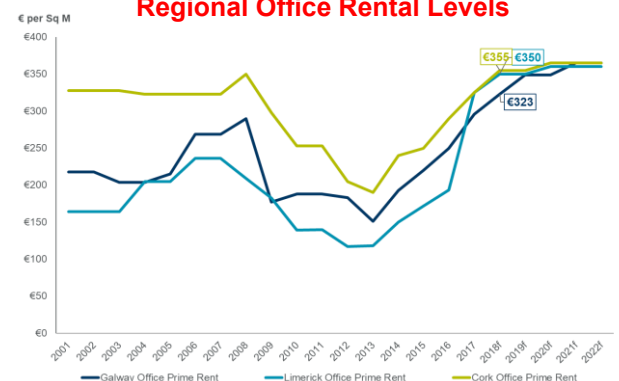
Annual Take Up & Q1 Quantity Signed/Reserved



Net Availability by Grade A, Q1 2018

A Stock	No. of Offices	Sum of Net Availability (Sq M)	%
City Centre			
< 1,000 sq m	23	7,200	25%
≥ 1,000 – 5,000 sq m	1	1,300	4%
≥ 5,000 sq m	-	-	-
Sub-total	24	8,500	29%
Suburbs			
< 1,000 sq m	18	5,500	19%
≥ 1,000 – 5,000 sq m	3	6,700	23%
≥ 5,000 sq m	-	-	-
Sub-total	21	12,200	42%
Shannon Free Zone			
< 1,000 sq m	2	1,400	5%
> 1,000 – 5,000 sq m	4	7,100	24%
> 5,000 sq m	-	-	-
Sub-total	6	8,500	29%
Total	51	29,200	100%

Regional Office Rental Levels





Marian Finnegan

Chief Economist,
Director Research

+353 (0) 1 237 6341
marian.finnegan@cushwake.ie

Deirdre O'Reilly

Senior Economist,
Researcher

+353 (0) 1 237 6365
deirdre.oreilly@cushwake.ie

John Buckley

Director,
Limerick

+353 (0) 61 436 605
john.buckley@cushwake.ie

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