

CORK INDUSTRIAL MARKET

Q1 2020



Occupier Activity

The Cork industrial market recorded a strong start to 2020. Take up totaled 21,150 sq m, across 13 deals, making it the strongest opening quarter on record.

Take up was boosted by the occupation of 7,350 sq m in the Courtstown Industrial Estate in Little Island. The opening quarter saw a number of deals transact in excess of 1,000 sq m, which saw average deal size increase to 1,600 sq m.

In contrast to historical trends, owner occupiers dominated transaction activity in the first quarter, accounting for 73%. Take up was largely focused in the North East region, with Little Island and Mayfield Business Park as key locations.

Availability

In line with the strong levels of take up activity in the opening quarter of 2020, availability in the Cork industrial market has fallen to its lowest level in over a decade. Availability stood at 65,400 sq m at the end of March, with the vacancy rate falling to 5.0%, suggesting a real pinch point in the market.

Of the available space, just 28% is of Grade A quality, with Grade B and Grade C spaces accounting for 35% and 37% respectively.

In addition, occupiers who require large floorplates are restricted in their choices, with just four industrial spaces in excess of 5,000 sq m available in the Cork market, one of which is reserved.

Development Activity

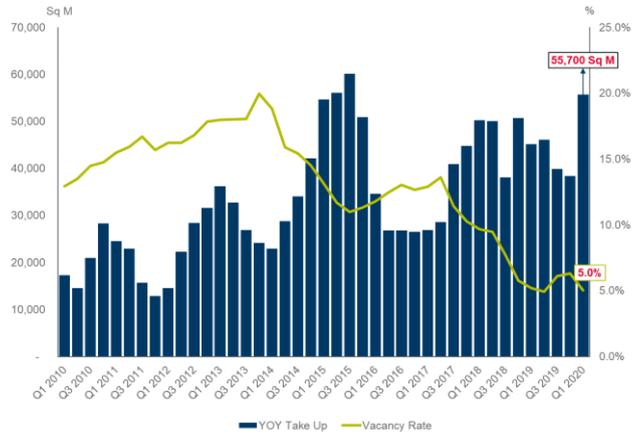
The opening months of 2020 saw approximately 1,100 sq m of industrial space complete at Blarney Business Park, bringing total space under construction at the end of the opening quarter to 11,700 sq m. In the first quarter, construction continued on a space of approximately 5,600 sq m at Blarney Business Park, which is due for completion in 2020, as well as a Design & Build project for EZ Living Furniture in Little Island.

Market Commentary

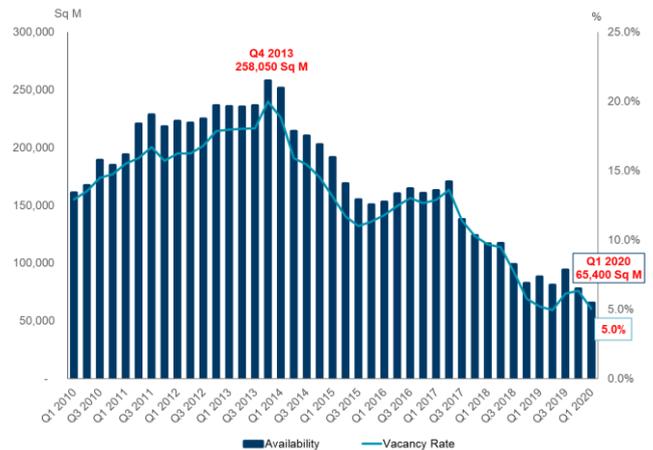
“Demand for prime well-located warehouse/ industrial accommodation was robust prior the outbreak of Covid-19. However, as the crisis unfolds, we expect to see some fallout from smaller domestic occupiers. That said, the longer-term trend remains positive with upward momentum on rents and capital values in due course. Investor interest remains positive for good quality product, but opportunities remain few and far between due to lack of new product”

Peter O’Flynn, Managing Director, Cushman & Wakefield Cork

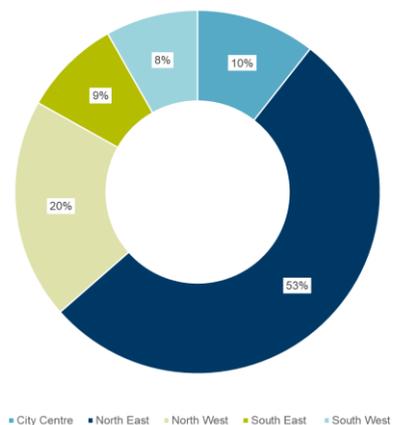
Year on Year Take Up (Sq M) & Vacancy Rate (%)



Availability (Sq M) & Vacancy Rate (%)



Availability by Location (Sq M)





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