

# CORK INDUSTRIAL MARKET

Q2 2019



## Transaction Activity

The Cork industrial market witnessed a relatively strong second quarter in 2019. Transaction activity totaled 8,700 sq m, across 14 deals, making it the strongest second quarter since Q2 2015. Combined with a subdued opening quarter, transaction activity for the first half of the year sits at 12,550 sq m. This is below the long-run H1 average of 16,000 sq m.

Leasehold transactions accounted for 90% of activity in Q2 2019, but nonetheless there were three sales of small units, totaling 875 sq m. The North East region dominated activity in the quarter, accounting for 57% of take-up, returning to the historical trend.

The largest deal in the second quarter of the year was the take-up of a 2,850 sq m unit at GB Business Park, Little Island. Another deal of note was the lease of 1,150 sq m to Petrotec, at Euro Business Park, Little Island.

## Availability

At the end of the first half of the year, availability in the Cork market fell to 81,200 sq m, an annual decline of 31%. This decline in availability is not only as a result take-up, but the demolition of some industrial units for re-development, namely in the City Centre and the decision by some owners to remove units from the market to retain them for their own use.

This fall in availability has led to a low vacancy rate of 5.0%, significantly lower than the 9.5% vacancy rate witnessed at the same point in 2018, and the lowest vacancy rate recorded since Q1 2008.

Of the available stock, the majority is located in the North-East, particularly in Little Island. When looking at available stock in terms of size, 62% of available units are less than 1000 sq m in size. This presents difficulties for occupiers who may require larger floorplates.

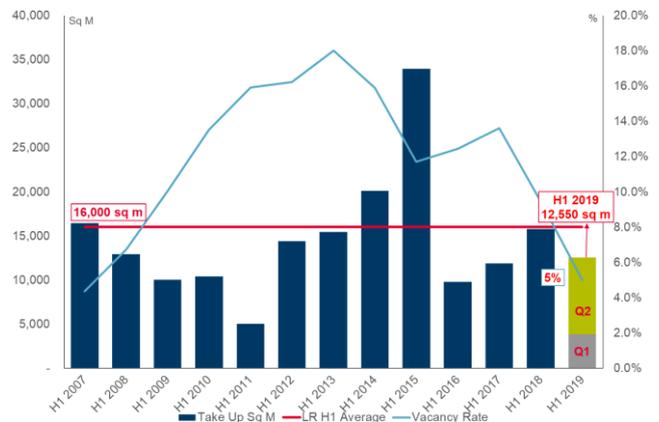
Grade A stock accounts for 39% of available space in the Cork industrial market, but this is skewed greatly by a 20,075 sq m unit located in the South East region. If this unit is removed, Grade A stock accounts for just 14% of available space.

## Market Commentary

“While demand for prime industrial space remains high, lack of supply has hampered growth in the sector. However, there are a number of potential developments in planning in Blarney Business Park and Little Island.”

Philip Horgan, Senior Surveyor, Cushman & Wakefield Cork

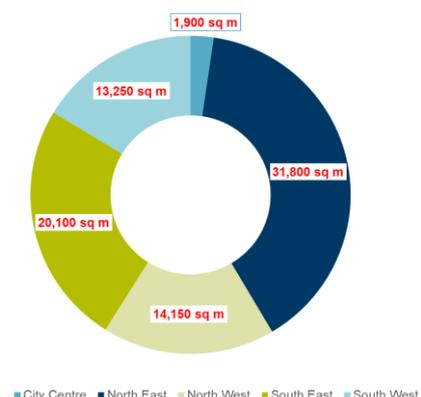
## H1 Take Up & Vacancy Rate



## Availability by Size

	No. of Units	Sum of Availability (Sq M)	%
<b>A Stock</b>			
< 1,000 sq m	7	2,075	3
≥ 1,000 – 5,000 sq m	5	9,350	11
≥ 5,000 sq m +	1	20,075	25
<b>Sub Total</b>	<b>13</b>	<b>31,500</b>	<b>39</b>
<b>B Stock</b>			
< 1,000 sq m	16	7,100	9
≥ 1,000 – 5,000 sq m	10	17,350	21
≥ 5,000 sq m +	-	0	0
<b>Sub-total</b>	<b>26</b>	<b>24,450</b>	<b>30</b>
<b>C Stock</b>			
< 1,000 sq m	9	4,775	6
≥ 1,000 – 5,000 sq m	2	5,825	7
≥ 5,000 sq m +	2	14,650	18
<b>Sub-total</b>	<b>13</b>	<b>25,250</b>	<b>31</b>
<b>Total</b>	<b>52</b>	<b>81,200</b>	<b>100</b>

## Availability by Location





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