

CORK INDUSTRIAL MARKET

Q3 2019



Transaction Activity

The Cork industrial market witnessed a healthy level of take up in the third quarter of 2019. Transaction activity totaled 5,900 sq m, across 4 deals, bringing take up in the year to date to 18,450 sq m. However, this is significantly below take up levels witnessed at the same point in 2018, namely 32% lower.

The largest deal in the three months to the end of September was the take-up of approximately 4,150 sq m across Units A & B, Kilbarry Industrial Estate, Dublin Hill. This also accounted for the majority of activity in the year to date.

Leasehold transactions accounted for 90% of activity in Q3 2019, with only one owner-occupier securing a unit totaling approximately 600 sq m at South Ring West Business Park. Take up in the third quarter of 2019 was focused in the North West region, accounting for 71% of activity.

Availability

The Cork industrial market has witnessed a significant boost to availability in the third quarter of 2019. Standing at 94,100 sq m, availability has increased by 16% since the last quarter. This has been aided by the completion of approximately 12,950 sq m of new space in the quarter, via units at Courtstown Industrial Estate, Little Island and Blarney Business Park.

This increase in available stock has also seen the vacancy rate rise to 6.2%. However, the vacancy rate at the same point in 2018 stood at 7.7% and is significantly below the peak vacancy rate of 20% witnessed in the final quarter of 2013.

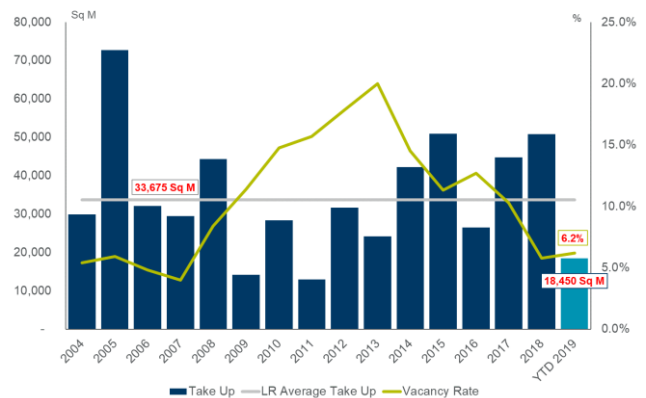
Grade A stock accounts for 47% of available space in the Cork industrial market at the end of Q3 2019. This has been boosted by the completion of the units in Little Island and Blarney, as previously mentioned. However, both units have lettings agreed and it is likely that they will be taken up in the coming quarters.

Market Commentary

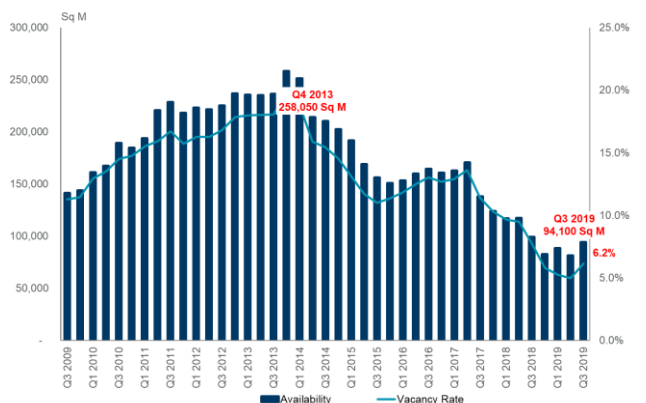
“There is strong demand for modern, high bay industrial units in the Cork market, however a lack of supply is currently hampering activity levels. Notably, there a several projects in the pipeline which should see an increase of high-quality modern stock in the coming years.”

Philip Horgan, Senior Surveyor, Cushman & Wakefield Cork

Annual Take Up (Sq M) & Vacancy Rate (%)



Availability (Sq M) & Vacancy Rate (%)



Availability by Grade (Sq M)

	No. of Units	Sum of Availability (Sq M)	%
A Stock			
< 1,000 sq m	7	2,250	2
≥ 1,000 – 5,000 sq m	5	9,350	10
≥ 5,000 sq m +	3	33,000	35
Sub Total	15	44,600	47
B Stock			
< 1,000 sq m	21	8,200	8
≥ 1,000 – 5,000 sq m	10	16,500	18
≥ 5,000 sq m +	-	-	-
Sub-total	31	24,700	26
C Stock			
< 1,000 sq m	8	3,800	4
≥ 1,000 – 5,000 sq m	2	6,400	7
≥ 5,000 sq m +	2	14,600	16
Sub-total	12	24,800	27
Total	58	94,100	100



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