

CORK INDUSTRIAL MARKET

Q4 2019



Occupier Activity

Occupier activity in the Cork industrial market reached 38,400 sq m in 2019. Whilst below the levels of take up seen in 2017 and 2018, activity levels were above the long run average take up of 35,050 sq m.

In line with historical trends, leasehold transactions accounted for 84% of take up deals in the year, while owner occupiers accounted for the remainder of take up. The largest occupation in the year was at Block A & B, Ringport Business Park, Ringaskiddy which saw 15,250 sq m taken up.

In terms of take up by location, the South East region dominated, absorbing 40%. The North East and North West regions followed, accounting for 23% and 22% respectively, with the remaining 16% occupied in the South West.

Availability

At the end of 2019, availability in the Cork industrial market stood at 77,900 sq m. This is the lowest level of availability witnessed since early 2008. The corresponding vacancy rate stood at 6.4%.

Grade A units accounted for 37% of available space at the end of December, whilst Grade B and Grade C spaces accounted for 31% and 32% respectively. When looking at availability and lot size combined, large, high quality units are in short supply, with just two Grade A units greater than 5,000 sq m available.

When analyzing availability by location, the North East accounts for the largest share of available space, 50%, as has been the trend historically. The North West accounts for 20%, while the South West region accounts for a further 15%. The remainder of available space is in the city centre and South East regions, 8% and 7% respectively.

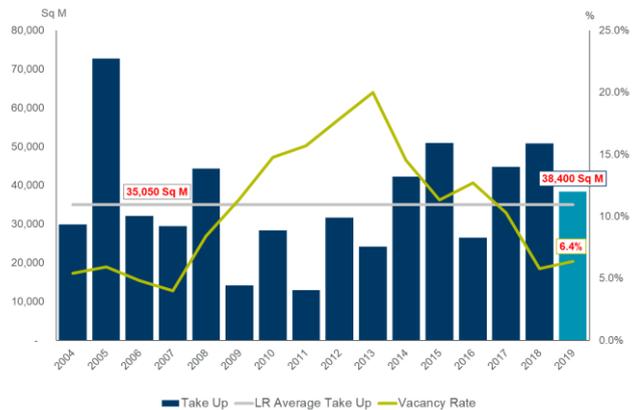
Development Activity

At the end of 2019, 12,800 sq m of industrial space was under construction in Cork. Speculative construction activity is particularly evident in Blarney Business Park, where two industrial units of approximately 1,100 sq m and 5,500 sq m commenced construction in the final quarter of the year. In addition to the speculative builds, construction continues on a Design & Build unit of 6,100 sq m for EZ Living in Little Island.

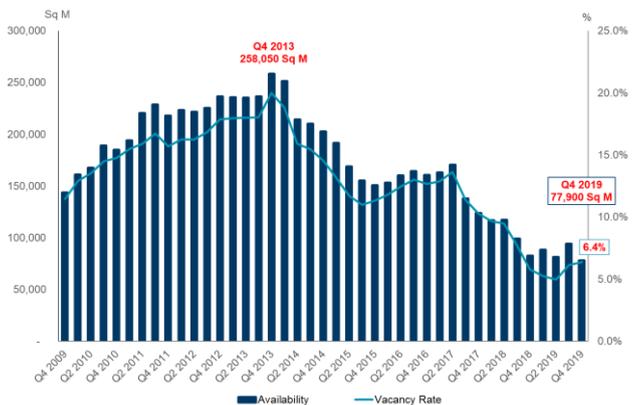
“There is strong demand for modern, high bay industrial units in the Cork market, however a lack of supply is currently hampering activity levels. A number of significant projects have received planning permission which should see an increase of modern stock in the near future.”

Philip Horgan, Senior Surveyor, Cushman & Wakefield Cork

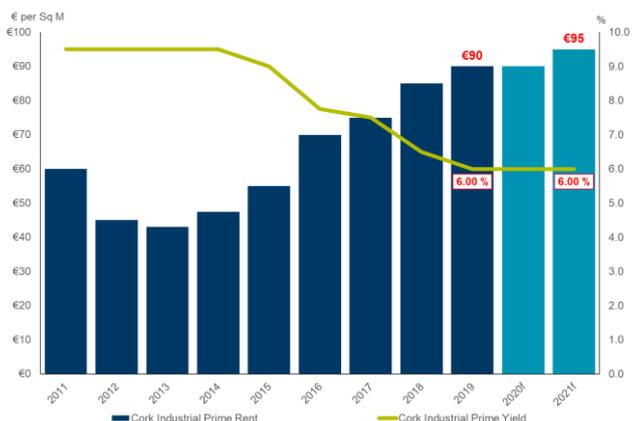
Annual Take Up (Sq M) and Vacancy Rate (%) 2004 - 2019



Availability (Sq M) and Vacancy Rate (%) Q4 2009 – Q4 2019



Rental Forecasts





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