

CORK OFFICE MARKET

Q4 2019



Occupier Activity

The Cork office market recorded a strong 2019. Whilst below the exceptional levels of take up seen in 2018, occupier activity reached 26,350 sq m in the twelve months to December end, which is broadly in line with the long run average. Adding to this, whilst the number of deals was down from 2018, the average sized deal increased from 500 sqm in 2018, to 900 sq m in 2019.

This level of activity was bolstered by a particularly strong opening half of the year, which saw 22,050 sq m of space occupied. The largest deal of 2019 took place in the second quarter, and saw Eli Lilly occupy approximately 6,350 sq m at Island Hall, Eastgate, Little Island.

Activity in the full year was primarily focused in the city centre, absorbing 60% of take up, with the South Mall as a key location. Unsurprisingly, Grade A space accounted for 87% of take up in 2019.

Availability

Availability in the Cork office market stood at 58,300 sq m at the end of 2019. Despite the completion of 23,200 sq m throughout the year, availability has risen only marginally since the end of 2018, namely 0.7%. The corresponding vacancy rate fell from 9.7% at the end of 2018, to 9.4% at the end of 2019.

Furthermore, when signed and reserved space is excluded, the net vacancy rate stood at 6.5%. Grade A availability was 43,300 sq m at the end of December, with 29% of this space signed or reserved.

Development Activity

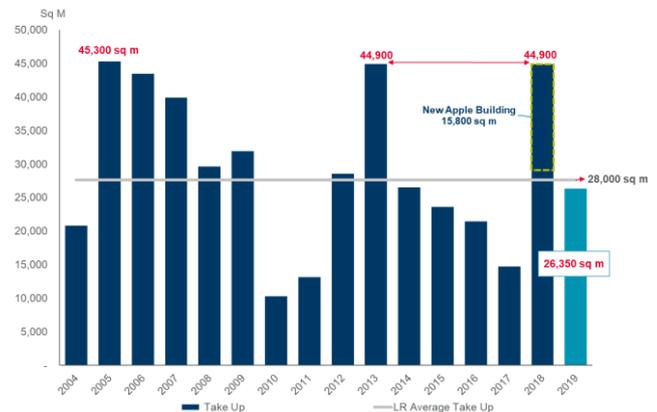
Development activity continued at pace in the Cork office market in 2019. Completions in the year totaled 23,200 sq m, with the final quarter of 2019 seeing the addition of 7,000 sq m at Block 2 Navigation Square in the city centre and 5,550 sq m at Westfield Office Quarter in Ballincollig.

At the end of December, 38,500 sq m of office accommodation remained under construction in Cork, all of which is due to be delivered to the market in 2020.

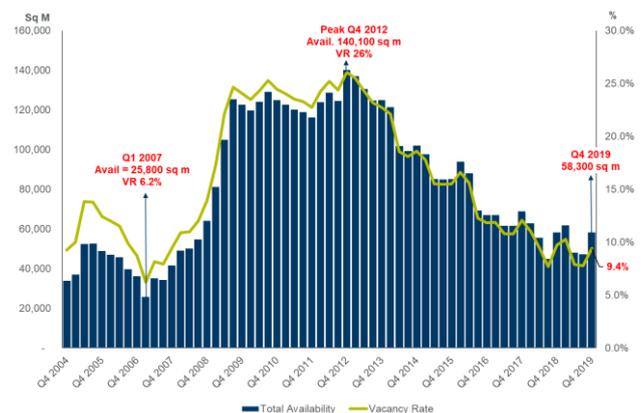
“While take up for 2019 fell short of 2018 levels, on the back of a shortage of large Grade A floorplates, the outlook for 2020 is more positive. This is underpinned by a number of active negotiations, particularly in the latter half of 2019.”

Seán Healy, Director & Head of Offices, Cushman & Wakefield Cork

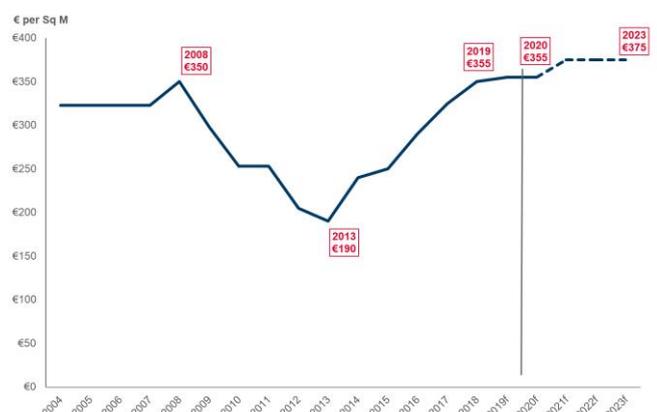
Annual Take Up (Sq M) 2004 – 2019



Availability (Sq M) & Vacancy Rate (%) Q4 2004 – Q4 2019



Rental Forecasts





Kate English

Senior Economist
Researcher

+353 (0) 1 237 6383
research@cushwake.ie

Jane Dunne-Terry

Junior Economist
Researcher

+353 (0) 1 237 6462
research@cushwake.ie

Peter O'Flynn

Managing Director,
Cork

+353 (0) 21 464 8502
peter.oflynn@cushwake.ie

Sean Healy

Director, Head of Offices
Cork

+353 (0) 21 464 8503
sean.healy@cushwake.ie

Siobhán Young

Surveyor,
Cork

+353 (0) 21 464 8524
siobhan.young@cushwake.ie

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