

# CORK MARKET

Industrial Q2 2020

|                               | YoY Chg | 12-Mo. Outlook |
|-------------------------------|---------|----------------|
| <b>3.4%</b><br>Vacancy Rate   | ▼       | ▲              |
| <b>23,800 Sq M</b><br>Take Up | ▲       | ▼              |
| <b>€90</b><br>Prime Rent, PSM | ▲       | ▬              |

**ECONOMIC INDICATORS Q1 2020\***

|  | YoY Chg | 12-Mo. Forecast |
|--|---------|-----------------|
| <b>2.07M</b><br>Ireland Employment*        | ▼       | ▲               |
| <b>15.5%</b><br>Ireland Unemployment Rate* | ▲       | ▼               |
| <b>1.2%</b><br>Ireland GDP Growth          | ▲       | ▼               |

Source: CSO  
\*COVID-19 Adjusted Measure

### Occupier Activity

To date, the industrial market has proven more resilient than other commercial real estate sectors amid the COVID-19 pandemic. The Cork market recorded an incredibly strong opening half to 2020. Take up totalled 44,950 sq m across 22 deals, making it the strongest H1 on record. It is worth noting that take up in the first six months of the year was boosted by the occupation of a number of floorplates in excess of 5,000 sq m, bringing the average sized deal to approximately 2,050 sq m. This compares to an average of between 550-600 sq m for H1 activity in 2019 and 2018. In terms of location, the North East region dominated, accounting for 47% of take up.

### Availability

In line with the strong levels of take up activity in the opening half of 2020, and the slow release of secondhand stock to the market, availability fell to its lowest level since Q1 2001. Availability stood at 42,450 sq m at the end of June, with a vacancy rate of 3.4%, suggesting a real pinch point in the market. Of the available space, just 16% is of Grade A quality, with Grade B and Grade C spaces accounting for 47% and 37% respectively. In addition, occupiers who require large floorplates are restricted in their choices, with just one industrial space in excess of 5,000 sq m available in the Cork market.

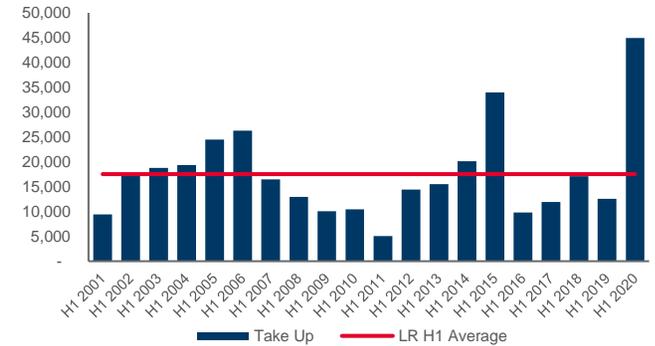
### Development Activity

At the end of June, approximately 11,700 sq m of industrial space was under construction in the Cork industrial market. A Design & Build project for EZ Living accounts for 6,100 sq m, while there are a further 5,600 sq m under construction in Blarney Business Park. Given over half of the space under construction is for a D&B project, there will be little impact on availability in the Cork market when construction completes. However, market intelligence suggests a number of significant projects are in the pipeline, with planning granted for developments in Blarney, Little Island and Watergrasshill.

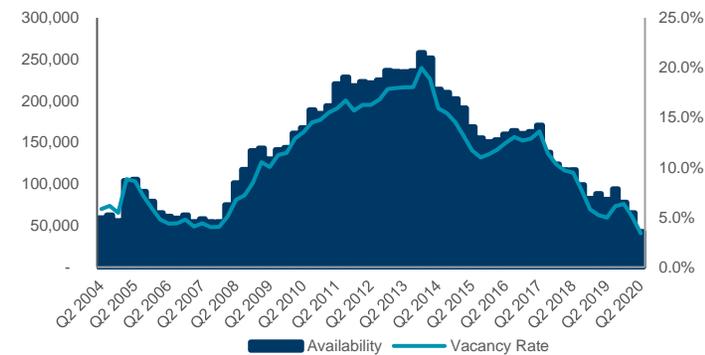
### Market Commentary

“With rent and capital values stable, demand for prime well-located industrial accommodation remains strong. The longer-term trend remains healthy with upward momentum on rents and capital values expected. Investor interest remains positive for good quality product, but opportunities are limited due to lack of new builds. However there are a number of substantial developments in the pipeline.”  
Peter O’Flynn, Managing Director, Cushman & Wakefield Cork

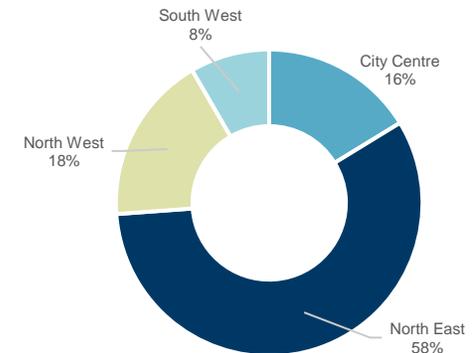
**Take Up (Sq M), H1 2001 – H1 2020**



**Availability (Sq M) and Vacancy Rate (%), Q2 2004 – Q2 2020**



**Availability by Region (%)**



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