



Office Q1 2021

12.7%
Vacancy Rate



350 Sq M
Take Up



€345
Prime Rents, PSM



ECONOMIC INDICATORS Q4 2020

1.9M
Ireland Employment*



19.4%
Ireland Unemployment Rate*



+3.4%
Ireland GDP Growth



Source: CSO
*COVID-19 Adjusted Measure

Occupier Activity

Despite Covid-19 uncertainty, much awaited new space continues to uphold leasing activity in the Cork office market. Take up performed above the long run market average in 2020 reaching 32,000 sq m. However, the completion of new space at One & Two Penrose Dock, plays a pivotal role in this figure. 2021 has begun on a more muted note in terms of take up, not surprisingly. Take up totalled 350 sq m across two deals; 125 sq m at Gateway Business Park and a 215 sq m sublease at 14 South Mall. Outside of take up, three floors measuring a combined 3,400 sq m at Horgan's Quay was signed to a US tech occupier while just under 1,000 sq m was reserved in smaller lot sizes in the city centre and suburbs.

Availability & Development Activity

Availability rose in the opening three months of 2021 to 80,100 sq m. This represents a notable rise from Q1 2020, when availability stood at 54,685 sq m. The rise over the twelve-month period is reflective of new space being delivered to the market which is yet to be occupied, such as 15,300 sq m at Penrose Dock and Horgan's Quay. It is also a result of market churn and some sub-let space. Sub-let space accounts for 6.4% of availability at present. At the end of March, the vacancy rate sat at 12.7% compared to a median of just under 14% over the past 15-year period.

From a development side, lockdown saw no new stock added in quarter one. 2020 recorded 32,650 sq m of new stock added to the market at the aforementioned Penrose Dock and Horgan's Quay. Space remains under construction in the city centre at The Counting House, where 6,050 sq m is due to complete in mid 2021, however this timeline is dependent on restrictions easing.

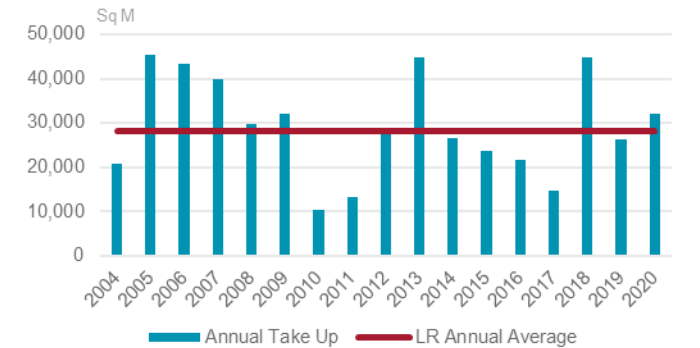
Outlook & Market Commentary

Looking forward, the Cork office market is not immune to the questions surrounding the large-scale work from home experiment which continues to take place. However, a significant number of large requirements by expanding occupiers provides a solid pipeline for potential leasing activity.

"The recent Government announcement around a gradual relaxation of COVID-19 restrictions, including residential construction with commercial construction likely to follow shortly thereafter and with the ever-improving vaccine roll-out we can look forward with some optimism to an end to the pandemic and the associated restrictions. Lockdown 3 has enforced the importance of the physical office as employees look forward once again to person-to-person collaboration and interaction in an office environment after months of remote working."

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

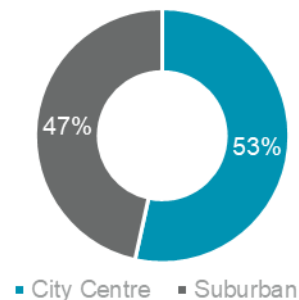
Take Up (Sq M), 2020



Availability (Sq M) and Vacancy Rate (%)

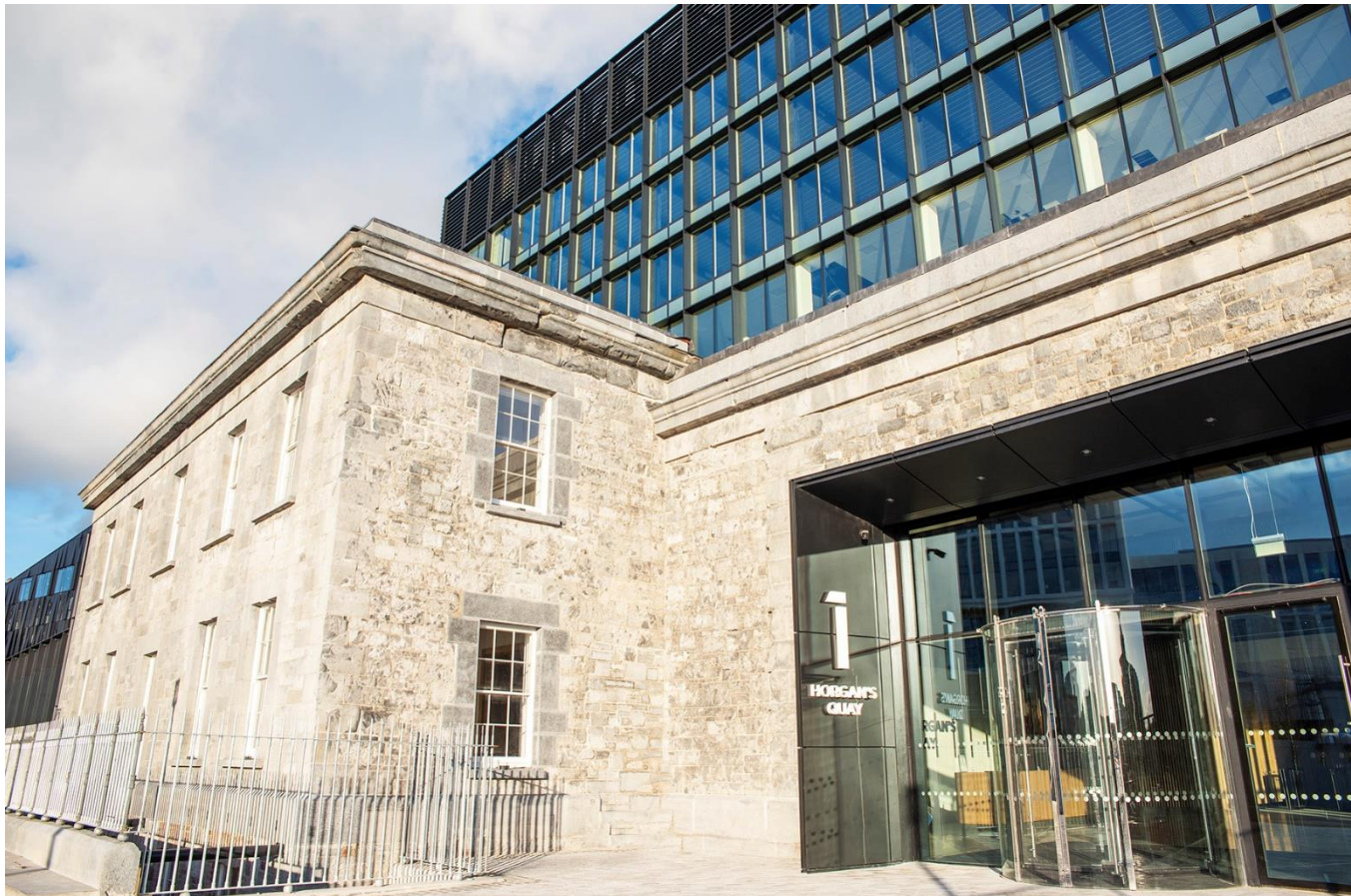


Availability by Region (Sq M)



CORK MARKET

Office Q1 2021



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