

GALWAY INDUSTRIAL MARKET

Q1 2020



Occupier Activity

In the opening three months of 2020, occupier activity in the Galway industrial market totaled 2,500 sq m, largely in line with the same quarter last year. This brings occupier activity in the twelve months to the end of March to 11,100 sq m.

The largest occupation in the quarter was of 1,300 sq m in Ballybane Industrial Estate. In line with trends in availability, the North East region accounted for all take up deals in the opening quarter.

Keeping to historical trends, all deals were leasehold transactions.

Availability

Availability of industrial space in the Galway market remains restricted, with just 22,950 sq m available. As a result, the vacancy rate has fallen to 4.8%. The lack of available industrial space continues to hamper take up levels in the market.

When looking at availability by grade, Grade A space accounts for 37%, with the majority of units available of Grade B standard, 62%. Grade C units account for the remaining 1%.

Large floorplates also remain in short supply in the Galway market, with just one unit available in excess of 5,000 sq m. Outside of this, just six units are larger than 1,000 sq m. Occupiers seeking large spaces are therefore restricted in their options.

Development Activity

Despite the shortage of high quality, large floorplates in the Galway industrial market, development activity remains limited.

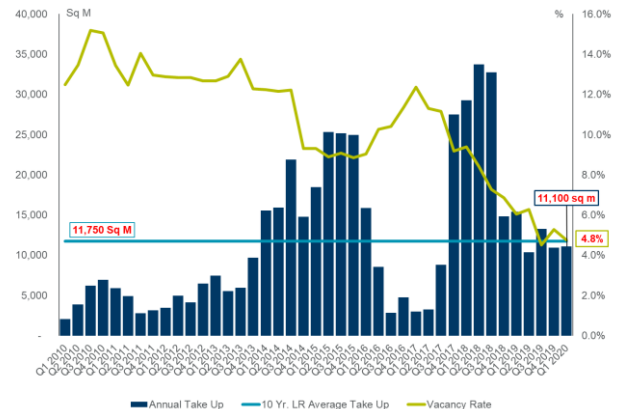
At the end of March, approximately 3,250 sq m of industrial space was under construction at the IDA Technology Park. However, as this is a Design & Build project, it will have no impact on availability upon its completion.

Market Commentary

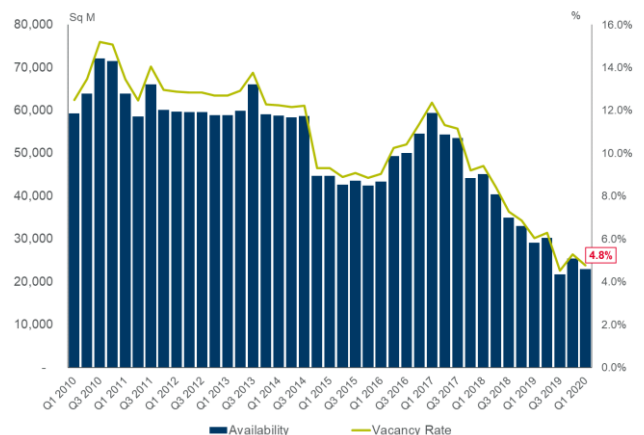
"Galway's industrial market is showing strong level of demands, led by the city's manufacturing occupiers. This demand is currently hampered by low supply of modern, high eaves units. This position is likely to remain until we see further development activity. In turn, speculative development will be slow until such times as rental values improve sufficiently to justify spec builds."

Séan Coyne, Divisional Director, Cushman & Wakefield, Galway

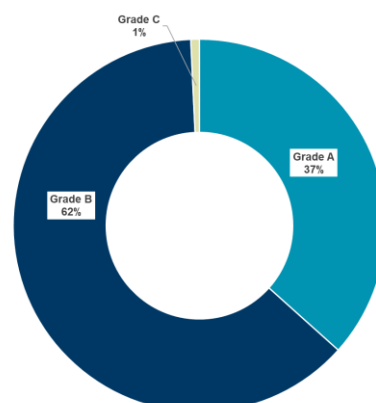
Annual Take Up (Sq M) & Vacancy Rate (%)



Availability (Sq M) & Vacancy Rate (%)



Availability by Grade (Sq M)





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