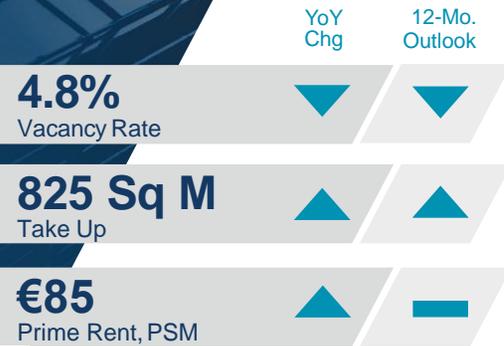
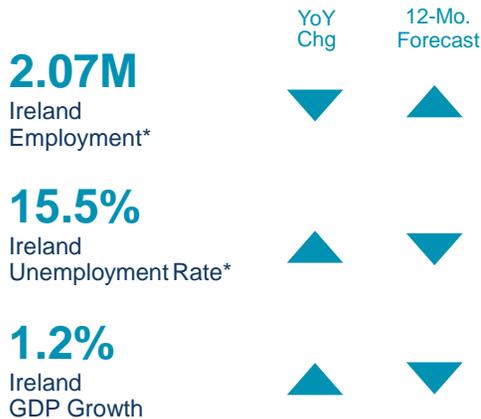




Industrial Q2 2020



ECONOMIC INDICATORS Q1 2020



Source: CSO
*COVID-19 Adjusted Measure

Occupier Activity

Following a positive opening quarter of 2020, COVID-19 gripped the Galway industrial market in quarter two with just 825 sq m transacting in the three-month period. Take up activity totalled 3,350 sq m in the first six months of the year, up 42% on the same point last year. However, H1 take up remained well below its long run average of 6,150 sq m. It is important to note that given the total market stock is less than 500,000 sq m, activity can be volatile and highly influenced by large transactions or availability levels. The North East region accounted for all take up deals in the first half of the year, in line with trends in availability. In keeping with historical trends, all deals were leasehold transactions.

Availability

The second quarter of 2020 saw availability of industrial space in the Galway market remain unchanged and severely restricted, at 22,950 sq m. The corresponding vacancy rate also remained unchanged at 4.8%, well below the equilibrium level. The lack of available industrial space continues to hamper take up levels in the market. Large floorplates also remain in short supply in the Galway market, with just one unit in excess of 5,000 sq m available. 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

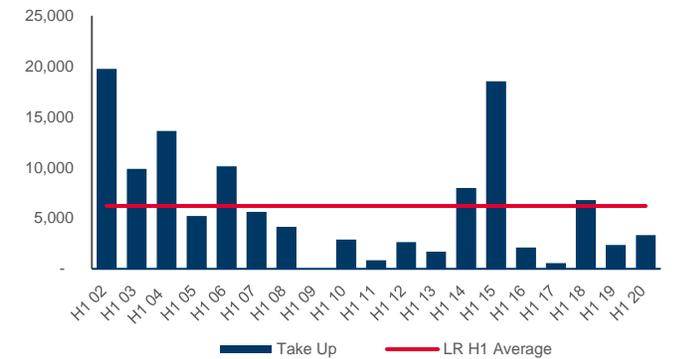
Despite the ongoing shortage of high quality, large floorplates in the Galway industrial market, development activity remains limited. Market intelligence suggests that at present, any speculative development will be on a Design & Build basis. At the end of June, approximately 3,250 sq m of industrial 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

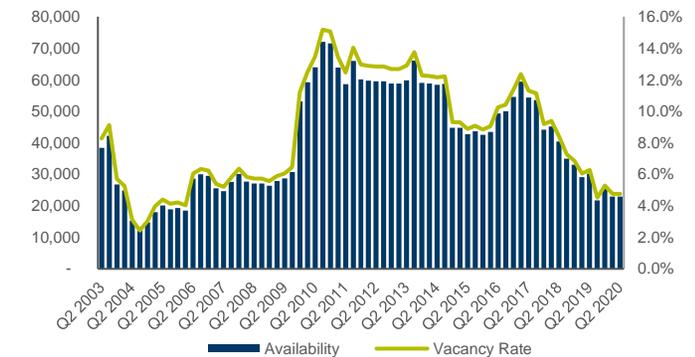
“Prime rents were stable at €85 per sq m at the end of June. Until new modern stock is brought to the market, we are unlikely to see any larger scale rent increases. Occupier demand remains reasonably good particularly from the manufacturing sector on the east side of the city.”

George Brady, Surveyor, Cushman & Wakefield Galway

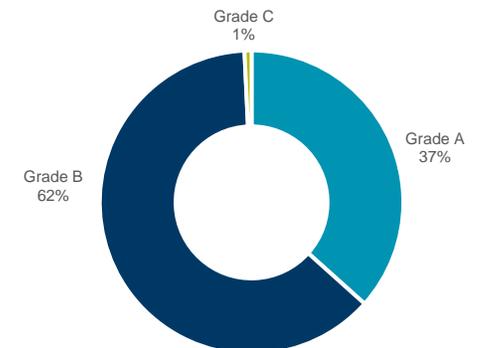
Take Up (Sq M), H1 2002 - H1 2020



Availability (Sq M) and Vacancy Rate (%), Q2 2003 – Q2 2020



Availability by Grade (%), Q2 2020



GALWAY MARKET

Industrial Q2 2020



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