

GALWAY INDUSTRIAL MARKET

Q3 2019



Transaction Activity

Following a subdued opening half to 2019, activity in the Galway industrial market picked up in the third quarter of the year. Take up activity totaled 8,050 sq m in the three months to the end of September, bringing year to date activity to 10,400 sq m.

The largest deal in the quarter was the lease of approximately 7,500 sq m to an American multinational company in Mervue Business Park.

Take up in the third quarter of 2019 was entirely located in the North East region, which is unsurprising as this is where the majority of standing stock is located. Indeed, take up in the year to date has been focused on the North East, with just one deal located elsewhere, namely Millars Hall in the South West.

Availability

Following the healthy take up in the third quarter of the year, availability in the Galway industrial market stood at just 21,750 sq m. This is spread across 17 units and is 38% below the level of availability seen at the same point in 2018. A key factor in this low level of availability is the release of stock to the secondhand market, with the third quarter of 2019 seeing just one new opportunity become available.

In line with the marked decrease in availability, the vacancy rate has also fallen sharply. At the end of Q3 2019, the vacancy rate in the Galway industrial market stood at just 4.5%, down from 7.3% at the same time last year.

As has been the case historically, availability is concentrated in the North-East region, particularly in the areas of Ballybrit and Ballybane. Most of the stock available in the Galway industrial market is Grade B, namely 76%. Grade A stock accounts for 22%.

Development Activity

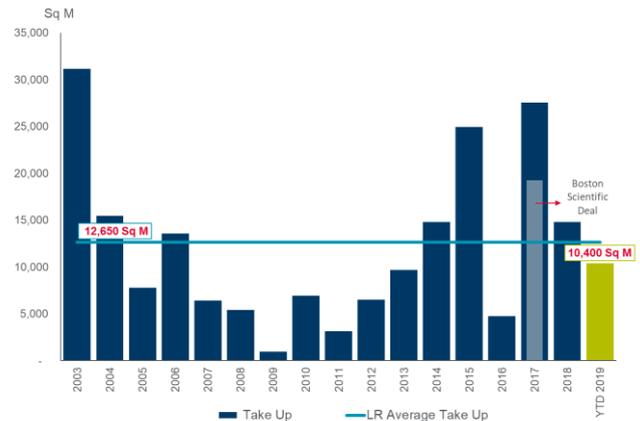
At the end of September 2019, construction was continuing of a Design & Build project at Parkmore East Business Park. Market insight suggests that any further construction in the Galway market will commence on a similar basis.

Market Commentary

“There is likely to be very limited speculative development of new manufacturing and industrial builds in Galway until market rents increase, however there is good opportunity for “design and build” projects due to the quantum of industrial zoned lands in the city and surrounds.”

Seán Coyne, Divisional Director, Cushman & Wakefield Galway

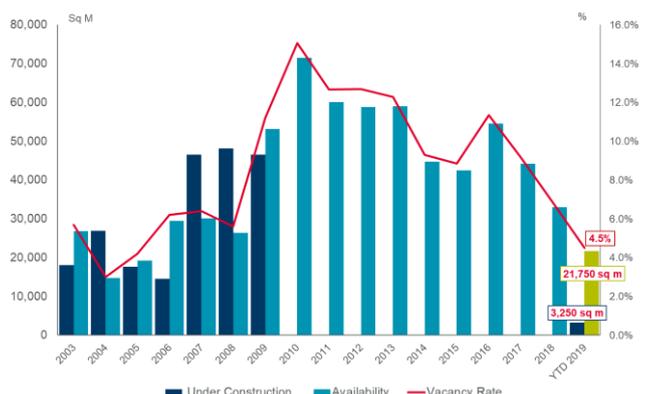
Annual Take Up (Sq M)



Availability by Grade (Sq M)

	No. of Units	Sum of Availability (Sq M)	%
A Stock			
< 1,000 sq m	-	-	-
≥ 1,000 – 5,000 sq m	3	4,700	22%
≥ 5,000 sq m	-	-	-
Sub-total	3	4,700	22%
B Stock			
< 1,000 sq m	8	4,500	21%
≥ 1,000 – 5,000 sq m	3	4,650	21%
≥ 5,000 sq m	1	7,450	34%
Sub-total	12	16,600	76%
C Stock			
< 1,000 sq m	2	450	2%
≥ 1,000 – 5,000 sq m	-	-	-
≥ 5,000 sq m	-	-	-
Sub-total	2	450	2%
Total	17	21,750	100%

Under Construction, Availability (Sq M) & Vacancy Rate (%)





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