

GALWAY OFFICE MARKET

Q4 2019



Occupier Activity

The Galway office market recorded its strongest year since 2015. Take up in the twelve months to the end of December totalled 9,950 sq m, across 19 deals. Whilst considerably up on activity levels recorded in 2018, occupier activity in the year remained below the long run average of 13,000 sq m.

The largest occupation of the year was at the Faustina Building, where 2,500 sq m was taken up by MKO Planning & Environmental Consultants.

Occupier activity in 2019 was largely focused in the suburbs, absorbing 77% of take up which is in line with trends in availability. The Tuam Road and Parkmore areas were key focuses of activity, accounting for 82% of suburban take up when combined.

Availability

Despite a small boost in the final quarter, supply in the Galway office market remains restricted. At the end of Q4 2019, availability in the Galway office market stood at 16,900 sq m. This represents a fall of 19% in available office space since the end of 2018. The corresponding vacancy rate fell to 5.5%, down from 6.8% at the same point in 2018.

The majority of available space is located in the suburbs, accounting for 65% of availability at the end of the final quarter, with those looking for office accommodation in the city centre limited in their options. Grade A office space accounted for 56% of availability at the end of 2019.

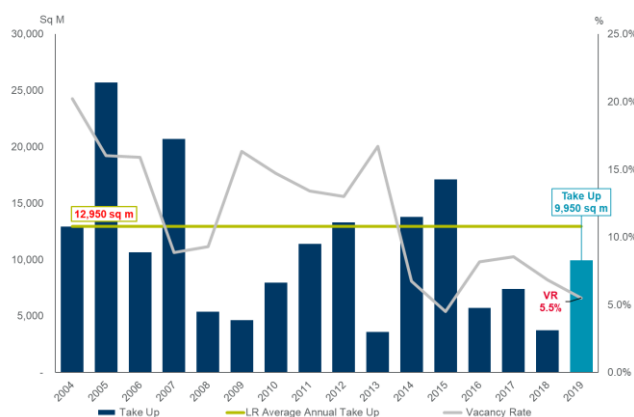
Development Activity

2019 saw a revival of construction activity in the Galway office market. The market is now seeing the first stages of meaningful speculative development in over a decade, which will address the acute shortage of Grade A floorplates in the city centre. Phase 1 of the Bonham Quay development commenced construction in the second quarter of 2019, totaling 9,200 sq m. In the final quarter of the year, construction also commenced on the first phase of office accommodation at Crown Square. Phase one of the development encompasses approximately 11,650 sq m of Grade A office space.

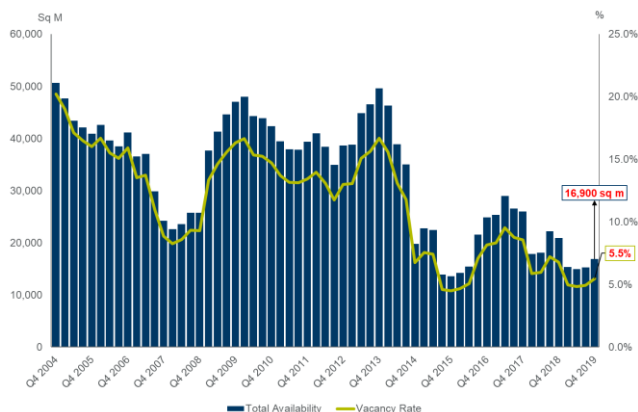
"The long-awaited delivery of large-scale modern office accommodation in Galway will inevitably translate to an uplift in take up in the office market. This new office supply will allow entrants into the Irish market to once again seriously consider Galway, which has always been a destination of choice for FDI occupiers."

Seán Coyne, Divisional Director, Cushman & Wakefield Galway

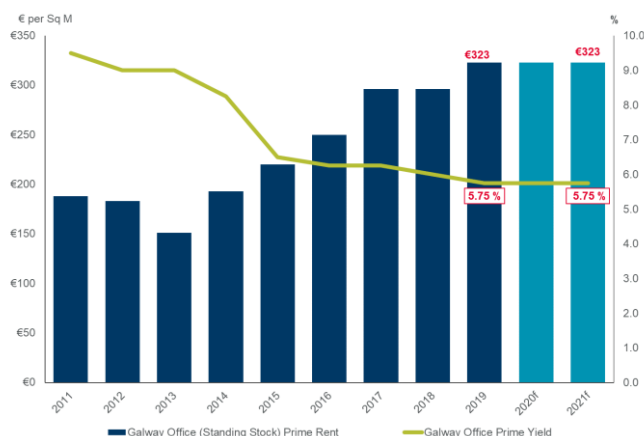
Annual Take Up (Sq M) and Vacancy Rate (%) 2004 – 2019



Availability (Sq M) and Vacancy Rate (%) Q4 2004 – Q4 2019



Rental Forecasts



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