



Industrial Q2 2020

YoY Chg 12-Mo. Outlook

9.4%
Vacancy Rate



16,000 Sq M
Take Up



€70
Prime Rent , PSM



ECONOMIC INDICATORS Q1 2020*

YoY Chg 12-Mo. Forecast

2.07M
Ireland Employment*



15.5%
Ireland Unemployment Rate*



1.2%
Ireland GDP Growth



Source: CSO
*COVID-19 Adjusted Estimates

Occupier Activity

The opening half of 2020 was particularly strong for the Limerick industrial market, with take up totalling an impressive 38,250 sq m across twenty-three deals. This makes H1 2020 the third strongest opening half on record, with take up in the first six months of the year sitting well above the long-run H1 average of 21,300 sq m. Whilst the impact of COVID-19 has been felt across all commercial real estate sectors, the industrial market has been the most resilient and has benefitted from a rise in e-commerce. The first six months of the year saw twelve deals in excess of 1,000 sq m transact, with the average size deal standing at approximately 1,650 sq m.

Availability

In line with the strong level of take up in the first half of the year, availability in the Limerick industrial market fell to 83,700 sq m, down 10% year-on-year. The corresponding vacancy rate declined to 9.4% in Q2. The Limerick industrial market is experiencing a shortage of large, high-quality industrial units. Approximately 29,850 sq m of current supply is reserved, including two out of the three buildings in excess of 10,000 sq m. This brings the net vacancy rate below the equilibrium rate. Furthermore, Grade A floorplates accounted for just 19% of availability at the end of June. Grade B & Grade C space accounted for 39% and 42% respectively.

Development Activity

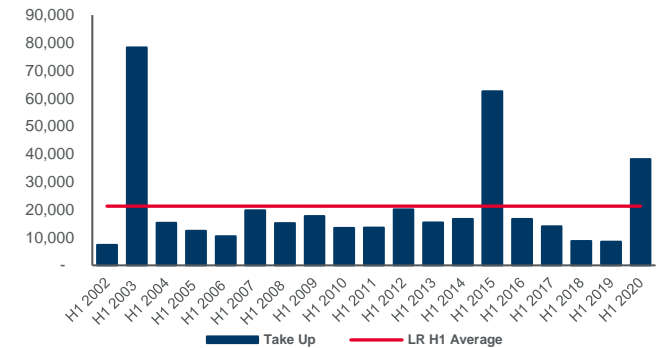
At the end of June, construction continued on approximately 44,750 sq m of industrial space in the Limerick market. The vast majority of this is on a Design & Build basis, namely 69%, which will do little to ease supply constraints. That said, speculative development is continuing in the Shannon Free Zone, with approximately 13,750 sq m of space under construction.

Market Commentary

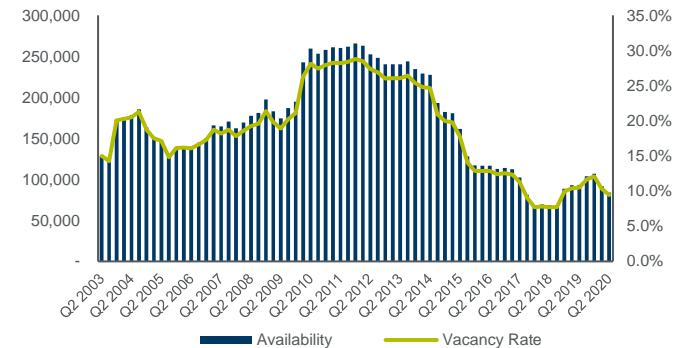
“In recent months occupier demand has outstripped supply resulting in limited Grade A accommodation. The recent announcement by MeiraGTx, to occupy approximately 8,000 sq m of the space under construction in the Shannon Free Zone upon completion, is a positive for the industrial market and delivery of leading-edge facilities in the Mid-West.”

Ciara McCarthy, Divisional Director, Cushman & Wakefield Limerick

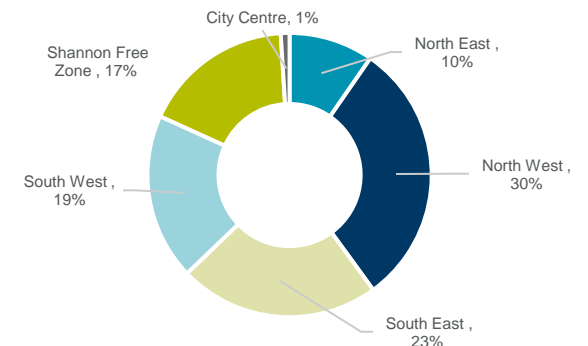
Take Up (Sq M), H1 2002 – H1 2020



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

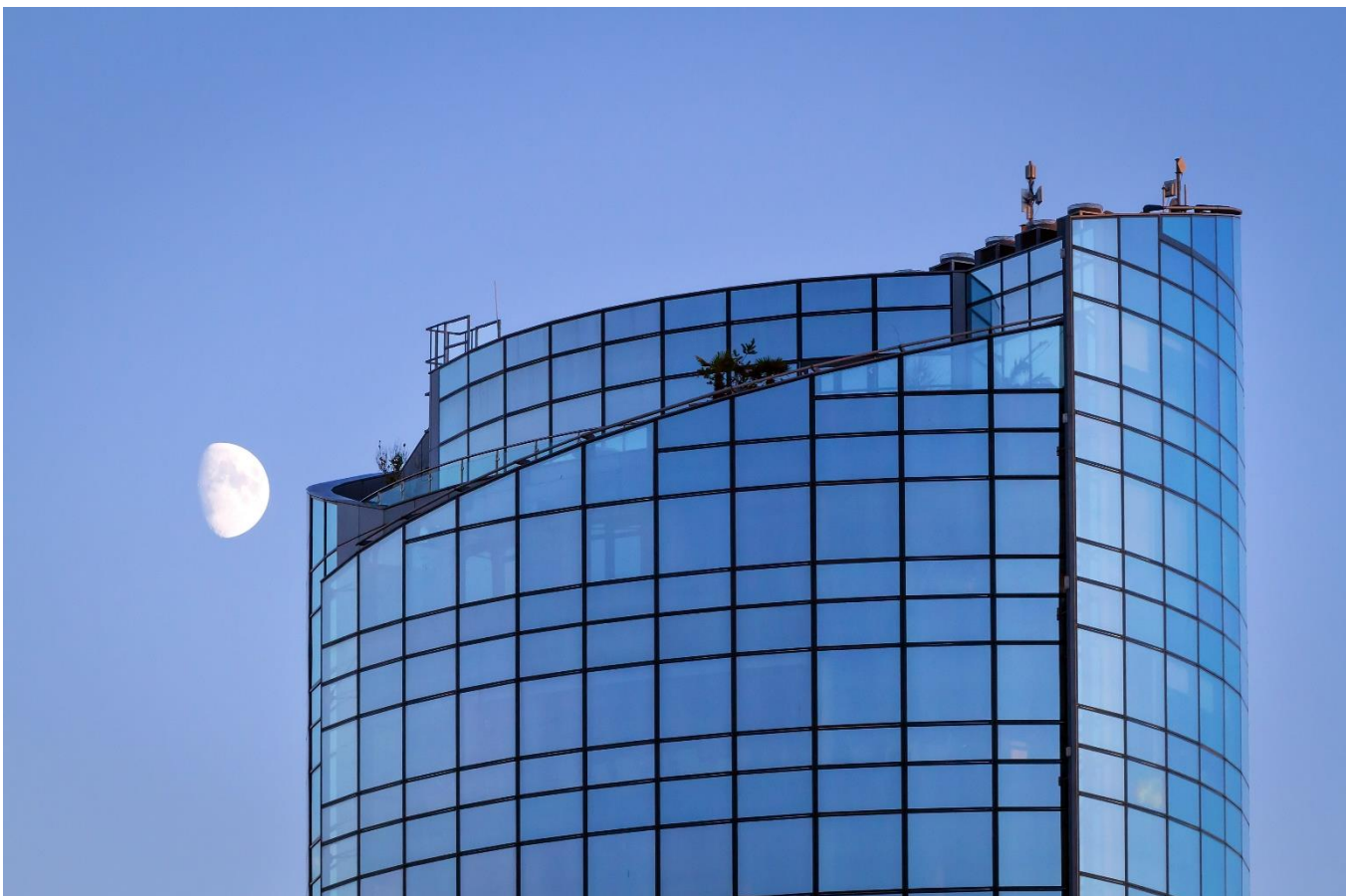


Availability by Region (%), Q2 2020



LIMERICK MARKET

Industrial Q2 2020



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KATE ENGLISH

Senior Economist, Researcher

Tel: +353 (0) 1 237 6383

research@cushwake.ie

JANE DUNNE-TERRY

Junior Economist, Researcher

Tel: +353 (0) 1 237 6462

research@cushwake.ie

JOHN BUCKLEY

Director, Limerick

Tel: +353 (0) 61 418 111

john.buckley@cushwake.com

CIARA MCCARTHY

Divisional Director, Limerick

Tel: +353 (0) 61 418 111

ciara.mccarthy@cushwake.com

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