

Limerick MARKET

Office Q1 2021

	YoY Chg	12-Mo. Outlook
9.3% Vacancy Rate	▼	▬
1,350 Sq M Take Up	▼	▲
€243 Prime Rents (Standing Stock), PSM	▼	▼
€350 Prime Rents (New Build), PSM	▬	▼

ECONOMIC INDICATORS Q4 2020

	YoY Chg	12-Mo. Forecast
1.9M Ireland Employment*	▼	▲
19.4% Ireland Unemployment Rate*	▲	▼
+3.4% Ireland GDP Growth	▲	▲

Source: CSO
*COVID-19 Adjusted Measure

Occupier Activity

Similar to all other regional office markets, activity in the Limerick office market was limited in the opening quarter of 2021, as Ireland re-entered level 5 lockdown. Just 1,350 sq m was taken up in the quarter across two units. This follows take up reaching 13,300 sq m in 2020, marginally below the long-run market average.

Outside of take up activity however, movement is evident in the market. At the end of March, close to 7,000 sq m of space was recorded as reserved, while a further 2,850 sq m was signed, with fit outs yet to complete. Several reserved units have progressed to legals, an encouraging sign for sentiment in the market despite the current environment.

Availability

Availability in the Limerick office market recorded further declines over the past twelve months. At the end of March, a total of 36,450 sq m was available, equating to a 13.4% annual decline. This reflects a vacancy rate of 9.3%, one of the lowest vacancy rates since records began in 2002. Market churn, meaning the release of secondhand stock to the market, slowed considerably in 2020, particularly in the second half of the year. This, combined with no new stock added in the period, are key factors of this tightening in supply. In terms of location, the Shannon Free Zone and Suburbs account for the largest proportion of availability, 38% and 36% respectively, with the remainder in the city centre. The city centre has seen the largest reduction in availability over the past decade.

Development Activity

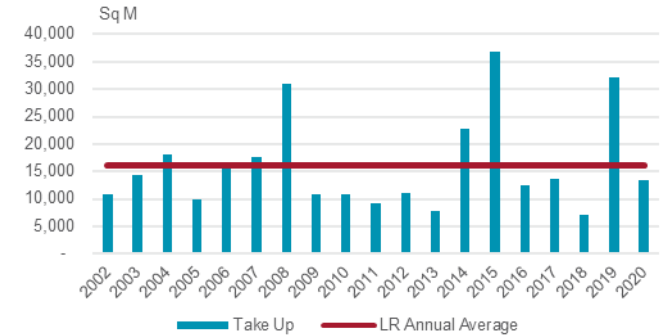
There is currently no space under construction in the Limerick office market however site enabling works had commenced on both the Opera and Bishops Quay developments pre lock down in Q4 2020. Restrictions have prevented these sites from progressing further, however both sites will deliver LEED Gold Grade A office space to the market.

Market Commentary

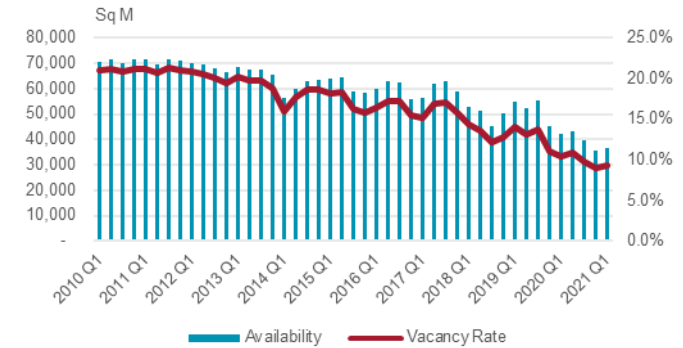
“Whilst market activity remained subdued in Q1 2021, the office vacancy rate continues to fall with limited modern office availability in the city centre at present. The demolition and enabling works completed on two development sites, namely Opera and Bishops Quay in the city centre in 2020 shows positives signs for delivery of additional Grade A space in the coming years. When completed the Opera site will have capacity for up to 3,000 employees across a 41,806 sq m campus.”

Ciara McCarthy, Divisional Director, Cushman & Wakefield Limerick

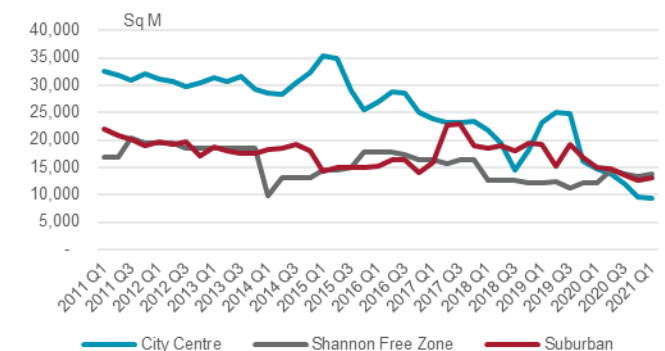
Take Up (Sq M), 2020



Availability (Sq M) and Vacancy Rate (%), Q1 2010 – Q1 2021

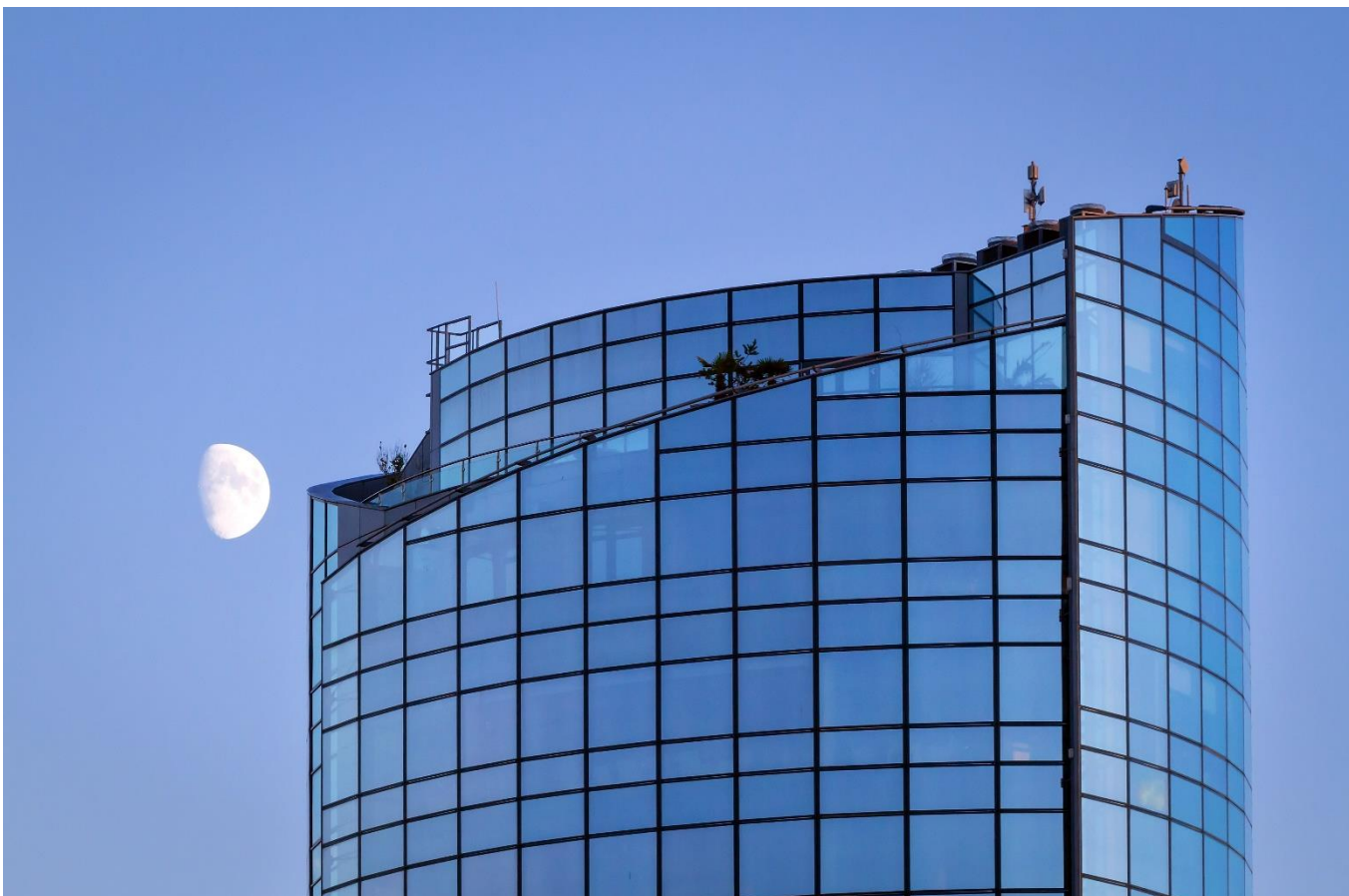


Availability by Region (Sq M), Q1 2011 – Q1 2021



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Office Q1 2021



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