



Office Q1 2022

	YoY Chg	12-Mo. Outlook
7.4% Vacancy Rate	▲	▬
8,600 Sq M Take Up YoY	▲	▬
€290 Prime Rents (Standing Stock), PSM	▼	▲
€375 Prime Rents (New Build), PSM	▬	▬

ECONOMIC INDICATORS Q4 2021

	YoY Chg	12-Mo. Forecast
2.4M Ireland Employment*	▲	▲
7.4% Ireland Unemployment Rate*	▼	▼
+13.5% Ireland 2021 Annual GDP Growth	▲	▼

Source: CSO
*COVID-19 Adjusted Measure

Occupier Activity

Despite challenges presented to the Galway office market in 2021, take up improved, with a total of 7,050 sq m occupied in the twelve-month period, with space also signed at the newly completed Bonham Quay. The opening quarter of 2022 has begun quieter, as a total of 1,550 sq m was occupied across just 3 deals, one of which was an owner occupier sale. Outside of this, further space is under negotiation at Bonham Quay, where an additional 1,750 sq m is reserved, while lastly, 1,675 sq m was signed at Crown Square to Poly, global communications company, which selected Galway as its new EMEA centre of excellence.

Availability

Supply remains incredibly low in the Galway office market. At the end of March, availability stood at just 23,775 sq m with a vacancy rate of 7.4%. This is a sizable increase from Q1 2021, 41%. However, this is accountable for by the completion on Bonham Quay which is now undergoing fit outs. It should be noted that 9,250 sq m of space is signed or reserved in the Galway market, bringing net availability to circa 14,525 sq m. The corresponding net vacancy rate sits at 4.5%. Therefore, despite the addition of new space, availability in Galway continues to decline. Market churn, i.e., the release of second-hand stock to the market remains very limited.

Development Activity

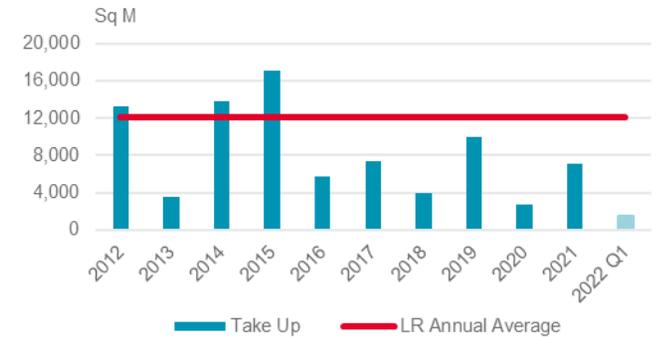
With availability lacking, development activity is providing much welcomed new stock to Galway. Construction of 12,000 sq m completed at Bonham Quay in the final quarter of 2022, with fit-outs now taking place prior to completion 6,850 sq m was pre-let to the expanding cloud technology group, Genesys and new entrant to the market, Diligent. Since then, a further 1,765 sq m of space is reserved. With the ground floor due for retail occupation, this leaves just 800 sq m of office space on the market. Elsewhere, 11,700 sq m is underway at the Crown Square development which is due for practical completion in April 2022. The first tenant was announced this quarter, as Poly signed 1,675 sq m.

Market Commentary

"The office market in Galway continues to be strong and this is particularly evident in the city centre where the recovery following the COVID-19 interruptions has been solid. With staff returning to offices, companies now have a better understanding of their future office needs and this is likely to result in increased activity between now and the end of the year."

Séan Coyne, Divisional Director, Cushman & Wakefield

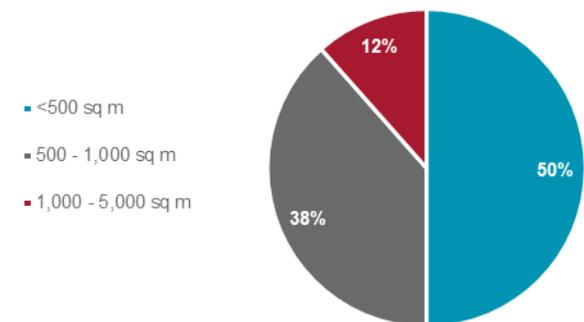
Take Up (Sq M), 2012 – Q1 2022



Availability (Sq M) and Vacancy Rate (%), Q1 2012 – Q1 2022



Availability by Lot Size (No. Of Units), Q1 2022



GALWAY MARKET

Office Q1 2022



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