

CORK MARKET

Industrial Q1 2022

	YoY Chg	12-Mo. Outlook
1.9% Vacancy Rate	▼	▼
8,850 Sq M Take Up Q1	▼	▼
€100 Prime Rent, PSM	▲	▲

Occupier Activity

Activity in the Cork industrial market is significantly hampered by critically low levels of supply, despite prevailing demand. Take up reached 8,850 sq m in the opening three months of 2022 across 8 units. Representing an increase on the comparable period in 2021, where 4,800 sq m traded hands. The largest occupation of the quarter was 5,600 sq m unit in Blarney Business Park, offering Grade A space to occupier Nisbets. Another significant deal was the letting of 1,500 sq m in Doughcloyne Industrial Estate. Of interest, this second-hand unit was both released to the market and let in the one quarter. When stripping out the largest deal of the quarter, which was the only deal located in the North-West and of Grade A quality, take up has been concentrated in the South-West region, accounting for 2,450 sq m of activity, while 26% of units occupied have been of Grade B quality.

Availability & Development Activity

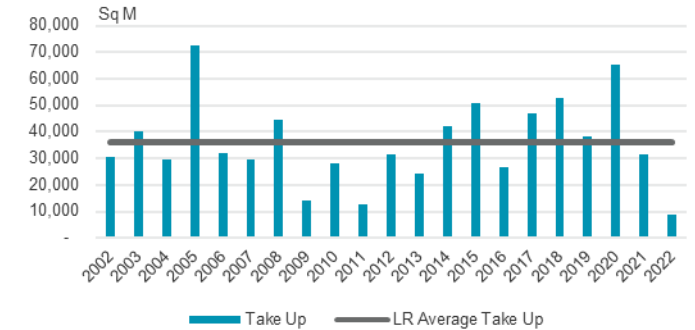
Following years of decline, particularly in 2021, Q1 2022 marks one of the lowest levels of available space in the Cork market since Cushman & Wakefield's series began. A total of just 22,600 sq m was available at the end March, this compares with 36,850 sq m the year previous. The historically low levels of availability have subsequently created a significant pinch point for the market, as availability now sits considerably below the long-run annual average for take up. The vacancy rate sits at just 1.9% at the end Q1, again marking one of the lowest vacancy rates on record for the market. Of the available space in the market, just 14% is of Grade A quality. In addition, occupiers who require large floorplates are restricted in their choices, with no space in excess of 5,000 sq m available. Construction completed on 3,150 sq m of Grade A space at Unit 2, Harbour Gate Business Park. Notably, this offering now represents the largest unit available in the Cork industrial market as of the end of March. Approximately 16,600 sq m of space is under construction across 4 units as of the end of Q1. Three of the four units are located in Blarney Business Park, with one unit located in Little Island. Crucially, all of this space is pre-let. Considering this, availability levels and subsequently the vacancy rate are anticipated to remain exceptionally low.

Market Commentary

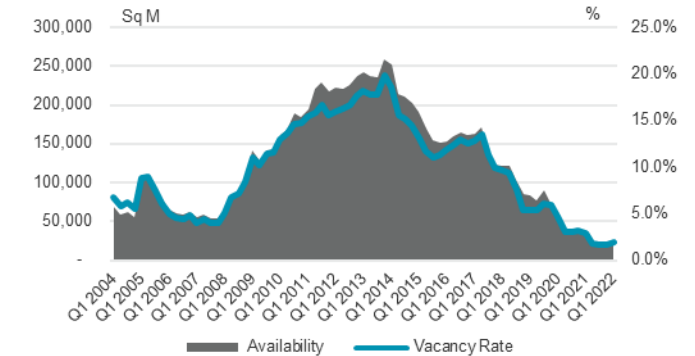
"This period of historic low vacancy rates, combined with robust occupier demand is resulting in a sustained upward trajectory on rental and capital values and a downward pressure on yields. There are a number of developments either at planning stage or under construction but with rising build costs, speculative development is less likely with developers preferring to have pre-let or pre-sale agreements in place before commencing."

Philip Horgan, Senior Surveyor, Cushman & Wakefield Cork

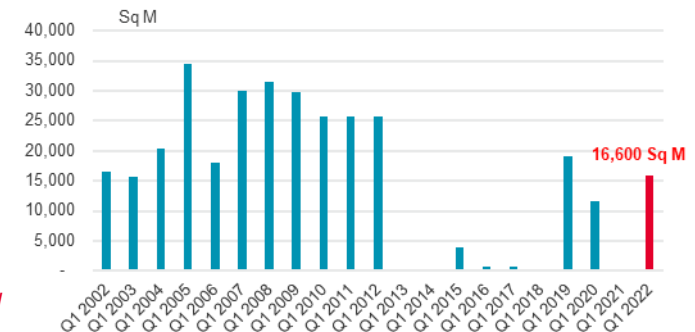
Take Up (Sq M), 2002 – Q1 2022



Availability (Sq M) and Vacancy Rate (%), Q1 2004 – Q1 2022



Under Construction (Sq M), Q1 Activity, 2002 - 2022



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

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