

CORK MARKET

Office Q1 2023

12.1%
Vacancy Rate



3,979 Sq M
Take Up, Q1 2023



€355
Prime Rents, PSM



Occupier Activity

Take-up in the Cork market was relatively muted in Q1 with just under 4,000 square metres of space occupied in the period. This was almost two thirds down on the previous quarter. On a rolling twelve-month basis however almost 25,000 square metres was absorbed up to the end of Q1, a solid performance in the context of annual take-up levels over the past couple of years. Generally, the space absorbed in the quarter was concentrated in the Mahon, Airport, Blackrock and South Mall areas of the city.

Notable deals included over 1,000 square metres taken up by Unispace Bio Pharma at City Gate Park and 650 square metres taken by IPS Engineering at Tellengana House on the Blackrock Road. Almost 80% of the space taken up in the quarter was A graded, echoing a trend that is visible countrywide of keen occupier demand for modern, high quality energy efficient offices.

Availability & Development Activity

Available space in the Cork market has remained at steady levels over the past nine months although the overall headline vacancy rate has drifted marginally higher, standing at 12.1% at the end of the first quarter. In a longer-term context, the headline vacancy rate is also slightly higher than the five-year average of 10.9%. Stripping out signed and reserved levels of stock, the underlying rate of vacancy is lower standing at 11% in Q1 2023. Sublease space also still features as part of the available Cork stock but has fallen in recent quarters and currently stands at less than 5% of overall availability.

Over the past year in particular the quality of office stock has become more and more important to occupiers as they have sought higher quality, more energy efficient 'homes' for their businesses. On this quality metric the office stock in Cork ranks highly, with approximately 75% of the city's office stock rated A3 or higher at the end of Q1.

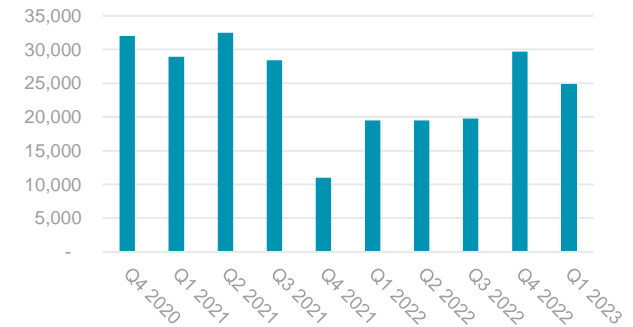
We estimate that the development pipeline over the next year or so amounts to approximately 17,500 square metres with No. 2 Horgan's Quay accounting for around 12,000 square metres of that total.

Outlook & Market Commentary

"Office take-up in 2023 got off to a modest start but enquiries have been steady so far this year, particularly from firms in the professional services sector. Many of these enquiries have centred on the possibility of opportunistically taking advantage of lease break options or expiries to move into more modern, sustainable office space."

Séan Healy, Director & Head of Agency, Cushman & Wakefield Cork

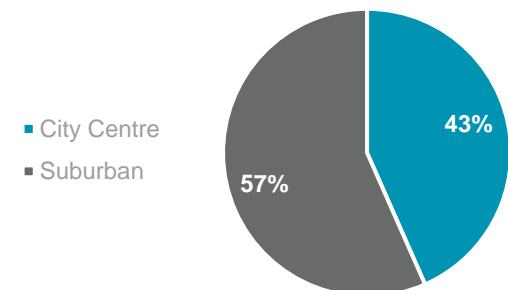
Rolling 12m Take Up (Sq M), Q4 2020-Q1 2023



Availability (Sq M) and Vacancy Rate (%), Q1 2013 – Q1 2023



Availability by Location (Sq M), Q1 2023

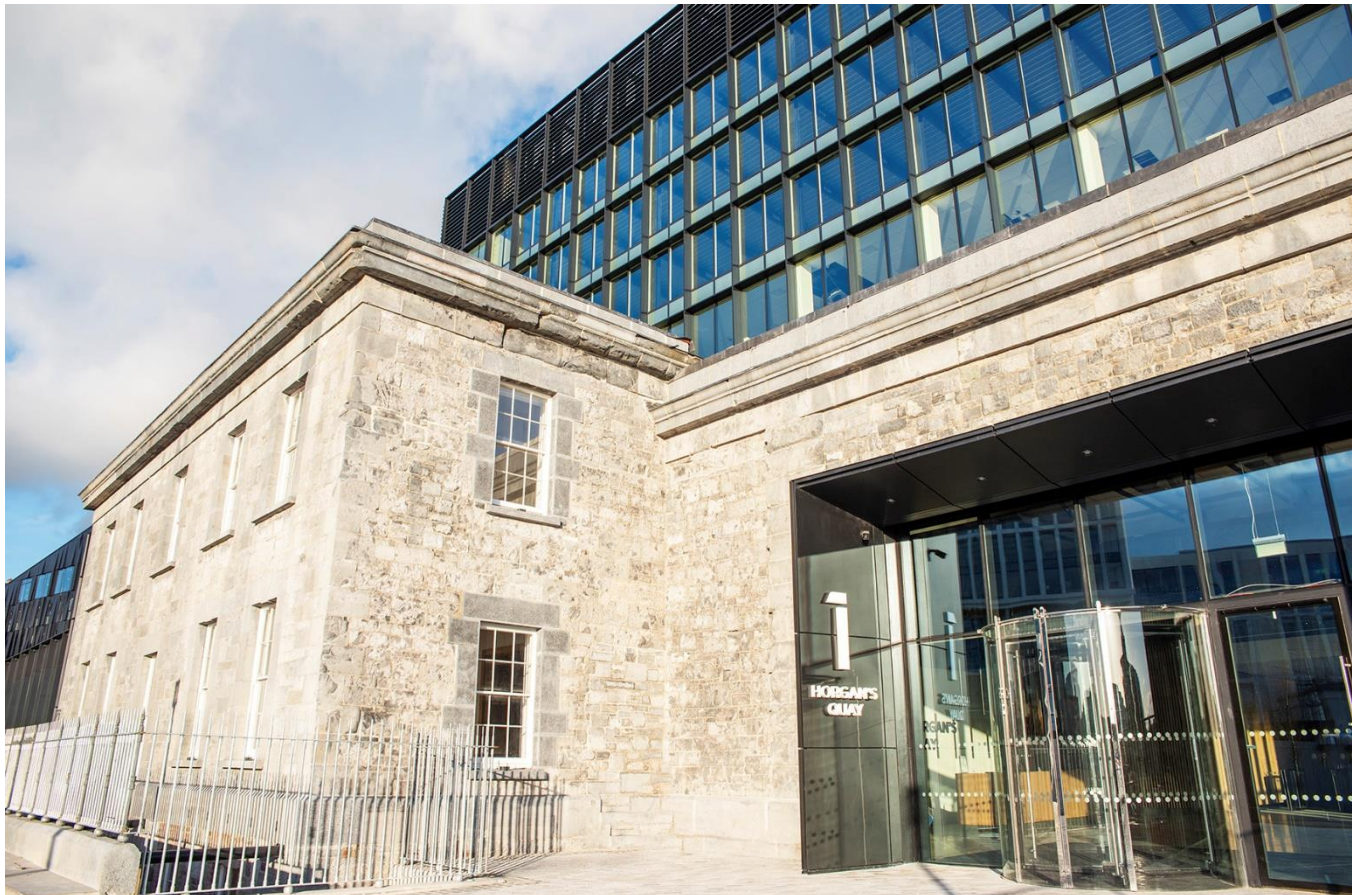


Annual % Change	Annual % Change		
	2022 (A)	2023F	2024F
GDP	12.0	4.7	3.3
Personal Consumption	6.6	1.8	4.6
Modified Domestic Demand	8.2	1.2	3.3
Unemployment Rate	4.4	5.1	5.0
HICP	8.2	7.1	2.4

Source: CSO, Department of Finance Forecasts for 2023 and 2024

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