

YoY  
Chg12-Mo.  
Outlook**7.2%**

Vacancy Rate

**10,850 Sq M**

Take Up Q1 2023

**€296**

Prime Rents (Standing Stock), PSM

**€403**

Prime Rents (New Build), PSM



## 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

## Occupier Activity

The first quarter of 2023 saw a notable step up in occupier activity with 10,831 square metres taken up across 6 deals, the second largest quarterly take-up in the past five years in the Galway market. The largest deal in the quarter involved Galway City Council taking up 6,039 square metres at Crown Square Phase 1. In addition, we understand that the 3,521 square metres of space at Ballybrit Business Park is likely to be repurposed for alternative use.

Foreign Direct Investment remains a key factor underpinning occupier demand in the Galway area and this continued to grow strongly in 2022 with employment in IDA client companies in Galway rising by 7.3% to over 31,000. Fidelity's announcement in late 2022 that it was looking to hire a further 200 Galway based technology roles over the next two years is also indicative of healthy potential occupier demand over the medium term. We find that the improving tone to the employment outlook is also translating into an increased number of office enquiries from occupiers as they re-evaluate their requirements going forward.

## Availability

Galway office availability and vacancy rates trended back down in the first quarter of the year following a brief increase in 2022 as a result of completions at Phase 1 of Bonham Quay (now fully let out) and at Phase 1 of the Crown Square development. At the end of Q1 the vacancy rate stood at 7.2%, the lowest since Q3 2021 and well below 9.4% average vacancy rate over the past year.

## Development Activity

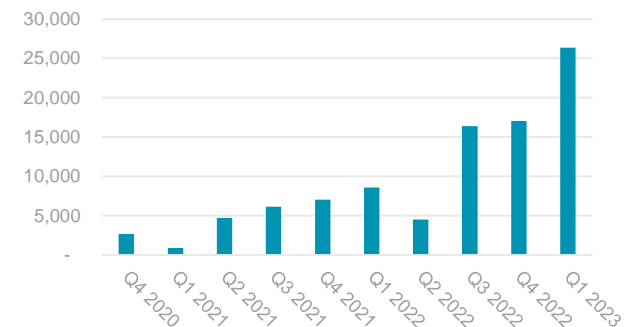
With vacancy rates close to recent lows, further development is needed within the Galway market. At present a further 16,300 square metres is under construction at Bonham Quay Phase 2 with the first delivery of space here to arrive in Q1 2024.

## Market Commentary

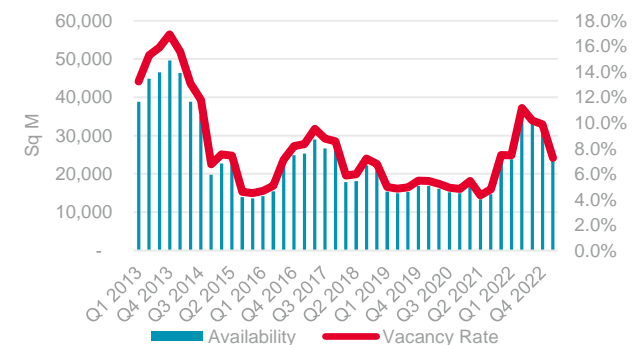
*"The outlook for the office market in Galway is supported by a growing regional economy and a strong Irish FDI pipeline in particular. The demand for high quality office space is exemplified by just how rapidly new space has been absorbed over the past year, leaving vacancy rates close to their recent lows."*

Séan Coyne, Divisional Director, Cushman & Wakefield

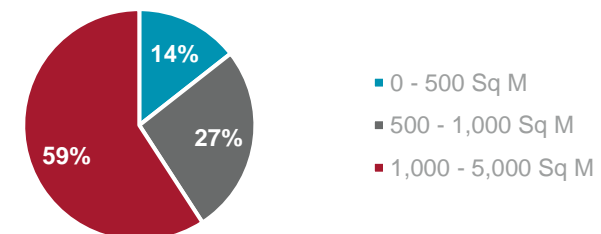
## Rolling 12m Take Up (Sq M), Q4 2020-Q1 2023



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



## Availability by Lot Size (Sq M), Q1 2023



MARKETBEAT

# GALWAY MARKET

Office Q1 2023



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