MARKETBEAT

Limerick MARKET

Office Q3 2021

CUSHMAN & WAKEFIELD

	YoY Chg	12-Mo. Outlook
8.4% Vacancy Rate	▼	▼
7,450 Sq M Take Up YTD	▼	—
€243 Prime Rents (Standing Stock), PSM	▼	▲
€350 Prime Rents (New Build), PSM	—	—

ECONOMIC INDICATORS Q2 2021

	YoY Chg	12-Mo. Forecast
2.1M Ireland Employment*	▲	▲
16.2% Ireland Unemployment Rate*	▼	▼
+6.3% 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 at the start of 2021, as Ireland re-entered level 5 lockdown. Since the re-opening of society, take up has improved, with 7,450 sq m occupied in the nine months to Q3 2021. This represents an annual decline of 16%. The majority of this space, 56%, is in the city centre, followed by 40% in the suburbs and the remaining in the Shannon Free Zone. Interestingly, the market has also recorded the take up of two units via sublease. The deals which occurred off market, amount to 1,485 sq m. With sublease space on the rise across Dublin and other global office markets this will be a trend to watch. However, thus far market intelligence suggests this will be limited in the Limerick office market.

Availability & Development Activity

Availability in the Limerick office market recorded further declines over the past twelve months. At the end of September, a total of 35,150 sq m was available, equating to an 12% annual decline. This reflects a vacancy rate of 8.4%, 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, and this has continued through to 2021. Another factor at play is the change of use of some office units to residential use, particularly Georgian units. In general, these reflect units which have been vacant for some time, however nonetheless it is a factor feeding into the downward trend.

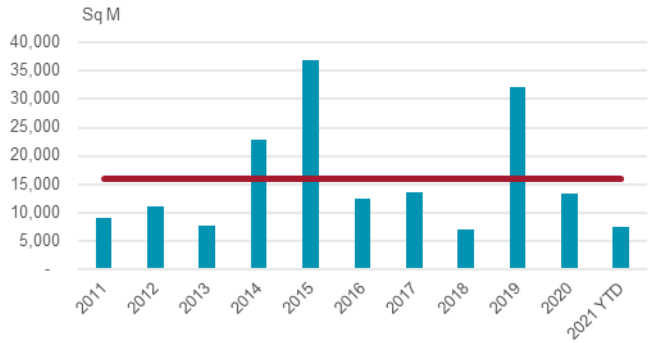
In terms of location, the Shannon Free Zone and Suburbs account for the largest proportion of availability, 42% and 44% respectively, with the remainder in the city centre. The city centre has seen the largest reduction in availability over the past decade, with just 4,950 sq m available. This equates to the total take up in the location year to date, suggesting take up in the city centre will be hampered going forward.

There is currently no space under construction in the Limerick office market, however this is due to change in Q4 2021 with the 1BQ development due to commence construction, offering 8,000 sq m to the market by Q2 2023.

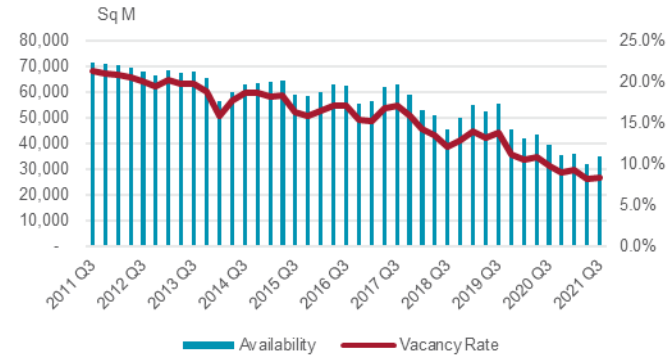
Market Commentary

""Activity in the office market increased significantly in Q3, with a number of office suites now reserved moving into the final quarter of the year. This will reflect a further decline in the vacancy rate by year-end, when deals are finalized. Overall, there is a flight to quality with many existing companies expanding in both the city centre and suburban business parks."
Ciara McCarthy, Divisional Director, Cushman & Wakefield Limerick

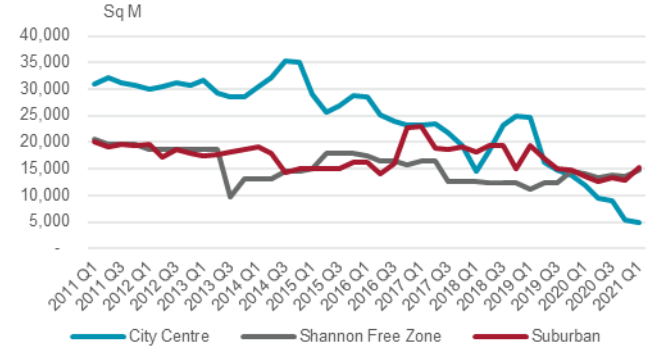
Take Up (Sq M), 2021 – 2021 YTD



Availability (Sq M) and Vacancy Rate (%), Q3 2011 – Q3 2021



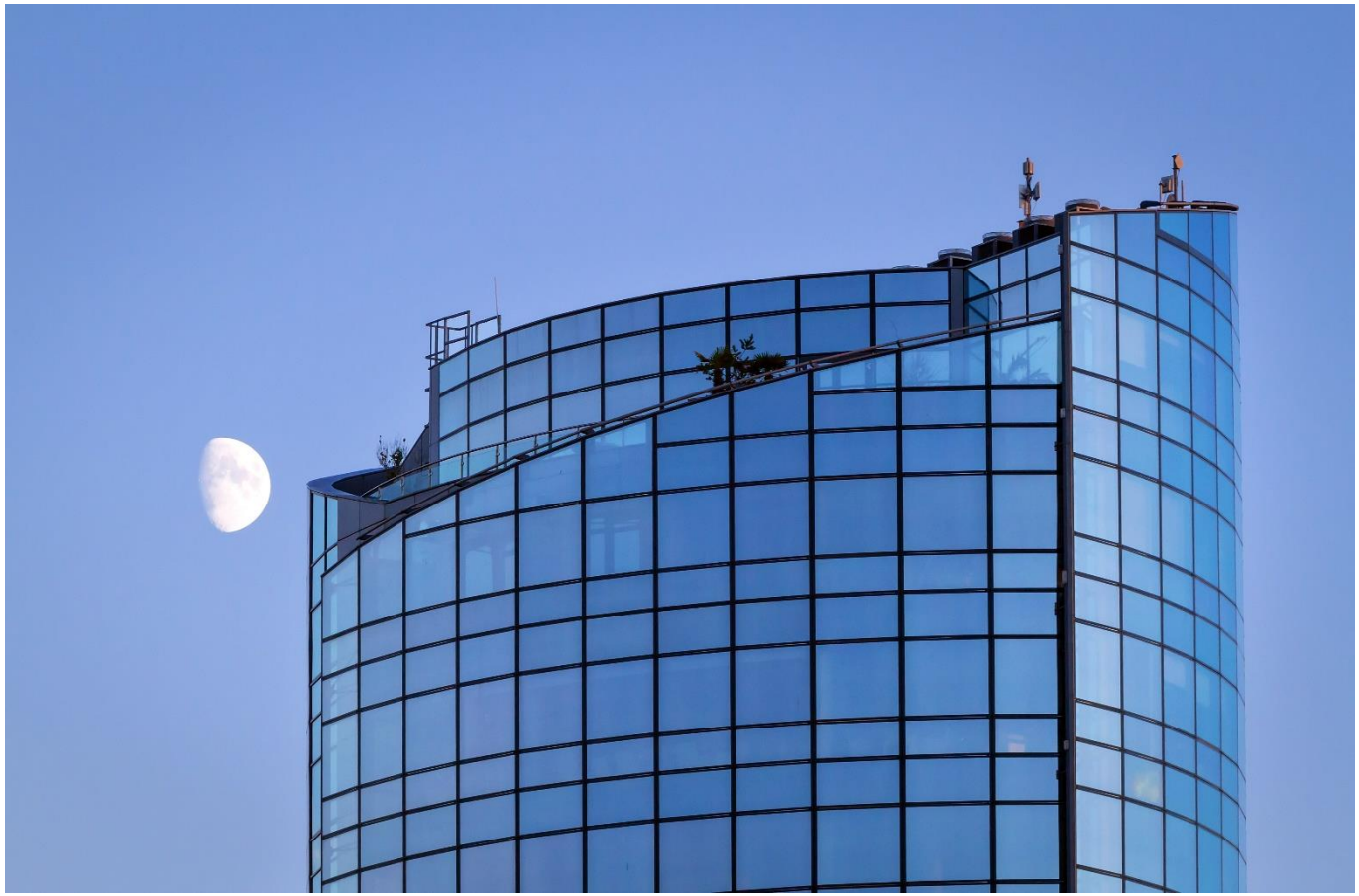
Availability by Region (Sq M), Q1 2011 – Q1 2021



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Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 51,000 employees in 400 offices and 70 countries. In 2018, the firm had revenue of $8.2 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services.

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