

MARKETBEAT

GALWAY MARKET

Office Q1 2024

CUSHMAN & WAKEFIELD

	YoY Chg	12-Mo. Outlook
6.9% Availability Ratio	▼	▲
400 Sq M Take-Up Q1 2024	▼	▲
€301 Prime Rents (Standing Stock), PSM	–	–
€431 Prime Rents (New Build), PSM	▲	–

Annual % Change

	2023 (A)	2024 F	2025F
GDP	-3.2	4.5	4.5
Personal Consumption	3.1	3.2	2.3
Modified Domestic Demand	0.5	2.2	2.5
Unemployment Rate	4.5	4.1	4.2
HICP	3.2	2.9	2.4

Source: CSO, Department of Finance Forecasts for 2024 and 2025

Occupier Activity

Following a solid performance in 2023, the Galway office market had a sluggish start to 2024 with just under 400 square metres of space taken up during the opening quarter of the year. Leasing activity in Ballybrit Business Park saw technology firm Nostra and medical device company Luminate Medical take space in the northwest of the city.

On a rolling 12-month basis, total take up amounted to 6,700 square metres at the end of Q1 2024, the lowest level seen since the opening quarter of 2022.

Availability

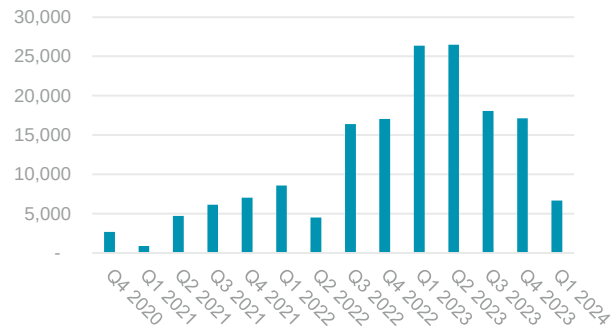
Availability in the Galway office market has remained close to 23,000 square metres over the last number of quarters, with the corresponding availability ratio standing at 6.9% at the end of Q1 2024, down slightly from 7.2% for the same period twelve months ago. In terms of the size of available space, there were just two buildings available on the market of greater than 2,500 square metres, at the end of the quarter.

As occupiers continue to seek quality space to satisfy ESG credentials and CSR requirements, the energy performance of a building is becoming increasingly important in the Galway office market. In terms of energy performance, close to one quarter of Galway's available office space at the end of the opening quarter of 2024 had a Building Energy Rating of B3 or higher, 47% of available space was rated C or D, and 29% was rated lowed than D or exempt.

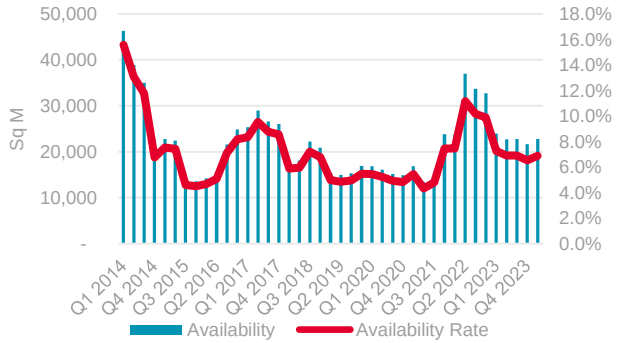
Development Activity

The development pipeline in the Galway market at present has 16,300 square metres under construction at Bonham Quay Phase 2, with the first delivery of space here to arrive in 2024. Furthermore, McDonogh Capital Investments has been granted planning permission for the development of a 14,650 sq m office campus at Galway West Business Park in Knocknacarra on the west of the city.

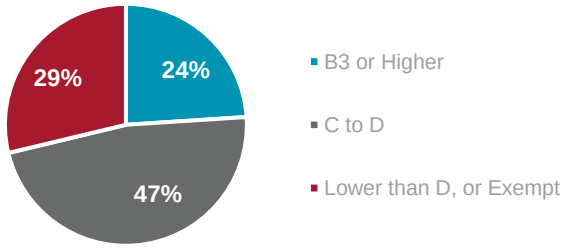
Rolling 12m Take Up (Sq M), Q4 2020 – Q1 2024



Availability (Sq M) and Availability Ratio (%), Q1 2014 – Q1 2024



Availability by BER Rating Q1 2024





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MARKET COMMENTARY

"Although take-up in the first quarter was less than average, there is good activity in the market with significant itineraries looking to occupy space in the city. This activity is likely to lead to increased take-up as the year progresses. The best buildings in the best locations remain resilient from a rent perspective".
Séan Coyne, Divisional Director, Cushman & Wakefield



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ABOUT CUSHMAN & WAKEFIELD

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