

1.7%
Vacancy Rate



25,400 Sq M
Take Up YTD

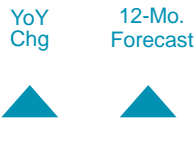


€95
Prime Rent, PSM



ECONOMIC INDICATORS Q2 2021

2.1M
Ireland Employment*



16.2%
Ireland Unemployment Rate*



6.3%
Ireland GDP Growth



Source: CSO
*COVID-19 Adjusted Measure

Occupier Activity

Following on from the success of 2020, where the Cork industrial market recorded its strongest year since 2005, activity in 2021 is being hampered by critically low levels of supply, despite prevailing demand. Take up reached 25,400 sq m in the nine months September end across 36 units. The largest occupation of the quarter and indeed the year to date was a newly completed design and build project of approximately 2,450 sq m in Blarney Business Park, occupied by Park Place Technologies. Another significant deal in the quarter was the letting of 1,500 sq m in Sitecast Industrial Estate. Take up in the year to date has been concentrated in the North-East region, accounting for 12,900 sq m of activity, while 56% of units occupied have been of Grade B quality.

Availability

Following years of decline, Q3 2021 marks the lowest level of available space in the Cork industrial market since Cushman & Wakefield's detailed series began. A total of just 20,100 sq m was available at the end of Q3 2021, this compares with 39,450 sq m the year previous. The historically low levels of availability have subsequently created a significant pinch point for the market, as availability now rests below the long-run annual average for take up. The vacancy rate sits at just 1.7% at the end Q3, again marking the lowest vacancy rate on record for the market.

Of the available space in the market, just 28% is of Grade A quality, with Grade B and Grade C spaces accounting for 53% and 20% respectively. In addition, occupiers who require large floorplates are restricted in their choices, with just one industrial space in excess of 5,000 sq m available.

Development Activity

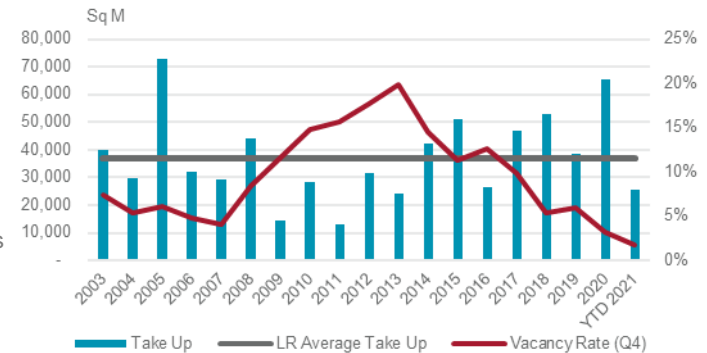
Construction completed on the previously mentioned 2,450 sq m unit in Blarney Business Park, however, as this was a design and build project, there was no real impact on availability in the market. Approximately 7,800 sq m of space across two units was under construction at the end of Q3. Located in Blarney Business Park, 3,700 sq m of this is pre-let. Considering this, availability levels and subsequently the vacancy rate are anticipated to remain exceptionally low.

Market Commentary

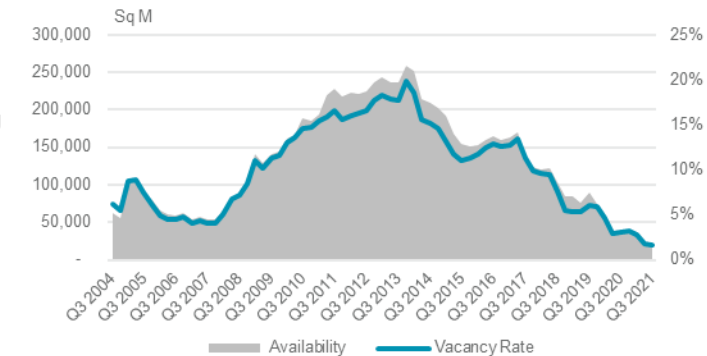
"Historic low vacancy rate, combined with robust occupier demand has resulted in a sustained upward trajectory on rental and capital values and a downward pressure on yields. The pipeline of industrial property looks a little more positive with planning granted for substantial developments in Blarney, Little Island and Watergrasshill".

Philip Horgan, Senior Surveyor, Cushman & Wakefield Cork

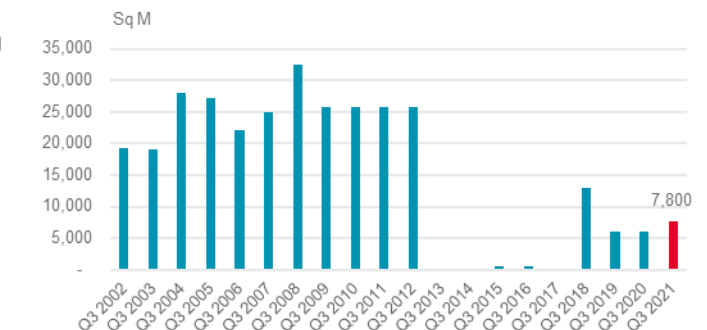
Take Up (Sq M), 2003 - YTD 2021



Availability (Sq M) and Vacancy Rate (%), Q3 2004 – Q3 2021



Under Construction (Sq M), Q3 Activity, 2002 - 2021



CORK MARKET

Industrial Q3 2021



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