

LIMERICK INDUSTRIAL MARKET

Q3 2018



Transaction Activity

The Limerick industrial market has performed relatively strong in the year to date. Approx. 16,300 sq m of space transacted in the nine months to September, with an average transaction value of 1,450 sq m.

The largest deal of the year to date is the letting of Unit 2a, Annacotty Business Park, measuring 3,185 sq m to STL Logistics.

Activity is predominately led by leasehold transactions, accounting for 90% of the space occupied. That said, demand from owner occupiers is strong. Owner occupiers are focusing on the Ballysimon Rd, and in particular Eastway Business Park, where the volume of enquiries for units launched to the market is high. Demand from owner occupiers is typically for smaller floor plates and is stemming from occupiers already in the park, looking to expand or change space.

Availability

Availability in the Limerick industrial market is the highest of the three regional centres outside of Dublin. Approx. 136,550 sq m of space was available at the end of Q3, representing an annual decrease of 5%.

The corresponding vacancy rate (VR) is 15.1%. This is higher than the other regional centres, however, it should be noted that availability in Limerick has contracted 50% from its peak level in 2011, while the VR has fallen from a high of 29.4%.

An analysis of availability by Grade provides an interesting comparison between the three regions. Limerick contains the largest volume of Grade C space, 65%, compared to just 19% in Cork, and 7% in Galway. A large proportion of this space is located in the Shannon Free Zone or locations outside of occupiers' first preference areas such as Ballysimon, Raheen and Annacotty.

However on a positive note, the introduction of the Shannon Redevelopment Programme has resulted in a number of obsolete units being removed from the market over the past year. Stemming from this programme, Q3 saw the completion of a new build in Shannon Industrial Estate. Measuring approximately 3,050 sq m the advanced manufacturing unit is let to ATMU. Further refurbishments and development in this area is anticipated in the coming quarters.

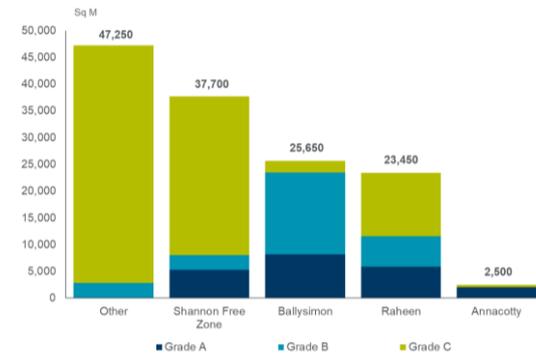
Prime Rents

Prime rents in Limerick were €59 per sq m at the end of Q3, up from €48 per sq m in Q3 2017. Advanced manufacturing units are achieving above this level, with rent for this product type averaging at approx. €97 per sq m.

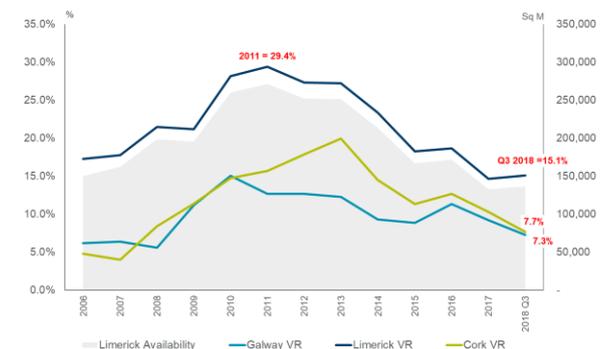
Annual Take Up & Vacancy Rate



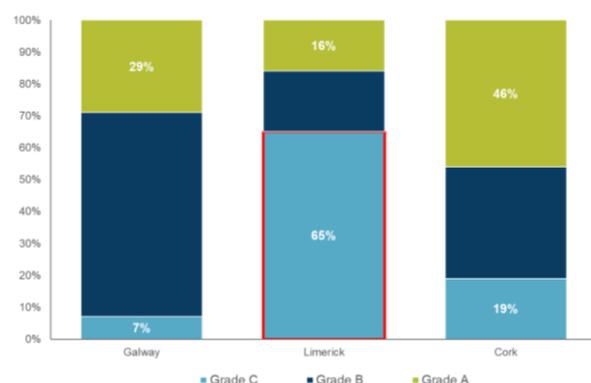
Availability by Grade & Location



Regional Industrial Vacancy Rates



Regional Availability by Grade





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