

LIMERICK OFFICE MARKET

Q3 2018



Occupier Activity

The Limerick office market can best be described as relatively steady at present. A total of 6,350 sq m of office space was taken up in Limerick in the nine months to September, across 11 lease deals. This compares to 7,850 sq m recorded in the same period last year. However, positively, 6,100 sq m was either signed or pre-let at end September, which, if all taken up by year end, will result in leasing activity for the year matching 2016/17 levels.

All leasing deals to date this year were <1,000 sq m in size. Three deals measured approx. 950 sq m in size, two of which were located in Riverstone House, and one in City East Plaza Block 3, in the suburbs. The latter deal was the largest of the third quarter and was let to AMCS Group. Notably, tech firms account for the majority of demand in Limerick, comprising 44% of YTD take up.

2018 to date has seen leasing activity in Limerick dominated by the city centre, accounting for 68% of take up. In contrast, the market in the YTD last year was led by the suburbs, recording 71% of take up.

Availability

The past 18 months have seen supply levels in the Limerick office market decline steadily. At the end of September, availability stood at 58,650 sq m, and while this remains the highest level of office supply of all regional centres, availability in Limerick has fallen below 60,000 sq m for the first time in a decade. Availability in Limerick in Q3 2018 also represents a year on year decline of 19.2%.

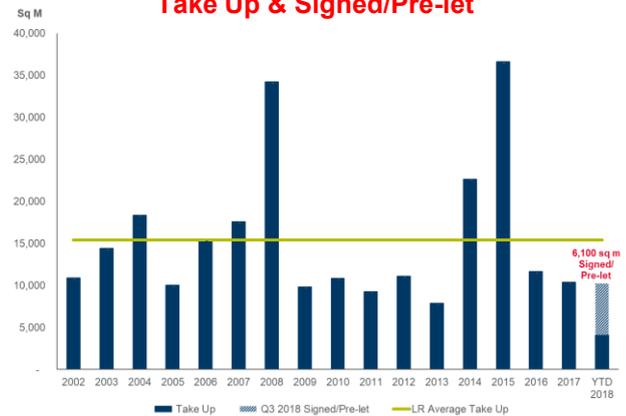
This supply contraction has brought the vacancy rate (VR) down to 15.3% in quarter three, from 19.4% in Q3 2017. Net of signed and reserved space, the VR fell to 14.7%.

The majority of this decline can be seen in the city centre, where the VR now stands at 11.3%. This is not only the lowest level in the current cycle but has also surpassed the previous cycle's city centre VR low of 13.8%.

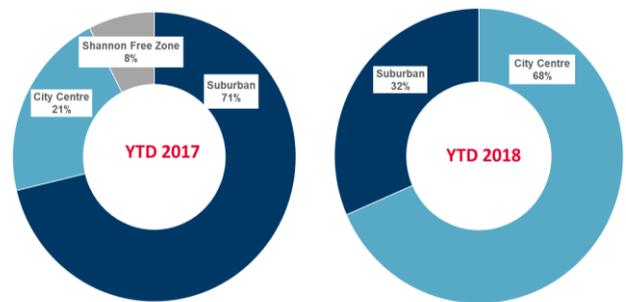
Development Activity

The volume of space under construction in Limerick stood at 17,750 sq m at quarter end, across three schemes. The largest of these remains to be the city centre development, Gardens International. One-third of this is pre-let, with the remaining speculative. Prime rents at this new, high specification, city centre Grade A building are achieving up to €325 per sq m, while new buildings in suburban locations are achieving in the region of €265 per sq m. Prime headline rents in Limerick remain at €215 per sq m.

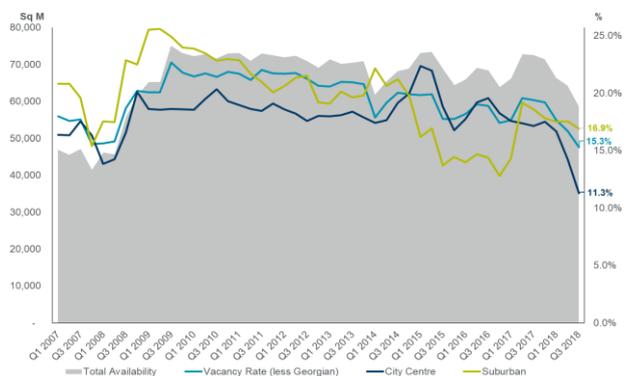
Take Up & Signed/Pre-let



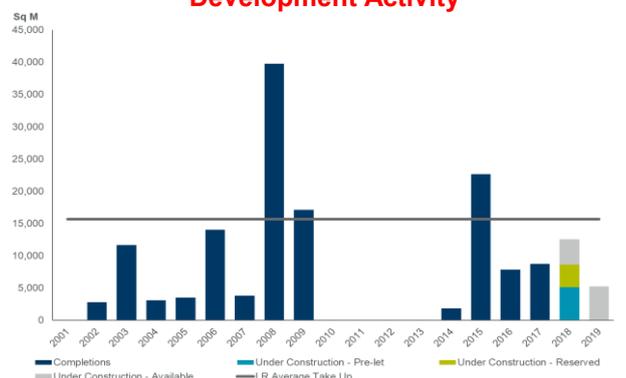
Take Up by Location



Availability & Vacancy Rates



Development Activity





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