

YoY
Chg12-Mo.
Outlook

2.7%

Vacancy Rate



4,800 Sq M

Take Up, 2022



€102

Prime Rents (Logistics) PSM



€108

Prime Rents (Advanced Manu.) PSM



Annual % Change

	2022 (A)	2023F	2024F
GDP	12.0	4.7	3.3
Personal Consumption	6.6	1.8	4.6
Modified Domestic Demand	8.2	1.2	3.3
Unemployment Rate	4.4	5.1	5.0
HICP	8.2	7.1	2.4

Source: CSO, Department of Finance Forecasts for 2023 and 2024

Occupier Activity

Q1 2023 saw no deals to take up space in the industrial segment in Galway (the third such quarter of the past five in which no deals have been announced) although this is more indicative of a market starved of supply rather than one where demand is lacking. Over the medium-term factors such as the growth of ecommerce and the trend towards 'onshoring' to reduce supply chain disruptions should both keep demand for high quality industrial stock healthy. On a rolling twelve-month rolling basis Galway take up data was unchanged compared to Q4 (approximately 4,800 square metres) although still very much at a low ebb when viewed from a long-term perspective.

Availability & Development Activity

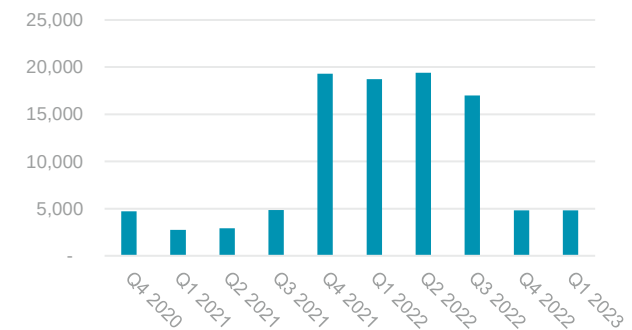
Supply levels remain critically low however this trend of constrained supply is visible across the Irish industrial market as a whole at present rather than just being symptomatic of the Galway market. The vacancy rate at the end of Q1 2023 stood at 2.7% which is slightly higher compared to the 1.7% a year earlier. However, this is still well below the five- and ten-year averages of 4.9% and 7.8% respectively. Looking at the breakdown of available space, only one unit with excess of 5,000 square metres was available in Q1. With the outlook for industrial demand still positive and vacancy so tight, we believe this should ultimately result in an improvement in development although this may be more likely to happen on a design and build basis.

Market Commentary

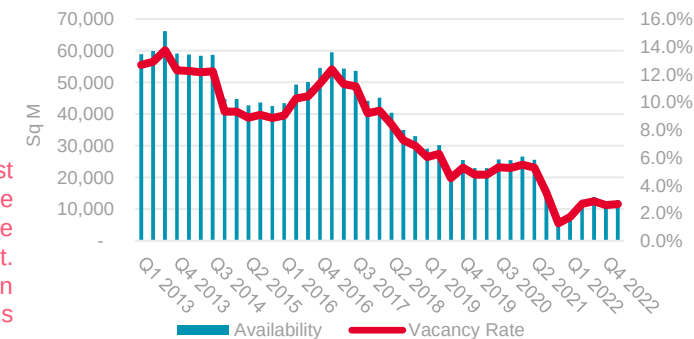
"“If you build it, they will come” seems to most accurately capture the post pandemic dynamic for industrial real estate in Galway. As has been the case for some time now, the market is best characterised as one where demand for high quality industrial facilities is there, but supply is not. Ultimately, we believe that demand will lead to an uptick in supply down the line, particularly given the medium-term outlook for industrial rents is hardening.”

Sean Coyne, Divisional Director, Cushman & Wakefield Galway

Rolling 12m Take Up (Sq M), Q4 2020-Q1 2023



Availability (Sq M) and Vacancy Rate (%), Q1 2013 – Q1 2023



GALWAY MARKET

Industrial Q1 2023

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