MARKETBEAT

GALWAY MARKET

Industrial Q1 2024

	YoY Chg	12-Mo. Outlook
2.0% Availability Ratio	▼	▬
9,600 Sq M Availability, Q1 2024	▲	▲
€107 Prime Rents (Logistics) PSM	▲	▬
€108 Prime Rents (Advanced Manu.) 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

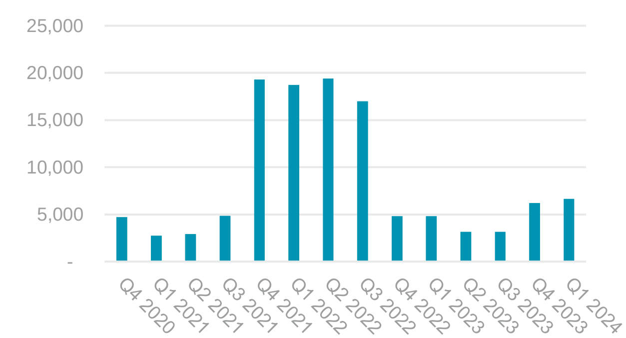
Source: CSO, Department of Finance Forecasts for 2024 and 2025

Occupier Activity

After a slow start to 2023, it was positive to see some leasing activity in the final quarter of the year and further activity in the opening quarter of 2024. On a rolling twelve-month basis Galway take up levels increased to over 6,600 square metres at the end of Q1 2024, the highest level seen since late 2022. The sole deal of the quarter was over 400 square metres of space taken up at Ballybane Industrial Estate in the northwest of the city.

Limited supply continues to be a challenge in the market, with a further decline in the total amount of available space in the opening quarter of 2024.

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

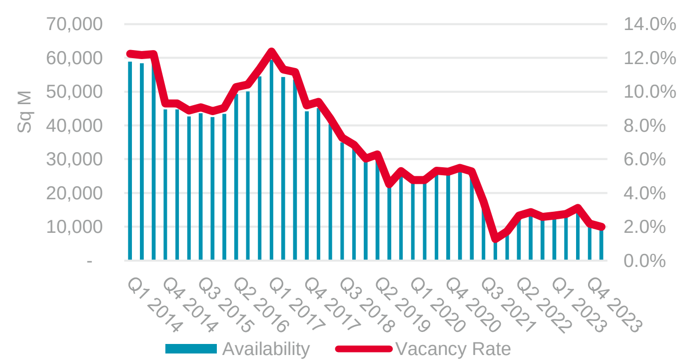


Availability & Development Activity

At the end of Q1 2024, supply levels have fallen to stand at just over 9,600 square metres spread across 9 units, the lowest level seen since the opening quarter of 2022. The corresponding availability ratio at the end of Q1 2024 stood at 2.0% which is slightly lower compared to 2.7% a year earlier. This shows the continued tight market conditions, further amplified when the breakdown of available space is analyzed, with only one unit of more than 1,000 square metres available at the end of the opening quarter of 2024.

Limited availability should theoretically lead to an increase in construction activity, with any new developments however, most likely to be design and build projects.

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



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MARKET COMMENTARY

"Industrial activity in the Galway market has begun slowly in the first quarter of the year, which is in no small part due to a lack of new product in the market. Until market rents increase then new builds are likely to be design and build projects which will not affect market stock levels."

Sean Coyne, Divisional Director, Cushman & Wakefield Galway

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