

# Ireland Commercial Real Estate Market Update

1st Quarter 2020



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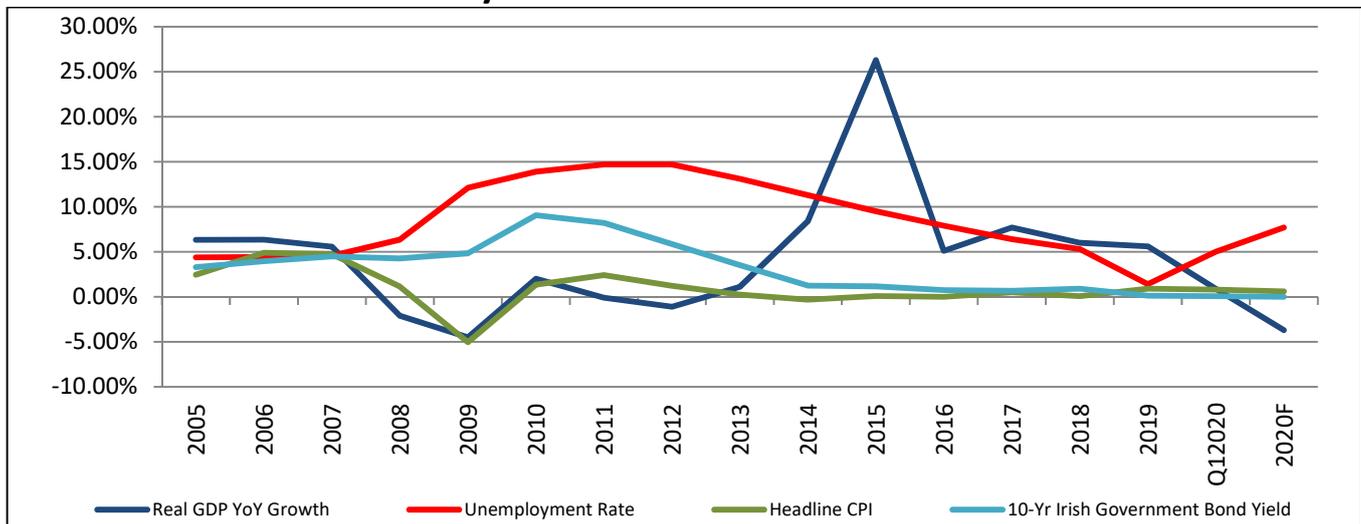
Since 1993, Quadrant's senior management has worked together as a team providing the firm's clients with access to both privately placed and publicly traded commercial real estate debt and equity investments through commingled funds and single client accounts. In addition to experience, senior management controls 100% of the firm, thereby providing true alignment of interests and accountability.

The firm's executive leadership includes Kurt Wright, Chief Executive Officer; Walter Huggins, Executive Vice President; and Jessica Eggins, Executive Vice President.

## Ireland Market Summary

- **Impact of COVID-19:**
  - The COVID-19 pandemic has led to the Irish Government enforcing a shutdown of all non-essential travel and jobs in mid-March. The economic impact of COVID-19, and the measures in place to combat it, have placed enormous strain on all sectors of the economy.
  - The full impact of COVID-19 will become more transparent in Q2'2020 and Q3'2020.
- **2020 GDP is forecasted to see a -3.7% contraction**
  - Real Gross Domestic Product ("GDP") growth in Ireland year-on-year for the quarter ending March 31, 2020 is estimated to be 0.9%, down from 7.9% in the same period ending March 31, 2019.
  - According to the Ireland Central Statistics Office the unemployment rate saw an increase of 12.5% from 119,600 in January to 136,600 people (5.4%) registering as unemployed at the end of Q1 2020. A further 280,000 people (11.1%) have claimed the Pandemic Unemployment Payment resulting in an indicative COVID-19 adjusted unemployment rate of 16.5%.
  - This figure is up compared to the highest unemployment rate during the GFC, which is estimated to be around 16%.
- The European Central Bank ("ECB") has an inflation target of 2.00% over the medium term.
  - Euro Inflation decreased 90 basis points to 0.4% in Q1'2020.
  - Interest rates on bank reserves remain unchanged at -0.5%.
  - The ECB's Quantitative Easing program has been expanded as a result of the COVID-19 pandemic. The Pandemic Emergency Purchase Program ("PEPP") has expanded the overall QE program to €750 billion buying €140 billion (previously €20 billion) of bonds per month, amounting to 7.3% of the euro area GDP. Purchases under PEPP started on 26 March 2020 and will continue until at least the end of 2020.

## Key Economic Indicators



Source: Bloomberg, Central Statistics Office Ireland

1) The 2012 10-Yr Irish Government Bond Yield is a linear interpolation of the 2011 and 2013 yields because no benchmark 10 year bond existed in 2012.

- The euro depreciated in value by 1.79% against the US dollar to \$1.10 in Q1'2020. Over the same period, the euro rose 2.35% against the pound to €0.87.
- Lack of housing, especially in Built-To-Rent ("BTR") and for sale apartments, remains a significant issue and a compelling medium-term opportunity for property investors.

**Interest Rate Benchmarks**

Benchmark	December 2019	March 2020	Basis Point Change
3-month EUR Swap	-0.38%	-0.36%	2
5-year EUR Swap	-0.44%	-0.23%	21
10-year EUR Swap	0.21%	-0.02%	-23
Ireland 10-year Government Note	0.12%	0.07%	-5

Source: Bloomberg.

- Any future movement in yields will be dependent on the availability and cost of debt and the strength of the underlying occupational markets.
- Speculative development finance for commercial assets remains challenging for borrowers to source.
- Given high demand for cost efficient debt and limited competition from lenders, attractive risk adjusted yields of gross 8%+ can be achieved on prudent stretch senior loans.

**Capital Market Trends**

- The Irish investment market will largely be frozen over the next several months, and the lack of transactional evidence will pose challenges from a pricing perspective for both debt and equity capital.

**Debt**

- COVID-19 will have a significant impact on the availability of credit, as banks and debt funds step to the side-lines.
- Banks are likely to be impacted over the long term, as they suffer liquidity constraints.
- **Speculative Construction:** When available, the provision of financing for speculative construction projects is likely to be very limited and provided by:
  - Debt funds and other non-bank private lenders; or
  - Combining of financing from senior banks and expensive mezzanine financing (tends to be covenant and document heavy).
- **Mature, well-let properties:** Prior to COVID-19, significant debt capital was available for mature, well-let properties.
  - Pricing for debt on mature, well-let property will be significantly influenced by the quality of the underlying income, the sustainability of cashflow and the quality of the tenants and their lease contracts.

**Equity**

- Equity transactions are expected to halt over the next quarter.
- Prior to the lock down, Ireland has seen a significant influx of foreign and domestic equity capital, targeting real estate investments.
- Examples of active foreign equity investors:
  - Kennedy Wilson, Patrizia, Bain Capital, Blackstone, TPG Capital, KKR, Starwood Capital, Greystar, Tristan Capital Partners, DWS, Round Hill, Avestus, LRC Group, Kanam, Corum, Arena, etc.
- By attracting sophisticated investment capital, Ireland has achieved institutional investment status and over the past few years has increasingly become one of the European markets of choice for sophisticated investors such as pension funds and insurance companies. This has resulted in materially more liquidity and price stability as compared with the Celtic Tiger days.
- The 5 Largest Transactions this Quarter are:

Major Equity Transactions in Ireland Q1 2020					
Property Name	Property Type	Location	Purchaser	Executed Price	Net Initial Yield
The Treasury Building	Office	Dublin 2	Google Ireland Limited	€ 115,470,000	4.3%
The Former Brewery Block	Student Accomodation	Dublin 8	Round Hill Capital / NBK Capital	€ 85,000,000	Unknown
La Touche House	Office	Dublin 1	AXA / BCP	€ 84,250,000	5.3%
Block 4&5 Harcourt Centre	Office	Dublin 2	Arena	€ 54,000,000	5.1%
Herberton	PRS	Dublin 8	LRC Group	€ 36,500,000	4.8%

Source: Irish Times, IDA, Bannon, Colliers.

## Dublin

Ireland benefits from a business-friendly environment when compared with other EU countries. This includes a 12.5% corporate tax rate, high quality of life, highly educated work force, lower cost of living relative to other European business nodes, and English as its main language. This has spurred a strong economic recovery following an especially severe recession and the collapse of the Irish banking system during the GFC.

An influx of leading tech-based companies (e.g. Facebook, Google, Amazon, Airbnb, etc.), a vibrant aircraft leasing industry, large universities as well as a resurgence of the financial services sector, have been the primary drivers of the recovery.

These industries, and their supporting services (auditors, solicitors etc.), have been significantly expanding their business operations by adding young, highly skilled professionals to support growth.

This is driving demand for:

- 1) high quality office space;
- 2) residential housing (focus on built-to-rent apartments); and
- 3) hotel rooms.

Despite the interruption caused by the COVID-19 pandemic, these long-term trends are expected to continue when the market returns to normalcy.

## Dublin Commercial Real Estate Market

- **BTR Apartment** sector outlook is **favorable**:
  - **Under supply/ strong occupier demand**

For Rent Apartments				
	Q1 2019	Q3 2019	Q4 2019	Q1 2020
<b>Prime Rents (2 bedroom)</b>	€2,500– €2,840	€2,500– €2,840	€2,500– €2,840	€2,500– €2,840
<b>Prime Yields (2 bedroom)</b>	3.85%	3.85%	3.75%	3.75%
<b>Vacancy Rate</b>	<1.40%	<1.40%	<1.40%	<1.40%

Source: Daft.ie, Cogent, Savills, Bannon, CBRE, Chartered Land

Notes: Yields vary based on location and number of bedrooms. Only 2-bedroom apartments in Dublin 1/2/4 have been included in this table. For additional detail on the Residential Market, please contact Quadrant.

### Additional Comments:

- Landlords in the Irish market have been prohibited from evicting tenants or increasing rents for a three-month period from March 2020 in an effort to protect tenants during the current COVID-19 lockdown.
- Q1 2020 saw the highest volume of Q1 spend ever recorded in the residential investment sector in Ireland. In total, €672 million was invested in the residential sector during the first three months of 2020, compared to less than €115 million invested in the sector during the same quarter last year.
- In 2018, the Irish Government introduced a new set of apartment design guidelines – ‘Design Standards for New Apartments – Guidelines for Planning Authorities’ – which included measures aimed at boosting construction and investment in PRS:
  - **Asset class designation**
    - BTR is now a specific asset class in its own right. In order to be classed as BTR, certain covenants must be satisfied such as providing communal and recreational facilities.
    - Most important are the stipulations regarding the holding and disposal of the asset in order to be designated as BTR:

- “the development remains owned and operated by an institutional entity and this status will continue to apply for a minimum period of not less than 15 years and that similarly no individual residential units are sold or rented separately for that period”.
  - However, this does not prohibit the selling of the entire scheme to another institutional investor during this time.
- **Dwelling mix**
  - There is no dwelling mix requirement for a BTR scheme under the new guidelines. This means that an entire scheme could theoretically be composed of studios or one-bed units, although operators would generally prefer some mix of unit sizes.
- **Unit sizes**
  - Studios are included at a minimum size of 398 sq ft.
  - In addition, a new category of 2-bedroom apartment has been introduced.
    - While previously 2-bedroom apartments could only be designed for four persons habitation with a minimum size of 786 sq ft, the new standards introduce a 2-bed standard for three people at a reduced size of 678 sq ft.
    - Also, the requirement that the majority of all apartments in a proposed scheme exceed the minimum floor area standards by a minimum of 10% does not apply to BTR schemes.
    - Shared Accommodation is now permissible with minimum floor areas of 129 sq ft for single rooms and 194 sq ft for double or twin rooms.
- **Dual aspect ratios**
  - The dual aspect requirement for centrally located schemes has been reduced to 33% from 50%, with the 50% requirement remaining for intermediate and peripheral locations.
- **Floor-to-ceiling heights**
  - Minimum floor to ceiling heights remain at 2.4m (2.7m at ground) but a floor to ceiling height of 2.7m throughout is encouraged in locations where greater height is appropriate.
  - There is no maximum number of permissible units per floor per core for BTR schemes (previously 4 units per core).
- **Car parking**
  - BTR schemes have a default of minimal or significantly reduced car parking provision on the basis that BTR development is centrally located and/or close to public transport services.
- **VAT**
  - Where a residential property is developed by a person in the course of a business, VAT will be charged on the sale of that property at a 13.5% rate.
  - Rents are subject to VAT at a rate of 23%, where residential property is developed, and units are leased by the developer.
- Quadrant deems these new regulations to be very positive and is encouraging long-term, institutional ownership. This will help stabilize prices through cycles.

▪ **Hotel sector outlook is cautious:**

○ **Undersupply / strong occupier demand**

Hotel Sector Key Metrics				
	Q1 2019	Q3 2019	Q4 2019	Q1 2020
<b>ADR</b>	€141.00	€160.00	€138.00	€115.00
<b>Occupancy</b>	83.50%	93.00%	81.00%	55.1%

Source: HotStats – Data is YTD; representing 4 Star Hotels, Irish Times

*Additional Comments*

- The hotel sector of the economy is one of the most exposed to the current COVID-19 lockdown with a very significant decline in occupancy since the second week of March, and most hotels are now closed.
  - The sector faces many months of severe disruption.
  - It remains to be seen what the impact will be to RevPAR and Occupancy once hotels reopen and markets stabilize, although domestic business is likely to prove supportive until such time as international tourism and business activity improves once travel restrictions are lifted.
- It is not clear when hotels will be in a position to reopen for business.

- **Industrial sector outlook is favorable.**

- **Under supply/ strong occupier demand**

Industrial Sector Key Metrics				
	Q1 2019	Q3 2019	Q4 2019	Q1 2020
<b>Prime Rents</b>	€9.85 per sf	€9.85 per sf	€10.25 per sf	€10.25 per sf
<b>Prime Yields</b>	5.25%	5.10%	5.10%	5.00%
<b>Vacancy Rates</b>	8.04%	8.69%	8.85%	Unavailable

Source: CBRE, Cushman and Wakefield

*Additional Comments*

- Industrial and Logistics
  - Take-up in the Dublin industrial & logistics sector reached 932,768 square feet in Q1 2020, down 9% for the same quarter last year, but 17% higher than the 5-year average for Q1.
  - Non-essential construction is halted and likely to re-open on a phased basis, making it inevitable that the delivery of new industrial & logistics stock will be delayed, putting further pressure on availability of modern accommodation in the capital.
    - For this reason, at this juncture, no deterioration in headline rent is expected in the short term
  - Even though transactional activity has been halted, there has been a spike in short-term industrial requirements from the grocery, parcel delivery, logistics/3PL and pharmaceutical sectors, which is directly attributable to the Covid-19 situation.
- Datacenters
  - Internet and remote working providers have benefited from COVID-19 and has experienced increased utilization rates within most data centers.
  - This is likely to boost demand for cloud-based services and data centers in the near term.

- **Office sector outlook is cautious.**
  - **Balanced supply/ good occupier demand**

City Center Office Sector Key Metrics				
	Q1 2019	Q3 2019	Q4 2019	Q1 2020
<b>Grade A Prime Rents</b>	€65.00 per sf	€65.00 per sf	€65.00 per sf	€65.00 per sf
<b>Grade A Prime Yields</b>	4.00%	4.00%	4.00%	4.00%
<b>Grade A Vacancy Rate:</b>	4.53%	3.90%	4.19%	4.44%
<b>Overall Dublin Vacancy:</b>	5.39%	5.32%	5.05%	5.06%

Source: CBRE – Please note that Dublin Vacancy comprise all office in Dublin and all office types; overall rent and vacancy can differ greatly between locations and office type.

#### Additional Comments

- Office take-up in Dublin during Q1 2020 reached almost 1,076,391 square feet - the second highest volume of Q1 leasing activity achieved in the capital during the last decade.
- Many office leasing transactions have been put on hold indefinitely as occupiers put off decision-making and adopt a 'wait and see' approach with regard to expansions & relocations.
- Transactional activity in this sector of the market is unlikely to increase materially until Q3'2020.
- The shutdown of non-essential construction sites and their ultimate re-opening on a phased basis will constrain the development pipeline, pushing out the delivery of some office projects by at least 3 months.
- Once office occupiers have their core businesses back on track, the expansion and relocation decisions will resume.
- While enforced remote working over recent months might encourage some occupiers to consider their future office space requirements, the reality is that office space will still be required.
  - It is expected that density rates in offices will be reduced to facilitate appropriate social distancing.
  - The 'new normal' will require significant planning, particularly in terms of reconfiguration of work environments to facilitate social distancing as well as considerations around enhanced cleaning and implementation of hands-free technology.

- **Suburban Office sector outlook is cautious.**
  - **Balanced supply/ good occupier demand**

Suburban Office Sector Key Metrics				
	Q1 2019	Q3 2019	Q4 2019	Q1 2020
<b>Prime Rents</b>	€29.50 – €18.00 psf.			
<b>Vacancy Rate (Grade A):</b>	6.21%	7.81%	6.55%	6.14%

Source: Quadrant market discussions. CBRE – Please note suburban office is composed North, South and West Suburban Office; and overall rent and vacancy can differ greatly between locations.

#### Additional Comments

- There was 470,124 square feet of office transactions signed in the Dublin suburbs in Q1 2020 in 11 individual transactions. This is the highest volume of suburban take-up of any quarter in the last decade.
- The additional comments in the "Office" section above, applies to suburban office.

- **Retail sector outlook is negative.**
  - **Under supply of modern, high street/ strong occupier demand**

Zone A Retail Sector Key Metrics				
	Q1 2019	Q3 2019	Q4 2019	Q1 2020
<b>Prime Retail Rents</b>	€627 per sf	€627 per sf	€627 per sf	€627 per sf
<b>Out of Town Retail Parks Rents</b>	€39 per sf	€39 per sf	€40 per sf	€40 per sf
<b>Prime Yields</b>	3.15%	3.40%	3.50%	3.50%
<b>Out of Town Retail Parks Prime Yields</b>	5.00%	5.25%	5.25%	5.25%
<b>Vacancy Rate</b>	4.60%	4.60%	4.60%	Unavailable

Source: Cushman and Wakefield, CBRE

#### *Additional Comments*

- Retail has taken a significant hit during the COVID-19 pandemic, with all non-essential retailers forced to close their physical stores in March and April.
- The future of stores in Ireland, including Debenhams, Oasis, Warehouse, Laura Ashley and Cath Kidston, are uncertain.
- Many retailers are not in a position to pay rents, service charges or other costs in the current climate and don't have the comfort of the UK regime which bans evictions for 3 months despite non-payment of rent and allows for 12 months rates relief relative to a 3-month equivalent in the Irish market.
  - Many trading businesses have therefore been calling for support from landlords in the form of rent adjustments and abatements or lease restructuring to help them to weather this crisis and to be in a position to reopen in due course.
  - Every situation should be considered on a case-by-case basis.
  - Collaboration between landlords, tenants and their financiers are critical while some form of Government support for this sector of the economy is now clearly merited.
- Transactional activity in the retail sector of the property market is expected to remain subdued for the foreseeable future.
  - The expectation is that retail vacancies in some schemes will lead to a rise in retail rents, meaning some locations could come under pressure in the medium term.
  - The unprecedented situation that has arisen in the last month will force some property owners to pursue fundamental restructuring and repurposing of the retail component of their schemes.
- The expectation is that when stores are permitted to reopen, it will occur on a phased basis with some sectors of retail permitted to open sooner than others.
  - The 'new normal' is expected to look considerably different, with footfall likely to remain compromised due to a combination of weaker consumer demand, restricted trading hours, restricted customer volumes and social distancing requirements that are likely to remain in place for some time.

## Cork

- **COVID Impact**

- Activity in the Cork property market has slowed considerably in recent weeks as a result of the Covid-19 lockdown.
- Transactions that were well advanced are proceeding, albeit at a slower pace, while campaigns that were due to commence have now been put on hold until later in the year.
- Strong appetite for many of the new office buildings remains, with particular demand from existing companies looking to expand their operations in the city.

- **General**

- Cork, with a population of over 500,000 people, is a key driver of regional economic activity in the South of Ireland with an international reputation as a center for the development of technologies that have global strategic importance.
  - **FDI** - FDI business clusters include Life Sciences & Food and Technology. Global Business Services are becoming increasingly important.
    - Apple and EMC2, have their European Headquarters in Cork which is also home to global brands such as PepsiCo, Boston Scientific, Intel Security, Tyco, Trend Micro, VMware, Amazon and Qualcomm.
    - Eight of the top ten global pharmaceutical companies have a base in Cork.
    - Pfizer, Novartis, Janssen, GlaxoSmithKline, Merck and Eli Lilly are amongst the most significant employers in Cork.
  - **Technology** - As many as 50 global technology companies in both manufacturing and services have located in Cork, developing a strong tech cluster.
  - **Global Business Services** – Cork's multilingual workforce attracts EMEA operations, with functions from supply chain to sales, technical support & finance - servicing multiple markets in the local language.
    - For example, Clearstream (subsidiary of the German Stock Exchange; DAX)
  - **Highly Skilled Talent pool** - Cork, with a student population of over 30,000 has a constant supply of graduates.
    - The higher-level education institutions proactively engage with companies in order to produce industry ready graduates.
    - Universities include University College Cork, Tyndall National Institute and Cork Institute of Technology.
  - **Business Climate** – Prime office rents are approximately half of those in Dublin. This, coupled with a highly rated international airport and quality of life, affords a strong foundation for business growth.
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## The Cork Commercial Real Estate Market

- **BTR Apartment** sector outlook is **favorable**.
  - **Extreme under supply / strong occupier demand**

BTR Summary				
	Q1 2019	Q3 2019	Q4 2019	Q1 2020
<b>Prime Rents (2 bedroom)</b>	€1,500 – €2,000	>€2,000	>€2,000	>€2,000
<b>Prime Yields (2 bedroom)</b>	4.00%	3.85%	3.85%	3.85% - 4.00%
<b>Vacancy Rate</b>	<4.00%	<2.00%	<2.00%	<2.00%

Source: Daft.ie, CBRE, PWC

Notes: Yields vary based on location and number of bedrooms. Only 2-bedroom apartments in Cork have been included in this table. For additional detail on the Residential Market, please contact Quadrant.

- **Office** sector outlook is **favorable**.
  - **Under supply / strong occupier demand**

Prime Office Summary				
	Q1 2019	Q3 2019	Q4 2019	Q1 2020
<b>Prime Rents</b>	€30.00 – 33.00 per sf	€33.00 - €34.50 per sf	€34.50 per sf	€32.50 per sf
<b>Prime Yields</b>	5.50% - 5.75%	5.25% - 5.75%	5.50%	5.50%
<b>Vacancy Rate (Grade A)</b>	6.50%	>4.50%	>4.50%	Unavailable

Source: CBRE, Cushman and Wakefield, Lisney. Quadrant market discussions

- Further comments
  - Although the overall vacancy rate remains relatively high, the majority of this supply is old and redundant.
  - Currently, approximately 600,000 square feet of office is under construction.

- **Industrial** sector outlook is **cautious**.
  - **Balanced supply/good demand**

Industrial Sector Summary				
	Q1 2019	Q3 2019	Q4 2019	Q1 2020
<b>Prime Rents</b>	€6.50 – €6.96 per sf	€7.75 – €8.75 per sf	€8.00 - €8.75 per sf	€8.50 per sf
<b>Yield</b>	6.50%	6.25% - 7.00%	6.25% – 7.00%	6.50%
<b>Vacancy Rate</b>	13.00%	6.20%	6.20%	6.20%

Source: Lisney, CBRE, Cushman and Wakefield

- **Retail sector outlook is negative.**
  - **Under supply / strong occupier demand**

Zone A - High Street Retail Summary				
	Q1 2019	Q3 2019	Q4 2019	Q1 2020
<b>Prime Rents</b>	€120 – €123 per sf	€190 – €220 per sf	€180 – €220 per sf	€180 per sf
<b>Prime Yields</b>	5.50% – 6.00%	5.75% - 6.25%	5.75% - 6.25%	7.00%
<b>Vacancy Rate</b>	7.80%	7.50% - 8.00%	7.50% - 8.00%	7.50% - 8.00%

Source: Lisney, CBRE, Cushman and Wakefield

## Galway

- **COVID Impact**

- The Northern and Western Regional Assembly has highlighted Galway as the most at risk urban center in Ireland during the COVID-19 pandemic
- The Department of Finance has predicted that the economy in Galway will contract by approximately 10.5% this year, whilst unemployment will rise to 22%
  - The main reasons that Galway is expected to be hit disproportionately is due to high percentage of the economy that is dependent on tourism and retail.

- **General:**

- Galway is Ireland's fourth largest city and the largest urban center on the western seaboard of Ireland, with a population of almost 80,000 people.

- **Quality of life:**

- High-quality infrastructure, superior broadband connectivity, and occupational and living costs that are considerably lower than Dublin and other competing cities.
- Galway is one of Ireland's fastest growing cities - offering employers and employees a very attractive and cost effective 'live, work & play' alternative to Ireland's east coast corridor.
- Galway is designated to be the 'Creative City', and 'European Capital of Culture' in 2020. In addition, the Lonely Planet Guide named Galway among the 'World's Top 10 Cities for 2020'.

- **FDI:**

- Galway is a global center of activity for Medical Technology, Information and Communications Technology (ICT) with many companies using Galway as a base for establishing and servicing their European and global business.
- With the combination of top tier multinational companies, indigenous ICT firms, a growing start-up culture and significant research capability in the third level sectors, Galway has the potential to be an international niche ICT hub.
  - Indeed, 4 of the 5 largest ICT firms in the world already have a presence in Galway.
- International companies such as SAP, Genesis, Oracle, Fidelity, Boston Scientific, Medtronic, HP and CISCO have a presence in Galway.

- **Galway is a University City with a highly educated workforce:**

- The National University of Ireland Galway ("NUIG") is a world leader in Biomedical Science and Engineering, Web Science, Marine Science, Energy and Environmental Science, Applied Social Sciences and Public Policy.
- The Insight Centre at NUIG for Data Analytics brings together a critical mass of more than 200 researchers from Ireland's leading ICT centers to develop a new generation of data analytics technologies in several key areas.
- The CURÁM – the center for research in Medical Devices works with 40 industry partners which supports product development and the creation of new spin-out companies. The center fosters cutting-edge science which is used to develop the very latest research in biomaterials, stem cells and drug delivery.
- The Galway-Mayo Institute of Technology offers a range of applied medical imaging and biomedical simulation technologies relevant to companies in the product engineering and design application phase.

- The Centre for the Integration of Sustainable Energy Technologies is involved in the design of renewable energy systems: solar, wind, biomass, heat pumps.

## The Galway Commercial Real Estate Market

- **BTR Apartment** sector outlook is **cautious**.
  - **Extremely under supply / strong occupier demand**

BTR Summary				
	Q1 2019	Q3 2019	Q4 2019	Q1 2020
Prime Rents (2 bedroom)	€1,500 – €2,000	>€2,000	>€2,000	>€2,000
Prime Yields (2 bedroom)	4.00%	4.00%	4.00%	4.00%
Vacancy Rate	<2%	<2%	<2%	<2%

Source: Daft.ie, CBRE, PWC

Notes: Yields vary based on location and number of bedrooms. For additional detail on the Residential Market, please contact Quadrant.

- **Office** sector outlook is **cautious**.
  - **Under supply / strong occupier demand**

Prime Office Summary				
	Q1 2019	Q3 2019	Q4 2019	Q1 2020
Prime Rents	€26.00 - €30.00 per sf	€27.50 - €30.00 per sf	€27.50 - €30.00 per sf	€27.50 - €30.00 per sf
Prime Yields	5.75% - 6.25%	5.75% - 6.25%	5.75%	5.75%
Vacancy Rate (Grade A)	4.60%	> 4.60%	> 4.60%	Unavailable

Source: CBRE, Cushman and Wakefield

- Further comments
  - Currently, approximately 300,000 square feet of Grade A office space is under construction.

- **Retail** sector outlook is **negative**.
  - **Under supply / strong occupier demand**

High Street Retail Summary				
	Q1 2019	Q3 2019	Q4 2019	Q1 2020
Prime Rents	€126 per sf	€200 - €225 per sf	€200 - €225 per sf	€200 - €225 per sf
Prime Yields	5.50% - 6.25%	5.50% - 6.50%	5.75% - 6.50%	5.75% - 6.50%

Source: CBRE, Cushman and Wakefield

## Sources

- *Bloomberg, [www.bloomberg.com](http://www.bloomberg.com);*
- *Central Statistics Office Ireland (CSO), [www.cso.ie](http://www.cso.ie);*
- *ECB Introductory Statement to Press Conference, [www.ecb.europa](http://www.ecb.europa);*
- *Education.ie;*
- *CBRE;*
- *Cushman and Wakefield;*
- *Lisney;*
- *Bannon;*
- *Cogent;*
- *IDA;*
- *Hooke & Macdonald;*
- *Savills;*
- *PWC;*
- *HOTSTATS;*
- *Daft.ie;*
- *IDA;*
- *Cork Chamber Support;*
- *Irish Times;*
- *Property Week;*
- *Quadrant Market Discussions.*

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