Limerick CHAMBER
Committed to your business needs

The Mid West
Where we are and Where we need to be

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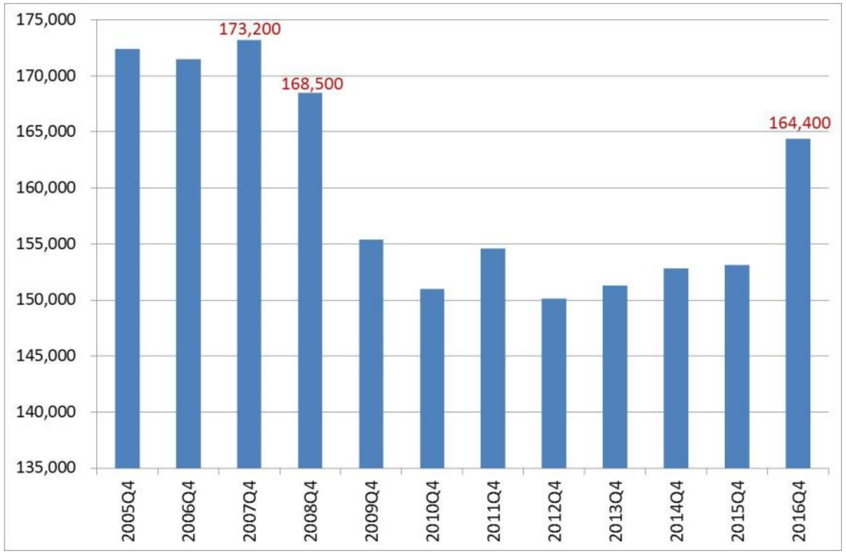
Overview of Presentation

- Where We Are Today
    - Labour Market
    - Housing Market
    - Commercial Property Market
- Where Are We Going
    - Population
    - Housing Demand and Supply
    - Commercial Development
    - Transport

Labour Market is Improving

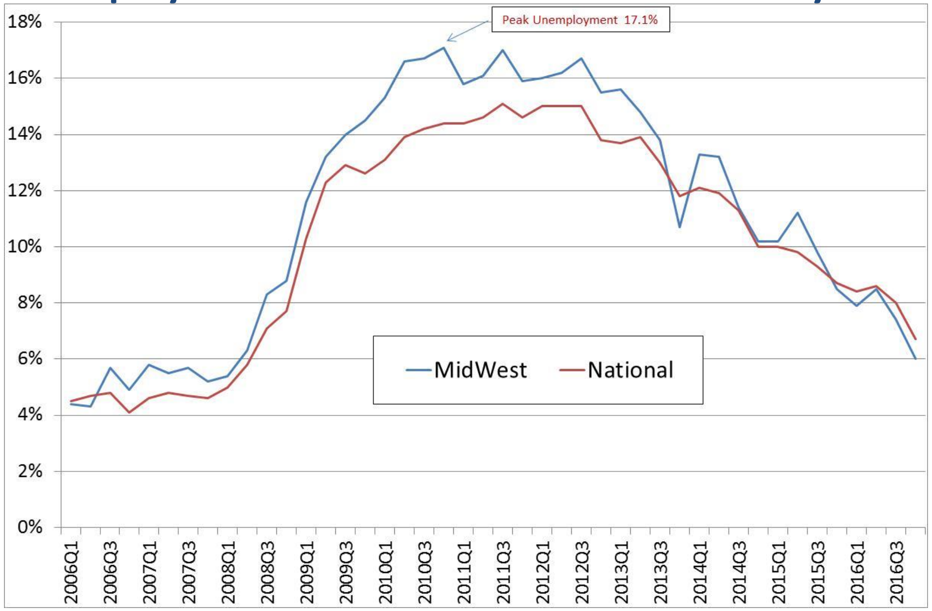
- 164,400 in Employment
- Returning to 2008 Levels
- 6% off Peak Employment

Employment in the Mid West 2005-2016



Source: CSO Quarterly National Household Survey Q4 2016

Unemployment Rate -Mid West and Nationally 2006-2016



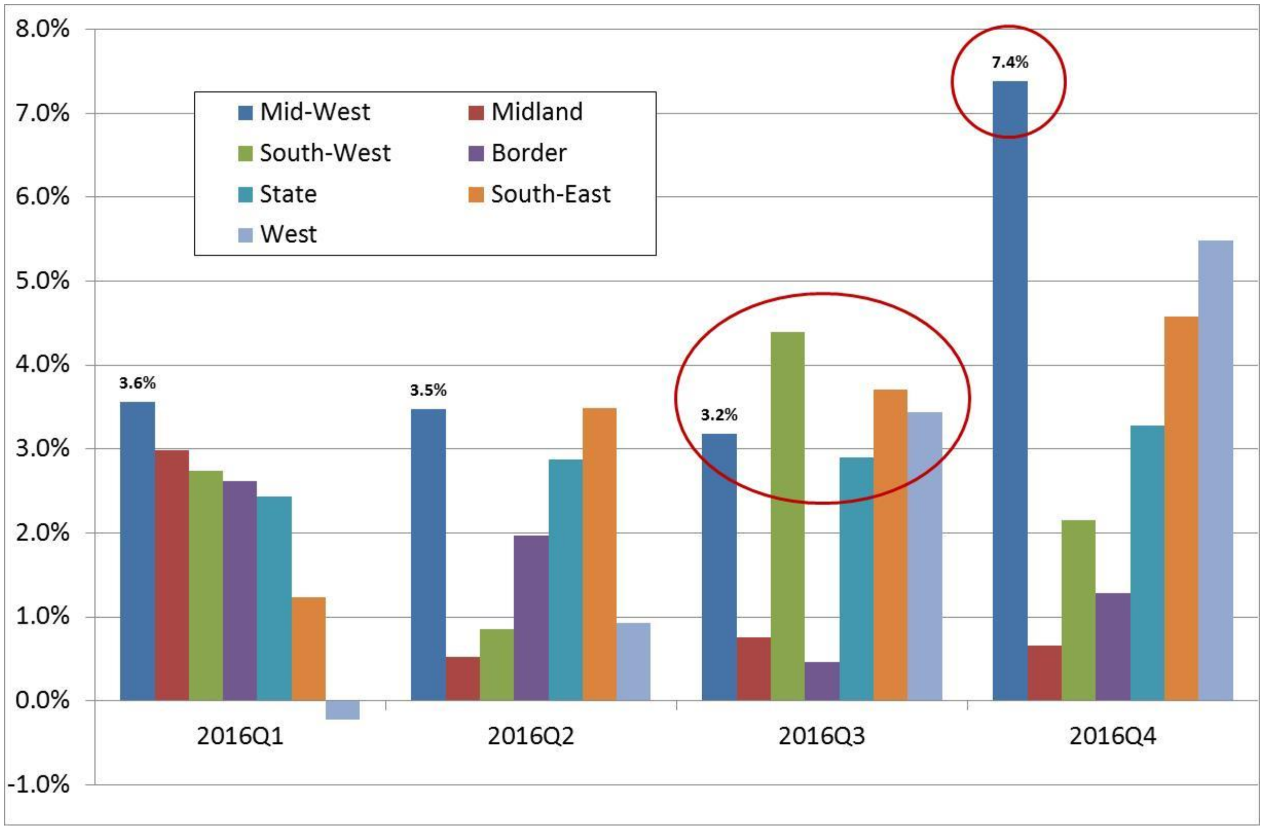
Source: CSO Quarterly National Household Survey Q4 2016

- Mid West UR 6.0%
- National UR 6.7%

Mid West Market Performing Strongly

- Strongest Growth Rate of any Region in Q4 +7.4% yoy
- Mid West outperforms other regions excl. Dublin & Mid-East

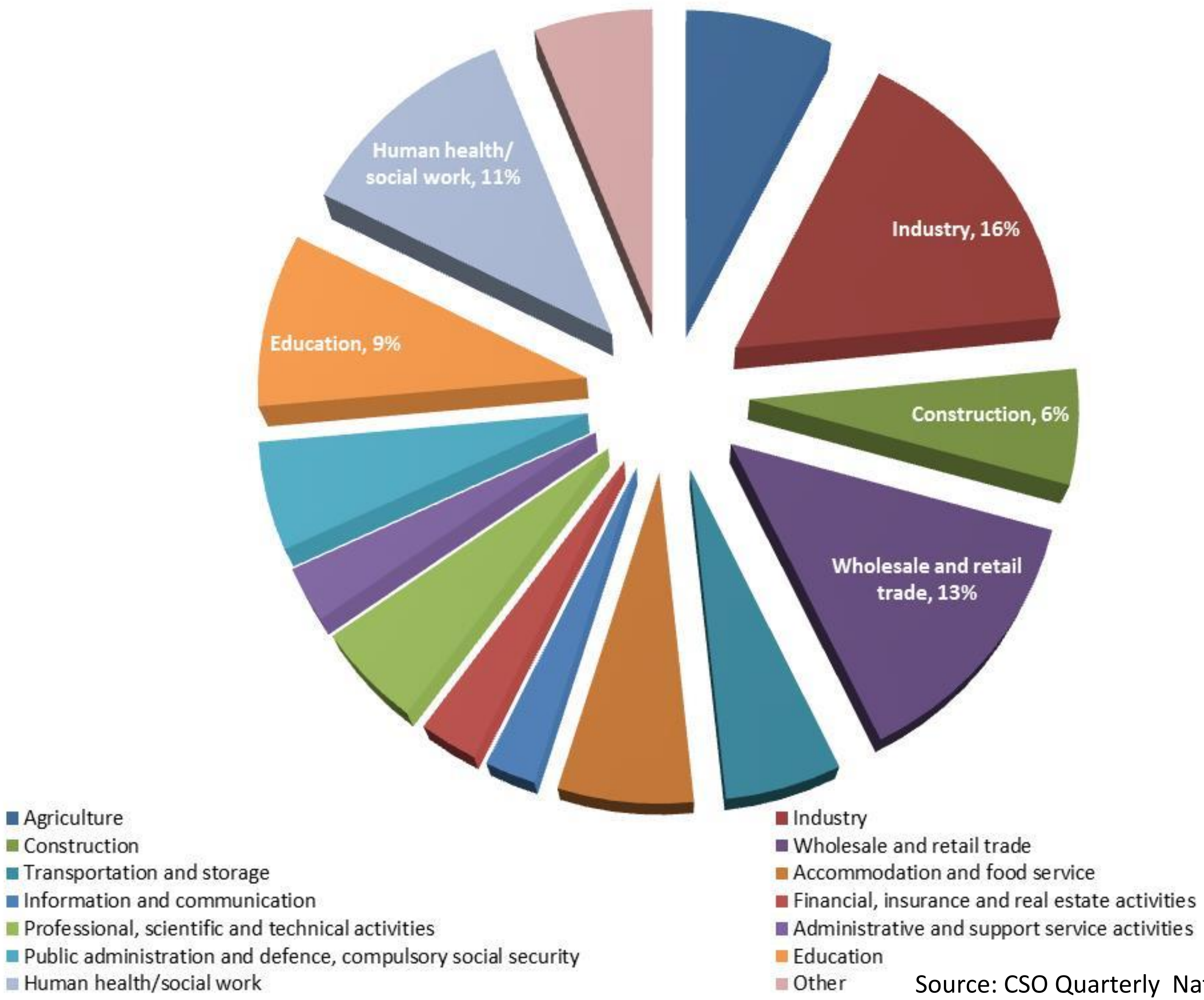
Mid West Employment Growth Rates 2016



Source: CSO Quarterly National Household Survey

Playing catch up??

Mid West Sector Breakdown

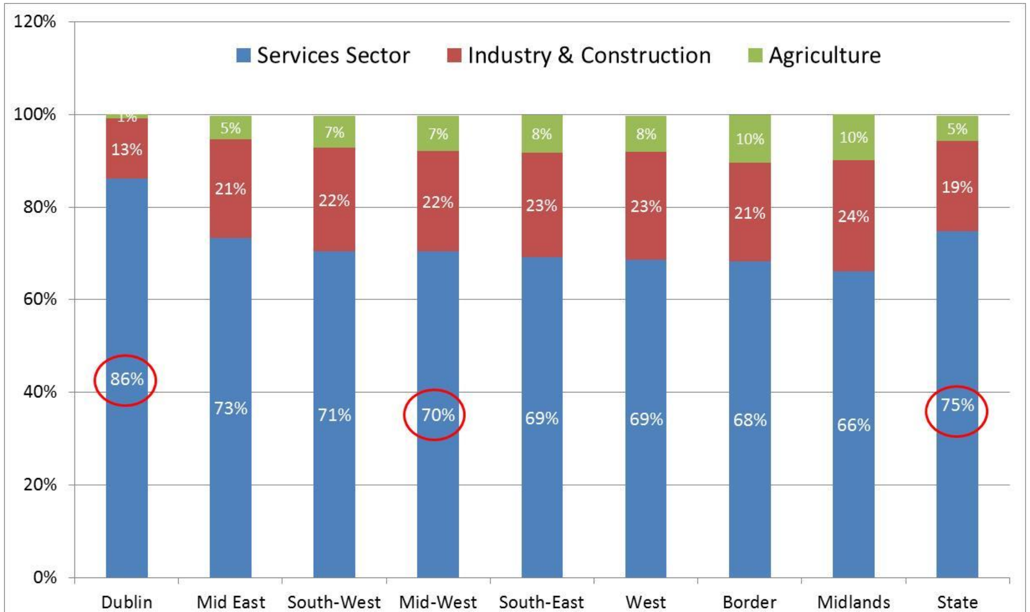


Source: CSO Quarterly National Household Survey

Services Sector is Growing

- Industry is a strong sector within Mid West
- Services Sector is Growing (70% of Employment)
- 10,000 new workers in Services in 2016
  - +1,600 in Education
  - +1,700 Wholesale & Retail
  - +2,600 Public Admin
  - +3,700 Other

Sector Composition Across the Regions Q4 2016



Source: CSO Quarterly National Household Survey

Residential Property

- Strong Growth in Transactions Prices
- Significant Differences Across the Areas

	Average €	YoY Change
Mid West	€153,000	+8%
Limerick City	€164,000	+15%
Limerick County	€173,000	+8%
Dublin	€398,000	+14%
National	€257,000	+13%

Source: CSO Average House Prices December 2016

- Limerick - Affordable City
- 22% Net Income Single FTB
- 15% Net Income Couple FTB

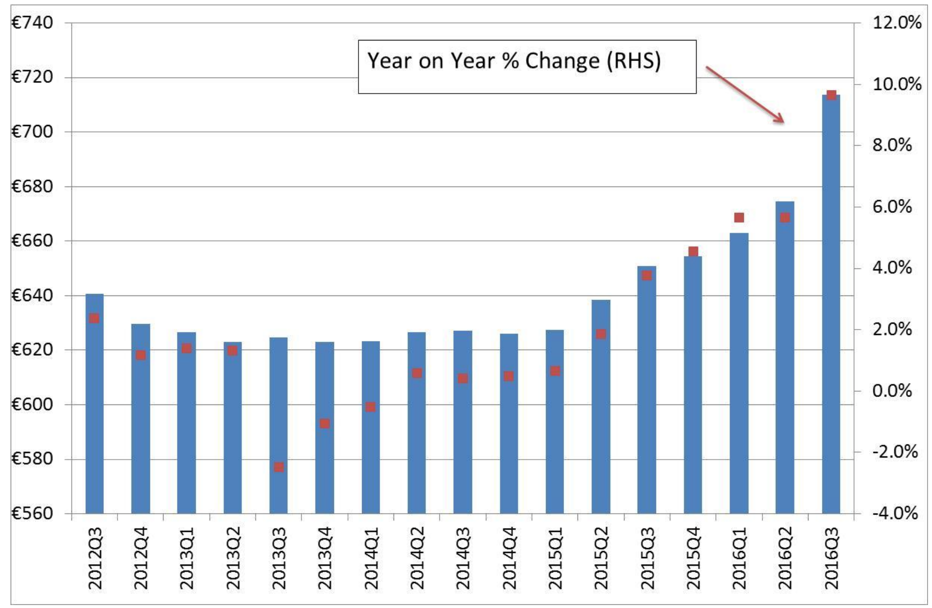
	Average €	YoY Change
Dublin City	€390,000	16%
Galway City	€255,000	26%
Cork City	€231,000	3%
Limerick City	€164,000	15%
Waterford City	€138,000	30%

Source: CSO Average House Prices December 2016

Rental Market

- Rents across the Mid West increasing since 2014
- Strongest Price Growth in Limerick Market

Average Rents and YoY % Change in Limerick 2012-16



Source: PRTB Data

Average Rents in Irish Cities Q3 2016

	Average Rent	YoY Change
Dublin	€ 1,308	7.0%
Galway City	€ 1,016	10.3%
Cork City	€ 989	10.1%
Limerick City	€ 714	8.5%
Waterford City	€ 598	6.8%

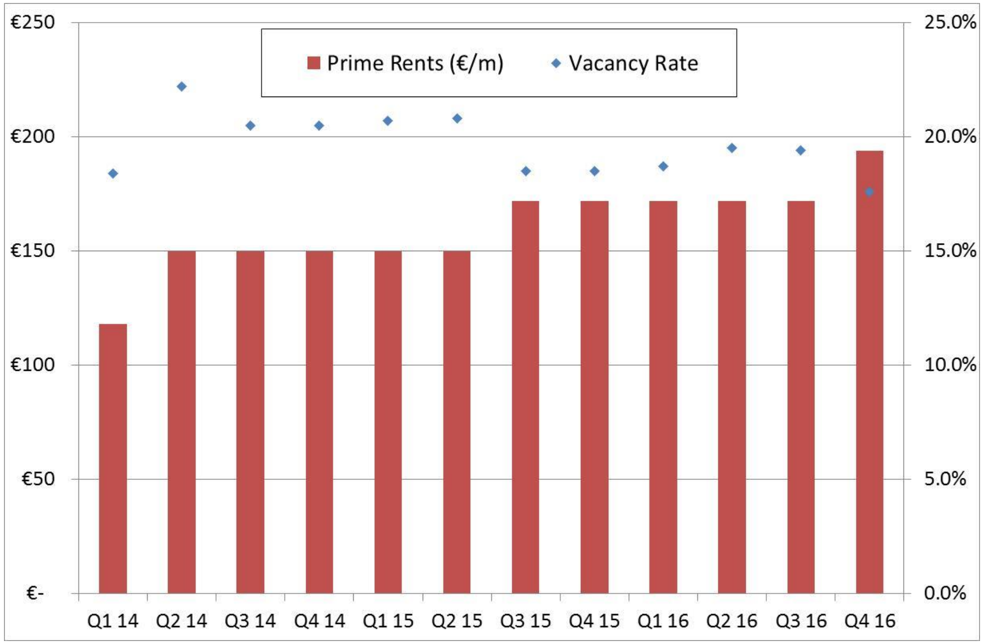
Source: PRTB Data

- 50% less than Dublin
- 30% less than other Regional Cities

Office Market

- High Vacancy Rate compared to other Markets
- Competitive Rent compared to other Regions
- Improvements are evident.

Limerick Office Rents and Vacancy Rates 2014 -2016

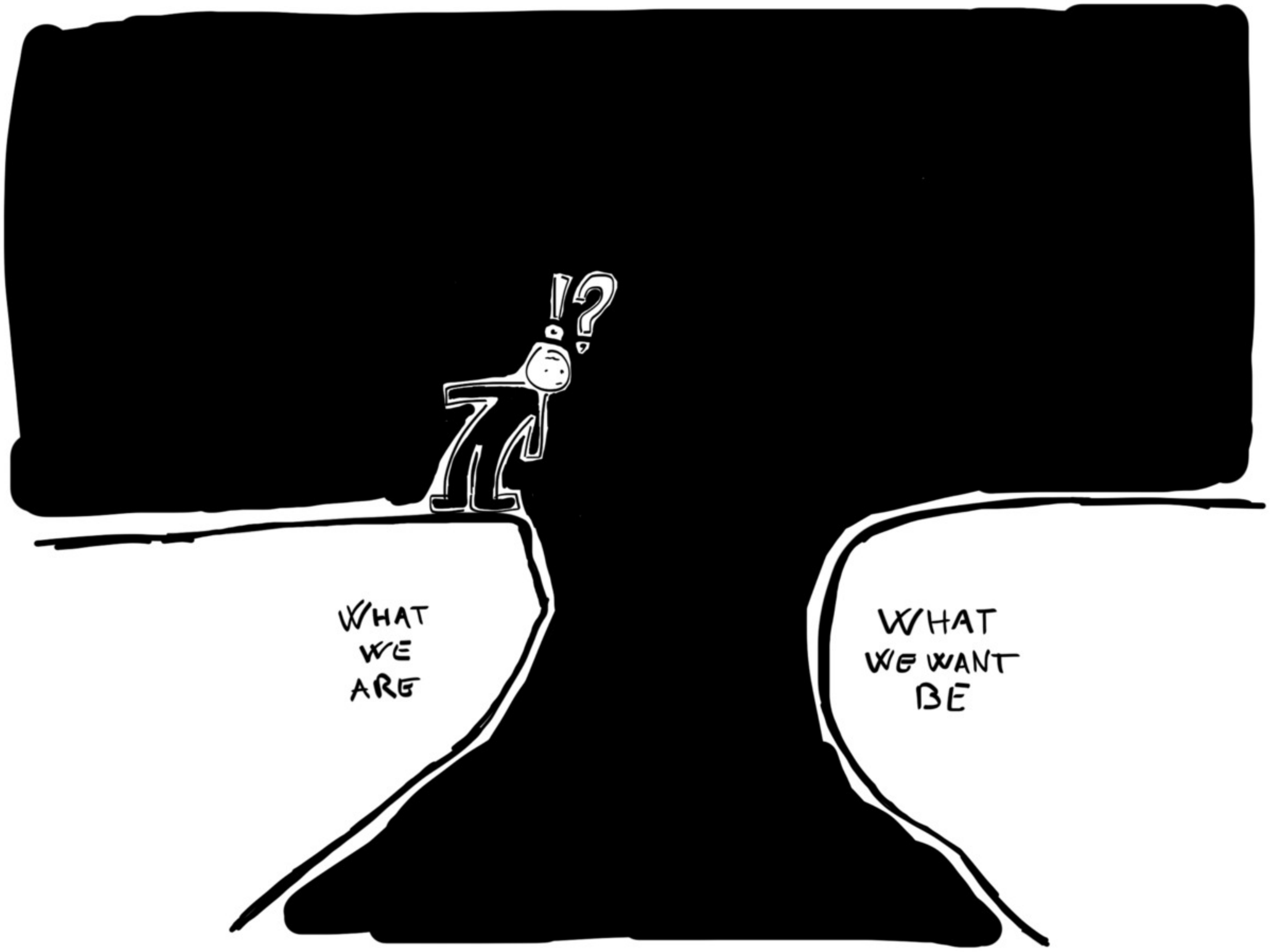


Source: Cushman & Wakefield

Prime Rents and Vacancy Rates in the Cities Q4 2016

	Prime Rents sq/m	Vacancy Rate
Dublin	€619	12.2%
Cork	€290	11.5%
Galway	€250	8.0%
Limerick	€194	17.6%

Source: Cushman & Wakefield


!?
WHAT WE ARE
WHAT WE WANT BE

Where Are We Going

- IDA – Strong prospects for Mid West in 2017
- National Planning Framework
  - Focus on Cities
  - Population Growth outside Dublin
- What do we need for the Future

Population Growth

- 385,000 people in the Mid West in 2016
- An Increase of 1.5% since 2011

M2F2 Traditional Population Projections 2016-2031				
M2F2 Traditional	**2016 (000)**	**2031 (000)**	**(%) Change**	**Absolute Change (000)**
Border	522	533	2%	11
Dublin	1,345	1,519	11%	174
Mid-East	559	678	17%	119
Midland	292	309	6%	17
Mid-West	385	410	6%	25
South-East	511	550	7%	39
South-West	690	733	6%	43
West	453	456	1%	3
State	4,758	5,188	8%	430

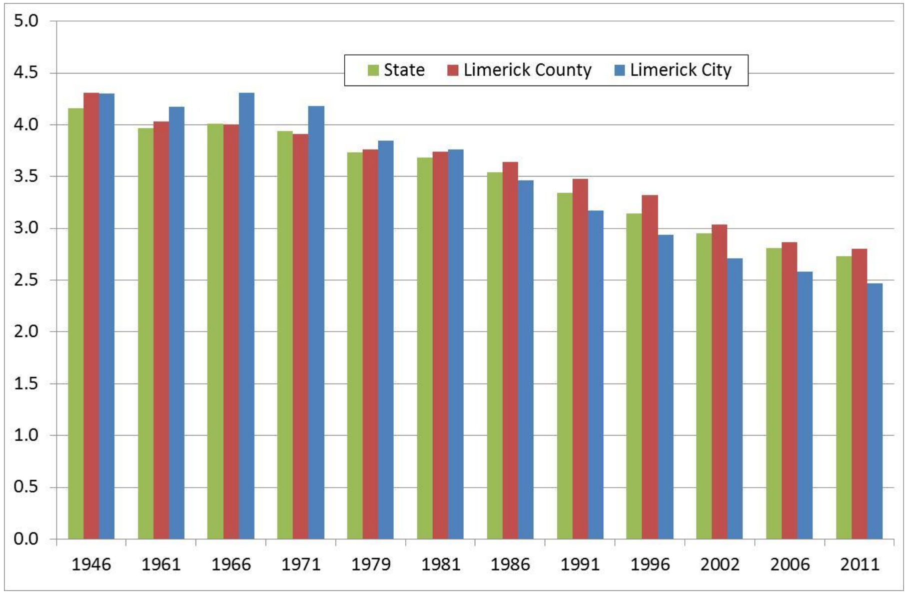
Source: CSO Population Projections

40% of Growth in Dublin
Only 6% in Mid-West

Household Formation

- Household Size is declining
  - Mid West Population Projections – 410,000
  - 19,000 additional houses by 2031 (1,300 pa)
  - Conservative
    - ➢ Obsolescence?
    - ➢ Smaller Families Size?
    - ➢ Changing Family Structures?

Trend in Average Household Size Limerick & State



Source: CSO Census

Mid West House Building Activity

- Planning Permissions are increasing
  - Low base and % do not get developed
- Commencement Notices up significantly
  - Phased Development of Estates
- Completions
  - ESB Connections
  - Not new Build
- Accurate?
- Vacant Stock?
- Living City?

Mid West Building Activity Indicators 2008 -2016			
	Permissions	**Commencements**	**Completions**
2008	4939	2079	5198
2009	2840	1070	2593
2010	1422	805	1664
2011	652	451	1090
2012	448	444	849
2013	356	366	822
2014	406	479	853
2015	566	383	1170
2016	559*(up to Q3)	636	876

Source: CSO & Department of Housing

Transport

- Population Growth impacts on Transportation
- 90,000 Additional Cars in 2025 (450,000 Cars)
- Road Network in the City is Congested
- Transport Investment
  - Roads
  - Rail
  - Bus
- Infrastructure is Critical
  - New Investment
  - Existing Assets – Shannon Port and Shannon Airport

Commercial Property

- Limited Grade A Office Stock in Limerick -19% yoy
- No Grade A units >5,000 sq m
- 28,450 sq m under construction
- Limerick prime rents forecast - €296 by 2018
- Planning Permissions are low
- Where are the developers?

Planning Permissions Granted – Commercial Buildings

	State	Border	Midland	West	Dublin	Mid-East	Mid-West	South-East	South-West
2010	418	68	20	49	79	48	50	49	55
2011	283	42	21	27	66	24	22	37	44
2012	199	28	18	17	40	20	16	22	38
2013	188	21	7	32	57	11	14	17	29
2014	178	18	13	13	51	15	18	19	31
2015	219	34	7	16	89	15	14	13	31
2016	239	17	10	15	106	21	10	32	28

Source: CSO

Some Chamber Policy Priorities

- City Centre Revitalisation
  - Living City
  - Commercial Office Development
- Transport Infrastructure
  - Road Network: NDR, Limerick- Foynes, M20
  - Public Transport
- Education & Skills

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