

Mid-West Economic Insights

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**Limerick
Chamber**
Advancing business together

1

General Economic Update
(Mid-West)

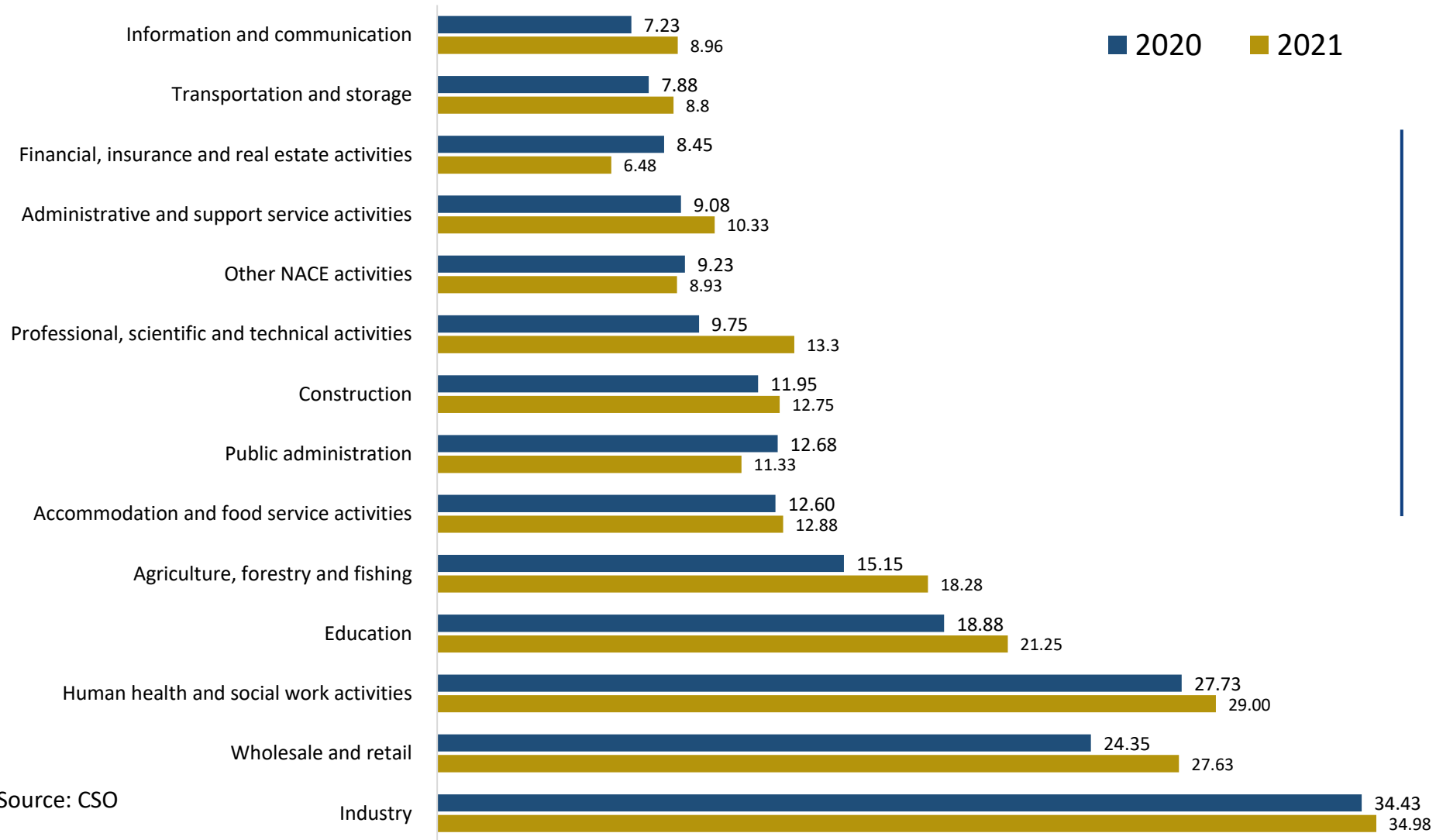
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Property Overview (Mid-
West)

3

Rental Affordability Case
Study (Limerick)

1. Mid-West Sectoral Employment (000's)

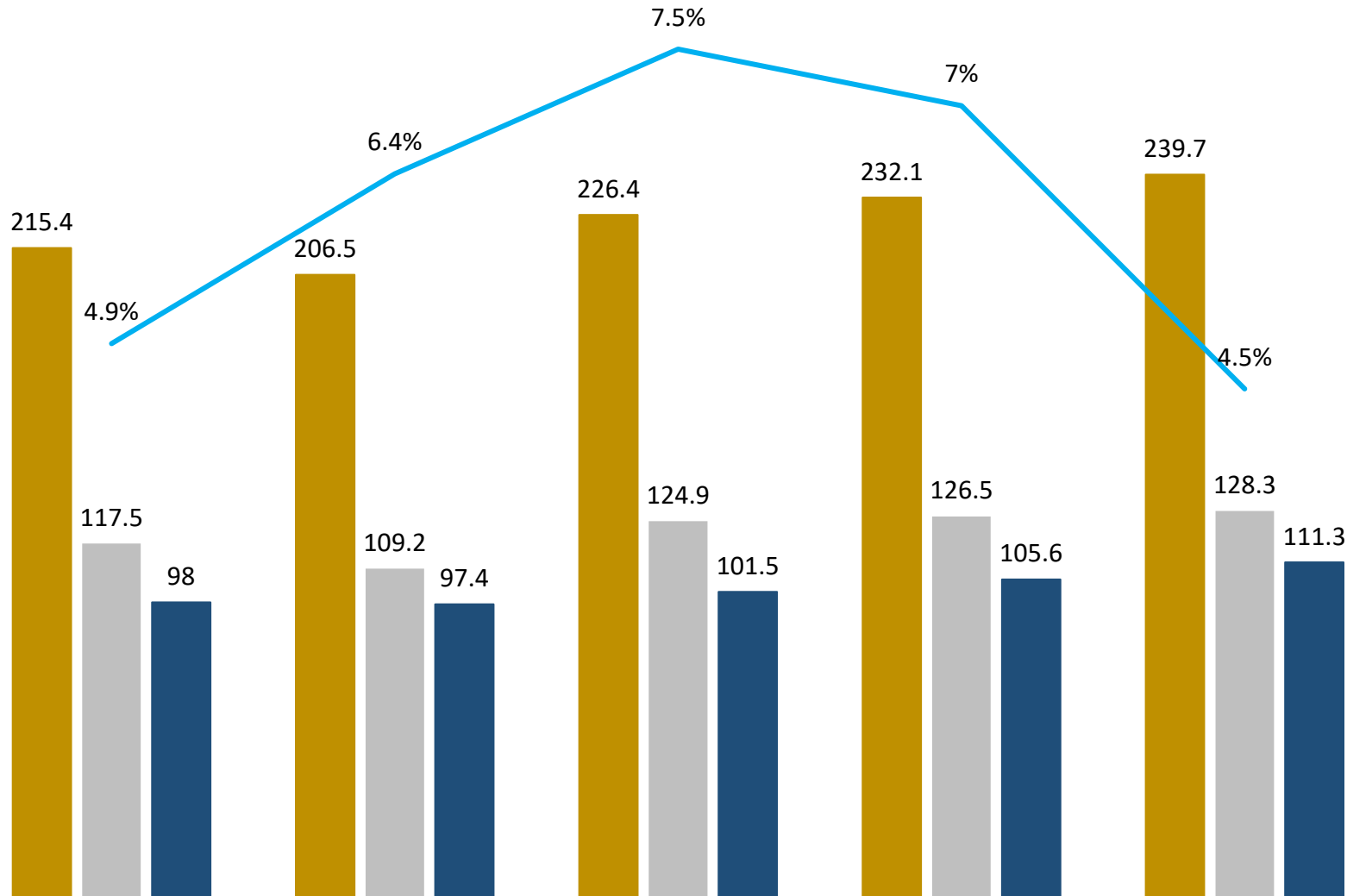


Source: CSO

- Employment total figure shows what sectors have been hit the hardest/benefitted the most
- Note the rise in Wholesale & Retail after a steep decline in 2020. Industry also continues to grow amid recent announcements.

2. Mid-West Labour Statistics

Persons in Employment (000's) Male (000's) Female (000's) Unemployment Rate (%)



- ↑ + 33,200 employed from Q1 to Q4
- ↑ + 13,900 in female employment
- ↑ + Total labour force now **10.8%** bigger than pre pandemic (Q4 2019)
- ↓ - Unemployment rate down 1.9 p.p

Source: CSO 2019Q4

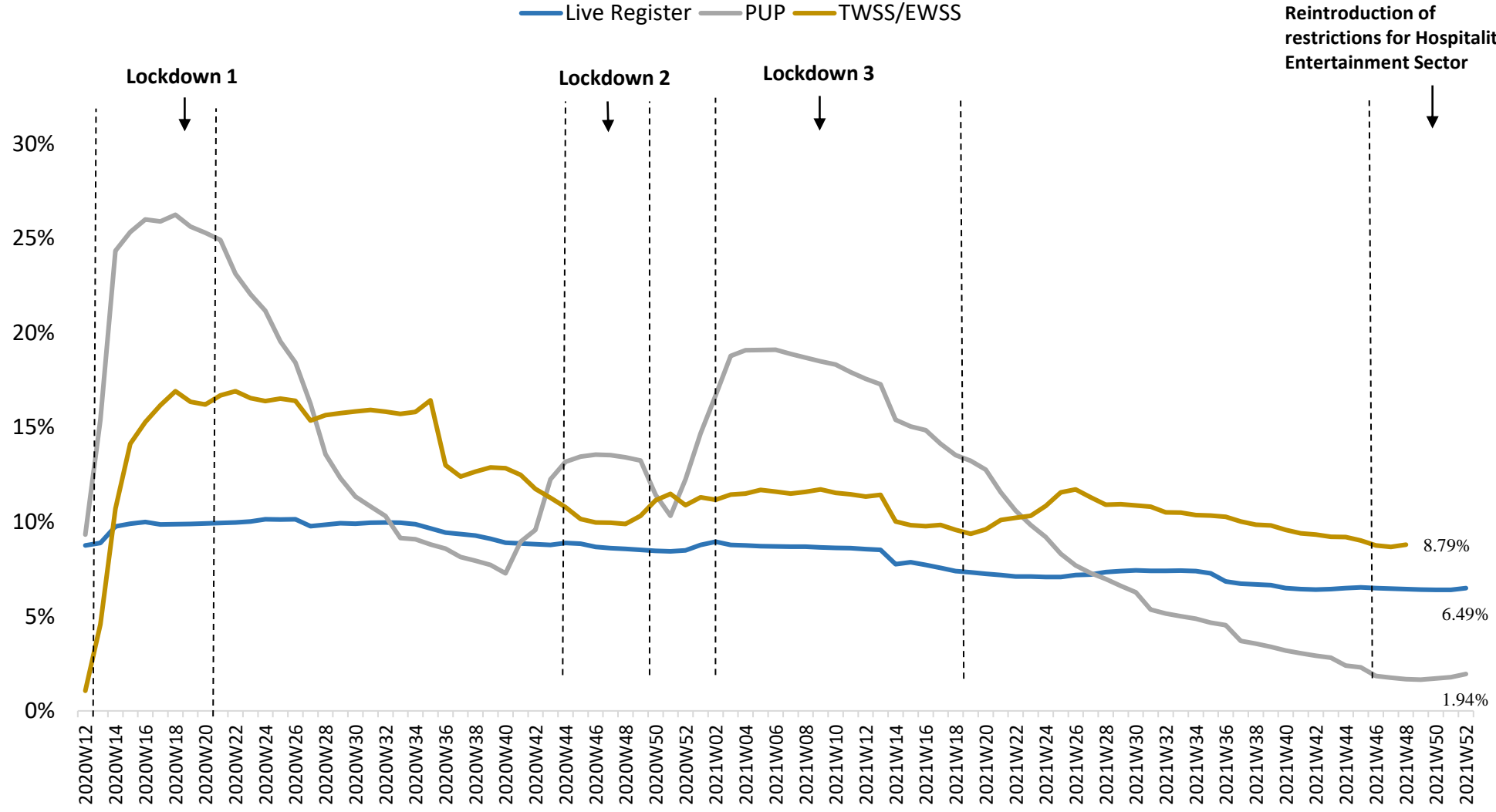
2021Q1

2021Q2

2021Q3

2021Q4

3. Mid-West Income Supports: Labour Force (%) in Receipt of Income Supports



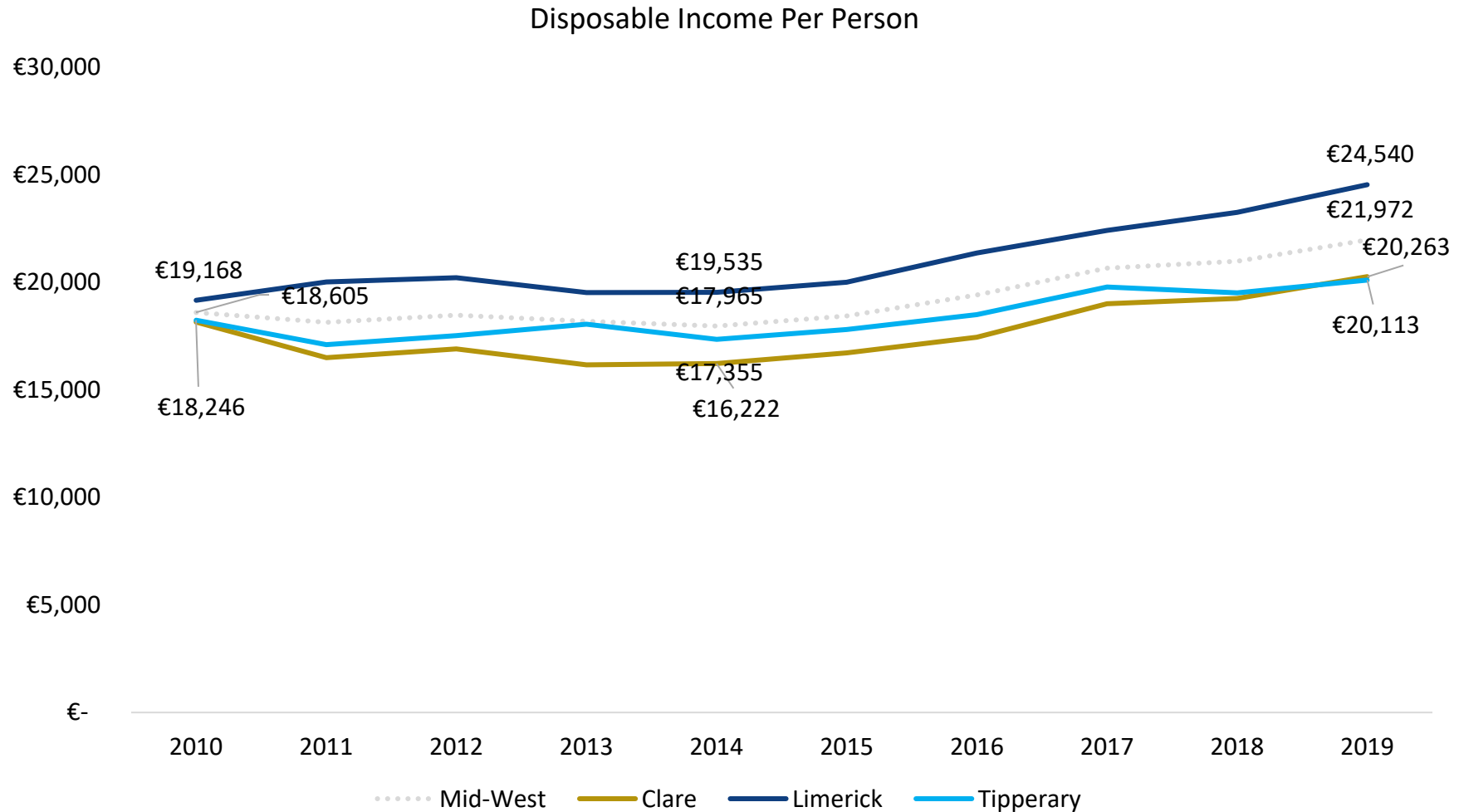
- Inverse relationship between lockdowns & PUP
- Fall in PUP post lockdown 3 once the economy reopens
- Data for Jan '22 not available yet but expected that this slight upward trend of PUP towards the end of 2021 will continue through Jan.

4. IDA Mid-West

Region/Year	2019	2020	2021	Yr-Yr %	2015-2021
National	248,450	258,558	275,384	6.5%	35.0%
Dublin & Mid-East	125,580	159,560	172,021	7.8%	41.6%
South West	43,812	46,275	47,572	2.8%	29.3%
West	27,014	27,693	29,419	6.2%	39.6%
Mid-West	24,031	24,095	25,270	4.9%	30.3%
South East	13,096	13,868	14,932	7.7%	34.3%
Border	8,722	8,495	8,721	2.7%	-12.3%
Midlands	6,195	6,265	6,868	9.6%	29.8%

Source: IDA

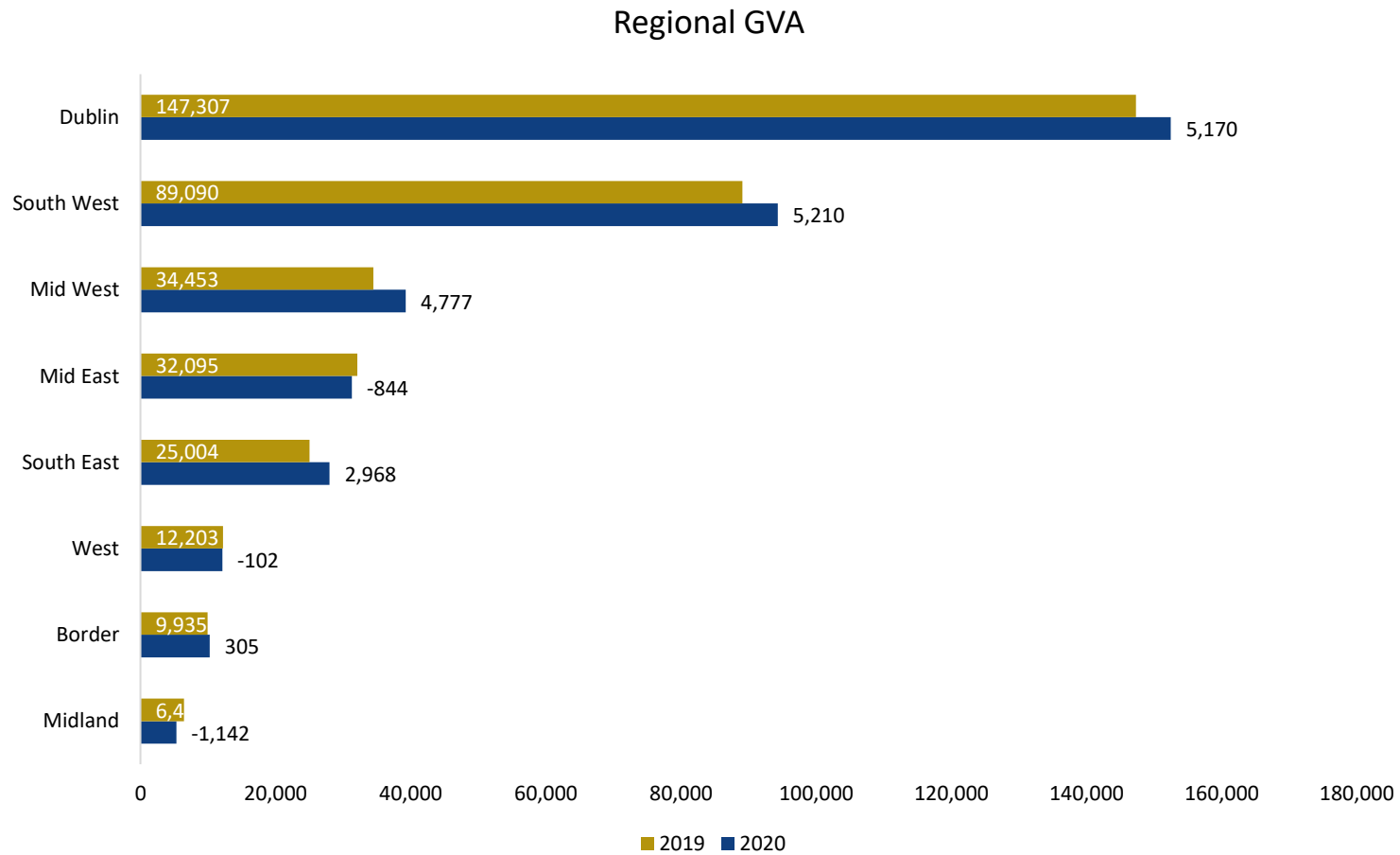
5. County Incomes (2019, 2022 release)



- ↑ + 18% increase for Mid-West (2010 – 2019)
- ↑ + 28% increase for Limerick
- ↑ + 12% increase for Clare
- ↑ + 10% increase for Tipperary
- ↔ Pandemic likely to impact recent years figures
- ↓ Cost and inflationary environment likely to have an impact

Source: CSO

6. Regional GVA (2019, 2022 release)



Source: CSO

- Think of GVA as a regional GDP
- Measures added value generated by production of goods and services
- Mid-West in decent shape due to concentration of FDI & other key industries

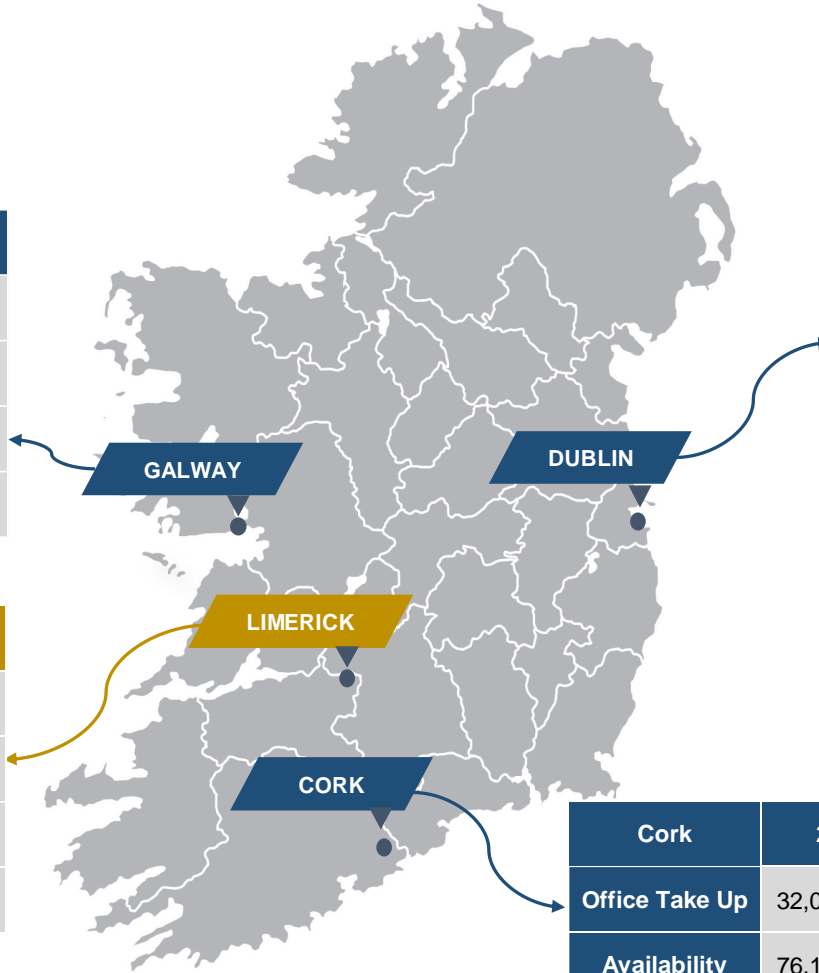
GVA vs GDP

The difference between the two concepts is that GDP is measured after including product taxes (e.g. excise duties, non-deductible VAT, etc.) and deducting product subsidies while GVA is measured prior to adding product taxes but includes product subsidies

7. Office Market Review

Galway	2020	2021
Office Take Up	2,675 sq m	7,050 sq m
Availability	14,900 sq m	26,350 sq m
Vacancy Rate	4.8%	8.3%
Under Construction	23,650 sq m	11,675 sq m

Limerick	2020	2021
Office Take Up	13,300 sq m	10,575 sq m
Availability	35,485 sq m	36,200 sq m
Vacancy Rate	9.0%	8.9%
Under Construction	0 sq m	8,900 sq m



Dublin	2020	2021
Office Take Up	167,700 sq m	102,485 sq m
Availability	457,685	585,150 sq m
Vacancy Rate	11.7%	14.6%
Under Construction	394,785 sq m	454,050 sq m

Cork	2020	2021
Office Take Up	32,000 sq m	12,200 sq m
Availability	76,100 sq m	91,800 sq m
Vacancy Rate	11.7%	13.9%
Under Construction	6,050 sq m	15,900 sq m

Source: Cushman & Wakefield

8. Industrial Market Review

Limerick	2019Q4	2021Q3
YTD Office Take Up	25,700 sq m	25,000 sq m
Availability	107,000 sq m	43,650 sq m
Vacancy Rate	12.1%	4.3%
Under Construction	28,150 sq m	13,600 sq m

Source: Cushman & Wakefield

9. Commercial Property Report

Limerick



Commercial vacancy increased from 16.2% to 16.7% (YoY to Q4 21)

7th

Highest commercial vacancy in the state (State average 13.9%)

21.8%

Commercial vacancy in Newcastle West (14th highest town in the state, Ballybofey highest at 30.0%) – Up from 21.7% YoY

19.4%

Commercial vacancy in Limerick City – up from 18.5% YoY

(Cork City = 12.9%, Waterford City 16.5%, Galway City 18.4%)

Clare



Commercial vacancy decreased from 15.3% to 15.2% (YoY to Q4 21)

9th

Highest commercial vacancy in the state (State average 13.9%)

26.2%

Commercial vacancy in Kilrush (4th Highest Town in the State) increase from 25.9% YoY

23.9%

Commercial vacancy in Shannon (8th Highest Town in the State) – up from 23.7% YoY

18.1%

Commercial vacancy in Ennis (Down from 18.4% YoY)

Tipperary



Commercial vacancy increased from 14.4% to 14.5% (YoY to Q4 21)

10th

Highest commercial vacancy in the state (State average 13.9%)

17.9%

Commercial vacancy in Clonmel (Down from 18.5% YoY)

17.2%

Commercial vacancy in Nenagh (Up from 15.2% YoY)

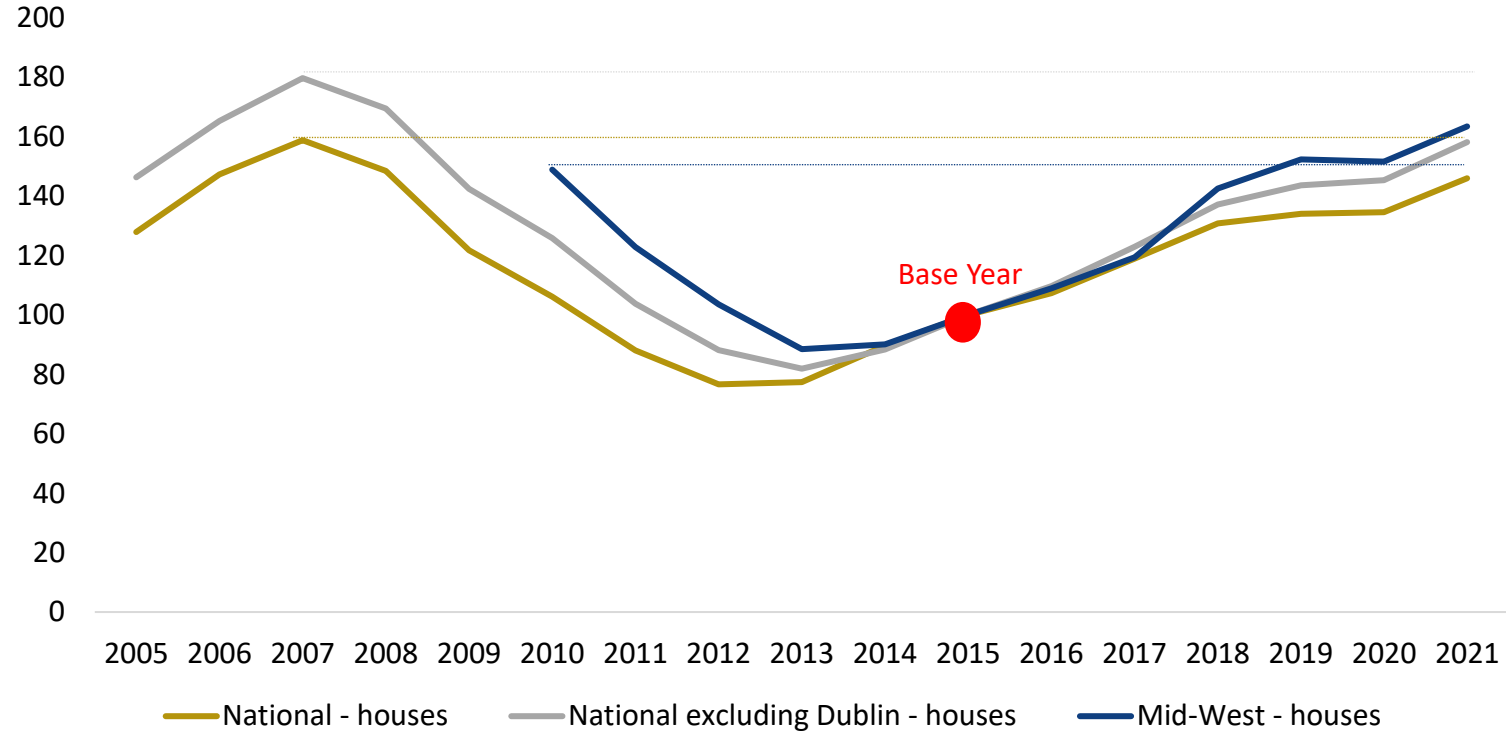
17.9%

Commercial vacancy in Thurles (No change)

Source: GeoView

- Small incremental trends / changes matter
- Need to prioritise using existing stock
- Need to examine state of existing stock. Can it be used? Is it derelict etc
- Need to make it more viable to conduct business in town / city centres
- Movement being made on re-purposing old pubs, but need to move quicker

10. Residential Property Price Index



- Housing data only, apartments not available
- Mid-West growth greater than national, and national excl. Dublin
- Does not necessarily mean prices are higher in the Mid-West but reflects supply and demand
- Mid-West grew by 7% from 2019
- Pandemic did little to quell price increase
- It will feed into ability to attract talent

↑ + 46% increase nationally from 2015

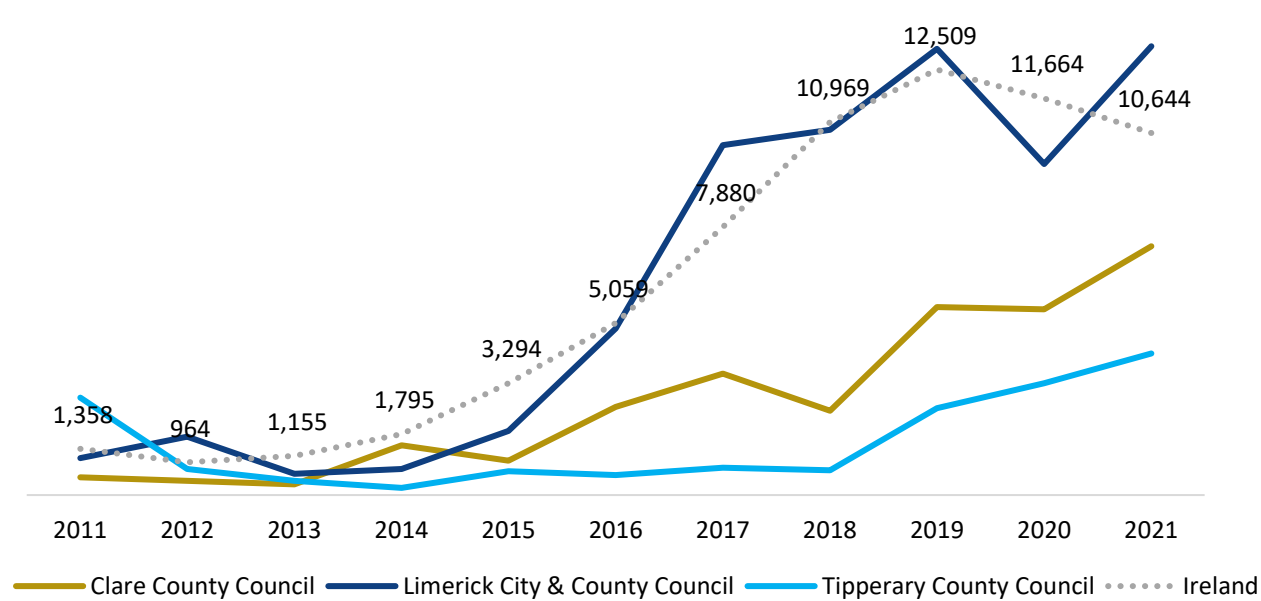
↑ + 58% increase nationally excl. Dublin from 2015

↑ + 64% increase in Mid-West from 2015

Source: CSO

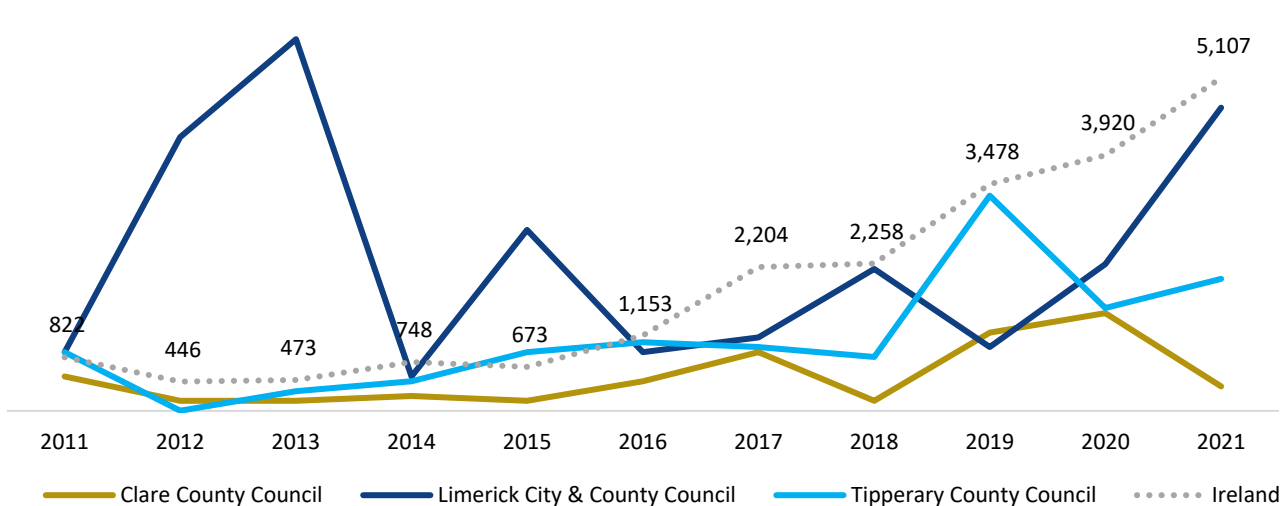
11. New Dwelling Completions

Scheme House (Housing Estate)



- ↑ + 377 houses, Limerick 2021 – +278 in 2020
- ↑ + 209 houses, Clare 2021 – +156 in 2020
- ↑ + 119 houses, Tipperary 2021 – +94 in 2020

Apartment



- ↑ + 62 apartments, Limerick 2021 – +30 in 2020
- ↑ + 5 apartments, Clare 2021 – +21 in 2020
- ↑ + 27 apartments, Tipperary 2021 – +21 in 2020

Source: CSO

11.1: Why the red arrows? We are adding supply each year

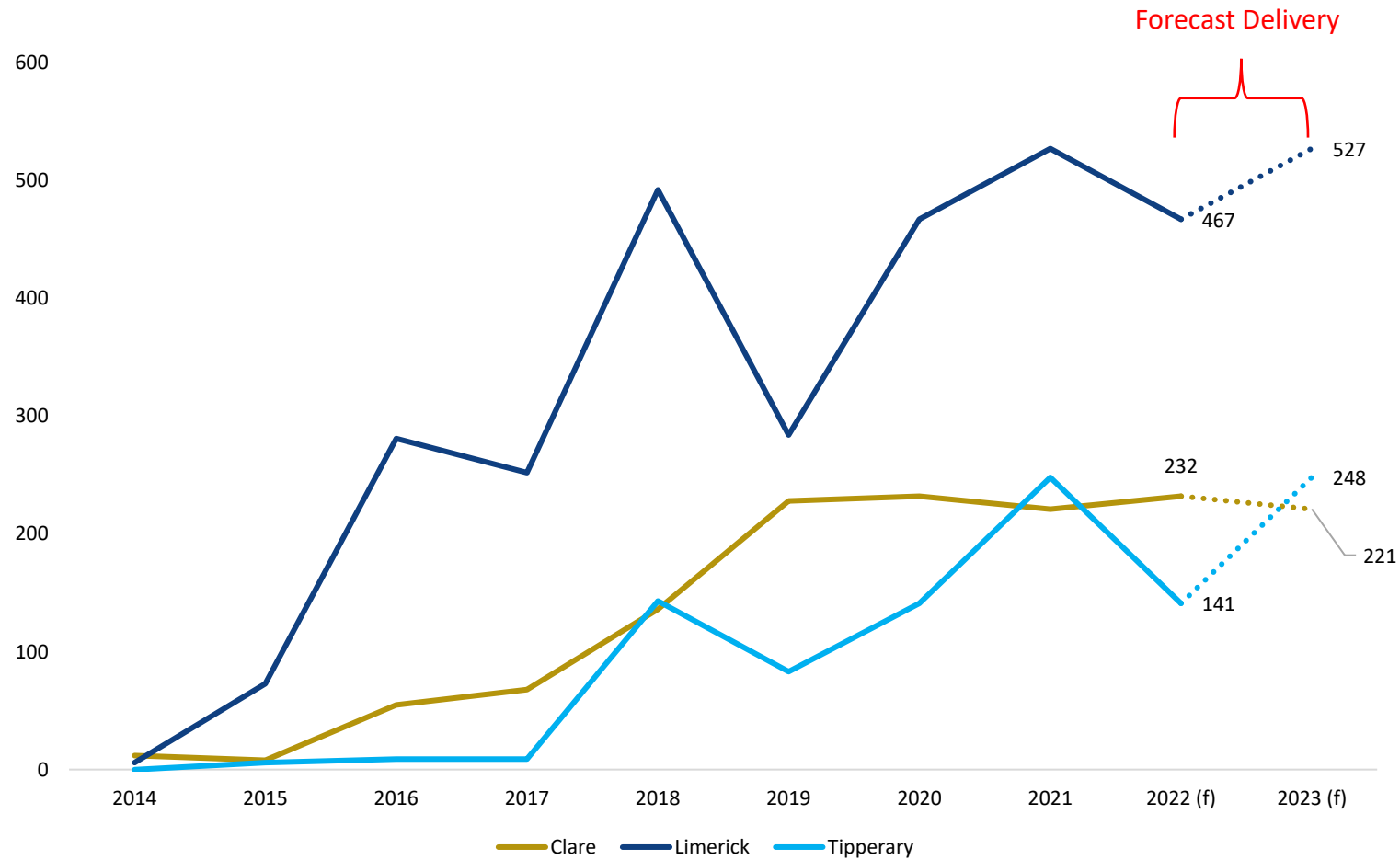
County	Total Home Delivery 2019*	Total Home Delivery 2020*	Total Home Delivery 2021*	Housing Requirement for NPF 50:50	Baseline Requirement to 2026
Limerick	552	509	606	1,826	1,110
Clare	383	394	410	290	567
Tipperary	323	300	315	348	792

* Includes one off housing, source: CSO

Source: ESRI, city bias, distribution is different

Source: ESRI, 28,000 homes needed per year – almost 1million additional people to 2040

12. New Dwelling Commencements (Excl. One off Housing)

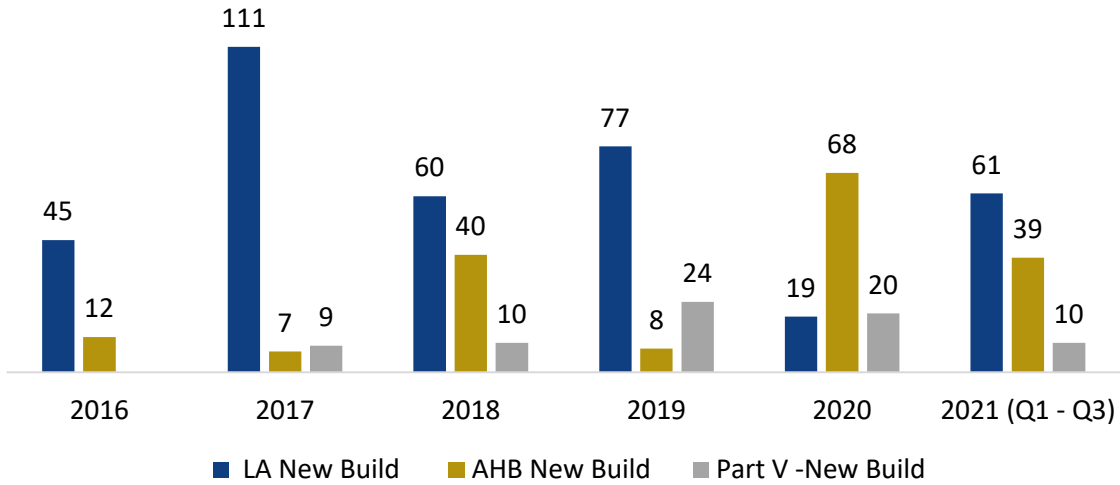


- Commencements in housing not stable
- Likely not to reach level of delivery required as per ESRI

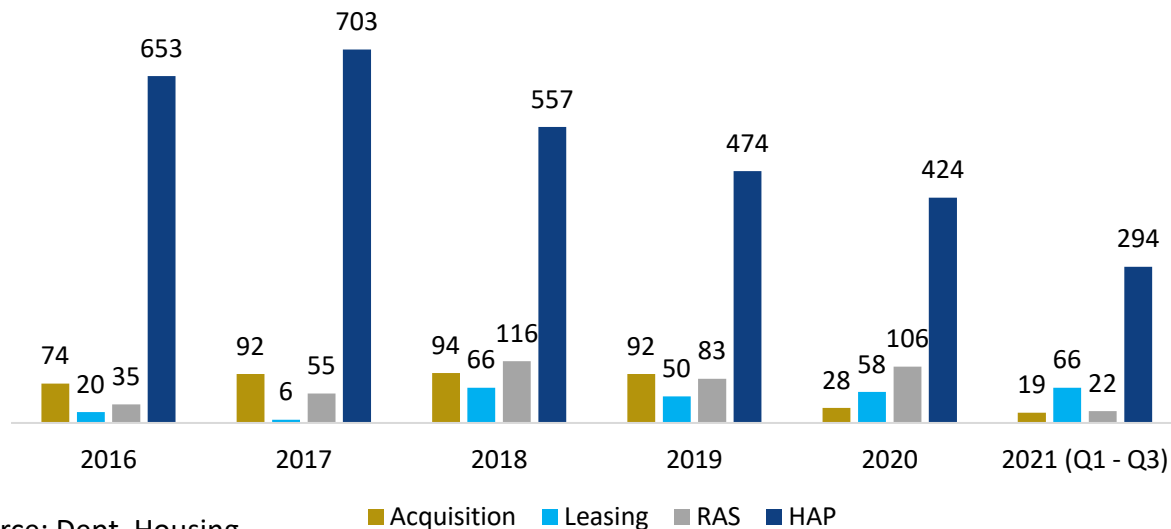
Source: Central Statistics Office

13. Social Housing Delivery

Social Housing New Build (Limerick)



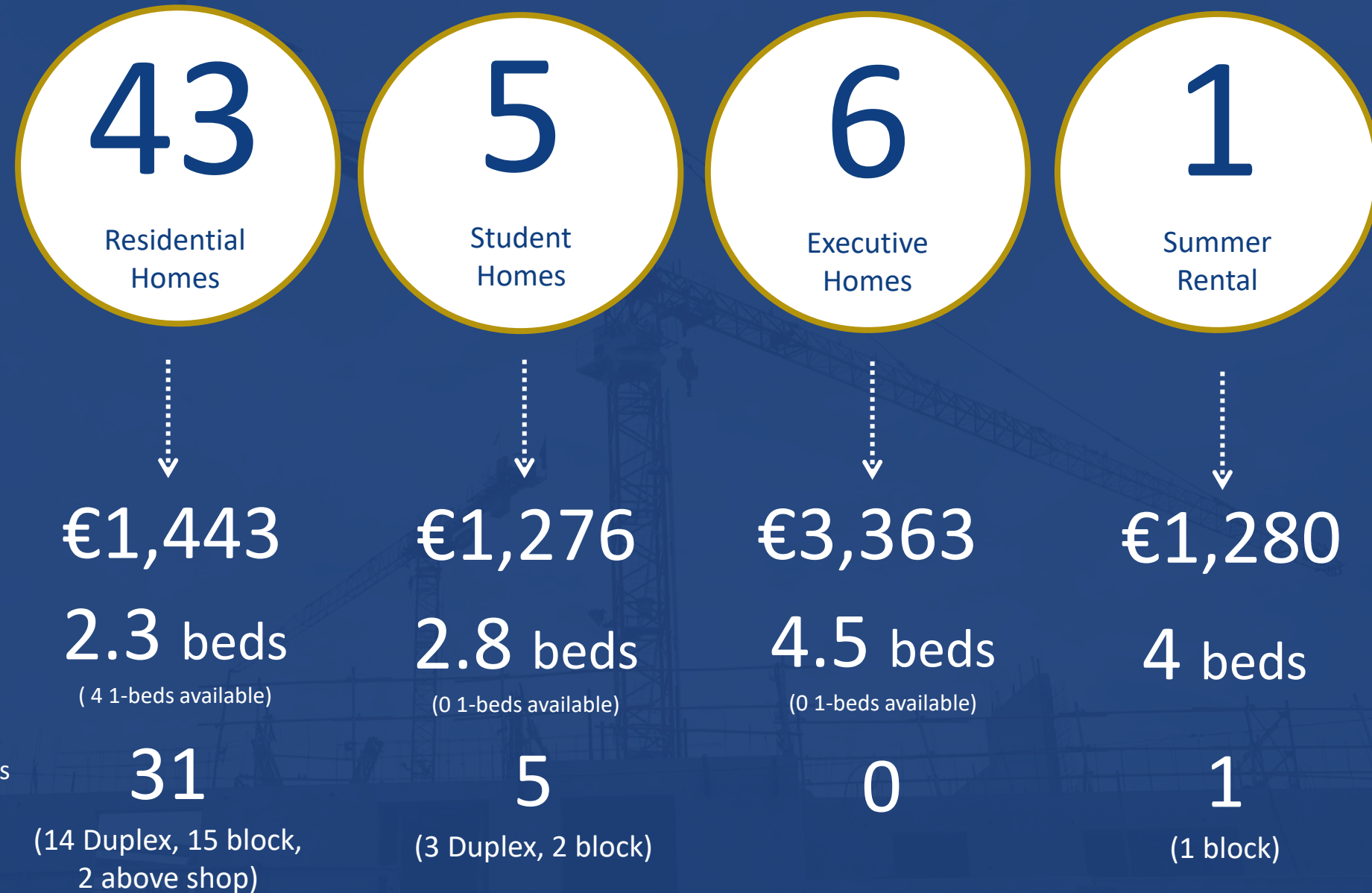
Social Housing Other Delivery (Limerick)



- Inadequate state delivery leads to increase in HAP causing further pressure on the private rental sector
- Social housing delivery figures included in overall delivery figures, final number of homes available to owner occupiers smaller than quoted
- Social housing waiting list forces accountability for delivery. No such list for affordable housing.
- Housing Assistance Payments cost the state c. €600m per year with total such housing supports c. €1 billion in current expenditure per year
- 62,000 households on national social housing waiting list (27% waiting 7 years or more) (2020)
- Clare has 1,202 on waiting list, Limerick 2,081 and Tipperary 1,259 (2020)
- 45.6% of national households on waiting list are currently in PRS

14. Limerick Rental Availability – A case study in rental (own accommodation) availability in Limerick City from the 15th of February to the 11th of March

55
Homes



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55
Homes

43
Residential
Homes

Avg. Price €1,443

Avg. Beds 2.3 beds
(4 1-beds available)

Apartments 31
(14 Duplex, 15 block,
2 above shop)

5
Student
Homes

€1,276

2.8 beds
(0 1-beds available)

5
(3 Duplex, 2 block)

6
Executive
Homes

€3,363

4.5 beds
(0 1-beds available)

0

1
Summer
Rental

€1,280

4 beds

1
(1 block)

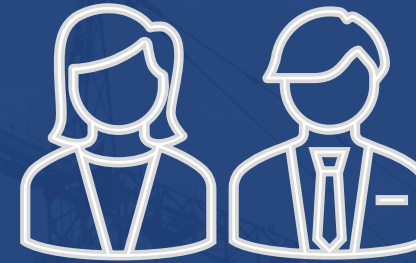
15. Limerick Rental Affordability

Single Person Affordability Threshold



€780
Per Month

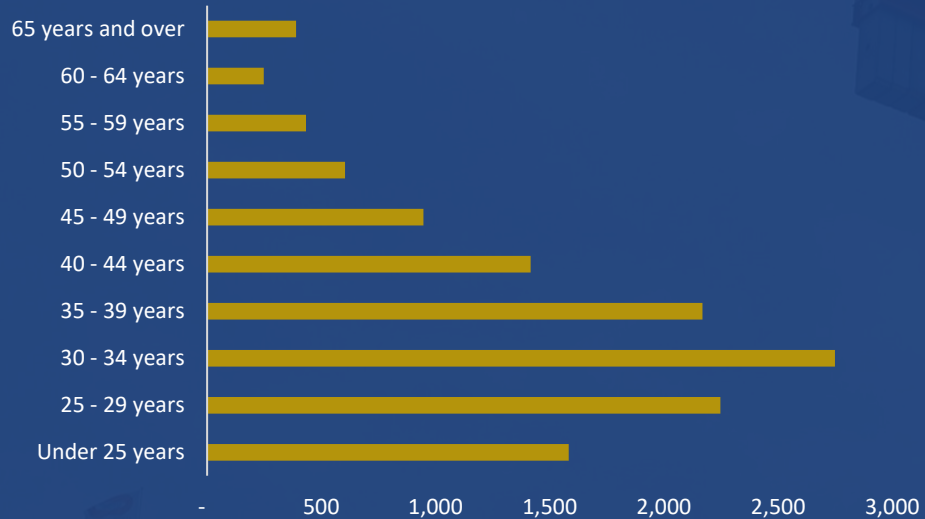
Couple Affordability Threshold



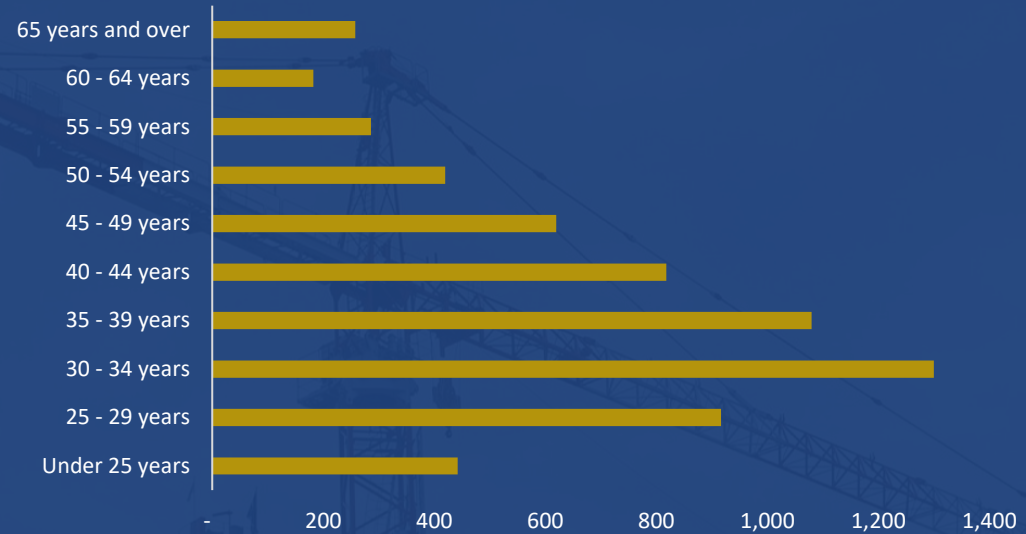
€1,560
Per Month

16. Mid-West Home Ownership – Number of Renters

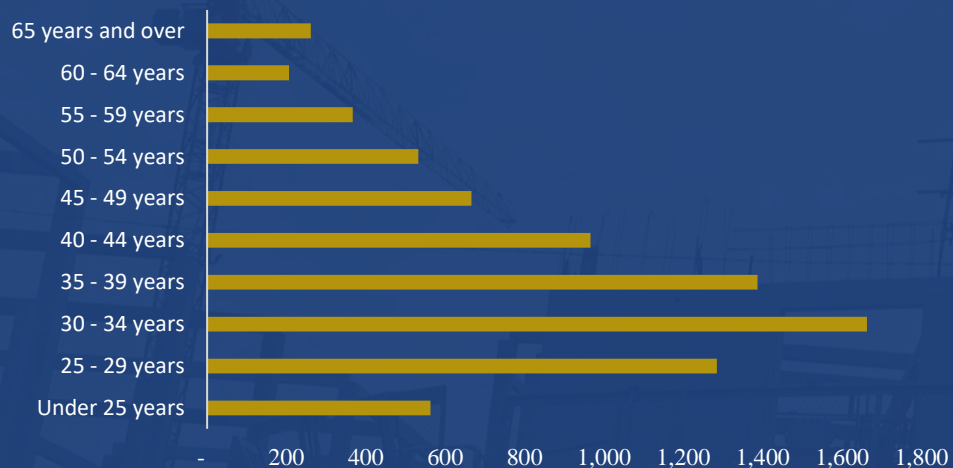
Limerick



Clare



Tipperary



Key thoughts

- Need to be worried about younger cohorts
- Pension issues are a worry, cant afford rent at older age c. one third of workers have no private pension
- Public pension system reform
- State to provide age appropriate housing
- Either a large increase in home ownership or large increase in state home provision

If we want more of this....



US company Legato to create 60 more jobs as Limerick R&D hub opens



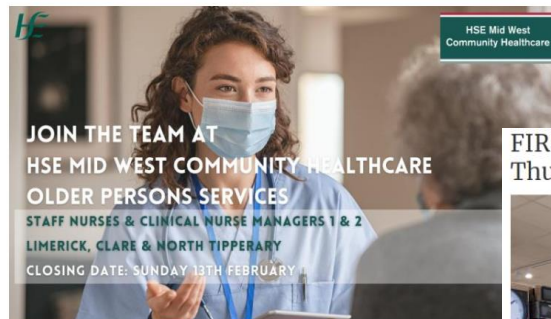
Irish lab tech company's expansion to create 10 new jobs in Tipperary



Edwards Lifesciences to create 250 extra jobs at new Limerick plant

JOB ALERT: HSE hiring Staff Nurses and Clinical Nurse Managers across Limerick, Clare and Tipperary

HSE Mid West Community Healthcare Older Persons Services are recruiting Staff Nurses and Clinical Nurse Managers 1&2 across Limerick, Clare and N. Tipperary. Applications close Feb 13th



**JOIN THE TEAM AT
HSE MID WEST COMMUNITY HEALTHCARE
OLDER PERSONS SERVICES
STAFF NURSES & CLINICAL NURSE MANAGERS 1 & 2
LIMERICK, CLARE & NORTH TIPPERARY
CLOSING DATE: SUNDAY 13TH FEBRUARY**

JOB ALERT: HSE hiring Staff Nurses and Clinical Nurse Managers across Limerick, Clare and Tipperary



300 jobs from Lilly's €400 million investment in Limerick

By Editor - January 28, 2022

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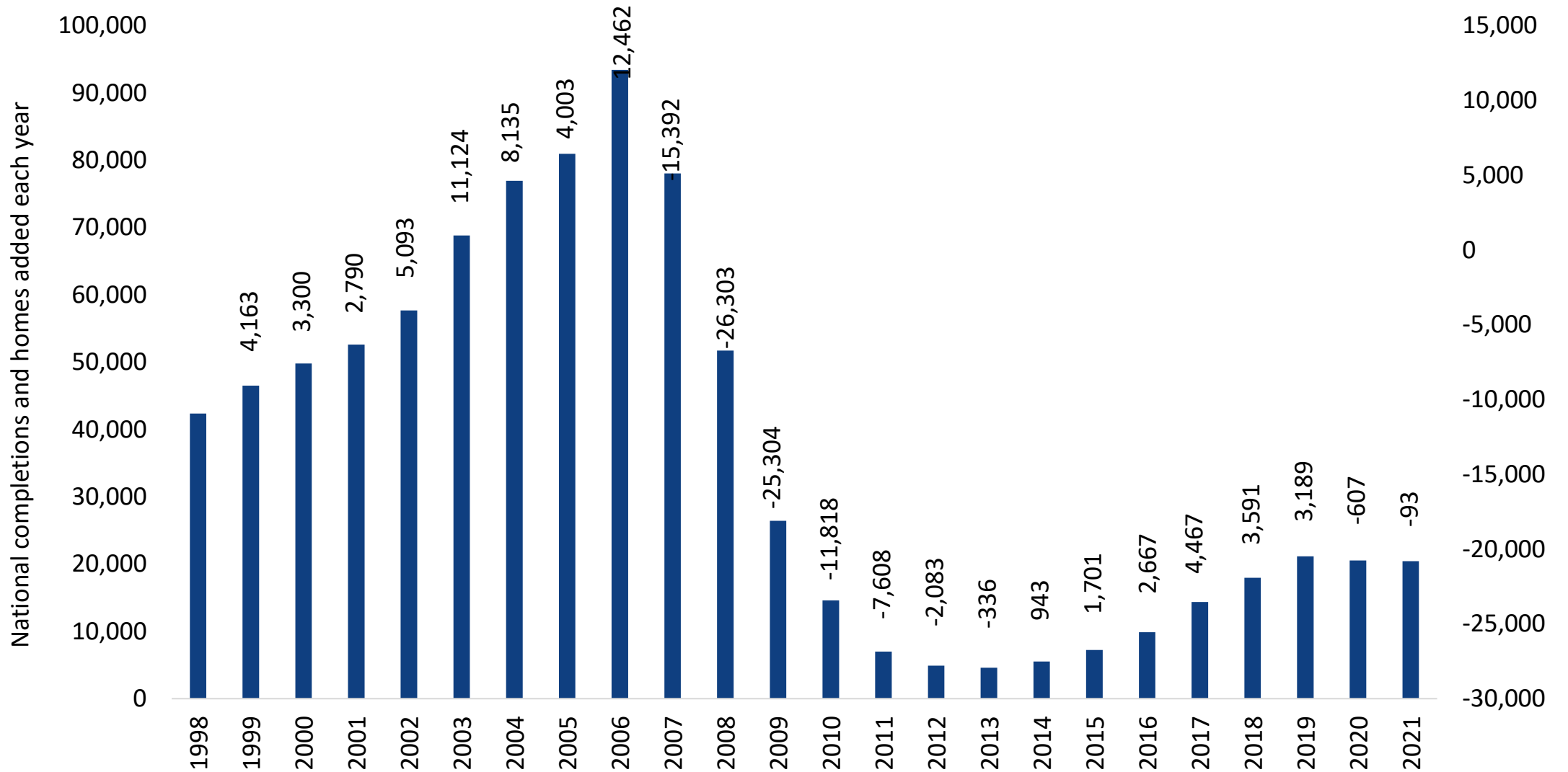
By Editor - January 28, 2022

FIRST LOOK: New Jysk store opens in Thurles



FIRST LOOK: New Jysk store opens in Thurles

Then we need more of this...



Source: CSO

Not this ...

“
*Housing can't be
built overnight*”

new Government to be formed. As anyone with a genuine interest in housing knows, tackling the housing problem is not an overnight process, it is a long process. We all

More Business

'You can't build houses overnight': Developers on their issues with the planning system

The planning process is faster now, but developers say there are other major hurdles that prevent them from delivering more completed housing schemes

Minister: 'We've had housing issues for 10 years, I'm not going to fix it overnight'

Enda Kenny
19th
May
2014



Mr Kenny said the Government is determined to respond to the phenomenon of homelessness in an urgent fashion but he said it is not possible to provide instant homes overnight.

14th
April
2016
Alan Kelly



Leo Varadkar
21st
Sept
2017



He added that the current crisis facing the country will not be fixed overnight, and that while the Government is making great progress, it is not enough to solve the problem.

06th
October
2019
SBP



Darragh O'Brien
29th
December
2020



Darragh O'Brien: Rough sleeping can be solved but 'not overnight'

11th
May
2021
Darragh O'Brien



Thank-you

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