Mid-West Economic Insights

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1. Enterprise & Employment
2. Housing & Commercial Sector
3. Air Travel
4. Consumer Sentiment

Enterprise & Employment

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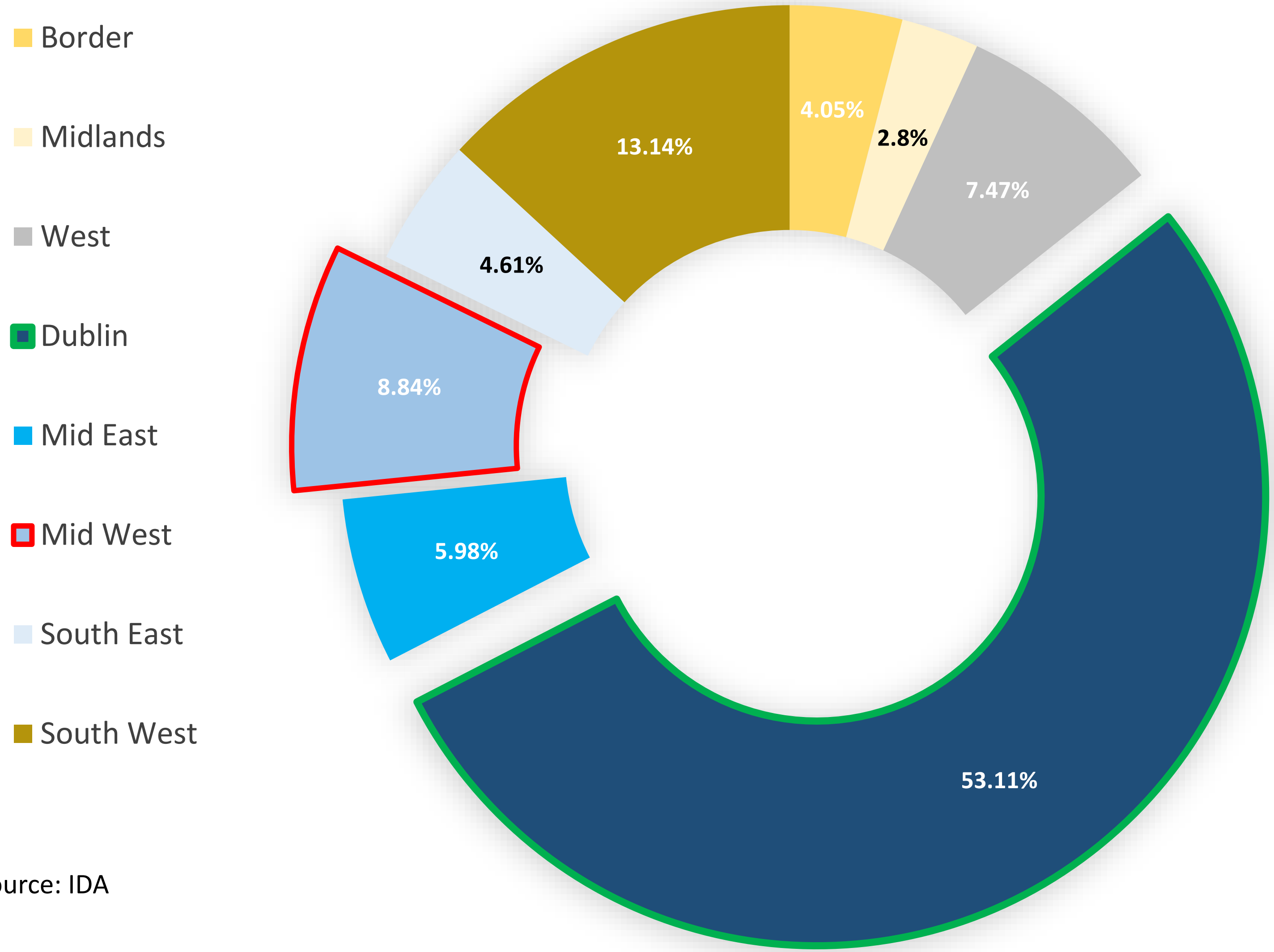
IDA Supported Enterprise by Region - 2021



Source: IDA

- 53% FDI related enterprises lie in Dublin.
- The Mid-West (8.84%) is one of 7 areas competing for the remainder (46.89%).

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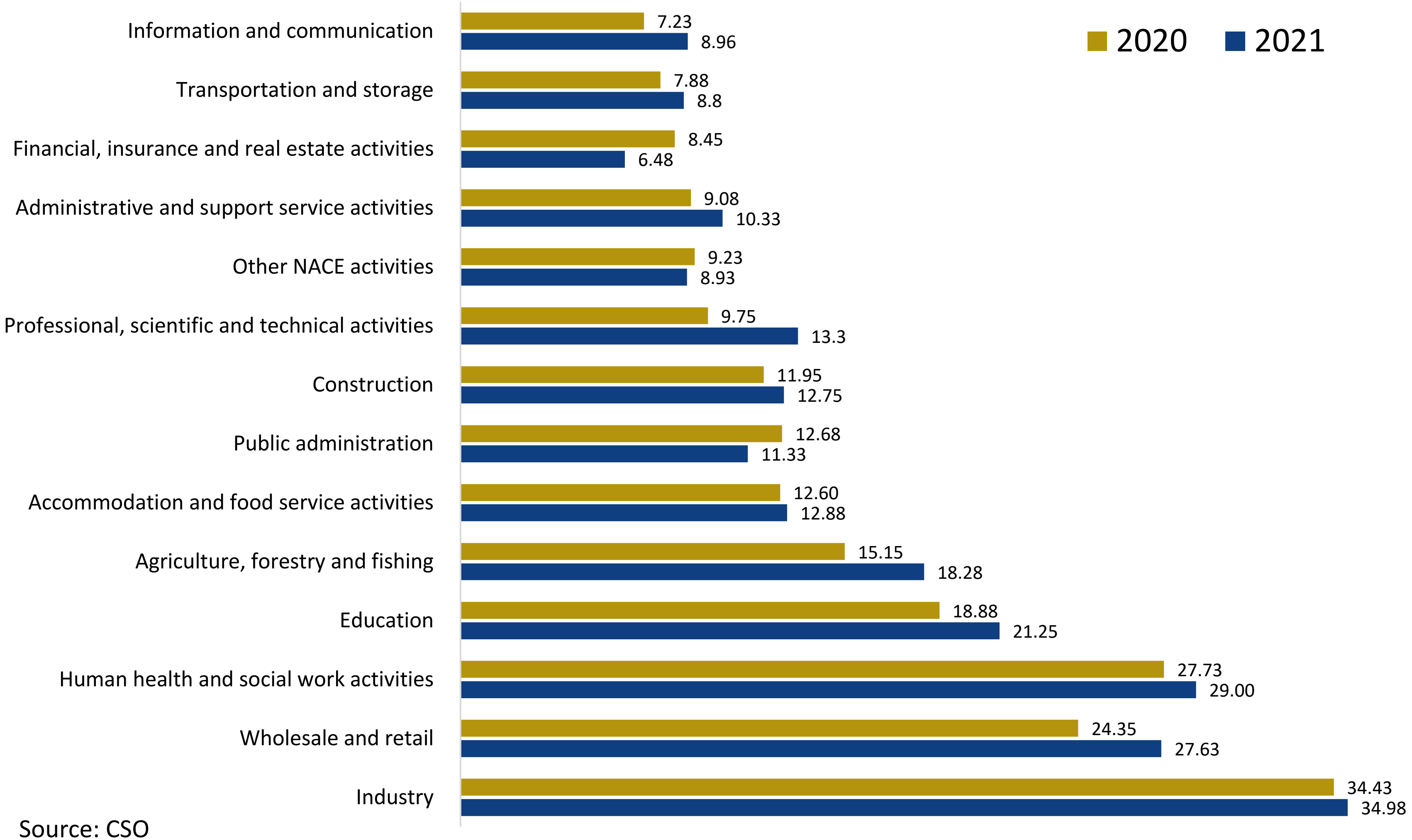
Mid-West Sectoral Employment (000's)



Source: CSO

- Industry – 32.4% growth between pre-pandemic levels and 2021Q4.
- Recovery across a number of sectors as restrictions eased in 2021.
- Sectors have had varying outcomes throughout the Covid-19 pandemic.

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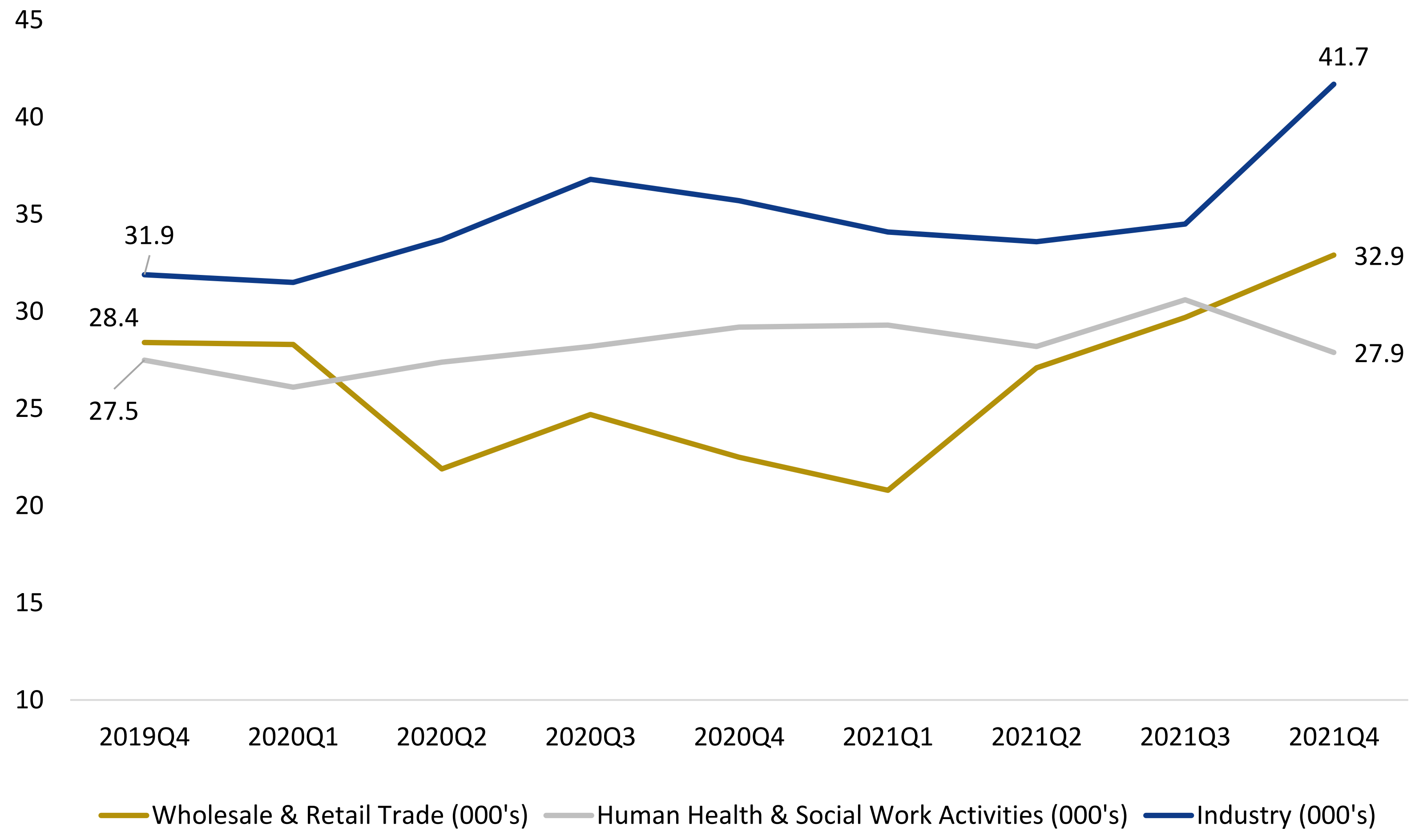
Mid-West Sectoral Employment (000’s)



Source: CSO

- Contrasting performances for the 3 largest sectors – Human Health moved to the 2nd largest sector for most of the last 2 years.
- **Industry** – increased activity through a spike in demand & exports.
- **Human Health** – remained at a high level of demand as expected throughout the pandemic.
- **Wholesale & Retail** – significantly impacted by restrictions. Limited business activity leading to a drop in employment numbers (↓ 36.1% in Q1 2021 vs pre-pandemic levels).

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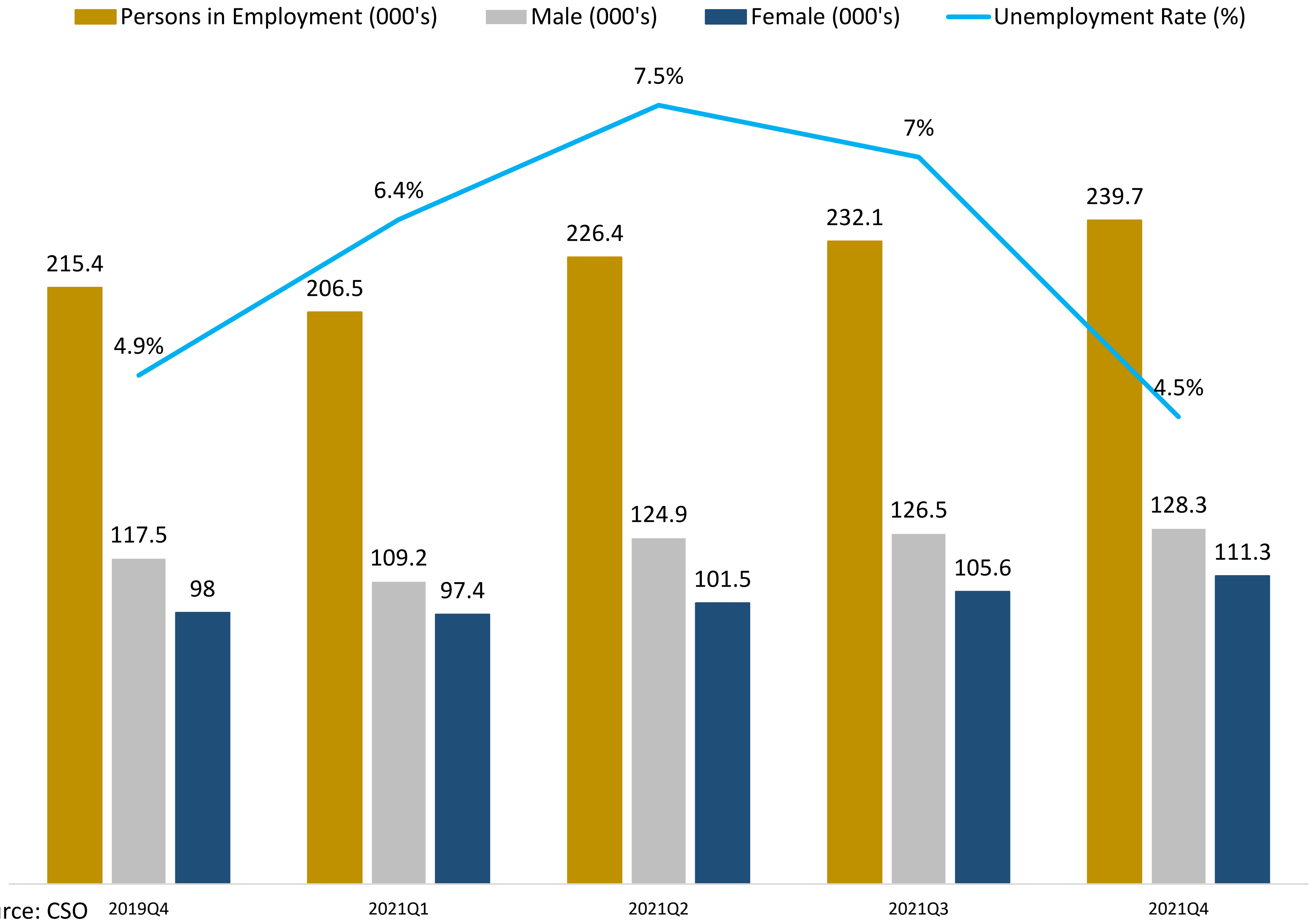
Mid-West Labour Statistics



Source: CSO

- + 33,200 employed from Q1-21 to Q4-21
- + 13,900 in female employment
- + Total labour force now **10.8%** bigger than pre pandemic (Q4 2019)
- - Unemployment rate down 1.9 p.p

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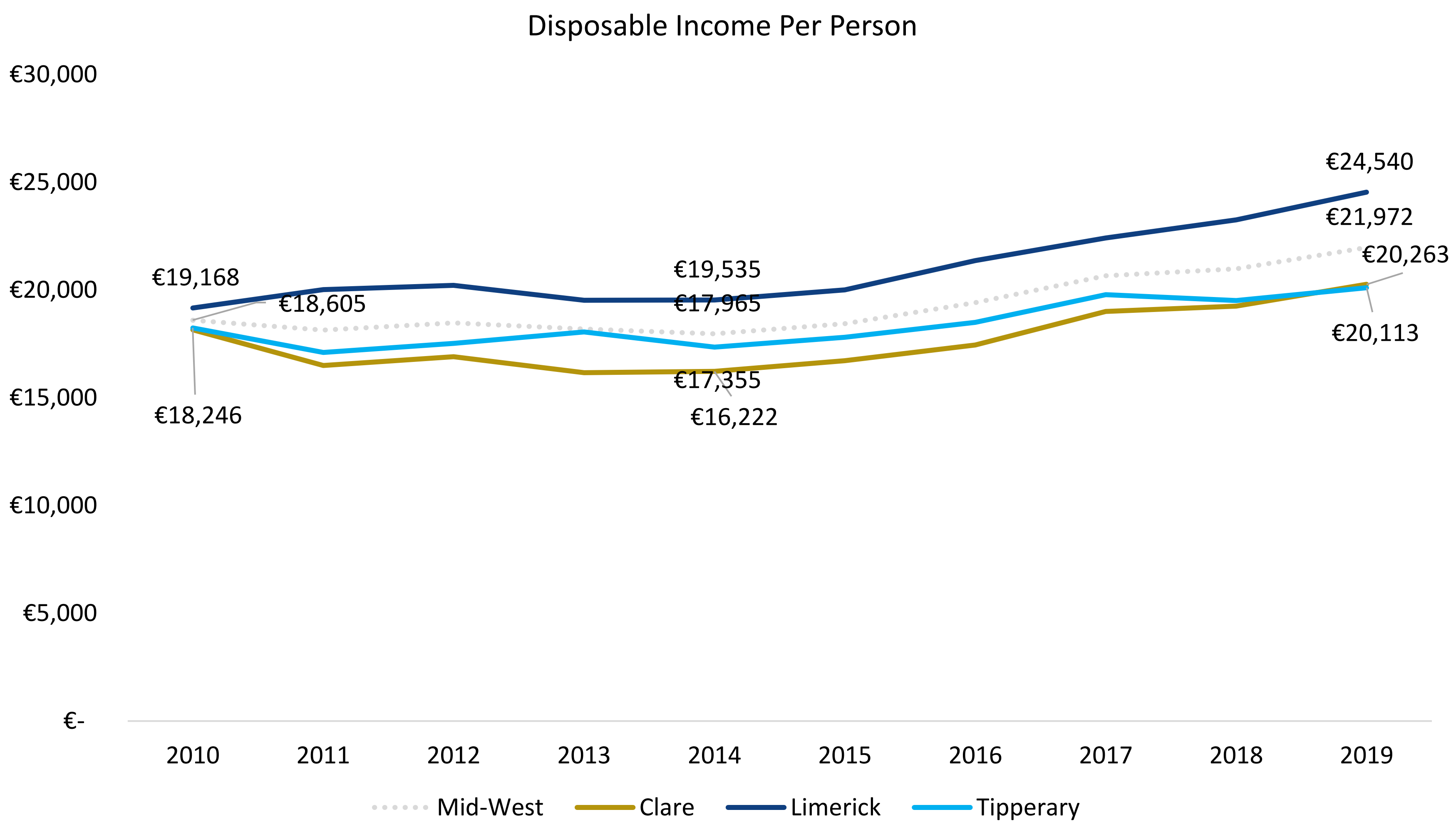
County Incomes (2019, 2022 release)



Source: CSO

- + 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

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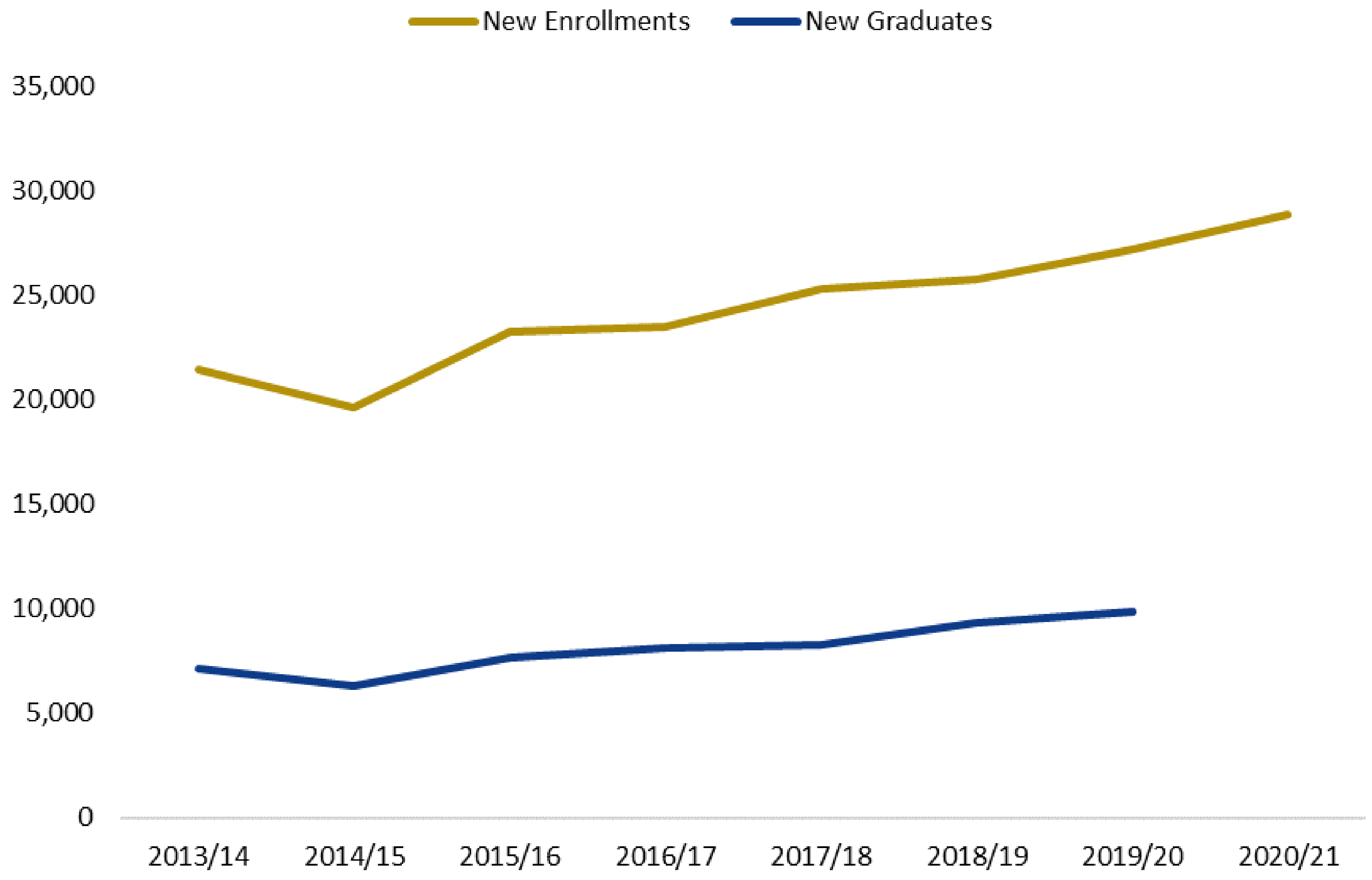
Mid-West New Graduates & Enrollments



- + 22.7% increase for new Mid-West enrolments (2015/16 – 2020/21)
- + 38.1 % increase for new Mid-West graduates (2014 – 2020)
- Steady pipeline of both enrolments and graduates
- Important asset for the Mid-West in attracting FDI.

Housing & Commercial Sector

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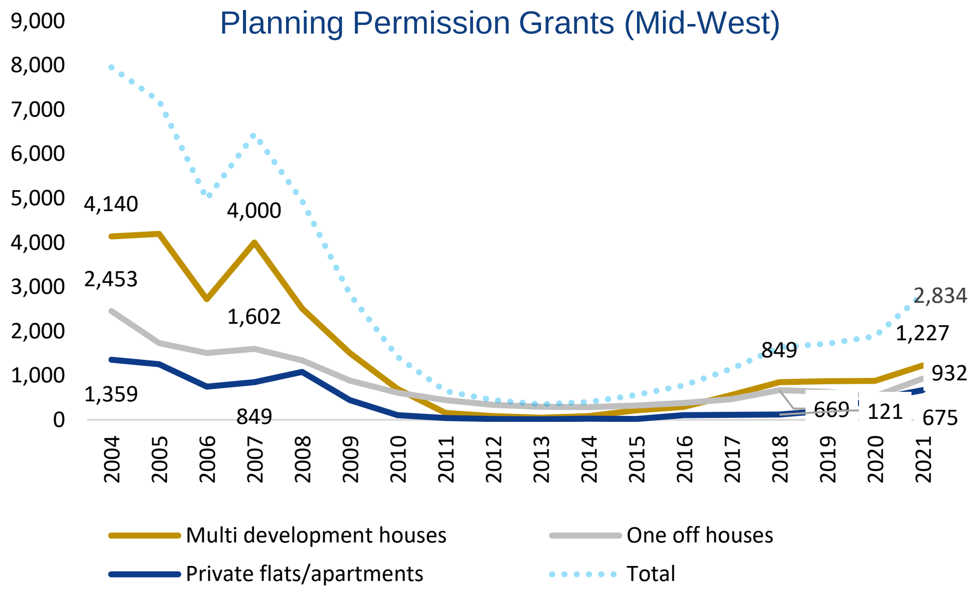
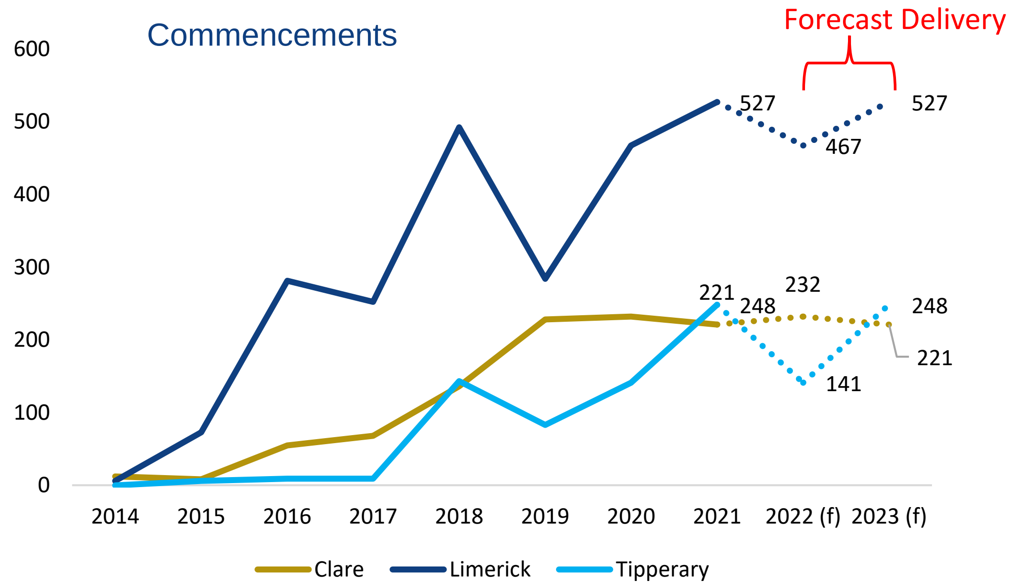
Housing Pipeline



+948 homes YoY in 2021 (total = 2,834)

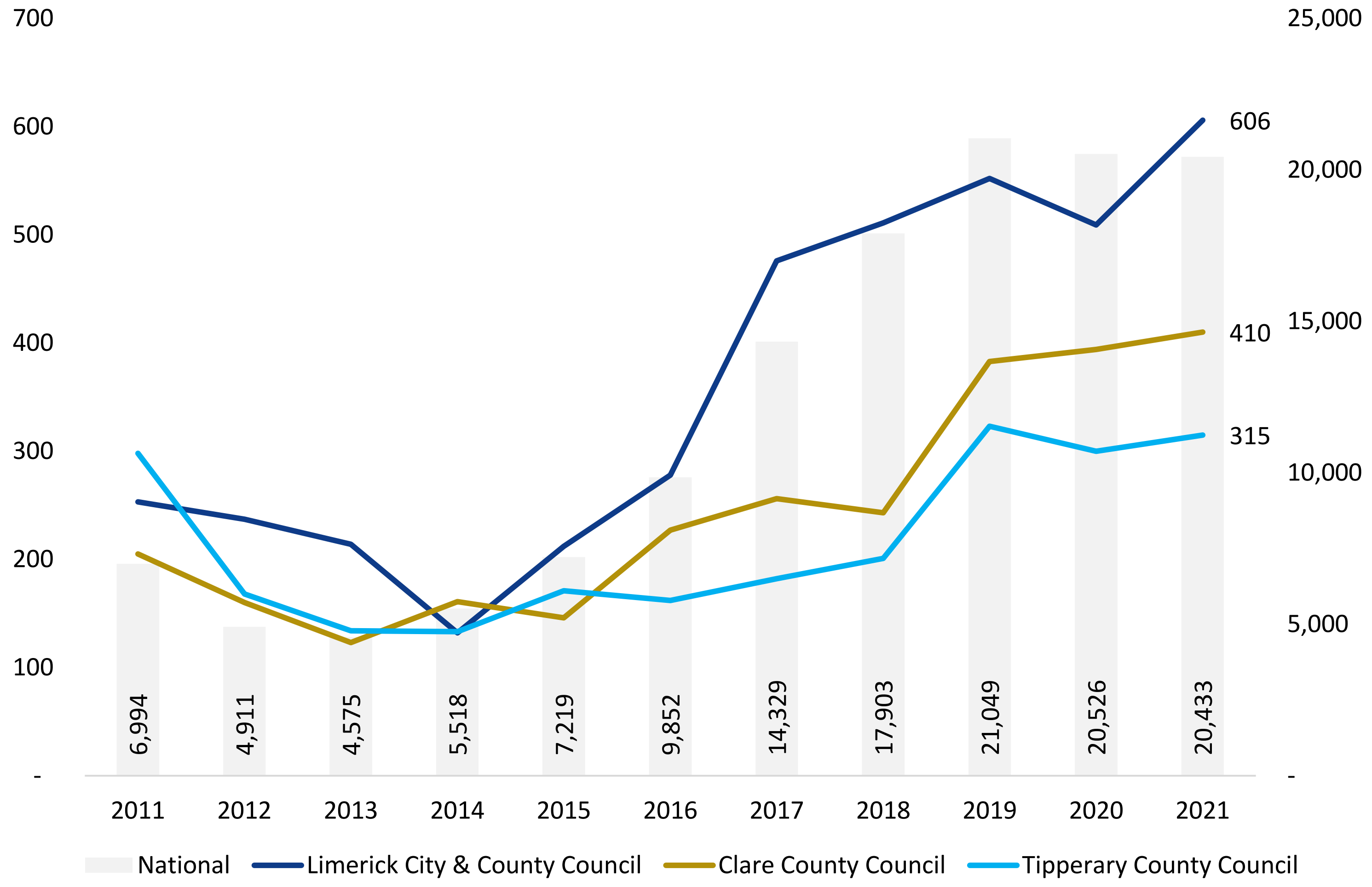
- 23.8% Apartments (675 homes)
- 32.9% one off houses (932 homes)
- 43.3% Estate Houses (1,227 homes)



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

Source: CSO

New Dwelling Completions



- -92 homes nationally in 2021 YoY (-523 in 2020)
- + 97 homes in Limerick 2021 (-43 in 2020)
- + 16 homes in Clare in 2021 (+11 in 2020)
- + 15 homes in Tipperary in 2021 (-23 in 2020)
- ESRI Limerick demand is 1,200 – 1,800 pa
- ESRI outline national demand is 28,000 pa – 24,000 targeted in 2022 under housing for all

Source: Central Statistics Office

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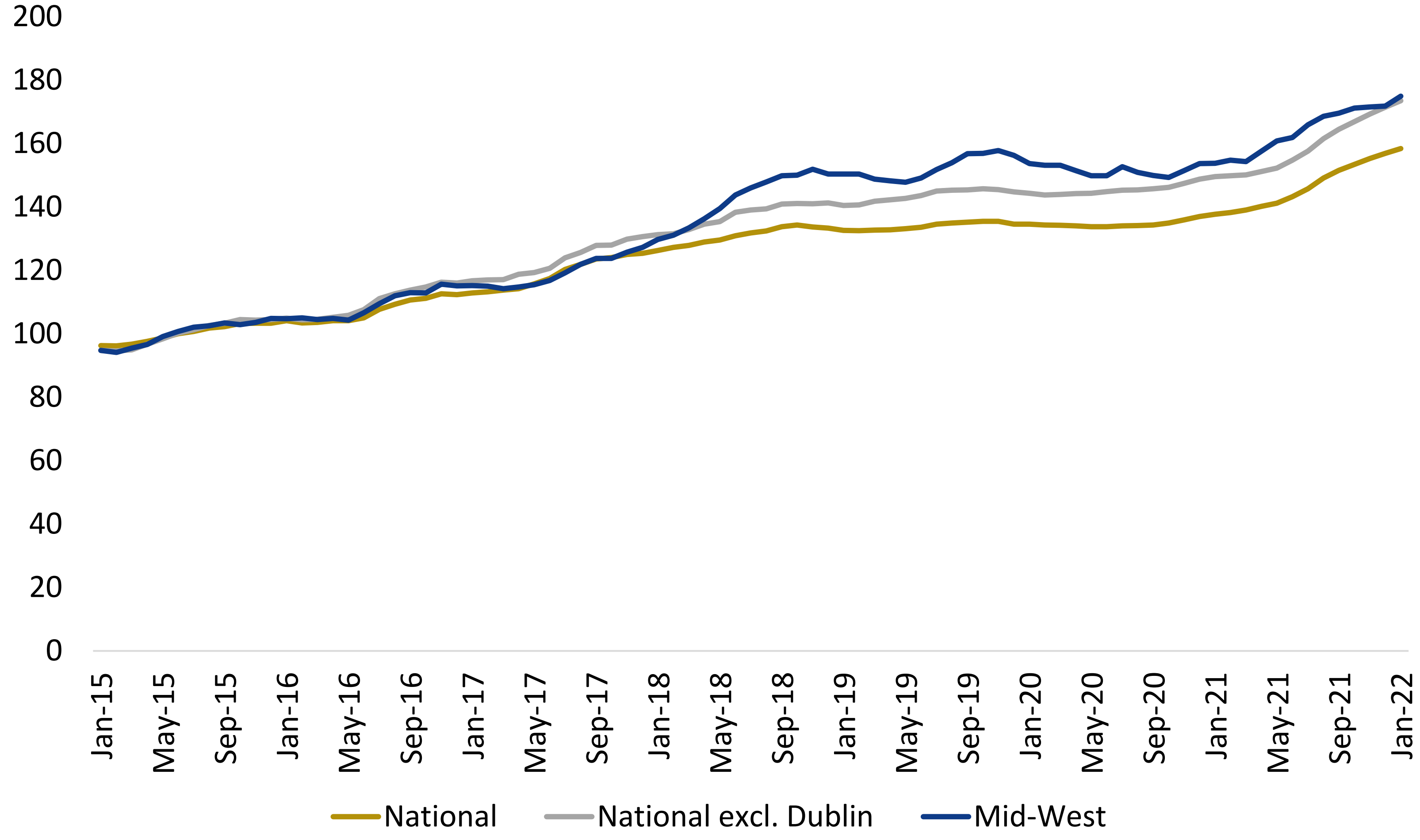
Residential Property Price Index



To January 2022:

- + 15.0% YoY increase nationally
- + 16.0 YoY % increase nationally excl. Dublin
- + 13.7% YoY increase in Mid-West

18th Consecutive MoM increase nationally

22nd Consecutive MoM increase nationally (Excl. Dublin)

9th Consecutive MoM increase Mid-West

Source: CSO, Base Year = 2015

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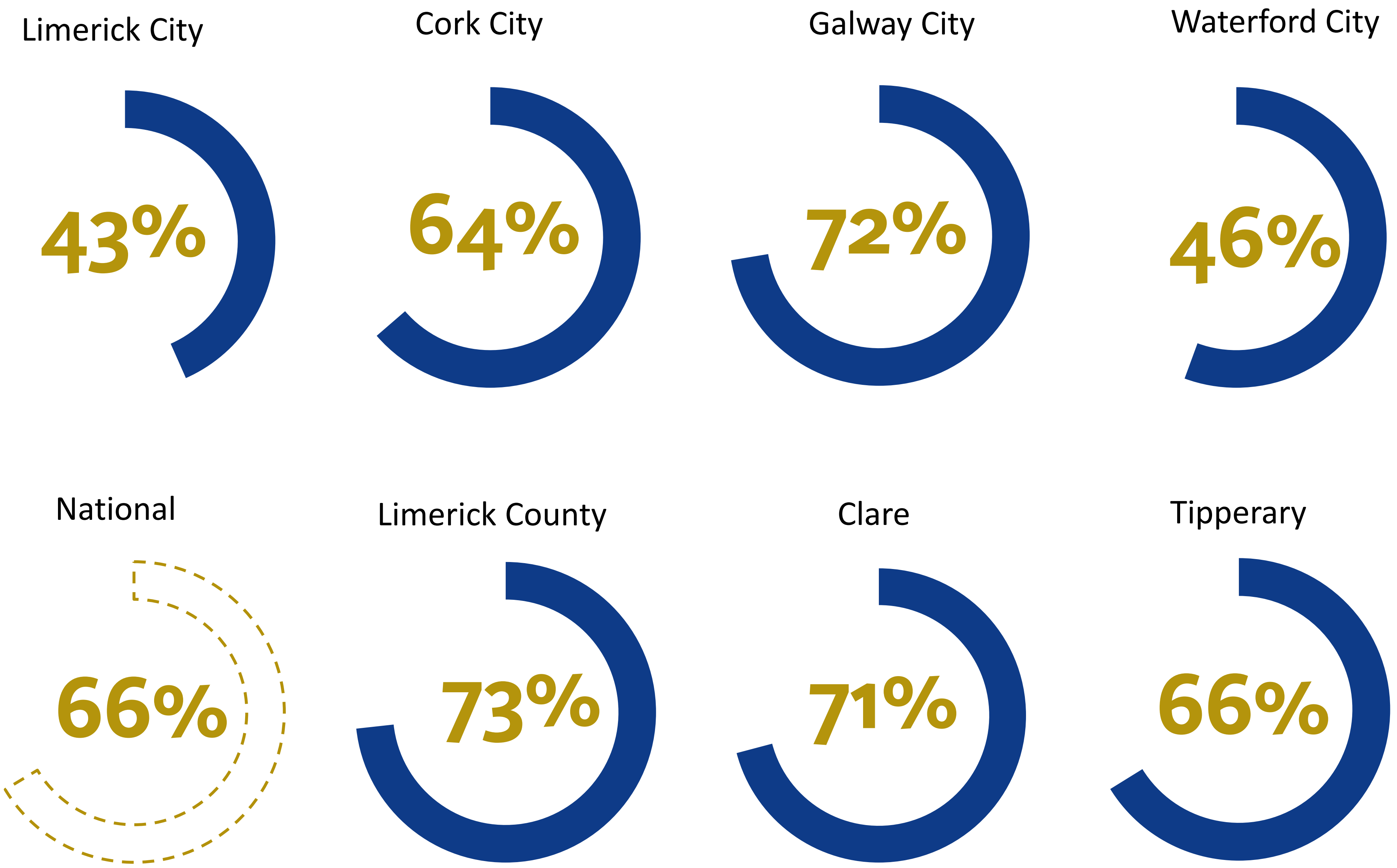
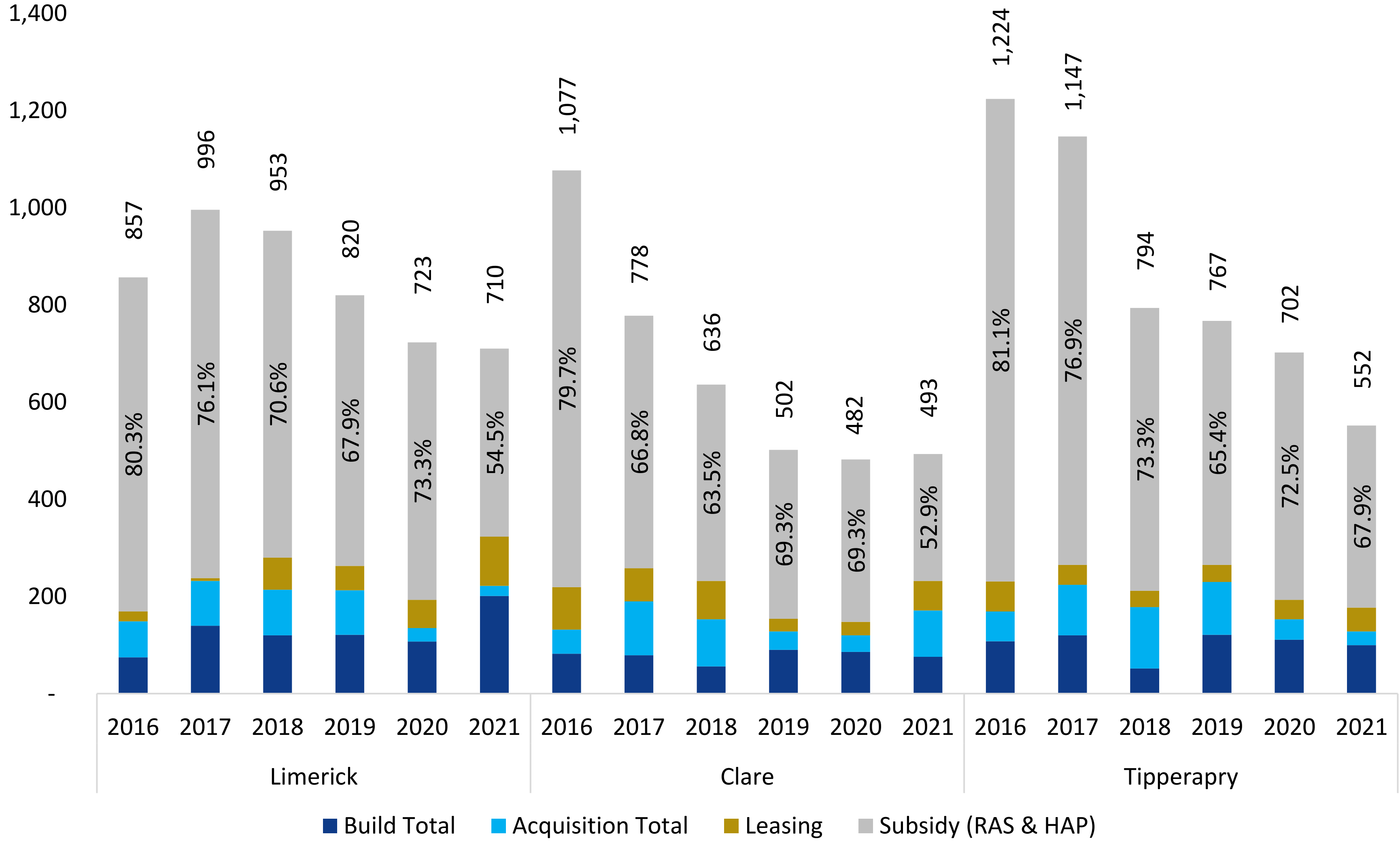
Buying vs Renting



Social Housing Delivery



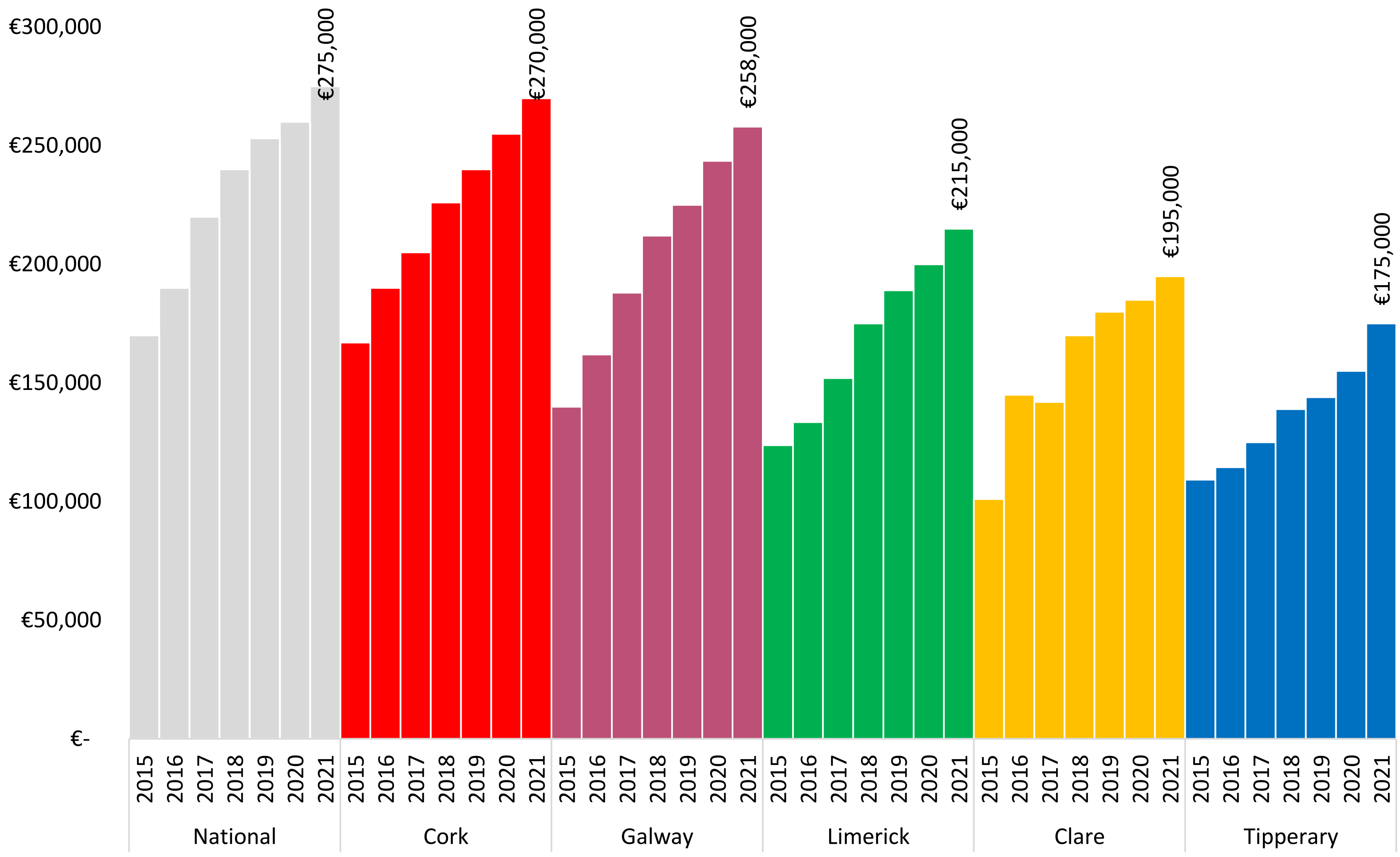
Source: Dept. Housing

- Social home delivery is tending downward across the Mid-West. Reliance on HAP and RAS decreasing for new homes but how will the gap be bridged? Direct state / AHB delivery is a must

- **Social Housing waiting list 2021:**
  - Limerick: 1,949 (-132 YoY)
  - Clare: 1,100 (-102 YoY)
  - Tipperary: 1,121 (-138 YoY)

- **Waiting list demographics:**
  - Limerick: 53% below the age of 39. On the whole list, 76% are smaller households.
  - Clare: 51% under 39. 77% are smaller households.
  - Tipperary: 54% under 39. 77% are smaller households.

Median House Prices



- National yearly increase 2021 = 5.8%
- Cork yearly increase 2021 = 5.9%
- Galway yearly increase 2021 = 5.9%
- Limerick yearly increase 2021 = 7.5%
- Clare yearly increase 2021 = 5.4%
- Tipperary yearly increase 2021 = 12.9%

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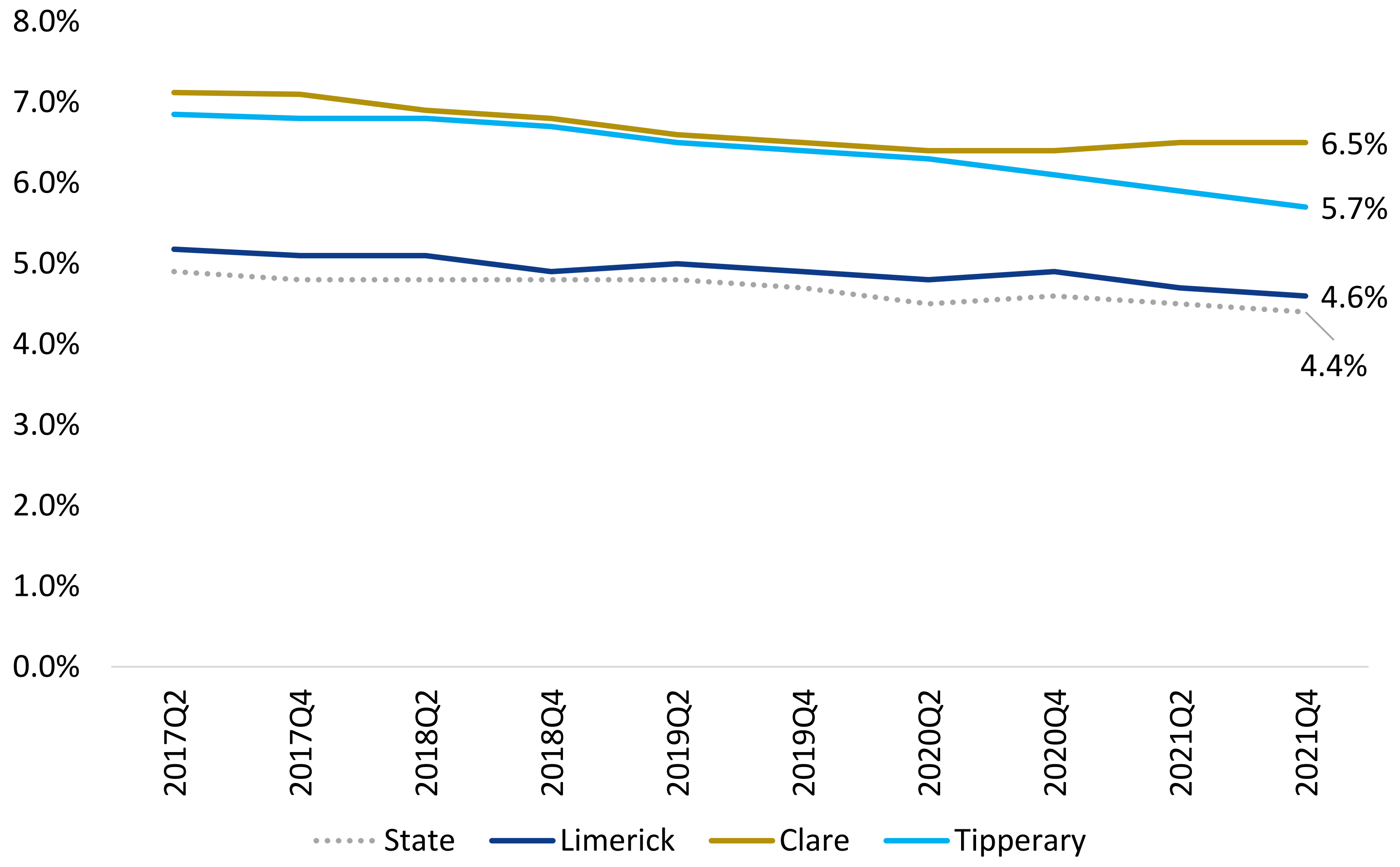
Source: CSO

Residential Vacancy



Source: Geodirectory

- **Nationally:**
  - 90,158 vacant properties
  - Vacancy decreased from 4.9% to 4.4% from 2017 to 2021
  - 22,096 derelict
- **Limerick:**
  - 2,795 vacant properties (394 in Limerick City)
  - Vacancy decreased from 5.2% in 2017 to 4.6% in 2021
  - 5.5% dereliction rate (1,209 homes) – down 1.2% from 2016
- **Clare:**
  - 2,653 vacant properties
  - Vacancy decreased from 7.1% to 6.5%
  - 5.3% dereliction rate (1,163 homes) – down 2.4% from 2016
- **Tipperary:**
  - 2,663 vacant properties
  - Vacancy decreased from 6.9% to 5.7%
  - 5.5% dereliction rate (1,217 homes) – up 3.6% from 2016

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Limerick Rental Availability – A case study in rental (own accommodation) availability in Limerick City from the 14th March – 19th April

34

Homes

(Down from 55 previously)

29

Residential Homes

(Down from 43)

0

Student Homes

(Down from 5)

2

Executive Homes

(Down from 6)

3

Summer Rental

(Up from 1)

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Data Source: Daft & My Home

Limerick Rental Availability – A case study in rental (own accommodation) availability in Limerick City from the 14th March – 19th April

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Residential Homes

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Summer Rental

(Up from 1)

Avg. Price

€1,750

Up from €1,443

€2,724

Down from €3,363

€1,180

Down from €1,280

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Data Source: Daft & My Home

Limerick Rental Availability – A case study in rental (own accommodation) availability in Limerick City from the 14th March – 19th April

34

Homes

(Down from 55 previously)

29

Residential Homes

(Down from 43)

Avg. Price

€1,750

Up from €1,443

Number of regular 1-beds

3

(Down from 4)

Average Price = €1,100

Apartment Availability (Block Apartments)

8

(Down from 15)

0

Student Homes

(Down from 5)

2

Executive Homes

(Down from 6)

€2,724

Down from €3,363

3

Summer Rental

(Up from 1)

€1,180

Down from €1,280

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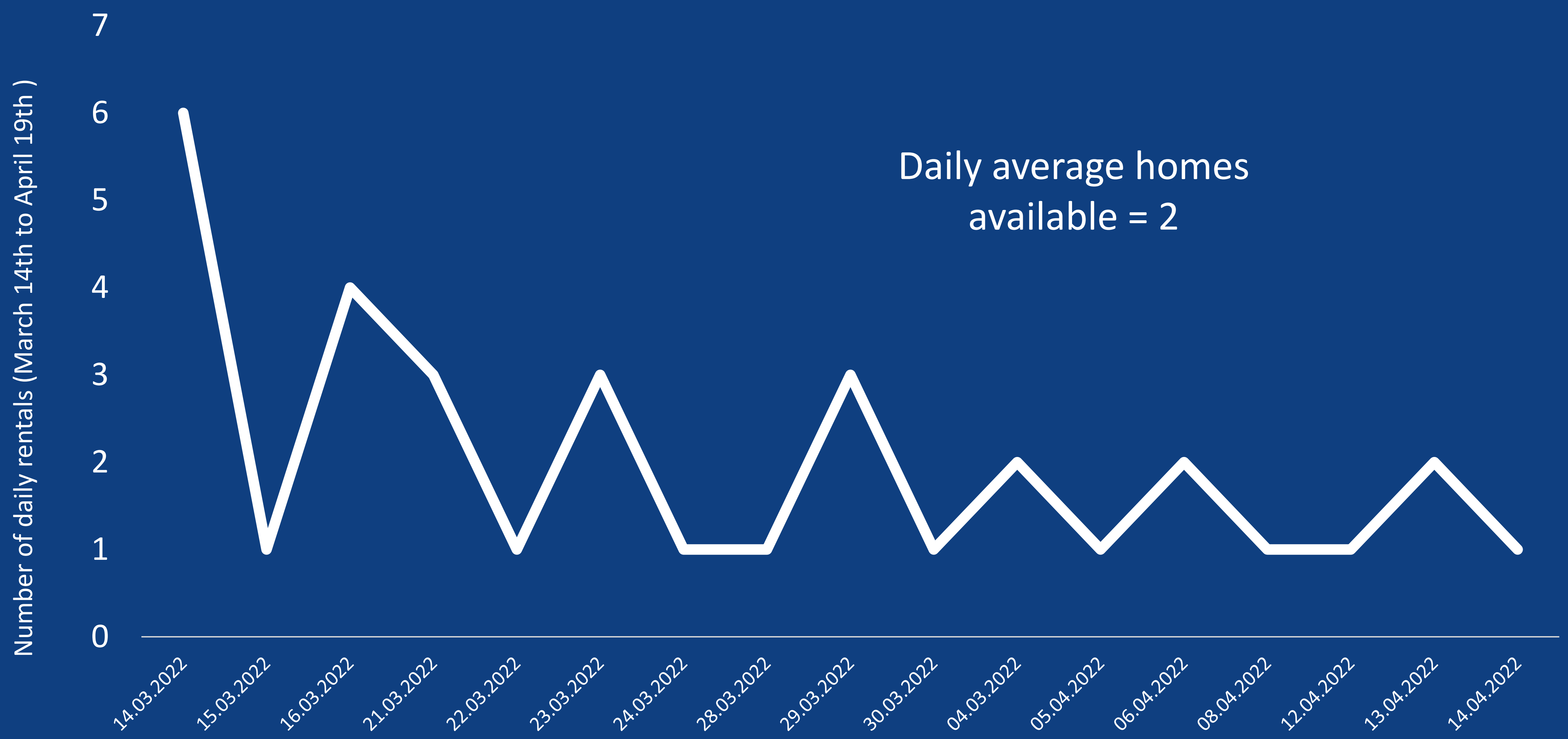
Data Source: Daft & My Home

Limerick Rental Availability – Daily Rentals Availability



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Data Source: Daft & My Home

Housing for All Targets by 2030

Private	Social	Affordable
171,000	88,000	54,000

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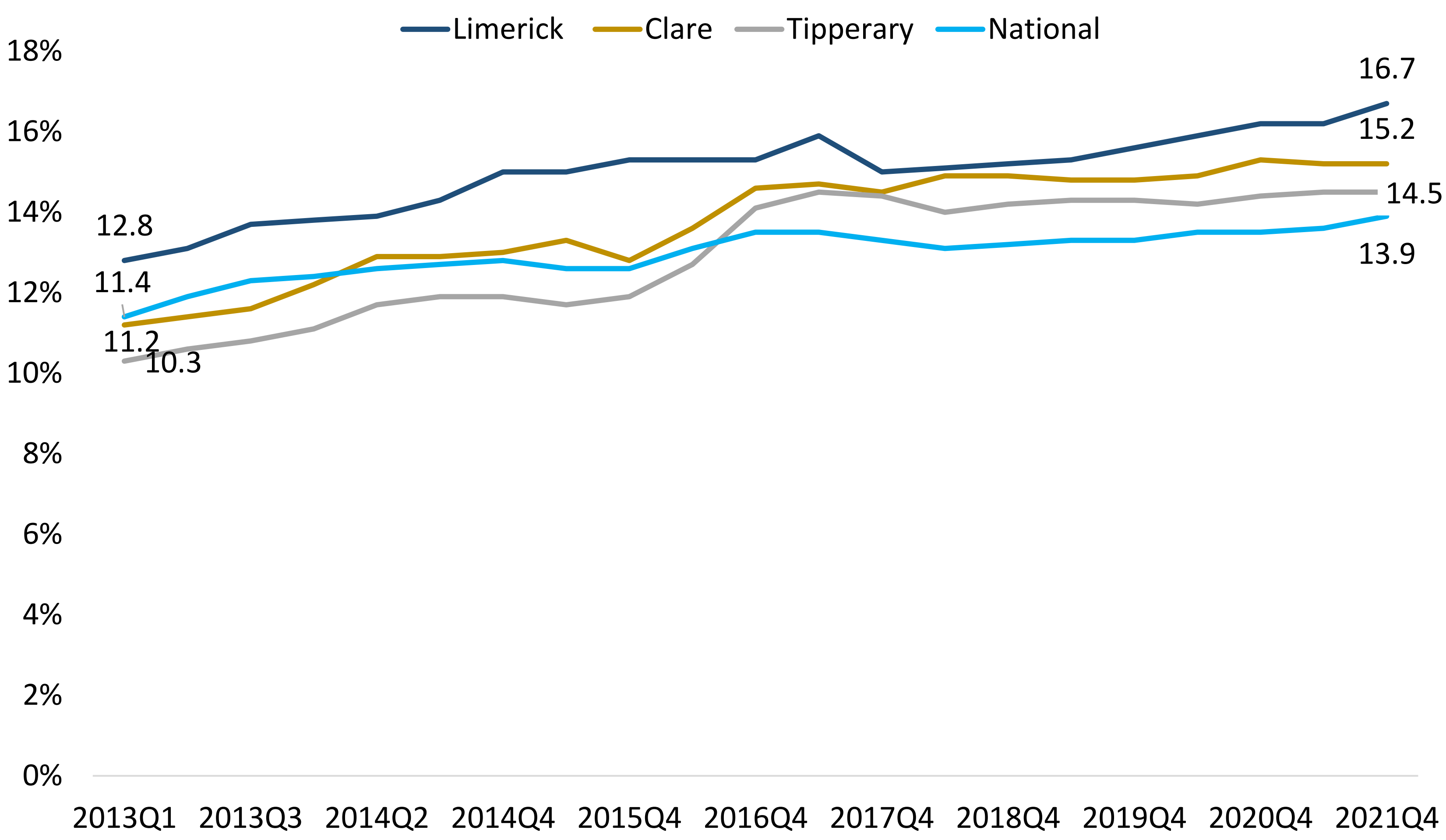
Data Source: Department of Finance, Q1 2022 Housing for All Update.

Commercial Vacancy



Source: Geodirectory

Change from Q2 2021 – Q4 2021

Tipperary: No change at 14.5%

Clare: No change at 15.2%

Limerick: Increase to 16.7% (+0.5 pp)

- Overall trend for national and the Mid-West is increasing since 2013
- Certain areas have a high concentration of commercial vacancy:
  - Kilrush – 26.2%
  - Shannon – 23.9%
  - Abbeyfeale – 23.6%
  - Newcastle West – 21.8%
  - Limerick City – 19.4%
  - Clonmel – 17.9%
  - Thurles – 17.2%

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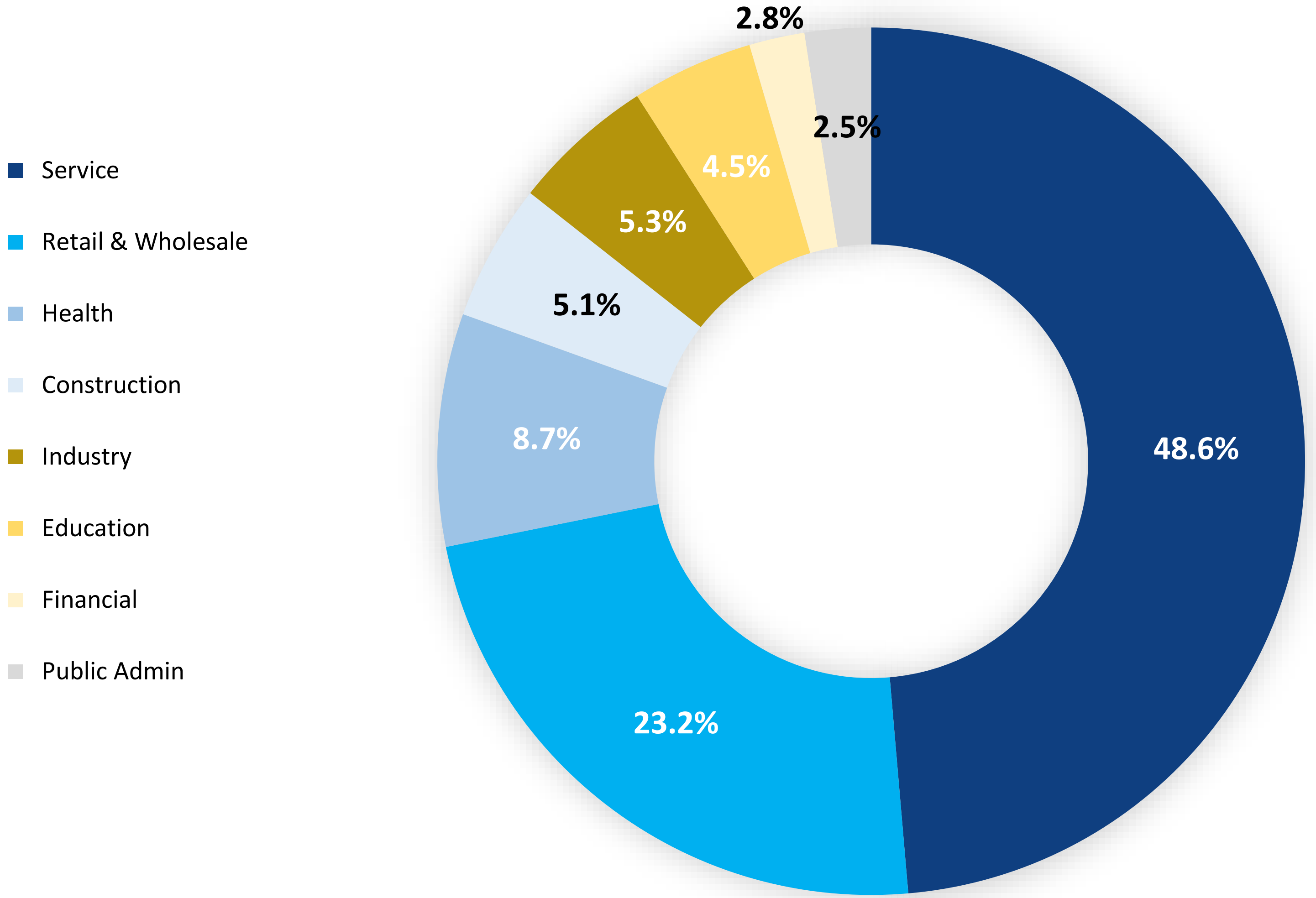
Mid-West Commercial Activity

by Share of Units (%) Q4 2021



- Mid-West has large concentration of service and retail units
- Dublin increased its share of accommodation and food service (AFS) units from 2020 (12.0%) to 2021 (12.5%) while all other regions including national average decreased
- Clare is highly exposed with AFS, 20% share of all commercial units in 2020 down to 11.1% in 2021

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Air Travel

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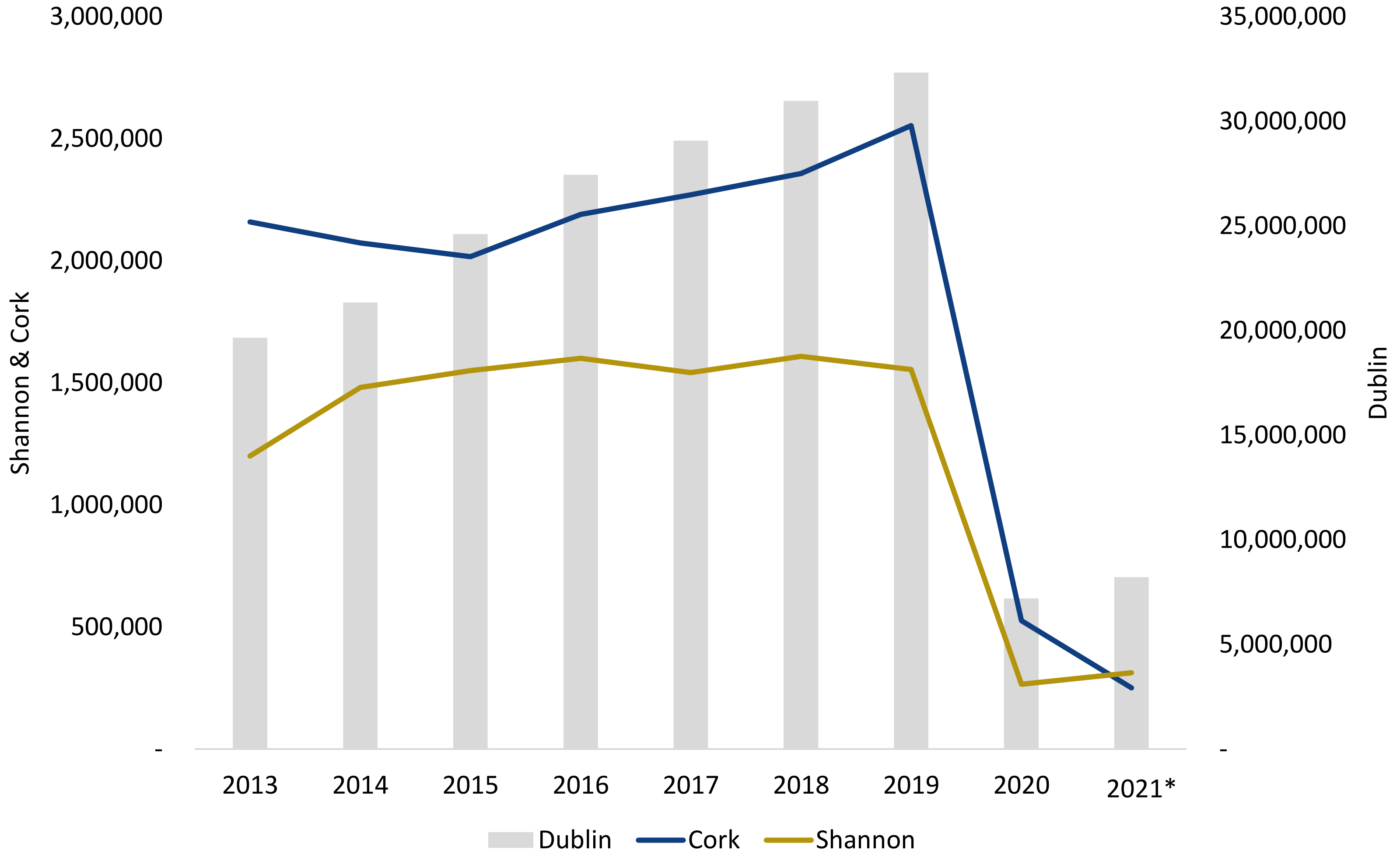
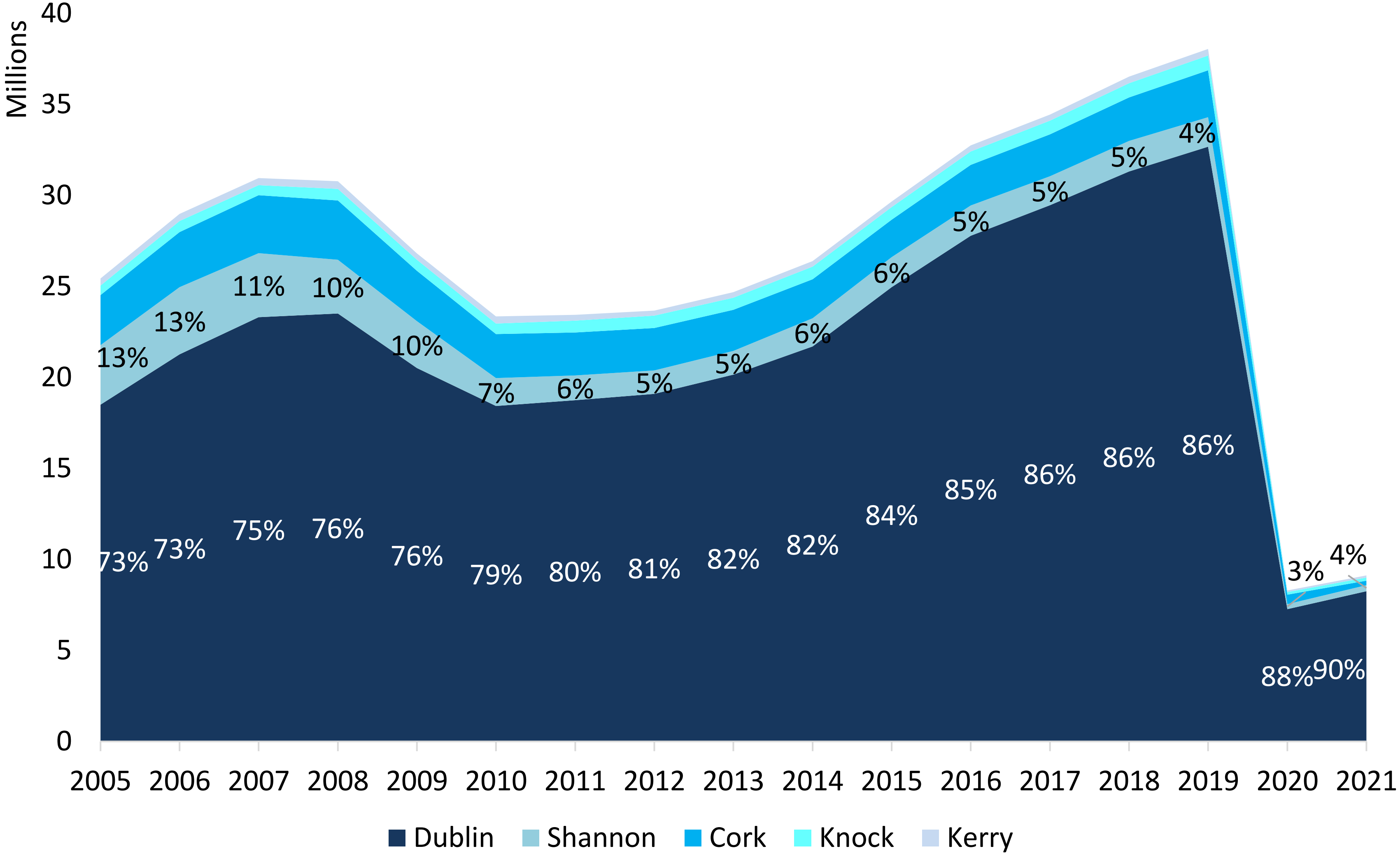
Airport Passenger Numbers



Source: CSO * Q1 – Q3 2021

- Shannon at 1.6 million pre pandemic, Cork at 2.6 million – Dublin at 32 million
- Full capacity for Shannon is 2.8 million passengers (24,000 flights), Copenhagen Economics
- Capacity issues can be solved at Dublin airport through collaboration with other major airports
- Need to link and resource enterprise policy with aviation policy

Market Share of passengers for all Main Irish Airports



Source: CSO

- Dublin Airport accounts for 86% to 90% of passenger numbers
- Dublin has an increasing passenger share since 2010
- Comparing Dublin market share to other European capital city airports
  - Norway - 50%
  - Portugal – 51%
  - Switzerland – 51%
  - Sweden – 68%
  - Belgium – 75%
  - Ireland 86%

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Consumer Sentiment

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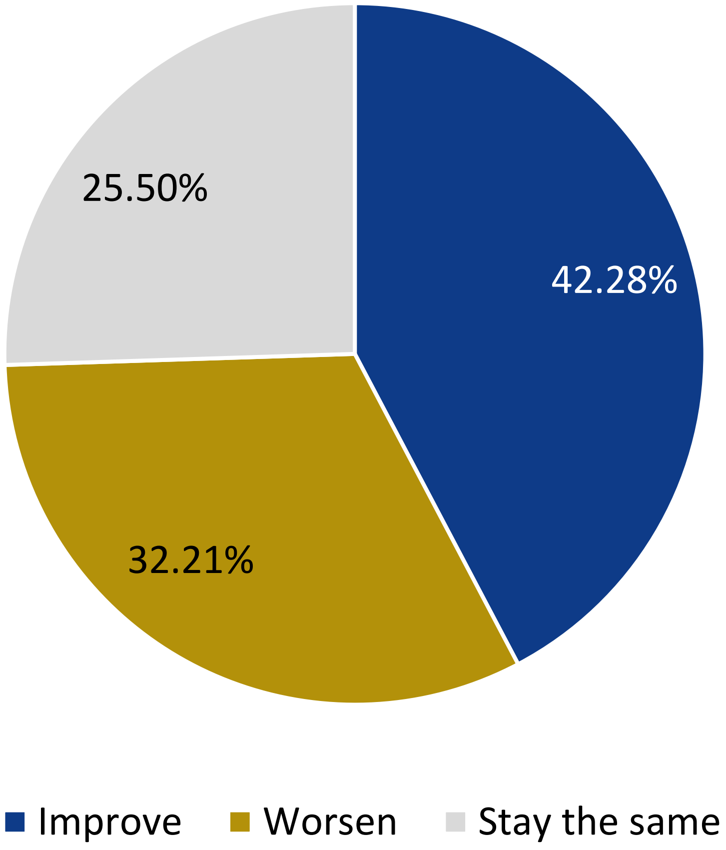
How do you expect the **financial position of your household to change** over the next 12 months?



42% see their financial situation improve

32% see their financial situation worsen

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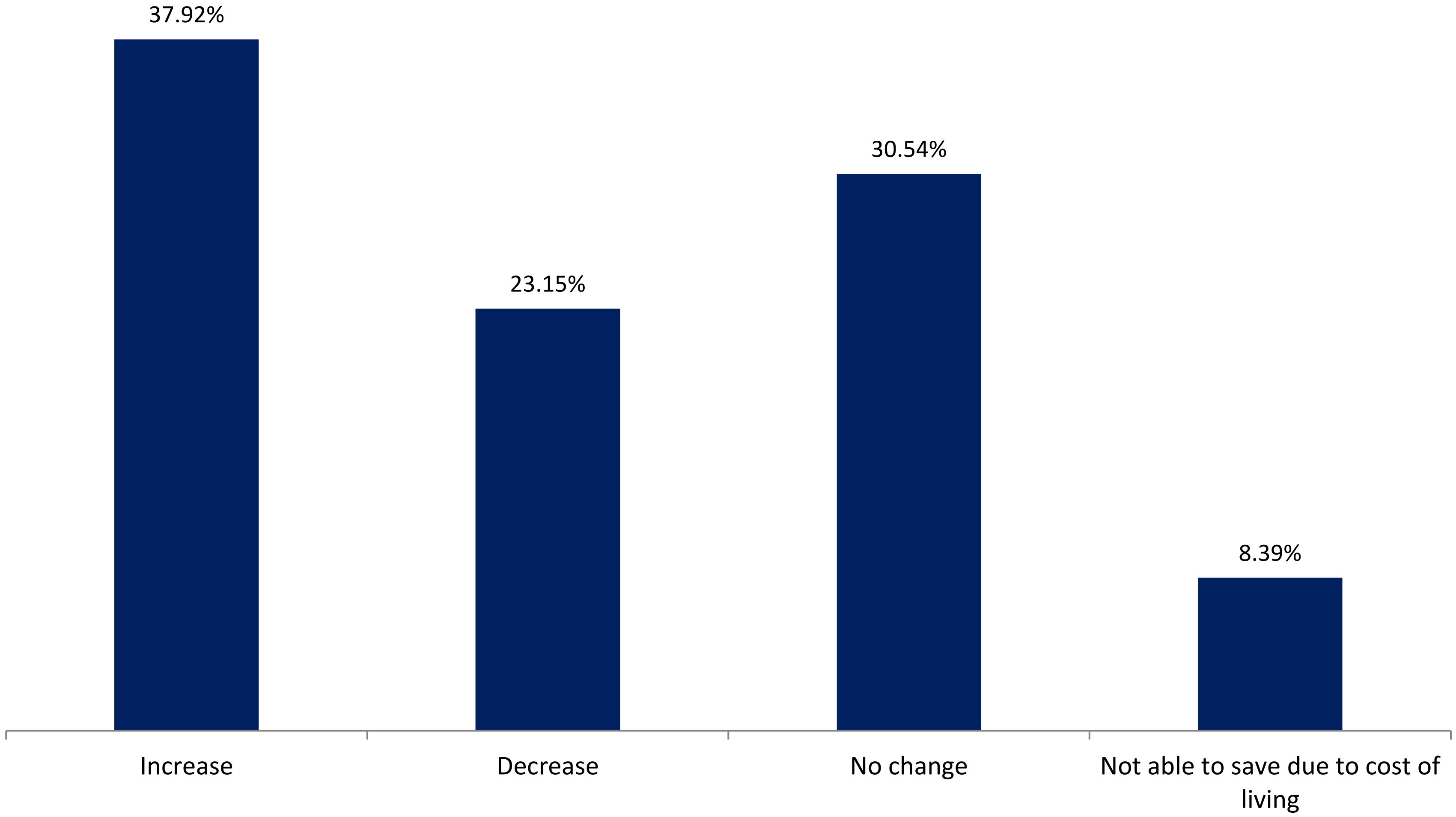
Source: Limerick Chamber Consumer Sentiment, Spring 2022 – Total number of respondents = 298

Do you expect to **change your monthly savings** amount over the next 12 months?



- 38% will decrease spending and save more (increase saving)
- Almost 10% not able to save anything

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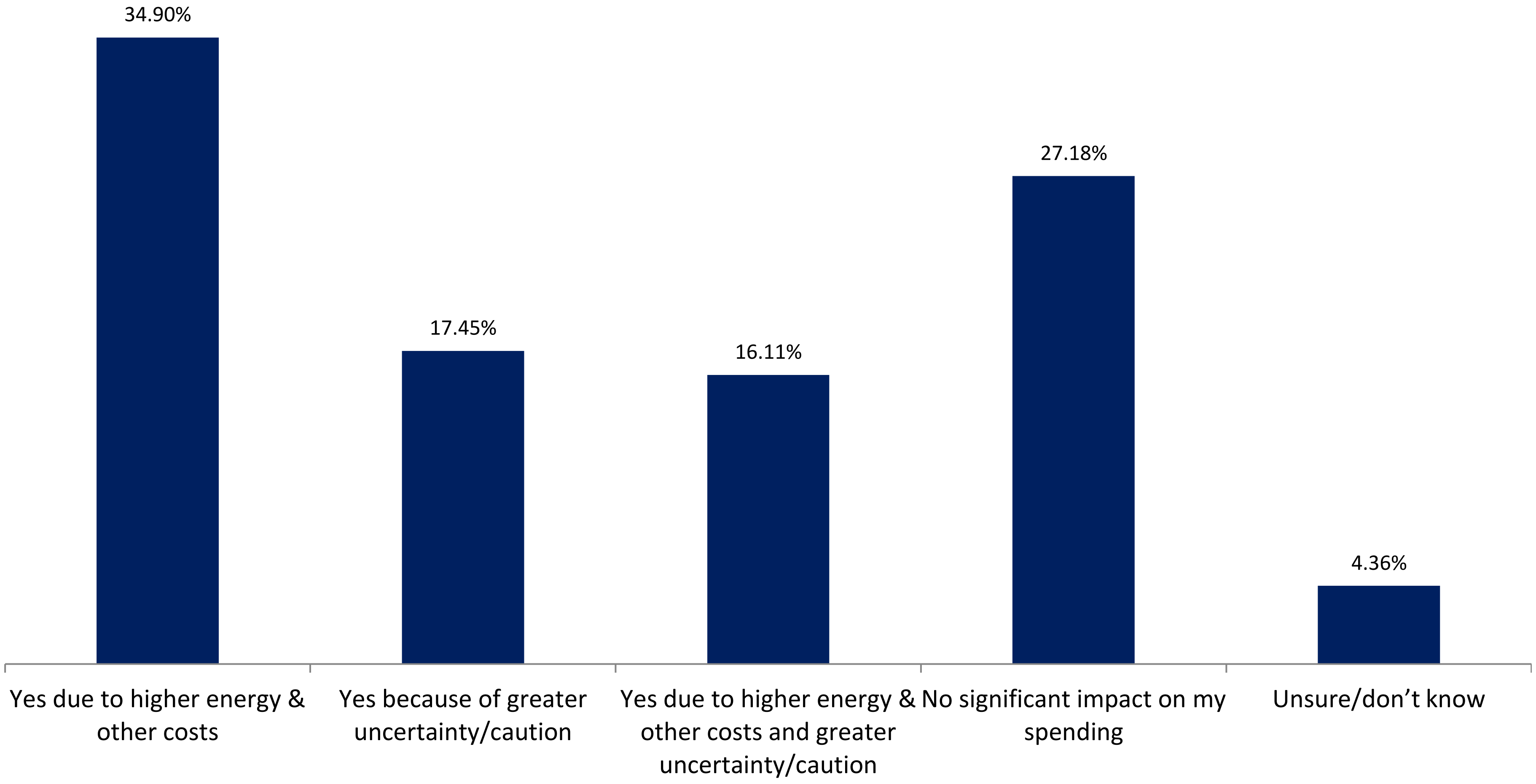
Source: Limerick Chamber Consumer Sentiment, Spring 2022 – Total number of respondents = 298

Do you think your discretionary spending (i.e. non-essential items, such as recreation and entertainment) will be **lower in 2022 compared to 2021**?



Discretionary spending expected to decrease (68% of respondents) – even though 42% expect their financial situation to improve and 38% expect to increase savings

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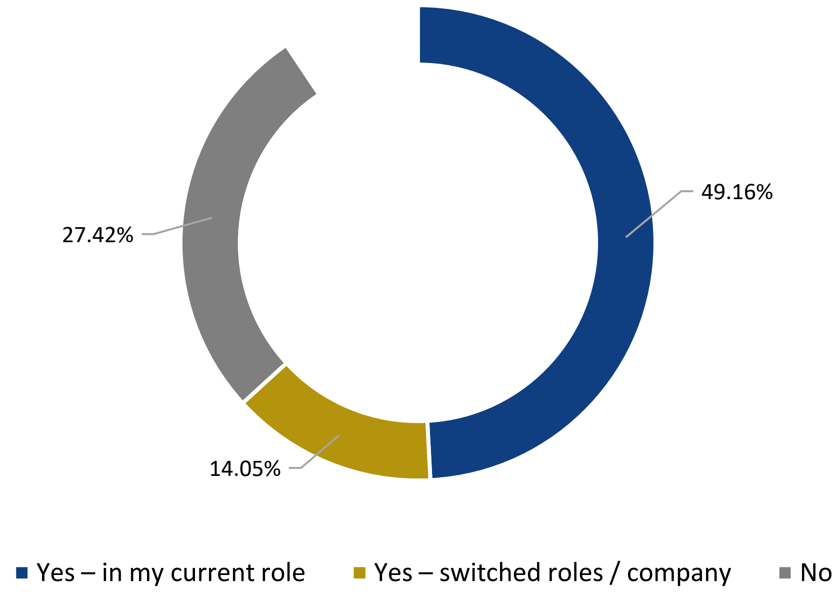
Source: Limerick Chamber Consumer Sentiment, Spring 2022 – Total number of respondents = 298

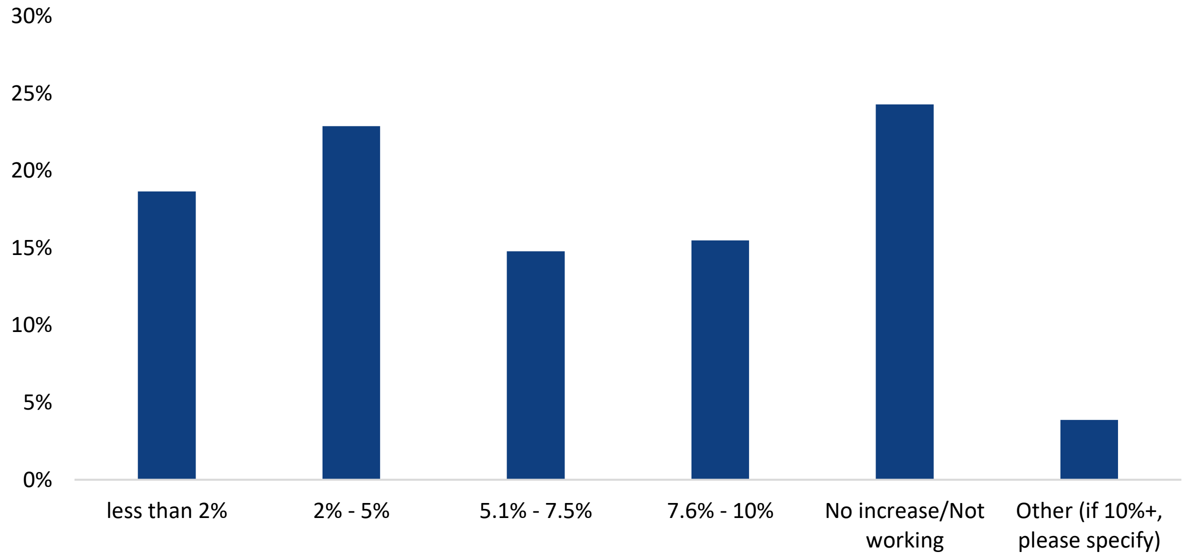
If you are working, has your wage increased over the last 12 months?



- 49% saw an increase from their current role
- 14% got an increase from moving
- 27% got no increase at all

- 63% saw wage increase in the last year
- 56% of wages increases were under 7.6%
- Inflation +6.7% since March 2021

If you answered yes to the previous question, by how much did your wage increase by?



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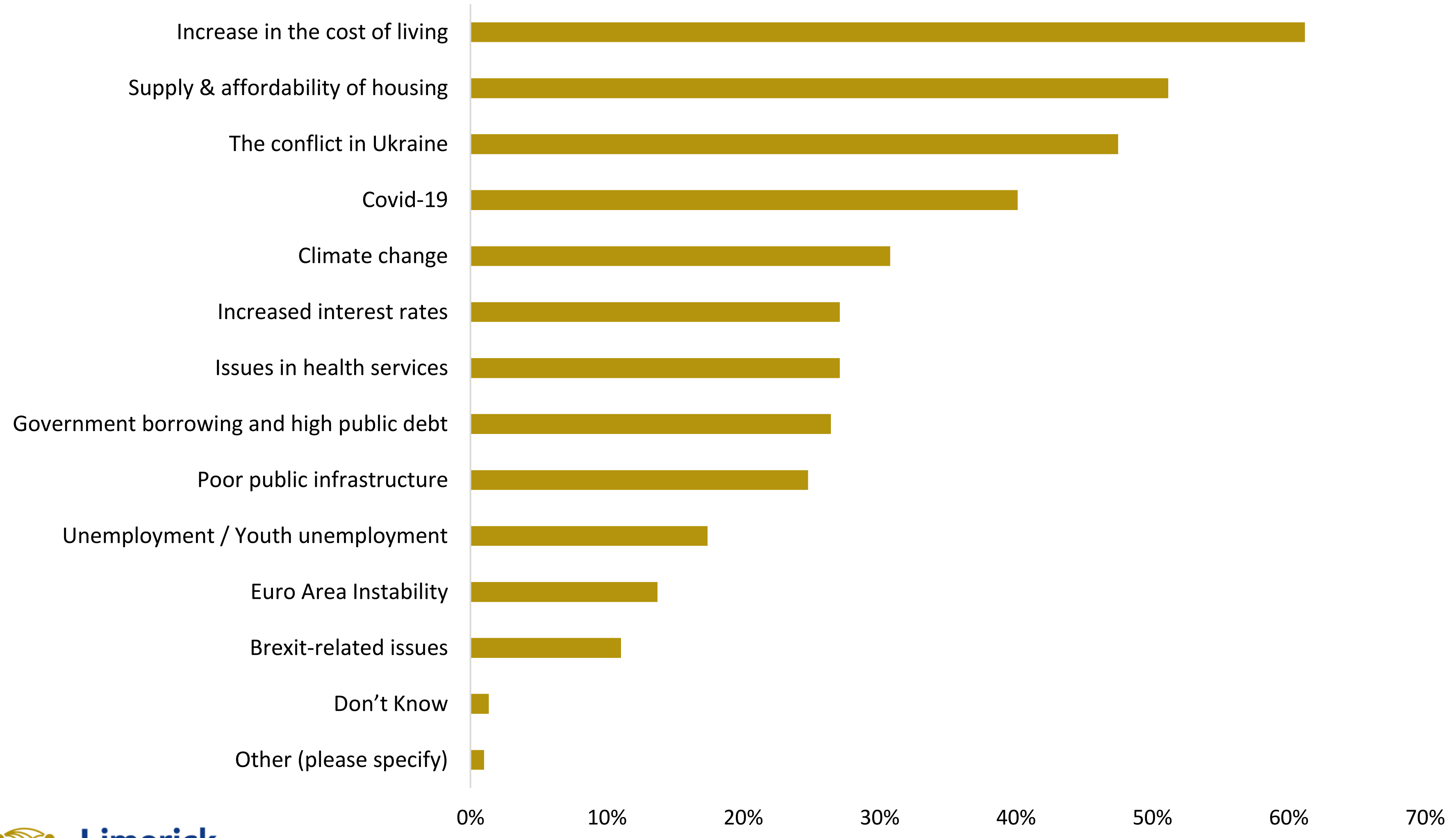
Source: Limerick Chamber Consumer Sentiment, Spring 2022 – Total number of respondents = 299

What do you consider to be the **top issue** facing the Irish economy in the next 12 months? Please select all that apply.



- No surprise with increased cost of living and housing
- Covid still at the forefront of people’s minds
- Impending interest rate increases also a concern

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Source: Limerick Chamber Consumer Sentiment, Spring 2022 – Total number of respondents = 299

Thank-you

Further information please contact:

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