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Mid-West Economic Insights

Spring 2023



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Mid-West Economic Insights

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Executive Summary

Many of the challenges reported in Limerick Chamber's most recent Mid-West Economic Insights (MWEI) for Spring and Winter 2022 remain unchanged. Business are continuing to struggle with hiring staff with the appropriate skills and struggling even more so to appropriately house their staff. As the unemployment rate inches closer to "full employment" businesses will find it more difficult to hire from the existing job pool in Ireland and will likely have to look internationally, there was already an increase in number of work permits issued in 2022. Not only do businesses have to deal with a competitive and difficult human capital environment, but they also want to ensure their employees have access to appropriate affordable accommodation – something becoming increasingly difficult in both a regional and national context.

Comparatively, the Mid-West remains in a good position in terms of the number of people at work and has shown significant growth post-covid. Shannon Airport has continued to exhibit signs of resilience and early data for 2023 suggests an increase on pre-pandemic figures. Shannon Foynes Port continues to be one of the unique selling points of the Mid-West, not only for their vision in harnessing offshore renewable energy but also the fact that it is the largest port in Ireland for break and dry bulk cargo, offering key international import and export access to businesses in the Mid-West. The Mid-West continues to offer a steady supply of graduates for existing and future employers, not only from a third level context but also through apprenticeships and further education and training. Limerick Chamber Skillnet continues to be key contributor to training people in the region, largely increasing the number of training days supported in 2022. Hotel performance for Limerick has continued to improve post-covid and heading into the summer period headline figures would be expected to improve.

The Spring 2023 issue of the MWEI provides the first official update on Limerick Chamber's Strategic Development Pipeline (SDP). Significant gains have been made by Shannon Airport Group in delivering their projects in Shannon Co. Clare. There was also positive news from Limerick Twenty Thirty with the release of their master plan for the Cleeves Riverside Quarter and the announcement of their partnership with the Ireland Strategic Investment Fund (ISIF). Unfortunately, delays around the completion of O'Connell Street has continued with the latest completion date expected to be May 2023. Positive news is expected from the Land Development Agency's Colbert Quarter Project regarding a master plan for the St. Joseph's Hospital section of the site in Q2 2023. However, the rate of pace of delivery for all public housing projects on the SDP is not reflective of the scale of the housing crisis. Several projects are being delayed due to judicial review proceedings, namely the housing development in Mungret and the Limerick to Foynes road, while delays at An Bord Pleanála are leading to delays in delivering the Bannatyne Mills project on the Dock Road in Limerick.

The Mid-West remains a great place to do business, however, housing is posing a serious risk to businesses, both existing and future. While there are some positive indications in commencements and delivery, they severely lag behind what is actually needed.



Seán Golden
Chief Economist / Director of Policy



Influence

Mid-West at a Glance



Housing

1,782

Homes delivered in
2022

3,183

Homes granted
approval in 2022

6.7%

YoY increase in
residential property
price index (Jan '23)

Enterprise & Employment

240.1k

Number of people
at work in Q4 2022

4.4%

Unemployment
rate Q4 2022

€26.2k

2020 disposable
income (Limerick)

Transport & Logistics

8.4m

Tonnes of dry bulk
through Shannon
Foynes Port in 2022

1.4m

Passengers through
Shannon Airport in
2022

8.2k

Private vehicles
registered in 2022

Education & Skills

24.9k

Third level
enrollments in 2022

10.3k

Third level
graduates in 2022

2.8k

Limerick Chamber
Skillnet training
days in 2022

1.0 Enterprise & Employment

Mid-West Employment Statistics

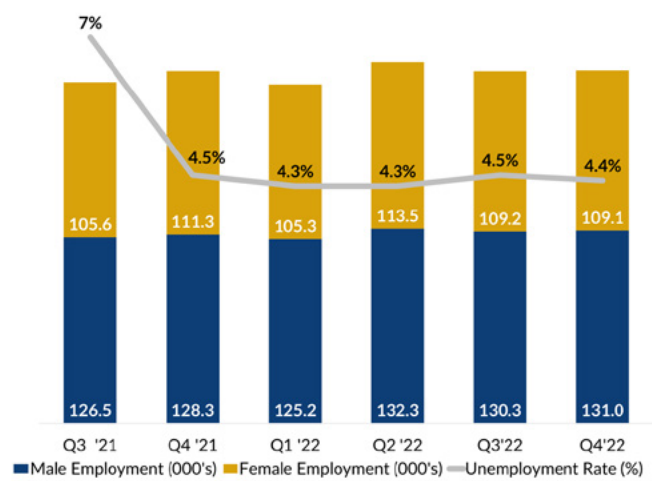
The unemployment rate remained below pre-pandemic levels for 2022, staying between 4.3% - 4.5%. The unemployment rate in the Mid-West has remained relatively in line with national level for 2022. The national unemployment rate in Q4 2022 was 4.2% compared to 4.4% in the Mid-West. Since the beginning of 2022, the national unemployment rate decreased from 4.8% to 4.2%. For the Mid-West, both male and female cohorts saw an increase in the number of people in employment, however from Q1 2021 to Q4 2022, males (+21,800) saw a larger increase than females (+11,700). There were c. 240,000 people employed across the Mid-West region as of Q4 2022. IDA employment in the region remains strong with 26,000 employed, growing by 2.9% in the last year. The Mid-West remained the fourth largest employment region for IDA companies in Ireland.

Mid-West Employment by NACE Sector

The three largest employers in the Mid-West continue to be Industry (c. 38,300 in employment), Human Health (c. 34,700) and Wholesale & Retail (c. 29,400). While Human Health has seen the largest Year-on-Year (YoY) growth in employment to Q4 2022 (+c. 6,800), Industry (-c. 3,400) and Wholesale & Retail (-c. 3,500) have seen the largest and second largest falls in YoY employment to Q4 2022.

Employment in the Industry sector peaked in Q4 2021. This was the highest employment total in the Industry sector since data collection began in 2012. Employment levels in the Industry sector remain high, c. 6,400 above pre-pandemic levels (Q4 2019). Employment levels in the Wholesale & Retail have remained close to pre-pandemic levels as of Q4 2022, despite fluctuating employment levels due to Government health restrictions limiting activity. Reaching a low of c. 20,800 (Q1 2021) and recovering to a high of c. 34,200 in Q2 2022, employment levels in the Wholesale & Retail sector are currently c. 1,000 above pre-pandemic levels.

Fig 1.1: Mid-West Employment Statistics



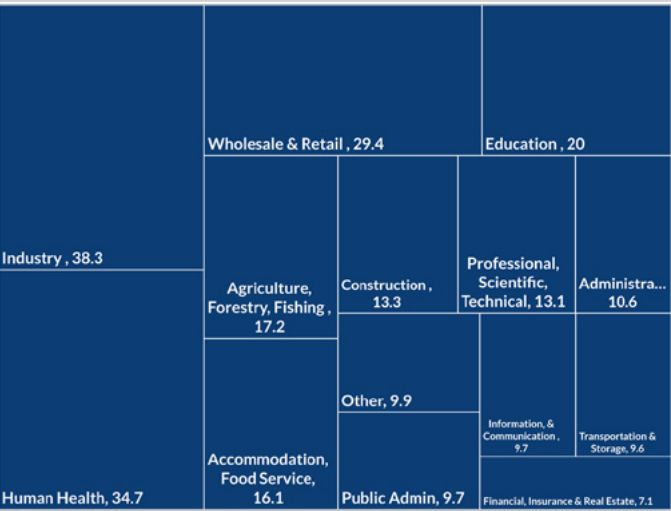
Source: CSO

Table 1.1: IDA Supported Jobs

IDA Total Employment	2020	2021	2022	YoY Growth (%)	Total 2022 Share (%)
Border	11,221	8,721	8,885	1.9%	2.9%
Midlands	6,985	6,868	7,665	11.6%	2.5%
West	28,195	29,419	31,490	7.0%	10.4%
Dublin	116,565	123,708	137,822	11.4%	45.7%
Mid East	19,859	18,894	21,861	15.7%	7.3%
Mid West	25,127	25,270	26,004	2.9%	8.6%
South East	14,035	14,932	15,520	3.9%	5.1%
South West	47,221	47,572	52,228	9.8%	17.3%
State	269,208	275,384	301,475	9.5%	100.0%

Source: IDA

Fig 1.2: Sectors by Size of Employment (000's)



Source: CSO

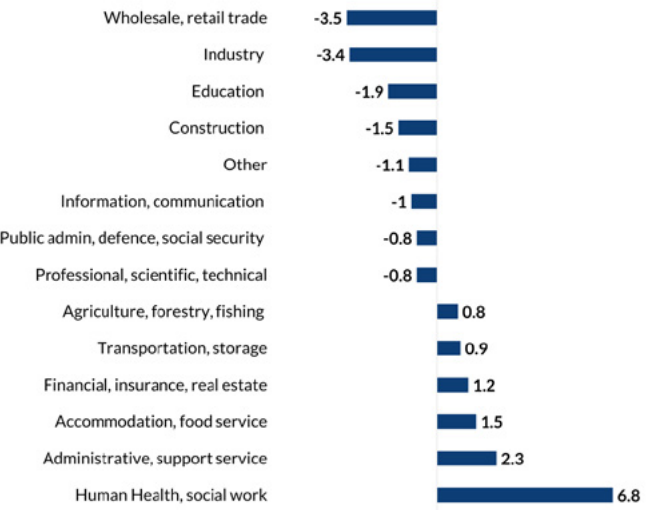
Live Register

The monthly average number of people on the live register at a national level in 2022 was 179,800, a 2.6% increase on 2021 figures. In Limerick, the average for 2022 was 7,200, an increase of 3.0% on 2021, for Clare there was 4,500 people on the live register, a 5.7% increase, and for Tipperary there was a 5.3% decrease, resulting in a 6,000 people on the register. Average figures for those under 25 years of age show greater improvement than the general population in 2022 versus 2021, with averages at a national level decreasing by 3.3%, Limerick decreasing by 5.6% and Tipperary decreasing by 10.5%, while Clare registered a slight 0.3% increase. Youth unemployment, those under 25 on the live register, is seasonal. While past trends has shown youth unemployment increasing in the summer and decreasing in the autumn and winter months, the end of 2022 saw unemployment stabilise much quicker. Meaning more youth were unemployed in these periods than expected. The positive news is that, comparing averages for 2022 and 2019, those on the live register (including youth) has decreased.

Work Permits Granted

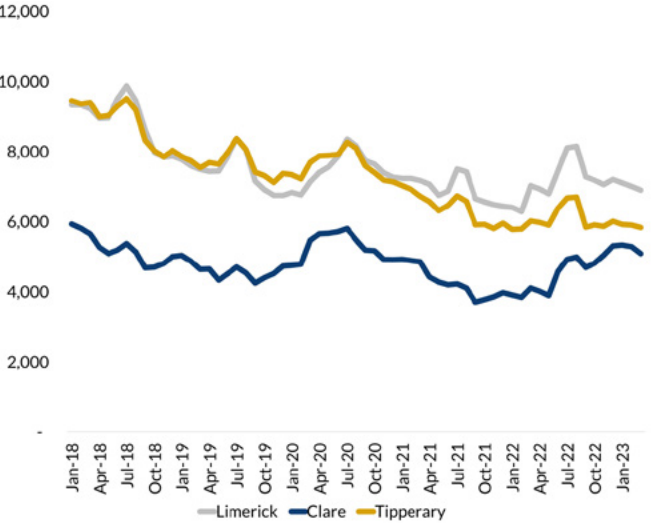
The total number of work permits granted nationally rose from 16,275 in 2021 to 39,955 in 2022, a 146% YoY increase. The number of work permits granted within the Mid-West rose from 1,322 to 2,399, an 82% YoY increase. Clare saw a 141% increase (138 to 332), Tipperary saw a 96% increase (276 to 542), and Limerick saw a 68% increase (908 to 1,525). Limerick had the fourth lowest YoY growth for work permits granted across all counties. Dublin had the largest 2022 share of work permits granted, holding 53% of the total. Cork (8%) and Kildare (6%) held the next largest market share of the total work permits granted, followed by Limerick at (4%).

Fig 1.3: YoY % Change in Sector Employment (Q4'22)



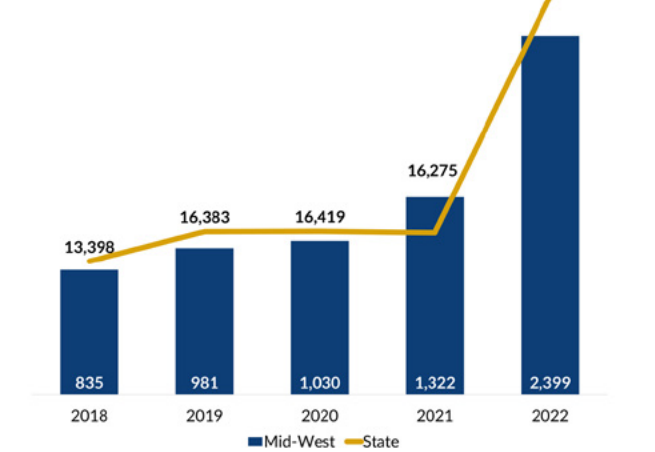
Source: CSO

Fig 1.4: Live Register Numbers



Source: CSO

Fig 1.5: Work Permits Granted



Source: Dept. Enterprise, Trade & Employment

DETE Annual Employment Survey 2022

The Annual Employment Survey is an annual survey conducted by the Department of Enterprise, Trade and Employment (DETE), which provides an analysis of employment levels in industrial (including primary production) and services companies under the remit of IDA Ireland, Enterprise Ireland and Údarás na Gaeltachta.

Dublin continues to have the largest share of employment across the State, with c. 39.9% of all employment. The Mid-West has 8.8% of the total employment market share, the fifth highest region out of eight. The Mid-West had the sixth highest YoY employment growth among the regions with 1,297 additional people employed according to the survey.

Since 2013 the total employment share of Dublin has increased from 35.3% to 39.9%, during the same period the total employment share of all other regions has decreased i.e. Dublin is increasingly capturing more employment year on year at the expense of other regions.

For foreign-owned firms (fig. 1.7), the Mid-West had 8.5% of the employment market share, the fourth highest market share. The region had the fifth highest YoY employment growth with an additional 767 people employed by foreign-owned firms. Since 2013, Dublin has increased its share of employees of foreign owned firms from 40.4% in 2013 to 45.5% in 2022, the only other region to increase its share was the South-West, which grew from 16.5% to 16.8% during the same period.

Fig. 1.8 shows the employment share of Irish-owned firms. The Mid-West had 9.2% of the employment market share, the fifth highest region. It also had the fifth highest YoY employment growth with an extra 530 people employed by Irish-owned firms.

Fig 1.6: Market Share of Total Employment - All Firm Types

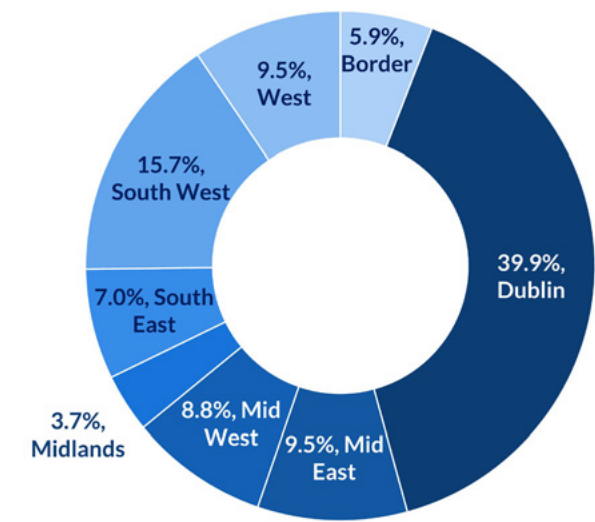


Fig 1.7: Market Share of Total Employment - Foreign-owned Firms

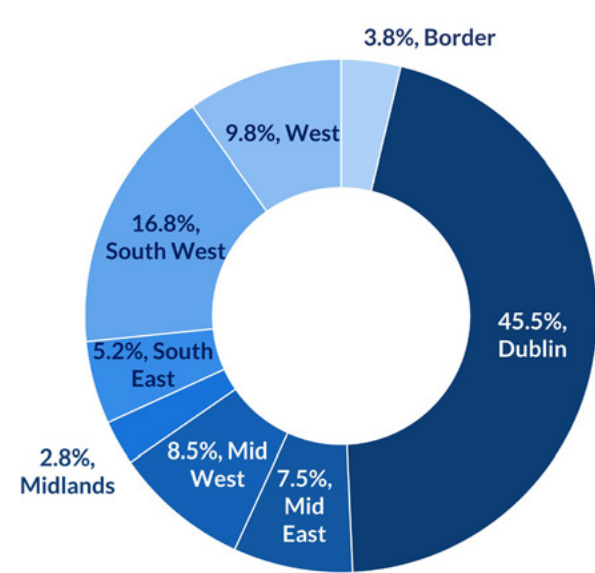
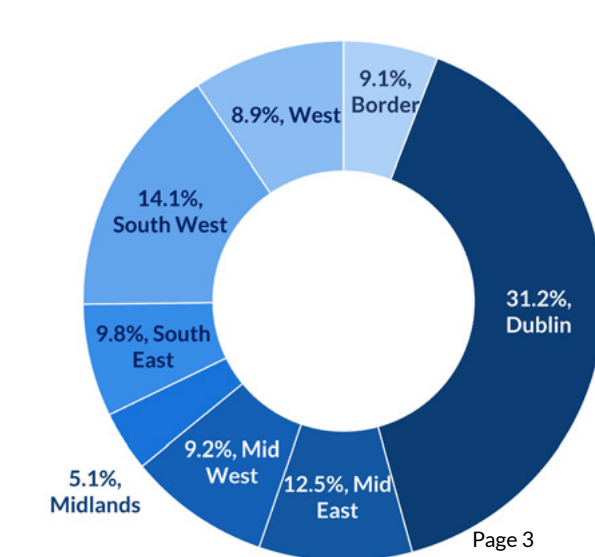


Fig 1.8: Market Share of Total Employment - Irish-owned Firms



Source: Dept. Enterprise, Trade & Employment

Fig 1.9: Disposable Income Per Person, 2020 (000's)

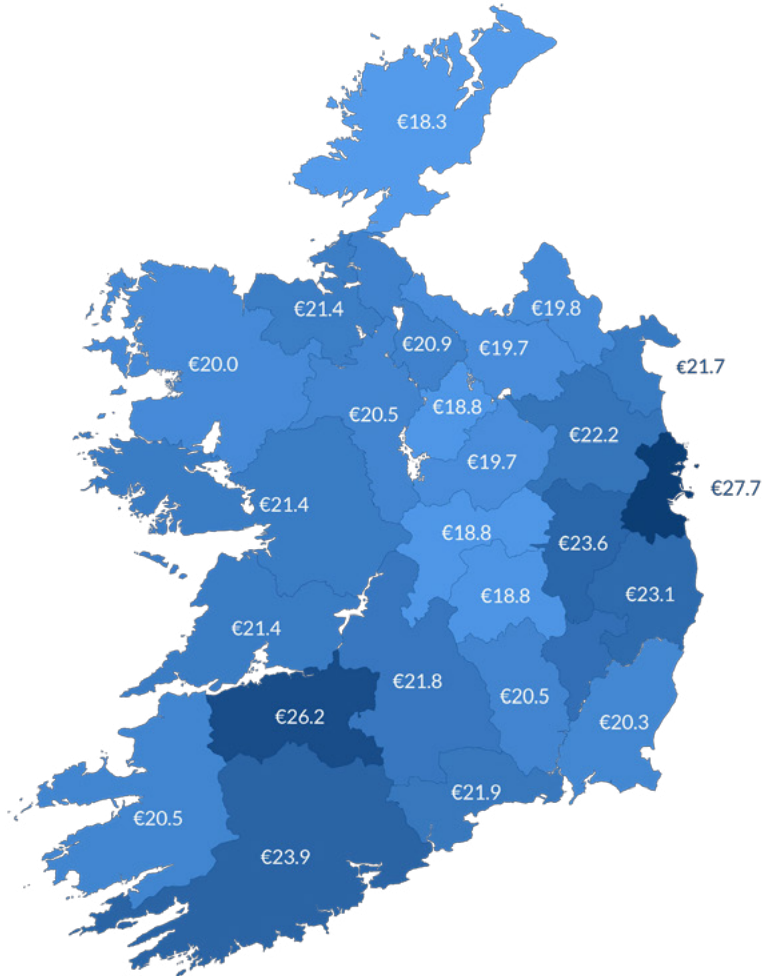
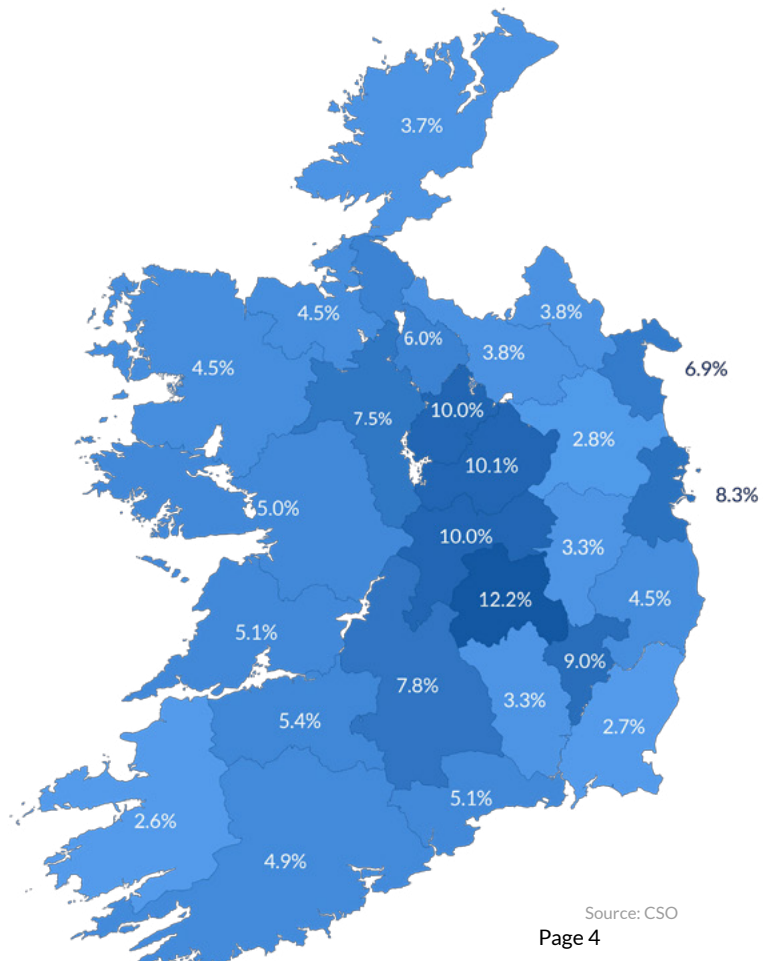


Fig 1.10: YoY % Change in Disposable Income, 2020

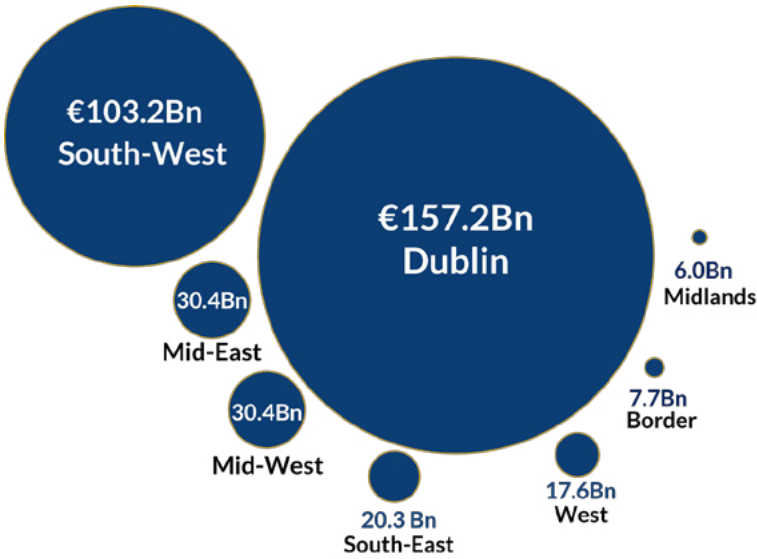


Source: CSO
Page 4

Regional Gross Value Added (GVA)

The Mid-West had the fourth highest regional GVA for 2020, slightly behind the Mid-East at €30.4 billion. Dublin (€157.2 billion) and the South-West (€103.2 billion) accounted for c. 69.9% of the total share of GVA. Overall, GVA at a national level, grew by 4.5% from 2019 to 2020. At a regional level, just three of the eight regions grew during this period, those were the South-West (+15.9%), Dublin (+9.6%) and the West (+6.0%) while all other regions decreased. The Border region decreased by the largest amount (-24.4%) followed by the South-East (-18.6%), the Mid-West (-11.0%), the Midlands (-7.4%) and the Mid-East (-4.5%). Despite large increases in disposable income, GVA for the Midlands decreased during the same period. It is important to note that the data observed is for 2020, when the covid outbreak first took root and likely is the cause of the decrease in GVA.

Fig 1.11: Regional GVA (2020)

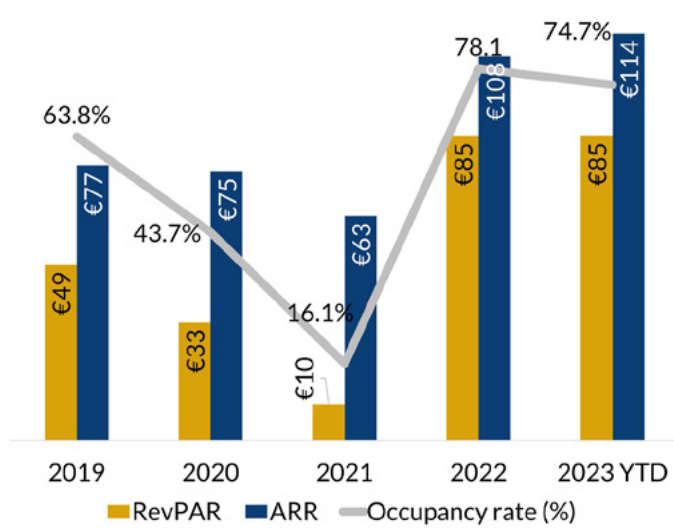


Source: CSO

Hotel Performance

The three common key performance indicators (KPIs) for the hotel sector in Ireland are RevPAR (revenue per available room), ARR (the average rate per available room) and the hotel occupancy rate percentage. 2022 saw large gains on 2021 for the hotel industry in Limerick, which is understandable given the impact lockdowns and restrictions had on international and domestic travel had on the hotel industry. The average room occupancy rate for 2022 was 78.1% while ARR was €108 and RevPAR was €85.

Fig 1.12: Hotel Performance



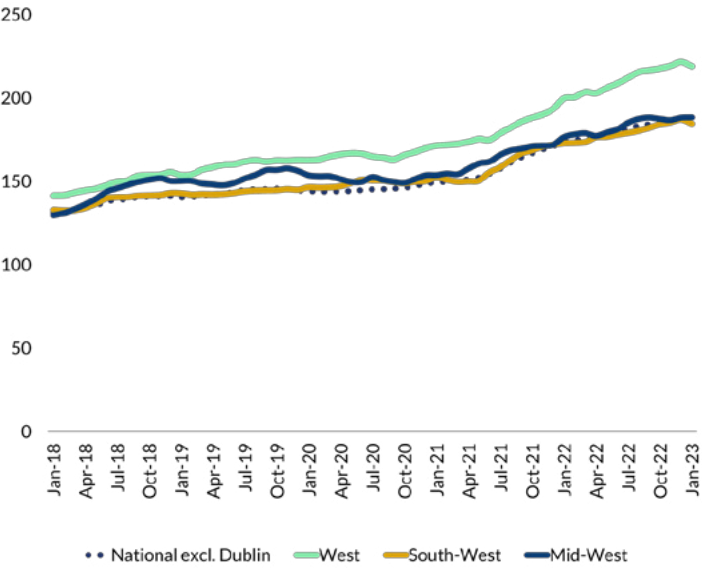
2.0 Housing & Property

Residential Property Price Index (RPPI)

The RPPI shows changes in the price of homes. National house prices increased by 6.3% YoY to January 2023, while national house prices excluding Dublin grew by 7.7%. The Mid-West grew by 6.7%. From a MoM perspective, house prices decreased at national level, national excluding Dublin, Dublin, the West, Mid-East and South-West. However, MoM growth was registered in the South-East, Mid-West, the Midlands and Border Regions.

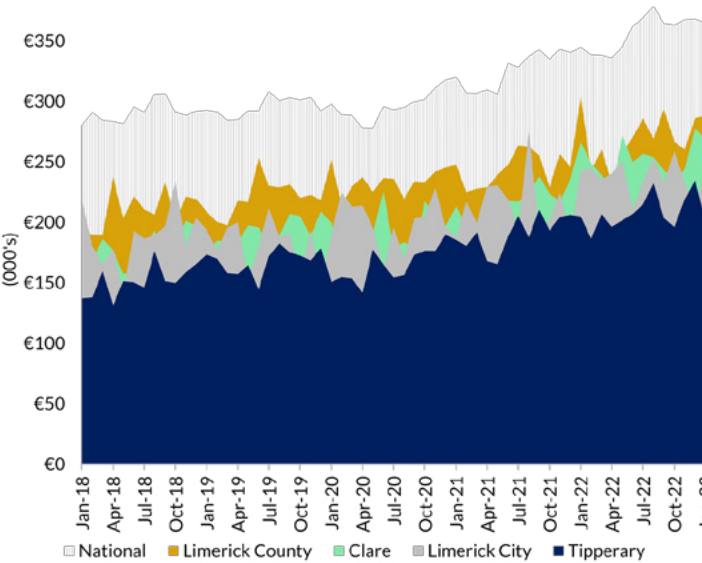
The RPPI continues to reach new highs for the Mid-West, sitting at 188.4 in January 2023, rebounding from very slight decreases at the beginning of Q4 in 2022. While the Mid-West has seen significant increases over the last number of years, greater than both the national excluding Dublin figure and the South-West (Cork) figure, the West region, underpinned by Galway, is seeing larger increases in the RPPI - sitting at 219.0 in January 2023. Since 2017, house prices in the Mid-West have increased by 63.5%. The same period for the West is 79.7% while the South-West region has seen 56.7% growth and National (excluding Dublin) has seen 60.1% growth.

Fig 2.1: RPPI



Source: CSO

Fig 2.2: Average Home prices



Source: CSO

Average Home Prices

For February 2023, the average national house price was €363,000. This is an increase of 7.1% YoY and a decrease of 0.7% MoM. For Limerick City, the average price was €250,000, an increase of 2.1% YoY and an increase of 1.7% MoM. In Co. Limerick, the average price was €301,000 up 23.7% YoY and 4.4% MoM. Co. Clare at €270,000 (+8.5% YoY) and Co. Tipperary at €218,000 (+17.0% YoY) also outlined increases.

Comparatively, Cork City had an average price of €331,00 (+9.4% YoY), Galway City had an average price of €345,000 (-2.7% YoY) and Waterford City had an average price of €228,000 (-0.2% YoY). The average sale price can often be skewed by house prices being valued at opposite ends of the scale, and therefore a more reliable indicator is the median.

Median House Prices

In February 2023, the median national house price (for all homes, new and existing) was €315,000, a 9.3% increase YoY and a 1.6% increase MoM. Limerick City's median house price stood at €218,000 (+2.7% YoY) for February, a decrease from January which saw the highest recorded price since June 2011 (€240,000) and the third highest price since data collection began in 2010. Co. Clare (€248,000) registered a 1.2% increase YoY and Co. Tipperary (€160,000) saw a 3.0% decline on the previous year.

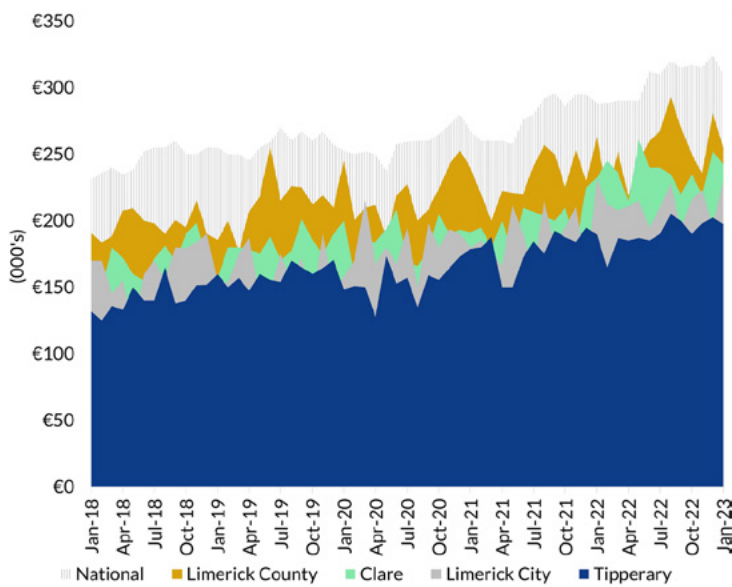
Comparatively, Cork City had a median price of €275,000 (+0.5% YoY), Galway City had an average price of €305,000 (+7.0% YoY) and Waterford City had an average price of €205,000 (-6.8% YoY).

Average Asking Price - Daft

As per the most recent Daft sales report (Q1 2023), the national asking price is €308,000, for Limerick city it is €249,000, for Limerick County it is €230,000 and for Clare and Tipperary it is €234,000 and €222,000 respectively. From Q4 2019 to Q1 2023, the average national asking price (Fig 2.4) increased by €57,000 (+23%). For Limerick City, over the same period the average asking price increased by €49,000 (+25%), Limerick County increased by €47,000 (+26%), Clare increased by €49,000 (+27%) and Tipperary by €49,000 (+28%).

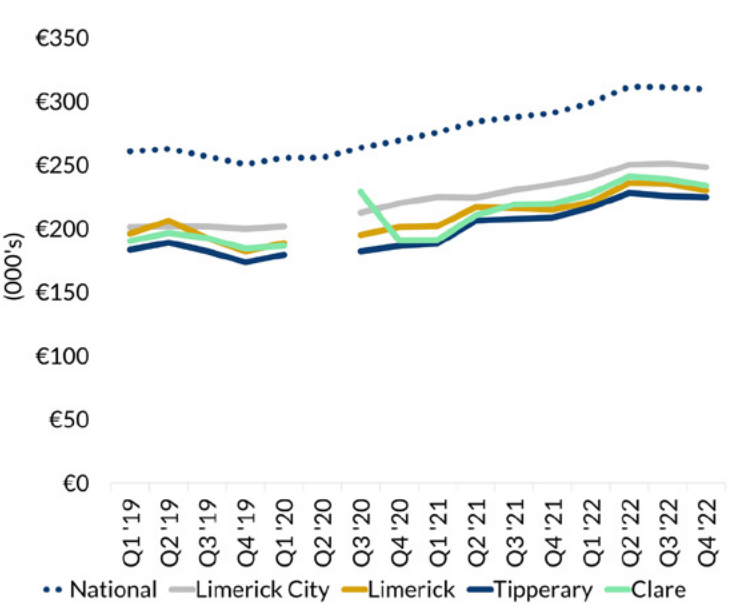
*Note: Due to COVID-19, some regional data was not collected by the Daft purchasing report in Q2 2020.

Fig 2.3: Median House Prices



Source: CSO

Fig 2.4: Daft Average Asking Price



Source: Daft

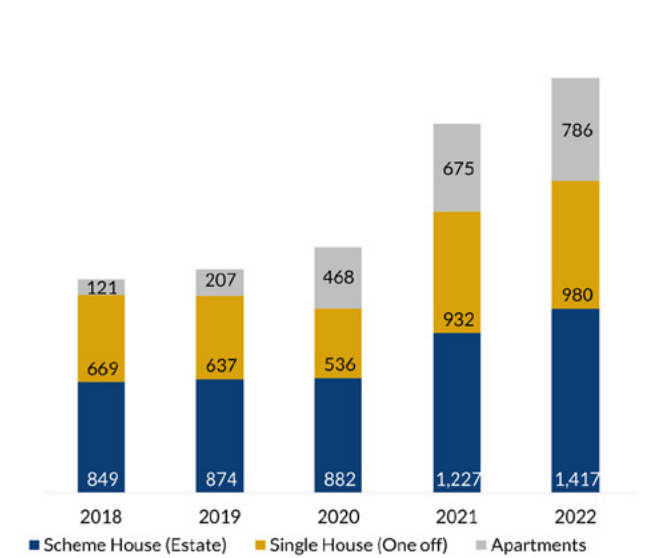
Planning Permissions Granted - Mid-West

The number of homes granted planning permission across the Mid-West increased by 12.3% in 2022 versus 2021 (+349) – owing to large increases in Limerick and large decreases in Tipperary. Limerick had 1,808 homes granted planning permission in 2022, up from 1,059 in 2021 (+70.7%). Clare saw 606 homes granted permission compared to 605 homes in 2021. Tipperary had 769 homes granted planning in 2022, compared to 1,170 in 2021 a decrease of 34%. However, it is important to note, Tipperary had made large gains in previous years, growing from 290 homes in 2018.

In terms of the typology share of homes, almost 40% of homes in Limerick were apartments with 38% being homes in housing estates. Comparatively, Tipperary had a large decrease in the share of apartments granted planning permission, decreasing from 19.4% in 2021 to 5.5% in 2022 while one-off homes increased to 37.7%. Clare, to a lesser degree, followed the same trend as Tipperary for apartments, except the increased share came in the form of homes in estates.

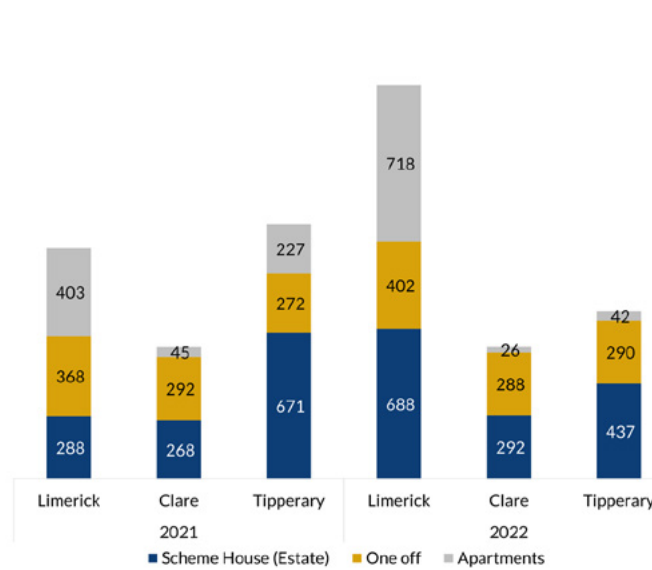
Planning permission grants, while showing the potential delivery of new homes, provide no guarantee that these homes will actually be built and should only act as an indication of potential pipeline of homes. Ultimately, the core goal is to activate these planning permissions and turn them into commencements and subsequently deliver new homes. Furthermore, planning permission data, at a high level, give no indication which segment of the market the homes will end up going to. As we see later on in this chapter the amount of homes that end up being purchased by owner occupiers is far too low.

Fig 2.5: Planning Permissions - Mid-West



Source: CSO

Fig 2.6: Planning Permissions Granted by County



Source: CSO

Residential Units Commenced

In 2022, the number of homes commenced across the Mid-West increased by 9 homes compared to 2021 (+0.6%). This was largely driven by a decrease in the number of homes commenced in Clare and Tipperary, but an increase in Limerick. Nationally, the number of homes commenced in 2022 versus 2021 decreased by almost 4,000 (30,724 vs 26,957) – a 12.3% decrease.

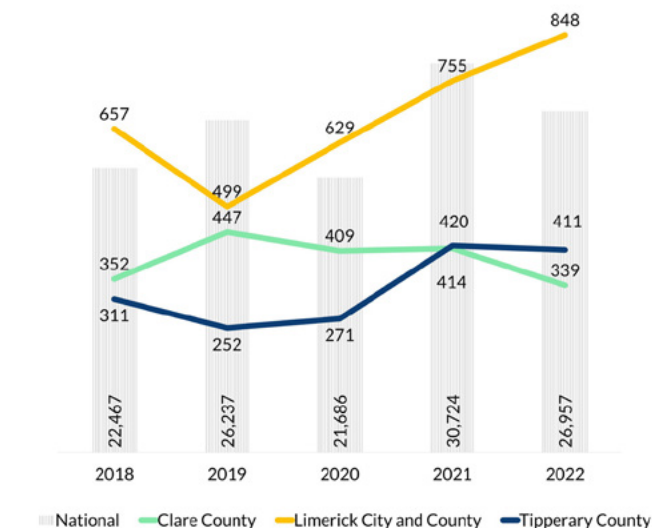
Limerick saw its number of homes commenced increase by 93 (from 755 to 848). Clare saw its number of homes decrease by 75 (from 414 to 339) while Tipperary decreased by 9 homes from (420 to 411). The number of homes commenced in one year is an indicator for the number of homes that will be delivered in the next year or two. While an increase in the number of homes commenced in Limerick is welcome, there are considerations. Thinking of the Mid-West holistically, people often live in Clare and work in Limerick or live in Limerick and work in Tipperary etc. – a net gain of 9 homes will not service the existing or future demand of the Mid-West. The upward trend in the 12-month running totals across Limerick is encouraging, however, worrying signs are being shown in Tipperary and to a lesser extent in Clare. Comparatively, at a national level, the 12-month running totals for commencements is decreasing.

New Dwelling Completions

29,851 homes were completed at a national level in 2022, an increase of 45.2% on 2021 figures. The sudden and drastic increase at a national and regional level could possibly be pent up supply accumulating from the COVID-19 period when building sites were under restrictions.

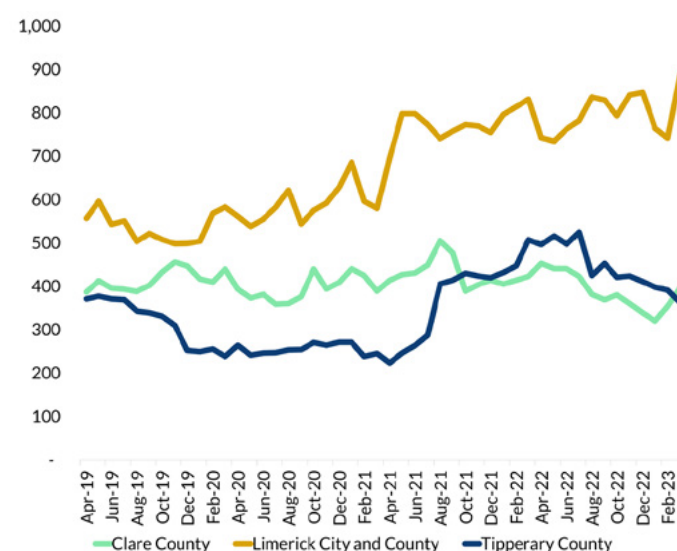
1,782 homes were delivered across the Mid-West in 2022, a 34.6% increase on 2021 figures. Of that, 787 homes were delivered in Limerick (+30.7% YoY), 566 homes were delivered in Clare (+37.4% YoY) and 430 homes were delivered in Tipperary (+38.3% YoY). Again, it must be highlighted the scale of the need in Limerick alone stands upwards of c. 2,400 homes per year for the next several years.

Fig 2.7: No. of Residential Units Commenced



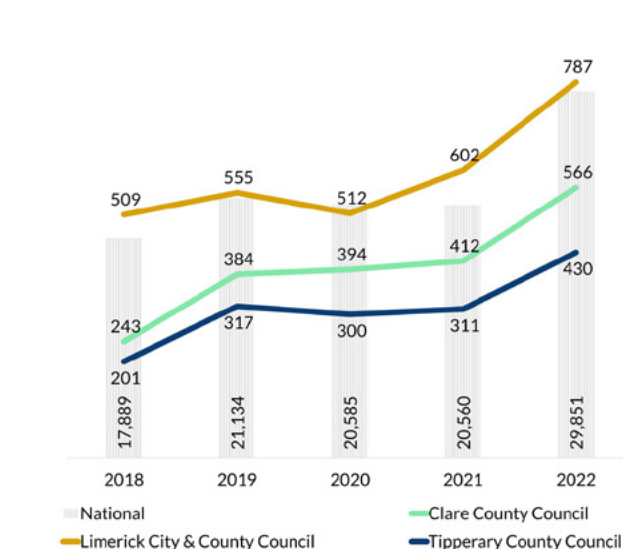
Source: CSO

Fig. 2.8: 12-Month Running Total, Commencements



Source: CSO

Fig 2.9: New Dwelling Completions



New Home Transactions

For 2022, 8% of the homes completed in Limerick were apartments (64 apartments), 63% of homes were houses in estates (494 houses) and 29% were one-off homes (225 homes). This share was broadly in line with 2021 delivery. 10% of the homes completed in Tipperary were apartments (43 apartments), 38% of homes were houses in estates (161 houses) and 52% of homes were one-off housing (219 homes) – this share was broadly in line with 2021. Interestingly, for Tipperary, the share of one-off homes has declined from 84% in 2018. 7% of homes completed in Clare were apartments (40 apartments), 52% of homes were houses in estates (296 houses) and 41% of homes delivered were one off housing (231 homes) – which has decreased from 70% in 2018.

Again, it is worth considering that while housing delivery increased overall in 2022 vs 2021 - this is to be expected as 2021 would have still felt the effects of the construction lockdowns in 2020, and we are now seeing those stalled works come back into the system.

A large issue facing the new home market is the low supply that ends up going to owner occupiers. At a national level, 56% of new homes transactions in 2022 went to owner occupiers – down from a 70% share in 2018. Similarly, for Limerick, in 2022 just 43% of new home transactions went to owner occupiers – down from 78% in 2018. In Clare, for 2022, 57% of new home transactions went to owner occupiers. In Tipperary, the issue is less apparent, with 76% going to owner occupiers which is up from 44% in 2018. Since 2010 the share of new homes going to owner occupiers has been decreasing. The issue is the non-owner occupier sector has increased activity of purchasing homes, while normally the non-owner occupier market is a combination of investment funds and the state for social housing (through local authorities and approved housing bodies), there is little evidence to suggest funds are particularly active in the Mid-West. The state must increase direct build of social homes and not rely on purchasing from the private market which introduces competition between the state and potential owner occupiers.

Fig. 2.10: New Homes Transactions - Mid-West

■ Owner Occupier ■ Non-Owner Occupier

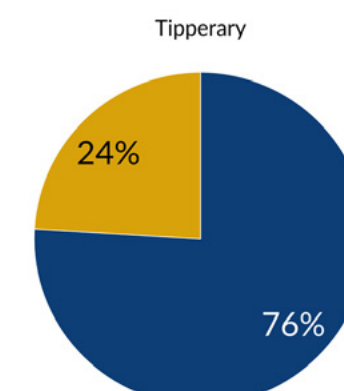
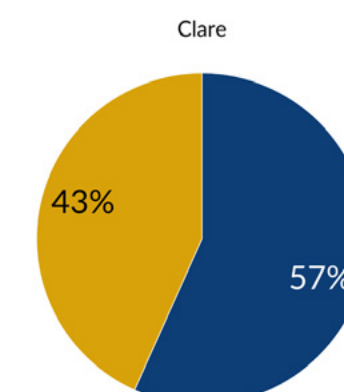
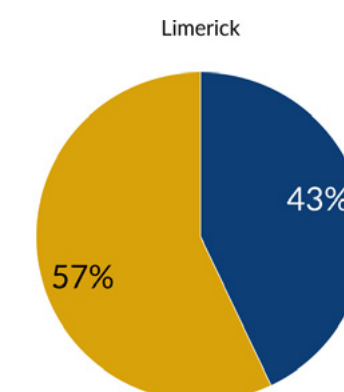
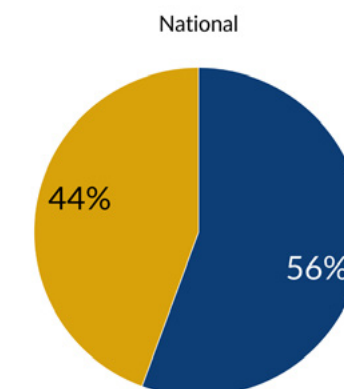
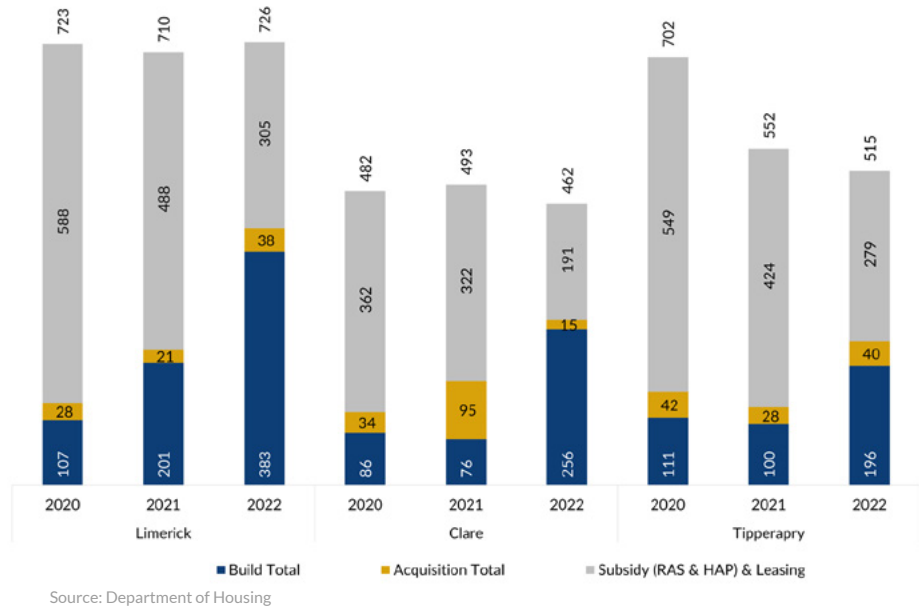


Fig 2.11: Social Housing Delivery



Social Housing Delivery

Fig 2.11 displays social housing delivery across the Mid-West since 2020. Overall, social housing delivery increased in Limerick from 710 in 2021 to 726 in 2022 (+2.3%), however, the four years proceeding this had each registered YoY declines. Declining from 996 homes in 2018 has largely been due to the decrease in homes provided through subsidy schemes such as RAS and HAP and an increase in build totals. The share of subsidy and leasing has decreased from 77.5% in 2018 to 42.0% in 2022. For Clare, overall social housing delivery decreased from 493 in 2021 to 462 in 2022 (-6.3%). Social housing has decreased in Clare from 636 in 2018, however, like Limerick, this is due to a decrease in subsidy programmes but an increase in direct building. The share of subsidy and leasing has decreased from 75.9% in 2018 to 41.3% in 2022. Tipperary has followed a similar trend to Clare, decreasing from 2021 to 2022, from 552 to 515. However, there was an increase in the number of direct builds over the last several years with subsidy schemes decreasing. From 2018 to 2022, the share of subsidy schemes relative to overall housing has decreased from 77.6% to 54.2%.

According to the Housing Agency's *Summary of Social Housing Assessments 2022*, the number of households on the social housing waiting list in Limerick has increased from 1,949 in 2021 to 1,963 in 2022 (+0.7%). The number of households has also increased in Clare, from 1,100 in 2021 to 1,185 in 2022 (+7.7%). However, the number of households on the social housing waiting list has decreased in Tipperary, from 1,121 in 2021 to 1,090 in 2022 (+2.8%). At a national level, the number of households on the social housing waiting list has decreased from 59,247 in 2021 to 57,842 in 2022 (-2.4%).

54.8% of those households on the social housing waiting list in Limerick (main applicant) are under 29 years of age, in Clare this is 51.0%, in Tipperary this is 51.7%. In Limerick, 60.1% of those on the social housing waiting list (main applicant) are unemployed and in receipt of social/community welfare. For Clare, this is 53.7% and Tipperary 65.1%. Smaller households of 1 adult or 1 adult and 1 to 2 children make up the majority of the social housing list across the Mid-West. For Limerick, c. 79.0% of households of the waiting list are made up of these smaller households, in Clare it is 76.2% and in Tipperary 75.2%. The demographic of the waiting lists indicates that smaller homes such as apartment blocks and one to two bed homes may be more appropriate and efficient in tackling the waiting lists for social housing.

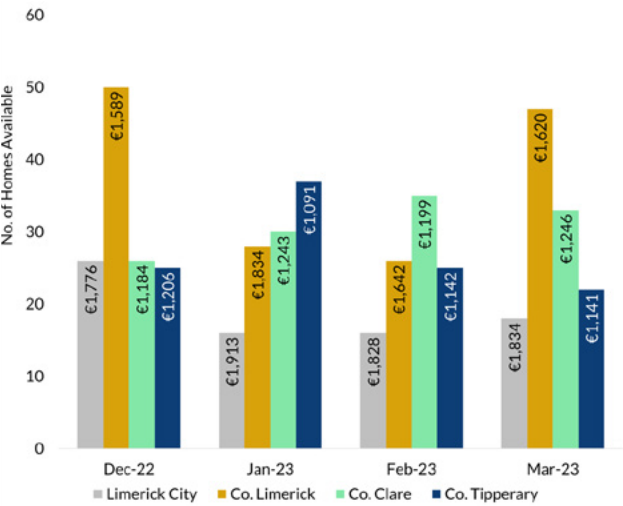
Limerick Chamber Rental Monitor

Limerick Chamber tracks the monthly availability of rental accommodation across the Mid-West. The average price and the total monthly availability are shown on fig 2.12, for further information such as type of housing i.e. apartments, 1-bed homes, BER performance, please see our monthly rental availability publications on the Limerick Chamber website, residential rental availability has been falling since May 2022 for Limerick City & Environs. For the whole Mid-West, market residential availability has been on a downward trend since August 2022 but slightly rebounding in March 2023 due to an increase of homes in Limerick. The average price in Limerick City and Environs in March 2023 was €1,834, with 18 homes available to people across the month. For Co. Clare, the average price was €1,246 with 33 residential homes available to rent. For Co. Limerick, it was €1,620 with 47 homes available, and for Co. Tipperary, there were 22 homes at an average price of €1,141.

Average Rent - Daft

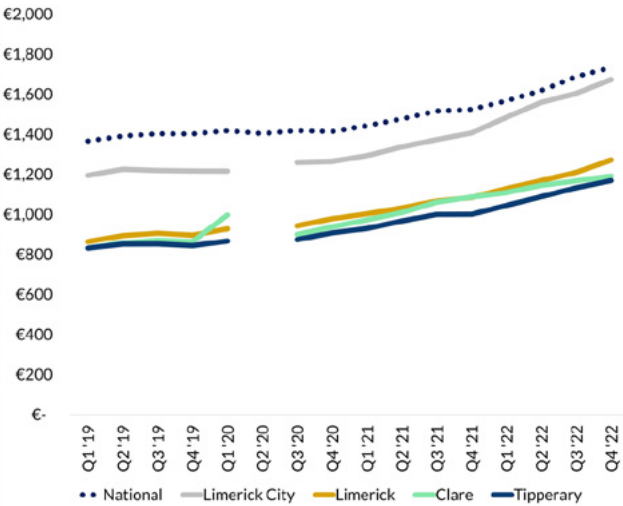
As per fig 2.13, from pre-pandemic (Q4 2019) to the most recently available data in Q4 2022, average rent prices have increased by 23.6% nationally - representing an additional spend of €3,972 for new renters per year. For Limerick City over the same period, there has been a 37.5% increase - representing an additional annual spend of €5,472 for potential new tenants. For Co. Limerick, there has been a 42.0% increase over the same period (an additional €4,512 per year for new tenants). For Clare, there has been a 37.8% increase (+€3,924 per year for new tenants) and for Tipperary, there has been a 38.5% increase (+€3,900 per year for new tenants). There have been substantial increases in the cost of rental over the last year alone, from Q4 2021 to Q4 2022, with prices in Limerick City increasing by 18.9%, prices in the whole county of Limerick increasing by 17.2%, prices in Tipperary increasing by 16.8% and prices in Clare increasing by 9.6% - all compared to a national increase of 13.7%.

Fig. 2.12: Limerick Chamber Rental Monitor



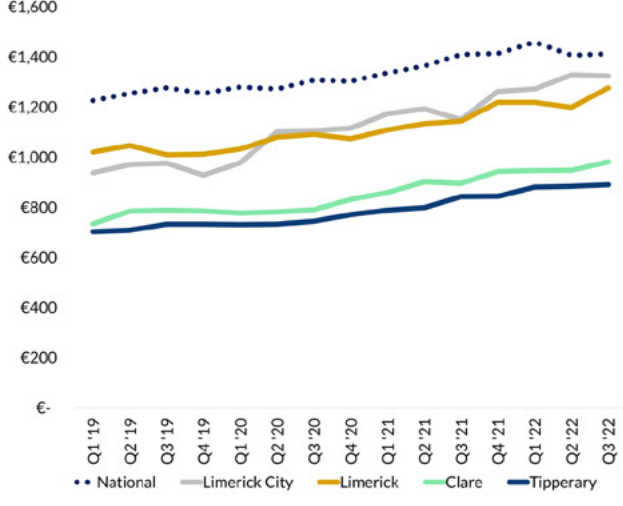
Source: Limerick Chamber

Fig 2.13: Daft Average Rental Price



Source: Daft

Fig 2.14: RTB Average Rental Prices



Source: RTB

Average Rent - Residential Tenancies Board

From pre-pandemic (Q4 2019) to the most recently available data in Q3 2022, average rent prices have increased by 12.6% nationally – representing an additional spend of €1,896 for renters per year. For Limerick City over the same period, there has been a 42.6% increase – representing an additional annual spend of €4,752 for potential new tenants. For Co. Limerick, there has been a 26.2% increase over the same period (an additional €3,180 per year for new tenants). For Clare, there has been a 24.9% increase (+€2,352 per year for new tenants) and for Tipperary, there has been a 21.6% increase (+€1,896 per year for new tenants).

There have been more muted increases in the cost of rental over the last year when using RTB data compared to Daft data, albeit for slightly different periods. From Q3 2021 to Q3 2022, prices in Limerick City increased by 15.2%, prices in the whole county of Limerick increased by 11.6%, prices in Tipperary increased by 5.7% and prices in Clare increasing by 9.6% - all compared to a national increase of 0.2%.

Mortgage vs Rent

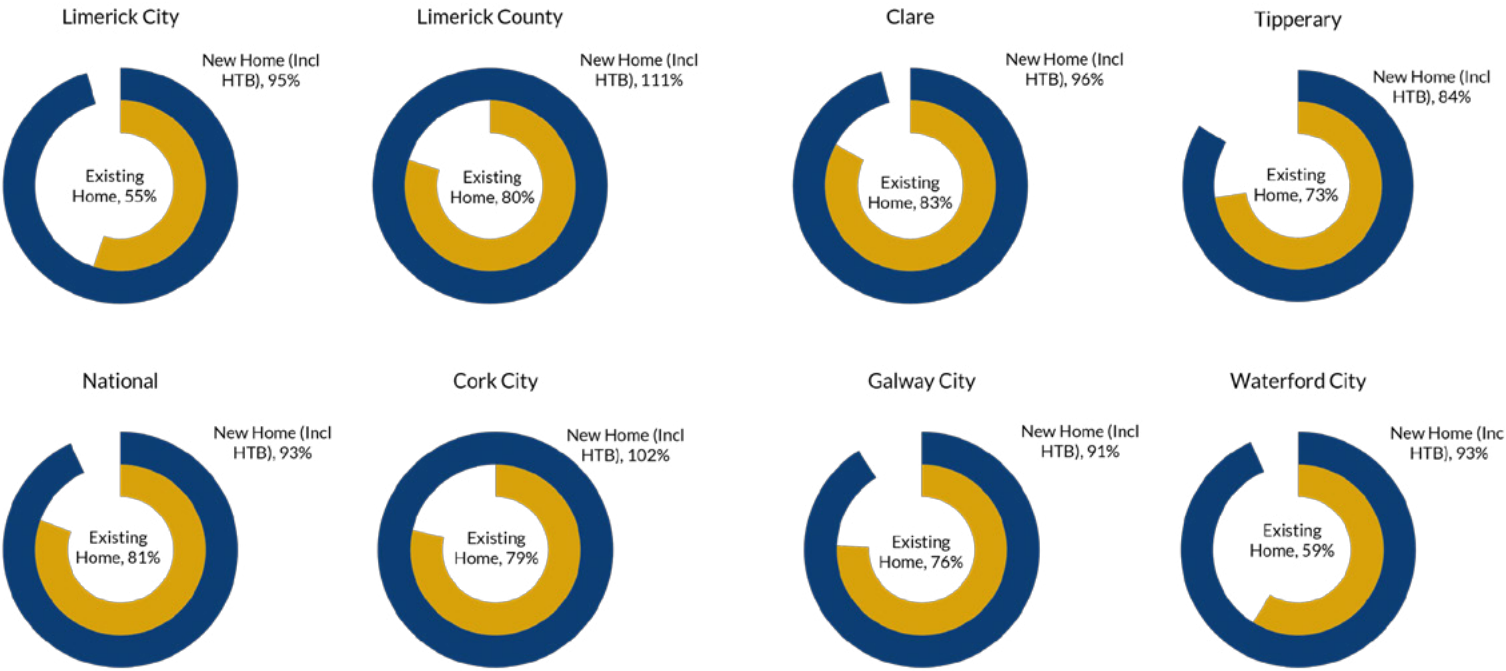
Historically, renting has been more expensive than paying a mortgage on a monthly basis (mortgage payments being greater than 100%), however, for new homes, this is not necessarily the case and the use of help-to-buy (HTB), in some instances, helps to decrease the cost of paying a mortgage to under the level of what a rental payment would be e.g. for Limerick City the cost of paying a mortgage would be 2% higher than the average rental payment cost of renting, however, using help to buy decreases the mortgage payment to be 95% of the average rental payment (or 5% cheaper). However, in Limerick County and Cork City, owning a new home is more expensive than renting even with the inclusion of help-to-buy.

Table 2.1: Mortgage vs Renting - HTB

	Without Help-to-buy	With Help-to-buy
Limerick City	102%	95%
Limerick County	121%	111%
Clare	106%	96%
Tipperary	94%	84%
National	100%	93%
Cork City	109%	102%
Galway City	98%	91%
Waterford City	102%	93%

Source: Authors calculations

Fig 2.15: Mortgage vs Rental Payment



Source: Authors calculations

Commercial Vacancy

The average commercial vacancy rate nationally was 14.0% in Q4 2022, which was a slight increase of 0.10 percentage points (pp) on the previous year. Q4 2022 saw slight changes in commercial vacancy for the three counties of the Mid-West, along with key towns / cities in the region. For Limerick, commercial vacancy was 16.9% (+0.2 pp YoY), for Clare there was a slight increase with 15.5% (+0.3 pp YoY), while Tipperary saw its rate increase slightly to 14.5% (+0.1 pp YoY).

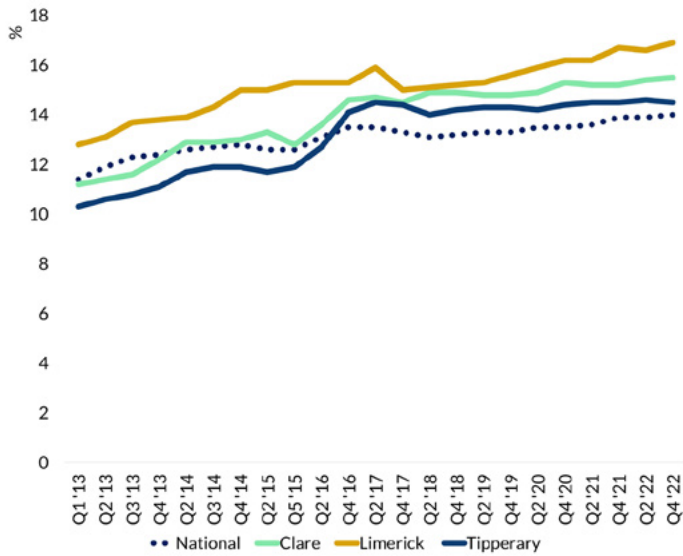
In Clare, Kilrush decreased its vacancy rate from 26.2% to 24.7%, Shannon saw a large increase in its commercial vacancy rate from 23.9% to 29.8%. Both these figures represent significant issues for Clare, whereby almost one quarter of their business premises are vacant in two significant areas. Ennis is slightly better, remaining largely unchanged at 18.0%, however, there are still a significant portion of vacant commercial premises.

For Tipperary, Clonmel increased its vacancy rate from 17.9% to 18.5%, while Thurles increased to 18.2%. Nenagh, however, has made significant strides in the space of one year, decreasing their vacancy rate from 17.2% to 14.7%.

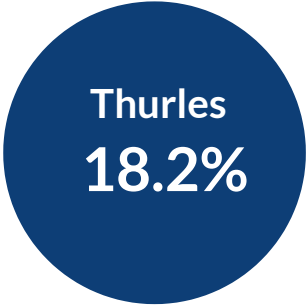
For Limerick, Abbeyfeale decreased from 23.6% to 22.1%, for Limerick City there was a decrease from 19.4 to 18.9% and for Newcastlewest the vacancy rate decreased from 21.8% to 21.1%.

Almost one fifth of the commercial premises in Limerick City, the central node of the Mid-West, are vacant which will negatively affect other business confidence and vibrancy, as well as the attractiveness of the city centre.

Fig 2.16: Commercial Vacancy



Source: Geodirectory



3.0 Transport & Logistics

Flight Passenger Market Share

Fig 3.1 shows the market share of passengers for the main Irish airports. In 2005, Shannon Airport had a 13% share of passengers, while this has fallen to 4% in 2022. During the same time, Cork went from a 11% passenger share to 7% while Dublin Airport’s market share grew from 73% in 2005 to 86% in 2019.

Thankfully, air travel has, for the most part, resumed to normal and 2022 marked the start of a recovery period for the aviation sector. In terms of performance for Shannon Airport, passenger numbers in January 2023 were up by 21% on January 2019. In February, passenger numbers were up 17% compared to 2019 outlining the resilience of Shannon Airport.

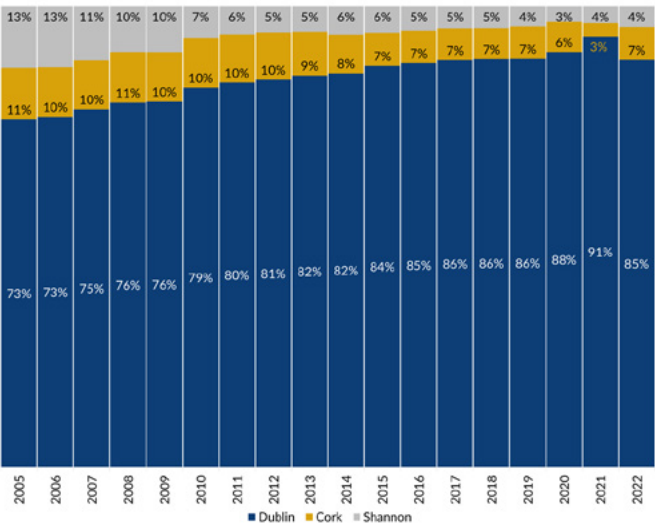
Commercial Flights

2022 was a rebound year for all major airports in Ireland with the number of commercial flights passing through increasing, which is understandable given the impact COVID-19 still had on the aviation industry in 2021. YoY commercial flights through Cork increased by 403.0%, Dublin increased by 141.5% and Shannon increased by 138.8%. However, most airports were still down on 2019 figures, Cork was down 22.4%, Dublin was down 12.9% and Shannon was down 11.4%. However, early indications for Shannon is that it may surpass 2019 figures in 2023.

Dry Bulk Performance: Irish Ports

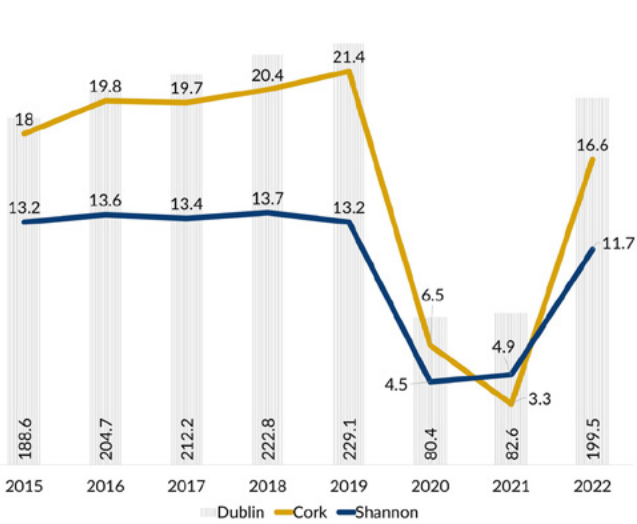
The dry bulk market consists of raw materials for industrial or agricultural purposes, such as fertiliser, animal feeds, chemicals and iron ores. For 2022, Shannon Foynes Port handled more dry bulk cargo than any other Irish port. c. 8.4 million tonnes of dry bulk cargo passed through the port, c. one million tonnes less than in 2021 returning to similar levels seen in 2020 and 2019.

Fig 3.1: Flight Passenger Market Share



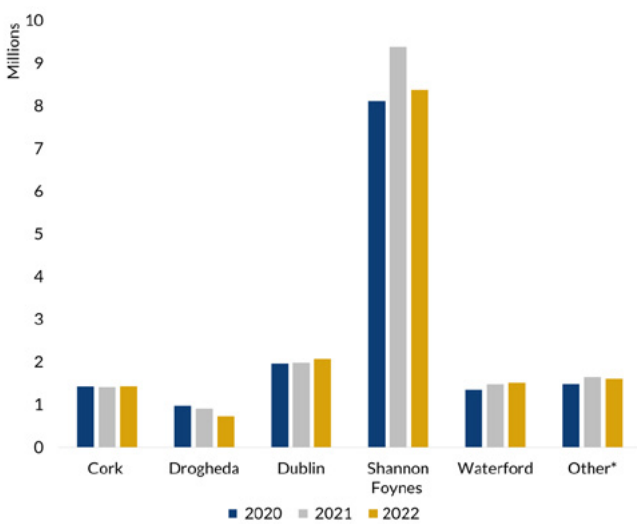
Source: CSO

Fig 3.2: Total Annual Commercial Flights (000's)



Source: CSO

Fig 3.3: Dry Bulk Volumes for Irish Ports



Source: IMDO

As per the *Irish Maritime Transport Economist* publication by the Irish Maritime Development Office, the increase in bulk traffic through Shannon Foynes port in 2021 was largely driven by coal. The report outlined that imports of coal through Shannon Foynes port increased from approximately 72,000 tonnes per year in 2019 and 2020 to over 1.3 million tonnes in 2021. The report highlighted that 2021 was a low wind year for generating sustainable energy whereby wind generation was down 18% in the first 10 months of 2021 with import of coal increasing to close the gap.

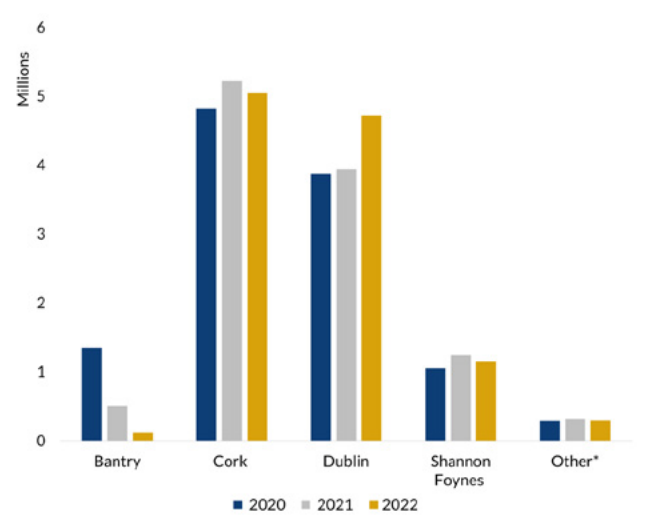
Liquid Bulk Performance: Irish Ports

Liquid bulk consists of anything from gasoline to fruit juices and cooking oil. In 2022, Shannon Foynes handled c. 1.2 million tonnes of cargo in terms of liquid bulk, 10.3% of the market share. Shannon Foynes operates at a lower share of liquid bulk in comparison to other Irish ports with Cork (45.0%) and Dublin (42.1%) being the leaders in liquid bulk. 2022 was the best year for Shannon Foynes for liquid Bulk, with 1.15 million tonnes handled, the second largest amount since data collection started in 2011, behind 2018 which saw 1.19 million tonnes handled.

Break Bulk Performance: Irish Ports

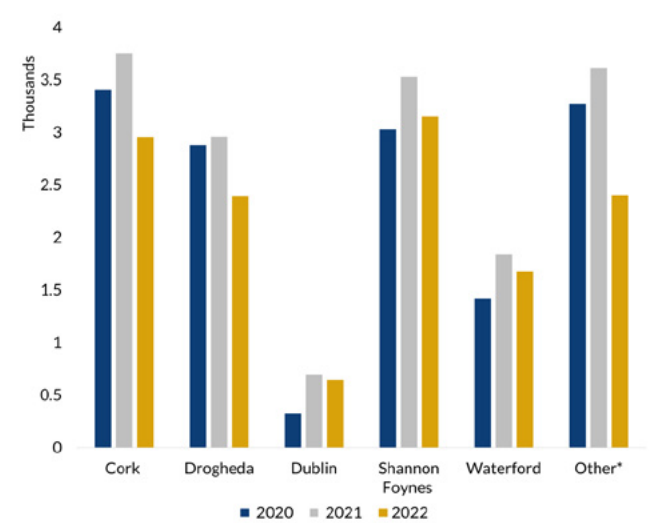
Break bulk is made up of goods that are stowed on board ships individually counted units, such as manufacturing and construction equipment. Most of the demand for break bulk cargo is derived from the likes of construction and industrial activity such as steel and timber. Shannon Foynes has seen an 11% fall in the total break bulk cargo handled in its port in 2022 versus 2021 (352,857 tonnes vs 315,131 tonnes). Shannon Foynes has been a leader in break bulk cargo over the last number of years along with Cork and Drogheda. In 2022, Shannon Foynes handled 21.8% of all dry bulk cargo in Ireland – the largest share in the country

Fig 3.4: Liquid Bulk Volumes for Irish Ports



Source: IMDO

Fig 3.5: Break Bulk Volumes for Irish Ports



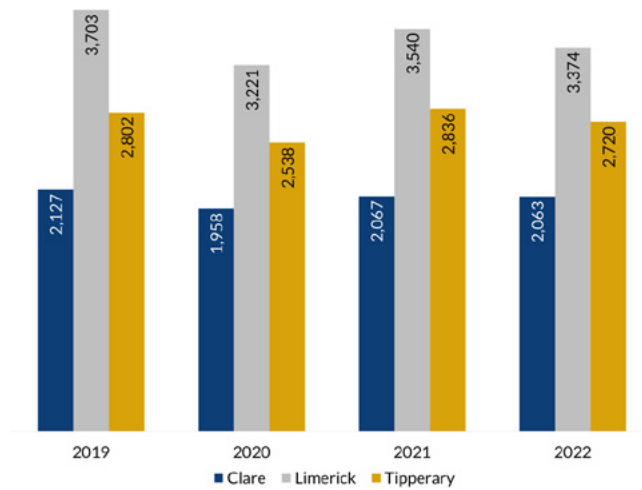
Source: IMDO

Vehicle Registrations

New private vehicle sales fell across the Mid-West in 2022 versus 2021. Limerick saw 166 less vehicles licensed (3,374 vs 3,540), Clare saw 116 less licensed (2,720 vs 2,836), while Tipperary saw four less (2,063 vs 2,067). For electric vehicles (EVs), total sales have had their largest YoY increase for Limerick (232 to 428), while Clare also saw strong growth (160 to 250). Tipperary saw a fall in total sales for 2022 (153 to 132) after a strong performance in 2021 which saw it double 2020's sales numbers.

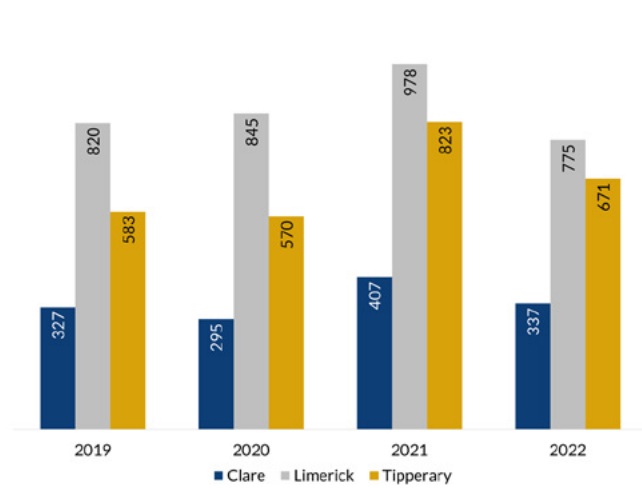
Total new goods vehicles licensed fell across the Mid-West in 2022, with Limerick seeing 203 less goods vehicles licensed (775 vs 978), Clare seeing 70 less vehicles licensed (407 vs 337) and for Tipperary, 152 less goods vehicles were licensed in 2022 (823 v 671).

Fig 3.6: New Private Vehicles Licenced: Mid-West



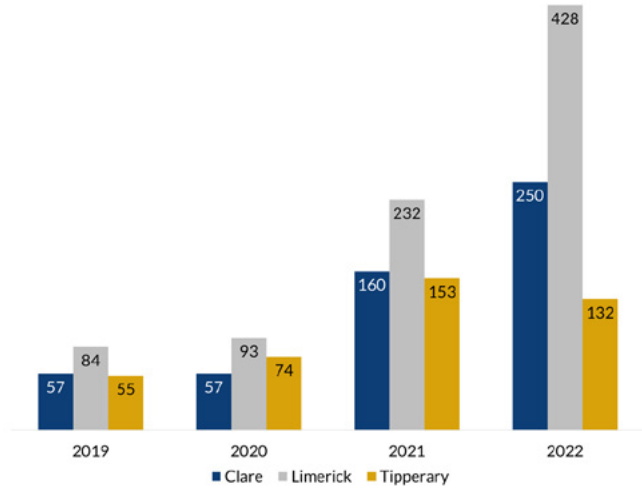
Source: CSO

Fig 3.7: New Goods Vehicles Licenced: Mid-West



Source: CSO

Fig 3.8: New EV Sales: Mid-West



Source: SIMI

4.0 Education & Skills

Graduate & Enrollment Figures

2022 saw continued growth in both new enrollments and graduates in the Mid-West region, with a 2.4% YoY growth in enrollments and a 4.8% YoY growth in graduates. The continued growth in skilled graduates is an important asset for the Mid-West region. It gives potential FDI an attractive incentive to locate and invest within the region, knowing that there is a growing pipeline of skilled labour that will be available.

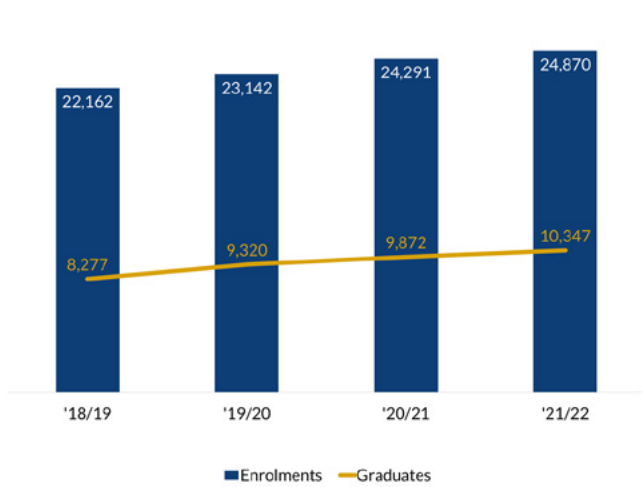
Apprenticeships

Apprenticeships have become increasingly important over the last several years with more policy tools and funding being deployed to increase the number of apprenticeship programmes. In the Mid-West, the education and training boards are one of the primary delivery mechanisms for apprenticeship programmes delivering a significant number across the region, while peaking in 2019 there are still significant take up rates that complement employers requirements in the region.

Skillnet

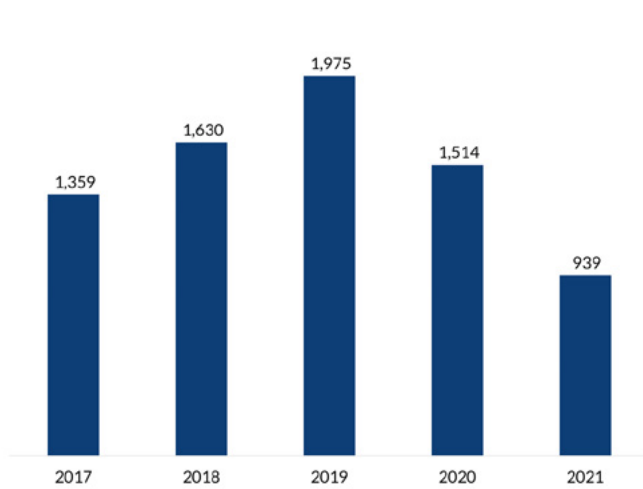
Limerick Chamber Skillnet is a business support agency which aids local businesses in training and upskilling staff through the provision of funding. Fig. 4.3 highlights the key indicators for Limerick Chamber Skillnet for 2021 & 2022, with 82 events for almost 600 member employees being run across the year in 2022. While the number of participants decreased from 2021 to 2022 (-13.3%) the number of training days provided by Limerick Chamber Skillnet increased by 357.1% (to 2,825 days) – this is in line with Skillnet’s overall strategy to increase the quality of courses.

Fig 4.1: Mid-West Enrollments & Graduates



Source: HEA

Fig 4.2: Mid-West Apprenticeship Take-up



Source: LCETB & Tipperary ETB

Fig 4.3: Limerick Chamber Skillnet



Source: Limerick Chamber Skillnet

Strategic Development Pipeline (SDP) - Q1 2023

Q1 2023 marks the first official update of the Strategic Development Pipeline (SDP) since its launch in Q4 2022. While most projects have advanced, there are sticking points coming to the fore in some projects. Table 5.1 provides an update on some of the key projects on the SDP. For more information please visit the SDP website at limerickchamber.ie/strategic-development-pipeline.

The Shannon Airport Group have completed two of their three projects on the SDP with the final project completion date being brought forward to August 2023. The three projects provide substantial commercial and industrial space for business wishing to locate in the Mid-West.

Limerick Twenty Thirty have advanced two of their landmark projects with One Opera Square and Cleeves Riverside Quarter. The construction contractor for One Opera Square and sitewide basement has been announced and works commenced on site in Q1 2023. Limerick Twenty Thirty and the Ireland Strategic Investment Fund (ISIF), announced the creation of a unique joint venture partnership to finance the development of the One Opera Square project in February 2023. The master plan for Cleeves Riverside Quarter was launched in March 2023 with the final master plan to be finalised and published in May 2023. The housing development being brought forward in Mungret still remains delayed due to a judicial review. The master plan for the residential and medical development at Coonagh in Limerick is progressing and it is hoped that a planning application will be submitted in Q3 or Q4 2023.

The housing development at Speaker's Corner in Limerick City was granted planning permission in November 2022 with tendering and appointment of construction contractors to be confirmed. The planning permission for housing at New Road in Thomondgate is pending.

The Spatial Framework for the Land Development Agency's plans for Colbert Quarter was finalised and published in 2022. The master plan for the St. Joseph's Hospital section of the site is expected to be complete in Q2 2023 - there will be a consultation on the master plan. The infrastructure delivery and phasing plan for the entire Colbert Quarter site has commenced and is on track for completion in Q2 2023.

The O'Connell Street revitalisation project saw further delays with most of the project work expected to be complete by the end of May 2023. Originally the project was due to be finished by Q2 2022, this was continually revised to Q3 2022, then Q4 2022 then Q1 2023 then to May 2023, with the latest completion date being May 2023.

Another significant project for Limerick City is the world class waterfront project. Initially, Limerick City and County Council are focusing their efforts on the area surrounding Arthur's Quay park with a framework team now in place and a plan expected in Q4 2023. However, the scope of the plan is much greater and takes up a significant portion of the riverside in the city centre.

Table 5.1: Key Project Updates

Project Name	Status	Comment
Industrial Unit	● Complete	This project has been complete
Multi-use Industrial Unit	● Complete	This project has been complete
R&D Technology Facility	● Ahead of Schedule	Due to be complete in Aug 23
Project Opera	● On-schedule	ISIF & Construction partnership announced
Cleeves Quarter	● On-schedule	Master plan published
Colbert Quarter	● On-schedule	Master plan for St. Josephs site to be complete by Q2-23
Speaker's Corner	● On-schedule	Planning permission granted
New Road Housing	● On-schedule	Planning permission pending
N/M20	● On-schedule	Currently at phase 3
1BQ	● On-schedule	
UL City Campus	● On-schedule	Planning submission expected by end of 2023
World Class Waterfront	● Started	Report on Arthurs Quay Framework due in Q4 2023
Mungret Housing	● Delayed	Delayed by judicial reviewed
Bannatyne Mills	● Delayed	Awaiting decision by An Bord Pleanála
N69	● Delayed	Delayed by judicial reviewed
O'Connell Street Revitalisation	● Delayed	Completion date continually revised, now due for completion in May 2023

Limerick Chamber Operations

Regional Update



2023 is the European Year of Skills. This initiative is to help develop momentum for us to reach the EU 2030 social targets of at least 60% of adults in training every year, and at least 78% in employment. Currently, more than 75% of companies in the European Union indicate that they are having difficulties finding workers with the necessary skills, while only 37% of adults undertake training on a regular basis. Limerick Chamber Skillnet is here to help organisations deliver on these ambitions targets.

One of the most crucial skills for any business is adaptability. With the ever-changing landscape of technology and industry, it's essential for employees to be able to quickly adapt to new situations and learn new skills. Limerick Chamber Skillnet training programs that focus on building adaptability can help your business stay ahead of the curve and stay competitive.

Another important skill that can benefit both employees and businesses is effective communication. Communication is essential in all aspects of business, from interacting with customers to collaborating with colleagues. Providing training on effective communication can help employees better understand how to communicate clearly and confidently, leading to better relationships with clients and colleagues. In addition to building specific skills, it's also important to provide ongoing training and development opportunities. This not only keeps employees engaged and motivated but also ensures they have the knowledge and skills needed to perform at their best.

Offering training programs and encouraging ongoing learning can also help attract and retain top talent in a competitive job market. Limerick Chamber Skillnet is here to act as your talent development partner in navigating the learning and development environment. We help businesses find creative ways to attract and retain employees. By partnering with Limerick Chamber Skillnet you can help offer competitive training and development opportunities that can set you apart from other employers. We can help create customised training programs that meet the specific needs of your organisation and your employees, which can lead to increased job satisfaction, employee engagement, and retention.

Additionally, investing in employee development can improve productivity and performance, which can help the business stay competitive in a challenging market.

In short, partnering with Limerick Chamber Skillnet can be a valuable investment in the long-term success of your business. For more information please visit limerickchamber.ie/train



Michael MacCurtain
Skillnet Manager



Limerick Chamber's Marketing team are customising our member journey to provide an unrivaled service that helps businesses get the most out of their membership. We have adopted new ways of connecting with our members in the creation of a digital Member Pack which serves as a toolkit to maximise the Chamber network.

Members have the opportunity to enhance their profile and promotion through a wide range of sponsorship opportunities within the Chamber as well as free inclusion in our biweekly newsletter to the membership. Our Chamber Connects Magazine also provides advertising and promotion opportunities and is issued twice annually, it is a tool ensuring transparency and custom member content from an array of topics such as sustainability, future projects, changing shape of the Mid-West, retail and hospitality changes as well as HR, Legal and Financial experts providing helpful tidbits for members.

Events are a vital component to our membership experience. Striving to create events that are highly educational and beneficial to our members, we also aim to ensure that attendees can relate to all speakers on the day. All events are guided by direct member feedback as well as trends where we provide expert-led sessions to help them improve or adapt to changing trends. So far this year, we have planned and executed events such as "Energy on the Estuary" which featured a panel of experts of offshore renewable wind energy and an "Employer Branding Event" where marketing and HR professionals enjoyed seminars relating to recruitment and retention through branding.

Not only do these events provide great discussion and expert analysis, but they are also a great networking tool where our members can connect to grow their network. Regular Member Mingles, which are sponsored by our SME Strand Partner, AIB, are held in our office on O'Connell Street and prove to be successful events culminating in our members building their referral network. The Limerick Chamber Regional Business Awards, the highlight of our annual events calendar, is the perfect opportunity to celebrate the achievements of businesses across the Mid-West. It is a night for members to connect, from sole traders, emerging businesses to large and growing businesses such as FDI Companies located in the area.

The marketing team provides clarity and transparency for our members by showcasing the board who represents them, latest policy updates while working with local and national media outlets to ensure traction and effective communication.

Find out more by visiting limerickchamber.ie/connect



Caoimhe Moloney
Marketing & Events Manager





www.limerickchamber.ie

