Economic & Commercial Property Highlights

TWM

1 = Most Recent Indicator **2** = Status **3** = Key message for Property Sector

CONSUMER

INDICATOR		
Consumer Expenditure	1	Q4 2020
	2	Consumer expenditure in 2020 was down just over 9% in real terms on 2019. The significant pick-up (+21%) in Quarter 3 over Quarter 2 was not sustained in Quarter 4 with expenditure falling back by 2.2%. The volume of consumer expenditure in Quarter 4 was the lowest since Quarter 3 2016 with the exception of Quarter 2 2020 when the impact of the first lockdown was felt.
	3	While the data on consumer spending appears to be somewhat out of line with the rise in retail sales, it is consistent with the evidence of increased savings, some of which is involuntary and some of which is precautionary and is entirely expected in the context of the various lockdowns experienced during 2020. The overall impact has been a reduction in demand for retail property.
Retail Sales (ex. cars & bars)	1	December 2020 and February 2021
	2	Retail sales, excluding motor trades and bars grew at a rate of 10.6% volume and 4.6% value in the twelve months to December 2020. A significant part of the growth took place in December suggesting that the easing of the lockdown in that month led to a release of pent-up demand. The gap between volume and value growth was 6 percentage points annually. This indicates continued discounting. *Sales of Household Equipment* grew by 10.9% in volume terms year-on-year but by only 6.5% in value terms indicating heavy discounting in the sector. Given the timing, duration and severity of the various lockdowns, the trend in online sales is difficult to discern. The data published by the CSO shows that online sales as a percentage of total sales rose from 3.3% in 2019 to 7% in 2020, more than doubling. However within the year there were three months when the percentage reached double figures, April (15.3%), May (13.2%) and November (12.4%). While a number of the key sectors showed very significant volume falls y/y in February, (February 2020 was effectively the last reading before the pandemic struck) the *Household Equipment* and the *Supermarkets* sectors did well with volume increases of 18.8% and 11.2% respectively.
	3	The non-specialist retail sector which includes *Supermarkets* showed strong volume growth of 14.3% year-on-year with only relatively minor discounting taking place as value growth was 12%. The performance of these two sectors, despite the lockdowns indicates the general resilience of these sectors as pointed out by TWM in its Retail Note of November 2018. The future of the demand for retail space depends heavily on the behaviour of consumers when the lockdowns are lifted, particularly in relation to online shopping. However other behavioral issues will be important such as enclosed shopping centres V's open areas, suburban V's city centre and a reduced use of public transport making some shopping locations less accessible. The recently announced Government policy to encourage remote and home-based working in regional locations may further reduce retail demand in cities and large towns. It is also possible that there will be a split in retail demand into a quickly-recovering *essential* retail sector and a more-slowly recovering *non-essential* sector and the associated demand for properties to facilitate this.
VAT Receipts	1	Year 2020 and March 2021
	2	VAT was down almost 18% in 2020 compared to 2019 but ended the year 1% above target. This is despite the impact of the pandemic and indicates that spending held up better than expected. VAT in the first three months of 2021 was up over 8% on the same period last year. This is partly explained by the forbearance measures introduced by Revenue to assists companies when the pandemic first emerged and the economy went into lockdown.
	3	The fall in VAT receipts in 2020 confirms the reduction in consumer spending but doesn't appear fully consistent with the rise in the value of retail sales in the year. The impact on retail property may depend on whether there is a surge in spending when the lockdowns end.
Consumer Price Index	1	December 2020 and February 2021
	2	Prices were down 1% y/y in December. The monthly change in prices has been somewhat volatile over the past year, with falls in 7 months and increases in the other 5 months including the last 2 months of the year following 4 consecutive months of price falls. The annual price change however is uneven across sectors and product types. Most subsectors of the *Furnishing* and *Household Equipment* sector have seen reduced prices, one exception being large household equipment. This may indicate a strong demand for these appliances as families undertake inventories of household equipment during lockdown. Consumer prices overall rose marginally in both January and February 2021 by a cumulative half a percentage point but remain below the level of a year ago.
	3	The fall in prices in the *Furnishing* and *Household Equipment* sector is continuing, and offering support to demand for these goods. When combined with a possible rise in activity in the residential sector following the lockdown, this would be expected to provide support for retail warehouse-type premises. The increase in the CPI is a positive for investors with CPI based rents at a time when overall rental values are under pressure.
Consumer Sentiment Index-National	1	March 2021
	2	The KBC Consumer Sentiment Index improved for the second month in a row and is now almost level with the figure of twelve months ago. However it remains almost 10% below the pre-pandemic level of February 2020. The recovery this month is largely driven by improvement in the forward-looking components of the Index. The expectation for *Major Purchases* recovered by almost 4.5% in March over February.
	3	The fall in the Index since the start of the pandemic may reflect a combination of COVID-19 related anxiety and some ongoing lack of confidence in relation to the impact of Brexit. The partial recovery in February and March is encouraging and may reflect greater public confidence that we are closing in on the endgame of the pandemic.
Unemployment	1	March 2021
	2	The underlying unemployment rate (excluding the impact of COVID-19) stood at 5.8% in March 2021, no change on the month and up 0.8 percentage points since March 2020. This represents an increase of 14,800 persons unemployed relative to March 2020. The impact of COVID-19 however is to increase the unemployment rate to 24.2% which is based on the assumption that all those in receipt of the Pandemic Unemployment Payment (PUP) should be regarded as unemployed. This is a drop of 0.6 percentage points in the month.
	3	The impact on the property sectors will be largely based on the degree to and speed at which the jobs are recovered when the pandemic is over. It may also be impacted by whether and how quickly consumers revert to long established demand patterns or whether new forms of buying behaviour (most obviously online shopping) persist.

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CONSUMER

INDICATOR		
Employment (000)	1	Q4 2021
	2	Down 55,000 y/y (-2.3%). This compares to an increase of almost 80,000 persons in employment in the year to Q4 2019. However, the fall is made up of a loss of 58,000 part-time jobs and a gain of close to 3,000 full-time jobs. Employment increased year-on-year in 7 of the 14 sectors and decreased in the other 7. The largest annual growth occurred in the *Information & Communication* sector (11,800 or 9.3%) while the largest fall was in *Administration & Support Services* (-30,000 or 26.8%). The other sectors mainly associated with office employment, *Finance, Insurance & Real Estate* and P*rofessional, Scientific & Technical* both suffered losses. *Construction* employment fell by over 10,000 in the year as sites in many areas went into lockdown.
	3	The fall in jobs in office-based activities is expected and while many of these may be recovered when the economy returns to normal, it is not clear if the jobs will be located in offices as before or whether employees will work at least part of their week from home. In fact approx. 3,000 jobs have been announced in the press over the past 3-4 weeks. The recovery of demand for office space will be conditional on this factor. It will also be impacted by the success of the Government policy to encourage home-based and remote working in rural areas. The housing 'crisis' hasn't gone away and there are prospects that at least some of the construction jobs lost will be recovered as housing construction picks up. Some types of house-related construction was exempt from the lockdown, being regarded as 'essential' but the lifting of restrictions will allow renewed building activity in the private residential sector.
Earnings	1	Q4 2020
	2	Average hourly earnings were up 5.5% in Q4 2020 compared to the fourth quarter in 2019 and up by 2.2% on Q3 2020. However the change in average earnings is at least partly due to the composition of economic activity in the different quarters with many sectors closed for some or all of these times.
	3	Earnings growth in office-based employment appears to be running ahead of other parts of the economy. Wage growth of this scale, while substantial, is likely to be less important than the changing nature of office employment generally in determining the demand for office space in the future.

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BUSINESS

<table>
<tr><th>INDICATOR</th><th></th><th></th></tr>
<tr><td rowspan="3">Total Tax Receipts</td><td>1</td><td>Year 2020 and March 2021</td></tr>
<tr><td>2</td><td>Total tax revenue for the year 2020 was down just 3.6% y/y, but was more than 15% above the revised target.
All of the key tax heads were ahead of the revised target with Income Tax up 24.3% and Corporation Tax up 16.2%. Corporation Tax was the only key tax area that grew in absolute terms in the year – up 8.7%. The performance of Income Tax is partly due to the fact that the sectors most impacted by COVID-19 are those with relatively low paid workers so the Income Tax take has not been so badly hit.
The relative buoyancy of the tax receipts gives further evidence that the underlying conditions in the economy may be stronger than feared and that the economy is in a strong position to recover quickly when the pandemic passes.
Overall tax take in the first three months of 2021 was up 1% compared to the same period in 2020, although this was partly due to the forbearance shown by Revenue when the pandemic first struck last year. with Income Tax and VAT, the two main tax heads to show an increase at 4% and 8.4% respectively.
Corporation Tax was down significantly (-33%) year-on-year in the first three months of the year but this is partly explained by the large once-off corporate tax receipts received last year.</td></tr>
<tr><td>3</td><td>The relative strength of Income Tax indicates some strength in the personal/consumer economy.
It is not yet clear which sectors will survive relatively unscathed and which will continue to struggle when the lockdowns are lifted and various Government supports are withdrawn.</td></tr>
<tr><td rowspan="3">Services PMI</td><td>1</td><td>March 2021</td></tr>
<tr><td>2</td><td>The Service Business Activity Index rose in March 2021 to 54.6 up from 41.2 in February and 36.2 in January. The reading of 54.6 is comfortably above the threshold 50 mark which separates expansion from contraction. Confidence about the future is now at its highest level since mid-2018 and is reflected in an increase in employment. Firms generally expect a pick-up in activity as the lockdowns are lifted. While the other sectors reported a growth in activity, the Transport, Tourism and Leisure sector continued to decline but at a slower rate than before. The relatively weaker performance of this sector is consistent with the current lockdown.</td></tr>
<tr><td>3</td><td>The short-medium term prospects for the Services sector and the consequent implications for property (offices and hospitality in particular) appear to be closely bound up with a successful vaccination programme. To some extent businesses are pinning their hopes on, and are reasonably bullish about this.</td></tr>
<tr><td rowspan="3">Construction PMI</td><td>1</td><td>February 2021</td></tr>
<tr><td>2</td><td>While the Index recovered to 27 in February 2021 from 21.2 in January it remains deep in the contractionary zone, little more than half the threshold of 50 which indicates expansion.
The only positive aspect of note was the medium term sentiment which was strongly positive, suggesting, like other sectors, that businesses are expecting demand to rebound when the economy emerges from the lockdown.</td></tr>
<tr><td>3</td><td>At face value, the PMI reading is bad news and suggests little prospect for an uplift in activity in the short term. This has implications for both commercial and residential property.
The more bullish medium term view offers more comfort but as in other sectors is dependent on the speed at which the economy emerges from the current downturn.</td></tr>
<tr><td rowspan="3">Manufacturing PMI</td><td>1</td><td>March 2021</td></tr>
<tr><td>2</td><td>The Index rose to 57.1 in March up from 52 in February and is consistently and now firmly above the key threshold level of 50. Employment rose for the sixth month in a row. This may be driven by the very positive medium term sentiment post pandemic.
One negative finding is that supply chain pressures are building and leading to increased input costs. Supply chain issues were attributed to Brexit, global shortages and shipping issues.</td></tr>
<tr><td>3</td><td>The optimistic outlook evident from the PMI survey augurs well for demand for manufacturing, logistics and related space. However, this may not be realised in practice until the economy returns to some level of normality.</td></tr>
<tr><td rowspan="3">Dublin economy & international rankings</td><td>1</td><td>March 2021</td></tr>
<tr><td>2</td><td>The Dublin PMI, having recovered dramatically in Q3 2020 to 51.2, slipped back to a level of 49.2 in Q4. This places it slightly below the key threshold of 50 which indicates expansion.
The Dublin Economic Monitor (Dublin City Council) presents international comparative rankings for Dublin across 16 different indices/measures.
The city improved its ranking on eight indicators, slipped down the rankings on six and held its position on the other two.
The city sits in top position on two important indicators, fDi Market Top Headquarter Locations and EY Financial Services Brexit Tracker and in 3rd position on two others, fDi European Cities and Regions of the Future, and fDi Fintech Locations of the Future. It has lost ground to 12th position on two important indicators, the IMD World Competitiveness Ranking 2020 and the PwC-ULI Emerging Trends in Real Estate Europe.</td></tr>
<tr><td>3</td><td>While the change in the rankings in 2020/21 are somewhat mixed, they nonetheless paint the city in a strong light internationally. The ranking of 12th (while down) on the PwC-Urban Land Institute Emerging Trends in Real Estate Europe is particularly important from a property investment and development point of view. The recovery to 13th from 35th on the Global Talent Competitiveness Index is important in the context of attracting FDI .</td></tr>
<tr><td rowspan="3">ISEQ All Share Index (Euronext Dublin)</td><td>1</td><td>End 2020</td></tr>
<tr><td>2</td><td>The index was volatile with a dramatic fall early in the pandemic and a slow but not uniform recovery until the end of the year. The total return for the year was 14%.</td></tr>
<tr><td>3</td><td>Property was the worst performing asset class in 2020 with the total return for Equities coming in at 14% compared to Bonds at 2.4% and Property at -1.4%.</td></tr>
<tr><td rowspan="3">MSCI Private Real Assets Index</td><td>1</td><td>End 2020</td></tr>
<tr><td>2</td><td>The total return for All Property was -1.4% for 2020 down from 5.3% in 2019. On a sectoral basis the industrial sector was the best performer producing a total return of 8.4%, compared to 2.2% for offices and -14.8% for Retail. Average capital values fell by 6.1% in 2020, the first market fall since 2012. The Industrial Warehouse sector was the only market sector which showed positive capital value growth at 2.3%.</td></tr>
<tr><td>3</td><td>These results were one of the weakest ever reported. The difficulties experienced in the general retail market were a significant drag on the overall figures. Retail values fell on average by 19.1% with High Street retail the worst sub sector. Retail Park values, by contrast, declined by only 6.6% benefitting from the element of “Essential Retail” occupiers.</td></tr>
</table>

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CONSTRUCTION

INDICATOR		
House Price Index	1	December 2020 and January 2021
	2	Residential prices were up 2.2% y/y nationally in December having risen in each of the previous seven months. With a further small increase in January 2021, they are now 88% above the bottom of market and less than 16% below peak. With the upward trend is continuing monthly, the annual rate of growth is now also increasing having previously been negative for four consecutive months (July – October inc.). Prices were up 1.2% y/y in Dublin in December. Despite a further small rise in January, they remain more than 21% off peak value before the property crash. Outside Dublin price recovery has seen prices up close to 90% from the bottom of the market and less than 18% off peak values. The annual rate of growth is now significantly higher than Dublin at over 3% with prices having risen in each of the past ten months.
	3	The resilience of house prices in the face of the pandemic which resulted in difficulties in arranging viewings etc. suggests that demand pressure remains strong. As shown elsewhere is this report, average mortgage size is increasing. This may reflect different price points/ranges in the market with 'bigger' mortgages increasing in size and 'smaller' mortgages held back by potential borrowers' reluctance to borrow or banks reluctance to lend. Supply-demand equilibrium remains some way off. While the growth in residential prices was somewhat uneven in 2020, the last few months price rises suggest that consistent growth may be starting to re-assert. This may continue to 'push' potential buyers into the rented sector and provide opportunities for investors in the private rented sector.
Residential Rent Index	1	Q4 2020
	2	Private sector rents rose by 2.7% in the year to Q4 2020 down from 5.9% in the year to Q4 2019. On a quarterly basis, rents were static. Rents have risen twice and fallen twice in the past five quarters and stayed constant in the other quarter suggesting a somewhat volatile market . Nationally, despite the difficulties in the economy, rents are now almost 31% above the level of Q3 2007 (the start of the Index) and almost 70% above the bottom of the market.
	3	The impact on private landlords remains uncertain until the pandemic ends and the economy returns to normal and the PUP payments come to an end. Having said this strong economic growth would be expected to reignite the private rental sector.
House Starts	1	Year 2020
	2	House starts fell by 15% countrywide in 2020. On a locational basis, Dublin starts were down 22% y/y, while elsewhere in the Mid-East region starts were down 24% y/y. The overall Greater Dublin Area saw starts down 23% y/y.
	3	The residential market has been severely hit by the lockdown. The slowdown in housing starts has continued into 2021. It is inevitable that this will impact on supply as the year progresses.
Dwelling Completions	1	Q4 2020
	2	Dwelling completions fell by just short of 2% nationwide in 2020 following a significant pick up (+46% q/q overall) in the final quarter of the year. Completions in Urban areas were down 2.3% y/y, while they were down just 0.6% y/y in Rural areas. Apartments with a growth of over 14% was the only building type to show an increase in the year, with completions of single houses (-2.6%) and schemes (-6.3%) both being down.
	3	The sharp pick-up in completions in the final quarter of the year suggests that the sector is well geared up to increase activity when all restrictions are lifted. The overall level of completions however remains well shy of the volume needed to address the supply-demand imbalance and it may take some time for this to occur.
Mortgage Drawdowns / Approvals	1	Q4 2020 / December 2020 and February 2021
	2	Mortgage purchase *drawdowns,* (excluding top-ups and re-mortgage/switching) were down over 16% in volume and almost 13% in value, in 2020, indicating a growth in average loan size of about 4%. The number of purchase mortgage *approvals* (excluding top-ups and re-mortgage/switching) fell by 12% to just over 35,000 mortgages in 2020, while the value of these mortgages fell by almost 8% indicating an increased average approved mortgage loan of close to 5%. Mortgage approvals have recovered somewhat in the first two months of 2021 with an increase of 4.2% in the number of purchase mortgages relative to the same period in 2020 and an increase in value of over 11%, again indicating a larger average loan size.
	3	The continued increase in average mortgage size provides borrowers with the resources to bid more on houses and will help to sustain house prices. Increased repayment commitments may impact on spending elsewhere in the economy.

Economic & Commercial Property Highlights

TWM

Summary (Current Situation)

- Many of the economic indicators are difficult to interpret given the backdrop of COVID-19 and the uncertainty surrounding the ending of lockdown.
- The consumer economy indicators are mixed with income tax performing better than expected, confidence improving and retail sales recovering somewhat after the fall in January which followed a strong performance in December.
- Many retailers are hoping for a spending surge when lockdown ends and consumers offload their built-up savings
- However, precautionary behaviour may prevent a surge in spending.
- Supermarket spending has held up well – a strong defensive sector as previously recommended by TWM.
- It is almost inevitable that online retail will grow in importance - this may have implications for bricks and mortar retailing.
- Unemployment rate has held at a level below 6% => but assumption is made that most jobs will be recovered when the pandemic is over. This may be too positive a viewpoint.
- Signals surrounding office-based employment and consequent demand for office space have improved with stronger PMI readings and earnings growth. Impact of the pandemic has resulted in some diversification of office locations – Urban v Suburban/Regional.
- Manufacturing PMI is well into the expansionary range.
- House prices rising again however the impact on ending of PUP payments on rent levels is uncertain.
- Housing supply down in 2020 and well below what is required to bring supply and demand into equilibrium.
- Mortgage approvals and drawdowns are both down in 2020 but average loan size up – may be linked to type of borrower. Some recovery in mortgage approvals in early months of 2021.
- Brexit issue has played second fiddle to COVID-19 and final impact may not be clear for many months.
- Equity market has performed well in the first quarter of 2021. This may have implications for the flow of funds into property given the uncertainty surrounding real estate.

Positives:

CONSUMER	CONSTRUCTION AND HOUSING	BUSINESS
- Unemployment holding but COVID 19 masking level - Consumer Sentiment showing recent improvement	- House prices growing again - Mortgage Approvals showed some recovery in early months of 2021	- Tax revenue performing better than expected - Manufacturing and Service PMIs in expansionary range

Negatives:

- Retail Sales volatile - Online retail is major threat - House starts and completions falling	- Mortgage Approvals and Drawdowns down in 2020 - Mixed signals for office employment - Brexit impact may not be clear until pandemic ends

Events and Issues to watch

Ireland:

=> Brexit roll-out

=> Impact of Brexit may be difficult to discern until the economic impact of COVID-19 settles down.

=> Longer term issues arising from COVID-19

=> Increase in Online Retail already evident before the onset of COVID-19 likely to accelerate.

=> Reduction of footfall / activity in city centres – should some government incentives be considered?

=> Increase in outdoor areas, structures and formats in the food and beverage sector.

=> Office demand in the Central Business District may decline somewhat in the immediate aftermath of the pandemic as companies adopt a hub and spoke structure. However it is unlikely that full time 'working from home' will be widespread and while office rents may initially decline, the longer term outlook is more positive;

=> Consistent with the above may be the transformation of old industrial areas into residential locations. This 'Sheds to Beds' phenomenon has happened elsewhere and may dovetail with the movement of some office space out of the city centre. It will contribute to easing the housing shortage.

=> The increase in online shopping and some uncertainty about supply chains generally is likely to give rise to a demand for large central distribution facilities backed up by smaller centres around the country.

International:

=> ECB interest rate policy

=> December 2020 ECB Council meeting.

=> First Council meeting under chairmanship of new President of ECB, Christine Lagarde.

=> No change to thrust of policy.

=> Commitment to maintain rates at current levels until inflation reaches 2%.

=> March 2021 meeting confirmed commitment to supporting countries through pandemic e.g. fiscal constraints eased.

=> US trade and other policy

=> New Biden administration may re invigorate US/EU trade relationships.

=> Trade tensions between US and China have eased somewhat but,

=> Policy of 'America First' has proved popular.

=> Proposal to have minimum 21% global tax rate on US companies may impact on FDI into Ireland but may to be a long way off.

Economic & Commercial Property Highlights

TWM

Commercial Real Estate Investment Market Turnover Q1 2021

MARKET TURNOVER

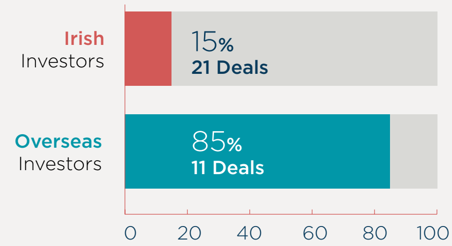
Q1 2021
€1.2
billion

Q1 2020
€674
million

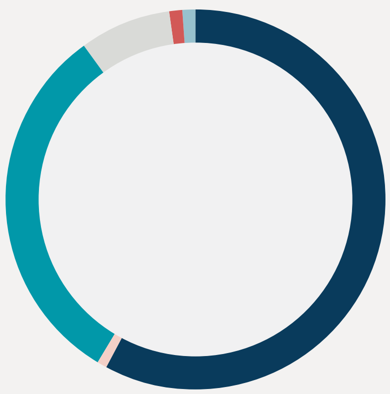
10 year
Q1 average
€584
million

TWM Forecast
2021
> €3.500
billion
(**€388 million**
under offer **Q1**)

Q1 SOURCE OF FUNDS



DOMINANT SECTORS Q1 2021



59%	**PRS**	€711.1 million
32%	**Office**	€391 million
8%	**Industrial**	€91.9 million
1%	**Retail:**	€11.3 million
1%	**Mixed use:**	€7.2 million
< 1%	**P&C**	€2 million
100%	**Total:**	€1.2 billion

NUMBER OF TRANSACTIONS > €1 MILLION

Transactions
over **€1 Million**
during **Q1** 2021

32

45

Transactions
over **€1 Million**
Q1 10 year average

TOP 3 DEALS

1
Confidential
PRS
Dublin
€450 million

2
Project Tolka
Office
Dublin 2/4
€250 million
(in excess of)

3
76 Sir John Rogerson's Quay
Office
Dublin 2
€95 million

AVERAGE DEAL SIZE

Q1 2021
€38
million

Vs

Q1 2020
€12
million

LOCATION

93%

93% of transactions completed in **Dublin**

Brexit - The Possible Impact on the Irish Economy

GENERAL IMPACT

DEMAND SIDE

> Increased competition in British markets from non-EU countries

> Difficulties in shipping products to the EU through Great Britain

SUPPLY SIDE

> Consumer market in Ireland (retail) e.g. product shortages and/or price rises

> Industrial sector as companies have difficulty in sourcing/acquiring inputs from the UK

> The expansion of capacity at a number of ports in Ireland will improve the direct links between the country and mainland Europe

SPECIFIC IMPACTS

REPUBLIC OF IRELAND – NORTHERN IRELAND TRADE

- Border (about 500 km.) is the only land border between the UK and the EU but many of the challenges normally associated with a border will not apply as a result of the NI Protocol
- Some early signs of public disquiet with Brexit impact in Northern Ireland

STOCK MARKET LISTINGS

- Listing of Hammerson on Euronext Dublin in December 2020
- Will other UK property companies or investment funds follow?

ONLINE SHOPPING

- Weaker consumer rights
- Charges on returns – mostly free up to now
- VAT and customs compliance costs may be added to prices
- Irish-based companies may benefit from the additional costs of buying from the UK if consumers switch buying preferences
- Delays and uncertainty on whether tariffs will apply

FOOD SECTOR

- May be most affected
- Increased competition in British markets from non-EU countries

LONGER TERM IMPACTS

- UK and EU state aid and regulatory standards may diverge but open to challenge by the other side
- Too early to tell how this will play out across sectors

Economic & Commercial Property Highlights

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Brexit - The Possible Impact on the Irish Economy

PROPERTY IMPACTS

Overall property impact of Brexit likely to be overshadowed in the short-medium term by COVID-19 impacts

RETAIL

- Growth of online shopping already evident may be somewhat slowed down by Brexit
- Product shortages in shops may impact on retail profitability
- Short-shelf life products (food) may be particularly badly hit
- Crossings between Ireland & EU up 50% since January – almost as fast as Landbridge and possibly cheaper

KEY ISSUE: Online shopping may move towards Irish suppliers.

OFFICE

- Greater compliance requirements for exporting and importing companies may lead to increase in office employment – but likely to be fairly small
- Some increase in demand as UK companies setting up in Ireland to maintain an EU presence
- Potential for increased flow of inward FDI

KEY ISSUE: FDI Inflow

HOSPITALITY

- Continuation of the Common Travel Area between Ireland and the UK will protect the tourism industry to a large extent
- Strengthening Stg£ a bonus but uncertain in the medium to long term

KEY ISSUE: Inward UK tourism into Ireland should be relatively unaffected.

INDUSTRIAL

- Difficulty in sourcing and/or timing inputs may lead to increased costs or disrupt existing systems e.g. Just-in-Time v Just-in-Case
- As a result demand for logistics units in Ireland to counteract the above should increase

KEY ISSUE: Growth of logistics sector

TWM
twmproperty.ie

Economic analysis provided by Stephen Walsh, Economic Consultant, stephen.walsh73@upcmail.ie

SOURCES:
CSO except
VAT and total tax receipts - Department of Finance
House starts and completions - Department of Housing, Planning, and Local Government
Rent Index - Residential Tenancies Board
Consumer Sentiment - KBC Bank
Mortgage Drawdowns and Approvals - Banking and Payments Federation of Ireland
PMI Services and PMI Manufacturing - AIB and IHS Markit
PMI Construction - Ulster Bank
ISEQ Index - Euronext
MCSI Private Real Estate Index - MSCI/SCSI
Dublin City Council