SOCIETY OF CHARTERED SURVEYORS IRELAND

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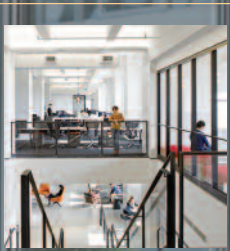
# Annual Commercial Occupier Satisfaction Survey 2015



RICS®

# Annual Commercial Occupier Satisfaction Survey 2015

## Introduction

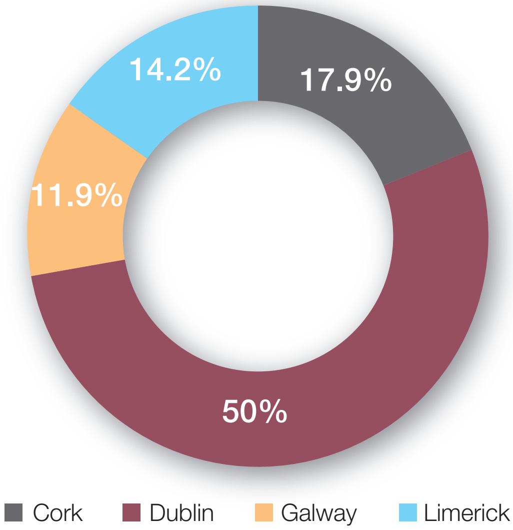
The SCSI Annual Commercial Property Occupier Satisfaction Survey examines the satisfaction of commercial property occupiers in Ireland across a range of areas such as lease terms and service charges. The survey also examines occupier satisfaction in relation to a number of topical issues such as the availability of commercial properties on the market and the quality of workplace facilities. The survey covers the four main commercial property types (Office, Retail, Industrial, and Leisure) across Ireland's largest urban centres.

# Background Information

## Location

The majority of respondents (50%) identified Dublin as their principal place of business followed by Cork (18%). 14% of respondents stated that Limerick was their principal place of business, while 12% indicated that they were based in Galway.

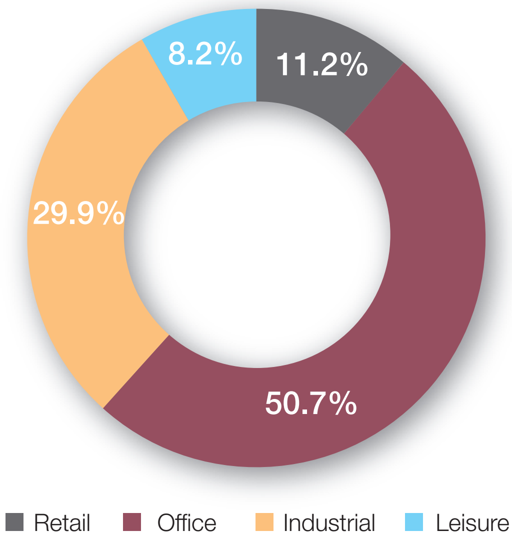
Figure 1: What is your principal place of business?




## Property Type

The majority of respondents (51%) are occupying office type commercial properties, followed by industrial/warehousing & distribution (30%) and retail (11%). 8% of respondents occupy leisure type properties.

Figure 2: What type of commercial property does your business predominantly use?

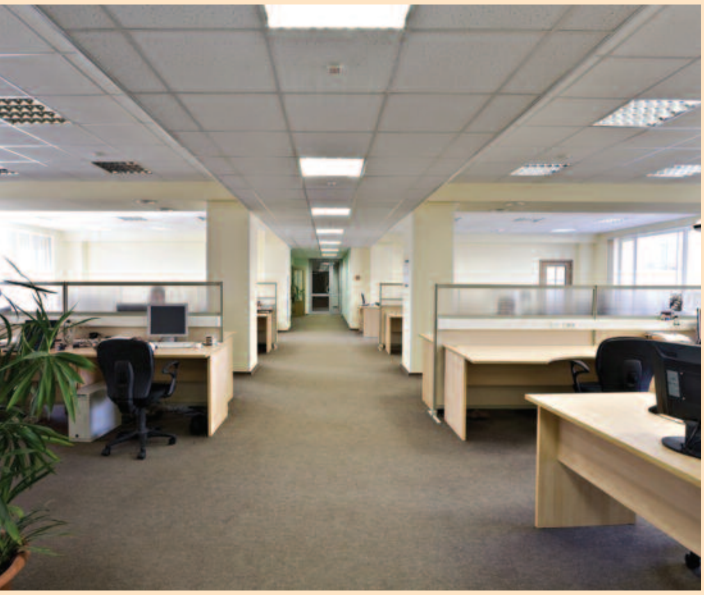


# The Supply of Commercial Property

Once again this survey highlights the shortage of supply of commercial properties in Ireland's largest urban centres which can impact a firm's (both indigenous and foreign) ability to expand and grow and ultimately Ireland's economic competiveness. Of those who rented a new commercial property within the last 12 months, 55% were dissatisfied with the availability of commercial properties for rent on the market.

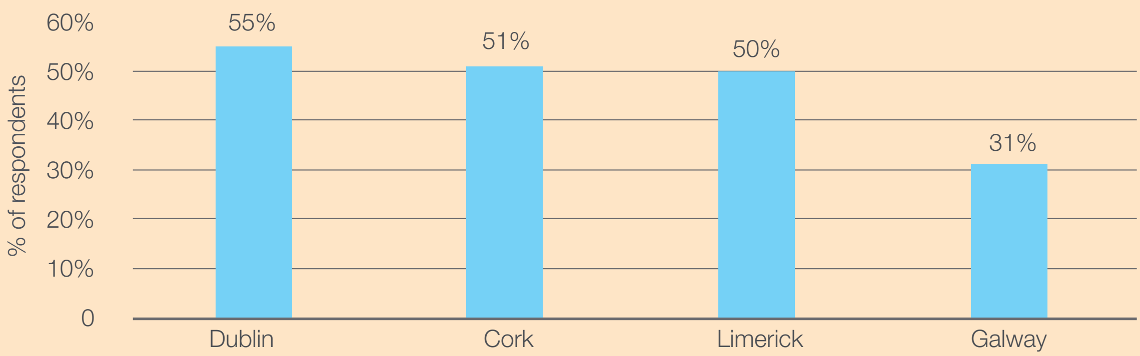
Only 22% of respondents were satisfied that the stock of commercial properties for rent on the market was suitable for their business needs. Almost 50% of respondents indicated that they found it difficult to find a suitable commercial premises during the last 12 months.

# Spotlight on Office



Office type commercial properties comprise almost 51% of the survey's sample. Improving economic activity is resulting in increased demand for office space amongst domestic and international companies however, due to a lack of new builds, there now appears to be a shortage of office space across Ireland's largest urban centres which will likely have a knock on impact on rents, a firm's ability to expand and grow and Ireland's economic competitiveness. The shortage is more serious in Dublin as this is where most of the country's economic activity is concentrated. Here, 55% of respondents anticipate there is a shortage of office type properties. The shortage of office type properties is less severe in Cork, Limerick and Galway. Despite this, a significant number of respondents in these regions are reporting a shortage of office type properties. In both Cork and Limerick approximately 50% of occupiers are reporting a shortage of office space while in Galway 31% of respondents are reporting a shortage of office type properties.

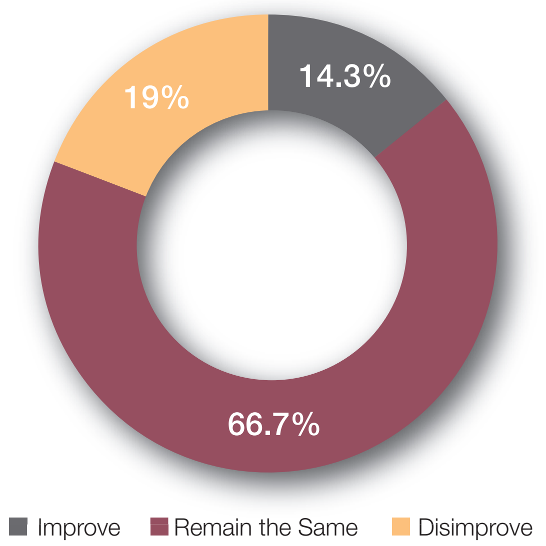
Figure 3: Regional views on the Shortage of Office type Commercial Properties to Rent.



# Outlook

Demand for commercial property is likely to remain robust as 1 in 5 respondents will require additional space within the next 12 months. However, respondents remain pessimistic about the outlook for the supply of commercial property over the coming 12 months, as 67% of respondents believe that the availability and quality of commercial stock on the market is unlikely to change, with 20% believing that it will worsen.

Figure 4: Is the availability and quality of the stock of commercial properties in your region likely to improve, disimprove or remain the same over the next 12 months?




# Leasing

1 in 5 respondents agreed a new lease within the last 12 months, with 67% expressing satisfaction with the overall leasing process.

46% of respondents were not aware of their statutory obligation to complete a commercial lease return within 30 days of signing a new lease.

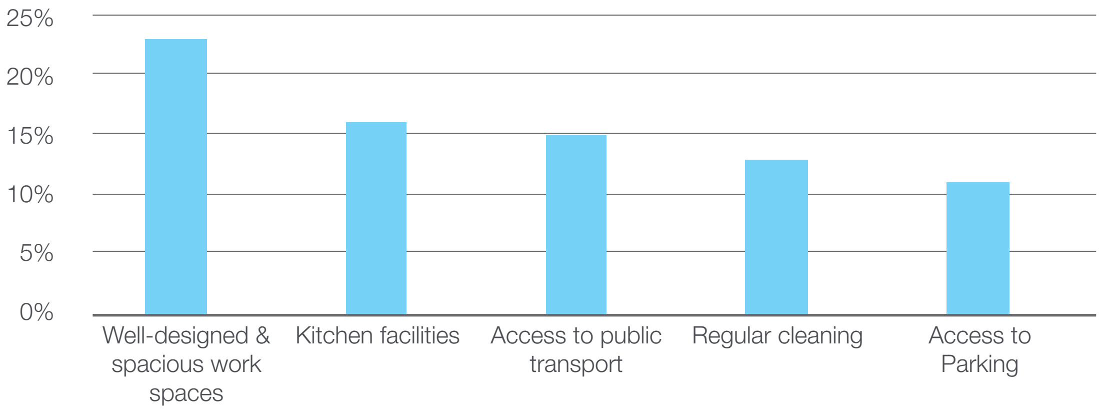
# Service Charges

66% of respondents indicated that they pay service charges. Satisfaction with the service charge process was mixed with 42% indicating that they were satisfied with the process. 28% of respondents expressed dissatisfaction with the process, while a large cohort of respondents (30%) were ambivalent.

# Facilities

77% of respondents agreed that the quality of office and workplace facilities is a major determinant of a firm's ability to recruit and retain employees and is a major contributing factor to an employee's job satisfaction. The results point to the growing importance of Facilities Management (FM) in the workplace. The top 5 most desirable facilities are displayed in Figure 5.

Figure 5: The five most important workplace facilities




Note: The Survey received 139 responses. This report was prepared by the SCSI using survey data. While every effort has been made to ensure the accuracy of the information, the SCSI does not accept any liability of any kind in respect of, or arising out of, the information, or any error therin, or the reliance any person may place therin.

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