

FIFTH ISSUE OF 'DUBLIN ECONOMIC MONITOR' LAUNCHED

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Dublin Economy Continues to Grow Despite Housing Pressures

The fifth issue of the **Dublin Economic Monitor** has been launched today. A joint initiative of the four Dublin local authorities, the Monitor looks exclusively at the Dublin region, and tracks 15 key economic indicators. It captures data from the height of the boom to the economic crash and the subsequent recovery. Most of these indicators show that Dublin's economic performance is improving, but domestic challenges related to housing and the delayed formation of a new government are problematic for the capital.

Key Highlights:

Dublin unemployment rates remained stable at 7.8% in Q4 2015 as total employment increased marginally in the Capital.

Residential rents for Dublin continued to rise in Q4 2015 as average apartment rents reached the highest level recorded since Q3 2007.

Dublin house completions accelerated in February 2016 with over 440 units completed in the month.

Dublin Airport's arrivals again exceeded one million in December 2015 to cap a year of remarkable growth (+15.1%).

Dublin Port maintained significant momentum in the first quarter of 2016, handling over 8.6 million tonnes of cargo.

The Dublin MARKIT PMI

Dublin PMI data continued to increase sharply in Q1 2016 with the strongest expansion in business activity occurring in the construction sector.

Dublin KBC/ESRI

Consumer sentiment in Dublin improved in Q1 2016, driven principally by more positive consumer assessments of financial circumstances.

Over the twelve months since the first issue of the Dublin Economic Monitor was launched, the Dublin economy has recorded some notable shifts in momentum:

- The labour market has improved markedly with the unemployment rate declining from 8.9% to 7.8%, and total employment expanding by over 23,000 jobs to reach 608,600 in Q4 2015. Employment in the services sector increased by over 14,000 jobs across the year to reach 528,000, the highest level on record.

- The residential market remains in a challenged position with average rents for apartments increasing to peak levels of €1,314 per month. Average house rents also rose by over €100 in the year to stand at €1,431 per month in Q4 2015. Total residential price growth in Dublin moderated across the year.
- Available office space in the capital is in short supply with vacancy rates falling in every quarter since the first issue of the Monitor. Office rents in the City Centre have increased by 27.9%, with an equivalent increase of 41% recorded in the South Suburbs.
- Dublin Airport's activity rose at a sharp pace of over 15% in 2015, with record arrivals of over 12 million passengers in the year.
- Dublin Port maintained strong momentum and handled a record 8.6 million tonnes of cargo in Q1 2016, an increase of some 7.9% in the year.

This issue of the Dublin Economic Monitor also contains a report on Dublin's housing market by Annette Hughes of DKM Economic Consultants, and a feature on the new Dublin.ie website by Múirne Laffan, Chief Digital Officer at RTÉ.

Speaking at the launch of this issue, **Lorcan Blake, Economic Consultant at DKM Economic Consultants** said: "The Dublin economy remains buoyant with positive trends across most of the main economic indicators. The 1916 Commemorations will have given a boost to the city region in the first quarter of 2016, but significant domestic and international uncertainty is of concern."

Austin Hughes, Chief Economist KBC Bank Ireland said: "Dublin consumer sentiment improved in early 2016 on increased optimism regarding household finances and the outlook for jobs. While consumers scaled back their views on Irish economic prospects, presumably reflecting increased uncertainty at home and abroad of late, this didn't prevent some improvement in their assessment of the buying climate. So, the survey suggests consumers in the capital grew in confidence of late and likely increased their spending plans."

Andrew Harker, Senior Economist at Markit said: "The Dublin economy showed further signs of strength at the start of 2016. Output growth remained sharp, despite easing slightly from the end of 2015. There were some divergences at the sector level, with substantial expansions in the services and construction sectors contrasting with a slowdown in growth of manufacturing production. Overall, the capital's economy continues to benefit from improving economic conditions in Ireland, and there was further evidence that the rest of Ireland is at least matching the performance of Dublin. One area where this was not the case, however, was employment. Dublin companies increased their staffing levels at a faster pace than the Rest of Ireland, with the outperformance of the capital the largest for a year."

Access to the full report is provided by clicking on the following link: www.dublineconomy.ie

Register at the following link <http://bit.ly/1W3Xdjs> for quarterly updates on Dublin's economic performance.

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