



Baseline Review

Appendix B

SECTION

1	INTRODUCTION	80
2	CORK – CURRENT PROFILE	84
3	ECONOMIC SECTORS	92
4	PLANNING POLICY FRAMEWORK	98
5	ECONOMIC DEVELOPMENT OBJECTIVES	104
6	INFRASTRUCTURE	113
7	PROPERTY MARKET	120



1 INTRODUCTION

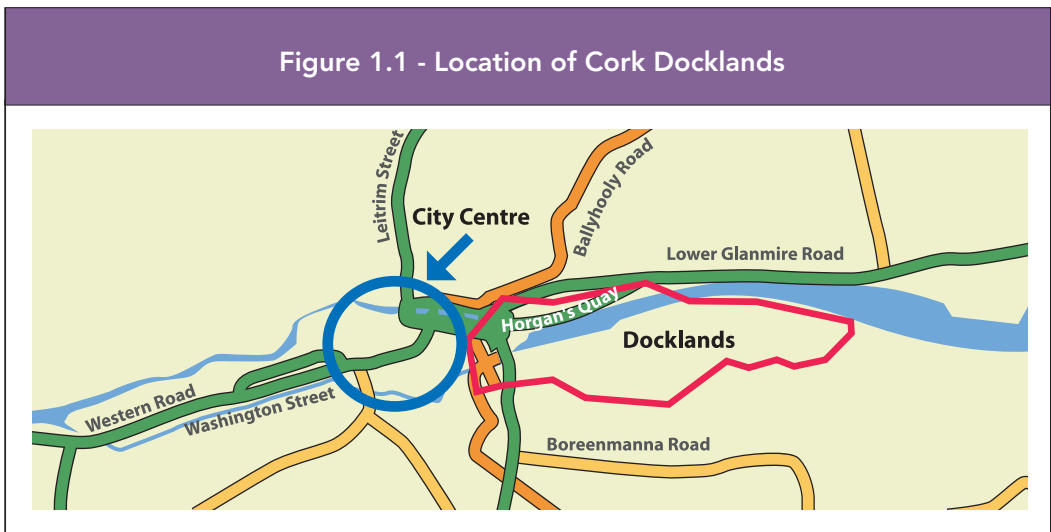
- 1.1 DTZ Piedad Consulting, in association with DTZ Sherry FitzGerald, was commissioned by Cork City Council to undertake an **Economic Study for Cork Docklands**. The objective of the study is to identify the economic sectors that can be targeted to underpin the development of Cork Docklands. This **Working Document (Appendix B)** presents the findings of **Stage 2 – Establishing the Baseline**. It sets out the current status of economic development in Cork and the key policies and trends that will influence the attractiveness of Docklands to harness investment. This report is one of five that informs the Cork Docklands Economic Study.

CONTEXT

- 1.2 Situated in the South West Region of Ireland, Cork is the second largest city in the State. Cork has traditionally played an important role in the Region and the State. This role was acknowledged by the Government who designated Cork, along with Dublin, Galway, Limerick and Waterford as Gateway Cities in the National Development Plan 2000 – 2006 (NDP)¹. Designation of Cork as a Gateway was confirmed in the National Spatial Strategy (NSS)², which was published in 2002 by the Department of the Environment, Heritage and Local Government (DoEHLG) (formerly the Department of the Environment and Local Government). The NSS reiterates that in addition to its regional function, Cork displays the most potential to play a key role in the economic development of Ireland, complementing Dublin.
- 1.3 Cork Area Strategic Plan (CASP), prepared by City Council and Cork County Council in 2001, provides an agreed framework to ensure that the full potential of Metropolitan Cork can be achieved. CASP predates the NSS. Acknowledging the strategic framework that CASP provides for the integrated development of Metropolitan Cork³, the NSS recommends the implementation of CASP. CASP identifies Cork Docklands as the area that will help to consolidate Cork as a European location for enterprise and significantly contribute to the continued regeneration and commercial life of the City. The South West Regional Planning Guidelines (SWRPG)⁴ reiterate the importance of implementing the recommendations of CASP. This is significant as it confirms that the development of Docklands is central to achieving the nationally and regionally important development objectives for Metropolitan Cork as set out in the NDP, NSS, the SWRPG and CASP.

BACKGROUND TO STUDY

- 1.4 Cork Docklands (Docklands) encompass an area of 166 hectares (ha) and, as illustrated in Figure 1.1, is located to the east of Cork City Centre.



1 The National Development Plan 2000 – 2006 set out the investment priorities for Ireland for the period of the plan i.e. to 2006. As the period of the NDP is coming to an end, in August 2005 the Government announced the preparation of the subsequent National Development Plan for the period 2007 - 2013

2 The NSS provides a framework for the spatial development of Ireland to the period to 2020. The key objective of the NSS is to achieve improved regional development by developing a network of Gateways, Hubs and County Towns throughout Ireland.

3 According to CASP Metropolitan Cork includes Cork City and its hinterland spanning from Midleton in the east to beyond Ballincollig and Blarney in the west.

4 In accordance with the requirements of the Planning and Development Act 2000, the South West Regional Planning Guidelines were published by the South West Regional Authority in May 2004.

- 1.5 Docklands is currently home to a range of profile buildings and important infrastructure in Cork City. Key locations within Docklands include, Custom House Quay, Kent Station, the Showgrounds, the GAA stadium – Pairc Úi Chaoimh and Kennedy Park. Other landmark buildings in Docklands include the 10-storey and 12-storey grain stores/silos and the 5-storey Power Station. Docklands also encompasses a 4,000m river frontage down stream of the City Centre.
- 1.6 Figure 1.2 illustrates the strategic location and underutilisation of space at Docklands.

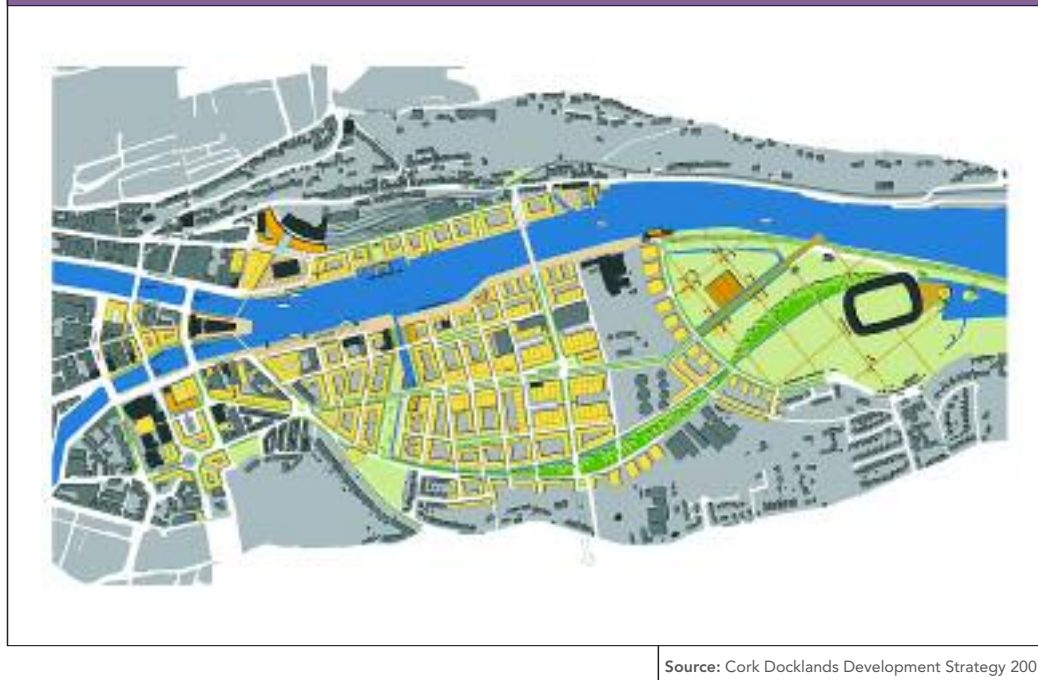
Figure 1.2 - Aerial View of Cork Docklands



- 1.7 Docklands comprises the following five key existing and emerging areas/precincts:
- City Centre Expansion:** this area is made up of the East City Centre (Island); Penrose Quay; South City Gateway; and, Victoria Road (west);
 - City Centre Transitional Extensions:** Station Core and Victoria Road (east);
 - North Docks:** Kennedy Spine North and North Docks;
 - South Docks:** Kennedy Spine South and the southern docks area extending to Marina Park; and
 - Marina Park:** Parkside and Marina Park.
- 1.8 It has long been recognised that there is significant scope to enhance the utilisation of Docklands. Acknowledging this potential, in 2001 the City Council published the **Cork Docklands Development Strategy**. The strategy confirmed and articulated the potential of Docklands and identified that the area could accommodate significant employment, residential and recreation uses as follows:
- 583,115m² of new non-residential uses including offices, education, retail, culture and leisure facilities
 - 5,882 new homes including higher density apartments, student accommodation and family units
 - New parks, public spaces, pedestrian routes, marina and recreation use
 - New bridge/road crossing the River Lee and pedestrian bridges close to the City Centre
 - Consolidation of the Civic Quarter around the City Hall at the heart of the expanded City Centre.
- 1.9 The 2001 Cork Docklands Development Strategy (CDDS) sets out the scope to develop Docklands on a phased basis over a period to 2025. This is presented in Figure 1.3. Since the publication of the strategy, Docklands has attracted private sector investment with a profile development now competed at Lapps Quay. In addition, the public sector is undertaking or planning a number of profile schemes including: the extension of the City Hall by the City Council; the Webworks ICT facility which was developed using the Public Private Partnership (PPP) approach between Enterprise Ireland, the City Council and the private

sector; and, CIE, with the private sector, recently announced the framework for the redevelopment of Kent Railway Station also using the PPP mechanism.

Figure 1.3 - Cork Docklands Masterplan



Source: Cork Docklands Development Strategy 2001

OBJECTIVE OF STUDY

1.10 The City Council is committed to ensuring that the development potential of Docklands is fully realised. Having identified the scope of Docklands to accommodate significant development, the City Council is now keen to progress the development of the area. To guide the development of the area, the Council has commissioned a number of plans and strategies, notably the North Docks Local Area Plan (LAP) which was adopted by the Council in December 2005 and the South Docks LAP which was recently commissioned and is currently being prepared. The City Council recognises that the private sector will play a key role in delivering the development of Docklands. Thus, while the plans prepared for Docklands represent good practice in urban planning, it will be important that the development objectives for the area match the market demand for the mix of uses in Cork and specifically Docklands. Cork is competing with other cities in Ireland and internationally to attract investment across a range of economic sectors and business functions. In response, the City Council sought to identify the economic sectors that could be attracted to Cork City, and specifically to Docklands, to underpin and drive forward its development. In the brief for this study, the Council identified the following sectors had the potential to be located at the Docklands:

- Pharmacology Research and Development and Manufacturing
- High-tech Research and Development and Manufacturing
- Financial Services
- Business Services
- Government/Public Sector
- Culture, Leisure and Tourism
- Education
- Retail⁵.

1.11 A key question is how these sectors will translate to demand for a mix of property sectors in the Docklands. DTZ Pinda Consulting was commissioned by the City Council to appraise the economic case for investing in Docklands. The objectives of this study are:

- i. To identify the employment sectors that could be targeted to improve Cork's competitiveness;
- ii. The role of Docklands in Cork's economic performance; and
- iii. Examine the key ingredients required to achieve development of Docklands.

1.12 The terms of reference for the study are presented in Appendix A.

APPROACH TO STUDY

1.13 The analysis and study outputs are informed by:

- This report is the **Baseline Review** of socio-economic trends and policies that will influence the development of Cork. This report is Appendix B
- A telephone interview **Business Survey** gauging the in views of local, national and international businesses of Cork as a business location. A survey was conducted of 158 companies representing: businesses in Cork; in the rest of Ireland – but not in Cork; and, firms with no presence in Ireland. The results of the Business Survey are presented in Appendix C.
- **Face-to-Face Interviews** to glean in depth views of businesses, developers and development agencies of the potential of Docklands.
- A **Workshop** of businesses and development agencies operating in Cork to identify the scope and supports required to develop Docklands. The report from the Workshop is set out in Appendix D.
- A **Comparator Review** of docklands regeneration in Ireland, the UK and the rest of Europe. The Comparator Review is presented in Appendix E.
- **Foreign Direct Investment Report** focussing on trends and influences of FDI in sectors that are attracted to Cork was also prepared. This is presented in Appendix F of this report.

REMAINDER OF THIS REPORT

1.14 The remainder of this report is set out as follows:

- **Section 2:** presents the current socio-economic profile of Cork
- **Section 3:** sets out the sectoral employment in Cork
- **Section 4:** identifies the current planning policies that are designed to influence the development of Cork and Docklands
- **Section 5:** reviews the policies that will guide the economic development of Ireland and Cork
- **Section 6:** an overview of the baseline infrastructure in Cork and Docklands
- **Section 7:** reviews Cork's property market

2 CORK – CURRENT PROFILE

2.1 It is important to present a profile of the City, which provides the baseline from which it can build in the future. In this section we provide a profile of Cork City under the following headings:

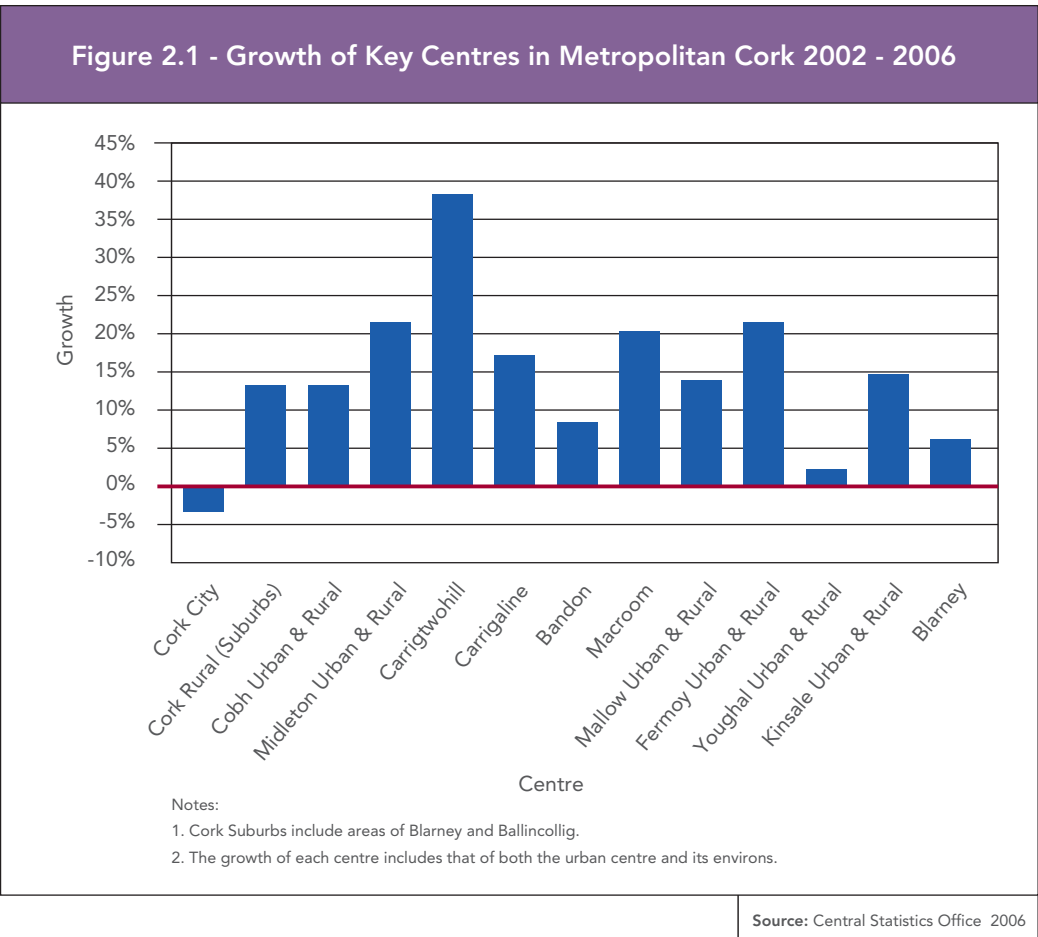
- Population
- Employment
- Education
- Social Class

2.2 The data presented in this section is derived from a number of sources, but primarily from the 2002 Census of Population published by the Central Statistics Office (CSO). This is the most up-to-date data on population and social class at City/County/Small Area levels. The preliminary results of the 2006 Census are expected in 2007, at which stage these data will be reviewed.

POPULATION

2.3 According to the CSO, in 2006 the population of Cork City was 272,250 persons. The population of the City declined by 3.2% between 2002 – 2006. However, this is not the entire picture, as it represents the population of the City Council's administrative area as distinct to the population of Metropolitan Cork. The majority of the population of Cork is resident in the remainder of Metropolitan Cork, which spans from Blarney and Ballincollig in the west to Carrigaline south and Midleton to the east. In 2002 the population of Metropolitan Cork, including the City and its surrounding area, was 72,250, which represented a growth in population of 6% between 2002 - 2006. The population of County Cork grew by 11.4% between 2002 – 2006. The growth of Cork County exceeded that experienced in Munster (6.5%) and the national average growth (8.1%) over the period.

2.4 Further analysis illustrates that the majority of the growth of Cork County is concentrated in key centres within Metropolitan Cork as presented in Figure 2.1.



- 2.5 Figure 2.1 shows that the key centres within Metropolitan Cork are attracting significant growth; however, this is not harnessed to the City. These figures reiterate both the need to abate the population decline in Cork City. It would also reflect the fact that the boundary of the administrative area is relatively 'tight'.

Table 2.1 - Population of Key Cities in Ireland 2002 - 2006			
City	2002	2006	% Change 2002 - 2006
Cork City	123,062	119,143	-3.2
Metropolitan Cork	257,455	272,250	5.75
Cork County ¹	324,767	361,766	11.4
Dublin City	495,718	505,739	2.0
Dublin County ¹	627,103	80,420	8.5
Limerick City	54,023	52,560	-2.7
Limerick County ¹	121,281	131,303	8.3
Galway City	65,832	71,983	9.3
Galway County ¹	143,245	159,052	11.0
Waterford City	44,594	45,775	2.6
Waterford County ¹	56,952	62,167	9.2
Munster	1,100,614	1,172,170	6.5
State	3,917,203	4,234,925	8.1
Note 1: The figures for the counties exclude their respective city populations			
Source: Central Statistics Office 2002			

- 2.6 Table 2.1 presents how this compares with population growth/decline of other key centres in Ireland over the period 2002 - 2006.
- 2.7 Growth of the counties surrounding the main urban centres throughout Ireland exceeded that of their respective cities. This would suggest that local communities are willing to sacrifice a commute to live in housing with larger spaces than those typically available within the city boundaries. The population of both Cork City and Limerick City declined in the period 2002 – 2006. Cork City is the only key urban centre that declined in the previous inter-censal period of 1996 – 2002. It is noteworthy that between 1996 – 2002 the City declined by 3.2%, the same rate of decline experienced between 2002 – 2006. Census of Population are traditionally undertaken every 5 years. The 2002 Census of Population should have been conducted in 2001, but was postponed until 2002 as a result of the precautions put in place to reduce the risk of an out break of Foot and Mouth Disease. Thus, the inter-censal period 1996 – 2002 is six years and that of 2002 – 2006 is a four year period. Therefore, we conclude that the rate of population decline of Cork City has actually accelerated over recent years.
- 2.8 Table 2.2 presents the population density of Cork compared with Limerick, Galway and Waterford.
- 2.9 Of the four cities considered Cork is the largest in terms of population and it is characterised by the highest population density. However, it is only the third largest in actual area after Galway and Waterford. This would reinforce the conclusion that there is limited development capacity within Cork City. Both Limerick and Waterford City Councils are currently in the process of seeking boundary extensions. In addition a boundary extension was granted to Galway City in 1985. Cork City Council is also currently preparing a proposal to extend its administrative area.

Table 2.2 - Population Density of Key Centres 2006			
City	Population 2006	Total Area of City (ha)	Population Density Persons /Ha
Cork City	119,143	3,961	30.1
Limerick City	52,560	2,035	25.8
Galway City	71,983	5,057	14.2
Waterford City	45,775	4,157	11.0

Source: Central Statistics Office 2006

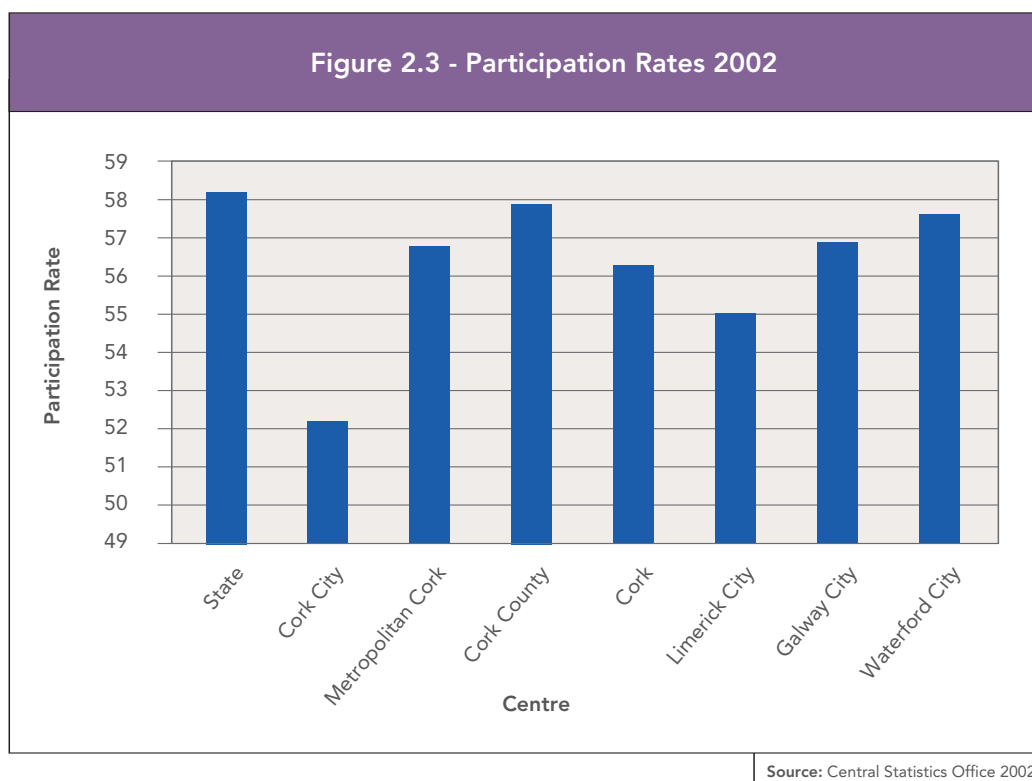
EMPLOYMENT

- 2.10 The 2002 Census provides the most up to date unemployment rates at city or county levels. As previously stated, data on employment from the 2006 Census is not yet available. At 12.4%, unemployment in Cork City was higher than that of Metropolitan Cork of 8.6%. Unemployment levels in Cork City contrasts with the unemployment rate for the County which stood at a low 6.4%, or Cork City and County combined of 8.0% in 2002. This compared with an unemployment rate for the State of 8.8% at the time. By February 2006, unemployment in Ireland stood at 4.5%. Therefore it would be anticipated that unemployment in Cork and the Metropolitan Area declined in proportion to the decline of that of the State.
- 2.11 Figure 2.2 below highlights the difference in unemployment in the City, Metropolitan Cork and County. It shows that, while unemployment in the County was well below that of the other main urban centres in the State, the rate for the City is consistent with the relatively higher rates recorded in Waterford and Limerick Cities. The unemployment rate for Cork is the average unemployment rate for the City and the County.



- 2.12 Challenges facing the labour market in Cork City are compounded by its relatively low participation rates. The participation rate represents the proportion of the population available for work (either employed or unemployed) and thus the availability of labour within the City's administrative area.

- 2.13 As presented in Figure 2.3, at 52.2%, Cork City has the lowest participation rates when compared with the State (58.3%) and key cities in Ireland. While this appears low, again it is not the entire picture. There are higher participation rates in the suburbs of Cork City, which yield a participation rate for the Metropolitan Cork of 56.7%, which is more in line with that of the County of 57.8%.



EDUCATION

- 2.14 Forfás reiterates that an increase in a country's average education level positively affects aggregate output. The key findings of Forfás's benchmark⁶ of education against other developed countries found that:
- Irish investment in education at tertiary level matched other OECD countries; however, Ireland invests less in primary and secondary level than the OECD average
 - The number of students in pre-primary education remains low when compared with other countries (11th out of 11)
 - The ratio of student to teaching staff remains relatively high in Ireland (11th out of 14)
 - Ireland ranks 9th out of 11 in terms of upper secondary school graduation rates as a percentage of the population
 - A relatively high proportion of the Irish population in the 25 – 34 age group has a third level education. Ireland ranks 1st out of 10 countries in relation to the proportion of engineering graduates, though this advantage is deteriorating.
- 2.15 These facts and figures provide a context for our review of education attained in Metropolitan Cork which is presented in the paragraphs that follow. Table 2.3 presents the shift in level of education attained by the population of Metropolitan Cork over 15 years for whom education has ceased between 1996 - 2002. Again, at time of finalisation of the report, data is not yet available on the level of education attainment from the 2006 Census. There was a decline in the numbers leaving education at first-level of 23%. The numbers staying on to obtain a third-level qualification increased by 37% in the same period.

Table 2.3 - Population Density of Key Centres 2006

Level Attained	1996	2002	% Change
No Formal Education	347	674	+94.2
First-Level	35,831	27,589	-23.0
Second-Level	80,639	84,257	+4.5
Third-Level	34,214	46,867	+36.9
Not Stated	5,075	7,532	+48.4

Source: CSO 2002

- 2.16 This is significant as it illustrates that the labour of Cork City is flexible, amenable to further education and training and adapting to the changing economic climate by acquiring the higher level of skills required. It is not the entire picture, as it excludes the level of education attainment in the County.

Third Level

- 2.17 Cork is known in Ireland as a key third level education centre. With two main third level institutions, University College Cork (UCC) and Cork Institute of Technology (CIT), the City boasts a third level student population of over 32,000. After Dublin, this is the second highest student population in Ireland.
- 2.18 UCC was established as part of the Queen's Universities in Cork, Dublin, Galway and Belfast in 1845. It provides a range of degree, and post graduate courses from the following faculties, Arts (which is its largest), Commerce, Engineering, Food Science and Technology, Law, Medicine and Science. UCC has a strong tradition of excellence in education and is the highest earner of income for research in the State.
- 2.19 Cork Institute of Technology (CIT) has a student population of 17,000 and offers certificate, diploma, degree and post graduate degree courses from a number of faculties, Art, Business and Humanities, Engineering, Science and Computers, Music and Nautical Studies. While CIT boasts a history dating to 1803, Cork Regional Technical College (now CIT) was opened in 1974 as part of the network of Regional Technical Colleges throughout Ireland.
- 2.20 When considering the sectors that will find Cork attractive based on education and labour market factors, It is important to consider the level of graduates available to industry each year. Therefore, as part of this study, both University College Cork and Cork Institute of Technology provided data on the number of graduates by study areas since 2001. This data is presented in Table 2.4 and Table 2.5.

Table 2.4 - University College Cork Graduates 2001 - 2005						
Faculty	2001	2002	2003	2002	2002	% Increase 2001 - 2005
Arts Degree	826	867	899	971	974	+17.9
Arts - Post Graduate	602	685	601	772	710	+17.9
Commerce Degree	355	407	469	523	539	+51.8
Commerce - Post Graduate	226	244	285	254	315	+39.4
Engineering Degree	151	146	147	167	137	-9.3
Engineering - Post Graduate	20	33	35	55	45	+125
Food Science & Technology Degree	139	126	98	142	110	-20.9
Food Science & Technology - Post Graduate	54	45	65	84	59	+9.3
Law Degree	192	140	210	157	209	+8.9
Law - Post Graduate	30	43	33	65	85	+183.3
Medicine Degree	317	448	517	545	363	+14.5
Medicine - Post Graduate	95	140	170	162	223	+134.7
Science Degree	389	365	364	390	369	-5.1
Science - Post Graduate	246	254	271	289	331	+34.6
Total	3,642	3,943	4,164	4,576	4,469	+22.7

Source: UCC 2006

- 2.21 The total number of graduates of University College Cork (UCC) increased from 3,642 in 2001 to 4,469 in 2005, an increase of 22.7%, though it peaked in 2004 when 4,576 students graduated from UCC. With the exception of Engineering, Science and Food Science at degree level, the number of students graduating with degree courses from all faculties increased. The levels of graduates with post graduate degree qualifications in all faculties, but notably in Engineering, Commerce, Law, Medicine and Science is increasing.

Table 2.5 - Cork Institute of Technology Graduates 2001 - 2005

Faculty	2001	2002	2003	2002	2002	% Increase 2001 - 2005
Engineering - Diploma/Certificate	663	700	822	820	839	+26.5
Engineering Degree	139	144	141	141	192	+38.1
Engineering - Post Graduate	0	3	15	13	15	+
Science & Computing Diploma/Certificate	332	333	310	323	295	-11.1
Science & Computing Degree	171	174	194	207	194	+13.5
Science & Computing - Post Graduate	26	32	37	23	25	-3.8
Business & Humanities Diploma/Certificate	1,000	1,072	1,162	1,176	1,130	+13.0
Business & Humanities Degree	210	251	303	386	416	+98.1
Business & Humanities Post Graduate	1	2	3	0	8	+700
Art Diploma/Certificate	54	63	54	51	58	+7.4
Art Degree	39	51	53	44	52	+33.3
Art - Post Graduate	9	13	31	29	30	+233.3
Music - Diploma/Certificate	0	0	0	0	0	N/A
Music - Degree	16	17	16	18	22	+37.5
Music - Post Graduate	5	8	11	15	17	+240.0
Total	2,683	2,884	3,152	3,246	3,294	+22.8

Source: CIT 2005

- 2.22 CIT witnessed a similar growth of student numbers to that of UCC. With the exception of Science and Computing certificate/diploma and Science and Computing post graduate, there was an increase in the number of graduates from all other courses at all levels. Of note, there was a marked increase in the numbers with Engineering certificates, diplomas and degrees along with those undertaking Business and Humanities certificates, diplomas and degrees which is the largest faculty of CIT.

SOCIAL CLASS

- 2.23 Table 2.6 presents the social class breakdown of Metropolitan Cork in 1996 and 2002. At the time of finalisation of the report the data on Social Class was not available from the 2006 Census.
- 2.24 The economy of Metropolitan Cork witnessed considerable restructuring over that period. Representation in Metropolitan Cork of Social Classes 1 and 2 increased by 27.5% and 24.9% respectively between 1996 - 2002. In contrast, the Metropolitan Area witnessed reduction in Social Classes 4, 5 and 6 of 13.8%, 5.9% and 28% respectively. This shift to higher social classes would be anticipated considering the increasing employment in services along with improved levels of education attainment.

Table 2.6 - Social Class of Metropolitan Cork 1996 - 2002

Social Class	1996	2002	% Change
1 - Professional Workers	15,351	19,579	27.5
2 - Managerial and Technical	50,928	63,622	24.9
3 - Non-Manual	43,503	41,935	-3.6
4 - Skilled Manual	48,141	41,496	-13.8
5 - Semiskilled	30,696	28,889	-5.9
6 - Unskilled	17,805	12,828	-28.0
7 - All Others Gainfully Employed	30,685	47,237	+53.9

Source: CSO 1996 & 2002

CONCLUSIONS

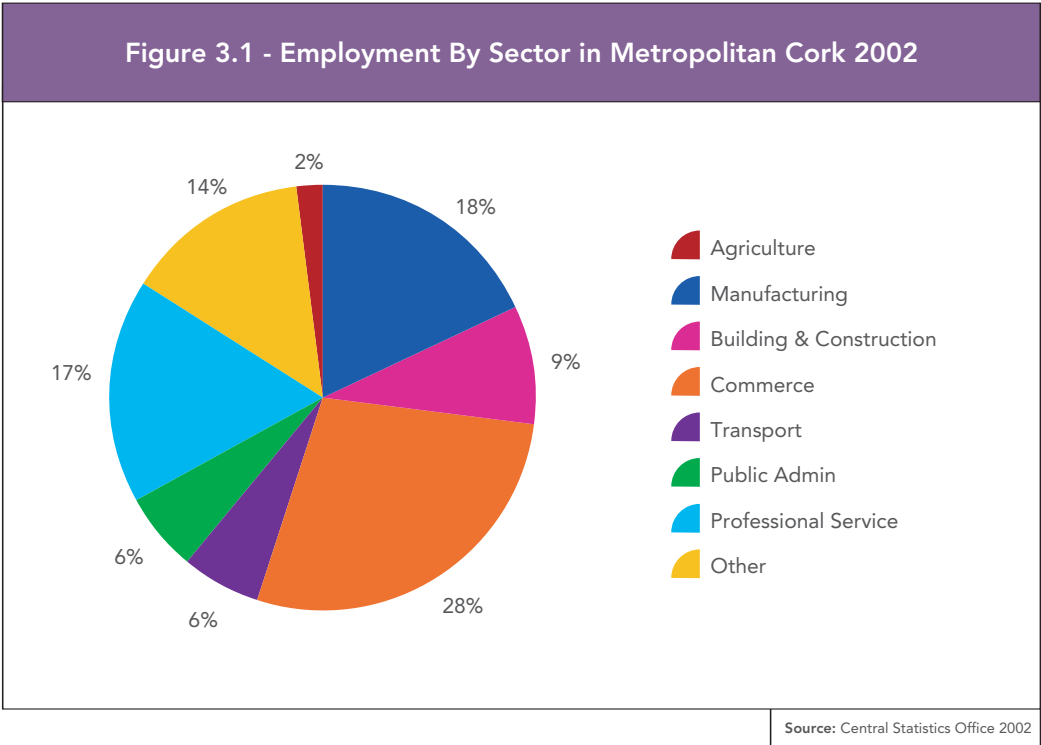
- 2.25 While the population of the City declined between 2002 - 2006, that of Metropolitan Cork and the County increased over the same period. Further analysis illustrates that the growth witnessed in the County has been concentrated within Metropolitan Cork. This would suggest that while Cork is fulfilling its role as a driver of the regional economy, the City is not fully harnessing the potential benefits of this function within its administrative boundaries. The City is characterised by a relatively high population density, which would suggest the relatively limited availability of development opportunity sites within the City.
- 2.26 All centres in Ireland enjoy relatively low unemployment. However, because of their traditional roles, city areas are characterised by relatively higher unemployment, compared with their hinterlands. Cork is not an exception with unemployment in the County and Metropolitan Cork being considerably less than that of the City. To redress this, Cork City will need to implement initiatives that will make the city an attractive location to both live and work by developing well-designed mixed-use schemes within the city boundaries. Furthermore, initiatives will need to continue to be put in place to improve the skills of the unemployed and underemployed to ensure that they can fully participate in the labour market.
- 2.27 The level of education attainment in Cork City is improving. More people are staying longer and achieving higher qualifications. In an Irish context, Cork has an excellent education infrastructure, and this is set to improve with continued investment in third level institutions, particularly UCC and CIT. As a result the number of graduates with business, science and engineering and humanities – including languages - specialisms is increasing. Furthermore, Cork has established its position as a centre for excellence in certain areas, in particular ICT and nanotechnology. This is a key strength of the City.
- 2.28 There is evidence that Metropolitan Cork is becoming increasingly affluent. This is reflected in the fact that there is a considerable increase in Social Classes 1 and 2 and a decline in all other Social Classes. This would be expected considering the improved level of education attainment, but as we later illustrate, also reflects a high value of output and productivity in Metropolitan Cork and the South West Region.
- 2.29 With a relatively low unemployment rate and comparably small population base, when compared with key European Cities, a key issue for Cork is its critical mass. While in Irish terms, the city is the second largest in the State, in international terms it is relatively small. This will influence the scale of investments that Cork will attract. In addition, it would suggest that programmes would need to be in place to secure a labour force supply in Cork in the short- to medium-term at a minimum.

3 ECONOMIC SECTORS

- 3.1 In this section we present the sectoral economic activity in Metropolitan Cork under the following headings:
- Employment by Sector
 - Value of Output
 - Indigenous Enterprise
 - Foreign Direct Investment
- 3.2 This section provides an overview of sectoral employment in Cork along with employment in Foreign Direct Investment (FDI) and Indigenous firms supported by development agencies such as IDA Ireland and Enterprise Ireland. Later in the report we review the importance of other sectors to the economy of the city.

EMPLOYMENT BY SECTOR

- 3.3 Figure 3.1 illustrates the breakdown of employment by sector in 2002 in Metropolitan Cork.



- 3.4 As illustrated in Figure 3.1 the key employment in Metropolitan Cork is dominated by Commerce (28%). Manufacturing/Industrial (18%) and Professional Services (17%) also represent important sources of employment in the Metropolitan Area.
- 3.5 As presented in Table 3.1 the economy of Metropolitan Cork is evolving.

Table 3.1 - Change in Employment by Industry in Metropolitan Cork 1996 - 2002

Industry	1996	2002	% Change
Agriculture	2,174	1,747	-19.6
Manufacturing ¹	18,770	19,795	+5.5
Building & Construction	5,600	9,002	+60.8
Commerce	18,334	30,068	+64.0
Transport	5,058	6,087	+20.3
Public Administration	5,610	5,798	+3.4
Professional Services	17,517	17,947	+2.5
Other	10,129	14,629	+44.4
Total	83,192	105,073	+26.3

Note 1: While reported separately in 1996, Mining & Energy absorbed into Manufacturing in the 2002 Census Small Area Population Data.

Source: CSO 1996 & 2002

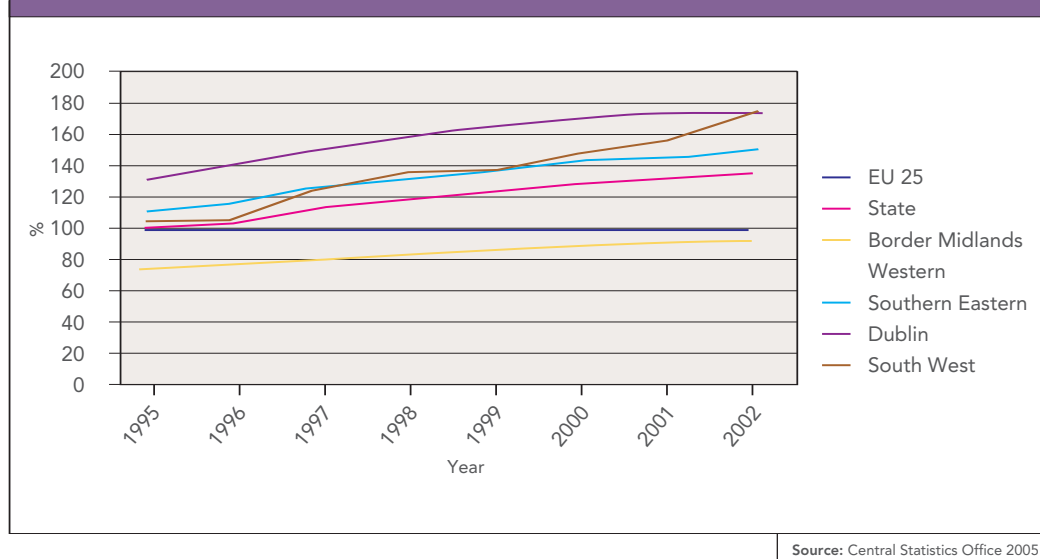
3.6 Employment in Metropolitan Cork increased by 26.3% between 1996 - 2002. The employment trends in each sector can be synthesised as follows:

- Employing 28% of those in employment, **Commerce**, which includes: wholesale and retail trading; banking and financial services; and real estate and business activities is the largest employer in Metropolitan Cork. Employment in this sector grew by 64% between 1996 – 2002 and is the fastest growing sector in Metropolitan Cork. This reflects the function of the City as a service centre for the region.
- **Manufacturing**, which employs 18% of those at work, is the second most important sector in Metropolitan Cork. Employment in this sector grew by 5.5% between 1996 – 2002.
- With 17% of all those employed working in **Professional Services** this is the third most important employment sector in Metropolitan Cork. This sector includes: education, health and social work. Employment in this sector increased by 2.5% between 1996 – 2002 in Metropolitan Cork.
- The '**Other**' category includes employment in; hotels and restaurants; other community, social and personal service activities; and industries not stated. With 14% of those working employed in this sector, this is an important sector the Metropolitan Area. Employment in this sector in Metropolitan Cork increased by 44.4% between 1996 – 2002.
- Growth of 60.8% of the level of employment in **Building and Construction** between 1996 – 2002 reflects the strong performance of this sector in the Irish economy. This sector accounts for 9% of those at work in Metropolitan Cork.
- Employment in the **Public Administration**, excluding education, health services and other community and social services, in Metropolitan Cork increased by 3.4% between 1996 – 2002. This sector now employs 6% of all those at work in Metropolitan Cork.

SECTORAL OUTPUT AND PRODUCTIVITY

3.7 Gross Value Added (GVA) is the value of goods and services produced in a region at basic prices. Figure 3.2 illustrates the level of GVA in Ireland by region compared with the EU25 average (=100) to 2002, the most recent year for which data is available.

Figure 3.2 - GVA Indices 1995 - 2002



- 3.8 While starting from below the average for the Southern and Eastern (NUTS II) Region in 1995, GVA for the South West (NUTS III) Region grew at a faster pace than all other regions in Ireland, including Dublin. By 2002, the most recent period for which data is available, the value of output for the South West Region represented 174.6% the average for the EU 25 (100). In 2002, the value of output per person as measured by GVA for the South West was the highest in Ireland, exceeding that of the State and Dublin which stood at 133.0% and 171.4% the EU average respectively. This is a result of high-value productivity per employee as presented in Table 3.2.

Table 3.2 - GVA Per Employee 2002

Region	GVA Per Employee
State	65,223
Border Midlands & Eastern	48,130
Southern & Eastern	70,870
Dublin	75,363
South West	89,508

Source: Central Statistics Office 2005

- 3.9 Industry in the South West is primarily characterised by higher added value output, when compared with the rest of the State, including Dublin. The value of output per person employed in the South West is €89,508. This is 37% higher than the average for the State of €65,223. These figures were further disaggregated for a study of the competitiveness of Cork conducted by UCC. This found that GVA per employee in Metropolitan Cork in 2002 was €106,067, which when compared with other city regions benchmarked in the report, was only second to Rotterdam, and almost €20,000 ahead of that recorded for Dublin. We envisage that the performance of the Cork region is driven, at least in part, by strong FDI in high value-added pharmaceutical and ICT sectors. This would suggest that the region represents an attractive location for high added-value activities.

3.10 A breakdown of GVA by sector is provided in Table 3.3.

Table 3.3 - Source of GVA by Sector 2002			
Region	Agriculture, Forestry & Fishing %	Manufacturing, Building & Construction %	Market & Non Market Services %
State	2.7	41.4	55.9
Border Midlands & Eastern	5.7	36.4	57.9
Southern & Eastern	2.0	42.5	55.4
Dublin	0.3	42.5	59.0
South West	2.8	61.1	36.1

Source: Central Statistics Office 2005

3.11 The GVA in the South West is predominantly derived from Manufacturing, Building and Construction sectors. This contrasts with the rest of the State, where the main source of output is Market and Non-Market Services. This finding is important as it illustrates the presence of an advanced manufacturing sector in the South West. However, it also suggests that there is scope to develop the Market and Non-Market Services sectors in the Region. Importantly, should this trend of further dependence of the regional economy on Manufacturing, Construction and Building continue, it will have a bearing on the nature of the property required by industry, suggesting demand for manufacturing plants rather than office space.

INDIGENOUS ENTERPRISE

3.12 There are 210 indigenous firms supported by Enterprise Ireland in Cork City and its environs. This does not include the micro-enterprises supported by Cork City Enterprise Board. As presented in Table 3.4 below, the majority of these firms are either small or very small.

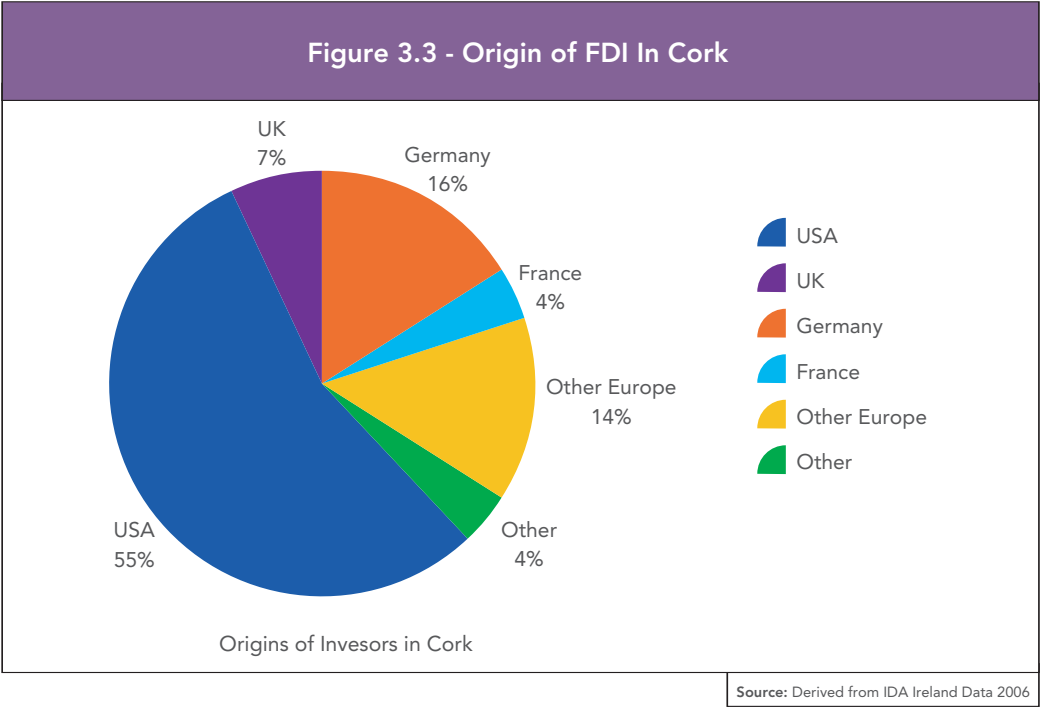
3.13 Indigenous enterprise in Cork City and its Environs remains dominated by Consumer and Industrial Products. The actual numbers of people employed in each sector are not available. However, the data illustrates that the indigenous enterprise is characterised by what is generally labour intensive manufacturing sectors. In the order of 22% are in the ICT sector (including Software, Telecommunications and Electronics). These firms may find it difficult to continue to compete in Ireland and Cork where labour costs are relatively high. This would emphasise the need for Enterprise Ireland and the City Enterprise Board to continue to put programmes in place that will improve the level of innovation and added value of indigenous companies operating in Cork.

Table 3.4 - Indigenous Enterprise Sectors in Cork City & Environs					
Sector	Very Small	Small	Medium	Large	Total
Software	20	5	3	0	28
Telecommunications	9	2	0	0	11
Consumer Products	36	17	16	2	71
Electronics	5	2	1	0	8
Engineering	7	5	1	0	13
Chemicals	3	4	1	0	8
Industrial Products	25	29	5	2	61
Services (excluding financial, management consulting and local services)	7	3	0	0	10
Total	112	67	27	4	210

Source: Derived from Enterprise Ireland Database for Cork City & Environs

FOREIGN DIRECT INVESTMENT

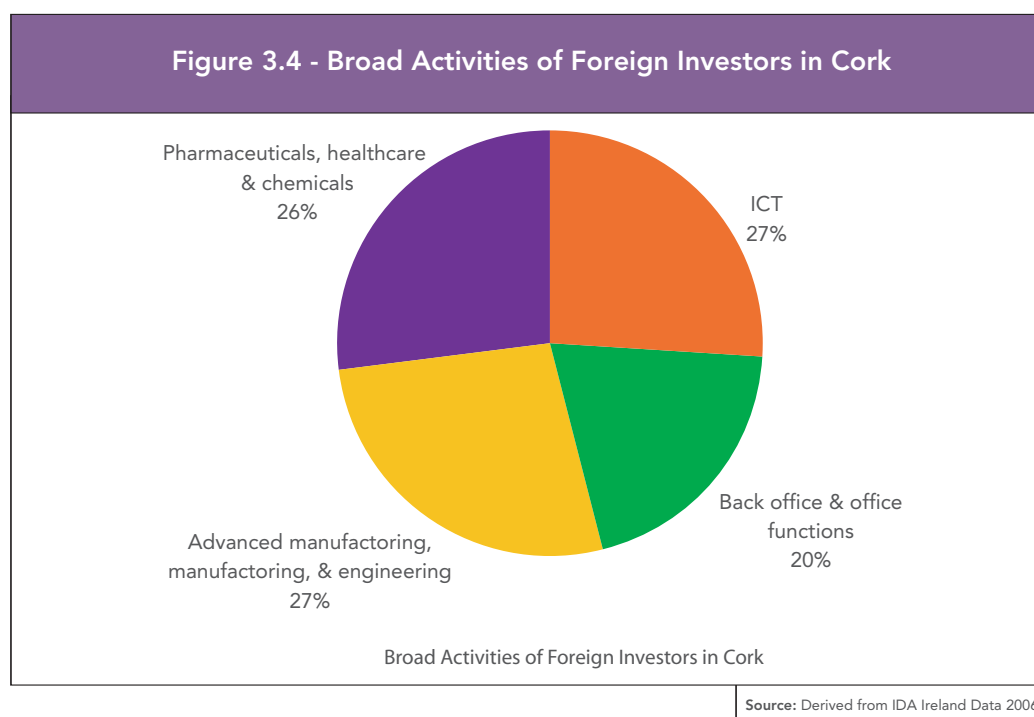
3.14 Figure 3.3. illustrates the origin of Foreign Direct Investment (FDI) in Cork. Cork’s FDI base is characterised by a high level of exposure to US and German investment. As illustrated in Figure 3.4, proportionately, Cork attracts less UK, Japanese and Dutch investment.



3.15 However, unlike Dublin, Cork has attracted Norwegian and Russian investment (in data storage and processing and in diodes). Although the number of investors from these regions is low, they are growing as source markets for FDI.

Investment Sectors in Cork

3.16 Figure 3.4 provides a broad grouping of the activities of FDI in Cork.



- 3.17 Cork clearly has attracted a number of sectors and developed competencies and particular niche strengths within these. Key sectors attracted to Cork include; Information Communications Technology (ICT); Advanced Manufacturing and Engineering; Pharmaceuticals, Medical Technologies and Chemicals; and Back Office and Office Functions. The scale of Cork's industry is not large but it is highly internationalised and activities undertaken generally require advanced skills and training. The scope for Cork to attract further investment from these sectors is further investigated in the FDI Report – Appendix F.

CONCLUSION

- 3.18 The value of output in the South West Region is the strongest for any region in Ireland and amongst the highest in Europe. Further analysis illustrates that this high value output, as measured by GVA, is concentrated in Metropolitan Cork. The economy of the South West Region is highly dependent on high value-added manufacturing. It is important that these sectors are embedded in Cork's economy. This could be achieved by for example, improving linkages between suppliers, education institutions and customers in each sector. In addition, it can be achieved by attracting a range of other functions of firms that are predominantly engaged in manufacturing in Cork, for example by attracting back office functions to the City.
- 3.19 The economic activity of the City is characterised by Professional Services and Commerce. This reflects the important traditional role the City plays in serving its regional hinterland.
- 3.20 While there is an increase in the number of indigenous ICT and software companies supported by Enterprise Ireland, which reflects Enterprise Ireland's strategy of supporting high potential start-ups, the Indigenous sector in the area is dominated by industry and consumer products manufacturing. While these sectors may traditionally enjoy a presence in Cork, it is important that they continue to introduce innovative processes and products, or implement a programme of outsourcing, to ensure that they can compete in what is accepted to be a high cost economy.
- 3.21 FDI into Cork illustrates the region's attractiveness to a diverse range of sectors, of note; Advanced Manufacturing, Pharmaceuticals, Medical Technologies and Chemicals, ICT and Back Office Functions. Cork is very dependent on investment from the US. As reflected in the value of output, the majority of FDI to Cork are involved in advanced manufacturing, which represents a key strength of Cork.

4 PLANNING POLICY FRAMEWORK

4.1 A range of agreed and adopted policies, plans and strategies are provided to influence the development of Cork City and Docklands. These represent national, regional and local government policies on the spatial pattern of growth in the long-term. This is important to the development of Docklands as they provide a framework on which public sector commitment to the development of Cork and Docklands can be based. In addition, a range of strategies provide guidance on the instruments required to improve the economic competitiveness of Cork. In this section we provide a review of these policies and objectives under the following headings:

- Gateway Policy
- Growth & Settlement
- Cork Docklands – The Potential.

GATEWAY

4.2 As previously stated Cork is designated as a Gateway City with an important national and regional functions, to drive regional growth and provide a counterbalance to Dublin. In the paragraphs that follow we outline the genesis of this development strategy; provide an overview of the key attributes and function of Cork as a gateway and how it is envisaged that these objectives can be achieved.

National Policies

4.3 An objective of the National Development Plan 2000 – 2006 (NDP) was to foster improved regional spread of economic activity in Ireland. In doing so, the NDP identified five existing gateways, Dublin, Cork, Limerick, Galway and Waterford. According to the NDP, a Gateway is characterised as centres with a strategic location relative to the surrounding territory, possessing good social and economic infrastructure and support services and having the potential to open up their zones of influence to further development. The NDP reiterated that the Gateways are of pivotal importance to the economic performance of the surrounding smaller towns and their rural hinterland. In addition to the Gateways listed above, the NDP identified the opportunity to develop a limited number of additional regional Gateways throughout Ireland.

4.4 Following its commitment to do so, as stated in the NDP, in 2002 the Government adopted the National Spatial Strategy 2002 – 2020 (NSS). The objective of the NSS is to provide a long-term framework designed to deliver more balanced social, economic and physical development between the regions. This is to be achieved by developing a network of gateways, hubs, county towns and vibrant and diversified rural areas. The Strategy sets out the key characteristics of a Gateway as follows:

- i. A large urban population, of the order of 100,000 and above, set in a large urban and rural hinterland;
- ii. Wide range of primary/secondary education facilities and national or regional third level centres of learning;
- iii. A focal point in transport and communication:
 - on the national roads and rail network
 - within 1 hour of an airport either with international access or linking to one with such access
 - cost effective and efficient access to port facilities
 - integrated public transport with facilities for pedestrians and cyclists
 - effective competitive broadband.
- iv. Regional hospital/specialised care;
- v. City level range of theatres, arts and sports centres and public spaces/parks. Cultural and entertainment quarters;
- vi. City-scale water and waste management services;
- vii. Phased zoning and servicing of land banks in anticipation of needs associated with growth; and
- viii. Strategic Development Zone (SDZ)⁷.

7

SDZs were introduced by Part IX of the Planning and Development Act, 2000. The Government can designate sites as SDZs where in their opinion specified development on particular sites is of economic or social importance to the State. Applications that are in compliance with the scheme are to be granted within two months of receipt by the authority, with no leave to appeal to An Bord Pleanála. The concept aims to ensure a much greater degree of certainty both in relation to securing planning permission and the time horizon involved in relation to development that is of strategic economic and social importance to the State.

- 4.5 The NSS reiterated Cork's designation as a Gateway and that the city has the most immediate potential to be developed to the national level scale required to complement Dublin. The NSS specifically recognises the preparation of the Cork Area Strategic Plan, the objectives of which are presented later in this section. The NSS reiterates that its implementation is important to secure the objectives for the region as set out in the NSS.

Regional Policies

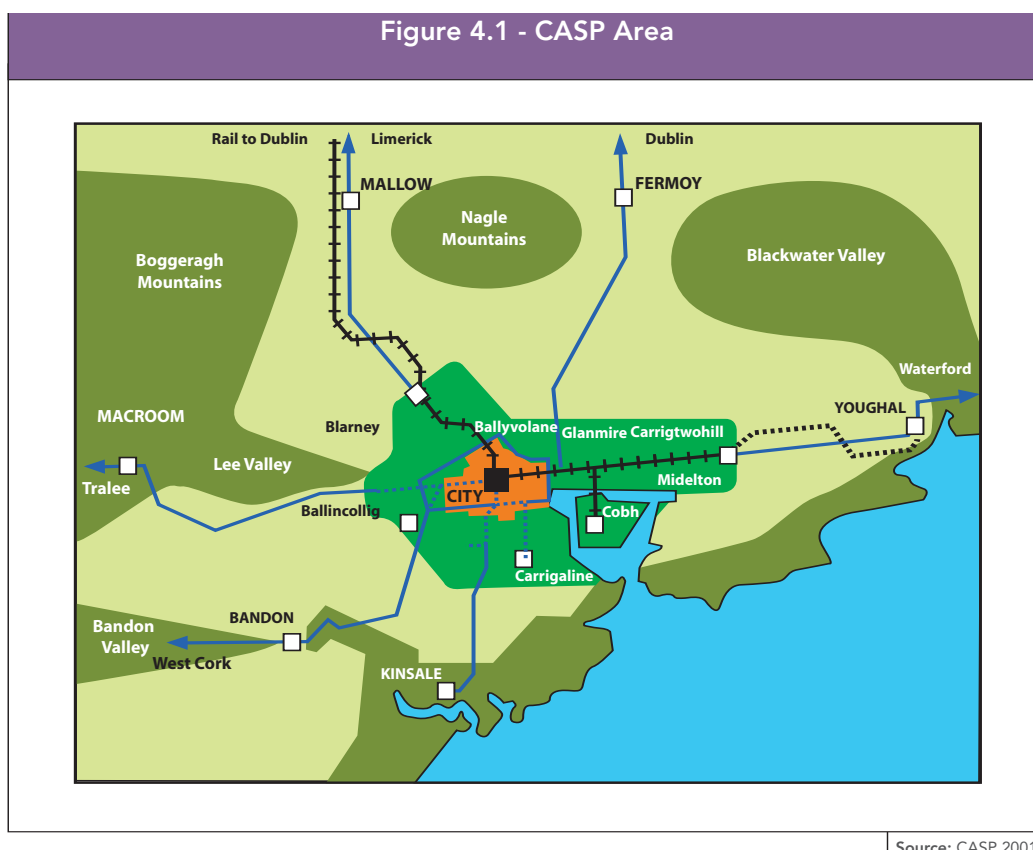
- 4.6 In accordance with the requirements of the Planning and Development Act 2000, in May 2004 the South West Regional Authority published the Regional Planning Guidelines for the South West Region to interpret the recommendations of the NSS at regional level. The Regional Planning Guidelines for the South West (RPGSW) reinforced the important role of that the role of Metropolitan Area as outlined in the Cork Area Strategic Plan as the main driver of the economy of the South West Region. According to RPGSW:

'the future economic success of the Cork Metropolitan Area hinges upon attracting and retaining mobile investment and skilled labour. An integral part of ensuring this position, is that the City and its County hinterland continues to develop as a vibrant social and cultural centre – with high quality of life, high quality of physical access and integrated transportation system, and world-class education, health and research institutions' PRGSW pp 24

- 4.7 The RPGSW emphasises the need to provide the infrastructure required to enable the redevelopment of Docklands as a priority.

Local Policies

- 4.8 The Cork Area Strategic Plan (CASP) 2001 – 2020 was prepared jointly by Cork City Council and Cork County Council to provide a framework for the development of the Metropolitan Area to 2020 and to plan for the delivery of Cork as a Gateway. The CASP area encompasses Cork City and its area of influence including, Kinsale, Bandon, Maroom, Mallow, Fermoy and Youghal. The CASP area is illustrated in Figure 4.1 below.



4.9

CASP contains six key concepts:

- **Regeneration of Cork City:** According to CASP to reverse the population decline of Cork City, there is a requirement to generate 19,000 new jobs and 12,000 new homes over the period of CASP i.e. to 2020. CASP identified Docklands as the main opportunity area to accommodate this growth by developing a mixed use area providing employment, housing, shopping and leisure and recreational use.
- **Metropolitan Cork:** Cork City and its surrounding settlements are to be developed as an integrated unit to be known as Metropolitan Cork. This area is to be characterised by a single jobs and property market linked by a high quality rail and bus system and the social, cultural and educational facilities of a major European city. CASP sets a target of 29,000 new jobs to be created and identifies the need for 36,000 new dwellings in Metropolitan Cork over the period of the Plan.
- **Reinforcement of the Ring Towns and Rural Areas:** focus development in existing settlements provided in compact, sustainable form, easily serviced by public transport, utilities and social, cultural and commercial facilities.
- **Infrastructure-Led Development:** ensure that infrastructure, including transport services, are provided in advance or in tandem with housing and other development.
- **Creation of an Integrated Transport System:** development of a high quality 'state of the art' public transport system is central to achievement of an Integrated Transport System for Cork. It is envisaged that this will involve the following:
 - Completion of strategic road links
 - the development of a suburban rail network
 - redevelop Kent Station as a key transport interchange between rail, bus, taxi, and linked by pedestrian and cycle routes to the city centre and Docklands,
 - expansion of the airport
 - continued improvement of the port facilities
- **Protection and Enhancement of the Environment.**

GROWTH & SETTLEMENT

4.10

Population forecasts have been prepared for the City and are presented in a number of public policy and planning documents including the NSS, the RPGSW, CASP, and Cork City Development Plan 2004. CASP proposes a spatial strategy that would distribute this growth between the City, Metropolitan Cork and the Ring Towns and Rural Area as presented in Table 4.1.

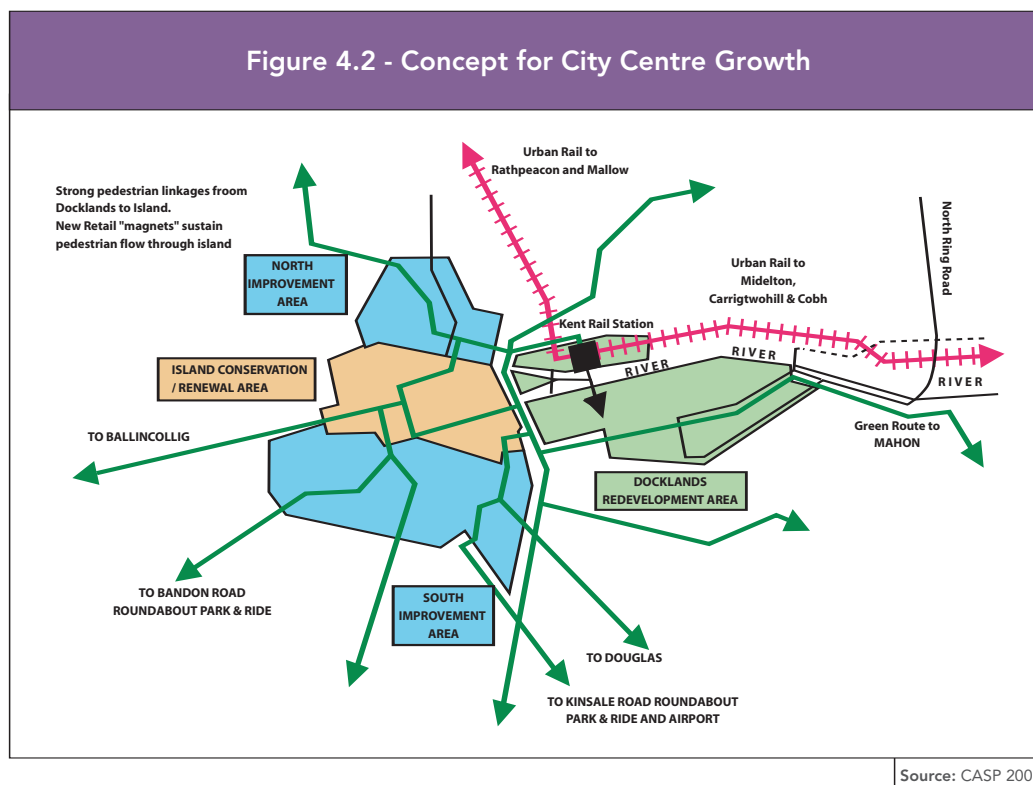
Table 4.1 - Population Projections				
Location	2002	2020 growth	Growth in Population 2000 - 2020	Growth in Dwellings
City	123,062	135,820	12,010	11,090
Rest of Metropolitan Cork	134,193	180,710	53,010	32,870
Rural Ring Towns (including Mallow)	92,033	106,620	13,030	12,310
Total CASP Area	349,388	423,150	78,050	56,270

Source: Cork City Development Plan 2004

4.11

It is projected that the population of the CASP area will increase by 16% over the period to 2020, the time horizon is that set by the NSS. The population forecasts for the City allow for faster growth to accommodate the objectives of the NSS. This is extremely important in respect of addressing the future potential of the City and its suburbs. These forecasts are used by the City Council when planning housing requirements for the City as set out in the Cork City Development Plan 2004 – 2010.

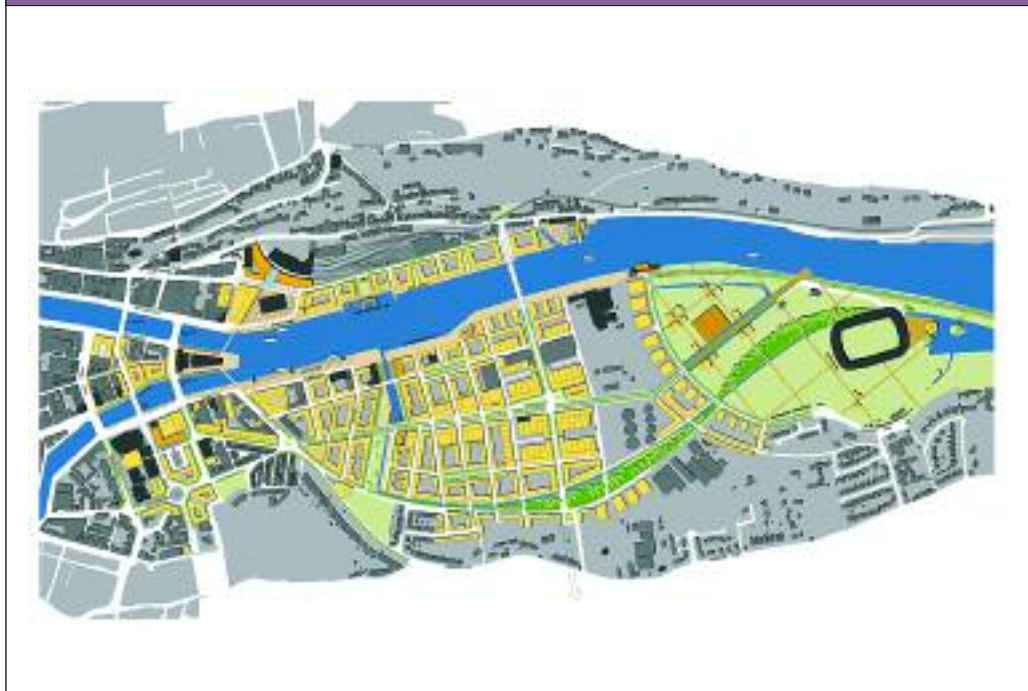
- 4.12 Focussing on the City area, CASP reiterates the need to attract population growth to the City Centre to improve the commercial, social and cultural environment of the City. The City is expected to grow by 9.0% or by 12,010 persons between 2002 and 2020. Should the economic growth scenario of the NSS be achieved for Cork, this could increase to a population growth of 14,760 people over the same period. This would represent a significant reversal of the population decline witnessed in the city between 1996 and 2002, and reiterates the need to facilitate the development of sites within the City area. Figure 4.2 presents the overall concept for city centre growth as identified in CASP.



CORK DOCKLANDS – THE POTENTIAL

- 4.13 According to the Cork Docklands Development Strategy which was prepared by the Council in 2001, 6,000 houses could be developed at Docklands over a 20 - 25 year period from the publication of the Strategy. Thus, Docklands presents the capacity to accommodate c. 50% of the additional dwellings required to accommodate the population growth forecast for the City as presented in Table 4.1 i.e. 11,090 dwellings. This development capacity to accommodate the substantive proportion of the housing required to cater for the population growth forecast for the City emphasises the strategic importance of Docklands as a development area within the City.
- 4.14 The Cork Docklands Development Strategy estimated that Docklands will accommodate 557,400m² non-residential floorspace, including office, retail, third level and culture and leisure facilities. This will accommodate a significant employment potential in the area. The potential uses are presented in the Docklands Economic Study. Figure 4.3 presents the Masterplan for Docklands as illustrated in the Cork Docklands Development Strategy. This is currently being reviewed. Further detail is provided in the North Docks Local Area Plan and additional detail will be provided in the South Docks Local Area Plan. These Local Area Plans will help to refine the detail of the Masterplan for the area.

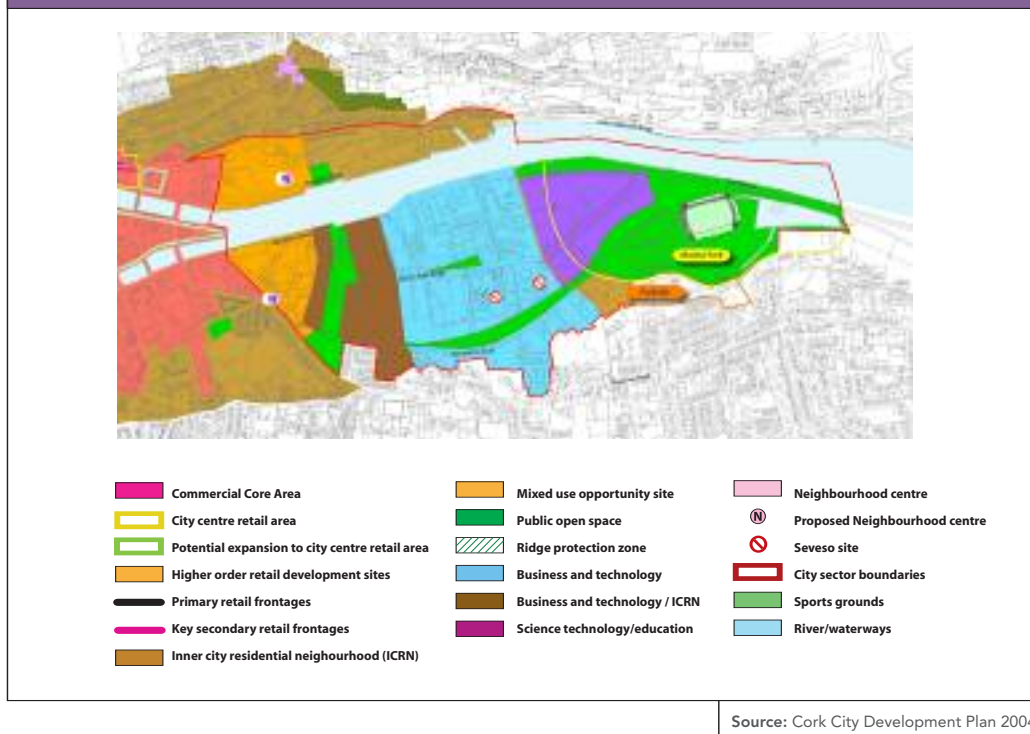
Figure 4.3 - Cork Docklands Masterplan



Source: Cork Docklands Development Strategy 2001

- 4.15 The City Development Plan confirms that the new office quarter in the City Centre/Docklands will be the primary location for new general offices. It is envisaged that this quarter will complement the existing office quarter of the City Centre and support its viability, contributing towards the renewal of underused/derelict sites in the City Centre and the regeneration of Docklands. The area is located to the east of the existing commercial core area and includes Lapps Quay, Albert Quay, and the two large mixed used opportunity sites at Kent Station and Victoria Road precincts.
- 4.16 The City Development Plan provides a framework for land use planning at Docklands. In addition, in December 2005 the Council adopted the North Docks Local Area Plan (LAP). The Council also recently commissioned the South Docks LAP, which will be informed by this study.
- 4.17 The City Development Plan sets out a number of different zoning objectives for Docklands. These are illustrated in Figure 4.4 with a brief description of each zoning provided in the bullets that follow.
- 4.18 These accommodate a mix of uses as follows;
- **Business and Technology:** this zoning objective permits office based industries in particular but includes light manufacturing and allows for the provision of incubator space.
 - **Inner City Residential Neighbourhood:** high density neighbourhoods adjacent to the Commercial Core Area.
 - **Mixed Use Opportunity Sites:** the mix permitted include commercial, residential and civic functions. Limited retail is allowable and is limited to convenience and lower order comparison shopping. Retail office uses are confined to the North Docks Neighbourhood Centre.
 - **Science and Technology Education:** this zoning objective permits commercial research, development and innovation enterprises. In addition it accommodates a third level educational research facility.
 - **Neighbourhood Centre:** this zoning objective permits medium to high density residential development along with the provision of home-based economic activities eg. crèches, play schools, art-based activities and single person offices.
- 4.19 Three Seveso sites are situated in Docklands. These sites restrict Docklands from achieving its full development potential particularly for residential development.

Figure 4.4 - Cork Docklands Zoning Objectives



CONCLUSIONS

- 4.20 The NSS and RPGSW both reiterate that Cork plays an important function as the driver of the economy of the South West. However, this is not the end of the story. The NSS specifically identifies Cork as the centre with most potential to counter-balance development of Dublin. This is important as it confirms the role Cork must play to sustain the economic competitiveness of Ireland. As Dublin becomes increasingly congested with comparatively high costs, the NSS recognises that Cork is the obvious centre that can offer the critical mass of infrastructure, access, skills and quality of life needed to attract investment.
- 4.21 Central to achieving this objective is to ensure that the City Centre is a vibrant location to live and work. It is broadly acknowledged that the underutilised Docklands represent the area within the city that is of sufficient scale, potential attractiveness and location (adjacent to the City Centre) that can provide the development of schemes of the critical mass required for Cork City to achieve this regionally and nationally important objective.
- 4.22 This economic study is an important stage in ensuring that the development of Docklands is underpinned by market realism and that national, regional and local public sector agencies can put in place the supports and incentives required to position Cork and Docklands to achieve its function as set out in the NSS and refined in CASP.

5 ECONOMIC DEVELOPMENT OBJECTIVES

5.1 In this section we review the current and emerging economic policies that will influence the development of Docklands under the following headings:

- Economic Context
- National Economic Policies
- Regional Planning Guidelines
- CASP
- Cork City Development Plan
- Cork Social, Economic and Cultural Strategy

ECONOMIC CONTEXT

5.2 The success and growth of the Irish economy over the last decade is well documented. In ten years to 2004, the growth of Irish national income averaged 7% which was more than double that of the USA and treble the average growth rate in the Euro zone. National income grew from €37bn in 1980 to €122bn by 2004. Ireland's Gross Domestic Product (GDP) per capita was €30,691 in 2004, however as a result of repatriation of profits, Gross National Product (GNP) per capita was lower at €24,704. Other key indices of the Irish economy remain robust:

- i. Consumer Price Index or inflation in Ireland was 3.8% in April 2006;
- ii. GNP grew by 4.0% in 2004;
- iii. GDP grew by 4.8% in 2004;
- iv. Employment grew in 2005 by 4.7%;
- v. Retail sales grew by 5.5% in 2005;
- vi. In May 2006, the consumer interest rate was 3.5%; and
- vii. Unemployment in Ireland in April 2006 was 4.4%.

5.3 The growth in the Irish economy is forecast to continue. In its latest '*Medium-Term Review 2005 – 2012*' the Economic and Social Research Institute (ESRI) forecast that, despite growth pressures on infrastructure and skills, the Irish economy could grow by between 4% and 5% per annum to 2010. If realised, this would represent continued strong growth when compared with other EU countries. The ESRI provide two growth scenarios for the Irish economy in the long term:

- **High Growth Scenario** provides a forecast for the economy assuming that the current pattern of growth of the world economy continues. Should this be the case, the ESRI predict that to 2010:
 - GDP per capita will grow by an average of 3.4% per annum
 - Productivity will grow by 2.5% annually
 - Wages will increase by between 4% - 4.5% per annum
 - Inflation should remain close to 2%
 - Employment will grow by 2.4% and unemployment will continue to fall
- **Low Growth Scenario** assumes that market forces will produce an adjustment to the US and world economies in 2007, moving the US back to a sustainable growth path. In this scenario, the Irish economy will grow at less than its potential resulting in a rise in the unemployment rate to 7% by 2010. After 2010, the economy would grow at an average of 3% and growth in Gross National Product (GNP) per capita of 2%.

5.4 There are a number of risks and challenges facing the Irish economy in the future. Specifically, due to its openness, the Irish economy is exposed to international economic shocks from the US and the EU. Furthermore, wage growth threatens to erode Irish competitiveness and has resulted in the closure of manufacturing facilities.

5.5 In its Medium Term Review 2005 – 2012, the ESRI present a range of challenges to sustain economic growth in the long term. These are:

- i. **Plan for the rising importance of the cohort in their thirties.** While today the largest cohort of population are in their twenties, by 2015 this category will be in their thirties. Because the economy will be dependent on this section of the labour force, the ESRI recommend promotion of family friendly and flexible work places;

- ii. **Develop a multicultural economy.** The influx of skilled labour has allowed the economy to continue to grow at a rapid pace. Continued economic growth will require the expansion of the labour force. Irish cities will have to ensure that they are attractive locations to attract workers from abroad;
- iii. **Harness the benefits of global trade.** Specifically, opportunities in the growth of the Middle and Far East economies should provide opportunities for Irish exports;
- iv. **Planning for a serviced based economy.** The ESRI predict success will increasingly be derived from the services sector. According to ESRI, the most obvious factor that differentiates Ireland from many competitors is the supply of skilled labour. The level of education attainment is improving, and this should lead to improved productivity; and
- v. **The greying Ireland.** The gradual increase in the average age of the population and the proportion of the population that will be retired will put increasing pressure on the Irish economy post 2020. The ESRI make three key recommendations to counter this pressure that will be put on the economy: promoting higher birth rates; increase the average retirement age; and invest in savings and pensions to cater for retirement needs.

5.6 The Medium Term Review provides a useful context to plan Cork's economic development strategy. The key output of this study is to identify how policies can be interpreted into development opportunities for Docklands, along with the scope to attract specific sectors to Docklands. This will be reviewed as part of the next stages of the study

NATIONAL ECONOMIC DEVELOPMENT POLICIES

5.7 Acknowledging the need to plan for the changing economic environment, in 2003, An Tanaiste and Minister for Enterprise, Trade and Employment established the Enterprise Strategy Group to advise and make recommendations on enterprise strategy for growth and employment for the period to 2010. In 2004, the Enterprise Strategy Group published its report '*Ahead of the Curve – Ireland's Place in the Global Economy*'.

5.8 In its report, the Enterprise Strategy Group identified the following key changes to the business environment:

- **Globalisation:** As markets are becoming more open and global competition is influenced by technology, international competition is intensifying, particularly competition with new EU member states, India and China. Ireland is one of the most open economies in the world and thus, Irish companies will need to identify the precise areas where they have or can build distinctive strengths that will enable them to compete effectively.
- **Global shift to services:** The report identified internationally-traded services as a growing source of high skilled, knowledge-intensive jobs and competitive advantage over the next decade.
- **Rising costs:** The rising costs of doing business in Ireland is continuing to erode the relative competitiveness of the country. Costs affect either the profitability of Irish businesses as goods and services become more expensive to produce. In addition, higher costs of conducting businesses affect the attractiveness of the country for new foreign direct investment.
- **Demographic changes:** Economic growth was influenced by the expansion of the labour force, which was influenced by: growth in the population of the working age; increasing female participation rates; low participation rates; and net immigration. According to the report prepared by the Enterprise Strategy Group, these labour market sources are diminishing.
- **Growing importance of knowledge:** Because of increasing costs in Ireland, companies will have to identify and build new sources of competitive advantage based on knowledge and enterprise. There is a need for improvements in the education system and investment in research and development.
- **Changes in EU policies:** As a result of changes to the EU limits, state aid for companies is likely to be restricted after 2006.
- **Environmental issues:** Enterprises must comply with a growing range of environmental regulations.

- **The importance of infrastructure:** In a global economy people, goods and information must be able to move from place to place quickly, reliably and effectively. According to surveys conducted by the World Economic Forum, Ireland's infrastructure is inefficient relative to most other developed countries.
- **Access to finance:** The Enterprise Strategy Group identified that there are still market failures in the provision of services to SMEs and the availability of risk capital for start-up companies.

5.9 As a result of these changes in the business environment, the Enterprise Strategy Group stated that: *'The enterprise model that worked for us in the past, and that delivered unprecedented growth, will have to be modified considerably if we are to continue to grow and develop our economy over the coming decade.'* *Ahead of the Curve – Ireland's Place in the Global Economy 2004*, pp35

5.10 The Enterprise Strategy Group identified six areas that can provide enterprise in Ireland with advantages over its competitors and set out a suite of recommendations by which the benefits of these advantages can be harnessed. These are:

- Expertise in Markets;
- Expertise in Technology;
- Business Networks;
- Skills, Education & Training;
- Taxation; and
- Effective, Agile Government.

5.11 The key recommendations under each of these headings are presented in the paragraphs that follow.

Expertise in Markets

5.12 In an increasingly global marketplace, enterprises based in Ireland will succeed only if they develop an in-depth understanding of their customers and their needs. According to the Enterprise Strategy Group, this will require a much deeper level of engagement with the customer than the majority of companies in Ireland currently have. The Enterprise Strategy Group made a suite of recommendations aimed at improving Ireland's expertise in exports markets, including promoting Ireland as a location for marketing function of multi-national companies. The objective of this recommendation is to expand the level of marketing expertise available to businesses in Ireland.

Enterprise Technology – Product Service Development

5.13 At 1.27% of GDP, the level of investment in Research and Development (R&D) in Ireland is below the average of the EU (1.93%) and well behind the target set by the EU Heads of State of 3%. According to the Enterprise Strategy Group, expertise in markets along with the application of advanced technologies and business process will inform the development of high-value products and services. Thus, there is a need to improve the level of R&D conducted in Ireland, particularly market-led R&D. The Enterprise Strategy Group made the following recommendations:

- Continued funding of Science Foundation Ireland and Higher Education Authority research programmes on a multi-annual basis
- Establish 'Technology Ireland' to develop a cohesive, strategic and focused approach to market-led applied research and technological development and to leverage increased enterprise investment
- Establish a consultative process to identify technology platforms
- Increase public funding for applied research in R&D
- Optimise Ireland's national investment in science, technology and innovation by developing an effective oversight and review mechanism.

Business Networks - Clustering

5.14 Throughout its report, the Enterprise Strategy Group presented a range of benefits of collaborating at business network level. These are synthesised as:

- i. Increased scale by aggregating complementary skills, activities, products and services;
- ii. Shared cost and risk, particularly in relation to major innovation;
- iii. Enhanced learning and transfer of tacit knowledge;
- iv. Development of market focus and critical mass in complementary resources; and
- v. Providing platforms for industry, academic and public sector cooperation.

5.15 According to the Enterprise Strategy Group there is considerable scope for increased networking between indigenous companies, foreign-owned companies, enterprise development agencies and educational and research institutions in Ireland. To improve business networking, the Enterprise Strategy Group recommended the allocation of a five-year fund to support the creation of enterprise-led networks to foster collaboration in defined areas of activity.

Skills, Education & Training

5.16 Ireland's economic development will depend to a large degree on knowledge and innovation, both of which are essential in making the transition to higher-value activities that support economic growth and wealth creation.

5.17 The Enterprise Strategy Group made the following recommendations to address the challenges facing the labour market and the availability of skills:

- Increased role for the enterprise sector in the governing bodies of higher education institutions
- Proportion of graduates in Ireland should be in the top decile of OECD countries
- Devise a funding framework for higher education institutions that combines core funding with a competitive-based element
- Establish a competitive innovation fund for higher education institutions to encourage them to further exploit knowledge and deliver innovative services to enterprise.

Taxation

5.18 Ireland's success in attracting foreign direct investment and encouraging entrepreneurship has been assisted by the taxation policies that have been adopted by successive governments. At 12.5%, Ireland's corporate tax rate is significantly lower than the average for the EU, which in 2005 was 30.1%. The effective corporate tax, which is the tax rate after exemptions, reduces to 9.43%. Specific tax exemptions are in place to attract a range of activities to Ireland as follows:

- i. **Holding and headquarters regime:** The benefits of placing high added-value and strategically important businesses functions in Ireland are enhanced by tax incentives for example, exemptions on capital gains on sale of shares by an Irish company; access to EU tax directives eliminating withholding tax on dividends received in Ireland, etc.;
- ii. **Tax treatment of Intellectual Property:** A number of tax incentives are available for intellectual property, for example for natural and applied science, patents, know-how; along with deductible charges for licensing fees and royalties and registered patents; and
- iii. **Research & Development:** Ireland operates a tax credit system for in-house R&D activities.

5.19 However, at 21% the Irish VAT rate is relatively high. According to Forfás⁸, this may have an impact on the competitiveness of the tourism sector.

5.20 Acknowledging the importance of the tax regime in creating an enterprise-friendly environment, the Enterprise Strategy Group proposed that the Government reiterated its commitment to the current corporation tax rate of 12.5% on trading profits along with a range of other tax-related recommendations.

Effective, Agile Government

5.21 According to the World Economic Forum the level of regulation on Irish enterprises is relatively low when compared with the countries benchmarked. However, it has been rising over recent years. In addition, product market regulations are not found to inhibit competition in Ireland significantly. According to the 2004/2005 International Institute for Management Development (IMD) Yearbook, industrialists perceive

Ireland to have only moderately efficient legislation to prevent unfair competition. That stated, the IMD also found that labour market regulations in Ireland area not believed to have a significant impact on business activities. This is also reflected in the World Bank's Rigidity of Employment Index, which measures labour laws governing the relationship between employers and employees. On a scale of 1 – 100, Ireland's Rigidity Employment Index rated 29 which compares less favourably with US, which scored 3 and the UK which scored 20, but more favourably with other developed countries such as the Netherlands (43), Italy (50), Germany (55), France (66) and Spain (69).

- 5.22 The Enterprise Strategy Group reiterated the need for a responsive public sector to ensure that enterprise can operate in an environment that can respond to the changing global economy. It recommended that the importance of the enterprise agenda is reinforced with senior politicians and that it is on the agenda of the Cabinet twice yearly and that these Cabinet meetings should be supported by the an Expert Group on Enterprise.

REGIONAL PLANNING GUIDELINES

- 5.23 As previously set out the RPGSW provides population and employment forecasts and settlement strategy for the South West Region. It sets priorities for the economic development of the Region. The RPGSW acknowledge that the region is no longer a low-cost manufacturing and, consistent with national policies, the Guidelines acknowledge the need to attract higher value-added industries. The RPGSW specifically recognises that close linkages between industries; service provides and the third level education sector will be increasingly important if the Region is to move up the value chain and increase its attractiveness as a location for FDI.
- 5.24 The RPGSW specifically recommended the development of a 20 – 50 acre Regional Science Park in at the Cork Gateway and that industrial development agencies, third level institutions and local authorities along with other key stakeholders work closely to deliver this. While the RPGSW did not identify a site it suggested that the site could be located on the commuter rail line from Mallow to Midleton, to enhance public transport access to the site.
- 5.25 In addition, the RPGSW recommended the development of clusters, to ensure that areas within the Region can achieve the critical mass required to justify investment in infrastructure, specifically the provision of broadband infrastructure. The RPGSW sets out a suite of key infrastructural investment required to enhance the economic competitiveness of the region, which we set out later in this report.

CORK AREA STRATEGIC PLAN

- 5.26 CASP reiterates that economically buoyant and physically attractive major urban areas are the key drivers of regional economies in the modern world. At the time of the preparation of CASP, the majority of new investment was being attracted to the periphery of the City specifically: Cork Airport; Douglas; Carrigaline; Little Island; Mahon; and Ballincollig.
- 5.27 CASP advocated the development of a well-connected pattern of economic development, binding these areas into Metropolitan Cork. CASP also identified that there is increasing demand for both investors and businesses to locate in or near central Cork, and expected this trend to continue as the area experienced significantly higher growth in finance, banking and services, which are located mainly in major cities.
- 5.28 CASP identified six key themes to harness economic growth in Cork. These are:
- i. Exploit the foundation technologies of semi-conductor design, informatics and biotechnology. CASP highlights that the pharmachem base of the area provides an excellent infrastructure resource to develop a cluster opportunity;
 - ii. While Cork is on the national broadband network, there is a need to address the local loop access. While the most effective way of rolling out broadband is to install local access network to key cluster areas, CASP reaffirms the importance of ensuring that small businesses, schools and homes gain access to broadband as well as large corporates;

- iii. CASP advocated increased use of teleworking as a means of reducing work-based trips and encouraging employment opportunities in rural areas;
 - iv. The robustness of the City Centre needs to be sustained to ensure that the City remains a driver of the local economy. CASP recommended re-use of vacant buildings, the development of a new office zone (perhaps with financial inducements to attract major occupiers) to help to maintain the City Centre's image and sustainability. It also encouraged the development of a Digital Media District within Cork City Centre. This is advancing with the development of a Webworks which is a PPP project between Cork City Council, Enterprise Ireland and the private sector;
 - v. The development of a 'knowledge zone' as a driver of the economy. According to CASP, while the university campus is the most appropriate location for fundamental research, applied research and development activities could be located off-campus and co-located at innovation centres and business parks, once these locations are easily accessible to the main university campus; and
 - vi. Combining attracting FDI with growth of indigenous sectors should be a high priority. This will require wired buildings with flexible lease arrangements to allow fast growing companies to expand their office accommodation as appropriate.
- 5.29 Using the 1996 census data along with the ESRI 1999 Medium Term Review, CASP also provided a low, medium and high employment growth scenario for 2020 as follows:
- **Low Growth** – 26,400 additional jobs or growth of 0.8% per annum
 - **Medium Growth** - 46,220 jobs or annual growth of 1.3% to 2020
 - **High Growth** – 72,000 additional new jobs or annual growth of 1.8% to 2020.
- 5.30 The medium growth forecast which projected that employment in the study area would increase by 46,220 by 2021 is broadly consistent with the employment growth forecast set out in the City Development Plan. Of this, it was estimated that in the order of 20,000 jobs would require new industrial or commercial premises and the remaining 26,220 jobs would be accommodated in educational establishments, the health sector, leisure activities etc. CASP identified key growth sectors that could potentially be attracted to Cork:
- High technology process and manufacturing
 - Services
 - Distribution
 - Transport and communications
 - Health and education
- 5.31 Employment forecasts were derived from CASP based on the ESRI's 1999 – 2005 Medium Term Review. The Medium Term Review, which provides an economic outlook and employment forecast, is published by the ESRI every two years. The ESRI has published a number of Medium Term Reviews since the publication of the 1999 Medium Term Review, the most recent being the 2005 – 2012 Medium Term Review which was issued by the ESRI in December 2005, as outlined above. The Medium Term Review 1999 – 2005 forecast that employment would grow by 13% between 2000 – 2005. In fact, the total number in employment in Ireland grew by 9.8% between 2000 – 2005. Thus, the ESRI overestimated the numbers in that would be in employment for the period. We use more up-to-date economic forecasts provided in ESRI's Medium Term Review 2005 – 2012 to estimate the requirement in Metropolitan Cork for additional floorspace in the medium- to long-term.
- 5.32 To facilitate these economic development objective, CASP identified the requirement to develop a full suite of property solutions as follows:
- i. **Manufacturing Floorspace:** CASP suggests that, as a result of the transformation of Cork's economy from manufacturing to high added value, there will be an opportunity to rationalise and reconfigure large industrial sites to accommodate smaller scale business in mixed use schemes. However, this opportunity may be constrained due to contaminants on the sites;
 - ii. **Warehousing Floorspace:** to exploit Cork's growing role as a distribution centre, CASP identified the need for additional modern warehousing space. CASP suggested that the sites at the Airport provide an opportunity for a high profile distribution park that would demonstrate Cork's international logistics capabilities. CASP also suggested utilising the rail network to harness this potential. We suggest that this would require further assessment, as generally, to be viable, freight rail would require a travel distance of c.800km;

- iii. **Business Parks:** CASP points that the Airport Business Park demonstrates demand for business park space in the area. It proposes that future business parks should be at edge of town;
- iv. **Technology Parks/Innovation Centres:** CASP restates that the science and technology base of Cork is a key component for future growth, bringing high skill and wage jobs to the region. However, it concluded that there is currently sufficient capacity the Cork Business and Technology Park to meet demand;
- v. **City Centre Offices:** at the time of publication of the report, city centre office accommodation was near to 100% occupancy. CASP, emphasised that the City needs to significantly enhance its city centre stock of office space if it is to capture its share of internationally traded services. It recommends development of high density, large, open-plan, IT capable office space as a key requirement for the city centre. It was also recommended that to achieve vitality and viability, this was should be supported by housing, leisure and public transport facilities. CASP suggests that historically the more constrained supply of land in the city along with its associated higher cost/value compared with greenfield sites in the county have been reasons why Cork City has not achieved a more noticeable quantum of good quality office development. It recommends that these constraints will need to be overcome in the future if the City centre is to function successfully as a prime office location. This recommendation is key to this study as Docklands represent the key opportunity area within the City to deliver office space of scale and quality required. This recommendation reiterates the need to provide the infrastructure required to open up the development opportunity of Docklands and, in addition to office use, to provide a mix of uses that will improve the vitality of the area;
- vi. **Local Office Centres:** to accommodate localised demand in the city region;
- vii. **Telecentres:** these are serviced facilities with services for teleworkers living in the local area. They would offer a range of facilities such as 'hot desks', meeting rooms, and video conferencing; and
- viii. **Incubator Units:** to support local start-up enterprises, these would provide small flexible, cheap office space.

5.33 CASP also projected the level of commercial property required in the CASP area to accommodate this growth. This is presented in Table 5.1.

Table 5.1 - Commercial Property Built Area and Land Requirements 2000 - 2020				
Property Type	Built Area (M ²)	Plot Cover	Average Height (Storey)	Land Requirements (Ha)
Offices	143,260	50%	4	7.2
Business Park	112,810	25%	2.5	18.0
Incubators	6,090	40%	2	0.8
Technology Park Space	48,270	25%	2	9.6
Distribution Park Space	150,720	35%	1	43.1
Production Units	45,000	35%	1	12.9
Standard Industrial/Warehouse Units	232,660	35%	1	66.5
Total	738,810			158.1

Source: CASP 2001 - 2020

5.34 The forecast demand for employment floorspace for Metropolitan Cork is revised in the Docklands Economic Study, based on updated population figures and employment forecasts.

CORK CITY DEVELOPMENT PLAN 2004 - 2010

5.35 The Cork City Development Plan provides a statutory framework for the development of the city for the period 2004 – 2010. The City Development Plan reconfirmed the economic development strategy of CASP as presented above.

- 5.36 The City Development Plan specifically highlights that the office-based businesses are major employers in the City Centre, sustaining in the order of 8,000 jobs. In addition, the City Development Plan acknowledges that the presence of a large workforce in the City Centre also stimulates demand for retail and other services.
- 5.37 Using the required office floorspace forecast in CASP, the City Development Plan forecast that in the order of 58,000m² would need to be developed between 2002 - 2010. Later in this report we review the delivery of office space in Cork City and its environs.

Cork 2012 – Imagine Our Future

- 5.38 In 2000 the Cork City Development Board was established with the remit of preparing and delivering an integrated strategy for economic, social and cultural development of Cork City. The City Development Board is made up of representatives of local government, development and state agencies, representative organisations and the community and voluntary sector. Within two years, the City Development Board (CDB) adopted '*Cork 2012 – Imagine our Future*' as agreed by all members of the CDB. The vision of the CDB is:
- Cork, a beautiful city by the Lee, is globally competitive and has a rich quality of life that embraces diversity of culture, provides equality for all and represents an ethos of dynamism, excellence and high quality'* CDB Strategy pp 16
- 5.39 The Strategy was formulated on the basis of seven themes:
- Cork and its external role
 - Cork's image
 - Identity of the community of Cork
 - Integrated services provision
 - Quality of life in Cork
 - Equality within the community
 - Cork as a learning city
- 5.40 While it is an integrated strategy, the key objectives and actions of the CDB strategy that will influence the economic development of the City include:
- i. Support the implementation of CASP and the NSS, implicit in which is the achievement of the full Gateway potential of the City;
 - ii. Improve transport and access to and within the City;
 - iii. Improve telecommunications and energy infrastructure of Cork;
 - iv. Improve the skills base of the city, by forecasting the skills needed of the City every five years; develop industry and education links; improve the level of education attainment;
 - v. Monitor and constantly improve Cork's global competitiveness;
 - vi. Improve Cork as a location to attract tourism;
 - vii. Provide appropriate level of residential and business zonings in Cork City and work towards the delivery of the Cork Docklands Development Strategy;
 - viii. Advocate responsive public services; and
 - ix. Improve quality of life in the City

CONCLUSIONS

- 5.41 Ireland's continued economic success faces a number of challenges, notably the availability of skills and labour and continued cost competitiveness in a globalising economy. While sustaining Ireland's economic progress will require the implementation of a range of national policies at national level, Cork can play a key role and 'ownership' of sustaining the economic development of the City and the region. As part of the final report, we will set out a suite of recommendations to attract investment to Cork and Docklands specifically. The above review would suggest that these policies should address the following themes:
- **Skills and Labour Force:** That Cork maintains its position as an important centre for education. The skills of educated work force from UCC/CIT are linked to the requirements of the industry in an evolving economy, and FÁS can continue its flexible approach to training in the region. That Cork is a city that can attract migrant labour force with the full spectrum of skills required in the region.

- **Research & Development:** That Cork can improve the output of research and development and its patent output. This will require further links between education institutions along with harnessing the entrepreneurial ethos in the City.
- **Build on Business Networks and Clustering:** Improve linkages between industry, suppliers, customers and third level institutions. Evolve from an area that can successfully attract sectors to an area where these sectors are embedded in the City and Region through by developing this cluster approach to economic development.
- **Property:** That there is sufficient, but sustainable supply of property in Cork to attract profile investment. This should be high-profile, well-designed property that suits the needs of business.
- **Agile Government:** While there is a need for national Government to be agile and responsive to the needs of a global economy, this can be mirrored in Cork. The plans and policies of Cork City Council, Cork County Council and the development agencies need to reflect a cohesive approach to Cork, in accordance with the recommendations of CASP. In addition, there requires to be a collaborative approach to the development of Docklands.
- **Infrastructure & Investment:** Cork needs to ensure that it can offer the level of services required to ensure that businesses can sustain a competitive edge. We review infrastructure later in this report. However, due to the relative peripherality of Ireland and Cork, there is a need to ensure that access to the city, both physical and telecommunications, meets the needs of global industry.

6 INFRASTRUCTURE

- 6.1 The level of infrastructure in a country affects competitiveness and performance in a number of ways. Inadequate infrastructure can increase traffic congestion, reduce productivity and increase costs. In 2005, Ireland ranked 11th out of 12 countries benchmarked by Forfás⁹ in terms of the level of infrastructure stock. This is attributed to the level of cutbacks in public investment due to the difficult economic circumstances of the 1980s coupled with the high GDP growth rates of the 1990s, which put significant pressures on Ireland's infrastructure. With ambitious investment programmes set out in the NDP 2000 – 2006 set to continue in the ensuing NDP 2007 – 2013, public investment is significantly higher than in most developed countries. Thus, the relative level of infrastructure provision should improve over time. A key question is ***'how this will influence and open up the development of Docklands - and ultimately will there be any infrastructure constraints to the development of the area?'*** This is a fundamental issue relating the attractiveness of Docklands as a place to invest and accommodate high employment levels. It is currently estimated that the in the order of €472million will be invested in the infrastructure of Docklands in the medium to long terms. In this section we provide a synopsis of the infrastructure of Cork and Docklands under the following headings:
- Transport Infrastructure;
 - Telecommunications;
 - Water; and
 - Waste Management.

TRANSPORT INFRASTRUCTURE

- 6.2 As an island economy, transport is particularly important to the economic development of Ireland. Irish businesses still rank Ireland poorly for transport. In the paragraphs that follow we provide an overview of key current and planned road, rail and air transport infrastructure and services to Cork.

Road

- 6.3 Table 6.1 provides the distance and travel times between Cork and Dublin, Galway and Limerick by road.

Table 6.1 - Road Distances and Journey times between Cork and the Main Cities (weekday)		
	Distance	Time
Dublin (N7, N8)	251 km/157 miles	3hrs 30mins
Limerick (N20)	102 km/64 miles	1hr 25mins
Galway (N20, N18,N6)	205 km/128 miles	3hrs

Source: Automobile Association 2006

- 6.4 Ireland does not as yet have a full motorway network and road travel around the country is generally slow. As such, the travel times indicated in Table 6.1 should be taken to be the optimum times achievable. The issues, and their consequences, are well recognised in the NDP 2000 – 2006, which includes the upgrading the Cork-Dublin route to motorway/dual carriageway and the development of the Western Corridor linking Cork to Limerick and Galway. The programme, whilst still a commitment, is not achieving the timetable set due to resource constraints and barriers to implementation such as special/protected landscape designations and archaeology. Acknowledging this, considerable progress is set to be achieved over the remainder of the decade.
- 6.5 At local level, in recent years there has been considerable investment in the road infrastructure surrounding the City, including the South Ring Road and the opening of the Jack Lynch Tunnel. While works continue on City Ring Road, travel within and around the City and Metropolitan Cork is relatively easy and less congested than Dublin. This has encouraged a dispersal of residential and commercial investment from the central areas of the City/Metropolitan Area.

- 6.6 A tentative road network layout for Docklands is shown in the CDDS. It is proposed to confirm the layouts and firm up on the width and cross section of all the roads in the network in the context of the South Docks LAP. A number of pedestrian and vehicular bridges are proposed for Docklands. Furthermore, the requirement to develop integrated transport systems within Docklands and linking Docklands to the City Centre and other areas within the City is recognised will be clarified in the Local Area Plan.

Rail

- 6.7 Iarnród Éireann provides daily Intercity services between Cork and Dublin along with direct services from Cork to Limerick and Tralee as summarised in Table 6.2.

Table 6.2 - Intercity Services between Cork and other Regional Centres (weekday)		
	From Cork	To Cork
Dublin	9 services	9 services
Limerick	8 services	7 services
Tralee	4 services	4 services

Source: Iarnród Éireann 2006

- 6.8 The intercity service between Cork and Dublin is set to improve. In 2004 Iarnród Éireann purchased 67 new Intercity carriages by Iarnród Éireann to service the Cork to Dublin and it is planned that by the end of 2006, the new fleet will be fully operational and an hourly service will be available in both directions between Cork and Dublin.
- 6.9 A number of daily commuter or Arrow services also operate which link the City with Cobh (22 services) and Mallow (17 services), both of which are in the Cork Metropolitan Area. The development of additional rail commuter services in and to the City is proposed and currently is being reviewed by the Government under the Strategic Rail Review. This includes the opening/re-opening of stations within the Cork conurbation, hence improving the connectivity and attraction of the City within its hinterland.

Bus

- 6.10 The redeveloped Kent Station, which is located at Docklands and upgraded rail line to the outlying towns will provide excellent commuter access to Docklands, harnessing the potential of the area to act as both a gateway to the City and a hub within itself. This will be further enhanced by the implementation of an integrated public transport service or Green Routes and traffic management plan at Docklands.

Bus Éireann is the main provider of bus based Public Transport in Cork City and Metropolitan Cork. There are twelve main City Routes including two Orbital Routes and one Park & Ride (operated under contract to Cork City Council). There are also six main Suburban Routes serving the principal population centres outside the City Centre in the Metropolitan Cork Area. These are Route 221 Hazelwood/Knockraha, Route 222 Carrigaline/Crosshaven, Route 223 Passage/Monkstown/Ringaskiddy, Route 224 Blarney/Tower/Cloghroe, Route 226 Cork Airport/Airport Business Park and Route 232 Ballincollig. The Provincial and Expressway services are listed opposite.

Cork Expressway Bus Services	
Route	No. of Departures Weekdays
Cork - Limerick	14 - (Hourly Departures)
Cork - Shannon Airport - Galway	12 - (Hourly Departures)
Cork - Dublin	6 - (2 Hourly Departures)
Cork - Youghal - Dungarvan - Waterford	13 - (Hourly Departures)
Cork - Macroom - Killarney - Tralee	13 - (Hourly Departures)
Cork - Rosslare Harbour	2
Cork - Skibbereen - Goleen	7
Cork - Bantry - Glengarriff	7
Cork - Clonmel - Kilkenny	4
Cork - Roscrea - Athlone	2

Source: Bus Éireann 2006

Cork City and Suburban Services have been developed substantially over the last number of years and it is proposed to continue this development into the future. From 1999 to 2006 there has been a 46% increase in the number of departures on City Services and this level of increase will need to be continued. While services to Carrigaline, Midleton / Ballinacurra and Ballincollig have been substantially increased in 2003, 2004 and 2005 further increases will be necessary in Metropolitan Cork to provide for the large increases in population as predicted in CASP.

New City Bus Routes are planned for Boreenmanna Road/Mahon Point, Douglas/Mount Oval/Rochestown where there is a demand for new services due to increasing population levels. Along with increasing service levels it is also essential that the usage of existing and new resources is maximised through the introduction of priority measures for Public Transport in the Cork Area. Traffic flow is vital to the efficient operation of Cork City Services. Over the last number of years increasing traffic congestion, particularly in the peak hours, has imposed major costs and restrictions on the operation of effective and efficient bus services throughout the area. The lack of any bus priority measures has been a major obstacle and this is now being addressed through the introduction of 10 Green Routes. Green Routes provide bus priority measures in the form of Bus Lanes, priority at traffic signals etc and are being introduced as part of CASP. Green Routes are designed to assist in encouraging modal shift towards public transport.

Cork City Services generally operate in a radial pattern, emanating from the city centre and servicing all major suburbs on both the North and South sides of the city. The main attraction zones are close to or with in the city centre, the exceptions being UCC, CIT and Cork University Hospital, which are all located on the Western side of the city. There are two Orbital routes connecting the Northside and Southside of the City to UCC, CIT, FAS and CUH in the Western Suburbs.

There are also a number of suburban shopping centres with the most recent addition being Mahon Point which is now served by the No. 10 bus service - this addition to the No. 10 Bus Route is proving very successful.

In January 2006 the No. 5 Bus Route was extended to serve Kent Station and this increases the level of integration in Cork by providing a link from Kent Station to the City Centre and to the educational facilities and hospitals in the western side of the city.

The operation of the Black Ash Park & Ride on behalf of Cork City Council is also proving very successful. The Cork City and County Councils are also examining other possible Park & Ride sites on the western side of the city and Carrigaline. Low floor fully accessible buses comprise over 90% of Cork City Services Bus Fleet.

Provincial/Suburban Bus Service
Cork - Fermoy - Mitchelsown - Burncourt
Cork - Glanmire - Sarsfield Court
Cork - Cork Airport - Kinsale - Garrettstown
Cork - Carrignavar - Whitechurch - Glenville
Drimoleague - Skibbereen - Baltimore
Cork - Roberts Cove - via Maryboro Hill
Macroom - Kealkill - Bantry - Kilcrohane
Macroom - Rylane Lower
Macroom - Renanirree
Cork - Youghal - Ardmore
Cork - Carrigtwohill - Midleton
Cork - Little Island
Cork - Tralee via Castleisland and Boherbue
Cork - Riverstown - Knockraha
Cork - Crosshaven - Camden - Fountainstown
Cork - Monkstown - Ringaskiddy - Haulbowline
Cork - Killard - Blarney - Tower - Cloghroe - Waterloo
Cork - Cork Airport
Cork - Ballyvourney - Ballingeary
Cork - Ballincollig
Cork - Macroom
Cork - Berrings - Rylane - Donoughmore - Stuake
Cork - Bandon - Courtmacsherry - Bantry - Glengarrif - Castletownbere - Goleen
Cork - Midleton - Cloyne - Garryvoe - Ballycotton
Cork - Midleton - Whitegate
Cork - Mallow - Newmarket - Buttevant

Source: Bus Éireann 2006

Air

- 6.11 Cork International Airport is one of the largest airports in Ireland, after Dublin and Shannon. It is located 8 km south of the City Centre and has easy road access to the City Centre and other parts of Metropolitan Cork, via the South Ring Road. The airport provides services to main UK and European destinations, though unlike Dublin and Shannon it does not provide transatlantic services.
- 6.12 Cork International Airport is the fastest growing of the three main airports. In 2005 a total of 2.73 million passengers passed through its gates, representing an increase of over 21% on 2004. The airport experienced a slight decline in the domestic market in 2005, following the withdrawal in of the Aer Lingus Dublin-Cork service. However, this service has been replaced by Ryanair and thus two airlines, Ryanair and Aer Arann provide scheduled services between Dublin and Cork. It is reported that in the first five weeks in operation Ryanair carried 24,286 passengers from Cork to Dublin.
- 6.13 The UK provincial and European scheduled markets provided the greatest levels of growth for the airport in 2005, increasing by 18% and 53% respectively compared to the 2004 figures.
- 6.14 At present, c. €140m is being invested in the airport under the Cork Airport Development Programme. This investment involves the construction of a new airport terminal, a multi-storey car park and a new air

traffic control building. The new terminal which is approximately 26,500m² in size and was opened in 2006, has the capacity to handle an additional 3 million passengers annually.

TELECOMMUNICATIONS INFRASTRUCTURE

- 6.15 While Ireland's expenditure in ICT is close to the EU15 average, according to Forfás, Ireland continues to perform badly with respect to access to and usage of broadband technology (14th out of 15).
- 6.16 In 2004, the Cork Information Technology and Telecommunications Strategy (CITTS) was completed. According to the study, the main telecommunications providers in Cork are Eircom and EsatBT. Other service providers include Strencom, an Internet Service Provider that provides internet services and leased lines and Amocom, a wireless service provider. Other international carriers such as MCI, AT&T, Cable and Wireless and Energis have a presence in Cork. However, it is understood that these international carriers lease most, if not all of their network capacity from Eircom or EsatBT and locate in Cork to serve the subsidiaries of their large multi-national customers. In addition, Chorus provides a number of ATM Access notes and television infrastructure capability.
- 6.17 The strategy made eight recommendations to develop Cork as a centre of excellence for use of ICT. These are:
- The establishment of Cork City ICT Coordination Group to provide a coherent ICT planning platform for Cork.
 - Develop an effective communications market and infrastructure in Cork
 - Create demand for broadband services by promoting greater on-line activity
 - That the public sector work with the private sector to facilitate supply of broadband services.
 - Create demand and competition by encouraging organisations operating in Cork to use ICT infrastructure.
 - Improve awareness of ICT
 - Develop ICT Skills
 - Support the development of leading edge technology at Tyndall Institute and other organisations operating in Cork.
- 6.18 The Metropolitan Area Network was switched on in 2004. This 60km fibre optic network services all the main industrial estates, commercial buildings, offices and shopping centres in Cork City. It is also designed to serve the needs of institutional bodies including UCC, CIT, the Health Service Executive, IDA Ireland and Enterprise Ireland.
- 6.19 However, there is limited data storage capacity in Cork. The City is dependent on data storage capacity in Dublin or in other jurisdictions outside of Ireland. Thus, the backhaul infrastructure to Cork and within Ireland is critical to the provision of competitive state-of-the-art telecommunications services in the City. Cork is currently served by a limited number of small data centres in and around the City with a total capacity of approximately 330m². These are located in Mahon, Clonakilty, Penrose Wharf, Churchfield and Ovens. In response to the requirement to reduce the dependence on the national telecommunications backhaul by enhancing data storage in Cork, the City Council commissioned Cork Business Innovation Centre to prepare a feasibility study of the potential to develop a 560m² Data Centre in Mahon. It was envisaged that the scheme could be developed using the Public Private Partnership approach. The development of such a Data Centre would improve the capacity of Cork to host data, enhancing the City's attractiveness to investors, particularly those in the ICT sector. It would also reduce the City's dependence on, and costs associated with the use of, the national backhaul infrastructure.
- 6.20 The development of Docklands represents an opportunity to develop a precinct within the City with state-of-the-art telecommunications infrastructure required to attract investment, particularly from ICT sectors, and to enhance the scope to work from home. This would require the provision of carrier-neutral infrastructure, which could involve for example providing fibre cable in a ring duct at Docklands, linked to the Metropolitan Area Network (MAN). Building from this, developers would be in a position to ensure that new buildings in Docklands, including offices and residential schemes, could offer broadband telecommunications infrastructure.

WATER

- 6.21 A report was completed in 2004 on the issues associated with the provision of a satisfactory supply into both the North and South Docks. It identified a number of upgrades to the city distribution system and trunk extensions to meet the significant new demand in this area. The costs of provision of the off-site works was estimated to be in the order of €10million. The water distribution system for Docklands is now being designed, to accommodate the flexible development of the area. It is envisaged that a separate tidal flooding study will be conducted in 2007.

WASTE MANAGEMENT

- 6.22 Cork City Council and Cork County Council are jointing involved in the 'Cork Waste Management Strategy' which is a 25 year strategy aimed at the total quantity of municipal solid waste disposed to landfill in the Cork Region. This strategy was adopted by both local authorities in 1995. A range of 'reduce, reuse and recycle' initiatives are planned to target reduction in landfill waste.

Solid Waste

- 6.23 The development of a new Residual Landfill Facility at Burnfort, County Cork is also an integral component in the Waste Management Strategy for Cork. The Bottlehill Landfill, when operational, will last for approximately 20 years and will accept in excess of 5.3 million tonnes of treated waste over its lifetime. Construction of the landfill site began in March 2005 and recently completed. The Bottlefill Residual Landfill Facility will have the capacity to process the volumes of solid waste projected with the expansion of Cork City and County into the near future.
- 6.24 Indaver Ireland was granted planning permission and licence from the Environmental Protection Agency (Environmental Protection Agency) to construct and operate a €75 million Waste Incinerator at Ringaskiddy, County Cork. Local residents have appealed to the High Court for leave to seek a judicial review of the EPA's assessment of the waste licence application. At the time of this report, the High Court has not decided whether to grant this review. In the absence of delays, the facility is scheduled to be operational by 2010 and will process 100,000 tonnes of hazardous and non-hazardous industrial and commercial waste per annum. Indaver Ireland intends to apply for planning permission for an additional facility at the site to treat 100,000 tonnes of non-hazardous commercial and household waste. To date, this planning application for this additional capacity has not been submitted to the local authority.

Waste Water

- 6.25 The Cork Main Drainage Scheme was completed in August 2004 at a cost of €300m. It involved the construction of 30km of new sewers, a series of pumping stations, siphons and a state-of-the-art Wastewater Treatment Facility for Cork City and the surrounding areas. The Wastewater Treatment Plant located at Carrigrenan, Little Island, County Cork has the capacity to cater for a population equivalent of 413,000 and has a modular design to allow for its expansion over the next 20 years.

ENERGY

- 6.26 The ESB has invested over €100million in the electricity infrastructure in the last four years. This has included the modernisation and upgrading of the four city ESB Stations; Liberty Street, Kilbarry, Marina Business Park and Knockraha. The network has undergone extensive refurbishment with the increased energy capacity at Docklands.
- 6.27 Businesses and households in Cork are served by natural gas. An Bord Gais recently announced a €300m investment in gas infrastructure at Whitegate to supply gas-fired electricity to the Region.

GROUND CONTAMINATION

- 6.28 Previous and current uses in Docklands area have given rise to contamination of the ground and surface waters. This is mainly due to hydrocarbons (due to coal and oil) related to storage of these products in the area for significant lengths of time. There is a need to identify the extent and type of problem throughout the area and to identify costs effective solutions for dealing with the matter. Consultants have been appointed to undertake a study of the problem including the undertaking of site investigation on the ground and reporting on the extent, type and identify solutions and costs. A report is expected early 2007. The data received will assist developers to assess the likely impacts of contamination on the proposed development and costs of remediation associated with same.

GIS DATABASE

- 6.29 A database/GIS of locations of all the existing and designed services will be necessary to facilitate developers during pre-planning consultations. This initiative is currently being considered by the City Council.

CONCLUSIONS

- 6.30 Cork is witnessing considerable infrastructure investment and this is set to continue with in the context of the NDP 2007 – 2013. With this level of investment there should be little development constraints particularly and the city should be well served in relation to waste management, water supply and energy. This is also true for Docklands, where investments are planned to help open up and expand the development capacity, with the exception of development constraints due to the presence of SEVESO sites along with the location of other energy infrastructure. In addition there is a requirement to upgrade the water services infrastructure at Docklands. While national rail services originate and terminate at Docklands, the remainder of the area is poorly served by public transport. The lack of availability of integrated public transport would limit the attractiveness of Docklands as an area of the city to work and live. The preparation of a GIS Plan mapping the infrastructure of Cork should help developers appraise possible constraints.
- 6.31 However, Cork's relative competitiveness is adversely affected by its location and access. Investment in national and commuter rail infrastructure along with that planned to increase the capacity of Cork Airport are welcome and should improve the competitiveness of the City. The fact that there are no transatlantic services from Cork has not arrested investment from US companies and, in fact, as illustrated previously in this report, the US is the main source of investment to Cork. However, Cork is the only international airport that where this service is not provided.
- 6.32 While the City enjoys the benefits of a competitive telecommunications market, telecommunications costs, particularly for large data transmission, are high due to the reliance on data centres not in Cork. Interventions and measures need to be assessed to address this.

7 PROPERTY MARKET

7.1 The development of Docklands as a vibrant precinct will involve the delivery of a mix of property uses. In this section, we present the key trends of Cork's property market, which will inform the property strategy for Docklands. This is set out under the following headings:

- i. Commercial Office;
- ii. Tourism & Leisure;
- iii. Retail; and
- iv. Housing.

COMMERCIAL OFFICE

7.2 According to DTZ Sherry FitzGerald, in 2005 take up of office space in Cork reached a record of 44,450m² for the twelve month period, which was more than double that of 2004. Approximately 28% of the office space taken up during 2005 was located in the city centre, the largest of which was the occupation of 3,700m² second generation accommodation at McCurtain Street. This highlights the strength of demand for well-located space in Cork City. However, despite the availability of space during the year, the office market experienced relatively moderate vacancy space at 12.1% at the end of 2005, which compared with 9.0% in 2004. Office space vacancy in the suburbs was relatively high at 15.1% by the end of 2005, which represented an increase from a vacancy rate in the suburbs of 11.6% in 2002. In contrast, office vacancy rate in the City Centre was 8.4%.

7.3 In 2005 a total of 25,000m² office space was constructed in Cork, the highest since 2001. A further 31,150m² office space was under construction in Cork in December 2005. This increase in office space reflects renewed investors confidence in the Cork office market. However, the majority (72%) of the space is located in the suburbs, notably 11,150m² being developed in Ballincollig and 4,000m² under construction at the Airport. On completion the Airport scheme will total 30,000m². Just under 50% of accommodation under construction was either pre-let or pre-sold. This reflects the confidence of investors/developers and their willingness to provide offices on a speculative basis.

7.4 At an average rent of €607 per m² per annum in 2004, Dublin was one of the most expensive for prime capital city centre office locations when compared with other capital cities benchmarked by Forfás¹⁰, third to London €1,556 per m² and Paris €783 per m². Table 7.1 compares rents in Cork for prime office space and suburban locations compared with other centres in Ireland.

7.5 Table 7.1 illustrates that the office rents are significantly lower than rental prices achieved for prime office space in prime locations in Dublin. That stated, Cork's office rent rates are not as competitive as Limerick or Galway. Galway also represents the most competitive location for suburban office space.

Table 7.1 - Indicative Headline Office Rents in Ireland 2005		
Location	Third Generation Prime €/m ²	Third Generation Suburban €/m ²
Dublin	500+	150 - 275
Cork	323	194
Limerick	205	205
Galway	215	124

Source: DTZ Sherry FitzGerald

Industrial Space

7.6 Table 7.2 illustrates the comparative price of modern industrial buildings in Cork, Limerick and Galway.

Table 7.2 - Indicative Rents and Capital Values of Modern Industrial Buildings 2005		
Location	Rent €/m ²	Capital Value €/m ²
Dublin Units <1,000m ²	100	2,000+
Dublin Units > 1,000m ²	90	1,500
Cork Units <1,000m ²	80 - 90	2,000+
Cork Units >1,000m ²	80	1,500
Limerick Units <1,000m ²	75	1,025
Limerick Units >1,000m ²	65	861 - 969
Galway Units <1,000m ²	86	1,770
Galway Units >1,000m ²	81	1,500

Source: DTZ Sherry FitzGerald

7.7 The rents and values of industrial space achieved in Cork are similar to those in Galway. However, the rentals and capital values of industrial space in Limerick is considerably less than those offered in Cork and Galway.

7.8 The total newly-occupied industrial space increased in 2005 by 72,700m², which is more than double that of 2004. The largest proportion of this space (36%) is located in Little Island. In 2005, an additional 24,100m² was constructed in Cork. Of this space, 51% is located in Ringaskiddy, and again the majority of the remainder is located in Little Island. By the end of 2005 the only 18,100m² additional industrial space was under construction. Approximately 13% of the industrial space under construction is either pre-let or pre-sold. As with office space this represents investor confidence in the market as developers are building speculatively.

COMMERCIAL LEISURE & TOURISM

7.9 According to CSO, expenditure by visitors to Ireland in 2006 was estimated to be almost €4.3bn. This represented an increase in tourism spend nationally of 8.5% over the five year period 2001 – 2005. According to Fáilte Ireland, it is estimated that in 2004, the year for which most recent employment figures are available, the sector directly supported c. 230,927 jobs in Ireland.

7.10 Over 3 million tourists visited the South West (Counties Cork and Kerry) in 2004, spending a total of €922.8m. Thus, tourism represents an important economic activity in the region. Tourism revenue in the South West increased by 29% in the five year period 2000 – 2004. The majority (79%) of tourists visiting the South West represent the ABC1 socio-economic groups. This would suggest that visitors to the region have a higher disposable income and propensity to spend, and would require value products and services. In 2004 County Cork attracted c. 1million overseas tourists, who spent c. €428m.

7.11 In 2004 UCC undertook an assessment of the tourist market in Cork City on behalf of the Council. This found that in 2003 a total of 3million tourists visited Metropolitan Cork spending a total of €320.9m. Of this, €87.3million was spent in the City and the remainder €236.6m was spent in the hinterland area. An appraisal of the economic impact of tourism found that in total direct and indirect expenditure as a result of tourism is estimated to be c. €317.0m in 2003. It is estimated that this sustains 2,325 full time job equivalents in Metropolitan Cork. These facts reiterate the importance of the tourism sector in Cork. However, the study found that on a per capita basis, the tourism sector in Galway is four times greater than

that of Corks and that in Dublin is 50% greater than that achieved by Cork. This finding highlights that on a tourism per person basis, Cork is underperforming when compared with Dublin and Galway. It also illustrates that there is scope to improve the relative tourism performance of the City. The study concluded that Cork City is not positioned to harness its full potential as a tourist destination. This needs to be redressed to ensure that the City can harness the economic impact of the tourism to the City. The mechanisms to achieve this and the role that Docklands can play to improve the tourism infrastructure of the City are set out in the Docklands Economic Study.

Visitor Attractions

7.12 Table 7.3 illustrates the top ten visitor attractions in Ireland.

Table 7.3 - Visitor Attractions in Ireland 2003		
Attraction	Visitors 2003	Rank 2001
1. Dublin Zoo	772,322	(1)
2. Guinness Storehouse	738,000	(2)
3. Trinity College/Book of Kells	467,513	(3)
4. Bunratty Castle & Folk Park	307,145	(5)
5. Waterford Crystal	303,000	(4)
6. Fota Wildlife Park	301,313	(8)
7. St Patrick's Cathedral	275,922	(7)
9. Rock of Cashel	245,316	(9)
8. Blarney Castle	228,522	(6)
10. Bru na Boinne	216,957	(13)

Source: Failte Ireland 2004

7.13 From the Table 7.3 it is clear that two of the top ten visitor attractions in Ireland are in Cork, however none are located in the City. Research conducted by UCC identified the following key tourist attractions in the City in 2002. This is presented in Table 7.4.

Table 7.4 - Visitor Attractions in Cork City 2002	
Attraction	Visitors 2002
1. Crawford Art Gallery	200,000
2. Cork City Prison	50,000
3. Vision Centre - North Main Street	40,000
4. FitzGerald's Park Museum	26,000
5. Bessborough	8,000
6. Butter Market	4,500

Source: UCC 2004

- 7.14 The Crawford Art Gallery is the key tourist attraction in Cork City attracting c. 200,000 visits in 2002. This would put the Gallery in the league of the top visitor attractors in Ireland, although not in the top ten. However there is a significant drop in the numbers of visitors attracted to the next most important attractors in Cork City i.e. Cork City Prison and the Vision Centre. These figures would suggest that there is scope to improve the visitor attractions in Cork City. This is a point that is reiterated in the RPGSW, which recommends the development of a significant tourist attraction in the Region.
- 7.15 Cork is successful in hosting festivals. According to the research commissioned by Cork City Council, these festivals attract c. 98,000 visitors to the City, 30% of which are from outside the area. It is estimated that festivals generate expenditure c. €10m directly in the city, with a further €4million indirect impacts. This excludes the economic impact of the City playing host to the European Capital of Culture in 2005, which is currently being measured.
- 7.16 The Tourism Report identified the key conference centre locations in Cork City and Metropolitan Cork. These are predominantly located in hotels, with Cork Opera House, Cork City Hall and University College Cork being the main publicly provided conference facilities. With a capacity to accommodate an audience of 1,200, the largest of these is City Hall. The second largest is Cork Opera House, which can accommodate audiences of 1,000. It estimated that Cork City's share of the Ireland's conference market is 5% and that there is significant potential to improve this sector in the City. Reflecting the dearth in provision of conference/entertainment facilities of scale, it is noteworthy that a purpose-built marquee had to be constructed to host one of the main events of Cork European Capital of Culture in 2005.

Hotel Market

- 7.17 We focus on 3-star or above accommodation as this represents the market that is required for the city to truly become a European destination. There are 21 hotels in the City area. This is relatively low provision of hotels when compared with Galway and Limerick, both of which are smaller cities than Cork. There have been recent developments in the Cork City's hotel market, including the introduction of the Clarion, the redevelopment of Jury's Hotel along with the development of Hayfield Manor. As previously set out, Cork City does not attract the same level of tourism per capita as Galway or Dublin. This would suggest that there is scope to improve the tourist offer, including the availability of tourist accommodation in the City. Recent investments in the hotel accommodation in the City would suggest that there is market appetite/opportunity to provide profile accommodation to build Cork's capacity to accommodate the tourist throughput. This needs to be matched with a strong tourist offer, which would include a mix of commercial leisure and other visitor attractions.

RETAIL

- 7.18 Reflecting the strong growth of the Irish economy, Ireland has witnessed significant growth in retail sales. Between 2000 – 2005 the volume and value of retail sales more than doubled, with higher growth in the value of sales. This growth is continuing, and between 2004 and 2005 volume of retail sales increased by 5% and value by 6.4%. We anticipate that this trend will continue in the medium term as a result of forecast continued increase in disposable income combined with continued population growth.
- 7.19 The redevelopment of St Patrick's Street, has enhanced the attractiveness of the Cork City centre. This is reflected in the rents per m² that are achieved in Cork as presented in Table 7.5.
- 7.20 Table 7.5 illustrates that rents achieved in St Patrick's Street are amongst the highest in Ireland. Rental levels on St Patrick's Street has have increased over the past five year period by over 100%. This reflects the limited availability of retail floorspace in the city centre. In recent years, the occupancy level along the street for ground floor retail accommodation has been at a constant 100% with demand for any units coming to the market whether they are leasehold or freehold. There is exceptional demand in the market for units within this prime location. The shortage in the supply of units is particularly demonstrated by the bidding wars that occur when premises come to the open market. There is a particular shortage of larger units and retailers have been unable to acquire suitable premises.

Table 7.5 - Indicative Retail Rents in High Street Zone A Locations 2005

Location	€/m ²
Dublin - Grafton Street	8,600
Dublin Henry Street	4,800
Cork - St. Patrick's Street	3,750 - 4,000
Galway - Shop Street	2,700
Limerick - Cruises Street	2,000

Source: DTZ Sherry FitzGerald

Key City Centre Retail Sites

7.21 There are currently three retail developments in the City Centre. These are:

- **Dunnes Stores:** a planning application is anticipated in the coming months for redevelopment of the existing Dunnes Stores premises on Patrick's Street. Over the past number of years, Dunnes Stores has acquired properties within the block to extend their existing premises. The proposed development will extend the store to approximately 13,863m² (gross)
- **Academy Street:** the development of the former of The Irish Examiner will open up a further site for development of the order of 17,923m² gross of retail floorspace immediately off Patrick's Street.
- **Cornmarket Street:** a retail scheme amounting to over 15,544m² of space in a mixed scheme including residential and office accommodation is currently under construction.

Retail Planning

7.22 It is the City Council's policy to protect the Commercial Core Area. This is based on the findings and recommendations of the Cork Strategic Retail Study, which was jointly published by Cork City Council and Cork County Council in December 2002 and subsequently incorporated in the Councils' respective development plans. The strategy sets the framework for retail planning and the capacity for additional retail floorspace in the City and County to 2011.

7.23 Since 2002, the data used to prepare the Retail Strategy has been superseded as follows:

- The retail strategy was based on the 1996 Census of Population this has been superseded by the 2002 Census of Population and revised population projections prepared for the Regional Planning Guidelines.
- Levels of disposable income and expenditure have been updated by publications issued by the CSO, notably the Regional Accounts March 2005 and the Annual Services Inquiry 2003.

7.24 These publications would provide more up to date data that would be used to forecast retail spend in Cork.

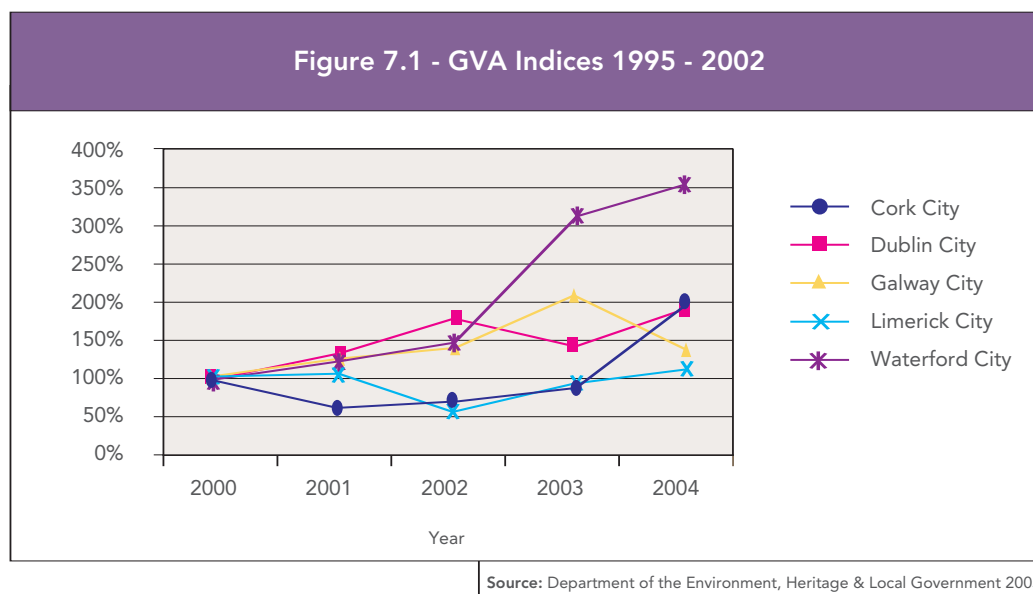
7.25 A total of 54,500m² additional retail floorspace was allocated to the City for the period of the Retail Strategy i.e. to 2011. Schemes underway at Dunnes Stores, Cornmarket Street and Academy Street reflect investor confidence in this sector in the City. We recommend that Cork City and County Councils undertake a review of the Retail Strategy, based on more up-to-date data and the delivery of retail schemes within the City. The Docklands Economic Study presents the scope to develop retail at Docklands.

HOUSING

7.26 According to Forfás a stable and affordable housing market contributes positively to economic stability. Over recent years, the level of housing completions in Ireland grew considerably. According to figures issued by the Department of the Environment, Heritage and Local Government (DoEHLG) by 2004,

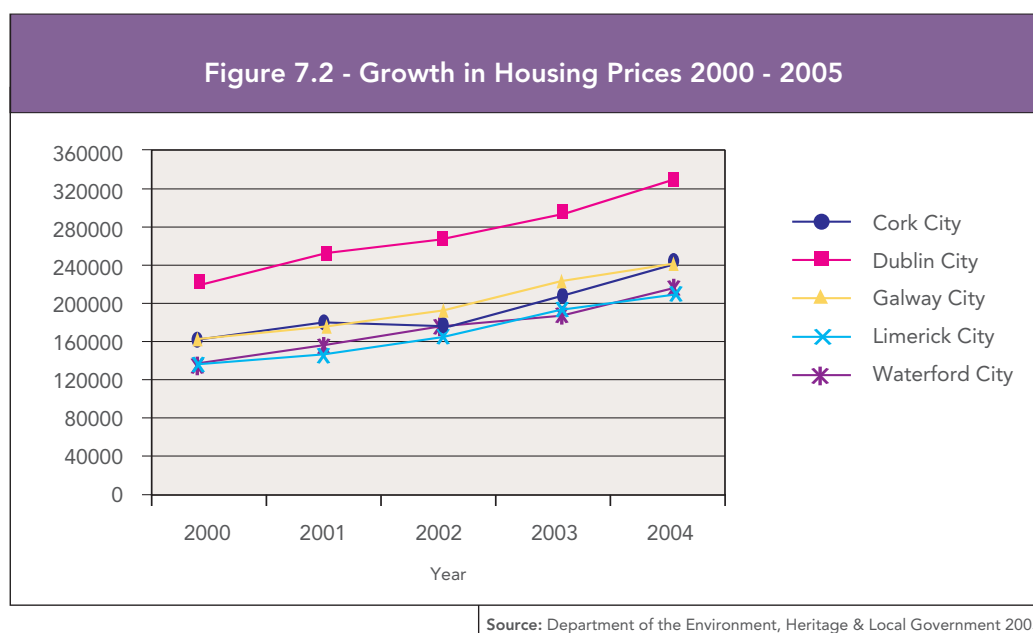
the most recent year for which data is available, a total of 76,954 units were completed. This represented an increase of 54% over the level of output achieved in 2000. According to Forfás¹¹, despite the high level of housing completions, which ranked 1st out of 9 countries benchmarked in its 2005 Competitiveness Report, the stock of housing in Ireland remains below the levels in comparator countries (9th out of 9). In addition, house prices in Ireland increased by 180% between 1998 and 2004, the highest rate of housing price increase of countries benchmarked by Forfás in its Annual Competitiveness Report 2005.

7.27 Cork City experienced a significant increase in the number of total house completions in recent years. According to statistics issued by the DoEHLG, a total of 1,186 units were completed in the City in 2000. While the level of completions in Cork City dipped to 752 in 2001, it climbed to a record 2,364 units in 2004. Between 2000 and 2004 a total of 6,617 units were constructed in Cork City. Figure 7.1 compares the completion rates in Cork City with that of other main cities in Ireland over the period 2000 to 2004.



7.28 As illustrated in Figure 7.1 Waterford City possessed the largest growth in house completions of all the major cities in Ireland. However, there is significant development capacity and land availability in Waterford as a result of its 1980 boundary extension. In actual numbers the level of housing completed in Cork City in 2004 was only second to Dublin City, where 4,530 units were completed in 2004. The increase in housing completions in Cork in 2004 signifies renewed confidence in investing in the City.

7.29 Figure 7.2 compares the price of new house in Cork, Dublin, Galway, Limerick and Waterford.



- 7.30 All areas experienced growth in house prices between 2000 and 2004. The average price of a new house in Cork increased from €166,557 in 2000 to €237,858 in 2004, representing a 43% price increase over that period. Average price for new houses in Cork is relatively consistent with house prices in Galway (€242,218) and slightly higher than Limerick (€210,868) and Waterford (€220,286). However, house prices in Cork are relatively competitive when compared with Dublin, which remained the most expensive county to purchase a new house with an average price of €322,628 in 2004.
- 7.31 In terms of Serviced Land Availability (SLA) for housing according to the Annual Housing Statistics Bulletin published by the Department of the Environment, Heritage and Local Government, in 2004, a total of 1,339ha of zoned serviced land was available in Cork City and Cork County. This is divided between the Cork County Council and the Cork City Council with 1,148Ha and 191Ha respectively. This land could provide 32,471 additional housing units in County Cork and City; 26,369 housing units in the County Council area and 6,102 housing units for Cork City. Should the level of completions achieved over recent years continue, then the level of SLA would only last approximately 3 – 5 years. This illustrates the relatively constrained scope to develop housing in the City and the requirement to 'open up' opportunity sites to accommodate housing growth.
- 7.32 Apartments make up a small proportion of the housing stock in Cork. There is still a preference in the market for standard 'housing' units, as distinct to apartment living. This may reflect the view that there is very little evidence of apartments within the City Centre that are designed for apartment living. That stated, it is envisaged that a mixed-use scheme to the rear of City Hall will target owner-occupiers. This will test the appetite of the Cork residential market for owner-occupier apartments.

CONCLUSION

- 7.33 A summary of the current profile of Cork's property market indicates that:
- **Office:** Cork offers a competitively priced office location when compared with Dublin. Demand for prime office space in Cork City is strong.
 - **Tourism:** There is a need to develop the tourism infrastructure of Cork City. The City accommodates major events in temporary facilities. There are limited tourist 'honey pot' attractions of scale in the City. Hotel accommodation in the City is improving.
 - **Retail:** It is recommended that Cork City and Cork County Council review the retail strategy. This review should appraise the scope to develop retail at Docklands that will complement, and not adversely affect, the Core Commercial Area of the City and act to enhance the vibrancy of Docklands.
 - **Housing:** Cork recently enjoyed improved level of housing completions. A key question is if this can be sustained and housing development can be attracted to Docklands and, if so, will the demand transfer for high density accommodation that attracts both owner occupiers and the private rented sector. Housing prices in Cork City are competitive when compared with Dublin and relatively on a par with other centres in Ireland.
- 7.34 The Docklands Economic Study proposes a suitable mix of uses for Docklands to ensure that it can be developed as a vibrant quarter of the City.

