

DUBLIN ECONOMIC MONITOR

ISSUE 24
MARCH 2021

in this issue

**LATEST DUBLIN ECONOMIC DATA
IHS MARKIT DUBLIN PMI
MASTERCARD SPENDINGPULSE
DUBLIN ECONOMY WAITING FOR TAKE OFF**



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Fhine Gall
Fingal County
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Comhairle Contae
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WELCOME

HIGHLIGHTS



Employment levels in Dublin's economy fell to below 692,000 in Q4 2020, while the number of Pandemic Unemployment Payment recipients surged to over 148,000 at the end of January 2021.



Business activity in Dublin fell in Q4 2020 due to declining employment levels and tightening new orders, particularly in the services sector.



Consumer retail spending fell QoQ but rose by 1% YoY in Q4 2020, largely due to rising expenditure levels on eCommerce platforms.



House completions reached a new peak of over 2,400 in Q4 2020 but the recovery in commencements stalled.



Hotel occupancy fell to 16% in January 2021 as the average daily rate for a room declined to €88.



Throughput at Dublin Port increased by 7.6% YoY and by 5.4% QoQ to reach 10.1 million tonnes in Q4 2020.

THE MARCH 2021 ISSUE OF THE DUBLIN ECONOMIC MONITOR

The Dublin Economic Monitor is a joint initiative on behalf of the four Dublin Local Authorities, and is designed to be of interest to those living and doing business in Dublin or considering locating here. The report is produced by Grant Thornton with inputs from IHS Markit and MasterCard.

There are two special feature articles this quarter. The first, from Jack Kennedy of Indeed, focusses on job openings across the Dublin economy. The second article is by Eileen Quinlivan, Assistant Chief Executive of Dublin City Council, and outlines the innovative initiatives which have been implemented within the four Dublin local authorities since the onset of Covid-19.

The Monitor is divided into the following themes for Dublin:

- Economy
- Business Developments
- Retail
- Hospitality
- Labour Market
- International Rankings
- Housing
- Transport & Travel

For more data and insights see: www.dublineconomy.ie.

The next edition will be published in June 2021.

www.dublineconomy.ie

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Dublin City Council	South Dublin County Council	Fingal County Council	Dún Laoghaire Rathdown County Council
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DUBLIN ECONOMY WAITING FOR TAKE OFF

The arrival of Spring was meant to usher in the easing of lockdown restrictions and see the economy relaunch into a sustained recovery. Instead, it seems that restrictions are set to last somewhat longer and large swathes of the economy remain shuttered. It is hard to plan around a highly contagious virus so our economic fortunes are now essentially tied to a vaccine programme which is going to take some time to roll out.

This prolonged shuttering of large parts of the economy and the outworkings of the Trade and Cooperation Agreement (TCA) between the EU and UK is creating a range of competing sentiments in the economy.

Fragility

The last issue of the Dublin Economic Monitor reported on a range of indicators that were pointing towards an economic recovery as the easing of restrictions created a surge in activity. Indeed, the easing of restrictions saw economic activity emerge from record lows to register growth. Unfortunately, the surge in economic activity was mirrored by a surge in Covid-19 cases which has seen most building sites, shops and the hospitality sector closed since late December. It is unsurprising that in this quarter, those same indicators that bounced back are reflecting a fragility brought about by the 'stop-go' economy.

Frustration

The slower than hoped roll out of the vaccine is causing undoubted frustration but the more immediate business frustration has come via Brexit. After almost five years of negotiation and brinkmanship, the EU and UK established a TCA on their future trading relationship which came into effect on the 31st December 2020. The TCA has been described as the least bad version of Brexit possible by An Taoiseach and many of the concerns about the implications of a 'messy Brexit' have been abated. Regardless, business is in an adjustment phase and it is clear that while Brexit might be done, it is not dusted. Outstanding issues remain to be resolved, including significant issues for financial services and the outworking of the Northern Ireland Protocol. Reported bedding in challenges around paperwork and customs clearance, while seemingly settling, have caused additional planning, paperwork and ultimately frustration.

Resilience

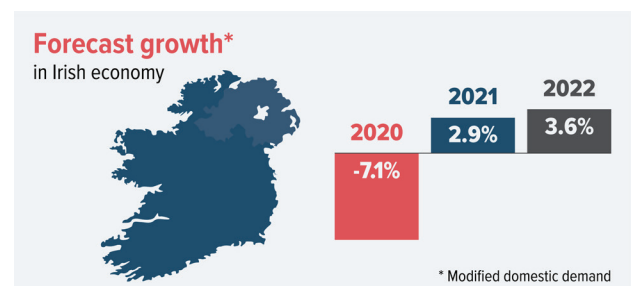
The economy entered the pandemic in reasonably good shape. Recall that just a year ago the labour market was recording consistent growth and the policy questions

centred around whether the Dublin economy had reached full employment or if it was overheating. While current prospects suggest more downside than upside risks, there is a fundamental resilience in the business community that is adapting and planning for recovery. Grant Thornton's latest Global Business Pulse survey reveals that 52% of Irish businesses expect their revenue will increase over the coming 12 months by comparison to 27% reported in H1 2020, while just 17% say their revenue will decrease. Of those surveyed in the Business Pulse, 41% of Irish businesses expect to increase their profitability over the coming year whilst 19% expect a decrease, with 34% remaining the same. Backing up the resilient theme is a willingness to invest. 30% of Irish businesses say they will need to ramp up their digital transformation to survive the current crisis. Investment in staff skills (44%) and R&D (36%) are also priorities as businesses continue to retool for a new world of business.

“While current prospects suggest more downside than upside risks, there is a fundamental resilience in the business community that is adapting and planning for recovery.”

A second-half comeback?

With the Covid-19 restrictions extending into April, the first half of the year is now expected to show a stronger decline than first envisaged. Forecasts from the Central Bank, which were made before the newest extension of lockdown restrictions, were expecting a strong rebound in the economy this year and next. There is still a possibility, with a strong second half to the year, of achieving this level of growth.



SOURCE: CENTRAL BANK.



LATEST COVID-19 LOCKDOWN DEVASTATES BUSINESS ACTIVITY

Business activity in the Dublin economy continues to be severely affected by restrictions related to Covid-19, with a third 'wave' of the pandemic disrupting the first quarter of 2021. Level 5 has resulted in the closure of much of the Dublin economy, with businesses laying off massive numbers of employees. Recipients of the Pandemic Unemployment Payment (PUP) peaked at over 480,000 nationally in February as businesses ranging from construction to retail and hospitality were partially or fully closed under the restrictions. The exact timeline for reopening after this damaging chapter of the pandemic is uncertain. It is, however, likely to be dictated by the success or otherwise of phased returns to operations in specific sectors such as construction from April onwards.

In light of the manifold challenges facing businesses in Dublin and across Ireland, the commercial rates waiver was extended for the first quarter of 2021. This brings to 12 months the total duration of the waiver. The latest extension is more focussed in nature, with sectors such as hospitality, leisure, childcare and retail specifically targeted by the Government. Central Government support of this nature ensures local authorities are funded while also reducing the burden on struggling businesses. A further extension of the waiver for the period from April onwards is currently under review.

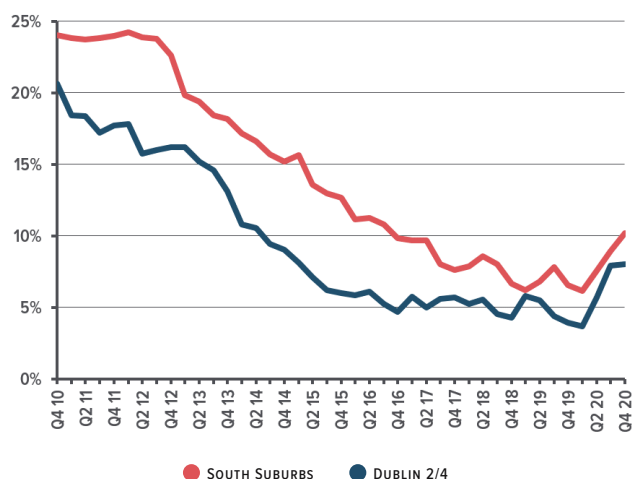
The commercial property market in Dublin continued to be affected by the changes to office working arrangements which have arisen over the past 12 months. As shown in the chart, vacancy rates continued to rise in the Capital in Q4 2020. The rate of vacancy increased at a swifter pace in the Capital's suburbs, rising by 1.3 percentage points (pp) QoQ to stand at 10.2%. There was a minor QoQ increase of 0.1pp in Dublin 2/4. This was the third consecutive quarter in which vacancy rates rose in Dublin, and there has been initial evidence of dipping rent levels. Future trends for commercial space will be interesting to track over the coming quarters as the Dublin economy recovers, given that remote working will remain a feature beyond the pandemic.



The technology sector has provided some much-needed positive news for Dublin's labour market in recent months.

The technology sector has provided some much-needed positive news for Dublin's labour market in recent months. The Chinese consumer product company, Huawei, has announced plans to invest €80 million in Research & Development in Ireland over the coming two years, with the creation of 110 jobs – mostly in its Dublin headquarters. Microsoft Ireland also announced an expansion with 200 new job openings at its EMEA digital sales centre in the Capital. These positive developments follow other job announcements for Dublin unveiled by firms including Takeda, Google, TikTok, Pfizer and major supermarket chains in recent months.

DUBLIN OFFICE SPACE VACANCY RATES %

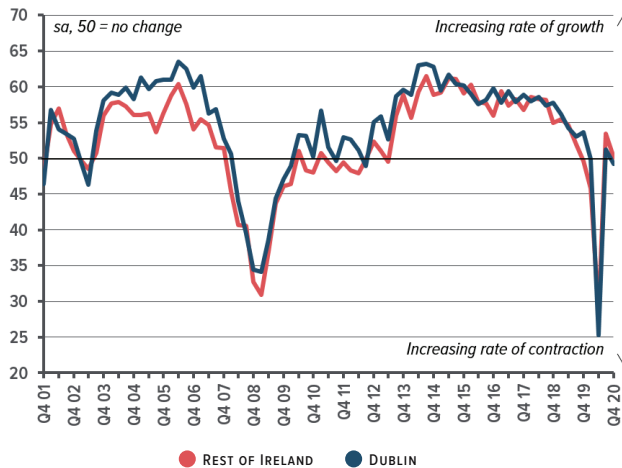


SOURCE: CBRE



SERVICES SECTOR BIGGEST CASUALTY AS BUSINESS ACTIVITY CONTRACTS

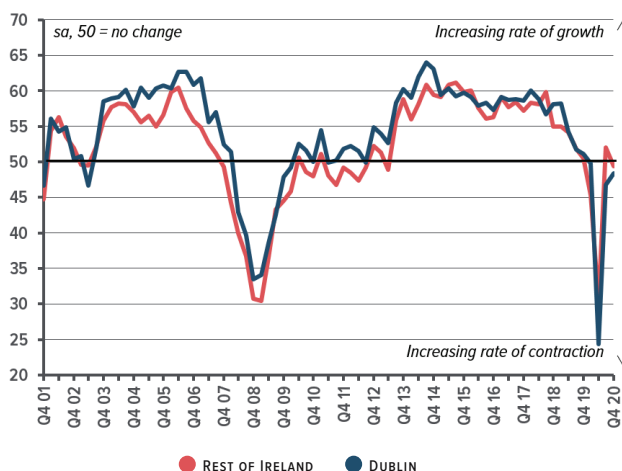
OVERALL DUBLIN IHS MARKIT PMI (SA)



Business activity in the Dublin region contracted in the final quarter of 2020 as Covid-19 restrictions continued to limit the functioning of the economy. The PMI for the Capital dropped from 51.2 in Q3 to 49.2 in Q4, critically crossing the 50 mark which separates growth from contraction.

The reduction in activity was centred on the service sector, which was most severely impacted by the tightening of Covid-19 restrictions between mid-October and early December (48.0 PMI reading). Despite this, output increased in Dublin's construction sector, highlighted by its PMI rising from 51.8 to 53.3 in the quarter. Activity in the manufacturing sector also grew but at a slower rate compared to the previous quarter. Across the Rest of Ireland, business activity remained flat in Q4 with a PMI reading of 50.1.

OVERALL PMI NEW ORDERS (SA)



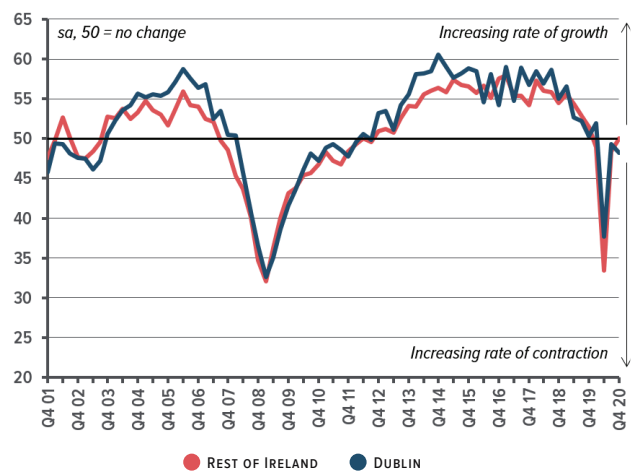
“ The particular impact of the pandemic on service providers was behind the overall decline, and the relative importance of services to the Dublin economy meant that the capital underperformed relative to the Rest of Ireland over the course of the quarter.

New orders by Dublin companies - which demonstrate incoming new business - continued to contract in Q4 2020 but at a moderating pace, and a similar situation pertained to the Rest of Ireland. Growth in new orders hit a record low in both areas in Q2 2020 but has recovered over the subsequent quarters.

Employment remained stable in the Rest of Ireland in Q4 but continued to slide for a third consecutive quarter in Dublin. Worryingly, the rate of contraction in employment in the Capital sharpened between Q3 and Q4, following an initially robust recovery from the depths of Q2.

Such challenges are unlikely to ease in the first quarter of 2021 as record Covid-19 infection rates and nationwide Level 5 restrictions have severely impacted most sectors of the Dublin and Irish economy.

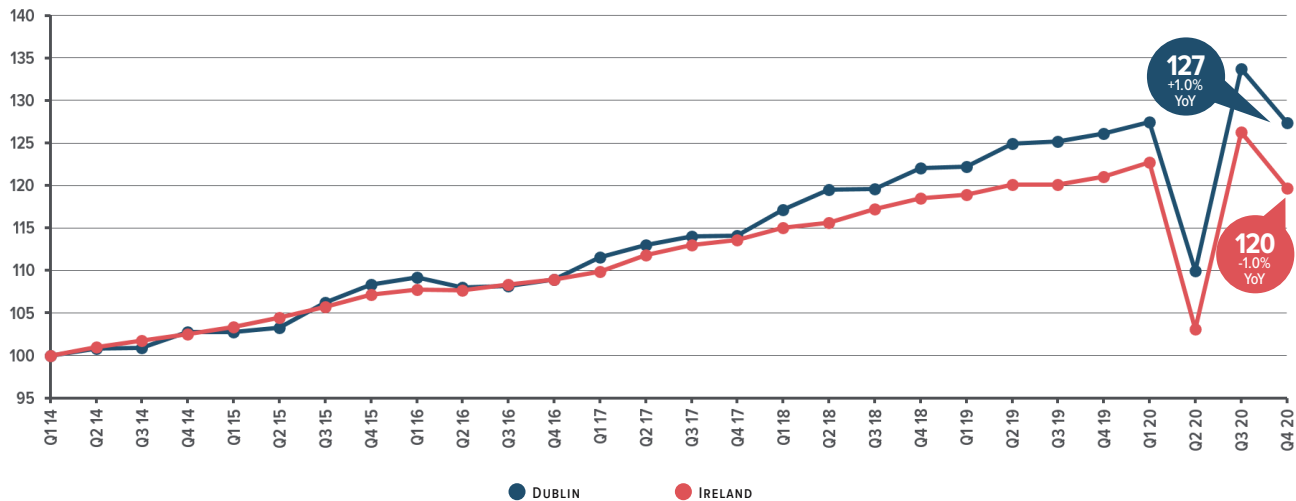
OVERALL PMI EMPLOYMENT (SA)





DUBLIN CONSUMER SPENDING DECLINES AS COVID-19 RESTRICTIONS TAKE HOLD

MASTERCARD TOTAL RETAIL SALES INDEX (SA)



According to MasterCard data, consumer spending in Dublin fell by 4.8% QoQ in Q4 2020, bringing to a close a most turbulent year for the retail sector. Q3 2020 was a strong period for retail as Covid-19 restrictions eased, but the final quarter saw a tightening of measures which inflicted further pain on the sector.

Spending on Necessities remained quite stable but substantial swings were recorded for the other segments of retail in Dublin in Q4. Discretionary spending in the likes of clothing stores, which had more than recovered in Q3, fell by almost a half QoQ in Q4 as all but essential retail closed for a 6-week period. Spending on Entertainment also plummeted again in the quarter,

while expenditure on big-ticket household items contracted. Following a slight decline in Q3, online sales accelerated again as restrictions shut physical stores.

Retail spending rose by 1% YoY in Dublin, mainly driven by expenditure on Necessities and Household Goods increased markedly YoY. The greatest declines were directly related to Covid-19, where Entertainment (-70% YoY) and Discretionary (-47% YoY) spending were significant casualties. Despite these declining trends, exceptionally high Irish household saving rates at present will be expected to drive increased retail sales once conditions permit.

DUBLIN RETAIL SALES VALUE INDEX (SA)

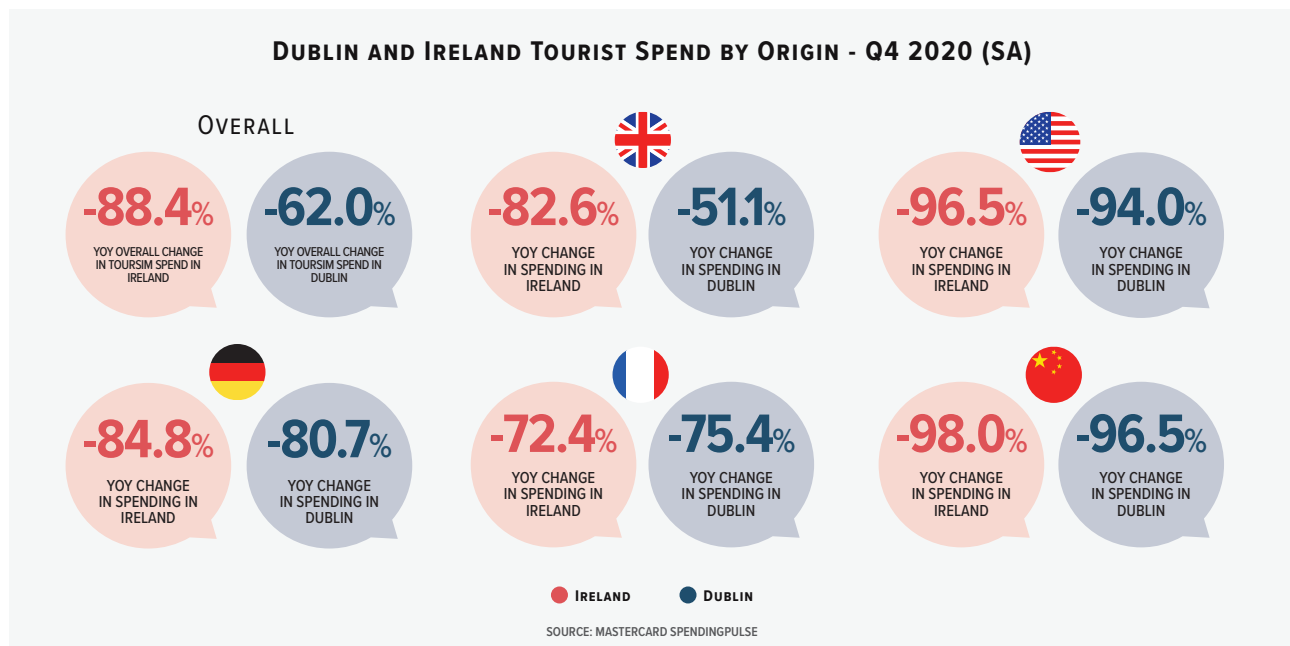


METHODOLOGY

A macro-economic indicator, SpendingPulse™ reports on national and Dublin retail sales and is based on aggregate sales activity in the MasterCard payments network, coupled with estimates for all other payment forms, including cash and cheque. This information has been grossed up to present an estimate of the total retail sales of retail businesses in Ireland and Dublin to both residents and tourists. Data is seasonally adjusted but is not adjusted for inflation. MasterCard SpendingPulse™ does not represent MasterCard financial performance. SpendingPulse™ is provided by MasterCard Advisors, the professional services arm of MasterCard International Incorporated. See www.dublineconomy.ie for more info on methodology.



LOCKDOWNS & INTERNATIONAL TRAVEL RESTRICTIONS LIMIT TOURIST EXPENDITURE



MasterCard data also shows that tourist spending in the Dublin economy declined in Q4 2020 as a combination of Covid-19 restrictions and limitations on international travel took hold. Expenditure was consequently down by 19.4% QoQ. Tourist spending fell by over 20% QoQ for each of the Chinese, US, and French markets. This acted to further reduce the low levels of expenditure which originated from those markets in Q3 2020.

Interestingly, tourist spending in the Dublin economy by visitors from the UK increased QoQ in Q4 2020. This may be related to cross-border spending by residents of Northern Ireland, but is more likely to have been driven by Irish emigrants returning to Dublin for the Christmas

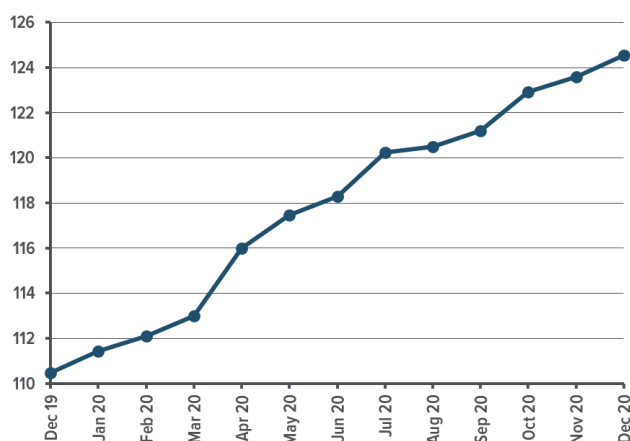
period. An air and sea travel ban for incoming passengers from the UK was introduced in Christmas week, but tens of thousands of passengers came from the UK to Ireland prior to this, and evidently boosted spending by UK residents in the Irish market.

On a YoY basis, tourist spending was down by 88.4% and 62% for the Irish and Dublin retail sectors respectively. For the Capital, the largest proportional declines were recorded in the Chinese (-96.5% YoY) and US markets (-94.0% YoY). Tourism from the Continent also suffered greatly, with spending by tourists from the German market reducing by over 80%, and a decline of 75.4% YoY applying for the French market. The UK recorded the lowest proportional reduction, though this decline was still considerable at -51.1% YoY. With lockdowns remaining in place across Europe in early 2021, it is expected that it will be Q3 and beyond before meaningful improvements are witnessed.

Household savings underline pent-up demand

It will be hoped that pent-up demand amongst Irish consumers in Dublin and across the country will fuel a rapid bounce back for the retail sector, once restrictions are lifted. As shown in the chart, household savings have reached record rates over the past year. Opportunities for retail spending have been curtailed and so a return to more 'regular' economic functioning should see a release of some of these personal savings, to the benefit of bricks- and- mortar retail in particular.

CUMULATIVE IRISH HOUSEHOLD SAVINGS (€BN)

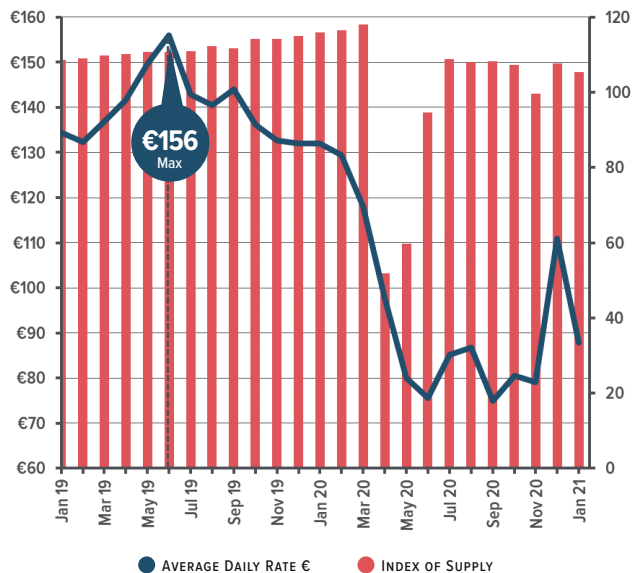


SOURCE: CENTRAL BANK.



HOTEL SECTOR RECOVERY STALLS IN EARLY 2021

DUBLIN HOTEL AVERAGE DAILY RATES (SA)



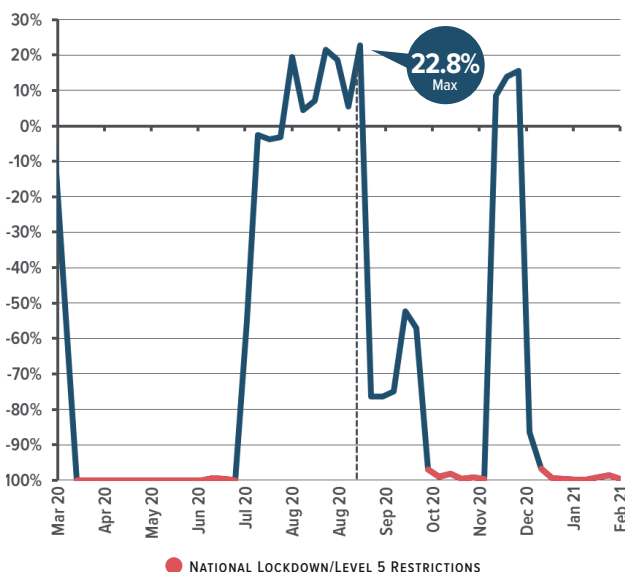
SOURCE: STR GLOBAL. SEASONALLY ADJUSTED BY GRANT THORNTON.

	JAN '21
HOTEL OCCUPANCY RATE (SA)	16.1%
YEAR ON YEAR % AGE POINT CHANGE	-65.8
INDEX OF HOTEL ROOM SUPPLY (SA, JULY 2013=100)	105.3
YEAR ON YEAR % CHANGE	-9.2

Occupancy rates at Dublin hotels slumped in January 2021 following a minor recovery at the end of 2020. Occupancy stood at just 16.1% (SA) in January, representing a reduction of 15.2 percentage points (pp) compared to December and 65.8pp YoY. Average Daily Rates also continued to slide and fell to below €88 (SA) in the first month of the year. This signified a reduction of over a third compared to January 2020. With most hospitality and accommodation currently closed and tourism levels at historic lows, it will be Summer and beyond before occupancy in the sector returns to sustainable levels.

STRONG DECEMBER PRECEDES FURTHER CLOSURES FOR DUBLIN RESTAURANTS

SEATED DINERS AT DUBLIN RESTAURANTS
(% CHANGE RELATIVE TO 2019 BASELINE)



SOURCE: OPENTABLE. NOTE: DATA ONLY INCLUDES SATURDAY DINERS.

	FEB '21
PERCENTAGE CHANGE IN SEATED DINERS VERSUS 2019 BASELINE - DUBLIN	-100.0
PERCENTAGE CHANGE IN SEATED DINERS VERSUS 2019 BASELINE - IRELAND	-100.0

Dublin's restaurant sector recorded a very strong December 2020, in a brief window between Level 5 restrictions. The numbers of seated diners in the Capital increased by between 8.5% and 15.6% (SA) relative to the 2019 baseline in the three weeks leading up to Christmas, as hospitality venues re-opened on a restricted basis for the festive period. Level 5 restrictions re-commenced on Christmas Eve and most restaurants have not opened since. Consequently, the volume of seated diners at Dublin restaurants fell close to zero for the seven weeks up to and including February 23rd, resulting in job losses and significant financial issues for many businesses.



DUBLIN JOB POSTINGS RECOVERY TRAILING REST OF IRELAND



Jack Kennedy
Economist, Indeed

Indeed job postings data indicate that Dublin has experienced a slower hiring recovery than the rest of Ireland. In the early stages of the crisis, job postings fell sharply both in Dublin and elsewhere. Dublin recorded the steeper decline, bottoming out at 56% below the February 2020, pre-pandemic baseline, in early June. The nadir for Ireland excluding Dublin was 52% below the baseline.

Dublin has also seen a slower recovery. Despite steady gains over recent months, job postings in the Capital are still 31% below the pre-pandemic baseline, as of 19 February 2021. Across the rest of Ireland, the job postings gap has narrowed to just 11% below pre-crisis levels.

Dublin's job postings underperformance mirrors trends we've seen across many European capital cities, including London, Paris, Berlin, Madrid and Rome. A key factor behind this is that levels of footfall in city centres have been much lower than usual. Large numbers of people have been working from home for many months, while there has been a coronavirus-related collapse of tourism and business travel. This has had a knock-on impact on face-to-face services jobs.

Sectors most directly impacted by Covid-19 restrictions, like hospitality, food service and beauty & wellness, have borne the brunt. Spending on those services has been decimated in city centres, leading to far fewer job opportunities at city-centre retailers, restaurants and entertainment establishments. These are relatively labour intensive sectors, so falls in business activity have had a big impact on overall job posting volumes.

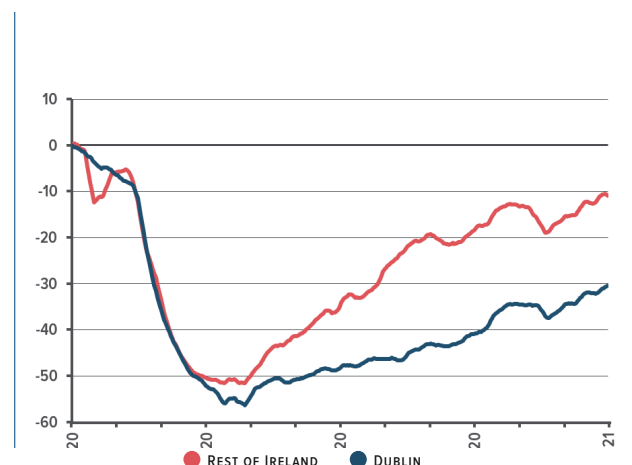
Covid-19 restrictions has had less direct impact on the higher skilled end of the labour market. Many jobs

in sectors important to the Dublin economy, such as tech, finance and law, can be done remotely. But high levels of uncertainty have dampened hiring nonetheless - these types of jobs are more time consuming and expensive to fill and costlier to reverse in the event of a downturn. There hasn't been sufficient strength in professional hiring to fully compensate for the weakness in local services jobs in Dublin, when assessing overall vacancy levels.

One theme that will be interesting to watch beyond the pandemic is whether some of those customer facing jobs permanently disappear or move somewhere else. The move to remote work is greater and more persistent in larger cities than in other places and may be long-lasting. That could impact spending patterns and lead to some reallocation of work away from city centres and towards suburban areas, suggesting a difficult adjustment period for some urban workers. Policy may need to prioritise adult learning, career guidance and digital skills to help workers navigate the pandemic's wrenching changes.

But while there are likely to be some changes in the labour market, Dublin will bounce back. Once restrictions are lifted, people will want to enjoy the culture and amenities they did before the pandemic, which will mean many more job opportunities in the hardest hit sectors than are available at present.

% CHANGE IN JOB POSTINGS SINCE 1 FEB 2020

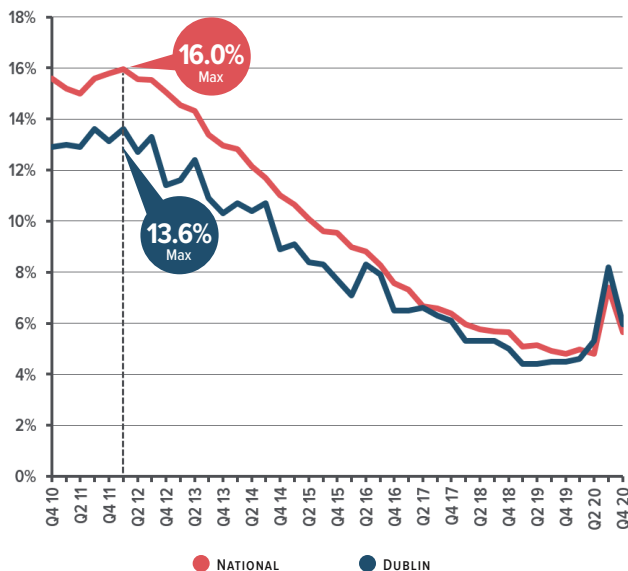


SOURCE: INDEED.IE. SEASONALLY ADJUSTED.



DUBLIN UNEMPLOYMENT FALLS IN Q4, BUT CAUTIOUS OUTLOOK REMAINS

DUBLIN & NATIONAL UNEMPLOYMENT RATE % (SA)



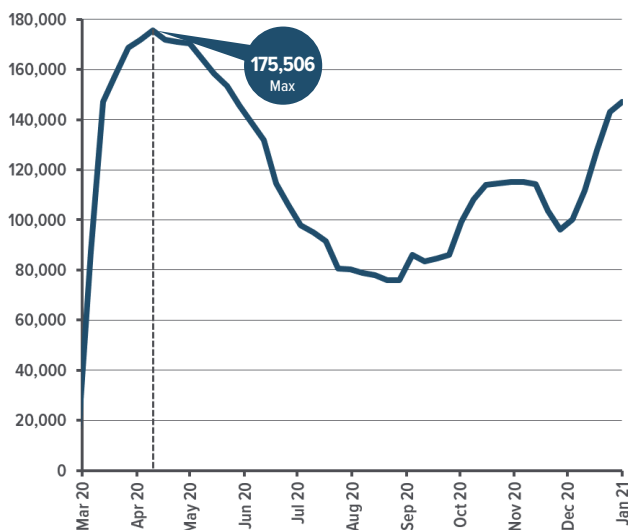
SOURCE: CSO. DUBLIN SEASONALLY ADJUSTED BY GRANT THORNTON
NOTE: DATA COLLATED USING STANDARD LFS METHODOLOGY, AND DOES NOT REFLECT THE FULL EFFECTS OF COVID-19 RESTRICTIONS ON EMPLOYMENT.

	Q4 '20
DUBLIN UNEMPLOYMENT (SA)	6.0%
YEAR ON YEAR CHANGE % POINTS (SA)	+1.5
DUBLIN EMPLOYMENT '000S (SA)	691.9
YEAR ON YEAR CHANGE '000S (SA)	-33.2

Dublin's unemployment rate – which does not include those on PUP – fell by 2.2 percentage points (pp) QoQ to 6% (SA) in Q4 2020. Despite this, the rate remained 1.5pp higher than the same quarter in 2019 as 33,000 fewer Dublin residents were in employment. This situation will have significantly worsened in Q1 2021 as Covid-19 restrictions have resulted in massive, if mainly temporary, unemployment across the Dublin and Irish economy. This is reflected in a national Covid- adjusted unemployment rate of 24.8% in February. Recovery looks set to be a slow process with the gradual reopening of sectors up to May and beyond.

PUP RECIPIENTS SURGE IN FIRST MONTH OF 2021

DUBLIN PANDEMIC UNEMPLOYMENT PAYMENT RECIPIENTS



SOURCE: CSO. DATA IS WEEKLY.

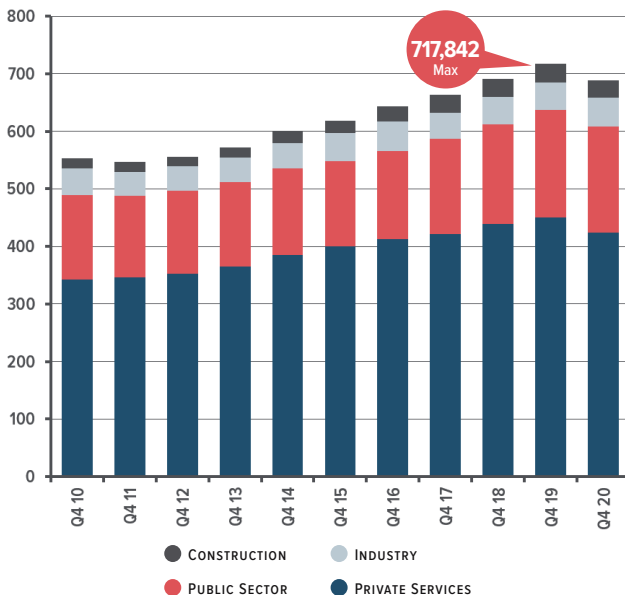
	JAN '21
TOTAL DUBLIN PUP RECIPIENTS '000S	148,617
MONTH ON MONTH CHANGE '000S	+36,963

In line with the third 'wave' of the Covid-19 pandemic, recipients of the Pandemic Unemployment Payment (PUP) continued to rise in the first month of 2021. Progress in reducing recipient numbers was evident in December as the Capital's economy partially re-opened, yet further Level 5 restrictions have resulted in greater job losses. Over 148,000 Dublin residents were in receipt of the PUP in the final week of January. This equated to a MoM increase of 37,000 recipients or 33.1%, and represents a further burden for Exchequer finances. The under 25 age cohort has been disproportionately affected as over 22% of PUP recipients are from this single category.



DUBLIN EMPLOYMENT LEVELS RECEDE marginally IN Q4

EMPLOYMENT BY BROAD SECTOR '000s (SA)



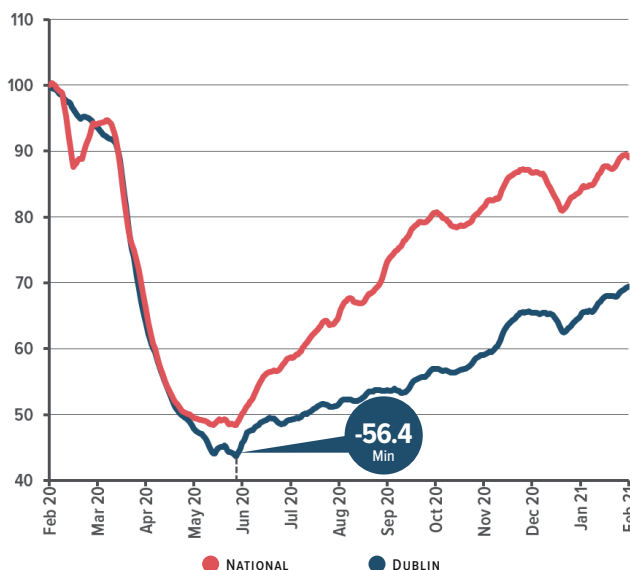
SOURCE: CSO, SEASONALLY ADJUSTED BY GRANT THORNTON. INDIVIDUAL SECTOR VALUES MAY NOT SUM TO TOTAL DUE TO ROUNDING.
NOTE: DATA COLLATED USING STANDARD LFS METHODOLOGY, AND DOES NOT REFLECT THE FULL EFFECTS OF COVID-19 RESTRICTIONS ON EMPLOYMENT.

	Q4 '20
SERVICES EMPLOYMENT '000S (SA)	608.0
YEAR ON YEAR CHANGE '000S (SA)	-28.8
INDUSTRY & CONSTR. EMPLOYMENT '000S (SA)	83.0
YEAR ON YEAR CHANGE '000S (SA)	-0.9

Employment levels amongst Dublin residents receded marginally in the final quarter of 2020 as economic activity continued to suffer due to Covid-19 restrictions. Just under 692,000 residents (SA) were classed as employed in the quarter. The construction sector recorded the deepest decline in employment levels with the total falling by 10.1% (3,300 jobs) QoQ and 11.2% (3,700 jobs) YoY. This was a reflection of the severe impact Covid-19 restrictions had on this particular sector of the Capital's economy over the course of 2020. Unsurprisingly, private sector services were also adversely affected with employment in the sector falling by 5.8% YoY to stand at 423,900 in Q4.

DUBLIN JOBS RECOVERY LAGS THE REST OF IRELAND

JOB POSTINGS ON INDEED
(FEB 2020 = 100, YOY CHANGE)



SOURCE: INDEED
NOTE: 7 DAY MOVING AVERAGE, INDEXED TO 01/02/2020.

	FEB '21
YEAR ON YEAR % CHANGE IN JOB POSTINGS IN DUBLIN	-30.5
YEAR ON YEAR % CHANGE IN JOB POSTINGS IN IRELAND (EX DUBLIN)	-10.5

Job openings in the Dublin economy were subdued through to mid-February 2021 as the labour market recovery in the Capital lagged that of the rest of Ireland. The level of job openings in Dublin has improved markedly since the trough in early June 2020, but remained down by more than 30% YoY. Sectors directly impacted by Covid-19 restrictions, such as hospitality and beauty & wellness, have been most severely impacted. Recovery across the rest of the country has been far swifter with job openings down by a comparatively small proportion of 10.9% YoY in mid-February.



BENCHMARKS HIGHLIGHT DUBLIN'S ATTRACTIVENESS, YET CHALLENGES PERSIST

Internationally published benchmarks are a useful means of measuring a city's performance relative to its peers, and recent indicators for Dublin confirm the city's strong showing across a range of dimensions (see table opposite).

A Liveable City

The Capital remains one of the most 'liveable' cities globally according to ECA International, despite falling outside the top 10 in the world in the most recent rankings. Dublin's ranking declined from 9th to 15th in a year, mainly due to Covid-19 related limitations on recreation. ECA did state that the city has "grown in popularity as a hub for expats from across the world in recent years, due to its low crime rates, good air quality, culture and infrastructure". Dublin ranked above Belfast (55=) and major international cities including London (55=) and New York (40), but behind the most 'liveable' city of Copenhagen.

Such a positive ranking for the Capital mirrors the high quality of life which exists in Ireland. The UN has recently ranked Ireland's quality of life as the second highest in the world, with robust economic performance an important feature.

Brexit Dividend

Dublin remains the main destination for UK financial services firms post-Brexit, according to a tracker from EY. Of the 222 firms tracked, 36 either moved or are considering moving staff, services, or both to the Capital.

Home to One of the Coolest Neighbourhoods in the World

Meanwhile, Phibsborough on the northside of Dublin was recently rated as one of the 'coolest' neighbourhoods in the world by Time Out Magazine. The publication stated that the high ranking resulted from an "old-school charm and contemporary buzz" which makes Phibsborough feel "at once lived-in and lively". This is the second consecutive year in which a Dublin suburb has been listed, following Stoneybatter's appearance in 2019.

Congestion & Affordability Issues Persist

In less positive terms, TomTom has ranked Dublin as the 21st most congested city in the world, despite a significant reduction in road use related to Covid-19. TomTom expects a surge in Dublin traffic as vaccines are rolled out, though "ambitious policies" designed to lower traffic levels may reduce congestion in the longer term.

Dublin also ranked as the third most expensive city in the world for a vacation rental via Airbnb or Vrbo, according to an InsureMyTrip publication. Average rates in Dublin were €153 per night, behind only Amsterdam (€179) and Las Vegas (€162). This points to a competitiveness issue for the Capital's tourism sector, and may provide guidance post-pandemic when competition between international cities for tourists is likely to intensify.



DUBLIN'S LATEST INTERNATIONAL RANKINGS

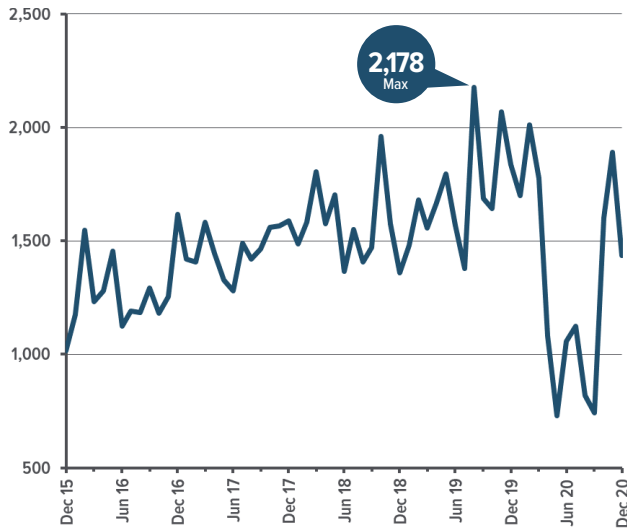
SOURCE	BENCHMARKING CRITERIA	YEAR	RANKING	
PwC-ULI Emerging Trends in Real Estate Europe	Outlook for investment and development, and the scale/liquidity of the city's market	2020	12	▼
InterNations Best Cities for Expats	13 subcategories used to generate four topical indices: Quality of Urban Living, Getting Settled, Urban Work Life, and Finance & Housing	2020	58	▲
InsureMyTrip Most Expensive Vacation Rental Cities	Average nightly rental price for a vacation property via Airbnb or Vrbo	2021	3	-
IMD Smart City Index	Economic and technological factors, and citizens' perceptions of "smart" cities credentials.	2020	34	▼
fDi European Cities & Regions of the Future 2020/2021	FDI performance, connectivity, cost effectiveness, economic potential, innovation & attractiveness	2020	3	▲
fDi Market Top Headquarter Locations (Financial Times)	Weighting of fDi Markets data (since 2015) against locations' population size	2020	1	▲
fDi Fintech Locations of the Future 2020/2021	FDI performance, connectivity, cost effectiveness, economic potential, innovation & attractiveness	2020	3	▲
EY Financial Services Brexit Tracker	Movement of services and staff at financial services firms in the UK since the Brexit referendum in 2016	2021	1	-
Global Talent Competitiveness Index	Regulatory, market and business/labour landscape, external and international openness, education and access to growth opportunities and sustainability and lifestyle	2020	13	▲
Mercer Cost of Living City Rankings	Cost of consumer goods and services	2020	46	▼
Mercer Quality of Living City Rankings	Environmental/ socio-economic	2019	33	▲
ECA International Cost of Living Survey 2020	Most liveable locations for European expatriates	2020	15	▼
Startup Genome Global Startup Ecosystem Report 2020	Performance, funding, market reach, connectedness, talent, experience	2020	36	▼
TomTom Traffic Index	Congestion levels	2020	21	▲
QS World University Rankings	University quality	2021	101*	▲
IMD World Competitiveness Ranking 2020	332 competitiveness criteria related to competitiveness, digital competitiveness and talent	2020	12	▼

* CHANGE ON PREVIOUS PUBLICATION OF THE RELEVANT BENCHMARK. AN UPWARD-POINTING ARROW DENOTES AN IMPROVEMENT. *TCD.



RESIDENTIAL SALES RECOVER LOST GROUND IN Q4

DUBLIN RESIDENTIAL PROPERTY TRANSACTIONS (SA)



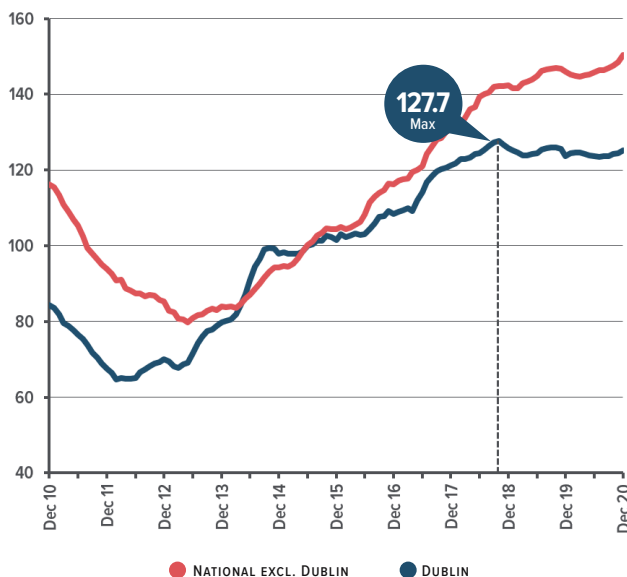
SOURCE: CSO, SEASONALLY ADJUSTED BY GRANT THORNTON.

	DEC '20
DUBLIN RESIDENTIAL PROPERTY TRANSACTIONS (SA)	1,437
YEAR ON YEAR % CHANGE	-21.8
IRELAND RESIDENTIAL PROPERTY TRANSACTIONS (SA)	5,107
YEAR ON YEAR % CHANGE	+0.4

The volume of Dublin residential property transactions recovered in the final quarter of 2020, with just under 1,440 housing units (SA) sold in December alone. Despite this, transactions were down by 21.8% YoY in the month as Covid-19 implications and a weakened completion pipeline dampened the market. Disruptions to the construction market will have contributed to reduced new house sales, where 44% YoY and 47% MoM reductions were recorded in December. Just over 260 new housing units were sold in the Capital in the month. At a national level, total housing transactions dipped in December but remained marginally above (+0.4%) the same month in 2019.

DUBLIN HOUSE PRICES RECORD MODEST GROWTH

RESIDENTIAL PROPERTY PRICE INDEX (2015 = 100)



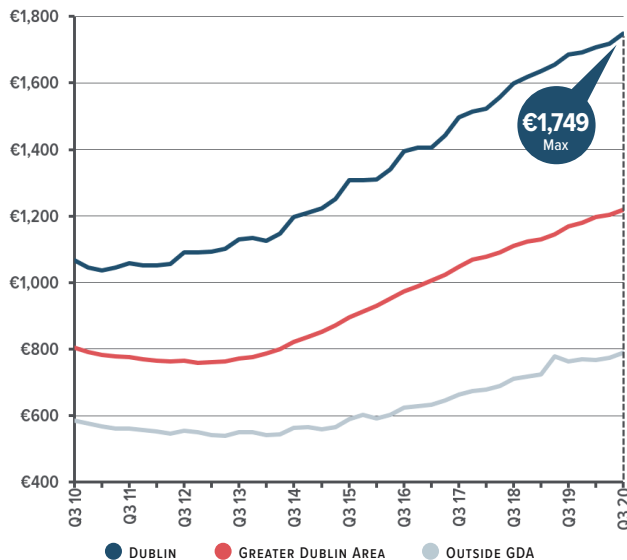
SOURCE: CSO.
NOTE: RE-BASED TO 2015 BY THE CSO SINCE LAST ISSUE.

	DEC '20
PROPERTY PRICE INDEX DUBLIN	125.1
YEAR ON YEAR % CHANGE	+1.2
PROPERTY PRICE INDEX NATIONAL EXCL. DUBLIN	150.4
YEAR ON YEAR % CHANGE	+3.1

House prices in Dublin recorded modest growth in the final months of 2020, up to and including December. Residential prices rose by 0.5% MoM in December, and grew by 1.2% YoY. Prices continued to increase outside the Capital (+3.1% YoY), reaching stronger growth rates similar to those seen in late 2019. Ulster Bank's exit from the market is a concern in terms of spending power as reduced competition may place upward pressure on interest rates which are already amongst the highest in Europe. Despite this, pent-up demand and a restricted supply pipeline mean house prices have yet to fall to the extent forecasted at the outset of the Covid-19 pandemic.

RESIDENTIAL RENTS CONTINUE ON UPWARD TRAJECTORY

RESIDENTIAL RENTS € PER MONTH



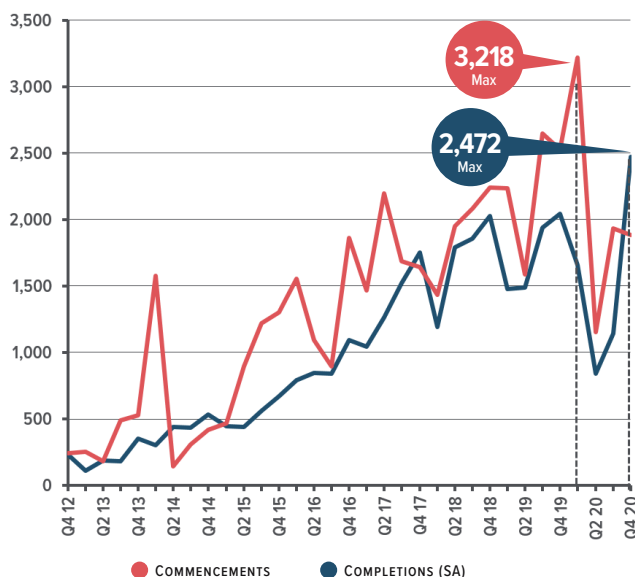
SOURCE: RTB
NOTE: GDA (EX DUBLIN) IS KILDARE, MEATH AND WICKLOW.

	Q3 '20
DUBLIN AVG RESIDENTIAL RENT € PER MONTH	1,749
YEAR ON YEAR € CHANGE	+65

Residential rents in Dublin continued to rise at a strong rate in Q3 2020 to reach a new peak. The average rent for a residential property increased by €65 or 3.8% YoY to stand at €1,749. On a QoQ basis, rents increased by 1.8%. This was the strongest QoQ increase in a year and suggests that demand continued to significantly exceed supply in the Capital. Rents in the Greater Dublin Area also increased substantially in Q3 (+4.4% YoY). In combination, such growth in rents indicates that the regional housing market remains under significant pressure, though Q4 data from Daft.ie suggests that there has since been an initial decline in rent levels.

HOUSING COMPLETIONS REACH NEW PEAK BUT CONTRACTION LOOMS

DUBLIN HOUSE COMMENCEMENTS & COMPLETIONS



SOURCE: CSO, DHLGH

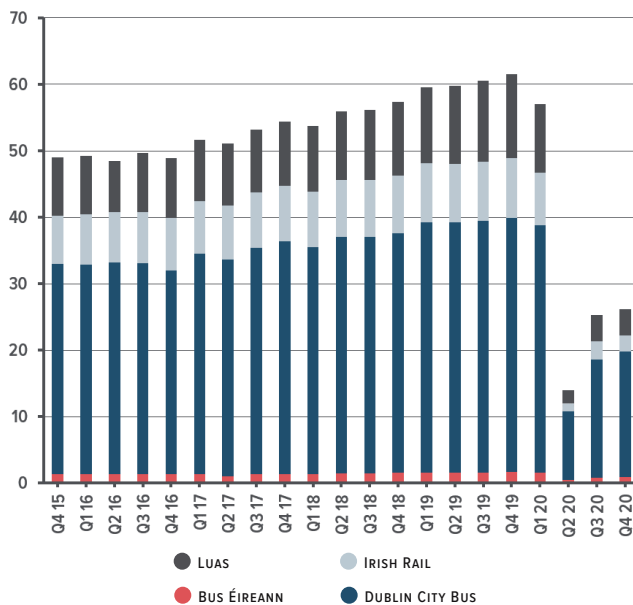
	Q4 '20
TOTAL HOUSE COMMENCEMENTS	1,886
YEAR ON YEAR CHANGE	-638
TOTAL HOUSE COMPLETIONS (SA)	2,472
YEAR ON YEAR CHANGE	+429

The supply of completed houses to Dublin's residential market continued to recover at a strong rate in Q4 2020. Completions more than doubled QoQ to reach 2,472 (SA), the highest point in over a decade. This level was 21% above the same quarter in 2019 and will provide much-needed supply to a housing market which is currently dealing with a significant demand-supply imbalance. Commencements are a cause for concern, however, and fell by 2.5% QoQ and 25.3% YoY in Q4. The first quarter of 2021 will see a further regression as Covid-19 restrictions have halted most construction in Dublin.



LIMITED GROWTH IN PUBLIC TRANSPORT USAGE IN Q4

PUBLIC TRANSPORT MILLION TRIPS (SA)



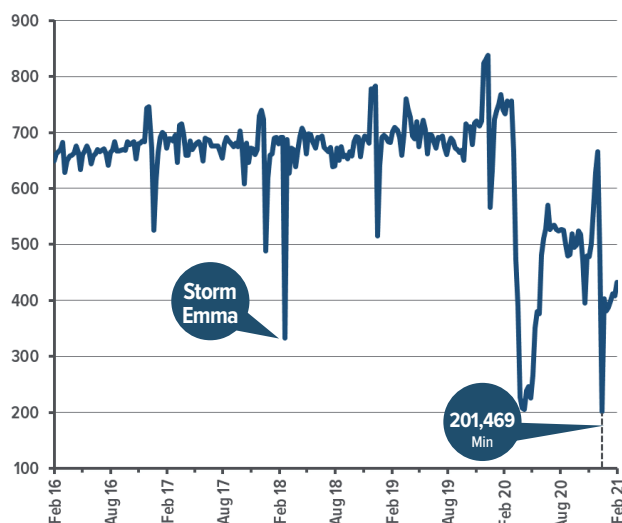
SOURCE: NTA. SEASONALLY ADJUSTED BY GRANT THORNTON.
NOTE: PROVISIONAL DATA VERIFIED BY ALL OPERATORS.

	Q4 '20
PUBLIC TRANSPORT MILLION TRIPS (SA)	26.2
YEAR ON YEAR % CHANGE (SA)	-57.4

Passenger journeys on Dublin's public transport system recorded minor QoQ growth in Q4 2020, but remained down by over 57% YoY (SA). This was reflective of the run up to Christmas which was exceptionally subdued for many sectors. A total of 26.2 million passenger journeys were taken in Q4, representing a QoQ increase of 3.5%. Dublin Bus (+9.5%) was the main contributor and more than compensated for a decline of 9.5% QoQ in Irish Rail journeys. Public transport usage is set to stay at low levels for the first half of 2021 as retail, hospitality and offices will remain off limits for the majority of the population.

TRAFFIC VOLUMES HIT NEW LOW AS RESTRICTIONS LIMIT TRAVEL

DUBLIN AVERAGE DAILY TRAFFIC COUNT '000s (SA)



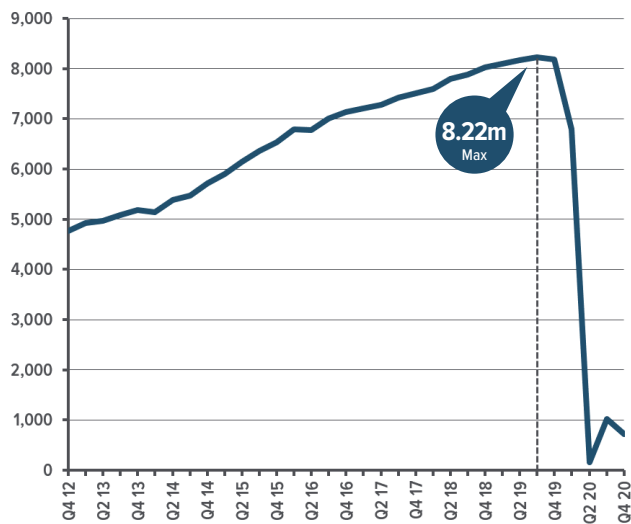
SOURCE: TII. SEASONALLY ADJUSTED BY GRANT THORNTON. DATA IS WEEKLY.

	FEB '21
AVERAGE DAILY TRAFFIC COUNT (SA)	431,723
YEAR ON YEAR % CHANGE	-41.1
PEAK VOLUME COUNT (AM) (SA)	31,530
YEAR ON YEAR % CHANGE	-26.9
PEAK VOLUME COUNT (PM) (SA)	35,347
YEAR ON YEAR % CHANGE	-33.3

Combined data from eight counters on the Dublin road network shows that traffic volumes reached a new low in Christmas week of 2020, but staged a modest recovery in the first six weeks of 2021. The average daily traffic count on the roads fell to 201,000 (SA) at the end of December as Level 5 restrictions were reintroduced. Traffic volumes increased across January and stood at over 431,000 in mid-February. Nonetheless, this was a reduction of over 41% (301,000 daily journeys) YoY. AM and PM peak traffic volumes were down by 26.9% and 33.3% YoY respectively.

TRAVEL RESTRICTIONS RESULT IN SUBDUED CHRISTMAS AT DUBLIN AIRPORT

DUBLIN AIRPORT PASSENGERS '000s (SA)



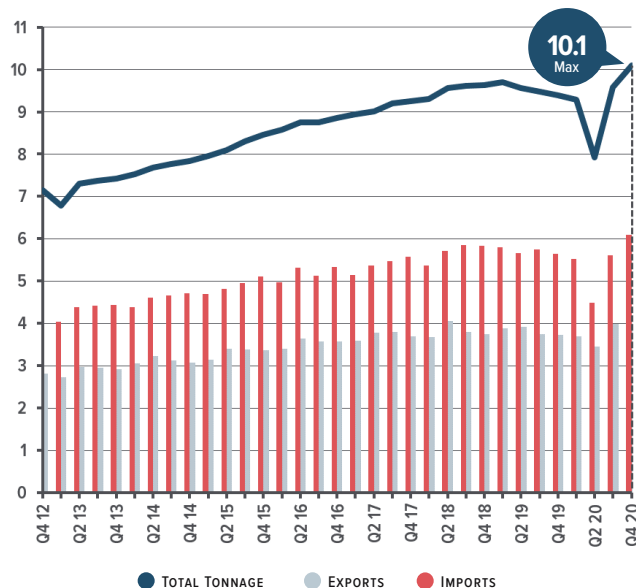
SOURCE: CSO & DUBLIN AIRPORT (Q4 2020). SEASONALLY ADJUSTED BY GRANT THORNTON.

	Q4 '20
TOTAL PASSENGERS '000s (SA)	720
YEAR ON YEAR CHANGE '000s TRIPS	-7,466

Passenger throughput at Dublin Airport declined in the final quarter of 2020 as the Irish Government recommended against emigrants travelling home for Christmas due to Covid-19, and imposed a travel ban with the UK. A total of 720,000 passengers (SA) travelled through the airport in Q4, representing a QoQ decline of 29.2%. The YoY reduction was more stark at 91.2% as 7.5 million fewer passengers used the airport in the quarter. Heightened quarantine restrictions will further impact on travel into Ireland in the first half of 2021, though the rollout of vaccination programmes internationally provides hope for late 2021 and in to 2022.

ACTIVITY AT DUBLIN PORT SURGES IN Q4 2020

DUBLIN PORT TONNAGE MILLION TONNES (SA)



SOURCE: DUBLIN PORT. SEASONALLY ADJUSTED BY GRANT THORNTON.
NOTE: IMPORTS AND EXPORTS MAY NOT ADD TO TOTAL THROUGHPUT DUE TO SEASONAL ADJUSTMENT AND ROUNDING.

	Q4 '20
DUBLIN PORT EXPORTS MILLION TONNES (SA)	4.01
YOY CHANGE MILLION TONNES (SA)	+0.27
DUBLIN PORT IMPORTS MILLION TONNES (SA)	6.09
YOY CHANGE MILLION TONNES (SA)	+0.44

Throughput at Dublin Port surged in the final quarter of 2020 to reach the highest point since the series began in 2007. Volumes handled increased by 7.6% YoY and by 5.4% QoQ to reach 10.1 million tonnes (SA). Both imports (+7.7% YoY) and exports (+7.3% YoY) were strong contributors to this expansion. eCommerce is the likely critical driver, in light of the shift to online retail which has been demonstrated in the MasterCard SpendingPulse in this issue (see page 6 for more). However, trade impacts related to Brexit will be expected to have impacted on the flow of imports and exports in the first quarter of 2021.



RESTRICTIONS DRIVE INNOVATION IN DUBLIN LOCAL AUTHORITIES



Eileen Quinlivan
Assistant Chief Executive,
Dublin City Council

Rising to the challenges of maintaining the essential services that underpin everyday life, and of supporting economic activity during this time of unprecedented uncertainty, has seen agile and innovative responses across local government.

These responses have involved not only technological innovations but changes to how services are organised and provided to the public.

Across the 4 Dublin Local Authorities, the majority of office-based staff have been working on a full or hybrid remote basis, facilitated by the rapid scaling-up of remote working capacity, and introducing new methods of managing customer contact.

Essential services, such as waste and traffic management, maintenance of parks and the public realm, and frontline fire and emergency services, have been organised in new

ways that build the resilience of these services, while ensuring the safety of staff and the public.

Innovation has ensured that responses are specific but flexible enough to support citizens and businesses as we navigate through the various levels of the national response. Techniques such as rapid trialling, testing and learning, collaboration, and iteration have been widely adopted in designing responses to the unique demands created by the pandemic.

Rapid trialling of mobility interventions

Social distancing has impacted public transport and shared spaces leading to a reimagining of the use of road and footpath space.

Rapid and temporary mobility interventions have been implemented by the 4 Dublin Local Authorities, achieved by using bollards, planters and landscaping, temporary footpath build-outs, and quick-build protected cycle schemes.

In the City area, Dublin City Council's Covid Mobility Programme provides the framework for implementing rapid trials to support shifts to walking and cycling. Trials are time-bound, reversible solutions, with in-built review mechanisms, data gathering and environmental monitoring tools to help measure impact.



Repurposing street spaces

To enable the City Region to return to work, street spaces are being repurposed. Many businesses will continue to need additional external space to operate and accommodate outdoor dining, queuing, or to facilitate 'click and collect' services.

Innovations such as 'parklets' in Dublin City, Fingal and South Dublin enable the temporary repurposing of parking bays as outdoor seating areas. Small, independently run food businesses can avail of a Street Furniture Grant Scheme from Dun Laoghaire-Rathdown County Council.

Flexible and pragmatic approaches have been taken to the statutory system of street furniture licencing, with all 4 local authorities granting temporary licences and waiving the usual fees.

Collaboration with business

Collaboration with the business, retail and hospitality sectors, has seen joint solutions for managing reopening and promoting local economic activity.

The 'Fingal In It Together' campaign, a joint initiative of Fingal County Council, the Fingal, Balbriggan and Malahide Chambers of Commerce, and Shop Malahide, uses a Charter to bind businesses together in support of one another, to encourage people to shop local, and to encourage co-operation and support as business adapts to social distancing requirements.

South Dublin County Council has targeted its ongoing sustainable business programme in conjunction with the South Dublin Chamber to deal with Covid related issues.

The 'Reopening the City' initiative of Dublin City Council, DublinTown, the NTA and An Garda Síochána focused on the gradual and safe reopening of the City and agreement on on-street queuing protocols, staggered and extended opening hours for retail, and the provision of support services.

Innovation in technology

Innovative approaches have also been applied to statutory services which facilitate economic activity and typically require in-person interaction. This has led to greater adoption of technology and highlighted the potential for its more widespread, and longer-term application.

South Dublin County Council has introduced remote inspections of waste facilities utilising a combination of



This has led to greater adoption of technology and has highlighted the potential for its more widespread, and longer-term application.

drones, smart phones and video conferencing, enabling inspections to continue uninterrupted throughout the pandemic.

New technology has also been applied to the statutory planning process which guides the Region's spatial and economic growth. With face-to-face consultation not feasible, local authorities are finding new ways to engage stakeholders. Dun Laoghaire-Rathdown County Council and South Dublin County Council have developed Virtual Reality Consultation Rooms to facilitate statutory public consultation with 2-way engagement and accessible information readily available.

Digital first approaches

Aligned to the greater adoption of technology is the 'digital first' approach taken to the roll-out of Covid-specific supports for business. The new Restart and Restart Plus grants, which assist small business with reopening and reemployment costs, were implemented as fully digital services in each of the 4 Dublin Local Authorities, enabling speedy and efficient processing of over €185m in grant-aid during 2020.

Local Enterprise Offices (LEOs) across the Region demonstrated their agility by adapting their operating model and pivoting their full offering online early in the Covid-19 response. The LEOs refocused their range of services, emphasising the Trading Online and Business Continuity Voucher Schemes to better match the current needs of small businesses.

These examples demonstrate just some of the new approaches and new thinking that have emerged through designing and delivering responsive public services in the midst of uncertainty. This strengthened innovation capability is a positive, and hopefully lasting, outcome of the pandemic, that will be used as local government continues to develop and lead on solutions to future City challenges.

DUBLIN ECONOMIC SCORECARD

ECONOMY

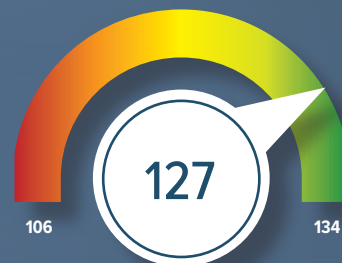
IHS MARKIT BUSINESS
PMI Q4 2020
3 MONTH MOVING AVERAGE (SA)



UNEMPLOYMENT RATE
Q4 2020
% (SA)



SPENDINGPULSE
SALES INDEX Q4 2020
INDEX (2014 = 100) (SA)



TRAVEL

HOTEL OCCUPANCY RATE
JAN 2021
% OF TOTAL ROOMS



SEAPORT CARGO
Q4 2020
MILLION TONNES/QUARTER (SA)



PUBLIC TRANSPORT TRIPS
Q4 2020
MILLION TRIPS/QUARTER (SA)



RESIDENTIAL PROPERTY

AVERAGE RESIDENTIAL
RENTS Q3 2020
€/QUARTER



RESIDENTIAL PROPERTY
PRICE INDEX DEC 2020
INDEX (2015 = 100)



HOUSING COMPLETIONS
Q4 2020
UNITS/QUARTER



COMMERCIAL PROPERTY

DUBLIN CITY CENTRE
OFFICE RENT Q1 2021
INDEX (2006 = 100)



DUBLIN 2/4 OFFICE
VACANCY RATE Q4 2020
%



DUBLIN SUBURBS OFFICE
VACANCY RATE Q4 2020
%



SOURCES: CSO, PMI IHS MARKIT; SEAPORT CARGO DUBLIN PORT; PUBLIC TRANSPORT NTA; RESIDENTIAL RENTS RTB; COMMERCIAL PROPERTY CBRE RESEARCH, HOTEL OCCUPANCY STR GLOBAL. NOTE: THESE "PETROL GAUGE" CHARTS PRESENT THE PERFORMANCE OF THE PARTICULAR INDICATOR RELATIVE TO A RANGE OF PERFORMANCES FROM MOST POSITIVE (GREEN) TO LEAST POSITIVE (RED). EACH GAUGE PRESENTS THE LATEST VALUE COMPARED TO THE PEAK VALUE AND THE TROUGH VALUE OVER THE LAST DECADE (EXCEPT FOR PUBLIC TRANSPORT TRIPS, MASTERCARD SPENDINGPULSE AND STR GLOBAL WHICH COVER THE PAST 5 YEARS, AND HOUSING COMPLETIONS WHICH COVER THE PAST 6 YEARS). THE COMMERCIAL PROPERTY GAUGES ARE RED AT THE HIGH AND LOW EXTREMES, IN RECOGNITION OF THE UNDESIRABILITY OF RENTS THAT ARE EITHER TOO HIGH OR TOO LOW AS WELL AS VACANCY RATES.