

DUBLIN ECONOMIC MONITOR

ISSUE 30
SEPTEMBER 2022

in this issue

LATEST DUBLIN ECONOMIC DATA
S&P GLOBAL DUBLIN PMI
MASTERCARD SPENDINGPULSE
ERA OF THE 'CUT BACK' ECONOMY LOOMS



Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

Comhairle Contae
Fhine Gall
Fingal County
Council



 dlr
Comhairle Contae County Council

 Comhairle Contae
Átha Cliath Theas
South Dublin County Council

 Grant Thornton



WELCOME

HIGHLIGHTS



Dublin's unemployment rate dropped by 1.3 percentage points QoQ to stand at 4.5% (SA) in Q2 2022, in line with pre-pandemic levels.



Business activity continued to increase in Dublin during Q2 2022 with a PMI index reading of 56.0, but signs of a slowdown were evident as inflationary pressures mounted.



Consumer retail spending in the Capital increased by 1.6% QoQ and 7.4% YoY in spite of the ongoing cost of living challenges facing the economy.



New house completions in Dublin reached a new peak of over 2,900 (SA) in Q2 2022, the highest quarterly total since the Celtic Tiger.



Public transport journeys in the Capital rose by more than a fifth QoQ (+20.1%) and 74.2% YoY to stand at 47.9 million (SA) in Q2 2022.



Dublin's hotel sector recorded declining occupancy rates in June and July 2022 as Average Daily Rates reached new highs of over €170 (SA).

THE SEPTEMBER 2022 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 S&P Global and MasterCard.

There are two special feature articles this quarter. The first is from Andrew Brownlee, CEO of SOLAS, and looks at skills, education and training in the Capital. The second article is by Cormac Halpin of the Central Statistics Office, and covers the preliminary 2022 Census results and particularly the evolution of population, migration and households in Dublin since 2016.

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 December 2022.

 www.dublineconomy.ie

 @DCCeconDev

Dublin City Council : South Dublin County Council : Fingal County Council : Dún Laoghaire Rathdown Council

This document provides general information on the Dublin economy. It is not intended to be used as a basis for any particular course of action or as a substitute for financial advice. The document is produced independently by Grant Thornton and Packed.House; the views and opinions expressed are those of the relevant author, and do not necessarily reflect the views of the Dublin Local Authorities. The Dublin Local Authorities disclaim all liability in connection with any action that may be taken in reliance of this document, and for any error, deficiency, flaw or omission contained in it.

ERA OF THE ‘CUT BACK’ ECONOMY LOOMS

As the summer season comes to a close, it is increasingly apparent that the Irish and global economies are facing into a winter of turmoil. The ongoing war in Ukraine – which shows no signs of abating – combined with inflation pressures, labour shortages, and lingering supply chain issues have created economic pain over the summer period.

A Winter of Discontent?

This is expected to be exacerbated as the winter arrives with rising demand likely to put severe pressure on limited energy supplies; a situation which has prompted governments across Europe to plan for energy rationing and worst-case scenarios. The ongoing weakness of the Euro has contributed to the inflationary issues faced, and specifically for imports such as oil which are traded in dollars internationally.

On the back of such challenges, the European Commission has revised growth estimates downwards in its summer 2022 economic forecast. Inflation is expected to exceed 7% across the year in both Ireland and the Eurozone while the European Union as a whole, which contains several non-Eurozone Member States with high dependencies on Russian energy, is expected to see inflation of 8.3%. GDP growth is, nonetheless, expected to expand across Ireland and Europe in the year, though at lower levels than initially forecasted.

2022 ECONOMIC FORECASTS

	GDP	INFLATION*
IRELAND	+5.3%	+7.3%
EUROPEAN UNION	+2.7%	+8.3%
EUROZONE	+2.6%	+7.6%

SOURCE: EUROPEAN COMMISSION (JULY 2022). * HICP.

Focus on Budget 2023

For Ireland and Dublin, inflation and wages are key concerns as the cost of living crisis intensifies. Inflation nationally rose to a 38-year high of 9.1% in June and remained at this level in July. The Irish Exchequer finances have been bolstered by an unexpected €6.3 billion surplus to the end of August, driven by strong returns across the three main segments of income tax (+16% YoY), VAT (+24%) and corporation tax (+68%). This will provide the Department of Finance with some latitude for the earlier-than-scheduled budget on September 27th, though the demands on limited resources are piling up. The Government has re-entered pay talks with public sector unions with a new improved offer which, in times

of soaring prices, will be expected to place significant pressure on the available ‘fiscal space’. Cost of living pressures are also to the fore with widespread calls for tax and spending measures to alleviate the pain, while the housing crisis has shown few signs of abating amidst unprecedented demand.

The Cut Back Economy

According to the latest Bank of Ireland Economic Pulse, business and consumer sentiment are at a low ebb due to these economic conditions. The consumer pulse index for July posted a reading below its Covid-19 nadir as inflation and uncertainty hit confidence. This prompted 64% of consumers to say that they are resisting spending at present as they are not sure which way economic policy will go. For businesses, current sentiment and future expectations waned, mainly due to concerns over consumer confidence and a global economic downturn affecting export levels. This is worrying, and is aligned with the findings of the latest S&P Global Dublin PMI contained in this issue (see page 5).

“The ongoing weakness of the Euro has contributed to the inflationary issues faced, and specifically for imports such as oil which are traded in dollars internationally.”

The upshot of the cost of living crisis is manifested in the emergence of the ‘cut back’ economy. While the latest MasterCard SpendingPulse for Dublin shows growing retail expenditure levels in Q2, the expectation is that disposable incomes will be further impeded as the year progresses. Rapid price increases and European Central Bank interest rate hikes will absorb greater proportions of take-home pay, meaning spending on non-essentials such as restaurants and fashion may ebb – which will trickle down through the economy.

Although the economic forecasts point to continued top level growth, and the Dublin labour market remains close to full employment, domestic demand is likely to suffer as a challenging winter for the domestic and international economies unfolds.



JOB CREATION CONTINUES YET TECH SLOWDOWN CONCERNS EMERGE

Inflation has been the dominant economic theme globally in 2022, and central banks across the world have responded via their primary tool – interest rate hikes. The European Central Bank (ECB) had initially discounted the idea, but increased rates by 50 basis points in July with a further hike expected in September. This has increased the cost of capital for businesses in Ireland, and the borrowing capacity of consumers. Slowing demand and business activity levels over the remainder of this year and in to 2023 are thus likely, though the recent rate hike has acted to stabilise the Euro following significant declines in June and July which contributed to import inflation.

Job Creation Continues

Within the Dublin economy, Xtremepush, which is a customer engagement, personalisation and data platform, has announced plans to hire 120 more staff in Dublin over three years in software development, sales and marketing, finance and operations. The game developer and publisher Riot Games has opened a new remote broadcasting centre in Swords which will generate a further 120 new jobs in broadcasting regional and global live electronic sport events. Toast and Supermetrics have also posted plans to hire a further 100 people respectively in the Capital, while Mainstream Renewable Power has set out plans to create 100 new jobs in its Dublin headquarters across the next three years.

New Capital Developments

Amazon opened its first Irish distribution centre in Baldonnell in August. The facility spans over 58,000 sqm and is expected to generate 500 new jobs. Diageo has also announced significant expansion plans with a new €200 million brewery in Kildare which would create 1,000 jobs during development and provide a significant boost to the construction industry in the Greater Dublin Area.

A Big Tech Slowdown?

The technology sector in Dublin has been a stalwart for over a decade, bringing thousands of jobs to the Capital and maintaining strong demand levels for the

office market. Summer 2022 has presented a ‘cooling’ of conditions in the sector, however, with recruitment freezes and scaled back office plans emerging across industry giants.

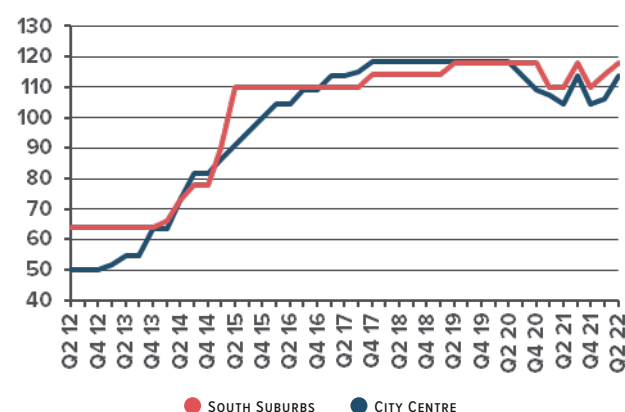
TikTok, which had agreed the heads of terms to lease the 16,000 sqm Shipping Office development on Sir John Rogerson’s Quay, has pulled out of the deal – though it is expected to follow through on its proposed occupancy of the nearby 42,000 sqm Tropical Fruit Warehouse.

Facebook owner Meta has stalled the fit-out of newly built office blocks at its Ballsbridge campus as the social media firm reviews property needs globally. Having initially flagged a recruitment slowdown for the remainder of 2022, Google implemented a two-week hiring freeze at the end of July as the company reviewed its headcount plans. Meanwhile, Twitter is to downsize its European Headquarters in Dublin amid a rethink of its office strategy, though its headcount in the Capital will remain unaffected.

Implications for Commercial Space

The technology sector is crucial to office demand in Dublin and the apparent ‘cooling’ will be expected to feed through to the commercial market over time. In the interim, office rents and vacancy rates in the Capital remained broadly stable in Q2 2022. As shown in the chart, prime rents in the city centre and Dublin 2/4 both increased in the quarter, though medium term prospects are uncertain.

DUBLIN OFFICE RENTS INDEX (2006 = 100)

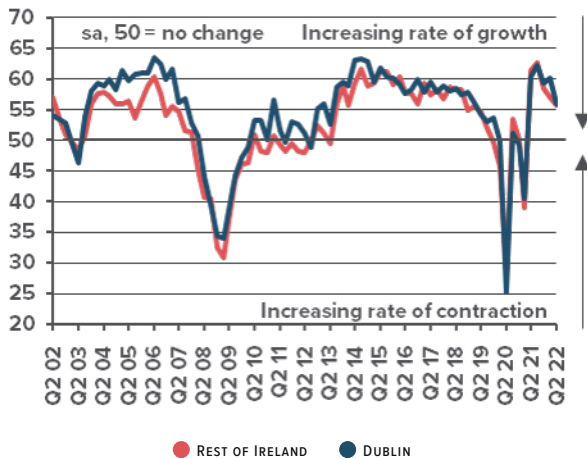


SOURCE: CBRE.



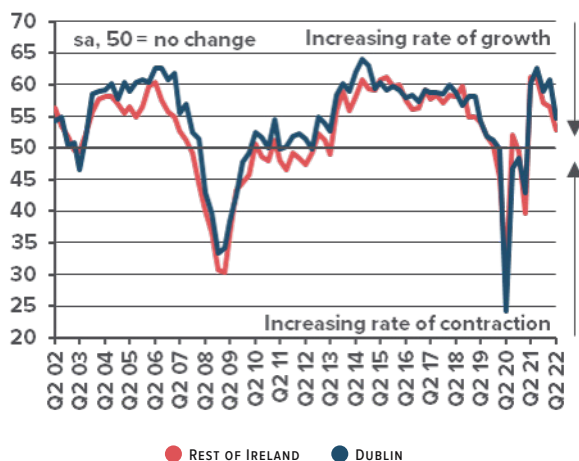
DUBLIN BUSINESS ACTIVITY SHOWS SIGNS OF SLOWDOWN IN Q2

OVERALL DUBLIN S&P GLOBAL PMI (SA)

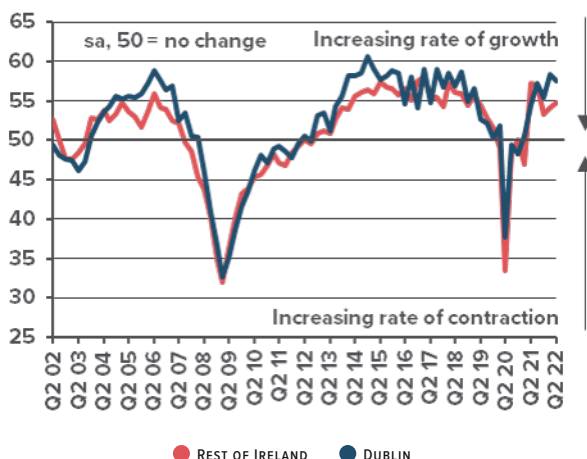


“ While the Dublin private sector remained comfortably inside growth territory in the second quarter of the year, there were signs of a slowdown as inflationary pressures bear down on demand. This will likely make securing new business and expanding output more difficult for firms over the second half of the year.

OVERALL PMI NEW ORDERS (SA)



OVERALL PMI EMPLOYMENT (SA)



Business activity continued to increase in Dublin during Q2 2022, but signs of a slowdown were evident as inflationary pressures weighed down on demand. The rate of expansion was solid in the quarter with a PMI reading of 56.0 (where greater than 50 signifies growth) yet this had eased from Q1 to the weakest rate since the recovery in output started in mid-2021. The rise in activity in the Capital was broadly in line with that seen across the Rest of Ireland (55.8) in the quarter.

Growth of services activity remained strong amid an ongoing post-Covid rebound. The index for the sector was broadly stable QoQ at 58.4 in Q2. Sharp and concerning slowdowns were seen in the manufacturing and construction sectors, however. The construction PMI fell from 62.1 in Q1 to 54.2 in Q2, while the manufacturing PMI descended from 58.4 to 50.5 over the same period – thus barely remaining in expansionary territory.

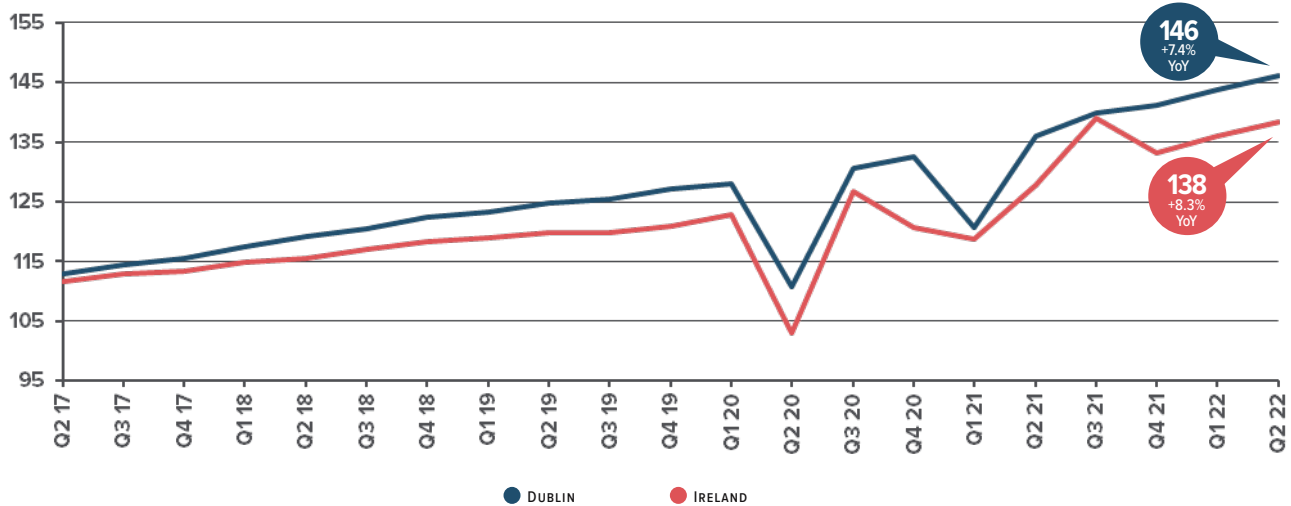
The rate of growth in new business orders in Dublin also slowed in Q2, but continued to grow (54.7). This was the weakest growth rate in a five-quarter sequence. Outside the Capital, the expansion was more subdued at 52.9. Such index readings point to a weakening of the activity pipeline for the coming quarters.

The rate of job creation was positive in Q2 as Dublin companies continued to rebuild workforce numbers following the pandemic. Employment has now risen in six successive quarters, with the latest expansion (57.6) representing broad QoQ stability. The increase in Dublin was faster than in the Rest of Ireland (54.7), though the latter posted the most sizeable index increase since Q3 2021.



RETAIL SPENDING IN DUBLIN REMAINS ON UPWARD PATH, THOUGH INFLATION POSES CHALLENGES

MASTERCARD TOTAL RETAIL SALES INDEX (SA)



Retail spending in the Dublin economy increased for a fifth consecutive quarter in Q2 2022. This was in spite of ongoing cost of living challenges facing the economy where energy prices, in particular, have impinged upon the disposable incomes available to consumers both in Ireland and across the globe. Total retail spending in the Capital increased by 1.6% QoQ and 7.4% YoY in the quarter, though growth fell short of the inflation rate which has eroded purchasing power in recent months.

The single greatest QoQ expansion was in Entertainment (+9.2%). This was aided significantly by the lifting of Covid-19 restrictions and the early summer tourism season, allowing pent up demand to be released in to hotels, bars and restaurants.

Modest growth of 3% was recorded for Discretionary sales in the quarter. Despite a lower rate of growth than in Q1, consumers in Dublin have shown an ongoing ability and willingness to spend disposable incomes in this category in the face of mounting inflationary pressures which is a promising sign.

Spending on Necessities, which had dipped in Q1, expanded by 1.5% QoQ while Household Goods expenditure also increased (+1.7%).

Expenditure via eCommerce platforms has experienced some undulations over the past two years yet increased at a solid rate of 2.9% QoQ. The persistent strength of this method beyond the worst of the pandemic, and the absence of any real reversal in consumer trends, points towards lasting behaviours in this regard.

DUBLIN RETAIL SALES VALUE INDEX (SA) Q2 2022



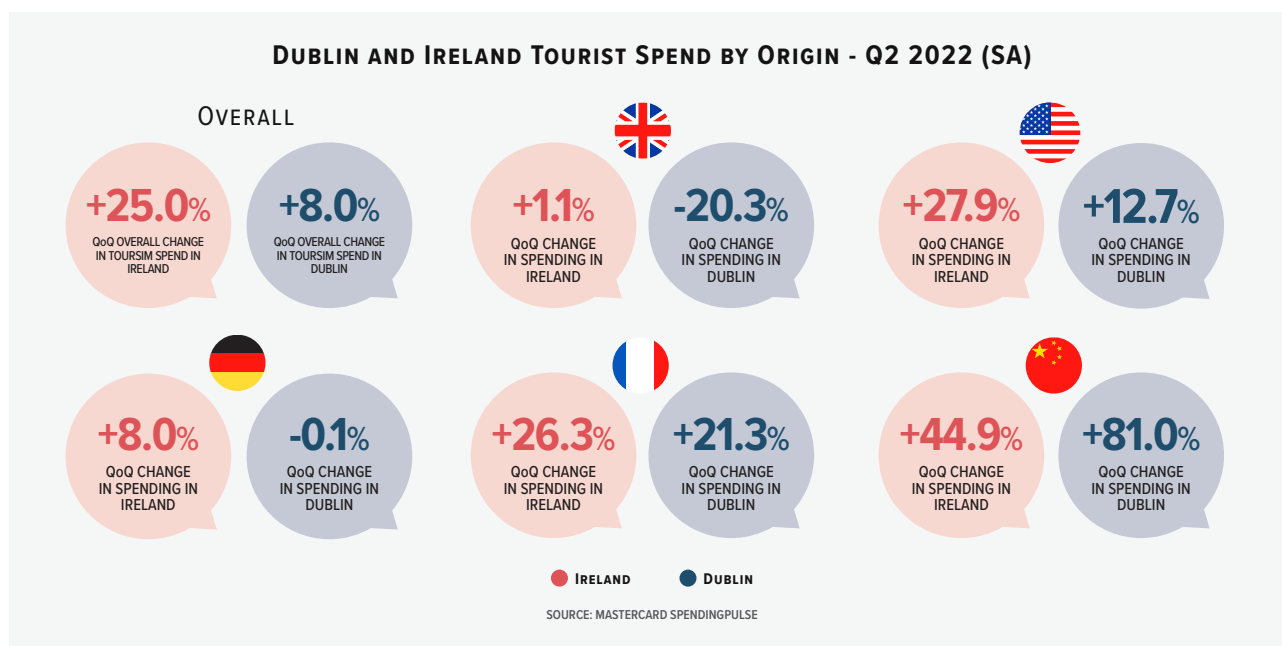
METHODOLOGY

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.

*ALL VALUES ARE SEASONALLY ADJUSTED BY GRANT THORNTON, AND HAVE BEEN RE-ADJUSTED SINCE THE LAST ISSUE. THE DATA IN THIS ISSUE IS HENCE NOT DIRECTLY COMPARABLE TO PREVIOUS ISSUES.



DUBLIN LAGS IRELAND IN TOURIST SPENDING GROWTH



Tourism spending in the Dublin economy continued to recover in Q2 2022 with growth of 8% QoQ and 72% YoY. Despite the positive trends, growth in the Capital fell considerably short of the national level where expansions of 25% QoQ and 294% YoY were recorded.

Significant variances were also evident between spending patterns from different tourist markets. For the UK market, expenditure by tourists to Dublin fell by more than a fifth QoQ (-20.3%) in what may be initial evidence of international visitors cutting back on short overseas city breaks in the face of mounting cost challenges.

The US market, which is dominated by longer-stay summer visitors, showed robust growth in Q2 yet the expansion in the Capital (+12.7%) was exceeded at the national level (+27.9%). This is likely due to a multitude of factors but soaring hospitality prices in the Capital may have been a limiting factor.

The French market continued to be a source of strong tourist spending in Dublin (+21.3% QoQ). German tourists had been an early driver of the spending recovery in 2021, yet expenditure from the market flat-lined (-0.1% QoQ) in Dublin in Q2. The Chinese market finally showed signs of a resurgence from all time lows with QoQ spending growth of 81% in the Capital.

CPI YOY INFLATION RATES



SOURCE: CSO

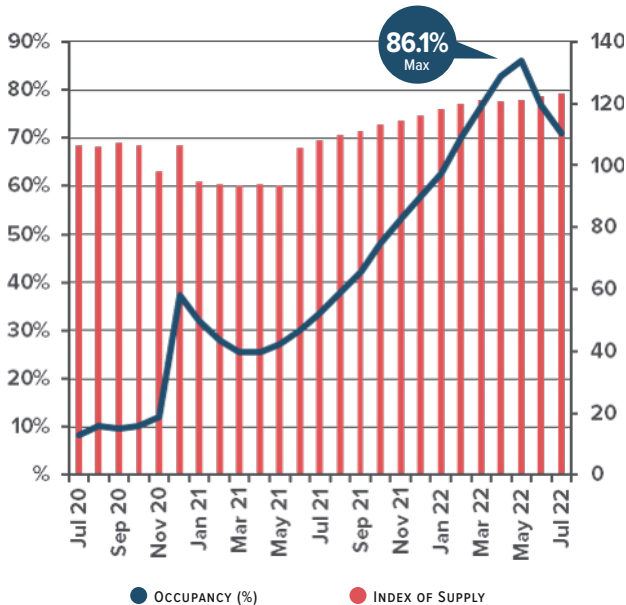
Inflation Threatens Consumers' Disposable Incomes

Inflation has continued to accelerate in the national economy with a 9.1% YoY increase in prices recorded in June 2022 (depicted in the chart). The main drivers of the YoY inflation rate were Housing, Water, Electricity, Gas & Other Fuels (+22.5%) followed by Transport (+20.4%). This underlines the impact of rising fuel costs on the economy. Higher mortgage repayments also impacted inflation in June, and the European Central Bank's July rate hike is likely to exacerbate this. These factors pose immediate, and likely lasting challenges for consumers, and may well result in declining Discretionary and Entertainment spending – especially as energy demand increases in to the winter period.



OCCUPANCY LEVELS FALL AS HOTEL RATES SURGE IN SUMMER

DUBLIN HOTEL SUPPLY & OCCUPANCY RATES (SA)



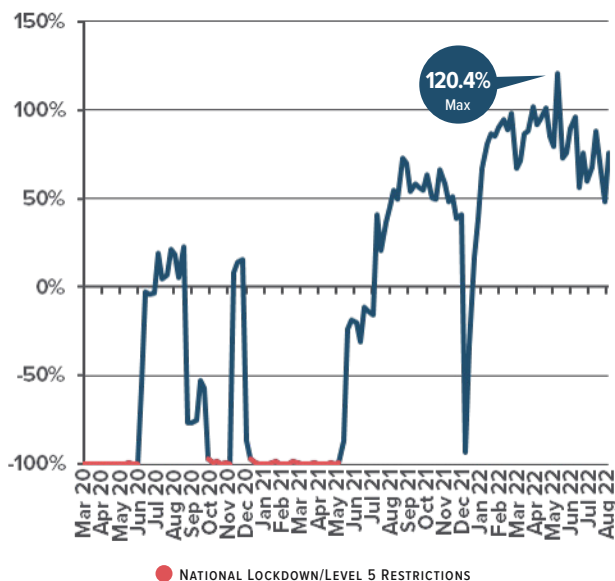
SOURCE: STR GLOBAL. SEASONALLY ADJUSTED BY GRANT THORNTON.
NOTE: DATA RE-ADJUSTED SINCE THE LAST ISSUE.

	JUL '22
AVERAGE DAILY RATE (SA)	€168
YEAR ON YEAR % CHANGE	+71.1
INDEX OF HOTEL ROOM SUPPLY (SA, JULY 2013=100)	123.1
YEAR ON YEAR % CHANGE	+13.8

Occupancy levels in Dublin hotels fell for a second consecutive month in July 2022. The rate of occupancy peaked in May at 86.1% (SA) following a strong post-winter recovery, but has since dropped to 76.9% and 71.1% in June and July respectively. This is likely related to cost of living challenges which are affecting the domestic and international economies, and the affordability of Dublin as a tourist destination. Although the supply of hotel accommodation in Dublin has continued to climb, Average Daily Rates for rooms in the Capital reached a peak of €170 (SA) in June and this may be acting as a deterrent for increasingly price-conscious tourists.

DUBLIN RESTAURANTS CONTINUE TO BENEFIT FROM POST-COVID BOUNCE

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



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

	AUG '22
PERCENTAGE CHANGE IN SEATED DINERS VERSUS 2019 BASELINE - DUBLIN	+75.5
PERCENTAGE CHANGE IN SEATED DINERS VERSUS 2019 BASELINE - IRELAND	+127.6

The Dublin restaurant sector continued to enjoy a post-Covid bounce in activity through to August 2022. The number of seated diners at the Capital's restaurants on Saturdays remained up by over 75% when compared to the February 2019 baseline, thus continuing a sequence of growth which started with the lifting of restrictions in January of this year. This will have provided a significant stimulus for the sector, though soaring energy and wage inflation rates have squeezed margins. At the national level, the recovery was even stronger in August, with the volume of seated diners rising by over 127% when compared to February 2019.



DUBLIN'S PRELIMINARY 2022 CENSUS RESULTS



Cormac Halpin
Senior Statistician, Census
Management, CSO

The Central Statistics Office (CSO) recently produced preliminary results from Census 2022 which provide rich insights into how Ireland has changed in the six years since the last census. While more detailed results will be made available next year, the preliminary data shows that the population of Ireland grew by over 7% since 2016, bringing the country's population to over 5 million for the first time since the middle of the 19th Century.

Every part of the country saw an increase in its population, including the four Local Authority Areas of Dublin – Dublin City, Fingal, South Dublin and Dun-Laoghaire Rathdown. The fastest growing of the four was Fingal, posting a rise of over 11% and bringing the population to nearly 330,000. Dublin City grew by a more modest 6%, resulting in a population of 588,000.

Natural Increase and Net Migration

The preliminary results also give some indications as to what drove population change between censuses. All population growth is due to more people being born than dying, which is termed 'natural increase', and immigration into an area exceeding emigration from that area, or 'net migration'. All parts of Dublin experienced growth due to both natural increase and net migration between 2016 and 2022. Dublin City, Fingal and South Dublin each saw natural increases of over 15,000 people, with Fingal increasing by over 19,000.

Net migration, which can be caused by both people moving to Ireland from other countries and people moving within Ireland, was higher in Dublin City, at 18,175, than anywhere else in Ireland. The CSO will produce much more detail on these migration patterns

and who is moving where once the census forms have been scanned and analysed and the final data is available next year.

Housing and Vacancy Rates

Housing has become a major area of interest in recent censuses, with the vacancy rate receiving particular attention. The preliminary results for 2022 show that the housing stock across Dublin grew by over 7% to nearly 570,000 units, which made up over a quarter of the overall national housing stock.

Census vacancy measures vacancy at a point in time and as may have been expected, the rates among Dublin's four Local Authority Areas were well below the national rate of 8%, with South Dublin (4%), Fingal (4%) and Dun-Laoghaire Rathdown (5%) recording the three lowest rates in Ireland. Vacancy in Dublin City was slightly higher at 7%, perhaps because it contains a significantly higher proportion of properties which are rented than the other three areas where home ownership is more prevalent.

The detailed census results in 2023 will provide more insight into Dublin housing, including which neighbourhoods and districts of the Capital saw the biggest changes in housing stock since the last census.

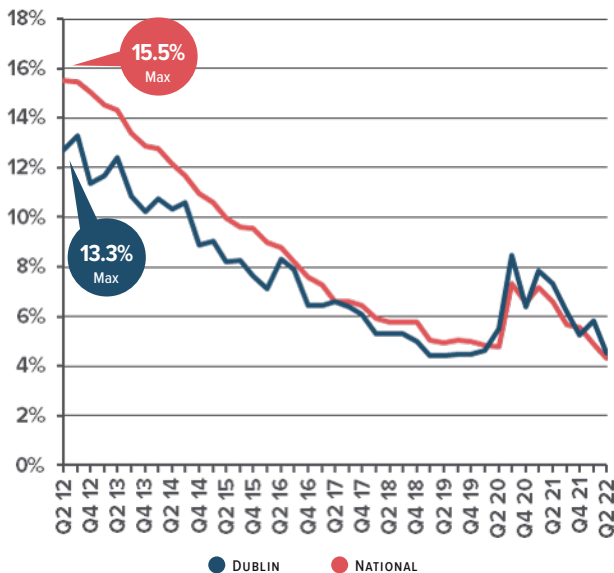


All parts of Dublin experienced growth due to both natural increase and net migration between 2016 and 2022. Dublin City, Fingal and South Dublin each saw natural increases of over 15,000 people, with Fingal increasing by over 19,000.



UNEMPLOYMENT RATE FALLS TO PRE-PANDEMIC LEVEL

DUBLIN & NATIONAL UNEMPLOYMENT RATE % (SA)



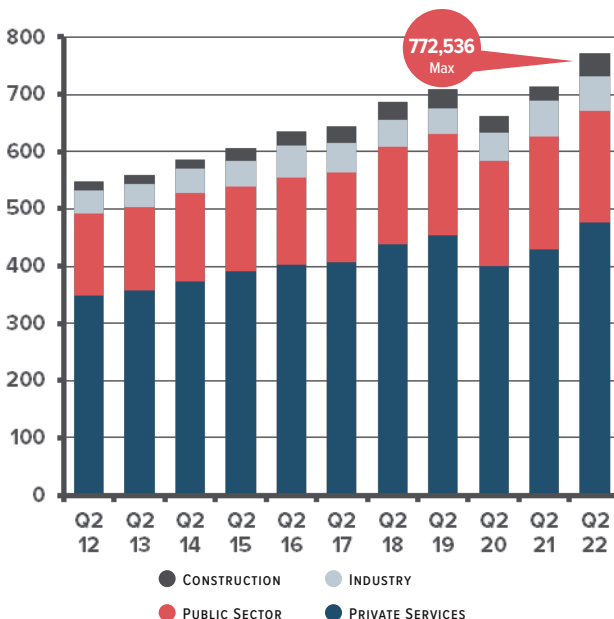
SOURCE: CSO, DUBLIN SEASONALLY ADJUSTED BY GRANT THORNTON
NOTE: DATA RE-ADJUSTED SINCE LAST ISSUE

	Q2 '22
DUBLIN UNEMPLOYMENT RATE (SA)	4.5%
YEAR ON YEAR CHANGE % POINTS	-2.8%
DUBLIN EMPLOYMENT '000S (SA)	762.0
YEAR ON YEAR CHANGE '000S (SA)	+43.8

The level of unemployment in the Dublin economy continued to descend in Q2 2022. The Capital's unemployment rate fell to 4.5% (SA) in the quarter, bringing it back in line with pre-pandemic levels. The 1.3% QoQ and 2.8% YoY declines are remarkable outcomes given the scarring which the economy experienced during Covid-19, and underline the high demand for labour which exists in Dublin. Employment growth has been a key component, and the CSO has underlined the importance of increased participation in the labour force, particularly amongst women, in driving this across the country.

SERVICES SECTOR DRIVES JOBS GROWTH

EMPLOYMENT BY BROAD SECTOR '000s (SA)



SOURCE: CSO, SEASONALLY ADJUSTED BY GRANT THORNTON.
INDIVIDUAL SECTOR VALUES MAY NOT SUM TO TOTAL DUE TO ROUNDING.

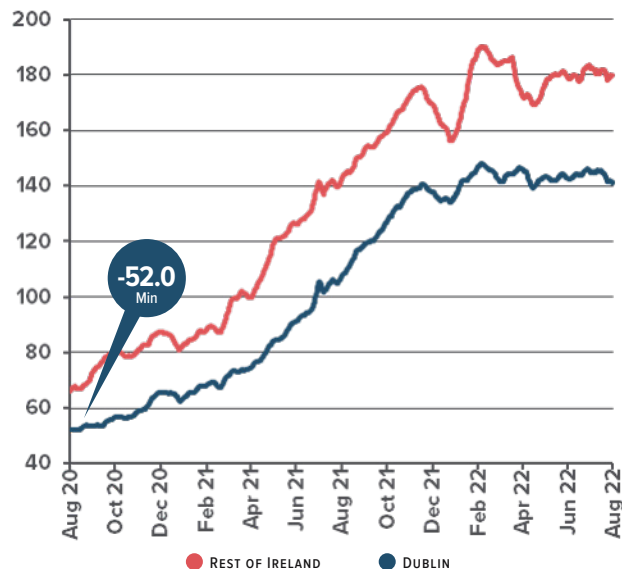
	Q2 '22
SERVICES EMPLOYMENT '000s (SA)	671.5
YEAR ON YEAR CHANGE '000s (SA)	+44.5
INDUSTRY & CONSTR. EMPLOYMENT '000s (SA)	101.0
YEAR ON YEAR CHANGE '000s (SA)	+14.2

Employment levels amongst Dublin residents continued to rise in Q2 2022, mainly driven by the services sector. More than 772,000 Dublin residents (SA) were in employment in the quarter. This represented growth of 58,600 jobs or 8.2% YoY as the Capital's recovery accelerated. The services sector, which was severely hit during Covid-19, posted a substantial increase of 44,500 jobs or 10.9% YoY. Employment in construction also roared ahead (+67.1% YoY), though jobs in industry fell by 3.7% or 2,300 YoY.



VOLUME OF JOB POSTINGS REFLECTS LABOUR MARKET CHALLENGES

JOB POSTINGS ON INDEED (FEB 2020 = 100)



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

	AUG '22
PERCENTAGE POINT CHANGE VERSUS FEB 2020 - DUBLIN	+41.2
PERCENTAGE POINT CHANGE VERSUS FEB 2020 - REST OF IRELAND	+79.7

Job opportunities remained plentiful in Dublin through August 2022, according to data from Indeed. The number of job postings in the Capital in the month stood 41.2% above the February 2020 base period. This is a reflection of both the labour market recovery, and the staff and skills shortages which are currently affecting many sectors post-pandemic as businesses struggle to fill available positions. Job postings for counties across the rest of Ireland remained even stronger through August, with growth of almost 80% relative to February 2020.

JOB VACANCIES SIGNAL SECTORAL STAFFING CHALLENGES

TOP 10 DUBLIN JOB POSTINGS ON INDEED BY VOLUME, YOY CHANGE

	AUG '22
1. CLEANER	-
2. SALES ASSISTANT	▲
3. HEALTHCARE ASSISTANT	▼
4. CUSTOMER SERVICE REPRESENTATIVE	▼
5. WAREHOUSE WORKER	▲
6. GENERAL OPERATIVE	▼
7. RETAIL SALES ASSOCIATE	▲
8. ADMINISTRATOR	▲
9. LINE COOK	▼
10. KITCHEN PORTER	▼

Job postings for cleaners and sales assistants remained most common in Dublin in August 2022. Openings for both occupations featured most frequently on the Indeed website in the month, as was the case in the May publication. Postings for healthcare assistants rose from 8th position in May to 3rd in August in a signal of the recruitment challenges in the health sector at present. Customer service representatives and warehouse workers rounded out the top five most common job postings in August, with both rising in prominence YoY.



DUBLIN'S ENVIRONMENTAL CONDITIONS TO THE FORE IN LATEST INTERNATIONAL RANKINGS

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).

High Air Quality

Dublin's air quality has been ranked amongst the top of European cities with more than one million inhabitants. The Capital placed 10th in the Forbes Advisor rankings, on the back of relatively low levels of both pesticide application rates and polluting power plants. Auckland, New Zealand had the lowest toxicity level globally, with Singapore recording the highest.

Top Cities in the World 2022

Time Out Magazine has published its Best Cities in the World report for 2022, and Dublin features in 36th place. The rankings, which placed Edinburgh in first position of 53 cities, pointed to Dublin as a "vibrant, welcoming and compact city with a pub culture that bars across the world could only dream of replicating". Quality of life factors such as the Capital's restaurant scene and burgeoning sea swimming scene were heralded, along with the welcoming nature of the city where 71% of Dublin residents considered it to be an 'actively friendly' place.

Sustainability Credentials

Dublin has been ranked amongst the top 40 most sustainable cities in the world according to an index from Arcadis, an engineering company. The Capital ranked in 37th place overall, based on its performance across three pillars of sustainability:

- Planet (28th globally): Quality of the natural environment, incorporating energy usage and emissions levels;
- People (19th): social infrastructure including quality of life, connectivity and transport; and
- Profit (65th): economic and commercial conditions such as affordability and ease of doing business.

Oslo topped the ranking, mainly due to its strengths in the areas of sustainable transport, green spaces, air pollution, and energy use.

Cost of Living Challenges Magnified

The high cost of living for expatriates in Dublin has been highlighted by a recent Mercer publication. The cost of living rankings placed the city as the 49th most expensive for expatriates in the world out of a sample of 227. Although this represented an improvement from 2021 (ranked 39th), private rental rates, high utility costs and the current weakness of the Euro were highlighted as factors which were eroding the purchasing power of expatriates. Despite such domestic and international challenges, Mercer underlined that Dublin remains an attractive location for expatriates overall.



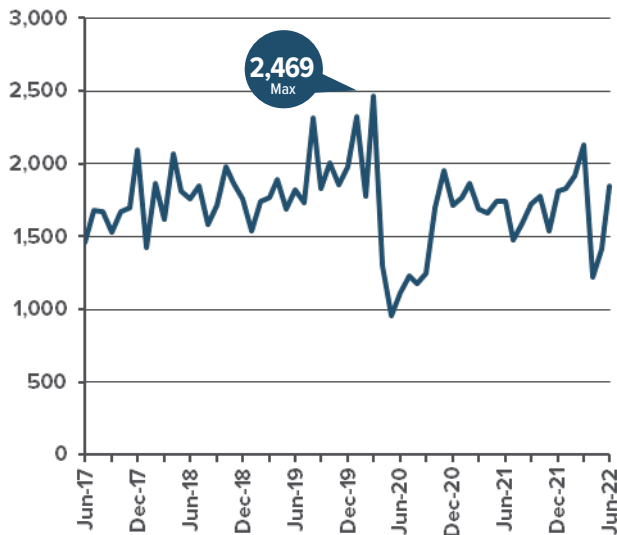
DUBLIN'S LATEST INTERNATIONAL RANKINGS				
SOURCE	BENCHMARKING CRITERIA	YEAR	RANKING	
Forbes Advisor European City Air Quality Rankings	Air toxicity based on factors including fine molecular air components, average pesticide application rates, and prevalence of polluting power plants	2022	10	-
Eden Strategy Institute Top 50 Smart City Governments	10 key factors covering governance, resourcing, smart programmes, policies and ecosystem	2021	26	▲
Time Out Best Cities in the World	Quality of life including hospitality, nightlife, arts & culture, walkability, public transport & sustainability	2022	36	-
EU European Capital of Innovation Awards	Inter-disciplinary ecosystems, and promotion of innovative initiatives to improve wellbeing of citizens	2021	2	▲
fDi x TNW European Tech Cities of the Future	FDI performance, connectivity, cost effectiveness, economic potential, innovation & attractiveness	2021	3	-
fDi Small Regions of the Future	Economic potential, human capital and lifestyle, cost effectiveness, connectivity and business friendliness	2022	1	▲
fDi Global Cities of the Future	FDI performance, connectivity, cost effectiveness, economic potential, innovation & attractiveness	2021	5	▼
EY Financial Services Brexit Tracker	Movement of services and staff at financial services firms in the UK since the Brexit referendum in 2016	2022	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	2022	49	▲
Mercer Quality of Living City Rankings	Environmental/ socio-economic	2019	33	▲
PwC-ULI Emerging Trends in Real Estate Europe	Outlook for investment and development, and the scale/liquidity of the city's market	2021	13	▼
Arcadis Sustainable Cities Index	Three pillars of sustainability: Planet (environmental), People (social), and Profit (economic).	2022	37	-
Startup Genome Global Startup Ecosystem Report	Performance, funding, market reach, connectedness, talent, experience	2021	36	-
ECA International Most Liveable Locations for European Expatriates	Quality of expatriate living conditions, including climate, health services, housing and utilities, social networks, infrastructure, personal safety, political tensions and air quality.	2022	10	▲
QS World University Rankings	University quality	2022	101*	-
IMD World Competitiveness Ranking	332 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 PROPERTY MARKET ACTIVITY REMAINS ON UNEVEN COURSE

DUBLIN RESIDENTIAL PROPERTY TRANSACTIONS (SA)



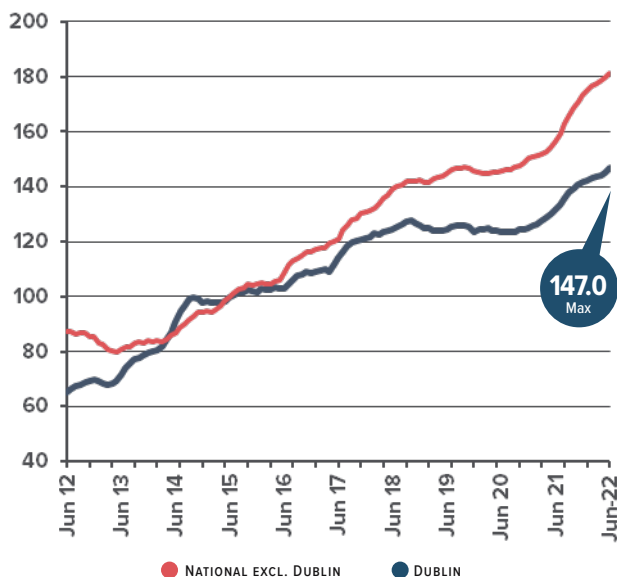
SOURCE: CSO. SEASONALLY ADJUSTED BY GRANT THORNTON.

	JUN '22
DUBLIN RESIDENTIAL PROPERTY TRANSACTIONS (SA)	1,844
YEAR ON YEAR % CHANGE	+6.0
IRELAND RESIDENTIAL PROPERTY TRANSACTIONS (SA)	5,686
YEAR ON YEAR % CHANGE	-3.9

The volume of residential property transactions in Dublin remained on an uneven course over the three months of Q2 2022. Total transactions rose by 6% YoY to over 1,840 (SA) in June. This followed a peak of 2,100 in March and a trough of 1,200 in April of this year. Such movements are likely the outworking of the pandemic which disrupted activity over the past two years, though limited supply and tightening credit conditions may dominate the remainder of 2022. At the national level, transaction levels recovered to 5,686 in June but remained down by 3.9% YoY.

PROPERTY PRICE GROWTH STRENGTHENS IN MONTHS TO JUNE 2022

RESIDENTIAL PROPERTY PRICE INDEX (2015 = 100)



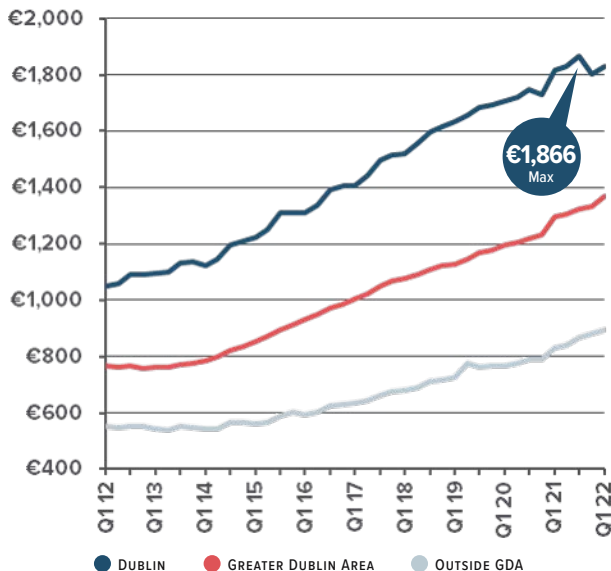
SOURCE: CSO.

	JUN '22
PROPERTY PRICE INDEX DUBLIN	147.0
YEAR ON YEAR % CHANGE	+11.7
PROPERTY PRICE INDEX NATIONAL EXCL. DUBLIN	181.4
YEAR ON YEAR % CHANGE	+16.0

Residential property price growth in Dublin accelerated in June 2022 as soaring demand and limited supply continued to affect the market. Prices in the Capital rose by 1.4% MoM and 11.7% YoY as affordability issues deepened over the summer period. Outside Dublin, growth has typically been more pronounced in recent months, and stood at 0.9% MoM and 16% YoY in June. The price index outside the Capital (181.4) was thus nearing the peak levels (183.7) of the Celtic Tiger period. The same did not apply in Dublin where the June index reading of 147 remained a distance off the February 2007 peak of 160.

RESIDENTIAL RENTS RETURN TO GROWTH IN Q1

RESIDENTIAL RENTS € PER MONTH



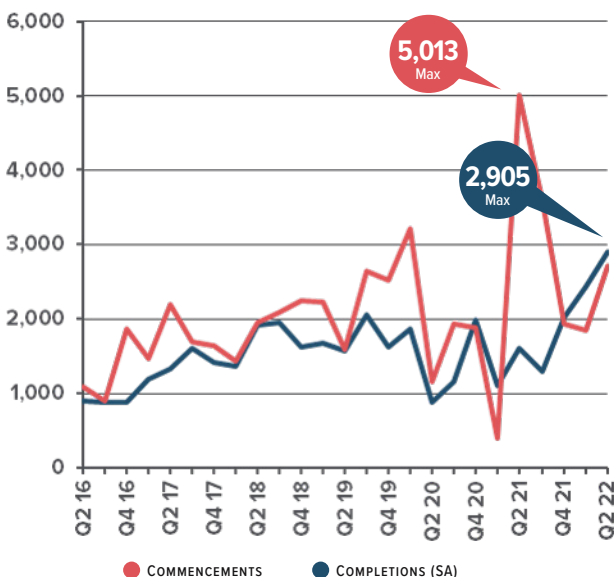
SOURCE: RTB

	Q1 '22
DUBLIN AVG RESIDENTIAL RENT € PER MONTH	1,831
YEAR ON YEAR € CHANGE	+15

Following a modest decrease at the turn of the year, residential rents in Dublin returned to growth in Q1 2022. The average rent for a property in the Capital rose by 1.5% QoQ and 0.8% YoY to stand at €1,831 in the quarter. Growth rates in the Greater Dublin Area (+2.8% QoQ, +5.6% YoY) and across the rest of Ireland (+1.8% QoQ, +8.2%) were even more robust in Q2, underlining the increasing cost of living pressures which apply nationwide. The combination of limited rental housing supply, inflation, and the influx of Ukrainian immigrants will be expected to place further upward pressure on rents over the coming quarters.

HOUSING COMPLETIONS REACH HIGHEST POINT SINCE CELTIC TIGER

DUBLIN HOUSE COMMENCEMENTS & COMPLETIONS



SOURCE: CSO, DHLGH

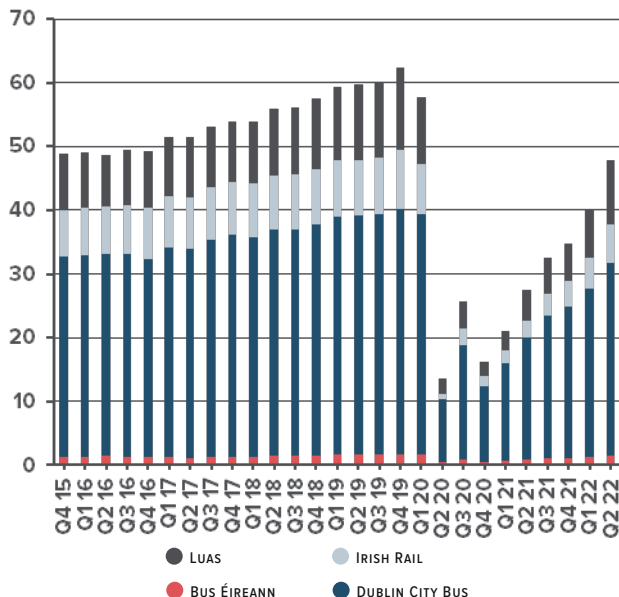
	Q2 '22
TOTAL HOUSE COMMENCEMENTS	2,704
YEAR ON YEAR CHANGE	-2,309
TOTAL HOUSE COMPLETIONS (SA)	2,905
YEAR ON YEAR CHANGE	+1,290

Housing commencements and completions in Dublin both increased QoQ in Q2 2022 in spite of the rising cost of construction in the Irish economy. Commencements, which recorded extreme peaks and troughs through the pandemic, rose by 45.8% QoQ to stand at 2,704 in the quarter. Completion levels in Q2 reached the highest level since the Celtic Tiger. A total of over 2,900 units (SA) were completed in the quarter, representing growth of 19% QoQ and providing strong supply to a currently strained housing market.



PUBLIC TRANSPORT RECOVERY CONTINUES IN Q2

PUBLIC TRANSPORT MILLION TRIPS (SA)



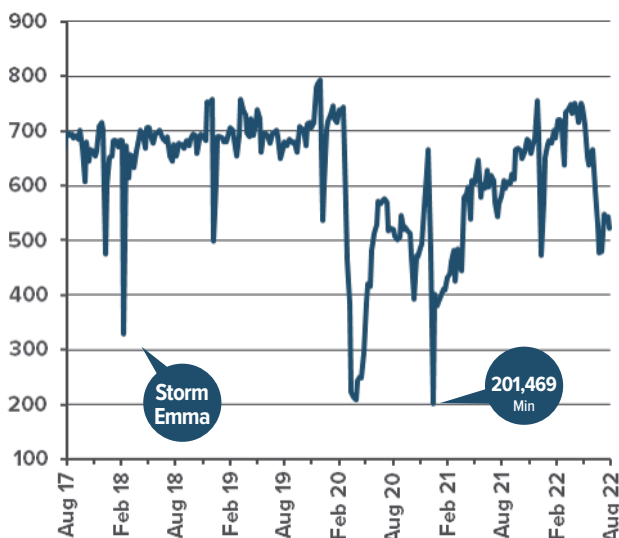
SOURCE: NTA. SEASONALLY ADJUSTED BY GRANT THORNTON.
NOTE: PROVISIONAL DATA VERIFIED BY ALL OPERATORS.

	Q2 '22
PUBLIC TRANSPORT MILLION TRIPS (SA)	47.9
YEAR ON YEAR % CHANGE	+74.2

Public transport usage by residents and visitors in Dublin continued to recover in Q2 2022. Journeys on the four main modes of public transport rose by more than a fifth QoQ (+20.1%) and 74.2% YoY to stand at 47.9 million (SA) in the quarter. This represented a strengthening rebound in absolute terms (+8 million journeys QoQ), though total journeys remained 23.1% off the Q4 2019 peak. Journeys on the Luas recovered to the greatest proportional extent in Q2 (+37.7%, +2.75m journeys), followed by Irish Rail (+25%, +1.22m). Dublin Bus carried more than 30 million passengers for the first time post-pandemic.

ROAD TRAFFIC VOLUMES EBB IN LATE SUMMER

DUBLIN AVERAGE DAILY TRAFFIC COUNT '000s (SA)



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

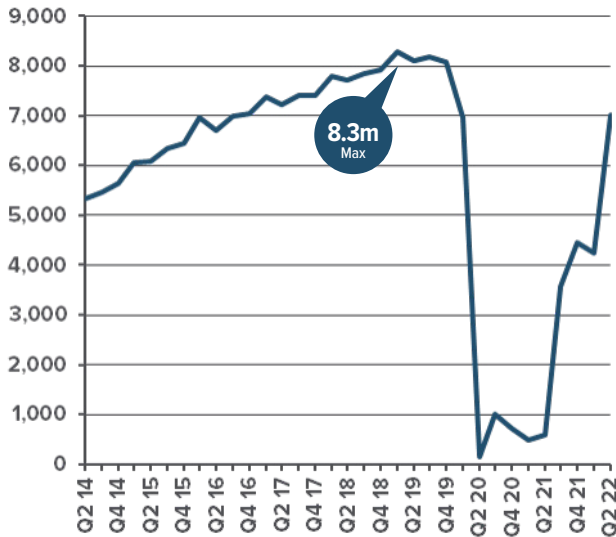
	AUG '22
AVERAGE DAILY TRAFFIC COUNT (SA)	522,093
YEAR ON YEAR % CHANGE	-10.1
PEAK VOLUME COUNT (AM) (SA)	38,925
YEAR ON YEAR % CHANGE	-13.8
PEAK VOLUME COUNT (PM) (SA)	41,746
YEAR ON YEAR % CHANGE	-19.6

Traffic volumes on the Dublin road network ebbed quite significantly in the late summer period. The combined average daily traffic count on Dublin's main motorways fell to 522,000 (SA) in mid-August, down from a 2022 peak of 750,000 in April. This is likely the result of a combination of factors including soaring fuel prices and a recent 20% reduction in public transport fares. A 10.1% YoY reduction in average count was strongly influenced by a drop off in the afternoon peak where a 19.6% YoY reduction was recorded. The morning peak also reduced but to a lesser extent (-13.8% YoY).



AIRPORT TRAFFIC RECORDS SIGNIFICANT UPWARD SHIFT

DUBLIN AIRPORT PASSENGERS '000s (SA)



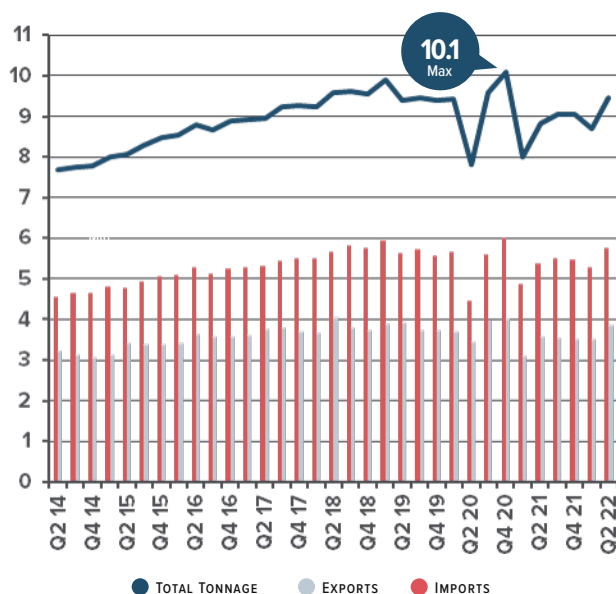
SOURCE: CSO & DUBLIN AIRPORT. SEASONALLY ADJUSTED BY GRANT THORNTON.

	Q2 '22
TOTAL PASSENGERS '000s (SA)	7,012
YEAR ON YEAR CHANGE '000s TRIPS (SA)	+6,412

Passenger throughput at Dublin Airport recorded a significant upward shift in Q2 2022, more than compensating for an unexpected decline in Q1. Over 7 million passengers (SA) travelled through the airport in Q2, representing substantial QoQ and YoY increases of 2.75 million and 6.41 million passenger journeys respectively. Such increases will have been aided by the ongoing recovery in global tourism, the busy summer season, and could be reflective of passengers taking holidays which had been delayed due to Covid-19. Dublin Airport has also indicated that it has increased its number of destinations to 180 worldwide as part of a Covid-19 recovery plan, though operational issues and long delays were seriously problematic in early summer.

DUBLIN PORT TRADE ACTIVITY CONTINUES TO RISE APACE

DUBLIN PORT TONNAGE MILLION TONNES (SA)



SOURCE: DUBLIN PORT. SEASONALLY ADJUSTED BY GRANT THORNTON.

	Q2 '22
DUBLIN PORT EXPORTS MILLION TONNES (SA)	3.85
YOY CHANGE MILLION TONNES (SA)	+0.26
DUBLIN PORT IMPORTS MILLION TONNES (SA)	5.74
YOY CHANGE MILLION TONNES (SA)	+0.38

Throughput at Dublin Port increased by 8.6% QoQ in Q2 2022, with total tonnage handled standing at just under 9.5 million (SA). This was the highest Q2 total recorded since pre-pandemic 2019. Both exports and imports increased QoQ in Q2 2022, with respective growth rates of 9.9% and 9.1%. Total throughput growth remained strong on a YoY basis, though declined slightly from 8.8% in Q1 to 7.2% in Q2. The CSO has highlighted that recent increases in the country's exports are largely attributable to food and live animals, with life science products significantly contributing to rising import levels.



DUBLIN CAN BE AT THE HEART OF A NEW APPROACH TO MEETING FUTURE SKILLS NEEDS



Andrew Brownlee
CEO, SOLAS

This is a time of immense challenge, change and opportunity for the Dublin economy and its labour market. The pursuit of the skills required to meet the future world of work, a critical objective across enterprise over the last decade, and a major focus of all those involved in the education sector, has been jet fuelled as a result of the pandemic. As we all know, the Covid-19 restrictions brought digital transformation overnight, and a new way of working which already has a lasting legacy even with those restrictions now gone. We are seeing a much more fluid, flexible, and potentially productive, labour force, where the physical location of where work is undertaken is less (but not un) important. It is already recognised that digital skills are just as essential as basic literacy and numeracy for practically every job. However there

is also evidence that wider data analysis competencies are now becoming equally critical for many occupations. Work-based learning and workforce upskilling is now pivotal to our skills system, including in a burgeoning apprenticeship system (with 65 diverse apprenticeships now available) and through tailored access to courses and learning technology for most employees.

Skills Development Through Further Education and Training

Certainly what is clear is that the idea of doing a block of education from age 17-21 which will serve you for the rest of your career is now obsolete. For our skills and competencies to remain valid, this world will require us to continually upskill and reskill throughout our careers. And this is where further education and training (FET) really comes into its own. FET perhaps used to be seen as something you did if you weren't particularly academic or had found yourselves at the margins of an economy or society, but this is no longer the case. FET is available in every community, and can offer you a pathway to take you as far as you want to go, regardless of any prior level of formal education. It has a long history of developing agile responses to meet evolving skills needs, leaving it



perfectly placed to drive the new skills requirements of this city.

Addressing the Capital's Skills Needs

Many will be aware of the strong legacy of FET in supporting construction skills and there is a critical focus on ramping up the skills pipeline to deliver on the country's housing needs, which are particularly pressing in the Capital. This has also been aligned with a growing role for FET in green skills, including equipping construction workers with the NZEB (Nearly Zero Energy Building) and retrofitting competencies to ensure housing delivers on its climate action obligations. However FET is also about so much more, being the core driver of talent in key national industries like hospitality, retailing and healthcare, and developing new courses to meet the needs of our more global sectors, like tech (e.g. via a new cloud computing traineeship in partnership with Microsoft) and pharmaceuticals (e.g. via lab technician courses linked to key pharma employers).

Dublin Education and Training Options

Two Education and Training Boards (ETBs), City of Dublin ETB (CDETB) and Dublin Dun Laoghaire ETB (DDLETB), are responsible for providing further education and training across the city. The Future FET strategy, Transforming Learning, has an ambition to grow its contribution and impact by simplifying access; ensuring a high quality and consistent learner experience; offering clear learning pathways; and building a stronger identity. The two ETBs are already in the midst of exciting plans to deliver on this ambition via FET College of the Future projects, with CDETB consolidating provision within a dedicated FET college in Cathal Brugha Street, and DDLETB centring college propositions around its three core catchment areas of Fingal, Tallaght and South Dublin. The profile of FET has also been aided by the inclusion of a link to FET and apprenticeship options from the CAO website.

Dublin is also blessed with four fantastic universities and key to a successful future approach to meeting skills needs is a much more unified system and seamless

“ The strengths of Dublin as this major centre of tertiary education, where collaboration has long characterised Further Education and Higher Education relationships, and as Ireland's major commercial and employment centre, gives it a unique opportunity to lead this new agile and cohesive approach to skills development.

pathways between FET and Higher Education (HE). There are already strong progression links between FET courses and degree programmes, helped by a strong ecosystem which facilitates partnerships, including a strong Dublin Regional Skills Forum. There is real potential to build on that by expanding pathways further and considering how FET and HE partners can work together on the co-development and co-delivery of degree programmes and on a dip in, dip out system where learners can build up credits across both systems over time throughout lifetimes and careers. The strengths of Dublin as this major centre of tertiary education, where collaboration has long characterised FET and HE relationships, and as Ireland's major commercial and employment centre, gives it a unique opportunity to lead this new agile and cohesive approach to skills development.

Further information on all of these exciting options can be sourced at fetchcourses.ie and apprenticeship.ie. A range of free online upskilling courses are also available on the SOLAS online learning resource, eCollege.ie. Check them out, and help us work together for a Capital city which is the centre of future skills development.

DUBLIN ECONOMIC SCORECARD

ECONOMY

S&P GLOBAL BUSINESS
PMI Q2 2022
3 MONTH MOVING AVERAGE (SA)



UNEMPLOYMENT RATE
Q2 2022
% (SA)



SPENDINGPULSE
SALES INDEX Q2 2022
INDEX (2014 = 100) (SA)



TRAVEL

HOTEL OCCUPANCY RATE
JUL 2022
% OF TOTAL ROOMS (SA)



SEAPORT CARGO
Q2 2022
MILLION TONNES/QUARTER (SA)

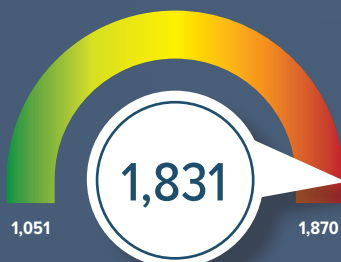


PUBLIC TRANSPORT TRIPS
Q2 2022
MILLION TRIPS/QUARTER (SA)



RESIDENTIAL PROPERTY

AVERAGE RESIDENTIAL
RENTS Q1 2022
€/QUARTER



RESIDENTIAL PROPERTY
PRICE INDEX JUN 2022
INDEX (2015 = 100)



HOUSING COMPLETIONS
Q2 2022
UNITS/QUARTER (SA)



COMMERCIAL PROPERTY

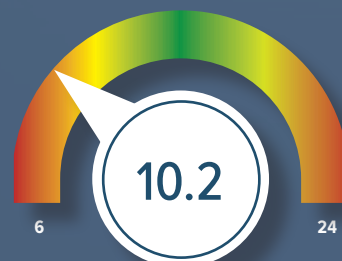
DUBLIN CITY CENTRE
OFFICE RENT Q2 2022
INDEX (2006 = 100)



DUBLIN 2/4 OFFICE
VACANCY RATE Q2 2022
%



DUBLIN SUBURBS OFFICE
VACANCY RATE Q2 2022
%



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, 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.