

Issue 1 MAY 2023

# GALWAY ECONOMIC MONITOR

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**Galway  
Chamber**  
Ag cothú gnó le chéile



**Grant Thornton**

# WELCOME

Galway Chamber is delighted to launch our inaugural issue of the Galway Economic Monitor, a data driven report reflecting the economic performance of Galway. You'll see a variety of key economic indicators that drive the growth of the economy. This is the first in what will be an ongoing report issued bi-annually. Through the Galway Economic Monitor, over time readers can gain a comprehensive understanding of the current state of Galway's economy, as well as the challenges and opportunities facing the city and county in the years ahead.

The economic performance of Galway has many drivers from FDI investment to domestic business growth. In the last two years Enterprise Ireland investment has had a significant impact on the Galway landscape with investments of some €20 million spread across a range of startup and scaling enterprise projects that will build a tremendous job creation and export legacy for Galway over the years to come.

We look forward to mapping that legacy and reporting across sectors in the coming reports. For now please enjoy this first issue, I look forward to your feedback.

Best  
Kenny

The Galway Economic Monitor is an initiative of the business committee of Galway Chamber supported by Chamber President, Dermot Nolan, and is designed to be of interest to those living and doing business in Galway or considering locating here. The report is produced by Grant Thornton. The next edition will be published in the fourth quarter of 2023.

The Monitor is divided into the following themes for Galway:



## HIGHLIGHTS

**Total employment in the West reached a new peak** in Q4 2022. The number of employed residents in the region increased 3.9% QoQ to stand at 225,700 (SA).

Traffic volumes on the **Galway road network surpassed pre-pandemic levels** in 2023, with an average of 113,414 journeys (SA) in March 2023.

In Q3 2022, **average monthly residential rents increased** 0.9% QoQ as demand for housing outstripped supply.

**Unemployment in the West fell** to 3.6% (SA) in Q4 2022, while the national rate increased to 4.7%.

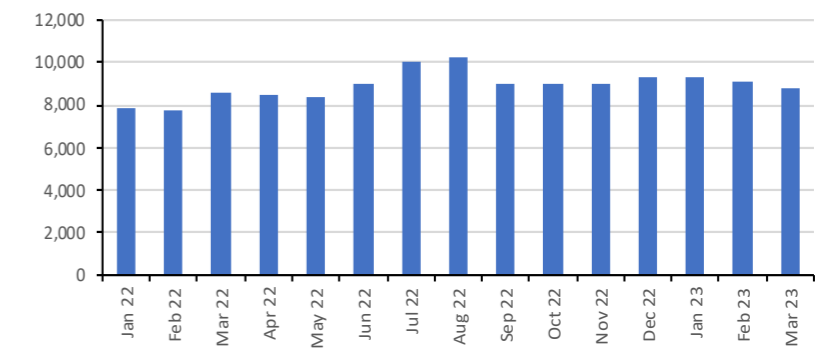
Residential **property prices in the West fell** 1.2% MoM in January 2023, the first decline witnessed since April 2022.

**Galway Port's throughput increased** 7.3% in H2 2022 compared to the first half of the year.

## NUMBER OF PEOPLE ON THE LIVE REGISTER DECLINES IN MARCH 2023

The number of active persons on the live register in Galway declined by 3.8% MoM in March 2023. There were a total of 8,785 persons registered (non-SA), 351 people less than in February 2023. Nationally, the number of active persons on the live register declined 2% MoM to a total of 179,777. Unemployment in the West Region reduced by close to one percentage point QoQ - falling from 4.5% (SA) in Q3 to 3.6% in Q4 2022. Nationally, the unemployment rate increased for a third consecutive quarter to 4.7%, yet remained close to 'full employment'.

### NUMBER OF PEOPLE ON LIVE REGISTER (ALL AGES)



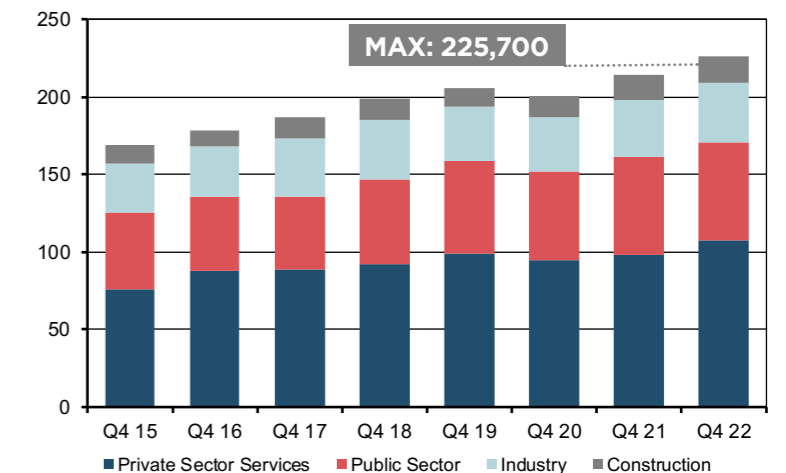
Source: CSO. Galway includes city and county.

	March 2023
Persons on Live Register (Number) Co. Galway	8,785
Month on Month Change %	-3.8%
Persons on Live Register (Number) Ireland	179,777
Month on Month Change %	-2.0%

## EMPLOYMENT REACHES A NEW PEAK IN Q4 2022

Total employment in the West reached a new peak in Q4 2022. The number of employed residents in the region increased 3.9% QoQ to stand at 225,700 (SA). This was 11,848 more people (+5.5%) in employment than in Q4 2021. Growth was recorded across the board with services employment increasing 5.5% (+8,848) and employment in industry and construction expanding 5.7% (+3,000) YoY. The private sector also continued to grow in Q4 2022, employing over 9,000 additional staff (+9.2%) YoY. Recent job announcements from Enterprise Ireland include Galway-based medtech firm Aerogen's plans to create a further 500 jobs, while Channel Mechanics announced 50 new jobs at its headquarters in Ballybrit.

### EMPLOYMENT BY BROAD SECTOR '000s (SA)



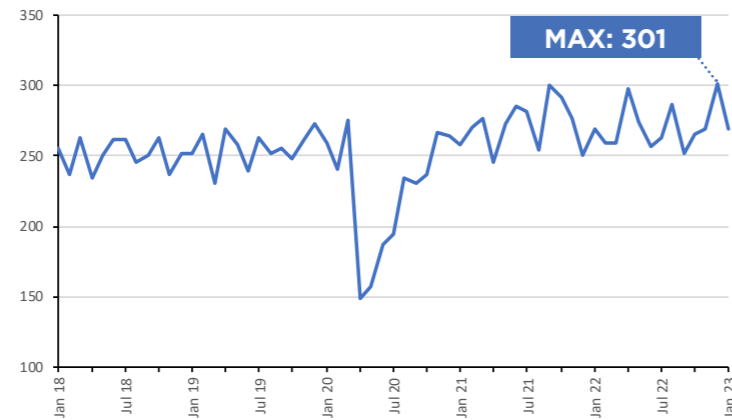
Source: CSO. Seasonally adjusted by Grant Thornton. Individual sector values may not sum to total due to rounding. The West includes counties Galway, Mayo and Roscommon.

	Q4 2022
Services Employment '000s (SA)	170.4
Year on Year Change '000s	+8.8
Industry & Constr. Employment '000s (SA)	55.3
Year on Year Change '000s	+3.0

## GALWAY RESIDENTIAL PROPERTY MARKET ACTIVITY CONTINUES TO FLUCTUATE

Galway residential property transactions fell in January 2023, thus continuing a trend of fluctuation. There was a total of 269 transactions (SA) in the month, a 10.8% decline relative to December when more than 300 transactions (SA) occurred. Market activity in Galway decreased to a minor extent YoY (-0.3%) in January, though this was less severe than the decline recorded nationally in the month (-6.6%). Overall in 2022, transaction levels fluctuated, from a 21.1% increase in April to a 16.3% decrease in September. A shortage in property supply and increases in interest rates are likely the main contributory factors to the variances in market activity in the year.

GALWAY RESIDENTIAL PROPERTY TRANSACTIONS (SA)



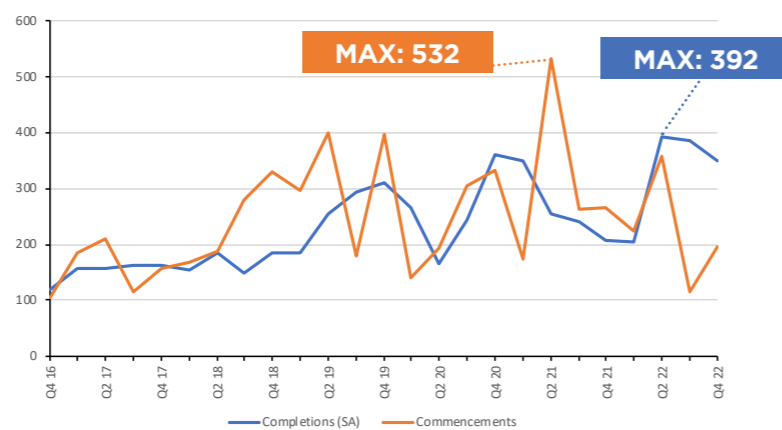
Source: CSO. Seasonally adjusted by Grant Thornton. Galway includes city and county.

	Jan 2023
Galway Residential Property Transactions (SA)	269
Year on Year % Change	-0.3%
Irish Residential Property Transactions (SA)	5,397
Year on Year % Change	-6.6%

## NEW HOUSING COMMENCEMENTS FALL IN 2022

New residential commencements in Galway City and County bounced back in Q4 2022, having fallen to a low in Q3. Construction commenced on almost 200 new houses in the quarter, a 69.8% increase QoQ. Completions recorded a 9% drop QoQ, however, having reached a high point of over 390 units (SA) in Q2 2022. Across 2022 as a whole, 1,331 new housing units were added to the Galway residential stock, representing a 26.5% increase on 2021. In comparison, commencements declined by 27.6% to 896, despite demand for housing continuing to grow. This is likely a reflection of soaring construction price inflation and limited affordability amongst prospective buyers.

GALWAY CITY AND COUNTY HOUSE COMMENCEMENTS & COMPLETIONS (SA)



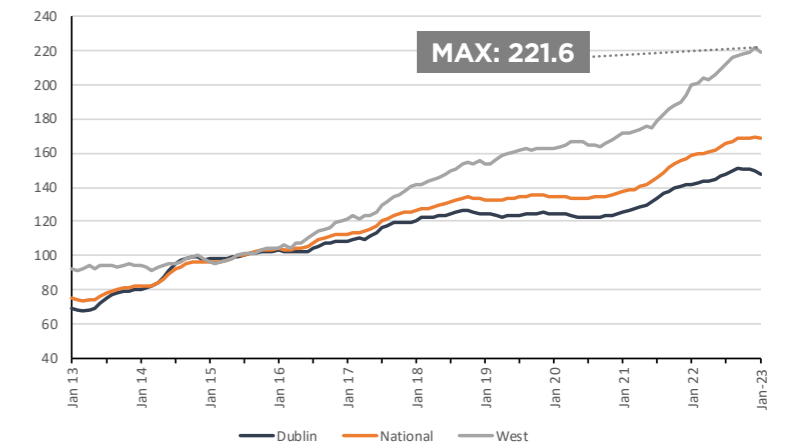
Source: CSO, DHLGH. Galway includes city and county.

	Q4 2022
Galway House Commencements	197
Year on Year Change	-70
Galway House Completions (SA)	350
Year on Year Change	+143

## HOUSE PRICES IN THE WEST FALL IN JANUARY 2023

House prices in the West fell in January 2023, the first decline witnessed since April 2022. Prices fell by 1.2% MoM in January, having reached a peak index reading of 221.6 in December 2022. In contrast, prices have risen 9.6% YoY, highlighting the housing market boom and pressure on affordability. Prices in the West have grown faster YoY than in Dublin and at the national level since September 2021. In January 2023 Dublin recorded a 4.3% increase YoY, while nationally a 6.3% increase YoY occurred.

RESIDENTIAL PROPERTY PRICE INDEX - HOUSES (2015 = 100)



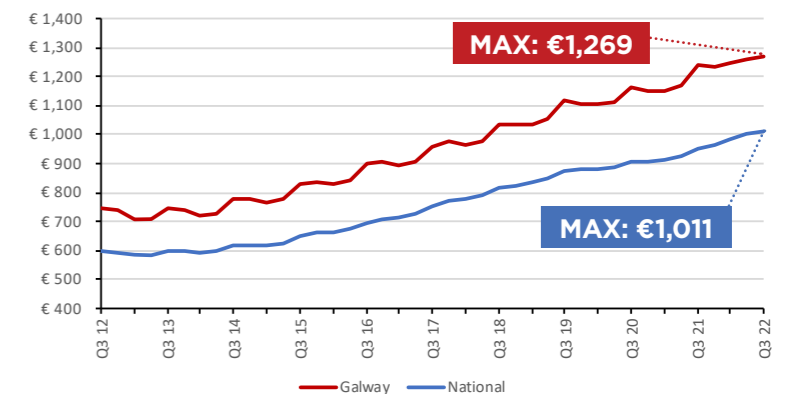
Source: CSO. The West includes counties Galway, Mayo and Roscommon.

	Jan 2023
Property Price Index West	219.0
Year on Year % Change	+9.6%
Property Price Index National	168.2
Year on Year % Change	+6.3%

## RESIDENTIAL RENTS REACH NEW PEAK IN Q3 2022

Residential rents in Galway continued to increase in Q3 2022 as demand for housing outstripped supply. Average monthly rents increased 0.9% QoQ, reaching a new peak of €1,269. This followed consecutive increases of 0.9% in the first two quarters of the year. There was also a YoY increase of 2.4% recorded in the quarter. At national level in Q3 2022, residential rents increased 0.8% QoQ to reach €1,011. Increases in interest rates have made transitioning from renting to buying more difficult, hence driving up rental prices.

RESIDENTIAL RENTAL PRICES



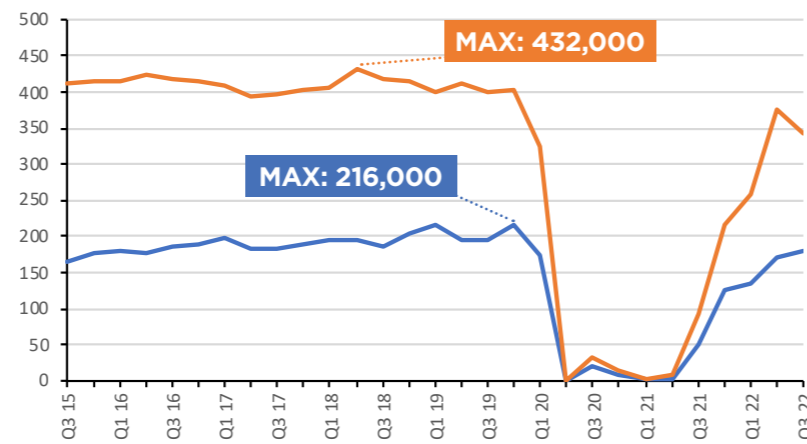
Source: RTB. Data references all property types which includes detached houses, semi-detached houses, terrace houses, apartments and other flats. It also includes all sizes from 1 bed up to 4+ beds. Galway includes city and county.

	Q3 2022
Galway Avg Residential Rent € Per Month	1,269
Year on Year € Change	+30

## AIRPORT PASSENGER NUMBERS NEARING PRE-PANDEMIC LEVELS

The volume of passengers travelling to the two main airports in the west of Ireland broadly continued to recover across 2022. Knock Airport passenger numbers increased steadily in the year. Passenger numbers reached 180,000 (SA) in Q3 2022, edging closer to the pre-pandemic peak of 216,000 passengers in Q4 2019. Passenger numbers increased 5.6% QoQ and 248% YoY in Q3, reflecting the strengthening recovery in the travel industry. Shannon Airport passenger numbers surprisingly declined in Q3 2022, in what is possibly a result of rising airfares and cost of living issues. Almost 343,000 passengers (SA) passed through the airport in the quarter, a decline of 8.6% QoQ. Investment in new routes, including those from Knock Airport to London and Lanzarote and from Shannon Airport to Liverpool and Béziers, highlights the airports' ambitions to continue to drive the post-pandemic recovery in passenger throughput.

SHANNON AND KNOCK AIRPORT PASSENGERS '000S (SA)



Source: CSO. Seasonally adjusted by CSO.

	Q3 2022
<b>Total Passengers '000s (SA) - Knock Airport</b>	<b>180</b>
<b>Year on Year Change '000s Trips (SA) - Knock Airport</b>	<b>+248%</b>
<b>Total Passengers '000s (SA) - Shannon Airport</b>	<b>343</b>
<b>Year on Year Change '000s Trips (SA) - Shannon Airport</b>	<b>+274%</b>

## PORT ACTIVITY INCREASES IN H2 2022

The volume of throughput at Galway Port increased in H2 2022. A total of 269,145 tonnes (SA) of cargo was handled at the port in H2 2022. This represented a 7.3% increase (+18,227 tonnes) on H1 and a 2.8% increase YoY (+7434 tonnes). Exports increased YoY at a rate of 8.3%, with 108,798 tonnes (SA) handled at the port. In contrast, imports declined 0.6% YoY to 161,319 tonnes, however there was a 22.1% increase compared to H1 2022. Wind turbine components have been a contributor towards imports in recent years as Galway port has become a hub for the sector. Some 14% of turbines deployed in Ireland between 2014 and 2021 were shipped through the port. Expansions in overall port activity levels are a likely reflection of growth in economic activity.

GALWAY PORT TONNAGE MILLION TONNES (SA)



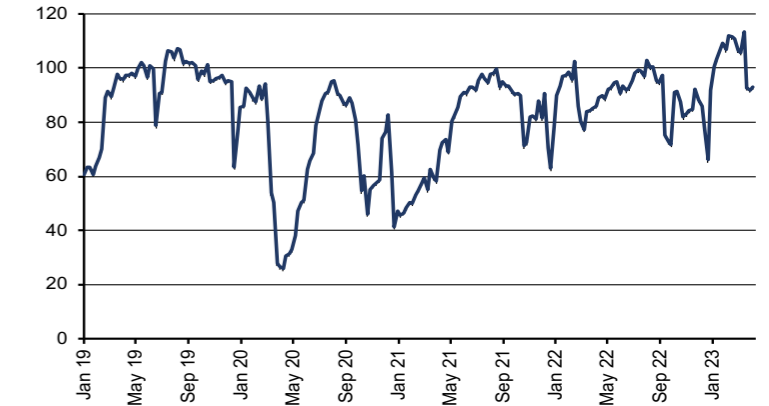
Source: Galway Port. Seasonally adjusted by Grant Thornton.

	H2 2022
<b>Galway Port Exports Million Tonnes (SA)</b>	<b>0.11</b>
<b>Year on Year Change (SA) %</b>	<b>+8.3%</b>
<b>Galway Port Imports Million Tonnes (SA)</b>	<b>0.16</b>
<b>Year on Year Change (SA) %</b>	<b>-0.6%</b>

## ROAD TRAFFIC VOLUMES SURPASS PRE-PANDEMIC LEVELS

Traffic volumes on the Galway road network surpassed pre-pandemic levels in 2023. An average daily traffic count of 92,942 journeys (SA) was recorded on seven main thoroughfares in Galway in April 2023, an 8% increase YoY. Traffic volumes reached a new high of an average of 113,414 journeys (SA) in March 2023. This was over 6,000 more journeys than the 2019 high of 107,310 journeys (SA) and over 10,000 more journeys than the 2022 high of 102,755 journeys (SA). Peak morning and evening traffic volumes increased in April by 2.2% and 2.3% YoY respectively. This suggests that more employees are returning to the office instead of working from home.

GALWAY AVERAGE DAILY TRAFFIC COUNT ('000S, SA)



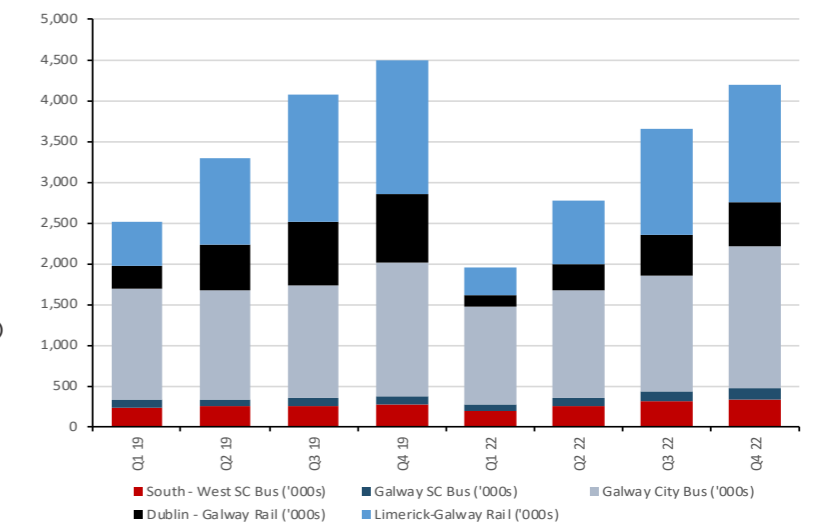
Source: TII. Seasonally Adjusted by Grant Thornton. Data is weekly. Galway includes city and county.

	April 2023
<b>Average Daily Traffic Count (SA)</b>	<b>92,942</b>
<b>Year on Year % Change</b>	<b>+8.0%</b>
<b>Peak Volume Count (AM)(SA)</b>	<b>6,333</b>
<b>Year on Year % Change</b>	<b>+2.2%</b>
<b>Peak Volume Count (PM)(SA)</b>	<b>7,925</b>
<b>Year on Year % Change</b>	<b>+2.3%</b>

## PUBLIC TRANSPORT USAGE CONTINUES TO RECOVER

Public transport usage in Galway continued to recover in Q4 2022. A total of 4.2 million journeys (SA) were undertaken by bus and rail in Q4, a 15.1% increase QoQ. Growth of 549,500 trips QoQ was driven by an expansion of 345,000 bus journeys (+18.5%) and 204,500 rail journeys (+11.5%). Total usage in the quarter was back to over 93% of the pre-pandemic level of 4.49 million journeys in Q4 2019.

PUBLIC TRANSPORT THOUSAND TRIPS (SA)



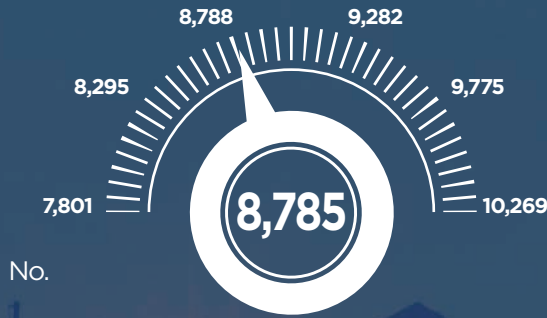
Source: NTA. Seasonally adjusted by Grant Thornton. Galway includes city and county.

	Q4 2022
<b>Public Transport Thousand Trips (SA)</b>	<b>4,197.4</b>
<b>Quarter on Quarter Change % Change</b>	<b>+15.1%</b>

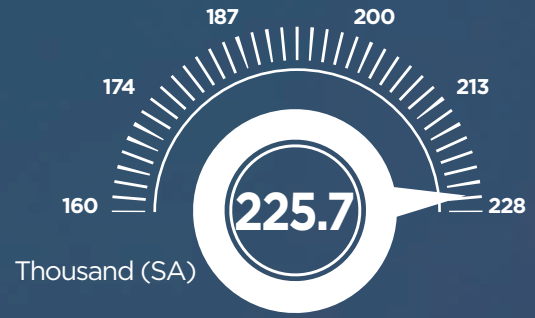
# GALWAY ECONOMIC SCORECARD

## Labour Market

People on Live Register County Galway March 2023



West Region Employment Q4 2022



## Housing

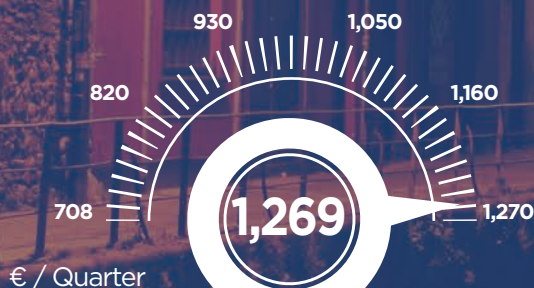
Residential Property Transactions Jan 2023



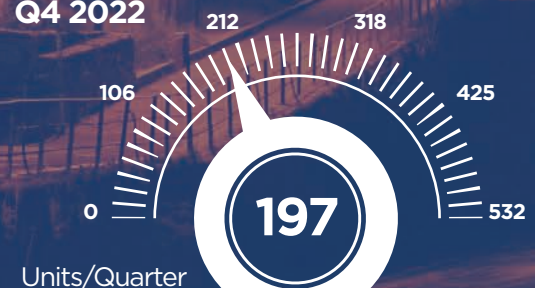
Residential Property Price Index Jan 2023



Average Residential Rents Q3 2022



Housing Commencements Q4 2022



## Transport

Public Transport Trips Q4 2022



Average Daily Traffic Count April 2023



**Sources:** CSO, TII, DHLGH, Galway Port, Public Transport NTA, Residential Rents RTB.

**Note:** These “petrol gauge” charts present the performance of the particular indicator relative to minimum and maximum values. Each gauge presents the latest value compared to the trough value and peak value over the last 10+ years (except for number of people on the live register which covers the last 2 years, public transport trips which covers 2019 and 2022 and average daily traffic count which covers the last 4 years).