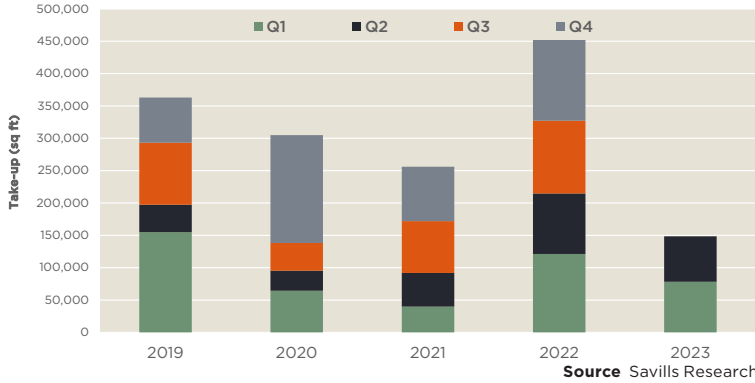


Cardiff Occupational Office Data H1 2023



Cardiff Office Market Round-Up

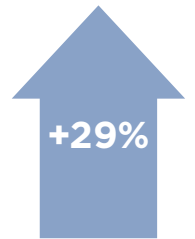
Take-up



Total take-up in H1 was 148,463 sq ft which was broadly in line with the five-year H1 average for the market. Q2 take-up of 70,000 sq ft was 29% above the five-year Q2 average, albeit 17% below the 10-year average as the market continues to operate under challenging conditions.

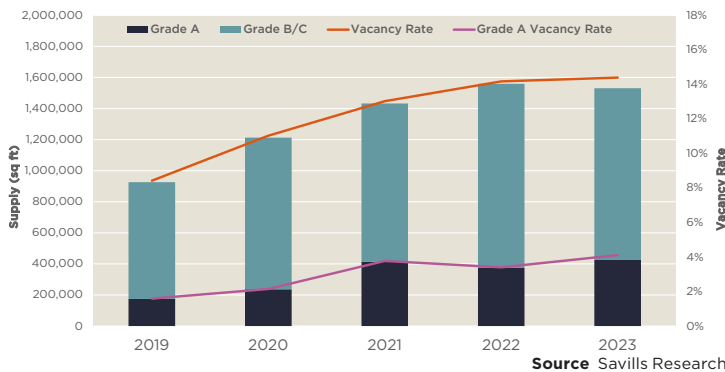
From a deal count perspective, there were 53 completed transactions in H1 2023. This was 26% above the long-term H1 average and the second largest number of completed H1 deals in the last 10 years.

Take-up and supply Key data points



Q2 take-up was 29% above the five-year Q2 average

Supply



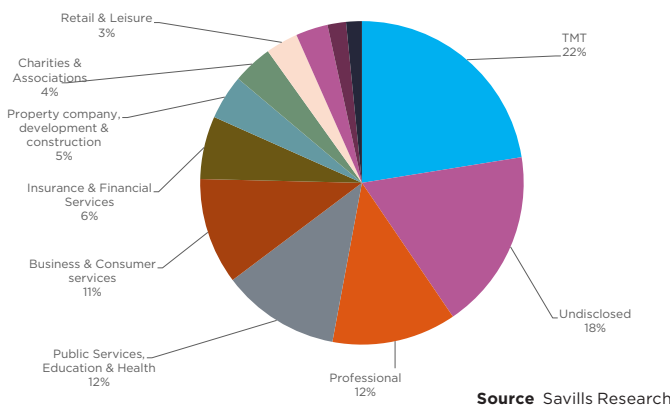
Total availability at the end of H1 stood at 1.53m sq ft. This means that availability decreased marginally by 2% in the first half of 2023. Grade A supply stood at 425,000 sq ft at the end of the quarter which represented a 14% increase on the Q4 2022 total. That being said, Grade A availability still only accounts for 28% of the total market supply and Savills expects this to fall further in the remaining quarters of 2023.

Total vacancy rate for the market stood at 14% at the end of Q2. The Grade A vacancy rate remains low, reaching 3.9% at quarter end.



53 Completed lettings which was 26% above the long-term H1 average

Take-up by business sector



'TMT' was the most active in H1 2023, accounting for 22% of total take-up. This was spread across five transactions which included the 19,000 sq ft Grade A letting to Veezu at Hodge House which was the largest deal in the first half of the year.

Elsewhere, it was a strong start to the year for 'Professional'. Take-up for the sector reached 18,500 sq ft, accounting for 12% of the take-up total. This puts the sector on track to improve its total annual market share in 2023 after recording a 10% share of demand in 2022.

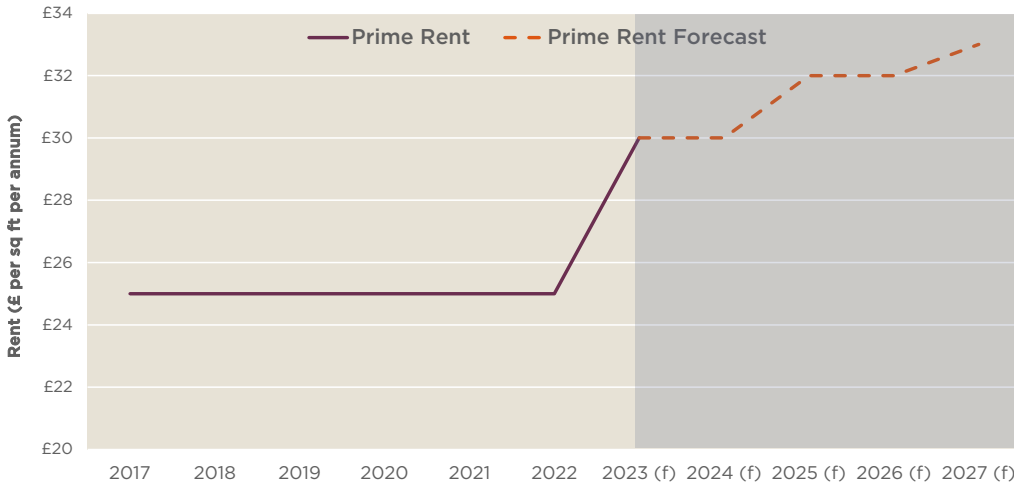


-2% Supply decrease in the first half of 2023



19,000 sq ft Largest letting in H1 2023 to Veezu at Hodge House

Rents



Source Savills Research

There was no change in the prime rent in Cardiff during H1 2023. Although the prime rent remains at £25 per sq ft, Savills latest rental forecasts are expecting the prime rent to significantly increase in Cardiff to £30 per sq ft in the second half of 2023. This would represent an impressive growth rate of 20% for a market that has not experienced prime rental growth since 2016.

Drivers For Growth



7%

Expected GVA growth over the next five years



6%

Expected office-based employment increase over the next 10 years



2,200

New jobs in the professional, tech and scientific sector in the next 10 years

Source Oxford Economics

Key Market Data

	Data	Comparison to H1 2022	Comparison to H1 2019
Take-up H1 2023 (sq ft)	148,463	-31%	-25%
Grade A Take-up H1 2023 (sq ft)	27,964	-72%	-62%
Deal Count H1 2023	53	+7%	+8%
Average Deal Size (median) (sq ft)	2,025	-10%	-3%
5-Year Average H1 Take-Up (sq ft)	146,489	-	-
H1 Supply (sq ft)	1,540,484	-9%	+43%
H1 Grade A Supply (sq ft)	425,118	-9%	+195%
Prime rent (£ per sq ft per annum)	£25	No change	No change

Source Savills Research

Savills team

Please contact us for further information

Gary Carver

Director
Office Agency
02920 368 963
gcarver@savills.com

Will Evans

Surveyor
Office Agency
02920 368 962
will.evans@savills.com

Clare Bailey

Director
Commercial Research
020 7409 8863
cbailey@savills.com

George Roberts

UK Office Analyst
Commercial Research
020 7016 3790
george.roberts@savills.com

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