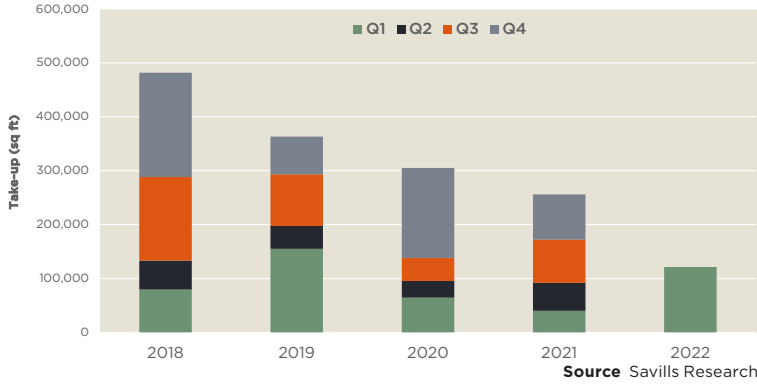


Cardiff Occupational Office Data Q1 2022



Cardiff Office Market Round-Up

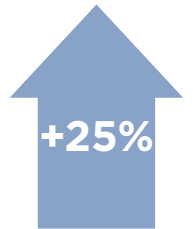
Take-up



Q1 2022 take-up, totalling 121,000 sq ft, was the highest Q1 take-up since 2019, and 214% above the Q1 2021 total. In terms of deal count, there were 21 transactions in Q1 2022 which was in line with the five year average for the Cardiff market.

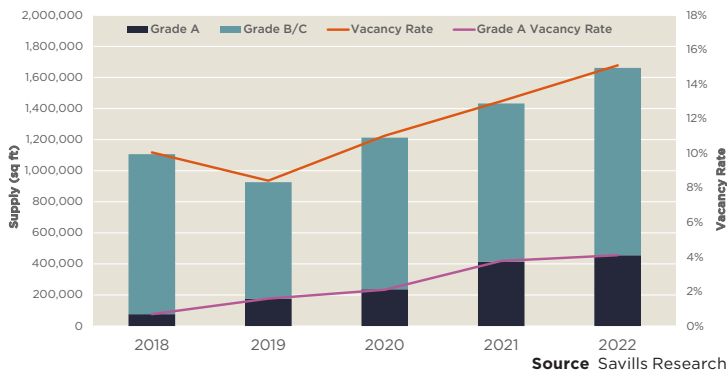
Grade A take-up of 89,000 sq ft accounted for 74% of total take-up in Q1. This return was a notable success for the market given that over the last five years the average proportion of Grade A take-up in Q1 was just 39%.

Take-up and supply Key data points



Q1 2022 take-up was 25% above the 10 year Q1 average

Supply



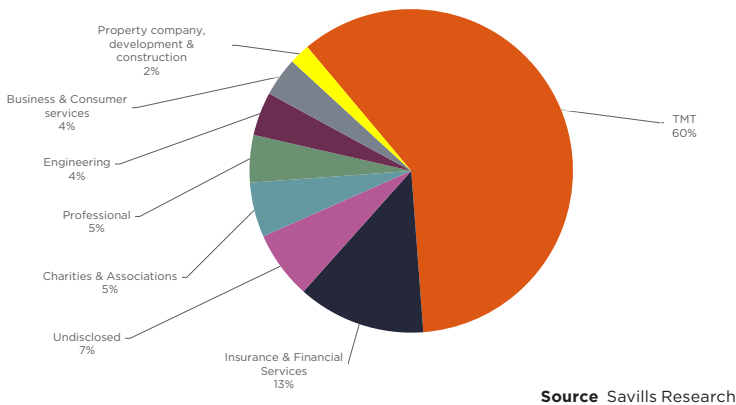
Total supply increased in the first quarter of 2022 to 1.65 million sq ft which represented a 16% increase from Q4 2021. That being said, with a limited development pipeline and a strong start to 2022 in terms of take-up, Savills predicts that supply in the market will reduce in the remaining quarters of the year.

Grade A supply currently sits at 455,000 sq ft. This represents an increase of 10% on the 2021 total. In addition, the total vacancy rate has increased to 15.1%, which is a 2.1% growth on the 2021 figure. Grade A vacancy rate has also grown by 1.3% to 4.1%.



Vacancy rate has increased in every year since 2019

Take-up by Business Sector



The 'TMT' sector was the most active sector in Q1 2022, accounting for 60% of overall take-up. This included the 65,000 sq ft letting to BT at Capital Quarter. This represents an excellent start to the year for the sector, with total take-up of 72,000 sq ft surpassing the annual 2021 total by over 200%.

It was also a strong start to the year for 'Insurance & Financial Services', which took a 13% share of overall take-up. This included the 12,000 sq ft Grade A letting to Carlyle Trust Ltd at One Central Square.

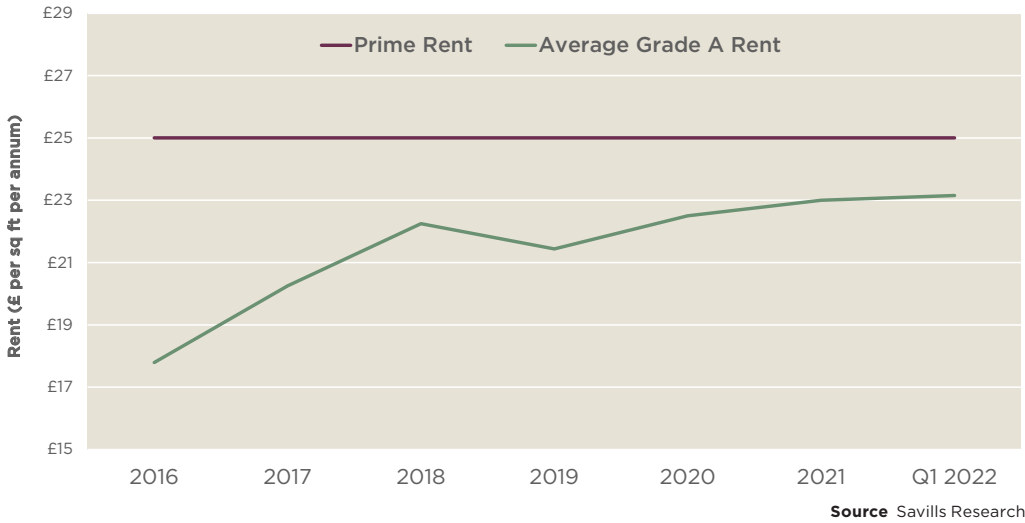


65,000 sq ft
Largest letting in Q1 2022



150%
Increase in the number of Grade A deals completed compared to Q1 2021

Rents



There was no change in the prime rent in Cardiff in Q1 2022. Although the prime rent remains at £25 per sq ft, Savills is expecting the prime rent to grow for the first time in six years in 2022 with current forecasts predicting that the prime rent could reach close to £30 per sq ft by the end of the year. Average Grade A rents have increased significantly from 2015 to 2021. This trend continued in Q1 2022, with average Grade A rents increasing from £23 to £23.15 at quarter end.

Drivers For Growth



12%

Expected GVA growth over the next 5 years



5%

Expected office based employment increase over the next 5 years



2270

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

Source: Oxford Economics

Key Market Data

	Data	Comparison to Q1 2021
Take-up Q1 2022 (sq ft)	121,275	+204%
Grade A Take-up Q1 2022 (sq ft)	89,306	+125%
Average Deal Size (sq ft)	5,775	+74%
10-Year Average Q1 Take-Up (sq ft)	97,388	-
5-Year Average Q1 Take-Up (sq ft)	97,356	-
Q1 Supply (sq ft)	1,661,941	+25%
Q1 Grade A Supply (sq ft)	455,504	-13%
Years of Supply*	4	-
Prime Rent	£25	0%

*calculated by dividing total supply by 5-year average annual take up

Source: Savills Research

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