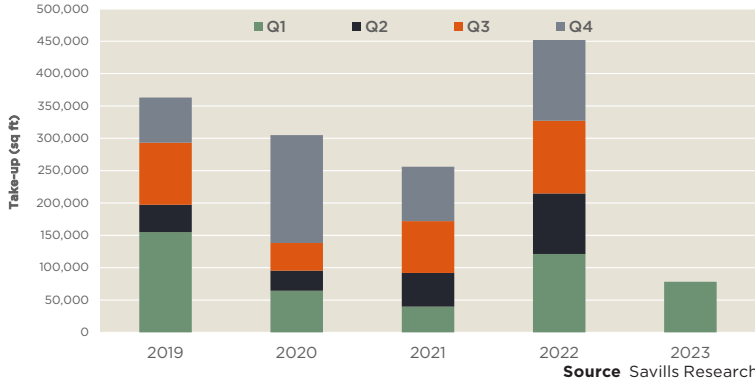


Cardiff Occupational Office Data Q1 2023



Cardiff Office Market Round-Up

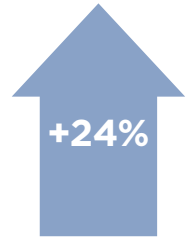
Take-up



Total take-up in Q1 was 78,000 sq ft. Take-up was spread across 26 completed transactions which was the largest number of completed Q1 transactions since 2019 and 24% above the five-year average for the market.

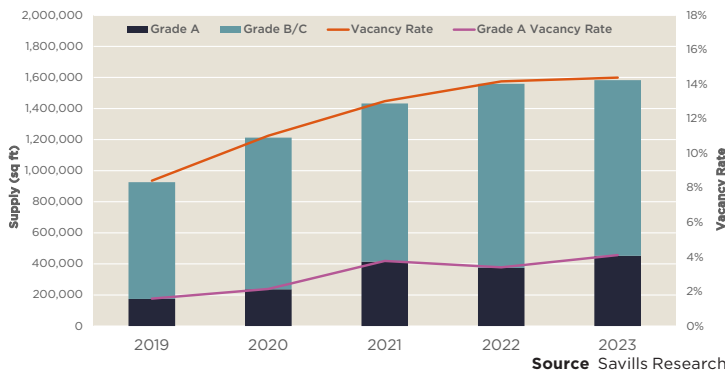
Market activity in Q1 was driven by the smaller size bands in the market with no deals over 10,000 sq ft. 37% of take-up was for spaces under 3,000 sq ft but the most active size band was 5,000-9,999 sq ft which accounted for 43% of total take-up.

Take-up and supply Key data points



Increase in number of completed deals compared to Q1 2022

Supply



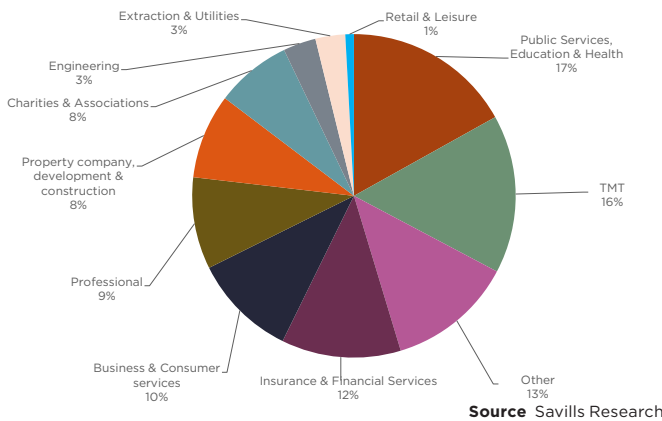
Total availability at the end of Q1 stood at 1.6m sq ft. This means that availability increased marginally by 2% in the first quarter of 2023. Grade A supply stood at 450,000 sq ft at the end of the quarter which represented a 21% increase on the Q4 2022 total. That being said, Grade A availability still only accounts for 29% of the total market availability which is relatively low when compared the 71% share for Grade B and C space.

Total vacancy rate for the market stood at 14.4% at the end of Q1. The Grade A vacancy rate remains low, reaching 4.1% at quarter end.



2% Increase in supply compared to Q4 2022

Take-up by business sector



'Public Services, Education & Health' was the most active in Q1 2023, accounting for 17% of total take-up. This was spread across five transactions, the largest of which being the 9,200 sq ft acquisition by Media Academy Cymru at Waterfront 2000.

Elsewhere, it was a strong start to the year for 'Business & Consumer services'. Take-up for the sector reached 8,100 sq ft across four transactions. This means that it has already achieved 46% of the total take-up achieved in 2022 with three quarters of the year still to go.

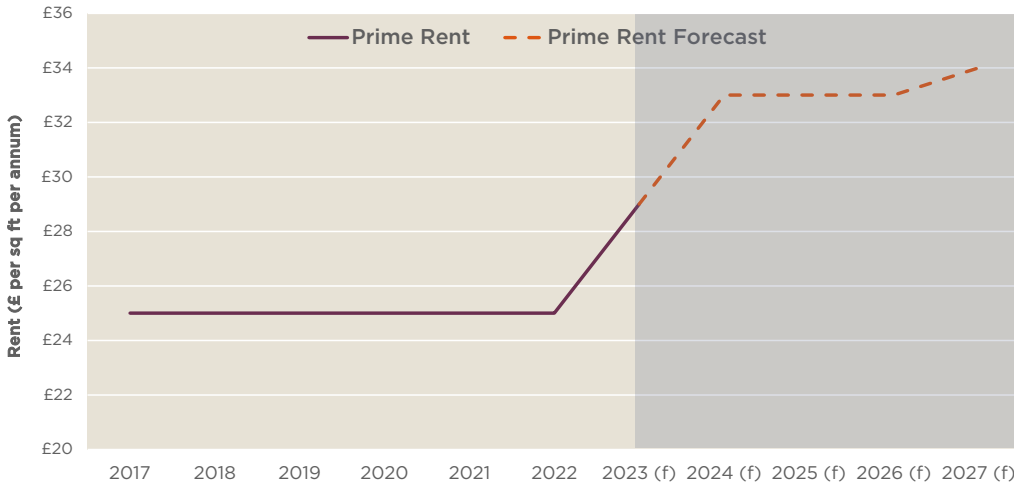


9,844 sq ft
Largest transaction in Q1 2023



26
Completed transactions in Q1 2023

Rents



Source Savills Research

There was no change in the prime rent in Cardiff during Q1 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 £29 per sq ft by the end of 2023. This would represent an impressive annual growth rate of 16% for a market that has not experienced prime rental growth since 2016.

Drivers For Growth



8%

Expected GVA growth over the next five years



4%

Expected office-based employment increase over the next five years



2,310

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

Source Oxford Economics

Key Market Data

	Data	Comparison to Q1 2022	Comparison to Q1 2019
Take-up Q1 2023 (sq ft)	78,232	-35%	-50%
Grade A Take-up Q1 2023 (sq ft)	3,790	-96%	-95%
Deal Count Q1 2023	26	+24%	-21%
Average Deal Size (median) (sq ft)	2,309	No change	+11%
5-Year Average Q1 Take-Up (sq ft)	92,019	-	-
Q1 Supply (sq ft)	1,582,705	-5%	+56%
Q1 Grade A Supply (sq ft)	452,016	No change	+137%
Prime rent (£ per sq ft per annum)	£25	No change	No change

Source Savills Research

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