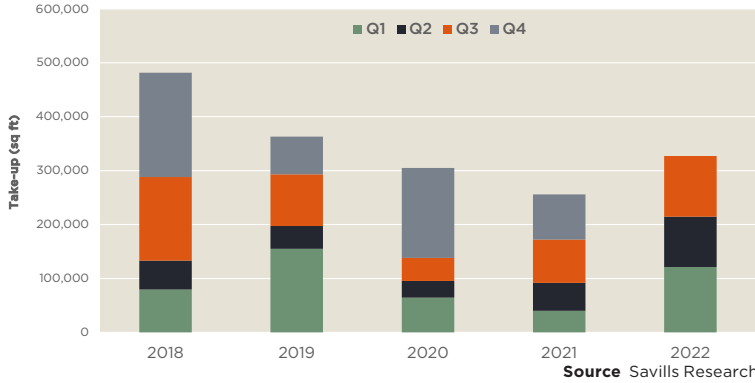


Cardiff Occupational Office Data Q3 2022



Cardiff Office Market Round-Up

Take-up



Q3 take-up totalled 112,000 sq ft. This was 17% above the pre-Covid Q3 2019 total and was just 16% below the long-term Q3 average for the market. There were 31 transactions in Q3 2022 which was 19% above the five-year Q3 average for the market.

This takes 2022 total take-up to 327,000 sq ft which already surpasses the annual total achieved in 2021 by 28%.

Grade A take-up of 24,000 sq ft accounted for 21% of total take-up in Q3. The largest Grade A deal was the 10,000 sq ft acquisition by PWC at One Kingsway.

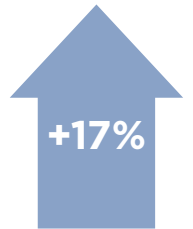
Total supply reached 1.6 million sq ft at the end of Q3 2022. This represented a decrease of 5% on the Q2 2022 total. That being said, with a strong year so far in terms of take-up and a limited development pipeline, Savills expects the supply total to continue to decrease in the remaining quarter of 2022 and into 2023.

Grade A supply currently sits at 330,000 sq ft. This represents a significant decrease of 29% on the Q2 total. With resilient demand for best-in-class space Savills expects the Grade A supply total to continue to fall moving towards 2023.

The 'Public Services, Education & Health' sector was the most active in Q3, accounting for 28% of the take-up. This included the 17,000 sq ft letting to the University of Wales Trinity St David at Haywood House North in the city centre.

Elsewhere, it was a successful quarter for 'Property Companies, Development and Construction' which was the second most active sector, accounting for 25% of the Q3 total spread across two deals.

Take-up and supply Key data points



Q3 2022 take-up was 17% above the Q3 2019 total



40% Increase in the number of completed Grade A deals compared to the five-year average

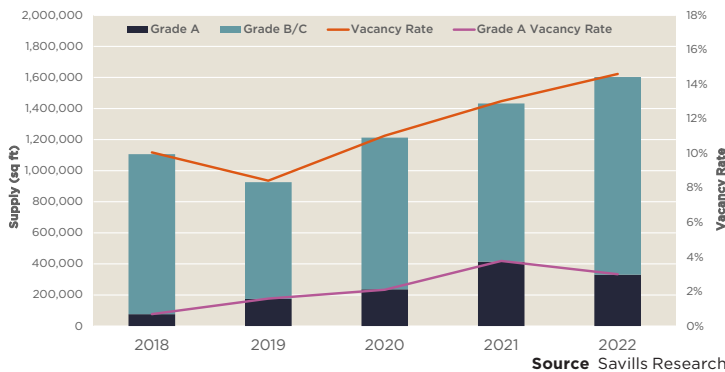


28,000 sq ft Largest transaction in Q3 2022

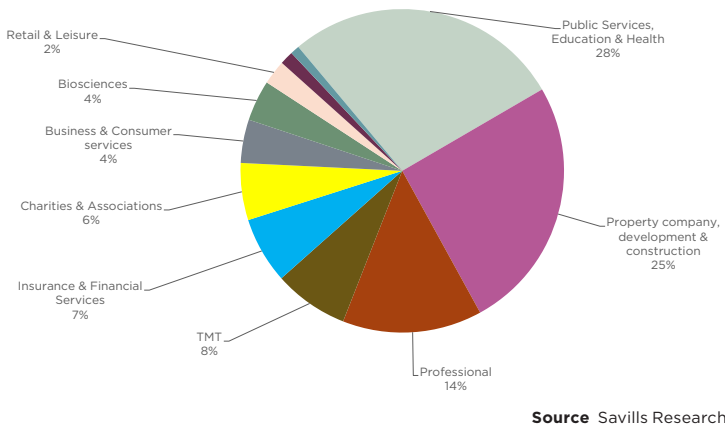


31 Completed transactions in Q3 2022 which was 19% above the five-year average

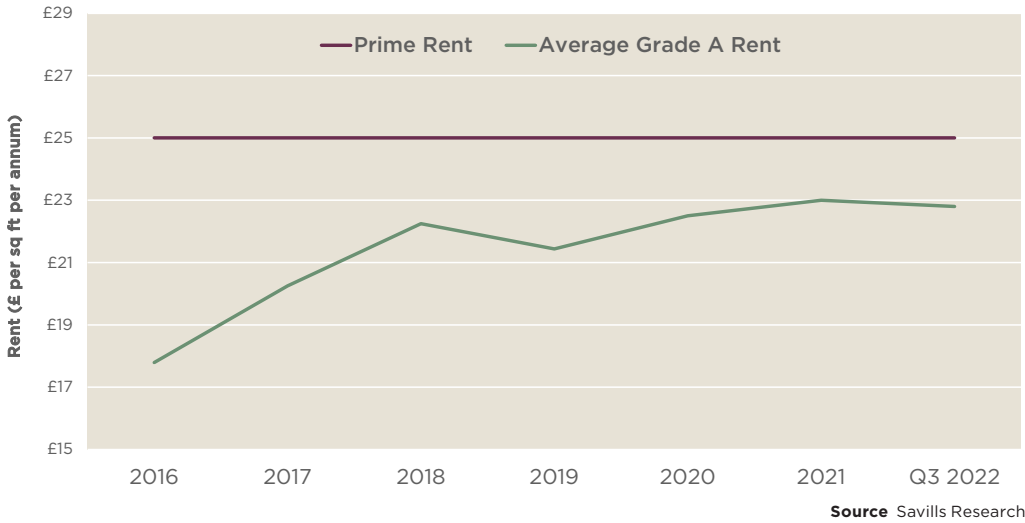
Supply



Take-up by Business Sector



Rents



There was no change in the prime rent in Cardiff in Q3 2022. Although the prime rent remains at £25 per sq ft, Savills latest rental forecasts are predicting rental growth in the market for the first time in 6 years with the likelihood that rents will top £30 per sq ft by the end of 2022/early 2023. Average Grade A rents have increased significantly from 2015 to 2022, with average Grade A rents standing at £22.80 at the end of Q3.

Drivers For Growth



6%

Expected GVA growth over the next 5 years



3%

Expected office based employment increase over the next 5 years



2000

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

Source: Oxford Economics

Key Market Data

	Data	Comparison to Q3 2021	Comparison to Q3 2019
Take-up Q3 2022 (sq ft)	112,329	+40%	+17%
Grade A Take-up Q3 2022 (sq ft)	23,607	-8%	-13%
Average Deal Size (median) (sq ft)	1,850	+18%	-5%
10-Year Average Q3 Take-up (sq ft)	177,378	-	-
5-Year Average Q3 Take-up (sq ft)	144,859	-	-
Q3 2022 Supply (sq ft)	1,602,783	+17%	+55%
Q3 2022 Grade A Supply (sq ft)	330,552	-35%	-
Years of Supply*	3.8	-	-
Prime Rent	£25	No change	No change

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

Source: Savills Research

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