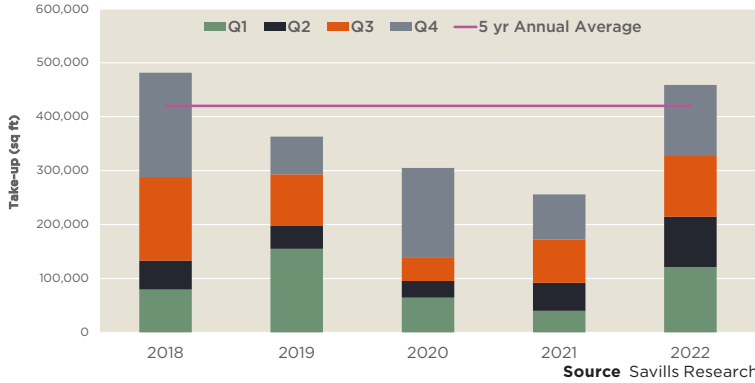


# Cardiff Occupational Office Data Q4 2022



## Cardiff Office Market Round-Up

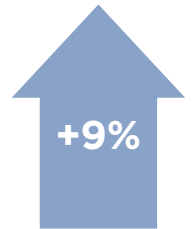
### Take-up



Total take-up in 2022 was 460,000 sq ft. This was a successful year for the Cardiff market recording its best annual take-up performance since 2018 and beating the five-year average for the market by 9%. Take-up was spread across 112 transactions which was the highest total of completed deals since 2007.

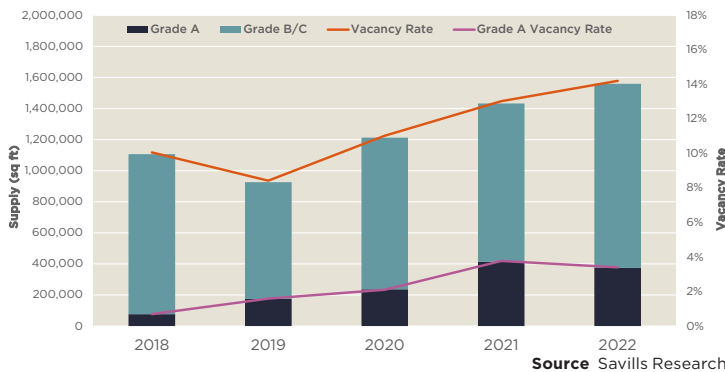
There was just over 200,000 sq ft of Grade take-up in 2022 which accounted for 44% of total take-up. This was up 5% on the five-year annual average Grade A proportion of 39% as the flight-to-quality picks up in the post-pandemic market.

### Take-up and supply Key data points



2022 take-up was 9% above the five-year annual average

### Supply



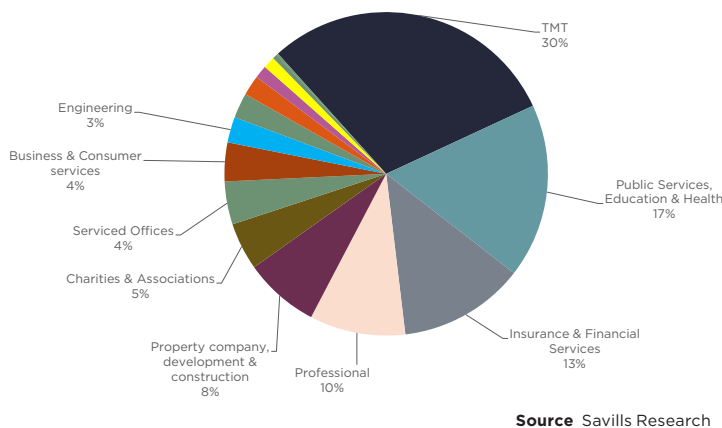
Total supply was 1.55m sq ft at the end of 2022. This represented an increase of 9% on the 2021 total. That being said, this increase in supply was mostly due to Grade B and C space returning to the market which will be unlikely to let without refurbishment.

Grade A supply was 375,000 sq ft at year end. This represented a decrease of 10% on the Q4 2021 total which reinforces the occupier demand for the highest quality space that is available in the market. This is reflected by the falling Grade A vacancy rate, which stood at just 3.4% at the end of 2022.



22 Completed Grade A lettings. The highest annual total since 2007

### Take-up by Business Sector



The 'TMT' sector was the most active in Cardiff this year, accounting for 30% of total take-up. This was spread across 17 completed lettings with the largest being the 65,000 sq ft deal to BT at 3 Capital Quarter in Q1

Elsewhere, 'Public, Services, Education and Health' was the second most active, accounting for 17%. The largest letting was 17,000 sq ft to University of Wales Trinity St David and with a annual deal count of 18, no sector completed more transactions than 'Public Services, Education & Health' in 2022.

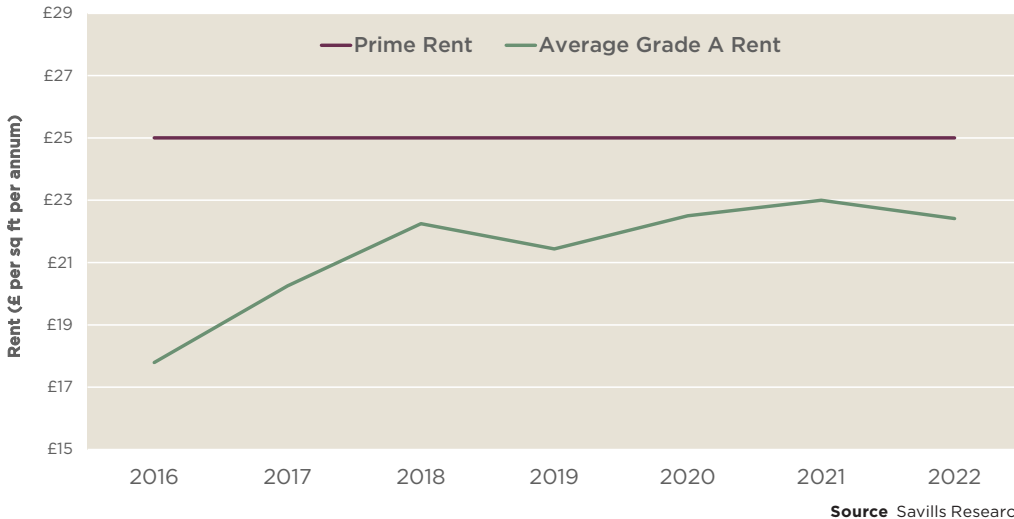


65,000 sq ft Largest transaction in 2022



112 Completed deals in Cardiff in 2022 which was 32% up on the five-year annual average

## Rents



There was no change in the prime rent in Cardiff during 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 7 years with the likelihood that rents will reach £29 per sq ft in early 2023. Average Grade A rents have increased significantly from 2015 to 2022, with average Grade A rents standing at £22.41 at the end of 2022.

## Drivers For Growth



8%

Expected GVA growth over the next 5 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 2021	Comparison to 2019
Take-up 2022 (sq ft)	459,074	+79%	+26%
Grade A Take-up 2022 (sq ft)	203,253	+412%	+81%
Average Deal Size (median) (sq ft)	2,134	+21%	+2%
10-Year Average Take-up (sq ft)	452,461	-	-
5-Year Average Take-up (sq ft)	420,190	-	-
Q4 2022 Supply (sq ft)	1,559,093	+9%	+68%
Q4 2022 Grade A Supply (sq ft)	330,552	-10%	+115%
Years of Supply*	3.7	-	-
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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