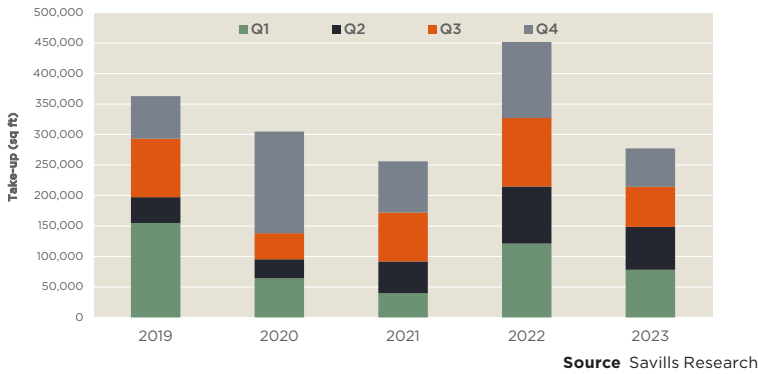


Cardiff Occupational Office Data Q4 2023



Cardiff Office Market Round-Up

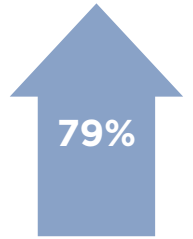
Take-up



In the final quarter of 2023, take-up in Cardiff totalled 63,000 sq ft, across 19 deals done. This was 5% below the total in Q3 2023, and 44% below the five-year average. Overall, 79% of deals were sub 5,000 sq ft, continuing to show occupiers preference for smaller space.

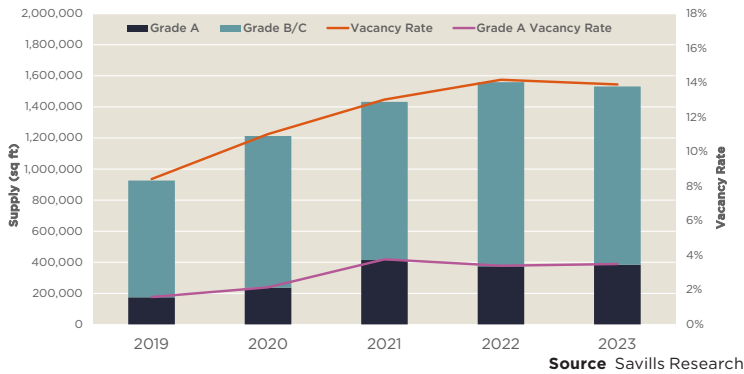
Grade A take-up totalled 19,000 sq ft in Q4, comprising 30% of the total over 2 deals done. The largest deal for Grade A space acquired saw Rolls Royce occupy 13,000 sq ft at St David's House.

Take-up and supply Key data points



79% of Q4 2023 take-up below 5,000 sq ft

Supply



At the end of the quarter, total availability stands at 1.5 million sq ft, 3% down on Q3 2023 and 2% down on Q4 2022 supply with 75% of this availability being secondary space. Although take-up has decreased in 2023, the vacancy rate has continued to decline to 13.9%, a decrease of 50 basis points from Q3 2023.

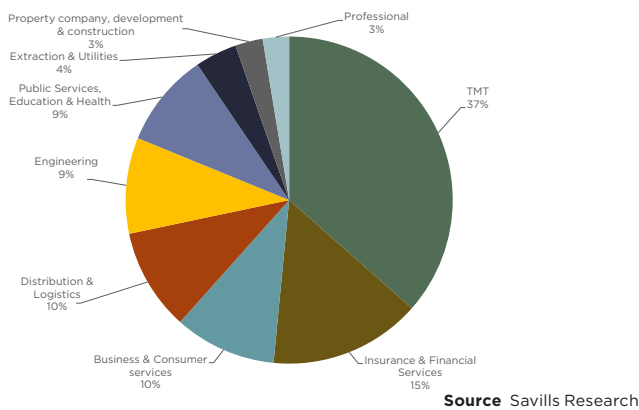
Current Grade A availability in Q4 equates to 384,000 sq ft, which accounts for 25% of the overall total. This represents a 3% increase on Q4 2022 Grade A levels.



19

Completed lettings in Q4

Take-up by business sector



The most active sector during Q4 2023 was the 'TMT' sector, accounting for 37% of the total. The sector leased a combined total of 22,000 sq ft over 4 transactions in the quarter, the largest total of take-up since Q2 2022.

The sector that leased the second largest proportion of take-up was the 'Insurance & Financial Services' sector, with a combined total of 9,000 sq ft; 15% of the overall total. The largest deal in the sector was All Clear Insurance Services Ltd, who leased 6,000 sq ft of space at Churchill House, therefore accounting for 69% of the sectors take-up.



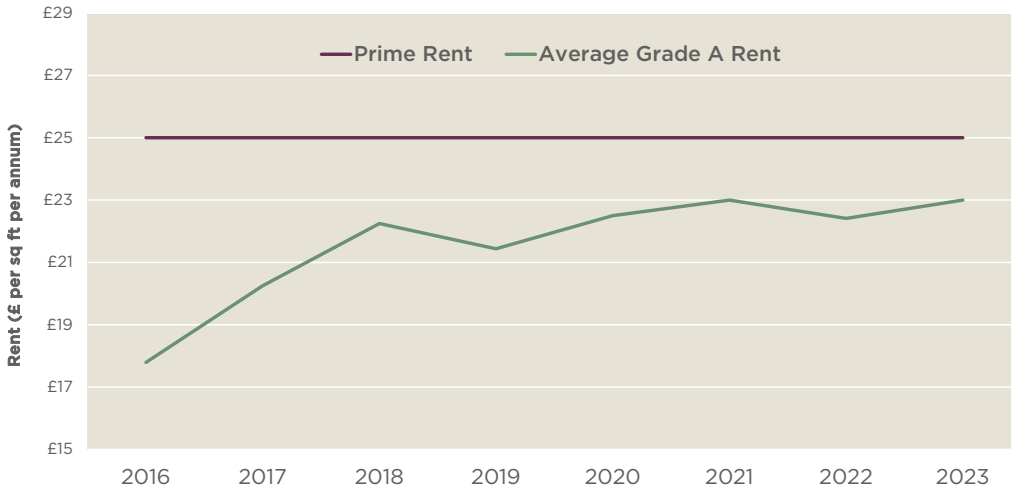
-3%

Total Q4 supply decrease on Q3 2023



13,000 sq ft
Largest deal in Q4 2023 to Rolls Royce at St David's House

Rents



Source Savills Research

There was no change in the Prime rent in Cardiff during Q4 2023, with the Prime rent remaining at £25 per sq ft. There has however been an increase in 2023 overall, with average rent rates rising for Grade A space to £23 per sq ft. This represents an increase of 4% on 2022 average Grade A rents, therefore closing the gap against Prime rents in the market. Looking at growth forecasts, it is expected that Prime rents in Cardiff will reach £28 per sq ft during 2024 and could potentially reach £30 per sq ft by the end of the year, if a pre-let is achieved in the speculative John Street development.

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 2022	Comparison to 2019
Take-up 2023 (sq ft)	277,222	-40%	-24%
Take-up Q4 2023 (sq ft)	62,822	-52%	-25%
Grade A Take-up Q4 2023 (sq ft)	18,758	-76%	+76%
Deal Count Q4 2023	19	-37%	-21%
Average Deal Size (median) (sq ft)	2,254	+6%	+5%
10-Year Average Q4 Take-Up (sq ft)	147,415	-	-
Q4 Supply (sq ft)	1,531,183	-2%	+65%
Q4 Grade A Supply (sq ft)	383,824	+3%	+120%
Prime rent (£ per sq ft per annum)	£25	N/A*	N/A*

* historic comparison not possible with new 'Prime' category introduced in Q4 2022

Source Savills Research

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