



Cardiff Offices



Cardiff has been hailed as a leading centre for Media and Television

The Independent Review of the Creative Industries, which was commissioned by the government in 2017, found that Cardiff had become one of the UK's largest media production centres outside of London, with BBC Wales, ITV Wales, S4C and over 600 independent TV production firms based there. With Cardiff Capital Region home to the UK's third biggest audio-visual media sector, there is potential for continued exponential growth.

The Cardiff area has long been established as a leading centre of media production, innovation and the creative industries and has developed one of the strongest media sector growth rates in the UK, attracting one in eight of all new UK jobs in film/TV, producing global successes on film and TV shows including Sex Education, His Dark Materials, Doctor Who and Dream Horse.

The regeneration of Cardiff Bay has seen many production studios move into the area, including BBC Roath Lock Studios, where Doctor Who, Casualty and Welsh soap Pobol y Cwm are filmed, and ITV Wales' news production facilities. BBC Cymru Wales has also recently moved into the city centre taking 155,000 sq. ft at Central Square, with Roku, America's number one TV streaming platform, also taking over 20,000 sq ft at Fusion Point One, putting Cardiff firmly on the map as one of the UK's leading locations for film and television.

Time and time again, clusters of emerging talent drive the creation of jobs and new businesses, and attract investment capital. With Cardiff's University-led consortium winning a £50m bid to develop a world-leading cluster for media innovation in the Cardiff Capital Region, this sector is only going to continue to grow. The UK Government has announced that £22.2m has been awarded to Welsh scheme media.cymru, with further investment coming from Cardiff Capital Region and the Welsh Government through Creative Wales. This significant backing from the UK Government will also help develop the region further, driving job creation and growth.

However, start-ups and creative ecosystems are key to growing a vibrant city, and the region needs a skills pipeline to continue this growth. In fact, Wolf Studio - located in one of the UK's largest purpose-built studios, in Cardiff Bay, which is home to a number of BBC/HBO co-productions - has attracted funding from Creative Wales to provide trainee opportunities in the form of paid placements. These placements are tracked and monitored to help create future career pathways for trainees and create a permanent pool of TV talent in Wales.

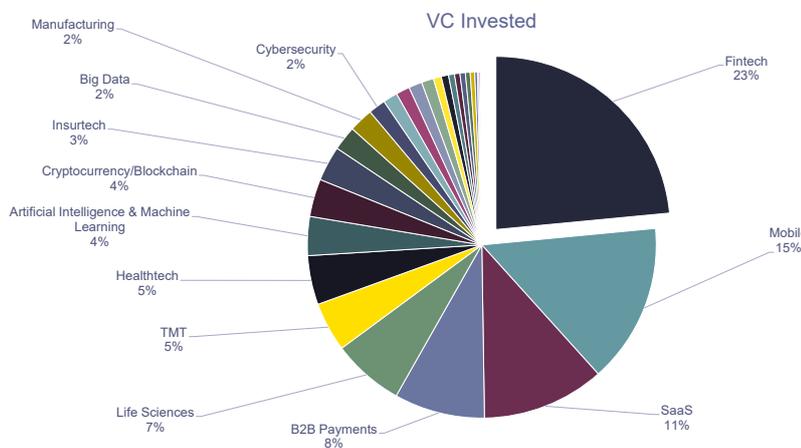
£8.2bn

The Welsh tech sector is worth £8.2bn



469% growth in start-ups between January-March 2022

The Venture Capital (VC) total since Jan 2020 to June 2022 is £144m in 87 deals with FinTech making up almost a quarter of this



Source Savills Research

Focusing on Fintech

Wales has led the way with financial disruptors as far back as 1995, with Monzo's decision to move into Cardiff in 2017 indicating the start of a new wave of Fintech

Wales has led the way with financial disruptors as far back as 1995, with homegrown Admiral establishing the UK's first price comparison website, Confused.com, cementing Cardiff's place as Europe's centre for online insurance aggregators.

More recently, Monzo Bank's original decision to move into Cardiff in 2017 successfully put the city on the map as a potential fintech hub for both established and start-up firms and Starling Bank's decision to follow Monzo indicated that a new wave of fintech firms were moving into Cardiff, presenting new and exciting prospects for the city's economy. In fact, Wales has the fastest-growing digital economy outside of London, and the Welsh tech sector is now worth an estimated £8.2bn and employs Almost 40,000 people with BT taking 65,000 sq ft of Grade A office space at the 3 Capital Quarter office building in the centre of the city which will become a hub for up to 900 employees.

The growth of the financial and professional sector in Wales has

led to a thriving Fintech cluster - in fact the FinTech sector has made up almost a quarter of the £144m (over 87 deals) in Venture Capital raised since the beginning of 2020.

Up and coming fintech companies include Wealthify, an online investment service using smart algorithms to democratise investing; Bipsync, providing research management software for investors, and Delio, an investment platform which connects a financial institution's high net worth clients with private investment opportunities.

Cardiff-based fintech company Delio has secured an additional £6.1m in growth funding to cement its position on the international wealth tech scene and expand its offering. The latest backing of the Welsh fintech comes from Octopus Ventures, one of the most active venture capital investors across Europe.

Cardiff also has one future unicorn (futurecorn) - defined as a high-growth tech company predicted to be worth \$1 billion in valuation in the next few years - in the form of fintech platform

Sonovate, which provides finance and tech solutions to recruitment agencies and other businesses to engage contractors and freelancers.

With a government that encourages entrepreneurs, and an abundance of talent graduating from the region's universities, it is not surprising that Cardiff Capital Region has invested £1.6 million into the not-for-profit organisation, FinTech Wales. The organisation exists as a global voice for Welsh-based FinTech and Financial Services. FinTech Wales brings together entrepreneurs, small, medium and large enterprises, tech suppliers, universities, higher and further education, schools and the public sector, and indeed, anyone who plays a part in enabling and supporting this sector.

As well as nurturing supporting those businesses already in Wales, it will develop the ecosystem to help FinTech companies start-up or scale-up in Wales and aims to establish the country as a pillar of the global FinTech economy.

💬 **The Welsh Tech sector is worth an estimated £8.2 billion and employs almost 40,000 people** 💬

Investment overview

Throughout the first quarter of 2022, Cardiff saw total commercial investment volumes of £56 million, with 15% (£8 million) of this coming from the office sector. The majority of office investment during the first quarter came from UK property companies, which accounted for 89% of investment in value.

The most significant office investment transaction was the sale of Trade Collective by Aegon Asset Management to Telereal Trillium in March for a purchase price of £7.5 million. Savills represented the vendor on this transaction.

Investor demand continues to be focussed on prime stock, with downward pressure being placed on prime yields. The yield gap for prime and secondary offices is expected to widen with the rental growth outlook for prime green offices in undersupplied locations remaining compelling. Prime and secondary yields remain at 5.5% and 7%, respectively.



Total commercial investment volumes reached £56 million in Q1 2022, with £8m of this coming from the office sector.



15%
of investment volumes were for offices in Q1 2022



5.5%
Prime Cardiff office yield



Collaboration through creative spaces

Cardiff needs to create affordable and flexible office space for the city’s rapidly evolving start-up community

Cardiff is home to one of the fastest-growing digital clusters in the UK, and there is a realisation that nurturing and supporting this sector requires the right kind of workspaces and collaborative business support if they are to stay within the city.

There is a strong start-up community in Cardiff, with more than 4,300 new businesses set up in Wales in the first quarter of 2022 – with almost half registered in March alone – according to new research from insolvency and restructuring trade body R3 in Wales.

The number of start-ups in Wales has risen from 372 in January to 2,116 in March – an increase of 469%, which is the biggest percentage change in any region or nation across the UK. Wales also had the second highest rise in newly established companies between December 2021 and March 2022, with an increase of 385%.

It is essential that Cardiff creates an environment that can stimulate local growth and strengthen its own communities. So how does Cardiff deliver the business support and workspace to foster new, locally founded businesses at affordable levels?

Cardiff is starting to see the emergence of a new level of sustainable and flexible office space, such as the newly refurbished Coal House (front cover), which will provide an inspiring working environment with the credentials and flexibility to accommodate occupiers seeking best-in-class flexible office space in

Cardiff city centre.

However, for those just starting out, Tramshed (pictured above), offers support to early-stage start-ups, as well as working closely with colleges and universities to offer budding entrepreneurs a platform for growth in a commercial environment. Tramshed Tech’s original HQ in Grangetown, Cardiff consists of 25,000 sq ft of co-working and office space - located in a Grade II-listed building that was once the old tram depot. However, more recently, Tramshed and Hodge Bank have partnered to power a new tech and innovation hub in One Central Square. Perfectly located in the heart of the city’s business district, One Central Square sits alongside Cardiff Central Station and is surrounded by key support organisations, including BBC Wales HQ, Cardiff University’s School of Journalism, and the UK Government’s new Welsh HQ.

This kind of space isn’t limited to the city centre, Canton is an up-and- coming area for creatives, with the development of the Bone Yard, a thriving community of artists and creatives. The site houses a number of shipping container studios and independent businesses, as well as communal areas and events space.

Creating community is essential for start-ups. Cardiff Start, is a great example of a initiative to create connection and collaboration within the city – it is a recently launched programme that aims to connect entrepreneurs in the region

with business partnerships and investment. There are three key co-working spaces available: Indycube, and Welsh ICE (Innovation Centre for Enterprise), which enables start-ups to form a community with like-minded people.

Universities also play an important role in business start-up support. They not only finance incubators to support start-ups and contribute to their survival and growth, but these incubators are also managed by the university alongside spin-outs with other local businesses. Universities have become more and more entrepreneurial in their outlook, and companies now have a greater appreciation for the expertise they can offer.

A ground-breaking building on Cardiff University’s £300m innovation campus, campus sbark|spark aims to encourage out-of-the-ordinary creative thinking and the exploration of new possibilities. The centre will bring together 13 social science research groups collectively known as SPARK – the world’s first Social Science Research Park – alongside Cardiff Innovations@sbarc – a hub for innovation, start-ups and spinouts. It features collaborative working spaces, a visualisation centre, auditorium and fabrication lab, the hub provides the seedbed in which Wales can nurture and grow tomorrow’s big ideas as the UK recovers from the Covid-19 pandemic.

“ Coal House will provide an inspiring working environment for those occupiers looking for best-in-class flexible office space ”



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