

Cardiff

Office Market Report Q2/2023



Office take up in Cardiff for Q2 2023 has continued to be comparatively low vs the 5 year average, across both the city centre and out of town markets.

Total take-up of Cardiff office stock for Q1 stood at 70,231 sq. ft, this is 10 % less than was achieved in Q1 2023 (78,232 sq. ft) and was the result of 27 deals.

There were 17 deals recorded in the city centre, with an average deal size of 3,026 sq. ft. This is consistent with last quarter and reinforces the post-Covid trend for smaller lettings, as occupiers are seeking to rationalise their office size following the adoption of flexible working practices. The largest deal in Q2 by some margin was Veezu leasing 19,243 sq ft at Hodge House, followed by the leasing of 15 St Andrews crescent (5,430 sq. ft) by a financial services company.

The out of town sector had a subdued quarter, with only 9 recorded transactions with an average deal size of 2,016 sq. ft. The Bay also recorded a slow quarter, with only 1 deal transacting.

Apart from a couple of notable exceptions, there has been a continued absence of larger lettings during 2023 so far, however rumoured advanced interested in some of Cardiff's higher profile buildings, both in the city centre and OOT markets, is forecast to bolster take up figures for H2.

Headline rents in the city centre have remained stable at £25.00psf for approaching 5 years, but we anticipate that interest in the 107,000 sq. ft John Street development from a financial services firm, is expected to create a new bench mark Grade A rent of £27-£28 psf.

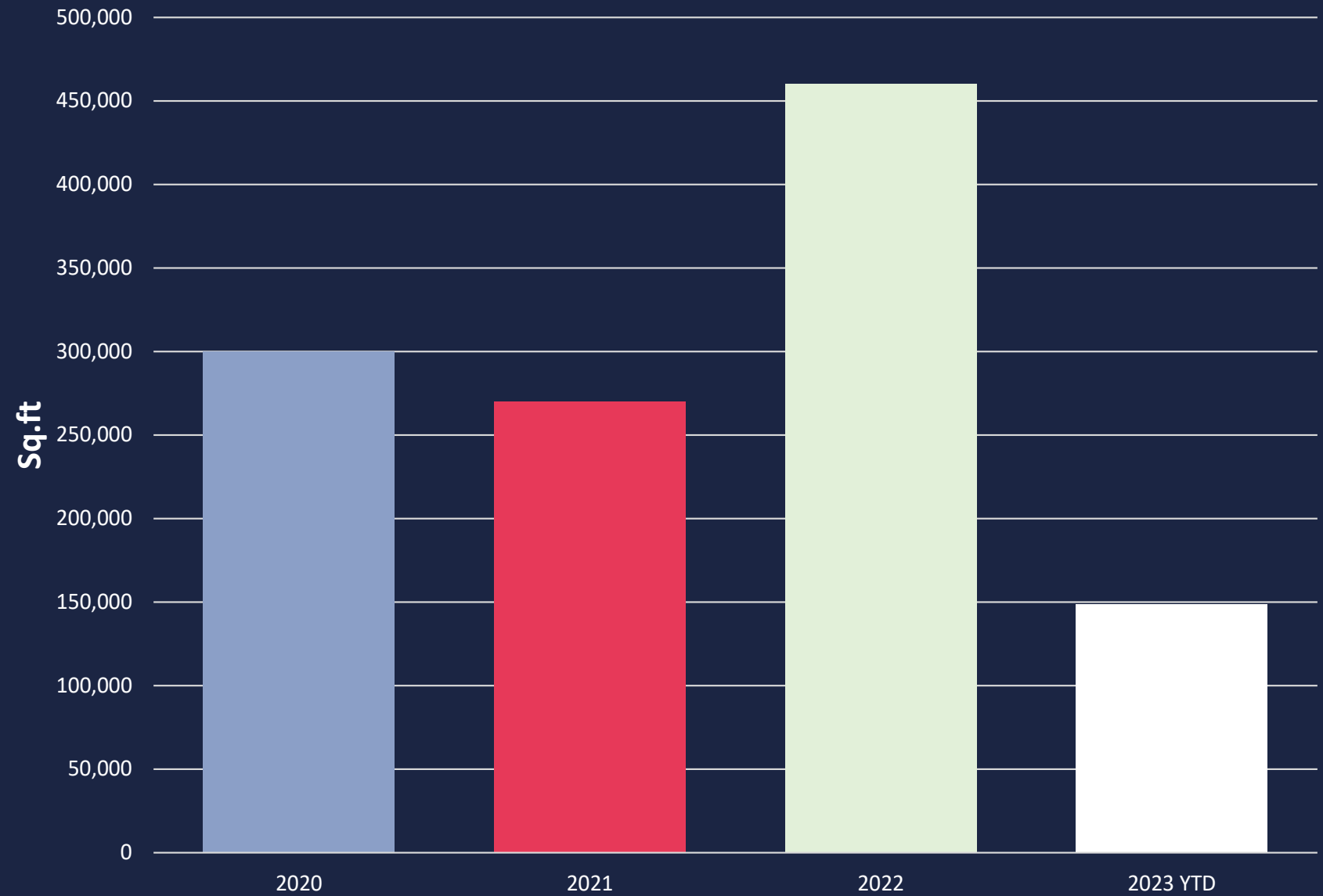


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IAS South Wales Takeup 2020-2023



Q2 2023 Office Take-up Stats



Total Deals
27



Q2 Takeup:
70,231 sq.ft



Grade A Supply
261,231 sq. ft



Average Headline Rent
£25 per sq. ft



Average deal size
3,026 sq. ft



City Centre Deals
17