

Cardiff Office Market Report Q3/2022

Total take-up of Cardiff office stock for Q3 stood at 112,329 sq.ft. This is 17 % more than the previous quarter (Q2, 93,422 sq.ft), and was the result of 31 deals, 2 more than in Q2.

Take up volume so far in 2022 is looking positive, with 327,026 sq.ft transacted at the end of Q3, with significant amounts of space under offer which should complete in Q4. This marks a welcome return to pre-pandemic levels, and is already considerably more than the combined total for 2021 of 255,949 sq.ft.

There were 2 deals of over 10,000 sq.ft in the quarter, with Price Waterhouse Coopers expanding into a further 10,211 sq.ft in 1 Kingsway, and UWTSO taking a lease of 16,953 sq.ft in Hayward House.

While it is encouraging to see the above '5 figure lettings', the trend remains for smaller deals, with the average deal size in the city centre this quarter of 2,950 sq.ft. This marks a continued downward trajectory in average deal size in 2022, with 6,841 sq.ft recorded in Q1, and 3,775 sq.ft recorded in Q2.

This reinforces the view that office occupiers are looking to reduce their foot print following the adoption of more flexible working patterns, a direct consequence of the pandemic.

Grade A rents remain relatively consistent between £22-25 per sq. ft, with the highest rent achieved this quarter of £24psf.

There were 4 sales in Q3 totalling 15,437 sq.ft, all taking place in the out of town sector, 3 of which were purchased for alternate use, including medical and religious.

This indicates the diverse range of demand across the market and highlights opportunities across business parks for a range of sectors, in addition to conventional office users.

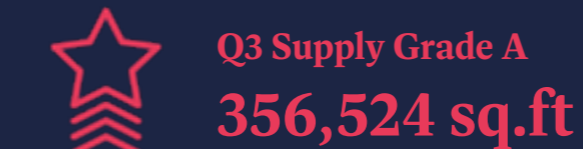
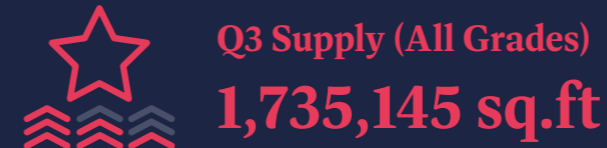
In particular demand from owner occupier remains strong, which is reflected in robust capital values, despite the competition for occupiers across the lettings market.



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Mark Siddons, Cooke & Arkwright / Associate Director

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TOTAL CARDIFF TAKE-UP 2019-2022

