

Cardiff

# Office Market Report Q3/2023



Cardiff's office take up during the first half of 2023 has been relatively subdued, which has continued into Q3, with 65,937 sq.ft of office space transacting.

This represents a 6% reduction in volume, and was the result of 17 deals, 10 fewer than occurred in Q2.

Overall take up to the end of Q3 is 214,400 sq.ft, compared with 327,037 sq.ft at the same point in 2022.

Based on space currently under offer we forecast take up will be below last year's total of 459,074 sq.ft, but likely to exceed 2020 and 2021 at 304,933 sq.ft and 259,949 sq.ft respectively.

The city centre recorded only 5 transactions, with an average deal size of 2,999 sq.ft. This is consistent with last quarter's average deal size, but was derived from 12 fewer transactions than occurred in Q2.

The largest city centre deal was recorded at Hodge House, with Arcadis leasing 6,715 sq.ft. This was a relocation from a 22,500 sq.ft out of town building in St Mellons, and reflects the general trend of occupiers downsizing and the 'flight to quality'.

On a positive note, the Out of Town sector was the busiest in terms of total volume and number

of transactions. Two of these deals were over 10,000 sq.ft, both of which were sales including 3 Alexandra Gate (16,292 sq.ft) and the Former RVS Building (10,145 sq.ft) at Cardiff Gate. These deals highlight the relative value available for owner occupiers when purchasing existing stock.

The office development pipeline is currently restricted to John Street (107,000 sq.ft). With a few office buildings on the city centre fringe now under offer and earmarked for alternate use, there is forecast to be net reduction in office supply in 2024.

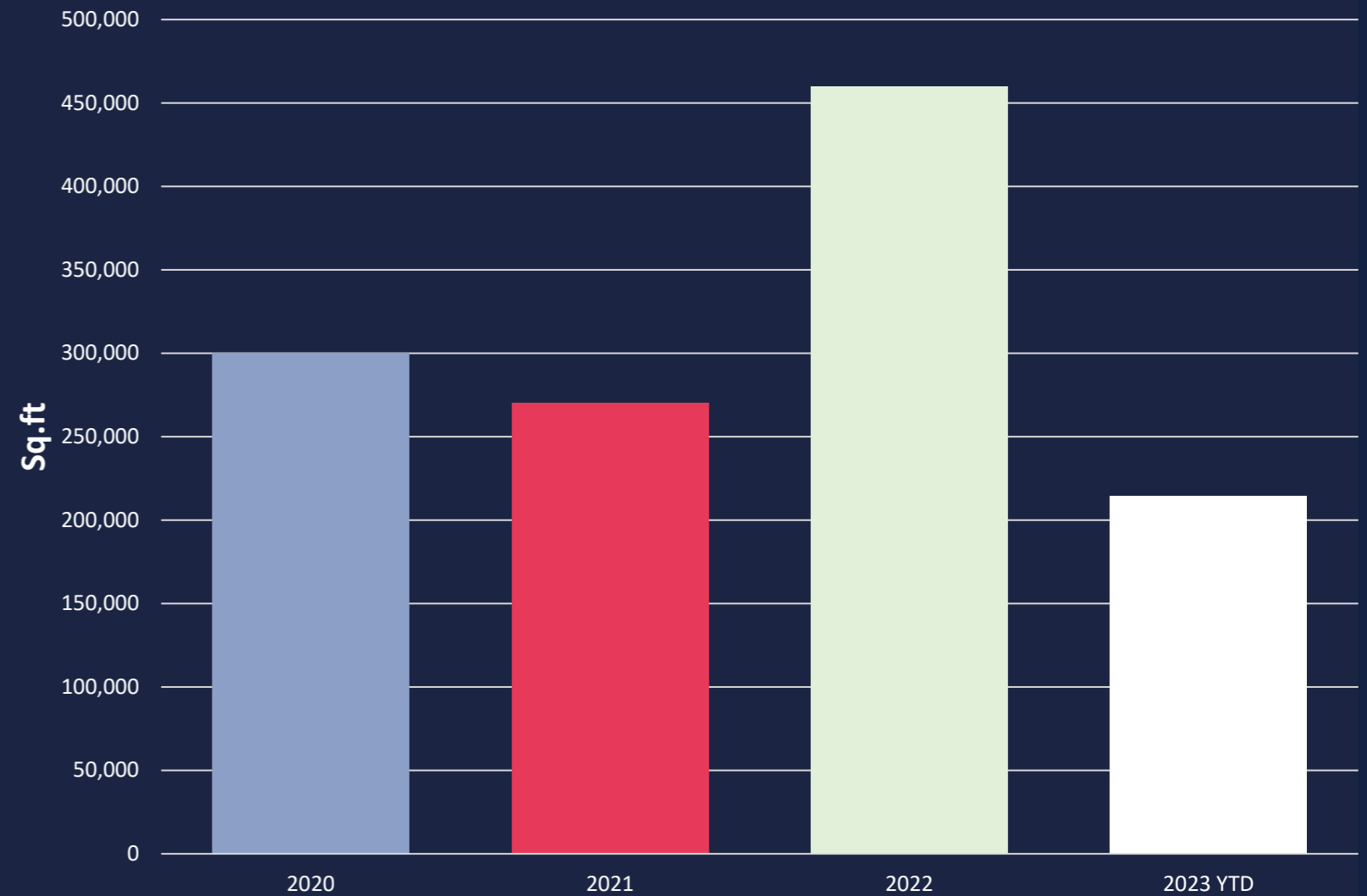


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## OAS South Wales Take up 2020-2023



## Q3 2023 Office Take up Stats

Total Transactions  
**17**

Q3 Takeup:  
**65,937 sq.ft**

Grade A Supply  
**251,152 sq.ft**

Headline Rent  
**£25 per sq. ft**

Average deal size  
**3,879 sq. ft**

City Centre Deals  
**5**

Average Out of Town deal size  
**4,784 sq. ft**

Average City Centre deal size  
**2,999 sq. ft**

Average Bay deal size  
**2,629 sq. ft**