

South Wales

Industrial Market Report Q4/2023 Year End Round-up

In the last quarter of 2023, the industrial take up reached a total of 620,193 sq.ft across in 66 deals. This included 1 deal in excess of 100,000 sq.ft and 3 deals ranging from 50,000 -100,000 sq.ft.

The year was bolstered by a strong third quarter, which included 4 large deals totalling 642,788 sq.ft. Overall year figures of 2.77m sq.ft, demonstrates a 9% year-on-year growth compared to the total of 2.57m sq.ft in 2022.

Prominent deals for the year included

- Freehold Sale of Former Toyoda Gosei, Gorseinon, 254,700 sq.ft
- Sale of Harris Pye, Llandow Trading Estate 135,351 sq.ft (Q4)
- Letting of 52,000 sq.ft at St Modwen Unit 9
- Letting of UNIT A&B Reevesland to Owens Transport 173,23 sq.ft (Q3)
- Letting of 117,000 at Bridgend by Bad Wolf Studios (Q3)
- Freehold sale of Aberthaw Power Station, 485 acres Q1 2023

We forecast another year of growth for 2024 as the industrial market demand remains robust. Developers continue to focus attention on schemes catering to the sub 5,000 sq.ft market, which maintains the highest number of individual transactions in line with region's dynamic of growth and expansion of many enterprises.

The recently approved Pentwyn Park and Ride redevelopment by Curtis Hall in Cardiff will provide exciting new industrial space on the Eastern fringe of the city. We are aware there is already strong interest in this development.

St Modwen's success continues in Newport, with phase 5 expected to progress in the coming months. Phase 4 has already secured a lease on 52,000 sq.ft and is under offer 116,000 sq.ft, leaving 100,000 sq.ft unit remaining.

Looking ahead, there are several key deals reaching a conclusion in Q1/Q2 of this year, which exceed 100,000 sq.ft. If these progress as planned, they will provide a strong boost to the start of 2024.

Bridgend Ford's 1.6 million sq.ft remains a significant contributor to availability, but we understand this to be under offer.

The former Wilkinson Distribution unit of approximately 800,000

sq.ft has not yet been formally launched on the market for sale, but several parties are already enquiring directly with the retained agents. These are a balance of investors and occupiers. The performance of this asset will be interesting to follow, with strong interest to date for this large regional hub.

We are excited to be launching several properties in Q1, including a number of properties exceeding 100,000 sq.ft. These will provide excellent occupational space for a range of users, and we anticipate a positive reception from the market.

Land plots across Wales, including Coed Ely, Tonyrefail, and across the A55 in North Wales, are performing well and generating interest and transactions.

Occupiers are demanding improved space, and fortunately, there are progressive opportunities for businesses in 2024 with new pipeline stock emerging.

The region does require more development. We anticipate that as units continue to transact at increasing rates, this will encourage further development in the area. Developers have a great opportunity to capitalise on the evolving needs of businesses throughout Wales, which are becoming increasingly focused on Environmental, Social, and Governance (ESG) considerations in their daily operations.

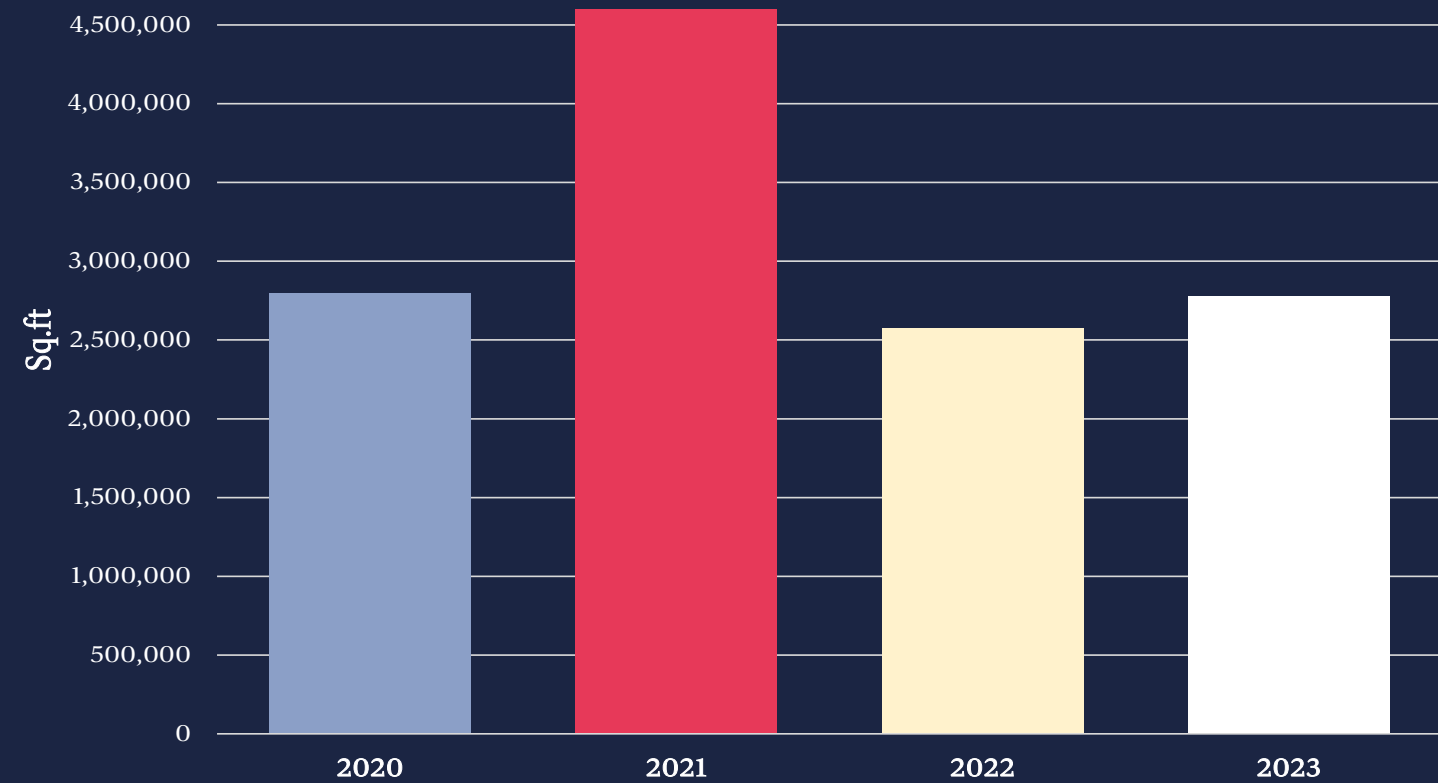


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IAS South Wales Take-up 2020-2023



Total 2023 Industrial Stats

 Total Industrial Takeup 2023 2,805,624 sq.ft	 Total 2023 Industrial Deals 290	 Average 2023 Industrial deal size 10,469 sq. ft
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Q4 2023 Industrial Take up Stats

 Q4 Takeup 620,193 sq.ft	 Total Q4 Deals 66	 Average Q4 deal size 10,003 sq. ft
 Deals between 50,000-100,000 sq.ft Q4 3	 Deals over 100,000 sq.ft Q4 1	 Total Land transacted Q4 7.76 acres