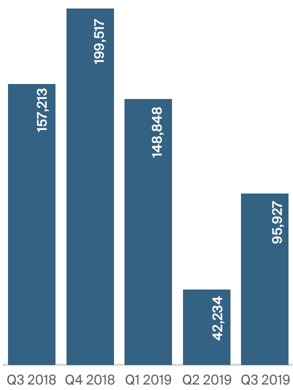
CARDIFF
OFFICE MARKET Q3 2019

OCCUPIER HEADLINES

- Cardiff city centre take-up more than doubled in Q3 2019 compared to the previous quarter, having reached 95,927 sq ft. As a result take-up in 2019 stands at 287,009 sq ft, 23% below the 10 year quarterly average for Q1-Q3.
- The largest deal saw New Directions acquisition of 17,130 sq ft at Lambourne House. The second largest deal saw online-only bank, Starling Bank take 14,130 sq ft at Brunel House, marking a new entrant in Cardiff.
- Other notable deals included Monzo's 6,092 sq ft expansion at 2, Kingsway. Consequently, the TMT sector accounted for 37% of take-up in Q3.
- Grade A availability increased to 106,984 sq ft, 28% below the 10 year quarterly average. The only new building to have completed in 2019, 4 Capital Quarter, was fully let earlier this year. The major refurbishment at Hodge House (67,000 sq ft) is well timed for delivery with completion due end of this year.

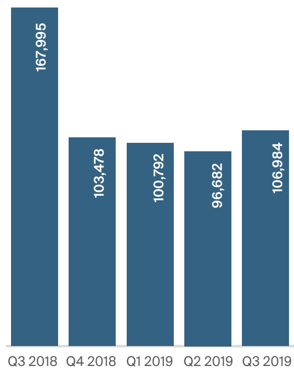
TAKE-UP
(sq ft)

Q3 2019	**95,927**
Q3 2019 vs 10 year quarterly average	**-22%**

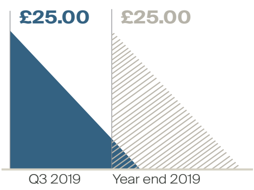


AVAILABILITY
(sq ft)

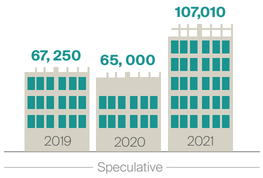
Q3 2019	**106,984**
Q3 2019 vs 10 year quarterly average	**-28%**



PRIME RENT
(£ per sq ft)



DEVELOPMENT PIPELINE
(sq ft)



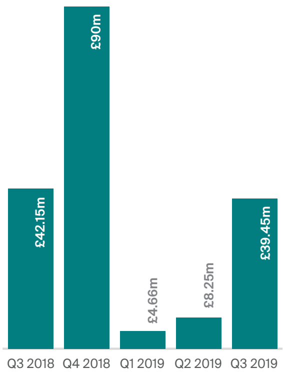
Dates indicate the potential completion date of schemes under construction as at Q3 2019
Development schemes are inclusive of both new and comprehensive refurbishment.

INVESTMENT HEADLINES

- Office investment volumes increased almost fivefold since last quarter, totalling £39.45m in Q3 2019. This is 19% above the 10 year quarterly average. The 2019 total so far has reached £52.36m, 73% less when compared to the same period last year.
- Supporting this rise was the sale of Park Street for £10m and Edward House Business Centre for £2.45m.
- Cardiff city centre continues to attract domestic investors, with this buyer group accounting for 96% of total investment volumes.

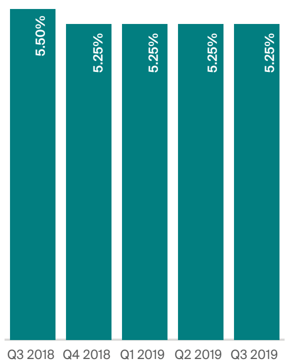
INVESTMENT VOLUMES (£)

Q3 2019	**£39.45m**
Rolling 12 Month Average	**£142.36m**

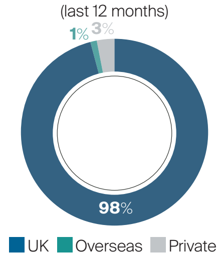


PRIME YIELD
(NIY)

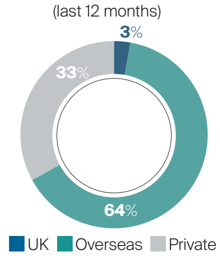
Q3 2019	**5.00%**
Forecast 2019	**5.50%**



PURCHASERS
(last 12 months)



VENDORS
(last 12 months)



KEY TRANSACTIONS

LAMBOURNE HOUSE

TENANT: New Directions
TERM: Long leasehold
SIZE: 17,130 sq ft
PRICE: £1,750,000
DATE: Q3 2019

BRUNEL HOUSE

TENANT: Starling Bank
TERM: 5 Years
SIZE: 14,130 sq ft
RENT: Confidential
DATE: Q3 2019

PARK STREET

PURCHASER: Confidential
VENDOR: Confidential
PURCHASE PRICE: £10m
YIELD: N/A
DATE: Q3 2019

EDWARD HSE BUSINESS CENTRE

PURCHASER: Confidential
VENDOR: Confidential
PURCHASE PRICE: £2.45m
YIELD: N/A
DATE: Q3 2019

Knight Frank

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