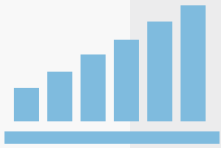


Tech is the fastest growing sector in the next 5 years ⁽¹⁾

TECH GVA

£588.1 billion



GROWTH TO 2022

+19%

TECH WORKFORCE

10,800



GROWTH TO 2022

+5%

Tech = Information and communications technology sector
Data relates to the City of Cardiff and City of Swansea local authority areas

Core business types (Cardiff & Swansea) ⁽²⁾



SOCIAL NETWORKS



CYBER SECURITY



TELECOMMUNICATIONS & NETWORKING



APP & SOFTWARE DEVELOPMENT

Where are tech businesses locating in Cardiff and Swansea?



START-UP HUBS

- Indycube
- TechHub Swansea
- Welsh Innovation Centre for Enterprise (ICE), Caerphilly
- Sony UK Technology Centre, Pencoed, Bridgend ⁽³⁾
- Cardiff Entrepreneurial Spark



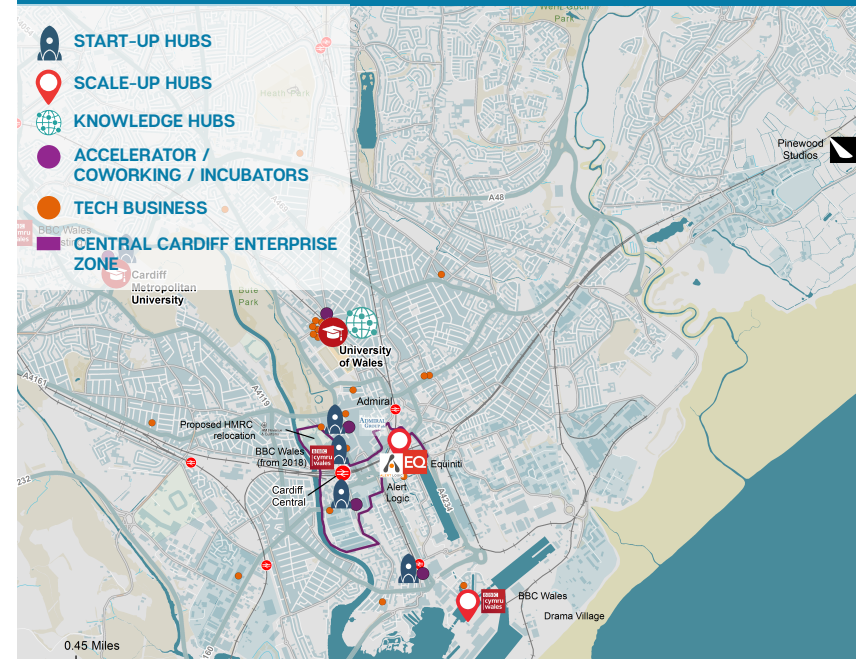
SCALE-UP HUBS

- Central Cardiff Enterprise Zone
- GloWorks, Cardiff

NOTABLE COMPANIES

- Admiral
- Alert Logic
- BBC Wales
- Bad Wolf Productions
- Equiniti
- Pinewood Studios

Distribution of tech businesses in Cardiff ⁽⁴⁾



84% of tech companies say that access to commercial property is a benefit of the cluster ⁽²⁾



Current property conditions (Cardiff) ⁽⁵⁾



RED = Conditions favour landlords

AMBER = Conditions are balanced

GREEN = Conditions favour tech firms

The choice, availability and affordability of offices in the cluster are major advantages in serving tech businesses, particularly start-ups. Red traffic lights dominate current property conditions meaning that the environment favours landlords. This does not mean that businesses should not look to move, upgrade or expand their offices. It means that more forward-planning and negotiation will be needed to get the best deal.

AVAILABILITY OF BEST QUALITY SPACE IS LOW



OFFICE VACANCY RATE
6.4%



TOP QUALITY OFFICE VACANCY RATE
1.2%

12-MONTH OUTLOOK



MORE AFFORDABLE THAN OTHER UK TECH CLUSTERS



PRIME OFFICE RENTS
£25

Per square foot per annum



ANNUAL INCREASE
+2.0%

Forecast to December 2017

12-MONTH OUTLOOK



COMPETITIVE CONDITIONS FOR BUSINESSES SEEKING OFFICES



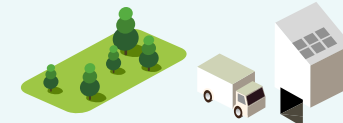
ANNUAL CHANGE IN VACANT OFFICE SPACE
-9%

The amount of vacant floorspace available to rent immediately has been falling due to business expansion. Strong competition for office space will endure until further capacity is delivered.

12-MONTH OUTLOOK



LIMITED DEVELOPMENT PIPELINE



There is a low amount of new and refurbished office space approaching. With competition strong much of the pipeline has already been taken by businesses by the time it completes. Tech firms tend to seek smaller offices compared to other types of businesses which increases their rental options. Larger businesses may need to plan their office needs further in advance.

12-MONTH OUTLOOK



Six tech property trends



SILICON VALLEYS

This cluster offers the lifestyle, amenity, city centre living and workspaces popular with young tech talent



ACCESSIBILITY

Ongoing rail improvement and electrification will deliver faster access and increase the catchment population for the Central Cardiff Enterprise Zone



INNOVATIVE SPACE

There is scope to increase provision of flexible, centrally located space for fostering new ideas as it is highly desirable to tech firms



WIRED

Superfast broadband is being delivered in Cardiff and 91% of addresses are connected ⁽⁶⁾



SUPERIOR LATENCY

The Cardiff Internet Exchange and its planned transatlantic cable connection will provide the best latency and resilience in the UK



DATA STORAGE

Local data centres in Cardiff and Newport have additional capacity

What will it cost you? ⁽⁷⁾

COSTS PER EMPLOYEE PER YEAR

Cardiff

AVERAGE SALARY

£34,252



Swansea

AVERAGE SALARY

£29,971



OFFICE RENT / RATES
£5,054

ALL IN COST

£39,306

OFFICE RENT / RATES

£3,000

ALL IN COST

£32,971

Cardiff & Swansea forms one of the most affordable tech clusters in the UK. It combines lower costs with market leading talent, particularly in cyber security, networking and creative specialisms.

REFERENCES: (1) Oxford Economics, (2) Tech City UK, (3) Sony UK Technology Centre, sonypencoed.co.uk/about/, (4) TechBritain, (5) JLL, (6) Cardiff, The Capital Connection, Deloitte, (7) UK Cost Calculator, JLL

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