South Wales Report 2015

20th Anniversary Edition

Contents

Introduction

I would like to welcome you to our annual South Wales Report, which is a special edition as it is our 20th such report. There is no doubt that the property market has evolved significantly over the past two decades whilst the political landscape of Wales has also changed markedly.

Our role as property advisors has changed as we have witnessed the strongest bull market for a generation and then the downturn in 2007/8. We have seen the creation of the National Assembly for Wales but also the impact of increased globalisation. However, for all these new ideas, the enduring principle for the Cardiff office continues to be to service our clients by providing local expertise with a national perspective.

This year, however, also sees another milestone for the Cardiff office. It is the 125th anniversary of the opening of Powell & Powell in 1890, the firm which merged with JP Sturge in 1990 and which trades as JLL today.

A sustained recovery

The economy of Wales has moved into a sustained recovery and there is a more positive picture both in terms of employment and business investment.

The headline act of 2014 was the NATO Summit held at The Celtic Manor, with the first visit to Wales by a serving US President. This was followed by the 'Invest in UK' summit, which showcased both the UK and Wales as a globally attractive location for investment, as evidenced by a series of high profile inward investment projects announced last year.

In November 2014, the UK Government and Welsh Government reached agreement on funding for rail electrification through to Swansea and northwards into the Valleys. The mainline should be completed by 2018 although the Valleys lines will take longer. In addition, the 'Black Route' was announced as the preferred alignment for the new M4 Relief Road.

"This year, however, also sees another milestone for the Cardiff office. It is the 125th anniversary of the opening of Powell & Powell in 1890, the firm which merged with JP Sturge in 1990 and which trades as JLL today."

However, there have been challenges. The Scotland vote on independence brought sharply into focus the issue of further devolution for Wales whilst the announcement that Murco in Pembrokeshire is to close provides an example of the global pressures that businesses in Wales continue to face.

The strongest ever performance in capital markets

The past twelve months has seen the strongest performance in the Welsh economy, certainly since the start of the downturn in 2007. However, for certain sectors such as capital markets, 2014 also goes on record as providing the strongest ever performance.

The largest office investment sale in 2014 was Ty Hywel, Cardiff Waterside. This 125,000 sq ft office building, let to the National Assembly for Wales with 18.5 years unexpired, was sold to overseas investors for 5.36% net initial yield.

Whilst the office market traditionally attracts the headlines, the strongest performing sector in capital markets was retail and leisure. Encouragingly, these retail deals were spread across the whole of South Wales and, indeed, the largest transaction was the sale of Parc Trostre, Llanelli. This sale to M&G for £156 million in August 2014 reflected a net initial yield of 6.07%.

Further out of town retail transactions involved Cwmbran Retail Park and Capital Retail Park in Cardiff whilst, in town, the most significant transaction was Curzon's sale of three Victorian arcades in Cardiff's Castle Quarter to Mansford.

A notable trend is the sale of assets by way of portfolios, which provide larger lot sizes and the opportunity to spread risk in terms of varying the range and quality of stock. We have seen a series of industrial assets sold in this manner, most notably Treforest Industrial Estate, as part of the Hansteen HPUT portfolio sale to Dunedin.

A return of inward investment

In the occupational markets, there has been a rise in the number of transactions with a healthy return of inward investment in both office and industrial markets.

Office market activity is dominated by Central Cardiff Enterprise Zone (CCEZ) with regional developers JR Smart and Rightacres progressing significant schemes at Capital Quarter and Central Square respectively.

"Without doubt, the headline announcement involves the proposed relocation of BBC Wales to a new 150,000 sq ft headquarters on the site of the existing bus station, at Central Square. However, this is a relocation project and therefore we should also celebrate the announcement of the creation of up to 700 jobs by Deloitte in Cardiff."

There is now a lack of new and modern floorspace. The immediate availability of the right property can be fundamental to winning, or retaining, a particular project in competition with other regions of the UK and international competitors. The attraction of cyber security specialist Alert Logic to Capital Quarter is a good example of the competitive advantage gained by having a pipeline of new floorspace available.

There should be a common sense approach, from Welsh Government, to provide support to private sector developers to develop new floorspace or promote consented and fully serviced development sites.

In the industrial sector, take-up has increased again with headline transactions being the opening of Pinewood Studios Wales at Wentloog, Cardiff and the expansion of Tenneco Walker Automotive in Merthyr Tydfil.

The rapid pace of devolution

The pace and scale of devolution has moved rapidly, following the Scottish vote in September 2014. A new agreement for Wales is scheduled for 2015 which may offer a 'reserved powers' model of devolution, similar to Scotland, whereby all matters are devolved to Wales except those reserved for Westminster.

However, arguably, we have not yet fully explored and maximised the potential of Wales' existing devolution settlement with Welsh Government already having significant powers including economic development, education and skills, planning, business rates and infrastructure.

For the property industry this debate is watched with interest. However, surely the priority is to secure a sharper focus on increasing the competiveness of the Welsh business environment; that is to deliver a devolution dividend and not a devolution risk premium.

This is particularly the case having regard to the fact that, unlike other devolved nations, Wales and England are uniquely inter-connected economies with high levels of cross border flows of both people and goods on a daily basis.

In 2015 we will see significant developments in major areas of devolved policy.

Planning (Wales) Bill

The Planning (Wales) Bill is with the National Assembly and is likely to become law by May 2015, following which there will be secondary legislation, policy and guidance to implement the Bill.

The Bill strengthens the plan led approach. In particular, the Strategic Development Frameworks for the two city regions of South Wales, and the A55 corridor in North Wales, are intended to provide a clear focus in terms of economic development as well as economies of scale in terms of delivery. In addition, the National Development Plan will provide the context for investment in large scale infrastructure.

The Bill also sets out a series of measures to modernise development management functions and improve service delivery. Wales now stands at a cross road. Our Planning system is currently on a par with the English system and how Wales implements this Bill will determine whether the system becomes a structural disincentive for investment or is transformed into a national asset.

The devolution of Business Rates to Wales

The Business Rates regime is the first of a number of property taxes to be devolved following the recommendations of The Silk Commission. It is, arguably, the most important of these taxes contributing £960 million to the funding pool for Wales in 2013/14.

It was a privilege to be asked to Chair the Business Rates Panel by The Minister for the Economy, Science and Transport, Mrs Edwina Hart. This Panel reported in February 2015 with the main strategic question asked being the extent to which business rates should be seen as a lever for economic growth or a stable source of revenue.

Our report recommended stability and a predictable yield for Welsh Government in the short term. However, in the medium term, we propose changes to better reflect the needs of Wales. Key recommendations included a move toward more regular revaluations, a change in UBR indexation from RPI to CPI and the short term extension of Small Business Rate Relief.

Local Government Reorganisation

The Commission on Public Service Governance and Delivery, headed by Sir Paul Williams, reported in January 2014 and recommended that 22 existing Local Authorities be reorganised to 10 to 12 Councils.

Following the rejection of a number of voluntary council merger proposals, the Public Service Minister Leighton Andrews, has indicated that the final blue print for merger and reorganisation will be agreed by summer 2015.

City Regions

The Cardiff Capital Region brings together ten local authorities in South East Wales, thereby creating a single economic area to drive economic growth for all parts of the region. The Task & Finish Group, chaired by Roger Lewis, has suggested that a new delivery vehicle needs to be established to provide clear leadership for the region and to support the delivery of their recommendations.

A key element of the Cardiff Capital Region will be to improve connectivity both internally and externally. The electrification of the Great Western mainline and Valleys Lines is at the heart of this. The recent confirmation of funding for Valley Line Electrification enables the development and delivery of an integrated ‘Metro’ transport system – a multi-modal transport network providing more frequent, reliable, faster and affordable services.

The role of Cardiff as the driver of economic activity for South Wales reflects city growth theory elsewhere in the UK. Indeed, Cardiff became the tenth member of the UK Core Cities initiative and has recently joined up with Bristol and Newport to form the ‘Great Western Cities’.

Our priority should be to harness this energy and vision within a single framework for the future prosperity of the region, one that can also include the three Enterprise Zones of Cardiff Airport, Central Cardiff and Ebbw Vale. This framework is likely to be most effective when built around the emerging city region proposals.

The Swansea Bay City Region, chaired by Sir Terry Matthews, has also developed its vision and key to this will be the regeneration of Swansea city centre. Two major development sites have been brought to the market by the local authority with a view to encouraging office and residential projects.

The development of the new Swansea University campus on Fabian Way and the proposed Trinity St David’s campus at SA1 also provide drivers for growth and allows Fabian Way to emerge as an attractive new location for development.

A positive outlook

The outlook for South Wales is positive and the activity in the capital markets in 2014 illustrates there is investor confidence in the region. In the occupational markets, there has been an encouraging return to inward investment in both office and industrial markets, alongside relocations and expansions from our existing occupiers.

The lack of Grade A accommodation is emerging as a key issue for the region and is a clear opportunity for developers to consider.

This year will see major advances in policy, not least with the Planning (Wales) Bill and the devolution of business rates. We also see the progress made in terms of delivering infrastructure and regional governance for our city regions. What has been encouraging has been the Welsh Government’s willingness to work with business to shape policy and we should look to continue this relationship in the future.

Chris Sutton
Lead Director – Cardiff Office

Chris is Chair of CBI Wales for 2014 and 2015.

CBI
THE VOICE OF BUSINESS

Investment

Overview

UK real estate investment recorded its strongest year on record in 2014 with investment totalling £65.5 billion, up 16% from 2013 and 4% ahead of the previous peak in 2006.

The office sector accounted for 45% of the total volume of transactions in the UK in 2014, with retail making up 20% and industrial at 11%. Notably, the “alternative” sectors now make up 19% of the total investment volumes, against 15% in 2013, which demonstrates the growing appetite for other asset classes including hotels, student accommodation, healthcare, the private rented sector (PRS), affordable housing and renewables. This was one of our key predictions for last year. Overseas investors have also continued to grow in importance accounting for almost half of the total UK volume, with the USA (11%) and China (4%) leading the way.

Regional markets have strengthened further in 2014 and investment volumes increased dramatically, fuelled by investor confidence in the UK’s accelerating economy, improving market fundamentals, fierce competition for assets, the return of the debt market and tight pricing in London. Greater London investment volumes were actually down 3% year on year by the end of 2014 and the regions accounted for approximately 58% of the total UK market, up from 51% in 2013. Wales was no exception and gained significantly in 2014 with investment volumes doubling year on year to £0.7 billion from £0.34 billion in 2013.

The sheer weight of demand generally pushed down yields and the average all-property initial yield tumbled 70 basis points over 2014 from 6.1% to 5.4%, its lowest level since January 2008. However, with yields now comfortably below their five-year averages in all property sectors, rental growth will need to replace sentiment as a primary driver of capital value growth over the next 12 months.

Given the large weight of money in the market and fierce competition for assets, portfolio sales have continued to grow in popularity for both vendors and purchasers. Portfolios allow assets to be aggregated into lot sizes which appeal to institutional and larger private equity investors and they eliminate the need for multiple transactions. In addition, a range and varying quality of stock can be blended together spreading risk for both parties, debt terms are considerably less attractive on individual assets than on portfolios and a portfolio premium can be achieved on a sale, particularly if assets are perceived to be distressed.

Over the past 3 years, portfolio transactions have increased dramatically across the UK accounting for £3.62 billion of total UK real estate investment in 2012, £8.98 billion in 2013 and £15.06 billion last year. The portfolios traded in 2014 have generally been multi-regional and those with notable assets in Wales have included: Silverbird (RBS), HPUT (Hansteen), Phantom (Harwood), Tree (Aviva), Boss (Rockspring) and Marble (M Seven).

Industrial

Transactional activity has remained buoyant in the industrial sector in 2014, driven by ongoing pressure to spend amongst the UK Funds, private equity demand and healthy interest for single let assets from overseas investors. The sector has benefited from positive sentiment created by an improving occupational picture, rising business confidence, the steady growth of e-commerce and a relatively stable and expanding economy. The weight of money focused on the market is driving demand but the stock of individual estates and assets remains limited. There are, however, signs that increasing product will be introduced to the market to meet with demand.

Pencoed Technology Park, Bridgend

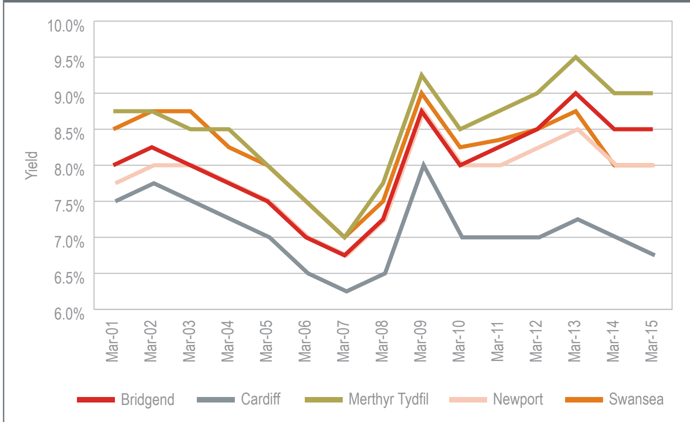
There has been continued downward pressure on yields for multi-let estates and investors have increased their appetite for risk. The liquidity window remains open and there are a growing number of aggressive buyers in the market, often searching for a very similar product. As a result, prime yields in South Wales for single let assets dipped below 7%, with prime multi-let yields at 7.5% and good secondary at 8% to 8.5%. Secondary is at 9% + and double digit returns are still commonplace for tertiary stock.

- **Pencoed Technology Park, Bridgend** – a business and industrial complex of 675,000 sq ft on 57 acres, situated at Junction 35 of the M4 motorway. Tenants include Sony, Invacare, BBI Healthcare and Royal Mail with an aggregate rent of approximately £1.425 million per annum. JLL sold for BlackRock in March 2014 for £12.35 million representing 10.9% net initial yield.

- **Units H&J, South Point, Ocean Park, Cardiff** – a well secured, modern, trade counter investment totalling 68,500 sq ft in Cardiff's prime B1 location. Single-let to SIG Trading Limited (t/a Sheffield Insulation) on a 25 year FRI lease expiring 28 August 2028 at a passing rent of £275,000 per annum. JLL sold to an overseas investor in December 2014 for £3.825 million reflecting 6.8% net initial yield.

- **Units 6.1 and 6.3, Parc Nantgarw, Treforest** – two modern units totalling 75,000 sq ft in a prime B1 and B8 location. Unit 6.1 is let to GMAC and has been converted to a call centre by the tenant, with a lease expiring in 2028 and a tenant's break and a fixed rental increase in 2023. Unit 6.3 is let to Doosan International with a lease expiry in 2019 and a tenant's break in 2017. The total income is £416,278 per annum and both units were acquired by Threadneedle for £4.81 million reflecting a blended 8.2% net initial yield.

Prime industrial yields 2001-2015



Source: JLL

The majority of industrial investment activity in Wales last year involved portfolio sales.

- **Hansteen Property Unit Trust (HPUT)** - Hansteen sold their HPUT portfolio to a Brockton Capital LLP joint venture. 41 assets totalling 2.02 million sq ft were sold with a passing rent of approximately £7.6 million per annum. Includes Treforest Industrial Estate, East Point and Spring Meadow Industrial Estates in Cardiff and 9 estates in North Wales. JLL acquired for the purchasers for £110.5 million in November 2014.

- **Phantom Portfolio** – a portfolio of 5 multi-let industrial estates and one single-let warehouse unit located throughout the UK. Includes 4 properties in South Wales and was sold in November 2014 to Hansteen for £6.94 million representing a net initial yield of 9.2%.

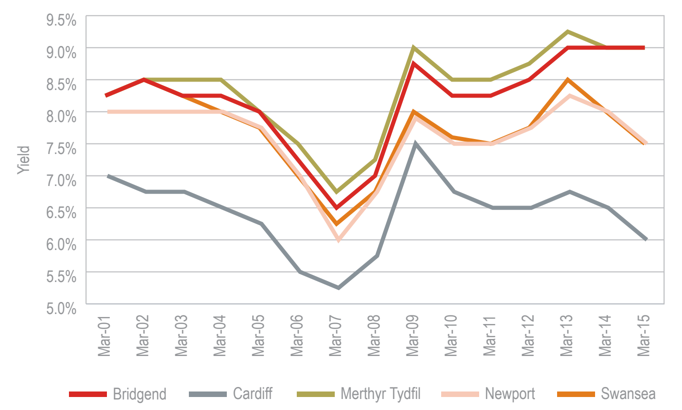
- **Marble** – a 4.1 million sq ft portfolio comprising 90 industrial assets, 10 retail properties and 9 offices, let to a total of 700 tenants. Brought to the market by M Seven in the last quarter of 2014 and acquired by Goldman Sachs for £110 million, representing a 10.6% net initial yield. Completed in January 2015, this portfolio sale included 25 industrial estates and 3 office buildings in Wales.

Offices

There has been unprecedented investor appetite for regional offices in the last 12 months and the equity targeting opportunities is not only indigenous but global. Whilst offices are on the shopping list for a range of investors, the South Wales market is constrained by a lack of prime stock in the region's cities. The weight of money in the market means that the optimum lot size for the institutions is £20 m+ and this means that, locally, there are relatively limited options. The various proposals for new development, particularly those focused around Cardiff Central train station, will help to alleviate the supply deficit for investors, but clearly these schemes are still some way off and are dependent on the strength of occupier demand.

Ty Hywel, Cardiff Waterside

Prime office yields 2001-2015



Source: JLL

Prime yields have reduced to 6% given the strength of demand for very limited stock and good secondary yields are at 8% to 9%, with secondary/tertiary at 10% plus.

- **Ty Hywel House, Cardiff Waterside** – a six storey office building of 125,930 sq ft let to the National Assembly for Wales for 25 years from 10 April 2007 (circa 18.5 years unexpired) with 5 yearly upwards only rent reviews. Sold to a Kuwaiti family trust for £40.5 million reflecting 5.36% net initial yield in March 2014. The low yield in this case reflects the particular circumstances of this property, with a long unexpired term to a Government occupier and the building adjoining the Senedd debating chamber.

- **Oakleigh House, Park Place, Cardiff** – a modern four storey, Grade A office building in Cardiff city centre of 41,184 sq ft single let to Cunningham Lindsey on a lease expiring in December 2024, subject to a tenant only break option in December 2019. The current rent is £569,000 per annum with an upwards only rent review after 5 years. Sold to Mayfair Capital for £6.94 million reflecting 7.75% net initial yield in December 2014.

- **Admiral, Newport** – a newly constructed, purpose built, Grade A office building totalling approximately 81,000 sq ft located directly opposite Newport railway station. Let to EUI Limited with Admiral Group Plc as guarantor on a new 20 year lease with a tenant's break after 16 years. The annual rent is £1.29 million per annum with rent review linked to CPI with a 2% per annum collar and 4% pa cap. Scarborough sold to W P Carey & Co for £18.46 million in October 2014 reflecting 6.42% net initial yield.

Out of town, a growing number of investors have been looking towards business parks where current capital values are often well below replacement costs. With no new stock coming to the market, together with improving business sentiment and recovering occupational demand, there is good potential for capital growth.

- **Peterson House, Cardiff Gate Business Park, Cardiff** – an office building of 46,851 sq ft situated in close proximity to junction 30 of the M4 Motorway. Single let to the International Baccalaureate Organisation (UK) Ltd on a lease expiring 2026, but with a tenant's break in April 2017. It was known in the market that IBO were relocating to Sterling House. Sold in March 2014 to SSE for £5.65 million reflecting a 10.94% net initial yield.

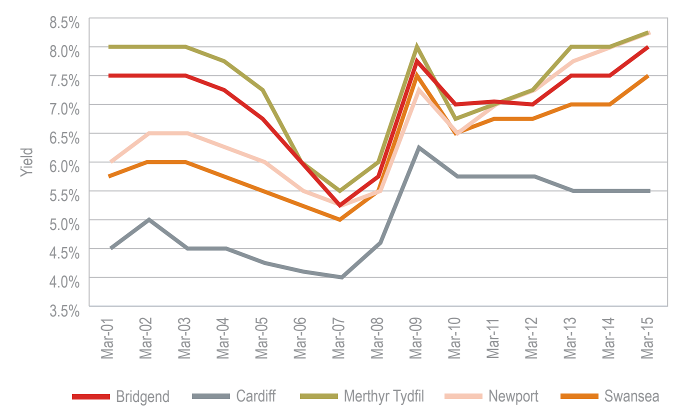
- **Willcox House, Celtic Gateway, Cardiff** – a recently refurbished office building of 50,934 sq ft, single let to Cardiff Council for a term of 15 years from 2 March 2006 (circa 7.5 years unexpired). The passing rent was £793,233 per annum with 5 yearly upward only uncapped RPI linked rent reviews. Sold to a Chinese private investor in February 2014 for £8.28 million reflecting a 9.05% net initial yield.

- **British Airways Avionics Engineering, Llantrisant** – modern offices completed in 1993 providing three two storey buildings totalling 111,087 sq ft on a site area of 12.50 acres. Let to British Airways Avionic Engineering Ltd on four 25 year leases from 25 March 1994. The aggregate passing rent was £987,000 per annum with 5 yearly open market rent reviews geared to shell and core specification. Sold in May 2014 to Karlin Real Estate for £7.8 million reflecting 11.96% net initial yield.

Retail & Leisure

The in-town retail investment market remained the most polarised sector in South Wales in 2014. Prime and good secondary continued in strong demand but the market for secondary and tertiary assets has been subdued and this has been reflected in pricing. Cardiff and prosperous market towns continue to attract investors whilst the traditional retail cores of Newport, Swansea and less affluent towns in the region are still suffering from a lack of occupier and investor interest. Prime in-town yields have remained stable at 5.5%, with good secondary moving in towards 6.5%, secondary is at 8%+ and tertiary at 10%+.

Prime retail yields 2001-2015



Source: JLL

- **1-7 Queen Street, Cardiff** – a parade of seven high street retail units in a secondary location at the western end of Queen Street. Let to Pizza Hut, Ladbrokes, Santander and Lloyds Bank producing a total income of £651,000 per annum with an AWULT of 6.75 years until tenant break options. Sold for £8.0 million to Colliers Capital in June 2014, which reflects a net initial yield of 7.5%.

- **The Rhiw Shopping Centre, Nolton Street, Bridgend** – a multi-let, shopping centre of 99,805 sq ft, providing 22 retail units and an indoor market let on a total of 41 leases. Sold to Polytec Asset Holdings, a Chinese investment company, for £9.0 million reflecting 10.7% net initial yield in March 2014.

- **Burger King, St John Street, Cardiff** – a landmark, Grade II listed building let to Unionburger Ltd (t/a Burger King) on a 10 year lease from 1 April 2013, at a passing rent of £200,000 per annum. Sold by JLL for Deeley Freed in July 2014 for £2.962 million reflecting a net initial yield of 6.38%.

Burger King, St John Street, Cardiff

Out of town, the institutions are still attracting significant funds and the resulting strong demand has been evident in South Wales, with a flurry of key transactions.

- **Parc Trostre, Llanelli** – a retail park providing 264,900 sq ft of retail space and 144,200 sq ft of mezzanine accommodation across 34 units. Alongside anchor tenants Marks & Spencer, Debenhams, Next, and Outfit, other major brands include River Island, TK Maxx, BHS, Asda Living, and Starbucks. The shopping park is adjacent to a Tesco Extra and benefits from full open A1 planning permission. Sold by Stadium Group to M&G for £156 million reflecting 6.07% net initial yield in August 2014.

- **Waitrose, Pentwyn, Cardiff** – a standalone supermarket of 37,956 sq ft, let to Waitrose Limited, on a 20 year full repairing and insuring lease from 10 March 2008 (approximately 14 years unexpired) at a current rent of £765,584 per annum exclusive. The lease is subject to five yearly rent reviews with fixed 2.5% per annum compound increases. Purchased by F&C REIT Asset Management in June 2014 for £15.3 million representing a net initial yield of 4.73%.

- **Cwmbran Retail Park** – a 136,000 sq ft retail park with occupiers including B&Q, Next, TK Maxx, Brantano, Currys/PC World and Pets at Home. Sold by British Land Plc to UBS Asset Management in April 2014 for £32.3 million, reflecting 6.41% net initial yield.

- **Capital Retail Park, Cardiff** – a shopping park developed in 2008, providing approximately 150,000 sq ft of retail, leisure and office space with 21 tenants including Next, Outfit, Marks & Spencer, SCS, DW Sports, Mamas & Papas, Smyths Toys and Costa, with a rental income of circa £3.36 million per annum. PMG sold to ReAssure Limited in February 2014 for £59.65 million reflecting 5.2% net initial yield.

Parc Trostre, Llanelli

Imperial Gate, St Mary Street, Cardiff

The majority of institutional investors have now set up specialist funds for alternatives but the strong appetite has been constrained by a lack of available stock in South Wales.

- **Imperial Gate, St Mary Street, Cardiff** – a four storey property comprising a 100 bedroom hotel and three leisure units totalling 88,154 sq ft. Let to tenants including Travelodge, Intertain (Walkabout) and Alderway Leisure on 4 leases with RPI linked rent reviews with an AWULT of 23.3 years producing an aggregate rent of £945,082 per annum. JLL acquired for L&G in November 2014 for £12 million reflecting 7.45% net initial yield.

- **Castle Quarter, Cardiff** – three, city centre, Victorian arcades (Castle, High St and Duke St Arcades) comprising mixed use leisure and retail. Sold by Curzon to Mansford Real Estate LLP for £21.375 million June 2014.

- **Salubrious Place, Swansea** – a city centre leisure scheme of approximately 250,000 sq ft, with tenants including TGI Fridays, Premier Inn, VUE and NCP. Sold to Mansford Real Estate LLP in February 2014 for £24.1 million.

Outlook

In the year ahead we are likely to see the UK institutions changing strategies. As 2015 progresses we expect them to become net sellers in London, taking their profits and re-investing in higher yielding markets in the regions, as well as in the alternative sectors which often provide a better match for their long-term liabilities. In 2014 alternatives represented almost 20% of UK transactions and this figure could be even higher in 2015. Residential may well be in the spotlight, with many institutions setting up specific funds and the deal flow in this sector will increase over the year.

Following some recent indications from policy makers, it is entirely possible that UK rates could remain at 0.5% for longer than the market currently expects, and that any increase will be extremely gradual. Certainly, the wider marketplace – judging by 10 year gilts – appears to be pricing in an extended period of cheap money. This suggests that there will be scope for further yield compression, particularly given the sheer volume of money that is still targeted at property. Ageing populations, high savings rates in Asia, and increasing allocations to real estate against the backdrop of low bond and equity yields will ensure that the weight of capital continues to grow. The UK's structural advantages, combined with the health of its economic recovery, will ensure that the UK remains a leading destination for cross-border investment. With this backdrop, it is anticipated that the regional markets, including Wales, could see the most significant yield shifts.

Given these various dynamics, we anticipate UK investment volumes will see another record year in 2015, but the rate of increase will slow markedly. There are three factors behind this. Firstly, the momentum that has produced two strong years cannot be maintained forever. Secondly, lack of supply may be a problem within certain markets and at particular times of the year. Most importantly, however, the uncertainty surrounding the UK election will lead to a slowdown in volumes as investors digest the prospects and implications.

Justin Millett
Director
+44 (0)29 2072 6006
+44 (0)7816 813434
justin.millett@eu.jll.com

Industrial & Logistics

Overview

2014 saw the strongest performance in the industrial and logistics sector for some years. The key driver of activity has been the growth in demand for larger units with 61% of take-up last year involving units over 100,000 sq ft. This compares with just 15% of take-up in 2012 relating to transactions of larger units.

The improved economy has led to a resurgence in manufacturing with increased demand from both inward investors and overflow and relocation demand from our existing occupiers. There is also evidence of an over-spill from the Midlands where anchor companies such as Jaguar Land Rover and their supply chains have expanded rapidly in recent years.

A particular mention needs to be made of the improved take-up in the South Wales valleys. There has been increased activity across all Valleys locations and a welcome return of occupier interest to the Heads of the Valleys. Tenneco Walker Automotive in Merthyr Tydfil was the headline transaction in terms of creating 220 jobs.

Wales has traditionally not had the exposure to the logistics market that is afforded to other, more central, regions of the UK. However, there continues to be interest driven by the growth of e-tailing and more focused supply chain management. Logistic companies are monitoring the potential for tolls on the Severn Bridges to be reduced or removed following the expiry of the concession in 2018.

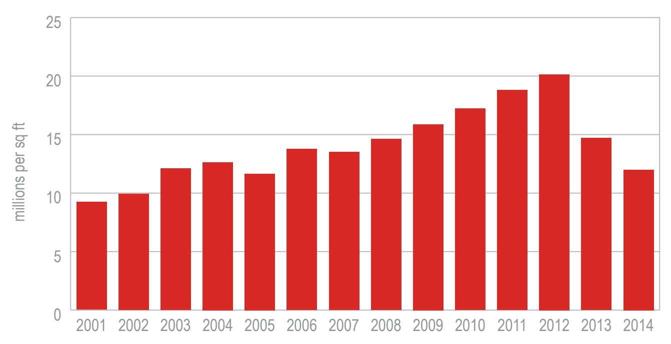
In the small industrial sector, we have seen increased demand from trade counter operators. Existing schemes have returned to full occupancy whilst there has been increased interest from developers seeking to develop new 'edge of centre' trade counter schemes. The sector is known for relatively strong tenant covenants, longer leases and premium rents, leading to developer and investor interest.

Linde Industrial Park, Merthyr Tydfil – first class engineering facility

Supply and Demand

At the end of December 2014, there was some 12.7 million sq ft of industrial and logistics floorspace available across Wales, a decrease of 14% over 12 months and a decrease of 37% or 7.5 million sq ft since December 2012.

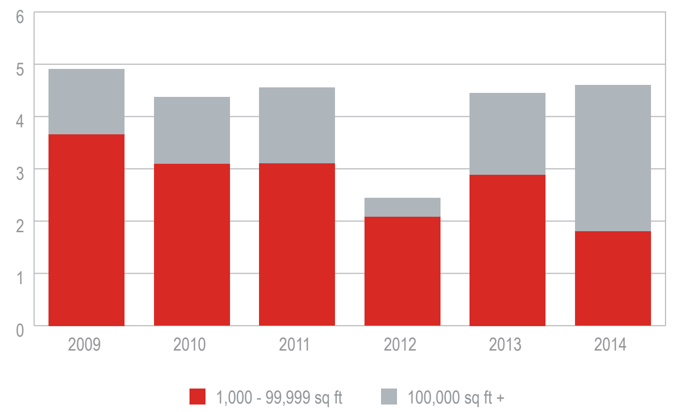
Wales industrial / logistics availability



Source: JLL

Around 4.6 million sq ft of industrial floorspace was taken up in Wales in 2014, of which 1.8 million sq ft or 39% involved units under 100,000 sq ft. The majority of floorspace (61%) taken up in 2014 therefore involved units of 100,000 sq ft and over. Take-up in 2014 was 4% higher than the previous year.

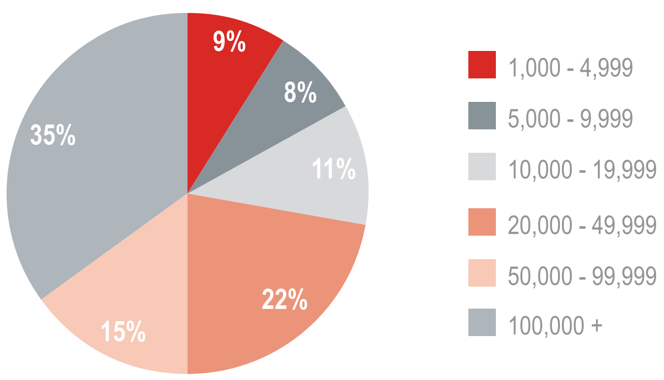
Wales industrial / logistics take-up



Source: JLL

The available stock of units over 100,000 sq ft totalled 4.5 million sq ft at the end of December 2014, 17% lower than 12 months previous, in part due to increased demand but also less stock coming onto the market and with relatively few closures. The available stock of units between 1,000 and 99,999 sq ft totalled 8.2 million sq ft at the end of December 2014, 11% lower than 12 months previous.

Available supply by size band, Wales – Q4 2014



Source: JLL

Total 12.714 million sq ft

Cardiff and Bridgend

The M4 corridor continues to enjoy the strongest market conditions in South Wales with Cardiff the focal point in terms of demand for distribution, trade counter and other industrial uses.

However, the industrial market in the capital city remains under pressure both from alternative use demand for employment sites and the lack of allocated employment sites, arising from the glacial delivery of the new Local Development Plan.

- **Wentloog Energy Centre, Cardiff** – this modern 177,716 sq ft headquarters facility was sold by Standard Life to Welsh Government for £5.25 million and let to Pinewood Studios Wales. This high profile inward investment reflects the improved attractiveness of Wales to the creative industries sector.

Wentloog Energy Centre – inward investment project for Pinewood Studios Wales

- **Capital Business Park, Wentloog, Cardiff** – in November 2014, discount food store operator Aldi announced the development, in mid-2015, of a 450,000 sq ft high bay regional distribution centre, with 70 loading bays. This investment decision reflects the growth in the store network of Aldi and brings into use a site acquired by Aldi in 2004.

- **Viridor, Ocean Park, Cardiff** – Viridor's £180 million Energy Recovery Facility has been completed and, as at early 2015, is in its test and commissioning phase. Once fully operational, the facility will handle 350,000 tonnes of waste, generating 28MW of electricity, from 5 local authorities.

- **Penarth Road, Cardiff** – this 21,565 sq ft unit, 325-327 Penarth Road, was sold by Nicobond to a local owner occupier for trade counter use.

- **Pencoed Technology Park, Bridgend** – BBI Healthcare expanded into 61,000 sq ft of office and warehousing accommodation on Pencoed Technology Park, having originally moved in 2009, to an adjacent unit of 38,000 sq ft.

Newport and South East Wales

In November 2013, the Prime Minister announced agreement on funding for the proposed M4 Relief Road around Newport. The Business Minister subsequently announced that the 'black route' was the preferred option, providing a three lane motorway from Junctions 23 to 29, including a new crossing over the River Usk.

The provisional timetable for completion of the Relief Road is 2022, although a Public Inquiry may be required in 2016/17. CBI Wales has emphasised the importance of a new safe and resilient communication route into South Wales with the existing motorway having a negative impact upon investment into South Wales.

- **Imperial Park, Newport** – specialised packaging company Essentra leased Unit IP4, a 52,000 sq ft industrial unit at Imperial Park and has invested in a state of the art fit out for digital printing and packaging facility for healthcare sector.

- **Imperial Park, Newport** – G24 Power Limited entered into a lease on the 89,000 sq ft former SPTS unit.

- **Panasonic, Pencarn Way, Newport** – Persimmon Homes acquired this 221,700 sq ft facility on 18.5 acres for residential redevelopment with the benefit of an outline consent for 250 dwellings.

- **National Shipyard No.1, Chepstow** – in December 2014, Mabey announced the consolidation of its civil engineering and bridge building businesses in Lydney. The 41 acre site in the centre of Chepstow is to close, with the site now allocated for mixed use development in the Monmouthshire LDP.

- **Newhouse Park, Chepstow** – Bidvest 3663, the food service provider, acquired the 220,000 sq ft former Nestle unit and is to redevelop the site to provide a 188,000 sq ft regional distribution centre.

South Wales Valleys

The South Wales success story has been a return of demand for industrial floorspace across the Valleys. This builds upon the take up of modern buildings along the M4 corridor in 2013 with a pressure wave of demand pushed northwards as modern stock on the M4 corridor has been taken up.

- **High Bay, Dowlais, Merthyr Tydfil** – this 165,000 sq ft unit was let under a long term lease to Tenneco Walker Automotive, as an expansion from their nearby Tafarnaubach facility.

Highbay, Dowlais, Merthyr Tydfil – let to Tenneco Walker Automotive

- **Heads of the Valleys Industrial Estate, Rhymney** – Unit 5, totalling 46,267 sq ft was sold to local owner occupier, Platt Packaging.

- **Rassau Industrial Estate, Ebbw Vale** – Unit 19, totalling 60,796 sq ft on 4.3 acres was sold to a local owner occupier.

- **Tafarnaubach Industrial Estate, Tredegar** – drinks company A G Barr announced the closure of its 60,160 sq ft facility on 5.7 acres, scheduled for May 2015.

- **Festival Drive, Ebbw Vale** – Yamada Automotive announced the closure of its 53,398 sq ft modern unit with strong interest expressed from local owner occupiers.

- **Pen y Fan Industrial Estate, Oakdale** – local investors, Border Group, acquired the former Unisem property for £1.65 million comprising 119,911 sq ft on 24 acres, with a specialist fit out.

- **Former Sogefi Filtration Factory, Llantrisant** – Welsh Government acquired this factory comprising 391,000 sq ft on 25 acres. It is proposed that this obsolete, low eaves height facility will be demolished, thereby providing a fully serviced employment site on a popular industrial estate.

- **Llantrisant Business Park, Llantrisant** – Universal Engineering acquired the 260,000 sq ft ‘Access 34’ unit, formerly occupied by MFI Distribution.

- **Pontyclun, Llantrisant** – the former L’Oreal distribution warehouse, comprising 199,965 sq ft of high bay accommodation was let on a short term basis to Royal Mail Group.

- **Parc Nantgarw, Treforest** – furniture manufacturer, Orangebox, has completed the fit out and moved into Unit 6b, totalling 121,300 sq ft. They acquired the freehold interest in this unit from the LPA Receivers of Treforest Estates Limited.

Swansea Bay

The industrial market in Swansea has improved with increased enquiries, particularly in the small to medium size category.

The development of the new £450 million Swansea University Campus on Fabian Way is nearing completion and, with the proposed Trinity St David’s Campus at SA1, there is a renewed focus upon the Fabian Way corridor as an employment location.

North of Swansea, the site of the former Felindre Steelworks has now been prepared for development with serviced sites being marketed by Welsh Government.

The opening of the Port Talbot Distributor Road has provided opportunities for development along its length, particularly south of Port Talbot town centre. Port Talbot docks was the proposed manufacturing base for the proposed Atlantic Array Wind Farm in the Bristol Channel. However, as this project has stalled so there is increased momentum behind the proposals for Swansea Tidal Lagoon. If approved, the construction of this 320MW renewable energy project is likely to bring significant benefits to Port Talbot.

- **Kings Dock Industrial Estate, Swansea** – located alongside Fabian Way, developer Richard Hayward Properties let 176,000 sq ft to Trojan Electronics. The project was supported by a £1.5 million Property Development Grant.

- **Fforestfach, Swansea** – Prospect Estates acquired the 225,000 sq ft former Signode premises in Fforestfach. This older property is available by way of sub-division or redevelopment.

- **Dura Park, Bynea** – this 113,020 sq ft property was sold to a local owner occupier.

- **London Road, Pembroke Dock** – GenPower, a manufacturer and distributor of power generators, acquired the 118,000 sq ft former Cambrian Windows unit.

Outlook

There is evidence of a sustained recovery in terms of take-up, with a consequent improvement in rental values and tightening of incentives on offer to prospective occupiers. Whilst capital values have improved significantly, it is still possible to acquire functional floorspace at capital values of £10-20 per sq ft in secondary locations.

In 2014, the UK Prime Minister spoke of a chance for '… Britain to become the re-shore nation' and projects such as Tenneco, Pinewood Studios, CGI, Raytheon and General Dynamics illustrate the attraction of Wales for a range of industrial uses. Issues of quality, security and labour costs in emerging economies have helped rebalance sentiment toward Wales.

Whilst the prospects are good for further re-shoring to Wales, there are headwinds to face including the weakening of the Euro and the impact of low oil prices on intercontinental transport costs.

In terms of new development, this is currently restricted to bespoke projects for specialised buildings including logistics units for Bidvest 3663, DPD Geopost and Aldi. Meanwhile, the energy sector has been active, ranging from major projects such as Viridor through to neighbourhood 'peak power plants' for operators such as Welsh Power.

There is now a real shortage of modern and new Grade A employment buildings. The procurement of new floorspace should be a priority for the public sector and, if the private sector cannot be incentivised through Property Development Grants, then direct build may now be appropriate in certain locations.

Chris Sutton
Director – Industrial & Logistics
+44 (0)29 2072 6014
+44 (0)7710 888017
chris.sutton@eu.jll.com

Retail

Overview

The retail market continued to strengthen in 2014; however difficult weather patterns and Black Friday in late November caused disruption for many retailers resulting in an impact on their performance over the festive period.

Retailers including Dune, JD Sports, Supergroup, Ted Baker, Primark and Boux Avenue saw double digit increases for the Christmas period with Ted Baker and Boux Avenue seeing significant increases of 22.8% and 31.7% respectively.

In both 2014 and the start of 2015, there were a number of casualties in the retail sector. 2014 saw two fashion brands, Jane Norman and La Senza, collapse into administration, with both retailers opting to close all stores. Phones 4u was another casualty of the year and fell into administration following the termination of contracts by EE and Vodafone. This resulted in the closure of 362 stores, with some of their stores being aggressively bid on by competitors including O2, Dixons Carphone and EE.

In January 2015, fashion chain Bank fell into administration. The high street chain, sold by JD Sports to Hilco in November 2014, has 84 stores which are all being marketed.

In addition, West Coast Capital Ltd, the company behind the USC retail brand filed a notice of intention to appoint receivers to USC. Following a restructure, the company was bought out by Republic, another Sports Direct subsidiary.

Research company Kantar reported that spending increased in the food sector with a sales growth of 0.60%. This was largely encouraged by an increase in discounting by the retailers, with like-for-like prices falling 0.90% as the larger retailers battled in a price war for market share.

The American consumer import of Black Friday, which fell on 28 November, caused disruption for the Christmas period with retailers bringing Christmas sales forward. Like-for-like retail sales fell by 0.4% in December, which was the worst performance since December 2008. This was felt by many retailers to be the repercussion of aggressive discounting.

Retailers are anticipated to be more cautious of Black Friday in 2015, with many debating whether the increase in volume of sales was worth the expense of lower margins and reduced profitability. Andy Street, Managing Director of John Lewis, reported that the Black Friday promotion had caused ‘considerable restructuring’ of Christmas shopping patterns, removing the week before Christmas as that of the biggest for sales in the calendar year.

Online sales continued to boom in 2014 reaching record sales of £100 billion. This figure was 14% up on 2013. However, Black Friday continued to cause disruption with December online sales growing by just 5% for the period, which was the slowest year-on-year pace since April 2013.

Retail Week reported that approximately £1 in every £4 is now spent by consumers online, with forecasters anticipating online sales to grow by another 12% in 2015.

Food Retail

Competition between the big four supermarkets; Sainsburys, Asda, Morrisons and Tesco became increasingly tight in 2014, with just a 0.90% gap in sales growth between them over the Christmas period. Both Asda and Morrisons reported declines of 1.60% and Sainsbury’s reported a decline of 0.70% for the period. Tesco reported a decline in sales of 1.20% which is their strongest performance since March 2014. However, they continue to lose market share which is down to 29.10% from 29.60% one year ago.

The remaining national supermarket brands reported increases with Aldi up 22.6% and Lidl up 15.1% over the period. In addition Waitrose sales increased 6.6% leaving these brands with a market share of 4.8%, 3.5% and 5.1% respectively.

Primark, Queen Street, Cardiff

Cardiff

Queen Street continued to struggle with vacancy rates but the relocation and opening of Primark was the most notable and sizeable deal. The 86,000 sq ft store has entrances from both Queen Street and St David's Shopping Centre, creating a new anchor for the scheme, and trades over five floors.

Queen Street has also been helped by Matalan opening one of their first in town format stores, in the former Primark at a size of 40,000 sq ft.

The Zone A tone along Queen Street ranges from £175 to £200 for prime central locations.

St David's Shopping Centre and The Hayes continue to remain the prime retail destinations for the city centre. St David's celebrated its fifth birthday in 2014 and saw a 4% increase in footfall throughout the year, equating to 38 million visitors per annum. Prime Zone A tone for St David's is £265.

New retailers that opened in the Centre in 2014 include Bon Marche, Hawkin's Bazaar, Poundworld and Mac Cosmetics. Alba Rose, a niche engagement and wedding ring specialist jeweller have signed an Agreement for Lease and are set to open in May 2015.

Superdrug chose St David's for the launch of its new 'Beauty Studio by Superdrug' concept store, moving away from their traditional retail model and focusing on beauty and hair products only.

Superdrug, St David's Shopping Centre, Cardiff

Swansea

In January 2015, outline proposals for a £500 million redevelopment of Swansea City Centre were approved by the Council. The plans include a major office, housing, retail and cinema complex with a new public square and a car park on the site of the former St David's Shopping Centre.

The Council has issued invitations for expressions of interest from prospective investors and developers to coincide with official launch events in London and Swansea to promote major development opportunities in the City. This also includes a substantial site on the waterfront, which incorporates the current Civic Centre, and long term aspirations for the redevelopment of many of the existing buildings on The Kingsway which it is hoped will be demolished to make way for a new 'business district'. It is anticipated that work will start on site in 2016.

Newport

In January 2015, Queensberry Real Estate announced that River Island would be joining the tenant line up at Friars Walk, in a 10,000 sq ft store alongside H&M, Next, Topshop and New Look. The 390,000 sq ft mixed use retail and leisure development anchored by Debenhams is a joint venture between Queensberry and Newport City Council.

Queensberry has also secured a number of national restaurant brands including Las Iguanas, Gourmet Burger Kitchen, Prezzo, Nando's and Frankie and Benny's, together with a new Cineworld cinema. The scheme is on track to open in November 2015 and is reported to be 60% pre let.

Leisure

The food and beverage sector continued to thrive nationally and Cardiff was no exception to this trend. Miller and Carter opened a second and larger restaurant in Cardiff in the former Habitat store and Five Guys, the American fast food burger chain made famous by Barack Obama, is due to open in early 2015.

New brands also identified the city as their first destination when looking to expand outside of London. Wahaca, a Mexican Street food brand, and Burger and Lobster, another established London restaurant, both opened their first restaurants outside London in Cardiff in 2014. Wahaca elected to take the former LK Bennett store on The Hayes whilst Burger and Lobster opened adjacent to Miller and Carter.

Scottish brewery, Brew Dog opened at 31 Westgate Street in July, joining the popular Urban Tap house run by Newport based Tiny Rebel Brewery, Queens Vaults, Zero Degrees and the City Arms on nearby Quay Street. This seems to affirm the growing reputation of this area as Cardiff's "craft beer quarter".

Usk Plaza

Friars Walk, Newport

Paul Tarling
Senior Surveyor
+44 (0)29 2072 6047
+44 (0)7970 849985
paul.tarling@eu.jll.com

Charlotte Elstob
Surveyor
+44 (0)20 7852 4633
+44 (0)7808 102392
charlotte.elstob@eu.jll.com

Offices

Overview

As predicted in last year's report, 2014 saw a significant improvement compared to the previous year. However, following a similar trend to the last 3 years, Cardiff remained the main headliner.

The Cardiff office market saw take-up at 542,500 sq ft, which is a return to the peak level in 2011, the year in which Admiral Insurance committed to a 220,000 sq ft pre-let, which Admiral occupied during 2014.

The positive occupier activity continued to support the developer confidence with the impressive sight of the Cardiff skyline being dominated by cranes for new office development of circa 260,000 sq ft.

The stand out news story has to be the joint venture between Rightacres and Cardiff Council for the regeneration of Central Square, which was further fuelled by the BBC announcing thier proposed commitment to the scheme for a new 150,000 sq ft headquarters facility. The target occupation date for the BBC is in 2018, which coincides with the projected timeline for the electrification of the Great Western mainline.

Proposed BBC Wales Headquarters, Central Square, Cardiff

We have finally seen new inward investment projects becoming a reality throughout South Wales with some key examples and announcements in 2014, including:

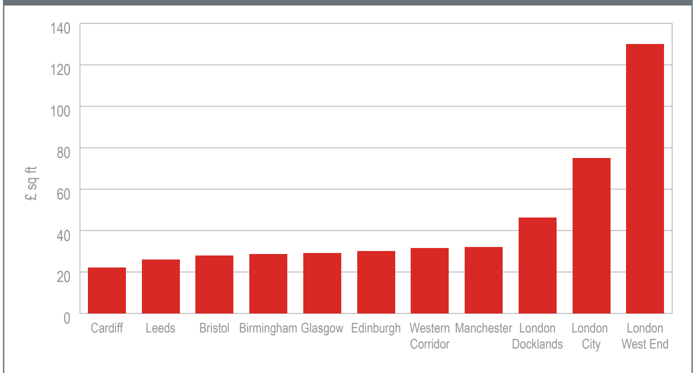
- **Deloitte** – proposed Acquisition of 90,000 sq ft in Cardiff
- **Griffin Place Communications** – acquired 35,000 sq ft in Cwmbran
- **CGI** – announcing their further commitment to Wales with the potential for 600 new jobs
- **Alert Logic (US IT Firm)** – acquired 10,000 sq ft in Cardiff
- **ReNeuron** – 25,000 sq ft Acquisition in Bridgend

These are all significant projects for Wales and, even more importantly, provide great job opportunities for Welsh people. However, for continued inward investment we need to ensure that Wales meets the specific employment skill and education criteria of these fast growing target companies. Speaking at the 2014 annual CBI Dinner held in Cardiff, John Cridland, Director General of CBI outlined the importance of investment in Welsh education and young people, as a key part of providing a stronger economy for Wales going forward.

It is encouraging to see that not only Cardiff benefitted from inward investment, but a broader reach throughout South Wales. This has the potential to disperse even further, particularly with the major investments being made by the various universities and educational establishments.

Prime office rents have remained stable for all three cities and Cardiff is expected to lead the way for growth in 2015 with levels expected to reach £23.00 over the next 12 months.

UK office rents

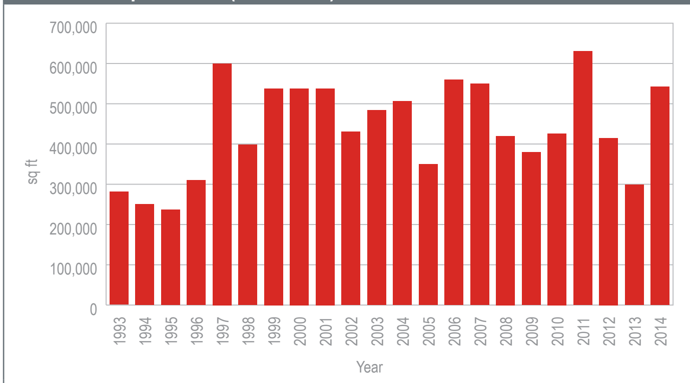


Source: JLL

Cardiff

The end of year office take-up for 2014 was very encouraging at 542,500 sq ft, which is a 82% increase from the previous year of 298,000 sq ft. This high level of take-up is 17% above the 5 year average of 462,395 sq ft.

Office take-up - Cardiff (1993-2014)



Source: JLL

In complete contrast to 2013, the take-up of large space (20,000 sq ft plus) in 2014 accounted for 242,000 sq ft. This was a significant increase from the 2013 figure of 42,000 sq ft and helped to bolster the overall take-up statistics, however there was a wide differential in values due to the various levels of office specification.

The out-of-town market demonstrated a turn around with take-up levels increasing from a low base of 55,000 sq ft in 2013 to an impressive 211,000 sq ft. This is very positive for the out-of-town market, however it should be commented that 75% of this take-up related to 4 large transactions to key occupiers, including SSE, Wales & West Housing Association, Velindre NHS Trust and International Baccalaureate.

2014 saw a significant increase in the take-up of city centre Grade A floor space at 106,500 sq ft, which directly relates to the Blake Morgan pre-let, release of refurbished second hand (predominantly at Callaghan Square) Grade A to the market as well as the completion of 1 Capital Quarter (76,000 sq ft). There was a welcome return to the market of corporate occupiers who were the most active in respect of Grade A take-up, focusing on large, open plan floor plates.

3 Callaghan Square, Cardiff

Key office transactions in 2014

Address	Occupier	Size sq ft	Headline rent/sq ft or Sale Price	Date
Grade A				
1 Central Square	Blake Morgan	28,077	Not disclosed	Dec-14
1 Callaghan Square	HSBC	12,500	£19.00	Sep-14
1 Capital Quarter	Finance Wales	22,324	£19.00	Aug-14
1 Capital Quarter	Alert Logic	9,823	£19.00	Jul-14
3 Callaghan Square	British Gas	14,666	£21.00	Jun-14
Other				
Archway House, Llanishen Business Park	Wales & West Housing Association	20,357	£1.355 million	Sep-14
Portcullis House, Cowbridge Road East	Velindre NHS Trust	36,200	£5.40	Sep-14
Peterson House, Cardiff Gate Business Park	SSE	46,851	£5.65 million	Apr-14
Sterling House, Cardiff Gate Business Park	International Baccalaureate	48,500	£12.00	Feb-14
4th Floor, Companies House, Crown Way	Velindre NHS Trust	39,500	£8.00	Feb-14

Source: JLL

The total office availability has continued to decrease to circa 900,000 sq ft, which is a result of the high level of take-up, limited supply of new/refurbished space released to the market and the continuing threat of alternative use schemes. New Grade A supply is currently limited to 50,000 sq ft (1 Capital Quarter and 3 Assembly Square) in the city centre and 35,000 sq ft (Vision Court, Pentwyn) out of town.

No 1 Central Square, Cardiff

There has been significant activity in the development pipeline and the three schemes announced in 2014 are already well underway with completion dates between Q4 2015 and Q1 2016. These include, 1 Central Square, 135,000 sq ft being developed by Rightacres; 2 Capital Quarter, 85,000 sq ft being developed by J R Smart and 2 Kingsway (formerly Plas Glyndwr), Ardstone Capital's 40,000 sq ft scheme. Finally, Welsh Government is also proposing to develop 90,000 sq ft at Callaghan Square, however the commencement date is yet to be confirmed.

Cardiff Council, via a joint venture with Rightacres, has completed its acquisition of the various sites and buildings surrounding Central Square, which resulted in the announcement of many regeneration proposals as well as the commitment by the BBC for a proposed 150,000 sq ft headquarters facility at the scheme.

The BBC pre-letting will be confirmed in 2015, which will significantly boost city centre take-up. Other active named requirements, likely to progress this year, are Legal & General (100,000 sq ft), Deloitte (90,000 sq ft) Public Health Wales (50,000 sq ft) Geldards Solicitors (40,000 sq ft), Motonovo Finance (35,000 sq ft), AA (20,000sq ft), PwC (20,000 sq ft) and Parsons Brinkerhoff (15,000 sq ft).

Prime Grade A headline rents continued to stand at £21.00 to £22.00 per sq ft for the city and £17.00 per sq ft for out of town.

We predict that 2015 will see new rental growth for City Centre Grade A increasing to £23.00 per sq ft and the continuing attraction of incentive packages.

Newport

The Newport office market experienced a significant improvement in take-up of 120,000 sq ft, compared to the previous year of 80,000 sq ft. However, the main news story for the Newport office market in 2014 was the opening of the 80,000 sq ft Admiral office in the city centre, which was pre-let and included in the 2012 take up statistics.

There was one stand alone transaction in 2014, equating to 30% of total take-up, namely the 28West (35,000 sq ft) freehold purchase by Welsh Water at £4.5 million. In addition, Acquis Insurance Management purchased Integra House (14,000 sq ft). Both deals were out of town at Celtic Springs Business Park with the remaining transactions being a mix of city centre and out of town lettings below 3,000 sq ft.

The office supply level of 350,000 sq ft has remained similar to the previous year, but was expected to increase significantly in 2014 due to the proposed threat of the Prison Service vacating 55,000 sq ft at Phoenix House. However, due to the existing contract and lease being taken over by a third party the property has remained fully let, which will hopefully provide job security also.

Interestingly, Newport has started to see signs of alternative uses impacting on the office supply. The most recent example relating to the proposed redevelopment of the 90,000 sq ft Olympia House for a mixed use scheme, comprising a 26,000 sq ft Sports Direct retail unit with a residential tower above.

New investment is still required in Newport, particularly to address the low level of Grade A office accommodation, which is limited to only one building, namely Q2 (20,000 sq ft) at Imperial Park. It is anticipated that the recent opening of the 80,000 sq ft city centre Admiral Insurance office and the ongoing development of the £100 million Friars Walk retail scheme will have a positive impact on the office market, especially as confidence returns.

28 West, Celtic Springs Business Park, Newport

There were no 2014 Grade A leasehold transactions for new city centre or out-of-town office accommodation; however, we anticipate headline rent levels remaining stable at £16.00 and £15.00 per sq ft respectively.

Swansea

Swansea has been the weakest performer of all three Welsh cities in terms of office take-up, which equated to 60,000 sq ft. This is a 15% decrease from the previous year of 70,000 sq ft.

Following a similar trend to Newport, the majority of transactions related to the letting of small suites of sub 3,000 sq ft to companies including The National Autistic Society. Only one transaction exceeded 10,000 sq ft with TUi Travel acquiring 14,500 sq ft at Alexandra House in the city centre at a rent of £9.50 per sq ft. This was very positive for Swansea as TUi had threatened to close their Swansea office.

Good quality city centre supply is limited to one scheme known as Langdon House at SA1, which offers a total of 10,000 sq ft. The out-of-town market continues to dominate the new Grade A office supply with circa 85,000 sq ft available at Crucible Park, Swansea Vale.

Alexandra House, Swansea

Swansea has always offered good lifestyle choices, especially due to the competitive cost of housing and proximity to the coast. However, the regeneration of the city remains key to attract further occupier inward investment. Investment in the city should be achievable, having been kick started by the growth of Swansea University and Trinity St David University as well as the council's recent announcement to appoint a development partner for city centre regeneration.

A further positive for Swansea is the continued status of being located in a Tier 1 grant assisted area, being as it is the only city in South Wales benefitting from this initiative.

Similar to Newport there were no Grade A transactions recorded for Swansea. However, we anticipate the previous levels for the city centre and out-of-town to remain stable at £14.50 and £11.50 per sq ft respectively.

Outlook

2014 was definitely a turning point for the whole of South Wales with Cardiff expected to continue to be ahead of the other main cities for the next 12 months.

Take-up will be interesting for all three cities over 2015, especially due to the dwindling supply of Grade A stock. However, we predict that pre-let activity will fuel take-up and help drive forward new development.

The speculative office development starts are great news for Cardiff city centre with all proposed developments offering something very different, whether it be views into Cardiff Castle, large floor plates or proximity to the central train station.

Grade A headline rents in Cardiff should increase above £22.00 per sq ft, especially to compensate developers who have continued to build in what has been a difficult economy. We also expect growth in headline rents of Grade B office buildings, especially where landlords are undertaking a comprehensive refurbishment program.

All three cities will experience major changes including a wide range of investment projects over the next 24 months, which will benefit the whole of South Wales.

Rhydian Morris
Director – Office Agency
+44 (0)29 2072 6002
+44 (0)7792 273120
rhydian.morris@eu.jll.com

Residential

Overview

In the last twelve months, there has been a sustained recovery in the residential development sector across South Wales. The national housebuilders have now extended their reach from the prime M4 corridor locations of South East Wales and with the market towns of Monmouthshire and the Vale of Glamorgan.

Increasingly, we have seen an extension of residential development activity into strong secondary locations including the Lower Valleys and Swansea Bay. Whilst activity remains limited in our most disadvantaged communities, including the Heads of the Valleys, there is less talk of a ‘snow line’ and a stronger working relationship has emerged with Welsh Government in terms of addressing concerns regarding planning and viability in these areas.

There are a number of wider policy issues which materially affect the residential sector and government intervention has continued to represent both the greatest support and, indeed, risk, for the housing market.

In January 2014, we saw the introduction of NewBuy Cymru which was well received by housebuilders and purchasers alike. In addition, during his relatively short tenure as Housing Minister, Carl Sargeant rolled back certain sustainability measures and re-considered the issue of sprinklers for standard housing. However, the planning regime remains problematic with the slow delivery of Local Development Plans (LDPs) impacting upon the delivery of housing units in areas of demand, such as Cardiff.

The Planning (Wales) Bill seeks to improve delivery and establish a tier of strategic planning above LDPs. In addition, emerging initiatives such as the City Regions of Swansea Bay and Cardiff Capital Region may, eventually, provide a framework for the development of Strategic Development Plans including housing numbers and the relationship of new development with infrastructure investment.

Market activity

Several large residential development schemes are currently being progressed, or are due to commence imminently, across the region.

In Newport, schemes include the former Alcan site at Rogerstone, with 1,000 houses proposed. The scheme, to be known as Jubilee Park, will include a health and leisure park and primary school. Bellway and Taylor Wimpey will develop the first phase of 278 units combined.

Elsewhere in Newport, Persimmon is redeveloping the former Panasonic site of 18.5 acres in Duffryn whilst Redrow Homes is developing the former Mon Bank railway sidings to the southwest of the city centre. The first Redrow phase, Belle Vue at Mon Bank will comprise 104 units whilst Llanmoor Homes will deliver an additional 85 units. To the east of Newport, St Modwen continues the remediation and delivery of land at Glan Llyn with a masterplan for 4,250 housing units and both Persimmon and St Modwen homes on site.

The greenfield expansion of Cardiff remains the prize for all national housebuilders. However, Redrow and Persimmon have built up dominant positions in terms of agreements and options with landowners. In terms of the short term delivery of housing units, Bellway Homes will benefit from little competition as they demolish and redevelop the former HTV studios at Culverhouse Cross for the construction of 243 units.

In Bridgend the Parc Derwen site of circa 210 acres is under development. This scheme is likely to see up to 1,500 new homes, a small district centre and a new primary school. Meanwhile, in the Vale of Glamorgan, the development consortium of Barratt, Persimmon and Taylor Wimpey are now on site at Barry Waterfront with a phased development of up to 2,000 units.

In Swansea Bay, the largest scheme is Coed D’Arcy, the redevelopment of the former Llandarcy oil refinery where St Modwen are developing an urban village with Persimmon on site delivering the first phase of 300 units, out of a total of 4,000 units. Housebuilders have, in many instances, committed their resources to these larger developments leaving limited capacity to pursue smaller sites.

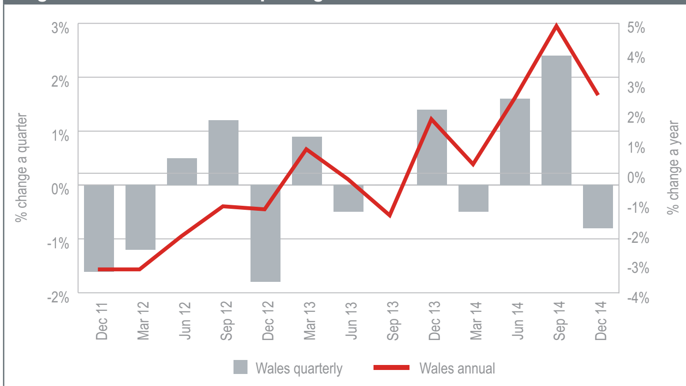
Wales Housing Market

The level of residential property transactions in Wales continues to increase. For the period March 2013 to September 2014, transaction levels grew by 25%, comparable to the average for England & Wales. *(Source: Land Registry)*.

The Halifax House Price Index for December 2015 reported an annual UK increase in house prices of 7.8%, and stated:

"Housing demand should continue to be supported by an expanding economy, continuing low mortgage rates and a boost to households' spending power resulting from lower consumer price inflation and reduced fuel bills. Nonetheless, we expect the overall downward trend in house price growth seen since last summer to continue over the coming months. Nationally, house prices are predicted to increase in a range of 3 to 5% in 2015 compared with 8% last year."

England and Wales house price growth



Source: JLL, Land Registry

Average prices in Wales are now 5% higher than their 2009 low compared with an 18% increase across England & Wales. Transaction levels in Wales are below their recent peak but greater than the 10 year average. (*Source: Land Registry*).

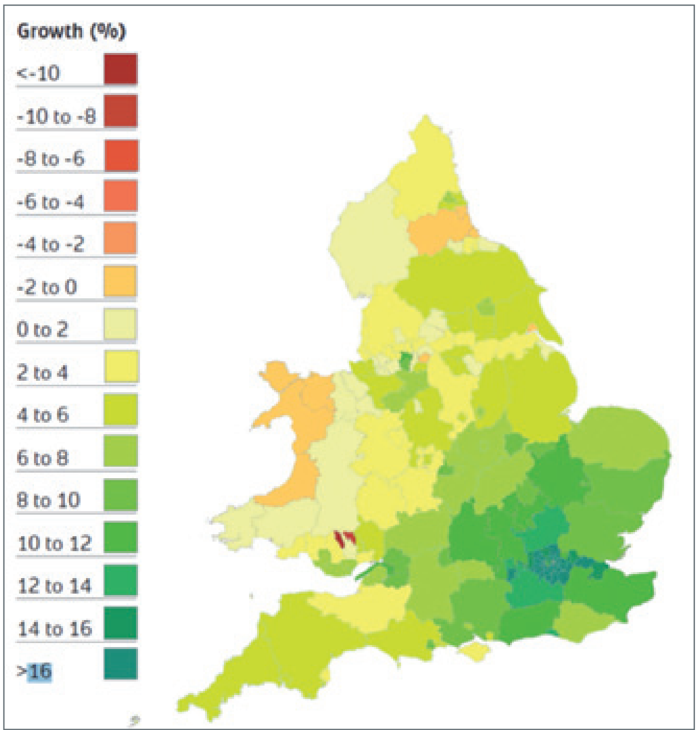
The number of development starts in Wales per year increased marginally during Q2 2014 and rose by 6% compared with a year earlier. At 5,920, the number of housing unit starts was 37% below the pre-recession high 2006-2007 levels and 16% lower than the 10 year average. The number of development completions in the year to Q2 2014, at 5,960 units, is 12% greater than a year earlier, 34% below 2006-2007 levels and 16% below the 10 year average. *(Source: DCLG).*

The Land Registry House Price Index for December 2014 reported an annual price change of 3% growth and an average price of £118,859.

Regions over the last 12 months			
Region	Monthly change (%)	Annual change (%)	Average price (£)
London	1.8	16.3	£464,936
East	1.5	10.3	£199,055
South East	0.7	10.8	£240,987
Yorkshire & The Humber	0.6	5.0	£121,371
North East	0.4	3.9	£99,132
Wales	0.2	3.0	£118,859
East Midlands	-0.5	4.2	£131,336
West Midlands	-0.7	4.0	£136,064
South West	-0.9	4.4	£182,968
North West	-1.6	1.5	£110,548

Source: Land Registry

Annual price change by County plan



Public Sector Activity

Welsh Government has entered into a joint venture with the Principality Building Society to create a 'not for profit' vehicle to deliver affordable housing at three major sites, Ely Mill in west Cardiff, Whitehead Works, to the west of Newport City Centre and Parc Eirin near Tonyrefail.

The first scheme to come forward for the Tai Tirion joint venture is at Ely Mill where the development of 800 new homes is due to commence imminently.

Private Rented Sector (PRS)

PRS is a residential product which for the first time in the UK, caters to the specific needs of tenants viewed as customers, representing a modern, efficient residential asset class suitable for institutions. At the heart of this model is the move to create customers and clients out of tenants. This drives greater customer service, ultimately reducing voids and yield erosion. There are as many investment models being considered and deployed as there are organisations looking at the sector, but at this early stage in its growth this diversity can only be viewed positively. There is a lack of appropriate stock in the UK to meet the demand for direct asset exposure. The challenge for the development and housebuilding industry is to meet this overwhelming and increasingly international demand for efficient, modern PRS product.

Outlook

We anticipate a continuation of the improvement in the residential market in the next 3-5 years with house price growth in the range of 2.5% to 5.0% pa. However, clouds remain on the horizon, not least political risk with two elections for Wales over the course of the next 18 months, together with the attendant macro-economic factors.

Sustainability continues to play a role, particularly where sites are controlled by the public sector. It is likely that sustainability will continue to permeate all elements of housing development element with funders and investors becoming more demanding in this regard.

Rising build costs and supply chain pressures are also driving a move into modern methods of construction. The key driver, however, will be the consumer: recent surveys show that property operating costs are becoming a much more important consideration for prospective purchasers.

In summary, we anticipate the continued improvement in the residential development market with increased confidence from both developers and purchasers. The clear direction of new policies from Welsh Government is one of encouraging investment in infrastructure and this, together with the reform of our planning system, is a strong combination which should support the delivery of an increase in new housing schemes.

Chris Sutton
Lead Director
+44 (0)29 2072 6014
+44 (0)7710 888017
chris.sutton@eu.jll.com

Stuart Munro
Director
+44 (0)29 2072 6035
+44 (0)7525 824655
stuartj.munro@eu.jll.com

Planning

Overview

In December 2013, the Planning (Wales) Bill was released and the consultation for this ran until February 2014. This introduced a number of reforms for the planning system in Wales to deliver a more rapid and transparent planning system. This is the most significant change taking place in the world of Welsh planning.

A new Planning Court opened on 6 April 2014 which is to deal solely with Compulsory Purchaser Orders, highway interventions and town and village green applications. The new court is to help reduce the number of judicial reviews that currently take place in planning.

The Wales Planning Conference was held in June 2014. Carl Sargeant (former Housing Minister) outlined a number of measures including the reform of the planning system through the Planning (Wales) Bill providing a new framework to deliver development. Local Authorities are also being encouraged to jointly prepare Local Development Plans (LDPs) to ensure they all have an up to date plan adopted. A shift from development control to development management is also being promoted through the new measures in the Bill.

"Carl Sargeant (former Housing Minister) outlined a number of measures including the reform of the planning system through the Planning (Wales) Bill providing a new framework to deliver development."

In July 2014, the 7th Edition of Planning Policy Wales was released, which provides new guidance on planning and the environment, following the deletion of Technical Advice Note (TAN) 22 (Planning for the Sustainable Buildings) on the 31st July 2014. TAN 22 provided guidance on integrating sustainable building methods to reduce the impact on climate change.

Also in July, Technical Advice Note (TAN) 1 – Joint Housing Land Availability Studies was published for consultation which provides new guidance on housing.

The procedure to undertake non-material minor amendments (NMAs) was also formalised on the 1st September 2014 introducing the mechanism to submit a NMA application.

Planning (Wales) Bill

In October 2014, further consultation on the reform of the planning system in 'Wales – Positive Planning' took place in relation to the Planning (Wales) Bill. The aim is to secure a modernised service delivery framework. A summary of the changes are:

1. Developments of National Significance (DNS) can be made straight to Welsh Ministers.
2. A new National Development Plan will replace the current Wales Spatial Plan.
3. New Strategic Development Plans will be prepared for key regions such as Cardiff, Swansea Bay and the A55 corridor.
4. Poorly performing Local Authorities will be placed into 'special measures.'
5. Front loading – pre-application with local planning authorities and statutory consultee and stakeholders will now become a statutory requirement as part of the bill.
6. Development management:
    - Planning committees – the size and form is to be standardised, plus criteria in which applications will be referred to planning committees for determination.
    - Design and access statements – it is proposed that the requirement to provide a design and access statement is removed as a statutory measure. In addition, planning appeals for non-determination are proposed to be reintroduced.

- Enforcement – local planning authorities can refuse to determine retrospective applications that are subject to enforcement notices as a new measure.
- Increases in planning application fees and the scope of the fee are to be introduced.
- New ‘notification of commencement of development’ notices to be required and made public.
- Streamlining validation checklists – LPAs can serve a notice on an applicant to provide certain documents. This may now be challenged by the applicant to Welsh Ministers.
- Appeals – written representations are to be the only method of appeal, unless a case is made to demonstrate why a hearing or inquiry is necessary. A mechanism to allow for a costs application to be submitted through written representations has also been introduced. The 8 week fast track appeal service has been added for advert appeals (same as householder and commercial schemes on pilot).

7. Town and Village Greens – Applications to designate a new town or village green may not be made if the following circumstances prevail.
    1. The site is allocated for development through the Local Development Plan.
    2. The site is subject to a planning application which has not yet been determined.
    3. There is an extant planning permission for development which prevails on the site.

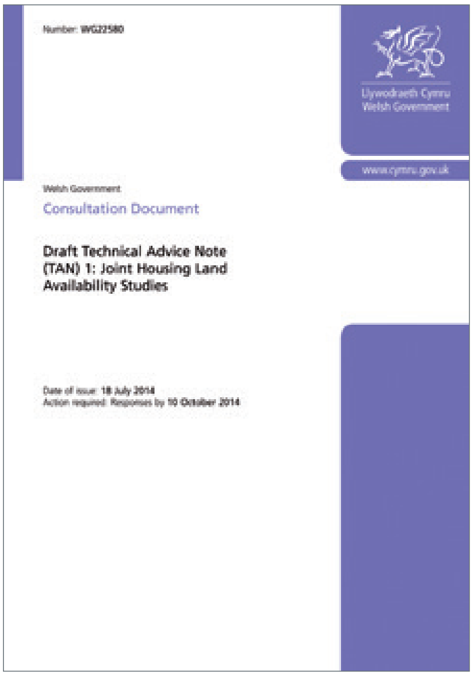
Housing

TAN 1 sets out the following changes:

- Only LPAs with an up-to-date LDP will be able to conduct JHLAS. This also removes the previous calculation of supply based on past completions method to calculate housing supply – i.e. only residual methodology is to be used for the calculation.
- This creates strong links between JHLAS and LDPs placing greater importance on having an up to date LDP; to ensure the most up-to-date housing land supply figure is in the annual monitoring reports (AMR).
- Preparation of the JHLAS cut to 6 months to allow for accurate data in the AMR.
- Sites to be included in the supply must have outline / full planning permission or allocated in the LDP for housing, where it is likely to will be delivered in the next five years. Sites with unsigned s106 agreements for longer than 12 months are to be removed from housing supply.
- Where the LPA cannot demonstrate a 5 year housing land supply, the action to be taken will be set out in the AMR not the JHAS report.
- Categorisation of sites with clear explanation for inclusion / exclusion. This will include planning status; developer / land owner intentions / site / infrastructure constraints; JHLAS history; any other relevant information.
- Study Group meetings are to be introduced for disputed sites to resolve matters.
- A full Statement of Common Ground will also be prepared by the LPA, in consultation with the Study Group setting out the agreement on sites. In cases where the matters remain unresolved the Welsh Government will require the Planning Inspector to review the Statement of Common Ground and make a recommendation on the disputed sites.

- Transitional arrangements are proposed for LPAs with no adopted LPD. LPAs will be permitted to use the adopted UDP as the basis for calculating housing land supply, using the residual method provided; the UDP must still be within the plan period at the base date of the JHLAS; and the LPD preparation must be progressed in line with the approved Delivery Agreement.

Cardiff, Isle of Anglesey, Vale of Glamorgan and Wrexham will be affected by the transitional arrangement as these LPAs do not currently have an up to date development plan and cannot provide a 5 year housing supply.


Number: WG22580

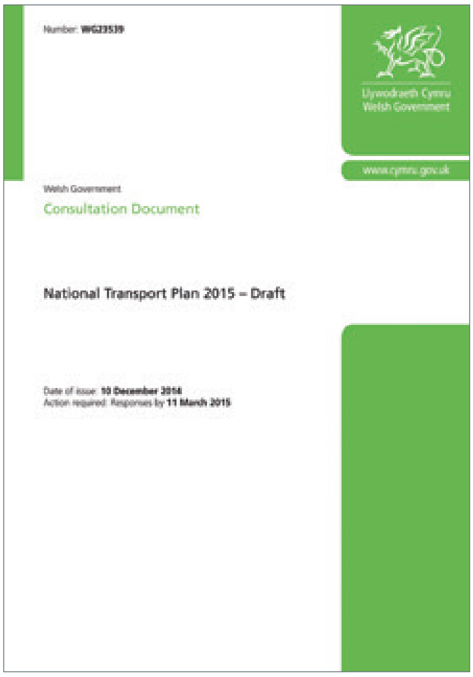
Llywodraeth Cymru
Welsh Government

www.cymru.gov.uk

Welsh Government
Consultation Document

Draft Technical Advice Note (TAN) 1: Joint Housing Land Availability Studies

Date of issue: 18 July 2014
Action required: Responses by 10 October 2014


Number: WG23539

Llywodraeth Cymru
Welsh Government

www.cymru.gov.uk

Welsh Government
Consultation Document

National Transport Plan 2015 – Draft

Date of issue: 10 December 2014
Action required: Responses by 11 March 2015

Transport

In December 2014, the National Transport Plan for Wales was published by Welsh Government, which sets out priorities for roads and public transport projects in the next 5 - 30 years for the whole of Wales, and will sit alongside Local Transport Plans being published by local authorities.

Welsh Government has committed whole heartedly to these projects. Edwina Hart has confirmed that:

"These proposals demonstrate our commitment to developing an efficient integrated transport system that will improve access to jobs and services and deliver economic growth throughout Wales."

The 5 priorities include:

1. Economic growth
2. Access to employment
3. Tackling poverty
4. Sustainable travel and safety
5. Access to services.

Projects are categorized as short (next 5 years), medium (next 10 years) and long (next 20 – 30 years). Cardiff Capital Region Metro and the Gilwern to Brynmawr section of the A465 fall into the short term category. Others short term projects include the following:

- Improvements to the A55 – including the tunnels, junctions 15&16 and the Menai crossing
- A487 Caernarfon to Bontnewydd bypass
- A483 / A489 Newtown bypass
- A483 Llandeilo bypass
- A40 Llanddewi Velfrey to Penblewin improvements to safety and access to Haven Waterway Enterprise Zone
- North South rail journey time and capacity improvements
- Implement the recommendations arising from the Bus Policy Advisory Group Review in 2014 and introduce quality standards to improve bus services
- Deliver a youth concessionary bus fare scheme for 16 and 17 year olds
- Projects for phase one of the Cardiff Capital Region Metro.

Outlook

Planning (Wales) Bill

Royal Assent for the Bill is to happen by the summer of 2015. And subsequent to this, the Regulations which will sit alongside the Bill, that provide further details should also be published later in 2015. The Regulations will explain specific criteria for a number of new measures, such as the criteria on ‘poor performance’ and ‘special measures.’

Community Infrastructure Levy (CIL)

CIL is not devolved and it is down to each Local Authority to set up the charge for the levy. Rhondda Cynon Taff adopted their CIL rates in December 2014. Cardiff has published their draft charging schedule. The introduction of CIL may well stifle development, adding considerable tax and make schemes unviable. Birmingham City Council confirmed it would not introduce CIL, or if it does the levy will be set at £0, to ensure that development is not stagnated. Instead, section 106 agreements will continue to be used as the mechanism for securing contributions as this is more flexible. However, local authorities will no longer be able to pool section 106 contributions for a single infrastructure project from April 2015. Therefore, after this date, if no CIL schedule is in place, only certain contributors will be payable for infrastructure.

City Region Planning

The creation of the new Cardiff City Region and Swansea Bay City Region Boards will have a significant impact, seeking to help regenerate through attracting inward investment. A new Great Western Region Board comprising of Cardiff, Newport and Bristol has also been launched, to improve the economy across the region. The focus is improving connectivity and harnessing the energy potential of the Severn Estuary.

GREAT WESTERN CITIES
DINASOEDD MAWR Y GORLLEWIN

Kathryn Williams
Senior Planner
+44 (0)292 072 6022
+44 (0)7872 120931
kathryn.williams@eu.jll.com

All information correct at time of print

Business rates

Overview

In November 2012, the Commission on Devolution in Wales, 'the Silk Commission', which was set up by the UK Government, recommended that business rates should be devolved to Wales. They stated that 'devolving business rates would fit our tax principles well, increasing accountability and empowerment, improving growth incentives and providing equitable treatment with Scotland and Northern Ireland'. In November 2013, the UK Government response to the Silk Commission's first report confirmed that it would work with the Welsh Government to devolve business rates to Wales. The Wales Bill Command Paper confirmed that the target date for business rates devolution to Wales is 1 April 2015. Work continues apace and the Minister for Finance is working with the Chief Secretary to the Treasury to undertake this.

Currently, the Welsh Government has the power to set business rates. However, the amount of revenue generated has no direct impact on the overall resources available to the Welsh Government which is determined by the Barnett formula. Full devolution will mean that the revenues from business rates would help to determine the overall size of the Welsh Government budget as the total resources available to the Welsh Government will include both the adjusted Barnett formula together with revenues from business rates.

Of the Silk Commission's 33 recommendations, 31 were for the UK government to consider and 30 have been accepted in full or in part. As a result not only will business rates in Wales be fully devolved but also landfill tax and stamp duty land tax will be fully devolved.

In 2013-14 business rates revenue totalled £960 million, which financed over 6% of the overall Welsh Government budget. Over 90% of the revenue is collected by local authorities, with the rest collected directly by the Welsh Government. There are just over 100,000 properties that are liable for business rates in Wales. Currently all the business rates collected are pooled by the Welsh Government and then redistributed back to the local authorities as part of the local government revenue scheme each year.

Rates Relief

Within Wales there are a number of reliefs and exemptions which apply to properties to reduce ratepayers' liability. Some are applied automatically to rate demands whereas others are application based. Some of these reliefs and exemptions include:

- **Small Business Rate Relief**
  Properties with a Rateable Value below £6,000 receive a 100% relief and the relief is then tapered away for properties with a Rateable Value up to £12,000. Properties must be occupied to be eligible for the relief and there are a few exemptions.

- **Empty Property Relief**
  Empty properties with a Rateable Value under £2,600 pay no empty rates. Industrial properties receive 100% exemption from empty property rates for 6 months when they become vacant and non-industrial properties such as offices/shops receive 3 months 100% empty property rate relief.

- **Charitable Relief**
  Charities are entitled to relief from rates on any property which is wholly or mainly used for charitable purposes. Relief is given at 80% of the occupied rates bill and billing authorities have discretion to remit all or part of the remaining 20% of a charity's rate demand. There is also the opportunity for 100% empty rates relief for any unoccupied property, where the following occupier us by a charity and for charitable purposes.

- **Open for Business**
  The scheme provides 50% relief on business rates for up to 12 months for businesses that are taking occupation of properties that have been unoccupied for a continuous period of 12 months or more and when last occupied they were used for retail purposes.

- **New Developments**
  This scheme gives 100% rating relief to owners of "new" developments that remain empty on completion. A new building is

one that has been completed less than 18 months previously and buildings completed on or after 1 October 2013 and before 1 October 2016.

- **Local Needs Scheme**
  This differs with every local authority in Wales as they use their local knowledge to provide rates relief support to businesses that have been negatively affected by the postponement of the 2015 Revaluation or that contribute to local and regional economic development aims.

- **Wales Retail Relief Scheme**
  Certain retail properties with a Rateable Value of £50,000 or less can apply for rate relief of up to £1,000 against the rate demand for one year.

- **Wales Renewable Energy Producers Scheme**
  This discretionary scheme is available to new-start businesses or businesses looking to increase their permanent full-time workforce who are looking to expand their capacity to generate more heat and/or power from renewable sources.

- **Enterprise Zone Business Rates Scheme**
  This is a competitive grant scheme for companies based in Enterprise Zones, with priority for funding given to the strongest applications. First priority will be given to new start-ups and businesses increasing their workforce.

- **Business Improvement Districts (BIDs)**
  BIDs bring together businesses and other stakeholders in a defined geographical area, so they can develop projects and activities which will help boost the local economy. The organisations in the proposed BID area vote on whether to pay an additional levy on their rate demand.

- **Rate relief for partly occupied properties (Section 44A)**
  Where it appears to the billing authority that part of a property is unoccupied and will remain so for a short period, then the authority has the discretion to grant 100% empty property relief on the unoccupied part.

- **Hardship Relief**
  Consideration may be given to the reduction or remission of rates if it can be shown that the ratepayer would otherwise sustain hardship.

The current Rating List came into effect on 1 April 2010 based on rental values as at 1 April 2008. Revaluations usually take place every 5 years and the next one was originally due 1 April 2015.

However this Revaluation, has been postponed for 2 years and the next Revaluation will now be 1 April 2017. Therefore, any rents agreed over the first quarter of this year are likely to provide strong market evidence for the new level of Rateable Values to come into force in 2017.

Rateable Values will reflect economic and rental values as at 1 April 2015 and the physical circumstances as at 1 April 2017.

As a result of the recession, ratepayers may expect many Rateable Values to reduce in 2017 because of the deterioration in rental values since 2008.

However, rate liabilities will not change directly in line with Rateable Values as the Universal Business Rate (UBR) multiplier will be set to maintain the aggregate yield from business rates. As is often the case some business will benefit whereas others will have to pay more.

Rate liabilities will also be affected by the devolution of business rates powers to Welsh Government, who will have changes to the business rates system which are directly relevant to the Welsh Economy.

Susanne Thomas
Senior Surveyor
+44 (0)29 2072 6009
+44 (0)7970 623402
susanne.thomas@eu.jll.com


JLL


Contacts

Chris Sutton
Lead Director - Cardiff
+44 (0)29 2072 6014
+44 (0)7710 888017
chris.sutton@eu.jll.com

Capital Markets

Justin Millett
Director
+44 (0)29 2072 6006
+44 (0)7816 813434
justin.millett@eu.jll.com

Valuation

Stuart Munro
Director
+44 (0)29 2072 6035
+44 (0)7525 824655
stuartj.munro@eu.jll.com

Matthew Wright
Senior Surveyor
+44 (0)29 2072 6012
+44 (0)7720 679517
matthew.wright@eu.jll.com

Harriet Costello
Graduate Surveyor
+44 (0)29 2072 6024
+44 (0)7525 824597
harriet.costello@eu.jll.com

Buildings and Construction

Jonathan Churchill
Director
+44 (0)29 2072 6008
+44 (0)7970 850056
jonathan.churchill@eu.jll.com

Robert Pratt
Associate Director
+44 (0)29 2072 6034
+44 (0)7525 824636
robert.pratt@eu.jll.com

Katy Mortimer
Senior Surveyor
+44 (0)29 2072 6043
+44 (0)7976 583274
katy.mortimer@eu.jll.com

Paul Champken
Senior Surveyor
+44 (0)29 2072 6011
+44 (0)7527 388030
paul.champken@eu.jll.com

Rating

Susanne Thomas
Senior Surveyor
+44 (0)29 2072 6009
+44 (0)7970 623402
susanne.thomas@eu.jll.com

Industrial and Logistics

Chris Sutton
Director
+44 (0)29 2072 6014
+44 (0)7710 888017
chris.sutton@eu.jll.com

Heather Lawrence
Senior Surveyor
+44 (0)29 2072 6026
+44 (0)7791 022372
heather.lawrence@eu.jll.com

Planning and Development

Paul Tarling
Senior Surveyor
+44 (0)29 2072 6047
+44 (0)7970 849985
paul.tarling@eu.jll.com

Kathryn Williams
Senior Planner
+44 (0)29 2072 6022
+44 (0)7872 120931
kathryn.williams@eu.jll.com

Property and Asset Management

Richard Nicholas
Director
+44 (0)29 2072 6013
+44 (0)7815 102061
richard.nicholas@eu.jll.com

Sophie Woodard
Surveyor
+44 (0)29 2072 6040
+44 (0)7702 100568
sophie.woodard@eu.jll.com

Madeline Humphries
Assistant Surveyor, Retail Management
+44 (0)29 2072 6018
+44 (0)7815 940045
madeline.humphries@eu.jll.com

Rachel Haley
Surveying Executive
+44 (0)29 2072 6027
rachel.haley@eu.jll.com

Office Agency

Rhydian Morris
Director
+44 (0)29 2072 6002
+44 (0)7792 273120
rhydian.morris@eu.jll.com

Jennie Howells
Graduate Surveyor
+44 (0)29 2072 6021
+44 (0)7525 824610
jennie.howells@eu.jll.com

Lease Consultancy

Martin Little
Associate Director
+44 (0)29 2072 6015
+44 (0)7834 782615
martin.little@eu.jll.com

Support Team

Patricia Freeth
Office Manager
+44 (0)29 2072 6010
patricia.freeth@eu.jll.com

Sandra Williams
Secretary
+44 (0)29 2072 6020
sandra.williams@eu.jll.com

Caroline Crosbie
Secretary
+44 (0)29 2072 6007
caroline.crosbie@eu.jll.com

JLL
One Kingsway
Cardiff
CF10 3AN
+44 (0)29 2022 7666

South Wales Report – 2015

www.jll.co.uk