Wales

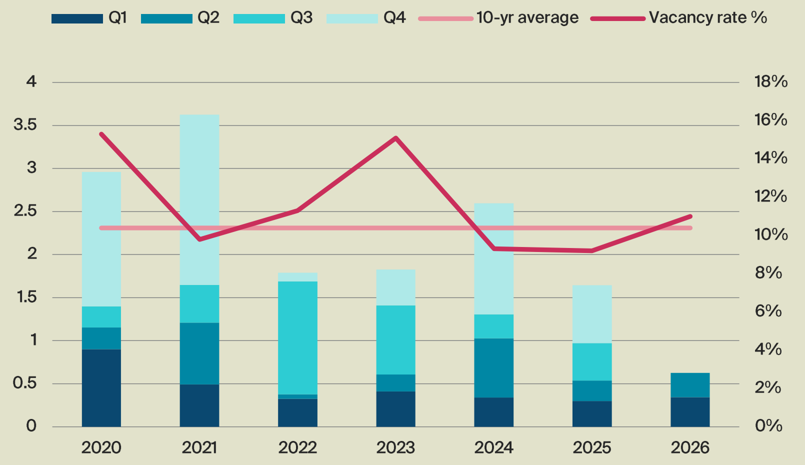
282k sq ft
Occupier take up Q2 2026

11.0%
Vacancy rate Q2 2026

£10.00 psf
Prime rents Q2 2026

-%
Prime annual rental growth

Take up and vacancy (Units 50,000 sq ft+)
Million sq ft



Source: Knight Frank Insight

MID-BOX DEMAND DRIVES A RESILIENT MARKET

The Welsh market recorded a stronger second quarter, with take-up reaching 282,000 sq ft. While lower q/q, activity was 35% above Q2 2025 levels, highlighting continued occupier confidence despite ongoing supply constraints.

There were three transactions over 50,000 sq ft this quarter, comprising two freehold acquisitions and one letting. The largest transaction saw Ecolab acquire a 100,000 sq ft facility at Llantrisant Business Park, while Dragon Recycling Limited leased the 64,000 sq ft Unit 4B at Tafarnaubach Industrial Estate in Tredegar for waste-processing operations.

Both transactions fell within the 50,000-100,000 sq ft size band, underlining the importance of mid-box demand across the Welsh market. However, the level of activity continues to be constrained by the limited availability of modern Grade A accommodation, restricting occupiers' ability to satisfy requirements in preferred locations and specifications.

SECOND-HAND SUPPLY DOMINATES AS MODERN OPTIONS REMAIN SCARCE

Available space totalled 4.5 million sq ft at the end of the quarter. While this represents a q/q decline, availability remains above year-end 2025 levels. The vacancy rate now stands at 11.0%. Despite the recent improvement, elevated vacancy reflects the volume of second-hand space currently on the market, much of which is older stock that has been available for some time, with an average void period of 16 months for second-hand stock.

Occupiers seeking new or Grade A accommodation continue to face supply constraints. This is reflected in the Grade A vacancy rate for Wales, which remains below 1%. Less than 300,000 sq ft of new and Grade A space is currently available across the market. However, Indurent's next phase at Newport should help ease supply conditions, with five speculative units currently under construction.

LIMITED GRADE A SUPPLY CONTINUES TO SUPPORT RENTS

Prime rents in Cardiff have remained unchanged at £10.00 psf for a fifth consecutive quarter, demonstrating the resilience of the market despite a broader increase in available space.

Looking ahead, Knight Frank Insight expect rental growth of 1.9% across Wales during 2026, with Cardiff expected to outperform at 2.2%. Improving market fundamentals, resilient occupier demand and the ongoing shortage of Grade A accommodation should continue to support prime rental levels over the medium term.