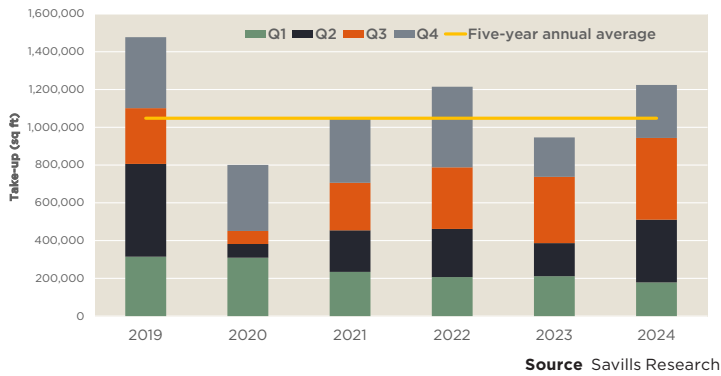


# Manchester Occupational Office Data Q4 2024



## Manchester Office Market Round-Up

### Take-up



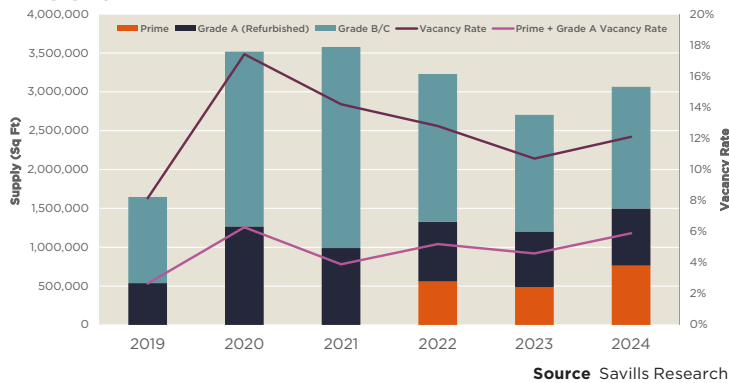
2024 take-up in Manchester totalled 1.22 million sq ft, 29% higher than 2023 and 17% above the five-year annual average. This was achieved through 200 transactions, with six of these over 30,000 sq ft. Manchester had the highest office take-up of all the regions in 2024.

2024 Grade A and Prime take-up totalled 362,462 sq ft and 509,742 sq ft respectively, and combined resulted in a total of 872,204 sq ft. This is the highest annual total on record, and accounted for 71% of take-up, with 60 deals for Grade A or Prime space, 33% above the five year average number of deals for these grades.

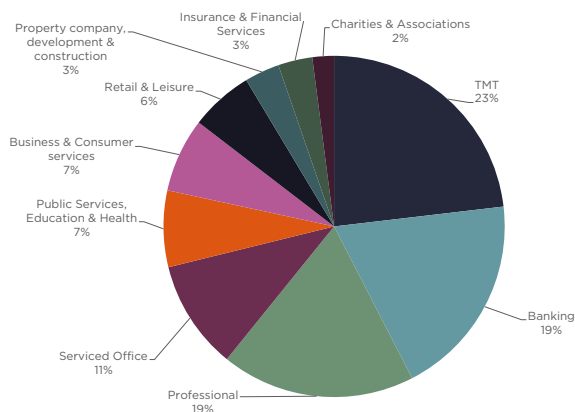
Availability at the end of 2024 stands at 3 million sq ft, a decrease of 2% on the previous quarter. Consequently, this means that the vacancy rate has also decreased by 30 basis points to 12.1% since Q3, continuing to illustrate the strong demand within Manchester.

Grade A and Prime availability stand at 736,219 sq ft and 762,983 sq ft respectively, a decrease of 4% and 10% on Q3 2024. This means that the combined vacancy rate has decreased by 50 basis points to 5.9%. The market continues to be considered as undersupplied by Savills, with just 1.4 year's of Prime supply to feed the increasing demand from occupiers.

### Supply



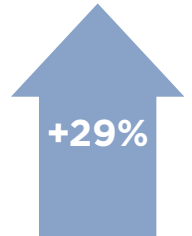
### Take-up by business sector



The 'TMT' sector was the most active sector during 2024, with a proportion of 23% of the total take-up. The sector leased a total of 271,918 sq ft over 38 transactions. Another active sector was 'Banking', which leased a total of 226,805 sq ft of space through six transactions, and therefore accounting for 19% of the total. This was the sectors highest total take-up since 2010 and was significantly bolstered by the largest letting of the year to BNY Mellon at 4 Angel Square.

Mean average transaction size has seen a notable increase in 2024, with the average now totalling 6,120 sq ft. In comparison to 2023, this represents an increase of 43%, and is also 12% higher than the five-year average size.

### Take-up and supply Key data points



2024 take-up was 29% higher than 2023 and 17% above the five-year annual average



200 transactions in 2024



196,443 sq ft Largest letting in 2024 to BNY Mellon at 4 Angel Square. The largest deal in Manchester for four years

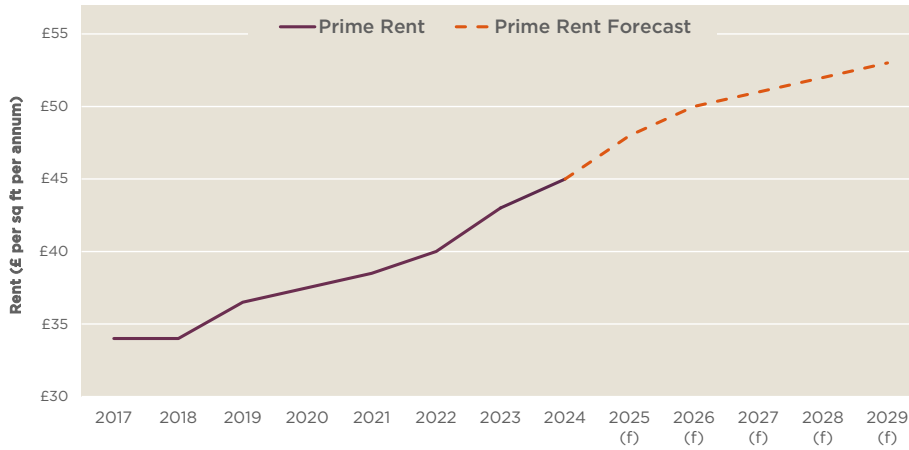


Combined Grade A and Prime vacancy rate has decreased to 5.9%



Headline rent has increased to £45 per sq ft

## Prime Headline Rent



Source Savills Research

The Prime headline rent in Manchester increased during Q4 2024, and now stands at £45 per sq ft, compared to £43 per sq ft in Q1 2024. The new top rent was achieved at No.1 St Michael's with Channel 4 taking 12,293 sq ft. The market witnesses a continued constrained supply of best-in-class space and occupiers' willingness to pay higher premiums for prime buildings has driven significant rental growth of 20% over a five-year period. Looking at further projections over the next five-year period, we anticipate there will be considerable rental growth of 18% based on current rental levels, with rents of £53 per sq ft set to be achieved by 2029.

## Drivers For Growth



**50%**

Manchester has a graduate retention rate of 50%



**11%**

Expected employment growth over the next ten years, highest of the Big Six



**69%**

Office investment in Manchester in 2024 was from UK property companies

Source Oxford Economics/ HESA/Savills Research

## Key Market Data

	2024	Comparison to 2023	Comparison to five-year average
Take-up 2024 (sq ft)	1,224,102	+29% (946,230)	+17% (1,047,616)
Grade A & Prime Take-up 2024 (sq ft)	872,204	+65% (528,105)	N/A*
Deal Count 2024	200	-10% (221)	0% (200)
Average Deal Size (mean) (sq ft)	6,120	+43% (4,282)	+12% (5,466)
Five-Year Average Take-Up	1,047,616	-	-
Q4 Supply (sq ft)	3,063,509	+13% (2,703,940)	-
Q4 Grade A Supply (sq ft)	736,219	+2% (718,724)	N/A*
Q4 Prime Supply (sq ft)	762,983	+58% (483,848)	N/A*
Prime Headline Rent (£ per sq ft per annum)	£45	+5% (£43)	N/A*

\* historic comparison not possible with new 'Prime' category introduced in Q4 2022

Source Savills Research

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