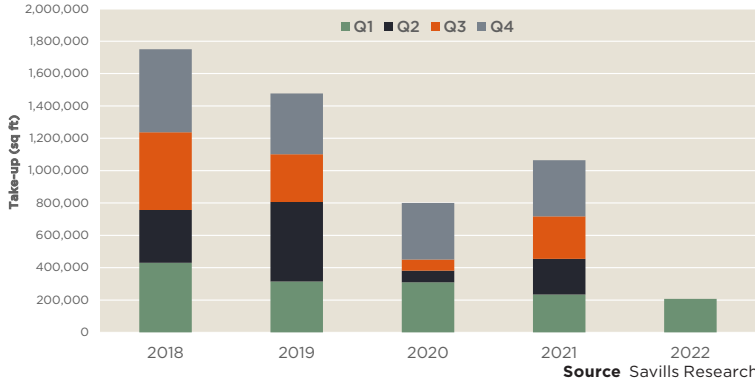


Manchester Occupational Office Data Q1 2022



Manchester Office Market Round-Up

Take-up



Manchester city centre take-up reached a total of 206,763 sq ft in Q1 2022. This was 12% below the Q1 2021 total and 24% below the 10-year Q1 average for the market.

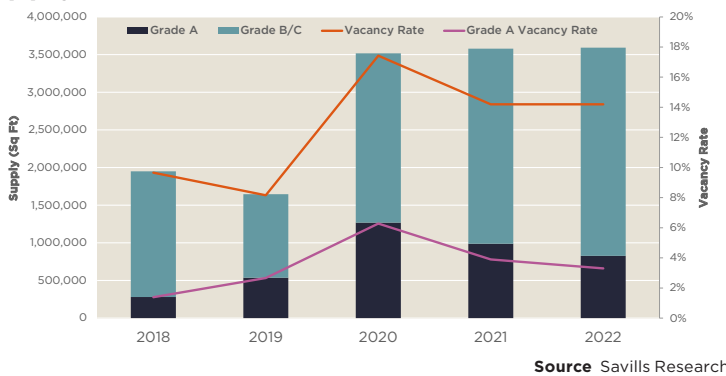
There was a total of 70 individual transactions in the first quarter of 2022. This was the highest volume of Q1 transactions since 2018 and 32% above the long term average figure for Q1 deals. This demonstrates that activity within the smaller end of the market remains buoyant as decision making within those businesses seeking larger scale relocations remains slow.

Take-up and supply Key data points



Q1 2022 take-up was 12% below Q1 2021

Supply



Total supply marginally increased in Q1 2022 by 1%. This occurred, in part, due to the introduction of an increased quantum of second hand Grade B stock that is dated and not as relevant to the current specification requirements that are becoming increasingly essential to office occupiers within the market.

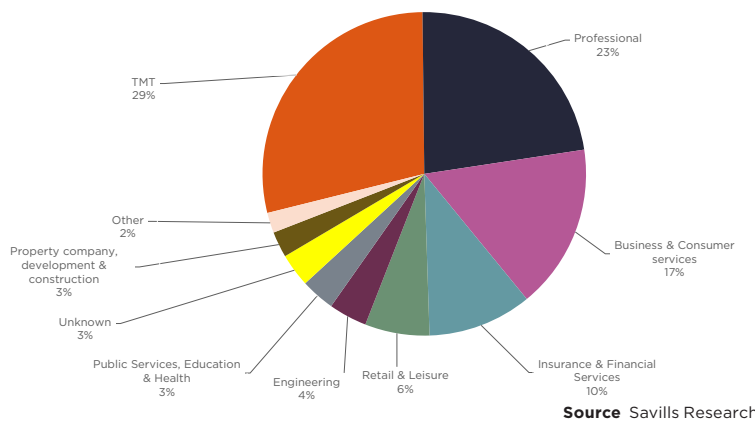
Grade A supply currently sits at 827,000 sq ft which represents a significant 16% decrease on the Q4 2021 total. The total vacancy rate remains at 14.2%, whereas the Grade A vacancy rate declined to 3.3%, a decrease of 60 basis points in 2022.



17%

'Business & Consumer services' share of Q1 2022 take-up

Take-up by business sector



The 'TMT' sector continues to perform strongly in the market. 'TMT' was the most active sector in Q1 2022 accounting for 29% of take-up, totalling 59,000 sq ft. The largest letting was to Telecom, who acquired 11,500 sq ft at Northstar.

Elsewhere, the 'Professional' and 'Business & Consumer services' sectors also recorded a strong start to the year. With office occupancy levels increasing, Savills expect that take-up in these sectors will continue to grow throughout 2022.

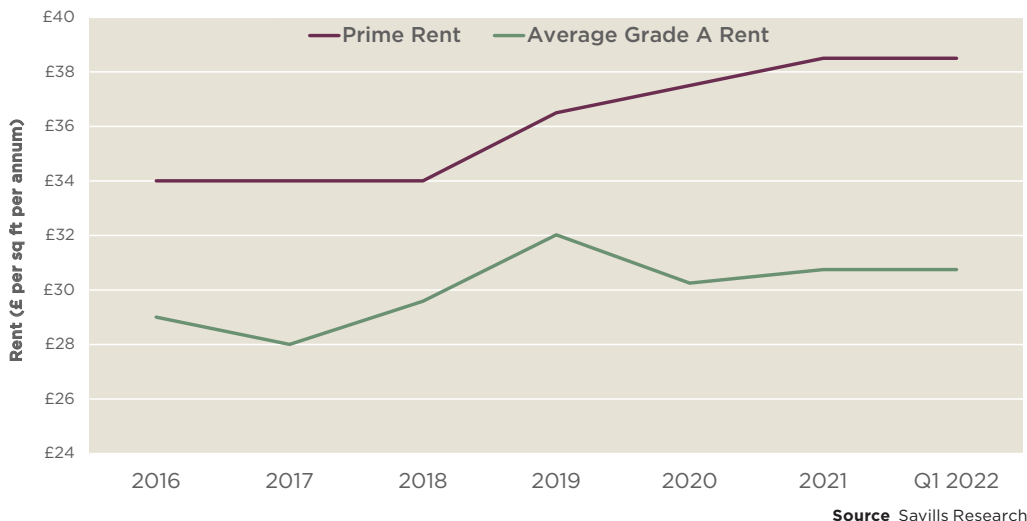


11,500 sq ft
Largest letting in Q1 2022



66%
Increase in the number of transactions compared to Q1 2021

Rents



Prime rent grew by 3% in Manchester in 2021, standing at £38.50 per square foot at year end. Whilst there was no prime rent increase in the first quarter of 2022, there remains further optimism for growth over the remaining three quarters of the year in a market which has seen 13.2% growth since 2016. The highest rent achieved in Q1 was £34 per square foot. With a number of prime Grade A requirements currently considering their options, Savills remain confident that prime rent will break the £40 per square foot level in 2022.

Drivers For Growth



11%

Expected GVA growth over the next five years



7%

Expected office based employment increase over the next five years



11,960

New jobs in the professional, tech and scientific sector in the next 10 years

Source Oxford Economics

Key Market Data

	Data	Comparison to Q1 2021
Take-up Q1 2022 (sq ft)	206,763	-12%
Grade A Take-up Q1 2022 (sq ft)	0	N/A
Average Deal Size (sq ft)	2,954	-47%
10-Year Average Q1 Take-Up (sq ft)	271,514	-
5-Year Average Q1 Take-Up (sq ft)	298,158	-
Q1 2022 Supply (sq ft)	3,591,069	-6%
Q1 2022 Grade A Supply (sq ft)	827,041	-39%
Years of Supply*	2.8	-
Prime Rent	£38.50	0%

* calculated by dividing total supply by 5-year average annual take up

Source Savills Research

Savills team

Please contact us for further information

James Evans

Director
Office Agency
0161 277 7238
jevans@savills.com

Richard Lowe

Director
Office Agency
0161 277 7203
rclowe@savills.com

Daniel Barnes

Director
Office Agency
0161 602 8240
dbarnes@savills.com

Andrew Cooke

Associate Director
Office Agency
0161 602 8218
acooke@savills.com

Clare Bailey

Director
Commercial Research
020 7409 8863
cbailey@savills.com

George Roberts

UK Office Analyst
Commercial Research
020 7016 3790
george.roberts@savills.com

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