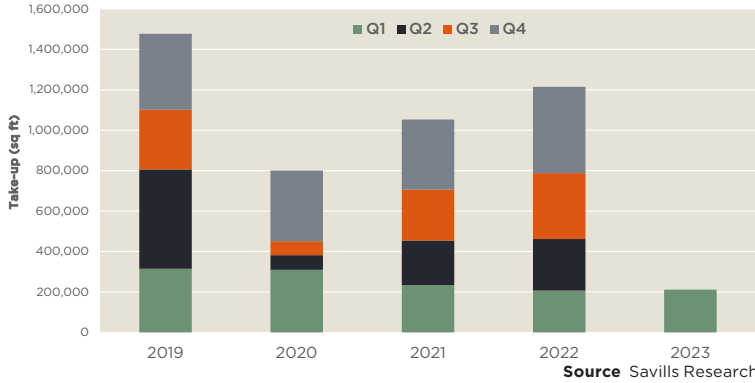


Manchester Occupational Office Data Q1 2023



Manchester Office Market Round-Up

Take-up



Q1 2023 take-up totalled 211,000 sq ft in Manchester city centre. This was 29% below the five-year Q1 average but it did represent a marginal 2% increase on the total achieved in Q1 2022. This provides a solid foundation for improved take-up in 2023.

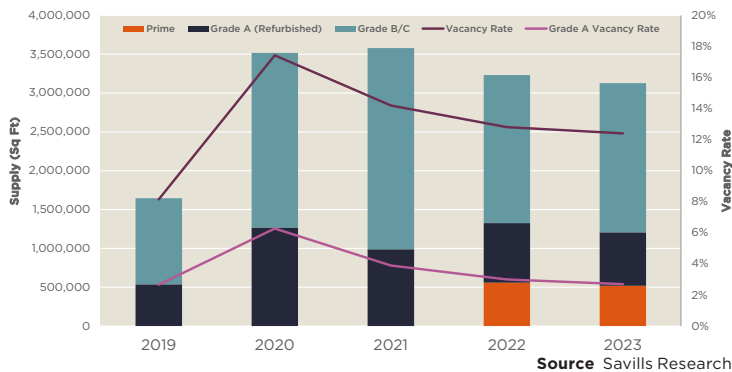
Prime and Grade A take-up of 150,000 sq ft accounted for 70% of Q1 take-up. This represents a clear continuation of the flight-to-quality and is a strong start to the year for the market which has seen a 43% proportion of Grade A take-up over the last five years.

Take-up and supply Key data points



Q1 2023 take-up was 29% down on the five-year average

Supply



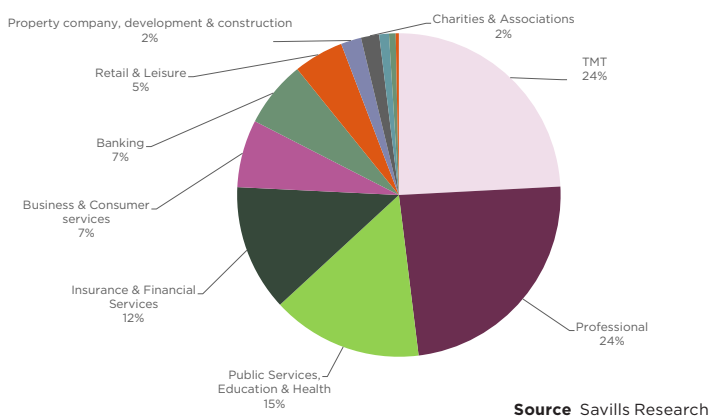
Total availability at the end of Q1 stood at 3.13m sq ft. This means that availability decreased by 3% in the first quarter of 2023. Grade A supply fell by a further 10% to 690,000 sq ft and Prime availability fell by 7% to 520,000 sq ft in Q1, reflecting the resilient demand for Prime space in the market.

The total vacancy rate for the market fell by 40 basis points in Q1 to 12.4%. Equally, the Grade A vacancy rate fell by 30 basis points, standing at just 2.7% at quarter end.



20
Prime + Grade A transactions in Q1 2023, the highest Q1 total on record

Take-up by business sector



The 'TMT' sector was the most active in Q1 2023 on a sq footage basis. Take-up of 51,000 sq ft was spread across 10 transactions, the largest being the 27,000 sq ft Prime acquisition by Matillion at Two New Bailey.

Elsewhere, the 'Professional' sector followed up on its strong performance in 2022 with 50,000 sq ft of take-up in Q1 2023, which also accounted for 24% of the total. The largest 'Professional' deal was the 11,000 sq ft letting to Freeths at 100 Barbirolli.

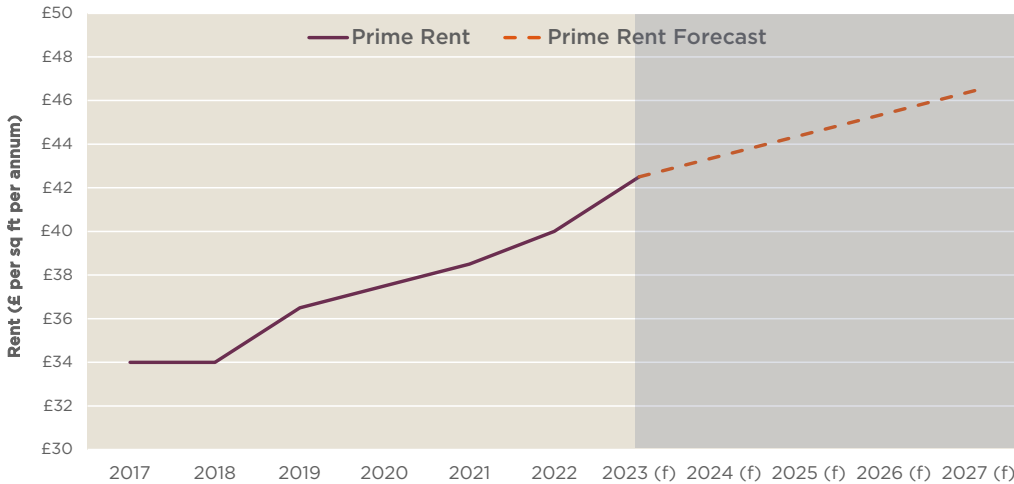


27,000 sq ft
Largest letting in Q1 2023 to Matillion at Two New Bailey



16
Professional sector transactions in Q1 2023 which was 129% up on the five-year Q1 average

Rents



Source Savills Research

There was no change in the Prime Rent in Q1 2023, which currently stands at £40 per sq ft. However, Savills latest forecasts suggest that there is further room for growth, with headline rents expected to reach at least £42.50 per sq ft by the end of 2023. Looking further ahead, the latest five-year forecast predicts that the top rent will grow by at least 16% to £46.50 per sq ft by the end of 2027.

Drivers For Growth



10%

Expected GVA growth over the next five years



6%

Expected office-based employment increase over the next five years



12,200

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

Source Oxford Economics

Key Market Data

	Data	Comparison to Q1 2022	Comparison to five-year average
Take-up Q1 2023 (sq ft)	211,397	+2%	-29%
Prime + Grade A Take-up Q1 2023 (sq ft)	148,564	N/A*	+24%
Deal Count Q1 2023	59	-16%	-5%
Average Deal Size (median) (sq ft)	2,222	+6%	+3%
5-Year Average Q1 Take-Up (sq ft)	299,053	-	-
Q1 Supply (sq ft)	3,126,849	-13%	+12%
Q1 Grade A Supply (sq ft)	687,954	N/A**	N/A**
Q1 Prime Supply (sq ft)	518,697	N/A**	N/A**
Prime rent (£ per sq ft per annum)	£40	+4%	-

* no Grade A take-up recorded in Q1 2022

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

Source Savills Research

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