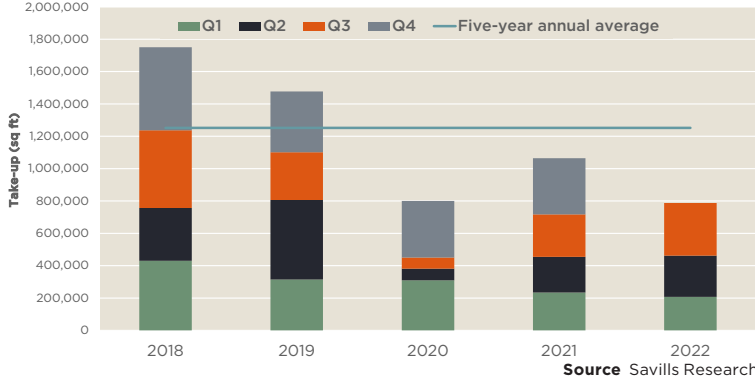


Manchester Occupational Office Data Q3 2022



Manchester Office Market Round-Up

Take-up

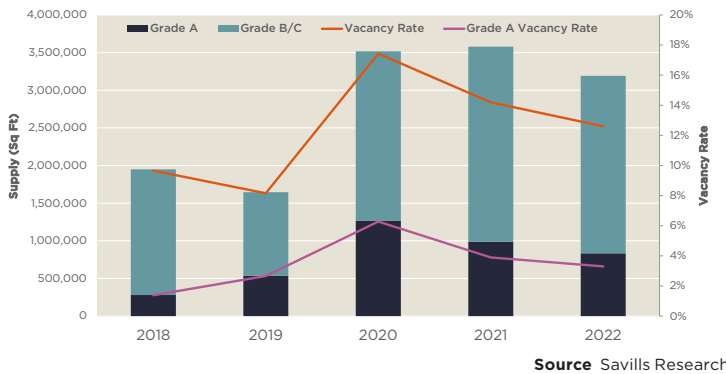


Total take-up for the Manchester City Centre market reached 326,000 sq ft in Q3 2022. This was 10% above the 2019 total and 23% above the 10 year Q3 average for the market.

Grade A take-up totalled 77,000 sq ft in Q3 2022 which equated to 24% of total take-up, with the largest new build Grade A transaction being a 22,000 sq ft letting to serviced office provider Gilbanks at 11 York Street.

Demand for “fitted” offices continues to rise with 16% of the total number of deals this year being for this type of workspace (up from 10% for the same period last year).

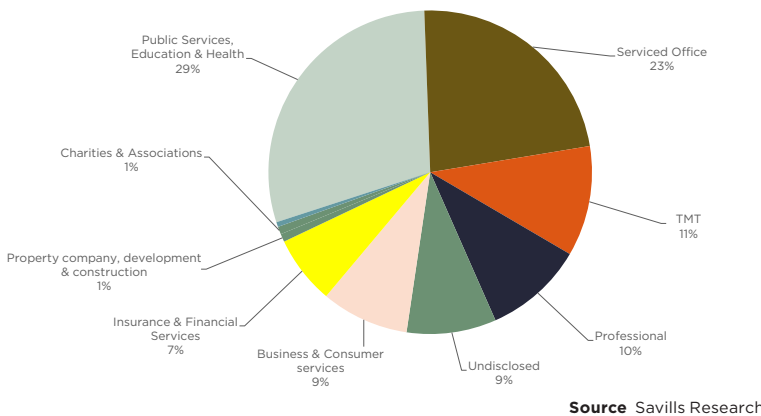
Supply



At the end of Q3, total available supply stood at 3.2 million sq ft. This represented a decrease of 5% on the Q2 total. Grade A supply also fell in Q3 by 8% to 834,000 sq ft at quarter end. This decrease is indicative of the continuation of the flight to quality in the market as demand remains resilient for best in class space.

As a result of these changes, the total vacancy rate for the market decreased from 13.2% to 12.6%. Similarly, the Grade A vacancy rate decreased from 3.6% to 3.3% at quarter end.

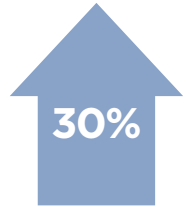
Take-up by business sector



The ‘Public Services, Education & Health Sector’ was the most active sector in Q3, accounting for 29% of overall take-up. This included the 36,000 sq ft acquisition by the UK Government on behalf of Government Property Authority at 101 Barbirolli Square.

Elsewhere, it was a particularly strong quarter for the ‘Serviced Office’ sector which accounted for 23% of total take-up across 4 lettings. Total ‘Serviced Office’ take-up was 75,000 sq ft in Q3 2022 which was just 14% below the annual total achieved by the sector in 2021.

Take-up and supply Key data points



Q3 2022 take-up was 30% above Q3 2021



75,000 sq ft ‘Serviced Office’ take-up in Q3 2022.

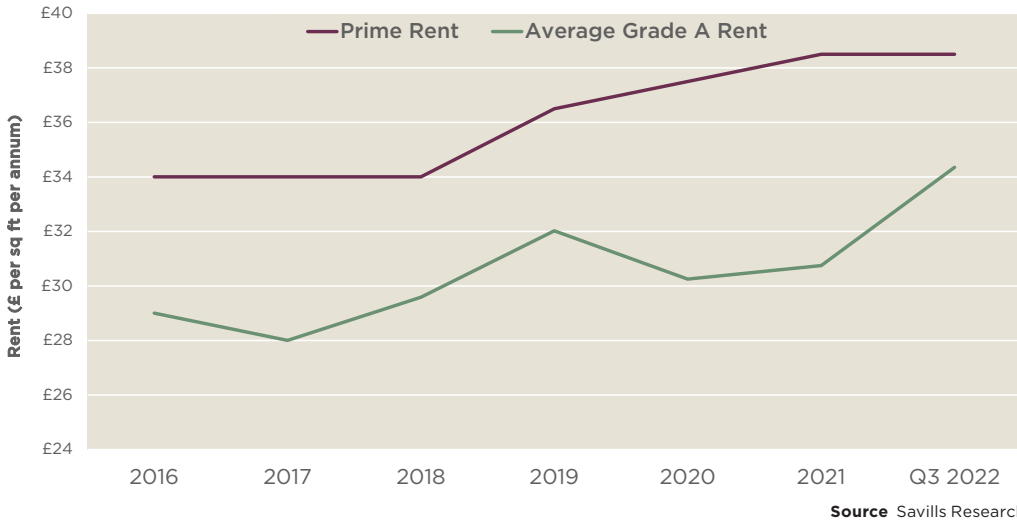


36,000 sq ft Largest letting in Q3 2022 to GPA at 101 Barbirolli Square



53 Completed transactions in Q3 2022 which was in line with the five-year Q3 average

Rents



There was no change in the prime rent in Q3 2022 which currently stands at £38.50 per sq ft. That being said, there is still optimism for growth to £40 per sq ft by the end of 2022 with deals under offer at this level. Average Grade A rents so far in 2022 currently stands at £34.35 per sq ft. This represents a significant increase of 7% on the 2021 figure.

Drivers For Growth



8%

Expected GVA growth over the next five years



5%

Expected office based employment increase over the next five years



12,810

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

Source: Oxford Economics

Key Market Data

	Data	Comparison to Q3 2021	Comparison to Q3 2019
Take-up Q3 2022 (sq ft)	325,984	+30%	+23%
Grade A Take-up Q3 2022 (sq ft)	76,724	-58%	+452%
Average Deal Size (median) (sq ft)	2,515	+40%	+5%
10-Year Average Q3 Take-Up (sq ft)	265,467	-	-
5-Year Average Q3 Take-Up (sq ft)	306,303	-	-
Q3 2022 Supply (sq ft)	3,191,222	-6%	+83%
Q3 2022 Grade A Supply (sq ft)	834,295	-26%	+112%
Years of Supply*	2.7	-	-
Prime Rent	£38.50	No change	+5.4%

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

Source: Savills Research

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