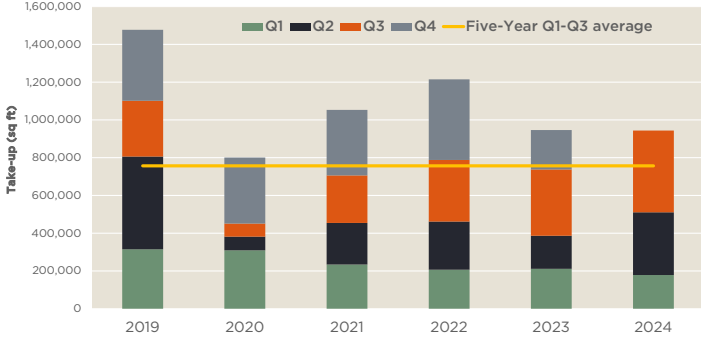


Manchester Occupational Office Data Q3 2024



Manchester Office Market Round-Up

Take-up

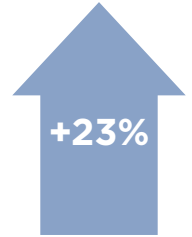


Source Savills Research

Manchester take-up in Q3 2024 totalled 432,619 sq ft across 51 transactions in the quarter. This was 23% higher than the same period in 2023, and 67% and 45% higher than the five- and ten-year Q3 averages respectively. Q3 also saw the highest quarterly take-up since Q2 2019. Q1-Q3 2024 take-up totalled 943,504 sq ft, 28% higher than Q1-Q3 2023.

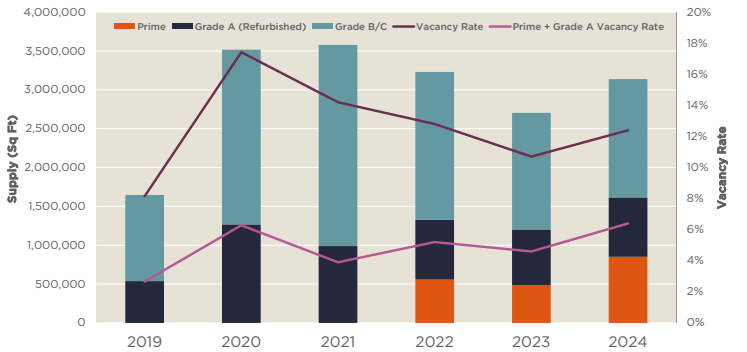
Grade A and Prime take-up in Q3 2024 totalled 324,358 sq ft, 76% higher than Q3 2023 and consequently accounts for 75% of overall take-up. Year to date Grade A and Prime take-up totals 675,589 sq ft which accounts for 72% of the total.

Take-up and supply Key data points



Q3 2024 take-up was 23% higher than Q3 2023

Supply



Source Savills Research

Manchester's total availability at the end of Q3 2024 stands at 3.1 million sq ft, 0.3% lower than the previous quarter. The overall vacancy rate has also decreased by 10 basis points to 12.4%, which demonstrates continued occupier demand within the market.

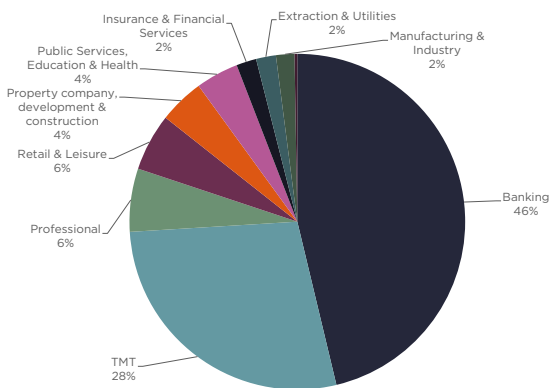
Grade A and Prime availability totals 1.6 million sq ft which is on par with the previous quarter. The Grade A and Prime vacancy rate has increased marginally in Q3 2024, and now stands at 6.38%. Grade A and Prime individual vacancy rates are 3.0% and 3.4% respectively.



51

Transactions in Q3 2024

Take-up by business sector



Source Savills Research

The 'Banking' sector acquired 200,000 sq ft during Q3 2024 accounting for 46% of the total, however this was dominated by the letting of 196,443 sq ft to Bank of New York Mellon at 4 Angel Square. This was the largest deal in Manchester since 2018, and the largest in the region for four years.

Another notably active sector during Q3 2024 was the 'TMT' sector, which accounted for 28% of the total by leasing a combined 120,000 sq ft. The largest deal of the sector saw ARM acquire 69,000 sq ft at No. 1 St. Michaels.

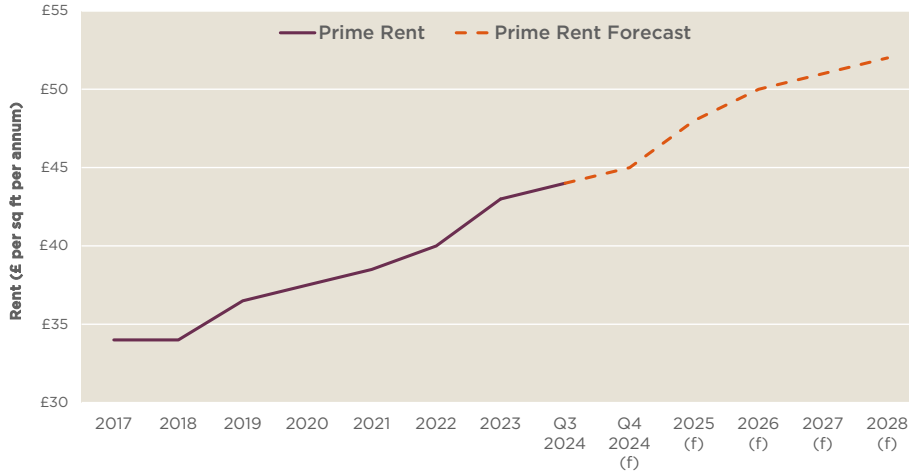


196,443 sq ft
Largest letting in Q3 2024 to BNY Mellon at 4 Angel Square. ARM acquired 68,860 at No.1 St Michael's



Grade A and Prime vacancy rate has increased marginally to 6.38%

Prime Headline Rent



Source Savills Research

The Prime headline rent in Manchester remained at £44 per sq ft in Q3 2024 compared to £43 per sq ft in Q1 2024. We expect a new headline rent of £45 per sq ft to be set in Q4 2024, with a transaction understood to be close to completion at this figure. Due to significant rental growth over the previous five-years and a constrained supply of best-in-class space, looking at further projections over the next five-year period, we anticipate there will be considerable rental growth of 18%, with rents of £52 per sq ft set to be achieved by 2028.

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



30%

Of Manchester graduates enter office-based sectors

Source Oxford Economics/ HESA

Key Market Data

	Q3 2024	Comparison to Q3 2023	Comparison to Q3 five-year average
Take-up Q3 2024 (sq ft)	432,619	+23% (351,063)	+67% (258,539)
Grade A Take-up Q3 2024 (sq ft)	324,358	+76% (184,080)	+253% (91,790)
Deal Count Q3 2024	51	-14% (59)	-4% (53)
Average Deal Size (median) (sq ft)	2,256	-13% (2,600)	-
Five-Year Average Q3 Take-Up	258,539	-	-
Q3 Supply (sq ft)	3,137,478	+8% (2,916,098)	-
Q3 Grade A Supply (sq ft)	763,171	+6% (721,311)	N/A*
Q3 Prime Supply (sq ft)	851,498	+47% (578,336)	N/A*
Prime Headline Rent (£ per sq ft per annum)	£44	+2% (£43)	N/A*

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

Source Savills Research

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