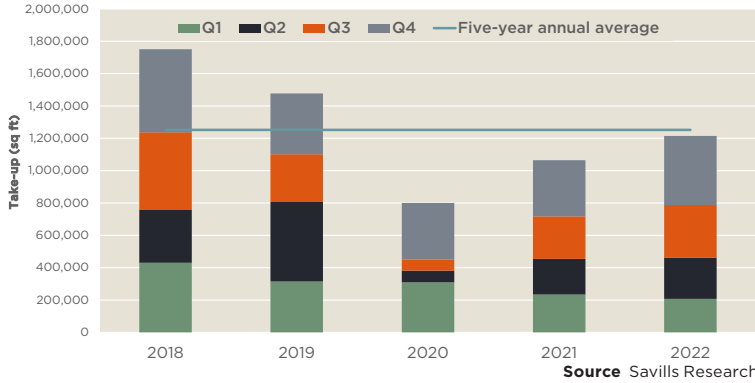


# Manchester Occupational Office Data Q4 2022



## Manchester Office Market Round-Up

### Take-up



Total take-up for the Manchester City Centre market reached 1.2m sq ft in 2022. This was broadly in line with the five-year annual average and marks the second consecutive improvement since 2020.

Grade A take-up totalled 570,000 sq ft in 2022 which equated to 47% of total take-up. The largest Grade A transaction was the 130,000 sq ft letting to the Government Property Agency at Plot 9a First Street.

Demand for “fitted” offices continues to rise with 17% of the total number of deals in 2022 being for plug-and-play space.

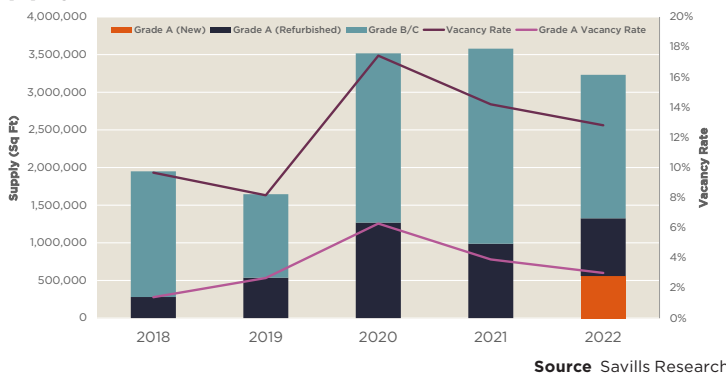
Total available supply stood at 3.2 million sq ft at the end of 2022. This was a 10% decrease compared to 2021. Grade A (Refurbished) supply totalled 770,000 sq ft in Q4, and with just 1.7 years of Grade A supply available, the flight to quality remains at the forefront in Manchester. Grade A (New) supply stood at 560,000 sq ft at year end.

As a result of these changes, the total vacancy rate for the market decreased from 14.2% to 12.8%. Similarly, the Grade A vacancy rate decreased from 3.9% to 3% at year end.

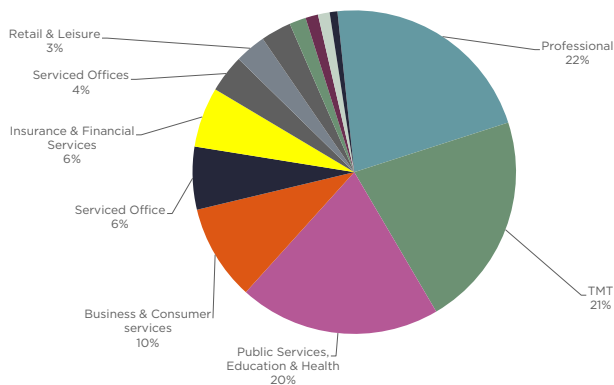
The ‘Professional’ sector was the most active in 2022 for the first time since 2016, achieving 22% of total take-up. This was spread across 54 lettings, the largest being the 63,000 sq ft Grade A acquisition by Deloitte at 100 Embankment.

Elsewhere, the ‘TMT’ sector was the second most active, accounting for 21% of total take-up. The sector has historically performed strongly in the market as the most active sector in each of the last four years. The largest transaction in 2022 was the 35,000 sq ft subletting to Peak AI at Manchester Goods Yard.

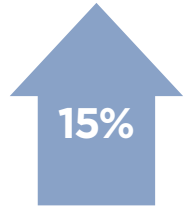
### Supply



### Take-up by business sector



### Take-up and supply Key data points



Q4 2022 take-up was 15% above the five-year Q4 average



14  
10,000+ sq ft transactions in Q4 2022, which is more than the rest of the year combined

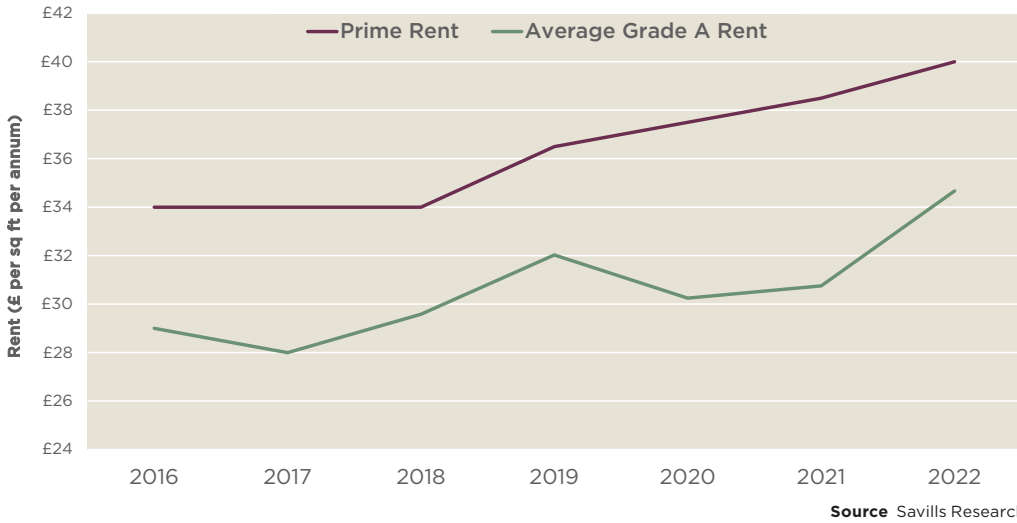


130,000 sq ft  
Largest letting in 2022 to GPA at Plot 9a First Street



241  
Completed transactions in 2022 which was 7% up on the five-year average

## Rents



The prime rent in Manchester increased in Q4 to reach £40 per sq ft at year end. This is a significant success for the market which has experienced 18% rental growth over the last five years. Average Grade A rents also increased in 2022 to £34.67 per sq ft. This represented an increase of 8% on the pre-Covid 2019 average. Savills expects this average to continue to grow into 2023, particularly with the falling Grade A availability in the market.

## Drivers For Growth



10%

Expected GVA growth over the next five years



6%

Expected office based employment increase over the next five years



12,230

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

Source: Oxford Economics

## Key Market Data

	Data	Comparison to 2021	Comparison to 2019
Take-up 2022 (sq ft)	1,214,816	+15%	-18%
Grade A Take-up 2022 (sq ft)	567,580	+8%	+1%
Average Deal Size (median) (sq ft)	2,285	+6%	-3%
10-Year Average Take-Up (sq ft)	1,161,216	-	-
5-Year Average Take-Up (sq ft)	1,251,611	-	-
Q4 2022 Supply (sq ft)	3,230,438	-10%	-8%
Q4 2022 Grade A Supply (sq ft)	767,879	-22%	+43%
Years of Supply*	2.6	-	-
Prime Rent	£40	+3.9%	+9.6%

\*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  
Tenant Representation  
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

Savills plc: Savills plc is a global real estate services provider listed on the London Stock Exchange. We have an international network of more than 600 offices and associates throughout the Americas, the UK, continental Europe, Asia Pacific, Africa and the Middle East, offering a broad range of specialist advisory, management and transactional services to clients all over the world. This report is for general informative purposes only. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or other document without prior consent. While every effort has been made to ensure its accuracy, Savills accepts no liability whatsoever for any direct or consequential loss arising from its use. The content is strictly copyright and reproduction of the whole or part of it in any form is prohibited without written permission from Savills Research.

