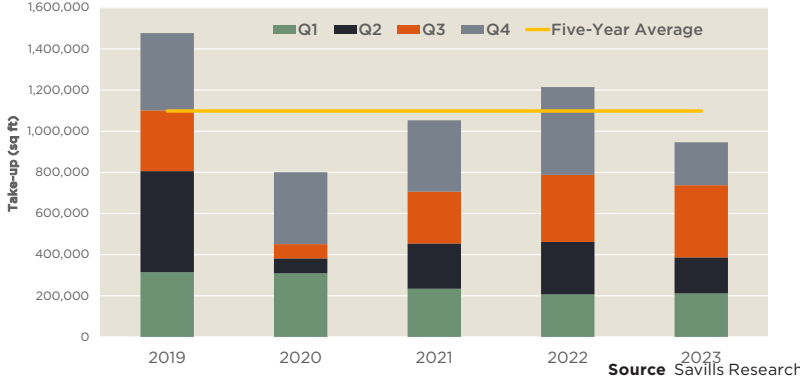


Manchester Occupational Office Data Q4 2023



Manchester Office Market Round-Up

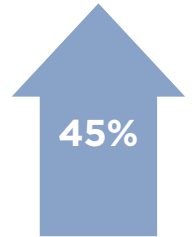
Take-up



Manchester City Centre take-up totalled 946,000 sq ft in 2023 across 221 deals. Although 2023 take-up was down 14% on the five-year average for the market, H2 outperformed H1 by 45%, demonstrating positive market sentiment going into the start of 2024.

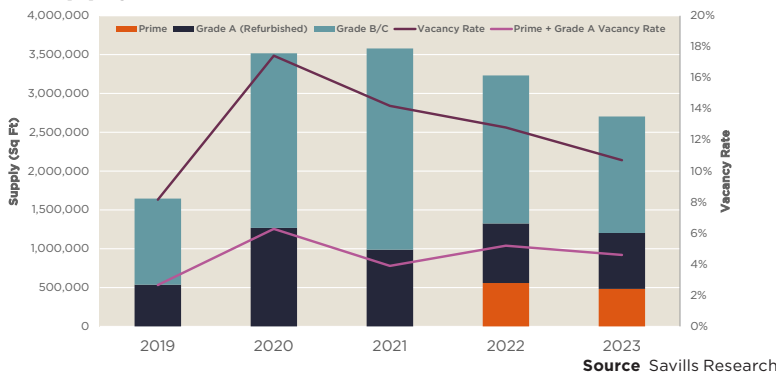
Grade A and Prime take-up amounted to 528,000 sq ft, which accounted for 56% of the overall total. The continued flight to quality from occupiers in Manchester has been evident over the last five-years.

Take-up and supply Key data points



H2 2023 take-up was 45% above the H1 2023 take-up total

Supply



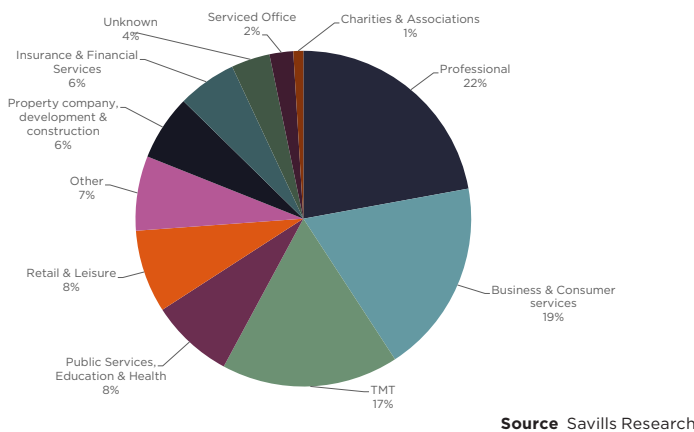
Availability decreased at the end of 2023, totalling 2.7 m sq ft, down from 2.9 m sq ft in Q3 2023, which represents a decline of 7%. This was also 16% lower than the supply in Q4 2022. Furthermore, Grade A and Prime availability currently stands at 1.1m sq ft, which is a 9% decrease on Q3 2023.

Total vacancy rate currently stands at 10.7%, 80 basis points below the Q3 2023 figure. Prime and Grade A vacancy has also decreased by 50 basis points to 4.6%. The Prime market in Manchester is still considered to be undersupplied with just 1 year of supply based on average Grade A demand.



221 Transactions in 2023

Take-up by business sector



The 'Professional' sector leased the largest amount of space in Q4 2023, totalling 46,000 sq ft. This amounted to 22% of the total over 6 transactions, with the largest deal seeing BDO acquire 23,000 sq ft of Prime space at Eden.

Other notable active business sectors include 'Business & Consumer Services' and 'TMT', who constituted 19% and 17% of the total. This saw the sectors acquire a total of 39,000 sq ft and 36,000 sq ft respectively. The largest deal between both sectors was for 'Business & Consumer Services', with Alvarez & Marsal acquiring 14,000 sq ft at The Lincoln.

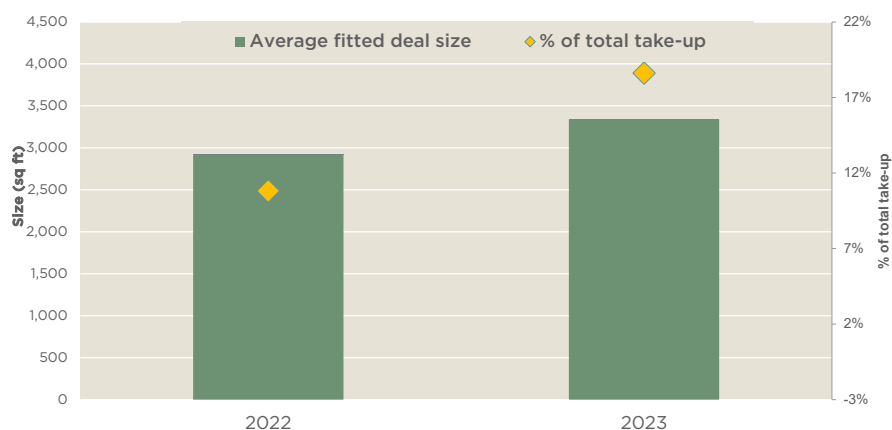


23,000 sq ft Largest letting in Q4 2023 to BDO at Eden



12 'TMT' most sector transactions in Q4 2023

Fitted Space



Source Savills Research

Manchester has seen a dramatic increase in the proportion of space let on a fully fitted basis, from 11% of total take up in 2022 to 19% in 2023. The number of fitted transactions has grown year on year from 45 in 2022 to 54 in 2023 despite an overall reduction of total office transactions. The average fitted deal size grew from 2,923 sq ft in 2022 to 3,344 sq ft in 2023, an increase of 14%. Savills note a marked increase in the number of larger occupiers now considering fitted accommodation, with requirements of up to c.8,000 sq ft now frequently expressing a preference for fitted and furnished offices.

Drivers For Growth



8%

Expected GVA growth over the next five years



7%

Expected office-based employment increase over the next five years



12,350

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

Source Oxford Economics

Key Market Data

	Data	Comparison to 2022	Comparison to five-year average
Take-up 2023 (sq ft)	946,230	-22%	-14%
Prime + Grade A Take-up 2023 (sq ft)	528,105	-7%	+6%
Deal Count 2023	221	-8%	+4%
Average Deal Size (median) (sq ft)	2,408	+5%	-
Five-Year Average Take-Up (sq ft)	1,098,158	-	-
Q4 Supply (sq ft)	2,703,167	-16%	-9%
Q4 Grade A Supply (sq ft)	695,729	-9%	N/A*
Q4 Prime Supply (sq ft)	483,848	N/A*	N/A*
Prime Headline Rent (£ per sq ft per annum)	£43	+8%	N/A*

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

Source Savills Research

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