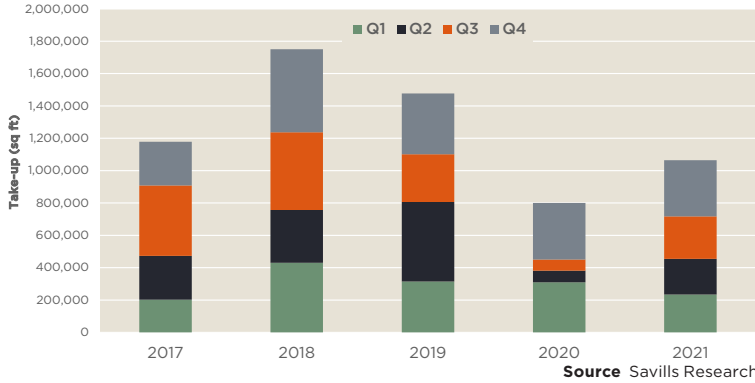


Manchester Occupational Office Data Q4 2021



Manchester Office Market Round-Up

Take-up



Q4 2021 take-up, totalling 347,141 sq ft, was the highest quarterly take-up figure in 2021. This was, however, 1% lower than the total take-up for Q4 2020.

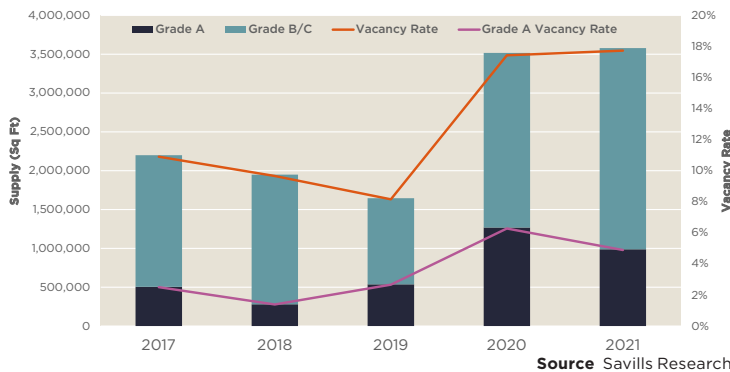
Grade A take-up accounted for 78% of total take-up in Q4. This figure represents the largest share of Grade A take-up in any Q4 since 2006. Once more, momentum has been building in the market with take-up increasing in each quarter throughout the year.

Take-up and supply Key data points



2021 take-up was 19% below the 5-year annual average

Supply



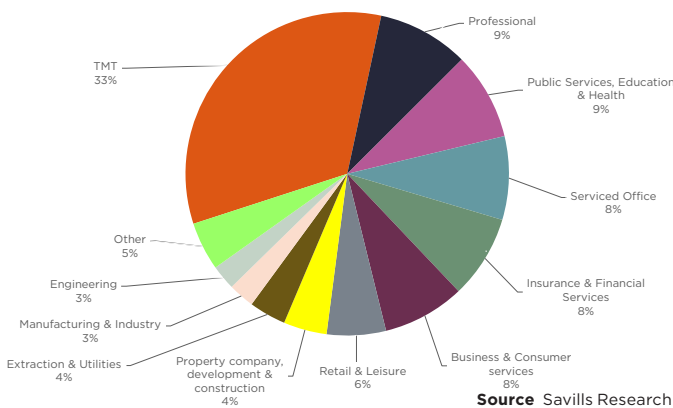
Total supply increased in 2021 to 3,578,143 sq ft, a 2% rise on the 2020 total. This has stabilised the supply figure after a significant increase in 2020 due to the introduction of new developments such as 1 and 2 Circle Square into the supply total.

Grade A supply currently sits at 988,396 sq ft which represents a significant 22% decrease on the 2020 total. The total vacancy rate marginally increased this year by 0.3% to 17.7%, whereas the Grade A vacancy rate notably declined to 4.9% representing a decrease of 1.4% in 2021.



32% Increase in H2 2021 take-up compared to H1 2021

Take-up by business sector



The 'TMT' sector was the most active sector in 2021 accounting for 33% of take-up. This was boosted by the letting of 115,000 sq ft to Roku at Circle Square.

Elsewhere, the 'Professional' and 'Public Services, Education and Health' sectors were also active, albeit both delivering a lower quantum of total take-up compared to 2020 results. In 2021, these sectors each had a 9% share of the total market figure.

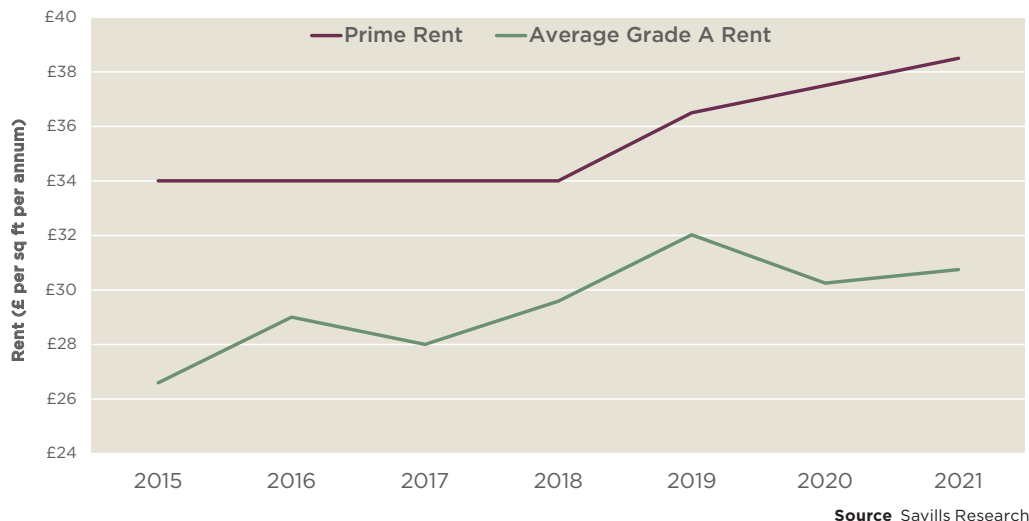


Biggest year by year Grade A vacancy rate decrease since 2013, which stood at 4.9% at year end



the 'TMT' sector has been the most active sector in every year since 2018

Rents



Prime rents grew by 3% in Manchester in 2021, standing at £38.50 per square foot at year end. This continued the growth trend in the market, which has seen 13.2% growth over the past six years. Average Grade A rents also increased in 2021 as the market looks to continue its recovery from the pandemic. Here, average Grade A rents grew by 2% to £30.65 per square foot. That being said, this is still 4% below the pre-pandemic high of £32 per square foot.

Drivers For Growth



15%

Expected GVA growth over the next 5 years



8%

Expected office based employment increase over the next 5 years



12,400

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

Source: Oxford Economics

Key Market Data

	Data	Year-on-Year Change
Take-Up 2021 (sq ft)	1,052,746	+32%
Grade A Take-Up 2021 (sq ft)	523,400	+63%
Average Deal Size (sq ft)	5,371	-3%
10-Year Average Annual Take-Up (sq ft)	1,123,298	-
5-Year Average Annual Take-Up (sq ft)	1,295,438	-
Q4 Supply (sq ft)	3,578,143	+2%
Q4 Grade A Supply (sq ft)	988,396	-22%
Years of Supply*	2.8	+4%
Prime Rent	£38.50	3%

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

Source: Savills Research

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