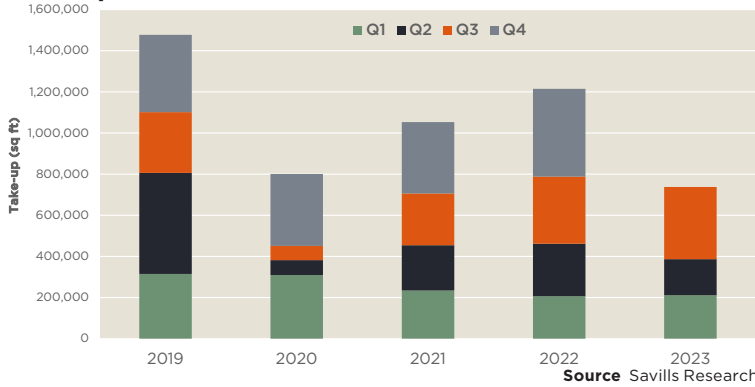


Manchester Occupational Office Data Q3 2023



Manchester Office Market Round-Up

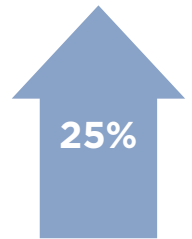
Take-up



Total take-up for the Manchester City Centre market reached 351,000 sq ft in Q3 2023. This was 8% above the 2022 Q3 total and 23% above the five year Q3 average for the market. There was also an increase in the number of deals recorded with 59 lettings recorded in Q3, which was 16% above the 10-year Q3 average.

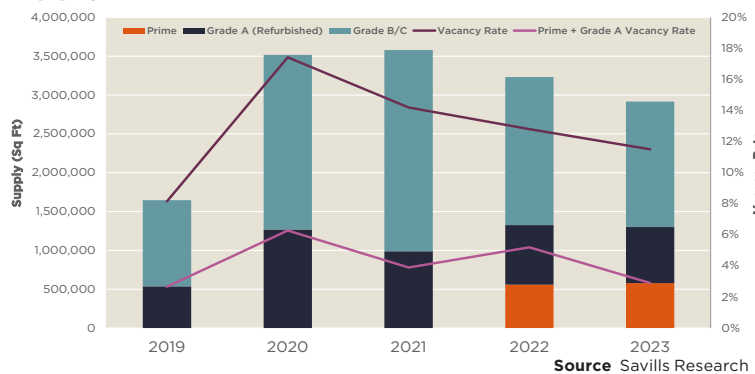
The flight-to-quality in the market has continued with Prime and Grade A take-up totalling 184,000 sq ft in Q3 2023 which equated to 52% of total take-up, with a new Prime rent of £43 per sq ft, being achieved in the market.

Take-up and supply Key data points



Q3 2023 take-up was 25% above the 10-year Q3 average

Supply



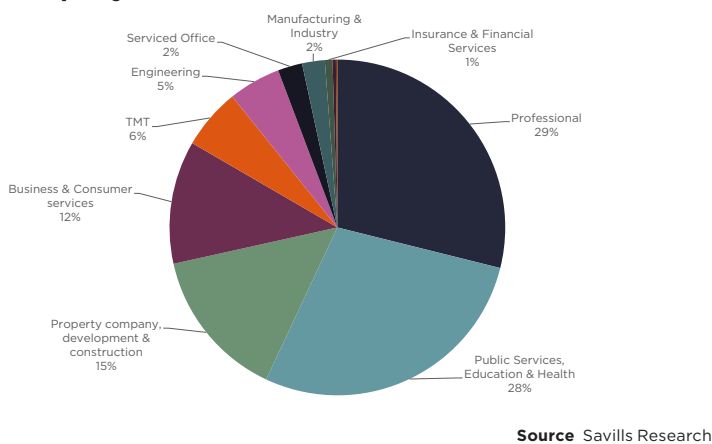
Total availability at the end of Q3 2023 stood at 2.92m sq ft. This represented a decrease of 5% on the Q2 total. Grade A supply also fell in Q3 by 5% and Prime availability has fallen by 1%. The Prime market in Manchester is considered to be undersupplied, with just 1.4 years of supply based on average Grade A demand.

Consequently, the total vacancy rate for the market decreased from 12.1% to 11.5%. The Prime and Grade A vacancy rate was 2.9% as a proportion of total market stock.



14 Prime + Grade A transactions in Q3 2023

Take-up by business sector



The 'Professional' sector was the most active in Q3 2023 on a sq footage basis, accounting for 29% of overall take-up. Take-up reached 101,000 sq ft from this sector, spread across 13 transactions, with the largest transaction being the 27,000 sq ft letting to the law firm Pinsent Masons at No.1 St Michael's.

Elsewhere, the 'Public Services, Education & Health' sector also had a particularly strong quarter, accounting for 28% of total take-up. Take-up from this sector amounted to 99,000 sq ft, across seven lettings.

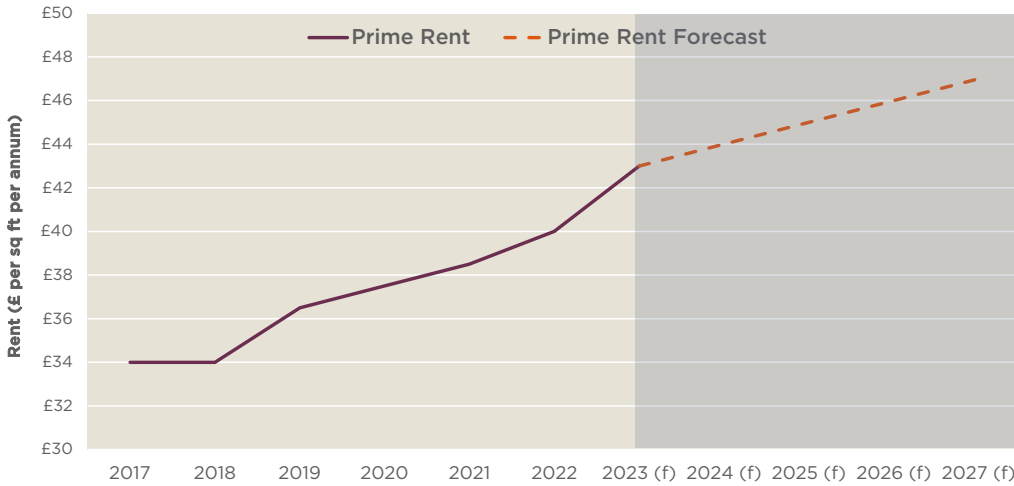


43,000 sq ft
Largest letting in Q3 2023 to Arden University at 2 Hardman Street



13 Professional sector transactions in Q3 2023 which was 50% up on the five-year Q3 average

Rents



Source Savills Research

The Prime rent in Manchester increased in Q3 2023 to £43 per sq ft, which was achieved at No. 1 St Michael's. This is a significant success for the market which has experienced 18% rental growth over the last five years. Looking further ahead, the latest five-year forecast predicts that the top rent will grow by at least 9% to £47 per sq ft by the end of 2027. Savills also expects average Grade A rents to grow, with the falling Grade A availability in the market.

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 Q3 2022	Comparison to five-year average
Take-up Q3 2023 (sq ft)	351,063	+8%	+23%
Prime + Grade A Take-up Q3 2023 (sq ft)	184,080	+140%	+60%
Deal Count Q3 2023	59	+11%	+10%
Average Deal Size (median) (sq ft)	2,600	+42%	+48%
5-Year Average Q3 Take-Up (sq ft)	284,423	-	-
Q3 Supply (sq ft)	2,916,098	-9%	+10%
Q3 Grade A Supply (sq ft)	721,311	N/A*	N/A*
Q3 Prime Supply (sq ft)	578,336	N/A*	N/A*
Prime rent (£ per sq ft per annum)	£43	+8%	-

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

Source Savills Research

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