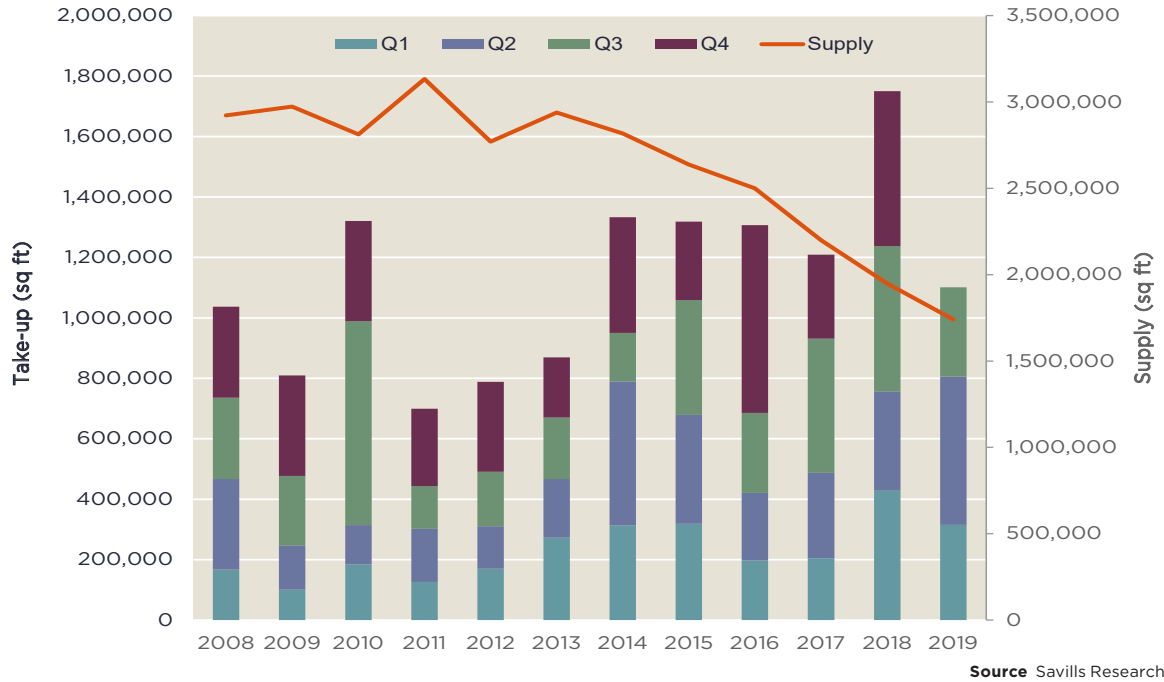


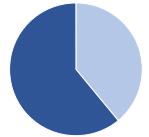
Manchester Offices



Manchester has less than one year's worth of Grade A supply available



Take-up, supply, rental performance and investment Key data points



Grade A space accounted for 39% of take-up in Q1-Q3 2019.



Supply fell by 11% from end-2018 and is at its lowest recorded level.

Manchester office market round-up

Themes for the Manchester office market 2019 and beyond

1 Total take-up in Manchester in the first three quarters of 2019 reached 1.1 m sq ft, 433,828 sq ft of this was for Grade A space accounting for 39%. So far this year Manchester's city centre take-up has exceeded the Q1-Q3 five-year average by 16%. We expect the end-of-year to reach in excess of 1.5 m sq ft.

2 There has been activity from a variety of sectors during the first three quarters, with significant activity from Serviced Offices (20.4%), Tech, Media & Telecoms (19.9%) and Business & Consumer Services (14%).

3 Serviced office providers: Spaces, WeWork, Huckletree and Regus have all taken space in Manchester city centre this year, signing for a combined 225,051 sq ft of space.

4 Total office supply in Manchester city centre currently sits at 1.7 million sq ft, reflecting enough supply to meet the demand for 1.3 years of average take-up and a 11% decrease since the end of 2018.

5 Grade A availability currently sits at just 393,872 sq ft, suggesting that there is only enough available office supply in Manchester city centre to meet the demand for 10 months of average Grade A take-up.

6 Prime rents in Manchester city centre currently sit at £36.50 per sq ft, increasing 7% since the end of 2018. Savills forecasts that prime rents in Manchester city centre will reach £38.50 per sq ft in 2020 breaking the £40 per sq ft barrier by 2021.

7 So far this year the Manchester & Salford market has seen total commercial investment volumes of £408 million, £137m of that was for office space (34%).

8 Despite lower volumes, there remains strong investor demand for both core and value add office opportunities, both of which are in short supply.

9 With increased political and economic certainty in the new year, we expect Manchester's office investment volumes to be significantly up from 2019. Prime yields currently remain stable at 4.75%.

£36.50
per sq ft

Rents of £36.50 have been achieved in Manchester city centre this year - the highest achieved rent of the big six regional office markets.

Q1-3
£82m

We expect office investment volumes in the second half of the year to be significantly up on the first half.

👉 **Top rents of £38.50 per sq ft are expected in 2020. A record rent for Manchester and the highest of the big six city centre regional office markets** 👉

What makes Manchester?

Manchester is a world-class city, ranked the 7th most exciting city in the world by Time Out. The city offers people a great place to live, work and visit. Manchester has an incredible talent pool, retaining over 60% of its graduates, benefiting from the city's fantastic environment to do business.



Manchester is the UK's largest economic region after the South East of England. Greater Manchester has a GVA of £66.4 Billion



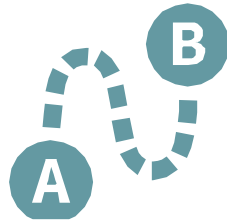
There are c.40 million visitors to Manchester's retail district every year, spending over £900 million



The total residential pipeline in Manchester is 26,729 units. Of which 55% is under construction



The second most visited city in England by domestic visitors, the third most visited UK destination by international visitors (after London and Edinburgh)



There have been a number of high profile employment expansions and relocations in the city over recent years, including Booking.com, Freshfields Bruckhaus Deringer, The Hut Group, Amazon and TalkTalk



The average deposit in Manchester is much less than London. In Manchester the average deposit for a house is £35k compared to London at £148k.



Manchester has the second largest hotel market in the UK by room count after London with stock in Manchester growing by 4.6% in 2018



Manchester is one of the youngest places in Britain - with one quarter (24.5%) of its entire population aged between 20 and 29



Manchester has attracted more foreign direct investment in the past decade than any other city outside of London and is home to over 2,000 foreign-owned companies.

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