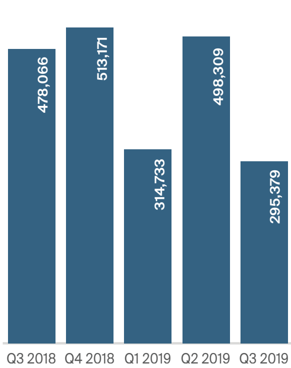
MANCHESTER
OFFICE MARKET Q3 2019

OCCUPIER HEADLINES

- Take up for the quarter was 295,000 sq ft, down on Q2's total of 491,000 sq ft and 38% less than the same time last year. However, with take-up for the year reaching 1.1m sq ft Manchester is on target to reach the 5 year average of 1.4m sq ft. (alternatively the 10 year annual average is 1.15m sq ft).
- High levels of demand from co-workers continued with Regus taking 26,000 sq ft at St James Tower for their 3rd Spaces centre in Manchester.
- Grade A availability increased by 37% to 260,000 sq ft, 13% below the 10 year quarterly average. Over 800,000 sq ft of space is expected for delivery by 2020. This is largely due to the largest speculative development in Manchester at 1 & 2 Circle Square which will deliver nearly 400,000 sq ft of Grade A space. A number of these developments have already seen significant pre-lets with the ongoing limited supply.

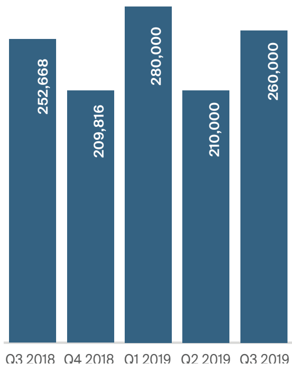
TAKE-UP
(sq ft)

Q3 2019	**295,379**
Q3 2019 vs 10 year quarterly average	**3%**

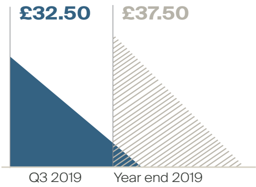


AVAILABILITY
(sq ft)

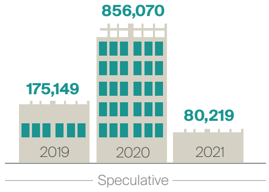
Q3 2019	**260,000**
Q3 2019 vs 10 year quarterly average	**-13%**



PRIME RENT
(£ per sq ft)



DEVELOPMENT PIPELINE
(sq ft)



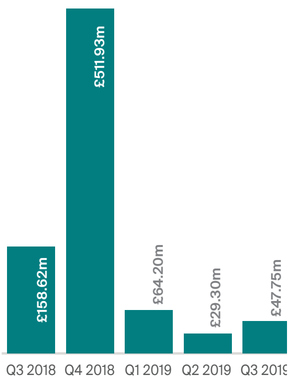
Dates indicate the potential completion date of schemes under construction as at Q3 2019
Development schemes are inclusive of both new and comprehensive refurbishment.

INVESTMENT HEADLINES

- Office investment volumes more than doubled in Q3 2019, reaching £47.75m, a 63% increase compared to the previous quarter. This is 65% below the 10 quarterly average.
- The two largest deals in Q3 2019 were the sales of 58, Spring Gardens for £19.4m and 151 Deansgate for £10.5m, both acquired by Topland Group Plc.
- Manchester city centre continues to attract domestic investors, with this buyer group accounting for 94% of total investment volumes.

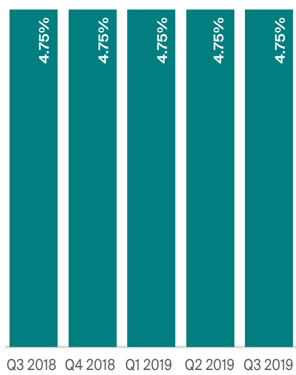
INVESTMENT VOLUMES (£)

Q3 2019	**£47.75m**
Rolling 12 Month Average	**£653.18m**

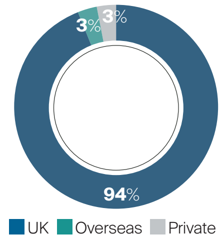


PRIME YIELD
(NIY)

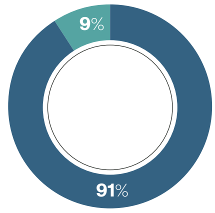
Q3 2019	**4.75%**
Forecast 2019	**4.75%**



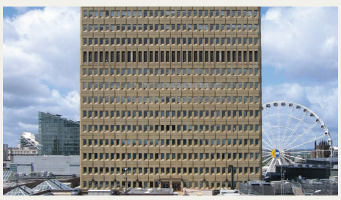
PURCHASERS
(last 12 months)



VENDORS
(last 12 months)

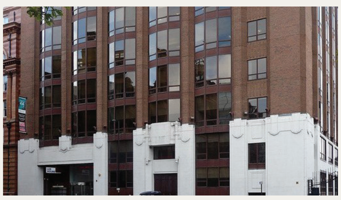


KEY TRANSACTIONS



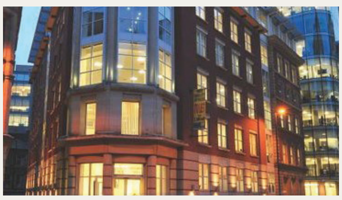
ARNDALE HOUSE

TENANT: Marker Study
TERM: N/A
SIZE: 35,476 sq ft
RENT: £16.00 per sq ft
DATE: Q3 2019



LEE HOUSE

TENANT: Capita Business Services Ltd
TERM: N/A
SIZE: 27,723 sq ft
RENT: £21.50 per sq ft
DATE: Q3 2019



58, SPRING GARDENS

PURCHASER: Topland Group Plc
VENDOR: PATRIZIA Immobilien AG
PURCHASE PRICE: £19.4m
YIELD: 6.30%
DATE: Q3 2019

151, DEANSGATE (ELLIOT HOUSE)

PURCHASER: Topland Group Plc
VENDOR: Hermes REIM
PURCHASE PRICE: £10.50m
YIELD: 5.50%
DATE: Q3 2019

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