**OCCUPIER HEADLINES**

- Although letting activity slowed down in Q1 2019, after record breaking take-up last year. Manchester city centre take-up reached 314,733 sq ft. This is 10% above the 10-year quarterly average.
- The 47,465 sq ft lease at Two New Bailey Square to Eversheds Sutherland was one of the five largest pre-lets to complete across all the regional cities for Q1. As technology transforms working practices, the law firm selected a modern and flexible office environment.
- Consequently, Professional Services were most active accounting for 37% of take-up. Co-working operators still remain prominent in Manchester, as Huckletree leased 25,800 sq ft of office space at the Express Building.
- Grade A availability increased to 280,000 sq ft in Q1. This is 14% above the 5-year quarterly average. It is anticipated availability will further improve with developments due to complete at 2, New Bailey and 125 Deansgate, totalling just over 300,000 sq ft.

**INVESTMENT HEADLINES**

- Following a strong quarter for investment volumes during Q4 2018, investor activity slowed down in Q1 with £64.20m of stock sold. Nonetheless this is 32% above the 5-year quarterly average.
- The most significant deal to complete was the £45.10m acquisition of Peter House by BP Pension Fund. Co-working brand Spaces currently occupies just over 85,000 sq ft with other tenants including Ask Ventures and Giorgio One to name a few.
- The second largest deal was the sale of Norfolk House for £19.10m to Knight Frank IM LLP. Current occupiers include Zurich Insurance, Euler Hermes and GVA with around 10,000 sq ft still available.
- Manchester still remains a target for domestic buyers, having increased and accounting for 88% over the past 12 months.

**KEY TRANSACTIONS**

- **2, NEW BAILEY SQUARE**
  - TENANT: Eversheds Sutherland
  - TERM: N/A
  - SIZE: 47,465 sq ft
  - RENT: N/A
  - DATE: Q1 2019

- **EXPRESS BUILDING**
  - TENANT: Huckletree
  - TERM: N/A
  - SIZE: 25,800 sq ft
  - RENT: N/A
  - DATE: Q1 2019

- **PETER HOUSE**
  - PURCHASER: BP Pension Fund
  - VENDOR: Rockspring UK Value Fund
  - PURCHASE PRICE: £45.10m
  - YIELD: 5.98%
  - DATE: Q1 2019

- **NORFOLK HOUSE**
  - PURCHASER: Knight Frank IM LLP
  - VENDOR: DWS (Deutsche)
  - PURCHASE PRICE: £19.10m
  - YIELD: 5.98%
  - DATE: Q1 2019
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