

Our dashboards provide a concise synopsis of occupier and investor activity in the UK's regional office markets.



knightfrank.com/research

Manchester Office Market

Research, 2019 Review



OCCUPIER DEMAND

TAKE-UP (SQ FT)*
1,473,222
25% ABOVE 10 YEAR AVERAGE

NUMBER OF DEALS
263

MOST ACTIVE SECTOR
23%
B2B



OCCUPIER SUPPLY

GRADE A AVAILABILITY (SQ FT)
480,135

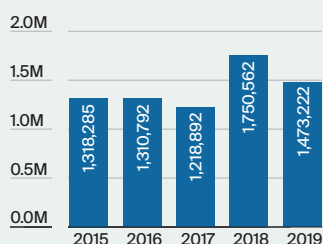
TOTAL MARKET VACANCY RATE
11.3%

UNDER CONSTRUCTION (SQ FT)
1,405,165
PRE-LET AND SPECULATIVE

*City Centre

Take-up

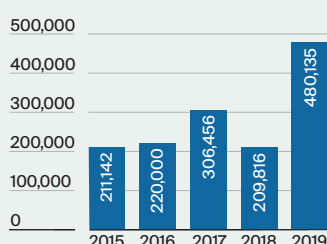
Last five years, sq ft



Source: Knight Frank Research

Grade A Availability

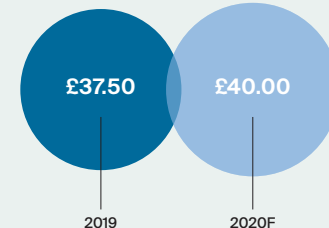
Last five years, sq ft



Source: Knight Frank Research

Prime Rent

£ per sq ft



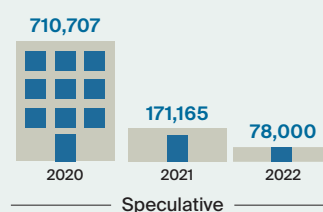
Source: Knight Frank Research

KEY TRANSACTIONS 2019

PROPERTY	OCCUPIER	SIZE (SQ FT)
125 Deansgate	Spaces	121,892
Enterprise City , St John's	WPP	82,000
2 New Bailey Square	BLM	70,782
Hyphen	WeWork	51,000

Development Pipeline

Schemes under construction sq ft



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

Source: Knight Frank Research



INVESTMENT VOLUMES

INVESTMENT VOLUMES (£M)

145

VS 10 YEAR AVERAGE

-74%

NUMBER OF DEALS

10



YIELDS

PRIME CITY CENTRE

5.00%

PRIME OOT

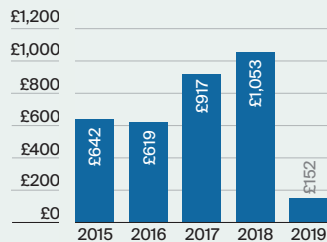
5.75%

FORECAST TOTAL RETURN 2020

8.10%

Investment Volumes

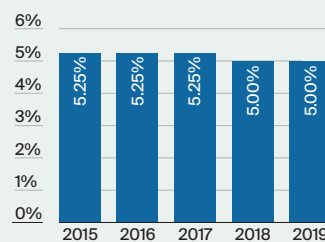
Last five years, £ millions



Source: Knight Frank Research

Prime Yield

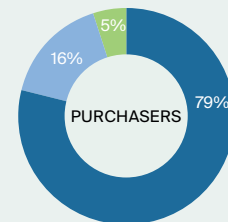
Net yield, %



Source: Knight Frank Research

Investor Type

■ UK ■ Overseas ■ Private



Source: Knight Frank Research

2020 OUTLOOK

2020 will see 850,000 sq ft of new and refurbished grade A space being delivered across five buildings. Over 40% of this space has been pre-let or under offer at the likes of Circle Square and 2 New Bailey, with an excess of 400,000 sq ft of named active requirements looking at this space. With limited pipeline in 2021 onwards and further strong occupier demand we expect to see a continued growth of headline rents. This positive occupational outlook combined with greater market and political certainty will lead to growing investment demand and a busier 2020. The weight of capital will be driven by institutional demand creating the possibility of prime yield compression.

KEY TRANSACTIONS 2019

PROPERTY	PRICE (£M)	YIELD (%)	PURCHASER	VENDOR
Spring Gardens, 40	52	5.61	Aviva Investors	Impax Asset Management
Great Bridgewater St, 70	21.8	6.93	Credit Suisse Asset Man	State Street Capital
The Chancery	19.4	6.30	Topland Group Plc	PATRIZIA Immobilien AG
Riverside House	6.3	4.71	L&G	Muse

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



David Porter

Partner, Office Head
+44 161 833 7725
david.porter@knightfrank.com



Matt Stretton

Partner, Capital Markets
+44 16 1470 0610
matthew.stretton@knightfrank.com



Mark Bamber

Partner, Office Agency
+44 161 833 7715
mark.bamber@knightfrank.com



Darren Mansfield

Partner, Commercial Research
+44 20 7861 1246
darren.mansfield@knightfrank.com

Knight Frank Research Reports are available at
knightfrank.com/research



Knight Frank Research provides strategic advice, consultancy services and forecasting to a wide range of clients worldwide including developers, investors, funding organisations, corporate institutions and the public sector. All our clients recognise the need for expert independent advice customised to their specific needs. Important Notice: © Knight Frank LLP 2020 This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP to the form and content within which it appears. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names.