



# GC SITUATION REPORT AND QUARTERLY BUSINESS SURVEY RESULTS

**MARCH 2026**

**REPORT NUMBER 93: WITH QUARTERLY DATA FOR 2<sup>ND</sup> JANUARY 2026 TO 2<sup>ND</sup> APRIL 2026**

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# 1. ECONOMIC CONTEXT AND SURVEY HEADLINES

The 93<sup>rd</sup> GC Situation Report contains leading economic data from both national (mostly ONS) and local business survey sources. This month's survey report findings are based on **754** survey responses completed between **the 2nd of January 2025 and the 2nd of April 2026** by GC clients from the Business Growth Hub and MIDAS. Comparisons have been made with last quarter's **642** responses completed between **December 2025 and February 2026**. The survey response profile is broadly representative of the Greater Manchester business base, but for an over-representation of SMEs, Manufacturing, and DCT firms, and an under-representation of Retail and Hospitality businesses – reflecting the Business Growth Hub and MIDAS client profiles.

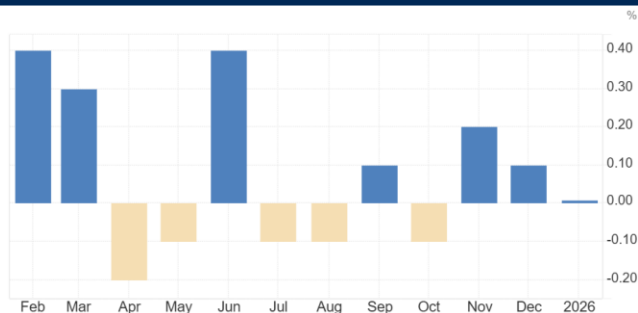
## Economic context

- **Growth remains uneven despite AI-led momentum.** Investment in artificial intelligence, cloud infrastructure, and advanced manufacturing continues to support growth particularly in the US and parts of Asia. However, global expansion remains fragile, with growth still concentrated in a few major economies. Slower recovery in Europe and weaker trade activity are limiting broader momentum, leaving the global outlook exposed to more uncertainty and slower growth.
- **Energy markets and geopolitical risks remain the key external pressures.** Ongoing instability in the Middle East and supply-side constraints continue to create fluctuations in oil and gas prices. While prices have eased slightly from early-2026 peaks, markets remain sensitive to geopolitical developments, keeping inflation risks elevated globally.
- **UK Growth remains weak but avoids recession.** The UK economy is expected to grow modestly (~0.8%–1.2% in 2026). Economic activity is supported by services and public spending, but constrained by weak productivity, subdued private investment, and a more cautious business sentiment.
- **Inflation moderating, but slower than expected.** Inflation is trending downward toward the 2% target, but progress is uneven. Services inflation and wage growth remain relatively stable, while energy and food price volatility continue to pose significant risks.
- **Bank of England policy likely to ease gradually.** Markets anticipate that the BoE will make gradual rate cuts in 2026, bringing the base rate to ~3.25%–3.75% by year-end. However, persistent inflation risks may delay aggressive easing.

## Organisation Growth Survey headlines

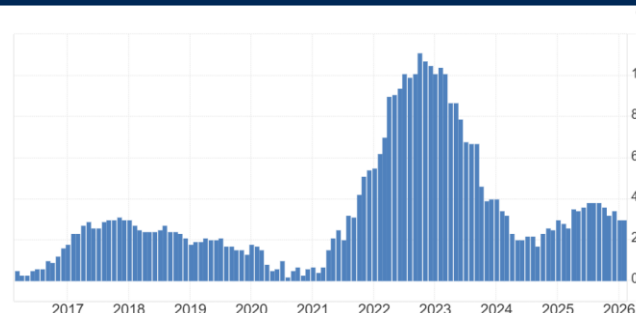
- **Business Confidence and economic impacts.** The GC Business Confidence Index remains stable at 7.2 in March 2026, with above-average confidence in Utilities LCEGs, Manufacturing, Construction, and BFPS and weaker sentiment in DCT, Health Care, Life Sciences, Hospitality, Education, and Creative Industries. Rising costs remain the main impact, while cashflow pressures have been eased - supported by stable cash reserves for most firms.
- **Business challenges and support need.** Accessing new domestic sales continues to be the primary challenge for businesses, alongside growing pressures around developing new products, business model change and financial management. This is driving increased demand for support in business planning, sales & marketing, innovation, workforce skills. and financial advice - across firms of all sizes.
- **Recruitment, employment, and skills.** Recruitment activity has fallen slightly, while many firms report only partial alignment between workforce skills and business objectives. Key skill gaps persist in terms of sales & marketing skills, leadership & management, teamwork, specialist technical skills and advanced IT capability, with skill challenges varying by firm size - larger firms are more likely to report Management & Leadership and developing teamwork skills.
- **Research & Development, and Innovation.** Innovation activity has fallen slightly, with continued investment in services, R&D and general business practices, and growing intentions to increase future R&D, digital transformation and workforce development. Nearly half of firms have adopted AI, mainly in data analytics, sales & marketing, and process automation.

UK GDP stalled in January 2026 (latest)



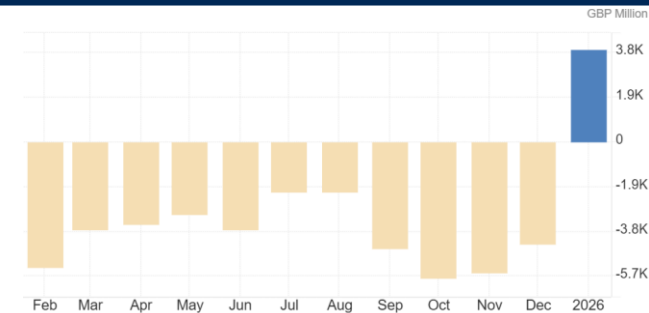
- The UK's monthly real GDP stalled in January 2026, following a 0.1% rise in December 2025.
- Services showed no growth, with the largest negative contribution from Business Administrative and Support Service. The largest positive contribution came from Retail.
- Production output fell, led by 3.2% fall in mining and quarrying. The decline was partially offset by 1.9% growth in water utilities, and Construction 0.2%.

UK CPI inflation steadies at 3% in February 2026



- The annual UK CPI inflation rate steadied at 3% in February 2026, the same as in January and in-line with market expectations.
- Energy prices rose by 4.6%, followed by Clothing which made the largest upward contribution to inflation, 0.9%, the first increase in four months.
- Inflation slowed for transport (2.4% YoY 2.7%), food (3.3% YoY 3.6%), Culture & Leisure (2.5% YoY 2.6%), and Hospitality (4% YoY 4.1%).
- Annual core inflation rose slightly to 3.2%, up from 3.1%.

UK trade surplus rose in January 2026



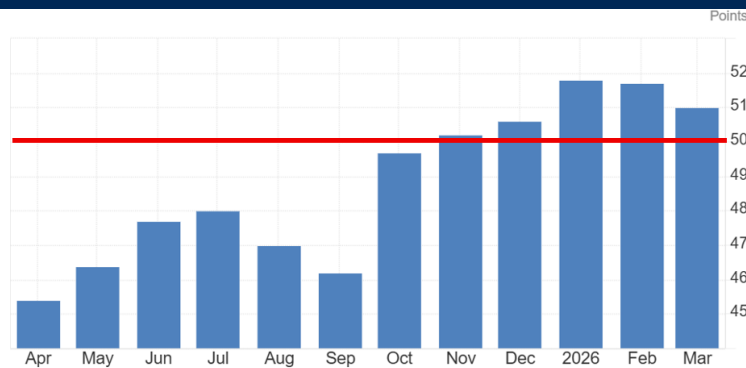
- The UK trade surplus rose to £3.9 billion in January 2026, a reversal from a £4.3 billion deficit in December 2025, the first surplus since September 2024.
- Exports rose 7.2% to £82.5 billion. Imports fell 3.3% to £35.5 billion.
- Goods exports climbed 6.7% to £35.5 billion, driven by higher shipments to both EU (6.2%) and non-EU countries (7.1%).
- Goods imports decreased 0.6% to £49.9 billion, while services imports rose 0.4% to £28.6 billion.

## 2. SECTOR INSIGHT AND PURCHASING MANAGER INDICES (PMIs)

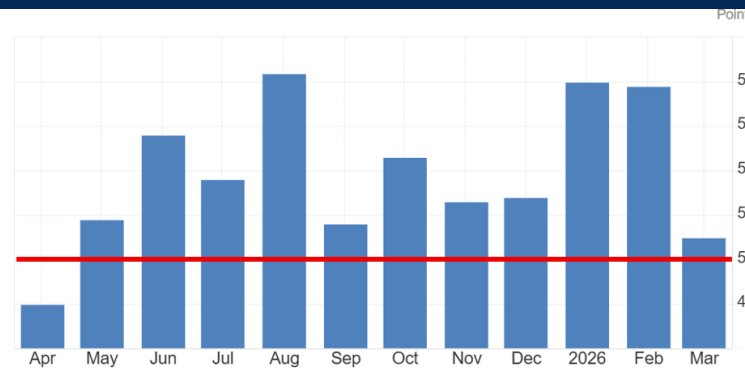
- **The S&P Global UK Composite Purchasing Manager's Index (PMI)** fell slightly to 50.3 in March 2026 from 53.7 in February 2026. This marks the slowest business activity growth in six months. The reading points to only a marginal expansion, as the Middle East war saps momentum across the UK's economy.
- Service sector stalled, while manufacturing output contracted again, reversing recent gains. Input price inflation surged to its highest level since February 2023, squeezing margins. Business confidence fell to its lowest since June 2025, reflecting deepening concerns over the economic outlook.
- **Confederation of British Industry (CBI) Growth Indicator** shows that UK private sector firms expect a fall in activity over the next three months (-18%). Expectations for growth have been negative since the end of 2024. Distribution sales are expected to decline sharply (-40%), but manufacturers anticipate output to stabilise over the three months to June (-3%).
- **Lloyds Bank Regional Business Barometer (a monthly snapshot of how businesses with >£250k turnover, are feeling about their own prospects)**. Business confidence rose to at 55% in March 2026, well above the long-term average of 30%.
- Staffing expectations strengthened, firms anticipated additional hiring to meet higher demand and future wage growth signals eased this month with an increase in firms reporting pay growth of more than 4% in the next 12 months.

- **BDO High Street Sales Tracker**. Total like-for-like sales grew by 0.8% in March 2026. In-store sales fell by -0.1% compared to +0.3% in March 2025. Online sales rose by +4.8% compared to a +6.1% increase in March 2025.
- **The GfK Consumer Confidence Index for the UK** fell to -21 in March 2026 from -19 in February 2026. This marks the lowest level in nearly a year as concerns over the Middle East conflict's impact on inflation and growth weighed on sentiment. The largest decline came in households' assessment of the general economic outlook for the next 12 months.
- Views of personal finances remained steady. Willingness to make major purchases fell and the savings rate rose. Consumers faced surging energy costs, with petrol prices up roughly 50% since the Iran war began, while Government support for households reliant on heating remains limited.
- **Company Insolvencies**. There were 1,878 company insolvencies in England and Wales in February 2026, 7% higher than January 2026, and 7% lower than February 2025. Company insolvencies in February 2026 consisted of 249 compulsory liquidations, 1,473 voluntary liquidations, 146 administrations, and 10 company voluntary arrangements.
- **Insolvency Rates**. One in 194 UK firms (51.5 per 10,000 companies) entered insolvency from March 2025 to February 2026. This represents a decrease from the 52.3 per 10,000 that entered insolvency in the 12 months ending 28 February 2025.

The S&P Global UK Manufacturing PMI 51.0 (>50 = expansion)



The S&P Global UK Services PMI 50.5 (>50 = expansion)



The S&P Global UK Construction PMI 45.6 (<50 = contraction)



- **The S&P Global UK Manufacturing PMI** was 51.0 in March 2026, down from 51.7 in February 2026. (Numbers above 50 indicate expansion).
- The result reflected unexpected stability in Manufacturing growth as the outbreak of war in the Middle East shocked global energy markets and hampered growth expectations among major energy importers.
- Manufacturing output declined for the first time in six months due to uncertainty, but new orders and supplier delivery times remained stable.
- Average input costs surge the most since 2022 due to higher costs of oil, gas, and other operations impacted by commodity benchmarks. The rising uncertainty is reflected in slightly lower business optimism.

- **The S&P Global UK Services PMI** was 50.5 in March 2026, down from 53.9 in February 2026. (Numbers above 50 indicate expansion).
- The sector saw its slowest expansion amid rising global economic uncertainty from the Middle East conflict. Output rose slightly, while total new work fell for the first time since November 2025, the sharpest contraction in eight months.
- Export orders fell sharply, marking the fastest decline since April 2025. Staffing numbers were further reduced, amid a lack of pressure on business capacity, alongside the need to mitigate payroll costs.
- March saw continued positive expectations for business activity, although sentiment eased markedly from January's 15-month high.

- **The S&P Global UK Construction PMI** was 45.6 in March 2026, up from February's index of 44.5. (Numbers below 50 indicate contraction).
- Operating margins remained under pressure in the period due to a sharp acceleration in input cost inflation. Companies noted that the outbreak of war in the Middle East increased prices of energy & raw materials used in projects.
- Residential housing activity declined further with an index of 38.2, while civil engineering activity (44.8) and commercial construction (47.1) contracted at a slower pace.
- Confidence across Construction continued to fall, although companies were confident in more orders from clients in the energy sector.

# 3. ORGANISATION GROWTH SURVEY RESULTS

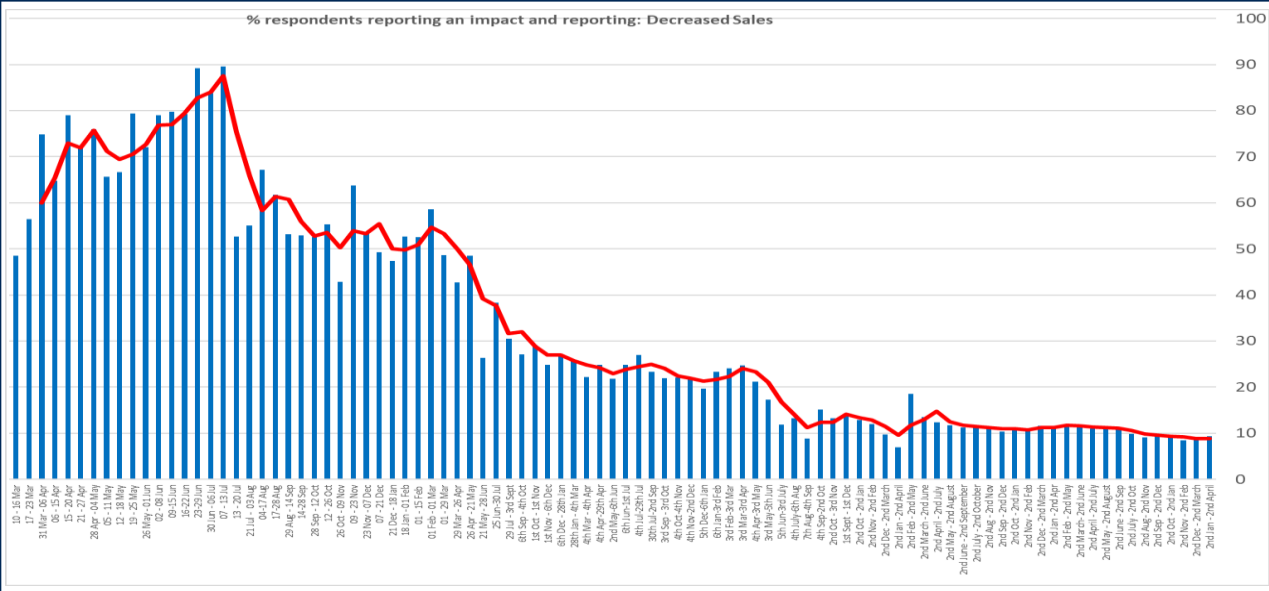
Previous survey results shown in brackets - note rounding on all values

GROWTH, CONFIDENCE AND INVESTMENT	MAIN ECONOMIC IMPACTS AND FINANCIAL RESILIENCE	BUSINESS CHALLENGES AND FUTURE SUPPORT NEEDS
<p><b>The GC Business Confidence Index (GC-BCI) is a ranking (1 = low to 10 = high) of how confident businesses are on their growth prospects for the year ahead.</b></p> <ul style="list-style-type: none"> <li>➤ <b>GC Business Confidence Index (GC-BCI)</b> for March 2026 stood at 7.2 out of 10, similar to the previous quarter. Confidence levels are above average for Utilities LCEGs, Manufacturing, Construction, and BFPS, and lower in DCT, Health Care, Life Sciences, Hospitality, Education and Creative industries.</li> <li>➤ <b>Current sales &amp; future profits.</b> 17% (unchanged) of firms reported an increase in sales, and 9% (unchanged) reported decreased sales in the last 12 weeks. 63% (vs 62%) expect profits to increase in the year ahead. 1% (unchanged) expect profits to decrease. The sectors most optimistic about future profitability are Utilities LCEGs, Manufacturing, Retail, Hospitality, BFPS, DCTs and Other Services. Lower levels of optimism Education, and Health Care.</li> <li>➤ <b>Investment.</b> 36% (vs 34%) of firms expect to increase capital expenditure in the year ahead. Sectors most optimistic about increasing investment are Utilities LCEGs, Manufacturing, Logistics, Hospitality; and lowest in Health Care, Education, BFPS, DCTs, Construction and Life Sciences.</li> <li>➤ <b>Workforce development.</b> 26% (vs 35%) of firms plan to increase investment in workforce development – a significant decrease on previous months. Sectors more likely to report an increase in future investment are Manufacturing, Engineering, Construction, Retail, Logistics, Hospitality, BFPS, Education; and lowest in DCTs and Life Sciences.</li> </ul>	<ul style="list-style-type: none"> <li>➤ <b>Main impacts.</b> 25% (vs 26%) reported rising costs as the main impact, followed by cashflow issues 15% (vs 17%), staff shortages due to recruitment difficulties 8% (vs 7%), and minor supply chain challenges 5% (vs 6%).</li> <li>➤ <b>Cash reserves.</b> 51% of firms (vs 53%) report having cash reserves to last over 6 months. Reserves were highest in Utilities LCEGs, Manufacturing, Engineering, Life Sciences, Retail, Healthcare, BFPS and Logistics; and lowest in DCTs, Education, Hospitality, Construction, and Other Services.</li> <li>➤ <b>Cashflow.</b> 15% (vs 17%) of firms reported cashflow problems. Micro-sized firms (&lt;49 employees) were more likely to face this challenge than larger SMEs (50–249+ FTEs). Higher cashflow risk was reported in Manufacturing, Engineering, Retail, Hospitality, DCT and Education. Just 4% (vs 3%) reported late payments.</li> <li>➤ <b>Analysis of insolvency risk</b> for March 2026 shows an increase in the total number of firms (10+ employees) reporting heightened levels of risk compared to last month, currently at 1057 (vs 871 in January 2026):             <ul style="list-style-type: none"> <li>○ 940 (up from 782 last month) firms have 1 flag - some risk;</li> <li>○ 67 (up from 50) have 2 red flags - medium insolvency risk;</li> <li>○ 50 (up from 39) have 3 red flags - insolvency imminent.</li> </ul> </li> <li>➤ <b>Change in risk:</b> The proportion of firms in GM with a red flag rating increased by 0.1% points in March (m-o-m) for GM, similar to the 0.1% increase across the UK. Over the past 12 months, GM has seen a 0.2% reduction in red flag ratings, while the UK has recorded a 0.5 % increase.</li> </ul>	<ul style="list-style-type: none"> <li>➤ <b>The main current challenges for businesses.</b> 49% (unchanged) of firms cited accessing new domestic sales. This issue is particularly acute in Utilities LCEGs, Manufacturing, Engineering, Logistics, Retail, DCTs, BFPS, and Healthcare.</li> <li>➤ <b>Other key challenges include</b> developing new products or services 32% (vs 35%), business model change 31% (vs 34%), managing overall finances 24% (unchanged), and workforce development / skills challenges 22% (vs 25%).</li> <li>➤ <b>International trade.</b> 17% of firms (vs 19%) export goods/services, with 16% (vs 18%) expanding into new markets, a trend particularly notable in the DCTs, Manufacturing, Engineering, and Retail sectors. 9% (vs 10%) of firms engaged in overseas trade are looking to expand in their current markets.</li> <li>➤ <b>Future support.</b> The main areas where firms seek future support are business planning 38% (vs 41%), innovation 34% (vs 37%), sales &amp; marketing 32% (vs 36%), WfD/skills 28% (vs 34%), and financial advice/guidance 26% (vs 28%). 8% (vs 9%) require assistance with managing their environmental impact. This figure has remained stable over the last 12 months.</li> <li>➤ Micro and small firms (0–9 FTEs) are more likely to seek support in business planning, innovation, sales &amp; marketing, and workforce development.</li> <li>➤ Firms with 50+ employees are more likely to request support in workforce development, recruitment, environmental impact management, digital transformation, and innovation.</li> </ul>

RECRUITMENT, EMPLOYMENT AND SKILLS	RESEARCH, DEVELOPMENT AND INNOVATION	SOCIAL VALUE AND GOOD EMPLOYMENT PRACTICES
<ul style="list-style-type: none"> <li>➤ <b>Recruitment:</b> 23% (vs 26%) of firms are currently recruiting new staff. The proportion of firms recruiting are highest amongst larger SMEs (50+FTEs). By sector, firms were more likely to be recruiting in Utilities LCEGs, Manufacturing, Life Sciences, Logistics and BFPS. Sectors least likely to be recruiting are DCTs, Education, Hospitality, Healthcare, and Retail.</li> <li>➤ <b>Workforce skill gaps.</b> 38% (vs 34%) report that their existing workforce skills are fully aligned with their business plan objectives. 48% (vs 52%) indicate that skills are only partially at the required level, and 3% (vs 2%) stated that their workforce skills are not at the right level. (11% said 'don't know').</li> <li>➤ Smaller SMEs were more likely to report gaps in sales &amp; marketing skills, whilst firms with 50+ FTEs were more likely to report gaps in motivating staff, management &amp; leadership, and developing teamwork.</li> <li>➤ <b>Technical skill gaps:</b> Specialist technical skills and knowledge 26% (vs 29%), advanced IT skills 12% (vs 17%), and knowledge of products or services 13%.</li> <li>➤ <b>Practical &amp; personal skill gaps:</b> Sales and selling 23% (vs 24%), motivating staff 14% (vs 19%), and customer handling 11% (vs 12%).</li> </ul>	<ul style="list-style-type: none"> <li>➤ <b>Innovation activities.</b> 31% (vs 34%) have invested in new or significantly improved services, 26% (vs 31%) in R&amp;D, 18% (vs 24%) new business practices, 15% (vs 16%) introduced new or significantly improved goods, and 11% (vs 14%) have invested in improved production methods.</li> <li>➤ <b>Digital innovation.</b> 12% (vs 13%) have invested in the acquisition of digital products, and 6% (vs 5%) made investments in the acquisition of new machinery - especially in Utilities LCEGs, Manufacturing, Retail and Logistics.</li> <li>➤ <b>Future Innovation.</b> 29% (vs 38%) of firms are looking to increase investment and R&amp;D, highest in Utilities LCEGs, Manufacturing, Life Sciences and DCTs. 26% (vs 35%) of respondents said they were likely to invest in workforce development to support innovation and growth.</li> <li>➤ <b>Digital Transformation.</b> 15% (vs 19%) of firms are looking to invest in digital transformation, highest within Manufacturing, Retail, Logistics, BFPS and Other Services; and less likely in Healthcare, Hospitality, Construction, Life Sciences.</li> <li>➤ <b>AI Adoption:</b> 43% (vs 47%) have adopted AI into business. Firms were most likely to have implemented AI in data processing and analytics &amp; automation.</li> </ul>	<p><b>Organisations were asked if they had/or intended to have the following:</b></p> <ul style="list-style-type: none"> <li>➤ <b>Guaranteed at least 16 hours of work per week.</b> 54% (vs 57%) said this currently applies, and 23% (unchanged) said they are likely to consider.</li> <li>➤ <b>Paying employees the Real Living Wage.</b> 50% of firms (vs 53%) paid the RLW, while 28% (vs 27%) indicated they are likely to implement it in the future.</li> <li>➤ <b>Promoting healthy work practices.</b> 45% (unchanged) said this currently applies, while 29% (vs 34%) indicated they are likely to do so in future.</li> <li>➤ <b>Investing in leadership.</b> 44% (vs 48%) said that they are investing in leadership, while 37% (vs 36%) indicated they are likely to do so in future.</li> <li>➤ <b>Offering flexible working options to employees.</b> 43% (vs 46%) said this currently applies, and 31% (vs 30%) said likely to implement in the future.</li> <li>➤ <b>Looking to increase the diversity of the workforce.</b> 41% (vs 42%) of firms said this currently applies, 33% (vs 35%) said likely to include this in the future.</li> <li>➤ <b>Involving employees in the overall direction of the business.</b> 37% (unchanged) said this currently applies. 33% (vs 36%) said likely to do so in future.</li> </ul>

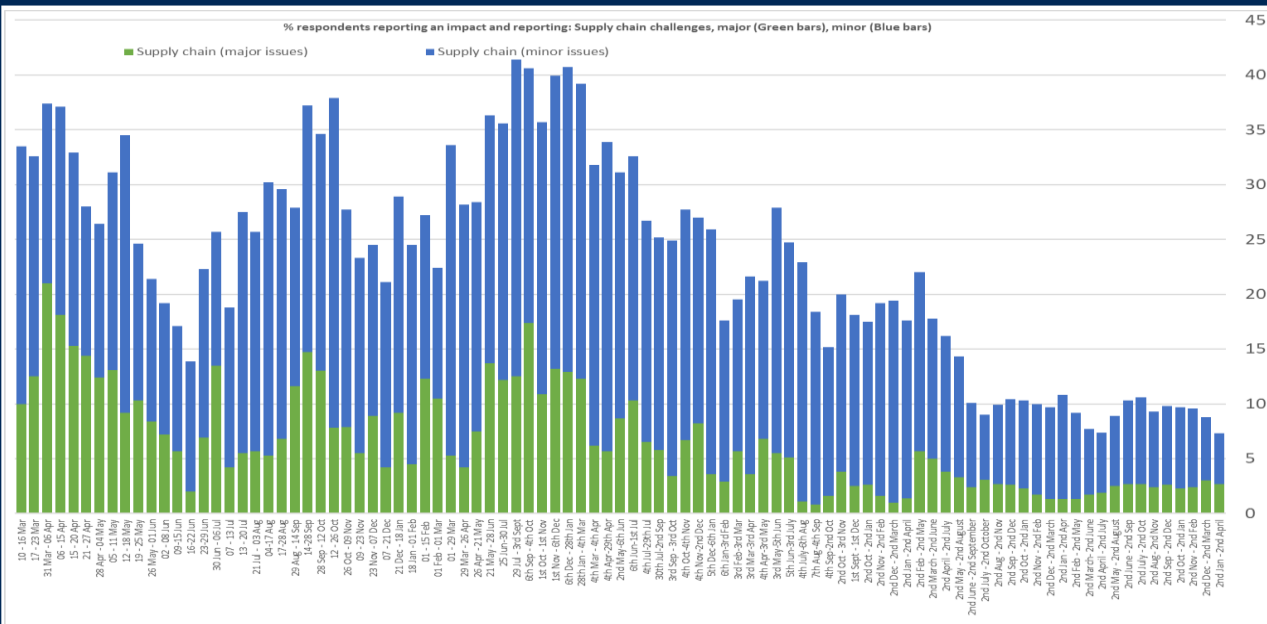
# TIME SERIES OF THE MAIN IMPACTS OF THE ECONOMY ON BUSINESS

Percentage reporting decreased sales (Red line = moving average)

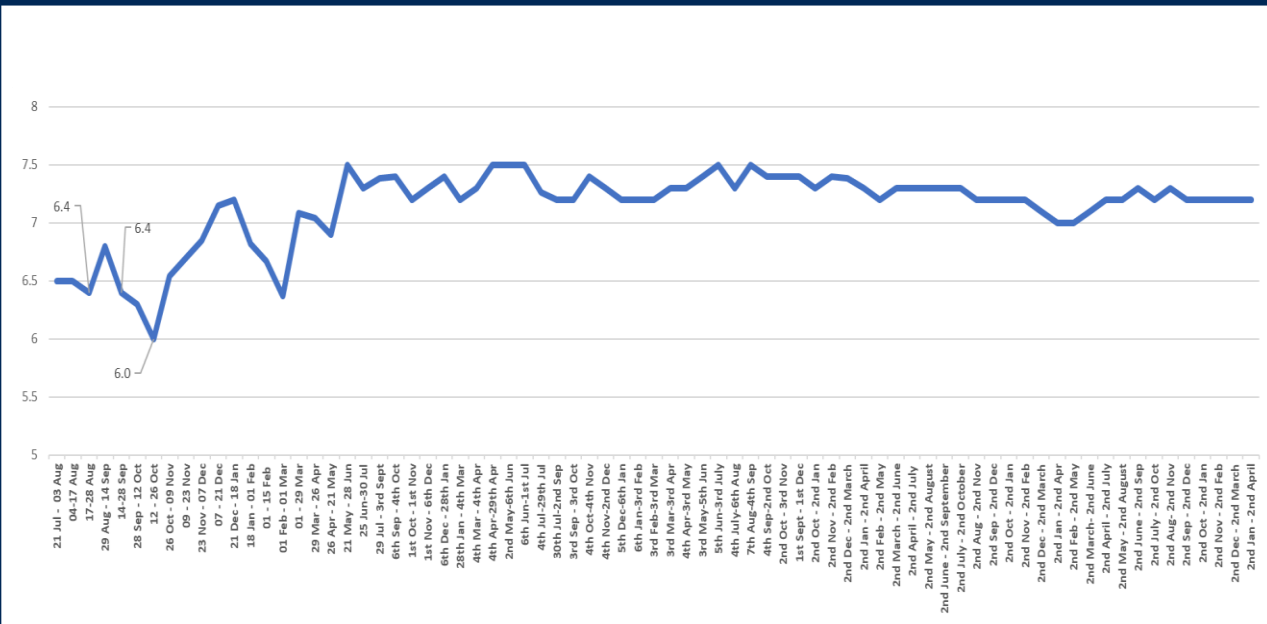


# TIME SERIES OF THE MAIN IMPACTS OF THE ECONOMY ON BUSINESS

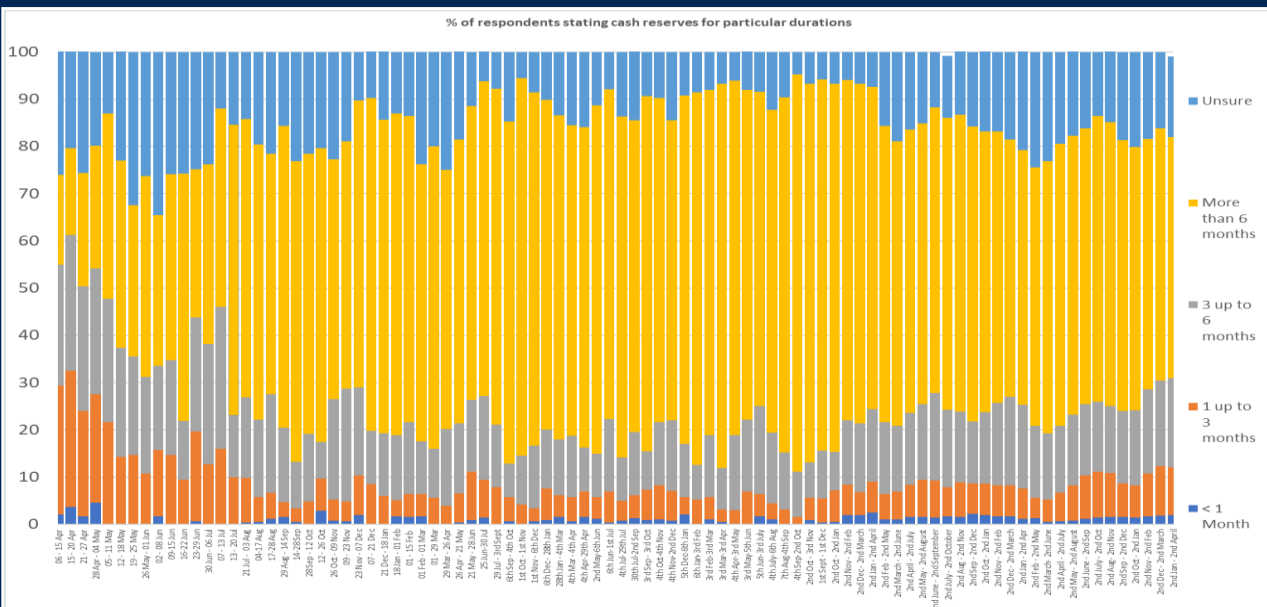
Percentage reporting minor supply chain issues (blue), major issues (green)



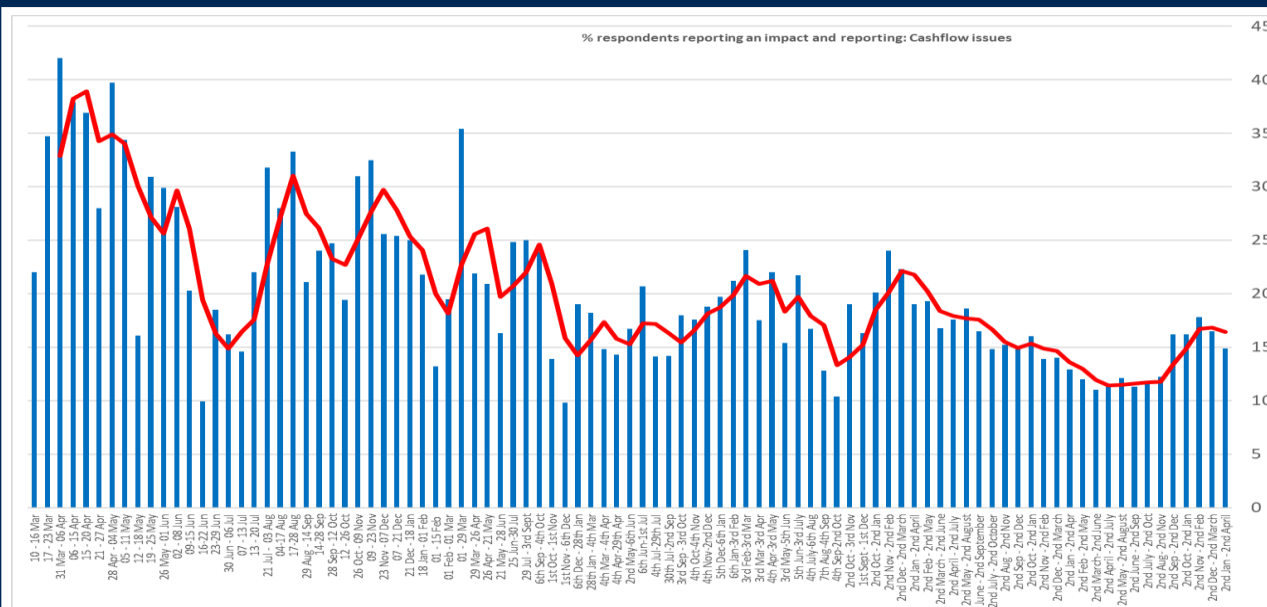
Aggregate confidence index – 1 low confidence, 10 high confidence



Percentage stating cash reserves can sustain certain periods of time

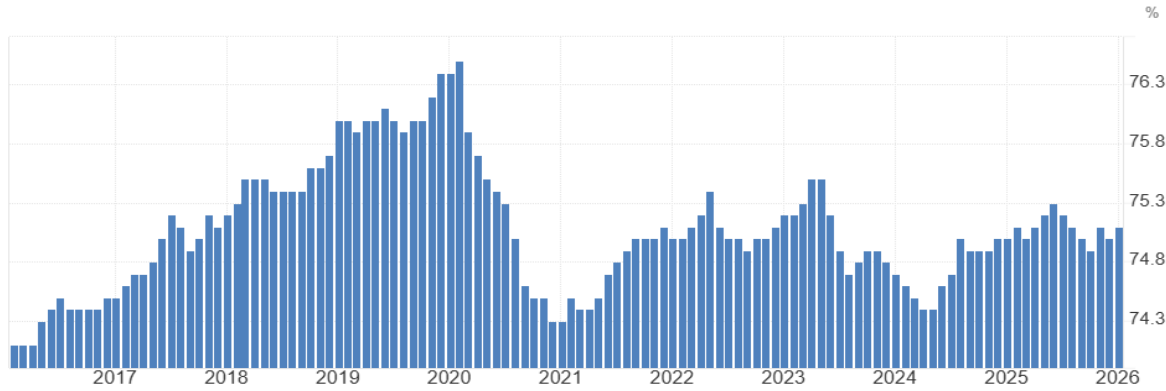


Percentage reporting cashflow problems



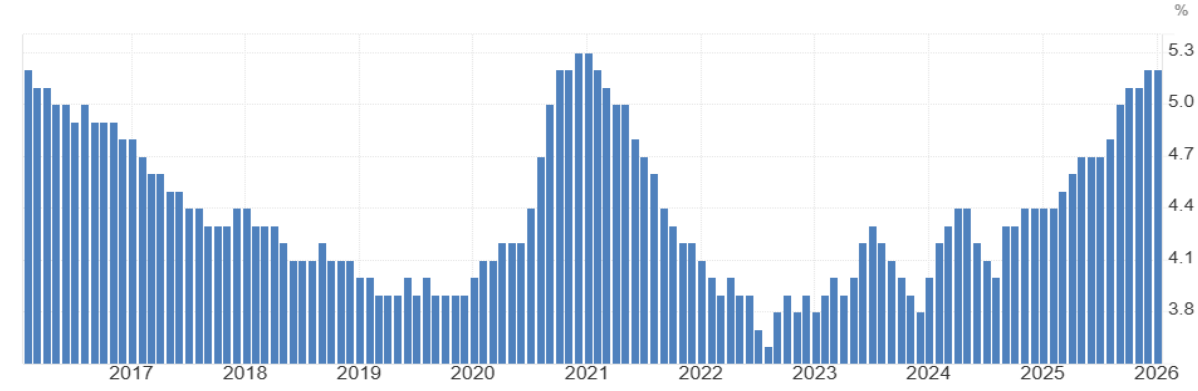
# 4. LABOUR MARKET HEADLINES – ONS QUARTERLY LABOUR FORCE SURVEY

United Kingdom - Employment Rate 75.1%



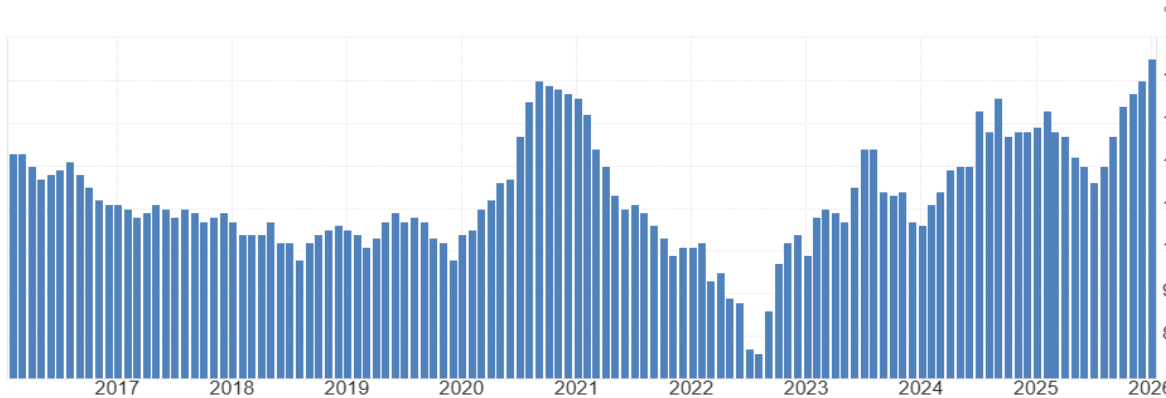
- **Employment Rate in the United Kingdom increased to 75.1% in January** from 75% in December of 2025.
- Employment Rate in the United Kingdom averaged 71.7% from 1971 until 2026, reaching an all time high of 76.5% in February of 2020 and a record low of 65.6% in April of 1983.

United Kingdom - Unemployment Rate 5.2%



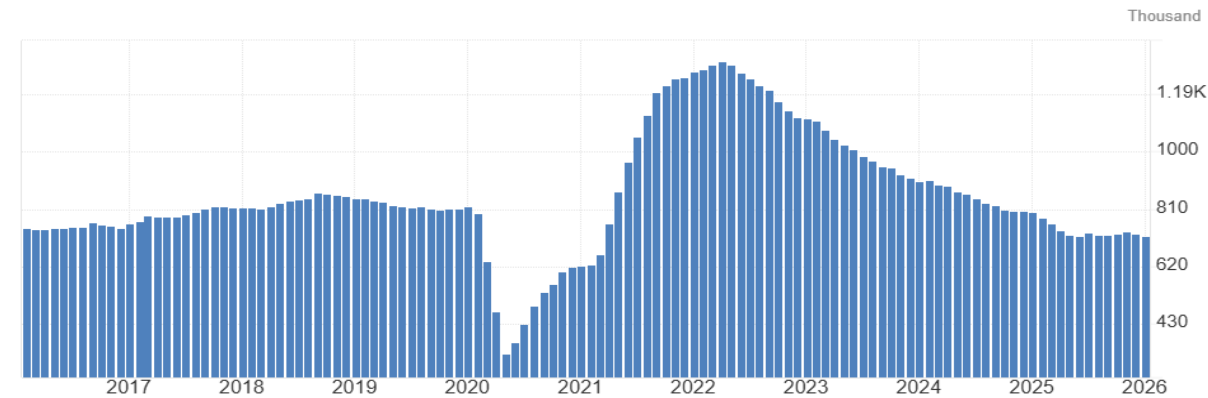
- **UK unemployment rate remained unchanged at 5.2% in the three months to January 2026**, below expectations of 5.3% but still at its highest level since the three months to February 2021.
- Total unemployment rose by 37k quarter-on-quarter to 1.869 million, driven by increases among those unemployed for 6–12 months and over 12 months. Compared with the same period last year, unemployment was up by 323k.
- Total employment increased by 84k to 34.310 million, pushing the employment rate up by 0.2% points to 75.1%. The economic inactivity rate fell by 0.3% points to 20.7%, with the number of inactive individuals decreasing by 99k to 8.999 million.

United Kingdom - Youth Unemployment Rate 14.5%



- **Youth Unemployment Rate in the United Kingdom increased to 14.5% in January** from 14% in December of 2025.
- Youth Unemployment Rate in the United Kingdom averaged 13.2% from 1992 until 2026, reaching an all time high of 20.3% in November of 2011 and a record low of 7.6% in August of 2022.

United Kingdom - Vacancy Notifications 721k



- **Job Vacancies in the United Kingdom decreased to 721k in January 2026** from 730k in December of 2025.
- Job Vacancies in the United Kingdom averaged 696.7k from 2001 until 2026, reaching an all time high of 1300k in April of 2022 and a record low of 328k in May of 2020.

# 5. HOSPITALITY, LEISURE, TOURISM - IMPACTS AND SUPPORT

## VisitBritain - Domestic Consumer Sentiment Tracker Fieldwork 2nd to 8th March 2026

The tracker looks to understand the impact of major events such as the cost-of-living crisis on the UK public's intent to take overnight trips within the UK and abroad.

It addresses areas such as current attitude to travel, intention to travel for day trips, short breaks and holidays, when people plan to book and take the trip, their planned destination and accommodation choices.

### The key headlines are:

- Perception of the 'worst still to come' regarding cost-of-living crisis is at 53%, up 6%pt on February 2026.
- Proportion intending to take a UK overnight trip in the next 12 months is 75%, down 3%pt on last month.
- Proportion intending to take an overseas trip in the next 12 months is 58%, down 7%pt on last month.
- The main barriers, in March, to taking an overnight stay in the UK within the next six months are:
  - Rising cost of living (consistent with February 2026);
  - UK weather (down from joint 1st in February 2026); and
  - Personal finances and rising costs of holidays/leisure (joint third, the latter up from fourth in February 2026).
- Top 3 areas for overnight stays Apr-Jun 2026: South-West (1st), London (2nd) and North-West (3rd).
- Top 3 areas for overnight stays Jul-Sep 2026: South-West (1st), London (2nd) and North-West (3rd).
- Top 3 destinations Apr-Jun 2026 are city/large town (1st) and traditional coastal/seaside town and countryside or village (joint 2nd).
- Top 3 destinations Jul-Sep 2026 are city/large town (1st), traditional coastal/seaside town (2nd), countryside or village (3rd).
- Hotels remain the top accommodation choice for breaks in April to June 2026, consistent with last month, and July to September.

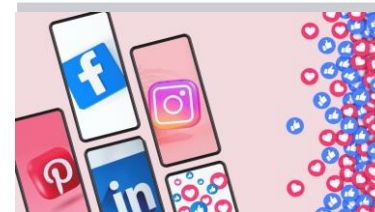
Source: <https://www.visitbritain.org/research-insights/domestic-sentiment-tracker>

## Hotel Performance Monitor – February 2026 (Source MM)

- The occupancy rate in February for Greater Manchester (77%) and Manchester city centre (76%) were both above February 2025 levels (76% and 74% respectively).
- The average daily rate for Greater Manchester (£87) and Manchester city centre (£97) were also both above 2025 levels (£83 and £92 respectively).
- The revenue per available room for Greater Manchester (£67) and Manchester city centre (£74) were both above 2025 levels (£63 and £69 respectively).

	Greater Manchester			Manchester City Centre		
	Room occupancy	Average rate	Revenue per room	Room occupancy	Average rate	Revenue per room
2026	77%	£87	£67	76%	£97	£74
2025	76%	£83	£63	74%	£92	£69

## Marketing Manchester Campaigns Impact Reach across all channels



168.2 million

## 6. GREATER MANCHESTER PROPERTY MARKET (SOURCE: COSTAR FEBRUARY 2026)

### INDUSTRIAL AND WAREHOUSING

213M ↓  
Inventory Sq ft

1.2M ↑  
Under Constr Sq ft

(1.1M) ↑  
12 Mo Net Absorp Sq ft

5.6% ↑  
Vacancy Rate

£8.65 ↑  
Market Asking Rent/Sq ft

£88 ↑  
Market Sale Price/Sq ft

7.6% ↓  
Market Yield

- **Market scale and location.** Manchester is the largest industrial market in the North, with 213 million SF of space, dominated by logistics and supported by strong motorway, airport and port connectivity.
- **Vacancy and absorption trends.** Industrial vacancy stands at 5.6%, up from historic lows, in line with the national average but still well below the market peak of more than 9% in 2012.
- **Leasing activity.** Lettings remain steady, with over 100,000 SF of new space absorbed recently, led by major occupiers such as Amazon, Whistl and multiple deals across Rochdale and Trafford.
- **Mid-box and last-mile demand.** Mid-box demand remains resilient, supported by ESG-led requirements, while last-mile demand continues to strengthen in response to population growth and faster delivery needs.
- **Development pipeline.** Construction activity remains robust with around 1.2 million SF underway, focused on 100,000-200,000 SF units at Waterfold Park in Bury and PLP's Astley Business Park, along with smaller schemes at Chancergate's Eastside near the Manchester City stadium and at Sandbrook Business Park in Rochdale.
- **Rental performance.** Annual rent growth stands at 6.9%, moderating from recent peaks, with average asking rents of £8.60/SF, remaining competitive compared to southern markets and London.
- **Sub-market dynamics.** Southern GM submarkets (Trafford, Stockport, Manchester Airport) command the highest rents, while M62 corridor markets such as Rochdale and Oldham offer the most cost-competitive space.

### OFFICE

67.6M ↑  
Inventory Sq ft

1.4M ↓  
Under Constr Sq ft

690K ↑  
12 Mo Net Absorp Sq ft

10.8% ↓  
Vacancy Rate

£22.99 ↑  
Market Asking Rent/Sq ft

£218 ↑  
Market Sale Price/Sq ft

9.2% ↓  
Market Yield

- **Vacancy and market momentum.** Vacancy rates remain high by historical standards at 10.8%, close to an 11-year peak but have stabilised and are broadly flat year-on-year.
- **Grade A and refurbishment-led demand.** Large corporate occupiers continue to drive major lettings, focused on new and comprehensively refurbished space, including No. 3 Circle Square, M&G's Aviary, and Pall Mall.
- **Secondary market recovery.** Improved market sentiment and stronger return-to-office policies have supported a recovery in secondary space, with post-pandemic highs in net absorption of 1–3 Star buildings.
- **Out-of-town and sector-led growth.** Trafford and Salford Quays recorded their strongest post-pandemic activity, alongside notable deals at Stockport Exchange, and continued expansion of the Life Sciences cluster at CityLabs 4.0.
- **Development pipeline.** Annual completions averaged 700,000 SF, though new starts have slowed due to viability challenges; 1.4 million SF remains under construction, including Plus Ultra, Greenheys, and Landsec's Mayfield Republic scheme.
- **Rental performance.** Rents are competitive and relatively stable: average rents are £23/SF, prime rents £45/SF, refurbished space £37–£41/SF, and the rent gap between secondary and grade A stock continues to narrow at £12.65/SF today.
- **Occupier mix and demand drivers.** Demand is led by large corporate occupiers alongside strong DCT and Creative Industries activity, with Life Sciences continue to emerge as a growing contributor to take-up.

## 7. GOVERNMENT MEASURES. OTHER DATA AND ANNOUNCEMENTS

THEME	Web	ANNOUNCEMENT / ISSUE - HOLD CTRL AND CLICK ON EACH <Link> TO ACCESS THE FULL ITEM
<b>Call for input on potential powers to protect the UK from adverse economic pressure / shocks</b>	<a href="#">&lt;Link&gt;</a>	<p>As set out in the Trade Strategy, the Government is launching a 10-week call for input to seek views from all individuals and organisations (such as businesses, research and academic institutions, consultancies, non-governmental organisations and international institutions) that might have an interest in providing input on the development of potential new powers to respond to acts of adverse economic pressure against the UK.</p>
<b>'Greater Together LA', the largest ever UK trade mission to the US</b>	<a href="#">&lt;Link&gt;</a>	<p>In partnership with world-leading financial, tech and cultural organisations, the UK Government's GREAT Britain &amp; Northern Ireland Campaign is holding a major expo in Los Angeles, California from 18th - 22nd May, 2026.</p>
<b>Late Payment Powers</b>	<a href="#">&lt;Link&gt;</a>	<p>The Small Business Commissioner will be given new powers to investigate poor payment practices, adjudicate payment disputes, and fine the worst offenders – with fines worth millions for firms that persistently pay late or fail to comply with the new laws.</p>
<b>Record-breaking order for British Steel as UK and Nigeria sign landmark £746 million ports deal</b>	<a href="#">&lt;Link&gt;</a>	<p>Thousands of skilled UK jobs will be supported and hundreds of millions invested into the economy as a historic financing deal is signed between the UK and Nigeria. The £746 million sum will be used to support the refurbishment of two of Nigeria's major national maritime infrastructure facilities located in Lagos, the Lagos Port Complex (Apapa Quays) and the TinCan Island Port Complex. It will be delivered through UKEF's Buyer Credit Facility coordinated and arranged by Citibank, N.A London Branch ("Citi").</p>
<b>UK manufacturers to save millions of pounds a year as government removes offshore wind energy tariffs</b>	<a href="#">&lt;Link&gt;</a>	<p>The UK Government will remove tariffs on 33 industrial goods from 1 April through a new tariff measure which will save offshore wind energy manufacturers millions of pounds a year and support progress towards the UK's Clean Energy Superpower mission. The measure will enable British manufacturers to produce components at a reduced cost and allow reinvestment for clean energy sector growth.</p>
<b>Industrial Strategy Quarterly Update</b>	<a href="#">&lt;Link&gt;</a>	<p>The government has published their update on progress regarding the Industrial Strategy for the quarter January to March 2026.</p>

# SURVEY RESPONSE RATES FOR GM OVER TIME VS ONS ENTERPRISE UNIT PROFILE FOR GM (EXCLUDES OUT OF AREA DATA)

Size / Sector (as identified by the business) C = Confidential, 5 or less responses Percentages rounded to nearest figure	GM ONS IDBR	MAR 2026	FEB 2026	JAN 2026	DEC 2025	NOV 2025	OCT 2025	SEP 2025	AUG 2025	JUL 2025	JUN 2025	MAY 2025	APR 2025	MAR 2025	FEB 2025	JAN 2025	DEC 2024	NOV 2024	OCT 2024	SEP 2024	AUG 2024	JUL 2024	JUN 2024	MAY 2024	MAR 2024	FEB 2024	JAN 2024	DEC 2023	NOV 2023	OCT 2023
Size-band (employees)	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
'0' employment to 9 (MICRO)	89%	66%	40%	41%	38%	44%	50%	54%	54%	53%	54%	55%	58%	55%	58%	56%	59%	54%	55%	56%	62%	60%	58%	59%	57%	46%	49%	53%	51%	59%
10 to 49 (SMALL)	9%	20%	20%	20%	20%	18%	20%	22%	25%	24%	24%	24%	24%	25%	24%	23%	20%	24%	25%	26%	24%	23%	24%	24%	26%	27%	22%	13%	20%	16%
50 to 249 (MEDIUM)	2%	10%	11%	12%	14%	12%	14%	14%	15%	15%	15%	15%	13%	13%	12%	14%	15%	15%	13%	12%	9%	11%	6%	7%	9%	9%	7%	14%	16%	13%
250+ (LARGE)	<1%	C	C	C	C	6%	6%	C	7%	7%	7%	6%	6%	6%	7%	7%	7%	7%	7%	6%	C	7%	12%	10%	8%	10%	10%	11%	8%	7%
UNKNOWN	-	-	24%	23%	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	8%	12%	8%	C	C

AGRICULTURE, FORESTRY, FISHING	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
BUSINESS FINANCIAL, PROF. SERVICES	27%	11%	12%	13%	12%	13%	10%	9%	9%	11%	12%	13%	13%	14%	13%	13%	12%	12%	12%	12%	10%	8%	10%	10%	10%	13%	14%	14%	18%	11%
CONSTRUCTION	12%	7%	6%	C	C	C	C	6%	C	6%	C	C	C	C	C	C	6%	6%	C	C	C	C	C	C	6%	C	C	C	C	C
DIGITAL, CREATIVE, TECHNOLOGY	6%	21%	20%	20%	17%	19%	20%	19%	19%	19%	18%	18%	19%	21%	23%	23%	24%	25%	24%	21%	21%	22%	18%	16%	13%	18%	19%	22%	23%	23%
EDUCATION	2%	5%	C	6%	6%	6%	C	C	C	C	6%	6%	C	C	6%	C	8%	9%	8%	6%	C	C	C	C	C	C	C	C	C	C
ENGINEERING	2%	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
UTILITIES AND GREEN TECH	C	C	C	C	C	6%	C	C	C	C	C	C	C	C	C	C	C	C	C	6%	6%	6%	7%	8%	10%	6%	7%	C	C	C
HEALTH & SOCIAL CARE	C	8%	8%	6%	7%	8%	8%	8%	9%	8%	7%	C	7%	7%	6%	C	C	6%	7%	9%	9%	8%	8%	7%	8%	C	C	C	6%	C
HOSPITALITY, TOURISM, & SPORT	7%	5%	C	6%	C	7%	C	C	C	C	C	C	C	C	C	C	C	C	C	C	6%	7%	6%	7%	C	C	5%	7%	6%	10%
LOGISTICS	5%	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
MANUFACTURING (excluding Engineering)	3%	19%	17%	17%	19%	16%	17%	16%	18%	19%	19%	18%	18%	18%	17%	15%	13%	12%	13%	13%	15%	17%	16%	16%	21%	26%	20%	19%	18%	19%
LIFE SCIENCES	N/A	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
RETAIL & WHOLESALE	18%	5%	C	C	C	C	C	6%	6%	6%	6%	C	C	C	C	C	C	C	C	C	6%	7%	9%	9%	9%	9%	11%	8%	7%	9%
OTHER SERVICES (excluding SIC unknown)	4%	10%	6%	7%	10%	11%	10%	12%	12%	12%	12%	7%	7%	11%	7%	6%	6%	C	6%	6%	8%	6%	C	C	C	C	C	C	C	C

Size / Sector (as identified by the business) C = Confidential, 5 or less responses Percentages rounded to nearest figure	GM ONS IDBR	GM	Bolton	Bury	Manchester	Oldham	Rochdale	Salford	Stockport	Tameside	Trafford	Wigan
Size-band (employees)	%	%	%	%	%	%	%	%	%	%	%	%
'0' employment to 9 (MICRO)	89%	66%	66%	77%	65%	58%	58%	62%	60%	66%	78%	75%
10 to 49 (SMALL)	9%	20%	16%	10%	19%	25%	18%	28%	27%	28%	10%	14%
50 to 249 (MEDIUM)	2%	8%	8%	10%	11%	12%	22%	7%	10%	C	10%	7%
250+ (LARGE)	<1%	6%	6%	C	C	C	C	C	C	C	C	C
UNKNOWN	-	-	-	-	-	-	-	-	-	-	-	-