# GC SITUATION REPORT AND QUARTERLY BUSINESS SURVEY RESULTS

## OCTOBER 2025

**WITH QUARTERLY DATA FOR 2ND AUGUST 2025 TO 2ND NOVEMBER 2025**

Contact: atharva.joshi@growthco.uk / gautham.maniyan@growthco.uk On the web at: *https://www.growthco.uk/what-we-do/gc-business-survey*

# 1. ECONOMIC CONTEXT AND SURVEY HEADLINES

The 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 **661** survey responses completed between **the 2nd of August 2025 and the 2nd of November 2025** by GC clients from the Business Growth Hub and MIDAS. Comparisons have been made with last quarter's **756** responses completed between **July and September 2025**. 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.

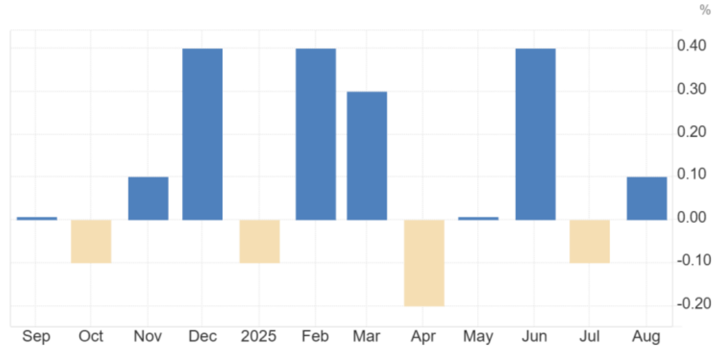
**Economic context**

- **UK GDP.** GDP grew 0.3% in the three months to August 2025, supported by services and construction. Production fell 0.3%, but retail sales rose 0.5% in September, driven by tech and gold demand, improving Q3 growth prospects.
- **Growth Outlook.** OECD forecasts UK GDP growth at ~1.4% for 2025; EY ITEM Club projects ~1.5%. Both warn of slower growth in 2026 amid persistent structural challenges.
- **Composite PM.**: UK private-sector PMI edged up to 51.1 in October from 50.1 in September, indicating slight improvement. Manufacturing stayed below the 50 threshold, signalling continued weakness.
- **Sentiment.** Business and consumer confidence softened in September, with PMI showing the slowest growth in five months as firms delayed major spending amid tax and policy uncertainty.
- **Labour Market.** Hiring plans remain cautious; vacancies have eased, and wage growth stays high. The Bank of England base rate holds at 4.0%, limiting scope for near-term cuts.
- **Retail Trends.** September retail sales rose unexpectedly by 0.5%, buoyed by technology and gold purchases, offering some support to Q3 economic momentum.

**Organisation Growth Survey - business headlines, more detail in main report**

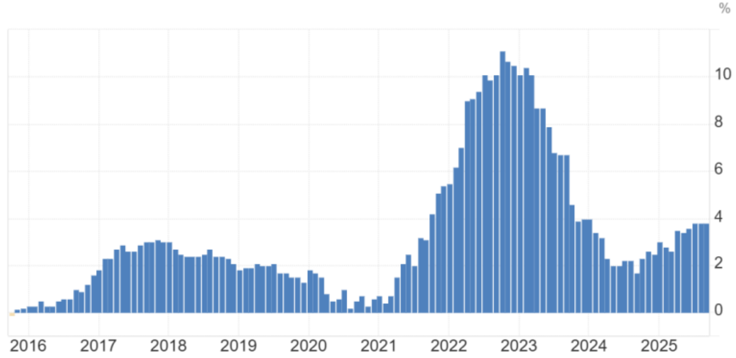
- **GC Confidence Index** rose slightly to 7.3, showing resilience despite economic pressures. Confidence is highest in Business, Financial & Professional Services, Manufacturing, Hospitality and DCTs; and lowest on Construction, Green Tech, Engineering and Retail.
- **Future profits.** 59% (vs 60%) expect profits to rise, suggesting moderate optimism. However, this growth outlook is concentrated in service-based and tech-driven sectors (e.g., BFPS, Digital & Creative, Green Tech), while more traditional sectors face tighter margins and cost pressures.
- **Economic Impacts.** Rising costs (26%) remain the most cited economic impact, alongside cashflow pressures (12%) and recruitment challenges (11%). These ongoing pressures underline the importance of productivity gains and labour market stability to sustain business momentum.
- **Main support needs.** Business planning (31%), sales & marketing (30%), innovation (31%), and workforce skills (30%), highlighting firms are prioritising strategic growth, innovation capacity, and skills investment over short-term expansion.
- **Recruitment**. Activity remains steady but cautious. Around 25% of firms are hiring (vs 26%), with stronger recruitment among larger SMEs and in BFPS, Education, Green Tech, and Retail, indicating selective hiring aligned to skills needs.

## UK GDP increased slightly in August 2025



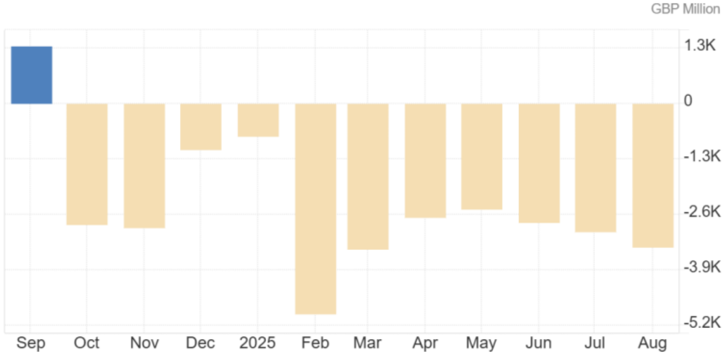

- The UK economy grew by 0.1% in August following a downwardly revised 0.1% decline in July, in line with market expectations.
- Production output grew by 0.4%, driven by the manufacturing sector (0.7%).
- The services sector showed no overall growth for the second consecutive month, dampened by declines in wholesale £& retail trade.
- Construction output declined overall by 0.3%, in particular repair and maintenance activity fell 1.5%.

## UK CPI - Inflation steady at 3.8% in September 2025




- The annual UK CPI inflation rate held steady at 3.8% in September 2025, unchanged from the previous two months and below expectations of 4%.
- Transportation prices rose by 3.8% (vs 2.4% in August), driven by higher costs for motor fuels and air fares. Prices rose in restaurants and hotels (3.9% vs 3.8%) and in clothing and footwear (0.5% vs 0.2%).
- Inflation slowed in recreation and culture (2.7% vs 3.2%) and food and non-alcoholic beverages (4.5% vs 5.1%). Price growth eased slightly for housing and utilities (7.3% vs 7.4%). Services inflation remained constant overall at 4.7%.

## UK trade deficit widens in August 2025 (Latest)




- The UK trade deficit widened to £3.4 billion in August 2025, up from £3.0 billion in July, marking the largest gap since March. Exports fell by 1.2% to £77.4 billion, while imports dropped by 0.7% to £80.8 billion.
- Goods exports declined by 3.6%, weighed down by a 5.3% drop in shipments to the EU. Exports to non-EU countries shrank by 1.5%, largely driven by lower exports of material manufactures, chemicals, and fuels.
- Exports of goods to the US fell by £0.7 billion in August. Services exports grew by 0.5% to £46.2 billion. Goods imports fell by 1.2% to £52.4 billion. Meanwhile, services imports rose by 0.2% to £28.4 billion.

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

- **The S&P Global UK Composite Purchasing Manager's Index (PMI)** rose to 51.1 in October 2025 from 50.1 in September 2025 indicating an expansion (i.e. values above 50). Services output rose to 51.1, while manufacturing also rose to 49.7 – it's highest level in a year – though still indicating a contraction. Although output improved, business optimism remained subdued due to worries about the economic outlook and high borrowing costs.

- **Confederation of British Industry (CBI) Business Survey** shows that the UK's total order book balance dropped sharply to -38 in October 2025, down from -27 in September and below the long-run average of -14. This marked the weakest reading since December 2024's four-year low of -40, underscoring deteriorating demand conditions ahead of the Budget, as persistent cost pressures continue to weigh on manufacturers. Quarterly data revealed the steepest declines in domestic and export orders since July 2020, while export order expectations for the next 12 months fell to their lowest since 2020.

- **Lloyds Bank Regional Business Barometer.** Business confidence in the North-West improved during October by 30 points to 57%, according to the latest Business Barometer from Lloyds. Firms in the North West's optimism in their own trading prospects improved to 71%, their optimism in the wider economy improved to 43%. Growth priorities for companies include new technology (50%), new products or services (47%), and workforce investment (40%).

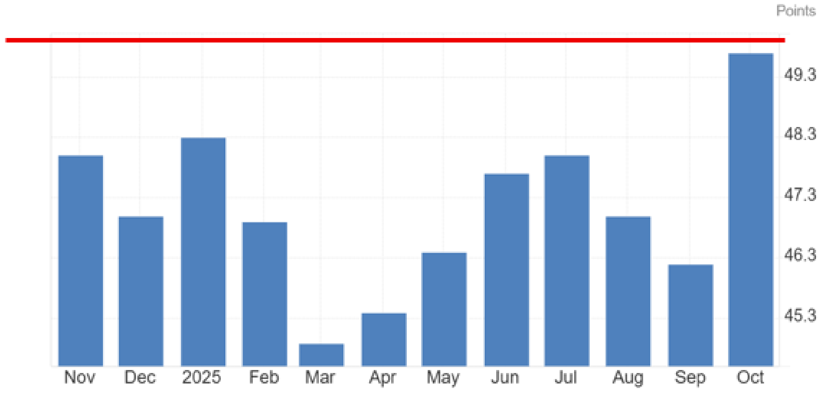
- **BDO High Street Sales Tracker.** Total like-for-like retail sales in discretionary categories (fashion, homewares and lifestyle) remained constant in October but were up 4.1% compared with October 2024. Sales in bricks-and-mortar stores grew by 1.7% compared to October 2024. Online retail sales increased by 9.1% compared to the same time last year.

- **The GfK Consumer Confidence Index** increased by two points to -17 in October 2025, up from in -19 September. Perception of the future general economic situation improved slightly but remained subdued at -30.

- **Company Insolvencies.** There were 2,000 company insolvencies in England and Wales in September 2025,a 2% decrease from August 2025 and 2% higher than the same month last year. Company insolvencies in September 2025 consisted of 281 compulsory liquidations, 1,578 creditors' voluntary liquidations (CVLs), 124 administrations and 17 company voluntary arrangements (CVAs). There were no receivership appointments.

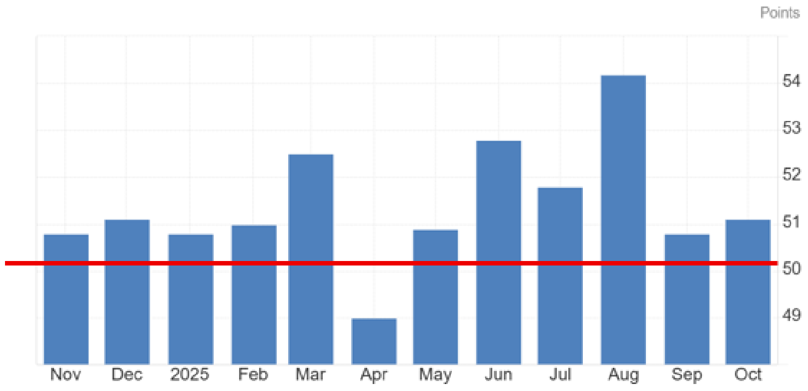
- **Insolvency rate.** One in 189 companies (52.9 per 10,000 companies) entered insolvency between 1 October 2024 and 30 September 2025. This was a decrease from the 55.0 per 10,000 companies that entered insolvency in the 12 months ending 30 September 2024.

**The S&P Global UK Manufacturing PMI 49.7 (<50 = contraction)**



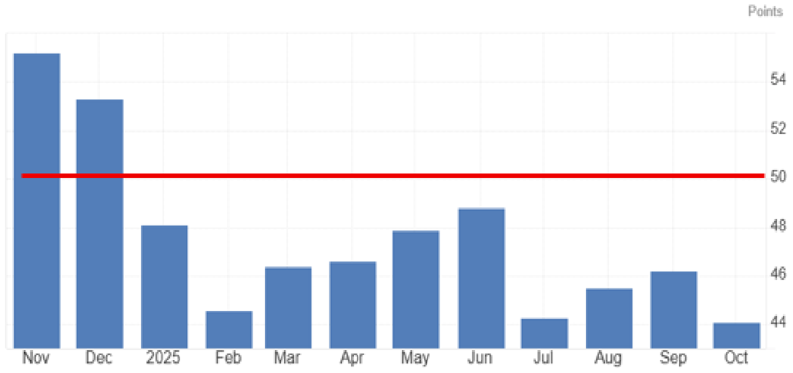

- **S&P Global UK Manufacturing PMI rose to 49.7 in October 2025, from 46.2 in September – the highest level in a year.** This was supported by the resumption of operations at Jaguar Land Rover following a cyber attack.
- Output grew in the consumer and intermediate goods sectors, while investment goods production fell at a slower pace. New orders and exports continued to decline, amid weak demand from the US, EU, Asia, Middle East.
- Employment declined for the twelfth month, though at a slower rate, as firms cut costs and froze hiring.

**The S&P Global UK Services PMI 51.1 (>50 = expansion)**




- **The S&P Global UK Services PMI rose to 51.1 in October 2025 from 50.8 in September 2025, still indicating an expansion in business (Index >50).**
- Output continued to grow but only slightly, with the latest increase marking the second-weakest since May.
- Firms often cited subdued consumer sentiment and delayed business decisions in anticipation of the November Budget.
- On the price front, input cost inflation slowed, with output charges also rising at a slower pace.

**The S&P Global UK Construction PMI 44.1 (<50 = contraction)**




- **The S&P Global UK Construction PMI fell to 44.1 in October from 46.2 in the previous month – the tenth consecutive contraction. This was the sharpest downturn since May 2020.**
- Construction firms continued to report poor market conditions, while employment in the sector dropped at the sharpest pace in over five years. Subcontractor usage also declined.
- Whilst costs of input materials reduced, civil engineering works fell from the previous month (35.4). Declines were also observed for residential construction (43.6) and commercial building activity (46.3).

# 3. ORGANISATION GROWTH SURVEY RESULTS

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

## GROWTH, CONFIDENCE AND INVESTMENT

**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.**

- **GC Business Confidence Index (GC-BCI)** for September 2025 stood at 7.3 out of 10, slightly up from 7.2 in previous month. Confidence levels are above average for Business Financial & Professional Services, Manufacturing, Hospitality and DCTs; and lower than average in Construction, Green Tech, Retail, and Engineering.
- **Current Sales.** 17% (vs 16%) of firms reported an increase in sales, and 9% (vs 10%) reported decreased sales in the last 12 weeks.
- **Future Profits.** 59% (vs 60%) expect profits to increase in the year ahead. 2% (unchanged) expect profits to decrease. The sectors most optimistic about profitability are BFPS, DCTs, Retail, Green Tech and Hospitality. Lower levels of optimism are reported in Manufacturing, Construction, Education, and Health.
- **Investment.** 32% (vs 33%) of firms expect to increase capital expenditure in the year ahead. Sectors most optimistic about investment are Engineering, DCTs, Green Tech, Hospitality, Manufacturing, and Retail. In contrast, expectations are lowest in Construction, Education, Life Sciences, and Health Care.
- **Workforce Development.** 32% (vs 30%) of firms plan to increase workforce development investment. Sectors more likely to report an increase in future are BFPS, Service Activities, Green Tech, Retail, and Education; and Life Sciences and Hospitality least likely.

## MAIN IMPACTS AND FINANCIAL RESILIENCE

- **Main impacts.** 26% (vs 27%) reported rising costs as the main impact, followed by cashflow issues 12% (unchanged), staff shortages due to recruitment difficulties 11% (vs 9%), and minor supply chain challenges 7% (vs 8%).
- **Cash reserves.** 60% of firms (vs 61%) report having cash reserves to last over 6 months. Reserves were highest in Education, Construction, Manufacturing & Engineering, Hospitality, and lowest in BFPS, Green Tech and Health Care.
- **Cashflow.** 12% (unchanged) of firms reported cashflow problems. Micro-sized firms (<10 employees) were more likely to face this challenge than larger SMEs (50–249+ FTEs), and higher risk reported in Construction, DCTs, Manufacturing, and Health Care. Just 2% (unchanged) of firms reported late payments.
- **Analysis of insolvency risk** for October 2025 shows an increase in the total number of firms (10 or more employees) reporting heightened levels of risk:
  - 908 (down from 1,147 last month) firms have 1 flag - some risk;
  - 56 (down from 57) have 2 red flags - medium insolvency risk;
  - 46 (down from 60) have 3 red flags - insolvency imminent.
- **Change in risk.** The proportion of firms with a red flag rating decreased -0.7 percentage point on levels in October (UK +.01 pt). Over the last 12 months, the proportion of firms in GM with a red flag rose by 0.5 percentage points compared with 0.7% percentage points nationally.

## BUSINESS CHALLENGES AND SUPPORT NEEDS

- **The main challenges for businesses in the near term.** 46% (vs 48%) of firms cited accessing new domestic sales, and this issue is particularly acute in the Construction, DCT, BFPS, and Green Tech sectors. Other key challenges include developing new products or services 31% (vs 33%), business model change 28% (vs 32%), finances 25% (vs 27%), and workforce development 26% (vs 24%).
- **International trade.** 24% of firms (vs 22%) export goods/services, with 18% (vs 17%) expanding into new markets, a trend particularly notable in the Manufacturing & Engineering, and Retail. 14% (vs 12%) of firms engaged in overseas trade are looking to expand in their current markets.
- **Future support.** The main areas where firms seek future support are business planning 31% (vs 36%), sales & marketing 30% (vs 31%), innovation 31% (vs 33%), workforce skills 30% (unchanged), and financial advice 22% (vs 24%).
- Micro and small firms (0–9 FTEs) are more likely to seek support in business planning, sales and marketing, and innovation. Whereas firms with 10+ employees are more likely to request support in workforce development, recruitment, environmental impact management, and digital transformation.
- **Environmental Impact Management.** 10% (vs 14%) require assistance with managing their environmental impact. Larger SMEs (50+ FTEs) and large firms (250+ FTEs) were more likely than micro-size firms to report this support need.

## RECRUITMENT, EMPLOYMENT AND SKILLS

- **Recruitment:** 25% (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 BFPS, Education, Green Tech, and Retail. Least likely are Manufacturing, Health care, Hospitality, and DCTs.
- **Workforce Skill Gaps.** 41% (unchanged) report that their existing workforce skills are fully aligned with their business plan objectives. 44% (vs 46%) indicate that skills are only partially at the required level, and 2% (unchanged) stated that their workforce skills are not at the right level. (12% said 'don't know').
- Smaller SMEs were more likely to report gaps in sales and customer management skills, whilst firms with 50+ FTEs were more likely to report gaps in managing/motivating staff, team working, management & leadership skills.
- **Technical Skill Gaps:** Specialist technical skills 29% (unchanged), advanced IT skills 18% (vs 16%) and solving complex problems 7% (vs 8%).
- **People and Practical / Personal Skill Gaps:** Sales and selling 24% (vs 23%), motivating staff 15% (vs 14%), customer handling skills 11% (unchanged), and time management 9% (unchanged).

## RESEARCH, DEVELOPMENT AND INNOVATION

- **Innovation Activities in Last Year.** 35% (unchanged) have invested in new or significantly improved services, 29% (unchanged) in R&D, 19% (vs 21%) new business practices, 18% (vs 14%) introduced new or significantly improved goods, and 13% (vs 12%) have invested in improved production methods.
- **Digital Innovation.** 10% (unchanged) have invested in the acquisition of digital products, and 5% (unchanged) made investments in the acquisition of new machinery - especially in the Manufacturing and Engineering sectors.
- **Future Innovation.** 37% (vs 35%) of firms are looking to increase investment and R&D, highest in Green Tech, Life Sciences, DCTs. 32% (vs 30%) said they were likely to invest in workforce development to support innovation.
- **Digital Transformation**. 19% (unchanged) of firms are looking to invest in digital transformation, highest within BFPS, Construction, DCTs, Manufacturing & Engineering, and Retail sectors; and less likely in Health Care, Green Tech, Hospitality, and Education.
- **AI Adoption:** 42% (vs 43%) have adopted AI into business. Firms were most likely to have implemented AI in data processing and analytics, sales and

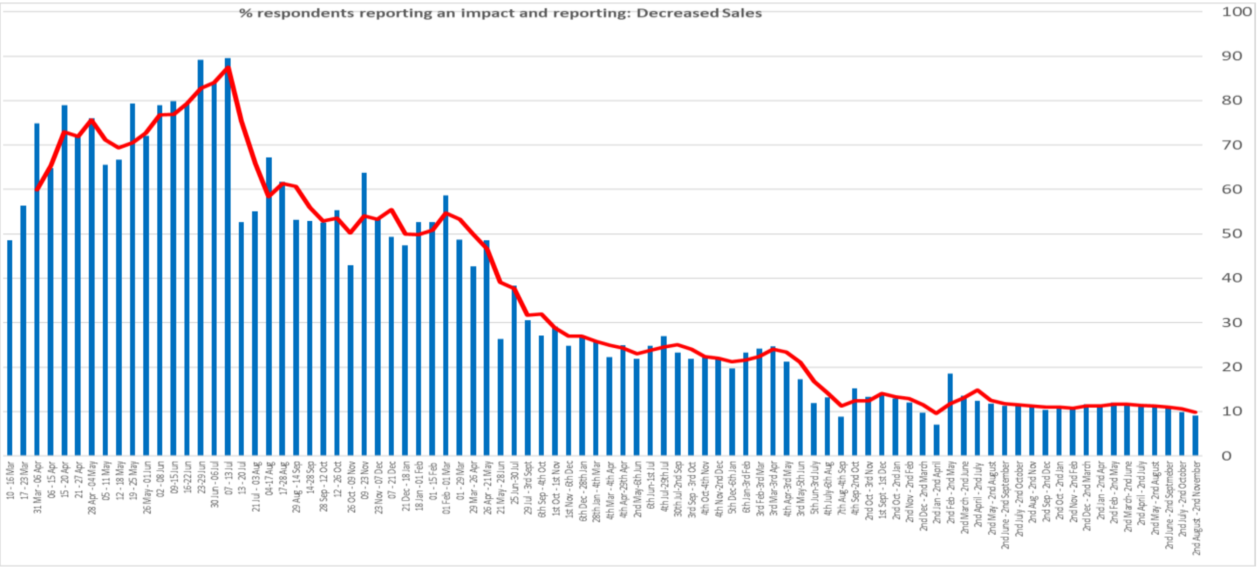
## SOCIAL VALUE AND GOOD EMPLOYMENT PRACTICES

**Organisations were asked if they had/or intended to have the following:**

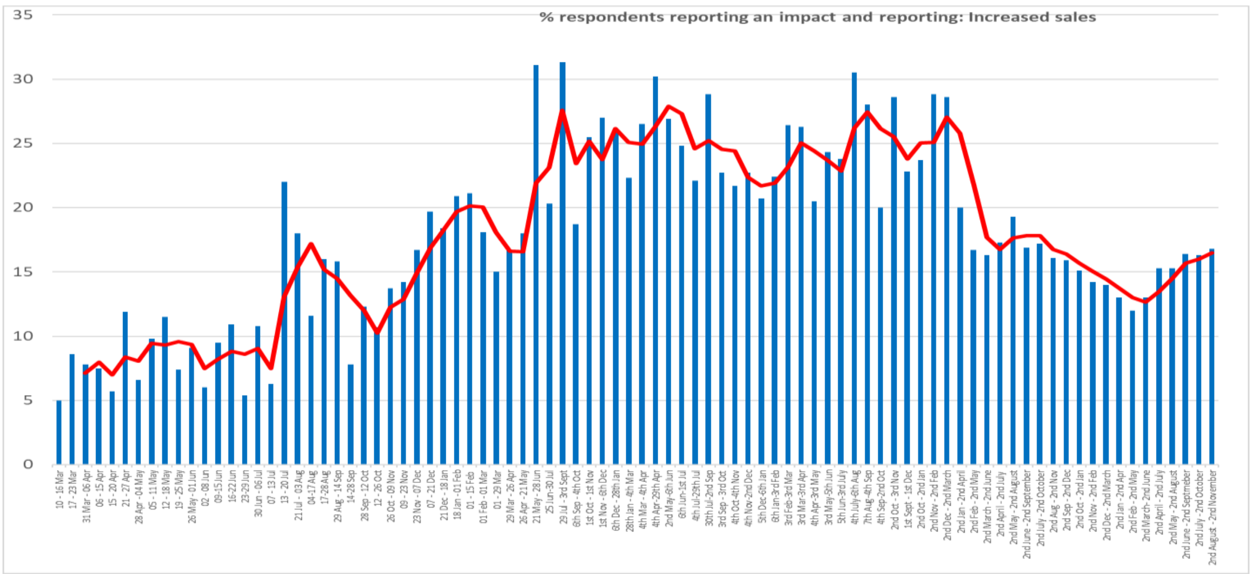
- **Guaranteed at least 16 hours of work per week.** 57% (vs 56%) said this currently applies, and 31% (vs 26%) said they are likely to consider in future.
- **Paying employees the Real Living Wage.** 50% of firms (vs 51%) paid the RLW, while 27% (vs 30%) indicated they are likely to implement it in the future.
- **Investing in leadership.** 45% (unchanged) said that they are investing in leadership, while 34% (vs 39%) indicated they are likely to do so in future.
- **Promoting healthy work practices.** 42% (vs 44%) said this currently applies, while 28% (vs 30%) indicated they are likely to do so in future.
- **Offering flexible working options to employees.** 42% (unchanged) said this currently applies, and 31% (vs 35%) said likely to implement in the future.
- **Looking to increase the diversity of the workforce.** 39% (unchanged) of firms said this currently applies, 34% (vs 37%) said likely to include this in the future.
- **Involving employees in the overall direction of the business**. 35% (vs 36%) said

# TIME SERIES OF THE MAIN IMPACTS OF ECONOMY ON BUSINESS

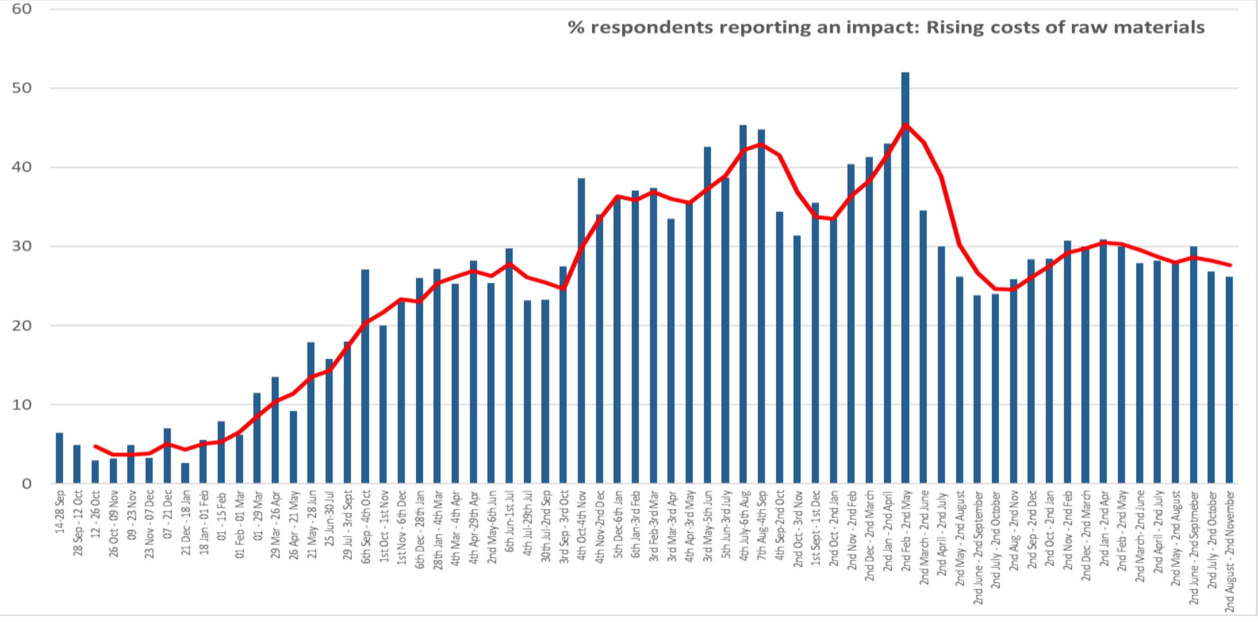
## Percentage reporting decreased sales (Red line = moving average)



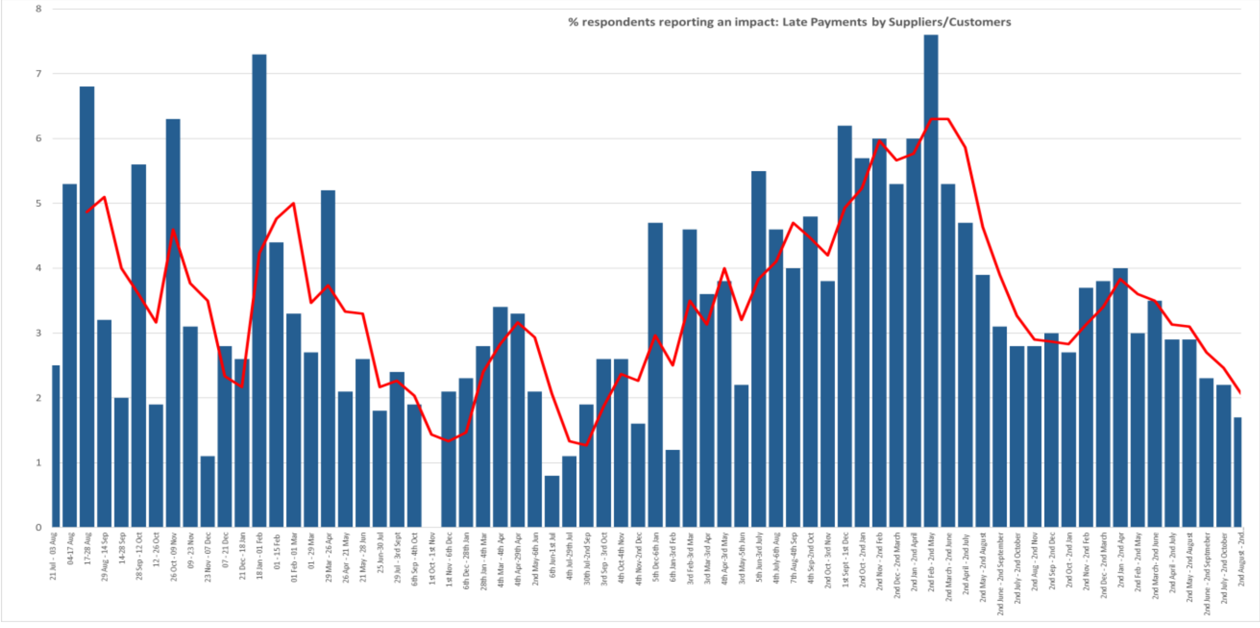

## Percentage reporting increased sales




## Percentage reporting rising costs

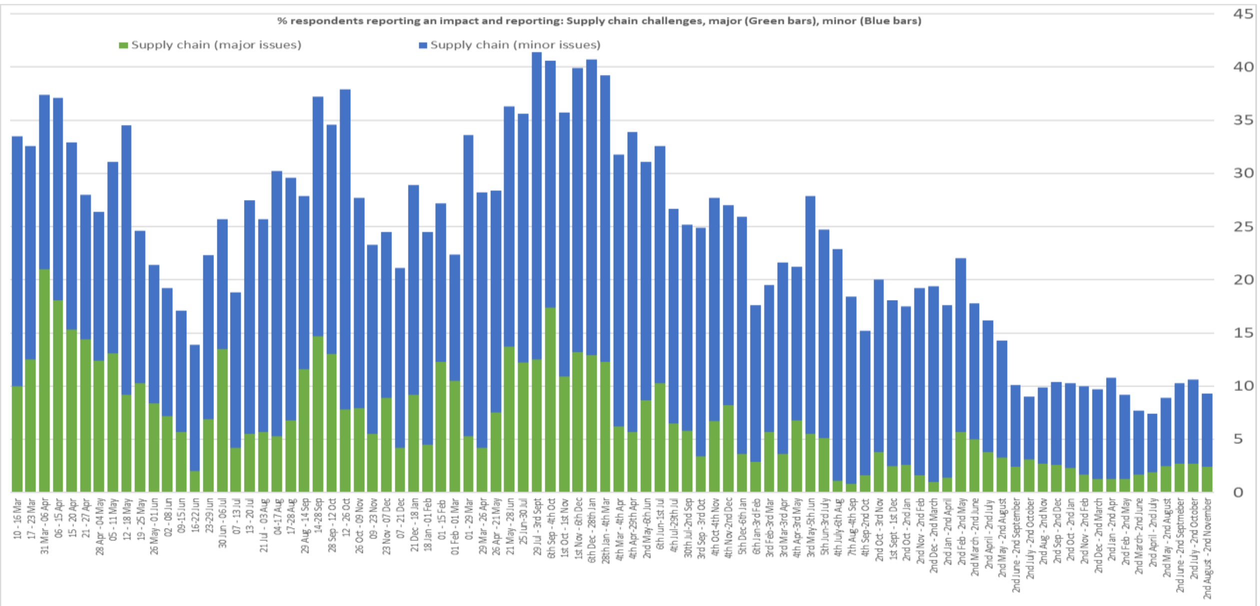



## Percentage reporting late payments

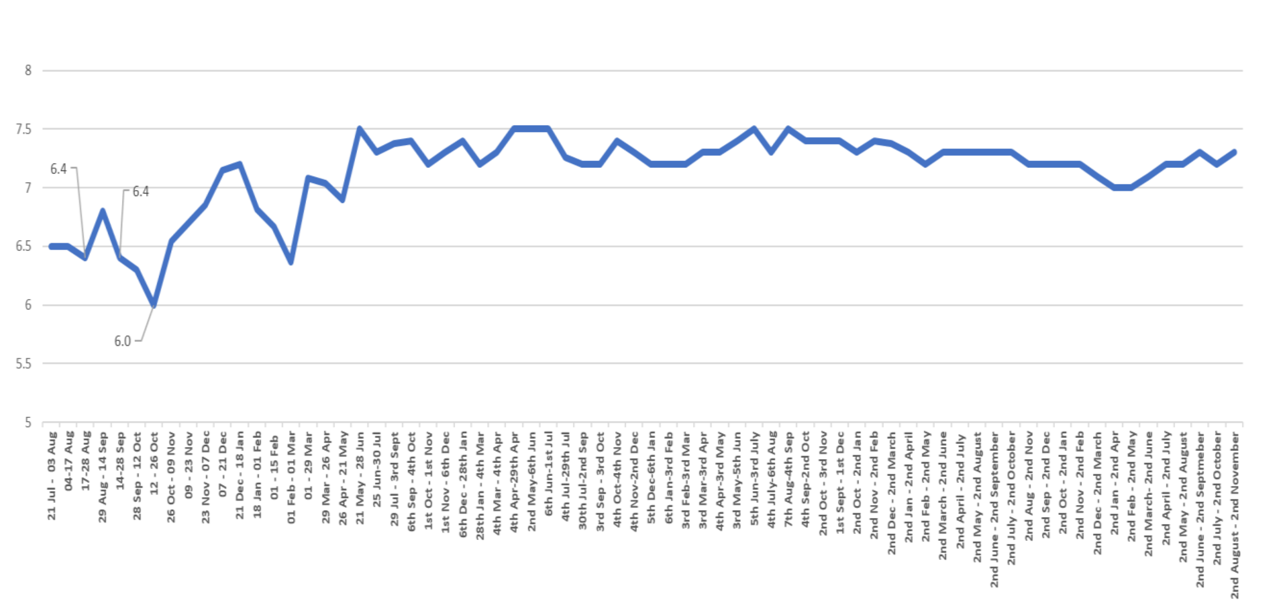


# TIME SERIES OF THE MAIN IMPACTS OF ECONOMY ON BUSINESS

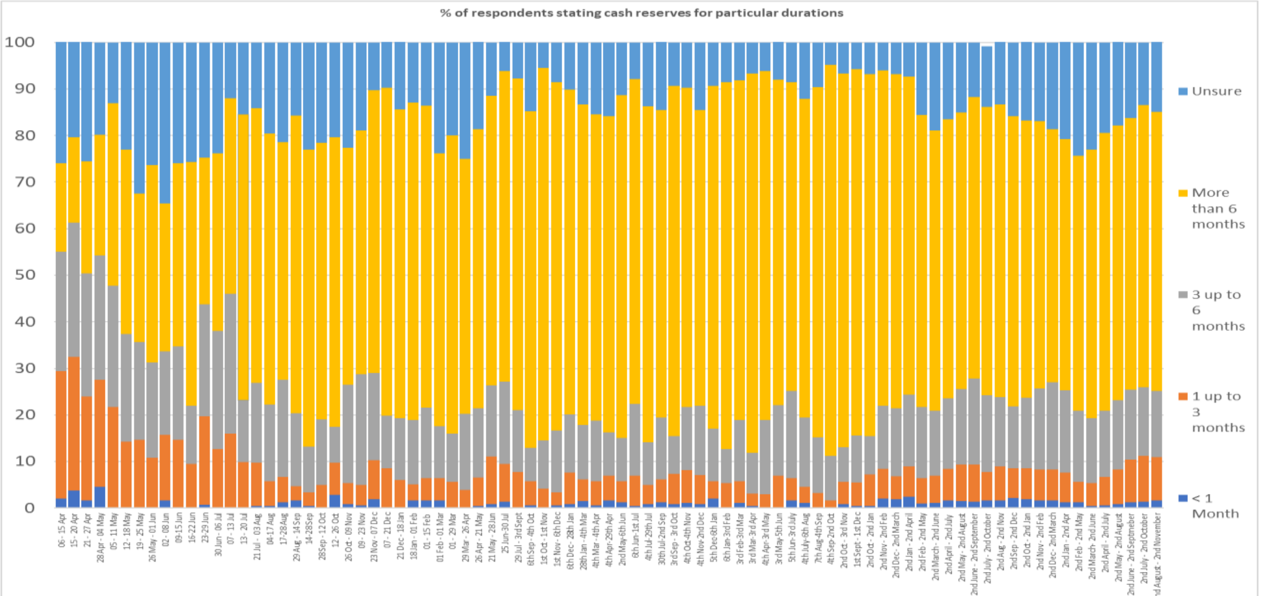
## Percentage reporting minor supply chain issues (blue), major issues (green)



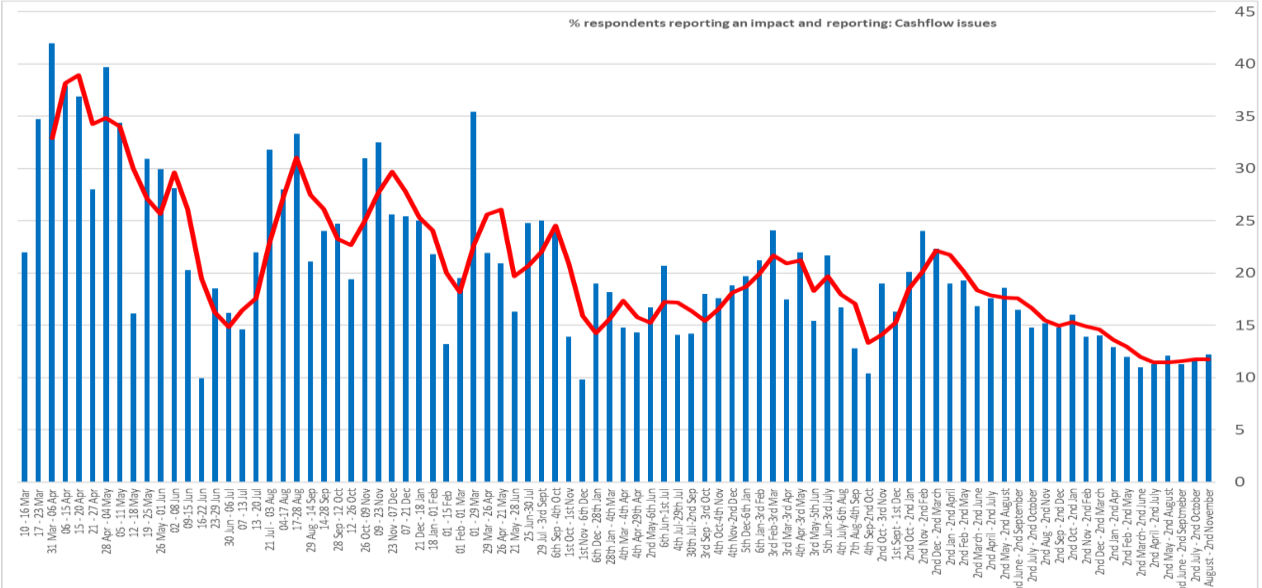

## Aggregate confidence index – 1 low confidence, 10 high confidence




## Percentage stating cash reserves can sustain certain periods of time

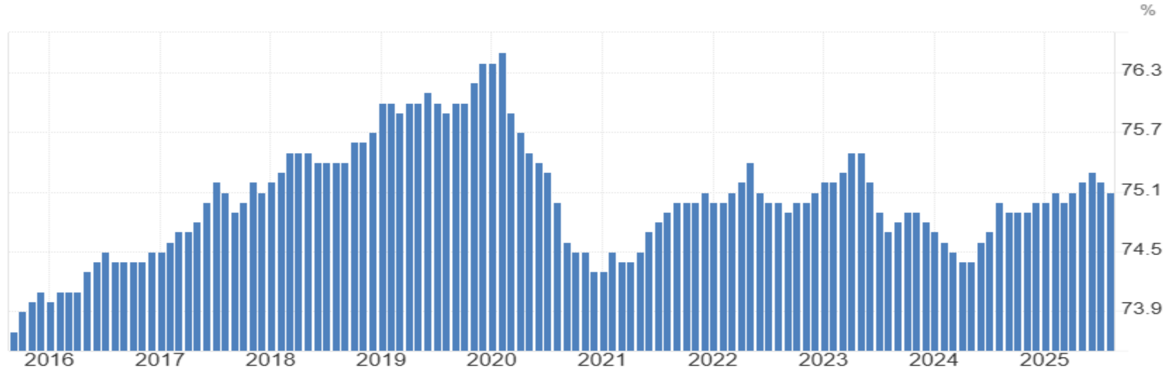



## Percentage reporting cashflow problems



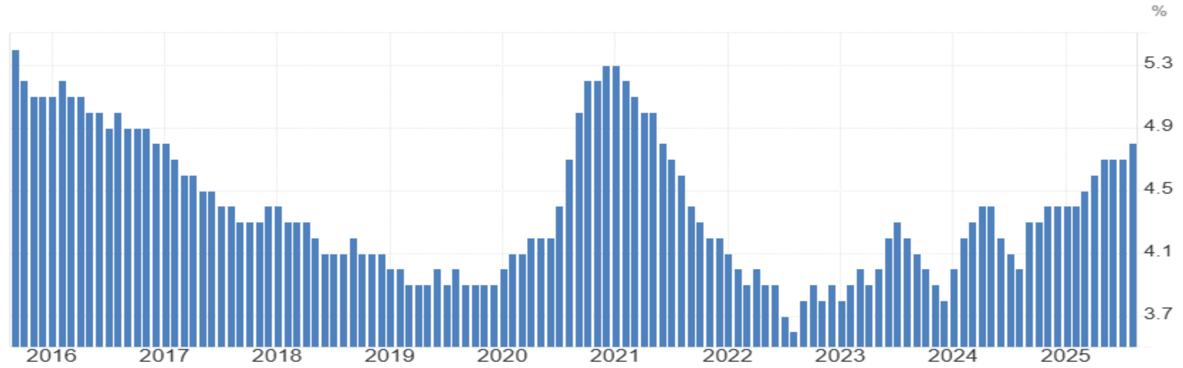
# 4. LABOUR MAKRET HEADLINES – ONS QUARTERLY LABOUR FORCE SURVEY

## United Kingdom - Employment Rate 75.1%



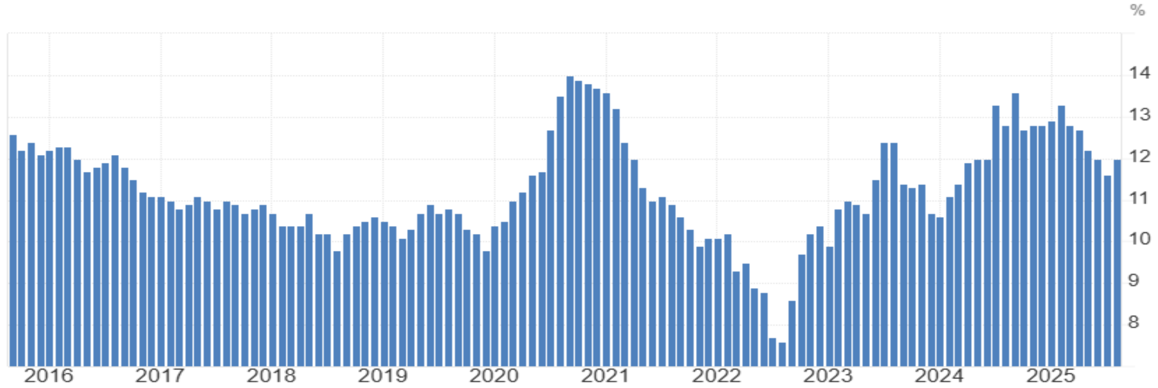

- **The United Kingdom's Employment Rate** decreased to 75.1% percent in August from 75.2% in July of 2025.
- Employment Rate averaged 71.7% from 1971 until 2025, reaching an all time high of 76.5% in February of 2020 and a record low of 65.6% in April of 1983.

## United Kingdom - Unemployment Rate 4.8%



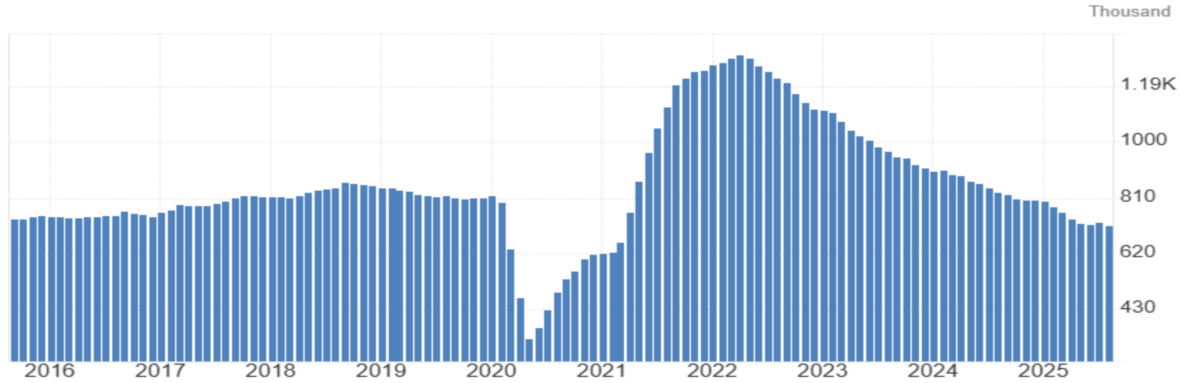

- **The United Kingdom's Unemployment Rate** rose to 4.8% in the three months to August 2025, above market expectations of 4.7% in July. This marks the highest reading since the three months to June 2021. The increase reflected a rise in the number of people unemployed for up to 6 months and over 12 months, while those unemployed for 6 to 12 months were largely unchanged. On an annual basis, unemployment rose across all duration groups.
- **The number of employed individuals** grew by 91k to 34.2 million, driven mainly by gains in part-time roles and employees aged 65 and over. The number of people holding second jobs decreased slightly in the quarter, but rose over the year to 1.3 million, representing 3.9% of total employment.

## United Kingdom - Youth Unemployment Rate 12%




- **Youth Unemployment Rate in United Kingdom** increased to 12% in August from 11.6% in July of 2025.
- Youth Unemployment Rate averaged 13.2% from 1992 until 2025, 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 717k




- The **number of vacancies in the UK fell** by 9,000 in July to September 2025, to 717k. This marks the 39th consecutive **quarterly decline and a drop amongst half of the 18 industry sectors**. The largest declines were in human health and social work activities, down 10k, followed by accommodation and food services, which fell 5k.
- **The unemployed-to-vacancy ratio**, a measure of labour market tightness, rose to 2.4 in June–August 2025, up from 2.3 in the previous quarter and 1.7 a year ago. The increase reflects the decline in vacancies and a rise in unemployment.

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

## VisitBritain - Domestic Consumer Sentiment Tracker Fieldwork 1st to 7th October 2025

**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 51%, up 4% from September 2025.
- Proportion intending to take a UK overnight trip in the next 12 months is 75%, up 1%pts on last month.
- Proportion intending to take an overseas trip in the next 12 months is 62%, up 1%pts on last month.
- The top 3 barriers, in October, to taking an overnight stay in the UK within the next six months are:
  - UK weather (consistent with September 2025);
  - Rising cost of living (down from joint 1st in September 2025); and
  - Personal finances (moves up to 3rd from 4th in September 2025).
- Top 3 areas for overnight stays Oct–Dec 2025: London (1st), South-West & North-West (joint 2nd).
- Top 3 areas for overnight stays Jan–Mar 2026: London (1st), South-West (2nd) and the North-West.
- Top 3 destinations Oct–Dec 2025 are city/large town (1st), countryside/village (2nd), coastal/seaside town (3rd).
- Top 3 destinations Jan–Mar 2026 are city/large town (1st), countryside/village (2nd), coastal/seaside town (3rd).
- Hotels remain the top accommodation choice from October 25 to March 2026, consistent with last month.

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

## Hotel Performance Monitor – September 2025 (Source MM)

- The occupancy rate in September for Greater Manchester (81%) and Manchester city centre (80%) were slightly below the same period in 2024 (83% and 82% respectively).
- The average daily rate for Greater Manchester (£89) and Manchester city centre (£98) were below the same period in 2024 (£94 and £104 respectively).
- The revenue per available room for Greater Manchester (£73) and Manchester city centre (£79) were below the same period in 2024 (£78 and £85 respectively). However, September 2024 had been particularly boosted by Manchester hosting the Davis Cup Tennis Finals.

| | Greater Manchester | | | Manchester | | |
|---|---|---|---|---|---|---|
| | Room occupancy | Average rate | Revenue per room | Room occupancy | Average rate | Revenue per room |
| **2025** | 81% | £89 | £73 | 80% | £98 | £79 |
| **2024** | 83% | £94 | £78 | 82% | £104 | £85 |

## Marketing Manchester Campaigns Impact
## Reach across all channels

**152.6 million**

# 6. GREATER MANCHESTER PROPERTY MARKET (SOURCE: COSTAR OCTOBER 2025)

| 213M | 787K | (1.7M) | 5.1% | £8.24 | £84 | 7.7% |
|---|---|---|---|---|---|---|
| Inventory Sq ft | Under Constr Sq ft | 12 Mo Net Absorp Sq ft | Vacancy Rate | Market Asking Rent/Sq ft | Market Sale Price/Sq ft | Market Yield |

- **Scale & Connectivity**: GM is the North's largest industrial market with 212M SF of space, two-thirds dedicated to logistics. Key nodes include the M62/M61 corridors, Trafford, and Manchester Airport, with strong links to major UK cities and ports.
- **Vacancy & Demand:** Vacancy has risen to 5.1% from a historic low of 1.6% three years ago, driven by logistics completions and negative net absorption (-1.7M SF annually). Still, it remains well below the 2012 peak of 9%.
- **Leasing Activity:** Large deals continue, such as Whistl's 140,000 SF at PLP Astley and Sterling Event Group's 102,500 SF at Icon Logistics Park. Oldham leads leasing volumes, overtaking Rochdale and Trafford, with strong interest in new/refurbished space.
- **Construction:** About 790,000 SF of industrial space is under construction, mostly speculative, including Bolton 330 and PLP Middleton. Data centre growth accelerates with Kao Data's £350M Stockport build and Peel Waters' £250M Halo West in Eccles.
- **Rents & Affordability:** Annual rental growth has slowed to 5.6% from a 9% peak in early 2022. At £8.20/SF, Manchester remains affordable compared to Cheshire (£8.45/SF) and the UK average (£9.30/SF).

| 67.9M | 750K | 332K | 10.7% | £22.44 | £201 | 9.4% |
|---|---|---|---|---|---|---|
| Inventory Sq ft | Under Constr Sq ft | 12 Mo Net Absorp Sq ft | Vacancy Rate | Market Asking Rent/Sq ft | Market Sale Price/Sq ft | Market Yield |

- **Leasing Momentum & Vacancy:** Greater Manchester posted its strongest leasing performance since 2019, with vacancy dipping to 10.7%. Positive net absorption and fewer new completions helped reverse a multi-year rise from the 2020 low of 5.2%.
- **Diverse Tenant Activity:** Warner Bros led Q2 deals with 48,500 SF in Old Trafford. Salford Quays and Trafford hit two-year highs in take-up, while top-tier offices continue to attract firms like Puma and Havas.
- **Construction & Life Sciences:** Although construction starts have slowed, 750,000 SF is underway, including Landsec's Republic and the Rylands redevelopment. Life sciences are expanding, with Bruntwood adding lab space in the Knowledge Quarter.
- **Rents:** Average rents stand at £22.00/SF, second among the Big Six behind Bristol. Prime rents have reached £45/SF, with refurbished buildings like Quoin and Bond achieving £36–£37/SF. Plug-and-play and CAT A+ fit-outs command £5–£10/SF premiums.
- **Investment Trends:** Volumes remain muted at £248M over the past year, well below the £626M five-year average. Notable deals include 101 Embankment (£75M), 1 Portland Street (£7.5M), and Barclay House (£30M) for residential conversion.

| 81.7M | 179K | 332K | 2.1% | £21.88 | £186 | 7.8% |
|---|---|---|---|---|---|---|
| Inventory Sq ft | Under Constr Sq ft | 12 Mo Net Absorp Sq ft | Vacancy Rate | Market Asking Rent/Sq ft | Market Sale Price/Sq ft | Market Yield |

- **Retail Scale & Appeal: Greater** Manchester, home to 2.9 million people, is the UK's second-largest retail market after London, with 81 million SF of space. It's vibrant culture, tourism, and student population support year-round retail activity.
- **Occupier Strength & Vacancy:** Leasing activity has improved recently, with consumer indicators remaining positive. Vacancy sits at 2.2%, about 80 bps below the UK average, supported by limited new completions and stable net absorption.
- **Shopping Centres & Leisure:** Manchester Arndale and Trafford Centre continue to attract footfall and long-term leases. New entrants include XF Gym (37,000 SF), Hotel Chocolat, Pro Direct, alongside fashion brands like Represent, Arc'teryx, and Alo Yoga.
- **Retail Parks & Regeneration:** Retail parks outperform with near-record low vacancies. Major lettings include B&Q (41,850 SF) and Dunelm (20,000 SF), and Pets at Home (10,000 SF). Town centre regeneration is underway in Wigan and Stockport.
- **Rents & Growth:** Annual rental growth stands at 2.8%, following strong gains in 2023–24. Prime zone A rents reach £300/SF, while average non-zone A rents are £22.00/SF—highest in the North West, and ahead of Cheshire and Liverpool.

# 7. GOVERNMENT MEASURES. OTHER DATA AND ANNOUNCEMENTS

| THEME | Web | ANNOUNCEMENT / ISSUE - HOLD CTRL AND CLICK ON EACH <LINK> TO ACCESS THE FULL ITEM |
|---|---|---|
| **OpenAI to Expand into UK Data Hosting** | <Link> | **OpenAI will expand its British AI offer for businesses that want their data stored in the UK.** The landmark plan, secured through OpenAI's ongoing partnership with the Ministry of Justice, will see the company enable its business customers to store their data onshore. British businesses will be able to host data on secure sovereign-based servers, enhancing privacy and accountability, and reinforcing national resilience. Earlier this year OpenAI, NVIDIA, and NScale announced plans to establish Stargate UK to deliver new AI infrastructure in the UK, developing a platform designed to deploy OpenAI's technology on sovereign infrastructure in the UK. |
| **New Scale-up Unit for Financial Services Firms** | <Link> | **Financial services firms will get new support to help them scale up, invest and create high-skilled jobs.** The Chancellor announced that scaling banks and insurers will be given bespoke support to navigate rules and regulation. The new unit, which will also work with other scaling financial services firms like fintech's, will give businesses a clear point of contact with the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA). The Scale-up Unit will be jointly led by the FCA and PRA. The service will open initially for fast-growing deposit-takers and insurers, before expanding to serve other financial services firms including fintech's next year. |
| **Skills England Priorities for 2025 to 2026** | <Link> | **Skills England will bring together the fragmented skills system, helping people take up technical education and apprenticeships, and employers access the skilled workforce they need.** They will work with employers to develop and maintain the occupational standards that underpin apprenticeships and technical qualifications, as well as employment support programmes. They will work with business to identify the priorities for the Growth and Skills Levy and where to target investment and deliver sector packages including public-private partnerships with industry. |
| **£55bn R&D Funding Boost** | <Link> | **The Department for Science, Innovation and Technology (DSIT) has confirmed long-term R&D funding for the UK's research agencies and bodies.** DSIT's overall R&D budget will grow in real terms over the Spending Review period, totalling £58.5bn from 2026/2027 to 2029/2030. The funding includes:<br>❖ UKRI, the UK's national funding agency for science and research, will deliver more than £38bn across the period, including nearly £10bn in 2029/2030.<br>❖ The Advanced Research and Invention Agency (UK agency backing long-term breakthroughs) will see funding rise from £220m to £400m a year by 2029/2030.<br>❖ Over £1.4bn total backing for the Met Office, to keep the UK at the forefront of climate science.<br>❖ Over £900m total backing for the UK's prestigious National Academies.<br>❖ Over £550m for the National Measurement System, and £240m for the AI Security Institute. |
| **Government Green-Lights 'Collective' Pension Schemes** | <Link> | The new regulations will allow the expansion of CDCs to more employers and will address a growing demand among workers to receive a more secure retirement income. As well as boosting the retirement living standards of today's workers, pooling funds enables schemes to make bigger investments in assets such as UK businesses and infrastructure projects. This will help boost the economy – as seen in countries such as Canada and Denmark who already have CDCs. They anticipate that the framework for Retirement CDC will be built on the Unconnected Multiple Employer Schemes (UMES) framework, which has been developed over time through multiple consultations – with broad support. |
| **Call for Evidence: Business Regulation Reform** | <Link> | **Government have opened a questionnaire (closing in 16 December 2025) that asks businesses large and small to tell government about regulation which is not fit for purpose and unjustifiably inhibits growth, innovation and investment.** In particular, the Department for Business and Trade wants to receive evidence about:<br>❖ Current activity costs - including examples of specific rules that impose unnecessary costs or burdens on business - both direct costs from individual regulations and indirect costs resulting from how these are applied.<br>❖ Opportunity costs - how regulations and the way they are applied may delay or prevent future business opportunities being taken up, including comparisons to other countries. |
| **Strategic Priorities for British Business Bank** | <Link> | The 5-year strategic mandate gives the bank a new mission from April 2026 to drive economic growth by helping smaller businesses get the finance they need to start, scale and stay in the UK. The mandate sets the bank four clear priorities, to:<br>❖ Support the most promising businesses in the Industrial Strategy priority sectors to scale and stay in the UK.<br>❖ Make finance markets work better for smaller businesses.<br>❖ Unlock the potential in people and places.<br>❖ Mobilise institutional capital at scale. |

# 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)<br>C = Confidential, 5 or less responses<br>*Percentages rounded to nearest figure* | GM ONS IDBR | 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 | SEP 2023 | AUG 2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Size-band (employees)** | % | % | % | % | % | % | % | % | % | % | % | % | % | % | % | % | % | % | % | % | % | % | % | % | % | % | % |
| **‘0’ employment to 9 (MICRO)** | **89%** | **50%** | 54% | 54% | 53% | 54% | 55% | 58% | 55% | 58% | 56% | 59% | 54% | 55% | 56% | 62% | 60% | 58% | 59% | 57% | 46% | 49% | 53% | 51% | 59% | 41% | 58% |
| **10 to 49 (SMALL)** | **9%** | **20%** | 22% | 25% | 24% | 24% | 24% | 24% | 25% | 24% | 23% | 20% | 24% | 25% | 26% | 24% | 23% | 24% | 24% | 26% | 27% | 22% | 13% | 20% | 16% | 24% | 16% |
| **50 to 249 (MEDIUM)** | **2%** | **14%** | 14% | 15% | 15% | 15% | 15% | 13% | 13% | 12% | 14% | 15% | 15% | 13% | 12% | 9% | 11% | 6% | 7% | 9% | 9% | 7% | 14% | 16% | 13% | 19% | 13% |
| **250+ (LARGE)** | **<1%** | **6%** | C | 7% | 7% | 7% | 6% | 6% | 6% | 7% | 7% | 7% | 7% | 7% | 6% | C | 7% | 12% | 10% | 8% | 10% | 10% | 11% | 8% | 7% | 10% | 6% |
| **UNKNOWN** | - | **10%** | C | - | - | - | - | - | - | C | C | C | C | C | C | C | C | C | C | C | 8% | 12% | 8% | C | C | 6% | 8% |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **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 |
| **BUSINESS FINANCIAL, PROF. SERVICES** | **27%** | **10%** | **9%** | **9%** | **11%** | 12% | 13% | 13% | 14% | 13% | 13% | 12% | 12% | 12% | 12% | 10% | 8% | 10% | 10% | 10% | 13% | 14% | 14% | 18% | 11% | 22% | 15% |
| **CONSTRUCTION** | **12%** | **C** | **6%** | **C** | **6%** | C | C | C | C | C | C | 6% | 6% | C | C | C | C | C | C | 6% | C | C | C | C | C | C | C |
| **DIGITAL, CREATIVE, TECHNOLOGY** | **6%** | **20%** | **19%** | **19%** | **19%** | 18% | 18% | 19% | 21% | 23% | 23% | 24% | 25% | 24% | 21% | 21% | 22% | 18% | 16% | 13% | 18% | 19% | 22% | 23% | 23% | 24% | 23% |
| **EDUCATION** | **2%** | **C** | **C** | **C** | **C** | 6% | 6% | C | C | 6% | C | 8% | 9% | 8% | 6% | C | C | 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 |
| **UTILITIES AND GREEN TECH** | **C** | **C** | **C** | **C** | **C** | C | C | C | C | C | C | C | C | C | 6% | 6% | 6% | 7% | 8% | 10% | 6% | 7% | C | C | C | C | 8% |
| **HEALTH & SOCIAL CARE** | **C** | **8%** | **8%** | **9%** | **8%** | 7% | C | 7% | 7% | 6% | C | C | 6% | 7% | 9% | 9% | 8% | 8% | 7% | 8% | C | C | C | 6% | C | 6% | C |
| **HOSPITALITY, TOURISM, & SPORT** | **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% | C | 8% |
| **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 | 6% | C |
| **MANUFACTURING (excluding Engineering)** | **3%** | **17%** | **16%** | **18%** | **19%** | 19% | 18% | 18% | 18% | 17% | 15% | 13% | 12% | 13% | 13% | 15% | 17% | 16% | 16% | 21% | 26% | 20% | 19% | 18% | 19% | 17% | 22% |
| **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 |
| **RETAIL & WHOLESALE** | **18%** | **C** | **6%** | **6%** | **6%** | 6% | C | C | C | C | C | C | C | C | C | 6% | 7% | 9% | 9% | 9% | 9% | 11% | 8% | 7% | 9% | C | 6% |
| **OTHER SERVICES (excluding SIC unknown)** | **4%** | **10%** | **12%** | **12%** | **12%** | 12% | 7% | 7% | 11% | 7% | 6% | 6% | C | 6% | 6% | 8% | 6% | C | C | C | C | C | C | C | C | C | C |

| Size / Sector (as identified by the business)<br>C = Confidential, 5 or less responses<br>*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%** | **50%** | 57% | 56% | 57% | 30% | 28% | 42% | 47% | 38% | 54% | 67% |
| **10 to 49 (SMALL)** | **9%** | **20%** | 9% | 18% | 13% | 30% | 36% | 25% | 29% | 17% | 20% | 15% |
| **50 to 249 (MEDIUM)** | **2%** | **14%** | 15% | 15% | 12% | 11% | 18% | 17% | 9% | 24% | 16% | C |
| **250+ (LARGE)** | **<1%** | **6%** | 7% | C | 7% | C | C | 6% | 8% | C | 3% | 8% |
| **UNKNOWN** | - | **10%** | 12% | 10% | 11% | 25% | 18% | 10% | 7% | 21% | 7% | C |