



# GC SITUATION REPORT AND QUARTERLY BUSINESS SURVEY RESULTS

**FEBRUARY 2026**

**REPORT NUMBER 93: WITH QUARTERLY DATA FOR 2<sup>ND</sup> DECEMBER 2025 TO 2<sup>ND</sup> MARCH 2026**

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[www.growthco.uk](http://www.growthco.uk)

# 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 642 survey responses completed between the **2nd of December 2025 and the 2nd of March 2026** by GC clients from the Business Growth Hub and MIDAS. Comparisons have been made with last quarter's 680 responses completed between **November 2025 and January 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.

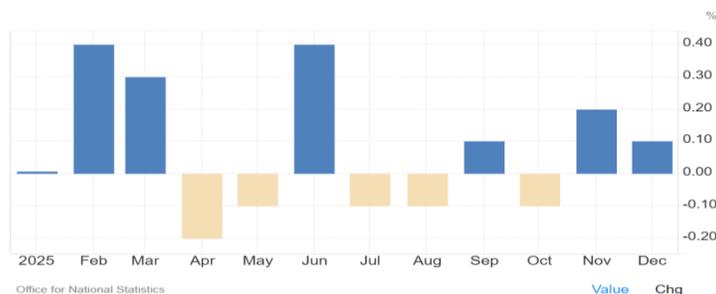
## Economic context

- **Global growth supported by AI and US demand.** Strong investment in AI infrastructure and technology, alongside resilient US consumer spending, continues to support global growth, though reliance on a narrow set of drivers leaves markets vulnerable to corrections or shifts in investor sentiment.
- **Energy markets and geopolitical risks remain the key external pressures.** Ongoing tensions in major oil-producing regions and fragile global trade conditions are contributing to volatility in energy prices and supply chains, posing continued inflation and growth risks for the UK and other advanced economies. Crude Oil prices rose in early March above \$100 the highest since the immediate post COVID period in 2022.
- **UK growth outlook remains subdued but stable.** The UK economy is expected to grow modestly in 2026 (around ~1%), with weak productivity, cautious business investment and fragile consumer confidence continuing to limit momentum despite some resilience in the services sector.
- **Inflation easing but risks remain.** Inflation is expected to gradually fall toward the 2% target during 2026, although volatility in energy, oil prices and food prices, alongside geopolitical tensions, could slow the pace of disinflation and keep cost pressures elevated throughout 2026.
- **Bank of England policy likely to ease gradually.** With inflation moderating and labour-market conditions softening, markets expect gradual interest-rate cuts through 2026, potentially toward ~3%, although fiscal pressures and external shocks could complicate the timing of the Government meeting it's target.

## Organisation Growth Survey headlines

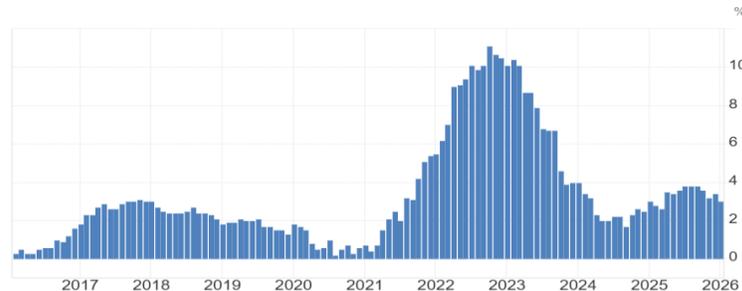
- **Business Confidence and economic impacts.** The GC Business Confidence Index remains stable at 7.2 in February 2026, with above-average confidence in Construction, Education, Manufacturing (excluding Engineering), Green Tech, and Retail activities; and weaker sentiment in DCTs, Engineering, Life Sciences and Healthcare. Rising costs remain the main impact, while cashflow pressure and insolvency risk show a slight easing, 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 and marketing, innovation, workforce skills and financial advice across firms of all sizes.
- **Recruitment, employment, and skills.** Recruitment activity has increased slightly and is strongest amongst larger SMEs, while many firms report only partial alignment between workforce skills and business objectives. Key skill gaps persist in terms of sales and marketing skills, leadership and management, teamwork, specialist technical skills and advanced IT capability, with skill challenges varying by firm size – with larger firms more likely to report M&L and teamwork.
- **Research & Development, and Innovation.** Innovation activity remains steady, with continued investment in services, R&D and 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 and marketing, automation and process optimisation.

UK GDP increased 0.1% in December 2025 (latest)



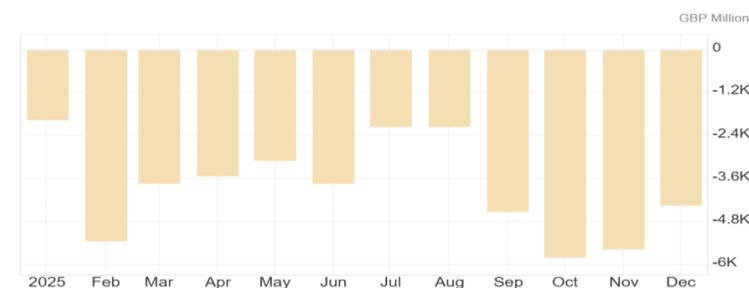
- The UK's monthly real GDP increased by 0.1% in December, following a 0.2% increase in November. This was in line with market expectations.
- Growth was driven by services, which rose 0.3%. In particular, transportation & storage, administrative & support services, and food & beverage services experienced strong growth over the holiday period.
- Over the same period (November-December) production output fell 0.9% and construction dropped 0.5% driven by a 2.5% fall in repair and maintenance.

UK CPI inflation falls to 3% in January 2026



- The annual UK CPI inflation rate fell to 3% in January 2026 from 3.4% in December. This is the lowest inflation rate since March 2025.
- The fall in inflation was driven by softer price increases in transport (2.7% YoY vs 4% YoY in December), and food (3.6% YoY vs 4.5% YoY in December).
- Price growth in restaurants and hotels increased to 4.1% YoY vs 3.8% YoY in December.
- Core inflation decreased to 3.1%, its lowest level since August 2021.

UK trade deficit narrowed in December 2025



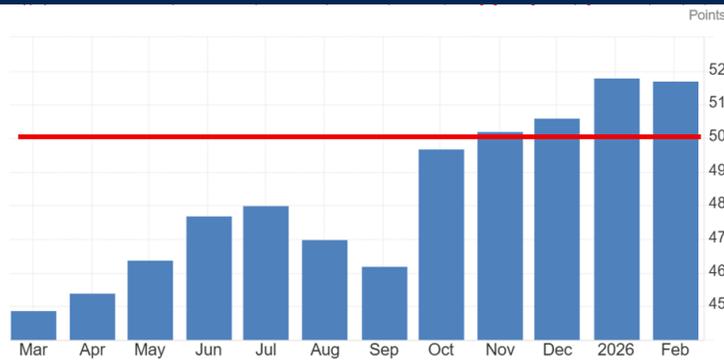
- The UK trade deficit narrowed to £4.3 billion in December 2025, down from the £5.6 billion in November. Exports dropped 1% MoM to £77 billion, while imports fell 2.4% to £81.3 billion.
- Good exports fell by 3.2%, reaching a 3 month low of £30.1 billion, driven by lower shipments to EU countries (-1.9%), and non-EU countries (-4.4%).
- Goods imports fell by 3.4% to a 3-month low, while services imports fell 0.5% to a 3-month low of £28.5 billion.

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

- **The S&P Global UK Composite Purchasing Manager's Index (PMI)** fell slightly to 53.7 in February 2026 from 53.9 in January 2026. The reading signals a continuing expansion in private sector activity, extending the current growth run to ten months. Manufacturing output rose at its fastest pace since September 2024. Employment fell again, marking a 17<sup>th</sup> consecutive monthly decline. Inflationary pressures eased somewhat, with both input costs and output charges rising more slowly than at the start of the year.
- **Confederation of British Industry (CBI) Growth Indicator** shows that UK private sector firms expect a fall in activity over the next three months (-13%). The pessimism has eased noticeably, with expectations at their least negative since November 2024. The downturn is expected to be driven by falling distribution sales (-36%) and a modest decline in manufacturing output (-12%).
- **Lloyds Bank Regional Business Barometer (a monthly snapshot of how businesses with >£250k turnover, are feeling about their own prospects)**. Business confidence remained at 44% in February 2026, well above the long-term average of 30%. Staffing expectations eased this month, reaching the lowest level in a year and future wage growth signals eased slightly this month with an increase in firms reporting pay growth in the 2-4% range in the next 12 months.

- **BDO High Street Sales Tracker**. Total like-for-like sales grew by 1.9% in February 2026. In-store sales fell by -1.7% compared to +1.8% in February 2025. Online sales rose by +3.1% compared to a +5.0% increase in February 2025.
- **The GfK Consumer Confidence Index for the UK** fell to -19 in February 2026 from -16 in December. The overall decline was largely driven by deteriorating views of personal finances. Within the labour market, the jobless rate climbed to a post-pandemic high of 5.2% in the three months to December, while youth unemployment surged to 16.4%, its highest level in over a decade.
- **Company Insolvencies**. There were 1,744 company insolvencies in England and Wales in January 2026, 4% higher than December 2025, and 14% lower than January 2025. Company insolvencies in January 2026 consisted of 256 compulsory liquidations, 1,323 voluntary liquidations, 151 administrations, and 13 company voluntary arrangements.
- **Insolvency Rates**. One in 193 UK firms (51.7 per 10,000 companies) entered insolvency from February 2025 to January 2026. This represents a decrease from the 52.8 per 10,000 companies that entered insolvency in the 12 months ending 31 January 2025.

The S&P Global UK Manufacturing PMI 51.7 (>50 = expansion)



- **The S&P Global UK Manufacturing PMI** fell to 51.7 in February 2026, down from 51.8 in January 2026. (Numbers above 50 indicate expansion).
- New orders, output and supplier delivery times saw levels consistent with improved operating conditions, while there were declines in both employment and stocks of purchases.
- Input cost inflation accelerated for the third successive month to reach a six-month high. Increased purchase prices were linked to the rising costs for chemicals, copper, electronic components, energy, gold and silver, Supply chains remain stretched for the twenty-sixth month in a row. Outlook for the sector remained consecutively positive.

The S&P Global UK Services PMI 53.9 (>50 = expansion)



- **The S&P Global UK Services PMI** fell to 53.9 in February 2026, down from 54 in January 2026.
- Growth was supported by gradually improving client confidence and the release of pent-up demand, though conditions remained challenging in sectors such as hospitality & leisure, and construction.
- New business increased for a third straight month, driven mainly by domestic demand, while export growth nearly stalled amid weak European conditions.
- Employment fell for the seventeenth consecutive month, reflecting hiring freezes and cost pressures. Input prices rose sharply, largely due to higher wages and supplier costs. Half of firms expect output rise in the next year.

The S&P Global UK Construction PMI 44.5 (<50 = contraction)



- **The S&P Global UK Construction PMI** fell to 44.5 in February 2026 from January's index of 46.4. (Numbers below 50 indicate contraction).
- Firms reported lower levels of new orders, magnifying the impact of new project starts amid low demand from clients and bad weather on sites. Residential building construction declined at the fastest pace among activity groups. Civil engineering output and commercial space construction followed, which also dropped sharply.
- Business confidence improved to its highest since December 2024, with the panel expecting new contract wins and a turnaround in economic conditions..

# 3. ORGANISATION GROWTH SURVEY RESULTS

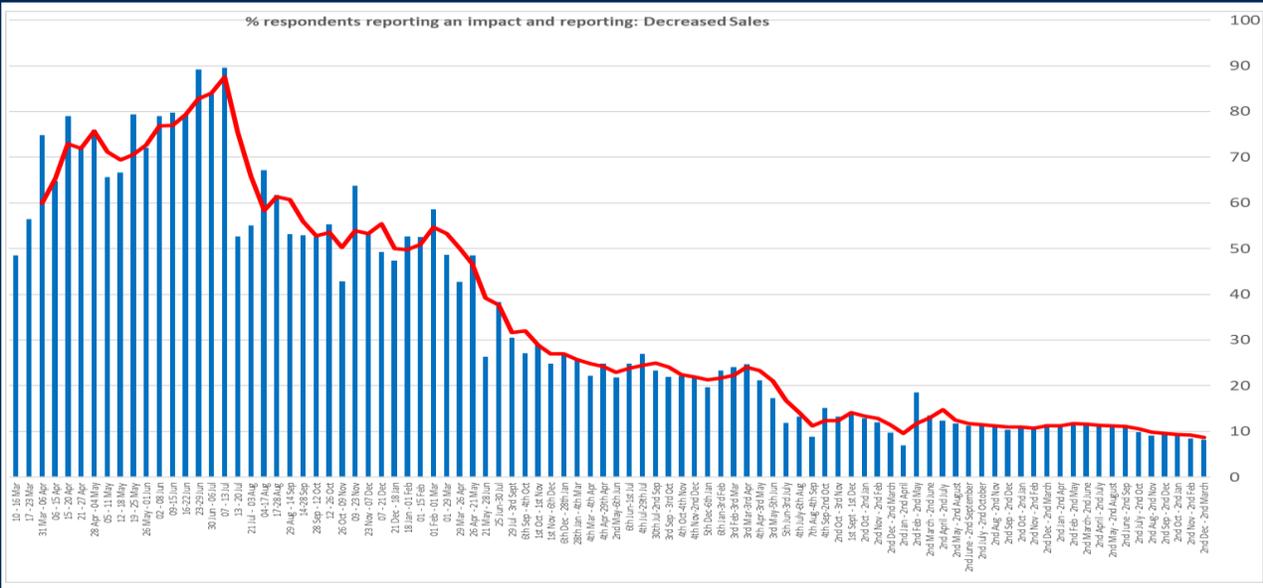
Previous survey results shown in brackets - note rounding on all values

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 February 2026 stood at 7.2 out of 10, similar to the previous quarter. Confidence levels are above average for Construction, Education, Manufacturing (excluding Engineering), Green Tech, and Retail; and lower in DCTs, Engineering, Life Sciences, and Health Care.</li> <li>➤ <b>Current Sales.</b> 17% (unchanged) of firms reported an increase in sales, and 9% (unchanged) reported decreased sales in the last 12 weeks.</li> <li>➤ <b>Future Profits.</b> 62% (vs 61%) expect profits to increase in the year ahead. 1% (unchanged) expect profits to decrease. The sectors most optimistic about future profitability are BFPS, Green Tech, Construction, Manufacturing (excluding Engineering), Hospitality, Life sciences, Service activities and Retail. Lower levels of optimism are in Education, Engineering and Healthcare.</li> <li>➤ <b>Investment.</b> 34% (vs 35%) of firms expect to increase capital expenditure in the year ahead. Sectors most optimistic about increasing investment are DCTs, Green Tech, Hospitality, Manufacturing &amp; Engineering and Retail; and lowest in BFPS, Education, Healthcare, Construction, and Life Sciences.</li> <li>➤ <b>Workforce Development.</b> 35% (vs 34%) of firms plan to increase investment in workforce development. Sectors more likely to report an increase in future investment are BFPS, Construction, Education, Engineering, Retail, Manufacturing, Retail and Hospitality; and lowest in Other Service activities.</li> </ul>	<ul style="list-style-type: none"> <li>➤ <b>Main impacts.</b> 26% (vs 28%) reported rising costs as the main impact, followed by cashflow issues 17% (vs 18%), staff shortages due to recruitment difficulties 7% (unchanged), and minor supply chain challenges 6% (vs 7%).</li> <li>➤ <b>Cash reserves.</b> 53% of firms (unchanged) report having cash reserves to last over 6 months. Reserves were highest in Life Sciences, BFPS, Education, Manufacturing &amp; Engineering, Green Tech, Healthcare, Hospitality, and Healthcare; and lowest in DCTs, Retail, and Other Services.</li> <li>➤ <b>Cashflow.</b> 17% (vs 18%) 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 DCTs, Green Tech, Hospitality, Retail and Other services. Just 3% (vs 4%) of firms reported late payments.</li> <li>➤ <b>Analysis of insolvency risk</b> for February 2026 shows a fall in the total number of firms (10+ employees) reporting heightened levels of risk compared to last month, currently at 871 (vs 937 in January 2026):             <ul style="list-style-type: none"> <li>○ <b>782</b> (down from 814 last month) firms have 1 flag - some risk;</li> <li>○ <b>50</b> (down from 59) have 2 red flags - medium insolvency risk;</li> <li>○ <b>39</b> (up from 37) 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 declined by 0.4% points in February (m-o-m) for GM, compared with a 0.3% decrease 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 modest 1.0% increase nationally.</li> </ul>	<ul style="list-style-type: none"> <li>➤ <b>The main current challenges for businesses.</b> 49% (vs 50%) of firms cited accessing new domestic sales. This issue is particularly acute in the BFPS, DCTs, Education, Construction, Manufacturing (excluding Engineering), and Retail.</li> <li>➤ <b>Other key challenges include</b> developing new products or services 35% (vs 32%), business model change 34% (vs 28%), managing overall finances 24% (vs 26%), and addressing workforce development / skills challenges 25% (vs 24%).</li> <li>➤ <b>International trade.</b> 19% of firms (vs 20%) export goods/services, with 18% (vs 17%) expanding into new markets, a trend particularly notable in the DCTs, Manufacturing &amp; Engineering, and Retail sectors. 10% (vs 12%) 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 sales &amp; marketing 36% (vs 35%), skills 34% (vs 31%), business planning 41% (vs 37%), innovation 37% (vs 34%), and financial advice/guidance 28% (unchanged).</li> <li>➤ Micro and small firms (0–9 FTEs) are more likely to seek support in business planning, innovation and marketing followed by workforce development. Whereas firms with 50+ employees are more likely to request support in workforce development, recruitment, environmental impact management, followed by digital transformation and innovation.</li> <li>➤ <b>Environmental Impact Management.</b> 9% (vs 11%) require assistance with managing their environmental impact. This figure has remained stable over the last 12 months.</li> </ul>

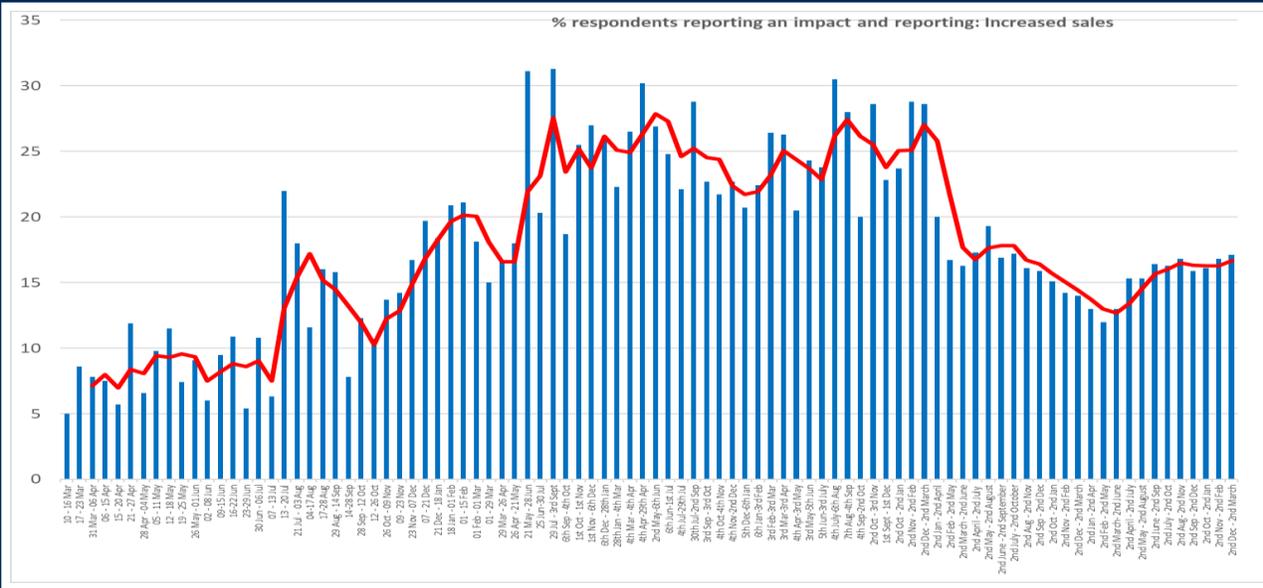
RECRUITMENT, EMPLOYMENT AND SKILLS	RESEARCH, DEVELOPMENT AND INNOVATION	SOCIAL VALUE AND GOOD EMPLOYMENT PRACTICES
<ul style="list-style-type: none"> <li>➤ <b>Recruitment:</b> 26% (vs 25%) of firms are currently recruiting new staff. The proportion of firms recruiting are highest amongst larger SMEs (50+FTEs). By sector, firms were more likely to be recruiting in BFPS, Construction, Manufacturing and Engineering, and Retail. Sectors least likely to be recruiting are DCTs, Education, Green Tech, Hospitality, Healthcare and Life Sciences.</li> <li>➤ <b>Workforce Skill Gaps.</b> 34% (vs 33%) report that their existing workforce skills are fully aligned with their business plan objectives. 52% (vs 51%) indicate that skills are only partially at the required level, and 2% (unchanged) stated that their workforce skills are not at the right level. (13% said ‘don’t know’).</li> <li>➤ Smaller SMEs were more likely to report gaps in sales and marketing skills, whilst firms with 50+ FTEs were more likely to report gaps in motivating staff, management &amp; leadership, and developing teamwork skills.</li> <li>➤ <b>Technical Skill Gaps:</b> Specialist technical skills and knowledge 29% (unchanged), advanced IT skills 17% (unchanged), and knowledge of products or services 12%.</li> <li>➤ <b>People and Practical / Personal Skill Gaps:</b> Sales and selling 24% (unchanged), motivating staff 19% (vs 18%), and customer handling 12% (vs 13%).</li> </ul>	<ul style="list-style-type: none"> <li>➤ <b>Innovation Activities in Last Year.</b> 34% (unchanged) have invested in new or significantly improved services, 31% (vs 30%) in R&amp;D, 24% (vs 23%) new business practices, 16% (vs 17%) introduced new or significantly improved goods, and 14% (vs 16%) have invested in improved production methods.</li> <li>➤ <b>Digital Innovation.</b> 13% (vs 15%) have invested in the acquisition of digital products, and 5% (vs 7%) made investments in the acquisition of new machinery - especially in the Manufacturing and Retail sector.</li> <li>➤ <b>Future Innovation.</b> 38% (vs 36%) of firms are looking to increase investment and R&amp;D, highest in Green Tech, Life Sciences, DCTs, Education followed by Manufacturing and Engineering. 35% (vs 34%) of respondents said they were also likely to invest in workforce development to support innovation / growth.</li> <li>➤ <b>Digital Transformation.</b> 19% (unchanged) of firms are looking to invest in digital transformation, highest within Other Services activities, BFPS, Construction, DCTs, Green Tech and Retail; and less likely in Healthcare, Hospitality, and Education.</li> <li>➤ <b>AI Adoption:</b> 47% (unchanged) have adopted AI into business. Firms were most likely to have implemented AI in data processing and analytics and 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> 57% (vs 56%) said this currently applies, and 23% (vs 24%) said they are likely to consider in future.</li> <li>➤ <b>Paying employees the Real Living Wage.</b> 53% of firms (vs 52%) paid the RLW, while 27% (unchanged) indicated they are likely to implement it in the future.</li> <li>➤ <b>Investing in leadership.</b> 48% (vs 44%) said that they are investing in leadership, while 36% (vs 37%) indicated they are likely to do so in future.</li> <li>➤ <b>Promoting healthy work practices.</b> 45% (vs 42%) said this currently applies, while 34% (vs 33%) indicated they are likely to do so in future.</li> <li>➤ <b>Offering flexible working options to employees.</b> 46% (unchanged) said this currently applies, and 30% (vs 29%) said likely to implement in the future.</li> <li>➤ <b>Looking to increase the diversity of the workforce.</b> 42% (vs 40%) of firms said this currently applies, 35% (vs 33%) said likely to include this in the future.</li> <li>➤ <b>Involving employees in the overall direction of the business.</b> 37% (vs 35%) said this currently applies. 36% (vs 35%) said likely to do so in future.</li> </ul>

# TIME SERIES OF THE MAIN IMPACTS OF ECONOMY ON BUSINESS

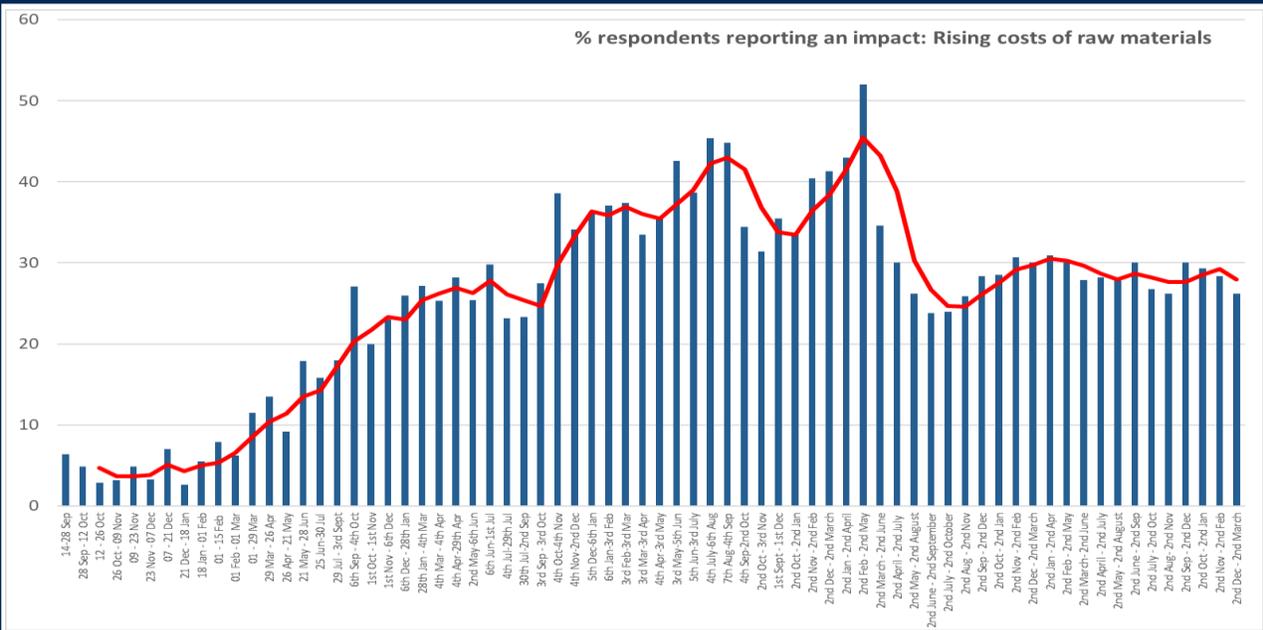
Percentage reporting decreased sales (Red line = moving average)



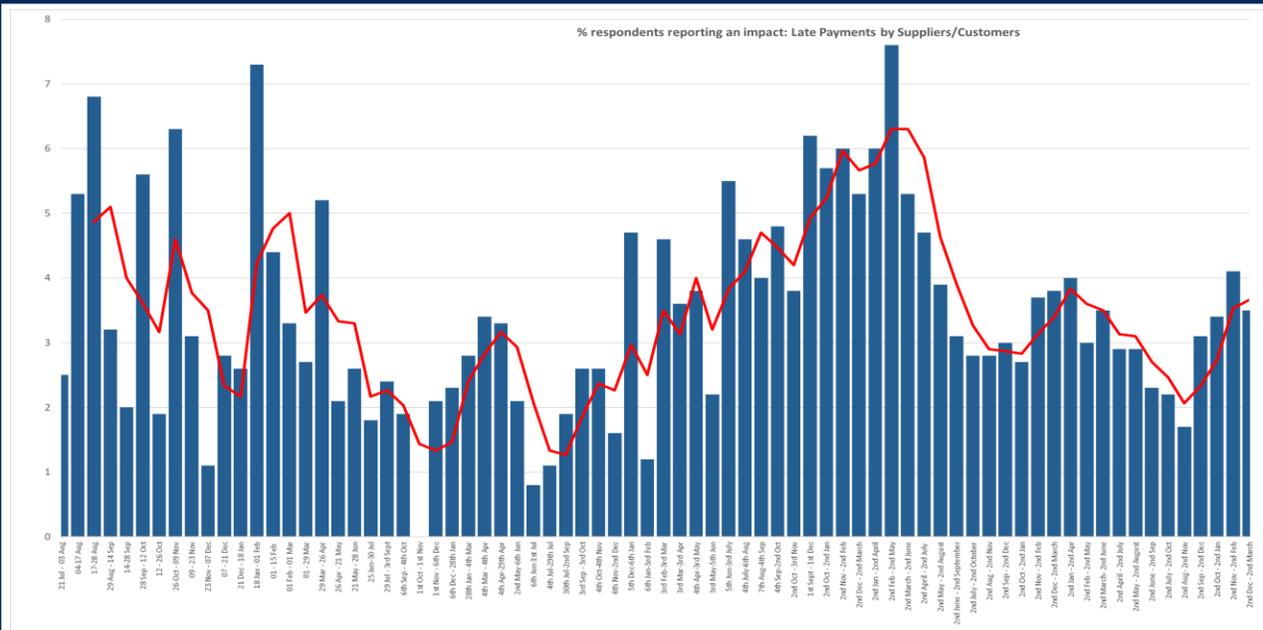
Percentage reporting increased sales



Percentage reporting rising costs

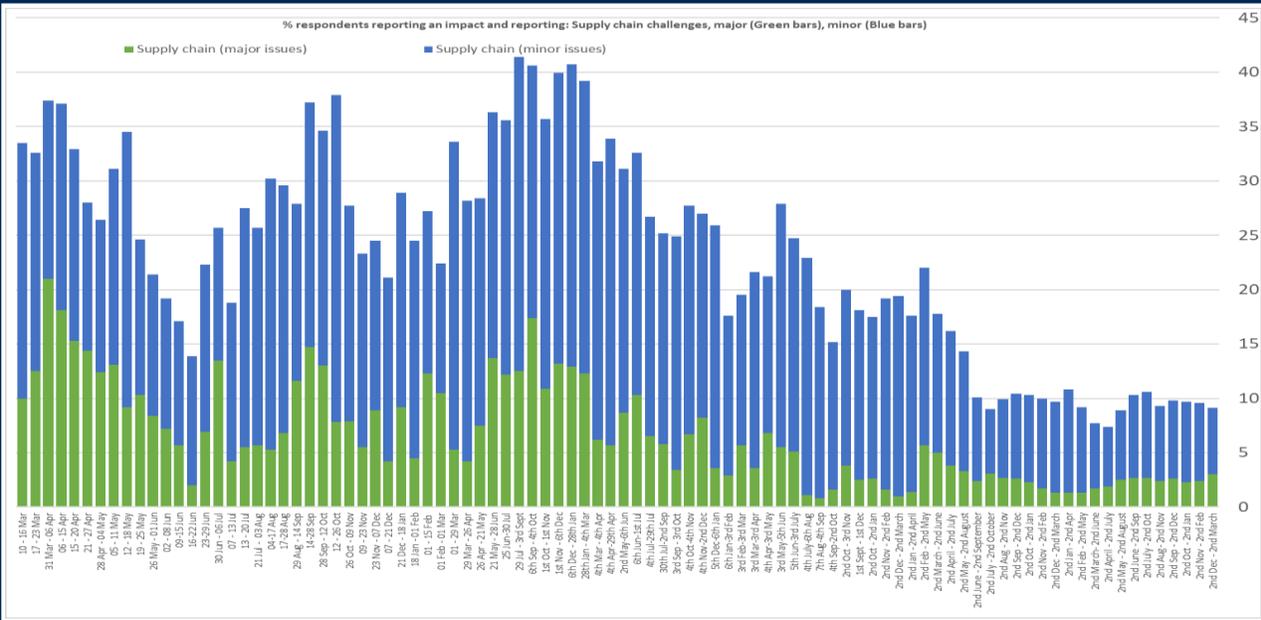


Percentage reporting late payments

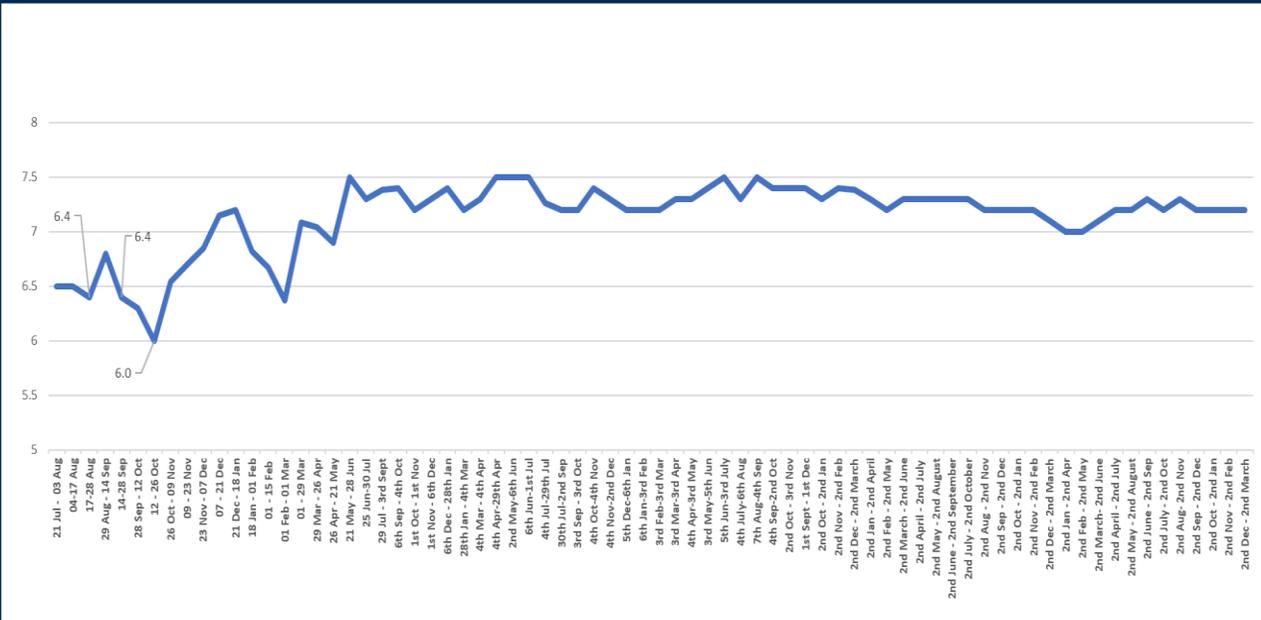


# TIME SERIES OF THE MAIN IMPACTS OF ECONOMY ON BUSINESS

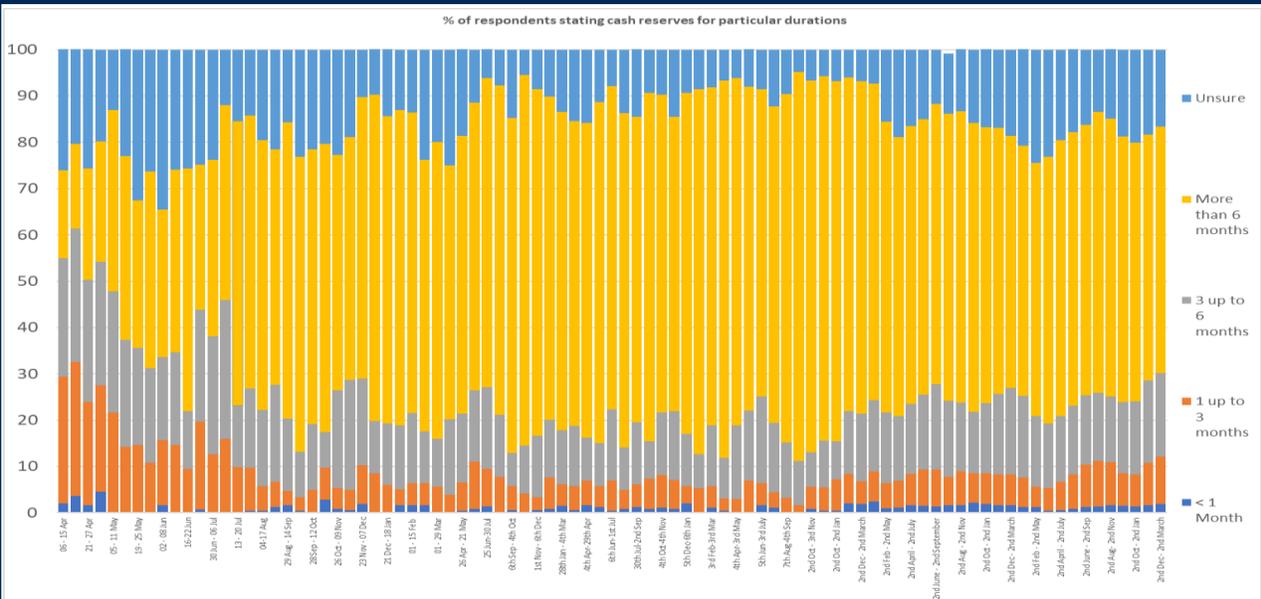
Percentage reporting minor supply chain issues (blue), major issues (green)



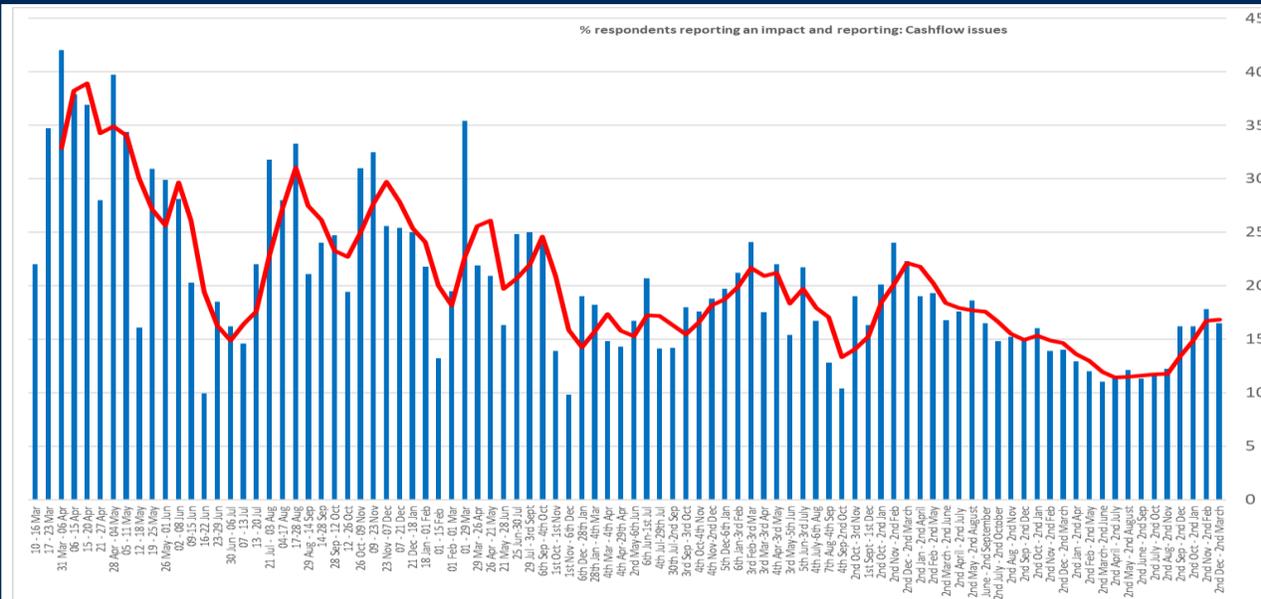
Aggregate confidence index – 1 low confidence, 10 high confidence



Percentage stating cash reserves can sustain certain periods of time

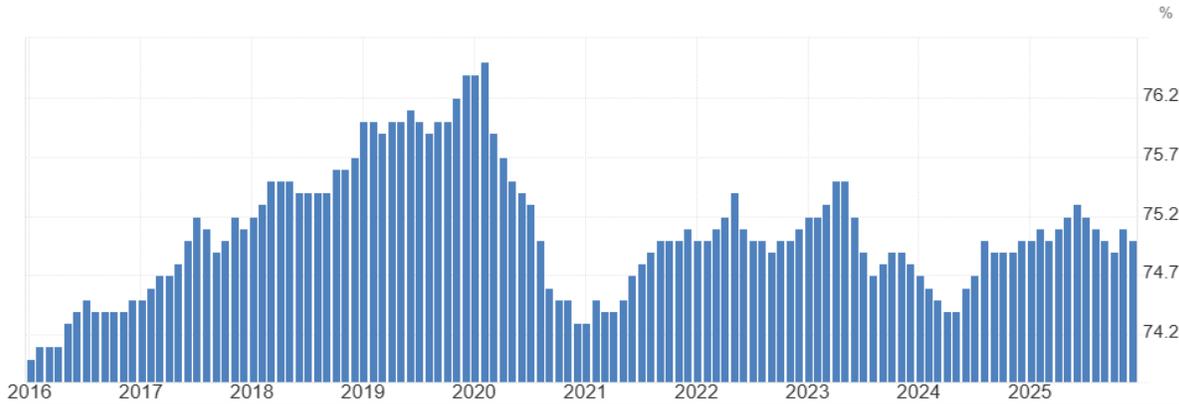


Percentage reporting cashflow problems



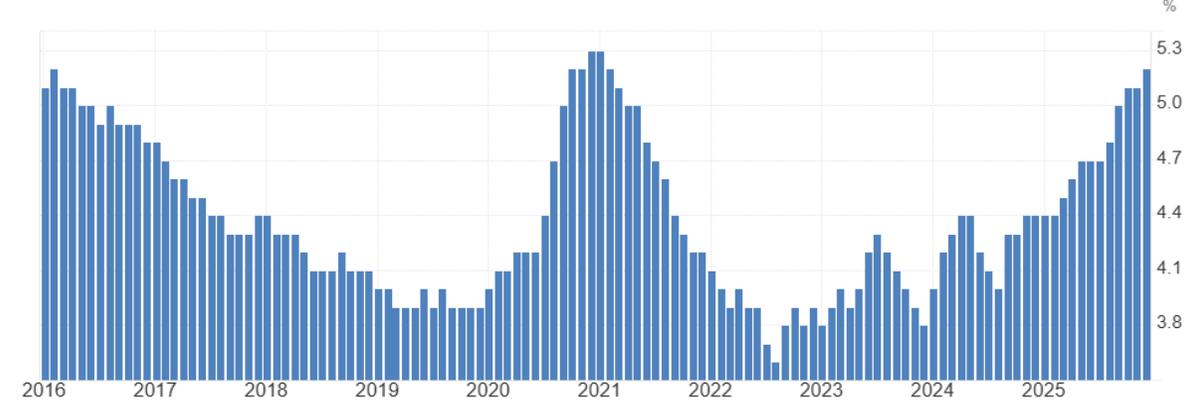
# 4. LABOUR MARKET HEADLINES – ONS QUARTERLY LABOUR FORCE SURVEY

United Kingdom - Employment Rate 75%



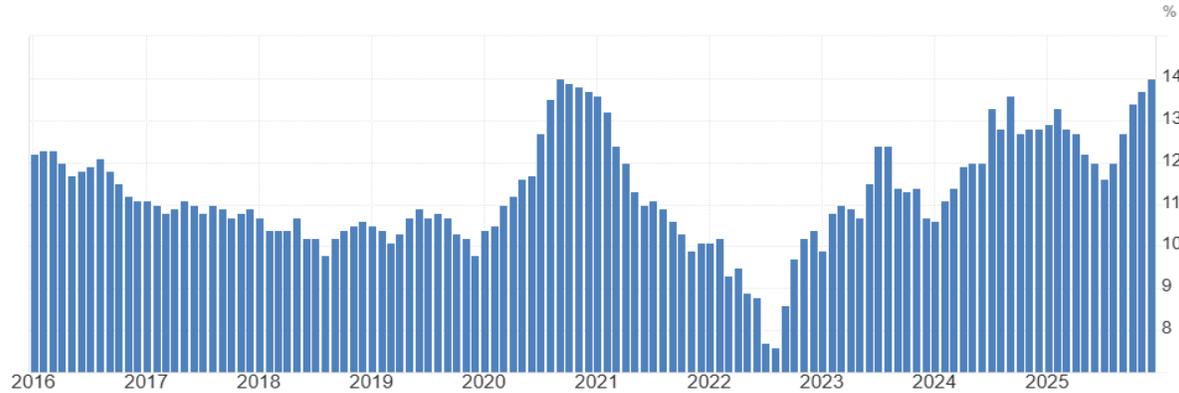
- **Employment Rate in the United Kingdom decreased to 75% in December from 75.1% in November of 2025.**
- Employment Rate in the United Kingdom averaged 71.7% from 1971 until 2025, reaching an all time high of 76.5% in February of 2020, and a record low of 65.6% in April of 1983.

United Kingdom - Unemployment Rate 5.2%



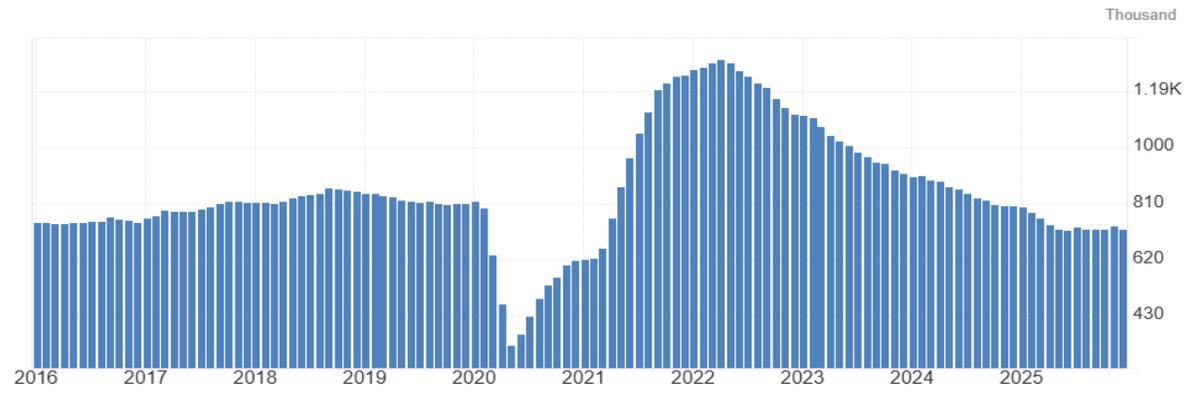
- **UK unemployment rate rose to 5.2% in the three months to December 2025**, slightly above market expectations, which had forecast it would remain unchanged at 5.1%. This marks its highest level since the three months to February 2021.
- Total unemployment increased by 94k to 1.88 million, driven by rises across short- and long-term unemployment. Employment rose by 52k to 34.24 million, but the employment rate edged down 0.1pp to 75.0%.
- The number of people with second jobs decreased marginally to 1.29 million, accounting for 3.8% of those employed. The economic inactivity rate declined by 0.1 percentage points to 20.8%

United Kingdom - Youth Unemployment Rate 14%



- **Youth Unemployment Rate in the United Kingdom increased to 14% in December from 13.7% in November of 2025.**
- Youth Unemployment Rate in the United Kingdom 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 726k



- **Job Vacancies in the United Kingdom decreased to 726k in December from 736k in November of 2025.**
- Job Vacancies in the United Kingdom averaged 696.6k from 2001 until 2025, reaching an all time high of 1.3 million 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 February 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 47%, up 4%pt on January 2026.
- Proportion intending to take a UK overnight trip in the next 12 months is 78%, up 1%pt on last month.
- Proportion intending to take an overseas trip in the next 12 months is 65%, consistent with last month.
- The main barriers, in February, to taking an overnight stay in the UK within the next six months are:
  - Rising cost of living and UK weather (remaining joint 1st, consistent with January 2026); and
  - Personal finances (remaining third, consistent with January 2026).
- Top 3 areas for overnight stays Feb–Mar 2026: London (1st), North-West and South West (joint 2nd).
- Top 3 areas for overnight stays Apr–Jun 2026: South-West (1st), London (2nd) and Scotland (3rd), followed by the North-West and Yorkshire & The Humber (joint 4th).
- Top 3 destinations Feb–Mar 2026 are city/large town (1st), countryside/village (2nd), coastal/seaside town (3rd).
- Top 3 destinations Apr–Jun 2026 are city/large town (1st), countryside/village (2nd), coastal/seaside town (3rd).
- Hotels remain the top accommodation choice from February to June 2026, consistent with last month.

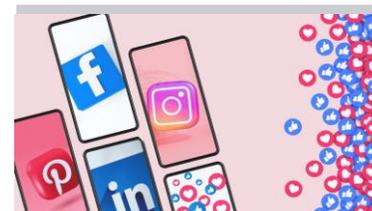
Source: <https://www.visitbritain.org/research-insights/domestic-sentiment-tracker>

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

- The occupancy rate in January for Greater Manchester (69%) and Manchester city centre (67%) were consistent with the same period in 2025 (69% and 67% respectively).
- The average daily rate for Greater Manchester (£78) and Manchester city centre (£86) were both above 2025 levels (£77 and £85 respectively).
- The revenue per available room for Greater Manchester (£53) was consistent with 2025 (also £53), whilst in Manchester city centre RevPAR was above 2025 levels (£58 compared to £57 in January 2025).

	Greater Manchester			Manchester city centre		
	Room occupancy	Average rate	Revenue per room	Room occupancy	Average rate	Revenue per room
2026	69%	£78	£53	67%	£86	£58
2025	69%	£77	£53	67%	£85	£57

## Marketing Manchester Campaigns Impact Reach across all channels



**165.7 million**

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

### INDUSTRIAL AND WAREHOUSING

213M ↓	1.2M ↑	(380K) ↑	5.2% ↓	£8.51 ↑	£86 ↑	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

- **Market scale and location.** Manchester is the largest industrial market in the North, with 213m SF of space, dominated by logistics and supported by strong motorway, airport and port connectivity.
- **Vacancy and absorption trends.** Industrial vacancy stands at 5.2%, up from historic lows but below the national average; negative net absorption has moderated, and market conditions are gradually improving.
- **Leasing activity.** Take-up has been steady, with several 100,000+ SF lettings, including Whistl's 140,000 SF pre-let at PLP Astley and Dealicious Mealz at Heywood Distribution Park.
- **Mid-box and last-mile demand.** Mid-box units continue to attract strong interest, particularly new and refurbished ESG-aligned stock, while demand for last-mile logistics remains resilient.
- **Development pipeline.** Construction has slowed from the 2021 peak, with around 1.2m SF underway, focused on mid-box schemes such as PLP Astley and Hollinwood Junction, alongside accelerating data-centre development.
- **Rental performance.** Rental growth has eased to 6.0%, with average asking rents at £8.51/SF; prime new schemes achieve significantly higher headline rents of £17–£18.60/SF.
- **Sub-market dynamics.** Oldham led leasing volumes over the past year, supported by regeneration and urban logistics schemes, while smaller multi-let units continue to show the tightest vacancy levels.

### OFFICE

67.3M ↑	1.4M ↓	620K ↑	10.4% ↓	£22.97 ↑	£206 ↓	9.6% ↑
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

- **Vacancy and market momentum.** Manchester's office vacancy rate stands at 10.4%, close to an 11-year high but stabilising, as leasing activity recovered towards the end of 2025 following a summer slowdown.
- **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 office sentiment and stronger return-to-office mandates have supported a turnaround in secondary stock, with net absorption of 1–3 Star buildings reaching its highest level since the pandemic.
- **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; 1.4m SF remains under construction, including Plus Ultra, Greenheys, and Landsec's Mayfield Republic scheme.
- **Rental performance.** Prime headline rents remain at £45/SF, with refurbished schemes achieving £37–£41/SF; the rental gap between Grade A and secondary stock has narrowed to around £12.65/SF.
- **Occupier mix and demand drivers.** Financial and professional services account for around a third of leasing, while Manchester's TMT sector remains the most dominant across the Big Six cities.

## 7. GOVERNMENT MEASURES. OTHER DATA AND ANNOUNCEMENTS

THEME	Web	ANNOUNCEMENT / ISSUE - HOLD CTRL AND CLICK ON EACH <LINK> TO ACCESS THE FULL ITEM
<b>Employment Rights Act (ERA) Timeline of Implementation</b>	<a href="#">&lt;Link&gt;</a>	<p>The Employment Rights Act (ERA) has received Royal Assent, and the Government have published a timeline for its implementation. In April 2026, a variety of its parts will come into effect including day 1 paternity leave and unpaid parental leave, doubling the maximum period of the protective award within the collective redundancy protective award, strengthened protections for whistleblowing, bereaved partners paternity leave, removing the Lower Earnings Limit (LEL) and waiting period from Statutory Sick Pay (SSP), and simplifying the trade union recognition process.</p> <p>Further measures contained within the ERA will take effect progressively, with the final measures taking effect in 2027.</p>
<b>UKRI AI Strategy</b>	<a href="#">&lt;Link&gt;</a>	<p>UKRI has set out its first-ever plan to put AI to work for innovators. In the recent Spending Review settlement, UKRI committed £1.6bn of funding directly targeted at the AI sector over the next 4 years.</p> <p>Under the new strategic framework, investment will focus on 6 priority areas: advancing technology development, transforming research through AI, developing AI skills and talent, accelerating innovation for economic growth and societal benefit, championing responsible and trustworthy AI and building world-class AI data and infrastructure.</p>
<b>UK signed a Clean Energy Security Pact – the Hamburg Declaration – with European allies</b>	<a href="#">&lt;Link&gt;</a>	<p>The deal will drive forward a fleet of joint offshore wind projects between European countries, including Germany, Norway, France and Denmark.</p> <p>North Sea countries have agreed to deliver 100 GW of this offshore wind power through joint clean energy projects and an interconnected offshore grid.</p>
<b>Study on Impact of Export Credit on UK industry</b>	<a href="#">&lt;Link&gt;</a>	<p>Export deals backed by UK Export Finance (UKEF), the government’s export credit agency, have added £23bn to the UK economy over the last five years and supported an average of 66,000 full-time jobs each year in key industrial sectors. The study shows that UKEF’s customers support an estimated 115,000 UK businesses across the country.</p>
<b>New UK-US partnership to Bolster Critical Minerals Supply Chains</b>	<a href="#">&lt;Link&gt;</a>	<p>This partnership follows the new Critical Minerals Strategy published last November, backed by up to £50m of new funding to increase domestic production and processing in critical minerals. Through the Strategy, the Government is looking to ensure no more than 60 percent of the UK’s supply of any one critical mineral is imported from any one country by 2035.</p> <p>The new partnership will allow the UK and US to work closer together and encourage greater private investment in areas like mining and processing, helping crucial sectors like automotive, defence and clean energy.</p>
<b>Space Strategy</b>	<a href="#">&lt;Link&gt;</a>	<p>In addition to the £1.7bn committed to European Space Agency (ESA) programmes in November 2025, the government is allocating more than £500m to national space programmes:</p> <ul style="list-style-type: none"> <li>£105m to develop civil capabilities for in-orbit servicing and manufacturing – an emerging market where the UK has a competitive edge and opportunities to deliver commercial returns.</li> <li>£85m to develop the National Space Operations Centre, including £40 million to build a new ground-based sensing network, supporting the 24/7 requirement to protect satellites.</li> <li>£80m to deliver the Connectivity in Low Earth Orbit programme, including for a new £30m funding call opened today to support UK businesses developing smarter satellites, advanced hardware and AI-enabled data.</li> <li>£65m for the National Space Innovation Programme to accelerate breakthrough technologies and boost commercialisation.</li> <li>£40m for the Unlocking Space Programme to drive market demand for space technology, develop national security capabilities and attract private investment to support the scale up of UK firms.</li> <li>£37m to develop space clusters, building on local strengths and ensuring the benefits of space reach every corner of the UK.</li> <li>£20m to accelerate spaceport infrastructure development in Scotland.</li> </ul>

# 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	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%	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%	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%	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	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	
BUSINESS FINANCIAL, PROF. SERVICES	27%	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%	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%	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%	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	
UTILITIES AND GREEN TECH	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%	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%	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	
MANUFACTURING (excluding Engineering)	3%	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	
RETAIL & WHOLESALE	18%	5%	C	C	C	C	6%	6%	6%	6%	C	C	C	C	C	C	C	C	C	6%	7%	9%	9%	9%	9%	9%	11%	8%	7%	9%
OTHER SERVICES (excluding SIC unknown)	4%	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%	41%	36%	53%	45%	32%	29%	40%	35%	24%	56%	42%
10 to 49 (SMALL)	9%	19%	9%	C	21%	14%	23%	18%	26%	40%	18%	15%
50 to 249 (MEDIUM)	2%	11%	11%	7%	11%	11%	23%	9%	10%	C	12%	11%
250+ (LARGE)	<1%	C	7%	C	5%	8%	C	7%	C	C	C	C
UNKNOWN	-	25%	38%	37%	18%	35%	23%	27%	26%	29%	13%	29%