



The
Growth
Company

GC SITUATION REPORT AND QUARTERLY BUSINESS SURVEY RESULTS

SEPTEMBER 2026

REPORT NUMBER 100: WITH QUARTERLY DATA FOR 2ND JULY 2026 TO 2ND OCTOBER 2026

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OUR 100TH EDITION – A FIVE-YEAR ANALYSIS OF KEY TRENDS IN THE ORGANISATION GROWTH SURVEY

The Growth Company Economic Situation Report (SITREP) and Organisation Growth Survey has been a monthly feature for six years, capturing the views of more than 15,000 businesses and providing insight into economic conditions at both local and national levels. Originally established in response to the Covid-19 pandemic, it has evolved into one of the UK's most detailed longitudinal business intelligence resources. This review highlights the key themes emerging across the series and should be read alongside the latest findings. We would also like to thank the businesses, advisers and analysts whose contributions have made this evidence base possible.

Looking across the SITREP series, the most important conclusion is not any single indicator, but the remarkable resilience of the Greater Manchester economy through successive periods of uncertainty. Businesses navigated the aftermath of the pandemic, inflationary pressures, energy price shocks, supply chain disruption, labour shortages, geopolitical tensions and changing market conditions. Despite this, investment continued, confidence generally remained positive and the severe downturns many anticipated failed to materialise.

One of the clearest themes has been the gap between business confidence and business conditions. Firms frequently reported pressures around costs, cashflow, recruitment and demand, yet confidence often remained resilient. Greater Manchester businesses appear neither complacent nor pessimistic. Instead, they demonstrate a pragmatic outlook, acknowledging immediate challenges while remaining optimistic about longer-term growth prospects.

A second major finding is the shift from supply-side to demand-side challenges. Earlier editions focused on supply chains, labour shortages and input availability. Over time, these concerns eased while generating new sales emerged as the most frequently reported challenge. For many businesses, the issue became less about producing goods and services and more about securing customers, revenue growth and market share.

Persistent cost pressures represent another enduring lesson. Rising energy, labour, material and borrowing costs appeared throughout the series, continuing even as inflation moderated. Many firms responded through efficiency improvements, financial discipline, technology adoption and productivity-enhancing investment rather than large-scale retrenchment.

The labour market has also remained a recurring theme. Employment proved resilient and unemployment generally stayed low by historical standards, yet recruitment difficulties and skills shortages persisted. The challenge was rarely a lack of jobs but a shortage of specific capabilities, particularly technical, digital, leadership and sales skills. The evidence points towards skills mismatch rather than simple labour scarcity.

Innovation emerged as a consistent positive story. Significant proportions of firms continued investing in new products, services, processes and research and development despite economic uncertainty. As the series progressed, successful businesses increasingly combined innovation, skills development and investment as part of broader productivity improvement strategies.

Digital transformation and artificial intelligence represent one of the most significant structural changes identified in the later editions. Investment in automation, digital technologies and data-driven decision-making accelerated, while AI adoption reached record levels. What began as an emerging technology discussion became a mainstream business issue, driven by productivity, innovation and workforce pressures.

The SITREPs also highlight the resilience of business investment. Firms continued investing in technology, capital equipment, premises and innovation even during uncertain periods. However, investment in workforce development often lagged behind capital investment, creating a potential constraint on future growth and the ability to maximise returns from technology adoption.

Business resilience and financial health became increasingly important themes – both during the COVID period, but also more recently during times of global risk. Measures such as cashflow, cash reserves and insolvency risk provided valuable early indicators of economic stress. While most businesses demonstrated reasonable resilience, the evidence consistently showed significant variation by firm size and sector, highlighting the importance of targeted business support.

Geopolitical uncertainty has been a growing influence on economic performance, during 2025 and 2026. International events increasingly shaped local business conditions through their effects on energy costs, inflation, confidence, investment decisions and export opportunities. The reports demonstrate how global events are increasingly transmitted into local economic outcomes.

Perhaps the most important lesson from one hundred editions of the SITREP is that economic success ultimately depends on the ability of firms to adapt, invest and innovate. The strongest-performing businesses were not those insulated from change, but those that responded to it through productivity improvement, innovation and market development.

Across one hundred editions, the headlines changed and the risks evolved, but one message remained constant: Greater Manchester businesses are resilient, ambitious and adaptable. Their long-term success, however, depends on addressing the interconnected challenges of demand generation, workforce capability, productivity improvement and innovation diffusion.

The first one hundred SITREPs tell a story not simply about economic conditions, but about the capacity of a region and its businesses to learn, adapt and grow through change.

1. ECONOMIC CONTEXT AND SURVEY HEADLINES

The 100th GC Economic 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 **694** survey responses completed between **the 2nd of July 2026 and the 2nd of October 2026** by GC clients from the **Business Growth Hub and Invest in Manchester**. Comparisons have been made with last quarter’s **685** responses from **June and August 2026**. The survey response profile is broadly representative of the Greater Manchester business base, but for an over-representation of larger firms / SMEs, Manufacturing, and DCT firms, and under-representation of Retail & Hospitality – reflecting the **Business Growth Hub and Invest in Manchester** client profiles.

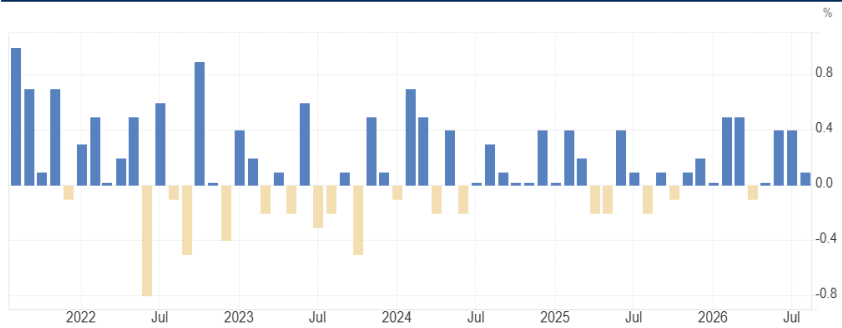
Economic context

- Middle East tensions continue to create significant uncertainty for energy markets and UK inflation. The Bank of England points energy prices remain volatile and above pre-conflict levels, with inflation risks increasingly dependent on how long the shock lasts and whether it feeds into wages and wider prices.
- The UK economy remains resilient, although growth is increasingly uneven. Official data showed GDP rising by 0.1% in August, beating expectations of a 0.1% contraction. Production increased by 0.8%, but services recorded no growth and construction fell by 0.2%. Across the three months to August, GDP expanded by 0.7%, supported by 0.9% services growth, while production and construction declined.
- Interest-rate expectations have shifted towards potential increases rather than further easing. Bank Rate remains at 3.75%, but markets are pricing a high probability of a November increase as policymakers balance stronger-than-expected economic activity against energy-driven inflation risks.

Organisation Growth Survey headlines

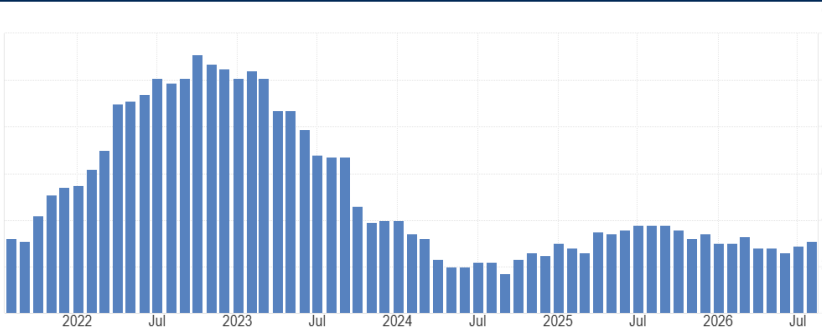
- Business confidence stands at 7.4, with stronger sentiment in Manufacturing and Engineering, Construction, Education, Hospitality, Retail, Tourism and Healthcare. Sales growth increased by 4% (at 14%), while 65% (unchanged) of firms expect profits to increase, indicating continued optimism despite mixed trading conditions.
- Cost pressures continue to rise, affecting 24% of firms, while cashflow concerns dropped to 14%. Accessing new domestic sales remains the biggest challenge, with over half of businesses reporting difficulties in generating demand.
- Investment intentions remain resilient, with 41% planning to increase capital expenditure. While, workforce development investment remains at 25%, firms are looking to invest in workforce to support the innovation and productivity plans. However, 46% firms reporting skills gaps issues within workforce.
- AI adoption has maintained the survey record level of 64% of respondents. Despite this progress, skills gaps remain, in-particular within specialist IT and sales roles.

UK GDP expanded in August 2026 by 0.1%



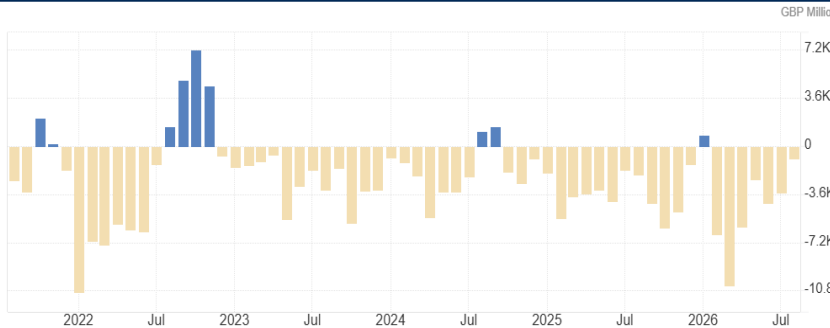
- **UK GDP grew by 0.1% in August 2026, slowing from 0.4% growth in both July and June.** Growth was supported by a rebound in production output.
- Production output increased 0.8%, driven by a 1.2% rise in manufacturing and a 1.4% increase in mining and quarrying. In contrast, services output was flat overall, as gains in wholesale and retail trade (+2.0%) were offset by declines in administrative services (-1.7%) and food and beverage services (-2.7%). Construction output fell 0.2%, marking its fourth consecutive monthly decline.
- Annual GDP growth accelerated to 2.1% in August 2026, up from 1.8% in July and exceeding forecasts of 1.7%. This was the strongest year-on-year increase since October 2022, reflecting continued resilience in the UK economy despite weaker monthly growth.

UK CPI inflation eased to 3.1% in August 2026



- **The UK’s annual inflation rate rose to 3.1% in August 2026**, up from 2.9% in July, marking the highest inflation reading in five months.
- Transport inflation increased to 4.6% from 3.6%, providing the largest upward contribution to inflation, driven by higher petrol and diesel prices. Motor fuel inflation rose sharply to 23.0% from 15.5%.
- Housing and household services inflation rose to 4.9% from 4.6%, while communication and recreation inflation also increased. Food inflation remained stable at 1.3%, and monthly CPI increased by 0.5%, up from 0.3% in July.
- Core CPI inflation remained unchanged at 2.6%, while goods inflation increased to 2.7% from 2.2% and services inflation remained at 3.4%, indicating underlying inflationary pressures continue across the economy.

UK trade deficit widened in June 2026

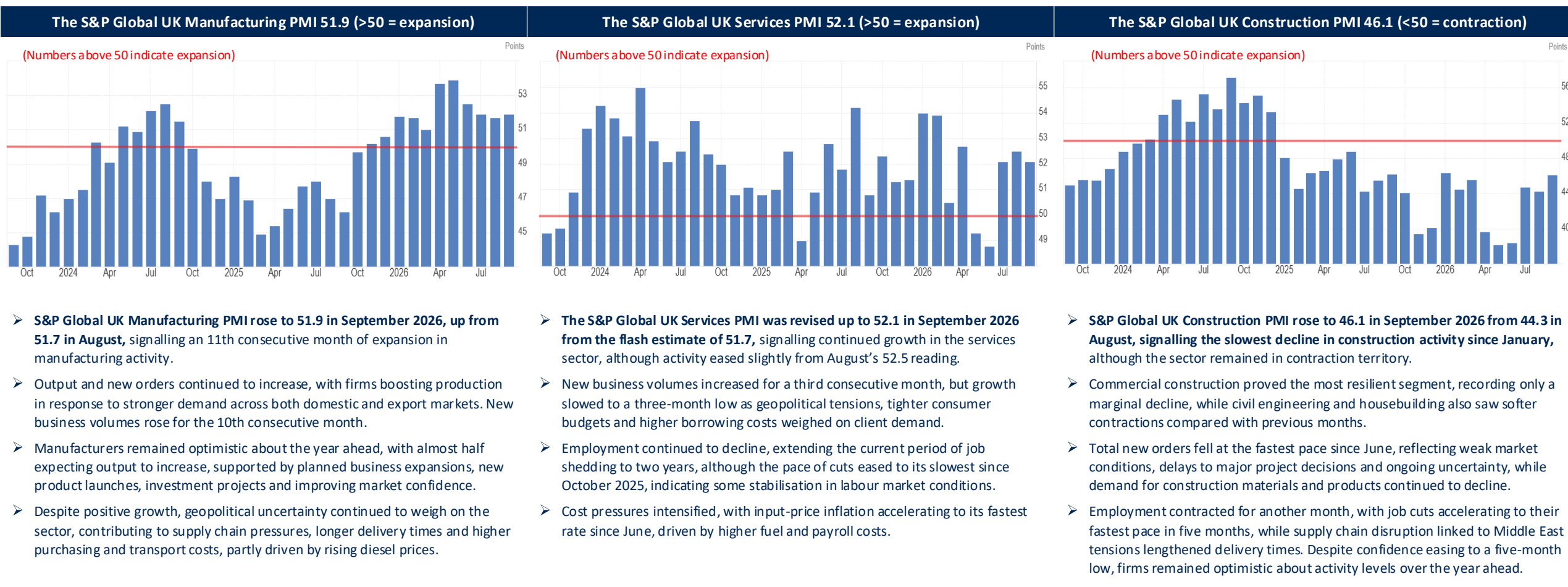


- **UK trade deficit narrowed to £0.92bn in August 2026, down from a revised £2.32bn in July and marking the smallest trade gap since January, when the trade balance recorded a surplus.**
- Exports edged up 0.1% to £82.3bn, supported by a 0.4% increase in services exports. While goods exports fell marginally by 0.1%, shipments to non-EU countries rose 0.9%, driven largely by higher chemical exports.
- The improvement in the trade balance was driven by weaker import demand and resilient export performance, particularly in services and non-EU markets, helping to reduce the UK’s trade deficit to its lowest level since January 2026.
- Imports fell 1.5% to £83.3bn, reaching a seven-month low. Goods imports declined 2.4%, with imports from non-EU countries down 6.3%, an imports from EU countries increased 1.6%.

2. SECTOR INSIGHT, PURCHASING MANAGER INDICES, AND CONSUMER CONFIDENCE

- ❑ **The S&P Global UK Composite PMI was 52.0 in September 2026, down slightly from 52.5 in August** and marking a three-month low, as growth in both services and manufacturing softened. New business growth slowed and backlogs continued to decline, while higher energy, fuel and transport costs pushed up inflation. Despite a further slight fall in employment, business confidence remained positive, although optimism eased a little from August's level.
- ❑ **Lloyds Business Barometer fell 12 points to 41% in September 2026, the lowest level since April 2025**, reflecting weaker economic optimism amid heightened global uncertainty and rising energy costs. Economic optimism declined to 31%, while firms' trading outlook eased to 50%, although 57% of businesses still expect output to increase over the next year. Despite the drop in confidence, overall sentiment remains above the long-term average of 30%.
- **CBI's headline retail sales balance fell further to -55 in September 2026, down from -48 in August** and marking the weakest reading in five months, as poor consumer sentiment continues to weigh on spending in the latter part of 2026

- ❑ **Company insolvencies remained elevated in September 2026**, although year-to-date insolvency levels were slightly lower than the same period in 2025, suggesting some overall stabilisation despite ongoing financial pressures.
- ❑ **GfK UK Consumer Confidence Index improved slightly to a score of -13 in September 2026 from -14 in August**, marking its highest level since August 2024 and extending the gradual improvement in consumer sentiment.
- ❑ **UK retail sales volumes rebounded by 0.5% month-on-month in August 2026**, recovering from a 0.5% decline in July, while annual sales growth strengthened to 2.4%, supported by a recovery in both non-store retailing and department store sales.
- ❑ **Net consumer credit borrowing increased to £2.5bn in August 2026**, up from £2.1bn in July and well above forecasts of £1.9bn, marking the highest level on record and reflecting stronger borrowing through both credit cards and personal loans.

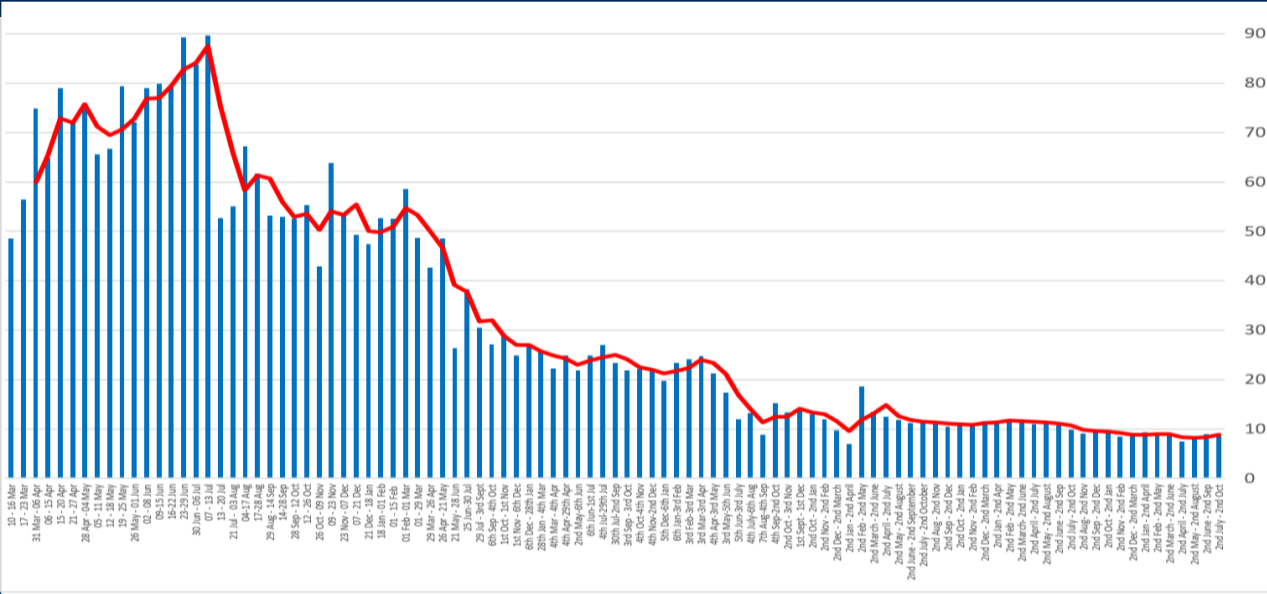


3. ORGANISATION GROWTH SURVEY RESULTS

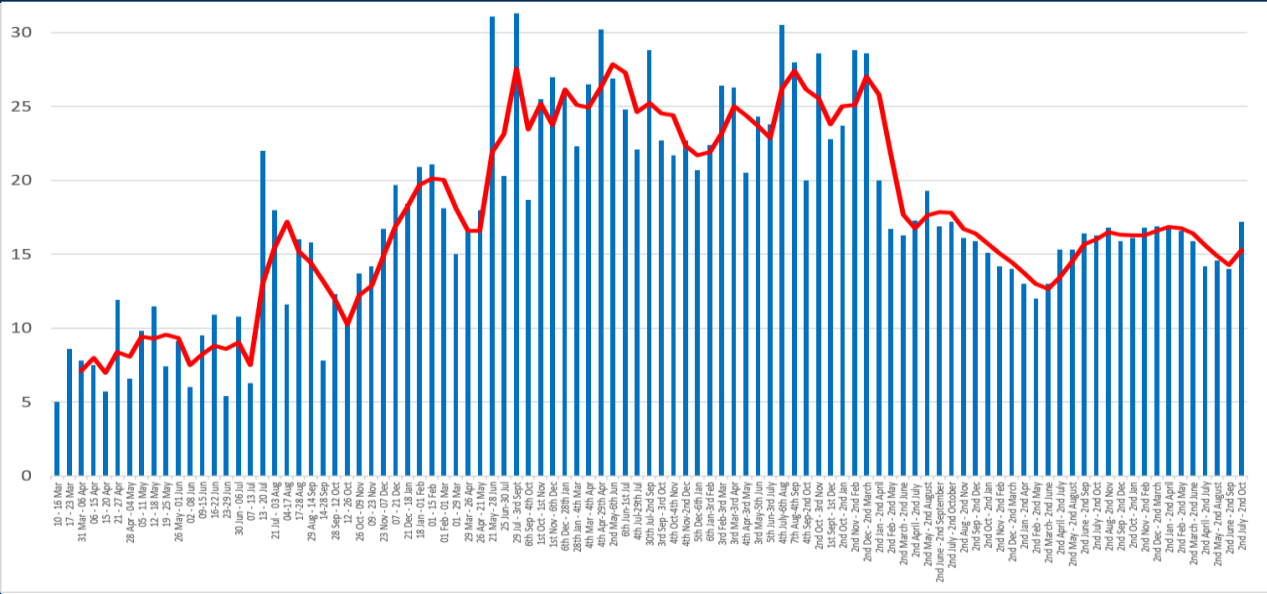
GROWTH, CONFIDENCE AND INVESTMENT	MAIN ECONOMIC IMPACTS AND FINANCIAL RESILIENCE	BUSINESS CHALLENGES AND FUTURE SUPPORT NEEDS
The GC Business Confidence Index (GC-BCI) is a ranking (1 = low to 10 = high) of how confident businesses are on their growth prospects for the year ahead. ➤ GC Business Confidence Index (GC-BCI) for September 2026 stood at 7.4 out of 10 (7.5 previously). Current confidence levels are above average for Manufacturing and Engineering, Construction, Education, Hospitality, Retail, Tourism and Healthcare, and lower than the Greater Manchester average in Business, Financial, Professional Services (BFPS), Digital Technologies (DCTs), and Utilities / Low Carbon Environmental Goods & Services (LCEGS). ➤ Current sales & future profits. 17% (vs 14%) of firms reported an increase in sales, and 9% (unchanged) reported decreased sales in the last 12 weeks reflecting the stronger economic climate and recent UK GDP figures. 65% (unchanged) expect profits to increase in the year ahead. 2% (unchanged) expect profits to decrease. The sectors most optimistic about profitability are Retail, Tourism, DCTs, Education, Healthcare, and Other services. ➤ Investment. 41% (vs 39%) of firms expect to increase capital expenditure in the year ahead. Sectors most optimistic about increasing investment are Utilities / LCEGs, Engineering, Retail, Hospitality, and Other Services; and lowest in BFPS, DCTs, Education, Construction, and Healthcare. ➤ Workforce development. 25% (vs 26%) of firms plan to increase investment. Sectors more likely to report a potential increase in investment in workforce development are Manufacturing, Construction, Retail, and Hospitality; and less likely than the GM average in Utilities/LCEGs, Education, DCTs.	➤ Main economic impacts. 24% (vs 27%) reported rising costs, followed by cashflow issues 16% (vs 18%), minor supply chain challenges 7% (unchanged), and staff shortages due to recruitment difficulties 7% (vs 9%). ➤ Cash reserves. 50% of firms (vs 52%) report having cash reserves to last over 6 months. Reserves were highest in Utilities/LCEGs, Healthcare, Manufacturing and Engineering, BFPS; and lowest in Retail, Hospitality, Education. ➤ Cashflow. 16% (vs 18%) of firms reported cashflow problems. Micro-sized firms (<49 employees) were more likely to face this challenge than larger SMEs (50–249+ FTEs). Higher cashflow risk was reported in Engineering (excluding Manufacturing), Retail and Wholesale, Education, and Other Services. ➤ Analysis of insolvency risk for September shows an increase in the total number of firms (10+ FTEs) reporting heightened levels of risk compared to last month: ○ 769 (up from 720 last month) firms have 1 flag - some risk; ○ 78 (up from 75) have 2 red flags - medium insolvency risk; and ○ 50 (up from 41) have 3 red flags - insolvency imminent. ➤ Change in risk: The proportion of firms in Greater Manchester with a red flag rating increased by 0.3% points in August (m-o-m) for GM, while for UK increased by 0.7%. Over the past 12 months, GM has seen a 1.9% increase in firms with a Red Flag rating, while the UK has recorded a 1.7% increase.	➤ Main current challenges for businesses. 52% (unchanged) of firms cited accessing new domestic sales - particularly acute in Utilities/LCEGs, DCTs Manufacturing & Engineering, Construction, Healthcare, Education, and BFPS. ➤ Other key current challenges. These include developing new products or services 32% (vs 33%), business model change 31% (vs 33%), managing overall finances 29% (unchanged), and workforce development / skills 22% (vs 24%). ➤ International trade. 27% of firms (vs 25%) export goods/services, with 19% (unchanged) expanding into new markets, a trend particularly notable in the Utilities/LCEGs, Life Sciences, Manufacturing and Engineering, and DCTs sectors. 10% (vs 12%) of firms engaged in overseas trade are looking to expand in their current markets – remaining relatively stable throughout 2026. ➤ Future support. The main areas where firms seek future support are business planning 38% (vs 42%), sales & marketing 38% (vs 39%), innovation 37% (vs 35%), training 27% (vs 31%), and financial advice 33% (unchanged). ○ 10% (vs 11%) require assistance with managing their environmental impact. This figure has remained stable over the last 12 months. ○ Micro-size firms (0–9 FTEs) are more likely to seek support in business planning, sales & marketing, and financial advice. ○ Larger firms with 50 or more employees are more likely to request support in workforce development, recruitment, environmental impact management, digital transformation, and innovation.
RECRUITMENT, EMPLOYMENT AND SKILLS	RESEARCH, DEVELOPMENT AND INNOVATION	SOCIAL VALUE AND GOOD EMPLOYMENT PRACTICES
➤ Recruitment: 25% (vs 29%) 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 Construction, Tourism, BFPS, and Other Manufacturing. Sectors least likely to be recruiting are Retail, DCTs, Engineering (exc. Other Manufacturing), Education, and Healthcare. ➤ Workforce skill gaps. 37% (unchanged) report that their existing workforce skills are fully aligned with their business plan objectives. 46% (vs 48%) indicate that skills are only partially at the required level, 4% (unchanged) stated that workforce skills are not at the right level, and 13% stated ‘don’t know’. ➤ Smaller SMEs were more likely to report gaps in sales & marketing skills, whereas firms with 50+ employees were more likely to report gaps in motivating staff, management & leadership, and general customer handling. ➤ Technical gaps: Specialist technical skills & knowledge 30% (vs 31%), Advanced IT 16% (unchanged), knowledge of specific products / services 14% (vs 15%). ➤ Practical & personal gaps: Sales 26% (vs 25%), motivating staff 15% (vs 16%), and customer handling 12% (vs 15%).	➤ Innovation activities. 32% (vs 35%) have invested in new or significantly improved services, 33% (unchanged) in R&D, 21% (vs 23%) in new business practices, 20% (vs 19%) introduced new or significantly improved goods, and 14% (unchanged) have invested in improved production methods. ➤ Digital innovation. 14% (vs 13%) have invested in the acquisition of digital products, and 7% (vs 9%) made investments in the acquisition of new machinery - in particular, within the Manufacturing & Engineering sectors. ➤ Future Innovation. 35% (vs 32%) of firms are looking to increase investment and R&D, and highest in Utilities/LCEGs, Engineering, Education, Life Sciences, and DCTs. 25% (vs 26%) of respondents said they were likely to invest in workforce development to support their future innovation plans. ➤ Digital Transformation. 17% (unchanged) of firms are looking to invest in digital transformation, highest in Retail, Utilities/LCEGs, Engineering, Education. ➤ AI Adoption: 64% (vs 59%) have adopted AI into business (the highest reported since the question was introduced). Firms were most likely to have implemented AI in data processing & analytics, and the automation of tasks.	Organisations were asked if they had/or intended to have the following: ➤ Guaranteed at least 16 hours of work per week: 53% (vs 54%) said this currently applies, and 28% (vs 27%) said they are likely to consider in future. ➤ Paying employees the Real Living Wage: 51% of firms (unchanged) paid the RLW, while 33% (vs 29%) indicated they are likely to implement it in future. ➤ Investing in leadership: 48% (vs 46%) said that they are investing in leadership, while 41% (vs 36%) indicated they are likely to do so in future. ➤ Offering flexible working options to employees: 46% (vs 47%) said this currently applies, and 35% (vs 31%) said likely to implement in the future. ➤ Promoting healthy work practices: 44% (vs 43%) said this currently applies, while 38% (vs 33%) indicated they are likely to do so in future. ➤ Looking to increase the diversity of the workforce: 39% (vs 36%) of firms said this currently applies, 43% (vs 39%) said likely to include this in the future. ➤ Involving employees in the overall direction of the business: 34% (unchanged) said this currently applies. 43% (vs 36%) said likely to do so in future.

3. TIME SERIES OF THE MAIN IMPACTS OF THE ECONOMY ON BUSINESS

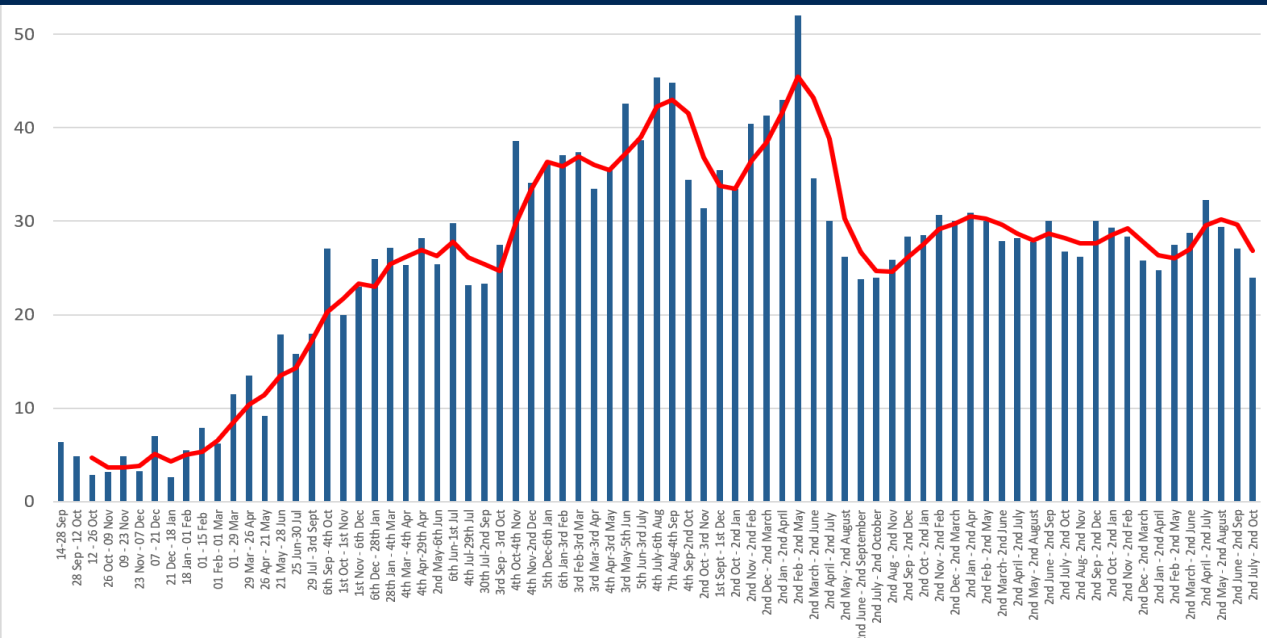
Percentage reporting decreased sales (Red line = moving average)



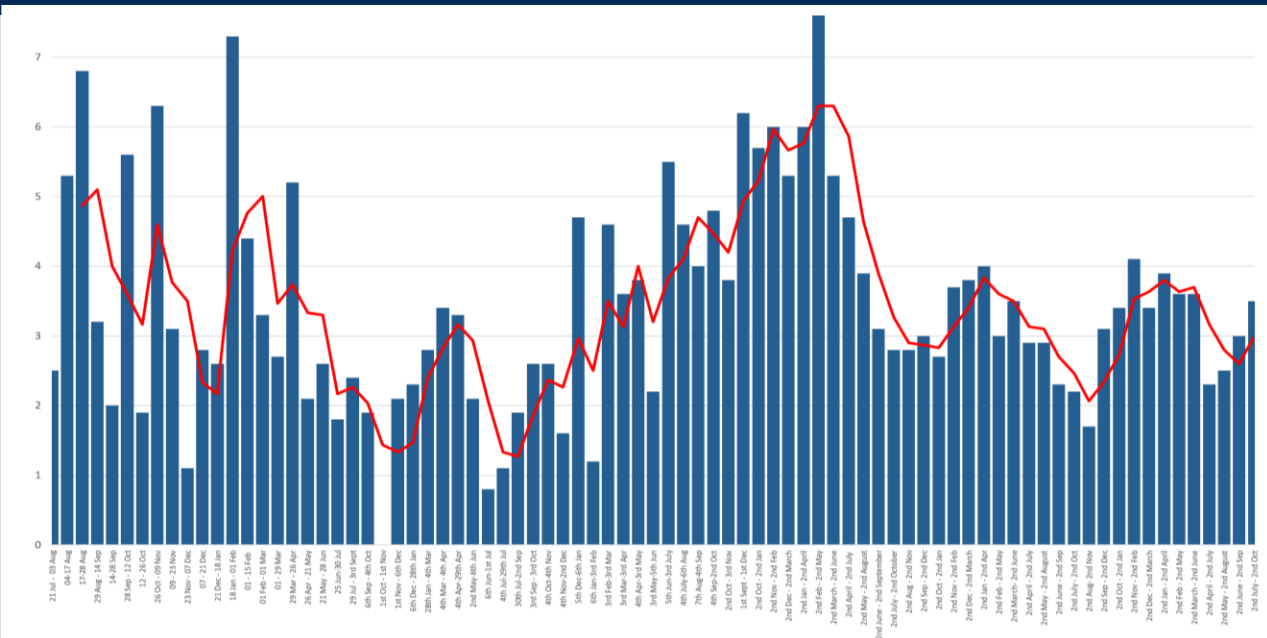
Percentage reporting increased sales



Percentage reporting rising costs

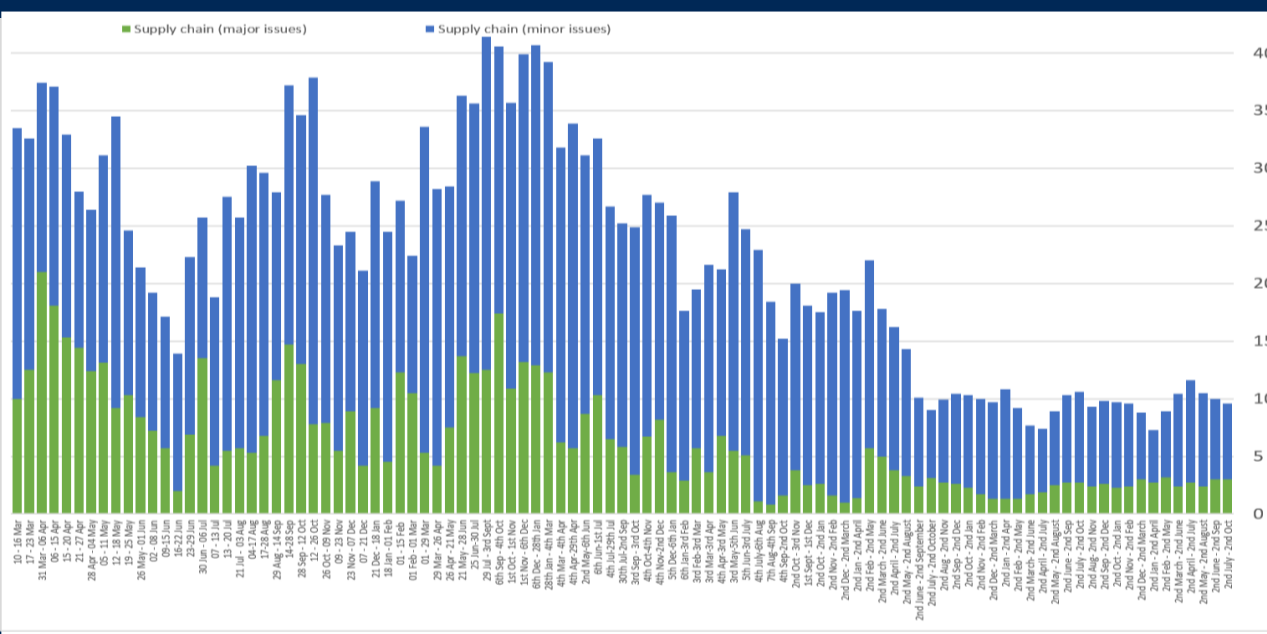


Percentage reporting late payments

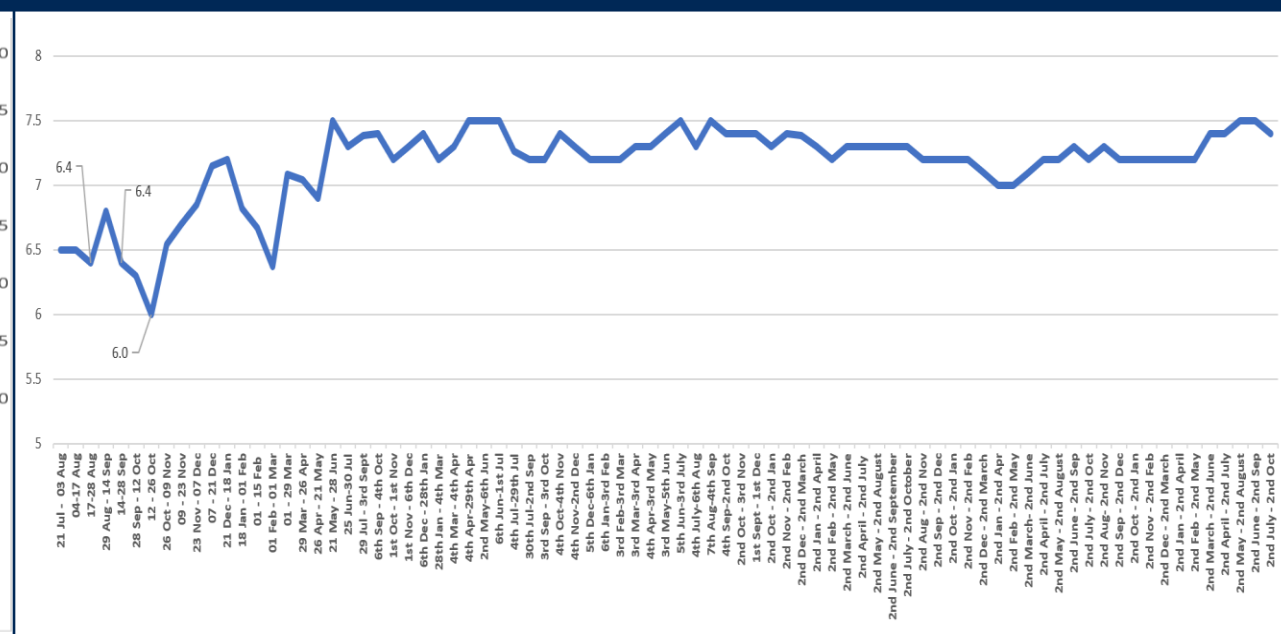


3. TIME SERIES OF THE MAIN IMPACTS OF THE ECONOMY ON BUSINESS

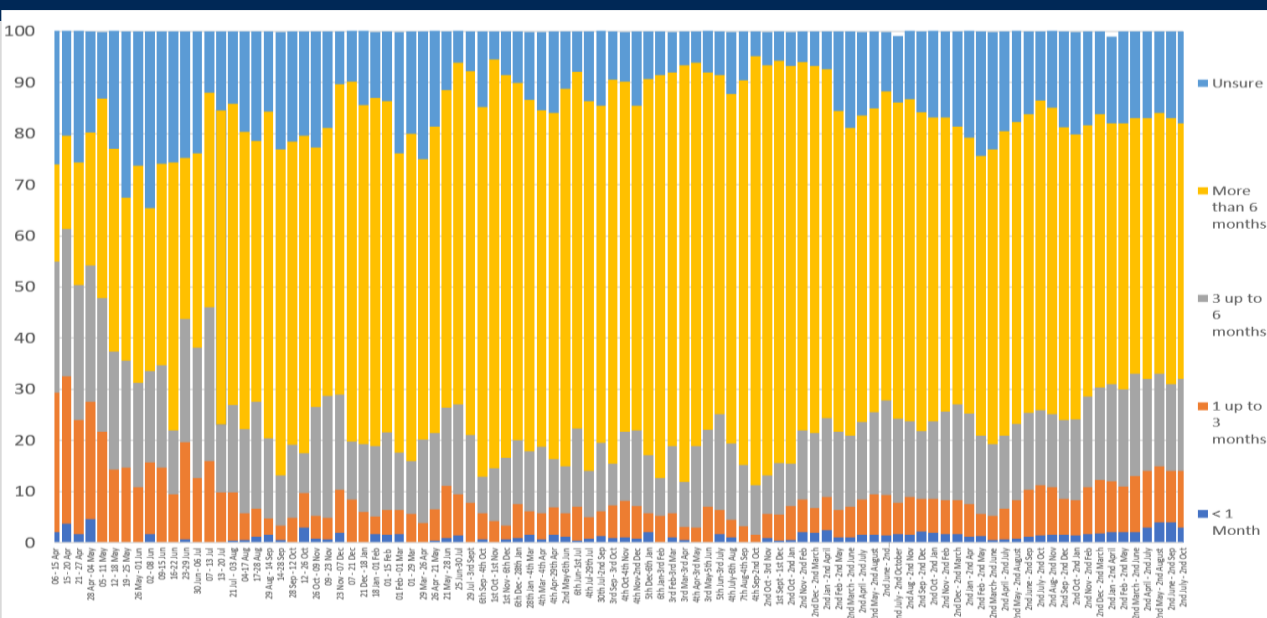
Percentage reporting minor supply chain issues (blue), major issues (green)



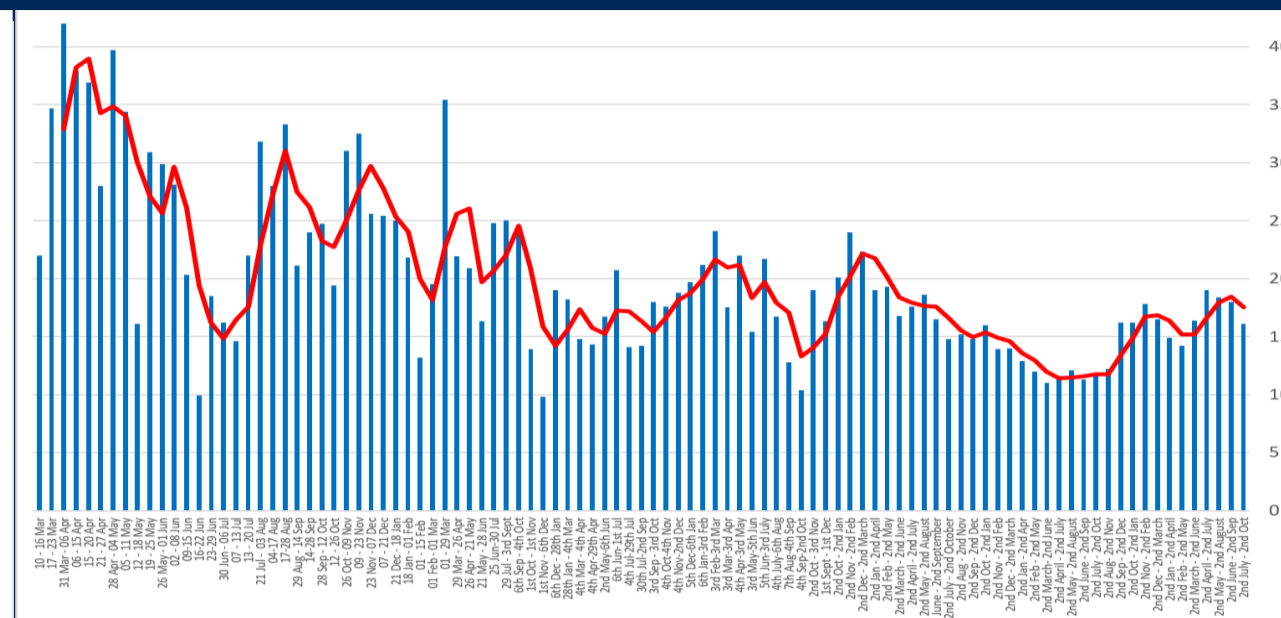
Aggregate confidence index – 1 low confidence to 10 high confidence



Percentage stating cash reserves can sustain certain periods of time

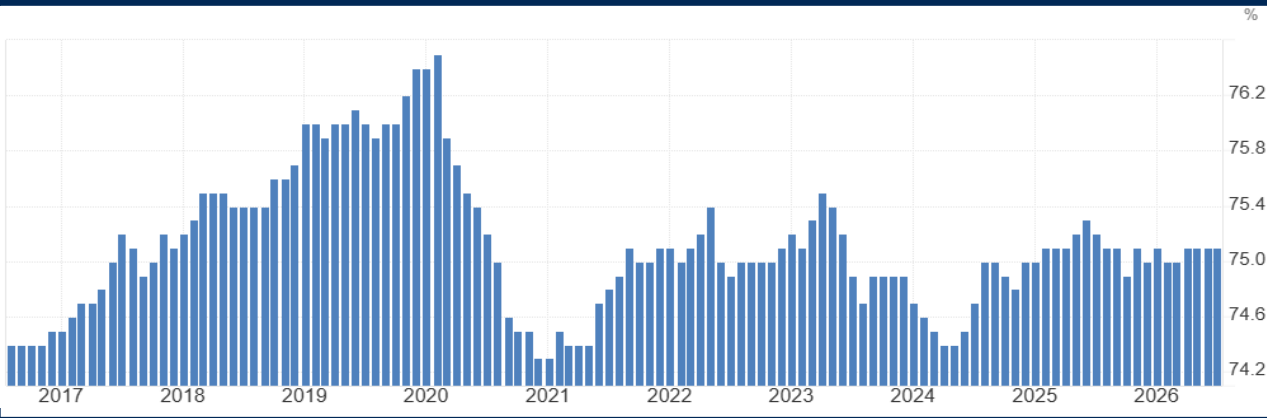


Percentage reporting cashflow problems



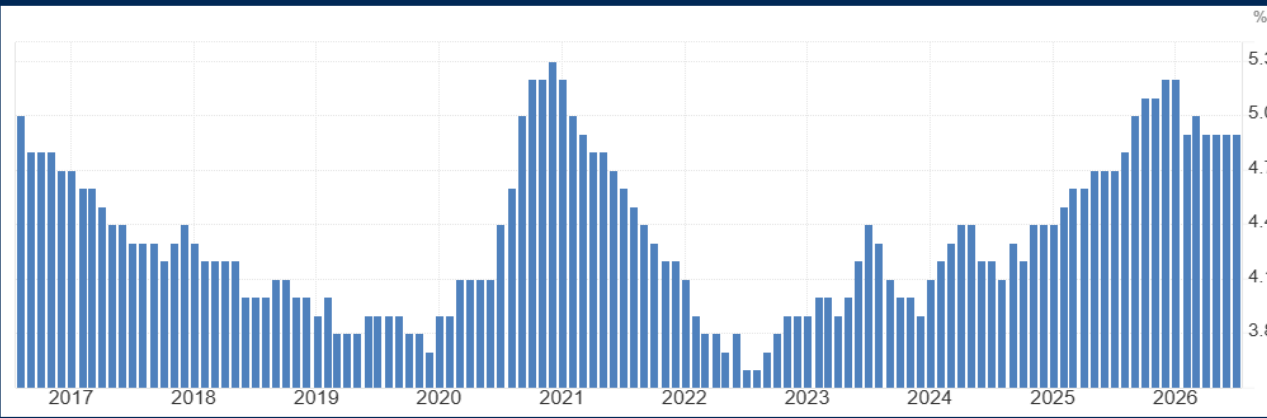
4. LABOUR MAKRET HEADLINES – ONS QUARTERLY LABOUR FORCE SURVEY

United Kingdom - Employment Rate unchanged at 75.1%



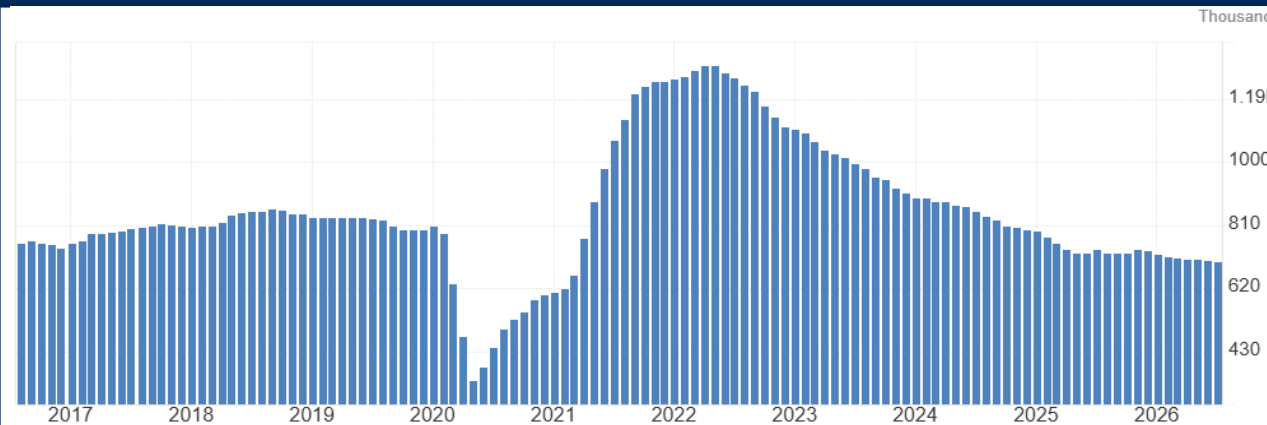
- **UK Employment Rate** was unchanged at **75.1% in July**. Employment Rate in the United Kingdom averaged 71.7% from 1971 until 2026, reaching an all time high of 76.5% in February of 2020 and a record low of 65.6% in April of 1983.
- The number of employed persons in the UK increased to 34.47m in July of 2026 up from 34.46m in June.
- The number of full time employed people in UK increased to 25.77m in July from 25.74m in June.

United Kingdom – Overall Unemployment Rate unchanged at 4.9%



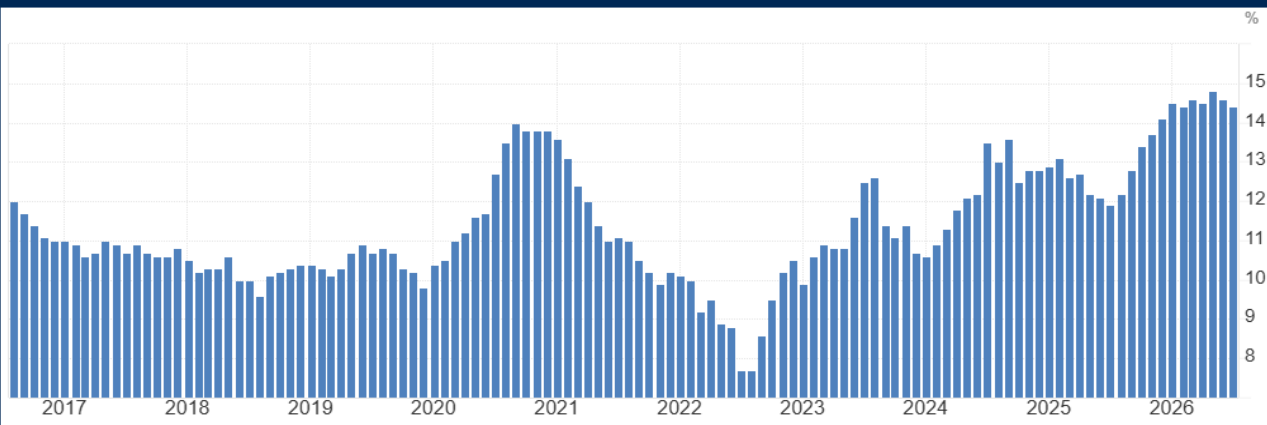
- **The UK unemployment rate remained unchanged at 4.9% in the four months to July 2026**, despite expectations that it would rise to 5.0%. The total number of unemployed people rose by 11,000 and by 83k y-o-y to 1.78 million, mainly due to a rise in those unemployed for up to six months.
- Compared with the same period a year earlier, total employment increased by 243k, with both full-time and part-time employment increasing. In the latest quarter, total employment rose by 66k to 34.478 million, as full-time employment increased by 109k while part-time employment fell by 42k.
- The number of people holding second jobs increased to 1.283 million, accounting for 3.7% of all employed individuals, while the inactivity rate fell by 0.1 percentage point to 20.9%.

United Kingdom – Job Vacancies decreased to 702,000



- **Job vacancies in the United Kingdom decreased to 702k in August from 706k in July 2026** and averaged 697k from 2001 to 2026, reaching an all time high of 1294k in May of 2022 and a record low of 343k in May of 2020.

United Kingdom - Youth Unemployment Rate decreased to 14.6% (but remains elevated)



- **The Youth Unemployment Rate in the United Kingdom decreased to 14.4% in July from 14.6% in June of 2026**, and averaged 13.2% from 1992 until 2026, reaching an all time high of 20.3% in November of 2011 and a record low of 7.7% in July of 2022.

5. HOSPITALITY, LEISURE, TOURISM - IMPACTS AND SUPPORT

VisitBritain - Domestic Consumer Sentiment Tracker Fieldwork 1st to 9th September 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 for September are:

- Perception of the ‘worst still to come’ regarding cost-of-living crisis is at 49%, up 2%pts on August 2026.
- Proportion intending to take a UK overnight trip in the next 12 months is 78%, up 3%pts on last month.
- Proportion intending to take an overseas trip in the next 12 months is 61%, up 2%pts on last month.
- The main barriers, in September, to taking an overnight stay in the UK within the next six months are:
 - UK weather (1st; consistent with August).
 - Rising cost of living (2nd; consistent with August).
 - Rising costs of holidays/leisure & personal finances (joint 3rd).
- Top 3 areas for overnight stays October to December 2026: London (1st), Scotland and North West (joint 2nd).
- Top 3 areas for overnight stays January to March 2027 London (1st), North West (2nd) and South West (3rd).
- Top 3 destinations October to December 2026 are city or large town (1st), countryside or village (2nd) and traditional coastal/seaside town (3rd).
- Top 3 destinations January to March 2027 are city/large town (1st), countryside or village (2nd), traditional coastal/seaside town (3rd).
- Hotels remain the top accommodation choice for breaks in October to December 2026, and January to March 2027, consistent with last month.

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

Hotel Performance Monitor (Source MM)

- The occupancy rate for Greater Manchester in August (77%) was slightly below 2025 levels (78%), whilst in Manchester City Centre it was 73%, also below 2025 levels for the same period last year (76%).
- The average daily rate for Greater Manchester (£80) was slightly below August 2025 (£81), whilst in Manchester City Centre it was £85, also below 2025 levels (£87).
- The revenue per available room for Greater Manchester (£61) was below August 2025 levels (£63), whilst in Manchester City Centre it was £62, also below 2025 levels (£66).

Greater Manchester				Manchester City Centre		
	Room occupancy	Average rate	Revenue per room	Room occupancy	Average rate	Revenue per room
2026	77%	£80	£61	73%	£85	£62
2025	78%	£81	£63	76%	£87	£66

Marketing Manchester Campaigns Impact

Reach across all channels



181.9 million

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

INDUSTRIAL AND WAREHOUSING

↑ 213M
Inventory Sq ft

↑ 1.6M
Under Constr Sq ft

↓ (1.4M)
12 Mo Net Absorp Sq ft

↑ 6.1%
Vacancy Rate

↑ £8.71
Market Asking Rent/Sq ft

↑ £88
Market Sale Price/Sq ft

↑ 7.7%
Market Yield

- **Market scale and location.** Manchester is the largest industrial market in the North, with 214 million sq.ft. of space, with strong motorway connectivity (M60, M62, M6, M56), proximity to Manchester Airport and the Port of Liverpool, with major industrial activity in Trafford Park, South Manchester and along the M62 corridor (Bolton, Rochdale).
- **Vacancy and absorption trends.** Industrial vacancy has risen from a historic low of 1.6% in 2022 to 6.1%, reflecting increased supply and more balanced market conditions. However, vacancy remains below the market's long-term peak of 9%+ in 2012 and above with the national average of 5.7%.
- **Leasing activity.** Occupier demand has remained steady across the market, supported by major transactions including Online Home Shop's 333,565 sq.ft. letting at Trafford Park and several c.100,000 sq.ft. deals across the M62 corridor.
- **Mid-box and last-mile demand.** Occupier demand for modern units continues to support lettings at developments such as Cabot 87, Lowry Park and Cobalt Foxdenton Lane, with transactions completed by J&T Express, CAF Rail and 20 Four Seven Fashion. Over the past year, Rochdale and Trafford have been at the forefront due to their long-term dominance in the industrial and warehousing category.
- **Development pipeline.** Construction activity is running above historic levels, with 1.6 million sq.ft. currently under construction compared with a long-term average of 1.4 million sq.ft. Significant schemes are progressing across Bury, Oldham, Stockport and Manchester.
- **Rental performance.** Annual rental growth stands at 4.0%, slower than the 8.6% peak recorded in 2023 but still indicative of healthy occupier demand. Average rents have reached £8.70 per sq.ft., with Trafford, Stockport and Manchester Airport commanding the highest values.
- **Sub-market dynamics.** While southern submarkets achieve the strongest rents, locations including Rochdale and Oldham continue to attract occupiers seeking more affordable industrial space while maintaining strong access to regional and national transport networks.

OFFICE

↑ 67M
Inventory Sq ft

↑ 877K
Under Constr Sq ft

↑ 787K
12 Mo Net Absorp Sq ft

↓ 10.4%
Vacancy Rate

↑ £22.80
Market Asking Rent/Sq ft

↑ £210
Market Sale Price/Sq ft

↓ 9.6%
Market Yield

- **Office Market.** Manchester remains the UK's strongest regional office market, supported by a diverse economy, strong graduate retention, and growing tech, creative and knowledge-intensive sectors.
- **Vacancy & market momentum.** Office vacancy has fallen from 11.6% in 2025 to 10.4% as positive net absorption, limited new supply and stronger occupier demand support a gradual recovery.
- **Demand is increasingly diversified,** with life sciences, innovation-led organisations and public-sector occupiers joining professional and financial services as major drivers of take-up. The Oxford Road Corridor continues to strengthen as a life sciences hub, demonstrated by major commitments from UK Biobank (131,000 sq.ft. at Greenheys) and Convatec (47,500 sq.ft. at CityLabs 4.0).
- **Occupiers remain focused on high-quality, sustainable workspace,** with strong demand for best-in-class offices reflected in recent lettings and record headline rents of £48 per sq.ft. Flexible and fitted office space is gaining popularity, as businesses seek plug-and-play solutions that reduce fit-out costs and allow quicker occupation.
- **Demand** is spreading beyond the city centre, with significant lettings in Salford Quays and South Manchester business parks highlighting the appeal of well-connected locations offering greater value for money.
- **Development pipeline.** Manchester retains one of the strongest office pipelines among UK regional cities. Key schemes under construction include the Rylands Building redevelopment, Landsec's Republic project at Mayfield and Kadans' Plus Ultra Manchester, alongside longer-term proposals such as the Manchester Digital Campus in Ancoats.
- **Rental performance.** Prime rents have strengthened to approximately £48 per sq.ft., supported by sustained demand for Grade A office space and a tightening vacancy rate. Average rents now stand at £23 per sq.ft, representing annual growth of 2.2%.

7. GOVERNMENT MEASURES. OTHER DATA AND ANNOUNCEMENTS

THEME	Web	ANNOUNCEMENT / ISSUE - HOLD CTRL AND CLICK ON EACH <LINK> TO ACCESS THE FULL ITEM
10th UK-U.S. SME Dialogue – Cardiff	<Link>	On 9 September 2026, the 10th UK-U.S. SME Dialogue was held in Cardiff, Wales with over 80 UK and U.S. small and medium-sized businesses and business organisations participating. During the Dialogue, attendees discussed the opportunities and obstacles to SME trade, SMEs and the future of manufacturing, strengthening SME innovation in the digital and AI sectors, and UK-U.S. SME supply chains and investment.
UK and Singapore Negotiations for New Agreement on Pharmaceutical Goods Manufacturing	<Link>	The UK and Singapore launched negotiations for a new Mutual Recognition Agreement (MRA) on pharmaceutical good manufacturing practice (GMP). The MRA will build on the UK’s existing suite of agreements with Singapore, including the UK-Singapore Free Trade Agreement and Digital Economy Agreement. MRAs aim to make trade quicker and easier by removing duplicative testing or inspection requirements for specific products. A UK-Singapore MRA would enable regulators to mutually rely on lab inspection results, reducing the administrative barriers for industry.
UK and Philippines Agree Government Infrastructure Partnership	<Link>	The UK and the Philippines have finalised a government-to-government (G2G) Partnership to strengthen bilateral trade cooperation on infrastructure. This Partnership is designed to widen opportunities for the Philippines to draw on competitive UK-backed finance - UK Export Finance currently has up to £5 billion of capacity available for eligible projects in the Philippines - and utilise the best of British expertise, goods and services, driving growth for both countries. It will help connect the Philippines with UK expertise in sectors including transport, clean energy, healthcare, water, digital infrastructure and advanced technology, supporting growth and innovation in both economies. It also puts the UK Government’s recently published Government-to-Government Strategy into action by creating a route for cooperation on project development, financing and delivery.
New Lithium Mine in Cornwall	<Link>	Geothermal Engineering Limited (GEL) will invest around £43 million in a new cutting-edge lithium extraction facility in Cornwall. The investment will create nearly 50 direct jobs and support around 80 more across the supply chain, after receiving an Offer in Principle worth nearly £10 million through the Government’s DRIVE35 Automotive Transformation Fund. This builds on Tees Valley Lithium’s £185 million investment to establish one of Europe’s largest lithium refineries in Teesside. With commercial production set to begin on GEL’s Cornwall project in 2029, the facility is expected to produce around 1,500 tonnes of technical-grade lithium carbonate from geothermal brine underground each year – enough to power more than 180,000 typical EV car batteries. The facility has the potential to scale to producing tens of thousands of tonnes in the future.
British Filmmakers Handed Boost by New Film Agreement with Canada	<Link>	British filmmakers are set to benefit from a new agreement between the UK and Canadian governments that will boost cooperation in the film and TV industries. Collaboration between the screen sectors in both countries will be boosted by this modernised treaty, which allows companies to co-produce films and TV shows while being able to enjoy the same treatment as solely British or Canadian films. British and Canadian companies will benefit from greater access to domestic funding and tax incentives, more flexibility, clearer rules on sharing copyright and revenue and stronger guarantees around distribution and broadcast when collaborating on a production.
Thousands of Young Disabled People to be Offered Guaranteed Jobs	<Link>	Young people set to benefit from fully funded jobs (Jobs Guarantee) as the government continues to tackle UK’s persistently high disability employment gap. Under the scheme, eligible young people on health benefits will be offered a guaranteed job on a voluntary basis from week 13 after their Work Capability Assessment. They will receive mentoring and tailored support with their mental health, finances and housing to prepare them for work, while employers will be supported with onboarding costs. The government will also cover 100% of wage costs up to 25 hours a week for six months.
More Overseas Firms Enticed to Buy British	<Link>	British businesses will have more opportunities to increase their exports overseas and bring jobs and growth to communities back home under new plans announced by the Chancellor. A new UK Export Finance (UKEF) pilot product - Flexible Finance – will see select buyers who operate in fast growing economies like Brazil, Morocco and Mexico where British exports could be greater, access loans on more flexible terms to incentivise buying British. Unlike UKEF’s existing guarantees, this product will give borrowers greater flexibility in how they use funding, while encouraging finance-seeking buyers to work with the UK by accessing UKEF support and choosing British suppliers. Alongside this, UKEF will engage with UK suppliers through matchmaking and procurement support

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

[illegible]

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	C	C	
BUSINESS FINANCIAL, PROF. SERVICES	27%	10%	10%	10%	9%	8%	8%	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%
CONSTRUCTION	12%	5%	6%	6%	6%	7%	8%	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
DIGITAL, CREATIVE, TECHNOLOGY	6%	22%	23%	23%	20%	20%	20%	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%
EDUCATION	2%	C	C	C	C	C	C	C	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
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	C	C	C
UTILITIES AND GREEN TECH	C	C	C	C	C	C	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%
HEALTH & SOCIAL CARE	C	C	6%	7%	8%	7%	7%	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
HOSPITALITY, TOURISM, & SPORT	7%	6%	6%	C	C	C	C	C	C	6%	C	7%	C	C	C	C	C	C	C	C	C	C	C	C	C	6%	7%	6%	7%	C	C	5%	
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	C	C	C
MANUFACTURING (excl. Engineering)	3%	21%	21%	20%	21%	22%	21%	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%
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	C	C	C
RETAIL & WHOLESALE	18%	C	C	C	6%	C	C	C	C	C	C	C	C	6%	6%	6%	6%	C	C	C	C	C	C	C	C	6%	7%	9%	9%	9%	9%	11%	
OTHER SERVICES (excl SIC unknown)	4%	9%	8%	6%	7%	8%	9%	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

[illegible]