GC SITUATION REPORT AND QUARTERLY BUSINESS SURVEY RESULTS

OCTOBER 2026

REPORT NUMBER 101: WITH QUARTERLY DATA FOR 2ND AUGUST 2026 TO 2ND NOVEMBER 2026

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1. ECONOMIC CONTEXT AND SURVEY HEADLINES

The 101st 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 **670** survey responses completed between **the 2nd of August 2026 and the 2nd of November 2026** by GC clients from the **Business Growth Hub and Invest in Manchester.** Comparisons have been made with last quarter's **685** responses from **July and September 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.

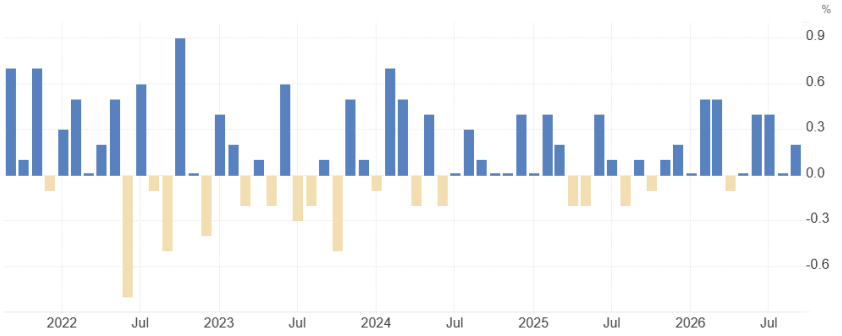
Economic context

- Middle East tensions remain a major source of global economic and inflation uncertainty, with elevated oil and gas prices continuing to feed into UK energy and transport costs. The Bank of England November Monetary Policy Report says global energy prices have risen further and now expects UK inflation to reach around 5% by mid-2027, although there is still limited evidence that the energy shock has materially spread into wider wages and prices.
- The UK economy has remained more resilient than expected, with GDP expanding by 0.7% in Q3 2026, its strongest quarterly growth since Q1 2024. Growth was driven overwhelmingly by services, which expanded 0.9%, with AI-related computer programming, consultancy and digital activity providing significant support.
- UK 2027 growth outlook has weakened, with the OBR cutting its GDP forecast to 1.0% from 1.6%, as higher energy costs weigh on households and investment
- Bank of England raised Bank Rate by 0.25 percentage points to 4.0% in November, responding to rising energy-driven inflation and stronger-than-expected economic activity.

Organisation Growth Survey headlines

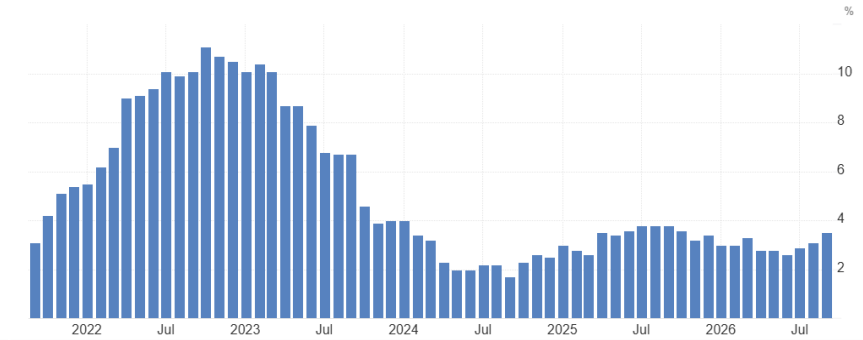
- Business confidence stands at 7.5, with stronger sentiment in Manufacturing, Construction, Education, Hospitality, Retail, Tourism and Healthcare. Firms reported increased in sales at 17%, while 63% (vs 65%) of firms expect profits to increase, indicating continued optimism despite mixed trading conditions.
- Cost pressures increased, with 27% of firms reporting rising costs, up from 24%, while 16% reported cashflow problems. Accessing new domestic sales remains the leading business challenge, cited by 51% of firms, highlighting continued pressure around generating demand and securing customers.
- Investment intentions remain resilient, although 38% of firms now plan to increase capital expenditure, down from 41%. Workforce development investment edged up to 26% from 25%.
- AI adoption remains high, with 57% of firms reporting adoption, compared with 64% previously, particularly for data processing, analytics and task automation. Skills gaps persist, potentially constraining firms' ability to maximise productivity and innovation gains.

UK GDP expanded in September 2026 by 0.2%



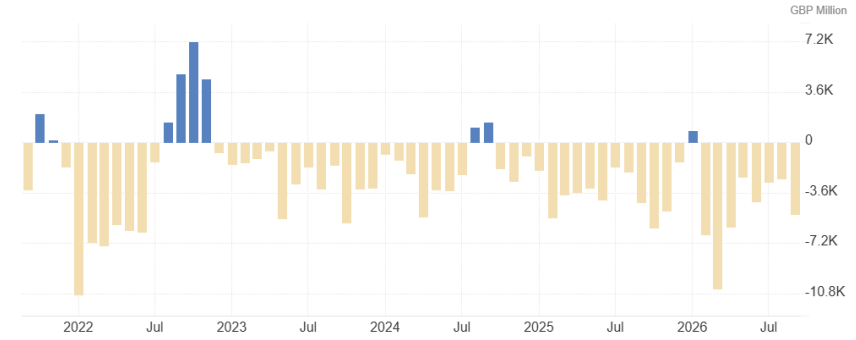
- **UK GDP grew by 0.2% in September 2026,** improving from a flat reading in August and beating forecasts for no growth. Growth was supported by increases across services, construction and production.
- Services output increased by 0.2%, driven by growth in real estate activities (+0.4%) and transportation and storage (+1.4%). Construction output rose by 0.8%, ending four consecutive monthly declines (positive given the older quarterly figures showing a Q-oQ decline), while production increased by 0.3%, supported by manufacturing (+0.7%) and mining and quarrying (+1.4%).
- Annual GDP growth accelerated to 2.1% in September 2026, exceeding forecasts of 1.9% and marking the strongest year-on-year growth since October 2022. This points to continued resilience in the UK economy alongside a modest improvement in monthly activity.

UK CPI inflation rose to 3.5% in September 2026



- **UK's annual inflation rate rose to 3.5% in September 2026,** up from 3.1% in August, marking the highest inflation reading since October 2025.
- Transport inflation increased to 6.6% from 4.6%, providing the largest upward contribution to inflation, driven by higher petrol and diesel prices. Motor fuel inflation rose sharply to 29.8% from 23.0%.
- Housing and household services inflation rose to 5.3% from 4.9%, while communication, recreation inflation also increased. Food inflation remained stable at 1.3%, while monthly CPI increased by 0.4%.
- Core CPI inflation increased to 2.8% from 2.6%, while goods inflation rose to 3.2% from 2.7% and services inflation increased to 3.7% from 3.4%, indicating broader underlying inflationary pressures across the economy.

UK trade deficit widened in September 2026



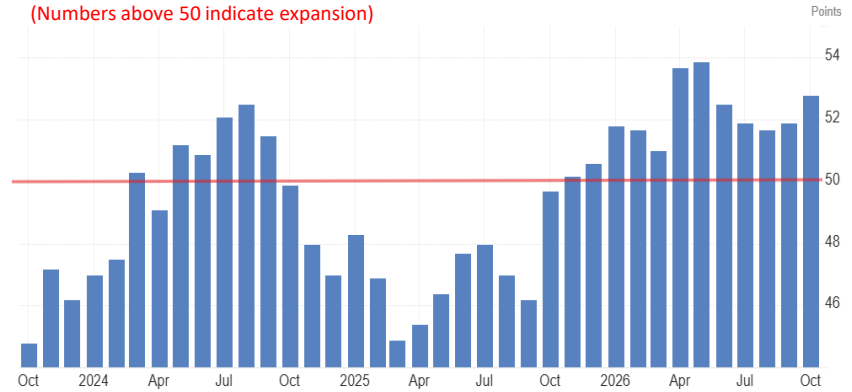
- **UK trade deficit widened to £5.13bn in September 2026, up from a revised £2.57bn in August and marking the largest trade gap since April.**
- Exports increased 2.7% to a record £83.38bn, with goods exports rising 5.2% and services exports increasing 0.8%. Shipments to both EU (+4.9%) and non-EU (+7.8%) countries increased, supported by machinery and transport equipment.
- The wider trade deficit reflected imports growing faster than exports, despite exports reaching a record high. Strong growth in goods imports, particularly from EU countries, pushed total imports to a record £88.52bn.
- Imports increased 5.7% to £88.52bn, with goods imports rising 8.2%. Imports from EU countries increased 9.5%, driven by machinery & transport equipment, while non-EU imports rose 4.5%, supported by higher chemical imports.

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

- **S&P Global UK Composite PMI rose to 52.9 in October 2026 from 52.0 in September,** slightly below the preliminary estimate of 53.1 but reaching its highest level since February. New business recorded its strongest growth in nine months, while private-sector employment increased marginally for the first time in 25 months. Input-cost inflation, however, accelerated to its fastest pace since June.
- **Lloyds Bank Business Barometer increased by six points to 47% in October 2026,** partially reversing September's decline and remaining above its long-term average of ~30%. Economic optimism rose nine percentage points to ~40%, while firms' trading outlook increased five points to 55%. However, cost pressures remained significant, with 55% of firms expecting to raise prices over the next 12 months.
- **CBI retail sales balance improved sharply to -10% in October 2026 from -55% in September,** marking the slowest annual decline in sales volumes since April 2025. Sales were broadly aligned with seasonal norms for the first time in more than two years, although cautious household spending and higher fuel costs continued to affect retailers.
- **GfK UK Consumer Confidence Index fell by 11 points to -24 in October 2026**, reversing September's improvement and recording its sharpest monthly decline since July 2016. Expectations for the wider economy dropped 14 points to -36, while the Major Purchase Index also declined 14 points to -22 amid persistent cost-of-living pressures, inflation and geopolitical uncertainty.
- **UK retail-sales volumes fell by 0.4% month-on-month in September 2026**, following an upwardly revised 0.7% increase in August and performing worse than the expected 0.1% decline. Sales remained 0.8% higher year-on-year, while quarterly volumes increased by 0.7%, with the monthly fall driven by weaker supermarket, clothing and online sales.
- **Net consumer-credit borrowing decreased to £1.9bn in September 2026**, down from an upwardly revised £2.7bn in August and below forecasts of £2.2bn. Credit-card borrowing fell to £0.7bn, while borrowing through personal loans, vehicle finance and other credit eased to £1.2bn, although annual consumer-credit growth edged up to 9.8%.

The S&P Global UK Manufacturing PMI 52.8 (>50 = expansion)

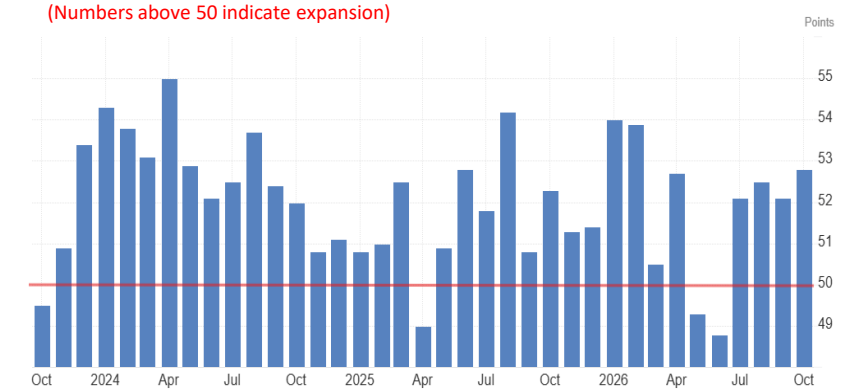
(Numbers above 50 indicate expansion)



- **S&P Global UK Manufacturing PMI rose to 52.8 in October 2026,** up from 51.9 in September, matching forecasts and reaching its highest level since May.
- Output expanded for a seventh consecutive month and at its fastest pace in just over two years, supported by stronger new business and improving market conditions. New orders grew at their fastest pace since early in the first quarter.
- Manufacturers' confidence rose to an eight-month high, supported by planned business expansions, investment in capital equipment and AI, new product launches, improving market prospects and stronger order pipelines.
- Despite stronger activity, employment was unchanged following six months of growth, while supply chain pressures persisted. Input cost inflation accelerated, vendor lead times lengthened significantly, and output prices rose at their fastest pace in three months.

The S&P Global UK Services PMI 52.8 (>50 = expansion)

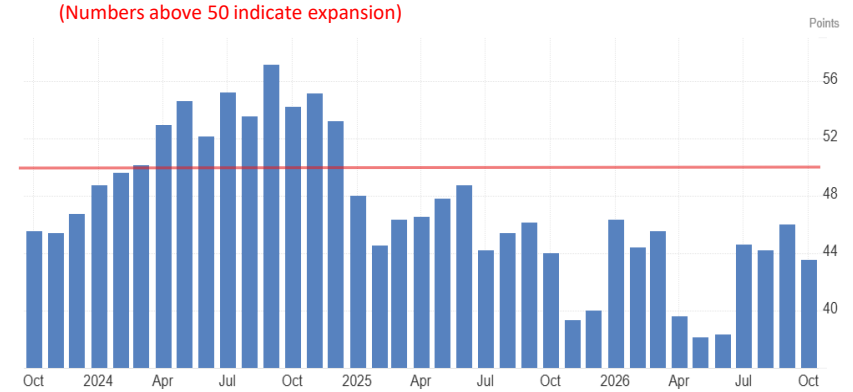
(Numbers above 50 indicate expansion)



- **S&P Global UK Services PMI rose to 52.8 in October 2026, up from 52.1 in September,** signalling the fastest expansion in services activity since February 2026, although below the preliminary estimate of 53.1.
- New business increased at its fastest pace since January, supported by improving customer demand, stronger order books, AI-related investment spending and more supportive economic conditions, despite continued pressure from squeezed household budgets and geopolitical uncertainty.
- Employment returned to growth for the first time in two years, marking a notable improvement in labour market conditions, while backlogs of work declined. Business confidence strengthened to its highest level since February.
- Cost pressures intensified, with input-price inflation reaching a five-month high, while output-price inflation eased slightly as strong competition continued to constrain firms' pricing power.

The S&P Global UK Construction PMI 43.6 (<50 = contraction)

(Numbers above 50 indicate expansion)



- **S&P Global UK Construction PMI fell to 43.6 in October 2026 from 46.1 in September,** missing expectations and this month's figures signal the sharpest contraction in construction activity since June.
- Residential construction was the weakest-performing segment, falling to 35.1, its lowest since December 2025, amid weak consumer confidence and rising borrowing costs. Civil engineering (45.9) and commercial construction (46.3) proved relatively more resilient.
- Total new orders fell at their fastest pace since June, reflecting subdued market conditions and fragile client demand. Purchasing activity also declined sharply, while supplier delivery times lengthened amid low stocks and transport delays.
- Cost pressures intensified, with input-price inflation reaching a four-month high, driven by fuel surcharges and higher energy costs. Business confidence weakened to its lowest level since May, with firms cautious about the outlook.

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 October 2026 stood at 7.5 out of 10 (7.4 previously). Current confidence levels are above average for Manufacturing, 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% (unchanged) of firms reported an increase in sales, and 9% (unchanged) reported decreased sales in the last 12 weeks. 63% (vs 65%) expect profits to increase in the year ahead, 2% (unchanged) expect profits to decrease. The sectors most optimistic about profitability are Utilities/LCEGs, Engineering, Life Sciences, Construction, Retail, DCTs, and BFPS.
- **Investment.** 38% (vs 41%) of firms expect to increase capital expenditure in the year ahead. Sectors most optimistic about increasing investment are Utilities/ LCEGs, Engineering, Retail, Hospitality, Healthcare and Other Services; and lowest in BFPS, DCTs, and Education.
- **Workforce development.** 26% (vs 25%) of firms plan to increase investment. Sectors more likely to report a potential increase in investment in workforce development are in Utilities/LCEGs, Manufacturing, Construction, Retail, BFPS and Hospitality; and less likely than the GM average in Education, DCTs.

MAIN ECONOMIC IMPACTS AND FINANCIAL RESILIENCE

- **Main economic impacts.** 27% (vs 24%) reported rising costs, followed by cashflow issues 16% (unchanged), minor supply chain challenges 8% (vs 7%), and staff shortages due to recruitment difficulties 7% (unchanged).
- **Cash reserves.** 49% of firms (vs 50%) report having cash reserves to last over 6 months. Reserves were highest in Utilities/LCEGs, Life Sciences, Healthcare, Manufacturing & Engineering, BFPS; lowest in Retail, Hospitality, Education.
- **Cashflow.** 16% (unchanged) 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 Other Manufacturing), Retail, Tourism, Education, and Other Services.
- **Analysis of insolvency risk for October** shows an increase in the total number of firms (10+ FTEs) reporting heightened levels of risk compared to last month:
  - **796** (up from 769 last month) firms have 1 flag - some risk;
  - **64** (down from 78) have 2 red flags - medium insolvency risk; and
  - **58** (up from 50) have 3 red flags - insolvency imminent.
- **Change in risk:** The proportion of firms in Greater Manchester with a red flag rating decreased by 0.1% points in October (m-o-m) for GM compared to September, while for UK increased by 0.7%.
- Over the past 12 months, GM has seen a 2.4% increase in firms with a Red Flag rating, while the UK has recorded a 1.7% increase.

BUSINESS CHALLENGES AND FUTURE SUPPORT NEEDS

- **Main current challenges for businesses.** 51% (vs 52%) of firms cited accessing new domestic sales - particularly acute in Utilities/LCEGs, DCTs Manufacturing & Engineering, Construction, Education, and BFPS.
- **Other key current challenges.** These include developing new products or services 33% (vs 32%), business model change 29% (vs 31%), managing overall finances 30% (vs 29%), and workforce development / skills 20% (vs 22%).
- **International trade.** 26% of firms (vs 27%) 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. 12% (vs 10%) 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% (unchanged), sales & marketing 40% (vs 38%), innovation 36% (vs 37%), financial advice 34% (vs 33%), and workforce development 25% (vs 27%).
- 10% (unchanged) 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

- **Recruitment:** 23% (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 Construction, BFPS, Life Sciences and Education. Sectors least likely to be recruiting are Retail, DCTs, Engineering (exc. Other Manufacturing), Education, Tourism and Healthcare.
- **Workforce skill gaps.** 37% (unchanged) report that their existing workforce skills are fully aligned with their business plan objectives. 47% (vs 46%) indicate that skills are only partially at the required level, 4% (unchanged) stated that workforce skills are not at the right level, and 12% 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 33% (vs 30%), Advanced IT 15% (vs 16%), knowledge of specific products / services 15% (vs 14%).
- **Practical & personal gaps:** Sales 28% (vs 26%), motivating staff 14% (vs 15%), and customer handling 15% (vs 12%).

RESEARCH, DEVELOPMENT AND INNOVATION

- **Innovation activities.** 33% (vs 32%) have invested in new or significantly improved services, 32% (vs 33%) in R&D, 23% (vs 21%) in new business practices, 20% (unchanged) introduced new or significantly improved goods, and 15% (vs 14%) have invested in improved production methods.
- **Digital innovation.** 13% (vs 14%) have invested in the acquisition of digital products, and 7% (unchanged) made investments in the acquisition of new machinery - in particular, within the Manufacturing, Tourism, Engineering.
- **Future Innovation.** 36% (vs 35%) of firms are looking to increase investment and R&D, and highest in Utilities/LCEGs, Engineering, Life Sciences, and DCTs. 21% (vs 19%) of firms were looking to increase investment in business model.
- **Digital Transformation**. 21% (vs 17%) of firms are looking to invest in digital transformation, highest in Other Services, BFPS, Retail, Utilities/LCEGs.
- **AI Adoption:** 57% (vs 64%) have adopted AI into business, firms were most likely to have implemented AI in data processing & analytics, and the automation of tasks.

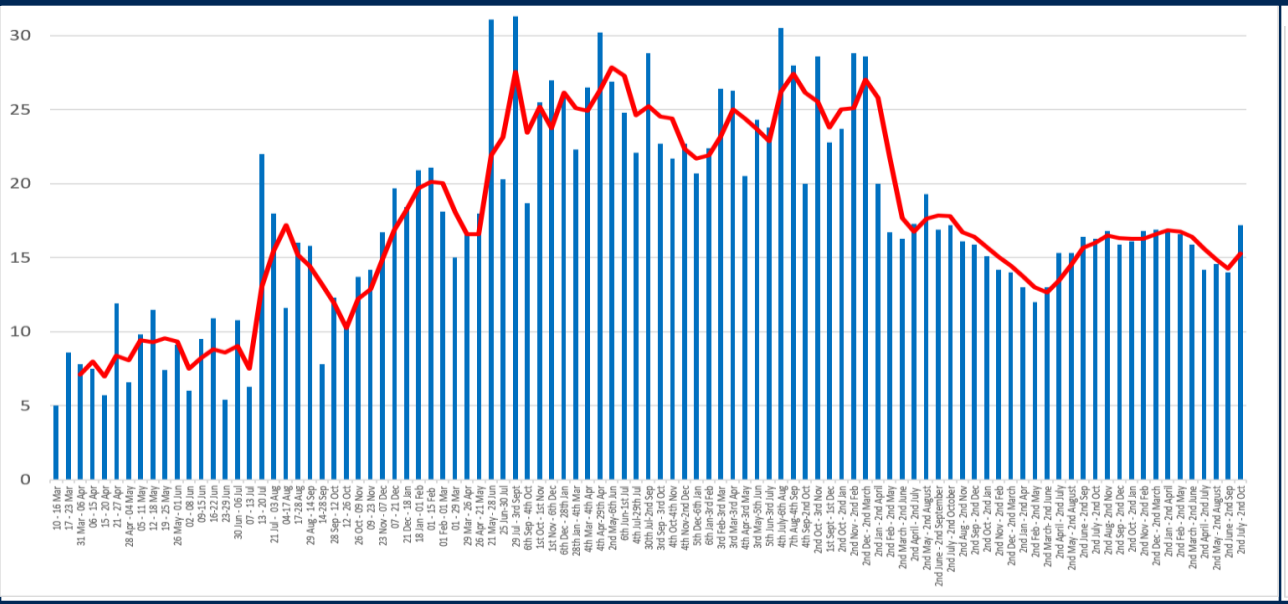
SOCIAL VALUE AND GOOD EMPLOYMENT PRACTICES

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

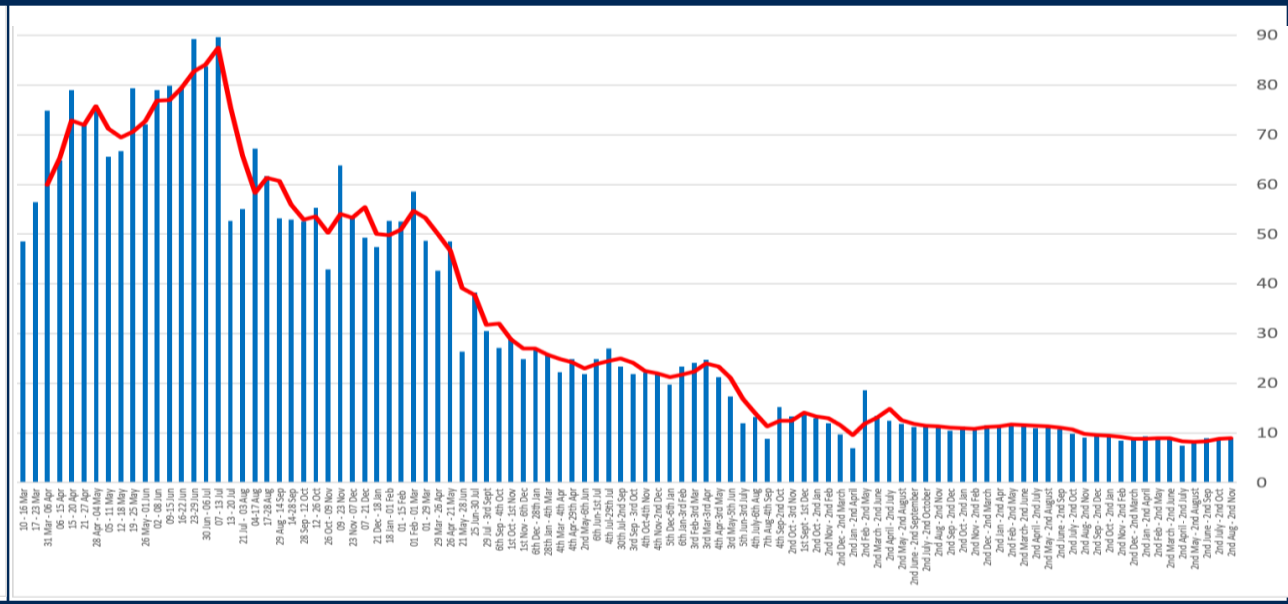
- **Guaranteed at least 16 hours of work per week:** 54% (vs 53%) said this currently applies, and 28% (unchanged) said they are likely to consider in future.
- **Paying employees the Real Living Wage:** 50% of firms (vs 51%) paid the RLW, while 33% (unchanged) indicated they are likely to implement it in future.
- **Investing in leadership:** 47% (vs 48%) said that they are investing in leadership, while 38% (vs 41%) indicated they are likely to do so in future.
- **Offering flexible working options to employees:** 43% (vs 46%) said this currently applies, and 34% (vs 35%) said likely to implement in the future.
- **Promoting healthy work practices:** 40% (vs 44%) said this currently applies, while 36% (vs 38%) indicated they are likely to do so in future.
- **Looking to increase the diversity of the workforce:** 37% (vs 39%) of firms said this currently applies, 42% (vs 43%) said likely to include this in the future.
- **Involving employees in the overall direction of the business**: 34% (unchanged) said this currently applies. 39% (vs 43%) said likely to do so in future.

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

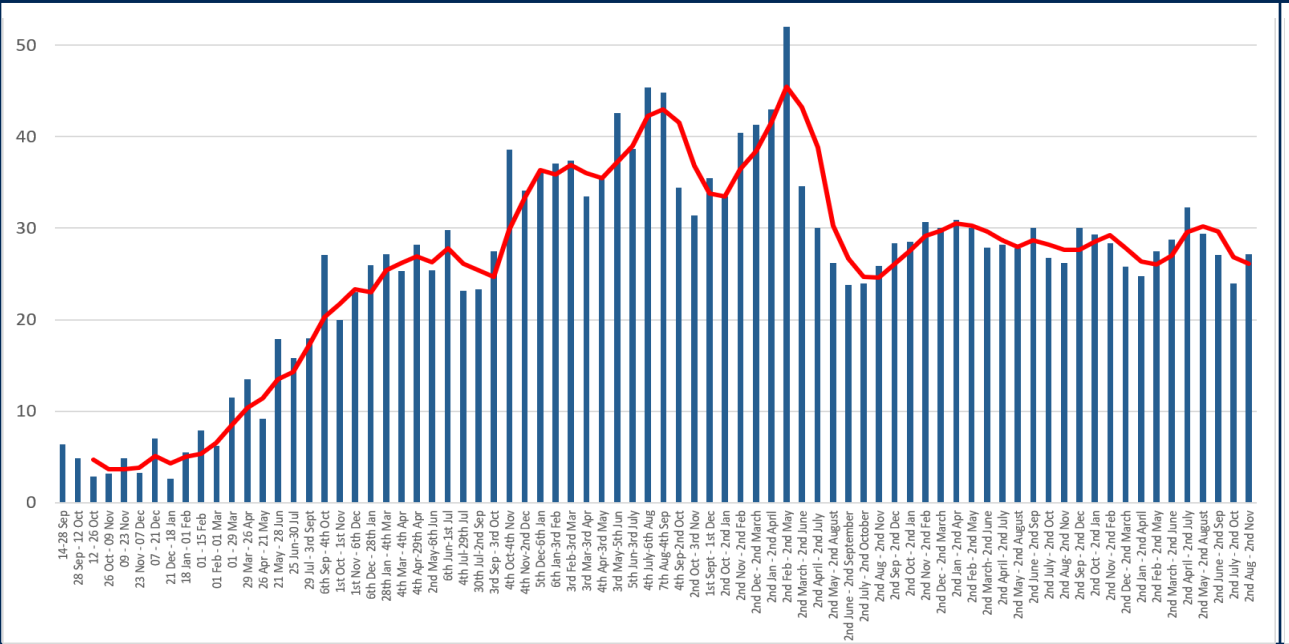
Percentage reporting increased sales



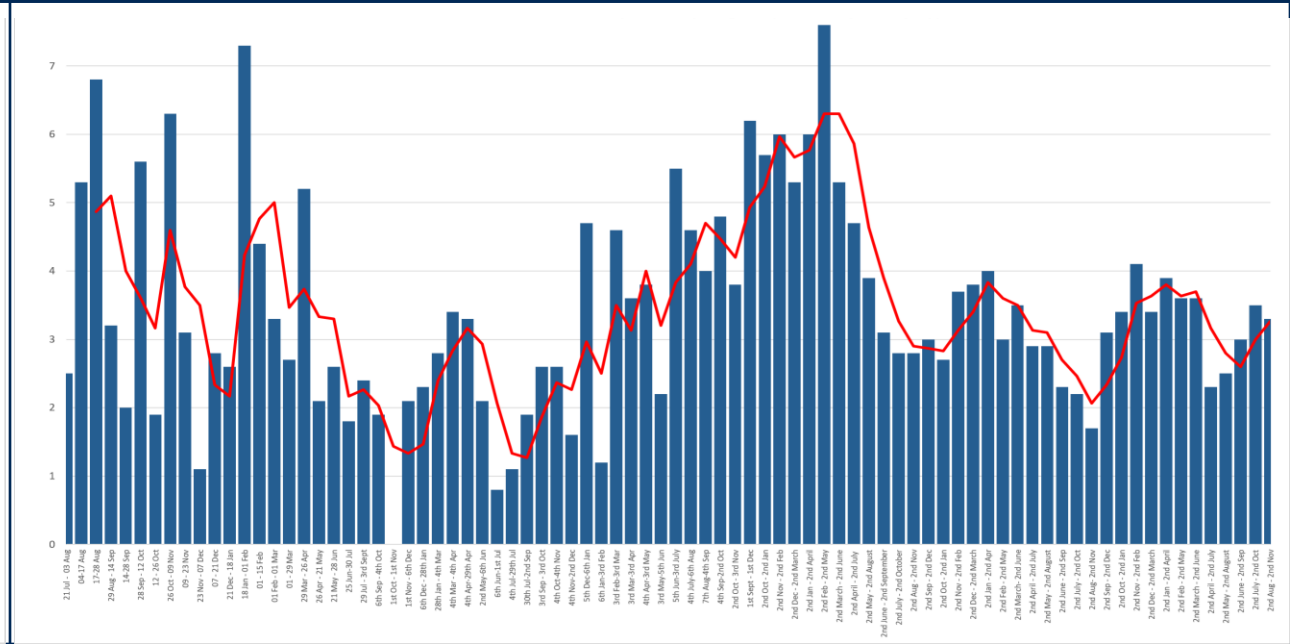
Percentage reporting decreased sales (Red line = moving average)



Percentage reporting rising costs

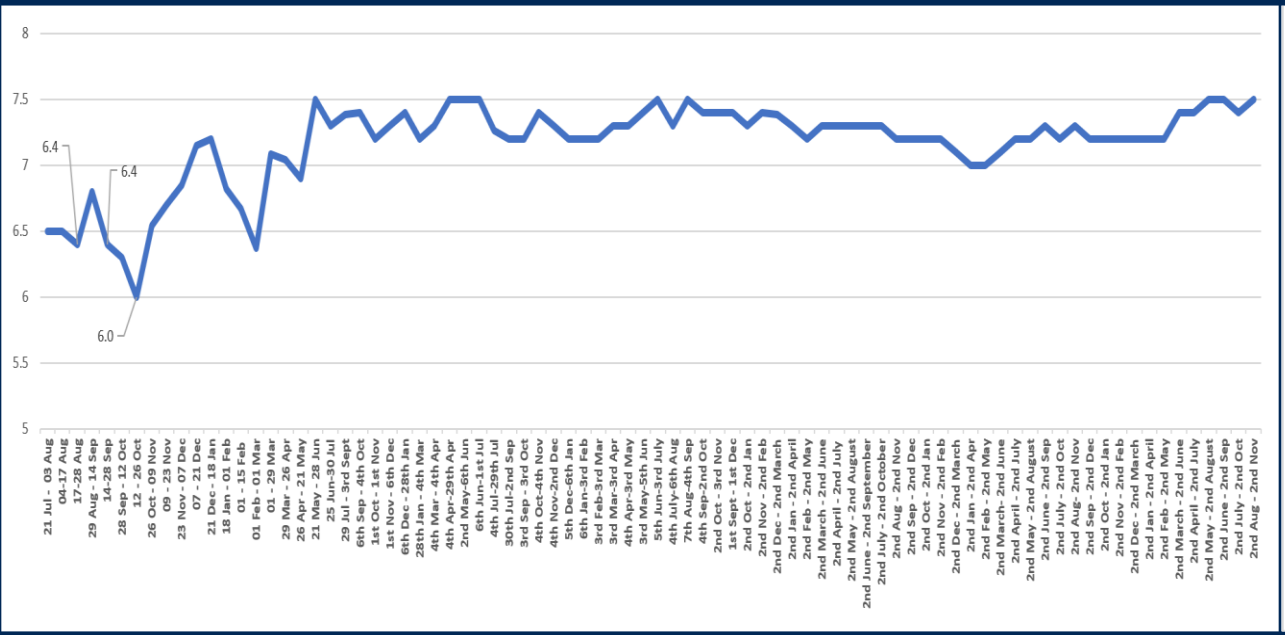


Percentage reporting late payments

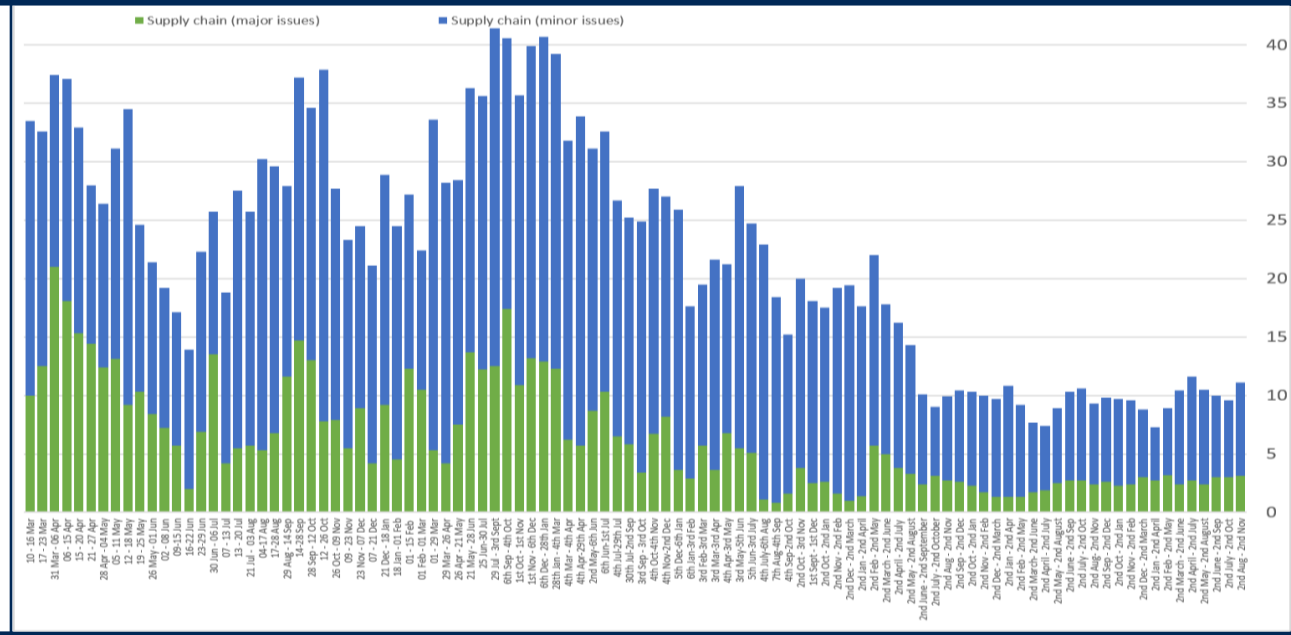


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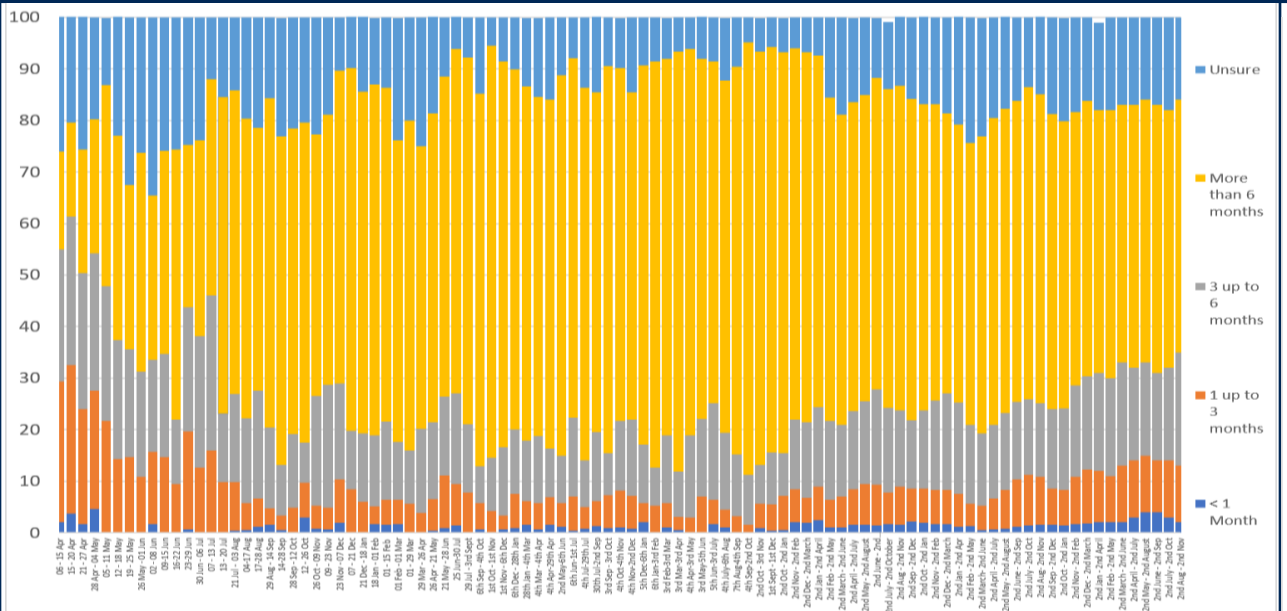
Aggregate confidence index – 1 low confidence to 10 high confidence



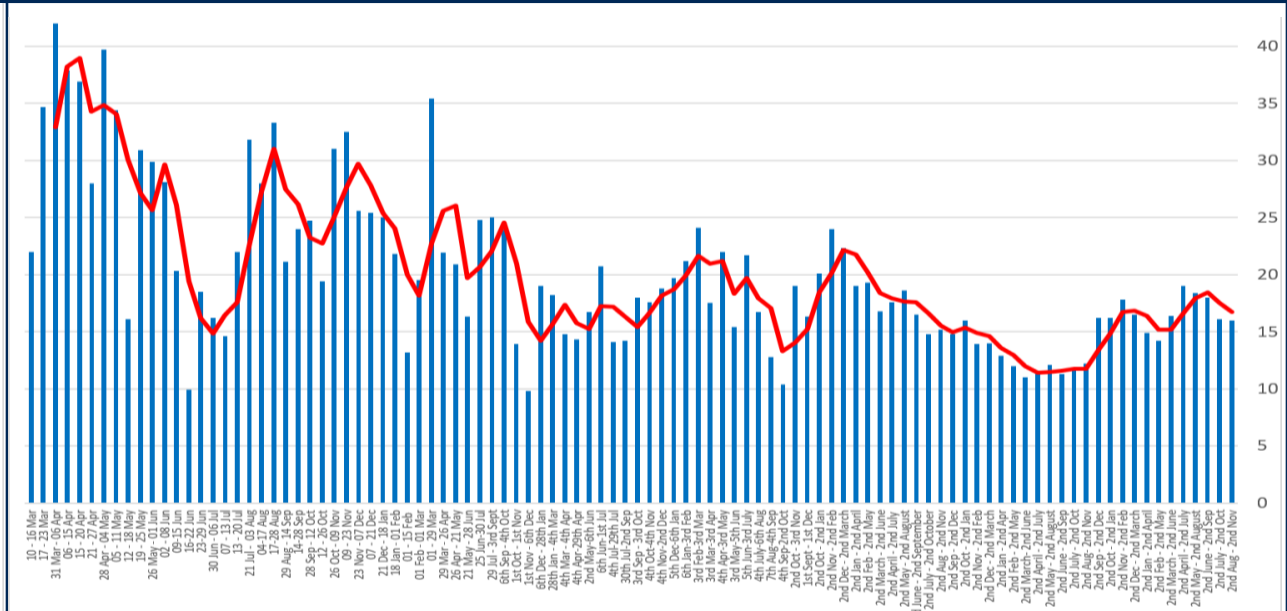
Percentage reporting minor supply chain issues (blue), major issues (green)



Percentage stating cash reserves can sustain certain periods of time

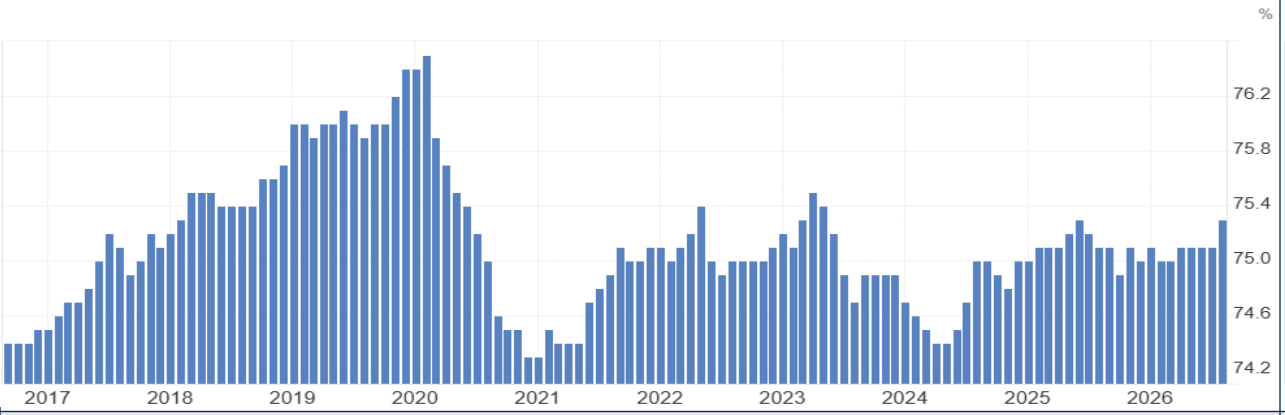


Percentage reporting cashflow problems



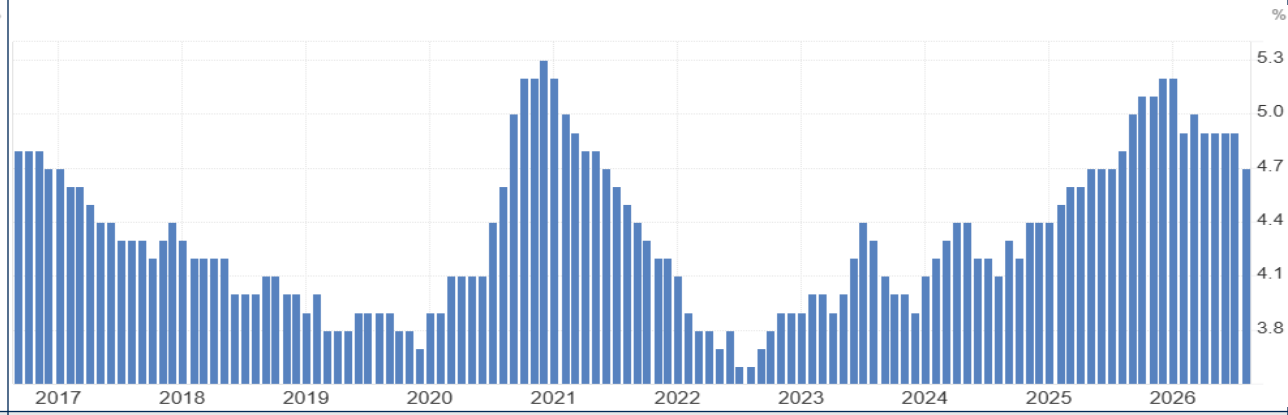
4. LABOUR MAKRET HEADLINES – ONS QUARTERLY LABOUR FORCE SURVEY

United Kingdom - Employment Rate increased to 75.3%



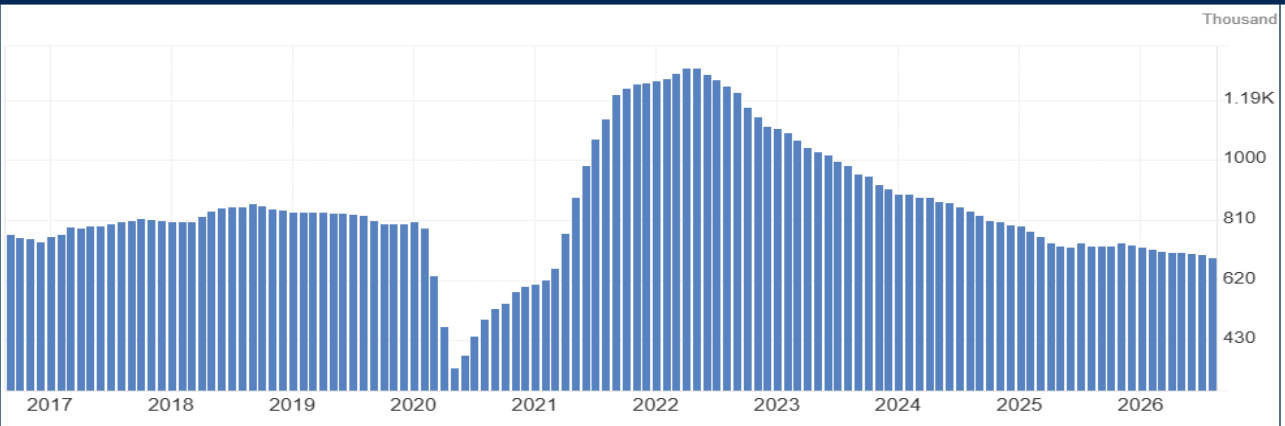
- **UK Employment Rate** was unchanged at **75.3% in August**. Employment Rate in the United Kingdom averaged 71.7% from 1971 until 2026, reaching an all time high of 76.5% in February of 2020 and a record low of 65.6% in April of 1983.
- The number of employed persons in the UK increased to 34.57m in August of 2026 up from 34.47m in July.
- The number of full time employed people in UK increased to 25.86m in August from 25.77m in July.

United Kingdom – Overall Unemployment Rate unchanged at 4.7%



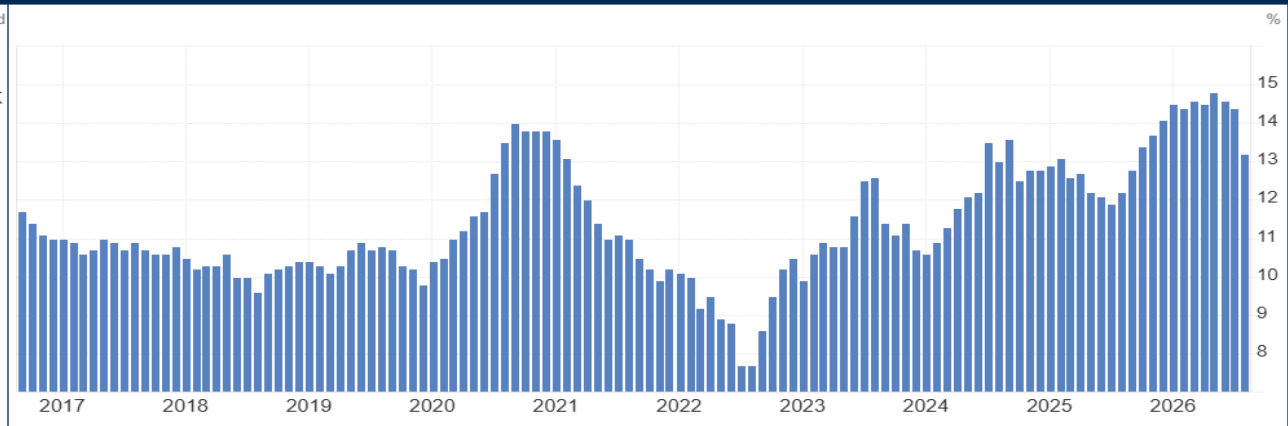
- **The UK unemployment rate fell to 4.7% in the three months to August 2026,** down from 4.9% and below market expectations for it to remain unchanged at 4.9%. This was the lowest unemployment rate since the three months to July 2025.
- The number of unemployed people fell by 47,000 over the latest quarter to 1.712 million and was 26,000 lower than a year earlier. Total employment increased by 102,000 over the quarter and by 356,000 year-on-year to 34.577 million, while the employment rate rose to 75.3%.
- The number of people with second jobs increased to 1.294 million, representing 3.7% of those in employment, while the economic inactivity rate edged down by 0.1 percentage point to 20.9%

United Kingdom – Job Vacancies decreased to 691,000



- **Job vacancies in the United Kingdom decreased to 691k in August from 704k 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 13.2%



- **The Youth Unemployment Rate in the United Kingdom decreased to 13.2% in August from 14.4% in July 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 8th October 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 October are:

- Perception of the 'worst still to come' regarding cost-of-living crisis is at 59%, up 10%points on September 2026.
- Proportion intending to take a UK overnight trip in the next 12 months is 76%, down 2%pts on last month.
- Proportion intending to take an overseas trip in the next 12 months is 64%, up 3%pts on last month.
- The main barriers, in October, to taking an overnight stay in the UK within the next six months are:
  - UK weather (1st; consistent with September).
  - Rising cost of living (2nd; consistent with September).
  - Rising costs of holidays/leisure (3rd; consistent with September).
- Top 3 areas for overnight stays October to December 2026: North West and London (joint 1st), South West (3rd).
- Top 3 areas for overnight stays January to March 2027 North West (1st), London (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 September (85%) was above 2025 levels (81%), marking the highest occupancy for the past ten years. In Manchester City Centre it was also 85%, matching pre-pandemic performance (85%) and significantly above 2025 levels (80%).
- The average daily rate for Greater Manchester (£93) was above September 2025 (£89), whilst in Manchester City Centre it was £101, also above 2025 levels (£98).
- The revenue per available room for Greater Manchester (£79) was above September 2025 levels (£73), whilst in Manchester City Centre it was £85, also above 2025 levels (£79).

	Greater Manchester			Manchester City Centre		
	Room occupancy	Average rate	Revenue per room	Room occupancy	Average rate	Revenue per room
2026	85%	£93	£79	85%	£101	£85
2025	81%	£89	£73	80%	£98	£79

Marketing Manchester Campaigns Impact
Reach across all channels



186.1 million

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

INDUSTRIAL AND WAREHOUSING

↑ 214M	↓ 1.4M	↓ (1.3M)	↑ 6.1%	↑ £8.69	↑ £90	↓ 7.5%
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.** Greater Manchester is a major North West industrial and logistics hub, supported by the M60, M62, M6 and M56, with strong connections to Liverpool, Leeds and the Midlands, as well as Manchester Airport and the Port of Liverpool. Industrial stock is concentrated around Trafford Park, South Manchester and the M62 corridor, including Bolton and 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 Bolton, Rochdale and Wigan.
- **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 of property demand in this category due to their long-term dominance in the industrial and warehousing market.
- **Development pipeline.** Around 1.4 million sq ft is currently under construction, in line with the long-term average, with notable development activity at Waterfold Park, Satellite Park, Cheadle Eco Park and Eastside.
- **Rental performance.** Annual rent growth has eased to 3.4% from 8.6% in early 2023. Average asking rents are around £8.70/sq ft, with Trafford, Stockport and Manchester Airport commanding the highest rents, while Rochdale and Oldham remain more cost-competitive**.**
- **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

↑ 66.9M	↑ 877K	↑ 792K	↓ 10.4%	↑ £22.84	↑ £214	↓ 9.5%
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

- **Office Market.** Manchester remains the UK's strongest business centre outside London, supported by a diverse economy, strong graduate retention and established technology, creative, professional services and innovation 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.** Professional and financial services remain important, but public-sector, life-sciences and innovation-led occupiers are playing a growing role, illustrated by UK Biobank's 131,000 sq. ft commitment at Greenheys and Convatec's 47,500 sq ft letting 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 extending beyond the city centre:** Locations such as Salford Quays and South Manchester are attracting substantial occupiers, including PHMG, Siemens AG and Syngenta, reflecting demand for well-connected, amenity-rich and relatively cost-effective alternatives to prime city-centre space.
- **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
Sovereign AI and British Business Bank invest in British firm developing the next generation of AI hardware	<Link>	Fractile, a startup based across London and Bristol developing advanced chips - the physical hardware that powers artificial intelligence - has secured backing from the UK Government's Sovereign AI Venture Fund and the British Business Bank as part of a round worth over £500m. Through Sovereign AI, the government is backing British chip designers, advanced hardware companies and AI entrepreneurs. By anchoring these critical capabilities on home soil, the government is safeguarding the UK's critical infrastructure, keeping British data secure and ensuring the economic returns of technological breakthroughs directly benefit British workers.
Sovereign AI puts cash and compute power behind UK startup using AI to redefine chemistry	<Link>	Potential Sciences, a British startup aiming to unlock the next big advance in how we use AI to design new medicines, has secured backing from the UK Government's Sovereign AI venture fund as part of an eight-figure fundraiser. Using AI for the design of new chemicals - and discovering new medicines in particular - is opening up new possibilities for tackling diseases like cancer and Parkinson's. However, progress has been held back because AI usually relies on data from slow, costly real world lab experiments. Potential Sciences are taking a new approach, with an AI model focused on the fundamental laws of physics, rather than previous experimental data. This could make the AI calculations needed to design chemicals 100 times cheaper than at present - unlocking a wave of new discoveries in fields that are currently uneconomical to focus on.
Mayors and local leaders work with No10 North to drive search for 'top 10' biggest strategic investment sites across country	<Link>	The Strategic Sites Accelerator will deploy around £700m alongside expert support to help unlock up to 10 major industrial and commercial sites across the country. The Accelerator will focus on commercially viable sites with strong investor demand, where government backing can help overcome the barriers stopping development from moving ahead. It will tackle the key barriers holding back high-potential sites that could support Britain's reindustrialisation. That includes everything from access to finance, grid connections, and planning constraints, removing the blockers that can cool would-be investors. The Accelerator will support sites in a range of ways, from loans and equity and targeted grant funding to technical expertise, bringing government, local partners and developers together to tackle specific barriers. The Government's ambition is to support 6 to 10 sites. Individual investments will be subject to the necessary commercial assessment, due diligence and approvals.
Britain's ambitious scale-ups backed to keep growing in the UK	<Link>	UK tech start ups raised $17bn in the first half of 2026 – more than France, Germany and Sweden combined. Scale UK Connect, aims to support 200 scale-ups across the UK getting expert account management and tailored advice on how to expand. It will also include new ways to network with fellow founders, investors and major funds, and open-up new trade opportunities at home and abroad. The pilot, which will offer a 12-month programme of sustained support, aims to develop a pipeline of high growth companies to follow in the footsteps of UK success stories like Quantexa and Synthesia. The Scale UK Connect pilot will be led by growth agency London & Partners, in partnership with organisations in Manchester (The Growth Company), the West Midlands, Yorkshire, the South West and Scotland.
Government and Rolls-Royce agree £2.5bn to build jet engines in the UK and create tens of thousands of jobs	<Link>	Thousands of new jobs are expected to be created from a new government agreement with Rolls-Royce to help turbocharge Britain's reindustrialisation, including a £2.5bn programme for cutting-edge cleaner and more efficient jet engines, jointly funded over 10 years. The investment is expected to support for 3,300 existing jobs over the next few years, with the potential for tens of thousands of new roles beyond that.
Government and industry to take on investment bias and workplace culture to support more women in tech	<Link>	Government will work with industry through its Women in Tech Taskforce to develop two new voluntary standards on workplace culture and on investment practices, alongside launching a new scale-up women's programme to help more women start, grow and scale technology businesses. In 2027 government will launch a new scale-up women's programme. This will help women founders of high-potential, high-growth UK businesses to secure investment and scale. The programme will help address the barriers that lead to persistent funding gaps for women-founded companies, providing support that could include workshops, peer learning, networking and introductions to investors. The programme will be run jointly between the Department for Digital, Culture, Media and Sport and Department for Business, Innovation, Science and Trade.

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	OCT 2026	SEP 2026	AUG 2026	JULY 2026	JUNE 2026	MAY 2026	APR 2026	MAR 2026	FEB 2026	JAN 2026	DEC 2025	NOV 2025	OCT 2025	SEP 2025	AUG 2025	JUL 2025	JUN 2025	MAY 2025	APR 2025	MAR 2025	FEB 2025	JAN 2025	DEC 2024	NOV 2024	OCT 2024	SEP 2024	AUG 2024	JUL 2024	JUN 2024	MAY 2024	MAR 2024	FEB 2024	JAN 2024
Size-band (employees)	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
'0' employment to 9 (MICRO)	89%	71%	70%	71%	69%	68%	68%	67%	66%	40%	41%	38%	44%	50%	54%	54%	53%	54%	55%	58%	55%	58%	56%	59%	54%	55%	56%	62%	60%	58%	59%	57%	46%	49%
10 to 49 (SMALL)	9%	14%	14%	13%	15%	16%	18%	18%	20%	20%	20%	20%	18%	20%	22%	25%	24%	24%	24%	24%	25%	24%	23%	20%	24%	25%	26%	24%	23%	24%	24%	26%	27%	22%
50 to 249 (MEDIUM)	2%	10%	11%	10%	9%	10%	10%	11%	10%	11%	12%	14%	12%	14%	14%	15%	15%	15%	15%	13%	13%	12%	14%	15%	15%	13%	12%	9%	11%	6%	7%	9%	9%	7%
250+ (LARGE)	<1%	C	C	6%	6%	7%	C	C	C	C	C	C	6%	6%	C	7%	7%	7%	6%	6%	6%	7%	7%	7%	7%	7%	6%	C	7%	12%	10%	8%	10%	10%
UNKNOWN	-	-	C	C	C	C	C	C	C	24%	23%	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	8%	12%
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	C	C
BUSINESS FINANCIAL, PROF. SERVICES	27%	9%	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%	6%	C	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%	20%	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	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	C
UTILITIES AND GREEN TECH	C	7%	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	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%	6%	C	C	C	C	C	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%
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	C
MANUFACTURING (excl. Engineering)	3%	20%	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	C
RETAIL & WHOLESALE	18%	C	C	C	C	6%	C	C	C	C	C	C	C	C	6%	6%	6%	6%	C	C	C	C	C	C	C	C	C	6%	7%	9%	9%	9%	9%	11%
OTHER SERVICES (excl SIC unknown)	4%	10%	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

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%	71%	72%	71%	77%	74%	73%	67%	69%	52%	69%	70%
10 to 49 (SMALL)	9%	14%	9%	13%	10%	15%	18%	12%	23%	18%	13%	23%
50 to 249 (MEDIUM)	2%	10%	14%	13%	7%	11%	7%	16%	C	18%	16%	C
250+ (LARGE)	<1%	C	C	C	C	-	C	C	C	11%	C	C
UNKNOWN	-	-	-	-	-	-	-	-	-	-	-	-

OUR 101ST 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 is the continuing gap between business confidence and actual trading conditions. Firms remain optimistic about future profitability and growth, yet current sales performance has been more subdued. This suggests businesses are not necessarily becoming pessimistic, but are taking a pragmatic view of short-term challenges while retaining confidence in longer-term opportunities

Demand generation has become the most consistent constraint on growth. Accessing new domestic sales has remained the leading challenge throughout the recent SITREP series, while sales and marketing support has become increasingly important. The challenge is therefore less about whether businesses have the capacity or ambition to grow and increasingly about converting that capability into customers, revenue and market share.

Cost pressures have eased from earlier peaks but remain a significant concern. Rising costs continue to affect businesses and have begun to increase again in the latest findings. At the same time, cash reserves have weakened across the series, suggesting that businesses may be managing immediate cashflow pressures while gradually using some of the financial buffers built up previously.

The nature of the workforce challenge is also changing from recruitment towards skills alignment and capability. Recruitment pressures have eased from their mid-year peak, but businesses continue to report gaps between the skills they have and those needed to deliver their objectives. Specialist technical knowledge and sales capability are particularly important, linking workforce challenges directly with productivity, technology adoption and demand generation.

Innovation remains an important source of optimism. Intentions to invest in innovation and research and development weakened earlier in the year but have since recovered, alongside renewed interest in digital transformation. This suggests firms continue to see innovation as an important route to growth despite uncertain economic conditions.

Digital transformation and artificial intelligence are becoming embedded in mainstream business activity, although adoption remains uneven. AI use has expanded substantially across the recent SITREP series, particularly around data processing, analytics and task automation. However, the latest movement shows that adoption is not following a simple upward trajectory, and many businesses may still be at an operational-use stage rather than achieving wider business transformation.

A more significant gap is emerging between investment in capital and investment in people. Businesses remain willing to invest in equipment, technology and innovation, but workforce-development intentions have not kept pace. This creates a potential constraint on productivity, as investment in new technology will deliver its full value only when businesses also have the skills and capabilities required to use it effectively.

Financial resilience remains mixed rather than uniformly weak. Overall financial risk improved from the position seen earlier in the series, but vulnerabilities have increased again from their mid-year low. The latest findings indicate a concentrated group of businesses facing significant financial pressure rather than a widespread deterioration across the Greater Manchester business base. The evidence increasingly demonstrates that business challenges differ substantially by size and stage of development. Smaller businesses remain more exposed to cashflow, sales and business-planning challenges, while larger firms are more focused on recruitment, workforce development, digital transformation and innovation. This strengthens the case for targeted support rather than a single generic offer to all businesses.

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.

The most important emerging lesson is that Greater Manchester's challenge is increasingly one of converting ambition into delivery. Businesses remain confident, investment-oriented and increasingly technology-enabled, but sustainable growth depends on their ability to generate demand, maintain financial resilience and build the workforce capabilities required to turn investment, innovation and AI adoption into productivity and sales.

The 101 SITREPs tell a story not simply about a business base that remains resilient and ambitious, but whose next phase of growth will depend less on willingness to invest and adapt, and more on the ability to turn confidence, technology and innovation into customers, skills, productivity and sustainable growth.