The Growth Company

GC SITUATION REPORT AND QUARTERLY BUSINESS SURVEY RESULTS

SEPTEMBER 2025

WITH QUARTERLY DATA FOR 2ND JULY 2025 TO 2ND OCTOBER 2025

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

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1. ECONOMIC CONTEXT AND SURVEY HEADLINES

The GC Situation Report contains leading economic data from both national (mostly ONS) and local business survey sources. This month's survey report findings are based on 756 survey responses completed between the 2nd of July 2025 and the 2nd of October 2025 by GC clients from the Business Growth Hub and MIDAS. Comparisons have been made with last quarter's 792 responses completed between May and August 2025. The survey response profile is broadly representative of the Greater Manchester business base, but for an over-representation of SMEs, Manufacturing, and DCT firms, and an under-representation of Retail and Hospitality businesses – reflecting the Business Growth Hub and MIDAS client profiles.

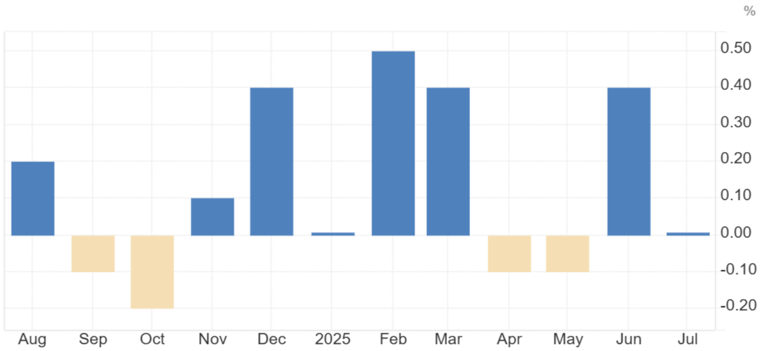
Economic context

- **UK GDP.** The UK economy grew by 0.3% in Q2 2025, down from 0.7% in Q1, with inflation stubborn at 3.8%, driven by food, hospitality, and transport costs. Growth was supported by services (+0.4%) and construction (+1.2%), while production fell by 0.3%. Latest data shows GDP rose 0.1% in August after a similar fall in July, as manufacturing growth offset weaker construction and flat services. Despite fluctuations, the economy remains on track for 0.2–0.3% Q3 growth.
- **UK Composite PMI** weakened — output growth in September was the slowest in five months as firms and consumers delayed big spending decisions, citing tax-rises and uncertainty.
- **GfK Consumer Confidence Index.** In the GfK Consumer Confidence Index, sentiment slipped: the index fell from –17 in August to –19 in September. The Bank Rate was held at 4.0%, as the MPC voted 7-2 in September to maintain it. UK Bank Rate remain largely unchanged, with another quarter-point cut before year-end seen as unlikely by financial markets.
- **Inflation** remains elevated. The Bank of England and analysts point to increasing food prices and "administered" costs (e.g. water, energy, regulatory fees) as key drivers of inflation. Policymakers highlight the challenge of balancing inflation control with labour market stability amid persistent price pressures.
- **Business hiring intentions** are among the weakest since 2020, per a BoE survey — many firms plan to hold headcount steady rather than expand.

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

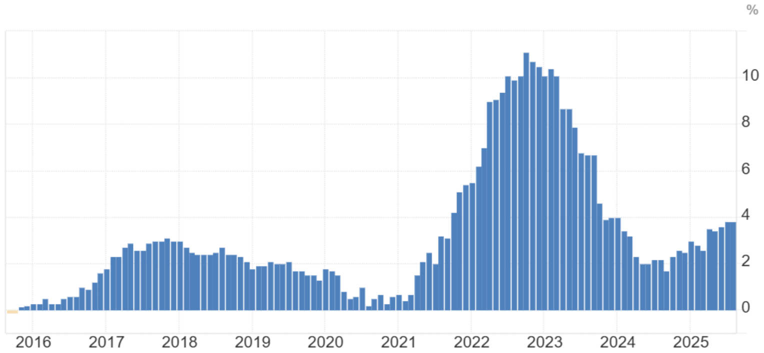
- **GC Confidence Index** stands at 7.2, down from 7.3 last month. Confidence levels are above average in Business, Financial & Professional Services, Construction, DCTs and lower than average in Retail, Green-Tech, and Engineering.
- **Future profits.** 60% (unchanged) expect profits to increase in the year ahead, while 2% (unchanged) expect profits to decrease. The sectors most optimistic about future profitability are BFPS, DCTs, Retail, Green Tech, and Hospitality.
- **Economic Impacts.** The main economic impacts reported by firms are rising costs 27% (vs 30%), followed by cashflow issues 12% (vs 11%), staff shortage /recruitment difficulties 9% (vs 8%), and minor supply chain issues 8% (unchanged).
- **Current pressing challenges.** These include improving access to domestic markets 48% (vs 51%), developing new products/services 33% (vs 31%), business model change 32% (vs 31%), finance 27% (vs 25%), and workforce 24% (vs 27%).
- **The main areas where firms seek future support.** The main areas are business planning 36% (vs 36%), sales & marketing 31% (vs 32%), innovation 33% (vs 32%), workforce development 30% (vs 29%) and financial advice 24% (vs 21%).
- **Recruitment.** 26% (vs 28%) of firms are currently recruiting new staff. Recruitment rates (% of firms recruiting) are higher among SMEs (50 to 250+ employees), and within BFPS, Manufacturing, Education, Green tech, and Retail sectors

UK GDP stalled in July 2025 (August release on 16 October)



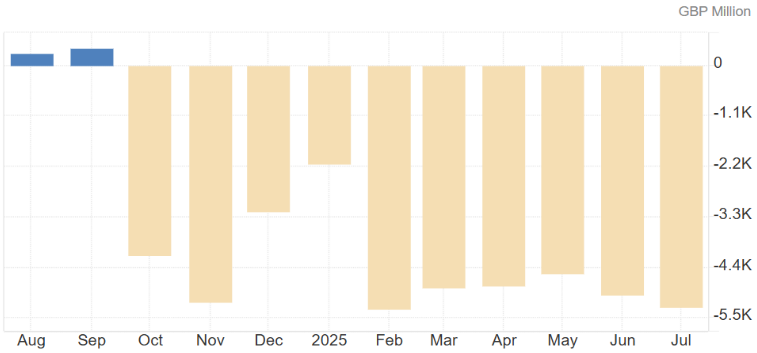
- The UK economy stalled month-on-month in July, in line with expectations, after expanding 0.4% in June. On a yearly basis, GDP grew 1.4%, the same pace as in June, but slightly below expectations of a 1.5% expansion.
- Services edged up 0.1%, driven by transportation & storage (+1.4%) and human health & social work (+0.4%), but growth was held back by a 0.7% drop in information and communication. Construction also rose 0.2%. These gains were countered by a 0.9% fall in production. Mining, quarrying, and utilities also declined, while water supply increased.
- Over the three months to July, GDP rose 0.2%, as services (+0.4%) and construction (+0.6%) were weighed down by a 1.3% decline in production.

UK CPI - Inflation steady at 3.8% in August 2025



- The annual UK CPI inflation rate held steady at 3.8% in August 2025, unchanged from July, remaining near the highs in January 2024, in line with expectations.
- Inflation slowed for transport (2.4% vs 3.2% previously), with prices for air fares falling 3.5% making the largest downward contribution. Inflation was also lower for services (4.7% vs 5%), recreation & culture (3.2% vs 3.4%), and clothing & footwear (0.2% vs 0.3%). Housing and utilities steadied but remain high at 7.4%. By specific area, motor fuels was the largest upward contribution. Inflation rose for restaurants & hotels, food, furniture, household equipment & maintenance.
- On a monthly basis, CPI rose 0.3%, following a 0.1% gain in July. Annual CPI eased to 3.6% from 3.7%, matching forecasts.

UK trade deficit widens in July 2025 (Latest)

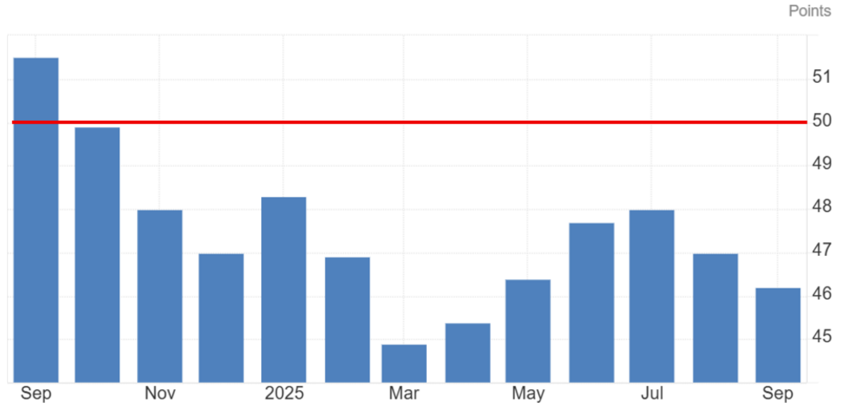


- The UK trade deficit widened to £5.25 billion in July 2025, up from £5.0 billion in June, marking the largest gap since February.
- Exports rose by 2.3% to £76.5 billion. Goods exports increased by 6.6%, supported by a rise in shipments to the EU. Exports to non-EU countries rose by 8.5%, by higher machinery & transport equipment exports to the US and China. Exports of goods to the US rose by £0.8 billion in July, below pre-tariff levels.
- Imports grew by 2.4% to a record high of £81.7 billion. Goods imports advanced by 3.9% to a 13-month high of £50.9 billion, mainly due to increased imports of ships from South Korea, and aircraft & cars from Germany. Services imports fell by 0.1% to £28.8 billion.

2. SECTOR INSIGHT AND PURCHASING MANAGER INDICES (PMIs)

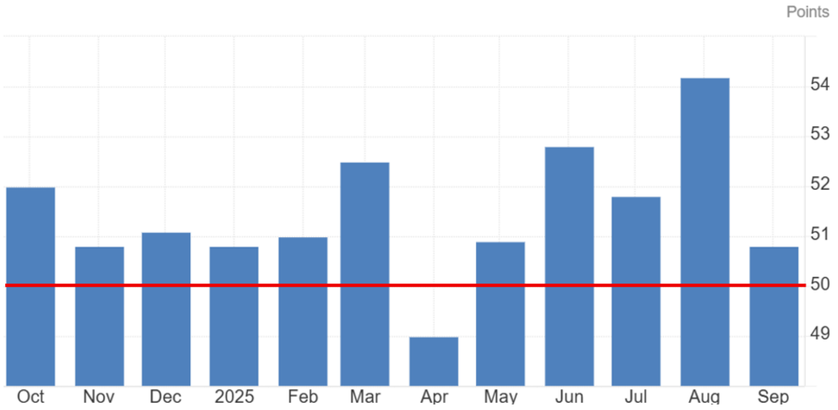
- **The S&P Global UK Composite Purchasing Manager's Index (PMI)** fell sharply to 50.1 in September 2025 from 53.5 in August 2025 indicating an expansion (i.e. values above 50), the weakest reading in five months and indicates stagnant private sector activity. Services output rose slightly while manufacturing production dropped at the steepest pace in six months. Both services and manufacturing reported job losses, reflecting subdued demand and cost pressures.
- **Lloyds Bank Regional Business Barometer.** Business confidence in the North-West fell during September by 20 points to 27% MoM, according to the latest Business Barometer from Lloyds. Firms in the North West's optimism in their own trading prospects fell to 51%, their optimism in the wider economy fell by 11 points month-on-month to 33%. Growth priorities for companies include new technology (44%), new products or services (34%), and workforce investment (31%).
- **Greater Manchester Chamber Quarterly Economic Survey.** Economic Survey for Q3 2025 showed a further weakening in economic output. Driven by reductions in both domestic and export demand, the Greater Manchester Index declined to 13.3 (16.0 in Q2). There has been a noticeable weakening across the manufacturing and B2B service sectors. In line with lower demand and a pessimistic macroeconomic outlook, recruitment intentions among GM businesses have declined. Increased employment costs resulting from higher National Minimum Wage, National Living Wage, and enhanced Employers' National Insurance Contributions have affected business expansion and hiring plans. The overall impact of taxation continues to be a major concern for businesses in Greater Manchester.
- **BDO High Street Sales Tracker.** Total like-for-like retail sales in discretionary categories (fashion, homewares and lifestyle) recorded retail sales growth of 3.1% in August, compared to a base of 4.7% in August 2024. Sales in bricks-and-mortar stores grew by 1.8% compared to August 2024. Online retail sales increased by 11.6% compared to the same time last year.
- **The GfK Consumer Confidence Index** for the UK slipped to -19 in September 2025 from -17 in August as worries over tax increases weighed on sentiment. All five measures of confidence deteriorated, while a separate indicator of savings intentions posted a sharp decline. Economic outlook sentiment also stayed subdued at -32.
- **Company Insolvencies.** There were 2,048 company insolvencies in England and Wales in August 2025, similar to the previous month (2,083) and 6% higher than August 2024 (1,933). Company insolvencies in August 2025 consisted of 311 compulsory liquidations, 1,600 creditors' voluntary liquidations (CVLs), 121 administrations and 16 company voluntary arrangements (CVAs). There were no receivership appointments.
- **Compulsory liquidations.** The number of CVLs in August 2025 was similar to both the July 2025 and 2024 average. Administrations were lower than in July 2025, while CVAs were higher. A rate of 52.6 per 10,000 companies entered insolvency between 1 September 2024 and 31 August 2025. This was a decrease from the 55.5 per 10,000 companies recorded in the 12 months ending on the 31st August 2024.

The S&P Global UK Manufacturing PMI 46.2 (<50 = contraction)



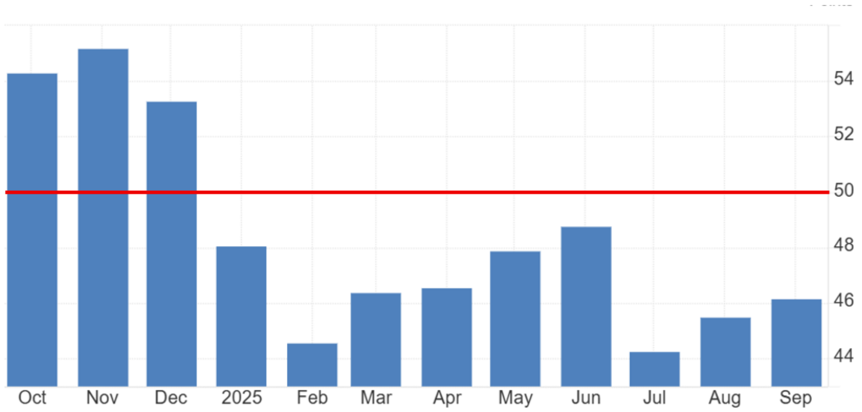
- **S&P Global UK Manufacturing PMI fell to 46.2 in September 2025 from 47 in August, a five-month low. This marked the 12th consecutive <u>contraction</u>.**
- Production fell for an eleventh month as subdued confidence, high costs, US tariff risks and supply chain disruptions from Jaguar Land Rover shutdown dragged on demand. Export orders saw one of the sharpest falls in two years, with weakness across each of the US, EU, Middle East, and Asia.
- Employment declined for an eleventh month due to offset rising costs from higher wages, NI contributions and energy bills. Goods inventories rose slightly. Cost pressures eased for the sector, with input and output price inflation at a nine-month low.

The S&P Global UK Services PMI 50.8 (>50 = expansion)



- **The S&P Global UK Services PMI fell to 50.8 in September 2025 from 54.2 in August 2025, still indicating an expansion in business (Index >50).**
- New work across services showed only a marginal increase on previous figures. Hiring remained cautious across the sector, many service providers reported lower headcounts due to the non-replacement of voluntary departures.
- Input cost inflation moderated to its second-lowest level so far in 2025, while output price inflation eased to its slowest pace since June amid intensified competition for new work. Business confidence stayed positive in September, although optimism softened but remained well below pre-pandemic averages.

The S&P Global UK Construction PMI 46.2 (<50 = contraction)



- **The S&P Global UK Construction PMI rose to 46.2 in September 2025 from 45.5 in August 2025. This reading indicates a contraction (Index<50).**
- The moderation was driven by a slower drop in new work and residential activity, while civil engineering remained weakest and commercial construction saw a faster decline. Order books fell for the ninth straight month, but at a slower pace. Employment also fell for the ninth month amid hiring freezes.
- Input buying and delivery times improved slightly but cost pressures persisted, with higher energy, wage, and transport costs. Business confidence remained low, with optimism hinging on potential infrastructure spending, energy projects, and future rate cuts.

3. ORGANISATION GROWTH SURVEY RESULTS

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

GROWTH, CONFIDENCE AND INVESTMENT

The GC Business Confidence Index (GC-BCI) is a ranking (1 low to 10 high) of how confident businesses are on their growth prospects for the year ahead.

- **GC Business Confidence Index (GC-BCI)** for September 2025 stood at 7.2 out of 10, down slightly from 7.3 in August. Confidence levels are above average for Business Financial & Professional Services, Construction, DCTs and Hospitality, and lower than average in Retail, Green Tech, Life Sciences, and Engineering.
- **Current sales.** 16% (unchanged) of firms reported an increase in sales, and 10% (vs 11%) reported decreased sales in the last 12 weeks.
- **Future profits.** 60% (unchanged) expect profits to increase in the year ahead. 2% (unchanged) expect profits to decrease. The sectors most optimistic about future profitability are BFPS, DCTs, Retail, Green Tech, and Hospitality. Profit sentiment was lower than average in Construction, Education, and Health Care.
- **Investment.** 33% (vs 31%) of firms expect to increase capital expenditure in the year ahead. The most optimistic sectors include Engineering, Green Tech, Hospitality, Manufacturing, and Retail. In contrast, expectations are lowest in Construction, DCTs, Education, and Health Care.
- **Workforce Development.** 30% (vs 32%) of firms plan to increase investment. Sectors more likely to report an increase are Retail, Education, and Health Care.

MAIN IMPACTS AND FINANCIAL RESILIENCE

- **Main impacts.** 27% (vs 30%) reported rising costs as the main impact, followed by cashflow issues 12% (vs 11%), staff shortages due to recruitment difficulties 9% (vs 8%), and minor supply chain challenges 8% (unchanged).
- **Cash reserves.** 61% of firms (vs 58%) report having cash reserves to last over 6 months. Reserves were highest in Education, Construction, Engineering, Hospitality, Manufacturing, and Retail, and lowest in Green Tech and Logistics.
- **Cashflow.** 12% (vs 11%) of firms reported cashflow problems. Micro-sized firms (<10 employees) were more likely to face cashflow challenges than larger SMEs (50–249+ FTEs), with higher risk reported in DCTs, Manufacturing, and Hospitality. 2% (unchanged) of firms reported late payments.
- **Analysis of insolvency risk** for September 2025 shows increase in the total number of firms (10 or more employees) reporting heightened levels of risk:
  - 1147 (up from 667 last month) firms have 1 flag - some risk;
  - 57 (up from 41) have 2 red flags - medium insolvency risk;
  - 60 (up from 21) have 3 red flags - insolvency imminent.
- **Change in risk.** The proportion of firms with a red flag rating increased +2.2 percentage point on levels in September (UK +1.0ppt). Over the last 12 months, the proportion of firms with a red flag rose by 0.1 percentage point (UK-0.7%pt)

BUSINESS CHALLENGES AND SUPPORT NEEDS

- **The main challenges for businesses in the near term** are accessing new domestic sales, 48% (vs 51%). This challenge is more acute in DCT, BFPS, Healthcare, Construction and Green Tech. The next most common challenges are developing new products & services 33% (vs 31%), business model change 32% (vs 31%), finances 27% (vs 25%), and workforce development 24% (vs 27%)
- **International trade.** 22% of firms (unchanged) export goods/services, with 17% (vs 16%) expanding into new markets, a trend particularly notable in the DCTs, Engineering, Manufacturing, Green Tech, and Life Sciences. 12% (vs 11%) of firms engaged in overseas trade are looking to expand in their current markets.
- **Future support.** The main areas where firms seek future support are business planning 36% (unchanged), sales & marketing 31% (vs 32%), innovation 33% (vs 32%), workforce development 30% (vs 29%) and financial advice 24% (vs 21%).
- Micro-size and small firms (0-9 FTEs) were more likely to indicate future support needs in business planning, sales and marketing, and innovation. Whereas firms with 10+ employees were more likely to request support in WfD and skills, recruitment, environmental impacts, & digital transformation.
- **Environmental Impact Management.** 14% (vs 12%) require assistance with managing their environmental impact. Larger SMEs and large firms were more likely than micro-size firms to specify these support needs.

RECRUITMENT, EMPLOYMENT AND SKILLS

- **Recruitment:** 26% (vs 28%) of firms are currently recruiting new staff. Recruitment rates (% recruiting) are higher amongst SMEs (50 to 250+ employees). By sector, recruitment is more active in BFPS, Other Manufacturing, Education, Green Tech, and Retail. Whereas, Life Sciences, Engineering, and DCTs sectors were least likely to be recruiting.
- **Workforce skill gaps.** 41% (vs 44%) reported that their existing workforce skills are fully aligned with their business plan objectives. 46% (vs 43%) indicated that skills are only partially at the required level, and 2% (unchanged) stated that their workforce skills are not at the right level (11% said 'don't know').
- Smaller SMEs were more likely to report gaps in sales & customer skills, whilst firms with 50+ FTEs were more likely to report gaps in managing/motivating staff, team working, and management & leadership skills.
- **The main technical skill gaps:** Specialist technical skills 29% (vs 30%), advanced IT skills 16% (vs 14%), solving complex problems 8% (vs 10%), and knowledge of specific products/services 8% (vs 9%).
- **The main people and practical / personal skill gaps:** Sales and selling 23% (unchanged), motivating staff 14% (vs 13%), customer handling skills 11% (unchanged), and time management 9% (unchanged).

RESEARCH, DEVELOPMENT AND INNOVATION

- **Innovation activities in last year.** 35% (vs 33%) have invested in new / significantly improved services, 29% (vs 27%) in R&D, 21% (vs 20%) new business practices, 14% (vs 19%) introduced new / significantly improved goods, and 12% (vs 11%) have invested in improved production methods.
- **Digital innovation.** 10% (unchanged) have invested in the acquisition of digital products, and 5% (unchanged) made investments in the acquisition of new machinery especially, in the Manufacturing and Engineering sectors.
- **Future innovation.** 35% (vs 31%) of firms are looking to increase investment and R&D in future, highest in BFPS, Life-Sciences, DCTs, and Manufacturing. 30% (vs 33%) said they were likely to invest in workforce development, highest within the Education, Green Tech, Retail, DCT, and Health Care.
- **Digital Transformation**. 19% (unchanged) firms are looking to invest in digital transformation, highest within the Construction, Manufacturing & Engineering, and Retail sectors; and less likely in Health Care, Life Sciences, Green Tech, Hospitality, and Education.
- **AI Adoption:** 43% (vs 44%) have adopted AI into business. Firms were most likely to have implemented AI in data processing and analytics, sales and marketing, replacing customer support, and automating routine processes.

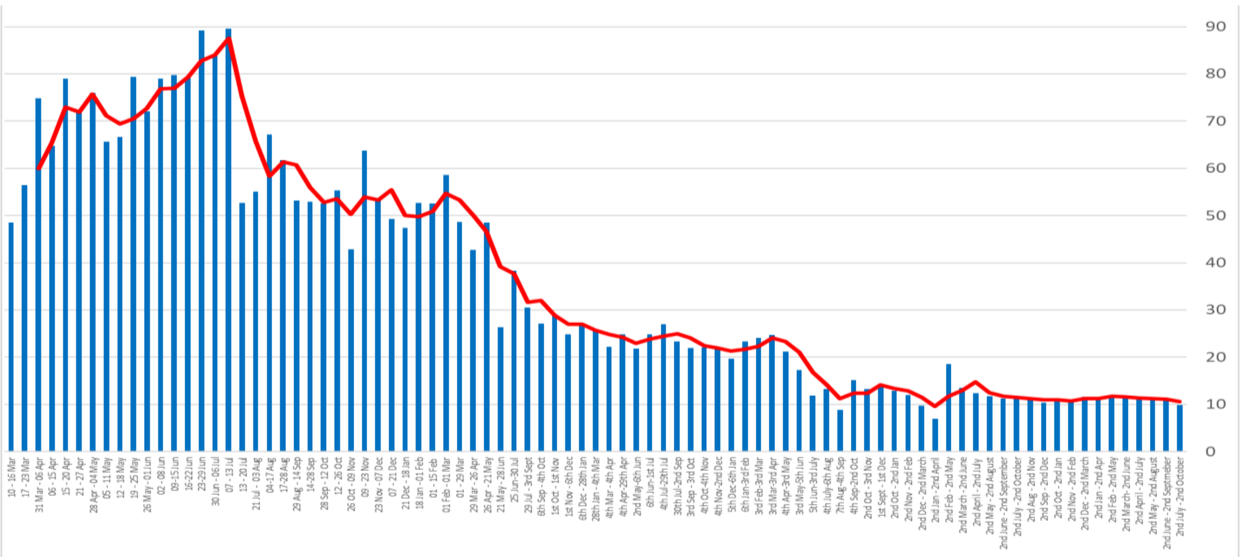
SOCIAL VALUE AND GOOD EMPLOYMENT PRACTICES

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

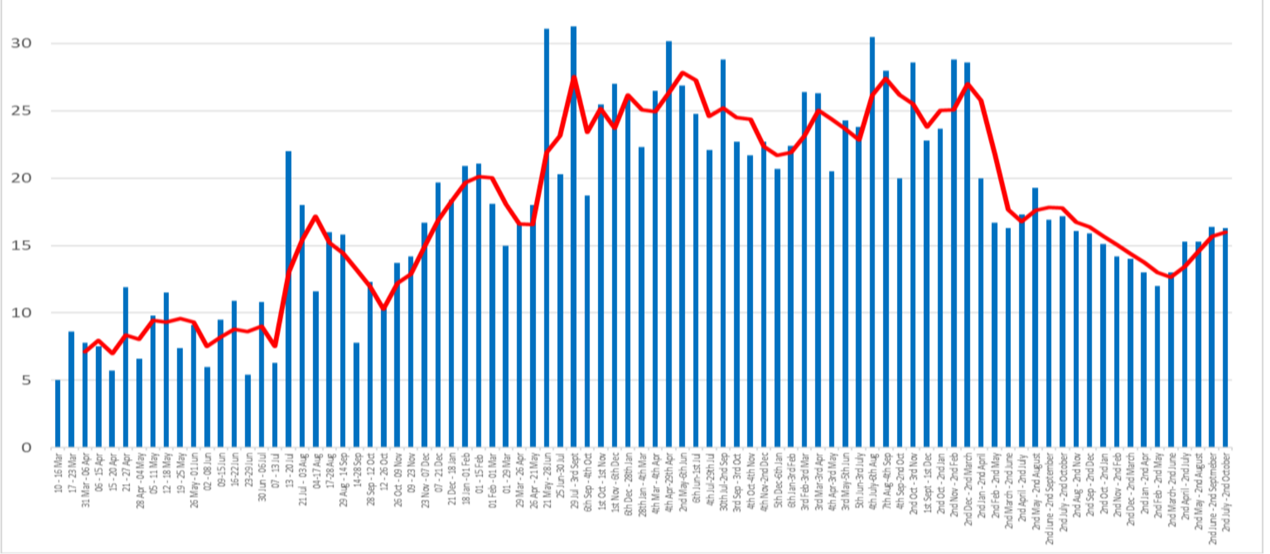
- **Guaranteed at least 16 hours of work per week.** 56% (vs 59%) said this currently applies, and 26% (vs 21%) said they are likely to consider in future.
- **Paying employees the Real Living Wage.** 51% of firms (vs 55%) paid the RLW, while 30% (vs 24%) indicated they are likely to implement it in the future.
- **Investing in leadership.** 45% (vs 44%) said that they are investing in leadership, while 39% (vs 37%) indicated they are likely to do so in future.
- **Promoting healthy work practices.** 44% (unchanged) said this currently applies, while 30% (vs 28%) indicated they are likely to do so in future.
- **Offering flexible working options to employees.** 42% (vs 45%) said this currently applies, and 35% (vs 31%) said likely to implement in the future.
- **Looking to increase the diversity of the workforce.** 39% (unchanged) of firms said this currently applies, 37% (vs 34%) said likely to include this in the future.
- **Involving employees in the overall direction of the business**. 36% (unchanged) said this currently applies. 38% (vs 34%) said likely to do so in future.

TIME SERIES OF THE MAIN IMPACTS OF ECONOMY ON BUSINESS

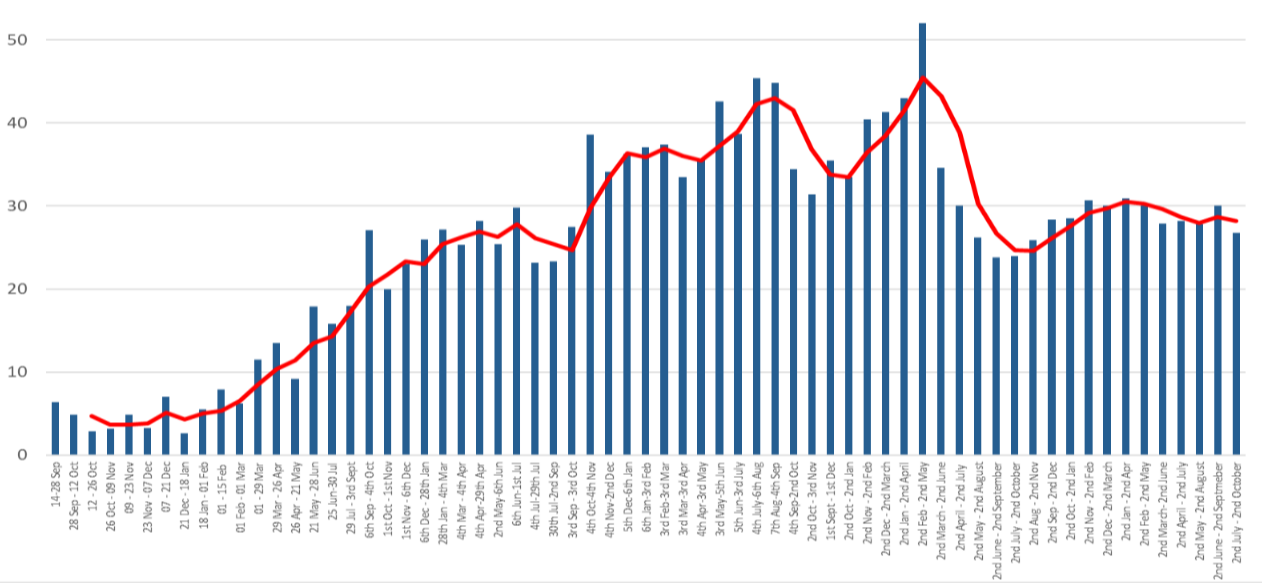
Percentage reporting decreased sales (Red line = moving average)



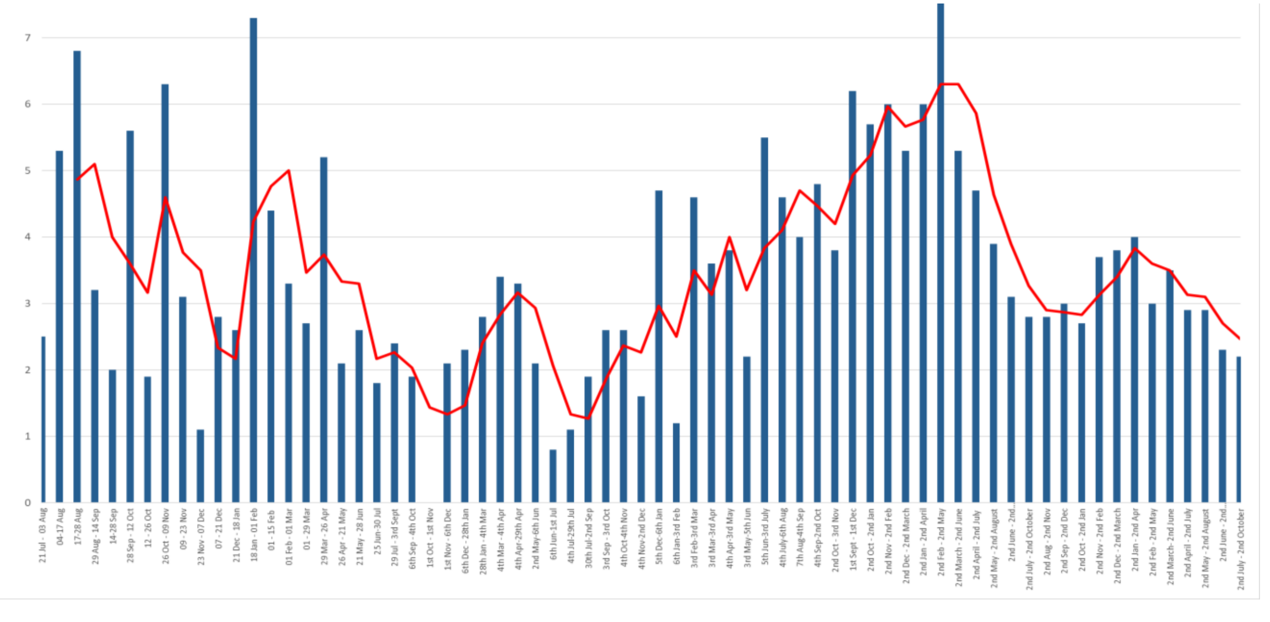
Percentage reporting increased sales



Percentage reporting rising costs

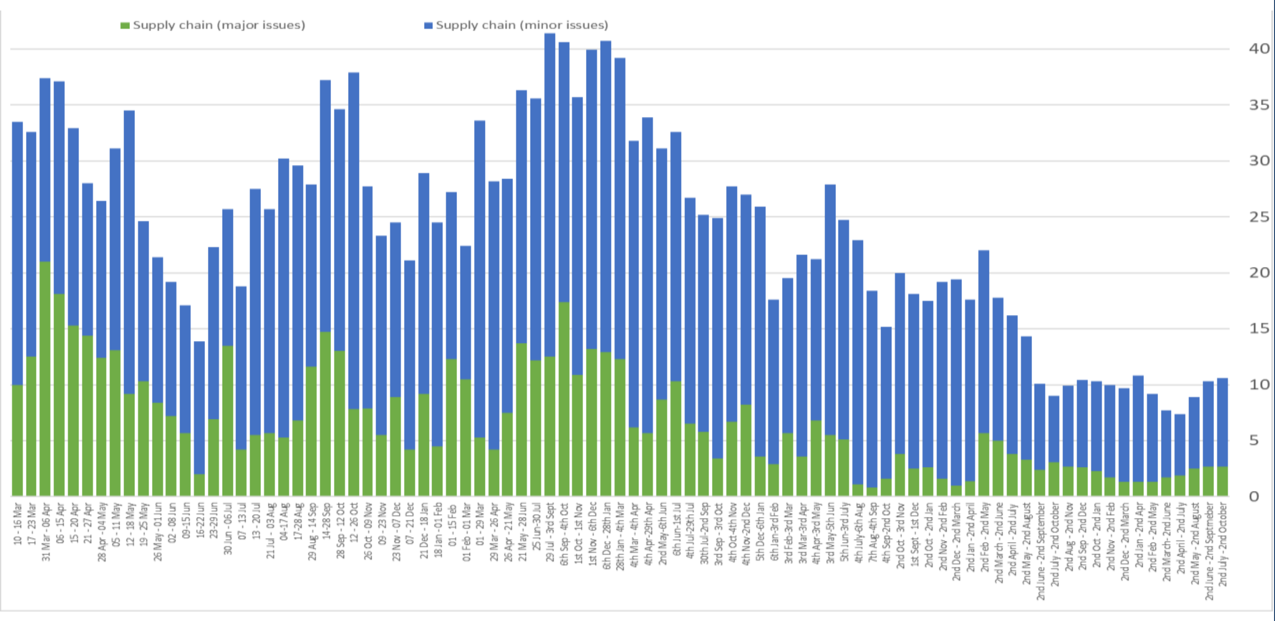


Percentage reporting late payments

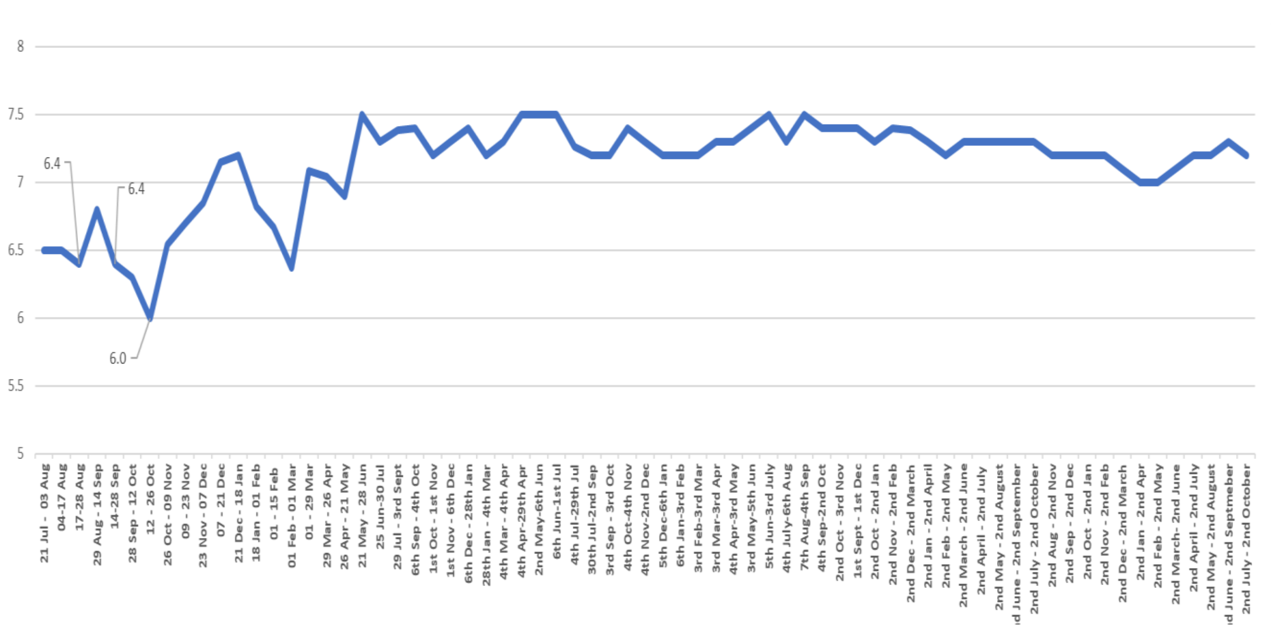


TIME SERIES OF THE MAIN IMPACTS OF ECONOMY ON BUSINESS

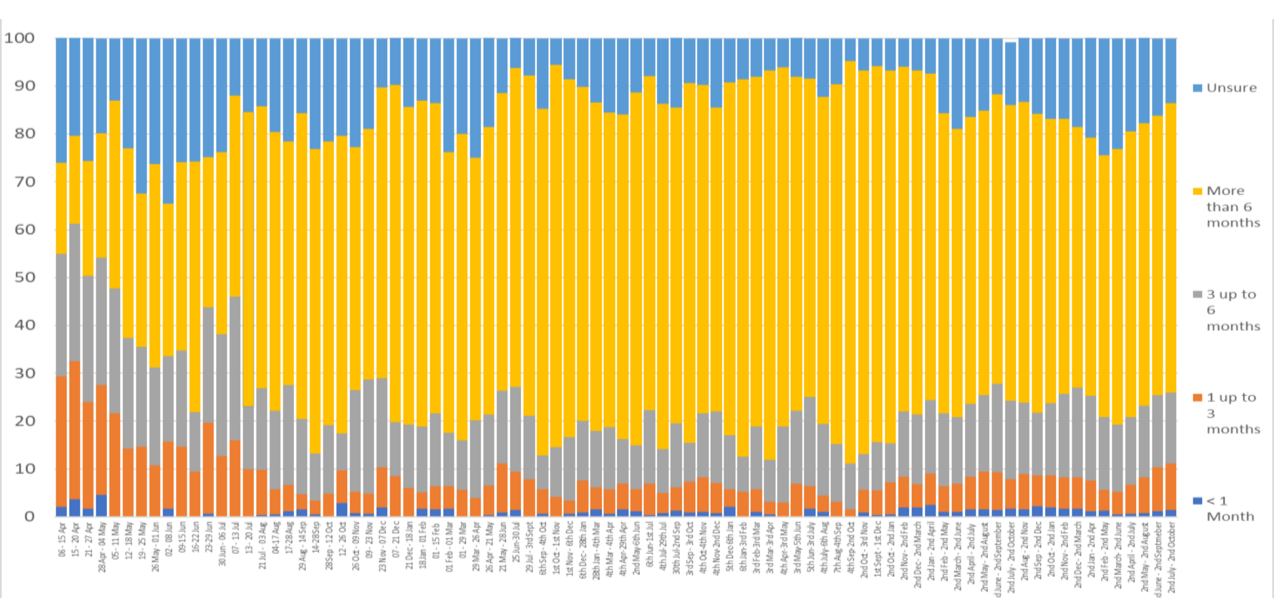
Percentage reporting minor supply chain issues (blue), major issues (green)



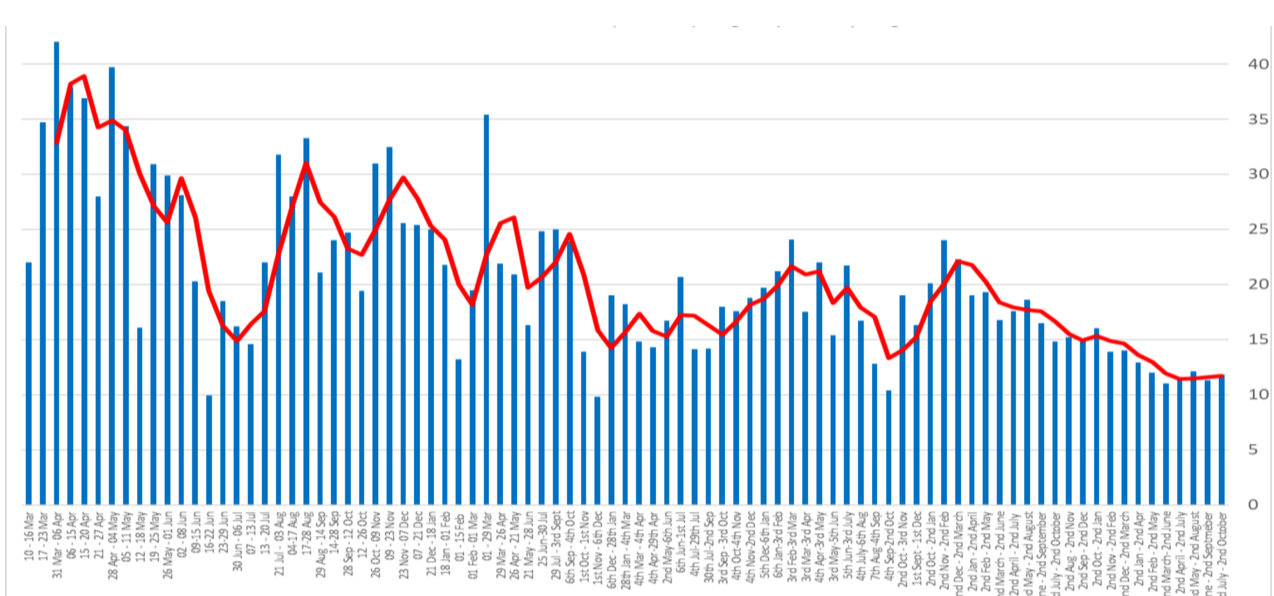
Aggregate confidence index – 1 low confidence, 10 high confidence



Percentage stating cash reserves can sustain certain periods of time

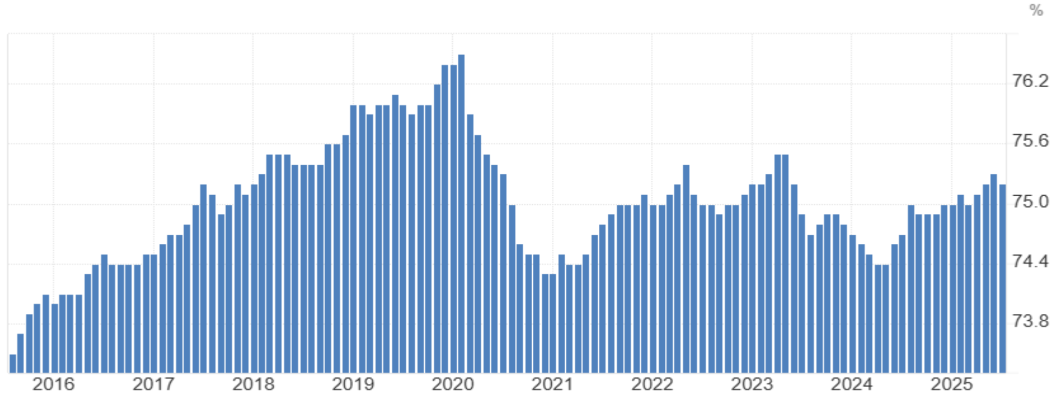


Percentage reporting cashflow problems



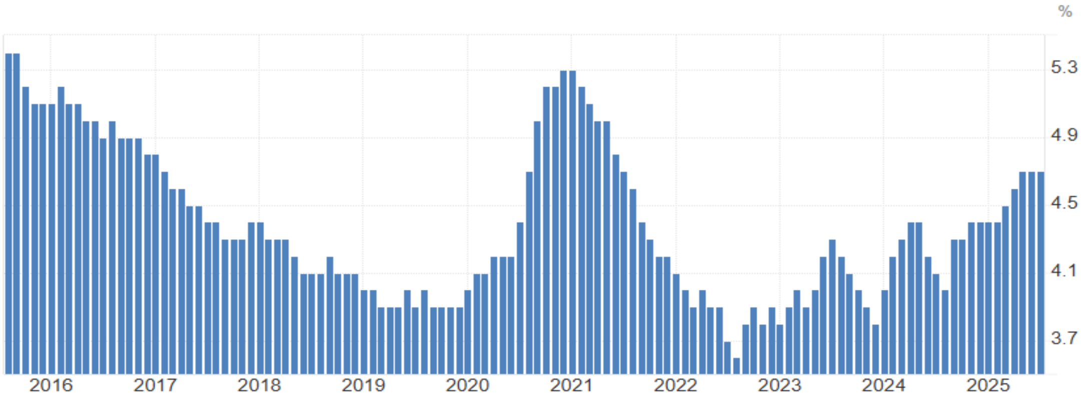
4. LABOUR MAKRET HEADLINES – ONS QUARTERLY LABOUR FORCE SURVEY

United Kingdom - Employment Rate 75.2%



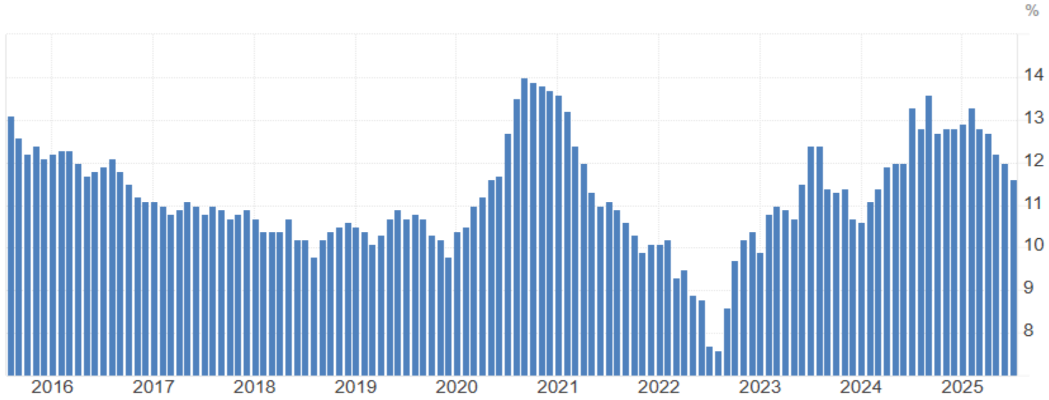
- **The United Kingdom's** Employment Rate in the United Kingdom decreased to 75.2% in July from 75.3% in June of 2025.
- Employment Rate averaged 71.7% from 1971 until 2025, reaching an all time high of 76.5% in February of 2020, and a record low of 65.6% in April of 1983.

United Kingdom - Unemployment Rate 4.7%



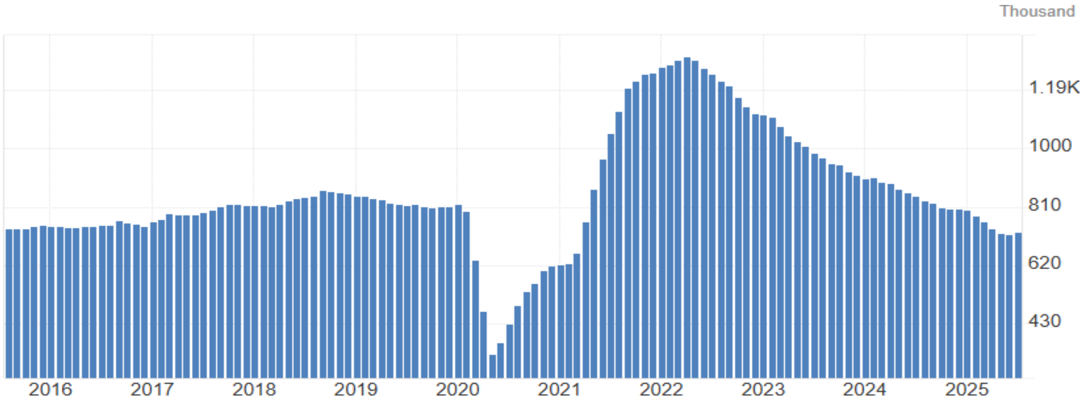
- **The United Kingdom's unemployment** rate stood at 4.7% in the three months to July 2025, unchanged from the previous period and in line with market expectations. The rate remained at its highest since the three months to August 2021, reflecting increases in the number of people unemployed for both 6–12 months and over 12 months compared with the prior period. On an annual basis, unemployment rose across all duration groups.
- The number of employed individuals grew by 232K to 34.2 million, a new record, driven mainly by gains in full-time positions. The number of people holding second jobs also increased, now accounting for 3.8% of total employment, suggesting that more workers are seeking additional income sources.

United Kingdom - Youth Unemployment Rate 11.6%



- **Youth Unemployment Rate** in the United Kingdom decreased to 11.6% in July from 12% in June of 2025.
- Youth Unemployment Rate averaged 13.2% from 1992 until 2025, reaching an all time high of 20.3% in November of 2011, and a record low of 7.6% in August of 2022.

United Kingdom - Vacancy Notifications 728k



- **Job Vacancies** in the United Kingdom increased to 728K in July from 720k in June of 2025.
- Job Vacancies averaged 696K from 2001 until 2025, reaching an all time high of 1.3m 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 1st to 8th September 2025

- **This 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 they 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% which is down 3% from August 2025.
- Proportion intending a UK overnight trip in the next 12 months is 74%, down by 4% since August 2025.
- Proportion intending on taking an overseas overnight trip in the next 12 months is 61%, up 2% on August 2025.
- The top 3 barriers, in September, to taking an overnight stay in the UK within the next six months are:
    - UK weather and rising cost of living in joint 1st (rising cost of living moved up to joint 1st from 2nd in August)
    - Rising costs of holidays/leisure (moves up to 3rd from 4th in August).
- Top 3 areas for an overnight stay Oct–Dec 2025 is London, South-West & North-West (drops from 2nd in August).
- Top 3 areas for overnight stays Jan–Mar 2026 is London, South-West and Scotland, with the North-West at 4th.
- Top 3 destinations Oct–Dec 2025 are city or large town (1st), countryside or village (2nd), and coastal/seaside town (3rd), consistent with August 2025.
- Top 3 destinations Jan–Mar 2026 are city or large town (1st), coastal/seaside town and countryside or village both joint 2nd.
- Hotels remain top accommodation choice for Oct–Dec 2025 and Jan–Mar 2026, consistent with August 2025.
- **Source:** https://www.visitbritain.org/research-insights/domestic-sentiment-tracker

Hotel Performance Monitor – August 2025 (Source MM)

- The occupancy rate in August for Greater Manchester (78%) and Manchester city centre (76%) were above the same period in 2024 (77% and 74% respectively).
- The average daily rate for Greater Manchester (£81) was just behind the 2024 rate (£82), and the Manchester city centre rate (£87) was consistent with 2024 (£87).
- The revenue per available room for Greater Manchester (£63) was consistent with 2024 (£63), and the rate for Manchester city centre (£66) was above 2024 (£64).

	Greater Manchester			Manchester		
	Room occupancy	Average rate	Revenue per room	Room occupancy	Average rate	Revenue per room
2025	78%	£81	£63	76%	£87	£66
2024	77%	£82	£63	74%	£87	£64

Marketing Manchester Campaigns Impact
Reach across all channels

147.5 million

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

INDUSTRIAL AND WAREHOUSING

213M ↓	795K ↓	(2.7M) ↑	5.3% ↑	£8.26 ↑	£85 ↑	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

- **Scale & Connectivity:** Manchester is the North's largest industrial market, with 212 million SF of space—two-thirds logistics. Key nodes include M62/M61 corridors, Trafford, and Manchester Airport.
- **Vacancy & Demand:** Vacancy has risen to 5.3% from a historic low of 1.6% three years ago, reflecting subdued demand and recent logistics completions. Still, it remains well below the 2012 peak of over 9%.
- **Leasing Activity:** Large deals persist, such as Whistl's 140,000 SF at PLP Astley and Sterling Event Group's 102,500 SF at Manchester Airport. Oldham leads leasing volumes, overtaking Rochdale and Trafford.
- **Construction & Data Centres:** Around 790,000 SF is under construction, mostly speculative, including Bolton 330 and PLP Middleton. Data centre growth accelerates with Kao Data's £350M Stockport build and Peel Waters' £250M Halo West in Eccles.
- **Rents & Affordability:** Annual rental growth has slowed to 6.0% from a 9% peak in early 2022. At £8.30/SF, Manchester remains affordable compared to Cheshire (£8.45/SF) and the UK average (£9.30/SF).

OFFICE

68M ↑	750K ↓	319K ↑	10.5% ↑	£22.25 ↓	£210 ↓	9.2% ↑
Inventory Sq ft	Under Constr Sq ft	12 Mo Net Absorp Sq ft	Vacancy Rate	Market Asking Rent/Sq ft	Market Sale Price/Sq ft	Market Yield

- **Leasing Momentum & Vacancy:** Manchester posted its strongest leasing performance since 2019, with vacancy dipping to 10.5%. Positive net absorption and fewer new completions helped reverse a multi-year rise from the 2020 low of 5.2%.
- **Diverse Tenant Activity:** Warner Bros led Q2 deals with 48,500 SF in Old Trafford. Salford Quays and Trafford hit two-year highs in take-up, while top-tier offices continue to attract firms like Puma and Havas.
- **Construction & Life Sciences:** Although construction starts have slowed, 750,000 SF is underway, including Landsec's Republic and the Rylands redevelopment. Life sciences are expanding, with Bruntwood adding lab space in the Knowledge Quarter.
- **Rents:** Average rents stand at £22.00/SF, second among the Big Six behind Bristol. Prime rents have reached £45/SF, with refurbished buildings like Quoin and Bond achieving £36–£37/SF.
- **Investment Trends:** Investment volumes remain muted at £238M over the past year, well below the £626M five-year average. Notable deals include 101 Embankment (£75M) and 1 Portland Street (£7.5M).

RETAIL

81.7M ↑	179K ↓	305K ↑	2.1% ↓	£21.83 ↑	£186 ↑	7.8% ↓
Inventory Sq ft	Under Constr Sq ft	12 Mo Net Absorp Sq ft	Vacancy Rate	Market Asking Rent/Sq ft	Market Sale Price/Sq ft	Market Yield

- **Retail Scale & Appeal:** Manchester, home to 2.9 million people, is the UK's second-largest retail market after London, with 81 million SF of space. Its vibrant culture, tourism, and student population support year-round retail activity.
- **Occupier Strength & Vacancy:** Leasing activity has improved recently, with consumer indicators remaining positive. Vacancy sits at 2.1%, about 80 bps below the UK average, supported by limited new completions and stable net absorption.
- **Shopping Centres & Leisure Growth:** Manchester Arndale and Trafford Centre continue to attract footfall and long-term leases.
- **Retail Parks & Regeneration:** Retail parks outperform with near-record low vacancies. Major lettings include B&Q (41,850 SF) and Dunelm (20,000 SF). Town centre regeneration is underway in Wigan and Stockport.
- **Rents & Growth:** Annual rental growth stands at 2.5%, following strong gains in 2023–24. Prime zone A rents reach £300/SF, while average non-zone A rents are £22.00/SF—highest in the North West, ahead of Cheshire and Liverpool.

7. GOVERNMENT MEASURES. OTHER DATA AND ANNOUNCEMENTS

THEME	Web	ANNOUNCEMENT / ISSUE - (HOLD CTRL AND CLICK ON <LINKS> TO ACCESS THE FULL ITEM)
New funds for local leaders to unlock jobs and boost innovation across the country	<Link>	Research funding body UK Research and Innovation (UKRI) is inviting a range of local and regional partnerships to bid for government funding to support research and innovation projects in their area through the **Local Innovation Partnerships Fund.** The competition will back partnerships that can turn existing research breakthroughs into practical solutions that create jobs and improve people's lives, supporting the Government's Plan for Change. Consortiums of various forms are encouraged to apply, to ensure regions across the UK are supported to develop new innovations and drive regional growth.
UK's Industrial Strategy secures £250bn in investment, supporting 45,000 jobs	<Link>	The Government has welcomed over £250 billion of investment since the launch of the UK's Modern Industrial Strategy in June. 45,000 jobs will be supported thanks to investment commitments made into the strategy's key growth driving sectors. Figures reinforce the government's commitment to driving growth in communities across the UK as it delivers on the Plan for Change. **Advanced Manufacturing:** The DRIVE35 programme allocates £2.5 billion to automotive R&D and capital investment. An EV grant scheme and £70 million in innovation funding are supporting over 50 projects aimed at accelerating sectoral transformation and technology adoption. **Clean Energy Industries:** Contracts for Difference Round 7 offers £544 million for clean energy. Ten hydrogen projects and two new CCUS initiatives are progressing, expected to support around 3,700 jobs across North Wales and the North West. **Creative Industries:** £150 million from the Creative Places Growth Fund is being distributed to regional hubs. New qualifications and a careers programme are in development to address skills gaps and support workforce growth in the creative sector. **Defence:** A £182 million skills package will establish five technical colleges. £220 million is allocated to testing infrastructure, and £65 million is directed toward SME and export support in the defence industry. **Digital and Technologies:** A new AI Growth Zone in the North East aims to create 5,000 jobs and attract £30 billion in investment. The UK-US Tech Prosperity Agreement is expanding collaboration in AI, quantum technologies, and digital trade. **Financial Services:** A new Office for Investment concierge service launches in October to streamline support. Regulatory reform proposals include merging the Payment System Regulator and FCA to simplify oversight and encourage innovation. **Life Sciences:** Government-backed initiatives include a £30 million mRNA Bio-foundry, a £50 million R&D fund, and a £1 billion Moderna partnership. Recruitment is underway for leadership of the new £600 million Health Data Research Service. **Professional and Business Services:** A digital-first Made Smarter model is being co-developed for 2026 rollout. The 'Made in the UK, Sold to the World' roadshow promotes international trade opportunities for SMEs, with recent activity in Edinburgh.
Innovation Clusters Map	<Link>	The Innovation Clusters Map is a tool developed by the Department for Science, Innovation and Technology to support the UK's ambition to foster regional innovation and drive economic growth. It identifies and visualises clusters of innovative businesses, research institutions, and infrastructure. This map helps investors, businesses, researchers and local government policymakers to explore these clusters.
Regional Tech Booster programme	<Link>	Government's £1 million Regional Tech Booster programme gets underway to support tech businesses and founders and grow local tech ecosystems. The projects across Scotland, Northern Ireland, Wales and England will boost tech growth and create more jobs and opportunities for people and communities outside London. A series of investment events will also take place, connecting UK tech brilliance with investors, with the first in Bristol and Leeds.
Six regions receive £25 million to bolster creative industries	<Link>	Six UK regions with strengths in creative industries such as film and TV, music, fashion and video games have been awarded £25 million each to grow these sectors as part of the Government's Creative Places Growth Fund. The fund was announced in the Creative Industries Sector Plan in June. Separately, more than 100 micro, small, and medium-sized creative enterprises across twelve regions are receiving a share of £8 million in grants through the Create Growth Programme.
National Small Business Survey Results 2024/25	<Link>	The Small Business Survey report provides the findings for businesses with employees in 2024. It contains details of business performance and the factors that affect this performance, including performance in terms of employment and turnover, exporting, access to finance, innovation activity, obstacles to business success, use of business support, training and future plans.

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	SEP 2025	AUG 2025	JUL 2025	JUN 2025	MAY 2025	APR 2025	MAR 2025	FEB 2025	JAN 2025	DEC 2024	NOV 2024	OCT 2024	SEP 2024	AUG 2024	JUL 2024	JUN 2024	MAY 2024	MAR 2024	FEB 2024	JAN 2024	DEC 2023	NOV 2023	OCT 2023	SEP 2023	AUG 2023
Size-band (employees)	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
‘0’ employment to 9 (MICRO)	89%	54%	54%	53%	54%	55%	58%	55%	58%	56%	59%	54%	55%	56%	62%	60%	58%	59%	57%	46%	49%	53%	51%	59%	41%	58%
10 to 49 (SMALL)	9%	22%	25%	24%	24%	24%	24%	25%	24%	23%	20%	24%	25%	26%	24%	23%	24%	24%	26%	27%	22%	13%	20%	16%	24%	16%
50 to 249 (MEDIUM)	2%	14%	15%	15%	15%	15%	13%	13%	12%	14%	15%	15%	13%	12%	9%	11%	6%	7%	9%	9%	7%	14%	16%	13%	19%	13%
250+ (LARGE)	<1%	6%	7%	7%	7%	6%	6%	6%	7%	7%	7%	7%	7%	6%	C	7%	12%	10%	8%	10%	10%	11%	8%	7%	10%	6%
UNKNOWN	-	4%	-	-	-	-	-	-	C	C	C	C	C	C	C	C	C	C	C	8%	12%	8%	C	C	6%	8%

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

Size / Sector (as identified by the business) 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%	54%	58%	64%	60%	28%	35%	47%	51%	36%	63%	69%
10 to 49 (SMALL)	9%	22%	12%	12%	16%	40%	35%	22%	31%	28%	20%	16%
50 to 249 (MEDIUM)	2%	14%	15%	14%	12%	13%	22%	21%	8%	18%	12%	10%
250+ (LARGE)	<1%	6%	12%	C	7%	9%	C	7%	8%	C	C	C
UNKNOWN	-	4%	C	C	C	10%	C	C	C	13%	C	C