GC SITUATION REPORT AND QUARTERLY BUSINESS SURVEY RESULTS

AUGUST 2026

REPORT NUMBER 99: WITH QUARTERLY DATA FOR 2ND JUNE 2026 TO 2ND SEPTEMBER 2026

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1. ECONOMIC CONTEXT AND SURVEY HEADLINES

The 99th 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 **685** survey responses completed between **the 2nd of June 2026 and the 2nd of September 2026** by GC clients from the **Business Growth Hub and Invest in Manchester.** Comparisons have been made with last quarter's **753** responses from **May and July 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.

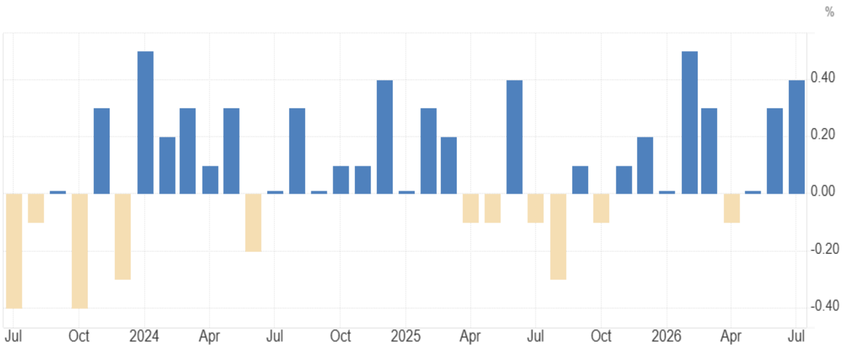
Economic context

- Recent escalation of tensions in the Middle East has renewed uncertainty in global energy markets, raising concerns that further disruption to oil and gas supplies could increase inflationary pressures and weaken business and consumer confidence. The Bank of England continues to identify energy prices as a key upside risk to the inflation outlook.
- Oil and gas prices remain highly sensitive to geopolitical developments, with policymakers warning that prolonged disruption could lead to higher transport, manufacturing and household energy costs across the UK economy, potentially delaying further easing of interest rates.
- The UK economy continues to be resilient, with GDP, services activity and business confidence improving over summer. Although weakness in construction, manufacturing and export demand suggests growth remains uneven across sectors.
- Interest rate expectations remain uncertain, as stronger economic activity and higher-than-expected inflation may limit the scope for monetary policy easing if energy-driven price pressures persist into late 2026.

Organisation Growth Survey headlines

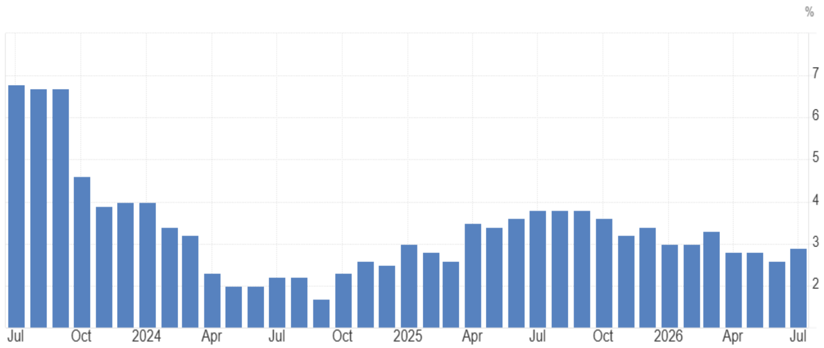
- Business confidence stands at 7.5, with stronger sentiment in Manufacturing and Engineering, Construction, Education, Hospitality, Retail, Tourism and Healthcare. Sales growth dropped by 1% (at 14%), while 65% of firms expect profits to increase, indicating continued optimism despite mixed trading conditions.
- Cost pressures continue to rise, affecting 27% of firms, while cashflow concerns stayed at 18%. Accessing new domestic sales remains the biggest challenge, with over half of businesses reporting difficulties in generating demand.
- Investment intentions remain resilient, with 39% planning to increase capital expenditure. While, workforce development investment remains at 26%, firms are looking to invest in workforce to support the innovation and productivity plans. However, 48% firms reporting skills gaps issues within workforce.
- Recruitment, innovation and AI adoption have strengthened, with 29% of firms recruiting and AI adoption maintaining the GC survey record of 59%. Despite this progress, skills gaps remain, in particular within specialist IT and sales roles.

UK GDP expanded in June 2026 by 0.3%



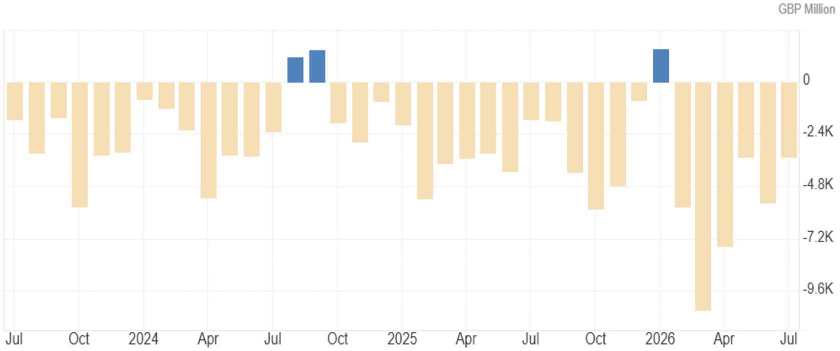
- **UK GDP grew by 0.4% in July 2026,** accelerating from 0.3% in June and exceeding expectations of no growth. This was the strongest monthly expansion since February, with all three main sectors contributing positively to growth.
- **Services output increased 0.4%, remaining the largest driver of growth.** Administrative and support services led the gains, rising 3.7%, supported by strong growth in rental and leasing activities, services to buildings and landscape, and employment activities. Information and communication output also rose 2.4%.
- **Annual GDP growth accelerated to 1.6% in July 2026** from 1.1% in June, marking the strongest year-on-year growth since February 2025 and outperforming expectations of 1.2%.

UK CPI inflation eased to 2.9% in July 2026



- **The UK's annual inflation rate rose to 2.9% in July 2026,** up from 2.6% in June and in line with market expectations, marking the highest inflation reading in four months.
- Housing and household services provided the largest upward contribution to inflation, rising to 4.1% from 2.7%, driven by a 13% increase in Ofgem's energy price cap. Gas prices surged 14.7%, the largest rise since October 2022, while electricity prices increased 3.6%.
- Transport inflation eased to 3.6% from 5.7%, largely due to lower motor fuel prices. Food inflation also slowed to 1.3% from 1.7%, while monthly CPI increased by 0.3%, matching market forecasts.

UK trade deficit widened in June 2026

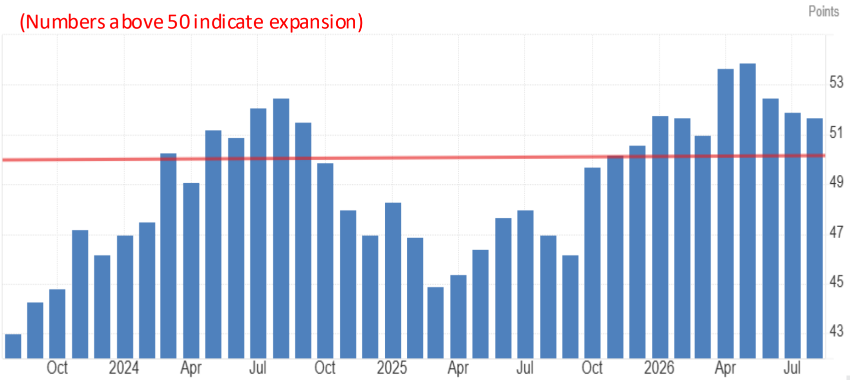


- **UK's trade deficit narrowed to £3.5bn in July 2026,** down from £5.5bn in June to reach its lowest level since January. This improvement was driven by a combination of rising exports and falling imports.
- **Exports increased 2.1% to £81.9bn**, supported by a 4.4% rise in goods exports. Shipments to both EU and non-EU markets strengthened, led primarily by higher exports of machinery and transport equipment.
- **Imports fell 0.4% to £85.4bn**, reaching a five-month low. Goods imports declined 1.6%, reflecting lower purchases from EU countries, particularly machinery and transport equipment, although imports from non-EU countries increased.
- The overall improvement in the trade balance reflected stronger export performance alongside easing import demand during the month.

2. SECTOR INSIGHT, PURCHASING MANAGER INDICES, CONSUMERS, AND HOUSING MARKET

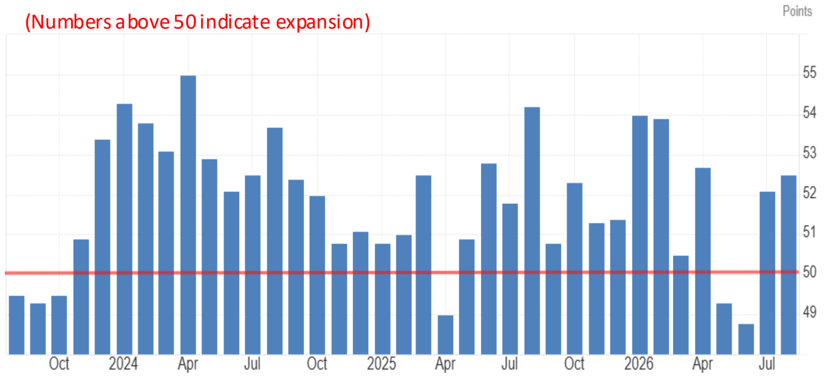
- **The S&P Global UK Composite PMI rose to 52.5 in August 2026,** up from 52.2 in July and marking the strongest expansion in private sector activity since March, driven by continued growth in the services sector despite a slight slowdown in manufacturing. New business improved at the fastest pace for several months, supported by recovering consumer spending and stronger investment sentiment, although export demand remained subdued and staffing levels declined.
- **Lloyds Business Barometer rose to 53% in August 2026, the highest level since March**, as stronger customer demand and improving economic optimism boosted business confidence. Economic optimism increased to 49%, while 66% of firms expect output to rise over the next year.
- **CBI's headline sales balance** fell to -48 in August 2026 from -26 in July, well below market expectations of -24. Retailers reported lower sales volumes, while the broader distribution sector also faced subdued trading conditions.
- **Company insolvencies** remained elevated but showed signs of improvement, with recent data indicating fewer insolvencies than earlier in the summer, although Construction, Wholesale & Retail, and the Hospitality continued to account for a significant share of business closures.
- **GfK UK Consumer Confidence Index rose to -14 in August 2026,** up from -17 in July and the highest level in two years. Improved sentiment was driven by stronger expectations for personal finances, major purchases and the wider economy, although confidence remains below pre-cost-of-living crisis levels amid rising inflation and geopolitical uncertainty.
- **UK retail sales volumes** fell by 0.5% month-on-month in July 2026 with 0.7% rise in June. Annual retail sales growth slowed to 1.6% from 3.8% in June, indicating softer consumer spending momentum despite continued support from food retail.
- **Net borrowing of consumer credit by individuals** in the UK rose slightly to £2 billion in July 2026 from £1.9 billion in June, overshooting market forecasts of £1.8 billion. It was the highest reading since last November, slightly above the previous 6-month average of £1.9 billion.
- **UK manufacturing output** fell by 0.5% month-on-month in June 2026 (ONS), following a revised 0.2% decline in May, with weakness concentrated in pharmaceuticals (-5.1%), computer and electronic products (-0.9%) and machinery manufacturing (-0.1%). Annual manufacturing growth slowed sharply to 0.5% from 2.0% in May, marking the weakest year-on-year increase in four months and highlighting a loss of momentum across the sector.

The S&P Global UK Manufacturing PMI 52.5 (>50 = expansion)



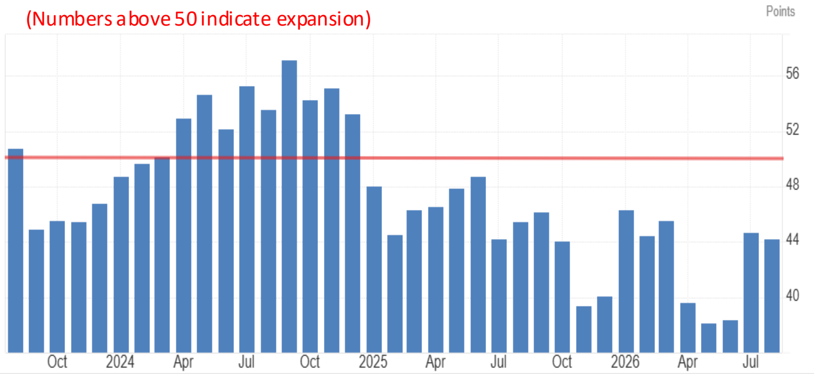
- **The S&P Global UK Manufacturing PMI eased to 51.7 in August 2026,** down slightly from 51.9 in July and marking the lowest reading in five months, although it remained comfortably in expansion territory.
- Output and new orders continued to grow, with manufacturing production increasing for a fifth consecutive month and demand supported by both domestic and overseas clients, particularly among medium & large-sized firms.
- Employment rose at its fastest pace in two years, driven by stronger order books, while firms reported improving hiring conditions after earlier concerns over higher National Insurance costs.
- Supply chain pressures and cost inflation eased further, with input costs rising at the slowest rate in six months; around half of manufacturers remained optimistic about business prospects over the next 12 months.

The S&P Global UK Services PMI 48.8 (>50 = expansion)



- **The S&P Global UK Services PMI was revised to 52.5 in August 2026,** up from 52.1 in July and signalling the strongest expansion in service sector activity for four months.
- New business increased modestly, supported by recovering business and consumer spending, although export sales declined for a sixth consecutive month due to weak European demand and geopolitical uncertainty.
- Employment continued to fall, but at the slowest pace since October 2025, suggesting labour market conditions in the services sector are gradually stabilising.
- Input cost and output price inflation accelerated, driven by higher fuel, transport, wage, food and technology costs, while business confidence strengthened for a third consecutive month to its highest level since Feb-2026.

The S&P Global UK Construction PMI 44.7 (<50 = contraction)



- **S&P Global UK Construction PMI eased to 44.3 in August 2026,** down from 44.7 in July and below market expectations, indicating a continued contraction in construction activity.
- New project starts weakened further, particularly in the residential sector, as higher energy prices, rising borrowing costs and uncertainty linked to the Middle East conflict weighed on client demand and investment decisions.
- Housebuilding remained the weakest-performing segment, with residential activity falling to 37.6, while civil engineering (40.5) and commercial construction (47.8) also continued to contract.
- Employment declined and cost pressures increased, driven by higher transport, fuel and raw material costs, although business confidence remained positive due to expectations of new tender opportunities over the coming year.

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 August 2026 stayed at 7.5 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 - for all sectors - in BFPS, DCTs and Utilities/LCEGs.
- **Current sales & future profits.** 14% (vs 15%) of firms reported an increase in sales, and 9% (vs 8%) reported decreased sales in the last 12 weeks. 65% (vs 64%) expect profits to increase in the year ahead. 2% (unchanged) expect profits to decrease. The sectors most optimistic about future profitability are Retail, Tourism, DCTs, Education, and Healthcare.
- **Investment.** 39% (vs 41%) of firms expect to increase capital expenditure in the year ahead. Sectors most optimistic about increasing investment are Utilities / LCEGs, Manufacturing & Engineering, Retail, Hospitality, and Other Services; and lowest in BFPS, DCTs, Education, Construction, and Healthcare.
- **Workforce development.** 26% (unchanged) of firms plan to increase investment. Sectors more likely to report a potential increase in investment in WfD are Manufacturing, Construction, Retail, Hospitality, and Other services; and less likely in Utilities/LCEGs, BFPS, Education, and DCTs.

MAIN ECONOMIC IMPACTS AND FINANCIAL RESILIENCE

- **Main economic impacts.** 27% (vs 29%) reported rising costs, followed by cashflow issues 18% (unchanged), minor supply chain challenges 7% (vs 8%), and staff shortages due to recruitment difficulties 9% (vs 8%).
- **Cash reserves.** 52% of firms (vs 51%) report having cash reserves to last over 6 months. Reserves were highest in Utilities/LCEGs, Healthcare, Manufacturing & Engineering, BFPS; lowest in Hospitality, Construction, DCTs, and Education.
- **Cashflow.** 18% (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 Retail, Tourism, Healthcare, and Other Services.
- **Analysis of insolvency risk for August** shows an increase in the total number of firms (10+ FTEs) reporting heightened levels of risk compared to last month:
  - **720** (up from 658 last month) firms have 1 flag - some risk;
  - **75** (up from 53) have 2 red flags - medium insolvency risk; and
  - **41** (unchanged) have 3 red flags - insolvency imminent.
- **Change in risk:** The proportion of firms in GM with a red flag rating increased by 0.8% points in August (m-o-m) for GM, while for UK increased by 0.7%. Over the past 12 months, GM has seen a 3.7% increase in firms with a Red Flag rating, while the UK has recorded a 2% increase.

BUSINESS CHALLENGES AND FUTURE SUPPORT NEEDS

- **The 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 challenges include** developing new products or services 33% (unchanged), business model change 33% (vs 32%), managing overall finances 29% (unchanged), and workforce development / skills 24% (unchanged).
- **International trade.** 25% of firms (unchanged) export goods/services, with 19% (vs 18%) expanding into new markets, a trend particularly notable in the Utilities/LCEGs, Manufacturing, Retail, and DCTs sectors. 12% (unchanged) 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 42% (vs 39%), sales & marketing 39% (vs 37%), innovation 35% (unchanged), training 31% (unchanged) and financial advice 33% (unchanged).
  - 11% (vs 10%) 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:** 29% (unchanged) 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, Manufacturing, and Other Services. Sectors least likely to be recruiting are DCTs, Engineering (excluding other Manufacturing), Education, and Healthcare.
- **Workforce skill gaps.** 37% (vs 39%) report that their existing workforce skills are fully aligned with their business plan objectives. 48% (vs 46%) indicate that skills are only partially at the required level, 4% (vs 3%) stated that workforce skills are **not** at the right level, and 11% 'don't know'.
- Smaller SMEs were more likely to report gaps in sales & marketing skills, whereas firms with 50+ FTEs were more likely to report gaps in motivating staff, management & leadership, and general customer handling skills.
- **Technical skill gaps:** Specialist technical skills and knowledge 31% (vs 32%), advanced IT 16% (unchanged), knowledge of specific products / services 15% (unchanged).
- **Practical & personal skill gaps:** Sales 25% (unchanged), motivating staff 16% (unchanged), and customer handling 15% (vs 16%).

RESEARCH, DEVELOPMENT AND INNOVATION

- **Innovation activities.** 35% (vs 34%) have invested in new or significantly improved services, 33% (unchanged) in R&D, 23% (vs 21%) in new business practices, 19% (vs 18%) introduced new or significantly improved goods, and 14% (vs 13%) have invested in improved production methods.
- **Digital innovation.** 13% (unchanged) have invested in the acquisition of digital products, and 9% (vs 7%) made investments in the acquisition of new machinery, in particular within the Manufacturing & Engineering sectors.
- **Future Innovation.** 32% (vs 33%) of firms are looking to increase investment and R&D, and highest in Utilities/LCEGs, Engineering, Education, Life Sciences, and DCTs. 26% (unchanged) of respondents said they were likely to invest in workforce development to support their future innovation plans.
- **Digital Transformation**. 17% (vs 15%) of firms are looking to invest in digital transformation, highest in Retail, Utilities/LCEGs, Hospitality, Education, and Other Services.
- **AI Adoption:** 59% (vs 60%) have adopted AI into business (still the highest since the question was introduced). Firms were most likely to have implemented AI in data processing & analytics, and the automation of routine tasks.

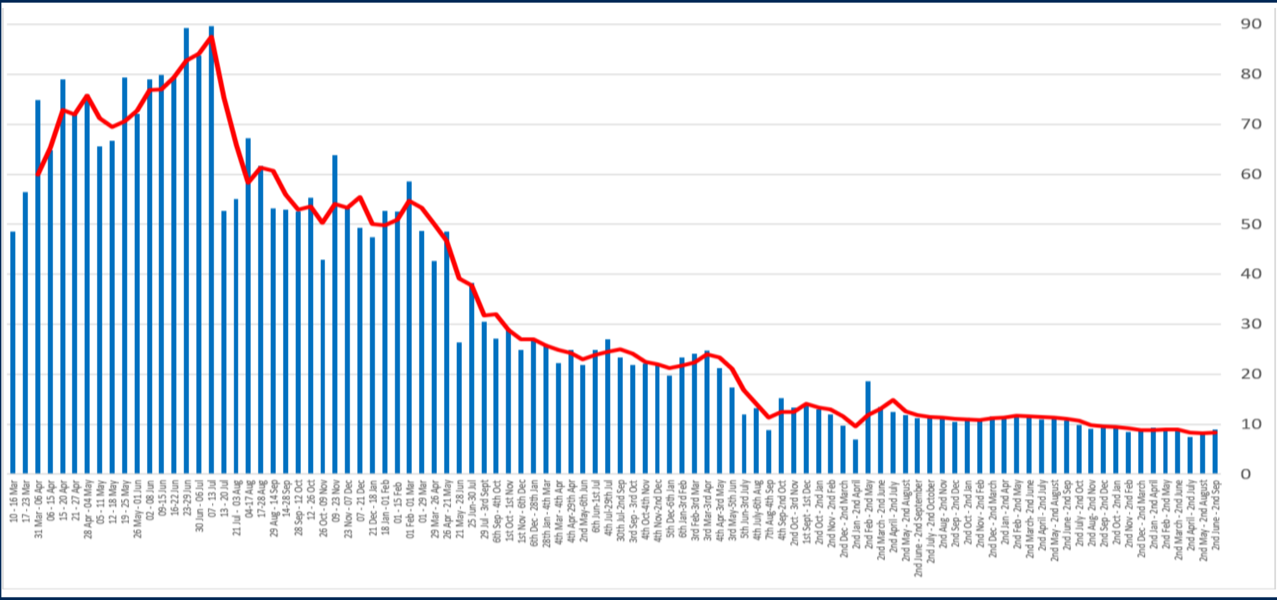
SOCIAL VALUE AND GOOD EMPLOYMENT PRACTICES

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

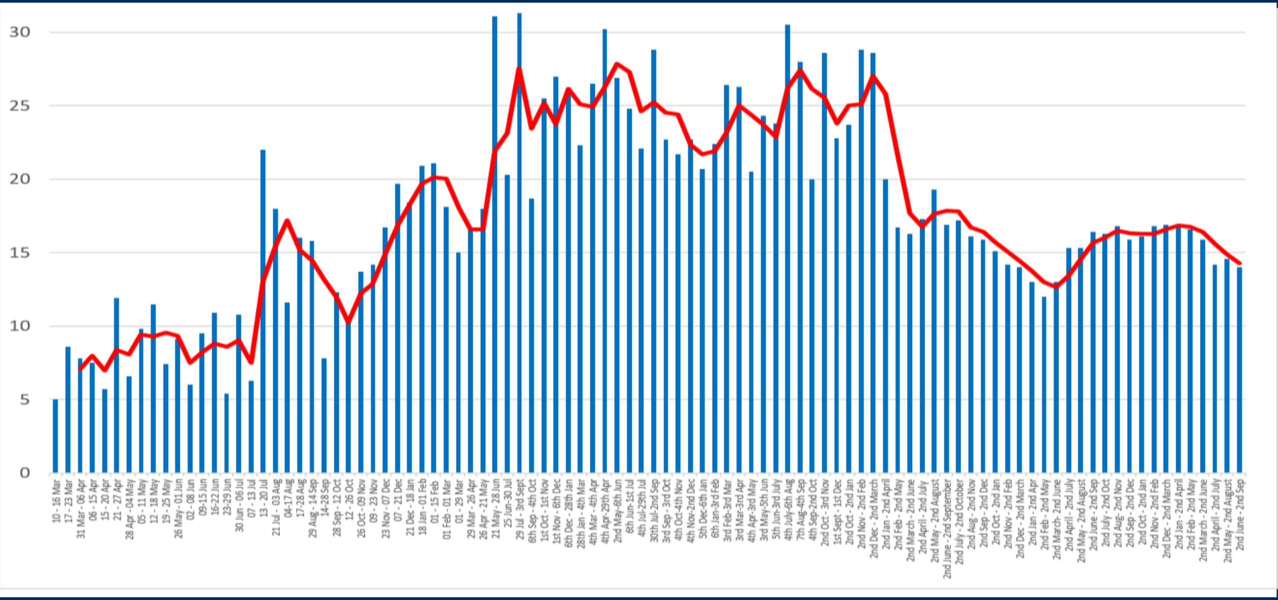
- **Guaranteed at least 16 hours of work per week:** 54% (vs 55%) said this currently applies, and 27% (vs 24%) said they are likely to consider in future.
- **Paying employees the Real Living Wage:** 51% of firms (vs 52%) paid the RLW, while 29% (vs 30%) indicated they are likely to implement it in future.
- **Investing in leadership:** 46% (unchanged) said that they are investing in leadership, while 36% (vs 38%) indicated they are likely to do so in future.
- **Offering flexible working options to employees:** 47% (vs 49%) said this currently applies, and 31% (unchanged) said likely to implement in the future.
- **Promoting healthy work practices:** 43% (vs 48%) said this currently applies, while 33% (vs 32%) indicated they are likely to do so in future.
- **Involving employees in the overall direction of the business**: 34% (vs 39%) said this currently applies. 36% (vs 34%) said likely to do so in future.
- **Looking to increase the diversity of the workforce:** 36% (vs 39%) of firms said this currently applies, 39% (unchanged) said likely to include this in the future.

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

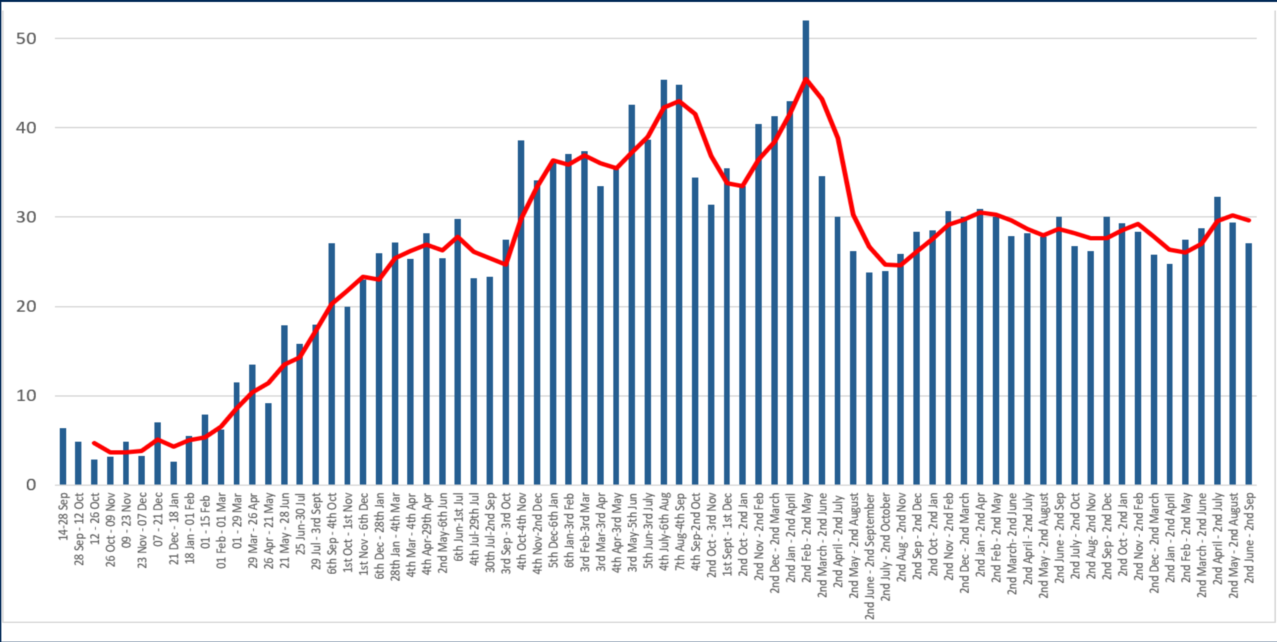
Percentage reporting decreased sales (Red line = moving average)



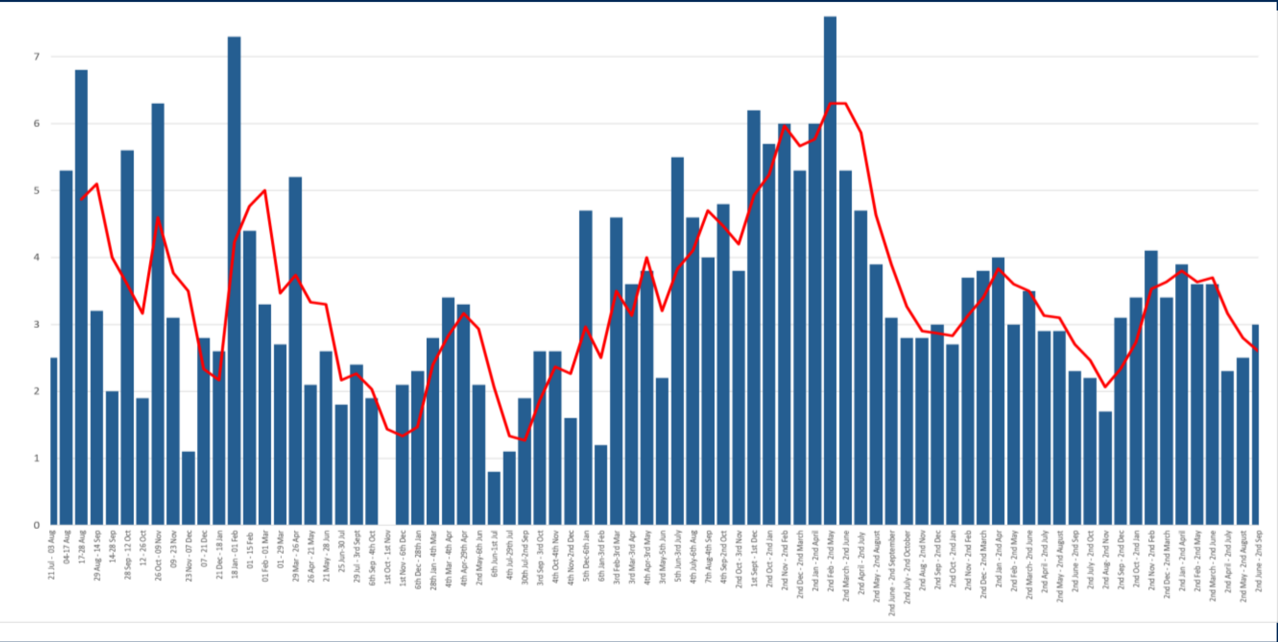
Percentage reporting increased sales



Percentage reporting rising costs

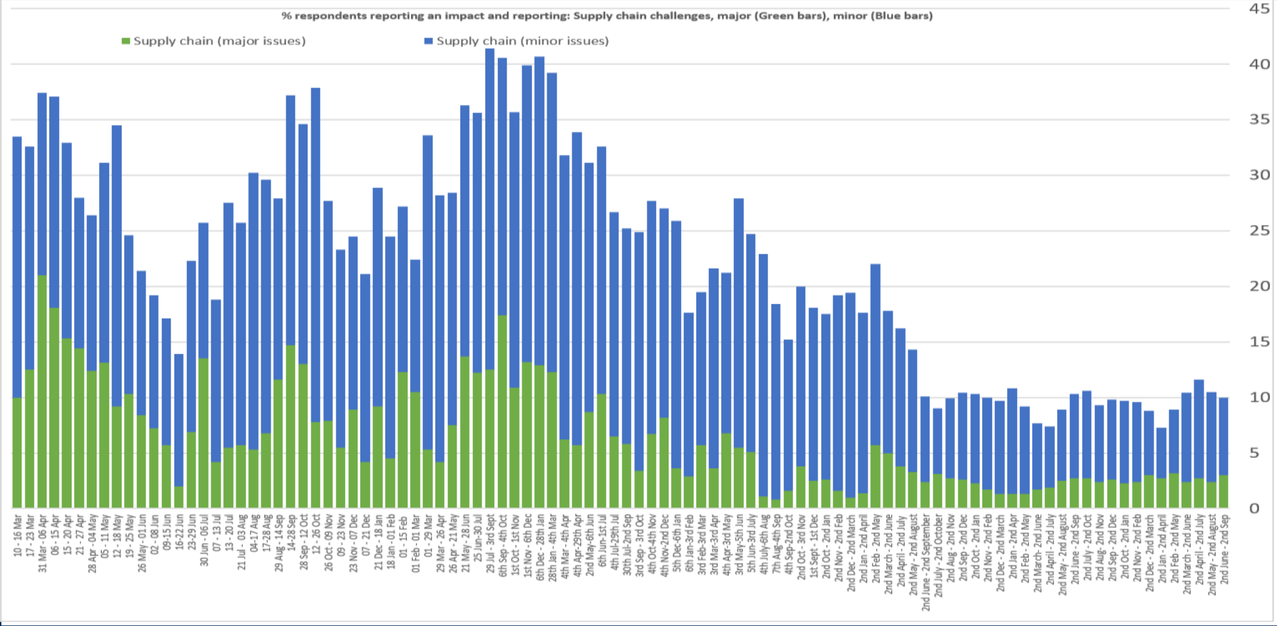


Percentage reporting late payments

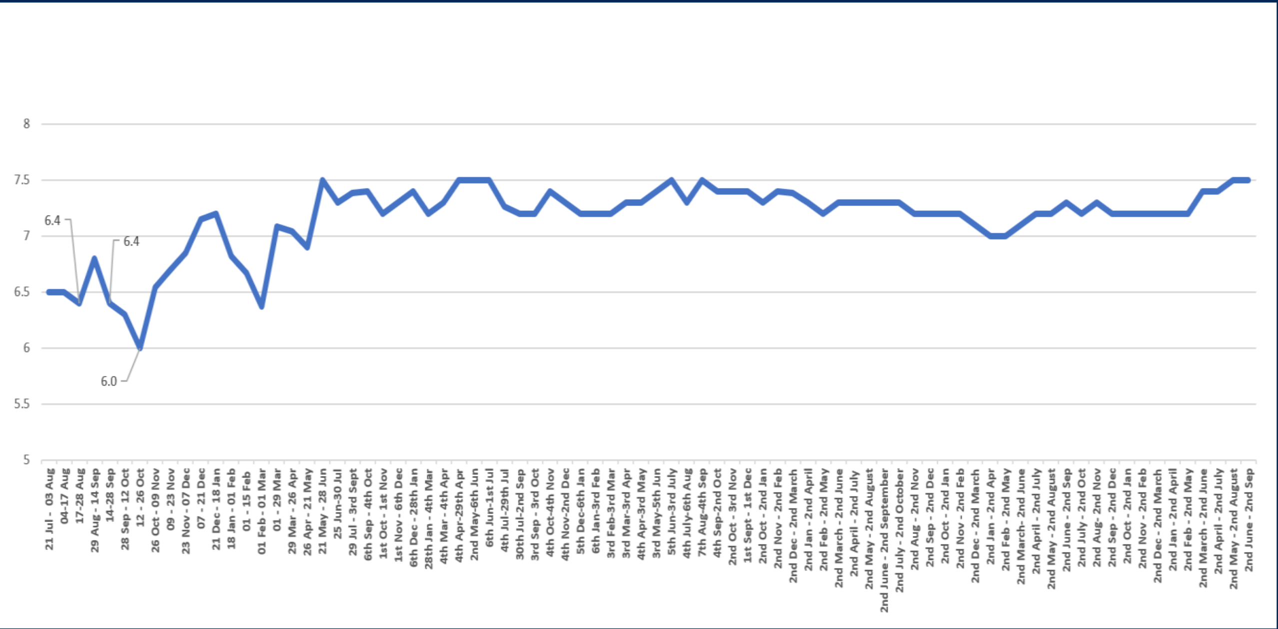


3. TIME SERIES OF THE MAIN IMPACTS OF THE ECONOMY ON BUSINESS

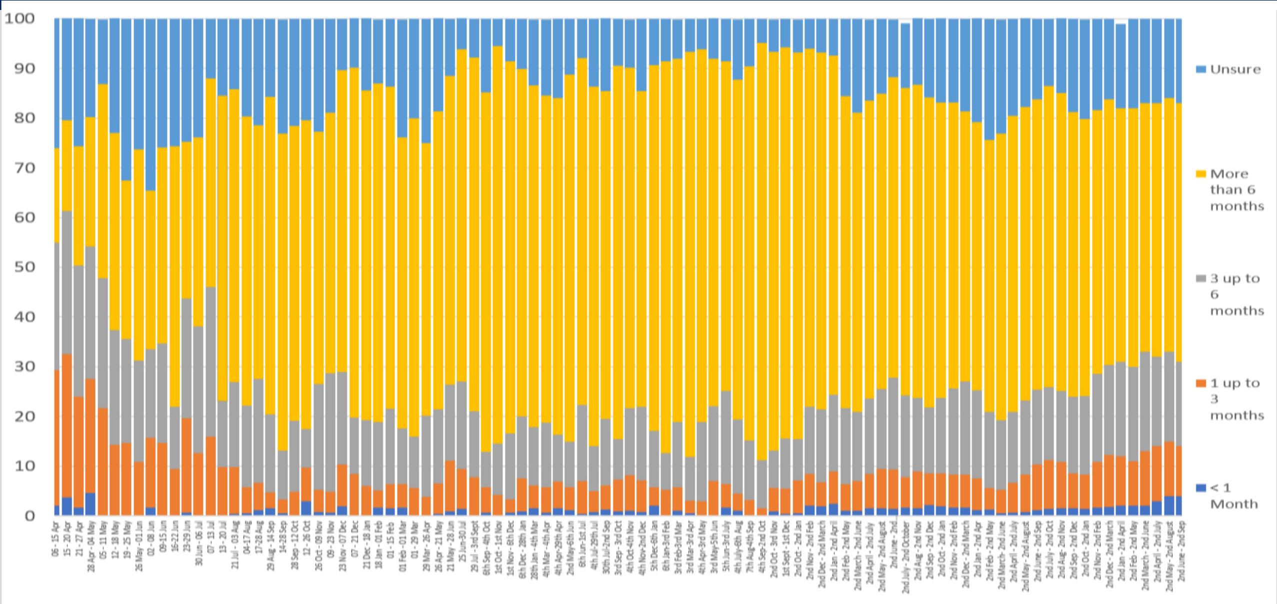
Percentage reporting minor supply chain issues (blue), major issues (green)



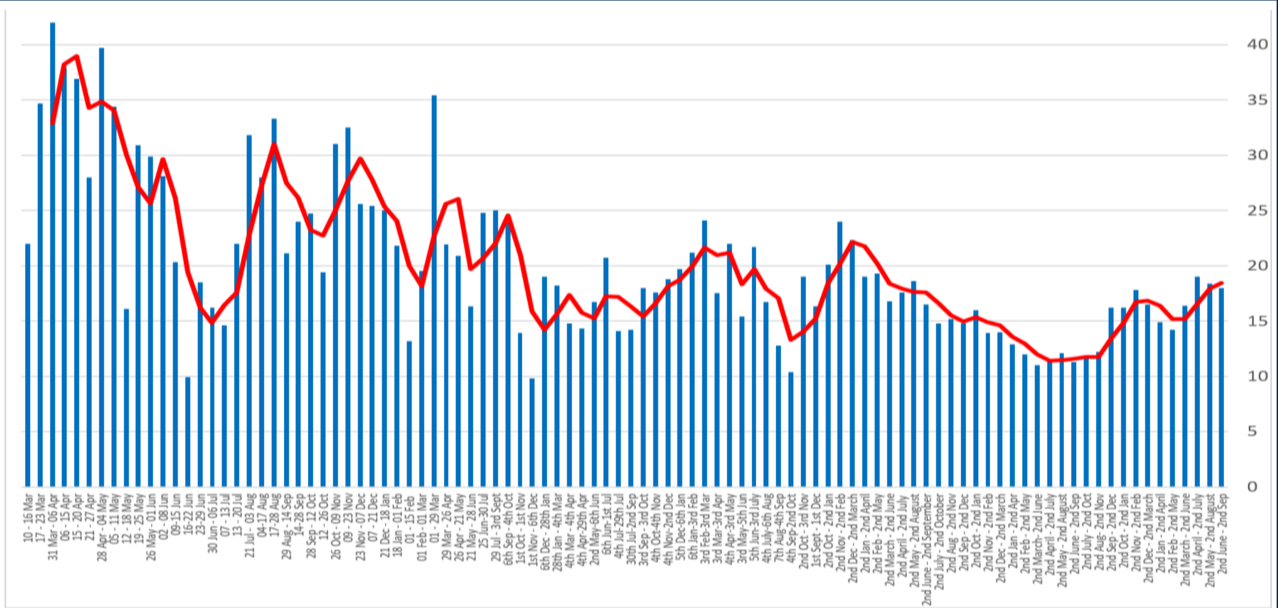
Aggregate confidence index – 1 low confidence to 10 high confidence



Percentage stating cash reserves can sustain certain periods of time

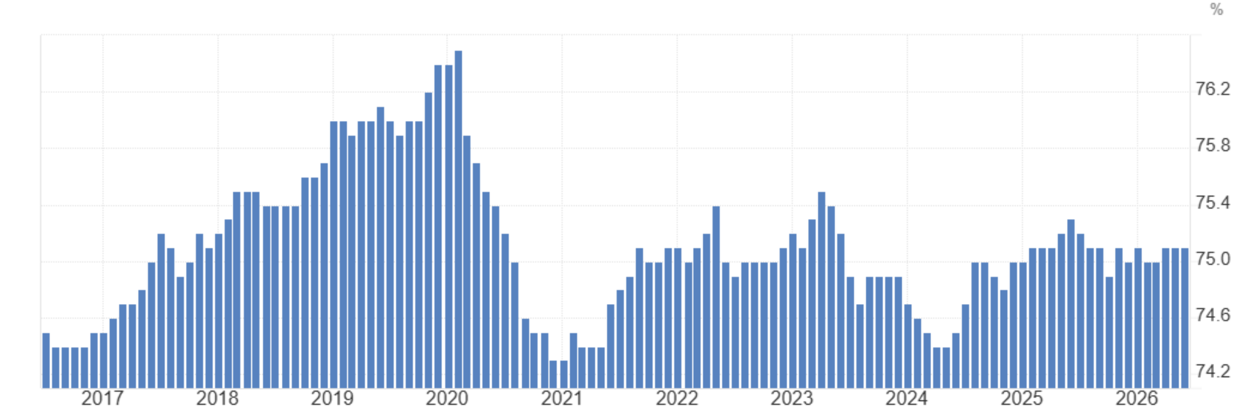


Percentage reporting cashflow problems



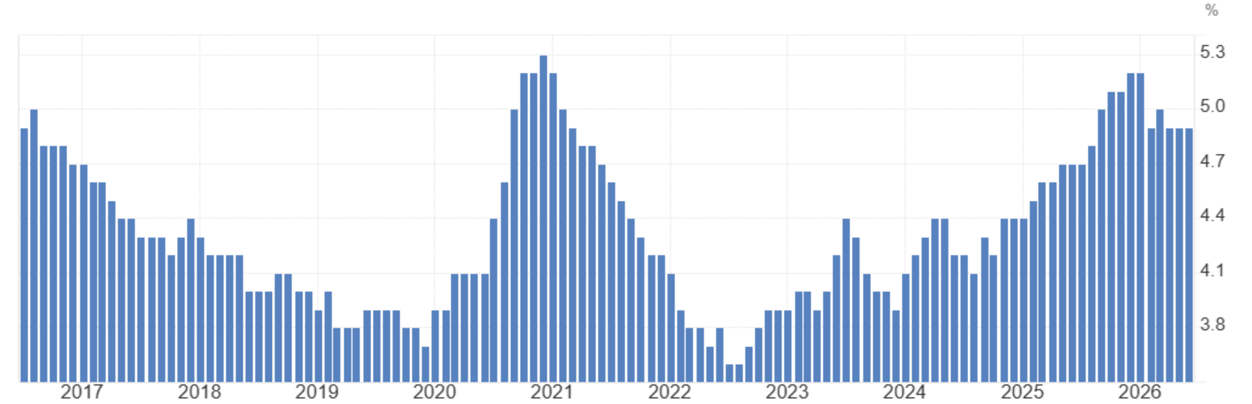
4. LABOUR MAKRET HEADLINES – ONS QUARTERLY LABOUR FORCE SURVEY

United Kingdom - Employment Rate unchanged at 75.1%



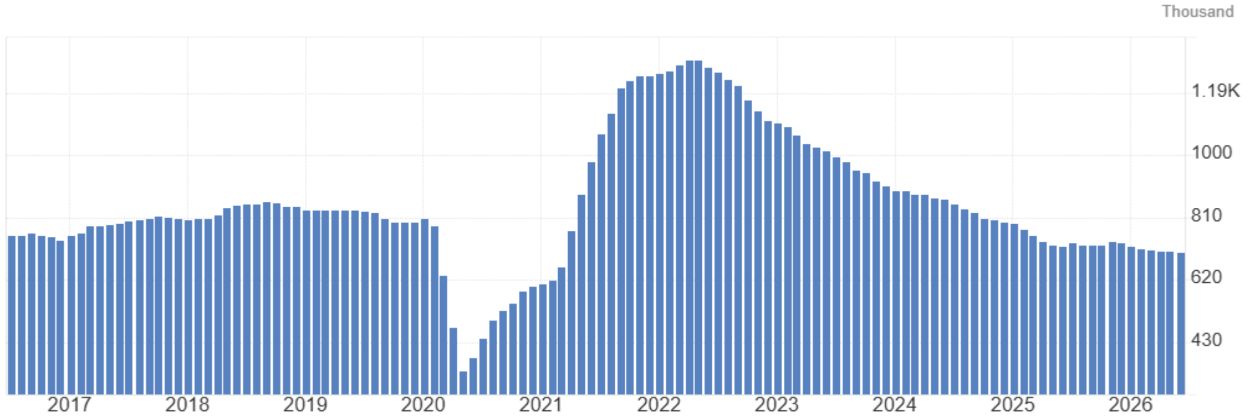
- **UK Employment Rate** was unchanged at **75.1% in June**. Employment Rate in the United Kingdom averaged 71.7% from 1971 until 2026, reaching an all time high of 76.5% in February of 2020 and a record low of 65.6% in April of 1983.
- The number of employed persons in the UK increased from 34.47m in June of 2026 up from 34.46m in May.
- However, the number of full time employed people in UK decreased from 25.69m in June from 25.74m in May.

United Kingdom – Overall Unemployment Rate unchanged at 4.9%



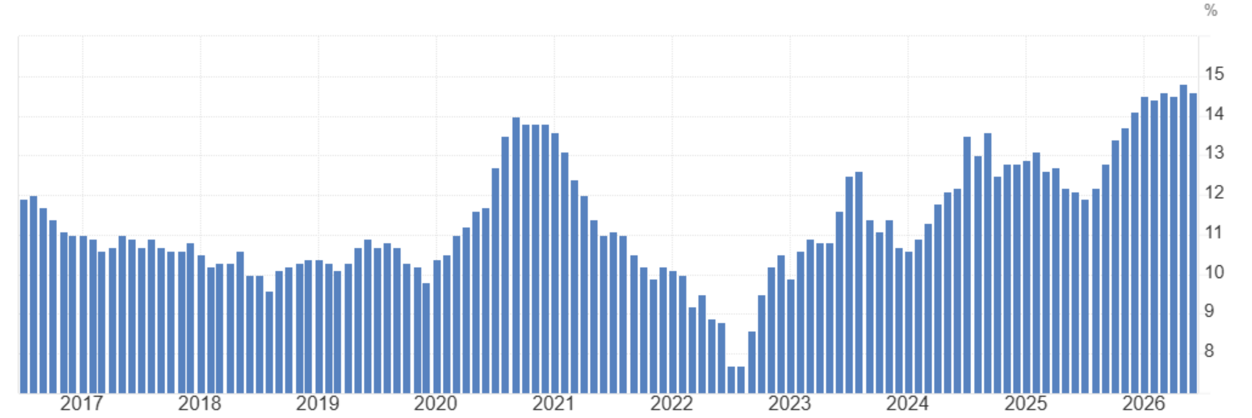
- **The UK unemployment rate remained unchanged at 4.9% in the three months to June 2026,** despite expectations of a fall to 4.8%. The number of unemployed people decreased by 36,000 to 1.77 million, mainly due to a reduction in those unemployed for up to six months.
- **Compared with the same period a year earlier**, unemployment increased by 88,000, reflecting a rise in the number of people unemployed for between 6 and 12 months and for more than 12 months. Total employment increased by 253,000 year-on-year to 34.47 million, with growth driven by increases in full-time employees and part-time self-employed.

United Kingdom – Job Vacancies decreased to 707,000



- **Job vacancies in the United Kingdom decreased to 707,000 in June from 711k in May 2026** and averaged 697,000 from 2001 to 2026, reaching an all time high of 1.3m in May of 2022 and a record low of 343,000 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 14.6% in June from 14.8% in May 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 3rd to 9th August 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 August are:

- Perception of the 'worst still to come' regarding cost-of-living crisis is at 47%, down 2%points on July 2026.
- Proportion intending to take a UK overnight trip in the next 12 months is 75%, up 1%pt on last month.
- Proportion intending to take an overseas trip in the next 12 months is 59%, up 3%pts on last month.
- The main barriers, in July, to taking an overnight stay in the UK within the next six months are:
  - UK weather (1st; consistent with July).
  - Rising cost of living (2nd; consistent with July).
  - Rising costs of holidays/leisure (3rd; consistent with July).
- Top 3 areas for overnight stays August - September 2026: South West (1st), North West and Scotland (joint 2nd).
- Top 3 areas for overnight stays October – December 2026: London (1st), South West and North West (joint 2nd).
- Top 3 destinations August - September 2026 are city or large town (1st), traditional coastal/seaside town (2nd) and countryside or village (3rd).
- Top 3 destinations October – December 2026 are city/large town (1st), countryside/village (2nd), traditional coastal/seaside town (3rd).
- Hotels remain the top accommodation choice for breaks in August to September 2026, and October to December 2026, 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 July (81%) was slightly below 2025 levels (83%), whilst in Manchester City Centre it was 80%, also below 2025 levels (82%).
- The average daily rate for Greater Manchester (£83) was significantly below July 2025 (£102), whilst in Manchester City Centre it was £89, also significantly below 2025 levels (£116).
- The revenue per available room for Greater Manchester (£68) was significantly below July 2025 levels (£85), whilst in Manchester City Centre it was £71, also significantly below 2025 levels (£95).

Note: July 2025 saw Oasis performing five shows in the city and significantly boosted key metrics in the market.

	Greater Manchester			Manchester City Centre		
	Room occupancy	Average rate	Revenue per room	Room occupancy	Average rate	Revenue per room
2026	81%	£83	£68	80%	£89	£71
2025	83%	£102	£85	82%	£116	£95

Marketing Manchester Campaigns Impact
Reach across all channels

179.0 million

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

INDUSTRIAL AND WAREHOUSING

↑ 214M	↓ 1.5M	↑ (522K)	↑ 5.9%	↑ £8.67	↑ £88	↑ 7.7%
Inventory Sq ft	Under Constr Sq ft	12 Mo Net Absorp Sq ft	Vacancy Rate	Market Asking Rent/Sq ft	Market Sale Price/Sq ft	Market Yield

- **Market scale and location.** Manchester is the largest industrial market in the North, with 214 million SF 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 rates have stabilised at 5.9%, up from the 1.6% low 3 years ago, but still below the market peak of 9%+ in 2012 and remain above with the national average of 5.7%.
- **Leasing activity.** Occupier demand remains robust for modern industrial space and has supported lettings of both large and mid-sized units, including a 333,565 sq. ft lease at Trafford Park by Online Home Shop and multiple 100,000 sq. ft+ deals across the M62 corridor.
- **Mid-box and last-mile demand**. Lettings on older stock have been more prominent, particularly at Lowry Park in Manchester and Stakehill Industrial Estate in Rochdale. 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 remains robust with around 1.5 million SF underway, focused on 100,000-200,000 SF units at Waterfold Park in Bury and PLP's Astley Business Park, along with smaller schemes at Chancergate's Eastside near the Manchester City stadium, and at Sandbrook Business Park in Rochdale.
- **Rental performance.** Annual rent growth stands at 5.4% (from an 8.6% peak in 2023), with average rents at £8.70/sq. ft, below London and Cheshire, but above Liverpool and Leeds.
- **Sub-market dynamics.** Southern GM submarkets (Trafford, Stockport, Manchester Airport) command the highest rents, while M62 corridor markets such as Rochdale and Oldham offer the most cost-competitive space.

OFFICE

↓ 67.3M	↑ 867K	↑ 736K	↓ 10.4%	↑ £23.27	↑ £219	↓ 9.3%
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 is the UK's premier business hub outside London, supported by a diverse economy, strong graduate retention, and growing technology, digital and creative sectors.
- **Vacancy & market momentum.** Office vacancy has fallen from an 11-year high 11.6% in 2025 to 10.4% in August 2026, driven by positive net absorption & slowdown in new completions, limited new supply and gradual reduction in vacancies.
- **Grade A and refurbishment-led demand.** Large occupiers remain focused on best-in-class accommodation, particularly new-build and comprehensively refurbished offices with strong sustainability credentials. Recent key transactions include the Government Property Agency's 111,570 sq. ft letting at Havelock and UK Biobank's commitment to c.131,000 sq. ft at Greenheys, reflecting continued demand for high-quality space.
- **Demand:** Professional and Financial Services continue to underpin office demand, but activity has become increasingly diverse. Public sector, life sciences and innovation-led occupiers are playing a growing role in take-up, with major lettings including UK Biobank at Greenheys and Convatec at CityLabs 4.0.
- **Secondary market recovery.** Positive net absorption of secondary stock has continued, while significant lettings in Salford Quays and business park locations - including PHMG's 67,000 sq. ft deal and occupier activity at Towers Business Park- demonstrate growing demand for well-connected, cost-effective alternatives to the city centre.#
- **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.** Rental growth has been moderate, with average rents at £23.27/SF and annual growth of 2.2%. Prime rents have reached ~£48/SF (heading towards £50).

7. GOVERNMENT MEASURES. OTHER DATA AND ANNOUNCEMENTS

THEME	Web	ANNOUNCEMENT / ISSUE - HOLD CTRL AND CLICK ON EACH <LINK> TO ACCESS THE FULL ITEM
£10 million Hospitality Grant Scheme launches in boost for independent pubs, restaurants and cafes	<Link>	A new £10 million three-year Hospitality Grant Scheme has launched for applications. Money will be invested into projects that help get new hospitality ventures off the ground, bring vacant premises back into use, or support training programmes that help people develop the skills, confidence and work ethic to open doors to future careers. £3 million of the grant funding has been specifically earmarked to support Pub is The Hub – an independent non-profit organisation helping pubs in rural and deprived areas to diversify their services and activities. This includes adding village stores, community cafes, play areas and arts and crafts activities, enabling pubs to expand their role as vital local hubs. Guidance is available now, with applications being received from the end of September.
UK secures full access to £13 trillion CPTPP trading bloc	<Link>	British businesses can now access the full benefits of the UK's membership of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). The UK signed the CPTPP in 2023, and it entered into force in 2024 with the first countries that had ratified.
Overhaul of corporate reporting to save businesses more than £450 million per year.	<Link>	The government is tackling the paperwork burden with proposals for simpler reporting rules for SMEs, exempting more businesses from audits, whilst also moving to a digital-first approach by making electronic communications to shareholders the default, ending reliance on piles of paperwork. In particular, small and medium sized businesses, will be taken out of certain forms of reporting entirely, freeing up more time to focus on growing their business and investing in their communities.
New space strategy will bolster UK defences against threats from space	<Link>	Backed by £7.8 billion until 2030, the UK Space Strategy brings government's space investment and activity under one plan to drive growth, strengthen security and back the technologies that underpin modern life. Work to strengthen Space Domain Awareness – the study and monitoring of objects like satellites, rockets and debris orbiting our planet – is being backed by projects including £149 million for the European Space Agency's Vigil mission and £85 million for the National Space Operations Centre. UK funding will see British tech offer earlier warnings of potential satellite collisions, hostile activity and solar storms, helping protect the power, communications and navigation services. Meanwhile £880 million will help the UK's space control and intelligence, surveillance, and reconnaissance capabilities, funding technologies that can track military activity on the ground and potential attacks on satellites. A further £2.8 billion will go towards strengthening connectivity, including the Connectivity in Low Earth Orbit and SKYNET defence communications.
New challenge launched to store clean energy for longer and protect households from price spikes	<Link>	The Ultra-Long Duration Energy Storage Challenge will offer grants which support the development of new tech focused on energy storage, including advanced batteries and underground hydrogen storage. Backed by £28 million from government through UK Research and Innovation, innovators can now bid for funding to develop projects capable of supplying clean electricity for 100 hours or more – enough to power homes and businesses for at least four days. The Challenge will have two main areas of focus. The first will be on the development of new battery technologies capable of providing energy for over 100 hours. These electrochemical technologies are yet to be commercialised at scale, giving the UK an opportunity to secure an early foothold in the market which will deliver new opportunities for businesses and unlock new jobs. The second will support the development and testing of systems which store hydrogen underground, with the potential to reduce total energy system costs by between £14 billion and £50 billion between 2035 and 2050.
Patients to benefit from faster access to medicines as UK moves away from animal testing in science	<Link>	New projects to move UK science away from animal testing – vital to the safety and sustainability of the environment – will unlock new tests for products that can help products reach market more quickly and save lives. A dedicated national research hub and nine new high-tech projects will develop better ways to test medicines on human biology rather than animals. It means treatments for conditions like cancer and inflammatory bowel disease could be developed faster and more precisely - helping patients across the UK, while moving science away from traditional animal testing. A new Pre-clinical Translational Models Hub, based in Cambridge and backed by £20 million in Government funding, will lead work to build and share models of human tissue - grown from NHS patients - to test new treatments.
Call for Evidence: Vision for an AI-enabled clean energy system	<Link>	This call for evidence sets out the government's emerging view on how AI could transform the energy system. It asks stakeholders for evidence on opportunities, risks, barriers to adoption, and longer-term system impacts, to inform policy development and the 'UK AI for Clean Energy Strategy'. It is aimed at industry, academia, system operators, regulators and other energy stakeholders.
New 'Freelance Champions' to put creative workers at the heart of Government's policy-making	<Link>	The Government has appointed Leila D'Aronville and Lizzie Crump to the newly created roles. They will advocate for the creative industry's 703,000 self-employed, working to make sure their voices shape future policy. The appointees will support industry's work to address the findings of the Good Work Review. Leila and Lizzie are both freelancers themselves, bringing a combined 40 years of experience working in and representing the creative industries.

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	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	DEC 2023
Size-band (employees)	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
'0' employment to 9 (MICRO)	89%	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%	53%
10 to 49 (SMALL)	9%	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%	13%
50 to 249 (MEDIUM)	2%	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%	14%
250+ (LARGE)	<1%	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%	11%
UNKNOWN	-	-	-	-	-	-	-	24%	23%	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	8%	12%	8%

Sector	GM ONS IDBR	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	DEC 2023
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
BUSINESS FINANCIAL, PROF. SERVICES	27%	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%	14%
CONSTRUCTION	12%	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	C
DIGITAL, CREATIVE, TECHNOLOGY	6%	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%	22%
EDUCATION	2%	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	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	6%	C	C	C	C	C	C	C	C	C	C	C	C	C	6%	6%	6%	7%	8%	10%	6%	7%	C
HEALTH & SOCIAL CARE	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	C
HOSPITALITY, TOURISM, & SPORT	7%	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%	7%
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%	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%	19%
LIFE SCIENCES	N/A	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
RETAIL & WHOLESALE	18%	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%	8%
OTHER SERVICES (excl SIC unknown)	4%	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	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%	83%	69%	66%	65%	60%	79%	66%	79%	69%
10 to 49 (SMALL)	9%	13%	8%	17%	10%	24%	19%	19%	14%	11%	7%	17%
50 to 249 (MEDIUM)	2%	10%	14%	-	11%	7%	10%	11%	C	11%	13%	6%
250+ (LARGE)	<1%	6%	6%	-	10%	C	6%	11%	C	11%	-	8%
UNKNOWN	-	-	-	-	-	-	-	-	-	-	-	-