# Tech Nation 2017: Manchester Property Snapshot

## Tech will experience strong growth in the next 5 years

<table>
<thead>
<tr>
<th>Tech GVA</th>
<th>£1.8 billion</th>
<th>Growth to 2022</th>
<th>+19%</th>
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| Tech Workforce | 27,200 | Growth to 2022 | +5% |

Tech = Information and communications technology sector

Data relates to the Manchester City Council and Salford City Council local authority areas

## Core business types

| Digital Advertising & Marketing | EDTECH | FINTECH | E-Commerce & Marketplace |

## Where are tech businesses locating in Manchester?

**START-UP HUBS**
- Entrepreneurial Spark
- Federation building, NOMA
- Headspace
- Manchester Science Partnership
- MI-IDEA
- Rise Manchester
- SpaceportX
- The Bonded Warehouse, St Johns
- The Greenhouse
- The Sharp Project
- WeWork

**SCALE-UP HUBS**
- Northern Quarter
- Spinningfields
- MediaCityUK
- Corridor Manchester

**NOTABLE COMPANIES**
- AO.com
- AutoTrader
- BBC
- Boohoo
- Google
- Lad Bible
- Misguided
- Moneysupermarket
- Rental Cars

75% of tech companies say that access to commercial property is a benefit of the cluster

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Current property conditions (5)

**RED** = Conditions favour landlords
**AMBER** = Conditions are balanced
**GREEN** = Conditions favour tech firms

Manchester is a popular market for a range of businesses including tech which reflects its accessibility, skilled talent base, geographical positioning, workspace and lifestyle offer. Typically the UK’s most active regional office market, the City has seen significant growth across the various tech sectors, with a number of major UK tech occupiers having expanded their businesses from a Manchester HQ. With the emergence and expansion of new tech clusters and coworking evolving, tech businesses looking to start-up or scale-up have never had more opportunity.

### Low Availability of the Best Quality Offices

- **OFFICE VACANCY RATE**: 5.6%
- **TOP QUALITY OFFICE VACANCY RATE**: 1.4%
- **12-MONTH OUTLOOK**

### Choice for Businesses is Decreasing

Given the offer of Manchester in terms of offices, affordability and lifestyle it is a popular location. This means there is competition for the best office space.

### Real Estate Costs Are Rising

- **PRIME OFFICE RENTS**: £34 per square foot per annum
- **ANNUAL INCREASE**: +2.9%
- **12-MONTH OUTLOOK**

A wide range of rents and workplace styles are provided locally from £15 to £34 per square foot.

### New Supply Provides New Opportunity

A large amount of offices under development or refurbishment means that businesses have more chance to secure new space. For tech businesses this includes entirely new clusters and existing hubs.

### What will it cost you? (5)

- **AVERAGE SALARY**: £35,553
- **OFFICE RENT / RATES**: £7,073
- **ALL IN COST**: £42,626

Talent and real estate in Manchester is available at a significant discount to London. Compared to Shoreditch, London’s tech start-up hub, it is 30% cheaper per employee per year on average.

### Six Tech Property Trends

- **CLUSTER OF CLUSTERS**
  - Diversified tech and creative hotspots exist around the City focused on different niches

- **EMERGING TALENT**
  - The City provides access to 100,000 students and offers the potential to shape their learning

- **LIFESTYLE**
  - City centre living, affordable rents, vibrant nightlife and quality amenity makes an attractive offer to talent

- **RISING FORCE**
  - Evidence of larger tech firms taking prime office space traditionally associated with more established sectors

- **AFFORDABILITY**
  - With a range of office rental levels and styles available there is value in the office market

- **DIGITALLY CONNECTED**
  - The only UK city providing next generation broadband with ‘fibre to the premises’ and the only regional city offering WiredScore certification

REFERENCES: (1) Oxford Economics, (2) Tech City UK, (3) TechBritain, (4) JLL, (5) UK Cost Calculator, JLL

A TECH NATION SERIES