

The changing face of the UK's cities



Introduction

The UK's cities are undergoing a renaissance. Large scale place making schemes are making them more desirable and better able to attract new people and businesses, with investment in infrastructure and improved governance acting as a catalyst.

London continues to be the key driver of the UK economy, accounting for nearly a quarter of its total economic output. Not only is it the UK's prime economic hub, but it is also a major world city and global financial centre. Its sheer scale, access to specialist skills, cultural benefits, world-class educational & technological institutions, and strategic time zone will help it to adapt and continue growing as the UK leaves the European Union.

London's economic success has meant a rapidly rising population, which has increased by almost one million people over the last decade, and an additional half a million people projected over the next five years. Accommodating this growth is a challenge that will bring significant investment opportunities, requiring the delivery of 330,000 new homes and enabling 245,000 new jobs.

Whilst it is clear that the UK is not as polycentric as other European countries, our regional cities offer significant opportunities for investment. London will remain the UK's economic powerhouse, but significant latent growth potential of key regional cities will continue to be harnessed.

Policy interventions by the UK government are helping to facilitate this shift. The government has introduced a number of major initiatives to give cities greater local control over areas such as housing, transport and planning, and our cities increasingly have the power to help shape their own futures and provide a greater sense of economic direction. Central to this is the scale of commitment to infrastructure-led projects and research & innovation, as set out in the government's latest industrial strategy.

Measures include the devolution of powers through City Deals and new directly elected mayors, meaning greater local control and cohesion. In addition, new Local Enterprise Partnerships are helping to foster links between local government and the private sector, in part by taking on the role of delivering local industrial strategies.

The UK's knowledge and technology sector is critical to our competitive position on the global stage. Each city has its own particular economic strengths, enhanced through strong links between the private sector and their many world-class universities and science parks. Government initiatives such as Tech Nation have also helped to accelerate growth but each city will, or at least should, be asking the question 'how do we encourage innovation?'

Significant investment in infrastructure is underway across the UK. High Speed 2 (HS2) will provide an important new rail link between London and several key regional cities, reaching Birmingham in 2026 and Leeds and Manchester by 2033. By the end of the year, London will benefit from two major new rail connections, one running north-south (Thameslink) and the other east-west (Crossrail). Across the regional cities, numerous transport improvement projects are underway or proposed, including rail electrification from London to Bristol and Cardiff, an upgrade to Birmingham International Airport, an extension to Manchester's Metro tram network, and an ambitious road building programme.



Chris Cheap

Principal, Managing Director
UK regions

Recent years have shown us that there is an increasing flow of global capital looking to invest in the UK. Investment opportunities are abundant across the UK's cities as they regenerate and reinvent themselves. This is now being fuelled by greater clarity on economic direction; the opportunities presented by the growing knowledge sector coupled with our thriving universities; new infrastructure; and the need to address the UK's undersupply of housing; together with a ready supply of potential development sites.

Our core cities are responsible for 32% of the UK economy and home to 14 million people. They are modern, dynamic and culturally diverse places that we believe hold the key to solving the UK's most intractable economic and social problems. In this report, we look at ten of the UK's largest cities, and assess what makes them unique. We also highlight the drivers behind their future growth and outline a selection of key regeneration schemes that will create large scale transformational change.

London

History

London has seen a period of significant growth over the last three decades, and is now firmly established as a leading world city and global financial centre. It has a range of advantages on the international stage, including its geographical position and time zone; its political, legal and financial transparency; and its historic position as a centre of culture, trade and economic activity.

Almost half of London's economic output originates from the financial and professional services sectors. However, since the global financial crisis, the city's economic base has broadened away from its heavy reliance on these traditional sectors and towards the 'knowledge economy', including the science, technology, media and telecoms sectors. This trend is likely to accelerate in the wake of Brexit.

In the last decade, London's population has grown by almost a million people. Over the same period, the number of jobs in the capital has increased by 20% to 5.8 million and despite the impact of the global financial crisis, the economy rebounded and has grown by 24%.

Development

London is often seen as a city of villages or clusters, each with their own characteristics and specialisations. Some areas such as the City of London and the West End are mature locations with distinct occupier profiles. Other locations have changed immeasurably over the last decade from embryonic markets or cheap 'fringe' locations to fully established markets.

London's growth is continually putting pressure on its existing locations, creating opportunities for new areas to become established. This can be achieved by expanding London's fringes, revitalising social housing estates to allow them to better serve residents and accommodate new housing, breathing new life into former industrial sites and creating new opportunities for employment growth beyond the central City.

Over the last decade, London has seen transformational regeneration in locations ranging from the South Bank, Kings Cross and Shoreditch in central London, to Stratford and Barking in the East and White City and Brentford in the west.

Whilst central and inner London will continue to be the focus of international scale businesses and knowledge creation we will see a quickening pace in the renaissance of outer London. Key centres will grow on the back of new and enhanced connections, providing new business location opportunities, unlocking new residential neighbourhoods and reinvigorating existing town centres.

We believe there are a number of locations across London with the fundamental assets in place to ensure the city can continue to grow and meet the wide ranging needs of an expanding population and economy. These include Vauxhall Nine Elms Battersea, Elephant & Castle and Old Oak Common in inner London; and Tottenham, Thamesmead and Croydon in outer London; together with a wealth of other major transformation regeneration schemes across the city.

Infrastructure

London's biggest transport infrastructure project is the new east-west Crossrail route. This will act as a catalyst for the development of town centres such as Ealing, Abbey Wood, and Hayes. It will link Heathrow airport in the west with the West End, City of London and Docklands, and will add 10% to London's transport capacity.

Meanwhile, the Thameslink programme is already transforming north-south travel via a redeveloped London Bridge station. New tracks and infrastructure will significantly improve capacity, connectivity and reliability.

Other major investments in London's transport infrastructure include new and upgraded Overground lines, major upgrades to the Victoria Line, plus major new cycle facilities through the delivery of Super Highways and expansion of the Bike Hire Scheme.

In the longer term the proposed third runway at Heathrow airport should provide much-needed extra capacity, maintaining London as a leading global air hub. Meanwhile, the HS2 high speed rail line will provide new connections with the Midlands and the north, and the Old Oak Common area will be transformed by the HS2 interchange station improving connectivity to central London. Longer term, Crossrail 2 aims to significantly reduce travel times between south west and north east London.



Drivers of growth

Population:

London's population has grown by around 16% over the last decade, twice the national average.

Growth sectors:

The largest increase in London employment over the next 20 years will be in the professional, real estate, scientific & technical sectors – nearly doubling to 1.29 million.

Creative:

There were 883,000 jobs in London's creative economy in 2016, up by almost a quarter since 2012, making up around 17% of all jobs in the capital, double the rest of the UK.

Tourism:

London welcomes in excess of 20 million visitors every year and has the highest hotel occupancy rate across major European cities.

8,907,918

Population of Greater London

412,989

Economic output projection – 2019 (£m)

5,987,450

Employment – Workforce jobs 2019

96%

Availability of Super-Fast Broadband (2018)

322,740

Students in university

6

Premier League football clubs

Key regeneration schemes– Inner London



1

1 Vauxhall, Nine Elms Battersea

Development at Nine Elms Battersea has already seen a series of high quality residential developments complete, with the first being Riverlight in 2011. As of the end of 2018, there were approximately 6,000 new homes under construction in the area, equating to c.10% of London's residential pipeline. The area has capacity for a total of 20,000 new homes. This has all been enabled by two new stations as part of the Northern Line Extension.

The redevelopment of Battersea Power Station could potentially provide 4,000 new homes. However, the quality of development and the 500,000 sq ft letting to Apple in 2016 has stimulated significant demand for office space, with the Battersea Power Station Development Company now considering a potential increase of 500,000 sq ft in the commercial space. This would belikely reduce the residential element.



2

2 Elephant & Castle

An increase in demand for residential space in the area helped kick-start regeneration, with Strata, a 408-unit residential development completing in 2010, and One The Elephant supplying 284 new homes. Work on the Heygate and Aylesbury estates is now well under way, and the shopping centre is also being redeveloped to include a new 4,500-student campus for the London College of Communications, plus retail and restaurant space.

The area is seeing major transport improvement including an upgrade of the tube station and a better environment for pedestrians. In the longer term, the Bakerloo Line extension will open up the area to south London.



3

3 Old Oak Common

Old Oak Common provides the largest urban industrial capacity in Europe, but the scale of rail infrastructure has prevented it from becoming a fully integrated part of the city. The delivery of High Speed 2 and Crossrail, plus the expansion of Heathrow airport, provides the opportunity to overcome this. Utilising significant public sector land, it will provide a new city centre for West London.

The scheme will deliver at least 25,000 new homes and 65,000 new jobs, and provide a new high street linking Harlesden to Wormwood Scrubs, whilst retaining its role as London's industrial heartland.

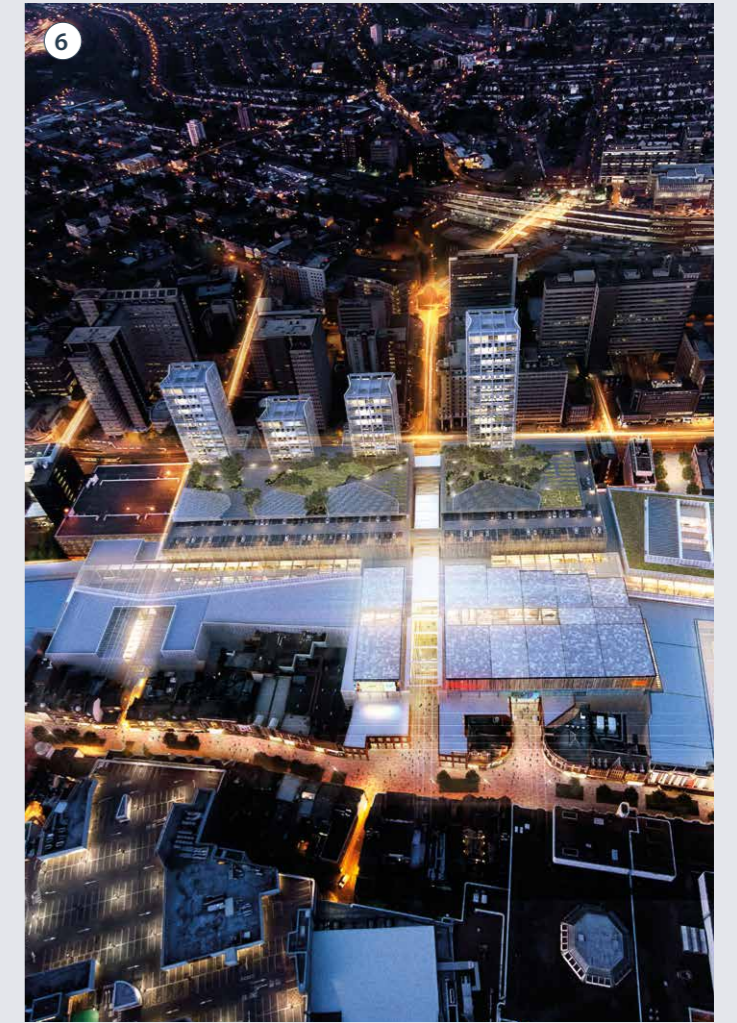
Key regeneration schemes– Outer London



4



5



6

4 Tottenham – Black Horse Lane – Walthamstow

Linked by the Victoria line, these three locations provide major hubs for the delivery of new residential, retail, employment and leisure space within the Upper Lee Valley Opportunity Area.

These areas provide the capacity to deliver over 15,000 homes, and 1.8 million sq ft of retail and workspace, shifting the perception of the area and delivering high quality mixed use environments.

With strategic connections to Cambridge, Stansted Airport, and central London, plus the upgrading of the Victoria Line, demand has increased significantly. Looking forward, Crossrail 2 will further enhance strategic connections.

5 Thamesmead

Thamesmead lies on the south bank of the Thames less than 15km from central London and has the potential to deliver upwards of 20,000 new homes through a mixture of town centre regeneration, estate renewal and development of vacant and former industrial land.

The regeneration is being led by Peabody who control the majority of the land and have plans to invest over £1bn in the area. The designation of two Housing Zones has brought further funding of £47.5m.

The first phases are focused in South Thamesmead, Abbey Wood and Plumstead and are directly benefiting from the new Crossrail line, meaning that Abbey Wood station will be 11 minutes from Canary Wharf.

Lendlease have just been selected as preferred partner to support Peabody in realising its ambitions for Thamesmead Waterfront, a 250 acre site with capability to delivery 11,500 homes and over 1 million sq ft of commercial space with associated cultural and community facilities and significant investment in infrastructure and public realm.

6 Croydon

As one of London's largest urban centres Croydon is fast becoming a growth and development hotspot, with over £5bn of investment planned over the next five years across 20 city centre development opportunities, focussed around Croydon's two mainline stations.

Much of Croydon's outdated stock is now being redeveloped, providing high quality residential developments that are supporting wider investment in the town centre. Office demand is also returning to Croydon, and major schemes are on site or permitted, with the area now one of London's fastest growing tech hotspots.

In addition, a major redevelopment of Croydon's retail offer will deliver 1 million sq ft of new retail and leisure space, over 600 new homes, and greatly enhance the public realm.

Bristol

History

Bristol did not suffer the same level of urban decay during the 1970s and 80s as some of the UK's other regional cities. It continues to be one of the UK's most prosperous cities, supported by evolving regeneration and development. It is identified internationally as a progressive, pioneering, diverse and talented city. The service sector dominates employment but there is also a strong presence in hi-tech manufacturing and media with Bristol classified as one of the UK's 'Science Cities'.

Development

A combination of public and private investment, an effectively delivered city centre strategy and a range of initiatives to improve infrastructure, commerce and the retail and cultural offer have seen Bristol become a great success story. It is seen as a shining example of culture-led regeneration, with schemes like the £27.5 million M Shed Museum which opened on Princes Wharf in 2011, acting as a catalyst for further investment in the area, including the redevelopment of Wapping Wharf.

Infrastructure

Bristol's infrastructure has historically been seen as a challenge for the city, but is set to improve over the next ten years, which will be important in facilitating growth. Ongoing investment in Bristol Airport is improving national and international connections. The city will also benefit from investment in digital infrastructure and will be the next 'gig-city' providing ultra-fast internet speeds which will support and attract businesses. The Great Western electrification scheme will provide an eco-friendlier and faster rail service. Due to open by the end of 2019, it will reduce the journey time to London to just 83 minutes.

Drivers of growth

Aerospace and advanced engineering:

Bristol boasts a successful aerospace and advanced engineering sector with many of the aerospace giants, including Airbus, BAE Systems and Rolls Royce.

High tech:

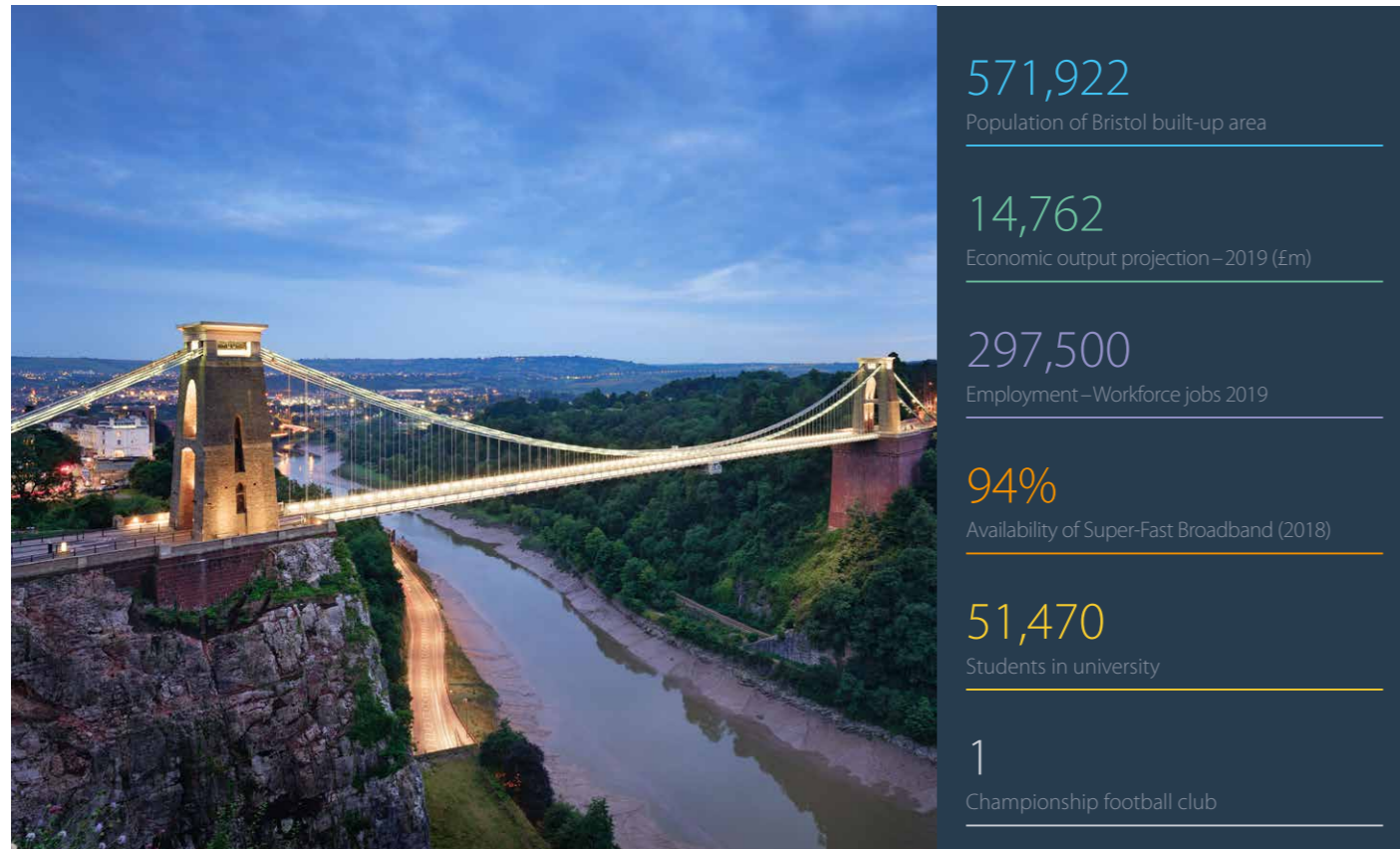
The city's track record with high-performance computing and quantum research is attracting major IT firms to the area.

Education:

With two universities in Bristol and two in its surrounding area, the city region acts as a hub for innovation and research, attracting a wide range of employees from the knowledge and hi-tech sectors.

Devolution:

A new metro mayor and delivery of the West of England devolution deal between Bristol City and neighbouring councils has enhanced economic potential and opportunities.



*Figures relate to the local authority area except where otherwise stated.

Key regeneration schemes



1 Severnside – Western Approach

A landmark on the logistics map, this is a 263 hectare site with 2.2 million sq ft distribution space and a further 3.5 million sq ft acquired by occupiers in the last 5 years. There is potential of a further 10 million sq ft to be delivered in the wider region. Existing occupiers include Tesco, The Range, Lidl, DHL, Royal Mail, Farmfoods and Next.

2 Temple quarter enterprise zone

The scheme covers circa 70 hectares of land surrounding Bristol Temple Meads railway station. It will play a key part in growing Bristol's economy and provide new homes, leisure and infrastructure. Over the next 20 years there will be many developments coming forward such as; the new University of Bristol Temple Quarter Campus, Engine Shed 2 Innovation Centre, residential, student and commercial uses with the aim of creating 22,000 new jobs by 2037. Avison Young's involvement includes planning, valuation, development consultancy and acquisition associated with a number of projects in the area.

3 North Bristol – Cribbs Patchway New Neighbourhood & Horizon 38

One of the largest areas of development activity in the region, which is split into a number of distinct areas. The Cribbs Patchway New Neighbourhood (CPNN) includes retail, leisure, 6,000 new homes, community space, employment and educational facilities, most of which will be housed on the former Filton Airfield, now owned by YTL, and adjoining greenfield allocations.

Horizon 38, located opposite Filton Airfield, has detailed planning consent for up to 1.2m sq ft of commercial space led by developers St Francis Group and iSEC. The scheme provides a mixture of industrial, logistics, offices, car dealerships, trade counters, self-storage and hotel uses. Recent development deals include Urban Village Resorts, Selco, Apec Braking and Ceva Logistics.

Avison Young's involvement in the area includes planning, viability, valuation and agency.

Cardiff

History

Cardiff's city status and wealth was primarily accrued from its coal exporting industry, which led to the opening of the West Bute Dock and transformed the city's landscape. Cardiff's docks reached their peak in 1913, when over 10 million tonnes of coal was exported. Cardiff has now moved towards a service orientated economy, with professional services and the public sector the dominant employers in the city.

Development

Cardiff is a fast growing economy with population growth exceeding the UK average, at over 1% per annum. On-going regeneration of key enterprise zones in the immediate vicinity of Cardiff Central station continues to attract businesses. The city's ability to offer high quality office stock within Central Square, Callaghan Square and the Capital Quarter enterprise zones is supporting Cardiff's goal to become one of the top European destination for business and tourism. Key future regeneration schemes including Central Quay and Dumballs Road will continue to strengthen Cardiff's image as they transform the wider city centre landscape.

Infrastructure

At Cardiff Central station Network Rail has added new platforms and facilities. The Great Western electrification scheme will provide a more sustainable and faster rail service and connect Cardiff to London within two hours once completed later this year. The delivery of the new bus interchange and plans to improve the metro transport system will support connectivity and efficiency within Cardiff, with potential extension to the valleys around the South Wales region in the future.

Drivers of growth

Population:

Cardiff's population is forecast to see faster growth than any other major UK city, including London, over the next decade, with an 11% increase. The city has a wider urban population of 890,000 people.

Financial and Business Services:

This sector employs more than 1 in 4 of the city's workforce and has grown by 17% over the past decade.

Creative industries:

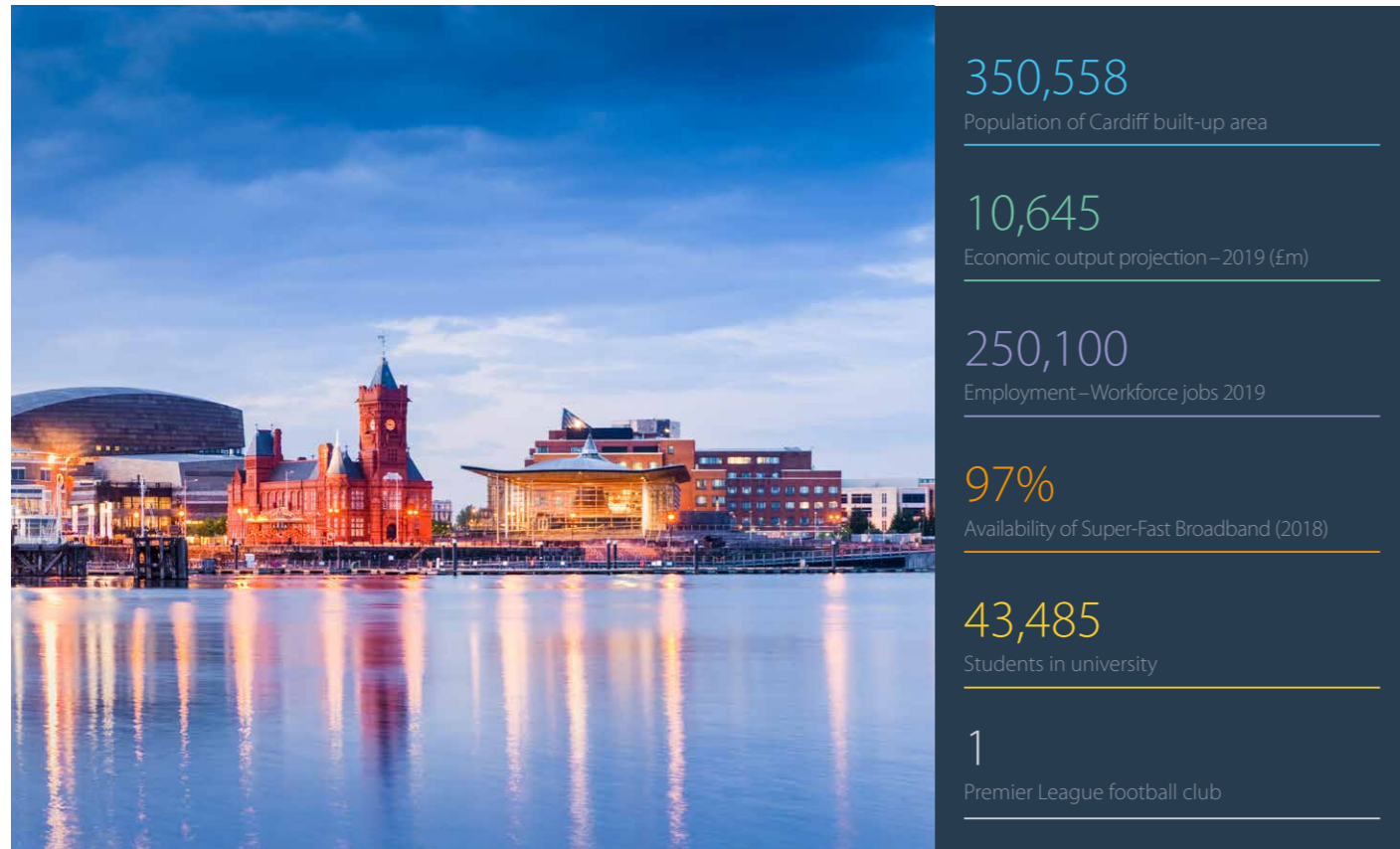
Cardiff is the hub of Wales' creative industries sector, with particular strengths in broadcasting and film production. In 2019, BBC Wales will move into its new headquarters at Central Square.

Bioscience:

Cardiff has a thriving bioscience sector, strengthened by the merger of the University of Wales College of Medicine (UWCM) and Cardiff University.

Education:

Cardiff has a number of exceptional universities, with a student population of 43,485, making up 12% of the city's population.



*Figures relate to the local authority area except where otherwise stated.

Key regeneration schemes



1 Central Square

The new gateway to Cardiff, a five phase development is providing circa 1 million sq ft of new commercial and residential space and revive the area north of the rail station into a thriving business district. Development of the area includes the construction of the new BBC Wales Headquarters Building together with development of numbers 2 and 3 Central Square which house multiple pre-let occupiers including Blake Morgan, Hodge Bank, Cardiff University School of Journalism and the 100,000 sq ft Hugh James Solicitors offices.

2 Capital Quarter

Capital Quarter is a significant mixed use redevelopment of a former brownfield site located in the heart of the Cardiff Central Enterprise Zone. 165,000 sq ft of office space has been added across Numbers 1 and 2 Capital Quarter, with both buildings now at full occupancy and subsequently sold by local developers JR Smart. 3 Central Square is under development with completion due shortly and the site, being developed in conjunction with their ownership of land at John Street, provides opportunity for mixed use development including a Hotel, PRS and Office accommodation.

3 Central Quay

The 2.5 million sq ft mixed-use redevelopment of the Brains Brewery gained planning permission in 2018 and will provide up to 1.5 million sq ft of office space, as well as 1,000 new home, co-working, education and leisure space. It will be the largest regeneration scheme in Wales and will be linked to a new tram route planned for the city.



Birmingham

History

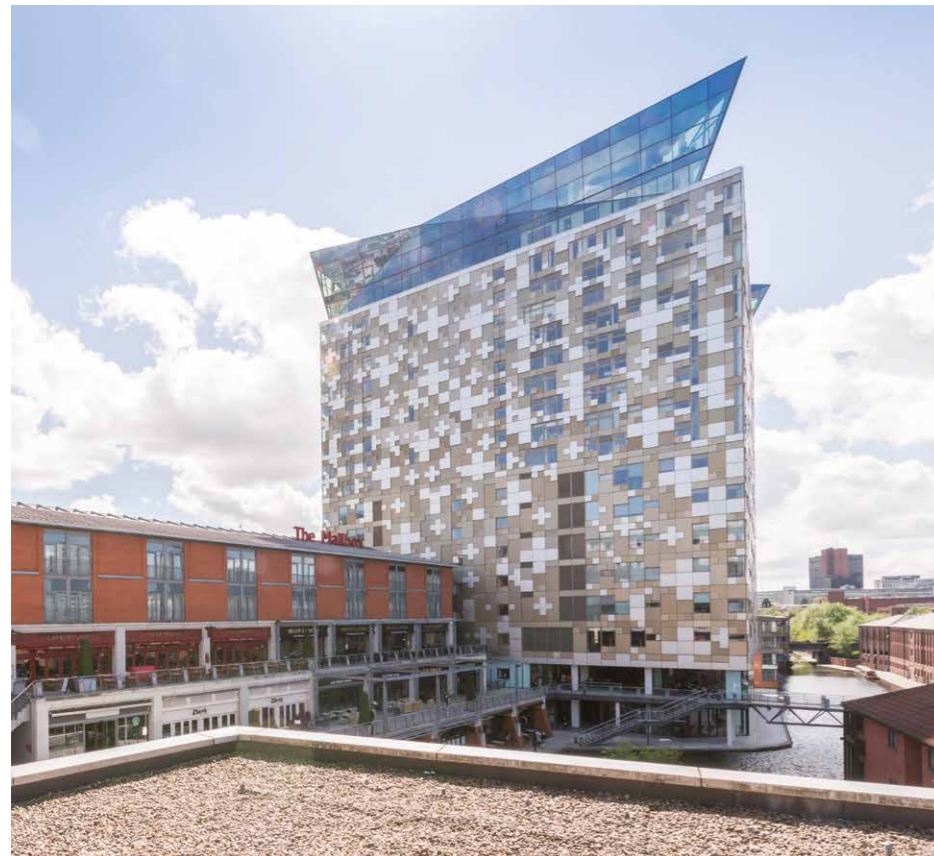
The UK's second largest city has seen a dramatic transformation since the turn of the Millennium. The city has promoted the growth of a service based economy to replace jobs lost in manufacturing. Private sector employment in financial and professional services, tourism, leisure and retailing has risen rapidly over the last 20 years and transformed the city's economic landscape.

Development

Birmingham has regenerated through a strategic effort to position itself as an international destination for investment and it is now the UK's top regional centre for conferences and exhibitions. City centre redevelopment has been integral to this revitalisation, creating new office districts, retail schemes and hotels. The creation of the Learning Quarter and Technology Innovation Centre, combined with the resurgence of Jaguar Land Rover in vehicle manufacturing, will help Birmingham realise its ambition to become a world leader in the advanced technology manufacturing industries of the future.

Infrastructure

New and improved infrastructure has been crucial to Birmingham's progression. The Metro system has been extended, bringing trams back to the city centre and representing the start of a major expansion of the system over the next few years. The arrival of High Speed 2 at Birmingham Curzon in 2026 will provide a major new connection and act as a catalyst for investment and regeneration.



1,153,717
Population of Birmingham built-up area

27,200
Economic output projection – 2019 (£m)

607,500
Employment – Workforce jobs 2019

95%
Availability of Super-Fast Broadband (2018)

80,340
Students in university

2
Championship football clubs

*Figures relate to the local authority area except where otherwise stated.

Drivers of growth

Financial and professional services:

Birmingham employs nearly 50,000 people in financial and professional services, and has one of the largest legal services and accountancy clusters outside London.

Advanced manufacturing:

Birmingham has the largest share of advanced manufacturing output of all the core cities due to its historic links with the automotive industry and the resurgence of Jaguar Land Rover.

Population:

Compared to both the regional and national average, Birmingham is witnessing high levels of growth in its working age population.

Investment:

Birmingham attracted over 1,800 foreign direct investment jobs in 2016/17. The United States contributed to the highest level of investment, followed by China.

Key regeneration schemes



1 Birmingham Curzon

The Birmingham Curzon HS2 station will be at the heart of the wider 141 hectare Curzon Masterplan. Construction of the new rail terminus is expected to complete by 2026. The masterplan area comprises over 30 strategic development opportunities within the extended City Centre Enterprise Zone, providing 4,000 new homes and 6 million sq ft of commercial, leisure and retail floorspace. Circa £3.1 billion GDP impact and up to 36,000 jobs is predicted over the lifetime of the programme.

2 Smithfield, Birmingham

The 14 hectare Smithfield scheme is a once-in-a-generation opportunity to transform the heart of Birmingham city centre. The site will deliver over 3 million sq ft of new floorspace, more than 2,000 homes and create up to 3,000 new jobs with an investment value of over £500 million. The selection of Lendlease as the city council's preferred development partner was announced in January 2019. A development agreement is scheduled to be exchanged simultaneously with the submission of a full planning application towards the end of 2019. It is envisaged that the development will take 15 years, once started.

3 Peddimore

Peddimore is the most significant industrial and logistics development opportunity in the Midlands and one of the best in the UK. The 175 acre scheme will provide Grade A space from 70,000 sq ft to 600,000 sq ft and is set to create up to 10,000 jobs and contribute £350 million to the local economy. The focus of the City Council is to create a world-class employment park, which had been designed to retain and attract regional, national and international occupiers. Avison Young advised Birmingham City Council on the selection of a preferred development partner for the Peddimore scheme which included development options, development viability, infrastructure costs, planning strategy, implementing the marketing strategy, shortlisting and liaising on the legal processes. This culminated in the appointment of the Councils partner IM Properties who have now submitted an outline planning application for the whole of the site.

Leeds

History

The industrial heritage of Leeds is still very evident today and historic features such as the Corn Exchange, Kirkgate Market, Thwaites Mill and the Holbeck area all contribute greatly to its character. Today the city has become one of the most economically diverse of the UK's major employment centres as it experiences an exciting renaissance.

Development

Leeds is now one of the largest retail centres in the UK and the Trinity Leeds development that completed in 2013 is an excellent example of how a city centre can be reinvigorated by a large scale retail scheme. More recently the Victoria Gate development opened, delivering almost 500,000 sq ft of further retail and leisure space, anchored by the largest John Lewis outside of London.

The city has a number of key development sites including SoYo; Leeds City Region Enterprise Zone, a strategically important initiative that will help to drive development and regeneration; and the South Bank, which includes CEG's Temple Quarter and is one of the largest regeneration projects in Europe.

Infrastructure

The city's internal infrastructure will receive a boost through £173 million of funding which is being invested in public transport in the city region before 2021. Leeds Station will be remodelled into an integrated 'Yorkshire Hub' to accommodate HS2 alongside regional and local services. With new HS2 lines and platforms reaching directly into the existing Leeds station, the HS2 station in Leeds will offer easy access to the city centre, South Bank and the Waterfront.

The Innovation District will bring together the public and private sectors to focus on the academic and economic strengths of the city, including health innovation, engineering, financial and business services, as well as technology.



503,388
Population of Leeds built-up area

23,012
Economic output projection – 2019 (£m)

494,700
Employment – Workforce jobs 2019

94%
Availability of Super-Fast Broadband (2018)

63,235
Students in university

1
Championship football club

*Figures relate to the local authority area except where otherwise stated.

Drivers of growth

Financial and professional services:

Leeds is one of the largest business centres in the UK, with particular strength in banking and legal services.

Digital:

Leeds digital tech businesses produced a turnover of £1 billion in 2017 that equates to £83k per digital tech employee. The University of Leeds is the UK's leading centre for data research. Channel 4 recently chose Leeds for its regional HQ following a national competition, indicating the attractiveness of the city.

Jobs growth:

According to Centre for Cities, in 2016 Leeds saw the fastest rate of private sector jobs growth of any UK city. Leeds is third behind only London and Cambridge for fast growing firms.

Education:

The wider Leeds City Region is home to the highest number of academic institutions outside of London, with nine universities, 14 higher education institutions and a student retention rate of 56%.

Life Sciences:

Leeds' particular scientific strength lies in life sciences. There are c.200,000 people across the wider region employed in health and life sciences jobs, it has 138 Centres of Excellence in healthcare and is the centre of the UK's healthcare economy.

Key regeneration schemes

1 South Bank

South Bank offers a huge opportunity for growth and development and will be home to Leeds' HS2 station, bringing new levels of national and international connectivity to the city. The area around the station will offer a host of lucrative development opportunities and the presence of the station itself will be a further catalyst for investment in Leeds and South Bank. The expansion will deliver over 4,000 new homes and create 35,000 new jobs. The areas of Holbeck Urban Village, South Bank Central and Leeds Dock have the potential to deliver around 8 million sq ft over the coming decade.



2 Former Tetley Brewery

The former brewery has outline planning permission, granted in late 2018, for up to 850 new homes, over 900,000 sq ft of offices, two new hotels and a mix of commercial and leisure space, set alongside 2 hectares of public realm. The scheme is being brought forward by Vastint.



3 SoYo

SoYo is a new mixed-use development set within the core of Leeds' cultural quarter. The site, on the south of York Road, is adjacent to Leeds Playhouse, Leeds College of Music and the BBC Studios, and sits opposite Victoria Gate. Caddick Developments has secured outline planning permission for the multi-million pound scheme, which will deliver 685,000 sq ft of modern space, including 106,000 sq ft of offices, 35,000 sq ft leisure, in excess of 700 residential units, a multi-storey car park, 7,500 sq ft retail facilities and a medical centre. The scheme will also create some of the largest public green areas within the city centre.

The vision for SoYo is the creation of a vibrant, authentic and forward thinking neighbourhood, which will be one of the very best places to live, work and visit in Leeds. The scheme will be delivered in phases with construction of the initial phase due to start later this year.



Manchester

History

Manchester has changed dramatically over the last 20 years. A combination of private and public sector investment has led the city to become one of the most dynamic centres in Europe. Today it boasts a diverse economic base, from the finance & professional services, media and creative sectors to advanced manufacturing. It is also a prime destination for shopping, education and city-centre living. Manchester is one of the fastest growing cities in the UK, with the geography of the city centre expanding accordingly as new submarkets emerge, each with their own distinct personality.

Development

Manchester's skyline is evolving with the emergence of major new residential and commercial developments which continue to expand the boundaries of the city centre creating new areas to work and live. Noma is a key mixed use development providing over 2.5 million sq ft whilst St John's (pre-let to Booking.com) was the largest office deal outside of London in 2018. Similarly, New Bailey, Circle Square and Airport City have all seen high profile office commitments, whilst FEC's Northern Gateway continues to be an attractive residential proposition.

Infrastructure

A series of investment projects is planned to further enhance the capability of Manchester's world class transport system. Work on the £350 million Metrolink Trafford Park line, a new six-stop tram line commenced in late 2016 and is expected to launch in 2020. It will provide fast connections between key business and leisure destinations. A £1 billion expansion at Manchester airport will improve facilities and attract more leading airlines, and increase the number of routes operating in and out of the airport. The city will also witness greatly improved connectivity to London once phase two of HS2 is implemented by 2033.



554,400

Population of Manchester built-up area

18,677

Economic output projection – 2019 (£m)

415,000

Employment – Workforce jobs 2019

93%

Availability of Super-Fast Broadband (2018)

74,455

Students in university

2

Premier League football clubs

*Figures relate to the local authority area except where otherwise stated.

Key regeneration schemes



1 First Street, Manchester

The First Street development has regenerated a previously derelict site within the southern gateway of Manchester city centre. The development extends across some 20 acres and comprises cultural, leisure, office and commercial space, plus student accommodation, alongside high quality public realm and a multi-storey car park.

Development to date has included the delivery of No1 and No8 First Street commercial office buildings. No1 comprises some 180,000 sq ft Grade A office space, housing occupiers including Ford Motor Company, Gazprom, Jacobs, Amaze and Auto Trader. No8, which completed in early 2019 comprises some 170,000 sq ft of Grade A, BREEAM Excellent office space, delivered by Patrizia Group and Greater Manchester Property Venture Fund. Gazprom pre-let 40,000 sq ft, whilst engineering and professional services giant, WSP has taken 55,000 sq ft across the first two floors.



2 Media City, Salford

Media City has grown exponentially since the BBC's decision to relocate north. The buildings occupied by the BBC and ITV sit at the heart of the scheme and are catalysts for the whole development. An eco-system sits around these organisations and the development is underpinned completely by the media and digital sector. The scheme which has been developed by Peel Media and partly funded by Legal and General has some 600,000 sq ft of prime offices, dedicated broadcast studio space and a wide range of amenities. Located approximately three miles to the west of Manchester city centre the development is directly linked via a dedicated metro link station.



3 Circle Square, Manchester

Circle Square, is the regeneration of the former BBC site at Oxford Road by Oxford Property Trading, a joint venture between Bruntswood and Select Property Group. Worth £750 million, the scheme will be delivered over three phases, with two thirds complete by 2022. The overall development will provide over 1,200 new homes, 1.2 million sq ft of workspace, two hotels, multi-storey car park, plenty of restaurants, bars and shops. 'The Green' will be at the centre of the development which will provide much needed public green space where people can meet, relax, eat and drink.

Liverpool

History

Liverpool is a story of resurgence and growth. The city has witnessed a sustained period of population growth over the last decade, reversing an extended period of significant decline. Employment and earnings growth since the late 1990s have been strong and both measures have outperformed the averages of the region, and other UK cities. Urban regeneration has been instrumental in delivering this improvement and in many ways the city centre is virtually unrecognisable from 20 years ago.

Development

Liverpool is once again a destination of regional, national and international significance. Liverpool ONE has re-shaped the retail core, regenerated a whole quarter of the city and acted as a huge catalyst for further investment and regeneration. It has provided a massive boost to the city's economy and elevated Liverpool into the top UK shopping destinations. Liverpool Waters, a £5.5 billion mixed-use proposal for a 60-hectare area north of Albert Dock is now set to transform the northern waterfront of the city. Paddington Village is a 30 acre expansion site at the eastern gateway to the city, providing health, life-sciences, technology and education space.

Infrastructure

The airport expansion and arrival of low-cost airlines have opened up the city to international tourists. Meanwhile, Liverpool2 is one of the world's most modern deep-water container terminals. This £400 million infrastructure development allows the latest 'megaships' in the global fleet to call directly into Liverpool for onward transport of goods to the rest of the region and wider UK. Opened in 2016, it has once again made the city a major global shipping centre. Digital infrastructure is also key, with the GTT transatlantic cable providing ultra fast broadband capability.



579,256
Population of Liverpool built-up area

11,852
Economic output projection – 2019 (£m)

267,900
Employment – Workforce jobs 2019

96%
Availability of Super-Fast Broadband (2018)

55,930
Students in university

2
Premier League football clubs

*Figures relate to the local authority area except where otherwise stated.

Drivers of growth

Financial services:

Recognised as a financial centre of excellence by the UK Government, Liverpool City Region has the third largest wealth management industry in the UK.

Automotive:

The city region is home to a 50,000-strong skilled automotive workforce, home to Jaguar Land Rover and numerous supply chain companies.

Port:

For half the UK's manufacturers, Liverpool is their closest multi-modal port, and the significant investment under way will further enhance this as a major driver of growth.

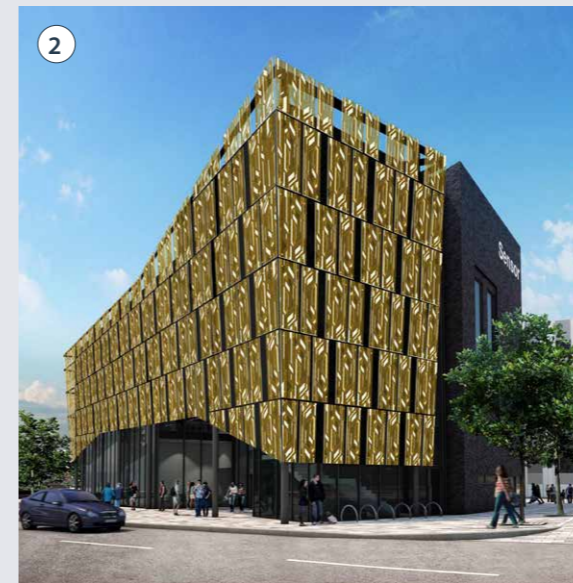
Employment:

Employment and earnings growth since the late 90s have both outperformed the averages of the region, the other core cities and the UK.

Knowledge based sectors:

Including Life Sciences, Infection, Materials Chemistry, and High Performance Computing & Cognitive Computing. The Accelerator building in the Knowledge Quarter is a £25m collaboration between the Royal Liverpool and Broadgreen University Hospital Trust and Liverpool School of Tropical Medicine supporting businesses through collaboration, innovation and investment.

Key regeneration schemes



1 Liverpool Waters

The regeneration of a 148 acre historic dockland site to create a world-class, mixed use waterfront quarter in central Liverpool. The scale of the development and its ambitious 30 year vision make this one of the most important waterside regeneration and investment opportunities in Europe. Comprising 183 million sq ft across 88 individual development plots, the expected total investment value for the scheme is £5 billion. Highlights of the outline planning permission include 8 million sq ft of residential space, 3,340,000 sq ft of office space and 570,490 sq ft of hotel & conference space.

2 Knowledge Quarter

The Knowledge Quarter is a concentration of knowledge economy assets in Liverpool's urban centre. They make a major contribution to Liverpool's economy of around £1 billion each year, equivalent to 15% of the city's economic output and supporting around 14,000 jobs. Over the last 10 years there has been major investment in knowledge based commercial developments in the area. Knowledge Quarter is home to Paddington Village, a £1 billion development providing health, life-sciences and technology space. It also incorporates The Spire, a flagship 160,000 sq ft building that will be the northern base of the Royal College of Physicians.

3 Knowledge Quarter Gateway

Knowledge Quarter Gateway is a £2bn development opportunity that will transform the Lime Street area around Adelphi Hotel, old Levi's store, Central Station, Copperas Hill and Mount Pleasant will be central to the scheme. The council also has plans to redevelop the Mount Pleasant Car Park area and bring the gateway to a world-class standard. It will complement the wider regeneration schemes around the area including creating a new public realm. The scale of the regeneration is huge and it will act as a catalyst to boost jobs across several sectors including science, tech, retail and leisure.

Newcastle

History

Newcastle was historically a powerhouse of the industrial era, and the city's prosperity arose from its shipbuilding and heavy engineering expertise. Like much of the UK, during the 1970s the industrial sector declined. The regeneration of Grainger Town in many ways initiated the recovery from a physical perspective, exemplifying heritage-led regeneration utilising public and private sector investment. Its comprehensive approach attracted office, retail, housing and leisure uses and it is now a vibrant hub of business and culture.

Development

Over the past 20 years the city has seen significant regeneration success, following a city-wide strategy linking economic development, urban renaissance and the retention and growth of population. The landmark Science Central development offers an excellent opportunity to further develop Newcastle's knowledge economy, as well as appealing to hi-tech businesses. It represents one of the biggest urban regeneration projects of its kind in the UK and will provide an exceptional platform for Newcastle to succeed as a major hub for science and enterprise.

Infrastructure

Newcastle has one of the UK's busiest rail systems but after nearly 40 years of service the train fleet needs to be replaced. There is funding in place for this and over the next 10-15 years Newcastle will see the design and introduction of the Metrocars of the future. Over the next five years there will also be substantial transformation of the roads in the city centre. This will create a modern highway system that is fit for purpose.



281,842

Population of Newcastle built-up area

8,884

Economic output projection – 2019 (£m)

204,900

Employment – Workforce jobs 2019

95%

Availability of Super-Fast Broadband (2018)

51,655

Students in university

1

Premier League football club

*Figures relate to the local authority area except where otherwise stated.

Drivers of growth

Business:

The growing finance, business and professional services sector employs over 130,000 people, generates 25% of the region's wealth and has a strong reputation in the professional and business services sectors.

Digital economy:

Newcastle has the fastest growing software and technology market in England, forecast to grow to £2.5bn by 2020.

Education:

Newcastle is home to two outstanding universities with a graduate retention rate of 55%. Areas of University excellence include computing, engineering and medical and life sciences.

Key regeneration schemes



1 East Pilgrim Street

A 12 acre site of prime mixed use development land sub-divided into three distinct development parcels, each providing redevelopment opportunities for a mix of retail, leisure, commercial and residential development.

A masterplan for the Northern Block will enhance and expand the existing retail offer in the city, whilst providing opportunities for leisure and office development. A temporary Boxpark – the Stack – has already brought the northern block to life and given a taste for what can be achieved. Development on the southern part of the site will be office led, with potential for leisure and residential uses too.



2 Newcastle Helix

One of Newcastle's largest regeneration schemes, encompassing a 24 acre site in the city centre. The site is one of four strategic Accelerated Development Zones in Newcastle city centre, with state-of-the-art telecommunications, infrastructure and utilities already in place. The scheme will ultimately deliver new Grade A office space alongside 450 new homes, a significant number of student beds and create around 4,000 jobs. The site will be home to the National Institute for Data and the National Institute for Ageing. The new Grade A offices will comprise The Lumen, 106,000 sq ft and The Spark - 110,000 sq ft. The Lumen is due for completion Q4 2019. This will help drive investment in the location, unlocking further development plots.



3 Stephenson Quarter

The Stephenson Quarter is a prime 10 acre site bounded by the Central Station and the River Tyne. It is anticipated that it will create 2,000 jobs and add £10 million per annum to the regional economy. Phase 1 of the project was completed in 2016 and consists of two buildings. These are; The Rocket, a mixed-use building providing 35,000 sq ft of Grade A offices above a 357-space five level multi-storey car park and the Crown Plaza Hotel. The North East Futures University Technical College (UTC) has recently completed and the City Council is now considering the way forward for the remainder of the site, including a six-storey office development called Phoenix.

Edinburgh

History

Edinburgh is Scotland's capital and has a thriving financial sector. Several major players including Aberdeen Standard, RBS, Lloyds Banking Group, Sykes and AEGON UK have their UK headquarters in the city. The tech sector has boomed over the last decade, with Skyscanner and FanDuel establishing themselves in the city, and global giants Amazon and Microsoft are also located there. The city is also one of the most popular tourist destinations in the UK, and much of the city centre is a UNESCO World Heritage site. The annual Edinburgh Festival is now firmly established as one of the world's premier cultural events.

Development

Edinburgh St James, currently under construction, is a new prime shopping destination. It will boast 850,000 sq ft of retail space, a luxury hotel, up to 150 new homes, 30 restaurants and a multi-screen cinema, scheduled to complete in 2020. Continuing regeneration around Leith waterfront will rejuvenate this part of Edinburgh, with plans to include residential, hotels and commercial space.

Infrastructure

The Edinburgh City Deal includes £140 million to be spent on transport projects. Of this, £120 million will be allocated to the A720 Edinburgh City bypass, with £20 million for improvements at West Edinburgh. An £80 million investment into the terminal expansion and airfield infrastructure at Edinburgh airport is well underway and will support the expected growth in passenger numbers.

Drivers of growth

Economy:

The city has the second highest economic output per capita of any major UK city, averaging £37,000 per resident.

Financial services:

Edinburgh is the UK's largest financial centre after London and is one of the world's top fund management hubs and a major European centre for asset servicing.

Technology:

According to Tech Nation, Edinburgh's technology sector has experienced an exceptional growth rate with digital jobs in the city increasing by three times the UK average between 2014-2017.

Education:

More than 62,000 students are enrolled at higher education institutions in the city. Edinburgh, Heriot Watt and Napier universities are amongst the best regarded in the UK.



513,210

Population of Edinburgh council area

20,561

Economic output projection – 2019 (£m)

364,600

Employment – Workforce jobs 2019

96%

Availability of Super-Fast Broadband (2018)

62,150

Students in university

2

Scottish Premier League football clubs

*Figures relate to the local authority area except where otherwise stated.

Key regeneration schemes

1 Dewar Place, Edinburgh

Dewar Place is the last piece of The Exchange development to be completed and one of Edinburgh City Council's 'top 12' development opportunities. Scottish Power plc in partnership with development consortium C220 have received a 'minded to grant' planning consent for a two hotel development comprising 500 keys plus an office, residential or student accommodation block and associated public realm to include a new bridge linking the development to the Edinburgh International Conference Centre (EICC).



2 Edinburgh, St James

Acting on behalf of TH Real Estate, Avison Young provided planning advice for Edinburgh St James, which when complete, will be a world renowned, retail-led, mixed-use destination for the future. Boasting a world-class retail, leisure, hotel and residential offer and injecting over £1 billion of investment into the city, the scheme will strengthen Edinburgh's global standing by transforming the city's east end. The old St James Shopping Centre was demolished to make way for 850,000 sq ft of new high end retail, 150 homes, restaurants, cinema and a 5 star W Hotel. In addition there will be a training and employment academy (FUSE) which will have a strong international outlook and provide world class customer care training for the retail and hospitality industry.



3 Quatermile 2, Edinburgh

Swiss based fund AFIAA, have sold this prime office investment to UBS Asset Management for £28.5m reflecting a net initial yield of 5.4%. The six storey Grade A building with very good BREEAM rating was completed in 2009 and is multi-let to tenants including Morton Fraser and the Scottish Whisky Association. The asset is part of the 19 acre mixed use, award winning Quatermile development master-planned by Foster & Partners.



Glasgow

History

Glasgow was once known as the 'Workshop of the Empire', but the closure of the shipyards and other manufacturing centres during the 1970s and 80s led to rising unemployment and a loss of skills. An on-going programme of ambitious physical regeneration schemes has been enormously effective in rehabilitating the city's fortunes and making it one of the fastest growing cities in the UK. It is now a world class destination for business and leisure.

Development

Schemes such as the Buchanan Galleries and the extension to the St Enoch Centre have cemented Glasgow as one of the best performing retail destinations in the UK. In addition key projects such as Science Central have helped Glasgow develop a leading reputation as a centre for science and R&D. Development of prime office space has attracted numerous high profile firms including Barclays Bank, Clydesdale Bank, Chivas Regal, with JP Morgan actively looking for 200,000 sq ft.

Infrastructure

Glasgow is continuously investing in its extensive transport and technology infrastructure. Glasgow's subway system has recently been refurbished and Queen Street railway station will see a £60 million upgrade by 2020. The city continues to keep pace with technological improvements and the new agreement between Glasgow City Council and CityFibre will expand the full-fibre network to almost 300km – five times its current size.

Drivers of growth

Financial and business services:

53,500 people work in the financial and business services sector with the city, a top location for business and legal process outsourcing.

Engineering:

Glasgow is a centre for engineering excellence with specialisations in aerospace, advanced manufacturing and electronics.

Life sciences:

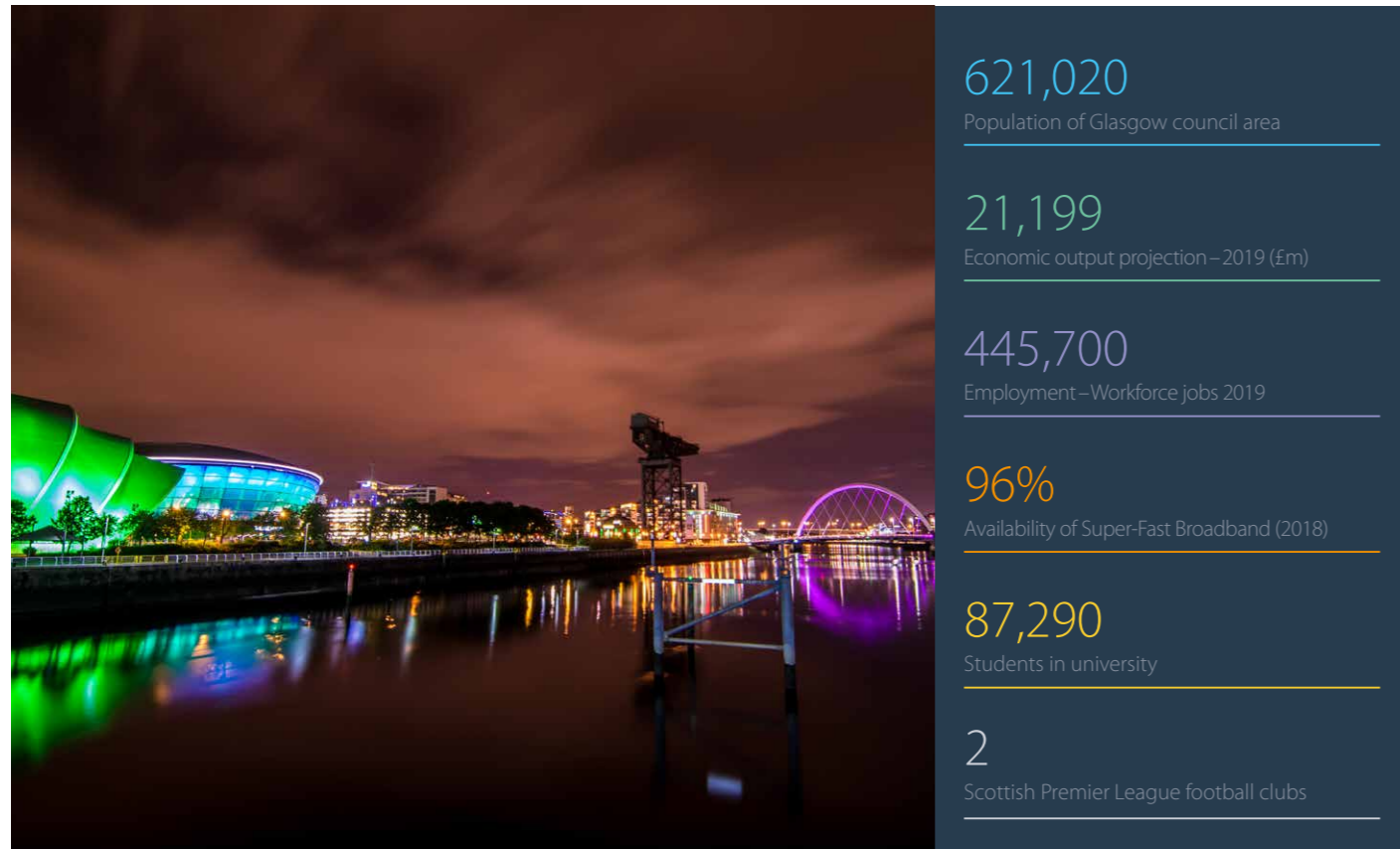
The Glasgow BioCorridor is home to an array of life science companies including almost 50% of all of Scotland's medtech companies.

Education:

The city is home to a number of internationally acclaimed universities, and almost 50% of employees are educated to degree level, significantly above most UK cities.

Sport:

The 2014 Commonwealth Games, and the 2018 European Championships have left a legacy of world class sporting venues across the city



*Figures relate to the local authority area except where otherwise stated.

Key regeneration schemes

1 Inovo, Glasgow

Scottish Enterprise have been leading on an exciting new technology and innovation quarter in Glasgow, linked with academia and adjacent to the University of Strathclyde. On completion, the new grade A office building, inov,o was Glasgow's most sustainable building and recognised by the BCO as the best commercial work place in 2014 for the Scotland Region.



2 Cadworks, Cadogan Street

This development is set to provide 95,000 sq ft of the most sustainable, greenest space Glasgow has seen to date. With advanced and never seen before cycling facilities and enhanced provision for electric vehicle charging, this building will be leading the way in the energy revolution that Scotland is embracing. With grade A stock at historically low levels in Glasgow, Avison Young are anticipating high levels of occupier interest.



3 Buchanan Wharf, Glasgow

Located on the banks of the iconic River Clyde, Buchanan Wharf will be a benchmark development in Scotland. It will create a new and distinctive quarter for the city, with Barclays Bank agreeing to purchase the campus development to house its technology, functions and operations teams, with the creation of up to 2,500 jobs at the new hub. The entire Buchanan Wharf development will provide up to 1 million sq ft of office accommodation, 350 residential units and a 150-bed hotel. This ambitious and dynamic place making is intended to resolve the poor connectivity and linkages between the city centre and the south side of the river and to activate over a quarter of a mile of river frontage in one of the UK's most aspirational cities. The new campus will strengthen Glasgow's financial services sector and shows Scotland continues to be a highly attractive location for inward investment.



If you'd like to talk to one of our team to discuss property services or any market leading research, please get in touch.

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