

POSITIONING CITIES FOR INCLUSIVE GROWTH

Building for people, place and planet

Exeter and the South West



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“ While Exeter is a city, it is very small and compact, with coasts nearby, the moorlands and loads of open space. That is what makes Exeter special and hard to compare to other cities. ”

Chris Fayers – Eagle One

Foreword

The South West region has seen significant growth in recent years in key sectors such as sustainability, renewable energy and marine technology. The South West remains a key destination for people looking to live and work in a wealthy region with a growing economy; beautiful and accessible green space whether countryside or coast; connectivity to the rest of the UK and fantastic vision of growth and brand.

Exeter has leading businesses based here: the Met Office which relocated to Exeter in 2003; the University of Exeter, and the Exeter Science Park (with a plethora of businesses focused on science, technology, engineering, medicine and maths). It is also home to Exeter Cathedral; the award winning RAMM museum and Exeter Chiefs Rugby Club. New development opportunities sit successfully alongside historic buildings in places like the historic quay, and the city continues to evolve and develop exciting and unique projects.

Exeter is at an exciting stage in its development as a city and it's a great time to be involved with this and to work in the region. The city has bold visions and ambitions. It has committed to becoming carbon neutral by 2030 and it was given Garden City designation in 2019. 'Liveable Exeter' was created in order to bring to life the vision of the Garden City developments and to create 12,000 new homes and quarters within the city, all guided by garden city principles. The city is also developing a UK first: a leisure centre built to Passivhaus standards and the delivery of affordable homes along the same principles.

Of course, it's not going to be plain sailing and sitting amongst this opportunity is the need for increased development of infrastructure, a cementing of the region's 'brand' to clearly show others what a unique place it is and managing growth at a steady pace. There needs to be a more collaborative approach between public and private sectors in order to best utilise combined strengths and expertise to deliver growth in a sustainable way, building to complement our natural environment.

One of the effects of the pandemic will be the increased relocation for many people to the South West, recognising the benefits of a fantastic place to live. This will bring challenges to the resources which we have but an opportunity to bring new investment into the region and an attraction of new talent to our work force. Whilst this is of huge benefit to the region there is the challenge of ensuring that homes remain affordable to those already in the region and that need will have to be balanced against the desire to raise the brand of the South West and the continued investment in the development of the city and surrounding areas.



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What we did

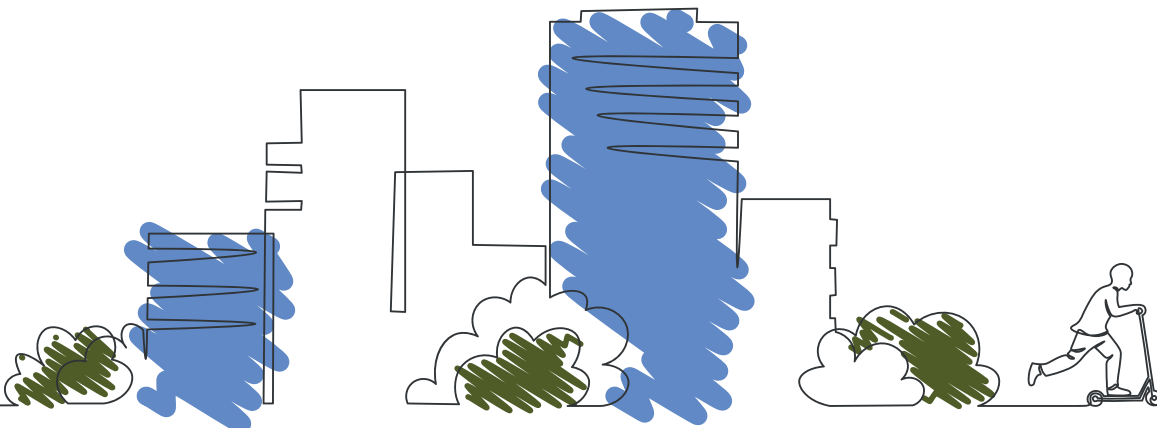
At MIPIM UK in October 2019, Trowers & Hamblins launched a new initiative exploring cities and prosperity. Over 18 months, we have brought together leaders across communities and businesses to look at how we create the towns and cities of the future as well as examine real estate's role in providing the platform for society to thrive. The impact of Covid-19 bisects this exploration. The pandemic, which has accelerated conversations around social value and climate change, arguably makes the need to understand how the built environment can drive prosperity in cities and urban centres even more pressing. Decisions are being made now about how cities will be used differently following the pandemic.

Trowers & Hamblins has set about exploring this topic in several ways. A YouGov poll was commissioned in late October 2019 looking into perceptions of prosperity in Birmingham, Exeter, London, and Manchester, the cities where our UK offices are located. We reran this survey in September 2020 to capture the impact of the pandemic. ING Media's City Strategist Peter Griffiths analysed these results alongside comparative statistics of each city's performance within the UK.

This data was then presented at a range of events to provide a starting point for exploring cities and prosperity. The event calendar included: London (October 2019); Manchester (November 2019); Exeter (January 2020); London roundtable (March 2020); Birmingham (October 2020); London (December 2020); Manchester roundtable (December 2020); and Exeter roundtable (January 2021).

Throughout the series, urban experts along with business, local and national government leaders were asked a range of similar questions around their perceptions of prosperity in the cities they live and work in. Given the essential role data plays in policymaking and setting agendas, we wanted to test whether there was agreement or disagreement on the findings, and to explore the role the real estate sector could play in improving prosperity.

As well as the 2,013 respondents to our YouGov surveys, over 160 people have attended our City Exchange events and contributed to the findings in this report, which can be downloaded at trowers.com/inclusivegrowth. Together their voices provide a rich picture of how prosperity is experienced differently not just across the North West, the West Midlands, the South East, and the South West, but also within the cities and towns in these regions. The topics raised consistently touched on aspects of both our business and our work from social concerns around affordable housing and health, to how we can sustainably use energy, transport, and infrastructure.



This report forms part of Trowers & Hamlins' longer-term exploration into how real estate, which has an impact on every aspect of our daily lives, can be the backbone of society. In 2016 we partnered with Oxford Brookes University to explore how to measure a broader value of a place that incorporates factors such as cultural, social, and environmental value. Our findings (see trowers.com/highlyvalued) back then indicated that a broader definition of social value will lead to long-term financial success. We continued our research between 2016-2018, partnering with RealWorth to explore the barriers and opportunities to changing and broadening existing methods of valuation. We commissioned RealWorth to develop the rationale and suggest practical ways to initiate change in the real estate sector (trowers.com/realvalue).

Urban centres are drivers of prosperity across the globe; they are hubs for commerce, culture, community, innovation, and education but prosperity means different things to different people in different places. Wealth disparity and variance of life expectancy exist both within and between our cities, prompting questions as to how to ensure investments in the built environment deliver maximum prosperity.

We have had years of cities improving, with urbanisation tightly correlated with economic and social development. This global reality, that cities drive both opportunity and inequality, has dominated the debate around the prosperity successes and challenges across the country, from the Northern Powerhouse to the more recent levelling up agenda.

The global pandemic has brought into focus that well-managed, equitable and quality built environments seem to be a key ingredient to urban resilience, all aspects that may only be fully captured in broader measurements of social value. Exploring perceptions of prosperity at a local scale may help highlight where UK cities are not maximising prosperity benefits specific to the people living and working in them.

In our workshops, experts regularly debated the need to consider prosperity beyond measures of financial success, which was one of the fundamental aims of this report. To avoid ambiguity, we included the following in the survey questions: by 'prosperous', we mean being successful in the sense of financial, physical, emotional, and material success, in someone's personal and professional life.

This report includes the key findings from the data for Exeter and the South West as well as the themes that emerged from our two workshop sessions.

Global city context

Do cities concentrate prosperity?

Peter Griffiths – City Strategist, ING Media

It wasn't that long ago that living in the world's larger urban centres was grave for life chances. Charles Booth's maps of working-class life in London towards the end of the 19th century, for example, highlight a city riddled with poverty, severe overcrowding and poor-quality housing. New York City, which would soon overtake London to become home to the world's largest population, didn't fare much better; neither did Paris. In many ways the global pandemic has reminded us of what we already know: a well managed, equitable and quality built environment tends to be more resilient.

Global cities may be facing an existential threat, but they likely hold many of the answers to recovery. Since the middle of the last century the clustering of people into urban areas has concentrated prosperity; as urbanisation has gone up in every world region (including areas struggling today with many of the challenges Victorian London faced) so has life expectancy, according to UN data. Life expectancy at birth (which includes factors of socioeconomic status, the quality of governance and access to health infrastructure) provides a good indicator for wellbeing.

Cities, where 55% of the global population live, generate 80% of global GDP, and people living in a large city have an even greater chance of being wealthy; it isn't just money. A 2011 study by London School of Economics and Political Science indicated that 110 out of 129 cities around the world outperformed their national contexts on measures for health, education and wealth. It doesn't seem to matter where in the world you're born, if you're in a city the chances of being prosperous seem to increase. Ensuring cities deliver these benefits to the residents living in them seems key to national prosperity.

However, cities also appear to concentrate inequality, with a growing challenge around housing affordability and urban design choices that lock people out of the benefits cities can provide. That pattern isn't always as expected: home ownership rates in far wealthier London are far lower than in Cape Town. In-country differences can also be vast with Frankfurt experiencing far higher income inequality than Berlin.

There are also concerns about the sustainability of cities, which produce 70% of global CO₂, even though studies suggest cities are best positioned to solve climate change challenges. Public transport, energy efficient buildings and renewable energy could reduce greenhouse gas emissions in cities by 87% according to C40.

The summary is that at a global level, moving to a city will increase the likelihood of being wealthy, healthy and educated, but not everyone living in them is able to access these benefits. So while it is real that cities concentrate opportunities for prosperity, the paradox is that they may also create the conditions for inequality.

Why this is the case depends on who you ask, but could include:

- Uneven infrastructure provision/access
- Poor quality built environment/design
- Uneven social services/access
- Uneven social network access/knowledge
- Talent/innovation needs may disproportionately reward 'superstars'
- Taxation may be ineffective for spatial redistribution
- Policy, subsidy, legal and/or market failure

Exploring cities at a local level and comparing solutions between places is key to responding to instances where cities aren't maximising prosperity benefits.





Cape Town, South Africa – How we design cities and encourage real estate development has a significant impact on prosperity, and frequently determines the possibility of positive connection between places.

Exeter and the South West

Our event in Exeter looked at prosperity in towns and cities in many key centres across the South West. We invited over 30 professionals engaged in the process of making places better to live and work to our second event in this series which took place at co-working hub Venaspace in Exeter on the 22 January 2020. ING Media's City Strategist Peter Griffiths offered a global perspective on the challenges and benefits of urban development. The contributors then split into groups to discuss prosperity in Exeter and the South West. Our second event took place virtually on 27 January 2021.



“ There is a tension between cities growing in scale so they can support sustainable arts, culture and leisure opportunities and growth in population size. Communities often want the services and facilities but are reluctant to support new build housing to accommodate the population growth to sustain these services and facilities. The growth in student accommodation across the city has added to the vibrancy and sustainability of Exeter but it's the most contested growth which attracts opposition from many existing residents. ”

Emma Osmundsen – Exeter City Living



Contributors

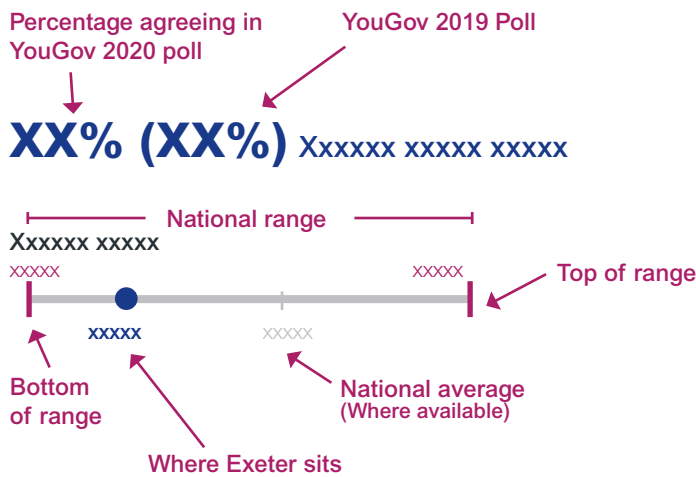
Alder King LLP	Noel Stevens
Arbuthnot Latham	Rob Salisbury
Arcadis	James Halse
Avalon	Nick Bishop
Avison Young	Ian Thompson
Barratt Developments	David Matthews
Blue Cedar Homes	Nick Hole
Cavanna Homes	Alan Hindley
Eagle One	Chris Fayers
East Devon District Council	Philip Skinner
Exeter City Council	Richard Marsh
Exeter City Council	William Nowell
Exeter City Living	Emma Osmundsen
Falmouth University	Patric Eriksson
Global City Futures	Roli Martin
Granted Consultancy	Will Granger
Handelsbanken	Jim Durrant
Homes England	Paul Britton
InExeter	Ann Hunter
ING Media	Peter Griffiths
ING Media	Tom Elliott
LiveWest	Glynnis Poole
Mi-Space (UK) Ltd	AJ Eaton
Mace	Paloma Hermoso
NatWest	Jasmin Norton
South West Business Council	Robin Daniels
Stride Treglown	David Bayliss
Thompson & Co Insurance Brokers	Clyde Lambert
Transition Exmouth	Andy Lock
Trower & Hamlins	Joseph Acton
Trower & Hamlins	Sara Bailey
Trower & Hamlins	Nicholas Burt
Trower & Hamlins	Lynn Onyett
Trower & Hamlins	Chris Rundle
Trower & Hamlins	Georgina Savill-James
Turley	Helen Tilton
Vectos	Jonathan Lloyd
Westward Housing	Barbara Shaw

YouGov poll results in context

Exeter

Results key

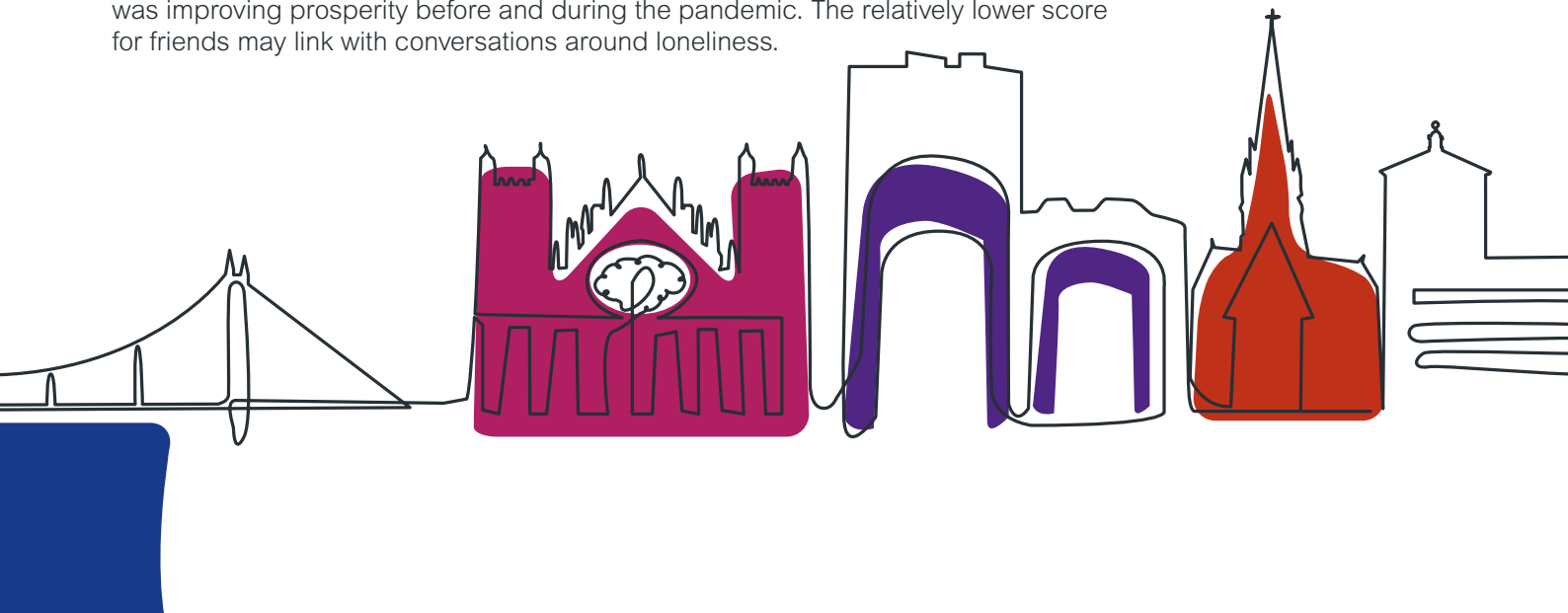
Data from ONS, NOMIS, Centre for Cities, Nesta, OECD, ING Media, and TomTom on the right. Each data bar illustrates Exeter's positions within the range of performance for UK cities. The average is indicated in most instances.



Which three of the following have the biggest impact on your prosperity?

- 69% (70%) **Myself** no longer lowest of cities polled
- 57% (55%) **My family**
- 33% (41%) **Politicians** stayed highest of cities polled
- 38% (39%) **My friends** moved lowest of cities polled
- 28% (26%) **The business community** no longer lowest of cities polled
- 5% (7%) **Religious communities**
- 2% (1%) **Charities** moved to highest of the cities polled

YouGov respondents in Exeter consistently ranked politicians as relatively more important than in other cities; a higher percentage also agreed that the local council was improving prosperity before and during the pandemic. The relatively lower score for friends may link with conversations around loneliness.

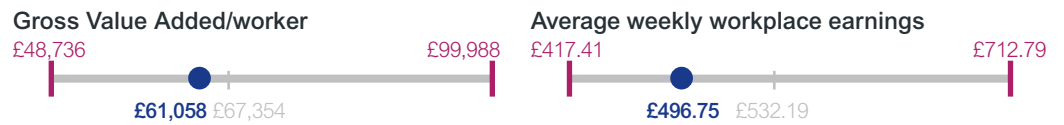


What would improve your prosperity the most?

Exeter's responses were largely divergent to other case study cities. This may reflect that it is a far smaller city offering an alternative lifestyle choice to larger urban centres, as well as far lower levels of deprivation and a slightly older (and less diverse) demographic. The lack of comparable data available for Exeter, however, makes it difficult to fully assess the city's strengths.

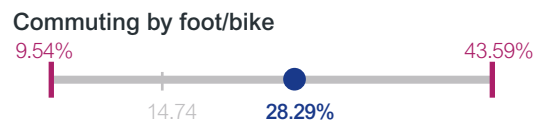
32% (42%) More income/money

Stayed lowest of cities polled



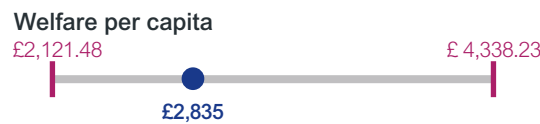
32% (27%) Good personal health

Stayed highest of the cities polled



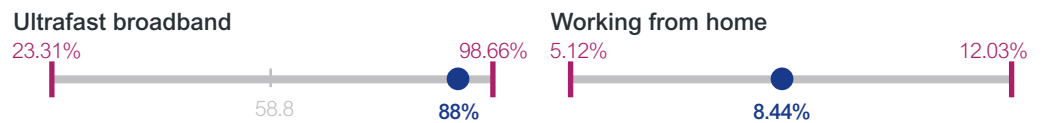
7% (11%) Having a stronger community around me

No longer highest of cities polled



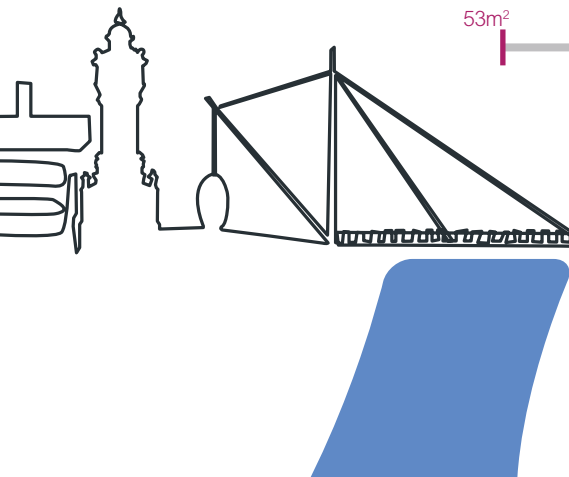
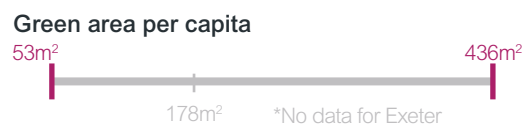
7% (6%) More time off work

Stayed lowest of cities polled



1% (3%) Access to green spaces

Moved from highest to lowest of cities polled



To what extent would each of the following increase your sense of prosperity in your city?

Exeter's responses suggest the national conversation around housing affordability is nuanced, with cost being a far more significant factor than quality and space are in other cities. However, the pandemic may have shifted perceptions around affordability, with it moving from highest before the pandemic to lowest of cities polled during.

51% (62%) Better quality housing

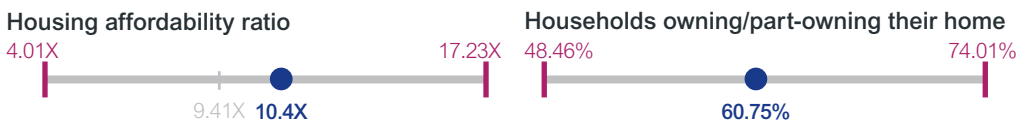
Stayed lowest of cities polled

56% (75%) More affordable housing

Moved from highest to lowest of cities polled

52% (50%) More space to live in

Stayed lowest of the cities polled

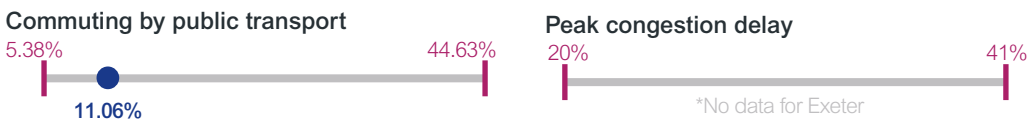


To what extent would each of the following increase your sense of prosperity in your city?

Exeter's more rural surrounding and lower levels of deprivation may explain its significant divergence from other settings. While arts and culture venues are available across the South West, these are not concentrated in one urban centre as is the case for larger cities, suggesting initiatives like Greater Exeter or the wider South West brand and strategic use of infrastructure could help make these cultural assets feel more accessible to more people across the region.

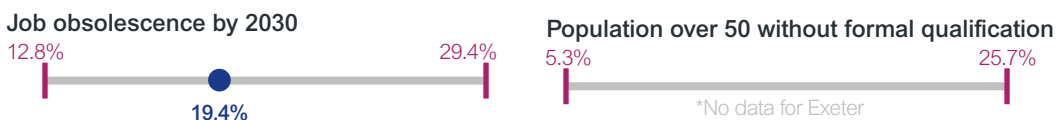
53% (67%) Better public transport

Stayed lowest of cities polled



37% (49%) Better access to education

Stayed lowest of cities polled



59% (53%) Better access to arts and culture

Despite having one of Europe's top universities, Exeter's business innovation may not be delivering the stickiness required to generate high-quality long-term jobs, with roughly as many new businesses as closures annually. The percentages below indicate the extent to which people in Exeter agree with the statement.

43% (52%) My city has lots of job opportunities

Stayed lowest of cities polled

Start-ups/closures per 100,000 inhabitants

Start-up 41.79



Closures 41.40

75% (73%) My city is good to do business/work in

No longer lowest of cities polled

Patent applications per 10,000 inhabitants



55% (54%) Future generations will be able to find jobs

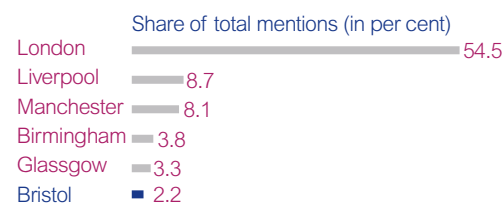
Stayed lowest of cities polled

Exeter and South West have relatively lower digital visibility globally, with only Bristol, at the edge of the region, featuring in the UK Top 20. This suggests the natural assets prized by those choosing the area as their home do not necessarily translate into a wider recognisability.

(88%) My city is an attractive place to visit

Highest of cities polled

ING Media Global Cities Digital Visibility Series – The UK's Most Talked About Cities



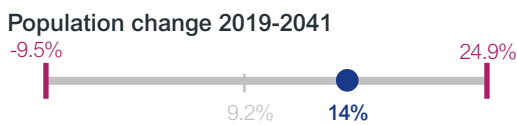
(71%) My city has a strong identity

Lowest of the cities polled

Thinking about your city in the next 20 years, to what extent do you agree or disagree with the following statements?

Exeter's compact size increases opportunities for walking and cycling, however its importance as a regional hub connected to several small and large urban areas increases the pressure for private car use. Significant green space outside the city likely impacts positively on feelings around sustainability. A narrative around moving to the countryside may explain why respondents in Exeter moved from having the lowest number of respondents thinking their house values would appreciate to having the highest.

80% (74%) Future generations will want to live in my city
Moved to highest of cities polled



28% (17%) Future generations will be able to afford to live in my city

81% (71%) The value of the home I live in will increase over time
Moved from lowest to highest of cities polled

60% My city will be socially inclusive versus **59%** today
Lowest of the cities polled

56% (48%) My city will be environmentally sustainable versus **51%** agreeing it is today
Stayed highest of the cities polled



Views from the room

In January 2021 a virtual roundtable of leaders and experts from the Exeter area looked back at views shared at our City Exchange in January 2020 alongside YouGov research data from 2019 and 2020 to examine the effect of Covid-19 on prosperity in Exeter and the South West. At both the workshop in 2021 and our City Exchange in 2020 we posed a series of questions to city leaders and experts from Exeter and across the South West to explore prosperity. Below is a comparison of how views have changed over the year.

Common themes remained including connectivity, housing and inclusion, Exeter's environmental credentials and the arts culture and hospitality offer in the city. Whilst the themes remained largely similar attendees at this year's workshop recognised that the pandemic has magnified many challenges the city was already facing.

Connectivity: At the event in January 2020, participants suggested insufficient public transport meant that people have invested in private cars given the lack of connective infrastructure. With many of the city commuters travelling in by car congestion is a significant issue. Since March 2020, congestion has reduced and if there is more home-working in the future this will free up space on roads. Participants commented that the absence of a joined up approach to transport across the region is a real challenge. If Exeter is going to promote itself as a green hub, the challenges around infrastructure will need to be addressed.

Housing and inclusion: Given the amount of time most people have had to spend in their homes, the design of housing was recognised as a far more important factor in 2021 than it was at the beginning of 2020. That said, even at the January 2020 event, participants felt that the quality of homes was important given the negative impact poor housing has on health. As people's working styles become more flexible, housing design will need to become flexible to accommodate changing needs. The question remains as to how this can be achieved with a majority at both events recognising that affordability remains a challenge. Exeter is recognised as an attractive city offering a better quality of life than many other cities but if more people relocate to the South West is there a real danger of exacerbating the lack of affordability and driving social inequality. Participants commented on the importance of maintaining and planning for the right types and variety of tenure, particularly in the private rented sector.

Environmental credentials: At both events, some participants felt there was a brand and messaging challenge to respond to whilst others expressed the view that Exeter has a strong identity and recent investments reaffirm its attractiveness. Whilst Exeter is a city, it is very small and compact, sitting in an area of Devon with coasts, the moorlands and plenty of open space nearby. It has a strong identity as a green and sustainable city and the environmental credentials are demonstrated by the commitment to achieve the Net Zero Exeter target by 2030. In addition Exeter is embracing its leisure offer with the river, seaside and outdoor pursuits. Participants felt there is an opportunity for the region to promote itself more strategically with a 'green leisure' offering at its heart.

Arts and culture: The arts, culture and hospitality sectors are vital to creating vibrancy and attracting people back into the city centre. In 2020 it was noted that the move to online shopping provided opportunities to focus more on developing flexible spaces to accommodate start-ups, social activities and new experiences. Additionally, the growth of independent shops, alternatives to retail, human-scale activities and increased intensity has made walking distances feel shorter creating a sense of vibrancy. The arts and culture offer is clearly an important part of Exeter's attraction for tourists and residents alike. Participants noted this has been amplified during lockdown with many realising the importance of these sectors in giving the city appeal. Exeter has some great attractions such as a new leisure centre, the museum, theatre and music at the University. There could be a real opportunity to use these as a lever coming out of the pandemic.

What would most improve your sense of prosperity in your city?

The pandemic has taken a huge toll on many cities around the UK and recovery will take time. Whilst all participants were keen for a quick recovery and for a return to some of the old ways, there are particular factors that could be focused on to improve prosperity in the city:

- Increase inclusive public and green spaces in urban areas (rather than just outside the city) to increase health, sustainability and opportunities for communities.
- Creatively repurpose city centres and reconsider how heritage assets, like cathedrals, are used to create a vibrant centre that has activity throughout the day and night.
- Infrastructure investments are needed to integrate the wider city region and the South West to share amenities (airport, cultural sites, job opportunities), reduce carbon emissions, and facilitate a better work/life balance.
- Free up space on the roads through better transport infrastructure.
- Improve the overall sense of prosperity by looking after the health and wellbeing of inhabitants and work together to address homelessness and mental illness.
- Promoting Exeter as a hub for business, arts, leisure (green leisure) as well as a great holiday destination and a place to live.

Trowers & Hamlins

Trowers & Hamlins is an international law firm committed to helping businesses and governments build stronger, more sustainable and economically successful communities. We are fascinated by the future of towns and cities and our work covers all forms of real estate across the private and public sectors and from residential to commercial and mixed-use schemes. We see real estate as the stage on which economies and communities develop and thrive.

Positioning cities for inclusive growth

Over 18 months Trowers & Hamlins brought together over 160 leaders and conducted two YouGov polls across Manchester, Exeter, Birmingham and London to examine real estate's role in providing the platform for society to thrive. The pandemic, which has accelerated conversations around social value and climate change, arguably makes the need to understand how the built environment can drive prosperity in cities and urban centres even more pressing.

You can download this report at
trowers.com/inclusivegrowth

