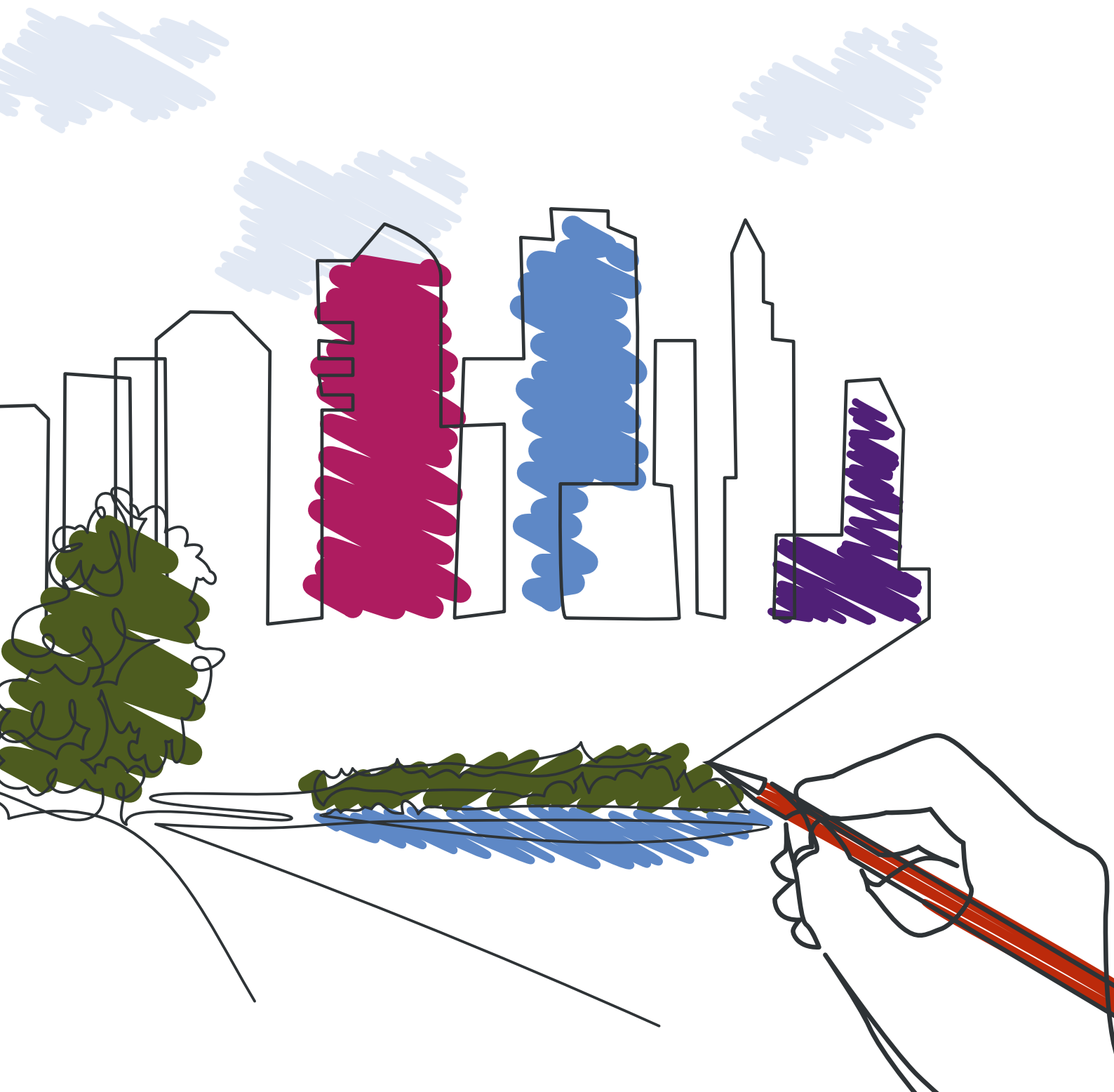


POSITIONING CITIES FOR INCLUSIVE GROWTH

Building for people, place and planet

Manchester and the North West



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*“ If we are going to have a really prosperous city
then we need it to be a city that is inclusive and
accessible for all. ”*

Helen Spencer – Great Places Housing Group

Foreword

Manchester is at a key stage in its evolution. Recent years have seen significant growth in the city in all areas: from the boom in people choosing to live within the boundaries of the city, through a significant shift in the location and quality of the office and retail space in the city, to the enduring focus on arts and culture with new venues such as Home creating alternative hubs in the city for people to gather.

The response to the pandemic in 2020 has to a large extent stalled momentum in many areas of the city, although the cranes have continued to operate throughout. Whilst the challenge posed in emerging from the current lockdown will undoubtedly slow progress for the city, the pause has also provided time and opportunity to assess the key priorities for the city in the medium term.

Manchester City Council led a strategic consultation in 2020 to determine the policy priorities for the next five years. Many of these closely align with the outcome of our research with respondents focusing on sustainability and more equitable outcomes, whether in job opportunities, healthcare or housing. The challenge for the city looking forward will be to focus these priorities into deliverable targets. One of the most prominent of these being the city's commitment to achieve a zero carbon target as set out in the Manchester Climate Change Framework for the next five years.

Other priorities will be to revive the cultural and hospitality sectors in the city with the future of the Manchester International Festival and the Factory development currently attracting attention. Although both sectors have suffered significant losses in recent months there is a clear imperative to support and revive these industries in order to encourage people back to the city.

On a wider basis Greater Manchester will also be looking to the operation of the spatial framework to strategically promote development which encourages growth. Nine of the ten Greater Manchester authorities are now looking to form a committee to allocate housing and employment sites across the area. Improved facilities in the surrounding Greater Manchester towns together with enhanced transport links will be a key priority in securing and resetting the importance of our conurbations to stimulate growth and innovation.



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What we do

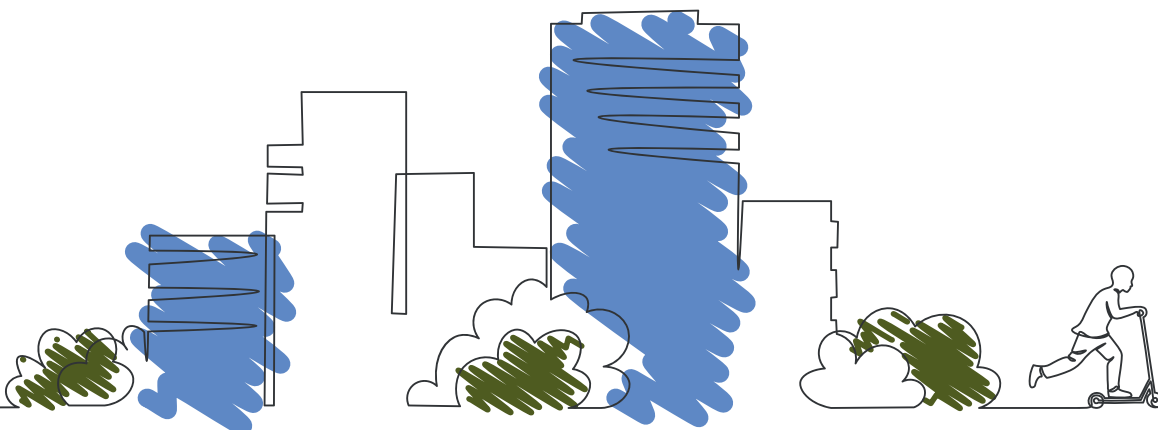
At MIPIM UK in October 2019, Trowers & Hamblins launched a new initiative exploring cities and prosperity. Over 18 months, we have brought together leaders across communities and businesses to look at how we create the towns and cities of the future as well as examine real estate's role in providing 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 & Hamblins' 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 Manchester and the North West as well as the themes that emerged from our 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.

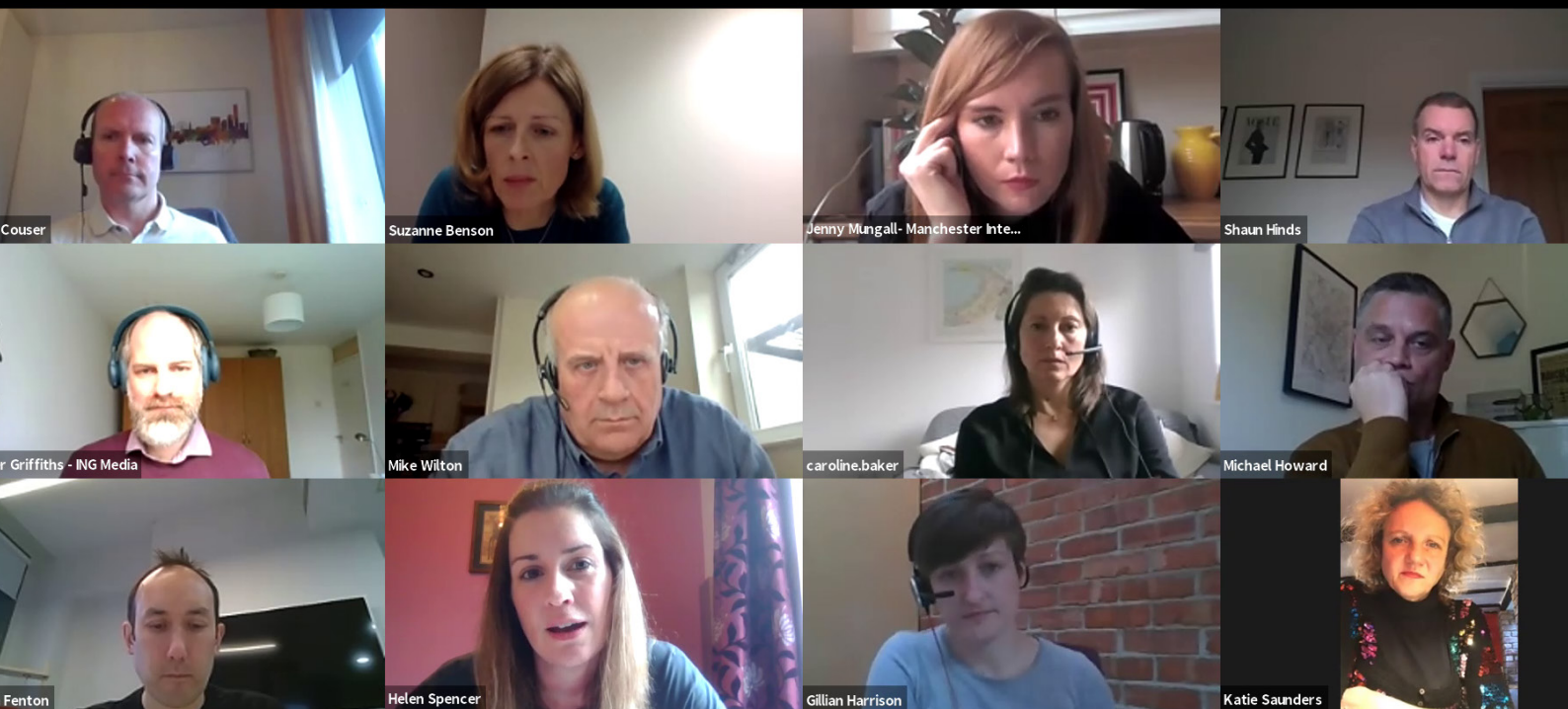
MANCHESTER and the North West

We have held two Manchester focussed events since we launched this campaign. Our first event in Manchester was in November 2019, where we invited 30 professionals to HOME. Following the updated YouGov poll from September 2020 we ran a smaller, virtual roundtable discussion in December 2020 which took into account the effect that Covid-19 has had on prosperity in Manchester and the North West. At both events ING Media's City Strategist Peter Griffiths discussed the results of a YouGov survey and offered a global perspective on the challenges and benefits of urban development.



“ One of the interesting aspects of Manchester is the way the city has grown and what the city has to offer such as the different kinds of companies and jobs, education, opportunities that exist but also retail, hospitality, the arts, the culture, everything that the city centre is all about. ”

Shaun Hinds – Manchester Central



Contributors

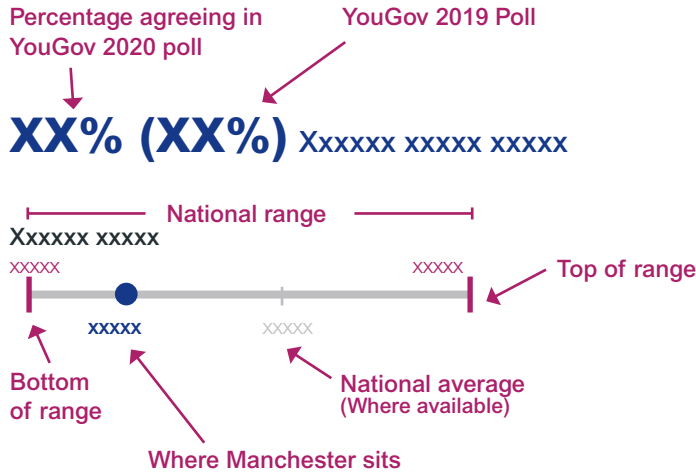
Arcadis	Giles Scott
Arup	Mike Wilton
Assura	Patrick Lowther
BDP	Ged Couser
CBRE	David Allinson
City of Trees	Jessica Thompson
Coherent Cities	Lisa Taylor
Cushman & Wakefield	Caroline Baker
UK Department for International Trade	Bob Matthijs van Aartsen
UK Department for International Trade	Roger Holman
EY	Alex Pannell
Faithful and Gould	Daniel Cadman
Far East Consortium	Tom Fenton
Great Places Housing Group	Helen Spencer
Greater Manchester Combined Authority	Nick Fairclough
Hawkins\Brown	Katie Tonkinson
Hive	Stuart Sage
ING Media	Tom Elliott
ING Media	Peter Griffiths
Investec	Richard Greenhalgh
Knight Frank	David Porter
Lancashire County Council	Beckie Joyce
Levitt Bernstein	Gillian Harrison
Manchester Central	Shaun Hinds
Manchester International Festival	Jenny Mungall
Midia Group	Alec Colbeck
Progressive Living	David Fairclough
Sixtwo Architects	Nick Moss
Stockport Council	Caroline Simpson
Trafford Council	Richard Roe
Trowers & Hamlins	Sara Bailey
Trowers & Hamlins	Suzanne Benson
Trowers & Hamlins	Matthew Holbrook
Trowers & Hamlins	Katie Saunders
Trowers & Hamlins	Richard St John Williams
Turley	Andrew Bickerdike
Urban Bubble	Michael Howard
URBED	David Rudlin
WSP Indigo	Nick Fillingham

YouGov poll results in context

Manchester and the North West

Results key

Data from ONS, NOMIS, Centre for Cities, Nesta, OECD, ING Media, and TomTom on the right. Each data bar illustrates Birmingham'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?

- 64% (70%) **Myself** moved to lowest of cities polled
- 51% (47%) **My family** stayed lowest of cities polled
- 41% (44%) **My friends** stayed highest of cities polled
- 31% (34%) **The business community**
- 32% (33%) **Politicians**
- 3% (2%) **Religious communities** moved to lowest of cities polled
- 1% (2%) **Charities**

While YouGov respondents in Manchester were the only to rank the business community as more important than politicians before the pandemic, the latest results show London as the only city with this profile. Mancunians continue to see friends as relatively more important contributors to prosperity; however, 'myself', 'my family' and 'religious communities' are now all the lowest ranked.



What would improve your prosperity the most?

Manchester's productivity and weekly income are both below the UK average. Income for the wider region, however, is slightly higher, suggesting inequality may be concentrated more centrally. Its relatively lower access to ultrafast broadband may put the city at a remote working disadvantage. Like Birmingham, its comparatively lower green space may limit health benefits, particularly in areas where access is low.

The figure of welfare per capita can be seen as an indicator of a community's capacity to look after its residents.

45% (47%) More income/money

Gross Value Added/worker



Average weekly workplace earnings



23% (21%) Good personal health

Commuting by foot/bike



8% (8%) Having a stronger community around me

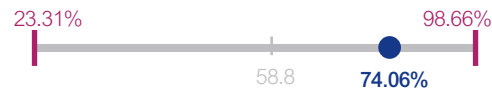
Moved to highest of cities polled

Welfare per capita (per annum)

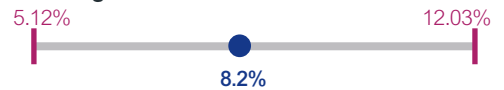


7% (7%) More time off work

Ultrafast broadband



Working from home



4% (2%) Access to green spaces

Moved to highest of cities polled

Green area per capita



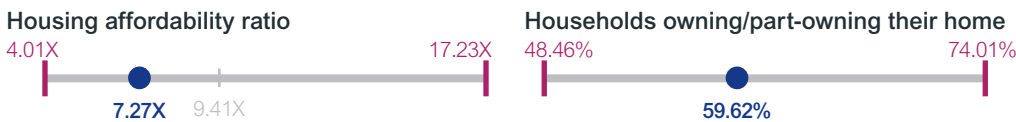
To what extent would each of the following increase your sense of prosperity in your city?

One in five homes in the North West failed the English Housing Survey’s minimum standards in 2017. While affordability has dominated the national debate, quality is a major concern. It is the only city where respondents did not increase their score for space during the pandemic.

65% (75%) Better quality housing

69% (73%) More affordable housing

62% (64%) More space to live in

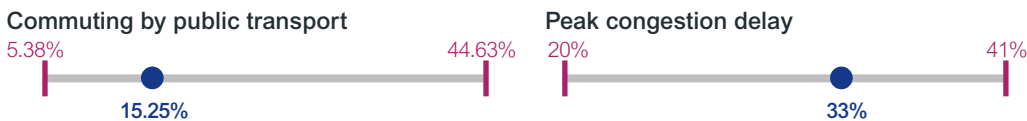


To what extent would each of the following increase your sense of prosperity in your city?

Manchester consistently ranked transport, education and culture higher than other cities. Despite even fewer people using public transport, improving it, which could include more or faster routes, or more frequent services, could significantly improve feelings of prosperity in the city. Improving access to education was also central to improving prosperity although this figure dropped during the pandemic. A changing job market may make access to education, for young and old, increasingly important.

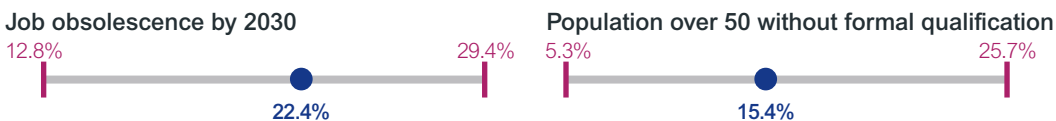
65% (73%) Better public transport

Stayed to highest of cities polled

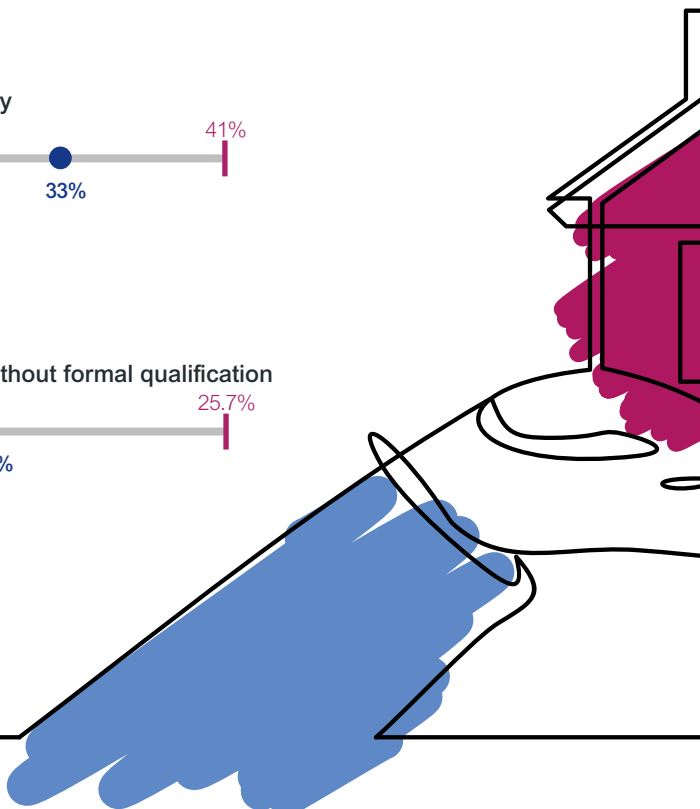


49% (61%) Better access to education

Stayed to highest of cities polled



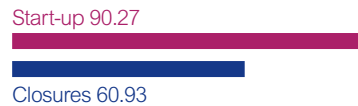
59% (53%) Better access to arts and culture



Manchester has a proportionally higher business success rate, with most cities in the UK seeing almost as many closures as new business annually. Boosting the city's innovation and knowledge sectors may be an important aspect of recovery. The percentages below indicate the extent to which the respondents in Manchester agree with the statement.

65% (71%) My city has lots of job opportunities
 Moved to highest of cities polled

Start-ups/closures per 100,000 inhabitants



79% (83%) My city is good to do business/work in

Patent applications per 10,000 inhabitants

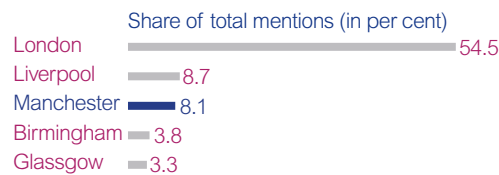


63% (66%) Future generations will be able to find jobs

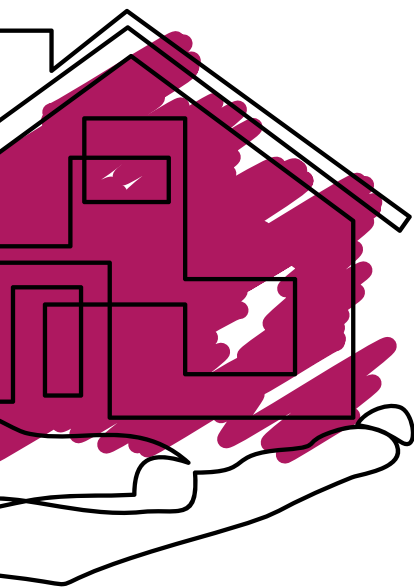
Manchester punches above its weight for global digital visibility. Within the UK, its visibility is third, just behind Liverpool. A strong perception of identity may be a key asset in positioning the city for future prosperity.

(70%) My city is an attractive place to visit

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



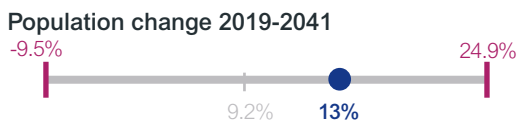
(91%) My city has a strong identity
 Highest of the cities polled



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

Despite feelings that prosperity will decrease over the next decade, the city is expected to retain and attract people. This is matched with projected population growth above the UK average. However, respondents are slightly less confident that people will want to live in Manchester in future, even though they expect it to be more socially inclusive.

74% (77%) Future generations will want to live in my city
No longer highest of cities polled



27% (30%) Future generations will be able to afford to live in my city

64% (71%) The value of the home I live in will increase over time
Stayed lowest of cities polled

64% My city will be socially inclusive versus **62%** today
Highest of cities polled

47% (44%) My city will be environmentally sustainable versus **35%** agreeing it is today





Views from the room

We held our first event in Manchester in November 2019. Following the updated YouGov poll from August 2020 we ran a second discussion in December 2020 which took into account the effect that Covid-19 has had on prosperity in Manchester and the North West. At both events we posed a series of questions to city leaders and experts from Manchester and across the North West to explore prosperity. Below is a comparison of how views have changed over the year.

At both sessions the common themes most affecting prosperity in Manchester were public realm, future of work, sustainability, housing and arts and culture. Whilst the themes remained largely similar at the subsequent discussion in December 2020, it was accepted that the pandemic had magnified many challenges the city was already facing.

Public realm: A high quality built environment improves wellbeing and mental health. At the first session in November 2019 participants stated the importance of feeling at home in the city, linking through to green space. In the inner city small pockets of open space, be it green or otherwise, can make a big difference to the public realm. Something inner Manchester has been accused of lacking. Tom Fenton, Director, Far East Consortium commented 'I think one of Manchester's key challenges is how it is going to fund and manage public open space. There is definitely an appreciation now, with more time spent at home and people who haven't been fortunate to have access to gardens during that time, of the value in parks and green space and what they bring to society.'

Future of work: The discussion in 2019 prior to the pandemic identified a potential increase in demand for out of city co-working facilities, which have had a tendency to focus largely on inner city locations. With people commuting less frequently, more accessible co-working spaces could relieve the strain on transport and potentially help to address some of the issues around mental health and loneliness associated with working alone with very little social interaction.

Over 12 months on and the future of offices and the accelerated shift towards increased agile working, dominated discussion. Gillian Harrison, associate at Levitt Bernstein commented 'If you look at the communities that are being built in the centre of Manchester, they benefit from having facilities on site, including workspaces. Lately I've been thinking a lot about, having worked from home for the past year, what are we really missing? One of the biggest is not engaging with people, so the future of increased working from home could fit nicely with the idea of shared workspaces linked to residential development so you get a bit of that activity and engagement, and maybe a good coffee shop.'

Caroline Baker, head of Cushman and Wakefield's Manchester office also commented on the evolution of the workspace adding 'I think there's a recognition that our offices are going to remain really important but they are going to need to adapt to the new ways in which we will work. Our offices will be the place where we will come together for collaboration and meeting with our clients – so we will need to ensure we create environments which support these activities. In addition we may use flexible spaces in more suburban areas where people can go and work for a little bit of time as well as allowing people to work from home.'

Sustainability: One new topic that was not focussed on at the event was sustainability and achieving net-zero. Whilst a decline in traffic may have temporarily improved air quality, over the next few years the challenge will be to balance a return to city centres and creating jobs, opportunities and attracting investment whilst overall reducing carbon emissions. While everyone was busy dealing with 'the here and now', Mike Wilton, director, Arup Manchester, suggested any transition period into what would become the new normal would inevitably have an air of unpredictability around it. Meanwhile the city ought to be setting some ambitious sustainability targets in areas like job creation. 'We have got to learn from Covid and make sure we build back better and build back greener. This is fundamental to the future of Manchester.'

Housing: In November 2019 participants highlighted a concern that the city's boom was not accompanied with social infrastructure, described in the room as the foundations of prosperity. The experience of the pandemic demonstrated that many of those we rely on to keep cities functioning, such as key workers, will have been disproportionately affected by the lack of affordable housing in Manchester.

During the subsequent discussion in December 2020 Michael Howard, managing director, Urban Bubble pointed to the fact that there were still positives to hold onto on the delivery side 'A lot of younger people still want to move into cities where they can develop friendships, whether that's in the office or within their place of work or in their place of play and I think our city has done a fabulous job since 2015 developing a residential stock with 4,000 or 5,000 homes now every year which is providing that quality of living.' Helen Spencer, director of development, Great Places identified that the pandemic has placed an even greater emphasis on housing affordability issues in the city 'There is a serious affordability issue in the city and its surroundings so we have done an awful lot of work recently to consider how people earning lower wages and working in the services that we are all longing for and missing can access housing near the city.'

Arts and culture: The arts, leisure and hospitality sectors are vital to creating vibrancy and attracting people back into the city. At the session in November 2019 it was noted that cultural life was perceived to have improved in the city centre, but that outer suburbs and towns lack vibrancy. And this may have been amplified during lockdown with many realising the importance of these sectors in giving the city appeal. There is desire for a more joined up approach between councils in and around Manchester to promote vibrancy and cultural attractions in regional areas. Ged Couser, architect principal, BDP highlighted that 'To fix the city and to get it back to the vibrant sort of city that it needs to be, and the most attractive cities are 24 hour cities, we need to encourage people to go back into the city to collaborate, to mentor, to do business, to meet, to gain new opportunities. I think if we don't do that very positively, we are going lose the restaurants, the cafés that we all depend upon to make Manchester the city that it is. I don't think we can let that happen naturally. I think we have to, as business leaders, positively encourage that to happen but only of course once the epidemiologists tell us that it's safe to do so!'

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

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:

- + Better design and management of public space.
- + Closing the inequality gap.
- + Creating a role for secondary cities/towns including culture and leisure with an authentic offer to attract people. Out of city co-working facilities could support remote working in social settings.
- + Ensuring there was a much wider mix of employment, leisure, culture, residential, education and health amenities.
- + Recognition of the role local communities have played and investing in local infrastructure.
- + Greater support for the arts, leisure and hospitality sectors and their workers as this brings vibrancy and energy back into the city.

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

