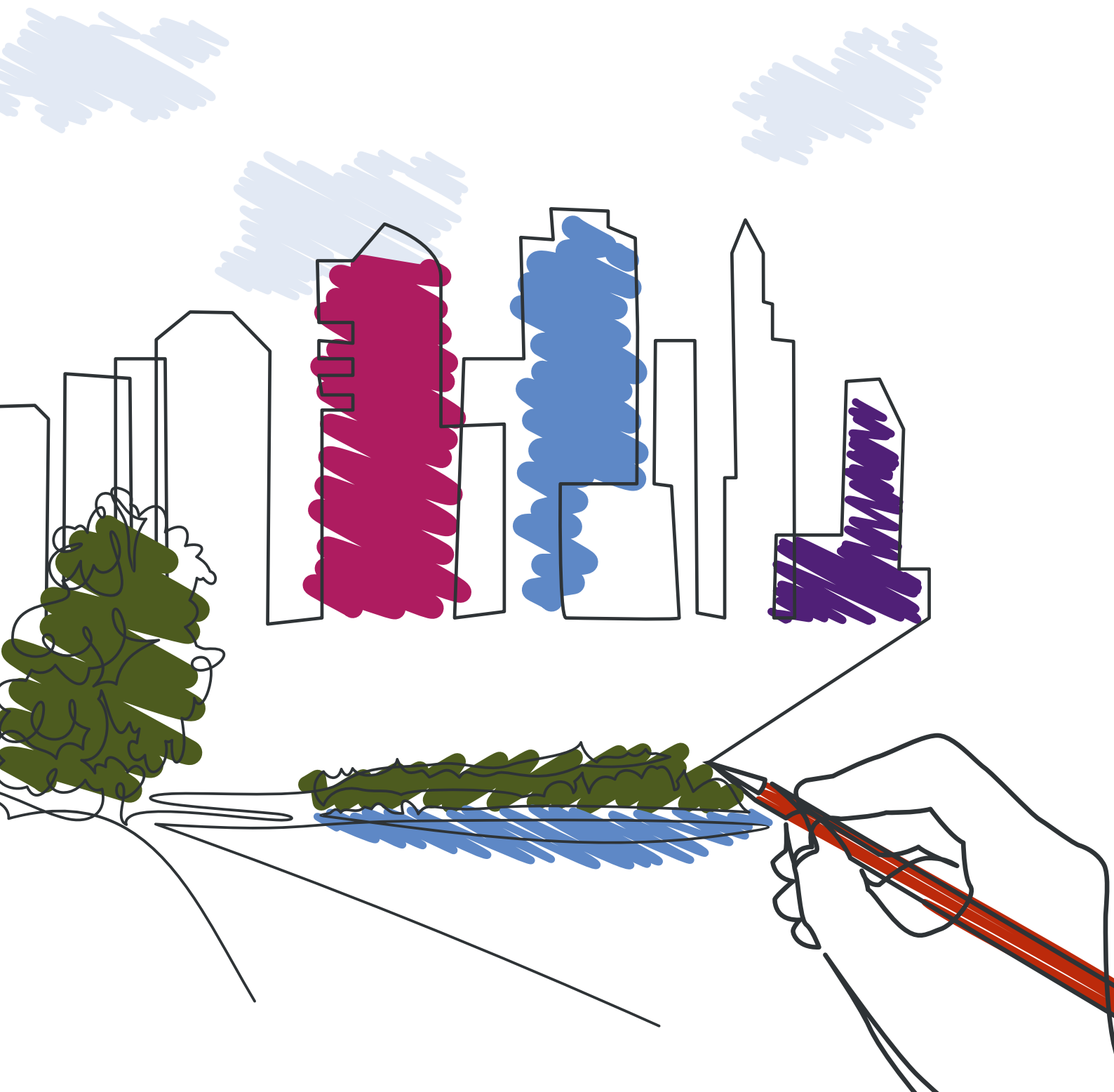


POSITIONING CITIES FOR INCLUSIVE GROWTH

Building for people, place and planet

Birmingham and the West Midlands



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“Historically, as a City we have not been good at promoting ourselves and our successes but in the last five years it has changed and is improving every day. It is the responsibility of all of us to do it.”

Ian Cornock – JLL

Foreword

Since March communities across the world have been through unprecedented change and some of the toughest periods in living memory.

The built environment has influenced everyone's lives and lessons have been learnt. The importance of where and how we live and peoples mental health has never been clearer. Whilst we're not out of the woods yet I'm feeling optimistic that there's a deep and uniting murmur of change emerging with more and more people believing in the vision of stronger, integrated and sustainable communities with good quality places to live.

It's this belief in our ability to create that gets me out of bed in the morning. The link between thriving communities, an individual's mental and physical health and the built environment runs like a thread throughout our firm. It is what led us to the latest of our initiatives to understand how the built environment drives prosperity in cities and urban centres.

Launched last year as 'Positioning cities for prosperity,' we took time during lockdown to take a fresh look at the initiative and to build in some of the themes brought out by the current pandemic but also to address the rising consciousness of our need to protect the planet. Reflecting this shift, the initiative is now entitled: 'Positioning cities for inclusive growth - building for people, place and planet.'

Before the launch we undertook research with YouGov to investigate what the residents of Birmingham, Exeter, Manchester and London thought about prosperity. We have re-run that research to see how those views have changed over the last year.

The City Exchange events bring 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 first City Exchange took place in Manchester in November 2019 followed by Exeter in January 2020.

Just two months after our Exeter City Exchange, lockdown was imposed with towns and cities becoming very different places and talking about prosperity felt at odds with the real hardships that many are experiencing. From our findings so far, the experience of lockdown is exacerbating many of the issues that our towns and cities are already facing: Cities 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.

The division between those who have access to outdoor space and homes with rooms to work from as opposed to those in small flats with no outdoor space or indeed indoor space has been put under the spotlight. How can we create places with the focus on the long term resilience of the UK? How can we revitalise town and cities centre, investing and developing in a way that is inclusive?

Regeneration is often linked negatively to gentrification - pushing up values to the benefit of landlords but at the expense of existing communities.

You have to accept there will be a change in values but what you don't want to do is alienate that existing community, be that businesses or be residents.

Inclusive regeneration offers something to the neighbouring community, supports existing businesses and jobs. Developing something that benefits a broader range of people is potentially more economically sustainable and can help boost return in the longer term.

There is a huge challenge with repurposing our High Streets but in approaching it from the standpoint of creating societal value you are changing the wider area which in turns

benefits the high street. You are also more likely to create a place which is different and unique and not a clone town. Following Covid will localism triumph and cities suffer as people both work and shop locally?

Will there be more thought as to who benefits from regeneration in the future? Rather than cities of glass residential towers for wealthy investors will there be more focus on affordable homes in the widest sense? Is this realistic and achievable?

From a personal perspective, I come from a small town in Yorkshire called Dewsbury, an old mill town that has been in decline for many, many years, and where a lot of the residents feel left out of the economic growth enjoyed elsewhere in the country.

Our challenge to the industry is to ask: "How do you breathe life back into a town like Dewsbury which had a great market, it had a great town centre and now doesn't?" Does the period we have just been through give Dewsbury another chance? It's these kinds of personal and professional perspectives that we are seeking to understand to see how real estate can play a more active role in facilitating prosperity across the UK from the smallest village to the largest city.

I want this campaign to focus on how we can create towns and cities that are inclusive and are a gateway rather than barrier to equality, and prosperity.

Please get in touch to find out more.



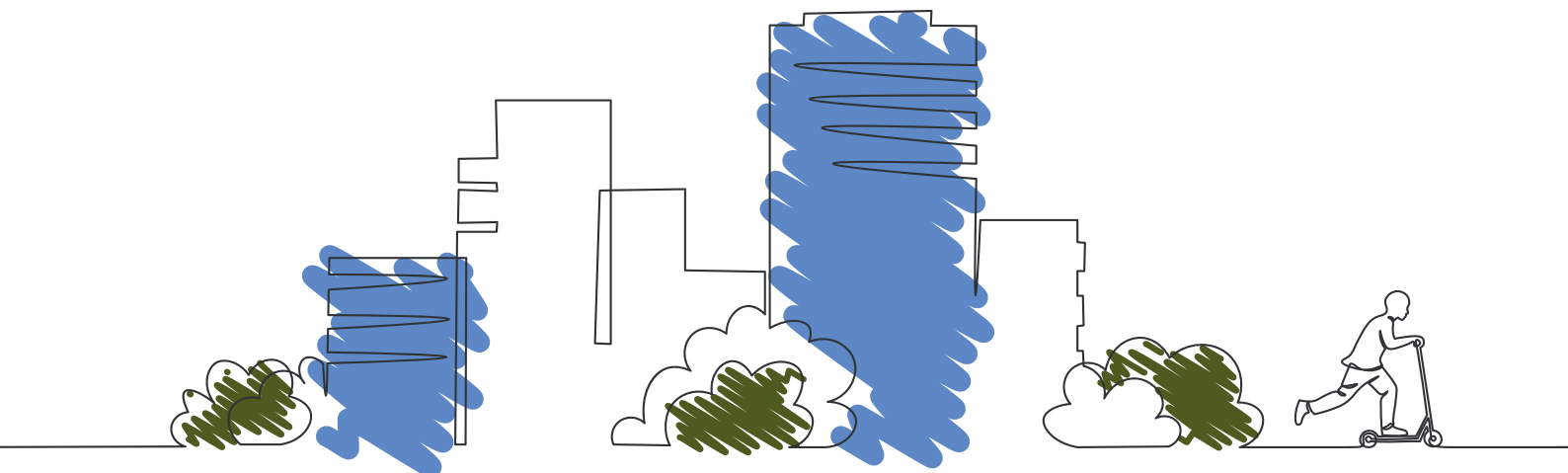
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Executive summary

At MIPIM UK in October 2019, Trowers & Hamblins launched a new initiative titled 'Positioning Cities for Prosperity,' to understand how the built environment drives prosperity in cities and urban centres. Based around a series of events called 'City Exchanges', we are bringing 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.

Urban centres are drivers of prosperity across the globe; they are hubs for commerce, community and education but prosperity means different things to different people in different places. Wealth divides 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. In 2018, an estimated 55.3% of the world's population lived in urban settlements. By 2030, urban areas are projected to house 60% of people globally and one in every three people will live in cities with at least half a million inhabitants. This global reality – that cities drive both opportunity and inequality – has dominated the debate around the prosperity successes and challenges across the UK.

We commissioned a YouGov poll in August 2019 looking into perceptions of prosperity in Birmingham, Exeter, London and Manchester. ING Media's City Strategist Peter Griffiths has analysed the results of the YouGov poll alongside comparative statistics of each city's performance within the UK. We have subsequently re-run the YouGov poll in September 2020 which takes into account recent changes.



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 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 transform themselves. Public transport, energy efficient buildings and renewable energy could reduce greenhouse gas emissions in cities by 87%.

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.

Birmingham and the West Midlands

Our Birmingham event looked at prosperity in towns and cities in many key centres across the West Midlands.

We invited over 30 professionals engaged in the process of making places better to live and work to our first event in this series which took place virtually on the 8 October 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 inclusive growth in Birmingham and the West Midlands.



“ Hopefully research and community dialogue like this can help us all build a better future for more people. The research showed that Birmingham residents were positive we would have a future that is more socially inclusive and more environmentally sustainable than today. We need to work together to bring some of that forward. ”

Fiona Thomson – Trowers & Hamlins



Contributors

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Barton Willmore	Mark Sitch
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Bromford Housing Group	James Mcloughlin
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ING Media	Peter Griffiths
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Willmott Dixon	Nick Gibb
Wirral Borough Council	Matthew Neal
Wirral Borough Council	Philip McCourt
Wirral Borough Council	Vicki Shaw
Wolverhampton City Council	Liam Davies

YouGov poll results in context

Birmingham and the West Midlands

Perceptions of prosperity / Inclusive growth

We commissioned a YouGov poll looking into perceptions of prosperity in Birmingham, Exeter*, London and Manchester. ING Media's City Strategist Peter Griffiths presented the results of the YouGov poll alongside comparative statistics of Birmingham's performance within the UK.

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

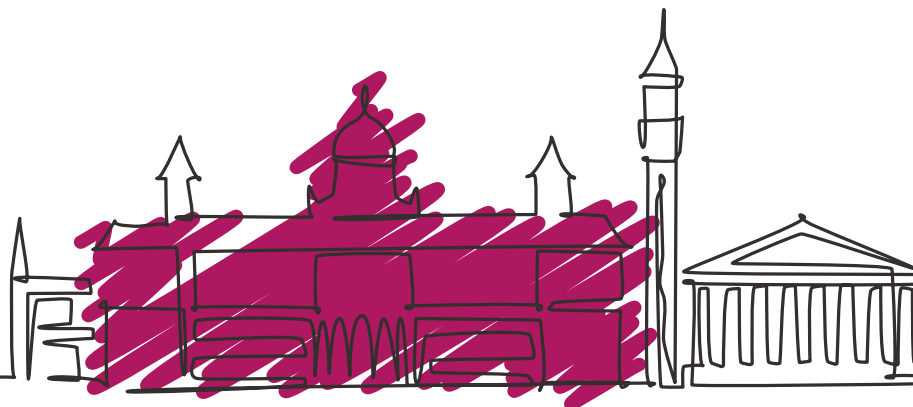
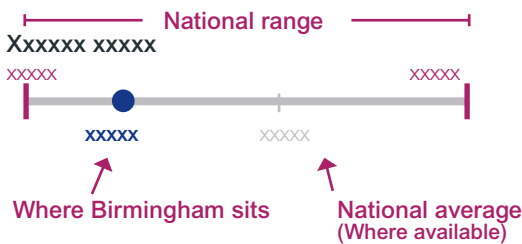
- **71% (66%) Myself**
- **57% (60%) My family** stayed highest of cities polled
- **41% (39%) My friends**
- **28% (25%) The business community** moved to lowest of cities polled
- **31% (28%) Politicians** only city where business is above
- **05% (08%) Religious communities** moved to highest of cities polled
- **02% (05%) Charities** stayed highest of cities polled

Birmingham ranks family as a more important contributor to prosperity than other cities polled. The business community joins politicians as relatively less important, suggesting there may be opportunity for businesses and the public sector to collectively raise the profile of their efforts. While charities are no longer ranked relatively higher than other cities, religious communities now do, suggesting the third sector is an important aspect of prosperity. However, residents are viewing local government more positively during the pandemic, with more agreeing it is improving prosperity than in any other cities, moving up from the lowest before.

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.

YouGov 2020 Poll Results YouGov 2019 Poll Results



*All figures, unless otherwise stated, are from YouGov Plc. Fieldwork was undertaken between 25 October – 3 November 2019 (1007 adults) and 4 – 17 September 2020 (1006 adults). The survey was carried out online. The figures for Manchester, Birmingham and London have been weighted and are representative of all City adults (aged 18+). Results for adults in Exeter is non-representative, and the total results are non-representative.

What would improve your prosperity the most?

Active commuting is a key ingredient to improving personal health in cities, yet few people walk or cycle. Relatively higher access to broadband may help free up time otherwise needed to commute. The figure of welfare per capita can be seen as an indicator of a community's ability to look after its residents.

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

37% (42%) More income/money

No longer lowest of cities polled

Gross Value Added/worker



Disposable income



28% (25%) Good personal health

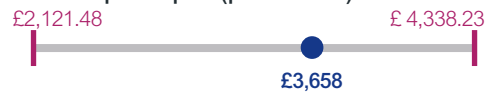
Commuting by foot/bike



6% (6%) Having a stronger community around me

Stayed lowest of cities polled

Welfare per capita (per annum)

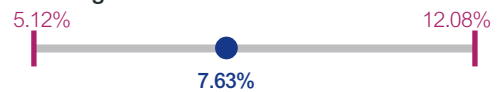


9% (12%) More time off work

Ultrafast broadband



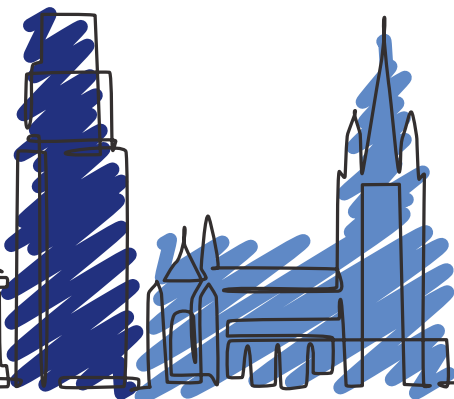
Working from home



4% (1%) Access to green spaces

Moved from lowest to highest of cities polled

Green area per capita



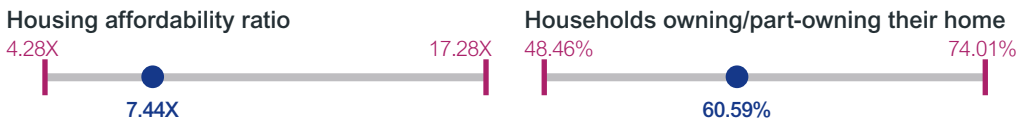
To what extent would each of the following increase your sense of prosperity in your city?

Housing quality and affordability have become relatively less important than space. This likely reflects the rise in working from home and suggests typology innovation and/or shared workspaces may be an important aspect of housing supply. Affordably is no longer the lowest rated across the cities surveyed suggesting this may no longer be translating as a key advantage for the region.

61% (68%) Better quality housing

64% (68%) More affordable housing
No longer lowest of cities polled

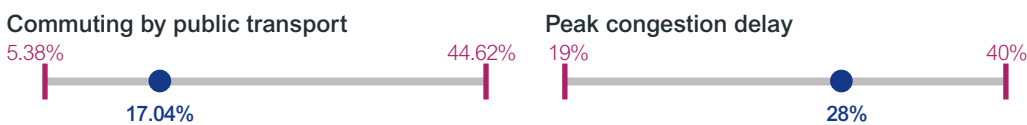
55% (51%) More space to live in



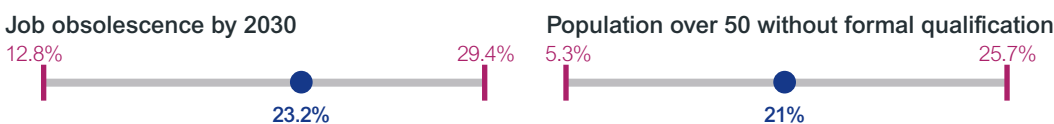
To what extent would each of the following increase your sense of prosperity in your city?

Access to arts and culture increased for every city polled during the pandemic, while education and transport were scored lower. The positive is this suggests people are yearning for the civic assets concentrated in cities. However, the change in focus around transport and skills, key focus areas particularly for combined authorities, may require significant communications investment.

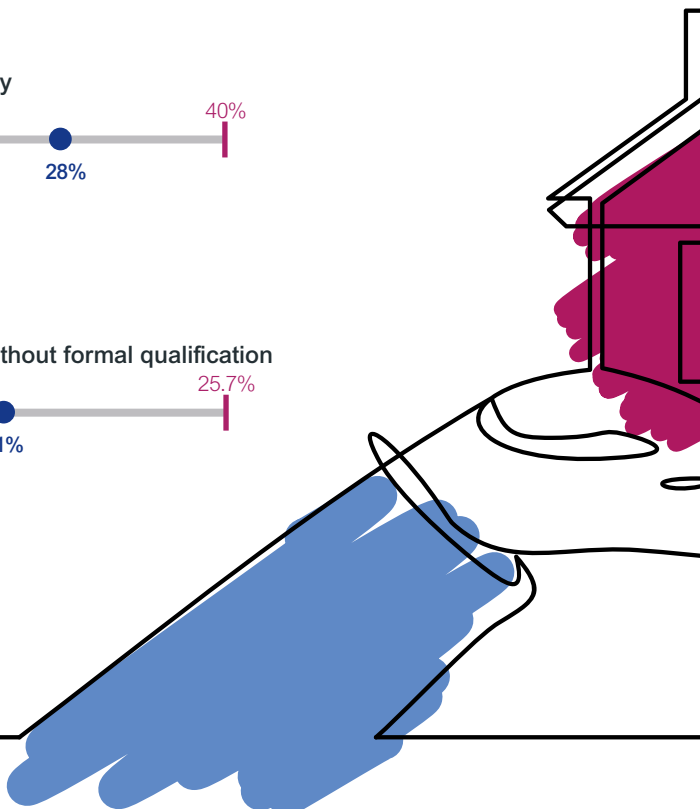
59% (68%) Better public transport



48% (56%) Better access to education



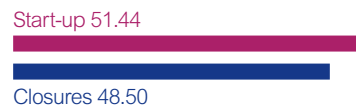
56% (50%) Better access to arts and culture
Moved to lowest of cities polled



While Birmingham is the most positive about how long recovery will take and has a higher percentage reporting the pandemic has not affected their prosperity, relatively lower indicators for patents, jobs resilience and formal skills for those over 50 may impact recovery. The percentages below indicate the extent to which people in Birmingham agree with the statement.

49% (65%) My city has lots of job opportunities

Start-ups/closures per 100,000 inhabitants



74% (80%) My city is good to do business/work in

Patent applications per 100,000 inhabitants



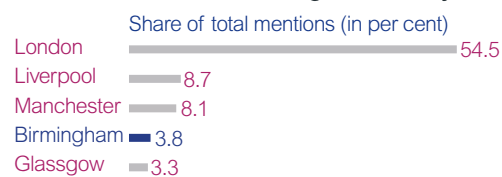
66% (63%) Future generations will be able to find jobs

Moved to highest of cities polled

Birmingham reported the lowest response across all the cities for being an attractive place to visit. This, and the region's generally lower digital visibility, suggests the region may not be maximising opportunities to amplify its strengths.

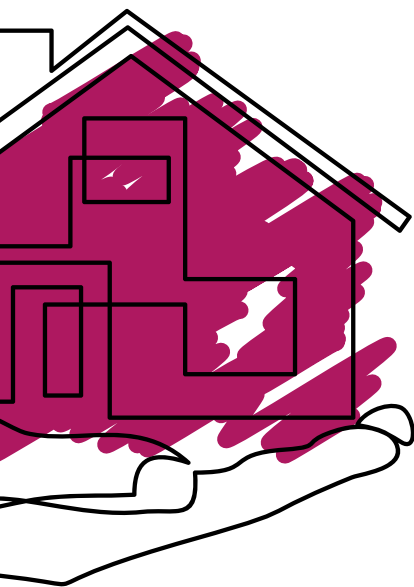
(62%) My city is an attractive place to visit

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



(76%) 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?

While there was a general sense that Birmingham now has fewer job opportunities, it now has the highest percentage of residents believing future generations will be able to find jobs. Birmingham still has the least residents reporting that future generations will want to live in the city; but the highest for future generations being able to afford living in the city. Residents believe the city will be significantly more sustainable in the future, but only slightly more socially inclusive.

66% (57%) Future generations will want to live in my city
Stayed lowest of cities polled

Population change 2019-2041



43% (35%) Future generations will be able to afford to live in my city
Stayed highest of cities polled

73% (72%) The value of the home I live in will increase over time

63% My city will be socially inclusive versus **60%** today

48% (31%) My city will be environmentally sustainable versus **29%** today
No longer lowest of cities polled





Views from the room

We posed a series of questions to city leaders and experts from Birmingham and across the West Midlands to explore prosperity. Below is a summary of their views:

With your city in mind, what does prosperity look like to you and how would you define it?

In order to feel prosperous and as part of a prosperous city, building a brand for Birmingham and the West Midlands needs to be part of the growth of the city. As part of the process, people need to be encouraged to be more vocal about what is happening in the city and make it a national conversation. At the moment Birmingham is reticent and needs not be. Being a 'Second City' is not enough and Birmingham needs to build a brand beyond this.

Bringing the wider West Midlands into the conversation is important and inequality between the city centre and other areas of the city is evident. Investment needs to be inclusive to level up the city and address the disparity we have in Birmingham. Development needs to be integrated to create places where people want to live. It's about opening up a place to make the city centre attainable for all. It's a balance of different elements; health and education, workplace and family, green spaces - it isn't just about money and finance but about the opportunities and the access people have.

The next few years will set the path for the next 30. Recovery and resilience is about how we bounce back, nurture positivity and achieve the mind set shift needed. Local communities will have a bigger role to play. The focus was initially on offices, and how to allow for more flexible/fluid working and this is likely to continue. It's not just about the buildings but about creating a hub and places where there is a mix of people and a place where people interact.

Do the YouGov findings for your city reflect your experience of prosperity in your city?

There was surprise about the YouGov results around innovation. Many felt that there is a lot of evidence to contradict the findings, particularly with Birmingham being at the top of the list in the country for start-up businesses and the strength and significance of its university. There may be a disparity between the reality of innovation in Birmingham and people's perceptions reflected in the YouGov results.

Another example of the YouGov findings not matching expectations is the importance attributed to arts and culture in improving prosperity. Culture attracts people to cities and in many ways Birmingham needs to reinvent itself. The arts and culture sector is under enormous strain at the moment and if it is a key part of the city's image and offer, we need to ensure it is part of what Birmingham is going to be. Developers and investors will need to put money behind arts and culture now to stop theatres and other institutions closing so that we have cities worth living in and coming to in the future.

What role does real estate play in addressing these challenges and are we making the right investment in real estate to address these challenges?

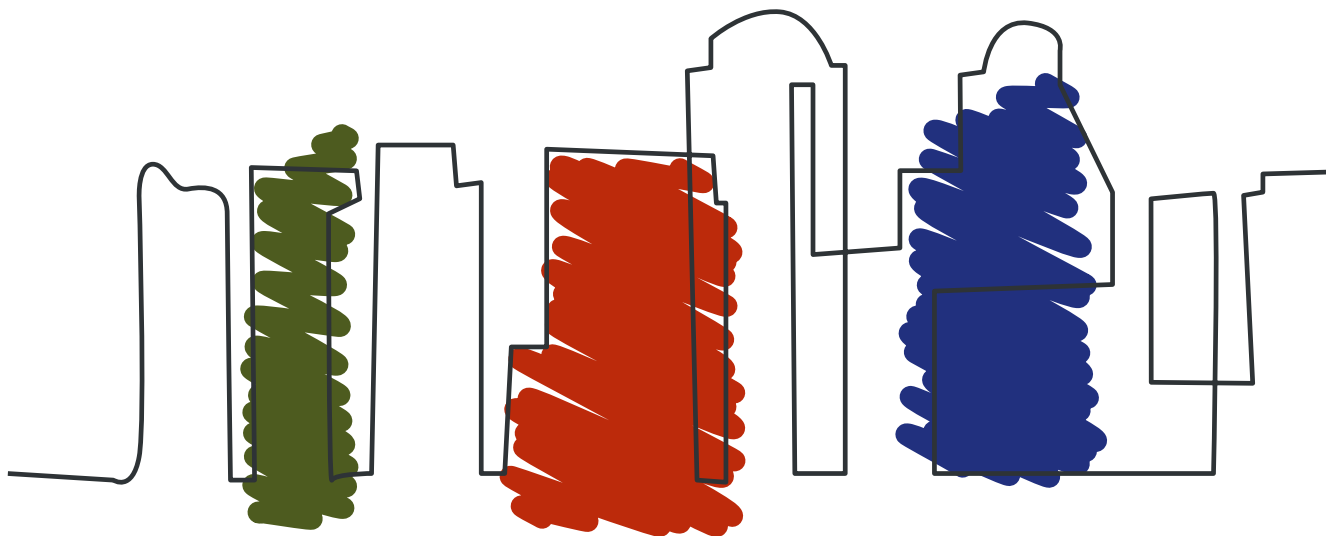
Covid will change people's expectations for what they want from the places they live in. The challenges that existed before the pandemic have become increasingly apparent. The city centre will be home to lots of flats being delivered, but are they going to be what people need and want? The most successful areas are where there is a mix of housing both in terms of affordability and tenure as well as design.

We need more flexibility around planning to move away from the compartmentalisation of space and adapt the real estate we have. Buildings should be delivered with social purpose and value in mind, creating opportunities across society with more green spaces in the city centre such as pocket parks. We need employment land connected to communities to make sure people have easy access to employment.

Driving the sustainability agenda and net zero carbon is at the top of the agenda for real estate. 'Green' buildings are already driving higher values and it needs to be front and centre in our strategy as a city. Financial prosperity and greater investment will follow if we build the assets investors are looking for. Wellness and wellbeing are also at the forefront of people's minds and are going to play a part in shaping our cities particularly as we see the long term affects of the pandemic.

Next steps

Following our City Exchanges in Manchester, Exeter, Birmingham and London, we are producing a report with all of our findings across these cities to be published in 2021. If you would like to get involved in the initiative please get in touch with Sara Bailey (sbailey@towers.com) or Amy Goodall (agoodall@towers.com).



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