FOREWARD

Manchester is the UK’s fastest growing conurbation outside London; a city that has cemented its place on the global stage as a leading European business location.

Manchester is a city of opportunity; it is now clearly recognised as a national engine of growth with a population of more than 500,000 sitting at the heart of a conurbation of almost 3 million people in the north of England. The city has a proven record for securing investment and in turn we have seen a healthy period of job creation with good job security across a variety of sectors.

New jobs attract new people and the city’s population has grown in tandem with our economic growth. The population has increased by 20% in a ten year period and we predict another surge in the coming years. New and revitalised neighbourhoods offering a choice of new homes to support our economic and population growth are being shaped right now.

Manchester is also a “can do” city, where strong civic leadership and strong public and private partnerships are embedded in the fabric of the city - its how we do our business. Manchester’s approach is not only firmly rooted in a spirit of partnership and collaboration with the private sector; but also in a determination to ensure that the public sector harnesses its assets and powers to drive forward, and secure, growth related outcomes.

Manchester Place will continue in this tradition. It is a unique partnership between Manchester City Council and the UK Government’s Homes & Communities Agency which will roll out across Greater Manchester over the coming months. Manchester Place will work with investor and developer partners to ensure that the scale of residential development needed to support our growth ambitions can be built, and to a quality that protects and enhances the significant investment that both the private and public sector will make over the next decade and beyond.

There is still work to be done to rebalance the UK’s economy, allowing the great northern cities to flourish again. Our continued steps towards a more devolved government will give Greater Manchester more control over our economic future.

Manchester Place will be a critical vehicle that will allow us to deliver our twin objectives of sustained economic growth and the creation of new residential neighbourhoods where people will choose to live, work and invest.

Deborah McLaughlin
Chief Executive
Manchester Place

on behalf of the HCA and MCC
Manchester was the birthplace of the Industrial Revolution and the world’s first modern industrial city. With strong civic leadership and a clear vision of the role of the modern city in the 21st Century, Manchester has been on a journey of economic transformation over the past twenty years and has led the way in re-establishing the UK’s leading cities as the growth engines for national economic prosperity.

Since 2010, Manchester has seen an overall growth in employment of over 68,000. A recent report produced by Oxford Economics entitled ‘Beyond the City’ has predicted employment growth in Manchester during the period 2015 – 2020 at 3.8%; with the city predicted to outperform the likes of Berlin, Tokyo and Paris.

The driver of this growth has been the professional services industry which created almost 14,000 new jobs between 2010 and 2015 and will continue to grow with a further 7,800 new jobs set for the city by 2020. This makes Manchester, with a 14% increase in growth in professional services, one of the fastest growing places for jobs in law, finance, management consultancy and advertising outside London.

Manchester’s immediate neighbours will show similar levels of growth, with Trafford expected to grow its professional services at 15%, and Salford experiencing a 53% increase in digital and creative roles linked to the migration of the BBC and ITV to MediaCityUK.

Other significant sectors for jobs growth include manufacturing across pharmaceuticals, components and plastic products and printing together with the energy and environment sector. Manchester has a population in excess of 500,000. It sits at the heart of a conurbation of almost 3 million people with a GVA of £54.8 billion per annum. By 2024 it is predicted that the region’s GVA will be worth more than £70 billion per year, representing an average annual growth of 3%. Over the same period, Manchester’s population is forecast to exceed 600,000.

The most recent economic forecasts predict that Greater Manchester is expected to create 110,000 new jobs over the next ten years, half of which will be in Manchester. This predicted level of growth presents Greater Manchester with a challenge to rapidly accelerate housing supply and create new neighbourhoods of choice.
MANCHESTER PLACE: DELIVERING RESIDENTIAL GROWTH

The scale of Manchester’s ambition for growth is backed up by a serious response from local and national government to support private sector residential investment into the city.

Manchester Place is a unique collaboration between Manchester City Council and the UK Government’s Homes & Communities Agency to drive forward the housing supply needed to support the wider growth agenda. Manchester Place will direct the powers and skills of the public sector to ensure that conditions are created and maintained to enable private sector partners to deliver new neighbourhoods of choice. This will be undertaken at a scale which provides a significant number of long-term investment opportunities for partners who share our ambition and understand the benefits of quality in terms of place and neighbourhood management.

How will we work with you
Manchester has established an ambitious Residential Growth Strategy to meet its housing challenge. The core rationale is to accommodate significant population growth at the centre of the conurbation, developing new “neighbourhoods of choice” adjacent to Manchester City Centre, the economic dynamo of the City Region.

The key priorities are:
- Provision of 55,000 high quality homes for sale and rent to meet future demand.
- To support the development of good quality, well managed homes for rent through institutional investment or ‘whole block ownership’.
- To develop high quality neighbourhoods supported by good amenities, facilities and public realm.
Manchester Place has been specifically established to support this residential growth in the following ways:

**Land:** Manchester Place will identify land for housing development and facilitate land assembly. A review of existing land ownership has identified third party owned land which provides acquisition opportunities to support delivery of strategic residential and commercial development. The Government recently announced the Greater Manchester Land Commission which, working with Government Ministers, will oversee the efficient utilisation of the public sector estate to support our goal of increasing housing supply.

Manchester Place will undertake remediation activity and provide core infrastructure using the full range of public sector powers, including Compulsory Purchase Powers to unlock the development potential of key sites.

**Funding:** The Greater Manchester Devolution Agreement established a £300m fund for development loan finance. The Greater Manchester Housing Fund was launched at the beginning of July 2015 to support both houses and apartments for sale and rent. The fund will accelerate development and provide a pipeline of schemes generating institutional investment opportunities. Manchester Place will assist partners in accessing this Fund, working together to promote delivery and create opportunities for co-investment with partners building on experience of public/private partnerships.

**Planning:** Manchester City Council already has clear planning policies and strategies in place and has established a suite of Neighbourhood Development Frameworks to guide and co-ordinate investment and development activity in identified strategic priority areas.

Manchester Place recognises high quality buildings and neighbourhoods will protect the investment made by both the public and private sector. Commercially focussed design guidelines are being established to advise on the size and types of homes that will support our residential strategy for the city.

Manchester Place has a key role in place making. It understands that successful neighbourhoods are not just about good quality housing but also about the provision of amenities, facilities and good public realm that will attract and retain individuals and families.

**Market Insight:** Manchester Place and partners have access to a comprehensive evidence base covering all aspects of the city’s economy to share with partners.
Manchester is the UK’s only City outside London with all the critical success factors to support high economic and employment growth. The key drivers of growth include:

**Manchester City Centre** - The beating heart of Manchester offers office, retail, leisure and residential opportunities across a range of districts. The retail core is home to a number of prestige occupiers such as Harvey Nichols and Selfridges, with a number of galleries, museums and theatres nearby. Spinningfields is now Manchester’s premier location for corporate headquarters and professional service businesses, complementing the historic business district and new districts around the two major railway stations at Victoria and Piccadilly. The Northern Quarter provides a vibrant mix of bars, cafes, restaurants and shops. Its newest neighbourhood is NOMA; a redevelopment scheme anchored by the Co-operative Group’s new Headquarters which will create new city-edge residential and commercial development.

**Corridor Manchester** - Based around Oxford Road and an international student community with 52,000 undergraduates from around the world, 17,000 post graduates and world leading professors and researchers, underpins a £3bn economy with over 60,000 jobs. Corridor Manchester is home to the University of Manchester, Manchester Metropolitan University, The Royal Northern College of Music, Manchester Business School and the National Graphene Institute. The city’s major health cluster is based in the Corridor, with 5 hospitals and a range of incubation facilities and research centres at the heart of a wider life science sector, linked to Wythenshawe Medi Park and Alderley Park in Cheshire.

**Manchester Airport and Airport City** - Manchester Airport accommodates 22.5m passengers per annum. It is the UK’s third largest airport offering flights to over 200 destinations. An ambitious £1bn investment programme to improve the Airport has just been announced which will include expanding Terminal 2. Airport City is a partnership between Manchester Airports Group (MAG), Beijing Construction Engineering Group (BCEG), Carillion PLC and the Greater Manchester Pension Fund. The project will provide 5m sq ft of development - a mix of offices, hotels, advanced manufacturing, logistics and warehousing. Designated as an Enterprise Zone; it will compete with other European ‘Airport Cities’ in Amsterdam and Barcelona.
The Etihad Campus - Originally known as Sportcity which was built to house the 2002 Commonwealth Games, the subsequent £400m investment (driven by the Abu Dhabi United Group) has resulted in the 55,000 seater Etihad Stadium, the home of Manchester City Football Club; Manchester City new Headquarters and 80 acre City Football Academy offering a mix of elite sports and community facilities including a 7,000 capacity stadium, a new sixth form centre and community leisure centre. Manchester Velodrome – the home of British Cycling, the National Indoor BMX Centre, English Institute of Sport, Outdoor and Indoor Athletics Arena and National Squash Centre. Each year, the Campus attracts international sports events, including European and World Championships in a number of sports, including cycling, squash and football, while the stadium includes arena performances of live music.

Creative, Media, Production - Manchester has a long history of media production, including TV drama, news and journalism. Creative and digital businesses in the city are able to take advantage of business space and networks at the Sharp and Space project and the creativity of the Northern Quarter and Piccadilly Basin. MediaCityUK is a short tram ride away from Manchester City Centre and is home to both the BBC and ITV, including BBC Children’s Department, BBC Learning, BBC Radio 5 live, BBC Sport and BBC Breakfast; together with CITV, Coronation Street and Shiver, the factual arm of ITV.

Rail and Metrolink Improvements - Proposals for High Speed Phase 2 include two new High Speed rail stations in Manchester (Manchester Piccadilly and Manchester Airport) which will further reduce journey times to London. High Speed Phase 3 will place Manchester at the heart of an east – west network connecting Liverpool, Manchester, Leeds, Sheffield and Hull. The ongoing improvements for Northern Rail Hub will see Victoria Station become the main hub of a trans-pennine rail network. A multi-million pound investment scheme is underway to further extend the Metrolink tram system, including a second City Centre connecting line that will see the Metrolink system expand to 97 stops.

Culture, Leisure and Sport - Over £200m has been invested in the last 10 years in cultural assets which include Whitworth Art Gallery, Museum of Science and Industry, Manchester Museum, Home (the new contemporary arts development which accommodates the Cornerhouse Cinema, the Library Theatre and Art Gallery), the National Football Museum, Royal Exchange Theatre, the Bridgewater Hall and Halle Orchestra, Palace Theatre, Opera House, Apollo Theatre and the 21,000 capacity Manchester Arena - the third busiest venue in the world (after New York and the 02 in London). In December 2014 the Chancellor George Osborne announced that a new theatre and arts venue - The Factory - is to be built. This will be a £120m unique large scale, ultra-flexible arts space capable of transforming from a 2,200 seat theatre to an immersive artistic environment with a standing capacity of up to 5,000. This will be the permanent home to the Manchester International Festival (MIF).
The past 20 years have seen a remarkable transformation in neighbourhoods in and surrounding Manchester City Centre.

The population of the city centre has quadrupled over the last two decades, from a few thousand in the late 1990s, and 8,000 at the time of the 2001 Census, to almost 25,000 today. The figure is closer to 50,000 when the population living on the city centre edges is included. This growth is testament to the work that has been done both in growing employment and leisure opportunities, and in making the city centre an attractive, vibrant and welcoming environment. Demand for city centre living that embraces different models and tenure types, is rapidly increasing and is a key attractor for a younger population who seek different lifestyle choices.

Over this 20 year period distinctive residential districts have been created including:

- Castlefield, Knott Mill & St George’s
- The Northern Quarter
- NOMA and the Green Quarter
- Ancoats & New Islington
- Deansgate & Spinningfields
- Whitworth Street / Corridor Manchester
- Piccadilly Basin

These areas have provided a mix of new build schemes and the conversion of former mill buildings, cotton warehouses and commercial buildings. Each neighbourhood has its own particular characteristics and provides accommodation across a range of tenures and across a range of price-points.
Demand for new residential product in the City Centre and surrounding neighbourhoods is predicted to steeply rise as the city’s economy and population continue to grow.

Two residential development schemes have recently been announced:

**Ancoats & New Islington - Manchester Life:**
Manchester Life is a joint venture between Manchester City Council and the Abu Dhabi United Group to drive forward residential development in the Ancoats & New Islington neighbourhoods. The long term plan is to deliver up to several thousand residential units over a series of phases. Phase 1 of the project will see over 900 apartments for sale and market rent built out on a series of six sites within the historic Ancoats Conservation Area and adjacent to the Cottonfields park and canal marina in New Islington. The first two individual schemes achieved planning consent in July 2015 and it is anticipated that construction will be on site in the autumn of 2015 delivering the first 426 units.

**St John’s / Spinningfields – Allied London**
Allied London, working in partnership with the City Council has announced plans for the redevelopment of the former ITV Granada Television studios that will deliver a mixed-use village that comprises residential development with workspace, studio space, retail and leisure, interspersed with interconnected pockets of public realm, street activity and green space. Residential elements will comprise low-rise "lateral living" of a townhouse style – including a garden – but arranged on a single level and a series of residential towers located on the west of the site towards the river and offering far-reaching views. It is anticipated that this 5 hectare site will deliver up to 3,000 new residential units.

Beyond these schemes significant opportunities for new development exists in the following gateway locations.
**Northern Gateway** Extending in a north eastern arc from Victoria Station and taking in the neighbourhoods of NOMA, the Lower Irk Valley, New Cross and Collyhurst, this area extends over 150 hectares and has capacity to deliver between 5,000 – 7,000 new homes over the next 10 – 15 years.

The Northern Gateway played a critical role in the city’s 19th Century growth and is now primed to play a transformational role in its 21st Century renaissance. Sustained public sector intervention has yielded substantial tracts of brownfield land now ripe for redevelopment as the city’s economic resurgence gathers pace. Significant public sector land will be used to deliver an unprecedented scale of new development to support the city’s growth over the next 20 years.

The vision is to create a series of distinctive and interconnected communities that are supported by high quality facilities and green spaces with excellent walking, cycling and public transport links into the city centre; utilising the Irk river valley and existing parks and open spaces.

Neighbourhood Development Frameworks / Masterplans are in place for NOMA, New Cross and Collyhurst. A draft framework for the Lower Irk Valley will be ready for public consultation in the next few months. It is anticipated that sites of scale will be brought to the market by Manchester Place and its partners in these locations by the autumn of 2015.

**Southern Gateway** The Southern Gateway is the entrance to the city from its affluent southern suburbs. It is located close to the city core, a five minute walk from the Town Hall and St. Peter’s Square, and a two minute walk from Manchester Central (the city’s conference centre) and the campuses of the two Universities. Southern Gateway comprises the First Street development area to the east of the main arterial route into the city centre, and the Great Jackson Street development area to the west.

First Street is a 8 hectare mixed-use area including Home – the new contemporary arts venue (including theatres, art galleries and cinema) which has reinforced a vibrant evening economy. Residential development will focus on apartments, with the proximity of Oxford Road station making the area attractive to many commuters, as well as those working in the city centre and Little Peter Street which will be brought to the market imminently.

Great Jackson Street is an 8 hectare site that currently accommodates a range of surface level car parks; and some commercial and light industrial units. The area has the potential to be transformed into an exciting new neighbourhood serviced by both rail and metro link. Capacity exists for the development of up to 3,600 residential units (depending on agreed densities) as part of a mixed-use scheme that will also deliver commercial and community space, new public squares with good internal connectivity and linkage back to the City Centre.

Both areas have Neighbourhood Development Frameworks in place.

**Eastern / Piccadilly Gateway** Currently a mixed use location focused around Piccadilly Station close to the city’s retail, business and leisure core and the revitalized neighbourhoods of Ancoats and New Islington where significant residential development is being taken forward by Manchester Life and Urban Splash.

The UK Government’s commitment to the Northern Powerhouse is reflected in its commitment to HS2, a £50bn investment, with Manchester the only city with two HS2 stations (Piccadilly and Manchester Airport), and HS3, a new multibillion pound investment to strengthen east-west links from Liverpool through Manchester and on to Leeds, York and then Hull. The delivery of HS2 and its associated infrastructure will radically reconfigure the whole area creating significant new development opportunities. New residential development will play a major role in the areas growth.

The area contains the Piccadilly Basin area, where initial phases of residential redevelopment have already been delivered. A refreshed masterplan for the basin area is currently being prepared by Town Centre Securities. It is anticipated that this masterplan will include provision for up to 500 new apartments on land in their ownership.

Neighbourhood Development Frameworks are in place for Ancoats & New Islington and Piccadilly.
City Centre living is thriving
- High quality/specification apartments are commanding rents around £1,200 per month.
- The majority of city centre apartments offer accommodation around £800-£850 per month.
- A choice of more affordable rents start at £700 per month.

A Strong Pipeline
- A strong flow of schemes in the planning pipeline - A number of these emerging schemes include residential schemes over 25+ storeys - including Moda Living’s Angel-Gardens, CS Development Cambridge Street, No 1 St Johns Place and LQ Development’s No 1 Water Street. The number of tall buildings being proposed in Manchester is second only to London.
- Over 2,500 new units are starting on site in this financial year.

PRS - The new sector of choice
- The private rented sector in Manchester more than doubled between 2001 and 2011 - from 25,144 households (15%) in 2001 to 55,043 households (27%) in 2011. The graph below shows changes in tenure over the last 50 years. PRS is clearly a critical component of the city’s supply - over a third of all households in all Manchester rent privately and the number is increasing. In the city centre and adjacent neighbourhoods, four out of five apartments now operate in the sector.

- For many residents, particularly young professionals, the private rented sector is now a tenure of choice. We estimate that there are around 20,000 working household’s privately renting property in the city centre.
- The evolution of the apartment market suggests that fewer renters are single occupiers (circa 25%) with increasing numbers of people sharing (average household size has grown from 2.25 in 2001 to 2.31 in 2011) in response to higher rents and a shortage of supply.
- The Private Rented Sector (PRS) therefore is likely to be a major component of our new supply to meet housing aspirations and these are likely to be focused on the City Centre.
- According to recent HSBC research and evidence from recent scheme completions rental yields are around 7.98 (gross).
Improving sales market

House prices in the City Centre and adjoining neighbourhoods are returning to their peak value and remain well above the Manchester average. A number of the schemes in the planning pipeline are proposing step change in the specification of units in the city. These schemes are attracting considerable interest from overseas investors. The figure below illustrates that prices in the city centre have significantly recovered from the recession and are above the Manchester average.

Sales price - Manchester and City Centre Fringes

Second hand stock is averaging £225-£275 psf with new build stock having a premium and achieving in excess of this.

The Affordable City

- Manchester residents and workers are earning on average 8-9% more today than they were in 2008 and have seen their average weekly earnings increase faster than the national average rate.
- The cost of living in Manchester compared with London means that at 32.4% of average income, rental levels for a 2 bedroom home within Manchester city centre are significantly more affordable than prime properties in inner London (46.7%).

Hometrack’s most recent analysis of its City House Price Index considers house price inflation across 20 cities. It identifies that the percentage change year on year for Manchester is 6.0% - the highest of the northern cities and well above Leeds (5.5%) and Birmingham (4.2%).
The Manchester residential market offers great opportunities for investors:
- High demand - a need to deliver 55,000 new homes by 2027 at an average of 3,700 per annum the majority of which will need to be in the City Centre.
- Heart of the Northern Powerhouse - dynamic employment base, world leading research capabilities, high levels of graduate retention and higher order skills seeking a city lifestyle.
- Great PRS potential - 20,000 working households renting private property in the city and all indicators point to unfulfilled demand.
- A vibrant city - voted as one of the best places to live in the UK in a global liveability index.
- A connected city – Manchester Airport; proposals for High Speed rail lines; and improved rail and metrolink lines offer great international, national and local connectivity
- A well managed and supportive city - Manchester City Council and its partners the Homes and Communities Agency (HCA) have worked closely in collaboration to deliver major change. This effectiveness has been recognised by central Government through the awarding of increased powers, significant autonomy and increased funding for development.

Manchester Place is therefore: -
- a single point of contact for investors
- a source of advice from specialist staff
- Market facing and market making
- Transaction focused
- Facilitator and delivery coordinator

Manchester Place will be your place making partner in a dynamic, expanding City that is at the heart of the Northern Powerhouse and geared for significant residential growth.