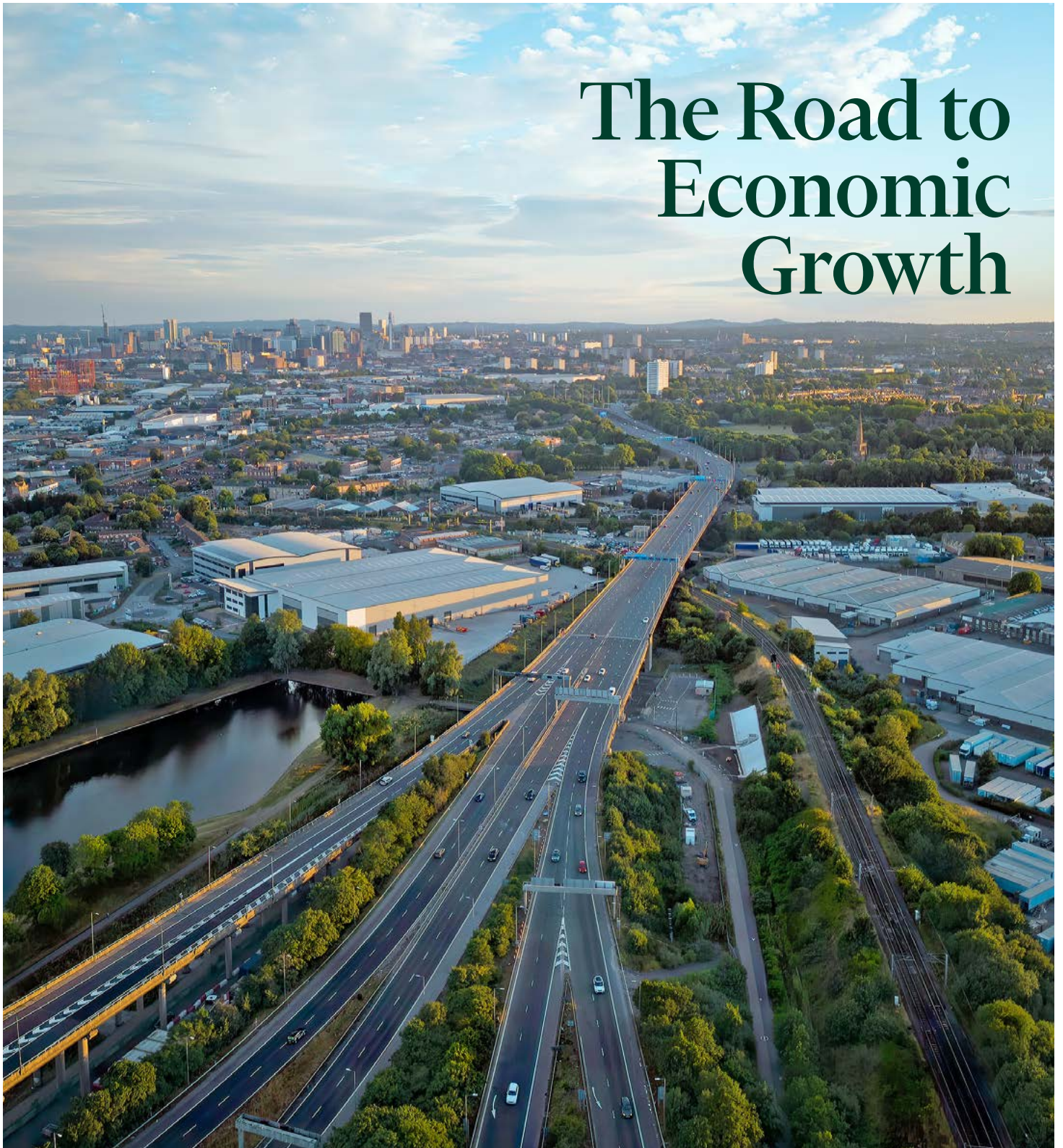


Better in Birmingham 2024

ISSUE 04

The Road to Economic Growth



Building a Better Birmingham

Welcome to the latest edition of Better in Birmingham, in which we shine a spotlight on our brilliant city and share our view on what's coming next for the region.

By Will Ventham,
Head of CBRE Birmingham

Birmingham is a city undergoing significant social, economic, political and environmental change right now. My morning commute into our office on Temple Row takes me past physical reminders of this, every day.

Everywhere you look development is happening, from towering residential and student apartment schemes, to new office buildings, and major transport infrastructure projects. The feeling that change is underway is palpable.

And the scale of the investment driving it is huge. Billions of pounds of public and private money are being spent to build a better Birmingham; a city that is better connected, provides better housing, creates better workplaces, enables better teaching, and delivers better employment and life prospects.

One of the biggest investments is in the city's transport infrastructure. Thanks to a £6.1bn funding package, Birmingham, and the wider West Midlands region, is finally getting the transport network it needs and deserves. With new and upgraded bus, tram and rail services, including the highly anticipated arrival of HS2, I firmly believe it's a game-changer for the city.

There's good news too for those who prefer to cycle and walk. As part of a region-wide 'green transport revolution', miles of new cycle paths and pedestrian walkways are being created to provide safer and more accessible routes around the city.

Investment in these infrastructure projects is critical if Birmingham is to truly realise its growth potential.

Of equal importance is ensuring the city has enough housing and office space to accommodate its growing population and the increasing number of businesses choosing to base themselves here.

Recognising the need for more housing, residential investors and developers have been quick to respond, more than tripling the build to rent provision in the city, with a record number of consented schemes, several of which are already coming out of the ground.

As well as new build residential schemes helping to address Birmingham's housing need, the further relaxation of permitted development rights, allowing the conversion of redundant office and industrial buildings to residential use, could also provide a much-needed boost to the city's housing stock.

And this is just the beginning. Major regeneration and development projects, such as Smithfield, the Birmingham Innovation Quarter, Eastside Gateway, Birmingham Health Innovation Campus, New Garden Square and Paradise, all promise to deliver the commercial, residential, leisure and retail space needed to deliver long-term economic prosperity for the city.

Personally and professionally, I'm excited by what the future holds for Birmingham and the role CBRE will play in its ongoing growth.

If you would like to know more about any of the topics covered in the magazine, please get in touch.

The centrepiece of the **Smithfield** site in the heart of the city will be a new home for the city's historic Bull Ring markets. It will undergo a £1.9bn regeneration that will transform the city's landscape and unlock its potential for long-term economic and social prosperity.

01 What's Driving Birmingham's Office Market?

We look at the stats, facts and trends currently shaping the city's office occupier and investment market.

There are four factors currently driving Birmingham's office occupier market – location, people, portfolio optimisation and sustainability.

Occupiers are increasingly basing their decisions on these drivers when choosing a new office. A desire to be in a well-connected, amenity rich location is driving a move to the city centre, with office buildings that offer a variety of on-site amenities - to encourage people back to the workplace - favoured.

A flight to quality and ensuring the chosen building aligns with the business's net zero carbon targets are also high on the agenda.

While some of these influencing factors have always played a part in the decision-making process, greater importance is now being placed on them. As a result, office landlords and developers are having to respond to meet the increasingly discerning needs of occupiers. The new wave of office developments in Birmingham is evidence of this.

**2023 INCREASE IN GRADE A OFFICE
TAKEUP FROM PREVIOUS YEAR WAS**

4.76%

CGI of **Three Chamberlain Square**, the fourth office block to be developed at Birmingham's £1.2 billion Paradise development.





Driven by the flight to quality, we're seeing high levels of demand for best-in-class office space. Last year, of the 699,300 sq ft total take-up in Birmingham, 66% was Grade A – an increase of 4.76% on 2022.

Much of the demand is being driven by the business services, professional, banking and finance sectors, which together accounted for 55% of office take-up in 2023.

As well as quality, the size of office space is also important. Whilst there is a definite trend of companies optimising their portfolio by downsizing in better buildings, last year the highest level of take-up recorded was in the 15,000 – 30,000 sq ft size bracket, accounting for 29% of deals. Q4 2023 also saw 8 deals above 10,000 sq ft + which represents the largest number of transactions of 10,000 sq ft+ since Q2 2015.

SPACE RACE

The strong take-up levels seen at the back end of last year have carried over into 2024. Transactions in Q1 totalled 203,385 sq ft across 20 deals. This is the best start to a year since 2020.

As a result, available Grade A space is running out fast. There is currently circa 670,000 sq ft, including new build and refurbished, available for occupation in Birmingham, of which 130,000 sq ft is under offer.

The paucity of Grade A office accommodation, coupled with strong demand, means occupiers now find themselves in a race for the best space. As such, some occupiers are resorting to moving early, ahead of their lease event, to secure an office.

However, over the next 12 months we should see the pressure ease, with several whole building completions, including Three Chamberlain Square, 19 Cornwall, and 5 St Philips Place. These buildings reflect a contrasting mix of both new build and back-to-frame redevelopments.

RENTS

Birmingham has seen steady and consistent rental growth over the last decade, increasing 44% during the period, from £29.50 per sq ft to £42.50 per sq ft, recently achieved at 103 Colmore Row.

Looking ahead, we expect prime office rents to continue their steady climb over the course of the current committed development pipeline. Beyond this any further new build office schemes will be unviable at rents below £45 per sq ft, due to increasing construction and development costs.

This positive rental picture will give confidence to landlords, investors and developers of prime office space.

INVESTMENT

The office market remains challenging for investors, particularly at the prime end of the spectrum, but there are signs more favourable conditions lie ahead.

According to CBRE's latest European Investor Intentions Survey, investors remain optimistic for 2024, with 52% stating they expect market activity to return to the peak of Q1 2022 by the end of H1 2025.

The office sector saw less investor interest than in previous surveys, with residential and logistics the most preferred for investment. However, a brighter economic outlook and an increase in office attendance through company mandates will improve the attractiveness of the office market to investors.

With downward pressure still being applied to the pricing of office assets, sellers are understandably reluctant to put stock on the market unless forced to do so. This means there's a dearth of office investment opportunities coming forward, especially for buyers seeking to acquire prime stock.

For opportunistic and counter cyclical investors, however, there is still good value to be had in the core plus and value-add office markets, where repositioning and asset management can drive returns. With supply of Grade A space set to become even more constrained as new starts are delayed for viability reasons, investors are seeing the

potential for significant rental growth over the medium term as a way to generate attractive returns from the sector.

Encouragingly, CBRE's European Investor Intentions Survey highlights that investors have the highest return expectations for the UK. This bodes well for the UK's core regional cities, including Birmingham, which remains a key target for investors due to its strong fundamentals.

Underpinned by the strength of the occupier market, rental growth – with headline rents continuing to rise – and prime yields at their highest level for more than a decade, the case for investment in Birmingham is compelling.

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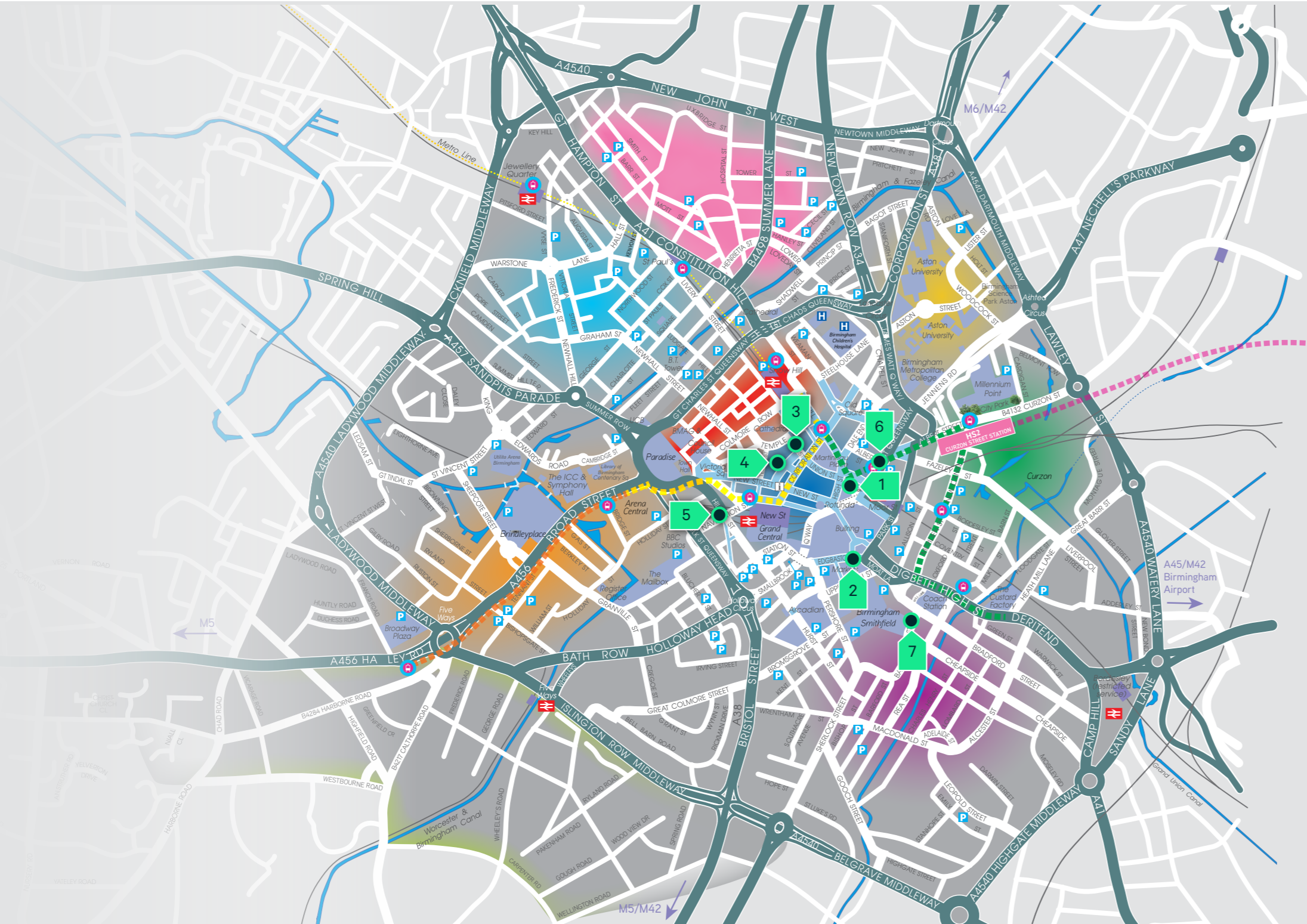
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Birmingham City Centre Buildings Under Construction >50,000 sq ft



1 5 St Philips Place
 SIZE 62,364 SQ FT
 PC DATE Q2 '24
 TARGET RENT c.£45 PSF



2 King Edward House
 SIZE 73,150 SQ FT
 PC DATE Q2 '24
 TARGET RENT c.£45 PSF



3 19 Cornwall Street
 SIZE 134,443 SQ FT
 PC DATE Q3 '24
 TARGET RENT c.£40 PSF



4 Wolo House
 SIZE 65,405 SQ FT
 PC DATE Q4 '24
 TARGET RENT c.Low £30s PSF



5 Three Chamberlain
 SIZE 189,000 SQ FT
 PC DATE Q2 '25
 TARGET RENT c.£45 PSF



6 Multistorey
 SIZE 200,000 SQ FT
 PC DATE Q1 '25
 TARGET RENT c.£40 PSF



7 Beorma Quarter
 SIZE 170,980 SQ FT
 PC DATE Q1 '27
 TARGET RENT TBC

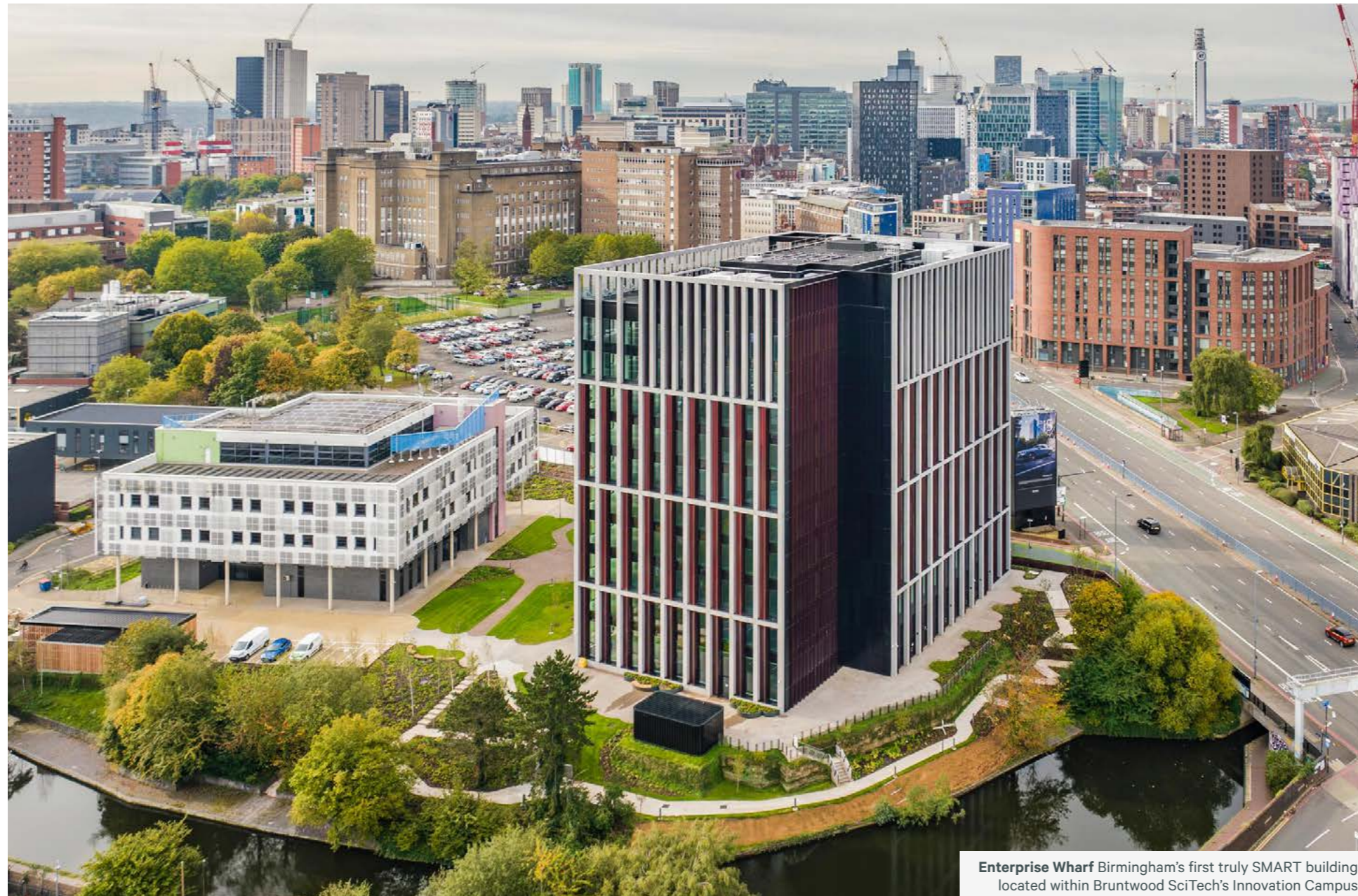
Proposed High Speed 2 Line [Pink dashed line] Eastside Metro Extension [Blue dashed line] Jewellery Quarter [Pink circle] Edgbaston [Green circle] Gun Quarter [Grey circle]

Metro [Blue solid line] Retail Quarter [Blue circle] Westside [Blue circle] Education Zone [Yellow circle] Eastside [Purple circle]

Metro Extension [Blue dashed line] Southside [Orange circle] Colmore Business District [Red circle]

Map produced by Birmingham Office Market Forum (BOMF)

02 Investing in Birmingham's Knowledge Economy



Enterprise Wharf Birmingham's first truly SMART building located within Bruntwood SciTech's Innovation Campus

The Birmingham Innovation Quarter builds on Birmingham's long history as a city at the forefront of scientific and industrial innovation

The Government has ambitions to make the UK a science and technology superpower and Birmingham is answering the call.

In his Autumn Statement, Chancellor Jeremy Hunt announced a major funding boost for the West Midlands, with the creation of a new Investment Zone.

The region-wide zone covers three key sites, including Coventry-Warwick Gigapark, Wolverhampton Green Innovation Corridor and Birmingham Knowledge Quarter. Together, these sites have the potential to attract more than £2bn of new investment into the regional economy and a further £3.5bn over the lifetime of the zone, creating 30,000 jobs in the next decade.

For businesses, there are financial incentives for being based within the investment zone, such as tax breaks, while millions of pounds generated from a 25-year business rates retention scheme will be reinvested back into the region.

The Government's vote of confidence in the West Midlands by granting it Investment Zone status helps pave the way for Birmingham to realise its bold ambition of becoming a global leader in science, technology and innovation.

The groundwork has been laid with the formation of the Knowledge Quarter, already home to Aston University and Birmingham City University, Innovation Birmingham – the West Midlands' leading digital tech campus, home to over 120 businesses – and the under construction HS2 Curzon Street Station.

The Government’s vote of confidence in the West Midlands helps pave the way for Birmingham to realise its bold ambition of becoming a global leader in science, technology and innovation.



There are plans to further enhance the Knowledge Quarter’s draw as a hub for business and academia with the creation of the Birmingham Innovation Quarter (B-IQ). Plans for the proposed quarter include more than 1.3m sq ft of commercial space, 500,000 sq ft of cultural and community space, 2,200 homes, hotel and conference facilities, and 15 hectares of public realm.

As well as physically transforming the area and providing much needed commercial and residential space, the aim is that B-IQ will become a catalyst for foreign investment and business transformation. This will in turn create socio-economic impact, not just in Birmingham but across the whole region, delivering jobs, skills and inclusive growth, with £1.3bn+ annual GVA and 10,000 high value jobs created in key sectors.

Furthermore, B-IQ will elevate Birmingham’s position on the global stage as a centre of excellence for science, technology, innovation and business, supporting 250 pre-start-up projects every year.

Bruntwood SciTech, the country’s leading developer of city-wide innovation ecosystems, is the company and visionary behind B-IQ, having already transformed its Innovation Birmingham campus by doubling its size with the completion of Enterprise Wharf, a 120,000 sq ft building specifically designed with tech, digital and innovation businesses in mind.

It has partnered with Birmingham City Council and Aston University to deliver the project. It’s both bold and ambitious – two things Bruntwood SciTech does well.

Birmingham Knowledge Quarter will build on Birmingham’s long history as a city at the forefront of scientific and industrial innovation. The city is establishing itself as a leader in new and emerging sectors, such as fin-tech, prof-tech, prop-tech, health, and life sciences.

According to CBRE’s ‘Which City, Which Sector?’ report, life sciences was identified as one of the biggest growth areas for the city over the next decade. And it’s easy to see why.

Birmingham has all the components to make it a success, including its excellent universities and the Queen Elizabeth Hospital Birmingham, one of the largest single-site hospitals in the UK and a major teaching trust.

At Birmingham Health Innovation Campus, Bruntwood SciTech and the University of Birmingham are developing a 10-acre site which, when finished, will provide up to 657,000 sq ft of state-of-the-art lab, office and incubation space. The first phase of the campus, No.1 BHIC, a 133,000 sq ft building, is due to open later this year.

Calthorpe Estates’ Edgbaston Medical Quarter already boasts 64% of the city’s healthcare economy. More than half a million square feet of space on the Estate is utilised by medical occupiers, including four hospitals.

Science and innovation parks are also emerging to cater for incubating businesses, a sure sign that the sector is poised for take-off.

The growth of innovation, tech and science in Birmingham will have a wider benefit across other key regeneration projects in the city too, creating a cluster effect, similar to other examples across the UK.

For Birmingham’s central business district, which is book-ended by the Knowledge Quarter, Birmingham Health Innovation Campus and Edgbaston Medical Quarter, the benefits could also be significant, with more companies relocating to the city to take advantage of the opportunities being created in these new centres of excellence.

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The vision for the 20-hectare site, B-IQ will create a new world-class innovation cluster

A Word From...

Bruntwood SciTech Birmingham

Rob Valentine, Regional Director

At Bruntwood SciTech, we are committed to working with like-minded partners, including our excellent regional universities, to develop a globally significant innovation district.

Situated at the heart of the UK, Birmingham Innovation Quarter, (B-IQ) will be a place where the brightest minds and most inspiring spaces will foster tomorrow’s innovation, centred around industries of the future.

What sets B-IQ apart is not just its scale, but its comprehensive approach to fostering innovation. With over 1.3 million square feet of commercial space, 500,000 square feet of cultural and community space, and plans for residential areas, hotels, conference facilities, and public realm, B-IQ is designed to be a vibrant hub for inclusive growth.

Our work with B-IQ partners Aston University, Birmingham City Council and Birmingham City University, alongside our partnership with the University of Birmingham to develop Birmingham Health Innovation Campus, underscores a shared vision for the future—a future where Birmingham stands tall as a beacon of innovation and excellence.

Together, we are laying the groundwork for vibrant communities where industry, academia, entrepreneurs, and start-ups converge to shape the future of science and technology.

B-IQ (Birmingham Innovation Quarter) will create:

COMMERCIAL SPACE IN EXCESS OF

1.3m sq ft

CULTURAL AND COMMUNITY SPACE OF

0.5m sq ft

NEW HOMES

2,200

03 Office Retrofit Becomes the Default in Race to Net Zero

With tougher decarbonisation standards becoming the norm, how should office landlords in Birmingham respond?

According to UK Green Building Council (UKGBC) around 70% of the UK's non-residential building stock built before 2000 requires significant upgrading in order to address the energy efficiency and embodied carbon standards required by the UK's 2050 net zero targets.

While 2050 may seem a long way off, interim targets set by the Government are calling for more immediate action.

Among these is raising the Minimum Energy Efficiency Standards (MEES) for commercial property to Energy Performance Certificate (EPC) B by 2030. Although this standard has yet to enter legislation, there is consensus that it is the direction of travel.

CBRE has identified 180,000 office buildings with a current EPC in England and Wales. Of these, only 10% are rated B or above.

Occupiers are becoming more vociferous too, demanding green leases that not only reflect their own net zero ambitions, but achieve wellbeing benefits for their workforce.



In Birmingham, **CBRE data shows** that just over 30% of Birmingham's office stock is A/B rated. While this is encouragingly above the national average, we estimate a spend of circa £450million is required to bring Birmingham's office stock up to scratch. So there's still much that office investors, owners and occupiers in the city need to do to close the gap to net zero.

Tightening regulation is not the only driver for improving energy efficiency. Whilst reducing carbon is clearly the big win, tackling decarbonisation correlates with a stronger asset investment performance. According to UKGBC, the 700+ membership organisation representing the built environment industry, energy optimised buildings gain a 'green premium' of 15-20% on their value.

CBRE's latest **UK Sustainability Index** supports this view. In 2023 the performance gap between efficient and inefficient office stock widened, with returns of -3.2% and -6.5% respectively. The greater decline in capital values for the latter reflects the anticipated capital expenditure required to improve the specification. This gulf is widest for secondary stock.

Energy efficient offices also attract higher rents and experience shorter void periods, particularly in a market where sustainable stock is scarce. Lower resulting operational costs, for both landlords and occupiers, are another advantage.

Occupiers are becoming more vociferous too, demanding green leases that not only reflect their own net zero ambitions, but achieve wellbeing benefits for their workforce.

Local authorities around the country now generally have a presumption in favour of retrofit as they strive to meet their own net zero targets. Developers now need a strong case to demolish and rebuild existing assets.

Finally, investors, building owners and occupiers are all subject to growing scrutiny with regard to their Environmental, Social and Governance (ESG) credentials. As a result, many are adopting a 'Retrofit first' strategy.

All these pressures point in one direction, but that doesn't make the task of decarbonising any less daunting. Secondary stock is undoubtedly the biggest challenge, as there are no guarantees there will be a return on any investment. In some cases these assets can be repurposed, perhaps for residential or hotel use. At worse they may end up stranded.

Devising a sustainability strategy is a good place to start, as this will set the tone and ambition for any works.

Identifying relevant certification standards – such as BREEAM Refurbishment and Fit Out (RFO); SmartScore Neighbourhood; Fitwel and WiredScore – will help provide a route map, which can then be costed and feasibility tested. Once identified standards are achieved, a plan must be put in place to ensure they are maintained.

Any decarbonisation plan will also need to be aligned with wider building improvements and the long-term plans for an asset will also be factored in. It is rarely an isolated task, generally forming part of a whole building programme. Individual buildings may also be part of a larger portfolio, prioritising assets based on profiling will help.

Undertaking works when an asset is likely to be sold may not be advisable, particularly if it is in a secondary location. However, price chipping is likely when potential buyers undertake their due diligence.

According to UKGBC, 80% of existing commercial buildings will still be in use in 2050. Retrofitting them is a key component in decarbonising our society. While the scale of the retrofit challenge may be daunting, there are encouraging signs that landlords and funds in particular are taking note and starting to make advances.

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Case Study:

One Snowhill

Built in 2009, One Snowhill is one of Birmingham's most recognisable office developments and home to blue-chip companies including Barclays, KPMG and DWF.

The 263,000 sq ft building was acquired by Union Investment for one of its open-ended real estate funds in 2013.

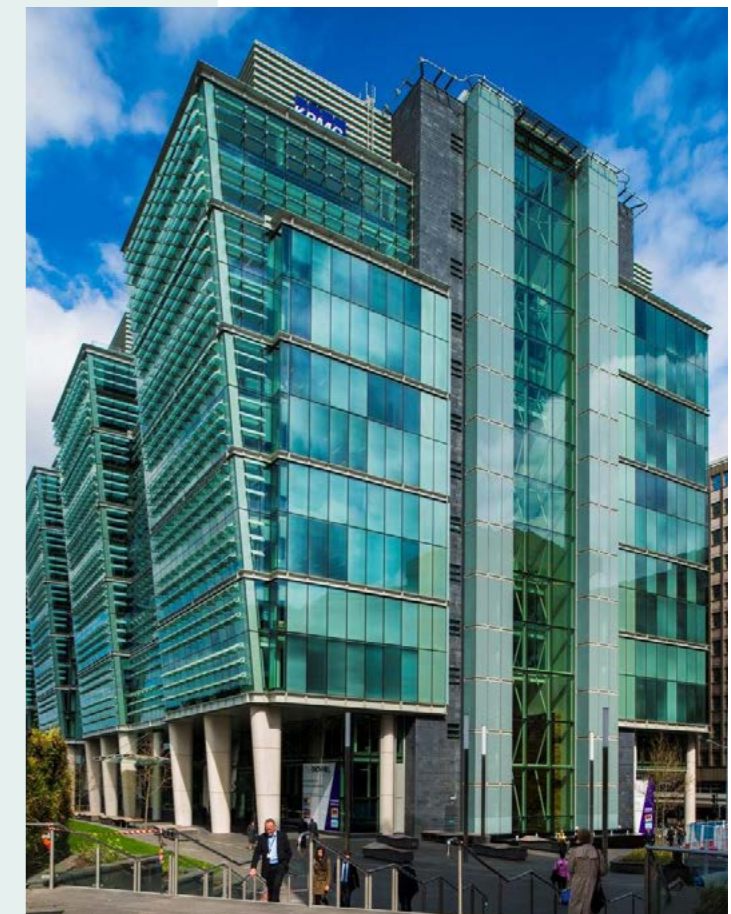
The Hamburg-based real estate investment and asset manager is working towards all its real estate portfolios being carbon neutral by 2050, with an interim target of reducing carbon emissions by 50% by 2030.

At One Snowhill, Union Investment is replacing existing central plant such as chillers and boilers with heat recovery chillers and reversible air source heat pumps which will raise the building's EPC rating from C to B, pre-empting the upcoming changes to the Minimum Energy Efficiency Standards (MEES) in 2030.

These works will reduce the building's reliance on fossil fuels and will position One Snowhill well as the national grid moves away from natural gas to an all-electric energy network powered by renewable energy sources.

“Union Investment is one of the largest sustainable real estate investors in Germany and we are committed to reducing the carbon footprint of all our buildings. We are equally committed to supporting the sustainability goals of our tenants: quite rightly, many are now interrogating the green credentials of their business premises.

Peter McNamara
Director UK and Ireland, Union Investment



04 Office to Residential Conversion: The Opportunity and the Challenge

70%

BIRMINGHAM'S OFFICE STOCK
BELOW AN EPC RATING OF B

New legislation has further reduced planning obstacles for the conversion of commercial buildings to new homes. So, is it time to revisit office-to-residential permitted development rights in Birmingham?

In order to accommodate its growing population, Birmingham City Council is currently planning to deliver more than 51,000 homes by 2030. As part of its on-going Local Plan review, the local authority will need to deliver even more housing, with population growth of 133,000 projected for 2042.

Against this backdrop, the further relaxation of permitted development rights (PDRs), allowing the conversion of commercial buildings to residential use, could help address the shortfall.

The ability to convert office and industrial buildings into homes via a lighter touch planning process was first introduced in 2013. This was expanded in 2021 to include a wider range of town centre uses, including retail, cafés and restaurants. Nationally, more than 102,000 homes were delivered between 2015/16 and 2022/23 as a result.

To encourage more conversions, the Government introduced additional legislation this year, further reducing planning hurdles. The rule that premises had to be vacant for three months prior to application has now been scrapped and, more significantly, the 1,500 sq m size limit has been removed, opening up scope for larger conversions. Some properties remain exempt, including listed buildings and any in Conservation Areas.

Another attraction of the PDR route is its expedited process – fewer supporting documents are required and the determination period is within 56 days, rather the 13 or so weeks for major planning applications.



Historically, local authorities including Birmingham City Council have not always looked favourably on office-to-residential conversions. Their inability to guide design and housing mix created concerns that poor quality housing stock could result.

However, since the original legislation was introduced more than a decade ago, national design standards have been imposed, including natural light and minimum space requirements. With these safeguards in place, it's likely that the Council will have more confidence.

The Council's ambitious target of achieving net zero by 2030 will also have an impact on its thinking. Proposals increasingly need to demonstrate that the repurposing of existing buildings has been considered – rather than proceeding with demolition and new-build development – thereby minimising embodied carbon emissions arising from new construction.



What is secondary for office purposes, however, is not necessarily the same for homes. Witness the number of commercial-to-residential conversions in or coming forward in Digbeth and the Gun Quarter.

Several Birmingham developers embraced PDR following its introduction in 2013. High profile conversions include Galbraith House, Great Charles Street; Broadway Residences, Broad Street; the Whitmore Collection, Newhall Street; Beneficial Building, Paradise Street and No.1 Hagley Road, Edgbaston. As a result, there's a prevailing view that most of the suitable stock has already been converted.

Market dynamics look set to change that. Firstly, the rise in flexible working means office occupiers now generally require a smaller footprint to house their staff. There has also been a flight to quality, with businesses looking for best in class office space in order to attract and retain employees. This has resulted in some surplus space, albeit this is invariably in secondary locations.

What is secondary for office purposes, however, is not necessarily the same for homes. Witness the number of commercial-to-residential conversions in or coming forward in Digbeth and the Gun Quarter. Similarly, while Edgbaston is considered a non-core office location, it is a highly desirable residential address and the conversion of obsolete office stock here has been game-changing.

Office landlords are also conscious of looming legislation likely to require commercial buildings to have an EPC rating of B or above by 2030. Almost 70% of Birmingham's office stock is below this rating, so significant investment will be required to bring these premises up to scratch. Upgrades to secondary and tertiary offices could prove prohibitively risky, with conversion providing a possible alternative.

There's no doubt that there is appetite among investors for residential stock. Around a third of respondents to CBRE's latest [UK Investor Intentions Survey](#) placed residential acquisitions ahead of other real estate assets. With residential values in Birmingham now often more than double their office counterparts, that's not surprising.

Private developers such as Elevate, BPG and Court Collaboration have made commercial-to-residential conversions their trademark. As propcos, however, there is only so much they can take on, particularly given the current cost of finance.

The bigger opportunity is undoubtedly with Build-to-Rent (BtR) investors, particularly as mortgage rates make open-market developments more uncertain.

However, BtR investors by and large tend to favour new build over conversion. They also have a 'sweet spot' of 200+ units, which only larger buildings can deliver.

With conversions now subject to space and light standards, office layouts can be challenging: larger floorplates can be too deep to provide sufficient light and ventilation for residential units. The cost of conversions – particularly heritage buildings – and borrowing are also barriers. Any changes to the external envelope of a building still requires planning permission, which provides yet another hurdle. Finally, the residential sector does not have this market to itself: a number of prominent office buildings in the city have recently been snaffled by the education sector for example.

Vacant offices that do not meet exacting environmental standards and are in secondary areas are now increasingly at risk of obsolescence. Converting these properties into much-needed new homes is a compelling proposition, solving two problems in one. The reality, however, is it's not a broad-brush solution: the market will be driven at an individual asset level.

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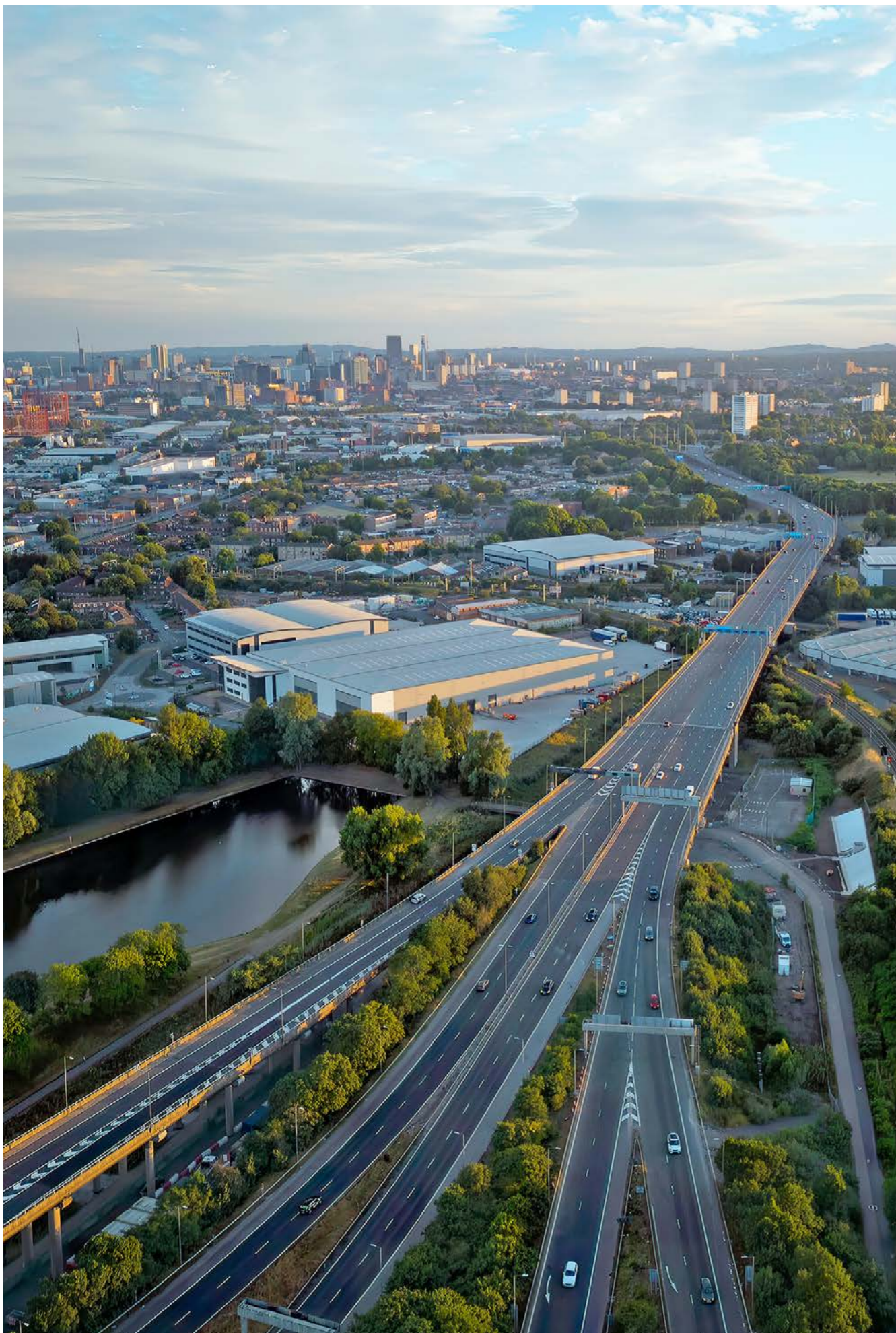
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05 The Road to Economic Growth

After decades of under funding, a £6.1bn investment programme means Birmingham is finally making inroads into upgrading its transport infrastructure.

According to the National Infrastructure Commission (NIC), well planned and integrated transport investment helps drive economic growth and improve quality of life.

In the second edition of its National Infrastructure Assessment, the Commission, which advises the Government on infrastructure, found that fewer than 35% of Birmingham's population is able to reach the city centre by public transport within 30 minutes. Of all the regional cities, only Manchester fares worse.

The report also finds that productivity in Birmingham is 37% lower than in London, stymied by poor access to the city centre.

According to NIC, Birmingham has the highest projected employment growth of any regional city. More than 400,000 new jobs are expected to be created in the city by 2055. The second highest rise, in Manchester, is around 235,000.

If Birmingham is to harness this growth, investment in its transport infrastructure is crucial. This will help enhance the available labour pool, increase productivity and improve opportunities for the region's population.

The good news is Transport for West Midlands (TfWM), part of West Midlands Combined Authority (WMCA), is currently overseeing a £6.1bn investment in a "green transport revolution." The sum, invested over 15 years to 2032, will deliver expanded Metro, bus, rail, cycling and walking routes across the region.

There is already evidence of this across the city. The construction of the Birmingham Eastside Metro extension is now underway. Three new train stations are also being built, connecting Moseley, Kings Heath and Stirchley to the city centre.

Phase 1 of Sprint, the priority bus route corridor, is up and running along the A34 and A45. Work on Phase 2, which will link Walsall, Birmingham city centre and Birmingham Airport/Solihull, starts this year.



Proposal for a West Midlands public transport system to rival London's

Further down the line, there are plans to extend the Metro further south along the Hagley Road, while to the east an extension from Digbeth will connect through to Solihull.

In Eastside, the HS2 terminus at Curzon Street Station is now on site. This will improve connectivity with Birmingham Airport, via the new Interchange Station in Solihull, as well as speeding up journey times to London and, crucially, improving capacity on the overstretched network.

Passengers using this integrated transport network will be able to travel seamlessly using a 'tap and go' Swift card, with WMCA promising capped fares.

As well as improving commuting, infrastructure delivery is also helping to generate urban investment and development. The Metro and Curzon Street Station have already unlocked areas to the south and east of the city centre, finally expanding the constricted historic core.

To the east, Bruntwood has invested in Birmingham Innovation Campus in Aston. Digbeth has had a fresh injection of creative talent, thanks to the re-homing of the BBC at Typhoo Wharf and the creation of Steven Knight's new film studio, Digbeth Loc. These areas have long been earmarked for regeneration but it's taken the promise of improved access to the city centre and the airport to light the touch paper.

Smithfield, one of Europe's largest regeneration projects, is a residential-led mixed-use scheme. Developer Lendlease is finalising plans for the site, with work anticipated to start next year.

Hammerson is refreshing its plans too for Martineau Galleries, a major mixed-use scheme next door to Curzon Street Station that will create a new gateway to the city.

To the south west of Birmingham, Moda, alongside Calthorpe Estates, is transforming a 1960s 11-acre office

park into a new urban neighbourhood. New Garden Square will provide more than 2,500 homes, shops, bars and restaurants, and a £6m new one-acre public park and landscaped public realm. The scheme sits next to Edgbaston Village Metro Station, on Hagley Road, a major arterial route into the city now accessible by the rapid transit system.

As well as tangible development resulting from infrastructure delivery, it's a positive story for investors looking at the city. Birmingham already has a great track record in this regard, with 181 Foreign Direct Investment projects landing in the region in 2022/23, the highest outside London, creating more than 8,250 new jobs. The commitment to new transport infrastructure will only enhance this.

Birmingham's geographical location at the heart of the country makes it the most accessible city in the country - 90% of the UK population can reach the city within four hours. Ironically, for the city's own residents, access has been poor. That's all changing, with the biggest ever investment in mass transit public transport in the city region now underway.

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Case Study:

New Garden Square, Edgbaston

Edgbaston is one of Birmingham's prime suburbs. Just a mile outside the city core, it boasts one of the UK's largest urban conservation areas.

In 2018 Calthorpe Estates, a landholder and investor in Edgbaston for more than 300 years, devised a new office-led masterplan for a circa 11-acre site on Hagley Road.

The plans for New Garden Square have since evolved, focusing on the creation of a new urban neighbourhood in partnership with build to rent pioneer Moda Living. The first phase, which is nearing completion, will deliver around 400 new homes with residents due to take occupation in the next few months.

A planning application for the second phase of nearly 500 new homes is due to be determined shortly; this will also deliver the next section of the park and landscaped public realm.

Ralph Minott, Masterplanning and Development Director at Calthorpe Estates, said: "The Metro extension and

terminus at Edgbaston Village heralds the realisation of a 20-year vision to deliver - in partnership with Birmingham City Council and the WMCA - sustainable transport linking the heart of Edgbaston and the Calthorpe Estate to the city centre and the greater West Midlands.

"The impact has been super already and TfWM's Hagley Road reimagining proposals, alongside the Metro extension, will further enhance transport options in the coming few years, increasing bus priority and Bus Rapid Transit, complemented by a new Local Cycling and Walking Investment Plan.

"By integrating a safe 'super crossing' to the Metro terminus from the north of Hagley Road and removing the central barrier, access for the Ladywood community and to amenity gems such as Edgbaston Reservoir - as well as the fantastic new homes at New Garden Square - urban connectivity has been improved."

New Garden Square represents a fantastic opportunity to deliver a fully supported new neighbourhood on brownfield land in a highly accessible part of the city. The opening of the Edgbaston Village Metro Station and the investment in the metro system serving Edgbaston and surrounding area has transformed the potential of New Garden Square for its residents. Our regeneration proposals will create a new publicly accessible neighbourhood optimising a myriad of sustainable travel options.

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