

Move Aside London, Birmingham Is Next

June 2018

Regeneration in Birmingham is not a new story. In fact, the City Council first mooted the desperate need for city centre regeneration over 35 years ago. Birmingham has a well-deserved reputation for being a sprawling concrete mass of low-quality housing, ugly buildings and over-ground ring roads. It was not always that way. As with many major cities in the UK, Birmingham required extensive rebuilding following WW2. The approach of the day was to erect relatively inexpensive concrete structures, often at the expense of attractive Victorian properties in need of renovation. An example is Birmingham New Street Station, which once boasted the largest single span arched rooftop in the world.

Following a 1960's redevelopment, it was considered an embarrassing eyesore. By the 1980's, the City Council recognised that "livability" in the city had to be improved, but the road ahead was a long and expensive one.

It was the launch of the Big City plan in 2010 that revealed the future face of Birmingham and the goal of transforming it into a world-class city within 20 years.

Fast forward to today, and the change is dramatic. Birmingham has seen numerous major infrastructure investments commenced, notably the £600 million redevelopments of New Street Station and Grand Central (opened in 2015), £500 million for the Smithfield Market, and £500 million for Paradise Circus and Arena Central.

City centre areas such as Digbeth, identified as the 'creative quarter' of Birmingham, have seen considerable gentrification with new and improved housing, retail and F&B availability.

Construction of the HS2 train rail line is underway, which will reduce the travelling time between London and Birmingham to just 49 minutes from 2026. Shorter travel time to the capital is an additional factor enticing London based firms to shift functions to Birmingham. HSBC is on track to relocate over 1,000 jobs from London to Birmingham with the opening of their new UK headquarters, whilst Deutsche Bank has expanded in Birmingham, with over 2,000 employees now located in the city. HRMC too is adding another 3,600 jobs in the near future.

The local economy is growing faster than the UK national average, with employment in the city rising by a massive 110,000 in the 12 months to July 2017 - the largest regional rise anywhere in Britain.

The ongoing success of the Big City Project in creating a more attractive, connected, and functional city, is having a material impact on the economy. With increasing regional migration of skilled workers, and as more of Birmingham's huge student population is retained in the local workforce, the demand for high-quality city centre housing will continue to rise.

In 2017, Birmingham was comfortably outstripping London in terms of house price growth, making it one of the best performing cities in England.



Whilst growth has been rapid in recent years, Birmingham still has some catching up to do. The average home price in Birmingham today is 40 percent that of London, and conservative forecasts estimate that Birmingham is set to continue on its growth path with 4.5% - 5% annual price growth for the next 5 years.

Conclusion

Ten years ago few would have believed that the city would transform so dramatically. With further transformational projects underway and exciting plans in the pipeline, the future looks bright for the Birmingham housing market.

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