



## **CITY PEOPLE: CITY CENTRE LIVING IN THE UK MAX NATHAN AND CHRIS URWIN**

### **MANCHESTER BRIEFING**

#### **Introduction**

Manchester is one of the UK's most important core cities, at the heart of one of the biggest economic regions outside London. The city centre housing market is well-established, and city centre living is now a highly visible part of urban life here.

The growth of city centre living has helped transform the image of Manchester over the last 15 years, coinciding with an upturn in the city's economic fortunes. After decades of economic and social decline, Manchester is reinventing itself as a post-industrial city. Manchester's population has risen from 422,000 (2001) to an estimated 437,000 in 2004.<sup>1</sup> The new economy is driven by the airport, financial and business services, higher education, retail and the public sector. The city has the biggest culture and media cluster outside London, and there are around 90,000 students in Manchester's three universities. The 2002 Commonwealth Games brought thousands of visitors into the city, and provided vital sporting infrastructure.

The city still faces long term challenges. Unemployment and inactivity are well above the national average, and there are concentrations of deprivation around the city core with some of the worst crime, poor health and housing in the UK.<sup>2</sup>

#### **The city centre**

Manchester has been at the forefront of city centre living for the past fifteen years. By the late 1980s, less than a thousand people were living in the city core, and repopulation had become a policy priority. Development began in Castlefield, spread to the Northern Quarter and has moved across the whole city centre. Developers are now heading out into inner ring neighbourhoods. Between May 1991 and June 2005, 7,504 flats and 1,227 student bedspaces were built in the city centre. The bulk of development has been in warehouse and office conversions (in the early stages) and new-build developments (more recently).

In line with national conditions, the city centre market has been softening in the first half of 2005, with prices falling and buyers becoming more demanding. Nevertheless,

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<sup>1</sup> Manchester City Council (2005): 'Manchester Factsheet', Manchester: Manchester City Council.

<sup>2</sup> Ibid.

as of July 2005, there were nearly 7,000 units in the planning pipeline: 4,143 under construction, and 2,857 with planning permission.<sup>3</sup> Developers are also moving from the city core into surrounding neighbourhoods – Ancoats, New Islington, the Green Quarter development in Salford, behind Victoria Station, and Salford Quays.

### **Institutions and strategies**

The City Council's aim has been to use city centre living to support the city's economic restructuring – in particular, to help hold on to graduates in Manchester. Housing, economic, physical and cultural development policies have been used to promote a '24-hour city'. At the same time, Council bosses have been concerned to regenerate the city centre, and to help relieve pressures on housing markets in the south of the city.<sup>4</sup> In the wake of the 1996 IRA bomb, the Council also set up an independent City Centre Management Company, which plays an advocacy / intermediary role for city centre businesses and residents.<sup>5</sup> After allowing private development to grow freely during mid-1990s, the Council has taken a more planned approach in the past five years.<sup>6</sup>

### **City centre population profile**

Manchester experienced very rapid city centre population growth over the 1990s (table1). By 2001, around 10,000 people were living in the city centre, a rise of nearly 300%. Population growth continued after 2001, and the City Council's best estimate for 2005 is around 15,000.

**Table 1. Manchester city centre population, 1991 and 2001.**

<b>City</b>	<b>Type</b>	<b>1991</b>	<b>2001</b>	<b>% change (adjusted figures)</b>
Manchester	Unadjusted	2,500	7,100	285
	Adjusted	3,500	10,000	

Source: Census, ONS Population Mid-Year Estimates, authors' own working.

Notes: 1) City centre figures are based on the Census, city figures on population MYEs. 2) Manchester figures apply to the area in this study, not the smaller city centre planning area. 3) 2001 figure for Manchester is a best estimate, calculated with help from the City Council. 4) 1991 figures are provided in basic form, and adjusted for changes in student counting 1991-2001.

Manchester's growth has been driven by both students and other young adults, and the city has evolved a distinctive population profile (see box).

<sup>3</sup> Manchester city council private communication, December 2005.

<sup>4</sup> Stakeholder interviews, May and September 2005

<sup>5</sup> Stakeholder interview, October 2005

<sup>6</sup> Manchester City Council / Manchester City Centre Management Company (2004): *Manchester City Centre Strategic Plan, 2004-2007*, Manchester: MCC / CCMC.

### **Manchester City Centre: Key Facts, 2001**

Total Population: 10,000 (2001), 3,500 (1991)

Aged between 18-34: 62%

Single people (as a percentage of adult population): 75%

Students (as a percentage of working age population): 42%

Percentage living young professional lifestyles: 41%

Percentage living low-income lifestyles: 16%

Percentage of rented households: 69% (31% social, 38% private)

Percentage of 16-74 population that are graduates: 39.3%

Around a fifth of the city centre population lead well-off young professional lifestyles, for example as lawyers and accountants. Many junior managers and employees enjoy similar lifestyles.

Lifestyle data also suggests Manchester city centre has a small number of wealthy, very senior, high-spending executives and entrepreneurs – types usually only found in London. This group is likely to include successful lawyers and accountants, some senior civil servants, some senior doctors and a small number of people working at high levels in culture, media and sports. They represent around three percent of the city centre population.

Students account for a massive 40% of Manchester city centre's working-age population. Students play a crucial role in the Manchester economy and especially the night-time economy. People with student or student type lifestyle profiles represent around a quarter of the population, less than the 40% recorded in the Census. This suggests many students are adopting the lifestyles of city centre professionals with whom they share the neighbourhood (see below).

In Manchester city centre lifestyles associated with low incomes are less present than in the other two cities in the study, Liverpool and Dundee. Nevertheless, nearly 20% of the population would live lifestyle types that result from low incomes. It is significant that such lifestyles remain prominent in one of Britain's most developed city centre housing markets.

### **Resident focus groups: key findings**

We ran four focus groups in Manchester: with students (2 groups), young professionals and people on low incomes: some working in retail and service jobs, others selling the Big Issue or unemployed.

#### ***Why are people in the city centre?***

Manchester is a compact, usable city with a good social life, and this was highly attractive. Students had chosen a Manchester university. Across all the groups, there was a strong sense of wanting to stay in the North. All groups chose the city centre because of convenience, proximity and buzz. It was easy to get to work, go out, meet

friends and come home at night. Living in the city centre was part of the zeitgeist, a cool way of living when you are young. Even those on the lowest incomes felt the city centre was convenient, sociable and exciting.

***What do people do in the city centre?***

Everyone in work was employed in the city centre, and walked to work. People did a lot of shopping and going out, and felt there was a very good range of bars, restaurants and shops on offer. Selfridges, Harvey Nichols, H&M and Topshop were highlighted, and smaller boutiques and record stores also mentioned. The majority did their food shopping in the centre, using shops on the way to work or near their homes. Students and those in work felt fully able to access the social elements of the city centre. Those on the lowest incomes felt excluded. No-one had much contact with public services – almost no-one was registered to a city centre doctor, for example.

***What do people dislike about the city centre?***

Concerns focused on noise and lack of inside / outside / green space. Those with cars (the majority) used them to escape the city centre at weekends. Most people felt safe, but those on the lowest incomes felt insecure in the centre of town.

***Will people stay in the city centre?***

The key push factors were having or planning children, or getting a job. There was a consensus that the city centre was not a place to bring up children. Apartment living was felt inappropriate for children. Lack of space, lack of public services (nurseries, schools, GPs), pollution and dirt were big problems for families, if not for young single people. Those in long term relationships or with children were planning to leave the city centre. Around half felt they might stay if obstacles were overcome, but had no faith they would be. Around half the students felt they might leave the city to find work, those in employment felt no need to do so.

***Where will people go next?***

People wanted to live in popular suburbs – in particular Didsbury, but also Prestwich, Chorlton, Denton and areas into Cheshire. There was tentative interest in Ancoats and New Islington, particularly from students and some young renters: people felt they offered the benefits of city centre living, but were better value. There was little interest in other Housing Market Renewal Areas, although those on lower incomes were open to living in Beswick and Blackley. Overall, HMR areas were felt to be unsafe, lack amenities and have a poor image.

**Benefits of city centre living in Manchester**

City centre living is a marker of urban renaissance. In Manchester's case, it seems to be more than that. The evidence suggests that the growth of city centre living reflects underlying performance *and* accelerates it.

City centre living is part of a package of regeneration measures: flats, shops, offices, public space. As such, it is not easy to pick out the direct effects of city centre housing. It forms part of several virtuous circles.

There are clear local catalyst effects. New housing has helped improve the city centre itself. Central neighbourhoods have become safer and more vibrant: city centre residents have helped blur the edges between the daytime and evening economies. High-income, high-spending residents help the local service economy, particularly restaurants and bars. Although they make up a relatively small share of

total spending, they help attract more businesses into the area, and with them more visitors.

There are also some wider catalyst effects, across city-wide housing, labour and investment markets. In Manchester, renewed city centres help graduate retention and support the growth of key sectors that rely on a supply of skilled workers. Overall, city centre living has helped improve the quality of the labour market – a large professional cadre has developed. Skilled workers, the University base, quality of life and central housing make a powerful sell to investors such as the Bank of New York, which recently relocated to the city. And the growth of the city centre housing market has resulted in developers ‘building out’ the centre into neighbouring areas, and has raised investor interest in other areas of the city.

However, all of this has been underpinned by the Manchester conurbation’s strong economic performance. Without jobs to go to, students and city centre residents would not stay in the city. Investor interest is also informed by economic progress and projections of future growth.

Furthermore, city centre living has had a limited impact on the deprived neighbourhoods that surround the core. Those leaving the city centre show little interest in these inner ring neighbourhoods: most are no longer interested in being close to the city centre and prefer popular suburbs.

There is some scope to build out the city centre – for key workers and prospective first time buyers – but the city and developers need to provide a mix of flats and larger, family-friendly housing around the edges of the core. More broadly, Housing Market Renewal strategy should focus on making good suburbs, not rolling out the city centre. It is important to keep working families close to the city centre, if not in it. Security, space, well-built houses, a sense of community and excellent public services are the priorities for the years ahead.

This paper accompanies *City People: City Centre Living in the UK*, a Centre for Cities report on the growth of city centre living in Britain.

The full report can be downloaded from [www.ippr.org/centreforcities](http://www.ippr.org/centreforcities)

The Centre for Cities is an independent urban research unit based at ippr, the Institute for Public Policy Research. It is taking a fresh look at how cities function, focussing on the economic drivers behind city growth – investment, enterprise, innovation, skills and employment.