

**Permitted Development Rights for  
Change of Use to Class C3 Residential  
from:**

**Class E (g) Offices, Research and  
Development and Industrial Processes**

**The Case for An Article 4 Direction in  
Manchester:**

**City Centre and Other Strategic  
Locations**

**July 2021**

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## Introduction

### Key Points

- Manchester City Council is exploring the rationale for the potential further use of directives to prevent the loss of E(g) premises to C3 use in the city, extending current arrangements.
- This paper provides the evidence base in support of a new Class E(g) Article 4 Direction application for Manchester.
- Manchester has previously successfully secured Article 4 Directions for strategic employment locations within the city, recognising the role Manchester plays in the national economy and the importance of protecting key employment locations to satisfy demand.
- A new application is being made to reflect the new planning use classes introduced and the confirmation of updated Permitted Development Rights coverage since the Directions were secured and the continued need to manage development within the city.

### Purpose and Scope of this Paper<sup>1</sup>

This paper sets out the evidence base for potential Article 4 Directions covering the conversion of Class E(g) (office, research and development and industrial processes) premises to Class C3 (residential) use within the Manchester local authority area. It has been prepared in recognition that the change to planning use classes in 2020 requires new applications to be made to allow permitted development to be removed in some instances and the introduction of a new Permitted Development Order in 2021.

As considered below, Manchester already has Article 4 Directions in place relating to the conversion of accommodation from B1a and B1c use classes to Class C3, under which a strong programme of development has continued to be delivered. This paper provides the evidence base to determine if there is a case for a new Direction(s) to be secured and their geographic coverage.

This paper outlines:

- The strategic context in which areas have been identified to be appropriate for an Article 4 Direction.
- The economic rationale for a Class E(g) Article 4 Direction within the areas identified, taking account of:
  - the scale of economic opportunity;
  - the risk of losing nationally significant concentrations of economic activity; and
  - losses that could result in substantial negative consequences at a local level.
- The development context, including the need to balance employment and residential demands, the scale of land/premises available and the economic activity they can accommodate, known shortfalls in current supply and pressures on available sites.
- The potential coverage of new Class E(g) Directions within the city, based on the factors above.

Consideration has been given to both the overarching case for a Class E(g) Article 4 Direction in Manchester and the specific locations where a case to remove particular forms of permitted development has been identified.

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<sup>1</sup> Reflecting the changes to planning use classes and updated permitted development rights guidance, this paper is one of a series prepared by Manchester City Council to recognise priority employment locations that it wishes to secure an Article 4 Direction for, in order to effectively manage land supply and development pressures across a range of uses.

## Manchester's Current Article 4 Directions

### Geographical Coverage

The Article 4 Directions that came into force for office and light industrial premises (reflecting the focus of previous planning use classes) in 2019<sup>2</sup> focus on key employment locations within the city. The rationale successfully presented included demonstrating the strong economic role of Manchester within a national context and the concentration of employment within the identified areas.

The areas covered by the current Directions are:

**Manchester City Centre:** Covering the core of the city centre within the inner ring road and key employment areas within the expanded city centre including the Oxford Road Corridor, Ancoats and New Islington and Strangeways.

**Other Strategic Locations:** Including Manchester Airport, Towers Business Park in Didsbury, Sharston and Roundthorn Industrial Estates, industrial areas in Miles Platting and Wythenshawe Town Centre.

Through this paper, the case for employment premises in these locations to continue to be covered by Article 4 Directions is considered. As demonstrated by the analysis, this rationale is considered to remain valid.

### Development Context

Manchester remains a pro-development local authority. Planning policy and the assessment of individual planning applications are informing decisions to effectively meet both residential and employment requirements within a land constrained local authority area. The Article 4 Directions have enabled the planning team to undertake a detailed review of proposals, ensuring that expected development standards are satisfied and an appropriate development mix is maintained.

Since the current exemption areas came into force in 2019, a high level and variety of development has continued to be delivered to support Manchester to realise both its employment and residential growth ambitions. Within the areas covered by the directions, 7,135 residential units have been delivered as part of 107 schemes. At the end of March 2020, a further 16,984 residential units were also in possession of an extant planning permission across the city.

Records show that:

- Residential and employment development are being supported in tandem with schemes for both uses being delivered across the city.
- The requirement for employment space remains high with 383,459m<sup>2</sup> delivered citywide between 2018 and 2020 and a further 568,102m<sup>2</sup> of approvals in place across the city to continue to support the pipeline. This is sufficient to accommodate more than 22,000 additional jobs.
- The ability to control the residential schemes being brought forward remains important. Examples have been identified of units being proposed that are considerably smaller than the Manchester Residential Quality Guidance 2017 minimum requirement of 50m<sup>2</sup> for a one bedroom, two person dwelling<sup>3</sup> and challenges to ensure that residential units are not impacted by noise transfer from neighbouring uses (including an example of new homes being proposed above a nightclub).

The ability to build on this experience can be secured through the approval of a new set of exemptions for E(g) stock within defined areas of the city.

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<sup>2</sup> Current arrangements build on a previously secured time limited permitted development trial to address immediate threats to the loss of employment sites within the core of the city centre.

<sup>3</sup> Identified as Manchester's emerging space standard

## **Responding to a new Permitted Development Rights Context**

The Town and Country Planning (General Permitted Development etc.) (England) (Amendment) Order 2021 (statutory Instrument 2021 No. 428) announced by the Government came into force on 21st April 2021 and included the creation of a new permitted change of use class – Class MA – to change commercial properties falling under the new E use class to residential use.

These changes will allow Prior Approval applications to be submitted for proposals to change the use of vacant Class E buildings to residential use for a cumulative floor-space of up to 1,500m<sup>2</sup>. Buildings must have been vacant for a period of at least three months and previously have been used for a single use class (E) for at least two years.

This change in the guidance – supporting change of use on a significantly larger scale than has previously been the case – potentially has significant implications for employment supply in towns and cities across the UK. Manchester is alert to the risk this change poses to the ability of the Local Planning Authority to control land and property supply in support of multiple target uses and to achieving target levels of quality and other strategic priorities (including the supply of affordable homes and meeting low carbon objectives) through new residential development.

## **Proposals for a Class E(g) Article 4 Direction**

As outlined in the following sections, Manchester continues to play an important role in the Greater Manchester and wider Northern economy and has limited land supply available to manage multiple demands. Close management of land and property supply continues to be required to allow the city to satisfy its functions as both a major residential and employment centre that can cater for the needs of multiple business types.

Whilst the rationale for Permitted Development Rights in a variety of circumstances is understood and in many cases it can support a development pipeline, in parts of a city such as Manchester it impacts the ability to control development within a physically small local authority area with multiple demands on space. Under the arrangements, having received a Prior Approval application from a developers, the local planning authorities can only take account of highways, flood risk and contaminated land risk in making a recommendation, i.e. factors such as the loss of employment space and the quality and mix of development proposed cannot be considered.

This situation could have severe implications for the growth of the city and, by consequence, delivery of the Levelling Up agenda and growth sub-regionally. Ensuring that Article 4 Directions continue to apply to key employment locations within the city, in line with the new planning use classes, is important to support the city to manage its land supply and satisfy diverse requirements.

Although the overarching case for Manchester to secure Article 4 Directions remains consistent with that presented previously, the analysis has been updated through this paper. This ensures that:

- Uses typically accommodated within the new E(g) use class have been considered.
- The latest spatial concentrations and specialisms of employment within the city have been recognised within the assessment.
- Up to date market perspectives have been captured.

The remainder of this paper sets out the evidence base in support of new Article 4 Directions for Class E(g) uses and the geographies to be covered in response.

## The Overarching Case for a Class E(g) Article 4 Direction in Specified Areas of Manchester

### Key Points

- Manchester has a key role to play in delivering the economic objectives set out in “Build Back Better our plan for growth” and the Northern Powerhouse, both of which focus on the levelling up agenda, set as a national economic priority by Government.
- The importance of the economic role of the city is recognised in various sub regional strategies, including Places For Everyone Joint Development Plan Document – Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Tameside, Trafford, Wigan, currently in the final stage of consultation.
- Manchester’s development market – for both residential and employment schemes – remains buoyant with levels of development exceeding those recorded in other regional cities.
- The current Article 4 direction has enabled the City Council to protect employment sites whilst still ensuring that a balanced portfolio of development has been delivered. A strong residential development pipeline continues to be delivered, driven by high density development within the city centre.
- Manchester plays an important role in the national economy with a need to protect employment uses to allow growth ambitions to be realised.

### City Wide Strategic Rationale

#### Build Back Better and Levelling Up

The COVID-19 pandemic has had an unprecedented impact on the UK’s business and economic environment. In the 2021 Budget, Government announced that while creating and supporting jobs remains the Government’s central economic focus, in the current context, helping to drive growth in existing, new and emerging industries is also a priority.

In support of transitioning from the Industrial Strategy into a plan for growth, *Build Back Better: our plan for growth*,<sup>4</sup> sets out the Government’s plans to support economic growth through significant investment in infrastructure, skills and innovation.

*Build Back Better: our plan for growth* sets out the Government new approach to drive forward economic growth and, in its introduction, the Prime Minister sets out the scale of ambition:

*“This plan for growth is a call to arms to put this right. Our mission is to unleash the potential of our whole country and restore the energy and confidence of the Victorians themselves. Just as the government has done whatever it takes to support lives and livelihoods throughout the Covid crisis, so we will turn that same ambition and resolve to the task of our recovery.*

*We will level up our country, so the map of our whole United Kingdom is lit up with competitive cities and vibrant towns that are centres of life – places people are proud to call home, with access to the services and the jobs they need to thrive.”*

Build Back Better highlights the role of cities and the intention to address regional inequalities, rebalance the economy and ‘level up’ underperforming and left-behind parts of the UK including through infrastructure development and investing in education, skills and scientific R&D. Manchester has already demonstrated the role it can play on a national and international stage with further growth potential evident.

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<sup>4</sup> HM Treasury, *Build Back Better: our plan for growth*, 2021

## Northern Powerhouse

The Government has described the Northern Powerhouse as “a vision for joining up the North’s great towns, cities and counties, pooling their strengths, and tackling major barriers to productivity to unleash the full economic potential of the North”.<sup>5</sup> The concept is central to the overall strategy for delivering more even and inclusive growth across the UK, counterbalancing the dominance of London and the South East.

The Northern Powerhouse Independent Economic Review (NPIER), 2016, sought to understand the North’s economic position and drivers underpinning its performance, and identify areas where pan-Northern activity could present opportunities for growth. The report identified four prime and three enabling capabilities that were distinctive across the North, three of which are particular strengths of the Manchester economy – digital and financial and professional services with both typically clustering in city centre locations – and logistics, which cluster around Airport City in south Manchester. The NPIER recognises the productivity gap evident across the North of England, including due to a lack of agglomeration, insufficient high skilled workers and limited investment.

Manchester plays a key role in supporting the Northern Powerhouse agenda and addressing challenges, due to its strategic location and role as a major employment and population hub in the North. Manchester’s significant and fast-growing economy can help to drive growth in the North of England with further growth through both new employment development and the continued productive economic use of existing employment premises, counterbalancing the strength of London and the South East.

## Greater Manchester

Manchester can play a leading role in the levelling up agenda, with ambitious plans to build on recent investment in economic assets and infrastructure and accelerate growth in the high productivity sectors, driving growth across Greater Manchester, reducing the productivity gap and rebalancing the economy.

- ***Our People, Our Place – Greater Manchester Strategy (GMS), 2018*** – is the third GM Strategy building on the 2009 strategy and refresh in 2013, updating the priorities for the Local Enterprise Partnership. The Strategy seeks “to facilitate the development of high value, private sector driven clusters” in the four prime capability sectors of: business, finance and professional services; digital; health innovation and manufacturing. A large proportion of this activity will require E(g) accommodation to support its growth.
- ***The Greater Manchester Independence and Prosperity Review, 2019*** – provides an understanding of the current state of the economy and where future strategies should be aligned in order for GM to reach its full potential. Within the review, the LEP’s areas of strength were recognised to include professional services and the digital and creative where it was recommended that “diversity is exploited and innovative business piloted” across the sector.
- ***Greater Manchester Local Industrial Strategy (LIS), 2019*** – sets out the ambitions for the city region based on the five foundations put in place by the UK Governments Industrial Strategy in 2017 (ideas; people; infrastructure; business environment; and places) aiming to make the sub-region a focal point for business and innovation in addition to being one of the most attractive cities in Europe to live, work, and invest.

Manchester is the major employment centre in the conurbation and the home to many of the economic sectors which are expected to drive economic growth over the next twenty years. Ensuring that the city is able to manage the supply of premises to satisfy need is therefore central to the sub-region’s economic success.

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<sup>5</sup> HM Government, Northern Powerhouse strategy, 2016

## **Places for Everyone Joint Development Plan Document – Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Tameside, Trafford, Wigan August 2021**

### **Context**

Up until December 2020 a joint development plan document (DPD) of the ten Greater Manchester local authorities was being prepared, Greater Manchester's Plan for Jobs, Homes & the Environment (known as the Greater Manchester Spatial Framework – "GMSF"). However, the decision at Stockport Council's meeting on 3 December to not submit the GMSF 2020 to the Secretary of State for independent examination following the consultation period, and the subsequent resolution at its Cabinet meeting on 4 December not to publish the GMSF 2020 for consultation, signalled the end of the GMSF as a joint plan of the ten local authorities.

S.28(6)-(9) of the Planning and Compulsory Purchase Act 2004 and regulation 32 of the Town and Country Planning Local Plan Regulations apply where one authority withdraws from an agreement to prepare a joint DPD. Together they enable a joint plan to continue to progress in the event of one of the authorities withdrawing, provided that the plan has "substantially the same effect" on the remaining authorities as the original joint plan. Consequently, at its meeting on the 11th December 2020, members of the Association of Greater Manchester Authorities Executive Committee asked officers to report back on the implications and process of producing a joint DPD for the nine remaining Greater Manchester (GM) districts (Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Tameside, Trafford and Wigan).

After that meeting, in February and March 2021, each of the nine districts agreed to establish a Joint Committee responsible for the preparation of a joint Development Plan Document entitled "Places For Everyone Joint Development Plan Document – Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Tameside, Trafford, Wigan" August 2021.

### **Preparing for Growth**

The Places for Everyone (PfE) Plan reinforces the ambition to bring forward brownfield land, reducing the net loss of Green Belt further from previous versions of the GMSF by reducing the number of sites being allocated, identifying a Broad Location and provides stronger protection for important environmental assets.

The baseline economic forecast foresees an increase of around 100,000 jobs by 2037 (of which approximately 90% is forecast to be within the PfE Plan area). Similar changes in the sectoral mix to the recent past are forecast, although a more ambitious accelerated growth scenario estimates a potential increase of just over 170,000 jobs across Greater Manchester.

The PfE notes that employment opportunities are unevenly dispersed across Greater Manchester, with by far the most significant concentration currently being in the City Centre and adjoining areas such as Salford Quays, which collectively account for around 20% of all jobs. Baseline economic trends suggest the majority of employment growth will be in Manchester, Salford and Trafford. The remaining districts are forecast to see only modest change in employment in the period 2020-37, with some districts (Oldham, Rochdale, Tameside and Wigan) seeing small decreases in total employment in this period.

The PfE sets out several city centre policies:

*The role of the City Centre as the most significant economic location in the country outside London will be strengthened considerably. The City Centre will continue to provide the primary focus for business, retail, leisure, culture and tourism activity in Greater Manchester, but the increasingly important residential role of the City Centre will be expanded considerably by a range of high density new homes, supported by necessary infrastructure.*

*Maximising the potential of the key growth locations whilst also securing investment that raises the competitiveness of our northern boroughs to deliver inclusive growth across the sub-region by ensuring that employment growth opportunities are well connected and accessible to all residents. Key locations that will help to maximise economic growth in an inclusive way include:*



*The expanding City Centre, which will be further strengthened as the most significant economic location in the UK outside London, providing a high concentration of jobs that are highly accessible from across Greater Manchester and beyond. The city centre includes the Oxford Road corridor which will continue to develop as a world-class innovation hub with a very high concentration of research activity and enhanced business connections*

### **Providing Land for Growth**

The PfE provides the quantum of office space required - at least 1,900,000 sqm of accessible new office floorspace will be provided in the Plan area over the period 2021-2037, with a focus on the City Centre, accounting for nearly 65% of all new office floorspace in the sub-region and taking advantage of existing and proposed public transport connectivity, including the proposed new HS2 and Northern Powerhouse Rail (NPR) links which will further enhance its position as the premier office location outside London.

The large number of sites available for office development within the City Centre, many of which are close to major public transport facilities and with the prospect of further improvements through HS2 and NPR, provides an unrivalled combination of location, scale, quality of development opportunity and access to a large pool of skilled labour.

The Places for Everyone Plan sets out requirements for 10,305 new homes per annum between 2021 and 2037 across the 9 Local Authorities. Manchester is forecast to deliver 3,533 new homes per annum – 34% of the GM total – acknowledging a focus on high density development at the core of the conurbation, with sites identified to deliver 56,528 homes over the plan period. Provision has therefore been made – at scale – to accommodate the needs of a growing residential population. As noted elsewhere in this paper, Manchester also has an effective planning system that ensures applications are assessed promptly, allowing developments to proceed.

The Places for Everyone Plan and its development work has allowed Manchester to ensure that sufficient supply of development sites have been identified to allow the city to deliver on both its employment and residential growth aspirations. The ability to also manage existing premises supply is also a priority.

### **Manchester Local Plan Core Strategy 2012-2027**

The Core Strategy sets out Manchester's growth ambitions and recognises the need to balance employment and residential needs within a constrained local authority area.

Of the 200ha identified to accommodate employment growth forecasts between 2010 and 2027, 140ha of employment land is to be developed for office use and 25ha for research and development and industry. Protecting this site supply, along with the continued employment use of premises, will play an important role in realising growth ambitions, and this has been reflected in the high density residential development (30-60 storeys) which has allowed the city to meet its housing targets without encroaching on employment land.

The strategy's spatial principles highlight the role of Manchester in the Greater Manchester economy, as a key driver of the city region.

In terms of the residential growth ambition, the Core Strategy sets a target for approximately 60,000 new dwellings to be provided in Manchester between March 2009 and March 2027 to cater for demands raised by a growing population and household formation trends. The majority of new residential development will be in the Inner Areas, defined by the North, East and Central Manchester Regeneration Areas.

## City Wide Economic Rationale

### Manchester: The Core of the Northern Economy

Manchester remains a key conurbation and employment hub for the North of England, with a significant and fast-growing employment base and population. It is therefore a priority to protect both current employment stock and opportunities to accommodate further growth in the city (through the provision of appropriate land and property), as demonstrated by the scale of economic contribution outlined below.

#### A Major Employment Hub

Over the last five years, Manchester has seen a considerable uplift in employment with almost 70,000 additional jobs, a 20% growth rate, outperforming all major northern cities by at least 8 percentage points and far exceeding the national growth two with growth rate two and half times that experienced nationally.

Manchester accounts for 30% of total employment across Greater Manchester and continues to be the engine of growth for the sub-region, accounting for 42% of Greater Manchester's employment growth between 2014 and 2019.

Employment Growth North of England Major Cities, 2014-2019			
	2014	2019	% change
Manchester	341,000	410,500	+20.4%
Liverpool	235,000	263,500	+12.1%
Leeds	422,500	473,000	+12.0%
Newcastle upon Tyne	180,500	191,000	+5.8%
Sheffield	256,500	271,000	+5.7%
Greater Manchester	1,224,500	1,388,500	+13.4%
England	25,137,000	27,154,000	+8.0%

Source: Business Register and Employment Survey, 2014-2019

\* All figures rounded to the nearest 100, total may not sum

Office based and light industrial employment<sup>6</sup> is estimated to account for approximately 41% of all employment city wide, with 162,500 jobs, and has grown rapidly over the past five years (+30%), a faster rate of growth than economy wide employment across the city. This growth has been driven private sector, in particular the digital sector (information and communication), which typically occupy office-based accommodation meaning that a strong and appropriate supply of office space plays an important role in the Manchester economy.

Manchester's location at the core of the conurbation core with good connectivity to other regional economies and labour markets, evident in commuter flows, has played a part in accelerating employment growth, with companies benefiting from a large catchment area for recruitment.

According to the latest Census data (from 2011<sup>7</sup>) less than two fifths (38%) of Manchester's workforce (circa.109,000 people) were residents of the city, while 45% of the workforce (c.132,000) came from the other nine Greater Manchester Local Authorities, with over 50,000 from Stockport and Trafford.

Of the remaining 16% (47,500) who commuted from outside of Greater Manchester, Cheshire East, Warrington, High Peak, Cheshire West and Chester, Liverpool, Rossendale and St Helens accounted for the largest numbers. Outside of the North West, there was almost 5,000 workers who were Yorkshire & the Humber residents.

<sup>6</sup> Defined by the following sectors: Information and communication (J); Financial and insurance activities, (L); Professional, scientific and technical services (M); Administrative and support service activities (N); and Public Administration and Defence (O) plus the following two-digit sub-sectors of Manufacturing (C) employment (using SIC 2007 codes): all Manufacture of textiles (13), wearing apparel (14), leather and related products (15), printing and reproduction of recorded media (18), computer, electronic and optical products (26), electrical equipment (27), furniture (31), repair and installation of machinery (33) and other manufacturing (32); and 50% of all manufacture of food and beverage products (10/11)

<sup>7</sup> The latest year for which analysis is possible

**Commuter Inflows to Manchester: Top 15 Local Authorities, 2011**

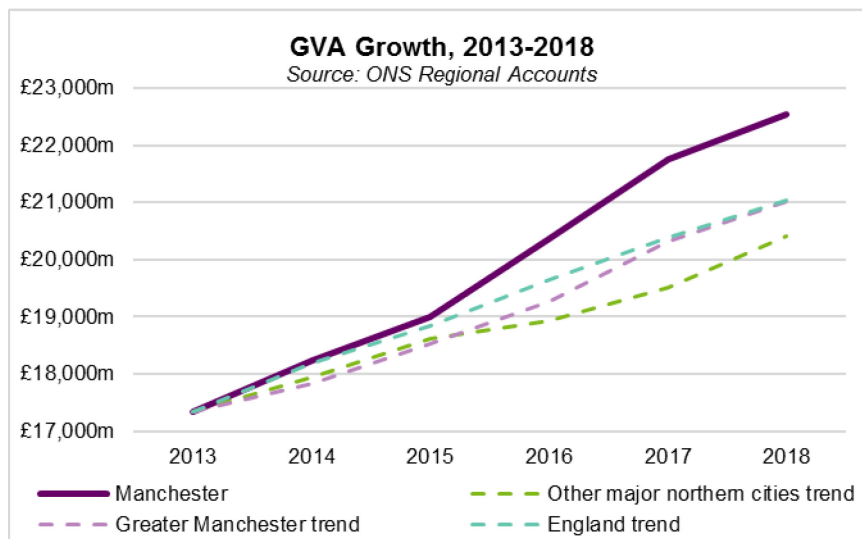
Local Authority	Persons	% of all workers
Stockport	25,549	8.4%
Trafford	24,760	8.1%
Salford	18,919	6.2%
Tameside	17,483	5.8%
Bury	12,130	4.0%
Oldham	11,712	3.9%
Cheshire East	9,445	3.1%
Rochdale	9,269	3.0%
Bolton	7,017	2.3%
Wigan	5,415	1.8%

Source: Census 2011

**Strong Economic Performance**

In 2018, Manchester contributed Gross Value Added (GVA – a measure of economic output) of £22.6m billion to the UK economy, accounting for 32% of the Greater Manchester total (compared to 30% of the employment base and 20% of the regional population). Between 2013 and 2018 GVA has grown strongly by 30% in Manchester, outperforming growth across Greater Manchester and all other major northern cities by at least 9 percentage points as well as nationally. Manchester has been a driving force for Greater Manchester’s economic output, accounting for 42% of the sub-regions GVA growth between 2013 and 2018.

Manchester had the highest GVA per capita out of the major northern cities, as well as a faster rate of growth between 2013 and 2018.



**An Attractive Market for New Business**

Manchester’s business base has grown by 34% over the past five years, with an additional 5,800 businesses operating in Manchester, far exceeding business count growth experienced in any other major Northern city and 2.6 times the national growth rate. Manchester accounts for 22% of the Greater Manchester business base and has been a key driver of growth across the conurbation accounting for 32% of growth between 2015 and 2020.

**Business Base Growth North of England Major Cities, 2015-2020**

	2015	2020	% change
Manchester	17,045	22,850	+34.1%
Liverpool	11,690	14,600	+24.9%
Leeds	26,280	30,185	+14.9%
Newcastle upon Tyne	7,320	8,325	+13.7%
Sheffield	14,555	16,075	+10.4%
Greater Manchester	86,630	104,550	+20.7%
England	2,116,295	2,390,970	+13.0%

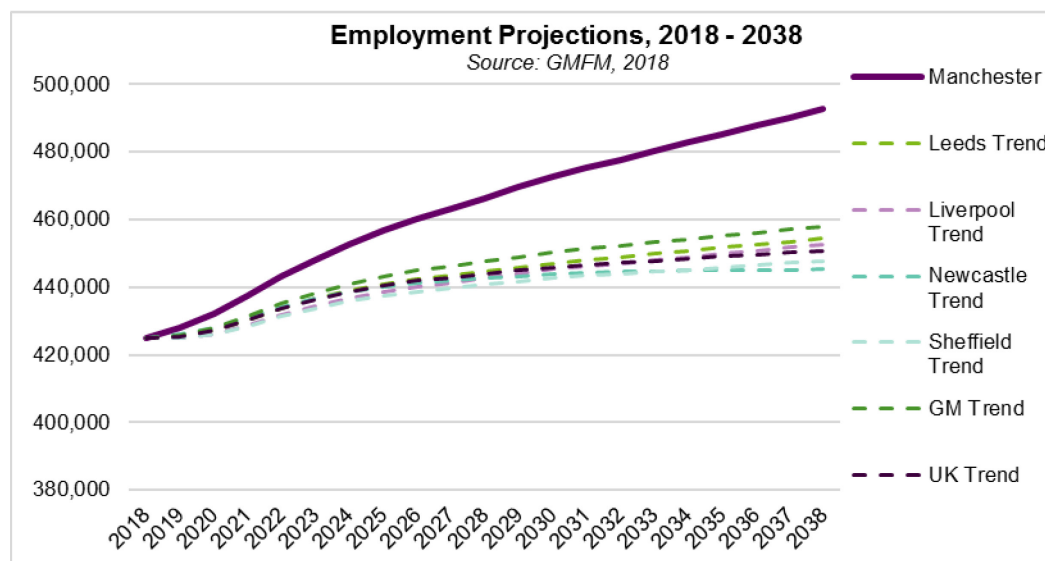
Source: ONS UK Business Counts, 2015-2020

There were 4,825 new businesses created in 2019 in Manchester, 17.3% of the total business base, accounting for 27% of start-ups in Greater Manchester. Since 2014 the number of business births have grown by 27%, a faster rate than nationally and across other major northern cities, although the 2019 level is below the 2016 peak of 6,445 in Manchester.

In order for Manchester to maintain this momentum of new businesses and employment growth, it is important for Manchester to continue to attract new businesses and jobs by ensuring the current employment space is protected and new employment space with a mix of unit types required to cater for varied needs is delivered in strategic locations.

**Strong Economic Outlook**

Between 2018 and 2038 there is expected to be an additional 67,570 jobs (+15.9%) in Manchester<sup>8</sup>. This significant growth is anticipated to be driving force for Greater Manchester's employment accounting for 60% of jobs growth over the time period. Manchester is expected to outperform jobs growth across the UK (6.1%), as well as in comparison to all other major northern cities.



Employment in office-focussed sectors<sup>9</sup> in Manchester is expected to grow by 13%, with an additional 68,000 jobs by 2038 accounting for 36% of Greater Manchester employment growth for these sectors. This growth is forecast to be driven by the professional, scientific and technical and administrative and support services sectors.

<sup>8</sup> Oxford Economics Greater Manchester Forecasting Model (GMFM), forecast does not include impact of Covid-19

<sup>9</sup> Information & Communication, Financial Services & Insurance, Real Estate, Professional Services, Administrative and Support Services and Public Administration

In terms of economic output, over this time period GVA is expected to grow by 46%, outstripping the rate of growth across Greater Manchester (39%) and the UK (40%). This reflects the anticipated scale of growth in highly skilled and high value sectors of the economy in Manchester. Looking at GVA for office-focussed sectors<sup>10</sup>, shows that the sector is forecast to grow by 47%, accounting for 54% of the forecast uplift in GVA in Manchester to 2038.

While Covid-19, and to a lesser extent Brexit, have impacted upon the realisation of short term economic forecasts, with research suggesting that the North West's economy shrank by 11.5% in 2020<sup>11</sup>, recent Oxford Economics forecasts suggest that Manchester's economy is expected to recover strongly from the 2020 recession as a result of the Covid-19 pandemic and grow by 22% over the next five years, while private sector office-based employment will grow by a further 7%.<sup>12</sup>

The scale of forecast growth and the economic importance of Manchester within the northern and national economy emphasises the requirement for a regular and significant supply of employment space of varying sizes, types and locations to be brought forward within strategic locations to support the city to achieve forecast growth.

### ***A Significant Population and Growing Workforce***

Between 2014 and 2019 Manchester's population grew by 6.6% to 552,900 and accounted for 32% of population growth in Greater Manchester, above the rate of growth seen in all other major Northern cities, and above the national growth rate of just 3.6%.

The city's working age population has continued to grow strongly by 6.5%, compared to just 1.9% nationally. Manchester was the main driver of Greater Manchester's growth in this age group accounting for 50% of the uplift in working age population. This is driven by increasing employment opportunities and the continued introduction of city living with the city proving a popular location for a growing workforce.

Over the next 20 years, population growth in Manchester is expected to continue to outstrip the growth rate of the population nationally, with around 100,000 additional residents forecast by 2038.<sup>13</sup> While the working age population is forecast to decline nationally and across Greater Manchester, Manchester's working age population is expected to grow by more than 54,000.

The growth of the population will increase demand for children and educational provision and health facilities,

## **Development Context**

### **A Robust Location for Development**

Manchester remains a buoyant development location with both residential and employment development continuing to be delivered at scale. Strong investor and occupier interest remains, supporting high levels of planning applications and the delivery of a large scale of development.

The planning system is effectively supporting the consideration of applications of scale and at pace. Records<sup>14</sup> show that, despite receiving the seventh highest number of major planning applications in the country in the 24 months to the end of March 2021, Manchester (88.7%) out-performed the England average for the number of major applications determined within 13 weeks or within agreed time without penalty for missing data.

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<sup>10</sup> Information & Communication, Financial Services & Insurance, Real Estate, Professional Services, Administrative and Support Services and Public Administration

<sup>11</sup> House of Commons Briefing Paper: Regional and Country Economic Indicators, December 2020, Oxford Economics

<sup>12</sup> [https://www.savills.com/research\\_articles/255800/314716-0](https://www.savills.com/research_articles/255800/314716-0)

<sup>13</sup> Oxford Economics Greater Manchester Forecasting Model (GMFM), forecast does not include impact of Covid-19

<sup>14</sup> <https://www.gov.uk/government/statistical-data-sets/live-tables-on-planning-application-statistics#planning-performance-tables>

## **A Track Record of Delivery**

Once approvals are secured, developments are also promptly coming forward. Over the last three years, the city has recorded 10,147 residential completions, equating to a net gain of 9,726 units<sup>15</sup>. These completions have occurred alongside the continued strong supply of commercial floorspace with a focus on office provision.

While the current Article 4 Directions have provided the Council with the ability to ensure that proposals align with the city's strategic objectives and quality standards, they have been used to support the continuation of high quality, coordinated development. Within the areas covered by the current Article 4 Directions, 7,135 residential units and 259,364m<sup>2</sup> of employment floorspace (of which 4,044m<sup>2</sup> has been offices) were delivered between 2017 and 2020. In those parts of the city not covered by Article 4 Directions, 23 Prior Approval applications for commercial to residential conversions were received since May 2019, of which 19 were approved (three were withdrawn and one was refused). Collectively, the Prior Approvals support the delivery of 108 dwellings.

## **A Strong Forward Pipeline**

Extant permissions are in place for a further 16,984 residential units (as of March 2020) and 568,102m<sup>2</sup> of commercial floorspace (of which 385,658m<sup>2</sup> is offices) across the city, indicating that development confidence is set to continue. As outlined in 'The Case for an Article 4 Direction in Manchester City Centre' section, even during 2020, when the impacts of the COVID-19 pandemic affected confidence in other parts of the country, Manchester's development pipeline continued to be built out.

The residential market continues to bring forward high density developments – comprising standard apartment developments alongside co-living and purpose-built student accommodation schemes – that can be accommodated with limited land take. For example, a single planning committee meeting in September 2020 approved more than £1bn of schemes in and close to the city centre, including:

- Four buildings ranging from 10 to 45 storeys that will deliver 2,224 bed spaces, including a significant co-living proposition, at First Street;
- 390 co-living apartments in a 32 storey tower on Water Street;
- 634 new homes in the Northern Gateway to be delivered across three towers of 18, 26 and 37 storeys;
- 410 new homes – comprising a mix of apartments and houses – in Miles Platting.

Manchester has the land available to deliver housing aspirations and, in this context, maintaining an element of control – in line with local planning policy – over land and premises supply to support a balanced development portfolio across the city remains an imperative.

## **Acknowledging Market Pressures**

### ***A Limited Land Supply***

Despite being a nationally significant employment and population centre, the Manchester local authority area covers just 11,565 hectares, against an English metropolitan borough average of 19,307 hectares, illustrating why land supply is so constrained within the city. In this context, balancing development priorities remains a challenge and a key priority to support both residential and employment growth aspirations.

In recent years, a strong residential market has fuelled demand for land within the city, with pressures being particularly evident in the city centre where the population grew by 185% between 2004 and 2019. A city-wide population of 627,000 people is now forecast by 2025 (+50,500 on 2019 levels) with the city centre population forecast to reach 100,000 – an increase of 28,000 people. High density residential development is planned to support this to happen, alongside employment development, in line with local planning policy.

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<sup>15</sup> Manchester City Council planning records, 2017/18 to 2019/20

### ***Achieving Balance in a Competitive Market***

Without appropriate planning controls, residential development often displaces alternative uses, due to the high values it can attract. DCLG land value estimates for policy appraisal 2019 clearly illustrate the challenge. In Manchester, a hectare of residential land has an indicative value of £2,130,000 compared to £675,000 for industrial land and £1,170,000 for out of centre office sites. The financial award for landowners and developers who secure a change of use is therefore attractive. Local intelligence highlights that residential land values being achieved in Manchester city centre significantly exceed the figures here, further exacerbating the challenge.

There are also challenges to accommodating wider demands within a limited land mass. For example, the city's universities continue to expand and there is strong demand for purpose-built student accommodation. Increasing employment and residential development in the city centre is increasing demand for culture and leisure and health and education facilities, factors which sit at the heart of Manchester's success and attractiveness of a place to live.

Further evidence of recent development trends is provided in the sections that follow. The ability to manage land supply to accommodate development across different uses remains central to meeting the city's dual growth ambitions.

## The Case for a Class E(g) Article 4 Direction in Manchester City Centre

### Key Points

- Planning policy recognises Manchester city centre as the most significant economic centre outside London and with continued growth ambitions. As well as establishing city centre wide ambitions, the role that sub-areas will play in satisfying both residential and employment growth requirements have been explored. This framework is supporting the advancement of a wide-ranging programme of development to allow potentially competing uses to be accommodated.
- The city centre features prominently in Manchester's spatial priorities for economic growth – accounting for nearly two thirds of the new office floorspace planned in the sub-region – and provides an opportunity to build on the strengths of current employment concentrations, including professional and technical services and research and knowledge based jobs, as well as planning for sufficient residential growth to accommodate a growing workforce.
- Residential development is continuing to be delivered at scale and high density within the city with a strong development pipeline in place. The ability to balance residential and employment growth ambitions is particularly important within the city centre and frameworks articulate the role that sub-areas will play. High density housing is allowing the city to deliver its housing commitments and ambitions, without encroaching on employment land and uses.
- Manchester city centre already plays a central role in the economic success of the city and Greater Manchester, as well as contributing to the performance of the North of England. It will drive economic growth in Manchester, whilst also making a significant contribution to national growth, with an additional 46,000 jobs (68% of the city-wide forecast) expected to be created in the wider city centre in typical office use sectors by 2038.
- Balancing the varied functions of the city centre through effective use of planning policy is necessary to maintain and enhance existing sites and premises and protect the concentration of economic activity in the city centre. Manchester remains pro-development, with a focus on ensuring that the city is successful as both a place to work and to live.
- On this basis, a new Article 4 direction for the protection of E(g) uses is recommended in parts of Manchester City Centre in order to support the economic function of area to be benefit of both the local and national economy.

### The City Centre Strategic Rationale

The city centre remains the focus for both new residential and employment developments within the city. An extended city centre – originally identified through the City Centre Strategic Plan 2015-2018 – supports the introduction of new homes of scale and offering variety to meet diverse household needs. It also, however, emphasises the need to ensure that control can be maintained of the form of development coming forward on a scheme by scheme basis to ensure that dual ambitions can be realised. Recognition of the role of the city centre in local policy is outlined below.

### Places For Everyone Joint Development Plan Document – Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Tameside, Trafford, Wigan August 2021

The Places for Everyone Plan sets out the need to focus growth on the Core Growth Areas including the City Centre and boost northern competitiveness whilst sustaining southern competitiveness to deliver inclusive growth across the sub-region by ensuring that employment growth opportunities are well connected and accessible to all residents.

Key locations that will help to maximise economic growth in an inclusive way include: the expanding City Centre, which will be further strengthened as the most significant economic location in the UK outside London, providing a high concentration of jobs that are highly accessible from across Greater Manchester and beyond. The city centre includes the Oxford Road corridor which will continue to



develop as a world-class innovation hub with a very high concentration of research activity and enhanced business connections.

The Places for Everyone Plan recognises the city centre as the most significant economic location in the country outside London. It is the central part of the core growth area (in addition to the Quays, Trafford Park), and the need to protect and enhance its economic role is highlighted in order to support major growth in the number of jobs to be provided. The framework states the need to maintain the city centre's role as the pre-eminent office location outside of London.

The PfE provides the quantum of office space required – at least 1,900,000 sqm of accessible new office floorspace will be provided in the Plan area over the period 2021-2037, with a focus on the City Centre, accounting for nearly two thirds of all new office floorspace in the sub-region.

### **Manchester Local Plan Core Strategy**

The Regional Centre, which the city centre is at the heart of, is recognised as the key driver of the city region which *“has greatest potential to drive its continued economic growth”*. Manchester City Centre and City Centre Fringe (including Strangeways, Collyhurst, Ancoats, New Islington and Manchester Science Park) are recognised as the key locations for major employment growth in Manchester with an allocation of 58ha for employment use. The Strategy states that *“the City Centre will remain the focus for office (and similar employment use) development”*.

The role of the city centre is clearly stated within the spatial principles of the plan where it states, at various points through the document:

*“The Regional Centre will be the focus for economic and commercial development, retail, leisure and cultural activity, alongside high quality city living.”*

*“The Regional Centre, with Manchester City Centre at its core, is the economic driver of the City Region and has greatest potential to drive its continued economic growth...”*

*“The focus on the Regional Centre reflects the established commercial core of the City Region, and objectives of PPS4 to direct key, office-based employment uses to appropriate centres.”*

The report recognises that the provision of sites for economic development is a key challenge within the city centre and the need to balance the varied functions of the city centre through effective use of planning policy. Policy EC2 refers to the need to maintain supply of existing employment sites, and consider changes on a case by case basis:

*“The Council will seek to retain and enhance existing employment space and sites. Alternative uses will only be supported on sites allocated accordingly, or if it can be demonstrated that:*

- *The existing use is un-viable in terms of business operations, building age and format;*
- *The existing use is incompatible with adjacent uses;*
- *The existing use is unsuitable for employment having had regard to the Manchester-Salford – Trafford SFRA; or*
- *On balance, proposals are able to offer greater benefits in terms of the Core Strategy's vision and spatial objectives than the existing use.”*

### **City Centre Strategic Plan 2015-2018**

The City Centre Strategic Plan sets out a long-term vision for the future of the City Centre. Manchester city centre is highlighted as playing a key role as a major employment centre and driver of economic growth, in addition to being an increasingly attractive population centre, a major visitor destination and a place to relax and spend time.

The Plan recognises ambitious targets set for the city centre and the need to plan growth to ensure that the scale of potential is captured in a way that is sustainable and acknowledges the varied functions of the city centre, with different parts of the city centre playing different roles in achieving this ambition.

The increasing demand for high-quality, flexible commercial space and need “to provide a growing pipeline of accommodation and protect strategic sites for commercial development” is referenced. Regarding the commercial market the document states that “..unless strategic action is taken, the impact on availability will see supply squeezed, prime rental rates increase, and limited opportunities to satisfy large-scale and footloose enquiries”.

### Area Specific Frameworks

Strategic Regeneration Frameworks and Development Frameworks have been prepared for sub-areas of the city centre, highlighting the distinct role that each will play within the city’s future development. The SRF and Development Frameworks includes sufficient new housing development to allow the City to meet its commitment to supporting the Places for Everyone Plan, taking advantage of high density apartment developments in a thriving city centre

Examples – covering parts of the city with potential to accommodate new development of scale – include:

Document Title	Scope
First Street Development Framework (2020)	Guiding a mixed-use programme of development which has already successfully introduced offices, student accommodation, a hotel and leisure offer and will continue to be built out to include new office and residential development in tandem.
Northern Gateway Strategic Regeneration Framework (2018)	Sets the ambition for a 155 hectare area extending out from Victoria Station that has the potential to accommodate 15,000 new homes in the city, including mixed housing choices by type and tenure.
NOMA Strategic Regeneration Framework (2020)	A 20 acre mixed-use neighbourhood to the north of the core city centre that has already delivered c.563,000 sqft of office development, 7,500 sqft of retail and leisure space and 458 new homes and with potential to accommodate over 2.3 million sqft of commercial space, once fully developed.
Mayfield Strategic Regeneration Framework (2018)	The Mayfield vision is to deliver a commercially led new neighbourhood, adjacent to Piccadilly Station with 154,800m <sup>2</sup> of new commercial space and 1,500 residential units, anchored by a new city park
Great Jackson Street Strategic Regeneration Framework (2018)	A residential led, mixed use neighbourhood, close to Piccadilly and Oxford Road station, with an emphasis on high density apartment development.
St John’s Regeneration Framework (2016)	Covering the former Granada site and surrounding area, this framework will guide the development of a new mixed-use neighbourhood in the city, including new cultural attractions, a variety of commercial space and residential accommodation.
North Campus (2017)	North Campus vision is to deliver a knowledge and research intensive mixed use neighbourhood, with 132,000m <sup>2</sup> of new commercial space and 1,000-2,500 residential units.
Oxford Road Corridor	One of the largest clinical academic campuses where businesses in the fields of science, health, and technology have co-located with the NHS Trust and universities, with a large research base, supported by the Manchester Science Park.
Eastlands Regeneration Framework (2019 update)	A 200 acre area of the city – on the city centre fringe – that has undergone significant change over the last 20 years and continues to support growth in the commercial, residential and leisure economy.

This suite of recently produced documents – guided by market need – informs planning decisions made across the city centre to ensure that each area can play a productive role in the city’s growth. If schemes can progress under permitted development in these locations, it will impact on the balance of development secured and the ability to meet the varied potential of each area.

## The City Centre Economic Rationale

### The City Centre as a Driver of Manchester's Growth

The core of Manchester city centre, falling within the inner ring road, provides the focal point for employment in the city with employment of 169,000 jobs in 2019, over two-fifths (41%) of city-wide employment. Between 2015 and 2019<sup>16</sup> employment in the city centre increased by 20%, compared to 11% across Greater Manchester and less than 5% nationally.

Given the context of an expanding city centre, a wider city centre boundary<sup>17</sup> has been defined taking into account the areas of the northern, eastern and southern fringes of the city centre to include the Oxford Road Corridor, Ancoats and New Islington, Strangeways, parts of Collyhurst and Hulme. Using this definition suggests the centre accounts for 55% of Manchester's employment.

#### Employment Levels in Manchester by Area, 2019

	Employment	% of Manchester
Core City Centre Manchester	169,000	41%
Wider City Centre Manchester	227,000	55%
North Manchester <sup>18</sup>	28,000	7%
East Manchester <sup>19</sup>	44,000	11%
South Manchester <sup>20</sup>	111,000	27%
Manchester Local Authority	410,500	-
Greater Manchester	1,388,500	-

Source: Business Register and Employment Survey, 2019

\* All figures rounded to the nearest 100, total may not sum

The core city centre is home to 37,500 residents, as of 2019, having experienced rapid growth since 2015 of 40.9%, a significantly faster rate of growth compared to Manchester as a whole (4.4%), Greater Manchester (3.0%) and nationally (2.7%). The wider city centre encompasses a larger population with 78,042, due to the inclusion of some more established residential areas such as Collyhurst, Hulme, Ancoats and New Islington.

### A Location for Growing Sectors

Manchester city centre is the central employment hub for businesses operating in several sectors and its ability to attract strong levels of employment in these sectors is reflected in the high levels of cross-sector employment.

#### Typical Office, R&D and Light Industry Uses

A SIC code definition has been used for the employment sectors most commonly accommodated in office space<sup>21</sup>, R&D and light industrial space<sup>22</sup> (which taken together correlate with the E(g) planning use class scope) to gather data.

<sup>16</sup> Due to changes in LSOA boundaries only data going back to 2015 is available for direct comparison.

<sup>17</sup> See Appendix 1

<sup>18</sup> Ibid

<sup>19</sup> Ibid

<sup>20</sup> Ibid

<sup>21</sup> Using the following sectors (using SIC 2007 codes): Information and communication (J); Financial and insurance activities (K); Real estate activities (L); Professional, scientific and technical services (M); Administrative and support service activities (N); and Public Administration and Defence (O).

<sup>22</sup> Using the following two-digit sub-sectors of Manufacturing (C) (using SIC 2007 codes): all Manufacture of textiles (13), wearing apparel (14), leather and related products (15), printing and reproduction of recorded media (18), computer, electronic and optical products (26), electrical equipment (27), furniture (31), repair and installation of machinery (33) and other manufacturing (32); and 50% of all manufacture of food and beverage products (10/11).

The core city centre accounts for 62% of Manchester wide office, R&D and light industrial based employment using the above definition, with 104,000 jobs in 2019. Using the wider city centre definition, office and light industrial based employment accounts for 69% of city-wide sector total.

Professional, scientific & technical activities is the largest office-based/R&D sector accounting for 41,000 jobs (44,000 in the wider city centre), 39% of city centre office and light industrial-based jobs.

#### Office and light industrial-based sectors employment Manchester city centre, 2019

	Core City Centre Manchester		Wider City Centre Manchester	
	Total employment	% of all office/light industrial-based employment	Total employment	% of all office/light industrial-based employment
Professional, scientific & technical activities	41,000	39%	44,000	38%
Administrative & support service activities	29,000	28%	32,000	28%
Financial & insurance activities	15,500	15%	17,500	15%
Public administration & defence	9,500	9%	11,500	10%
Information & communication	8,500	8%	10,000	9%
Light Industrial	500	0%	1,000	1%
<b>Total office/ light industrial-based</b>	<b>104,000</b>		<b>116,000</b>	

Source: ONS BRES, 2019

NB: All figures rounded to the nearest 100, total may not sum

Since 2015, employment in these sectors has grown by 24% in the core city, driving growth across Manchester in these sectors, accounting for 68% of Manchester-wide growth for office and light industrial based employment. The professional, scientific and technical activities sector was the main driver of this growth, growing by 41% in the core city centre and 42% in the wider city centre.

#### Forecast Growth

Employment in office-focussed sectors<sup>23</sup> is expected to grow by 13% in Manchester by 2038, creating an additional 68,000 jobs, driven by professional, scientific and technical and administrative and support services sectors. If the core city centre is to account for the same proportion of employment growth as it does at present, then a further 43,000/46,000 of office based jobs will be accommodated within the city centre, demonstrating the importance of retaining current employment space and supporting new employment space to be brought forward in the city centre.

Recent Oxford Economics forecasts suggest that Manchester's economy is expected to recover from the 2020 recession as a result of the Covid-19 pandemic and grow by 22% over the next five years, while private sector office-based employment will grow by a further 7%.<sup>24</sup>

#### Sub-Area Economic Roles

The city centre contains a series of sub-areas/neighbourhoods, each with a distinct role to play. As the city centre has grown, these distinctions have been retained with new neighbourhoods offering clear additions to the offer. For example, St Johns is supporting a new tech cluster within the city and Mayfield will support the introduction of a new city park, providing a unique setting for mixed use development. The Strategic Regeneration Frameworks and Development Frameworks outlined earlier in this section set the direction for the role of each area, in support of city centre and city-wide growth ambitions.

<sup>23</sup> Information & Communication, Financial Services & Insurance, Real Estate, Professional Services, Administrative and Support Services and Public Administration

<sup>24</sup> [https://www.savills.com/research\\_articles/255800/314716-0](https://www.savills.com/research_articles/255800/314716-0)

## The City Centre Development Rationale

The city centre recorded exceptional commercial and residential development over the past ten years, including major developments at Circle Square, Spinningfields, NOMA, First Street, St Johns, and Ancoats.

Manchester's development sector remains buoyant and resilient. During 2020, the Deloitte Crane Survey<sup>25</sup> found that 46 schemes were under construction and 35 were completed across all uses, the highest number recorded since Deloitte's records began in 2002. In addition, 24 new schemes started on site, one more than in 2019. These figures are despite a global pandemic.

When compared to the other regional cities considered by the Deloitte Crane Surveys, Manchester reported:

- a higher number of schemes under construction;
- the highest levels of office floorspace completed; and
- the highest number of residential units completed within the year.

### Recent and Current Workspace Development

Manchester has continued to deliver a strong portfolio of commercial developments in recent years, responding to the needs of a growing economy and a diverse business base. Over the last 15 years, city centre office development has been considerable, supporting the establishment of a series of new office-led neighbourhoods within the city (including Spinningfields, First Street and Piccadilly Place) to meet market demand. This development has helped to attract and retain new and existing employers and a growing skilled workforce to the city and the need to continue to build on the momentum remains evident. The city and market are responding with major new developments including Mayfield (where 1.6 million sqft of workspace will be delivered) and the continued development of Circle Square (where the first phase of development has delivered 400,000 sqft of commercial floorspace).

The Deloitte Crane Survey 2021 – which focuses on major developments in city centre Manchester and Salford – showed that during 2020:

- Eleven office schemes were on site, including three that started during the course of the year;
- Almost 1.3 million sqft of office accommodation was under construction; and
- A total of 1.2 million sq ft of office floorspace was completed across eight schemes. This was a 189% increase on 2019 levels.

Manchester City Council records – which cover all development activity, irrespective of size – suggest that the scale of commercial development was even higher with over 2.1 million sqft of development underway in the city centre, increasing to 2.3 million sqft when the wider city centre is considered.

Significant schemes include:

Completions	Under construction
Number 1 and 2 Circle Square	Manchester Goods Yard – Set to be completed late 2021
Redfern	Old Granada Studios – Set to be completed first half of 2022
Hyphen	Globe and Simpson – Set to be completed first half of 2022
Landmark	The Lincoln – Set to be completed in Summer 2021
125 Deansgate	The London Road Fire Station – Set to be completed by 2022

Although a significant scale of development continues to be delivered, Grade A supply remains a

<sup>25</sup> <https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/real-estate/deloitte-uk-manchester-crane-survey-2021.pdf>

challenge. Savills identified just under 800,000 sqft of available supply in 2020, equivalent to 1.8 years of average take-up<sup>26</sup>.

Ensuring that existing office supply is retained and put to productive use is therefore a high priority for the city. The refurbishment of existing stock is already playing an important role in meeting occupier demand. Examples of prominent refurbishment schemes making important contributions to the city centre offer include the £150m refurbishment of the CIS Tower and the £35m refurbishment of the Hanover Building.

Developments have accommodated both new entrants to the city (for example Amazon establishing its base in the Hanover Building where it intends to grow over time) and the relocation of existing businesses (e.g. Deloitte's move to WeWorks in the Hanover Building and Grant Thornton to Landmark), as lease terms have come to an end. Due in part to strong pre-lets (see below), the supply of new office space in the city centre is expected to be constrained from 2022 onwards<sup>27</sup>. As the city is forecast to continue to grow, pressures on limited land and premises supply within the city centre will continue to build, requiring careful management.

### Take Up Trends

Although the long-term impact of the COVID-19 pandemic on future working patterns and demand for space is yet to be determined, there are early signs that both employers and employees are keen to return to the workplace. A continued demand for space is therefore evident within the city and, due to strong accessibility, the city centre will remain the primary location for new development and the refurbishment of employment stock.

In Q1 2021, Manchester city centre office take up of 234,258 sq ft was recorded across 42 transactions<sup>28</sup>, continuing a trend of recovery in demand, following the pandemic. Diverse requirements were satisfied during the quarter, including for Orega (29,864 sq ft at Arkwright House), Ministry of Justice (24,548 sq ft at NOMA) and Brabners (20,239 sq ft at 100 Barbirolli). This early activity builds on the resilience of the market during 2020 when Manchester recorded the strongest take up amongst the Big 6 office markets – a trend that JLL expect to continue into 2021<sup>29</sup>.

A new rental high was also achieved during Q1 2021 with £38.50 psf secured on a letting to Grant Thornton at Landmark – a figure that JLL expect to rise to exceed £40 psf during 2021<sup>30</sup>. Investment interest remains high with approximately £290m of stock completed or under offer during the first four months of 2021, as occupier confidence also builds<sup>31</sup>.

Requirements are continuing to return to the market with occupiers increasingly confident in their requirements, including the need for more space to be dedicated to break out spaces and meeting rooms, alongside well-planned desk space. Requirements in March and April 2021 were 25% higher than during the same period in 2019<sup>32</sup> and the Deloitte Crane Survey 2021 found that 36% of all office space under construction was pre-let. The city centre remains the focus for office requirements as occupiers are attracted by the workforce draw.

Alongside traditional office space, recent strong additions to the flexible workspace offer (including the WeWork Hanover Building) show that the city centre remains the focus for this type of accommodation. Manchester was one of only three major cities in the UK to report an increase in the average monthly desk rate for flexible workspace between 2020-2021, and recorded the strongest growth<sup>33</sup>.

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<sup>26</sup> [https://www.savills.com/research\\_articles/255800/299603-0](https://www.savills.com/research_articles/255800/299603-0)

<sup>27</sup> Deloitte Crane Survey 2021

<sup>28</sup> [https://www.savills.co.uk/research\\_articles/229130/314716-0](https://www.savills.co.uk/research_articles/229130/314716-0)

<sup>29</sup> Property Predictions 2021: Manchester, JLL

<sup>30</sup> Property Predictions 2021: Manchester, JLL

<sup>31</sup> [https://www.savills.co.uk/research\\_articles/229130/314716-0](https://www.savills.co.uk/research_articles/229130/314716-0)

<sup>32</sup> [https://www.savills.co.uk/research\\_articles/229130/314716-0](https://www.savills.co.uk/research_articles/229130/314716-0)

<sup>33</sup> Based on Instant Offices transactional and enquiry data

Protecting employment floorspace to respond to both existing and future needs is a high priority in the current climate.

## Residential Development

### Recent Performance

The Deloitte Crane Survey 2021 showed the continued strength of Manchester city centre's<sup>34</sup> residential market. A total of 46 residential schemes were under construction during 2020 of which 16 started during the year, an increase from 11 in 2019.

Almost 5,000 (4,914<sup>35</sup>) residential units completed during 2020 (the highest number on record) and over 12,000 units were under construction – a figure that has been evident in each of the last three years. The number of residential schemes starting on site during 2020 was 45% higher than the number in 2019.

Significant schemes include:

Completions	Under construction
The Northern Gateway	Angel Meadow – The Gate and The Stile
Affinity Living Block 2- Circle Square	CityView
Kampus	Crown Street
Citu NQ	Viadux

Manchester continues to out-perform other regional cities on the scale of residential completions achieved and the forward pipeline. In comparison, the Deloitte Regional Crane Survey reports (2021) show that the number of residential units under construction in Birmingham was less than a third the number in Manchester in 2020 while in Leeds the number was less than a quarter, repeating trends reported in previous years. As noted under the city-wide development context section, the city centre will continue to play a key role in delivering residential development of scale in coming years.

Hometrack's UK Cities House Price Index 2020 found that national property value inflation averaged 3.9% over the year. In Manchester, the figure was 5.9% - more than double the rate recorded in London (2.6%). JLL's Living with 2020 Vision: Northern England Forecasts report (2020) forecast that Manchester's five-year sales price forecast is the highest of any UK city. This position could place further pressure on land values.

### Future Pipeline and Demand

Forecasts for 2021 suggest that a record breaking 5,800 new starts may be recorded in the city centre as confidence remains and continues to build in the residential market. New products are also increasingly evident in the offer, including a growing number of co-living units.

As outlined elsewhere in this paper, with forecasts for the city centre population to reach 100,000 people by 2025, there is a need to carefully manage limited land and premises supply to accommodate a growing population alongside an expanding employment base and ensure that residential quality standards are maintained. High density residential development is however supporting large scale delivery with limited land take and the city has identified appropriate allocations for all uses, supporting the city's growth.

A series of new high density residential-led development areas have been identified to accommodate growth, most significantly the Northern Gateway (now branded Victoria North) – one of the largest development/regeneration programmes in the UK – where there is scope to accommodate 15,000 new homes with other examples including plans for more than 6,300 homes at Great Jackson Street and 1,400 homes at Mayfield, as part of a new urban neighbourhood.

<sup>34</sup> Covering sites in city centre Manchester and Salford

<sup>35</sup> Manchester City Council records show that 4,526 of these units were in the Manchester local authority area

Each of these – and wider – developments will deliver high density residential development of scale to satisfy demand with limited land take and without the need to convert employment blocks. An Article 4 Direction will help to ensure that pressures across the city centre can be managed and overall growth objectives are achieved.

Recent market reports demonstrate continued occupier demand which will continue to fuel development. As lockdown restrictions ease and people begin returning to offices, property agents have seen growing demand for city centre living. Research by Zoopla found that demand for city centre apartments has grown by 5% in Manchester.<sup>36</sup> In addition, student demand in the city has also increased significantly ahead of the September 2021 term beginning. It is expected that 65% of workers will return to the office in July, further supporting the city centre residential market and office demand.<sup>37</sup>

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<sup>36</sup> [City centre apartments see an increase in demand as lockdown restrictions continue to ease – Beech Holdings](#)

<sup>37</sup> *Ibid.*



## The Case for an Article 4 Direction in Other Strategic Locations

### Key Points

- Out of city centre locations have a key role to play in accommodating both large scale and diverse business requirements. Not all needs can be accommodated in a city centre setting with out of centre premises needed to cater for some business needs and support city wide employment growth forecasts.
- A series of E(g) accommodated sub-sectors report 100% of employment in the city to fall outside the city centre, demonstrating the need for diversity in the offer.
- A total of 183,500 jobs that are typically accommodated in a E(g) use class (45% of the city total) are found outside the city centre, making an important contribution to the city's economy and providing local employment opportunities for residents.
- Airport City is a recognised existing key employment location in its own right. It has been identified as a strategic growth location within the city.
- A series of other employment clusters also play an important role in the city's economic success to date and future growth potential. These are recognised in strategy, including district centres, Roundthorn and Sharston Industrial Estates and Central Park and Eastlands.
- South Manchester alone accounts for 111,000 jobs – a higher figure than recorded for employment across all sectors of the economy in each of five of the Greater Manchester local authorities.
- By 2038, an additional 22,000 office-based jobs will need to be accommodated in out of city centre locations, if employment patterns remain unaltered. Ensuring that a supply of land and premises is retained to support this scale of uplift (a 42% gain on the current position) is essential to support the city's growth.

### The Need for Varied Settings for Growth

Although the city centre is the primary employment location within Manchester, it does not and cannot accommodate all requirements. An effectively functioning city requires a diverse employment base, distributed across the city to support both resident and business needs. It is evident that not all business needs are the same:

- Out of centre locations can provide larger units and lower cost provision than is typically found in the city centre.
- Some businesses require premises that are close to their workforce to support staff recruitment and retention.
- Infrastructure requirements vary by business with proximity to the motorway network or an airport a priority for some.
- There is value in locating alongside businesses with a similar focus and/or ethos, for example the digital and creative employment hub that has established around The Sharp Project at Central Park.

Out of centre locations have an important role to play in meeting diverse requirements. More flexible working patterns may also serve to drive demand for well-designed workspace out of the city centre, providing workers with lower density accommodation where there is scope for continued social distancing (if required) and that, in some cases, may be closer to employees' homes.

By ensuring that a variety of employment premises continue to be provided across the city, there is an opportunity to:

- a) Support Manchester's overarching growth ambitions by supporting nationally significant employment locations such as Airport City; and
- b) Protect sites that support local economic ambitions where the loss of employment premises could have a significant impact on the local authority area, including the employment prospects of residents.

This section identifies significant clusters of employment outside the city centre to consider the case for a Direction(s) elsewhere in the city.

## **The Strategic Rationale for an Article 4 Direction in Other Strategic Locations**

### **Manchester Local Plan Core Strategy**

The Local Plan Core Strategy recognises the role of different parts of the city in meeting overarching growth ambitions, ensuring economic benefits reach all residents across the city, including job creation and improved facilities and services in district centres. The report recognises that the provision of sites for economic development is a key challenge within the city centre, and notes that the scale of office development that the Council hope to accommodate is unlikely to be fully accommodated within the city centre and that *“not all office development will be suited to a City Centre location”* and therefore it is important that sites outside the city centre are identified for office development in order to fulfil growth ambitions.

Outside the city centre, Manchester Airport is named as a key location for major employment growth. *“The growth of Manchester Airport will act as a catalyst for the regional economy, and will also provide the impetus for a second hub of economic activity in this part of the City.”*

Other key areas outside the city centre for employment growth referenced in the Core Strategy include:

- Central Park and Eastlands
- City Fringe locations (much of which will be captured within the wider city centre definition proposed in the previous section)
- Small scale growth within District Centres
- Existing industrial estates, for example Roundthorn and Sharston in the south of the city
- Wythenshawe Hospital

### **Other Local Policy Direction**

A series of Strategic Regeneration Frameworks, Local Plans and District Centre plans set out ambitions within sub-areas of the city. These combine a range of physical development ambitions, new approaches to coordinated service delivery and actions to support local residents to play a full role in their area's success.

Within the City-Region Manchester Airport is recognised as an economic driver, adding value to the attraction of the City-Region for businesses and inward investment. The major development plans outside the city centre are captured in proposals for Airport City where large scale development is being progressed by the private sector to create a second economic hub for the city, in recognition of the area's unique features. The area has potential to accommodate employment growth in a variety of forms (including office, warehousing, hotels and leisure) in a location that offers very strong transport connections. Development in this area is being guided by a masterplan to allow the overarching ambitions and varied potential roles of the area to be coordinated.

## **The Economic Rationale for Other Strategic Locations**

### **Employment Levels**

Areas outside the city centre play an important economic role, supporting the success of Manchester as a whole and providing a variety of local employment opportunities, with 45% of Manchester's employment located outside the wider city centre area. South Manchester plays a key economic role, accounting for 27% of Manchester's employment, supported by a concentration of employment around Manchester Airport accounting for 28% of South Manchester's total employment.

**Employment Levels in Manchester by Area, 2019**

	<b>Employment</b>	<b>% of Manchester</b>
South Manchester <sup>38</sup>	111,000	27%
East Manchester <sup>39</sup>	44,000	11%
North Manchester <sup>40</sup>	28,000	7%
Wider City Centre Manchester <sup>41</sup>	227,000	55%
Manchester Local Authority	410,500	-
Greater Manchester	1,388,500	-

Source: Business Register and Employment Survey, 2019

\* All figures rounded to the nearest 100, total may not sum

Other concentrations of employment elsewhere in South Manchester as well as East and North Manchester are considered later in this report.

Employment outside of the wider city centre grew by 13% between 2015 and 2019, exceeding the Greater Manchester (11%) and national average (5%) growth rates over this time.

**Employment Hotspots**

Looking at employment in lower layer super output areas (LSOA) shows that high levels of employment are typically concentrated at the fringes of the urban core or around major landmarks such as key transport hubs or entertainment venues.

**Key Non-City Centre Employment Sites in Manchester, 2019**

	<b>Total Employment*</b>	<b>% of Sub-Area's Total Employment</b>	<b>Area Description</b>
<b>South Manchester</b>			
<i>Manchester Airport (LSOA053D)</i>	21,900	20%	Manchester International Airport and part of Airport City
<i>Newall Green (LSOA51B)</i>	9,900	9%	Wythenshawe Hospital and Roundthorn Industrial Estate
<i>Moss Nook (LSOA052E)</i>	7,200	6%	Close to Manchester Airport/ Airport City, home to Atlas Business Park
<i>Sharston (LSOA049E)</i>	4,600	4%	Sharston Industrial Area
<i>Didsbury (LSOA038D)</i>	3,400	3%	Home to The Christie
<i>East Didsbury (LSOA045C)</i>	3,100	3%	Home to Towers Business Park
<i>Manchester Airport (LSOA053E)</i>	2,200	2%	Airport City North
<b>East Manchester</b>			
<i>Ardwick (LSOA018A)</i>	5,600	13%	Home to Vaughn Street Industrial Estate, Maple Industrial Estate and Maple Business Park with various employment sites.
<i>Newton Heath/ Miles Platting (LSOA011B)</i>	3,900	9%	Home to the Sharp Project, Riverpark Trading Estate and various manufacturing and employment sites including Princes Food & Drink Group
<i>Alan Turing Way (LSOA015D)</i>	3,600	8%	Close to Etihad Stadium, home to parts of Etihad Campus (including Academy Stadium, English Institute of Sport), Manchester College (Openshaw Campus)
<i>Bradford (LSOA013G)</i>	3,200	7%	Close to Etihad Stadium and home to parts of the Etihad Campus (including the Manchester Regional Arena, Manchester Tennis and Football Centre).

<sup>38</sup> See appendix 1

<sup>39</sup> Ibid

<sup>40</sup> Ibid

<sup>41</sup> Ibid

<i>New Smithfield Market (LSOA17A)</i>	3,000	7%	Home to New Smithfield Market
<i>Ardwick Green (LSOA018D)</i>	2,800	6%	Home to Downing Street Industrial Estate, Apollo Business Park, Cariocca Business Park, and Manchester College (Nichols Campus)
<b>North Manchester</b>			
<i>Lower Crumpsall (LSOA06A)</i>	4,400	16%	Home to the majority of North Manchester General Hospital
<i>Moston Vale (LSOA09A)</i>	3,600	13%	Home to Central Park, GMP HQ, Fujitsu Arbata
<i>Cheetham Hill (LSOA058B)</i>	1,900	7%	Part of Cheetham Hill Retail Park and other retail/employment sites around Broughton Street

Source: ONS BRES, 2019

NB: All figures rounded to the nearest 100

## The Role of Class E(g) Accommodated Employment

Outside the city centre (using the wider city centre definition), there are 52,200 office and Light Industrial sector jobs, accounting for 31% of the Manchester-wide total, demonstrating that class E(g) employment is not confined to the city centre. Of these jobs, over half (56%) are in the administrative and support and professional services sectors, an important part of Manchester's economy.

While light industrial sector accounts for 9% of out of centre office and light industrial-based employment, the majority (84%) of Manchester's employment in this sector is located outside of the city centre, reflecting the type of premises typically occupied and demonstrating the importance of out of city centre locations for this sector.

The information and communication sector is also well represented outside of the city centre with 45% of the sectors jobs in Manchester based in locations outside the centre, suggesting that city centre office space is not always the most appropriate type of provision for businesses.

### Office and light industrial-based sectors outside of city centre, 2019

	Out-of-town <sup>42</sup> Employment Levels		
	Total employment	% of out of centre office and light industrial-based employment	% of city-wide sector employment
Administrative and support service activities	16,100	31%	34%
Professional, scientific and technical activities	13,100	25%	23%
Information and communication	8,500	16%	45%
Public administration and defence; compulsory social security	7,000	13%	38%
Light Industrial	4,800	9%	84%
Financial and insurance activities	2,600	5%	13%
<b>Total office and light industrial-based employment</b>	<b>52,200</b>	<b>100%</b>	<b>31%</b>

Source: ONS BRES, 2019

NB: All figures rounded to the nearest 100, total may not sum

With an additional 68,000 office-based jobs alone expected to be created in Manchester by 2038, if the distribution of employment remains as it is at present, a further 22,000 jobs will need to be accommodated in locations outside the wider city centre. This will be a 42% increase on the figure reported above<sup>43</sup>, highlighting the importance of supporting both new development and the retention of existing employment premises in out of city centre locations.

<sup>42</sup> This relates to non-Wider City Centre employment levels in the remainder of the Manchester Local Authority

<sup>43</sup> Which also includes an element of light industrial element so the actual percentage uplift will be higher

## Sub-Sectors with Strong Representation

Looking at sub-sectors of office and light industrial-based sectors above, by 3-digit SIC codes, reveals the sub-sectors which have particularly strong representation outside the city centre. For instance, some telecommunication activities, some public administration services and translation and interpretation activities are all based in locations outside the city centre. Ensuring employment space which caters for the needs of particular sub-sectors is maintained is important to growth of the wider sector and the city's economy.

### Office and light industrial-based sub-sectors outside of city centre, 2019

Sub-Sector (3 digit SIC)	% of city-wide employment
<b>Office-based sub-sectors</b>	
612: Wireless telecommunications activities	100%
843: Compulsory social security activities	100%
743: Translation and interpretation activities	100%
802: Security systems service activities	94%
712: Technical testing and analysis	91%
750: Veterinary activities	89%
773: Renting and leasing of other machinery, equipment and tangible goods	85%
722: Research and experimental development on social sciences and humanities	82%
619: Other telecommunications activities	79%
813: Landscape service activities	77%
821: Office administrative and support activities	76%
<b>Light Industrial-based subsectors</b>	
103: Processing and preserving of fruit and vegetables	100%
271: Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus	100%
273: Manufacture of wiring and wiring devices	96%
331: Repair of fabricated metal products, machinery and equipment	95%
329: Other manufacturing	95%
108: Manufacture of other food products	92%
107: Manufacture of bakery and farinaceous products	92%
265: Manufacture of instruments and appliances for measuring, testing and navigation; watches and clocks	88%
310: Manufacture of furniture	85%

Source: ONS BRES, 2019

Examples of areas of employment specialism outside the city centre include:

- Light industrial employment in LSOA053D (Manchester International Airport and part of Airport City), accounting for 12% of the city-wide total.
- Telecommunications in LSOA052E (Close to Manchester Airport/ Airport City, home to Atlas Business Park) and LSOA046A (Part of Sharston industrial area), 39% and 18% of the city-wide total respectively.
- Services to buildings and landscape activities in LSOA53D (Manchester International Airport and part of Airport City), accounting for 21% of the city-wide total.
- Public administration and defence in LSOA009A (Moston Vale, Home to Central Park and GMP HQ), 11% of the Manchester total.
- Motion picture, video and television programme production, sound recording and music publishing activities in LSOA011B (Newton Heath/ Miles Platting, home to the Sharp Project), 11% of the Manchester total.

## Concentrations of Employment

Looking at lower super output areas (LSOAs), the key locations with the highest number of office and light industrial-based employment are around Manchester Airport, Ardwick, Moston Vale, East Didsbury and Openshaw.

### Highest concentrations of office and light industrial-based employment in non-city centre, 2019

LSOA	Area description/primary uses	No. jobs
052E	Close to Manchester Airport/ Airport City, home to Atlas Business Park	6,000
053D	Manchester International Airport and part of Airport City	3,700
018A	Ardwick, Home to Vaughn Street Industrial Estate, Maple Industrial Estate and Maple Business Park with various employment sites.	3,000
009A	Moston Vale, Home to Central Park and GMP HQ	2,700
045C	East Didsbury, home to Towers Business Park	2,000
017A	Openshaw home to New Smithfield Market Offices	1,900

Source: ONS BRES, 2019

\* All figures rounded to the nearest 100

Each sub-area outside the city centre has distinct concentrations of employment with administrative and support and professional services sectors forming the key element of South and East Manchester, while public admin and defence plays a larger role in North Manchester's office-based employment. East Manchester also has a concentration of light industrial employment, with 40% of Manchester's light industrial-based employment located there. The nature of provision also varies to meet the target market's needs.

### Largest office and light industrial-based sectors outside of the city centre, 2019

	No. jobs	% of area's total sector
<b>South Manchester</b>		
Administrative and support service activities	10,000	32%
Professional, scientific and technical activities	8,500	28%
Information and communication	6,000	19%
Public administration and defence	2,375	8%
<b>East Manchester</b>		
Administrative and support service activities	5,000	35%
Professional, scientific and technical activities	3,000	21%
Public administration and defence	2,500	17%
Light Industrial	2,300	16%
<b>North Manchester</b>		
Public administration and defence	2,125	31%
Professional, scientific and technical activities	1,625	23%
Information and communication	1,625	23%

Source: ONS BRES, 2019

\* All figures rounded to the nearest 100

Core locations for office and light industrial-based employment within each sub-area of the city include<sup>44</sup>:

### South Manchester

LSOA	Area Description	Employment Concentrations
LSOA052E, LSOA053D and LSOA053E	Manchester Airport, Airport City, Concord Business Park, Manchester Business Park	<ul style="list-style-type: none"> <li>• Combined 10,700 office and light industrial-based jobs in the area accounting for 35% of all office and light industrial-based jobs in South Manchester, and 6.3% in Manchester</li> <li>• 4,700 jobs in the administrative and support services sector and 2,300 jobs in the information and communication sector located in this area</li> </ul>
LSOA046A and LSOA049E	Sharston industrial area	<ul style="list-style-type: none"> <li>• 2,200 office and light industrial-based jobs, 7.1% of all office and light industrial-based jobs in South Manchester</li> </ul>
LSOA045C	East Didsbury, Towers Business Park	<ul style="list-style-type: none"> <li>• 2,000 office and light industrial-based jobs</li> <li>• 1,100 of these are in the administrative and support services sector</li> </ul>
LSOA049C and LSOA050E	Wythenshawe Town Centre and surrounding area	<ul style="list-style-type: none"> <li>• 1,300 office and light-industrial based jobs</li> </ul>
LSOA051B	Roundthorn Industrial Estate	<ul style="list-style-type: none"> <li>• 1,000 office and light-industrial based jobs</li> </ul>
LSOA039D and LSOA042C	Christie Fields and Siemens site	<ul style="list-style-type: none"> <li>• 1,000 office and light-industrial based jobs</li> </ul>

### East Manchester

LSOA	Area Description	Employment Concentrations
LSOA018A	Ardwick – Vaughn Street Industrial Estate, Maple Industrial Estate and Maple Business Park	<ul style="list-style-type: none"> <li>• 3,000 office and light industrial-based jobs, 21% of all jobs in the sector in East Manchester</li> </ul>
LSOA017A	Openshaw	<ul style="list-style-type: none"> <li>• 1,900 office and light industrial-based jobs, accounting for 13% of East Manchester total for the sector</li> <li>• 900 professional, scientific and technical services sector jobs, 30% of the sector in East Manchester</li> </ul>
LSOA011B	Newton Heath/ Miles Platting, home to the Sharp Project, Riverpark Trading Estate and various manufacturing and employment sites including Princes Food & Drink Group	<ul style="list-style-type: none"> <li>• 1,700 office and light industrial-based employment, accounting for 12% of employment in the sector in East Manchester</li> <li>• 650 professional, scientific and technical services sector jobs, 22% of the sector in East Manchester</li> </ul>
LSOA017D	Gorton, home to Bond Mark Industrial Estate	<ul style="list-style-type: none"> <li>• 1,400 office and light industrial-based jobs, 10% of employment in the sector in East Manchester</li> <li>• Majority of which are administrative and support services sector jobs (1,300), accounting for 25% of the sector in East Manchester</li> </ul>
LSOA018D	Ardwick Green South, home to Downing Street Industrial Estate, Apollo Business Park and Cariocca Business Park	<ul style="list-style-type: none"> <li>• 1,100 office and light industrial-based jobs, 8% of employment in the sector in East Manchester</li> </ul>

### North Manchester

LSOA	Area Description	Employment Concentrations
LSOA009A	Moston Vale, Home to Central Park, Greater Manchester Police HQ	<ul style="list-style-type: none"> <li>• 2,700 office and light industrial-based jobs, 40% of employment in the sector in North Manchester</li> <li>• 2,000 jobs are in public administration and defence (with GMP HQ in the area), 94% of North Manchester's employment in the sector</li> </ul>

<sup>44</sup> Findings based on data from 2019 ONS BRES



LSOA006C	Harpurhey Ponds	<ul style="list-style-type: none"> <li>• 800 office and light industrial-based jobs, 12% of employment in the sector in North Manchester</li> <li>• 700 of which are in information and communication, 43% of North Manchester's employment in the sector</li> </ul>
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Outside these LSOAs, a series of other strategically important employment premises are recognised to be evident. These include single office blocks that, although not home to the largest concentrations of employment when considering data at a LSOA level, do provide important sources of employment for local residents. Examples include Hexagon Tower in Blackley, the JobCentre Plus offices on Palatine Road in Didsbury and Parkway in Whalley Range. These locations have been covered by existing Article 4 Directions.

### Dependency on Class E(g) Accommodated Employment

There are 17 LSOA's which have a particularly high dependency of office and light-industrial based employment with over 50% of total employment in these sectors, considering those LSOA's with more than 100 office and light-industrial based jobs.<sup>45</sup> The majority of areas with a high dependency on office and light-industrial based employment are found in South Manchester with nine LSOA's, while six are in East Manchester, and two are in North Manchester (in Moston Vale and Harpurhey). The loss of such uses, through permitted development without the opportunity for a thorough review of proposals, could have significant implications for the local economy in these areas.

#### Areas with High Dependency on Class E(g) Accommodated Employment outside of the city centre, 2019

LSOA	Area Description	% of all employment Class E(g)-based
LSOA052E	Close to Manchester Airport/ Airport City, home to Atlas Business Park	83%
LSOA053C	Close to Manchester Airport	79%
LSOA022G	Hathersage Road, Octagon House	78%
LSOA009A	Moston Vale, Home to Central Park, Greater Manchester Police HQ	77%
LSOA046A	Part of Sharston industrial area	67%
LSOA033B	Chorlton (including Mauldeth House)	65%
LSOA006C	Harpurhey Ponds	65%
LSOA045C	East Didsbury, home to Towers Business Park	64%
LSOA049C	Wythenshawe, Benchill	64%
LSOA017A	Openshaw, home to New Smithfield Market	61%
LSOA050C	Wythenshawe	61%
LSOA017D	Gorton, home to Bond Mark Industrial Estate	60%
LSOA012B	Ashton New Road, Clayton	57%
LSOA059C	Hulme	54%
LSOA018A	Ardwick – Vaughn Street Industrial Estate, Maple Industrial Estate and Maple Business Park	54%
LSOA011A	Newton Heath	52%
LSOA015E	Openshaw, close to the Etihad Stadium	53%

Source: ONS BRES, 2019

NB: Areas with over 50% of employment in office and light industrial-based jobs with at least 100 office and light industrial-based jobs are considered. A further six LSOA's have over 50% employment in office and light-industrial based sectors but have less than 100 jobs in the sector.

<sup>45</sup> A further six LSOA's have dependency on office and light industrial-based over 50% but employment of less than 100 in the sectors



## **Supporting Access to Work**

Access to employment opportunities is a key objective for Manchester City Council and being able to work locally is an important consideration in both accessing and maintaining employment for many residents of the city. Travelling into the city centre for work is not a viable or attractive option for many people for reasons including the ease and cost of travel and alignment with caring responsibilities.

The Census 2011 found that 66% of Manchester residents travelled less than 10km to work while 44% travel less than 5km to work. Of the 24 LSOAs with typically use E(g) accommodated employment accounting for 50% or more of total employment, 14 had lower levels of car ownership than the city average, at the time of the Census 2011, and 16 had a higher than average proportion of residents travelling less than 5km to work. The loss of local employment opportunities through the conversion of office stock to residential uses could therefore have significant implications for the ability to access employment, including in some of the city's most deprived areas.

## **The Development Pipeline and Take Up**

### ***Commercial Development***

A series of out of city centre locations play an important role in supporting Manchester to meet its employment growth ambitions. Airport City provides the greatest new development opportunity in scale. With plans to deliver 5 million sqft of commercial property over 10-15 years and a development value of £1bn, it is a strategic employment area in South Manchester, with Enterprise Zone status.

It is delivering mixed use development including offices, advanced manufacturing and logistics facilities, alongside hotels and retail plus supporting infrastructure improvements. As well as benefiting from proximity to an international airport, the area is served by the motorway and rail network and is close to a series of popular South Manchester and Cheshire neighbourhoods, providing access to labour. Its target market therefore complements the city centre offer.

Commercial development has continued to be brought forward at scale outside the city centre in recent years. Examples include Manchester Airport developments for Global Logistics, the China Cluster and the Icon logistics park.

Recent market reports highlight the continued strength of Manchester's out of city centre commercial market. The Manchester Office Agents Forum's first report of 2021 found that South Manchester was mirroring signs of recovery in the Manchester city centre office market. During Q1 2021, take up in South Manchester totalled 92,797 sqft, in line with performance during Q4 2020 and significantly higher than figures reported in Q3 2020. Performance has continued to build in Q2 2021, reaching 117,535 sqft in the south of the city. Examples of take up in out of city centre locations over the last year include:

- The Hut Group exchanging contracts with Airport City Manchester to develop their 1 million sqft landmark business campus during 2020;
- Mission Labs taking 11,000 sqft at Arbeta, One Central Park;
- Six new tenants being secured at The Sharp Project as lockdown restrictions eased during Autumn 2020; and
- Schmitz Cargobull leasing the 95,040 sqft Block A building at Southmoor Park in Wythenshawe.

Extant planning permissions show that there remains a strong class E(g) development pipeline, including:

- A new 13,200m<sup>2</sup> office block at Manchester Business Park, Airport City.
- A three-storey office at Manchester International Office Centre, Styal Road, providing 2,251m<sup>2</sup> of accommodation
- Development of a two-storey warehouse with ancillary first floor office on Lawton Street, Openshaw.
- Brunswick Mill in East Manchester which will provide approximately 20,000sqft of workspace, alongside residential development.

- 84 North Street, Cheetham Hill where a two-storey roof extension will deliver 4,800m<sup>2</sup> of office space.

### ***Residential Development***

Although the scale of residential development occurring outside the city centre is low in comparison (due to lower density), Manchester has continued to establish new residential supply in out of centre locations. Examples of residential schemes completed in the last three years include the 300+ homes delivered by Keepmoat in West Gorton, Clockworks delivering 105 apartments in Moss Side and the delivery of new homes at East Avenue in Openshaw where phase 2 – comprising over 120 homes – has now sold out. Small scale developments have also been progressed elsewhere in the city including the redevelopment of the former Manchester Metropolitan University campus in Didsbury and Westbrook Villas in Chorlton.

Extant permissions also show a continued development pipeline with examples including the redevelopment of the former Belle Vue Greyhound Stadium (247 houses and apartments), Cotton Quay Plots (491 homes and a hotel with 228 bedrooms), and the Gasworks (1,202 homes, and a class E ground floor space). In popular neighbourhoods such as Chorlton and Didsbury, managing land and premises supply to satisfy both residential and employment growth ambitions remains a challenge although a series of residential developments have continued to progress (for example the ongoing 825 Didsbury development).

The COVID-19 pandemic has led to a re-evaluation of the location decisions of both some businesses and residents within the city. As the long-term impacts of the last 16 months remain to be determined, it is particularly important to ensure that land supply can be effectively managed across the city to satisfy potential changing requirements.

## **Proposed Class E(g) Article 4 Direction Scopes**

### **The Overarching Case**

Over the last 15-20 years, Manchester has experienced significant growth in both its employment and population base. It is now one of the largest and fastest growing employment and population centres in the UK, forming the core of the Greater Manchester economy and supporting the North with an important role to play in the Northern Powerhouse and wider levelling up agenda. Delivering on population and employment growth ambitions together has required a carefully coordinated programme of development and recognition of the role that each part of the city can play in its success, within a tight local authority boundary. Ensuring that the city can continue to use the planning process to achieve balance and high quality standards remains a priority within a fast moving context.

Based on the evidence outlined in this report, a strong rationale for Class E(g) Article 4 Directions to be secured for defined parts of Manchester is believed to have been demonstrated. The evidence shows that:

- Manchester remains a development friendly location with both residential and employment development continuing to occur at scale.
- The city is forecast to continue to grow, making an important contribution to the sub-regional and national economy as it does so. Manchester already performs a central role in the economy of Greater Manchester and the North and can play an important role in the levelling up agenda.
- Growth in both employment and population will require careful management to ensure that both opportunities are captured in tandem.
- There are defined areas within the city that make a significant contribution to the Manchester economy and, in consequence, the performance of the sub-region and North of England. Each has an important and distinct role to play in supporting growth and diverse business requirements.
- Sufficient land has been allocated to ensure that all growth ambitions can be achieved within the city. High density residential development is ensuring that new homes are being delivered at scale with a relatively low land take.
- Current Article 4 Directions are supporting the planning authority to balance development pressures across the city and prompt planning decisions are being made on the applications received.

Identifying appropriate areas for the Directions to apply to is a key consideration, ensuring that control of development in key employment areas is secured while still supporting the city to satisfy both employment and residential growth forecasts.

Based on the evidence collected, the case for Directions to apply to locations both in the city centre and other strategic employment locations across the city has been identified. The proposed scope of each is outlined below.

### **City Centre**

The evidence collected through this report demonstrates the case for a new Article 4 direction in the city centre. This recommendation reflects that:

- The city centre provides the employment hub for the city, Greater Manchester and increasingly the North of England. There is a strategic case to protect the current function and facilitate growth to support the national levelling up agenda, as well as Greater Manchester and city specific strategic ambitions.
- Activity to date, including decisions facilitated by current Article 4 Directions, has supported the city to balance competing priorities for residential and employment development.
- Continued strong residential and employment demand and restricted land and premises supply requires continued coordination of activity, supported by Manchester's prompt planning determination process.

Recognising the strategic importance of the city centre on a sub-regional, Northern and national basis, the direction is proposed to align with the extended city centre boundary identified in the Strategic Plan for Manchester City Centre 2015-2018. This would cover strategically important sites within:

- the inner ring road
- the Oxford Road Corridor
- Strangeways
- Ancoats and New Islington
- Hulme
- Collyhurst

This reflects the continued growth of the city centre and the value in being able to coordinate the needs of competing development uses across the city centre, supported by a pro-development local authority, robust planning framework and prompt approvals process. All areas have high concentrations of E(g) employment – overall or in particular sub-sectors – and are parts of the city where there is known pressure for change of use to occur which will require careful management, in line with each area's development framework.

### **Other Strategic Locations**

The case for an Article 4 Direction(s) to also cover strategic employment locations outside the city centre recognises that:

- 45% of the city's E(g) employment is accommodated outside the wider city centre, with the development of out of centre employment destinations such as Airport City, playing a key role in supporting the city's growth ambitions.
- Different parts of the city are accommodating different employment needs and ensuring that a cross-section of business requirements can be accommodated in support of a growing business base with increasingly diverse needs. As well as referring to the accommodation itself, this includes a desire for some businesses to locate near transport infrastructure, including proximity to an international airport and the motorway network, plus their target workforce.
- There are competing pressures for land and premises in already popular and newly growing locations within the city. The ability to use the planning system to assess the implications of proposed change of use – on a scheme by scheme, area by area and city-wide basis – is important to supporting both employment and residential growth ambitions.
- Due to the scale of clusters of E(g) based employment located in out of centre locations, there would be a significant impact on the local economy if accommodation was lost to alternative uses and could impact some of the most deprived communities within the city and country.

Potential areas to form the focus of a new Article 4 direction outside the city centre have been considered from a range of perspectives. Consideration has been given to:

- The role that different areas play in providing typically E(g) accommodated employment – both in absolute terms at the city level and within local economies;
- Concentrations of particular sub-sectors of employment within the definition above;
- Resident ease of access to employment; and
- The strategic significance of identified E(g) employment areas, recognising both current economic contribution and the city's growth ambitions.

Using statistical evidence, the headline findings for potential areas to be prioritised are:

Socio-Economic Case to Intervene						
LSOA	Area	Top 5 LSOA for absolute office and light industrial employment	50%+ employment E(g) based	E (g) based employment sub-sector specialism <sup>46</sup>	Above average no car access	Above average working within 5km
LSOA052E, LSOA053D and LSOA053E	Manchester Airport, Airport City, Concord Business Park, Manchester Business Park	✓	Partially (52E)	✓ (multiple) <sup>47</sup>		✓
LSOA018A	Ardwick – Vaughn Street Industrial Estate, Maple Industrial Estate and Maple Business Park	✓	✓	✓ (multiple) <sup>48</sup>	✓	✓
LSOA09A	Moston Vale, Home to Central Park, Greater Manchester Police HQ	✓	✓	✓ <sup>49</sup>	✓	✓
LSOA046A and LSOA049E	Sharston industrial area	✓	Partially (46A)	✓ <sup>50</sup>		
LSOA45C	East Didsbury, Towers Business Park	✓	✓			
LSOA017A	Openshaw, home to New Smithfield Market		✓		✓	
LSOA017D	Gorton, home to Bond Mark Industrial Estate		✓		✓	✓
LSOA053C	Close to Manchester Airport		✓		✓	✓
LSOA049C and LSOA050E	Wythenshawe Town Centre and surrounding area, (Benchill)		✓		✓	✓
LSOA022G	Hathersage Road, Octagon House		✓		✓	✓
LSOA033B	Chorlton (including Mauldeth House)		✓			
LSOA006C	Harpurhey Ponds		✓	✓ <sup>51</sup>		✓
LSOA011B	Newton Heath/ Miles Platting, home to the Sharp Project, Riverpark Trading Estate and various manufacturing and employment sites including Princes Food & Drink Group			✓ <sup>52</sup>	✓	✓
LSOA018D	Ardwick Green South, home to Downing Street Industrial Estate, Apollo Business Park			✓ <sup>53</sup>	✓	✓

<sup>46</sup> Accounting for more than 10% of city-wide employment in the sub-sector

<sup>47</sup> Sub-sector specialisms include: light industrial; telecommunications; and services to buildings and landscape activities

<sup>48</sup> Activities auxiliary to financial services and insurance activities and employment activities

<sup>49</sup> Public administration and defence compulsory social security

<sup>50</sup> Telecommunications and Rental and leasing activities

<sup>51</sup> Scientific research and development and Computer programming, consultancy and related activities

<sup>52</sup> Motion picture, video and television programme production, sound recording and music publishing activities

<sup>53</sup> Security and investigation activities

	and Cariocca Business Park					
LSOA051B	Roundthorn Industrial Estate				✓	✓
LSOA015E	Openshaw, close to the Etihad Stadium		✓		✓	✓

Considering the strategic case for each of the areas identified above to be included in a new Article 4 direction shows:

<b>Strategic Fit of Recommended Article 4 Direction Areas</b>						
<b>LSOA</b>	<b>Area</b>	<b>Evidence of fit?</b>	<b>Summary</b>			
LSOA052E, LSOA053D and LSOA053E	Manchester Airport, Airport City, Concord Business Park, Manchester Business Park	✓	Priority Employment Location			
LSOA018A	Ardwick – Vaughn Street Industrial Estate, Maple Industrial Estate and Maple Business Park	✓	City Fringe priority employment location			
LSOA09A	Moston Vale, Home to Central Park, Greater Manchester Police HQ	✓	Priority Employment Location			
LSOA046A and LSOA049E	Sharston industrial area	✓	East Wythenshawe Development Corridor – priority location for development in Wythenshawe in the Core Strategy			
LSOA45C	East Didsbury, Towers Business Park	✓	Key South Manchester employment location			
LSOA017A	Openshaw, home to New Smithfield Market	✓	District Centre			
LSOA017D	Gorton District Centre, home to Bond Mark Industrial Estate	✓	District Centre			
LSOA053C	Close to Manchester Airport	✓	Priority Employment Location			
LSOA049C and LSOA050E	Wythenshawe Town Centre and surrounding area (Benchill)	✓	District Centre			
LSOA022G	Hathersage Road, Octagon House					
LSOA033B	Chorlton (including Mauldeth House)	✓	District Centre			
LSOA006C	Harpurhey Ponds					
LSOA011B	Newton Heath/ Miles Platting, home the Sharp project to Riverpark Trading Estate and various manufacturing and employment sites including Princes Food & Drink Group	✓	District Centre			
LSOA018D	Ardwick Green South, home to Downing Street Industrial Estate, Apollo Business Park and Cariocca Business Park	✓	Existing employment and economic development areas			
LSOA051B	Roundthorn Industrial Estate	✓	West Wythenshawe Development Corridor – priority location for development in Wythenshawe in the Core Strategy			
LSOA015E	Openshaw, close to the Etihad Stadium	✓	Priority Employment Location			

Based on the evidence presented through this report, and insights from the Manchester City Council planning team regarding strategically important office blocks, where pressure points are beginning to be seen and the strategic importance of different parts of the city, the priority locations to fall under an Article 4 Direction for E(g) uses outside the city centre have been identified as:

### **South Manchester**

- Airport City and surrounding business park locations (reflecting the location of the Enterprise Zone and the airport as an important economic contributor)\*
- East Didsbury (Towers Business Park)
- Chorlton (including Mauldeth House)
- Sharston Industrial Estate
- Roundthorn Industrial Estate\*
- Wythenshawe (around Woodhouse Lane)\*
- Hathersage Road and Richmond Grove (including Octagon House)

- Christie Fields and the Siemens site
- Parkway Business Park, Whalley Range
- Danesmoor Court on Palatine Road, Didsbury

### ***East Manchester***

- Openshaw (including the area surrounding New Smithfield Market and extending towards the City Football Academy)\*
- Miles Platting and Newton Heath (including the Sharp Project and Riverpark Trading Estate)\*
- Ardwick (focused on the area around Vaughn Street Industrial Estate, Maple Industrial Estate and Maple Business Park)\*
- Ardwick Green South (including Downing Street Industrial Estate, Apollo Business Park and Cariocca Business Park)\*
- Gorton (around the Bond Mark Industrial Estate)\*

### ***North Manchester***

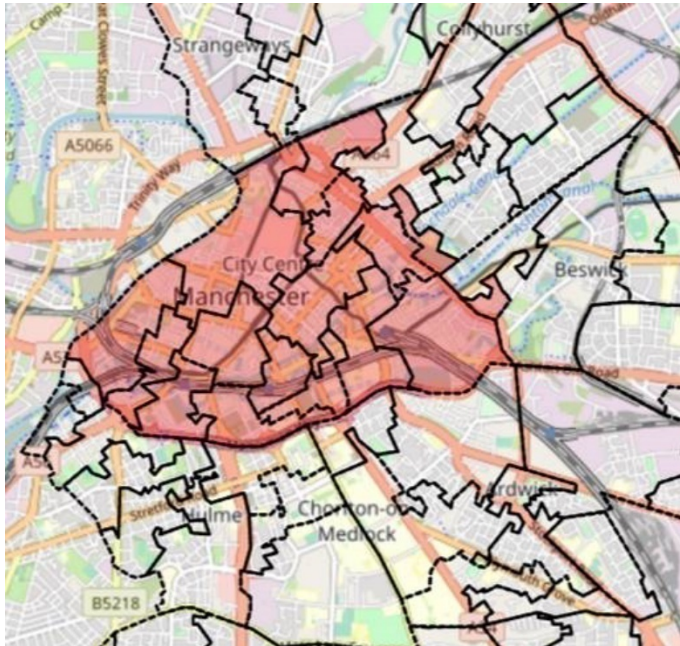
- Central Park \*
- Harpurhey (close to Harpurhey Ponds)
- Hexagon Tower in Blackley\*

Protecting these locations will help to ensure the city maintains a balanced E(g) based premises portfolio in support of city-wide economic functions and growth ambitions, as well as protecting against job losses in parts of the city that already report deprivation challenges. All areas marked with a '\*\*' fall (in whole or part) within the top decile of deprivation nationally with any job losses in these locations to have a considerable impact on local economies.

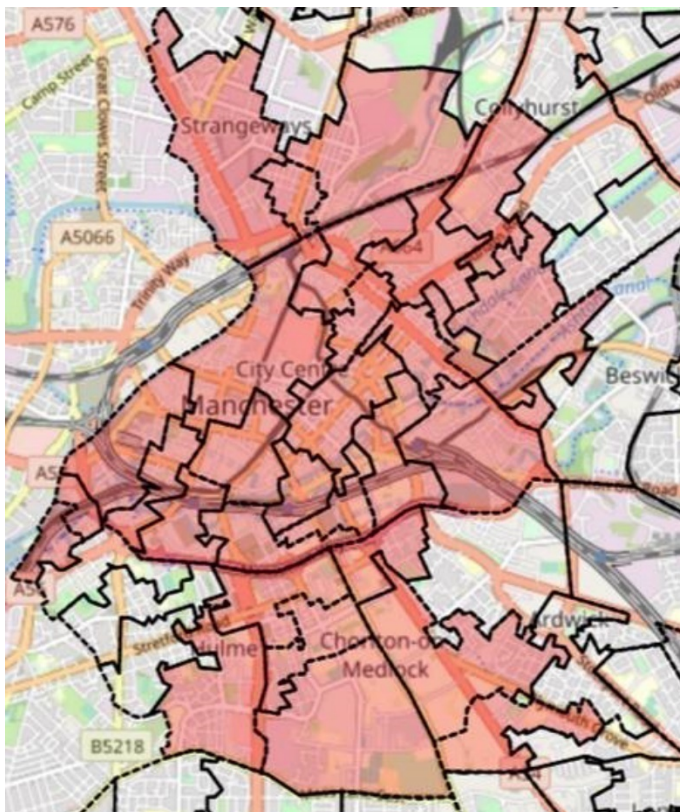
With sufficient land allocated to meet housing requirements across the city and a strong track record of delivery there is a rationale to ensure that employment uses are not displaced unnecessarily within priority locations in the city. The use of targeted Article 4 directions will support levelling up ambitions both within the city (recognising pockets of deprivation) and nationally.

## Appendix 1: LSOA Coverage

### Core City Centre Best Fit LSOA Coverage



### Wider City Centre Best Fit LSOA Coverage



This area comprises the core city centre (as outlined above) plus the following LSOAs around the periphery:

- North – LSOA054A, LSOA054B, LSOA056B, LSOA056C, LSOA058C.
- East – LSOA013D, LSOA013F, LSOA013E.



- South – LSOA018B, LSOA018E, LSOA019A, LSOA019B, LSOA019C, LSOA022F, LSOA057A, LSOA059B, LSOA059D.

#### **North Manchester Best Fit LSOA Coverage**

North Manchester covers an area of the Manchester local authority which runs directly north of the city at Strangeways up to Heaton Park and the M60 border. The LSOA boundary is a best fit with the Strategic Regeneration Framework area, covering all of the area due north and north-east of City Centre Manchester, running north-eastwardly to Moston and the M60 border on the north-side of Oldham Road. It includes the settlements of Cheetham Hill, Collyhurst, Harpurhey, Moston, Blackley and Crumpsall. Taking into consideration the Wider City Centre Best Fit LSOA Coverage, the area discounts some LSOA areas in due to inclusion of the Boddington Site, Green Quarter, Lower Irk Valley and part of Collyhurst in the wider city centre definition.

#### **East Manchester Best Fit SOA Coverage**

A best fit East Manchester boundary (based on the Strategic Regeneration Framework coverage) covers an area running north-east out by Oldham Road to Newton Heath and south-east along Stockport Road towards Levenshulme and the towns between the two and the Manchester local authority border. It includes the settlements of Beswick, Gorton, Fairfield, Droylsden, Openshaw, Debdale and Newton Heath. Given the Wider City Centre Best Fit LSOA Coverage, the area discounts Ancoats and New Islington.

#### **South Manchester Best Fit LSOA Coverage**

South Manchester covers an area of the Manchester local authority running directly south of Moss Lane East (plus part of Hulme above) and following the Oxford Road Corridor southwards to Manchester Airport. For the purpose of this study it combines the Strategic Regeneration Framework areas of Central, South and Wythenshawe. It includes settlements including Moss Side, Hulme (partially), Longsight (partially), Whalley Range, Rusholme, Fallowfield, Levenshulme, Chorlton-cum-hardy, Withington, Didsbury, Burnage, Northenden, Baguley, Newall Green and Wythenshawe. Taking into consideration the Wider City Centre Best Fit LSOA Coverage, the area discounts some LSOA areas in South Manchester due to inclusion of Oxford Road Corridor and part of Hulme in the wider city centre definition.