Who are the future city dwellers?

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The Centre for Cities

- **What?** An independent urban research unit based at ippr. Sponsored by Lord Sainsbury
- **Why?** Taking a fresh look at how UK cities function, focusing on economic drivers
- **When?** Launched March 2005
- **Where?** We've worked in Liverpool, Manchester, Birmingham, Sunderland, Derby, Barnsley, Doncaster, Thurrock, Milton Keynes and Dundee …

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Who are the future city dwellers? What do they want? How can we give it to them?
What is this presentation about?

Structure

- **Cities are doing better.** Population and job growth, new roles in a new economy
- **Future household growth** in the UK will be concentrated in and around our cities
- **Fly-through key 'building sites':** city centres, inner ring neighbourhoods, Growth Areas
- **The big challenges … can we meet them?** Issues for decision-makers


The big picture

Why are cities doing better?

- **The world is urbanising.** A majority of the global population now live in cities

- 2030: 60% of the world population will live in cities (UNHCS, 2001)

- **City-regions and mega-city regions are the UK's economic building blocks.** Cities offer density, proximity, variety (Glaeser, 2004, POLYNET, 2006)

- **Production, consumption and household networks are based around big conurbations.** For most people, city-regions represent 'the geography of everyday life' (Harding and Robson, 2006)

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Demographic change

- **Demographic change.** Household growth as people start families later, live alone for longer
- **By 2026, Government predictions suggest**

- **Fewer family households.** Under 50% of households, from 2/3 now
- **More single people, more older singles**. Nearly 75% of household growth: Over half aged 45+, nearly 25% 55-64
- **Household growth around cities, N and S**. 78% of the population live in / around England's 56 biggest cities (ODPM, 2006)

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Economic change

- **Industrial restructuring.** Cities have lost manufacturing, gained business services, retail, leisure – and public sector
- **Economic prosperity.** Economic recovery, rising disposable incomes, rising house prices
  - English city-regions now have 2/3 of all jobs (SOECR, 2006)
- **Technology has helped cities.** Anchors world cities, opens new markets, increases need for f2f communication (Mitchell, 1996, POLYNET, 2006)
- **Worklessness still concentrated in big urban areas**, especially inner east London and the Core Cities

Other drivers

- **Expansion of HE.** Far more students in big British cities
- Manchester: 98k students, 69% growth 1995-2004 (HEFCE, 2005)

- **Youth lifestyles are changing.** Extended adolescence, rise of youth culture, 'urban' subcultures (Urry, 2000)

- **Changing image of city living.** From *Blade Runner* to *Friends*, *Coronation St* to *Queer as Folk*

- **Policy drivers.** Planning systems, economic development, housing and regeneration funding

Who's living where?

CONCERT SQUARE, LIVERPOOL - 1993

CONCERT SQUARE, LIVERPOOL - 1995

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City centres

- **Overview:** rapid population growth, huge public/private investment in economy, housing, infrastructure

- **Drivers:** proximity and buzz pull people in

- Leeds: 37% move to city centre for lifestyle reasons, 17% for nightlife (Unsworth, 2005)
- Liverpool: 54% want to be central, 35% like urban life (CSR, 2004)

- **Population:** young, single people who don't stay long. Mix of students, young professionals and low-income groups

- **Key issues:** over-supply of small flats, lack of services, 'conveyor belt effect' as people move to popular suburbs

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NEW ISLINGTON, MANCHESTER - 2000

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Inner ring neighbourhoods

- **Overview:** 'doughnuts of deprivation' around city centres. Static / declining population
- **Drivers:** legacy of industrial change, local spirals of decline
- **Population:** mixed: white working class, new minorities. Aiming for: young families, key workers, older people

Lark Lane. That's nice. It's sort of a bit classier. I could live there. (Liverpool city centre resident)

- **Key issues:** attracting new residents, managing demolition, social infrastructure, private services

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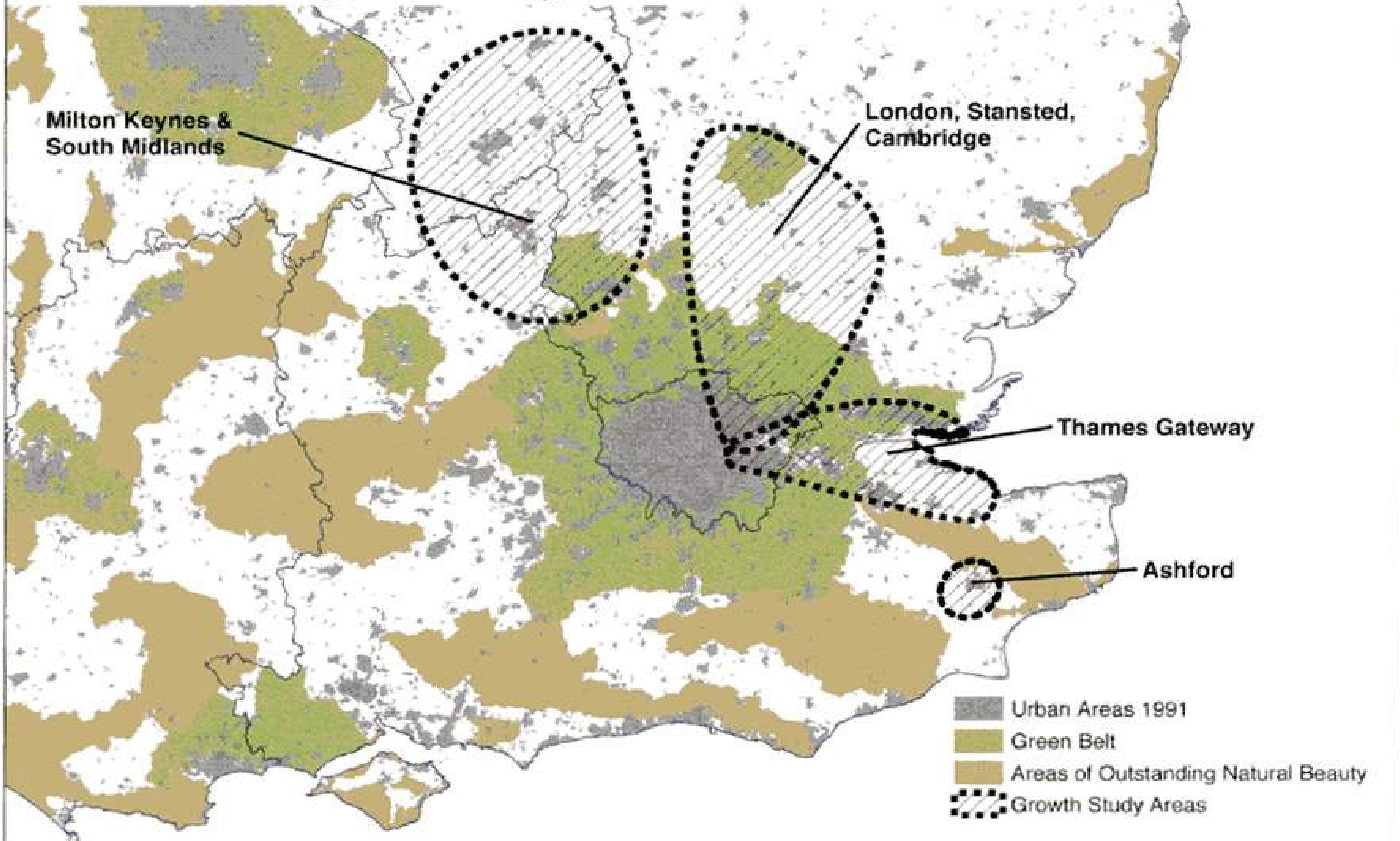
Areas of Outstanding Natural Beauty, Green Belt Land and the Growth Areas



Source: National Parks and Areas of Outstanding Natural Beauty designated by Countryside Agency, Green Belts by Local Plan

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Growth Areas

- **Overview:** managing growth of GSE, London. Shifting patterns of growth North and East of the capital
- **Drivers:** family formation, overheating housing markets
- **Population:** latent local demand, plus young singles, families. In the future, more older singles
- **Key issues:** regeneration (in Thames Gateway), potential racial tensions, delivering an attractive ‘offer’ to residents

I’m paranoid about new-build houses – a lot of them are lifeless…
(Potential resident)

What are the effects of city centre living?

Driving urban regeneration?

- **Helps local service economy**. Boosts demand for shops, bars, restaurants etc.

- **Wider catalyst effects**. Improves labour market, housing market mix, can change external perceptions

  City centre living, the University and the growing economy make a really strong pitch (Council officer, Manchester)

- **Other impacts.** Reduces car use, raises council tax take

- **Reflects wider city performance.** Strongest effects in best-performing cities

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A creative class?

- **Florida argues that cool, diverse cities do better,** attract firms, have the strongest economies (Florida, 2002)

- **Florida's theory doesn't work in the UK.** Key findings:

- Skilled people help urban growth, but there's no 'creative class'
- Most people move where the jobs are, not vice versa
- 'Creative cities' aren't the top performers (Nathan, 2005)

- **City centres demonstrate a 'mini-Florida' effect.** Buzz attracts skilled young people, but only for a short time – then they move to the suburbs

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The big challenges

The big challenges

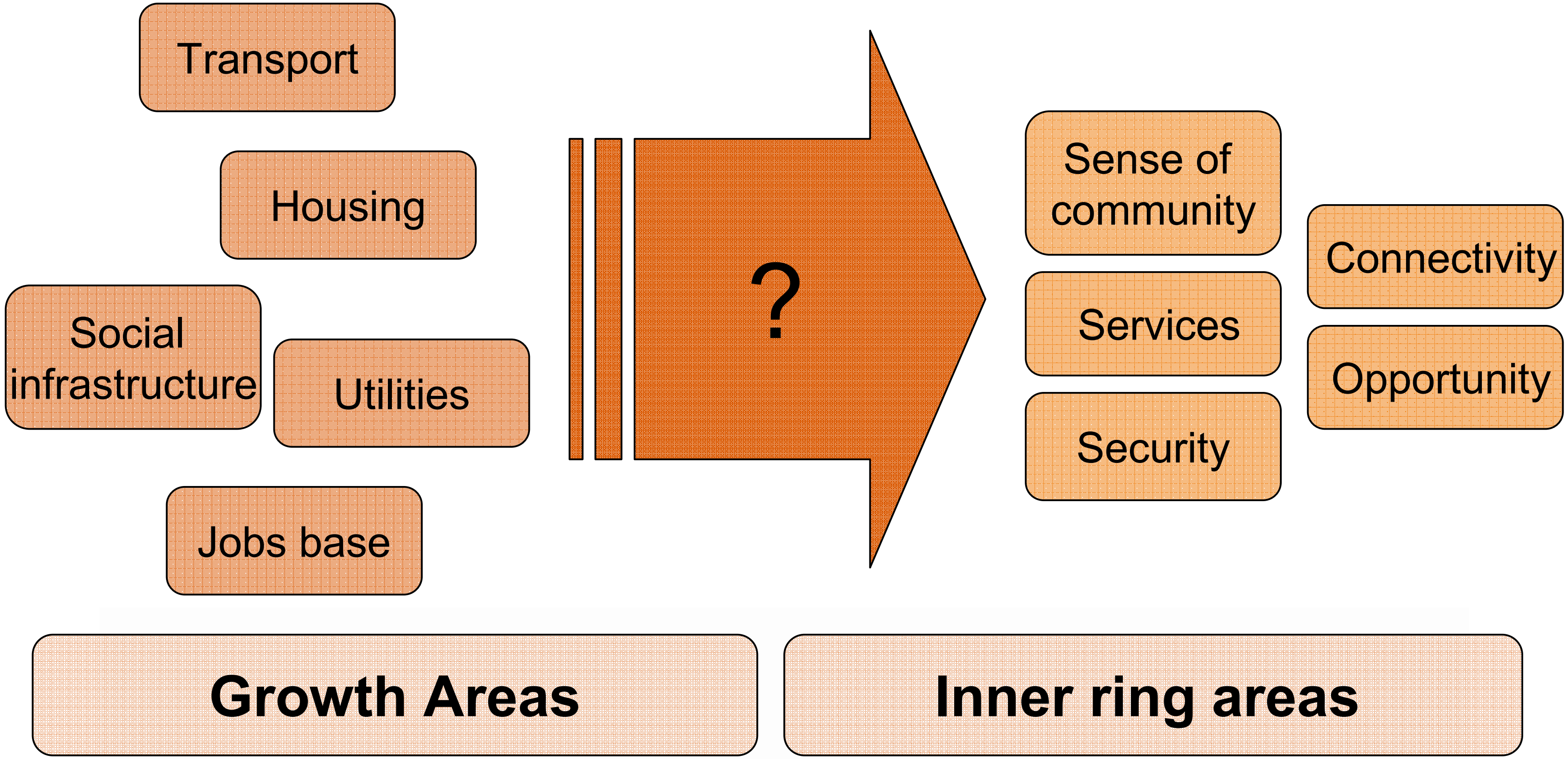
- **What do people want?** Some want city centre living, most want suburbia

- 2/3 of people live in suburban areas (DETR, 2000)
- The most popular English house types are detached houses, semis and bungalows (CABE / MORI, 2004)

- **What does Government want?** Enhance cities' economic role; regenerate inner ring neighbourhoods; persuade people into the Growth Areas

- **That means policymakers need to shape demand,** create markets, be interventionist

Delivering the offer



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City centres: next steps

- **Current residents:** better mixed-use 'offer'
  - Local shops that suit residents
  - Places to socialise. Relatively high tolerance of 'disorder'
  - Work spaces, especially for independent businesses
  - Car parking!
- **Future residents:** older singles, empty-nesters?
  - Demographic trends favour older singles over empty-nesters
  - Some city centres could 'go grey' … but most won't
  - Key concerns: security, space, mobility / access

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Inner rings: next steps

- **Inner ring neighbourhoods:** creating new offers

- *Edge of centre: ‘grown up city living’*
- *Inner suburb: classic family neighbourhood*
- Homes with gardens – not flats
- Space, security, services – especially parks, schools
- Street environment: needs to foster sense of community

- Connections to city cores – bus light rail, commuter lines
- Extend economic opportunities / access to employment

NEW ISLINGTON, MANCHESTER - 2018

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Growth Areas: next steps

- **Growth Areas:** creating new offers … especially for those not priced in

- Very diverse set of neighbourhoods: need broad mix of houses and flats across the four Growth Areas
- May need to densify development to meet household growth

- Space, sense of community, social infrastructure – utilities (!)
- Transport investment – more commuter rail capacity
- Ensure locals can compete in the labour market

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Can we deliver?

- **Finance and funding** – SR tools won't plug the gaps. How to align mainstream funding cycles, formulae?
- **Planning and incentives** – What will the Barker Review recommend? Can we reform VAT?
- **Institutions** – Big cities need more strategic freedom. Do we also need new delivery vehicles, e.g. City Regeneration Companies?
- **Integration –** need to better connect transport, land use, housing, economic development

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Macro challenges

- **More market-based approaches.** Housing and planning systems likely to become more market-led

  How can cities and regions tap into new / future markets?

- **Tighter public spending.** SR2007 will mean slower spending growth for the next 3-5 years

  Where should the money go? How much will there be?

- **Northern cities' economic base.** Long term drivers of growth need to be stronger. ABIs haven't had much effect.

  Can cities survive a downturn, or tighter public spending?

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Conclusions

- **Who are the future city-dwellers?** Most of us! Students and young workers, young families and older singles. Empty-nesters?
- **What do they want?** Most want city living when young, suburbia later. People show some signs of changing minds, if the product is right
- **How can we give it to them?** Need to shape demand, create compelling new offers. Won't be easy!


Questions?
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