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

LIVERPOOL BRIEFING

Introduction

Liverpool is one of the UK's major cities. City centre living began early here, and has taken off dramatically in recent years. Liverpool has seen its fortunes change over the same period. The city population was over 439,000 in 2001, and appears to be rising further. Over the late 1990s, output and employment growth have matched or outstripped national performance, although economic inactivity levels remain high and this is a major regeneration challenge.[1]

The city is one of the two pillars of the North West economy, although it has not matched Manchester's rapid recovery and expansion. Manufacturing and the port have declined dramatically, but this has been partly countered by growth in the public sector (particularly health, education and administration), banking and finance, and in distribution, hotels and restaurants. Alongside the public sector, tourism, retail and leisure are now key sectors of the city's post-industrial economy.

City centre population growth has been driven by expansion of the city's three Universities (there are now around 50,000 students in the city). Liverpool has seen progressive waves of development, starting with the Wapping and Albert Docks in the 1980s, followed by warehouse conversions and rebuilds in the centre of the city – notably Concert Square.[2] Now, development has spread across the city core, and is increasingly office conversions and new build apartments. The city saw a further surge of investor and buyer interest after Liverpool was crowned European Capital of Culture 2008.

The city centre

Liverpool's city centre covers the area bounded by Leeds St to the north, Hall Lane and the Waterfront to the west and Parliament St to the South. This is a big slice of the city, running up from Docklands, through the Commercial District, the main retail area and Ropewalks to Chinatown and the Canning / Hope district around the Universities and Cathedrals.

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[1] Liverpool City Council (2005): *Liverpool Economic Bulletin January 2005*, Liverpool: Liverpool City Council.
[2] C Couch (1999): 'Housing Development in the City Centre', *Planning Practice and Research*, 14:1, pp 69-86.

The heart of the city also contains some unique assets. The Canning / Hope district contains a lot of high quality, desirable Georgian and Edwardian town houses. Some are now being reconverted from flats to houses. The city centre and Waterfront areas are Objective 1 investment zones, and are now UNESCO World Heritage Sites.

The city centre is surrounded by the New Heartlands Housing Market Renewal Area, which also includes parts of Sefton and Wirral. Large parts of the HMRA, particularly in North Liverpool, are dominated by small terraces and social housing. South of the city centre there is a greater mix, with Georgian and Edwardian terraces in Princes' Park and Granby, close to thriving Sefton Park and Lark Lane.

Prices have risen rapidly in the past few years, both in the city centre and across other inner neighbourhoods. In 2003, the average price of a flat was £124,407 (26% higher than 2000) and the average house sold for £154,658 (78% higher). As of July 2005, there were nearly 4,600 flats in the planning pipeline: 3,047 under construction and 1,548 with planning permission.[3] Up to 6,100 more are awaiting planning permission or coming to market in the next 12 months.[4] Development is also starting to roll out beyond the city centre borders into neighbouring inner urban areas, particularly around Sefton St, Parliament St and Leeds St.[5] In line with national conditions, the market slowed across the city in the first half of 2005. Local observers are confident the market will start to pick up again in the months to come.[6]

Institutions and strategies

Liverpool has been promoting city centre living since the early 1990s. The City Council's aim is to 'exploit the potential of the city centre', to help stem population loss, boost the local tax base, change the investment climate and improve housing market conditions across the city.[7] Liverpool Vision URC was set up in 1999. It covers the city centre, and works closely with the City Council. It aims to have 20,000 people in the city centre by 2010. The city has been content to let the market run at its own pace until recently, but is now starting to take a more hands-on approach: new controls channel all future development into Housing Market Renewal areas.[8]

City centre population profile

Liverpool's city centre population grew substantially over the 1990s. Adjusting for changes in student counting, resident numbers grew from around 10,000 in 1991 to over 13,500 in 2001 (see table 1). Figures will have continued to rise after 2001, and we estimate the 2005 population is around 15,000 people.

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[3] Liverpool Vision / Liverpool City Council (2005): *City Centre Living: Residential Development Update July 2005*, Liverpool: Liverpool Vision; A Kelly (2005): 'Number of City Flats to Double', *Liverpool Daily Post*, 20 July.
[4] City Residential (2005): 'Liverpool City Centre Property Market: Current Market Conditions, Autumn 2005', Liverpool: City Residential.
[5] Stakeholder interview, August 2005
[6] Stakeholder interviews, August and September 2005
[7] Stakeholder interviews, August and September 2005
[8] Stakeholder interviews, August 2005

Table 1. Liverpool city centre population, 1991 and 2001.

City	Type	1991	2001	% change (adjusted figures)
Liverpool	Unadjusted	8,300	13,500	38
	Adjusted	10,000		

Source: Census, authors' own working.
Notes: 1) 1991 figures are provided in unadjusted form, and adjusted for changes in student counting 1991-2001. 2) Figures are rounded to the nearest hundred.

Liverpool's relatively large city centre population is partly the result of the city's generous city centre boundaries (see above). This definition means these figures are likely to understate the rate of population growth at the very core of the city.

Population growth has been almost entirely driven by students. In fact, Liverpool's city centre would have *lost* people over the 1990s if students had not moved in. Over 80% of the increase was in people living in communal establishments. Students dominate the city centre population, and set the cultural tone (see box).

Liverpool City Centre: Key Facts, 2001

Total Population: 13,500 (2001), 10,000 (1991)

Aged between 18-34: 62%

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

Students (as a percentage of working age population): 47%

Percentage living young professional lifestyles: 16%

Percentage living low-income lifestyles: 30%

Percentage of rented households: 73% (47% social, 26% private)

Percentage of 16-74 population that are graduates: 26.5%

Forty-seven percent of the core's working population are students. And in contrast to Manchester, there are more people living student-type lifestyles than there are students present in the city centre. This suggests that many people in employment are adopting the consumption behaviour usually associated with students.

Professionals are overrepresented. Around 38% of those in employment are professionals or associate professionals in the city centre. The equivalent figure for the city as a whole is 24%. But there are fewer young professionals than in Manchester, and fewer people living a young professional lifestyle.

Liverpool city centre is home to many of the city's pensioners, low earners and the relatively small groups of people dependent on benefits. Forty-seven percent of households live in social rented accommodation, often around the edges of the city centre. In this sense, Liverpool's city centre population is more diverse than those of the other two cities in the study, Manchester and Dundee – although Liverpool's generously defined city centre partly explains the result.

Resident focus groups: key findings

We ran three focus groups in Liverpool: with students; young professionals, and people on low incomes (retirees and young people).

Why are people in the city centre?
Convenience, proximity and buzz were the main attractors. Students from outside Liverpool had chosen the city largely for the nightlife; those from the area had chosen to stay near family and friends. Most residents felt Liverpool was a warm and welcoming place to be, and this had attracted them to the city. Older residents had lived in the same areas their whole lives, and saw no reason to move out. Two of the younger residents had been evicted and rehoused in town.

What do people do in the city centre?
Almost all those in work were based in the city centre, but less than half walked to work. As in Manchester, people spent a lot of time shopping and going out. Residents were impressed with the range of bars and restaurants, less so with shops which were felt to be dominated by chains. Those without cars shopped in the city centre, while car-owners visited supermarkets out of town. None of the respondents in any of the groups had much contact with public services: doctors were registered at home (students) or at family addresses. Drop-in health centres were used as backup. Two of the residents with children used city centre schools and liked them. Another two had children in schools outside the city centre.

What do people dislike about the city centre?
There were some concerns about claustrophobia and the character of flats. Students in particular felt their accommodation was bland, but the location made up for it. More broadly, concerns focused on cleanliness, and the constant building work in the city centre which meant noise, dust and congestion. There were some worries that too much identikit development was going up, and Liverpool was losing its identity.

Will people stay in the city centre?
As in Manchester, having or planning children was a key push factor for most residents (although not for all). Apart from specific concerns about space, noise, pollution and public services, there was a strong sense that city centre life was chaotic, and not to be inflicted on young children. The other push factor was lack of work. People felt there was intense competition for skilled jobs in the city, and some thought they might have to find work elsewhere. This could entail leaving Liverpool, although people wanted to stay in the city and commute if possible.

Where will people go next?
Across all groups, there was a strong preference for popular suburbs, and areas like Ormskirk, Knowsley, Wirral and Warrington. The city's North-South divide made itself felt, with most residents rejecting areas North of the Liver building. Canning and Hope were highly desirable areas to live, but seen as inner urban and not family-friendly. Some Housing Market Renewal Areas received a warm response: Picton, Wavertree, Princes Park and some areas of Toxteth near Lark Lane and Sefton Park were all potential areas to bring up a family. Kensington, Everton and Vauxhall had little appeal to any of the residents we spoke to.

Benefits of city centre living in Liverpool

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

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

City centre living has other benefits too. Residents are more likely to travel on foot, or using public transport. In Liverpool city centre, for example, more than a third of residents walk to work, compared with 12% nationally. However, levels of car ownership remain high, and car parking is at a premium. Cars are used less, but they haven't disappeared from people's lives.

For local authorities, city centre living can also help raise the local tax base. City centre living means a lot more high-value properties, and so more higher-rate Council Tax payers. Once again, though, the overall effect is relatively small: in Liverpool, only three percent of the city population lives in the city centre, and Council Tax accounts for only 20% of cities' revenue.

In larger cities, there are also some wider catalyst effects, across city-wide housing, labour and investment markets. In bigger places, the growth of city centre living both reflects underlying performance *and* accelerates it. However, housing markets are ultimately shaped by underlying economic performance. This means that in weaker economies, catalyst effects are weaker too. City centre living does best in cities that are doing best.

We can see these dynamics play out in Liverpool. City centre living has helped bring in a large number of skilled people. But city stakeholders are not wholly confident they will stay in the city, and many residents think they will need to find future jobs outside Liverpool. Stakeholders are clear that city centre living helps sell Liverpool to the outside world – alongside city-wide events like Capital of Culture. All of this has helped push up property prices across the city, but it is unclear how much of this is simply speculator activity.

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

There is some scope to build out the city centre – for key workers and prospective first time buyers – but the city and developers need to provide a mix of flats and larger, family-friendly housing around the edges of the core.

More broadly, Housing Market Renewal strategy should focus on making good suburbs, more than rolling out the city centre. It is important to keep working families close to the city centre, if not in it. Security, space, well-built houses, a sense of community and excellent public services are the priorities for the years ahead.

Liverpool is well-placed to do this. Within the city centre boundaries, the Hope St / Canning areas contain a lot of well-built, attractive houses with gardens. Further out, policymakers can capitalise on thriving housing markets in Sefton Park and Lark Lane; the Princes' Boulevard area, and Picton / Wavertree.

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

The full report can be downloaded from www.ippr.org/centreforcities

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