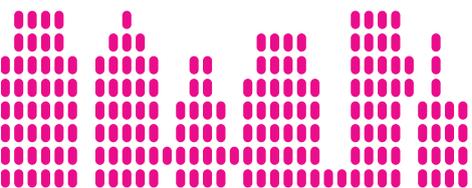


city people

city centre living in the UK

max nathan and chris urwin

with tony champion
experian business strategies
james morris



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All errors and omissions are the authors' own.

foreword

Tom Bloxham MBE

The city centre living phenomenon has been with us over 15 years now.

Outside the capital, Manchester was the pioneer. Other big cities like Liverpool have followed closely behind. And smaller cities like Dundee are now picking up the ball.

From the start, Urban Splash has been at the heart of it. Now, as we develop new ideas around the UK – Birmingham, Bradford, Plymouth, Altrincham – it's a good time for us to sit back and take stock.

And as the Government releases its huge *State of the Cities* research, it's important for policymakers to understand city centre living too.

What's happened, what has been achieved and what's going to happen next?

That's why I welcome this report.

The Centre for Cities takes a hard look at city centre living – in our big conurbations, and in the smaller cities around the country where things are also beginning to happen.

They dig deep into the data, providing a very rich picture of who's living in city centres, what they do and why they're there. Some of these findings will surprise you.

Most of all, the authors highlight some of the big challenges – for Government and for our cities:

- growing vibrant, successful communities in our city centres
- avoiding monoculture and keeping the mix
- ensuring that nightlife and residents continue to get along
- encouraging families into the neighbourhoods around our city centres – in particular, planning for schools, parks, healthcare and local shops
- turning these doughnuts of deprivation into the sustainable communities of the next decade.

As city centres have recovered, many areas nearby have stayed the same. Regenerating these inner ring neighbourhoods is the big priority for the decade ahead.

Learning from our experiences in city centres will help us succeed. So this research will help us all plan for the future. I hope it's read widely – especially by cities themselves.

Please let us have any comments.



“As city centres have recovered, many areas nearby have stayed the same. Regenerating these inner ring neighbourhoods is the big priority for the decade ahead”

executive summary

- Over the past 10 years, British cities have got better. And the growth of city centre living is the most visible symbol of this urban renaissance. But we know relatively little about it. Policymakers do not have detailed understanding of the city centre living phenomenon, or a clear rationale for it.
- *City People* examines the size and nature of the city centre living phenomenon, focusing on Dundee, Liverpool and Manchester. It looks at changes in the epicentres of these cities. It asks why it has happened, who is living in city centres – and how long they plan to stay. It then assesses the economic and social benefits of city centre living.
- Understanding this wave of city centre living is important. It helps us know more about the nature of urban renaissance, the large communities in the heart of our cities – and any wider impacts on cities' social and economic performance.
- We find that city centre living is real, and here to stay. It is the product of interlocking demographic, economic, social and cultural factors, and has been enabled by changes to public policy. City centre populations grew by nearly 100% in Dundee, around 40% in Liverpool and by nearly 300% in Manchester between 1991 and 2001. By 2001 there were 2,900 people living in the centre of Dundee, 13,500 in Liverpool and 10,000 in Manchester.
- These new city centre residents are mostly young and single, without children. In all three cities – especially Liverpool and Dundee, students have played a very important part in the growth of city centre living. Young workers and those on low incomes are the other key groups.
- City centres have a diverse mix of incomes, tenures and ethnicities. But there are very few families and very few children in city centres. Most people in city centres are at an early stage in their adult life. Yet to settle down, they make socialising the centre of their lives.
- Proximity and buzz are the main attractions for city centre residents. Living in the city centre allows them to walk to work, shops, bars and cafés while giving them the opportunity to feel at the heart of things. It makes socialising easier and more appealing. Although local tensions need to be dealt with, there is no conflict between resident and the evening economy. Rather, the evening economy is one of the biggest



attractions the city centre has to offer potential residents.

- City centre living is a short term experience for most people. It is more a way of living (now) than a place to live (long term). Most people intend to move out after a few years. City centre populations are characterised by high churn levels. Every year a third of the population moves out. City centre living is seen as inappropriate for families with children. Lack of services, lack of space and the absence of houses mean those planning a family plan to leave the city centre.
- So city centres may not meet the Government's definition of a 'sustainable community', but they are viable communities that work well for their existing residents. And, looking to the future, Britain's distinctive, young-adult driven model of city centre living has enduring appeal. Family-friendly city centres should not be a priority. The opportunity cost of providing family infrastructure in city cores would be too high.
- City centre living delivers positive economic impacts. It helps make city centres nicer places to be. In bigger cities this can generate catalyst effects through raising external perceptions of the city centre and encouraging investment, and can start a virtuous cycle of improvement. But city centre living reflects a city's economic performance more than it drives growth. Policymakers must be realistic about what it can achieve.
- Changes in city centre housing markets will shape these effects. The evidence suggests that the national housing market is overvalued, but not to the degree some suggest. Over the past 10 years, the property market has helped make city centres happening places. Over the next five years, this will not be the case. In the long term, city centre housing markets will prosper again. But it will always be a volatile market.
- City centres' ability to provide a catalyst to regeneration in deprived neighbourhoods is very limited. City centres can be built out around their borders and it is here that there is scope for family friendly housing. But Housing Market Renewal programmes should focus on making better suburban communities, rather than extending city centres. Government must make it easier to put public services in place – especially schools, utilities and healthcare.
- The impact of city centre living has limited potential in smaller cities. City centre living is less appealing in smaller places: there is less buzz, and proximity benefits are lower. However, city centre living can help improve the city core. By servicing a commuter economy, it could provide wider catalyst effects as part of a city-region development strategy.

1 introduction

The English are hopeless at cities ... It's as if we don't want fully to commit to the idea of living together.

David Hare, *The Permanent Way*, 2003

We are starting to see people move back into city centres, drawn by a lifestyle in which home, work and leisure are interwoven within a single neighbourhood.

Urban Task Force, 1999

True regeneration is not just about the city centre core ... and it is not something that happens overnight. We are seeing young professional couples living in the city and starting families, but the key now is making sure that they stay.

Richard Leese, Leader,

Manchester City Council, 2005

Over the past 10 years, British cities have got better. And the growth of city centre living is the most visible symbol of this urban renaissance.

Thousands of people have now moved back into our big provincial cities. By the late 1980s, for example, less than 1,000 people were living in the centre of Manchester. In 2005, the total was at least 15,000. Thousands of people have come back to places like Liverpool, Birmingham, Sheffield and Glasgow. And new city centre markets are emerging in smaller cities like

Dundee and Derby. People have always lived in the heart of a few British cities: London, and places like Edinburgh, Bath and York. But until very recently, our big urban cores were losing people. This wave of change is new and unusual.

The city centre living phenomenon is a good news story. Both central government and local authorities are keen to claim the credit. Meanwhile, smaller cities are keen to develop city centre living strategies of their own.

So it is surprising that we know so little about the growth of city centre living: why it has happened, who is living in city centres – and how long they plan to stay. Most importantly, we have very little idea what kind of regeneration effects city centre living has actually had.

City centre living is certainly trendy. So is it just about lofts and latte, or is there something more important going on?

This research looks at city centre living in more detail. It focuses on the growth of city centre living in big conurbations and freestanding cities, particularly in the North and Midlands.¹ We're looking at change in the very heart of these cities: the epicentre around the business district and the historic core.

The research asks:

- What is the nature of city centre living, and why has it happened?
- Who is living in city centres, and why?

¹ In what follows, the phrase 'city centre living' refers to the recent growth of city centre living in large conurbations and smaller, freestanding cities in the UK. It does not refer to city centre living in London or other places with established city centre populations, unless stated otherwise.



- Why is city centre living important, and what are the benefits of city centre living?

Why do we need to understand city centre living?

First, city centre living is a key component of the Government's urban renaissance agenda. New communities are forming in city centres, and we should get to know them better. Are British city centres family-friendly, and what are the links and tensions between residents and the evening economy? What are the wider social impacts of city centre living? Has it helped cities become better places to live?

Second, we cannot understand broader patterns of urban regeneration without getting to grips with the growth of city centre living. Policymakers have become interested in cities' economic role, and their contribution to regional and national policy goals. Cities are now widely seen as engines of growth, rather than drains on resources. So has city centre living helped city economies perform better? Does it simply reflect the economic recovery of big British conurbations? Or does it actually help to drive performance?

Third, we need to put city centre living in perspective. For example, the UK's big cities have been losing population for decades, a process that is just beginning to turn around. City centre living has clearly played a part in this. But how big is it, if most people still prefer to live in suburban areas? The most popular types of housing are the bungalow and the semi – not the loft.

Similarly, city centre housing markets have seen explosive price growth over the past decade, but this is now coming to an end. So what is going on here? How are city centre housing markets likely to perform? And how sustainable is the city centre living phenomenon?

Finally, decision-makers need to develop a clearer rationale for city centre living. Policymakers at central and local level aren't always clear about why they are promoting city centre communities, and what the benefits are. Developers and investors are often happy to follow the pack, without fully understanding the nature and dynamics of the city centre market.

So there is a knowledge gap and a policy gap. We hope this study will help fill both.

The report is structured as follows. Chapter 2 sets out the aims and approach of the research, and provides a definition of the 'city centre'. Chapter 3 provides background, and explores the drivers of city centre living. Chapter 4 describes who is living in British city centres, and Chapter 5 sets out the motivations, attitudes and behaviour of these people. Chapter 6 explores the economic impacts of city centre living, and Chapter 7 the social effects. Chapter 8 concludes, and sets out key messages and recommendations for decision-makers. This chapter outlines the aims, approach and methods of the study. It also introduces the three case study cities: Liverpool, Manchester and Dundee.

A detailed methodology note is available in Annex 1.

2 what we did

Introduction

In most British cities, city centre living is a very recent phenomenon. So our understanding is limited. There have been a number of small-scale surveys of individual city centres, but these can have very low response rates and hence are not always representative (e.g. Burdett et al, 2004, CSR Partnership, 2004, DTZ Pleda, 1998, FHP City Living, 2005, Madden et al, 1999, Pam Brown Associates, 2001, Seo, 2002 and Unsworth, 2005).

Equally, there are many studies predicting the shape city centre living might take, but very little reviewing what has happened, and the wider impacts on cities (Allen and Blandy, 2004 is a notable exception). Finally, even large cities often have relatively little idea of who is living in their city centres, what they are doing and how long they might stay. Some smaller cities are developing city centre living policies with no clear sense of strategy or benefits.

In particular, much of the research on city centre living has concentrated on the supply side: trends in construction and housing market conditions. While these are important, there has been relatively little work done with city centre residents, and

this is an important gap in policy knowledge (Allen and Blandy, 2004).

Aims, approach and methods

The research had four main aims. It set out to:

- Provide an overview of the recent city centre living phenomenon in the UK, and its impacts on city performance
- Combine detailed qualitative and quantitative research, developing a comprehensive picture of city centre living
- Compare and contrast the experience of different cities, allowing them to learn lessons from one another
- Engage with private and public sector stakeholders, to understand the multi-faceted nature of the city centre living phenomenon.

The project was based on detailed research in three British cities, each with different city centre living experiences. These were complemented by snapshot analyses of other cities around the UK. The main case studies involved quantitative and qualitative analysis. The aim was to provide both an 'aerial view' of

the city centre population, and a ‘street view’ of their experiences, attitudes and behaviour.

Specifically, the methodology was:

- *Background research*: literature review and interviews with key stakeholders
- *Detailed case studies of three UK cities*: 1991 and 2001 Census analysis, lifestyle data analysis, focus groups, key stakeholder interviews
- *Snapshots of other UK cities*: desk research and phone interviews.

We commissioned key elements of the research from external experts. Professor Tony Champion (Newcastle University) and colleagues performed the Census analysis. Experian Business Strategies provided lifestyle data analysis, combining Census material with a wealth of consumer data to give a detailed understanding of populations’ behaviour and attitudes. ippr’s in-house qualitative research team conducted the focus groups.

Choosing the cities

The current wave of city centre living is starting to spread from the UK’s conurbations and big cities to smaller places. We selected case study cities that illustrate the diversity of experiences: both established markets and emerging markets. The three cities chosen for detailed case studies are:

- Liverpool and Manchester, major English ‘core cities’. Manchester led the way, and now has a very established city centre housing market. Liverpool’s market is less mature. It can learn from Manchester’s experiences.
- Dundee, a small Scottish city with an emerging city centre housing market.

Snapshot analyses of other cities make it possible to generalise with confidence. The three cities chosen for simple case studies are:

- Birmingham, England’s second largest city with a recently established city centre housing market
- Derby, a small English city with an emerging city centre market
- Edinburgh, a large Scottish city with a history of city centre living.

We chose not to look at London. The capital is unique among British cities, and has a long, distinctive history of people living at its core (Burdett et al, 2004 and Hall & Ogden, 2003 are useful studies of inner urban living in London).

Defining city centres

No standard definition of city centres for residential purposes exists. For strategic plans, local authorities draw their own city centre

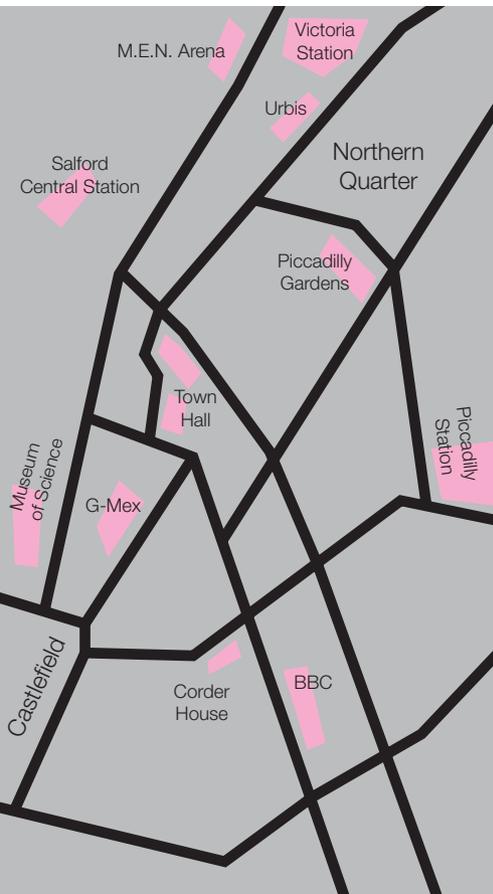


boundaries. We took these definitions as a starting point and then asked each local authority to modify boundaries to take into account any more recent patterns of development. In Manchester and Dundee, boundaries were extended as a result.

The lack of a standard definition means that comparisons should be made with caution. At the heart of each city centre is the Central Business District (CBD), but the amount of surrounding residential area encompassed by city centre boundaries varies (Maps 1, 2 and 3).

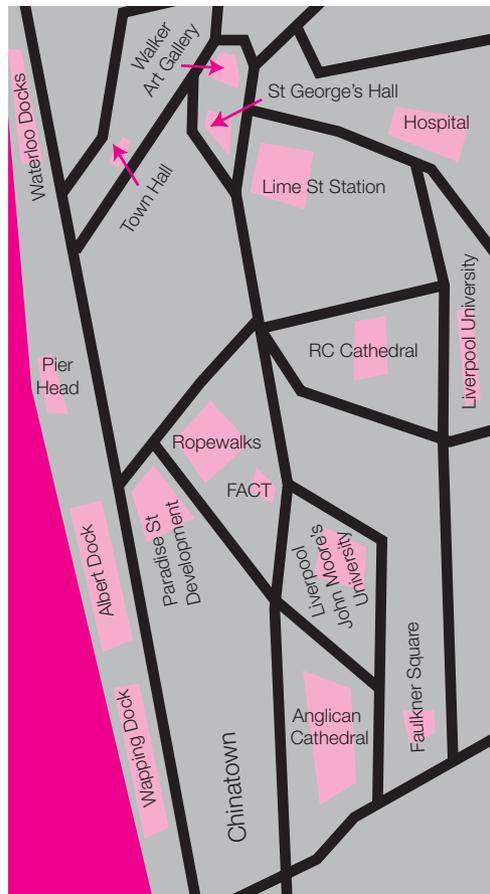
Map 1 Manchester city centre

Manchester has a tightly bounded city centre. The area within the inner ring road covers 390 hectares and feels much like a Central Business District. For the purposes of this study, the area to be examined has been slightly extended to take into account more recent development in small parts of Ancoats, Piccadilly, Castlefield, Hulme and Salford.



Map 2 Liverpool city centre

Extending well beyond what many Liverpoolians consider 'town', the city centre covers around 515 hectares and includes some areas of established housing around the Docks, Universities and Cathedrals.



Map 3 Dundee city centre

A compact centre for a compact city, Dundee's traditional centre covers 108 hectares, the area within the inner ring road. For this study, we are looking at a larger area covering the centre plus the Waterfront.



3 what is driving city centre living in the UK?

Summary

This chapter traces the growth of city centre living in Britain. The focus is the wave of development in provincial cities since the mid-1980s. Thousands of people have moved back into the heart of big cities, and smaller cities are increasingly following their lead. This has been driven by interlocking demographic, economic, social and cultural forces. An improving economy, rising house prices, higher education (HE) expansion and an appetite for solo urban living have been especially important. City centre living has also been enabled by public policy, particularly planning frameworks and regeneration funding.

City centre living appears to have helped big cities turn around population decline, although it has not yet reversed long term trends. While central government can claim some of the credit, policymakers often lack a detailed understanding of city centre living, or a clear rationale for it.

A brief history of city centre living

The growth of city centre living is one of the big success stories for British provincial cities. In 2005 Manchester had a city centre population of around 15,000 – rising from less

than a thousand in the late 1980s. In 2001 Liverpool had at least 13,500 people in the city centre, and will now have more. Around 12,000 people live in the centre of Nottingham, up from 4,000 in 1998. Other big cities – Birmingham, Leeds, Newcastle, Sheffield, Glasgow, Belfast – have experienced similar, rapid growth.

City centre living is not as new as many people think. London has always had people in the city core, as have major Scottish cities like Edinburgh and Glasgow. But England's conurbations have never had the large city centre populations we see in Paris, Milan or Barcelona. British policymakers have been heavily influenced by continental European cities, as well as London, in seeking to promote city centre living in provincial cities across England and the rest of the UK.²

In Liverpool, this wave of city centre living began in the mid-1980s with the development of the Albert Dock; in Manchester with the first warehouse developments in Castlefield and the Northern Quarter. In many cities, industrial restructuring and population loss had reduced city centres to a few hundred people, with acres of empty space: Manchester's city centre population fell by 73% between 1961 and 1991 (Couch, 1999).

² Stakeholder interview, June 2005



Reusing and repopulating city centres was imperative, and since the early 1990s UK governments have sought to move people back in (ibid). As policymakers repackaged cities as post-industrial centres, culture or leisure hubs, they have used flats, offices, shops, nightlife and public spaces as elements of city centre renewal.

Creatives, gay people and others leading alternative lifestyles were among the first city centre residents. Today, city centres seem to be a mix of committed urbanists and a majority of short term stayers, but detailed information about city centre residents is thin on the ground (Allen and Blandy, 2004). We will return to this in Chapter 4.

Smaller cities have now begun to develop city centre housing markets of their own. Inspired by the success of larger places, Derby, Dundee and Leicester – for example – have all drawn up major plans to grow their city centre populations from a few thousand to 10,000 or more (Derby CityScape, 2005, Dundee City Council, 2003, Leicester Regeneration Company, 2002).

Local authorities and regeneration agencies pump-primed city centre sites, then stepped back to let the private sector take over. Early developments were public-private partnerships, often involving social landlords and niche developers, aimed at owner-occupiers and small investors. These markets are now largely investor-driven and involve mainstream

property players. Registered Social Landlords (RSLs) are still in city centres, but are no longer the leading players in property development.

The initial spate of office, loft and warehouse conversions has now expanded to include large numbers of new-build flats and ‘loft-style’ apartments. Supply is now dominated by studios and one/two-bed flats aimed at the buy-to-let market. In many city centres investors control around 70% of the market, up from 40% a few years ago (FHP City Living et al, 2005, Jones Lang La Salle, 2002). Individuals, institutions and property syndicates are all active, although stakeholders suggest that many big investment houses have moved out of the market in the past few years.³

City centre housing markets have seen explosive price growth over the past 10 years. There are signs this is now coming to an end. Over the first half of 2005, price growth was flat or negative, the volume of sales and rents fell and many investors became less interested. On the ground, there are now some signs of recovery, but it is clear that tougher times lie ahead. We will return to the housing market in Chapter 6.

Even as housing markets cool, developers in many cities are ‘pushing the city centre out’, building more high-density apartments in inner urban neighbourhoods that ring the city centre (Allen and Blandy, 2004). In northern cities like Liverpool and Manchester, this

³ Stakeholder interviews, June and September 2005.

means that vibrant city centre housing markets are surrounded by low-demand Housing Market Renewal (HMR) areas.

The relationship between vibrant city centre housing markets and HMR has become a key issue for policymakers (ODPM, 2005d). Having effectively let the market go, many city planners are now taking a more hands-on approach, seeking to channel supply from the city centre into inner urban regeneration zones (see Annex 2).

Putting city centre living in context

Population loss is the most visible symbol of urban decline, and over the past few decades, big British cities have been losing people. People voted with their feet, moving out to smaller cities, towns and rural areas (Champion et al, 1997). These shifts have been huge: between 1951 and 2001 the seven major conurbations in Britain had a net loss of 1.4 million people (Moore and Begg, 2004).

But as cities have recovered, their populations are showing signs of positive change. Cities' share of population growth has been rising. The 56 biggest urban areas in England took just 7% of national growth between 1981 and 1991, but 36% between 1991 and 1997 and 42% between 1997 and 2003. London took the lion's share of this, but the other cities' share is growing too (Champion, 2005). And since 2001 Britain's

other big conurbations seem to be gaining people again (see Table 1).

What is driving this? First, England is now a country of net immigration, particularly to London, the South East and other large cities (Champion, 2005). Second, all cities' net population losses are deceptive: they hide very large inflows and outflows. During the 1990s, for example, for every four people leaving the big conurbations, three were moving in the opposite direction. So it only takes a small change to shift the people flow entirely (Champion and Fisher, 2004).

Table 1. Population change in English cities, 1981-2004

	1981	2001	2004
Conurbations			
Greater Manchester	2,619,100	2,516,100	2,539,000
Merseyside	1,522,200	1,367,800	1,365,800
West Yorkshire	2,066,800	2,083,100	2,108,000
Tyne & Wear	1,155,200	1,086,600	1,085,600
West Midlands	2,673,100	2,568,100	2,579,200
South Yorkshire	1,317,100	1,266,500	1,278,400
Cities			
Manchester	462,700	422,900	437,000
Liverpool	517,000	441,900	444,500
Leeds	717,900	715,600	719,600
Newcastle	284,100	266,200	269,500
Birmingham	1,020,600	984,600	992,400
Sheffield	547,800	513,100	516,100

Source: ONS Population Mid-Year Estimates, Champion and Fisher (2004).



Third, even as some people were leaving big cities, others have been coming back to city centres. The growth of city centre living seems to have helped big cities turn losses around. Rates of population decline slowed during the 1990s and now seem to have gone into reverse. But city centre living is still in its early phases, still small scale, and has not yet reversed long term population decline (table 2). Putting people back into city centres is probably not the answer to cities' long run demographic challenges.

Table 2. Population change and city centre living, 1981-2001

City	Data	City centre population, 1991-2001		Whole city net population loss
		1991	2001	1981-2001
Liverpool	Unadjusted	8,300		74,700
	Adjusted	10,000	13,500	
Manchester	Unadjusted	2,500	7,100	44,000
	Adjusted	3,500	10,000	

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

Notes: 1) City centre figures are based on the Census, city figures on population MYEs.

2) Manchester figures apply to the area in this study, not the smaller city centre planning area.

3) 2001 figure for Manchester is a best estimate, calculated with help from the City Council.

4) 1991 figures are provided in basic form, and adjusted for changes in student numbers 1991-2001.

Drivers of city centre living

City centre living is the product of interlocking demographic, economic, social and cultural factors (Allen and Blandy, 2004). This section sets out the key forces at work.

Demographic factors

The UK's population structure is changing, and there are now more people who should be attracted by city centre living. The UK population is growing, but the number of households is rising faster. Between 1961 and 2004, the number of families in Britain rose by 2.6m, but the number of households rose by 7.8 million, nearly three times higher (ONS, 2005).

This is because there are more single households – young single people, divorced people and a growing number of older people. Britons now marry less and later, and spend more time living on their own before or after relationships (Lewis, 2005). In 2004, for example, there were seven million Britons living alone, nearly four times as many as in 1961 (ONS, 2005). Elderly people are still the most likely group to live alone, but there has also been a sharp rise in the number of young people living alone, particularly young men and those aged 25-44 (Bennett and Dixon, 2005).

These trends could continue into the near future. The Urban White Paper predicted an extra 3.8m households across the UK between 1996 and 2021 (DETR, 2000). More recent, interim government figures suggest that by 2021, the total number of households should rise from 21 to 24m, 190,000 new households a year (ODPM, 2005d).

More single households should mean more people looking for apartments and flats. City

centres have helped accommodate these demographic shifts. Young, single people have led the return to the city: as lifestyles change, many are actively looking for a city centre experience (see below). Over the longer term, however, an ageing population will reduce this pool of young potential residents (Champion, 2005).

Economic restructuring

Jobs have come back to British cities, and to city centres. The UK's economy has changed dramatically during the past few decades. Between 1971 and 2001, Britain's 20 biggest cities lost 2.8m manufacturing jobs and gained 1.9m financial and business service jobs (Moore and Begg, 2004). These massive industrial shifts have helped transform British city centres.

First, city cores have become key sites for urban growth sectors: financial and business services, retail and leisure. Retail and leisure sectors recruit locally and depend on a local clientele, and business service sectors can also benefit from workers living nearby (Allen and Blandy, 2004).

Second, as big cities lost their manufacturing and distribution base, cheap land and buildings became available. The factories and warehouse conversions of the early 1990s are the legacy of industrial decline. The 1990s recession freed up office space too.

Third, and perhaps most importantly, economic restructuring has led to economic

recovery in cities. English cities' share of employment growth has risen, from 51.8% between 1991 and 1998 to 58% between 1998 and 2003. In 2003, cities held nearly two-thirds of all jobs in England (Champion, 2005). More jobs in cities means rising disposable incomes – more people with money, wanting to spend it in city centres (Table 3).

Table 3. Labour market change in Liverpool, Manchester and Salford, Dundee, 1991-2001: unemployment rates (%)

	Liverpool	Manchester and Salford	Dundee
2001	6.0	4.6	5.4
1991	13.2	10.2	8.7

Source: Census

The housing market

Rising house prices across the UK have made residential development increasingly attractive to the property industry. Developers have been quick to take advantage of cheap space in cities to service the growing demand for city centre living.⁴ As city centre living has expanded, high returns have stimulated further investment and market growth.

The explosion of buy-to-let since the late-1990s has added fuel to the fire. Buy-to-let mortgages did not exist in 1996, but by 2004, there were 526,200 loans in place (Scanlon, 2005).

⁴ Stakeholder interviews, June and September 2005



Social factors

Britain has become more receptive to city centre living. Falling crime and the growth of British universities have both played important roles. It is hard to overestimate the importance of higher education (HE) expansion to the growth of city centre living.

Table 4. Growth in higher education, 1995-2004

Location	1995-96	2003-4	% change
Dundee	13,200	21,500	63.0
Liverpool	40,300	52,500	30.2
Manchester	57,900	98,000	69.4
Manchester and Salford	66,800	117,400	75.8
UK	1,720,100	2,247,400	30.7

Source: HEFCE (2005)

The growth of higher education during the 1990s has brought thousands of students into British city centres. Growth in cities has matched or outstripped the national trend. The former polytechnics have led this, but established universities have also got bigger. Total student numbers have risen by over 30% between 1995 and '96 and 2003 and '04, and by over 60% in Manchester and Dundee (see Table 4).

Decline in crime has played a more subtle role. Crime is one of the long-standing disadvantages of big cities, and high levels of crime make it hard to enjoy the advantages of

cities and city living. There is evidence that falling crime – and falling fear of crime – has strong associations with urban growth and prosperity (Glaeser, 2004). The relationship works both ways. Falling crime means city centres are seen as safer, less risky and more appealing. City centre living becomes more attractive, drawing people in. The presence of people in the city centre helps attract further residents and visitors, making the area safer still.⁵

Cultural factors

Tastes have changed, and this has also helped city centre living to grow. Culture change reflects the influence of broader economic, demographic and social forces. In turn, our cultural backdrop influences lifestyles and behaviour.

City life has become aspirational, and urban living is trendy again (URBED et al, 1999). British cities have had a very public makeover, and images of city living have changed too: from *Dirty Harry* to *Friends*, *Coronation Street* to *Queer as Folk*, *A Clockwork Orange* to *This Life*, *Escape from New York* to *Sex and the City*, and across the wider mediascape of music, advertising and fashion.

Urban living is not the same as city centre living. But for young people, in particular, living in the heart of the city is now an attractive lifestyle choice. Renewed city centres provide an arena to live out an extended adolescence, work

⁵ Stakeholder interviews, all three cities

hard and play hard (Chatterton et al, 2003, Urry, 2000). Greater affluence allows higher spending on leisure, and city centre living is part of the package.

Equally, culture change only goes so far. The signs are that most Britons prefer to live in suburban houses, not city centre flats (MORI, 2002). And our research shows that city centre residents are not hardcore urbanists. For most of them, city centre living is a short term phase, not a long term commitment (see Chapter 5).

Public policy and city centre living

Public policy has enabled the growth of city centre living in the UK. Since the late 1970s, successive UK governments have attempted to move people and jobs back towards the big conurbations (Rogers and Power, 2000). And since 1997, Labour has implemented a range of pro-urban policies that have created the framework for cities' recovery. Many of these policies have directly helped the growth of city centre living:

- Planning frameworks and tools have shaped patterns of development, concentrating residential and commercial activity in urban centres
- Economic development, housing and regeneration funding have subsidised the development of the city centre housing market and associated infrastructure.

These policies have been highly effective. In England 70% of all development was on brownfield land in 2004, up from 57% in 1997. New homes are built at 40 dwellings per hectare (dph), up from 25 dph before 2002 (ODPM / ONS, 2005). In 2004, flats made up 34% of new housing, compared with just 15% in 1997 (see Table 5).

Table 5. Proportions of houses and flats built, England 1997-2004

% of housebuilding completions	1996/7	2003/4
Houses	84	66
Flats	16	34

Source: ODPM/ONS (2004)

Across the UK, it is cities that have taken the lead in implementing and delivering change – not central government. Regional economic and spatial frameworks provide the concrete context. Cities have used national tools to drive city centre living forward through local development plans and specific city centre renewal strategies.⁶

While practical policies have had a clear effect on city centres, the objectives of policy have often been less clear. Scotland has had a long commitment to cities, and has shown a clear commitment to city centre living and inner urban renewal (Scottish Executive, 2001, 2003).

In England, by contrast, Labour has given out mixed messages about city centre living.

⁶ Stakeholder interviews, Liverpool, Manchester and Dundee, August and September 2005.



It has moved up, down, off and back onto the strategic agenda:

- The 1999 Urban Task Force and 2000 Urban White Paper actively promoted city living as leading to safer places, more sustainable development and urban renewal. The emphasis is on actively moving people back into cities and city centres (Urban Task Force 1999, DETR, 2000)
- The 2003 Sustainable Communities Plan placed much less emphasis on cities, focusing on accommodating existing patterns of migration and economic change through new communities in the South and renewed communities in the North (ODPM, 2003)
- From 2004, there has been a renewed interest in the economic role of cities, the symbolic benefits of city centre living and its potential to fuel Housing Market Renewal in deprived ‘inner ring’ neighbourhoods in big cities (Northern Way Steering Group, 2005, 2004, ODPM, 2004b, c, ODPM, 2005).

In the future, implementation of the Barker Review may alter the pattern of development away from city centres (ODPM, 2005, Barker Review of Housing Supply, 2004). Proposed

changes to PPS3 risk shifting future housing development towards the South and East, and away from big Northern cities.⁷

Policymakers at city level have not always had a clear rationale for city centre living either. Strategic plans and stakeholder interviews often reveal multiple, overlapping objectives:

- Reusing empty space
- Promoting city centre renewal
- Improving housing supply
- Stemming population decline
- Keeping skilled people in the city, particularly graduates
- Supporting economic change and key sector growth.

In particular, the links between city centre living and wider regeneration are not well understood. In Dundee, for example, there have been at least two distinct phases of city centre living policy – with different goals. In Manchester, by contrast, the local authority has always had a policy narrative in place, and can highlight some clear achievements.

So while the drivers of city centre living are well understood, decision-makers know much less about who is living in city centres and why – or what the benefits of city centre living actually are. It is to these issues that we now turn.

⁷ Stakeholder interviews, Liverpool and Manchester, August and September 2005. The PPS3 proposals were still in draft at the time of writing.

4 who is living in city centres?

Summary

This chapter is about who lives in city centres. It draws on detailed analysis of Liverpool, Manchester and Dundee – as well as snapshot portraits of three other cities.

City centre populations look very different from the rest of the city, and not always for the expected reasons. In most places most city centre residents are young and single, without children. A lot of them are students, some are professionals. Manchester has a small number of very senior executives.

Most residents put socialising at the centre of their lives, often going to bars, cafés and restaurants. Unemployment is low, and most residents are very well-qualified. At the same time, city centres have a surprisingly diverse mix of incomes, tenures and ethnicities. Levels of social housing are high, and many residents are not well-off.

City centre populations evolved over the 1990s. Students and young single people arrived in large numbers. The private rented sector grew, as did employment in senior, professional, managerial and administrative

Table 6. City centre population size in 1991 and 2001

City	City centre population, 1991 and 2001			Percentage change, 1991-2001 (based on adjusted figures)
	Data	1991	2001	
Dundee	Unadjusted	1,200	2,900	95
	Adjusted	1,500		
Liverpool	Unadjusted	8,300	13,500	38
	Adjusted	10,000		
Manchester	Unadjusted	2,500	7,000	285
	Adjusted	3,500	10,000	

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

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

positions. Growth in student numbers explains most of the city centre population growth in Liverpool and Dundee.

Overview

There has been huge growth in city centre living over the past 15 years. The experience of our three cities illustrates the wider scale of change (see Table 6).

Because of differences in city centre boundaries, comparisons should be made with caution. Nevertheless, it is clear that in all three cities, population growth has been very high over the 1990s. In Dundee, for example, the population virtually doubled between 1991 and 2001. The increase in students living in the city centre accounts for approximately 80% of this growth.

Liverpool's relatively large city centre population is partly the result of the city's generous city centre boundaries (see Chapter 2). As a result, these figures are likely to understate the rate of population growth at the very core of the city. Again, students largely explain the rise.

The figures for Manchester are best estimates based on Census figures (see Chapter Two). Manchester's growth has been driven by both students and other young adults.

What's more, each has experienced

significant growth since 2001. For example, current estimates suggest the city centre population of Manchester could be around 15,000 in 2005 (ODPM, 2004b).

It is also possible that the population profile of city centres has changed since 2001. However, the consensus from local and national stakeholders is that while population totals are now higher, the *profile* of residents has changed relatively little.⁸ So the figures that follow provide the most complete picture of the people at the heart of the city centre living phenomenon.

Our data reflects many findings from other research. In most conurbations and big cities, surveys of city centre residents find a large number of young single people, with the majority in professional or managerial positions (Allen and Blandy, 2004, CSR Partnership, 2004, DTZ Piedad, 1998, FHP City Living, 2005, Pam Brown Associates, 2001, Unsworth, 2005). As well as showing change over time, our figures also uncover other groups these surveys tend to miss: those on low incomes, and those in social housing.

Places like London, Bath and York have a different city centre population profile, with many families and older people present (Knight Frank, 2005). Edinburgh has some pensioners, but stakeholders suggest that the heart of the city is dominated by students and young professionals (see box, page 29).

⁸ National stakeholder interviews, May 2005 and all cities, June 2005.



Age profile

Overall, city centre populations are much younger than the rest of the city (Figures 1-3). There are very few families and very few children in city centres. In Liverpool and Dundee, the proportion of family households in the city centre is approximately half the city average. In Manchester, it is around a sixth. The number of people over 40 years old is relatively small: indeed, in Manchester,

the number of people aged between 45 and 60 more than halved between 1991 and 2001.

Pensioners are also under-represented. In Dundee city centre, 4.4% of the population is over 65 compared with 15.9% of the population across Scotland. For Manchester and Liverpool, the figures are 5.6% and 7.9% respectively, compared to an average for England of 15.9%.

Figure 1. Age profile, Manchester city centre and Manchester and Salford districts, 2001

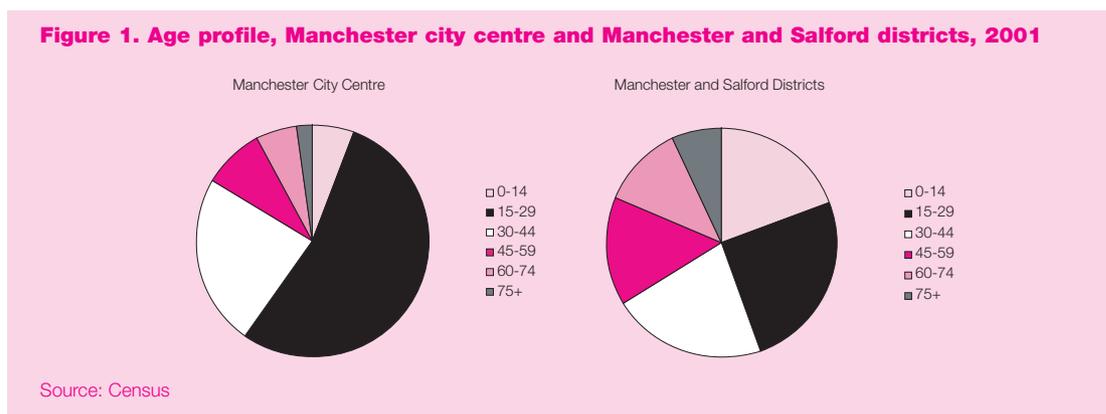


Figure 2. Age profile, Liverpool city centre and Liverpool district, 2001

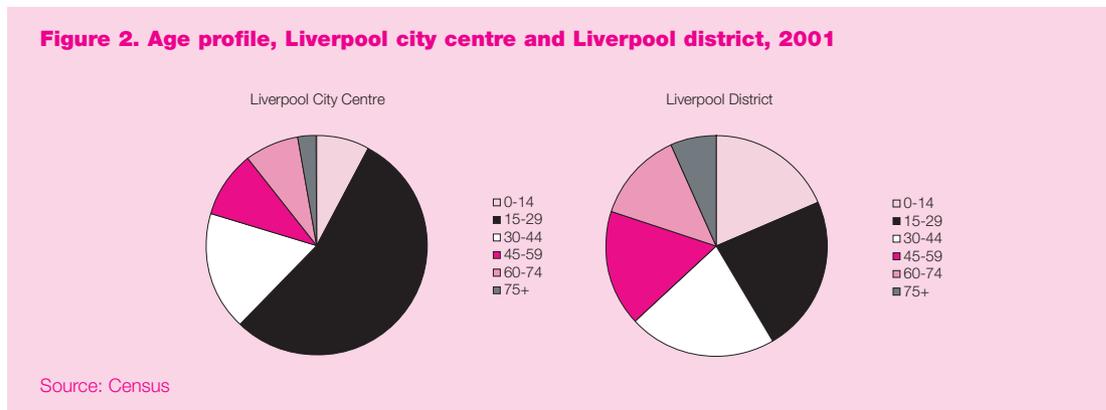
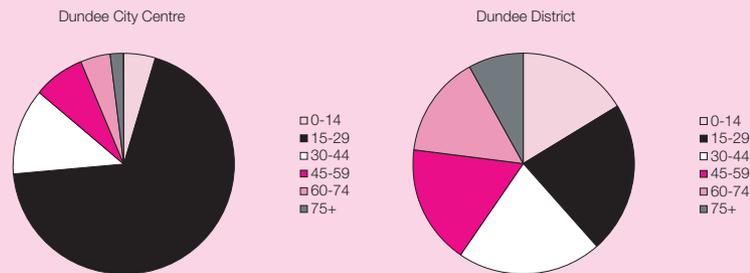


Figure 3. Age profile, Dundee city centre and Dundee district, 2001



Source: Census

Religion and ethnicity

City centres also show more religious and ethnic diversity than their surrounding areas. In Dundee, Manchester and Liverpool city centres, the percentage of people that identified with a religion other than Christianity was higher than national and city-wide averages. Seven percent of residents in Dundee city centre are non-white, as are 17% and 24% in the centres of Liverpool and Manchester city respectively. Again, these figures are all appreciatively higher than city and national averages.

In all three cities, it is those from the Chinese ethnic group that make up the largest non-white population. This is especially true of the two larger city centres, both of which are home to Chinatowns. The 2001 census also counted an unusually high proportion of residents who had not been born in the UK – 17% in Liverpool, 26% in Manchester and 14% in Dundee. It is likely

that the high student population of the city centres contributes significantly to this high level of ethnic diversity.

Qualifications and skills

City centres are home to a highly skilled population. The overrepresentation of people with A-level or equivalent qualifications is explained by the large presence of students. But there are also a lot of graduates in city centres: 27% of those age 16-74 are graduates in Liverpool city centre, 39% in Manchester city centre and 29% in Dundee city centre. The citywide figures are 15.2% for Liverpool, 18.9% in Manchester and 25% in Dundee.

Poverty and labour market performance

Economic activity is very low in all three city centres, largely due to the number of



Table 7. Labour market change, 1991-2001: unemployment (%)

City	Liverpool City Centre	Liverpool	Manchester City Centre	Manchester and Salford	Dundee City Centre	Dundee
2001	4.9	6.0	4.7	4.6	4.3	5.4
1991	20.0	13.2	20.7	10.2	18.2	8.7

Source: Census

students. Unemployment figures are more insightful (see Table 7, above).

Between 1991 and 2001 unemployment fell significantly in all three cities. City centres had performed very well over the 1990s: in 1991, unemployment levels here were actually higher than the rest of the city. By 2001, this pattern had reversed. Similarly, levels of work-related poverty fell markedly over the same period (Lupton, 2005). For example, in Liverpool, Everton ward's 'work-poverty' rate fell by 24.1% between 1991 and 2001. In Manchester Central, work-poverty fell by over 27 percentage points.⁹ Three factors drive these changes: economic recovery, an influx of students and the arrival of large numbers of high-skilled, highly employable new residents.

Housing

City centres have a distinctive housing mix, with some surprising features. First, as would be expected, the majority of people live in flats rather than houses. 20% of Britons live in flats or apartments: 62% do in Liverpool

city centre and 78% in Manchester city centre. In Dundee city centre, a massive 95% of people live in flats. The 2001 Census found that just four households lived in semi-detached properties in Dundee city centre. Second, a lot of people rent, particularly in social housing. Levels of home ownership are significantly lower than the national average in all three cities (see Figures 4-6).

The relatively large proportion of people living in socially rented accommodation is highly significant. It counters some assumptions often made about the type of people living at the heart of our cities. City centre living is not just about yuppies and expensive lofts: social housing and low income residents are a big part of the story.

Liverpool's very large social rented sector is partly the result of definition: the city centre is generously drawn, and includes some inner urban neighbourhoods the other cities do not (see Chapter 2). But it is clear that socially rented accommodation plays a major role in all three city centres. Indeed, in some cases, the arrival of socially rented accommodation has aided the early stages of regeneration.

⁹ 'Work-poverty' measures the proportion of individuals of working age not working, studying or training.

Social housing helps explain the presence of certain lifestyle types (see below).

Since the 2001 census, the proportion of social housing is likely to have decreased. Private sector development has dominated new house building, and new flats have been largely designed and built for the private rental market (Liverpool Vision, 2005).

The high level of renting suggests that residents may not plan on staying long. This is borne out by evidence from focus groups (see Chapter 5) and by lifestyle data, in the next section.

Lifestyle, income groups and occupations

City centre residents have some quite diverse characteristics, but most fit into a few distinct lifestyle groups. Much of the population is at an early stage in the life cycle. They are young and single, live in rented accommodation and have yet to settle down. As such, they tend to lack a long commitment to city centre living.

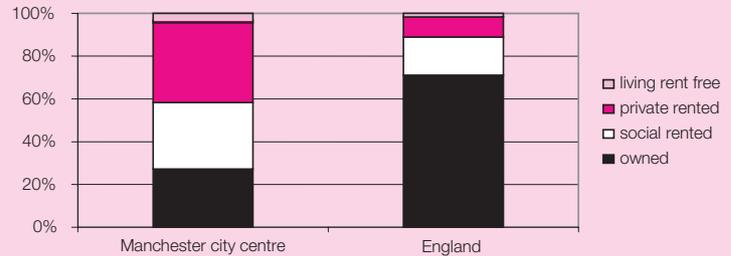
Single people who have never married account for around 75% of the adult population in Liverpool and Manchester city centres and 85% of Dundee's. Nationally, the average is around 30%. Manchester city centre also has a good number of childless couples: in 2001 they made up 14% of the resident population. In contrast, the figures for Liverpool were 4.7% and 3.8%.

Figure 4. Housing tenure, Liverpool city centre and England, 2001



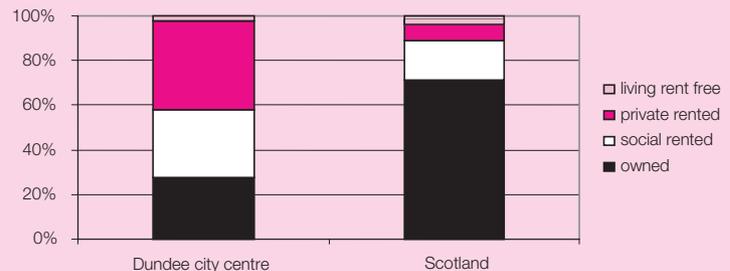
Source: Census

Figure 5. Housing tenure, Manchester city centre and England, 2001



Source: Census

Figure 6. Housing tenure, Dundee city centre and Scotland, 2001



Source: Census



Single people dominate partly because students form such a big part of the population. This is especially true of Dundee, where students make up 56% of the population and 62% of the working-age population. In Manchester the relevant figures are 37% and 42%; in Liverpool, 42% and 50%. In big cities, young professionals and other young workers make up most of the rest.

Many people expected 'empty nesters' to make city centres their home – affluent older couples whose children have moved out, and who might want to return to the excitement of the city (Chao and Oc, 2004, Huber and Skidmore, 2003, Urban Task Force, 1999).

There are signs of a 'new old' generation of ageing baby-boomers (Huber and Skidmore, 2003). But our evidence suggests that so far, very few have moved back into city centres. Stakeholder interviews suggested a small number of older people were present – especially in the docklands area of Liverpool. But this is still a very small group.¹⁰

Lifestyle data suggests that the most important lifestyle groups identified in all of the three centres are:

Young professionals, who:

- are well qualified and earning a good salary
- are career focused
- hold an optimistic view of future earnings
- rent rather than own

¹⁰ Stakeholder interviews, Liverpool and Manchester, August and September 2005.

- spend most free time socialising (dining and drinking out, going to the cinema)
- have a preference for convenience shopping, making them well-suited to city centre living.

Students and people living student-type lifestyles, who:

- have low incomes but are happy to spend money
- socialise in bars and cafes a lot
- live in privately rented accommodation
- are fashion conscious.

Low income groups, who:

- include low qualified young adults, single-mothers and, especially in Liverpool, single pensioners
- have low incomes, perhaps working in the service sector – or are dependent on benefits
- include some who suffer from deprivation
- socialise outside of the home less than the other groups
- are unlikely to demand or directly benefit from a vibrant city life
- lack the means to fully indulge in consumer culture.

The relative importance of different lifestyle types varies between the three cities. By showing the different occupation mix in each of the cities, Figure 7 gives an indication of how the three centres vary.

Figure 7. Occupational profiles in city centres, 2001



Manchester

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

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

Students account for a massive 40% of Manchester city centre's working-age population. But people with student or student-type lifestyle profiles represent around a quarter of the population, less than the 40% recorded in the Census. This suggests many students are adopting the lifestyles of city centre professionals with whom they share the neighbourhood (see Chapter 5).

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



Liverpool

Students dominate the city centre population, and set the cultural tone. Students form 47% of the core working population. 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 per cent of households live in social rented accommodation, often around the edges of the city centre.¹¹ In this sense, Liverpool's city centre population is more diverse than those of the other two cities – although Liverpool's generously defined city centre partly explains the result.

Dundee

Dundee is the most student-dominated city centre of the three. Students, or people living student-type lifestyles account for 63% of the population. It is students that give the city

centre its distinctiveness: without them, the city centre population would look much like the rest of the city. This implies that students are the only significant lifestyle group that can act to deliver an influence on the city centre's cultural offerings.

Dundee city centre's working population is skewed significantly towards lower-skilled, lower earning professions. As a result, the most prominent lifestyle after student-type lifestyles is that of people on very low incomes. The prominence of this group underlines the key difference between Dundee and the other cities studied. Dundee offers relatively poor employment prospects, and relatively few high-paid positions. Many of the low-income group will be young adults living alone, and often suffering high levels of deprivation.

In Dundee, high-spending lifestyle types are not apparent. There is no concentration of high spending professionals in the city centre at all.

What's changed over the 1990s?

How have city centre populations evolved during the past decade? The key feature is growth, sometimes at a very rapid rate (see above). Other key trends from the Census data are:

- The arrival of students in all three cities, often in very large numbers

¹¹ Not everybody lives in households. Many people also live in communal establishments, such as student halls of residence. This is important given the large presence of students in city centres.

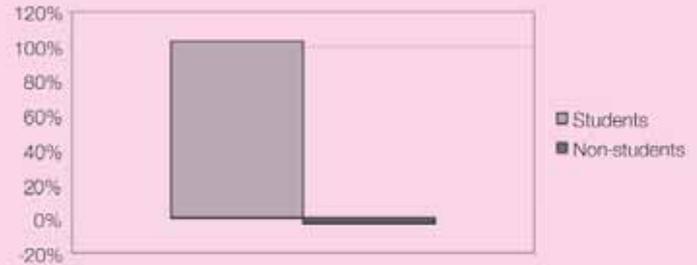
- The rise in number of single, non-pensioner households, especially in Dundee and Manchester
- The growth in the size of the private rented sector across each city
- Strong employment growth among professional occupations, managers, senior officials, and administrative /secretarial work

The main trends from the lifestyle data are:

- Liverpool and Manchester have seen an increase in the proportion of people living student lifestyles. Numbers on low incomes have fallen
- Dundee's city centre has become slightly more student-dominated.

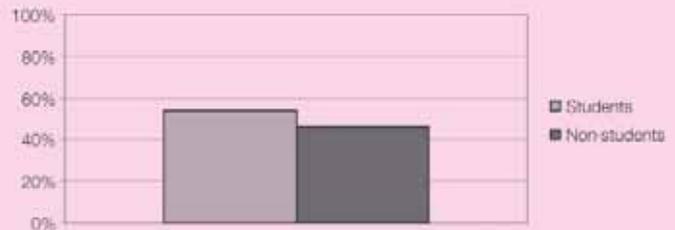
Of these, the arrival of students is the key theme. During the 1990s students have played a huge role in expanding the population in each of the cities, especially in Dundee and Liverpool. Using data adjusted to account for the different treatment of students in the two Censuses, Figures 8-10 show the proportion of the population increase between 1991 and 2001 that can be accounted for by students and non-students. The student population has been massively important in our case study cities, and this is also likely to be true in

Figure 8. Population change in Liverpool city centre, 1991-2001



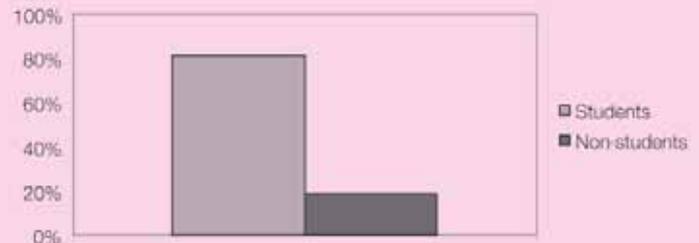
Source: Census

Figure 9. Population change in Manchester city centre, 1991-2001



Source: Census

Figure 10. Population change in Dundee city centre, 1991-2001



Source: Census



other places where city centre living has grown. The evidence from our city snapshots confirms this (see boxes below).

The Liverpool figures are very striking. Without the inflow of students Liverpool's city centre population would actually have declined. The opening of student-specific properties in the city centre goes a long way in explaining the population growth: over 80% of the increase was in people living in communal establishments.

Again, Liverpool's generously defined city centre needs to be borne in mind. The non-student population at the core of the centre could actually have grown. And since 2001, the type of residential developments that

have taken place at the very centre indicate that there has been strong growth in the non-student population (Liverpool Vision, 2005).

By contrast, there is a much higher proportion of non-students moving into Manchester city centre than the other two city centres. In Manchester, population growth is much more than a student-led phenomenon.

So much for the figures. Why have people come to city centres, what do they like and dislike about living there, and how long do they plan to stay? The next chapter looks at the attitudes and behaviour of city centre residents in more detail.

Manchester city centre: key facts (Census, 2001)

- Total population: 10,000
- Aged 18-34: 62%
- Single people (as a percentage of adult population): 75%
- Students (as a percentage of working age population): 42%
- People living young professional lifestyles: 41%
- People living low-income lifestyles: 16%
- Rented households: 69% (31% social, 38% private)
- Graduates (as a percentage of the population aged 16-74): 39.3%

Liverpool city centre: key facts (Census, 2001)

- Total population: 13,500
- Aged 18-34: 62%
- Single people (as a percentage of adult population): 75%
- Students (as a percentage of working age population): 50%
- People living young professional lifestyles: 16%
- People living low-income lifestyles: 30%
- Rented households: 73% (47% social, 26% private)
- Graduates (as a percentage of the population aged 16-74): 26.5%

Dundee city centre: key facts (Census, 2001)

- Total population: 2,900
- Aged 15-34: 74%
- Single people (as a percentage of adult population): 85%
- Students (as a percentage of working age population): 62%
- People living young professional lifestyles: 1%
- People living low-income lifestyles: 36%
- Rented households: 77% (22% social, 55% private)
- Graduates (as a percentage of the population aged 16-74): 28.6%

Edinburgh

Edinburgh has a city centre population of 7,200 and a total population of 430,000.¹² People have always lived in the centre of town, and Edinburgh has an unusually well-established city centre housing market. Like other British cities, this market has grown rapidly in recent years: 1,700 units were completed in 2004, the second highest in Scotland.¹³

In contrast to Scotland as a whole Edinburgh's population is growing – but only among some social groups, particularly students and pensioners. The city centre is dominated by wealthy young professionals, and most new developments are small, high-end flats. Young professionals, students (and their parents) are most likely to buy.

Birmingham

Birmingham city centre is drawn bigger than most, and in 2001 the population was a massive 19,000 people.¹⁴ Since 1995, there has been a boom in city centre housing, mostly one and two-bed flats. The City Centre Living Forum estimates that around 7,000 new residences will be built by 2010.

Private renting has grown significantly over the past decade. The city centre population is mostly young single adults, sometimes cohabiting. Students from the city's three universities are a key resident group. Families and children are not a feature of the city centre's population growth.

Derby

Derby has an emerging city centre housing market: in 2001, around 2,400 of the city's 222,000 inhabitants lived in the middle of town. This is set to grow over the next 15 years. Derby is looking to repeat the experience of big cities like Glasgow, Liverpool and Manchester – but on a much smaller scale.

The Council and the Derby CityScope Urban Regeneration Company plan to develop a city centre housing market to increase and diversify the evening economy, provide affordable housing and generate economic growth (Derby CityScope, 2005). The URC Masterplan aims to create 5,500 homes in the city centre: a mixture of small apartments and more family-friendly properties towards the periphery.

12 According to the 2001 Census, the city centre is defined as the City Centre Management Area.

13 According to Knight Frank Residential Research, 2005.

14 An estimate made by the Birmingham City Council Economic Strategy and Information Department, based on 2001 Census data.



5 why do people live in city centres?

Summary

This chapter is about why people live in city centres, what they do there and how long they plan to stay. It draws on our detailed research in Manchester, Liverpool and Dundee, as well as work from other cities.

The big attractors are proximity and buzz. There is a difference between the ‘big city’ experience in Manchester and Liverpool, and the ‘big village’ experience in Dundee. Residents in all three cities spent a lot of time shopping and going out. They were very happy with living in the heart of the city, although those on the lowest incomes were least positive. People had several minor complaints about services, parking, space, noise and pollution. These become much more problematic later on. Those needing more space, planning a family or wanting to move up the property ladder were planning to leave the city centre. Overall, city centre living is a short term experience for most people. It is more a way of living for now, than a place to live for the long term.

Why do people move into city centres?

There are two main reasons: convenience and buzz. First, people liked being close to things.

Easy access to work, shops, and socialising cut travel times and helped people to do more and to be more spontaneous. Second, people enjoyed the sense of being at the heart of things. They liked being in the big city, living a city centre lifestyle which involved a lot of socialising.

It's just the right size. It's not like London which is dead expensive and you can't walk anywhere. Here you know where everyone will be.

Student, Liverpool

You can go out at night, walk home, then in the morning it's a short walk to university or work or whatever.

Student, Manchester

The city centre has everything you need really. Not a lot of it, but everything.

Low income resident, Dundee

This is widely reflected elsewhere. The top three attractions of city centre living are proximity to work, convenience for daily life and easy access to leisure/entertainment (Heath, 2001, Madden *et al*, 1999). Small-scale surveys of Manchester and Glasgow

found that convenience, lifestyle, social scene and city amenities were the main attractors (DTZ Prieda, 1998, Seo, 2002). Likewise, a survey in Leeds found the main reasons for living in the city centre were the lifestyle, proximity to work and being close to nightlife (Unsworth, 2005).

The benefits of buzz were tied up with people's perception of living somewhere big and exciting. Almost everyone in Liverpool and Manchester felt a strong sense of buzz. In Dundee, buzz was only really felt by people from rural areas and some of the students.

Dundee is like a big village ... you always bump into people.

Young professional, Dundee

A third reason people move into city centres is that it feels safe to do so. Safety and feeling secure was a recurring theme in all the focus groups. Finally, young professionals, especially owner-occupiers often had one eye on the investment value of their property.

The majority of our residents – regardless of income – had chosen to move to city centres. A few people had been evicted from their previous homes (Liverpool) or were living in temporary accommodation (Manchester). These people had been placed in the city centre, rather than moving into it.

Even then, they were happy to 'try the city centre for a bit', and their attitudes to city centre living were not markedly different from anyone else's. Where there are differences, these are highlighted.

What do people do in city centres?

Most people move into city centres to have a good time. Everyone we spoke to had the same basic approach to city centre living, even those who weren't able to afford many of the amenities.

As our lifestyle data suggests, most people spent a lot of time working or studying, or if not, shopping and going out. Older respondents spent less time out in the evening and placed greater emphasis on spending time with friends and neighbours. All groups focused on the retail and leisure facilities in the town: these were felt to be excellent in Manchester, good but improving in Liverpool (particularly nightlife), and satisfactory in Dundee.

City centre living is greatly shaped by shopping and consumer culture. This varies from city to city. In Manchester, the lifestyle data suggest many students are adopting young professional lifestyles – this was borne out in the focus groups. In Liverpool, students set the tone for others. Overall, retail, leisure and nightlife were far more important to respondents than other cultural



attractions. Art galleries and concert halls were barely mentioned at all. Again, other research backs this up: ‘social amenities’ are a bigger pull than ‘cultural amenities’ (DTZ Pida, 1998, Madden et al, 1999, Seo, 2002, Unsworth, 2005).

Two other themes stand out here. First, most people were not interested in developing close ties to the area, or other people in it. Traditional community is not a big priority.

If you don't mind never knowing your neighbours then it's okay. In the city people move all the time.

Student, Manchester

Second, our findings suggest that nightlife attracts residents, rather than putting them off. There is no basic conflict between city centre living and the evening economy. We will return to these themes in Chapter 7.

What do people dislike about city centre living?

Most people appear to be very happy living this way. Surveys typically suggest resident satisfaction levels of 90% or more (CSR Partnership, 2004, FHP City Living et al, 2005, Pam Brown Associates, 2001, Seo, 2002). But city centre living involves making tradeoffs, and for our respondents the big positives were countered by a number of small negatives.

A small number of longer-term residents do feel unhappy with aspects of city centre living, and make their feelings known to city managers.¹⁵ But our research suggests they are the active minority, not the silent majority.

Our respondents had small, specific complaints about the buildings they lived in, and the surrounding area. Flats were criticised for quality of build and lack of inside/outside space, complaints confirmed in some stakeholder interviews.¹⁶

Liverpool's just turned the only park in the city centre into a big shopping centre.

Low income resident, Liverpool

Noise, pollution and a lack of green space were the biggest gripes about the city centre – Manchester city centre has four areas of green space, for example, but no large parks.¹⁷ In Dundee, there was some criticism of the design of new buildings, and the aesthetics of regeneration in the city.

In all three cities, a significant number of residents walked to work or to study. However, most city centre residents own cars and car parking is at a premium: this was a big issue in both Liverpool and Manchester.

Residents perceived a lack of public and private services, especially in the big cities. This was not felt to be a huge problem – most people were able to work around it,

15 Stakeholder interviews, Birmingham, Liverpool and Manchester, July, September and October 2005.

16 Stakeholder interviews, Liverpool and Manchester, August and September 2005.

17 Stakeholder interview, Liverpool, September 2005.

especially those with cars – but it was felt to make city centres less family-friendly.

Overall, these drawbacks of city centre living are generally perceived as small frustrations, not big problems. Few of them are bad enough to make people leave the city centre right away. But these concerns can add up, particularly in the long term. People's attitudes will change if their lives change, as we will see in the next section.

Will people stay in city centres?

Most people will not stay for long. Our analysis shows that city centres exhibit a great deal of

churn, with at least 30% of residents moving in or out in a given year. Table 8 shows the inflow and outflow of city centre residents as a proportion of the city centre's total population.

City centre living is seen as a phase, and although a few people have a long term commitment, most residents are ready to move on within a few years (Allen and Blandy, 2004). A Manchester survey found that 20% of residents had lived in the city centre for less than a year, and 25% were ready to move again within a year (Fitzsimmons, 1998, in URBED et al, 1999). In Liverpool, a survey found that over 50% of all respondents planned to leave the city centre within two years, 33% within a year (CSR Partnership, 2004). In Leeds, 80% of households planned to stay in their properties for two years or less (Unsworth, 2005).

Unusually, a Nottingham survey found that while 56% of city centre residents expected to move within three years, 72% planned to stay in the city centre for their next move (FHP City Living et al, 2005). But given the consistent findings elsewhere, this seems to be a blip.

Who is moving? People of working age are driving population growth, but those with children are moving the other way (Table 9).

This evidence suggests strongly that people move out of city centres once they start a family. Our focus groups confirm this. City centre living involves a series of tradeoffs: convenience for space, buzz for noise and so on. Most of the residents we spoke to were

Table 8. Population change in city centres, 2000-2001 (%)

	Liverpool	Manchester	Dundee
Inflow	32	33	43
Outflow	28	30	33
Population growth	4	2	10

Source: Census Special Migration Statistics

Table 9. Population change in city centres by age group, 2000-2001

	Liverpool	Manchester	Dundee
Children	-179	-64	2
Working age	795	223	268
Pensionable age	-80	11	-8
Net inflow	506	170	262

Source: Census Special Migration Statistics

well aware of the basic choices they are making, whether they do so through the free market or through the social housing system.

For the moment, the vast majority of current city centre residents seem happy with the tradeoffs they have made. But these tradeoffs change when people's circumstances change, and they move into a different life stage.

Children and families

The main push factor was the presence of children. Virtually every respondent in every group felt that it was a fantastic way to live as a young single person; and a deeply inappropriate way to live when you have a family and children.

First, minor annoyances become major issues, and tend to push people out of city centres altogether. The key factors were:

- Lack of space – especially indoor play space and lack of parks
- A chaotic, dirty and noisy environment
- Lack of convenience, especially lack of parking, and dealing with larger volumes of shopping
- Access to good public services, especially in Manchester and Liverpool.

Second, for residents these elements are deeply intertwined. Putting a school into a city centre will not help if the area remains dirty, flats lack space and there is nowhere to park.

Third, underlying this was a deeper sense that living in flats is 'not the done thing for families'. This was not always clearly articulated in our focus groups, but comes across better in other research (see Chapter 7).

Overall, there was an intuitive, deep-rooted feeling across all the focus groups that city centres were fundamentally not family-friendly, and that children should be brought up in houses, preferably in the suburbs.

I was brought up in a suburb. It wasn't the countryside but I could ride my bike around. I would want my child to be able to do that.

Student, Manchester

To be honest, it's a bit selfish of parents to bring their children up in the city centre.

Student, Manchester

Local policymakers confirmed this.¹⁸ Moving families into city centres is difficult, as is keeping them there for the long term:

England is not ready to embrace apartment living.

City manager, Liverpool

There's no need for families in the city centre. This is not Amsterdam, where families and schools are integrated into the urban fabric.

City manager, Manchester

¹⁸ Stakeholder interviews, August and September 2005 [LM, JD, ES, LG]



A small minority took the opposite view. A few of our respondents had been brought up in the city centre, and saw no problem with raising children of their own in the centre of town. In Liverpool, one had a house with a garden, the other used open space around the Anglican Cathedral or drove out to Sefton Park.

I take my kids to the cathedrals or the museums, and we just walk there, and they know that those places are theirs. It's not like a daytrip into town to look around. It's ours.

Young professional mother, Liverpool

Housing and lifestyle

Family planning also crystallised a number of issues people also raised separately: the need for more space, wanting to move to a nicer area, or moving up the property ladder. Some younger renters were keen to buy their first home within the city centre, but often felt priced out (particularly in Manchester).

Lark Lane. That's nice. It's sort of a bit classier. I could live there.

Student, Liverpool

Significant numbers of residents in all groups also felt that they would want a more sedate lifestyle before they had children, and that they might move out of the city centre to calm things down a bit. Areas like Lark Lane in Liverpool, the West End or Broughty Ferry in

Dundee, and Didsbury in Manchester were particularly attractive to these people – though only the students and young professionals thought they could afford to live there.

Jobs and careers

The labour market also shaped attitudes to city centre living. In particular, those coming to the end of their time as students were ready to look for work. In all three cities, students felt least likely to stay in the city long term – although they expected to stay in the city centre the longest. The low income groups had similar views about the availability of jobs, but placed less emphasis on their job when deciding where to live.

Attitudes to careers also varied by city. Half of the students and most of the young professionals in Manchester assumed that a suitable job would become available in the city, and that they could happily stay in the Manchester area indefinitely from a career point of view. In Liverpool, this attitude was much less widespread and people felt more likely to have to leave the city. In Dundee, people assumed that outside certain very specific industries, it would probably be necessary to leave Tayside at some point (though they might return).

Where will people go next?

In all three cities, people leaving city centres wanted to move to popular suburbs.

Desirable locations included Didsbury, Chorlton and Prestwich in Manchester, Knowsley, Ormskirk and Warrington around Liverpool, Broughty Ferry in Dundee – or Newport and Wormit across the river in Fife.

None of these areas are particularly close to their respective city centres. People decide to change their lifestyle: they go out less, need more space and use the car more often. Proximity to the city core becomes much less important.

You move to the city centre for a lifestyle – so you can go out easily and so on. But

when you have children, you can't go out anyway, so what's the point?

Young professional, Manchester

For residents in Dundee, the most popular areas were those furthest from the city centre. In Liverpool and Manchester, residents showed slight interest in some parts of the nearby Housing Market Renewal areas, but the overwhelming majority did not want to live there. This has important implications for the deprived inner urban areas that often lie next to city centres, and for the direction of HMR policy. We will return to this issue in Chapter 6.



6 what are the economic impacts of city centre living?

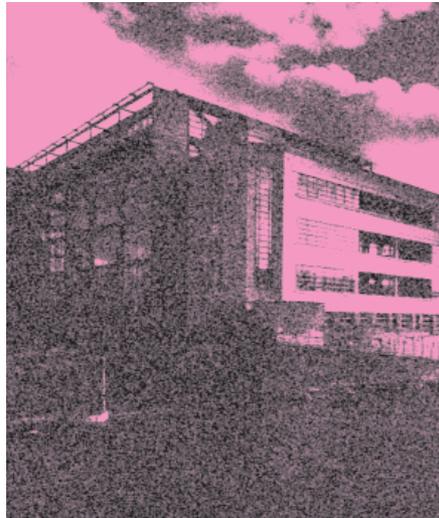
Summary

This chapter looks at the economic benefits of city centre living: for residents, local authorities, businesses and the rest of the city.

City centre living is best seen as part of a package of regeneration measures. It is hard to identify the specific impact of city centre living, so drawing strong conclusions is difficult. Nevertheless, it is clear that city centre living delivers positive impacts for the rest of the city. Most importantly, it helps make city centres nicer places to be. This improves external perceptions of the

city centre, encouraging investment, and can start a virtuous cycle of improvement.

But city centre living is not a panacea; it is both a consequence and a cause of urban renewal. However, it reflects a city's economic performance more than driving it. So policymakers must be realistic about what it can achieve for the city-wide population. In smaller cities, this is very limited. In larger cities, the potential is greater. But city centre living will only generate significant regeneration effects if the city has a strong labour market and a healthy economy.



Improving city centres

City centres are perceived as cleaner, safer and more secure than 20 years ago (Rogers and Power, 2000). They are now nicer places to be. City centre living has contributed to this through improving the quality of the built environment. This is possibly the most important impact of city living.

Better places to be

Residential developments improve the quality of environment. Where once there was derelict land, there are now new buildings. In some cases, new, higher quality buildings have replaced old, lower quality buildings. Some developments have succeeded in creating not just places to live, but public spaces where people can spend time and socialise. Intelligent, innovative and socially sensitive design is important if the city centre is to capitalise on the opportunity to improve the built environment for all.¹⁹

Furthermore, there are benefits from simply having people in the city centre. The fact that areas are lived in improves safety and perceptions of safety, for example. City centre streets are now rarely deserted:

It's not just a CBD that dies at six in the evening.

City manager, Manchester²⁰

Without city centre living, there would have been real difficulty overcoming perceptions that the city centre was a dangerous place.

City manager, Dundee²¹

When there are people there, there is more variety in who they are and what they are doing, often helping create a more diverse and attractive atmosphere. People living in the city centre bring other people in, to enjoy what it has to offer.

City centre renewal can trigger much larger indirect benefits, particularly in bigger cities: catalyst effects on the local service economy, and on external perceptions of the city. We discuss these further below.

Reducing car use

Many city centre residents choose to live there so that they can walk to the shops, to work and to cafés, pubs and restaurants. So residents' car use is relatively low (Madden et al, 2001; Pam Brown Associates, 2001). This means less congestion and less pollution. But the drop in car use is less than expected.

Compared to the UK as a whole, more than twice as many people in Manchester and Liverpool city centres live less than two kilometres from their job. In Dundee city centre, this is nearly three times higher. More than a third of working residents in Manchester and Liverpool city centres walk to

¹⁹ Stakeholder interview, Manchester, August 2005.

²⁰ Stakeholder interview, Manchester, September 2005.

²¹ Stakeholder interview, Dundee, September 2005.



work. This compares to less than 12% nationally. In Dundee the figure is even higher, at around two thirds of residents. Conversely, the percentage of people who drive to work in these three city centres is low compared to national averages (Figure 11).

However, the car has not gone away. In the cities we studied, levels of car ownership are high. A survey in Nottingham found that 77% of residents owned a car (FHP City Living et al, 2005). In Leeds, the figure was 75% (Unsworth, 2005). A significant group of the population also travel an unusually long distance to work: this is because city centres are transport hubs, a good place to commute from.

Our focus groups shed some light on residents' car use. Lots of people like to

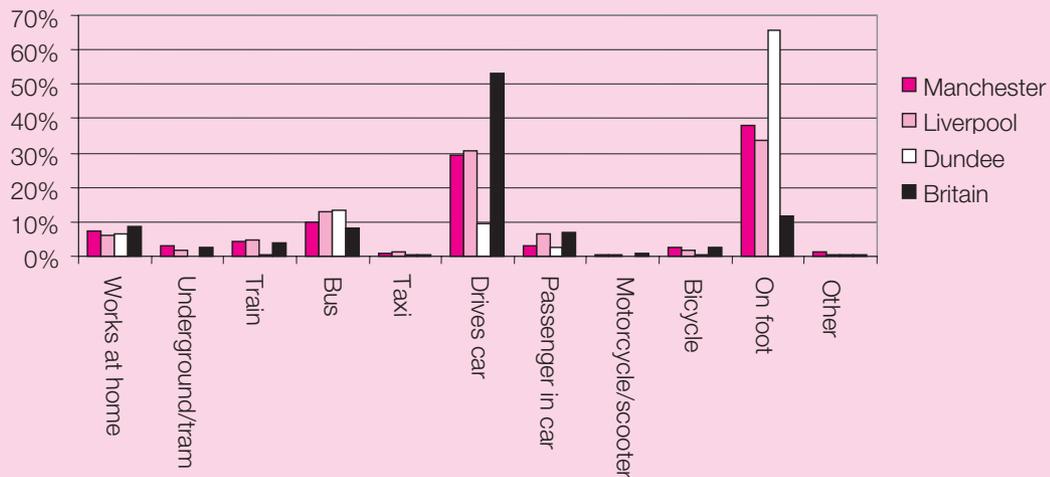
escape the city by car at the weekend. Most do big weekly shops at supermarkets, and cars are seen as essential to do this. The car remains an important part of their lives.

Building the local tax base

For local authorities, city centre living is a way of increasing their revenues by building their local tax base. The tax take rises because more high earners will:

- live inside the city boundaries, through the creation of an urban offer that can compete with suburban or even rural alternatives
- live in properties valued highly for council tax purposes

Figure 11. Method of travel to work in city centres, 2001



Source: Census

- make connections that tie them to the city on a more permanent basis.

Certainly, city centres are home to a lot of workers living in high-value properties (Bands D-H). Private-sector led patterns of development and rising property prices have helped push up cities' share of high-band council tax payers.

However, only a tiny proportion of the total city population lives in the city centre – just three per cent in Liverpool, for example. And council tax only accounts for around 20% of cities' revenue.²² So city centre living may help rebalance cities' tax base, but the overall effect on council coffers will be small.

Creating a core demand for city centre services

The 24/7 presence of a community generates a core demand for city centre services, such as shops, bars, cafés and restaurants. City managers are clear that while city centre populations are small, they have a catalytic effect on the local service economy.²³ Our evidence supports this.

The growth of central populations has brought a lot of high income, high-spending people into the heart of big British cities. Lifestyle data shows a very strong presence of good earners who spend a lot locally on retail and leisure. Being able to shop and go out is one of the main draws of city centre living.

But the spending power of residents is dwarfed by city centres' daytime populations. Every day 105,000, 42,500 and 7,650 commuters come into Manchester, Liverpool and Dundee city centres respectively. These numbers do not include other day visitors, such as shoppers, but nevertheless they swamp the city centre population. Residents' share of spending in city centre shops is 5.1% in Dundee, 7.0% in Liverpool and 4.4% in Manchester.

Residents' presence is small but crucial. Repopulation helps physically improve the city core and improve external perceptions. Resident spending helps support local businesses. Both help retail and leisure sectors to grow.

Increasing city performance?

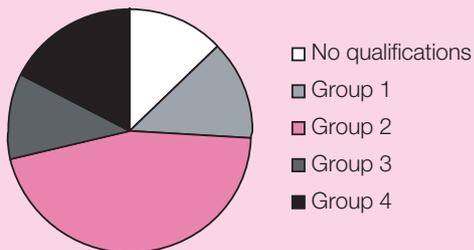
Developing a good supply of skilled labour

Many businesses require well-qualified, skilled workers. If available, such people can allow them to grow, expand and improve. And businesses from outside the city are likely to be attracted by a pool of highly-skilled graduate labour. For example, in explaining its decision to open an office of 350 high-level staff in Manchester, the Bank of New York listed 'a wide and deep pool of talent' alongside 'an excellent transport and business infrastructure' as one of the key attractions (NWDA, 2004). City centre living is one of the steps a city can take to attract and retain that talent.

- 22 The Centre for Cities *City Leadership* project examines cities' finances in more detail.
- 23 Stakeholder interviews, all cities, June-October 2005.

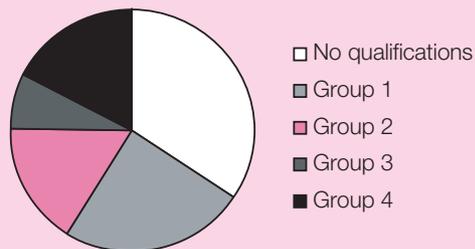


Figure 12. Qualification of those aged 16-74 in Dundee city centre, 2001



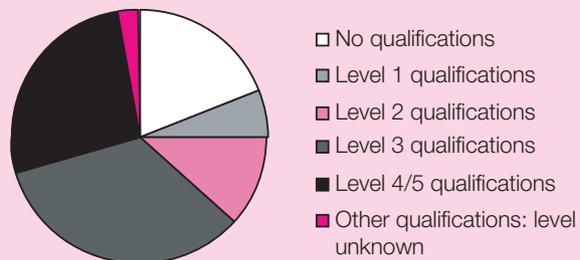
Source: Census

Figure 13. Qualification of those aged 16-74 in Dundee, 2001



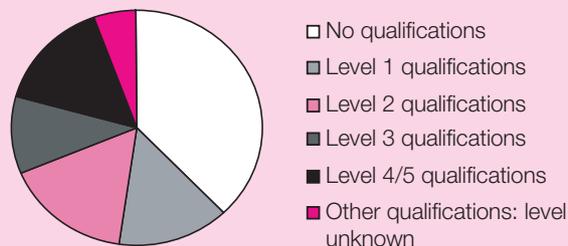
Source: Census

Figure 14. Qualification of those aged 16-74 in Liverpool city centre, 2001



Source: Census

Figure 15. Qualification of those aged 16-74 in Liverpool, 2001



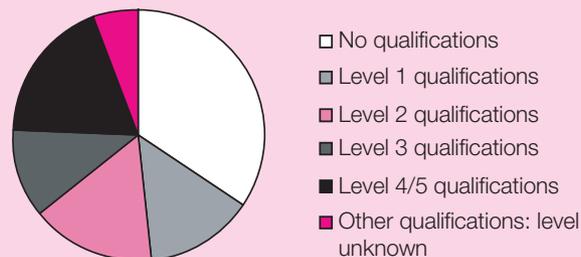
Source: Census.

Figure 16. Qualifications of those aged 16-74 in Manchester City Centre, 2001



Source: Census

Figure 17. Qualifications of those aged 16-74 in Manchester/Salford, 2001



Source: Census

Figures 12–17 show that large city centres are home to well qualified residents. The large student populations are reflected in the high numbers of residents with A-Levels, Highers or other secondary school qualifications (Group 2 in Scotland, Level 3 in England). More importantly, all three city centres have more graduates and post-graduates than the city average: slightly in Dundee, more so in Liverpool and very significantly in Manchester.

City centre living helps attract and retain high-skill graduates, at least for a short time. By building the skills base of cities, it helps some key sectors grow, particularly financial and business services and some parts of the creative industries. As such, it also helps improve the offer for outside investors (see next section).

However, labour market effects vary from city to city, and are heavily shaped by the size of the job market. Jobs follow people, but people also follow jobs: employment opportunities are the major driver of migration (CWHB, 2004, Turok, 2004). The attractions of city centre living are not enough to hold onto graduates if employment opportunities are not there.

Our evidence bears this out. In 2003/4 the proportion of graduates getting first jobs in Manchester is 48%, Liverpool 41% and Dundee 39% (HESA, 2004). Similarly, stakeholder interviews suggested that city centre living had the power to deliver labour supply benefits in Manchester, less so in Liverpool, but not at all in Dundee.²⁴ Finally, in focus groups

Manchester residents felt more confident of being able to stay in the city centre, Liverpool residents less so and Dundee residents were much less committed to sticking around.

Improved perceptions for business investment

City centre living and city centre renewal can also play an important role in attracting businesses from outside the city. City centre living is drawing potential investors' attention to the city and compelling businesses to reassess the potential opportunities cities provide.

A survey of firms in the North West found that between 2001 and 2003, organisations thought the region had improved as a place to do business. The main reasons given were a greater sense of optimism, and a better profile for the region (Duffy, 2004). The growth of city centre living seems to be one of many factors driving this shift. The improvement in external perceptions of cities among the business community is one of the key benefits of city centre living identified by policymakers.

City centre living, the University and the growing economy make a really strong pitch.

City manager, Manchester²⁵

City centre living is vital in selling Liverpool.

City manager, Liverpool²⁶

24 Stakeholder interviews, September and October 2005.

25 Stakeholder interview, Manchester, October 2005.



Without city centre living, we would not be where we are today.

City manager, Manchester²⁷

These effects will be much more noticeable in bigger cities. Stakeholders in Dundee felt city centre living had had very little effect on external business perceptions. Rather, the retail centre's regeneration has been the catalyst for other service sector entrants.²⁸

Attracting tourists and visitors

Finally, city centre living is evidence of city centre renewal and an indicator of wider regeneration. That people want to live in city centres helps signal that they are good places to be.²⁹ Furthermore, city centre living has changed what many cities look like, especially larger ones where skylines have been remodelled. They are now physically different to a decade ago. Potential tourists, shoppers and business visitors are therefore compelled to reassess what cities have to offer. If more people visit the city, they are likely to go shopping and participate in entertainment and leisure activities. Local businesses are likely to benefit.

Research by MORI for NWDA found that North West resident perceptions of Liverpool and Manchester improved between 2001 and 2003. In the case of Liverpool, there was a significant improvement in external perceptions of the city. Some of this is clearly down to the

effect of big events like Capital of Culture and the Commonwealth Games (Duffy, 2004).

Local stakeholders also ascribe part of the change to perceptions effects from city centre living.³⁰ There is little evidence that city centre living has boosted Dundee's tourist offer, but stakeholders do suggest that it has contributed to the city centre's retail appeal.³¹

City centres and the housing market

Housing Market Renewal

Many policymakers hope city centre living could help stimulate depressed housing markets elsewhere in the city. The ODPM Five Year Plan argues that: 'we need to reconnect our pathfinder areas to their surrounding markets and to the renewed, vibrant city centres that lie next to many of them – so that the benefits of urban renaissance are enjoyed more widely'. (ODPM, 2005)

What has happened so far? First, house prices in Housing Market Renewal (HMR) areas are rising. Improvements in city centres, particularly in city centre living, have helped change investor perceptions of Manchester and Liverpool. Investors are now taking a greater interest in inner urban areas as city centre prices rise.³²

Second, in both cities developers are 'pushing the city centre out', building high-density developments in city centre border

27 Stakeholder interview, Manchester, September 2005.

28 Stakeholder interviews, Dundee, August and October 2005.

29 Stakeholder interview, September 2005

30 Stakeholder interviews, Liverpool and Manchester, August and September 2005.

31 Stakeholder interviews, Dundee, August 2005.

32 Stakeholder interviews, Liverpool and Manchester, August 2005.

areas. However, it is less clear that future demand will match this extra supply, particularly if the market turns down.³³ There are limits to building more of the same (see next section).

Third, residents in focus groups show tentative interest in some HMR neighbourhoods. In Manchester, some younger renters showed interest in buying cheap flats in Ancoats. In Liverpool, those wanting a more sedate lifestyle or to start families showed some interest in areas of South Liverpool close to Picton, Toxteth and Wavertree.

But the majority are not interested in moving to HMR areas at present. Interest is potential and qualified. For people to move, HMR areas need to be safe, have good quality housing stock, a sense of functioning community and be in, or close to desirable areas. These are also the characteristics that make existing mixed-income, inner urban neighbourhoods succeed:

- A safe, clean and friendly neighbourhood
- Unified appearance, good open spaces
- Proper neighbourhood management and community-building measures
- Good primary schools
- Affordable family houses – not flats of any size. (Silverman, Lupton and Fenton, forthcoming.)

At present very few HMR areas are perceived to offer these qualities, which suggests price rises in HMR areas are driven more by speculative and investor activity than actual moves. Some city stakeholders supported this, pointing to spikes in market interest after major events.³⁴ Negative perceptions run deeper, and may take years to change.³⁵

The state of the housing market

The national housing market is at a critical juncture. For several years, commentators have been debating what will happen when house prices stop increasing. Now we are about to find out. Are price rises unsustainable – part of a housing bubble that is set to burst, sending the market spiralling downwards? Or has the rapid growth in house prices been based on firm foundations, providing a much softer landing?

This has important implications for city centres. If the pessimists are right, prices are going to fall and the downturn is going to hit city centre markets particularly hard. If the optimists have it, no significant adjustment is necessary to bring prices into line with their long term values. City centre markets will remain a good investment over the next few years.

The evidence suggests that the national housing market is overvalued, but not to the degree some suggest. Over the past 10 years, the property market has helped make city

³³ Stakeholder interviews, Liverpool and Manchester, August 2005.

³⁴ Stakeholder interview, Liverpool, September 2005.

³⁵ Stakeholder interviews, all cities, August and September 2005.



centres happening places. Over the next five years, this will not be the case. In the long-term, city centre housing markets will prosper again. But it will always be a volatile market (Urwin, 2005).

Summing up

City centre living has a positive impact on city centres, and on the wider city. People, businesses and local authorities all benefit. But city centre living aids, more than causes, city centre development. It is a part of several virtuous circles. So city centre living done well is city centre living undertaken as part of a package of measures that encourage and facilitate economic development. And it is both more viable and more likely to deliver city-wide regeneration benefits if it takes place in an economy that is performing well.

This means that in a best case scenario, city centre living could improve agglomeration economies across the city as a whole. By improving skills in the labour market, and helping the flow of people and ideas between closely located firms, city centre repopulation could enhance a city's fundamental advantages of density, proximity and variety (Glaeser, 2004). Further research is needed to test these propositions in full.

Does the growth of city centre living illustrate a kind of Creative Class effect

(Florida, 2003)? In bigger cities, something similar is going on. But it is short term, consumerist and relatively weak. Buzz attracts young people to city centres for a few years, after which most move out to the suburbs.

Manchester is a telling example. Here the city centre housing market has done well. But it has performed strongly as unemployment has fallen significantly, the financial services sector has grown substantially, the transport infrastructure has improved (the introduction of the tram, investment in Victoria and, more recently, Piccadilly mainline train stations), important venues such as the Lowry, the International Arena and the Manchester City Stadium have been constructed, the retail centre has been revolutionised, the universities have expanded, and the city has learnt to market itself well. These measures helped create some economic buoyancy which made city centre residential developments a profitable opening. With developers keen to build in Manchester, the local authority has been in a strong position to influence the type of development taking place.³⁶ City centre living in Manchester helps to perpetuate the virtuous circle.

Not everywhere will have this economic backdrop. Where the economy is stagnant or on a downward trend, city centre living alone cannot begin the cycle these cities need to get moving. That needs to be done by tackling the fundamental economic challenges the city faces.

³⁶ Stakeholder interviews, Manchester, September 2005.

7 what are the social impacts of city centre living?

Summary

This chapter explores the social impacts of city centre living. Despite widespread fears, there is little evidence of gentrification so far. Similarly, there is no basic conflict between residents and the evening economy, although local tensions need to be dealt with. Given the existing tenure mix, affordability is not a priority issue.

‘Student effects’ are potentially more serious, particularly if city centre repopulation is shifting people from one part of the city to the other. And the lack of services presents significant problems if we want to encourage family-friendly housing around the edge of city centres, or in inner ring neighbourhoods nearby.

City centres may not meet the Government’s definition of a ‘sustainable community’, but they are viable communities that work well for their existing residents. Given Britain’s suburban character, the growth of city centre living is a major achievement.

Gentrification

Some people suggest city centre living is all about well-off professionals and yuppie flats.

Rich incomers push up property prices, displacing established low-income communities into outer city areas (Hamnett, 2003, Larsen, 2004, Smith, 1996).

Neighbourhoods become polarised.

Developers build more expensive housing, systematically locking out poorer households (Smith and Williams, 1996). Rather than making an area better, city centre living shifts poverty elsewhere. Has this happened?

So far, gentrification is not a big issue. First, the displacement seen in inner London has not happened elsewhere (Atkinson, 2000).

Repopulation involves converted office buildings and warehouses in commercial areas, where few people live (Couch, 1999, Seo, 2002). Second, city centres have a surprising mix of incomes and tenures: in Liverpool, 47% of homes are social housing; in Manchester, nearly one third; in Dundee, over one quarter. In all three cities, social housing kicked off the city centre housing market. City centre living began with the least well-off.

Third, residents in our focus groups had positive attitudes to regeneration, and to each other, although some young professionals exhibited a slight antipathy towards students, and there was some hostility to outside investors buying up property.



There are future risks. In the years ahead low-income groups will form a shrinking minority of city centre residents. And as regeneration moves into ‘inner ring’ neighbourhoods – with existing populations – displacement and tensions are greater possibilities.³⁷

Student effects

‘Student effects’ are a serious issue in many British cities. Students have effectively taken over some inner suburbs like Headingley in Leeds, Fallowfield in Manchester and Dundee’s West End.³⁸ They typically make up over half the population, and the neighbourhood is progressively ‘studentified’. This can cause problems. Students often invest little in the area. Landlords leave houses in poor shape. Take-aways, pubs and off-licenses predominate, and if families leave, some public services may get withdrawn (Smith, quoted in Gardiner, 2005, Walker, 2002). On the other hand, a student population may help prop up an area that would otherwise be worse off (Lupton, 2005).

Studentification is not a product of city centre living: again, there have been no residential communities to transform. In fact, dedicated student housing blocks in the city centre can break up the student population, as well as accelerate regeneration (Gardiner,

2005, Wainwright, 2004). They need to be carefully placed: they may reproduce studentification if built in inner suburbs slightly further in.

But if students shift *en masse* to the city centre, traditional student neighbourhoods may empty out. Some student neighbourhoods lie within Housing Market Renewal Pathfinders, and ‘destudentification’ may exacerbate problems of low demand. In Liverpool, for example, there are signs of exit in the Kensington neighbourhood as students head into new halls of residence in the city centre.³⁹ This is an issue that needs further research.

The evening economy

Do alcohol and city centres mix? It is often assumed there is an inherent conflict between city centre living and the evening economy (Hetherington, 2005, Norwood, 2005).

Our focus groups suggest the opposite. People move in because of the nightlife, not despite it. Although noise and anti-social behaviour were seen as frustrating, they were a minor nuisance at best. Elderly residents had a relaxed attitude to others going out around them. Generally they welcomed the changes in the city, and felt bars and clubs had brought life back to the area.

City stakeholders were less sanguine, reporting tensions in particular

³⁷ Stakeholder interview, September 2005.

³⁸ Stakeholder interviews, Dundee, August and September 2005.

³⁹ Stakeholder interview, Liverpool, September 2005.

neighbourhoods – and that some residents wanting peace and quiet had moved out.⁴⁰

Problems arise when the character of an area and the character of residents both evolve. In Manchester's Gay Village, for example, residents have become richer and more conventional, while nightlife has got louder and straighter.

The issue is balance, not conflict. City centre renewal is built on mixed use principles. Residents need to expect some disturbance, but businesses also need to be ready to compromise. Local authorities play an important intermediary role, and should be prepared to step in when problems persist.⁴¹

Affordability

'Affordability' is a real issue in London, and large parts of the South East and South West (Wilcox, 2005). People cannot afford to live where they need to be. More broadly, it has become harder for first-time buyers to get on the property ladder. The average age of first-time buyers has risen from 30 to 34 over the past 20 years (Smith and Pannell, 2005).

But affordability is not a big issue in the North and Midlands. People have relatively easy access to city centres from suburbs. There is already a great deal of social housing. And in city centres, most people don't want to buy for the long term.

It is undesirable to lock out low-income communities from city centres. Local

authorities should consider maintaining the share of social housing in city cores over time. For different reasons, providing cheap flats for first time buyers could help stabilise city centre housing markets by reducing dependency on investors. But promoting affordability *per se* is not a priority. There are more important places in the city to provide affordable housing – for example, encouraging first-time buyers into Housing Market Renewal areas (Wilcox, 2005).

Public and private services

City centre living has been housing-led, and service infrastructure is still catching up. Especially in the big cities, residents cited a lack of primary healthcare, nurseries and convenience stores: corner shops, newsagents and chemists. Some of this is perceived, not real: some residents appear unaware of public services that are in place, or see them as second-class.⁴²

The lack of private service provision is hard to explain. Some parts of the city centre may be underserved by retailers (BiTC, 2005). High rents charged by developers may keep small shops off central plots (New Economics Foundation, 2004). But if people do most of their shopping in small supermarkets that typically carry the goods found in convenience stores, there

40 Stakeholder interviews, Liverpool and Manchester, September and October 2005.

41 Stakeholder interview, Manchester, September 2005.

42 Stakeholder interviews, Birmingham and Liverpool, July and August 2005.



may simply not be enough passing trade for independent stores to survive.⁴³ More research is required.⁴⁴

Concerns about public services are more clear-cut. Health and education funding formulas rely on a critical mass of population to trigger funding for infrastructure – in a new or emerging community, there may be a lag before this is in place. In communities where the population has fallen – as in many HMR zones – services may no longer be provided. In city centres, existing residents may have problems accessing services elsewhere. In HMR areas, lack of public infrastructure makes the area less attractive to potential residents.

ODPM has acknowledged these issues, but does not believe action is necessary beyond ‘dialogue’ with key spending departments (ODPM, 2005e). This is not good enough. It is possible to provide infrastructure, but the process is too long and arduous to be workable.⁴⁵ Existing mechanisms are ‘inadequate’:

- Long timescales create strategic risks for developers
- Health and education providers may lack experience of large-scale investment
- Levels of funding are often inadequate for substantial extra provision
- Funding formulas don’t allow investment ahead of population, and can limit investment time horizons.⁴⁶

There may be relatively obscure mechanisms that city agencies can use, but these are not well-understood or widely used (Walker, 2005). In practice, local authorities and other agencies have to lobby Whitehall or local service providers – or in some cases, develop new methodologies to prove future needs.⁴⁷

For cities trying to develop family-friendly housing around the edge of city centres, the lack of good schools and primary healthcare will make the job harder. For Housing Market Renewal Pathfinders, being unable to guarantee public infrastructure is a major problem that will make it tougher to bring people into redeveloped communities. In both cases, the Government’s regeneration objectives will be more difficult to achieve.

The character of city centre communities

The Government wants to create ‘sustainable communities’ across England and Wales. A sustainable community is defined as a place:

‘where people want to live, now and in the future. They meet the diverse needs of existing and future residents ... they are safe and inclusive, well planned, built and run, and offer equality of opportunity and good services for all.’

ODPM, 2005d

43 Stakeholder interview, October 2004.

44 The Centre for Cities’ *City Markets* project reports in Spring 2006.

45 Stakeholder interviews, Liverpool and Manchester, August and September 2005.

46 Stakeholder interview, Manchester, October 2005.

47 Stakeholder interviews, Liverpool and Manchester, August, September, October 2005.

It is hard to tell whether repopulated city centres meet the ‘sustainable communities’ criteria. They are successful and thriving, and people do want to live there. They contain a good mix of incomes, tenures and ethnicities. There is a strong, long term demand for city centre living, and city centre populations will continue to grow. But city centres have a very narrow range of ages and household types. Public and private services often lag behind. And the majority of residents lack a long term commitment to city centre living.

Equally, most residents are not looking for a traditional sense of community. In our focus groups, keeping up with friends was far more important than knowing the neighbours. Forms of social capital differ: living in a city centre helps people maintain larger, looser networks than living in a village.⁴⁸ One survey found over 60% of city centre residents were socialising more than before (Pam Brown Associates, 2001).

So far, we have not brought Barcelona to Britain. Over the next 10 years, we will see if it arrives. City centre living is still in the early stages. The resident mix may change, and distinctive central neighbourhoods may evolve (Knight Frank, 2005).

But it is unlikely that continental-style city living will fully take hold in Britain. City centre living on the continent, particularly in southern Europe, is underpinned by different family structures, life trajectories and shopping and

leisure habits that have yet to take root this side of the Channel (Marshall and Urwin, 2005).

There are established city centre communities in London and a few other UK cities. London is a special case. Living in the centre has great practical benefits and is aspirational.⁴⁹ London has largely cornered the market in urbanites and committed city dwellers. Those living in the heart of the capital have a markedly different attitude to those in the cities we studied (Burdett et al, 2004). Further research is needed to understand city centre communities in cities like Bath and York (Knight Frank, 2005).

Outside the capital, Britain remains a suburban nation. In England, 80% of people live in urban communities of 10,000 or more. But only nine per cent of the population live in high density city cores – the remaining 86% live in inner suburbs (23%), outer suburbs (43%) and edge/rural areas (20%) (DETR, 2000). Many professionals, in particular, seem to have a liking for the suburbs (Butler, 2004, Halfpenny et al, 2004, Nathan, 2005). The most popular types of house in England are the detached house, the semi and the bungalow (CABE/MORI, 2004). Only two per cent of respondents in this survey wanted to live in a flat, apartment or loft.

Scotland is a little different, with traditions of city centre living in Edinburgh, Glasgow and other major cities. But even north of the

⁴⁸ Conversely, the proximity benefits of city centre living helped the older residents to maintain a strong sense of community, and close ties with friends living nearby.

⁴⁹ Stakeholder interviews, June 2005.



border, suburban preferences run deep, as our evidence from Dundee makes clear.

Suburban habits are engrained, 'a folk memory of industrial squalor and urban overcrowding [that] fuels an almost obsessive desire for low-density suburban homes' (Rogers and Power, 2000). Decades of cultural imagery and anti-city policies have reinforced these attitudes (URBED/MORI, 1999). All of which makes the current wave of city centre repopulation all the more impressive.

City centre living is often presented as a dramatic break from long term demographic trends. But so far, it is a new twist to an old story. People still arrive in big cities as young singles, and leave as older families with children (Champion and Fisher, 2004). In the short term, city centre living has helped big conurbations turn population loss around. In the long term, however, it may have simply added an extra layer to some peoples' urban-suburban lifecycle experience.



8 conclusions and key messages

This chapter sets out our conclusions and key messages for decision-makers.

Overview

What have we learnt from the research?

- *What is the nature of city centre living, and why has it happened?* The city centre living phenomenon is growing, but is still relatively small. It is concentrated at the heart of the city, the epicentre around the business district and the historic core. It has been driven by interlocking demographic, economic, social and cultural forces. Public policy has helped it happen, particularly at local level.
- *Who is living in city centres, and why?* Britain is evolving a distinctive model of city centre living, dominated by young single people. Students, young workers and those on low incomes are the key groups. There are some young couples, especially in Manchester. City centres are surprisingly diverse, with a good mix of incomes, tenures and ethnicities. Proximity, convenience and buzz are the main attractions.
- *Why is city centre living important?* What are the benefits of city centre living? City

centre living is a small but good thing. As part of a package of regeneration measures, it has brought people back into the heart of cities, and made these places better. In bigger cities, it has had wider catalyst effects. City centre living reflects and contributes to economic growth. But it does best in cities that are doing best. And it has limited effects on deprived neighbourhoods nearby.

These findings suggest six key messages for decision-makers. These are set out below.

Key messages and recommendations

1) *City centre living is real, growing – but small.*

Is it just speculators selling to each other, leaving half-empty blocks of flats? Our research shows that city centre living is real. City centre populations in big British cities rose during the 1990s, and smaller cities are now getting in on the act.

Over the 1990s, Manchester's city centre population rose almost 300%, and Dundee's by almost 100%. By 2001, there were 10,000 people living in the centre of Manchester, 13,500 in Liverpool city centre and nearly 3,000 in Dundee. These numbers have risen

“ Our research shows that city centre living is real: a recent, growing phenomenon ”



“ Britain’s big cities have developed a distinctive model of city centre living, dominated by young single people ”

since 2001, and will continue to do so. Manchester’s city centre population is now probably about 15,000. The demographic, economic, social and cultural drivers of city centre living are not about to go into reverse. It is here to stay.

However, city centre living is still relatively small. It seems to have helped big cities to grow, but it has not wiped out long term population losses. City centre populations are in the tens of thousands, at best. And city centre communities are highly transient, with at least 30% of the population moving in any given year.

2) Today’s city centre residents are mostly young, single and don’t stay long.

Many people hoped that regenerated city centres would become long term, mixed communities like any other. They would have a mix of young and old, singles and families living side by side (Urban Task Force, 1999).

This has not happened. Britain’s big cities have developed a distinctive model of city centre living, dominated by young single people. It has been massively driven by students and the growth of universities. In this sense, university reform and HE expansion have been the single most effective urban regeneration tools of the past decade.

British city centres currently contain very few families with children, and hardly anyone over 40. So far, the ‘empty-nester’ phenomenon

has been largely mythical. But in other ways, city centres are surprisingly diverse. They have a good mix of rich and poor. Luxury flats and social housing sit side by side. Compared to the rest of town, city centres have more gay people, more people from ethnic minorities and a bigger religious mix.

Most importantly, for most people city centre living is a ‘conveyor belt’ phenomenon. Those who get on tend to leave after a few years. For the vast majority city centre living is a short term lifestyle choice. It is a phase people go through, part of a lifestage that begins in late teens or early twenties, and ends by the late thirties when people start families, want more space or move up the property ladder.

This wave of city centre living is still in its infancy, and we should expect some changes over the next 10 years. For example, some families and older people may move into particular neighbourhoods around the edge of the city centre.

3) City centres are not for everyone. We should not impose a rigid ‘sustainable communities’ model on them.

The lack of families and traditional communities in city centres worries many people. It all seems some way from the Government’s ideal of ‘sustainable communities’. Can we make city centre living more family-friendly, and encourage people to stay longer?

Lessons for decision-makers: city centres and families

1. Cities should encourage families into the inner suburbs that surround city centres. Family-friendly city centres should not be the priority.
2. Local authorities should work with Housing Market Renewal agencies, developers and public service providers to consolidate city centre living and promote mixed, family-friendly 'sustainable suburbs'.
3. Policymakers can also encourage families into some neighbourhoods around the borders of city centres. But these are the exceptions.
4. City centre delivery agencies should improve life for existing residents, particularly for those in low-income groups. The key issues are:
 - improving access to public and private services
 - 'studentification' and the placing of new student blocks
 - brokering agreements, defusing tensions between residents and the evening economy.

Perhaps city centre communities are not 'sustainable'. But as places for young singles and couples to spend a few years, they work very well. Different resident groups are happy with their environment, and get along with each other. City centre living is popular, and city centre populations are growing.

It is possible to generate family-friendly environments in some parts of some city centres, typically around the edges of the centre. Here, there are both houses and flats (Canning/Hope in Liverpool, or Dundee's West End), space to build larger flats or townhouses (parts of Castlefield in Manchester) or traditions of families in city centres (York).

But these are the exceptions. Family-friendly city centres should not be a priority.

The opportunity costs of providing family infrastructure in city cores are very high – schools, parks and larger houses. Cities would also need to dramatically cut noise, pollution and congestion, and strip out many of the amenities that draw in young singles and couples. So making city centres family-friendly would make them less attractive to their core demographic.

Even then, there is no guarantee families would move in. British attitudes about families and city centres are deeply held and deeply rooted. Compelling people into city centres is unappealing, and politically unattractive.

Instead, policy should go with the grain. Inner urban neighbourhoods are the next big challenge. Regeneration resources and

“ Making city centres family-friendly would make them less attractive to their core demographic ”



“ The city centre living phenomenon has been attacked as superficial, lofts and latte concealing deeper problems in British cities. This research demonstrates that it is both a visible symbol of recovery and a driver of growth ”

public infrastructure should be directed here. Often, unattractive neighbourhoods have the basic ingredients for successful, mixed-income, family-friendly communities. As students leave inner suburbs for the city centre, these areas are prime candidates for change.

4) The economic impact of city centre living is positive, but small.

The city centre living phenomenon has been attacked as superficial, lofts and latte concealing deeper problems in British cities. This research demonstrates that it is both a visible symbol of recovery and a driver of growth. It reflects and accelerates cities' economic performance.

City centre living has small, positive catalyst effects for the city core – and sometimes for the city as a whole. Housing is part of a package of city centre renewal strategies, and it

is not easy to distinguish distinct effects. It is part of several virtuous circles.

Nevertheless, the local catalyst effects are clear. Derelict buildings and land brought back into use, new spaces for social and economic activity. High quality design has helped bring people in. City centres have become safer, cleaner and more vibrant. High-income, high-spending residents have appeared. This has a catalyst effect on the local service economy, particularly retail, bars, clubs and restaurants. In turn, this attracts more provision, and much larger numbers of daytime and night-time visitors.

In bigger cities, there is some evidence of wider benefits. City centre living has helped reshape big city property markets. It has stimulated investor interest, alongside other city-wide factors (such as the Commonwealth Games in Manchester, or Capital of Culture in Liverpool). And city centres themselves are

Lessons for decision-makers: the benefits of city centre living

1. Policymakers – especially Ministers – should not overstate the growth of city centre living, or claim all the credit for it.
2. City centre living should be used to support mainstream economic development policies, not as a substitute for them.
3. The economic benefits of city centre living are bigger in bigger cities.
4. Student effects can damage the economic benefits of city centre living. Further research is required on 'destudentification'.
5. The city centre housing market is not likely to grow at the same rate in the near future. Developers and investors should be wary of overprovision. New markets may appear around the edges of city centres.
6. Local authorities need to develop and maintain clear, robust planning frameworks to shape housing supply.

expanding, as developers roll out apartments into nearby areas.

City centre living also helps graduate retention, and so helps support high-skilled sector growth. A good labour pool of skilled workers will help attract inward investors. In some places a mini-Creative Class effect is taking place, driven by universities, consumer culture and city centre housing.

But none of this is strong enough to turn a city round. City centre living is not a panacea. Housing markets respond to economic change, and ultimately city centre living acts as a marker of economic progress. It does best in cities that are doing best. City centre living is stronger in Manchester than Liverpool, reflecting the cities' relative

economic positions. At present, Dundee lacks the economic base to keep people in the city long term – so city centre living has limited regeneration effects outside the city core.

There are also downsides. Student effects are potentially serious, particularly if population growth in city centres means loss elsewhere. City centre housing markets will probably perform less well in the short term. The long term picture is more positive, but city centres will have a bumpy ride in the months to come. Historic yields on residential development, and the ready supply of investor/syndicate finance both create incentives for overprovision. The market may not fully correct for this. The market is not likely to expand at the same rate in future.

“ City centre living is not a panacea. Housing markets respond to economic change, and ultimately city centre living acts as a marker of economic progress ”

Lessons for decision-makers: city centres and neighbourhood renewal

1. Housing Market Renewal policies should focus on making better suburban communities, rather than extending city centres.
2. There is scope for limited high-density development around the edges of city centres and the inner borders of HMR areas.
3. Regeneration agencies and developers should seek to create demand, identify 'suburban pioneers' and develop niche markets in HMR areas.
4. The long term success of HMR depends on improving the economic performance of HMR areas, or connecting them to more dynamic economies.
5. Public service funding formulas make it difficult and time-consuming to put key public infrastructure into HMR areas, particularly schools and primary healthcare. Therefore:
 - ODPM must work harder with key spending departments to ensure ground-level delivery is joined up
 - Future departmental floor targets should clearly reflect HMR and broader urban regeneration priorities.



“ Family lifestyles make city centres less attractive. A few families may want to be on the edge of the city centre, but most are not interested once children appear ”

HE expansion is now peaking, and over the longer term the population is ageing.

5) City centre living has limited effects on deprived neighbourhoods nearby. It is not the answer to Housing Market Renewal.

City centres are often right next to low-demand Housing Market Renewal areas. Could one help the other? City centres could be extended, with developers building more flats in inner urban neighbourhoods; or people who want to be close to the city core could be encouraged into HMR areas nearby.

In fact, city centre living is not the answer to Housing Market Renewal. It may have helped increase investor interest in low-demand areas. In Liverpool and Manchester, developers are building more high-density apartments and flats on the edges of HMR zones. But city centre residents want amenities within walking distance. So cities can only build out new flats so far.

Most importantly, people leave city centres after a few years. Those moving out show little interest in remaining close to the city. Family lifestyles make city centres less attractive. A few families may want to be on the edge of the city centre, but most are not interested once children appear.

Housing Market Renewal areas are inner suburbs. Many are potentially attractive to families and those who do not want to live in the heart of the city. City centre residents are

interested in good quality houses with character, or innovative conversions. But they also want security, a sense of community, the presence of others like them, and to be in or close to a desirable area.

Over time, some city centre residents could be diverted into HMR areas. But Housing Market Renewal should focus on making better suburbs, not rolling out the city centre. In many cases, we can build out from successful parts of an HMR zone – such as Sefton Park in Liverpool, or Victoria Park in Manchester.

City centre living began with pioneering residents who were happy to live in edgy, sometimes still deprived areas. It will be harder to find a new generation of ‘suburban pioneers’. We can learn lessons from city centre living here. We should seek to create demand, and develop niche markets in HMR areas. But negative perceptions go deep. This is a long term goal, and the next big policy challenge.

6) Smaller cities should not try to copy bigger ones.

City centre living has spread as it has grown. City centre communities are now appearing in smaller cities across the UK. Places like Dundee and Derby want to replicate the experience of Liverpool, Manchester and Glasgow, hoping for the same benefits.

Our research suggests that in smaller cities, the benefits of city centre living are limited. Smaller cities should not try to copy bigger ones. It is possible to roll out city centre

Lessons for decision-makers: city centre living and smaller cities

1. City centre living has a limited impact in smaller cities.
2. Smaller cities should pursue 'city centre living lite', using city centre housing to help improve the city core.
3. Local policymakers should identify the likely population and develop housing and services to suit.
4. In university towns, students will make up the bulk of the city centre population. Families and older residents are unlikely to move in.
5. In the medium term city centre living can be used to support a growing commuter economy, as part of city-regional economic development policies.

living outside the big conurbations, but it will look and feel different. It is also likely to accomplish less.

City centre living is less attractive in smaller places. There are good reasons for this. The main benefits of city centre living are proximity, convenience and buzz. Smaller cities are more compact, so proximity benefits are less. Their centres are easy to access from elsewhere, including outer suburbs: those living across the Tay can reach the centre of Dundee in 10 minutes. Similarly, smaller cities have less going on in their centres. Buzz benefits are less. Dundee and Derby both have a 'big village', not a 'big city' feel.

So city centre living is a much less distinctive experience in smaller places. It is a niche market, most appealing to students and – in Dundee – those coming from the surrounding countryside. Regeneration benefits are confined to the city centre itself. There is

little sign of the wider catalyst effects we observe in bigger places. Most of all, city centre living is no substitute for a strong economy. Dundee's experience also illustrates the limits of city centre living without underlying growth.

Smaller places can use city centre living in two ways. First, they should pursue 'city centre living lite' – using housing as part of a city centre renewal strategy, and ensuring a good quality of life for residents.

Second, they should use city centre living as part of city-regional economic development frameworks. Smaller cities should concentrate on developing their economic base, and forging transport links to bigger urban economies. City centre housing can then support a growing commuter economy. In the future, for example, Dundee's connections to Edinburgh could help it become a Scottish Brighton – a regional centre with strong links to the capital.



annex 1: detailed methodology

Quantitative research

Quantitative modelling allowed us to build a highly detailed picture of city centre populations. The research involved analysis of 1991 and 2001 Census data, and geodemographic analysis of Experian's lifestyle data products.

Census data

Our analysis was based on 1991 and 2001 Census data (the latter in more detail). The Census is the most in-depth and detailed source of data available for understanding city centre populations and how they have changed over time. In each case, we collected city centre variables with city-wide and national comparators.

Census data is not problem-free, although other research strands – particularly lifestyle data – allow us to test key findings. First, 2001 Census data is over four years old. However, by examining 1991 and 2001 data we were able to establish key trends, many of which will have continued since 2001. Focus groups and stakeholder interviews provided an additional sense-check. The consensus from key stakeholders at all levels was that population *types* have not changed, even if *numbers* have increased.

Second, the 1991 Census involved significant undercounting (the well-documented 'missing million'). Large numbers of young adults in inner cities were missed, and this impacts on the quality of 1991 data. Similar, smaller problems occurred in 2001.

Third, students were counted differently in the two censuses. Students were reported at their term time address in 2001, but they were recorded at their vacation (normally parental) address in 1991. This has the effect of making thousands of students magically 'appear' in city centres in 2001. As such, it overstates the rise in city centre populations during the 1990s. In numerical terms, there is a way round this problem. By using additional material from the 1991 Census, we have been able to construct comparable student populations. The 1991 Census Table S10 of the Small Area Statistics provides figures on the number of students present, absent or non-resident according to whether their term time address is in the area or elsewhere. This table has not been reported in official literature and its value is limited by overall under-numeration. Yet – by subtracting the number of students living at the vacation address but who live elsewhere during term time and adding on the number

of people absent in vacation but living in the residence in term time – a 1991 student population comparable with the 2001 student population can be achieved. However, we have been unable to assign characteristics to these new students, and this restricts the comparisons we can draw.

Fourth, the 2001 Census involved serious undercounting in Manchester. Three wards were worst affected, one of which includes the city centre. Working with Manchester City Council, we have constructed a best estimate of the city centre population, but the impact of the undercount on population characteristics is unclear.

Lifestyle data

Experian's MOSAIC database and other products provided the backbone of the lifestyle analysis. Lifestyle data provides important insights into who is living in city centres, and how they live – their income, what goods and services they buy, what they do in free time and what their priorities are.

The bulk of the analysis was done using MOSAIC UK. This tool uses over 400 data variables to classify all UK consumers into 61 distinct lifestyle types, which comprehensively describe their socio-economic and socio-cultural behaviour. Around 55% of these variables are drawn from the Census. Therefore, some of the problems with the Census data are also true

of the lifestyle data. The remaining 45% of the variable are drawn from Experian's Consumer Segmentation database which includes data from the Electoral Roll, about consumer credit, on house prices, on council tax and from lifestyle surveys, all of which is updated annually. Expertise in economics, human geography and consumer psychology is then utilised to interpret this data and create detailed and robust lifestyle descriptions.

Qualitative research

Face to face engagement, through resident focus groups and stakeholder interviews, allowed us to understand city centre living from the ground up.

Focus groups

We ran focus groups in each city, to understand in detail resident attitudes, motivations and current and future behaviour. We used Census and lifestyle data to ensure groups were representative and covered key groups in the population. Focus groups fell into three broad classifications: students, young professionals and low income earners. Recruitment was tailored to ensure that within each group participants were representative in terms of age, gender, race and in relation to the number of children they had.



Focus groups are not comprehensive, but they do reflect widely held views and bring out key themes. Participants discussed issues such as why they lived in the city centre; whether or not they liked their home and for what reasons; what they did and did not like about living in the city centre; whether or not they intended to stay in the city centre for years to come; and, if they were going to move out, where they intended to go next.

Stakeholder interviews

We conducted a number of stakeholder interviews throughout the project. Consultations were of two main types. First, we spoke to national policymakers, academics and other experts, interest groups and those in the property sector. Second, we spoke to

key public and private sector stakeholders in Manchester, Liverpool and Dundee – in the city council, delivery agencies, academia and the property sector.

These consultations played two roles. First, they are an important source of raw information in themselves. Second, they allowed us to test initial findings and emerging themes of the research.

Snapshot analyses

To complement the detailed case studies, we also carried out snapshot analyses of Edinburgh, Derby and Birmingham. This research was based on interviews with key stakeholders and a review of existing research and city-specific publications.

annex 2: housing market renewal

Housing Market Renewal (HMR) is the Government's flagship policy for housing-led regeneration. The counterpart to the Growth Areas, it is a key component of the Sustainable Communities Plan.

In 2004, up to 850,000 homes were in low demand areas in the North and Midlands. 94% of low demand was concentrated in 40 local authority areas. One in 50 private homes in the North and Midlands are vacant for more than six months, twice as high as for southern regions. In the worst cases, neighbourhoods suffer a spiral of decline and abandonment. One in six pathfinder wards are extremely deprived – compared with one in 100 nationally (ODPM, 2005d).

The drivers of low demand are complex. They include economic restructuring, leading to population decline; lack of housing choice; excess supply, leading to homes standing empty; physical decline, and social exclusion, sometimes leading to a spiral of decline and abandonment (ODPM, 2005e).

The aim of HMR is 'to replace obsolete housing with modern sustainable accommodation, through demolition and new building and refurbishment' (ODPM, 2003). The HMR Programme will be implemented in 12 Pathfinder areas:

- Birmingham/Sandwell
- East Lancashire
- Hull/East Riding
- Manchester/Salford
- Merseyside
- Newcastle/Gateshead
- North Staffordshire
- Oldham/Rochdale
- South Yorkshire
- Tees Valley
- West Cumbria
- West Yorkshire.

In 2002, the Government allocated £500m to the first nine Pathfinders. The ODPM Five Year Plan set out additional money, taking total funding to £1.2bn from 2002-8 (ODPM, 2005d). Pathfinders will also leverage private investment, and additional public money from Regional Development Agencies and mainstream funding. Money is released in tranches. Most Pathfinders initially received funding for 2003/4-2006, and submitted 'Scheme Updates' in summer 2005 for grants to 2007/8 and indicative budgets to 2010 (Audit Commission, 2005).

HMR is a long-term programme. The Government aims to 'close the gap' between low demand areas and the rest by one third



by 2010, and to 'eradicate the problems of low-demand housing' by 2020. By 2006, around 10,000 homes will be demolished, 20,000 refurbished and 3,000 new homes built. Over the programme's lifetime up to

200,000 homes may be demolished. HMR Pathfinders will work with other agencies to improve educational outcomes, cut crime, improve health, tackle dereliction and improve public spaces.

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