Urban demographics

Why people live where they do

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Executive Summary

Urban and rural, town and country – cities are often seen as islands. But the role that they play does not stop at administrative boundaries. People living in rural areas still rely on cities for jobs, shops and amenities – and people choose to live in and around cities, in vibrant city centres, leafy suburbs, and quiet villages, for all sorts of reasons.

This research looks at why people choose to live where they do in and around cities. Using data from national and local YouGov polling commissioned for the research, it finds that:

- City centre residents, who are likely to be young, single students or professionals, said that they live there to be close to restaurants, leisure and cultural facilities, to public transport, and to their workplace.
- Residents in suburbs, who tend to be over 30 with children, said they live there because of the cost, size and type of their housing, to be close to good schools, and because of the safety and security of the neighbourhood.
- In rural hinterlands, which tend to be home to the over 55s, people surveyed primarily chose to live there to be close to countryside and green spaces.

While the demographic profile of residents in suburbs and hinterlands - and the reasons given for why they live there – tend to be similar across cities, there is much greater variation between city centres.

This is particularly interesting considering the remarkable return to city centre living that has occurred in recent years. In the 1970s and 80s, city centres across England and Wales hollowed out, as people retreated from deindustrialising cities to the suburbs. But these trends have reversed since 1991, and growth has accelerated since 2001. The population of city centres grew by 37 per cent between 2001 and 2011, significantly faster than suburbs and hinterlands, which grew by 8 per cent and 6 per cent respectively.

The return to city centre living has been led by big cities. The populations of city centres in large cities doubled between 2001 and 2011, principally driven by students and young professionals. The survey results suggest this was because of access to work, culture and leisure facilities. But the growth of populations of many small and medium-sized cities has been slower, and has been driven by families and workers in non-professional occupations. The polling suggests that those choosing to live in these city centres have done so because of the availability of cheaper housing, rather than the proximity of jobs and other amenities.

What does this mean for the future of residential living? The growing demand to live in city centres is linked to the ever increasing presence of well-paid, knowledge-based jobs in these areas. And given that these jobs are likely to continue to grow in city centres in the future, demand for city centre living is likely to increase too, pushing up house prices, and creating competition for land between housing and offices. Meanwhile, some of the drawbacks of city centre living highlighted in the survey – such as pollution and a lack of green spaces – will likely be exacerbated too, requiring proactive thinking to prevent them becoming a constraint on growth.

In smaller cities, where city centres have not played the same role as places to work or to live, any future plans to regenerate or improve the city centre will need to think beyond regeneration strategies that focus on buildings alone, as these have not been particularly successful in attracting either jobs or residents to city centres. Instead, regeneration policy should focus on improving city centres as places to do business, as well as reconsidering the role played by universities.

The report has five key policy recommendations:

1. Planning strategically across city regions

People live out their lives across city regions and need different things from different places. Integrating housing, transport and public services requires strategic planning and transport powers at combined authority level, similar to those granted in London and Manchester.

2. Putting economic development at the heart of regeneration strategies

City centre regeneration strategies have often focused on physical and cultural development - but these alone do not provide the things that people need from the places where they live. Economic development needs to be at the heart of any successful city centre regeneration strategy.

3. Extending Permitted Development Exclusion Zones

In growing city centres, meeting increasing demand for both office space and housing will be crucial for supporting growth. Extending Permitted Development Exclusion Zones into more high demand city centres would help to retain the balance between valuable office space and housing.

4. Maximising student presence in city centres

Student populations in city centres can play a role in supporting local amenities. Universities in places that have a struggling city centre should review their property portfolios and increase their presence in the city centre where possible – either through city centre campuses or new student accommodation.

5. Mitigating the drawbacks of city centre life: managing pollution and open spaces

City centre residents accept high pollution and few green spaces in order to enjoy city centre living. But as city centres grow, these drawbacks could become deterrents and hold back growth. Cities with growing city centres will need to do more to mitigate these effects – by reducing emissions through sustainable transport strategies, and by actively incorporating parks and open spaces in new developments.

Introduction

Why do people live where they do? A complex set of decisions, trade-offs and priorities influence the decisions of individuals and families to locate in a certain place. Yet our understanding of how these often contradictory factors interact remains relatively limited.[1] And the places where the 57 million inhabitants of England and Wales choose to locate has a huge impact on how we plan for the houses they live in, the transport they use, the shops, restaurants and facilities they visit, the jobs they work in and the public services they consume.

It is also a question that has received a significant amount of attention from commentators and policy makers over the years. Recently, most of the interest has related to city centres, and has focused on the significance of the location decisions of 'millennials', or the 'creative classes' – the highly educated, mobile generation born since 1980 that have increasingly turned their backs on suburban life in order to live in inner cities. Initially a US phenomenon,[2] the debate has reached the UK in recent years, particularly in the context of urban renaissance and the return we have seen to city centre living over the last two decades.[3]

But the policies that have emerged from these debates – physical and cultural regeneration, for example – are based on a set of assumptions about why people live in certain places, when actually these choices are more complex, involving a range of physical, social, economic and environmental factors.[4] And the focus on city centres has tended to view them as separate to the social and economic make-up of the cities and the wider hinterlands that they are a part of.

This report provides a new understanding of why people live where they do, at certain stages of their lives, across city regions. It builds on the findings from the first part of this research series, *Urban Demographics: where people live and work,* which looked at the characteristics of people living in the city centres, suburbs and wider rural hinterlands of 59 cities across England and Wales. The report demonstrated that while city centres are typically home to young, single, highly educated residents,

1 Some studies have addressed home buyers' preferences, while a growing academic literature addresses the theoretical trade-offs made between wages and amenities in residential location decisions. However these studies have tended to be based on single case studies, and do not place a focus on policy outcomes or implementation. For examples, see Samuels, I (2004), What home buyers want: Attitudes and decision making among consumers. London: CABE http://webarchive.nationalarchives.gov.uk/20110118095356/http:/www.cabe.org.uk/files/what-home-buyers-want.pdf; Lawton, P Murphy, E and Redmond, D (2013) Residential preferences of the Creative Class. Cities, 31(2):47-56; Albouy, D and Lue, B (2015) Driving to Opportunity: Local Rents, Wages, Commuting and Sub-Metropolitan Quality of Life. *Journal of Urban Economics*. May 25 2015; Roback, J (1982) Wages, rents and the quality of life. *Journal of Political Economy*. Vol. 90, No. 6 (Dec., 1982) http://www.jstor.org/stable/pdf/1830947.pdf

2 Nielsen (2014) Millennials – Breaking the Myths. New York: Nielsen http://www.nielsen.com/content/dam/corporate/us/en/reports-downloads/2014%20Reports/nielsen-millennial-report-feb-2014.pdf

3 Bromley R D F, Tallon A R and Roberts, A J (2006) New populations in the British city centre: Evidence of social change from the census and household surveys. Geoforum 38 (2007); Nathan, M and Urwin, C (2006) City People: City Centre Living in the UK. London: Centre for Cities.

4 This reflects the findings of Moretti E (2012) The New Geography of Jobs. Boston: Houghton Mifflin Harcourt.

suburban residents tend to be cohabiting or married with children, while hinterlands tend to be home to more over 55s and retirees.

These findings raised a series of questions around what has driven these trends. Why has there been a return to city centre living, driven by young, single, highly qualified people? Why do families choose to live in suburbs? Why do retirees tend to move into rural hinterlands? And why, when the demographic characteristics of suburbs and hinterlands look broadly similar across different cities, do city centres vary so much?

The report is divided into two main sections. Using polling data from YouGov across Great Britain and in four case study cities, as well as the demographic analysis undertaken for the first part of the research in 59 cities across England and Wales, the first part explains the reasons why people choose to live in certain parts of cities at certain stages in their life, and the second part looks at how this varies across cities, and why we see this variation. Finally, the report looks at the future implications of these trends and offers a series of conclusions and policy recommendations.

Why do people live where they do?

Some people have more choice than others when planning where to live. But everyone operates under constraints – and there are both push and pull factors that play into the reasons why a person lives in a certain place (see Box 1).To better understand why people choose to live where they do, and how these preferences differ between places and people, two YouGov surveys were carried out – a national survey across Great Britain, and one across four case study cities, surveying residents from the city centres, suburbs and hinterlands of Manchester, Brighton, Sheffield and Swindon. The main questions asked respondents for the three main reasons why they chose to live in their neighbourhood, and for their three least favourite aspects of the neighbourhood that they live in.

Box 1: Push and pull factors in choosing a residential location

By asking about the reasons why individuals chose to live in the places where they do, we can understand the main constraints on where they live (for instance, those choosing cost of housing as a main reason are most constrained by finance), while asking about people's least favourite aspects tells us about the important attributes that people are denied by the limited choice available (such as environmental quality and pollution in a city centre). The nature of these constraints tells us something important about their ultimate residential location (i.e., their choice) and what drives it, e.g. their stage of life.

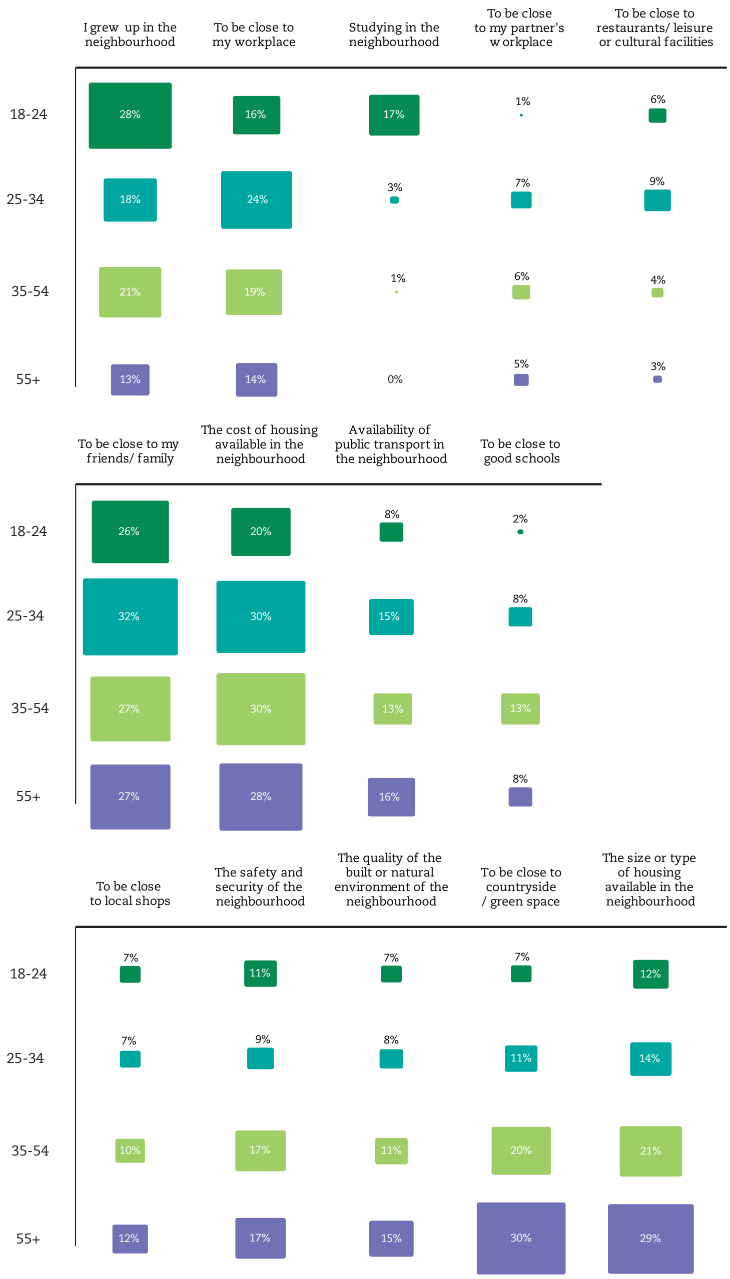
The results showed that people have strong preferences that underpin their residential decisions, which relate both to their age, and to the attributes and amenities that different parts of cities are able to offer.

The cost of housing was the most commonly selected reason for why residents chose to live in their neighbourhood in the national poll (28 per cent of respondents). Being close to friends and family was second (28 per cent), and the size and type of housing available was third (22 per cent). And 21 per cent of respondents chose either being close to their own workplace or to their partner's workplace as main reasons, suggesting that together, these are also significant drivers of residential location.

Living too far away from friends and family was the most common response given when asked for the least favourite attribute of respondents' neighbourhoods (15 per cent), and similar numbers criticised the cost of housing available, availability of public transport and their neighbours.

However, these priorities vary according to an individual's stage of life – which we can see by looking at the age breakdown of these polling results, as shown in Figures 1 and 2.

Figure 1: The main reasons why respondents chose to live in their neighbourhood by age



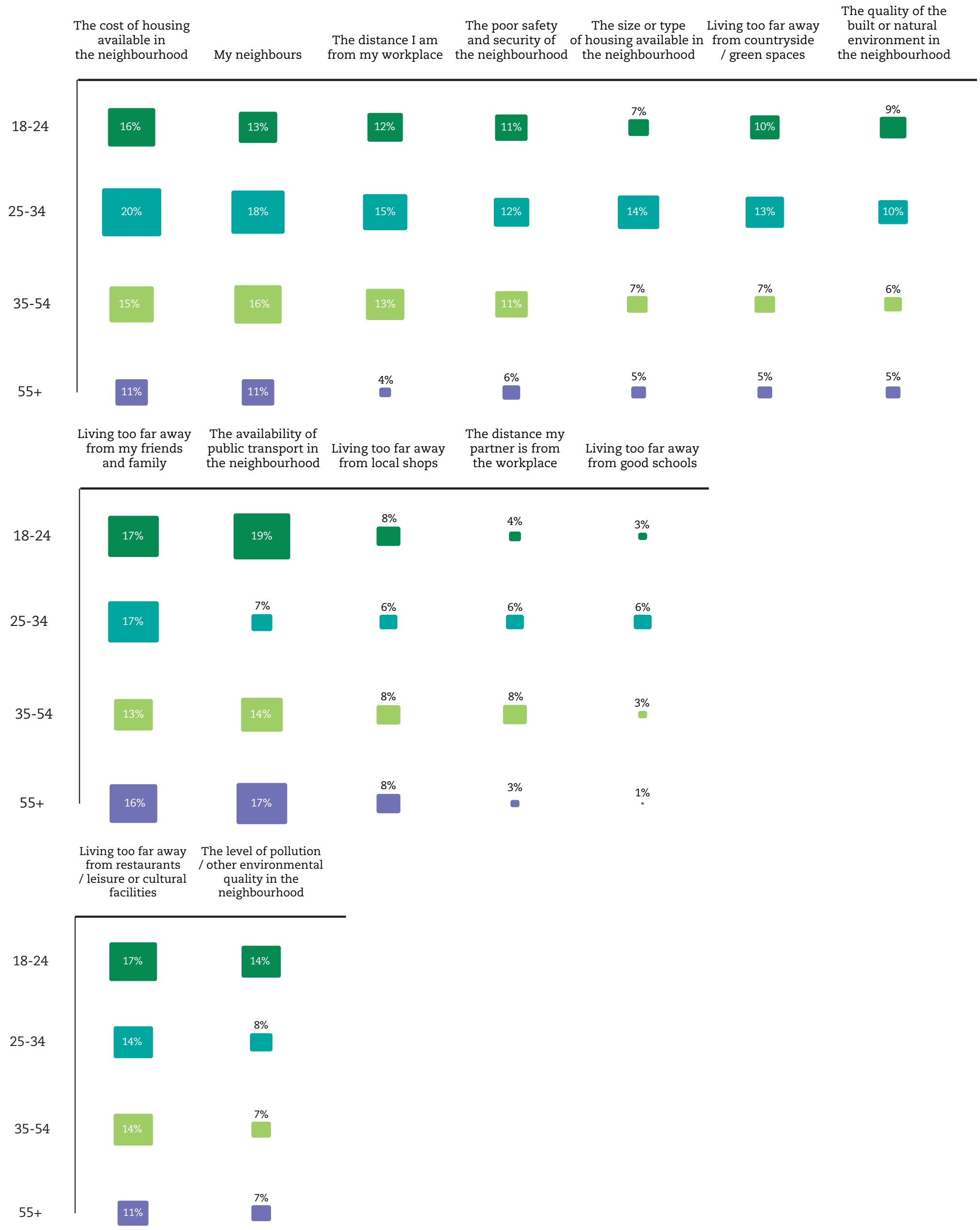
Source: YouGov, 2015, 2080 GB residents.

Students and young people: aged 18-24

People aged 18-24 were more likely than other age groups to say that they live where they do **because they grew up there** – and as this age group are more likely to still live at home with their parents,[5] it is not surprising that 26 per cent also said that a main reason for living there was to be near friends and family. While it says something about the reliance of young adults on friends and family, the drawbacks given – which tend to be distance from restaurants and leisure facilities (17 per cent) and availability of public transport (19 per cent) – indicate that behind the constraints that drive where they live, this age group is actually more reliant on public transport and have a preference for proximity to recreational and leisure facilities.

5 Across the wide city regions of Brighton, Manchester, Sheffield and Swindon, 36 per cent of 18-24 year olds surveyed said that they lived at home with their parents, family or friends rent-free or paying some rent.

Figure 2: Least favourite characteristics of a neighbourhood by age



Source: YouGov, 2015, 2080 GB residents.

Starting out: aged 25-34

For those aged 25-34, **proximity to workplace** was a more significant reason than for any other age group (24 per cent), which relates to the greater likelihood of this age group to be working full time than any other group.[6] They are also slightly less likely to have responsibilities such as caring for young families or elderly parents than other groups, so rather than valuing more domestic factors – such as size and type of housing – their priorities related to leisure and recreation, with this group choosing **proximity to restaurants, leisure and cultural facilities** (9 per cent) more than any other age group. But, particularly as a result of increasing property prices which are more likely to affect younger generations,[7] they are more financially constrained.

6 Nomis (2015), Census 2011, data for England and Wales

7 Kingman D (2012) Spending Power across the Generations. London: Intergenerational Foundation. http://www.if.org.uk/wp-content/uploads/2013/01/Spending-Power-Across-the-Generations-Report.pdf

This is evidenced by the the large number choosing **the cost of housing** (30 per cent).

Family rearing and middle age: 35-54

From age 35 onwards, being close to the workplace is less likely to be one of the main reasons why individuals choose to live where they do (19 per cent). Instead, the **safety and security of the neighbourhood** (17 per cent), **being close to good schools** (13 per cent), and the **size and type of housing** (21 per cent) become more significant – factors which relate to the need of young families to have safe environments in which to bring up children. The **cost of housing** (30 per cent) was a particularly important factor for this age group, indicating the financial constraints brought on by raising a family, while safety and security stood out as one of the most common drawbacks for the 35-44 year olds within the wider age category.

Empty nesters and retirees: over 55s

The two reasons given most commonly by those aged 55 and over, an age group more likely to be retired, and more likely to have non-dependent children, were **being close to countryside and green spaces** (30 per cent), and **the size and type of housing** (29 per cent). At this stage in life, when people are more likely to be retired, financial constraints are less significant, suggested by the low number of respondents giving the cost of housing as a drawback. Instead, people prioritise other factors, such as access to the countryside, over the needs brought about by raising a family and needing to be close to the workplace.

The geography of residential preferences

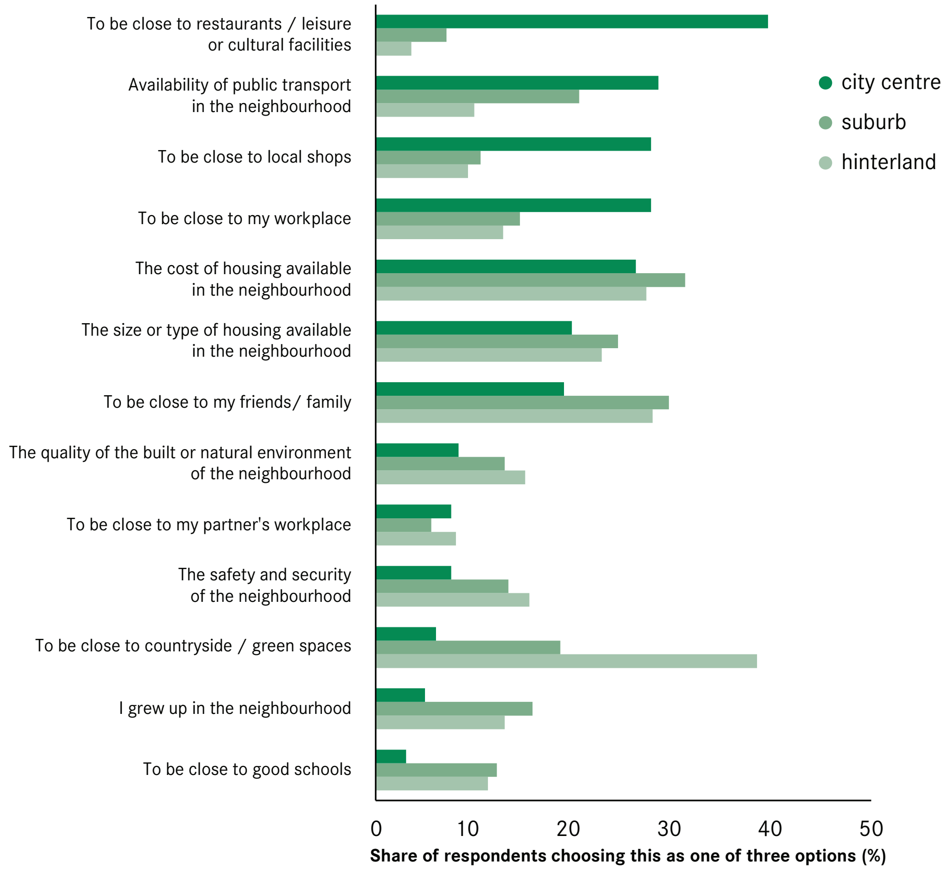
Certain parts of cities have different natural amenities, or are more appropriate locations for certain amenities, than others. As people's priorities and needs change throughout their lives, these preferences are reflected in a demographic shift across a city-region (see Box 2 which illustrates the case of London) as well as in the preferences given by residents in different parts of the city region, illustrated by the case study city surveys (see Figures 3 and 4).

City centres

Unlike the national survey, among those surveyed in the city centres of the four case study cities, **proximity to restaurants, leisure and cultural facilities** (39 per cent) was the most frequently selected reason why residents chose to live there. It was a more important factor than **access to local shops** (27 per cent) **and public transport** (28 per cent), although these were significant too. This tells us something about how the young, single, highly qualified people who tend to make up the average city centre demographic prioritise leisure and recreation over everyday amenities, as well as being close to the workplace, which was more important for city centre residents than for any others (27 per cent).[8] And although many city centre residents pay a premium to live there, there are some significant drawbacks – **the cost of housing** (31 per cent)**, pollution** (25 per cent)**, and the distance of their home from countryside and green spaces** (22 per cent) in particular.

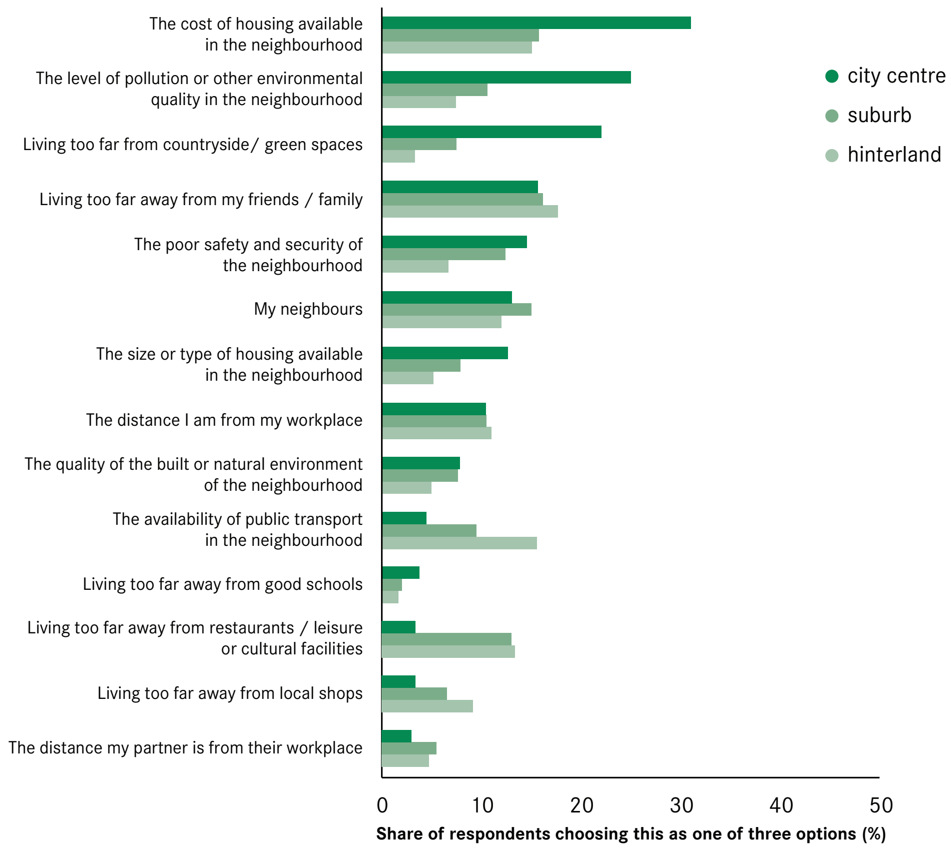
8 This challenges the findings of Tallon, A R and Bromley, R D F (2004) Exploring the attractions of city centre living: evidence and policy implications in British cities. Geoforum 35 (2004).

Figure 3: The main reasons why respondents chose to live in their neighbourhood



Source: YouGov, 2015, 1725 residents from four city regions.

Figure 4: The least favourite things about the neighbourhood that respondents live in



Source: YouGov, 2015, 1725 residents from four city regions.

Suburbs

Suburbs, as primarily residential parts of cities with a lower density of jobs and activity but with larger houses and more open space, tend to be home to families. **Housing was the main reason given by those surveyed** for why they chose to live in the suburbs. Both the **cost**, which was the most selected reason for residents (31 per cent), and the **size and type of housing** (24 per cent), which was a more pertinent issue in suburbs than in city centres, where residents were willing to make a space sacrifice. Suburban residents were more likely to choose **access to good schools** (12 per cent) than residents elsewhere, reflecting the needs of residents who are more likely to have children than elsewhere, while **proximity to friends and family** (29 per cent) was also a more commonly chosen reason for suburban residents.

Hinterlands

The rural hinterlands around cities offer much more limited access to recreational amenities or jobs, but offer plentiful **countryside and green space**. This was significantly more important for those aged over 55 than for any other age group, and was the most commonly selected reason why residents surveyed in rural hinterlands chose to live there (38 per cent). This was traded off against the **availability of public transport**, which was one of the most commonly selected drawbacks of living in these places (16 per cent), when compared to those surveyed in city centres and suburbs. Although elderly residents tend to have more limited access to a car,[9] this was an accepted trade-off for many residents.

Summary

The first part of this research series, *Urban Demographics: Where people live and work,* showed that different parts of cities are home to different types of people, at different stages of their lives. In 2011, city centres, especially in large cities, tended to be made up of students and single young professionals. Suburbs tended to be home to over 30s with children. And in rural hinterlands, a much larger share of residents were over 55.

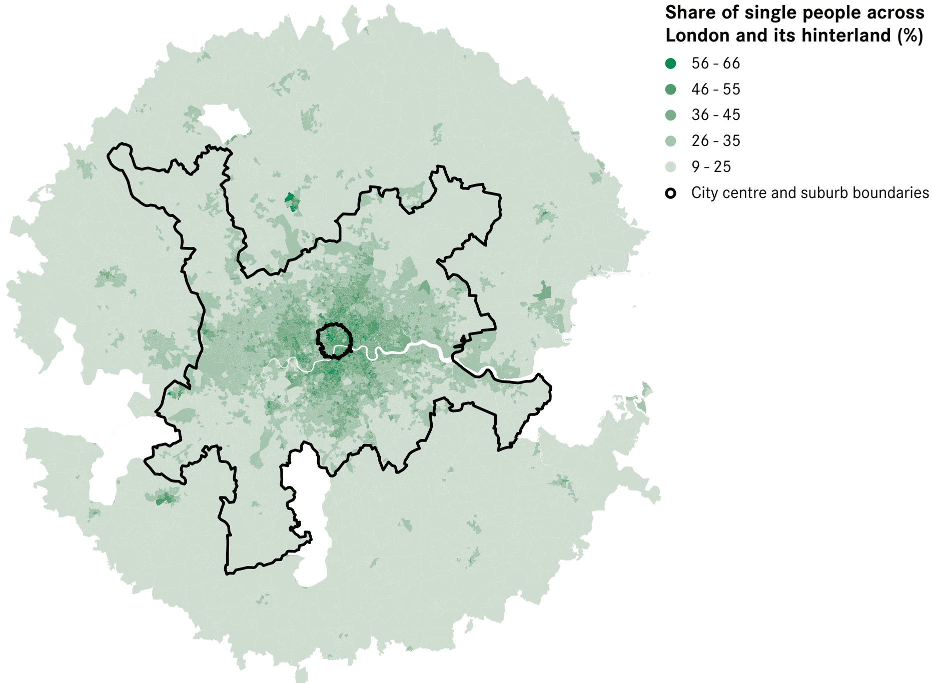
The polling results suggest that this is because **people's preferences for where they live change as they get older**. The amenity offer of city centres aligns more closely to young people's preferences – with good access to leisure, culture and the workplace. Suburbs provide the space and the houses needed by families. And rural hinterlands offer the access to countryside and green spaces that over 55s have such a strong preference for.

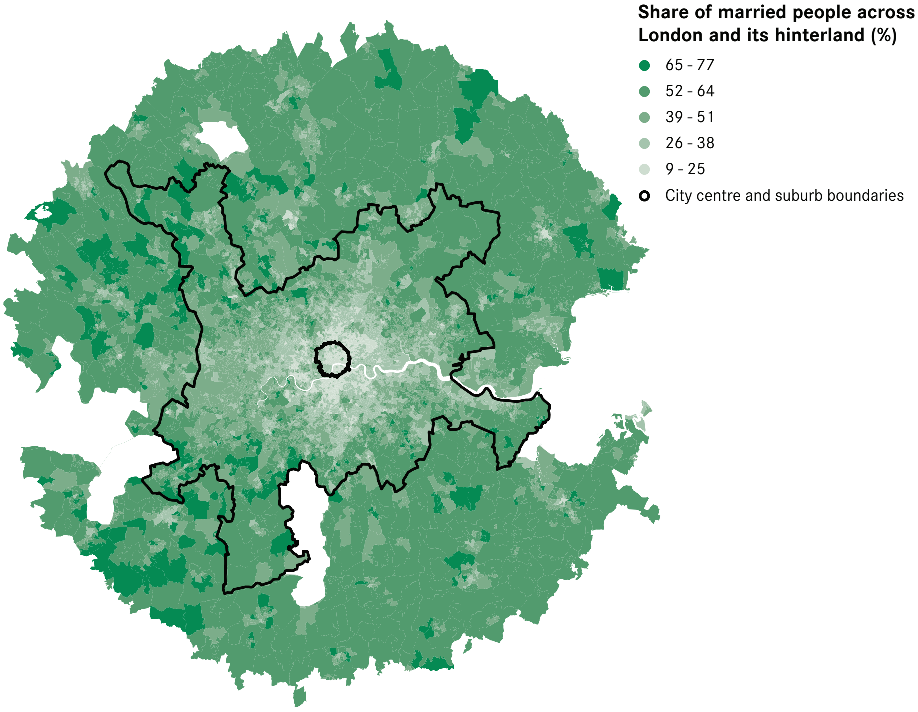
But this movement across the city region, between city centres, suburbs and hinterlands, crosses the local authority boundaries in which housing, transport and public services are typically planned. Recognising how these patterns work across a city region require local authorities to cooperate at a strategic, city-regional level to deliver services in the places where people need them.

9 Department for Transport (2014) National Travel Survey: England 2014 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/457752/nts2014-01.pdf

Box 2: The geography of stage of life: single and married residents across London

Across the city centre, suburbs and hinterland of London, people choose to live in those places that best suit their needs at a particular time in their life. The maps below show how single people are more likely to cluster in central areas, where houses are smaller and they are more likely to rent, but where they can easily access jobs, restaurants, and amenities. Married couples, by contrast, are more likely to locate further out, in suburbs, and particularly in rural hinterlands – reflecting the greater likelihood of these people to have children and to require cheaper housing, as well as bigger homes and proximity to schools and green spaces.





Source: Nomis (2015), Census 2011.

How cities differ

The first *Urban Demographics* report showed that there were common patterns in the demographics of city centres, suburbs and hinterlands, but also a great deal of variation between cities. Yet this variation was primarily between city centres, rather than in suburbs or hinterlands. The same trend emerges from the polling responses in the four case study cities, where there was very little difference between the responses given by residents of suburbs and hinterlands and a great deal of variation between city centre residents' responses (see Figure 7).

City centres have been the fastest growing parts of cities

There has been a considerable shift in attitudes towards city centre living in recent years, which has had a major impact on the demographic profile, and the role, of city centres.

Box 3: Urban regeneration policies

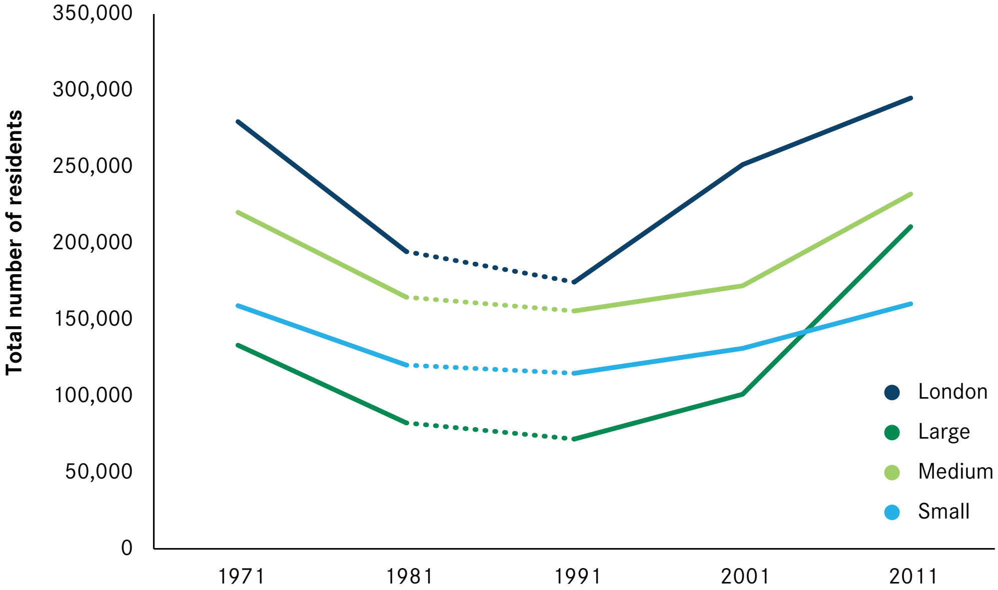
Post-industrial decline during the twentieth century resulted in the blight of inner cities across the UK, and shifting cultural preferences towards suburban, low-density living and open space led to a flight from the inner city.[10] The need to manage this de-urbanisation saw a series of different approaches emerge from the 1980s, including the encouragement of business growth through Enterprise Zones, cultural-led regeneration strategies such as the European Capital of Culture Programme (which commenced in 1985), and retail-led strategies such as town centre management, which existed from the early 1990s. The regeneration agenda became a policy focus during the 1990s through the Labour Administration, and the Urban Task Force's 1999 Towards an Urban Renaissance set out a programme to regenerate city centres through sustainable, high-density residential development on brownfield land. While there has been an increase in city centre apartment building, particularly in large cities, the extent to which this is seen as a result of policy is mixed, and is likely to have had as much to do with changing economic geography and demographic and social change.[11]

As Figure 5 shows, from 1971 there was a hollowing out of inner cities as residents moved out – into suburbs, in particular.[12] But this has strongly reversed since 1991; city centres grew by 74 per cent between 1991 and 2011. And not only has there been a return to city centre living, but this growth has far outstripped population growth in other parts of cities.

10 Johnston RJ (2009) 'Inner City' in Gregory D et al (eds) Dictionary of Human Geography. Chichester: Wiley-Blackwell.
11 Tallon A (2013) Urban Regeneration in the UK. Second edition. London: Routledge
12 Champion T (2005). Population movement within the UK in ONS (2005) Focus on People and Migration. London: Palgrave Macmillan.

Between 2001 and 2011, the populations of city centres grew on average by 37 per cent, compared to just 8 per cent in suburbs, and 6 per cent in hinterlands.[13]

Figure 5: City centre populations of cities in England and Wales, 1971-2011



Source: Casweb (2015), Census 1971, 1981 and 1991 data (enumeration district level), Nomis (2015), Census 2001 and 2011 data (LSOA level). Note: The break in the series appears because data from 1991 includes students in their term time address, while data for 1971 and 1981 does not. This means that data for 1971 and 1981 is likely to underestimate city centre populations.

This trend has been most pronounced in large cities – which saw both a fast decline in their city centre populations after 1971, and a faster increase - particularly since 2001. Between 2001 and 2011, the populations of these cities have more than doubled (108 per cent), while the city centres of medium and small cities have grown much more slowly – by 35 per cent in medium cities, and 22 per cent in small cities. This has been matched by a boom in apartment building in large cities, where 26,000 new flats were sold between 2001 and 2011, compared to just 22,000 existing flats - while more new flats were sold in the city centre of Manchester over that time than in the whole of central London.[14]

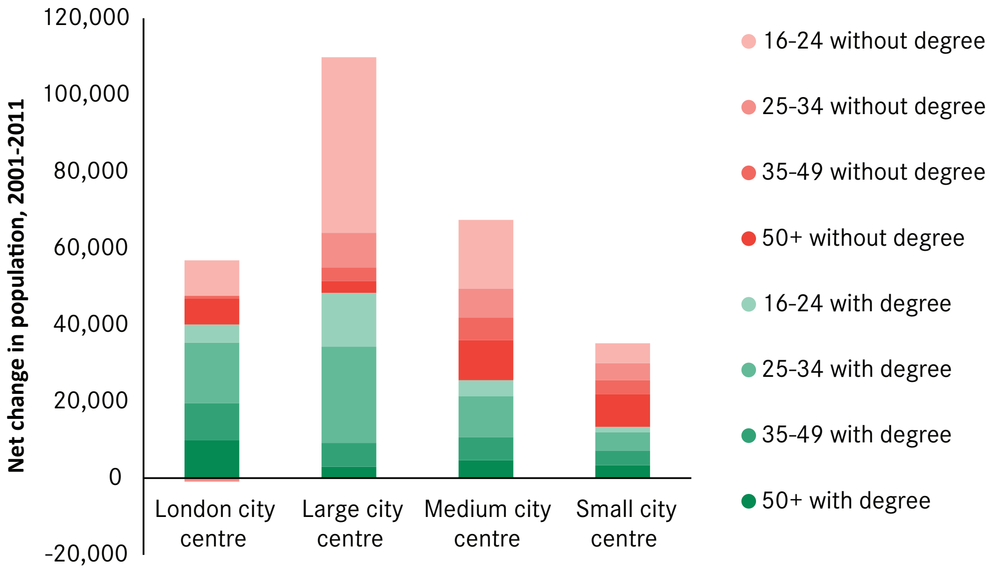
Large cities have not only grown faster – they have attracted different types of people, too. In the centres of large cities, more than half of the overall growth was a result of an increase in student numbers, and over a third was driven by graduates under the age of 35.[15] In medium and small cities, on the other hand, the growth has tended to be driven by a more even spread of age groups and qualification levels (see Figure 6).

This meant that in 2011, more than a third of city centre residents in large cities had a degree, and the majority were aged between 25 and 34. They also tended to work in higher-skilled occupations and were more likely to work within the city centre. In small and medium-sized cities, residents were more likely to have families, to work in lower-skilled occupations, and to commute out of the city centre into jobs in the suburbs. London, meanwhile, had the largest proportion of highly skilled residents (48 per cent had a degree), but its demographic overall was slightly older, likely driven by prohibitively high central London housing costs.

13 Thomas E, Serwicka I and Swinney P (2015) Urban Demographics: Where people live and work. London: Centre for Cities.
14 Source: Land Registry (2015). Market Trend Data, Price Paid, 2001-2011 data.
15 Noting that there is some overlap between the two groups due to postgraduate students

These trends are no accident – the demographics of these city centres, and the variation in responses that residents surveyed gave, differ because the city centres of large cities have been able to offer something quite different to city centres elsewhere, as shown in Figure 7.

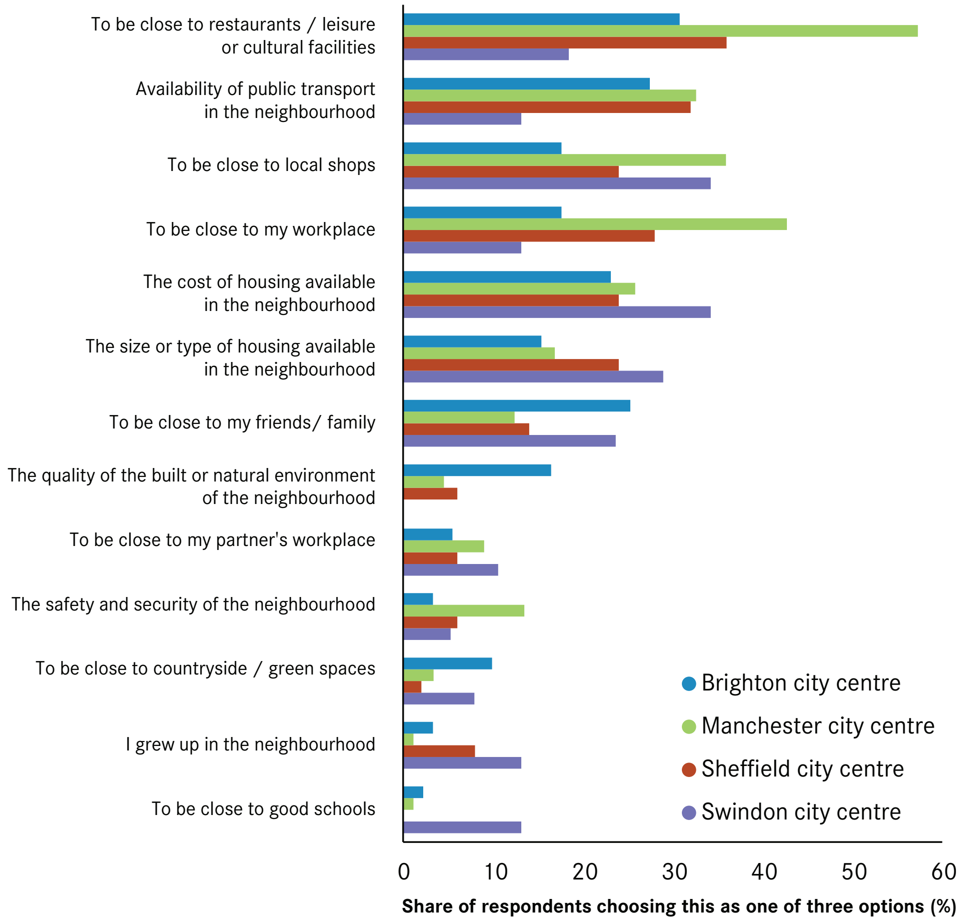
Figure 6: Net change in population by age group and highest level of qualification, 2001-2011

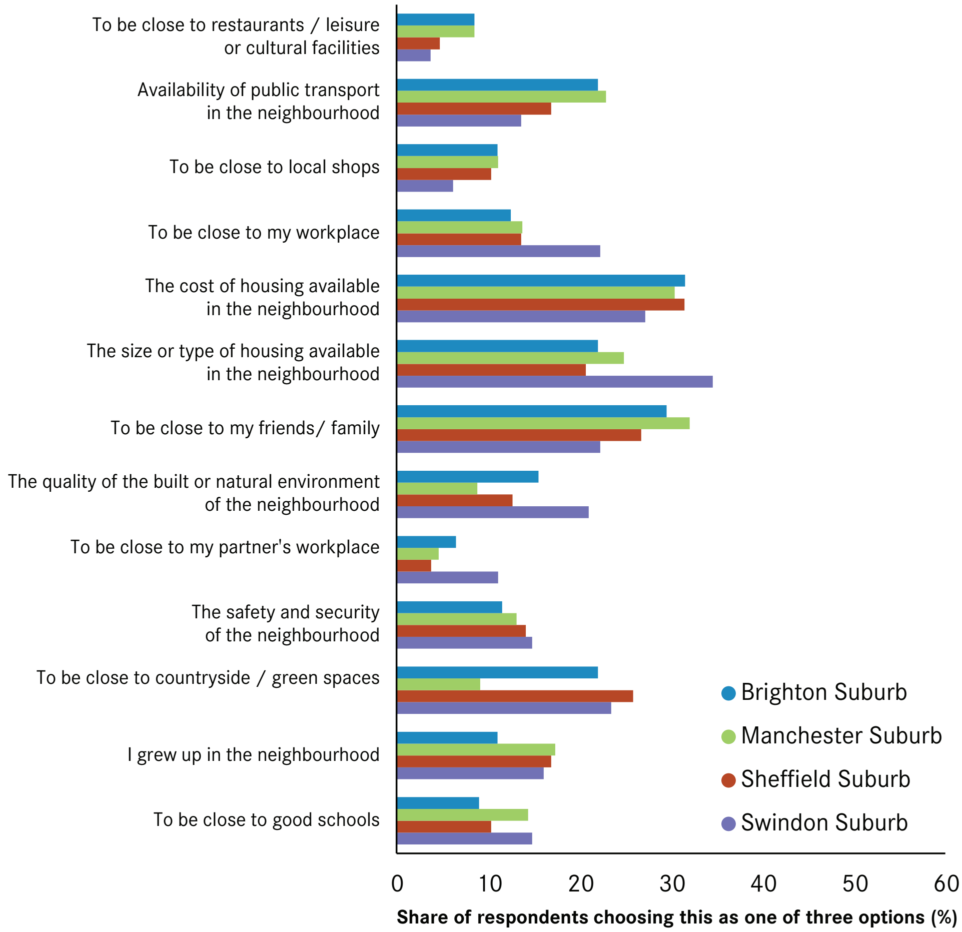


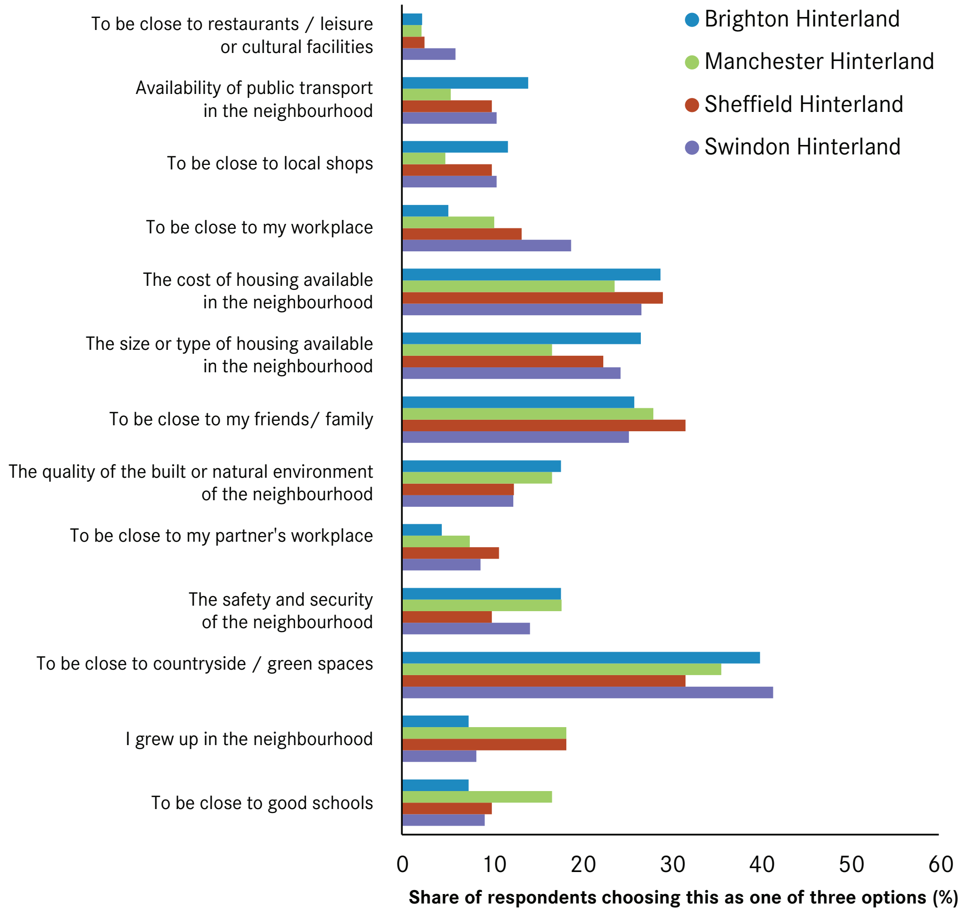
Source: NOMIS (2015), Census 2001 and 2011 data

The following four case studies look at Manchester and Sheffield (both fast growing large cities) and Swindon and Brighton (both slower growing small and medium sized cities with very different demographics) and offer wider lessons as to why there has been such variation in the return to city centre living. Figure 8 shows the key data for each case study.

Figure 7: the main reasons why respondents chose to live in their neighbourhood: city polling







Source: YouGov, 2015, 1,725 residents from four city regions (see appendix for full sample sizes)

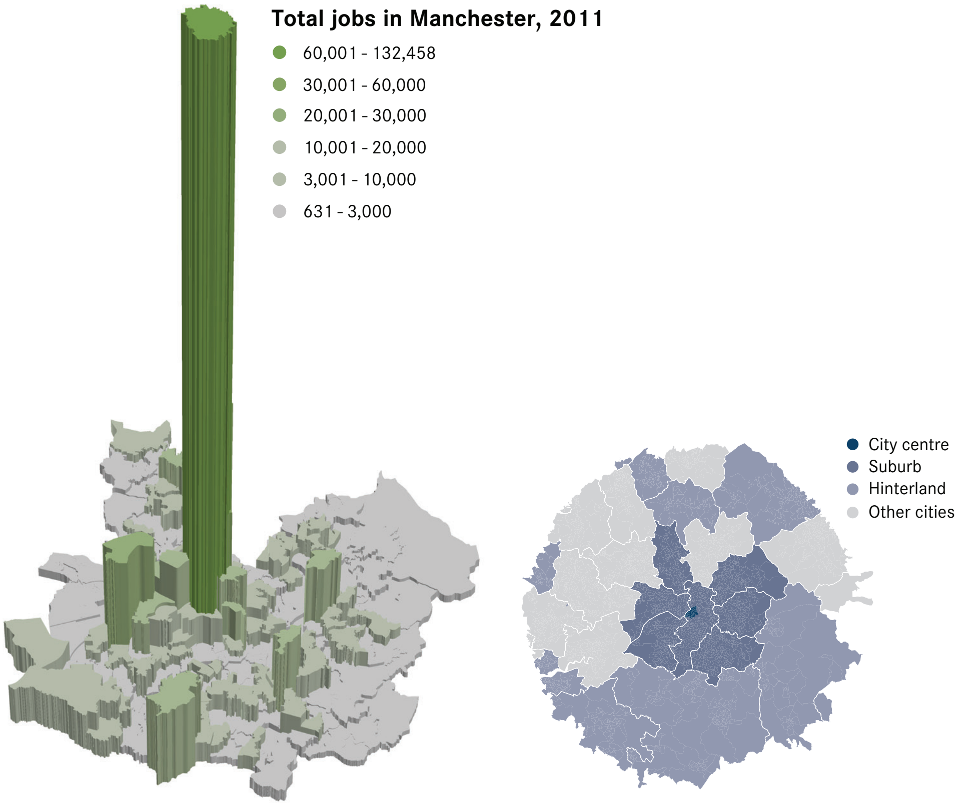
Figure 8: Key data on the four case study cities

City	Ratio of city centre to suburban house price, 2011	Share of city centre residents under 35 with a degree, 2011 (%)	City centre residents who also work in the city centre, 2011 (%)	Percentage growth of city centre residents, 2001-11 (%)	Students in the city centre (%)	Private sector jobs growth in the city centre 1998-2011 (%)
Brighton	1.04	25	25	32	17	18
Manchester	1.02	41	39	198	39	44
Sheffield	0.89	23	29	111	54	-22
Swindon	0.69	14	17	34	5	-17

Source: Nomis (2015), 2001 and 2011 Census; Land Registry 2015, Market Trend Data, Price Paid, 2011 data; ONS (2013), Business Structure Database.
Note: Ratio of city centre to suburban house price is for all homes sold in the area during 2011, regardless of size – despite the much higher likelihood of city centre homes to be smaller, residents in Brighton and Manchester still pay more per property in the city centre compared to the suburb.

Manchester

Figure 9: The geography of jobs across Manchester



Source: Nomis (2015), Census 2011, workplace zone data, displaying suburban MSOAs and city centre.

Manchester's city centre population almost tripled between 2001 and 2011. The change in the number of students was equivalent to a third of this growth, attracted by Manchester's two universities and its vibrant city centre offer, but **the change in the number of employed residents was equivalent to more than half of its growth**. The 2011 Census showed that 39 per cent of city centre residents were students, but 49 per cent were employed, while the overall demographic was very young and highly qualified: 41 per cent of all residents were under 35 with a degree – the highest among all city centres.

The city's pull seems to relate to its **offer of restaurants, leisure and cultural facilities**, which was the most selected reason why surveyed residents chose to live there, and **proximity to workplace,** which was the second most popular reason. With 39 per cent of city centre residents also working in the city centre, the latter seems to be an important pull for young professionals,[16] who, on the basis of those residents surveyed, were also prepared to withstand the higher cost of housing (which is more expensive than in the surrounding suburbs), higher pollution, and a lack of green space, in order to access the benefits that the city centre offers.

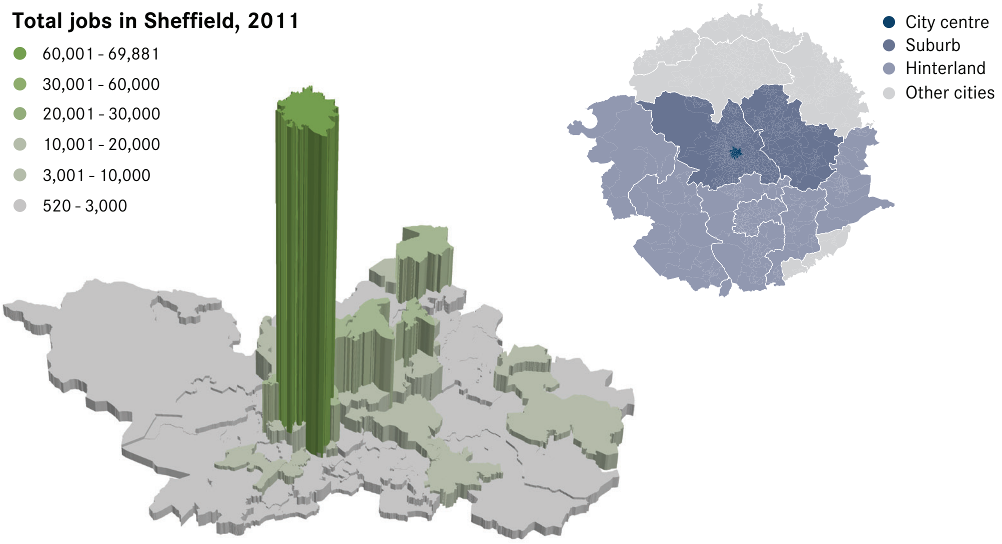
Part of Manchester's growth has been driven by its two universities. But the strong growth in the number of young professionals over 10 years is more a result of the very strong jobs growth that the city centre has seen, particularly in knowledge-intensive

16 In Manchester, growth has been driven by under 35s in employment working in the top three occupational groups (managers and professionals). But there is a question about places where young residents are highly qualified, but working in less highly skilled jobs, and how this relates to graduate retention. Future Centre for Cities work will be looking more closely at this issue.

business services – a sector which is not only more likely to locate in the city centre than elsewhere,[17] but which also tends to employ large numbers of young professionals in well-paid jobs.[18] These factors are likely to explain why other cities such as Birmingham and Reading have also seen strong growth driven by young professionals in recent years.

Sheffield

Figure 10: The geography of jobs across Sheffield



Source: Nomis (2015), Census 2011, workplace zone data, displaying suburban MSOAs and city centre.

Sheffield's city centre has also grown very fast over the last 10 years, more than doubling its population. But unlike Manchester, **the change in the number of students was equivalent to around three quarters of this growth**. The number of employed residents grew much more slowly over this time, and in 2011, just 24 per cent of all city centre residents were in employment, compared to the 54 per cent who were students. And only 23 per cent of the population were aged under 35 with a degree, just over half the share in Manchester's city centre.

The growth in students in Sheffield's city centre – which has been similar to the trends seen in areas such as Middlesbrough, Nottingham, and Newcastle – is partly explained by expanding universities,[19] but also by the changing geography of student accommodation, where decommissioned student accommodation in suburban areas has been replaced by purpose-built city centre blocks.[20]

The most popular reason given by people surveyed in central Sheffield for why they live there was being close to **restaurants, leisure and cultural facilities** (36 per cent) – amenities which in turn are likely to have been supported by student footfall in the city centre. A much lower share of Sheffield's city centre residents also work in the city centre compared to places like Manchester, with many more commuting out to work in the suburbs. This is reflected in the fewer respondents who identified proximity to their workplace as a reason for living in Sheffield's city centre.

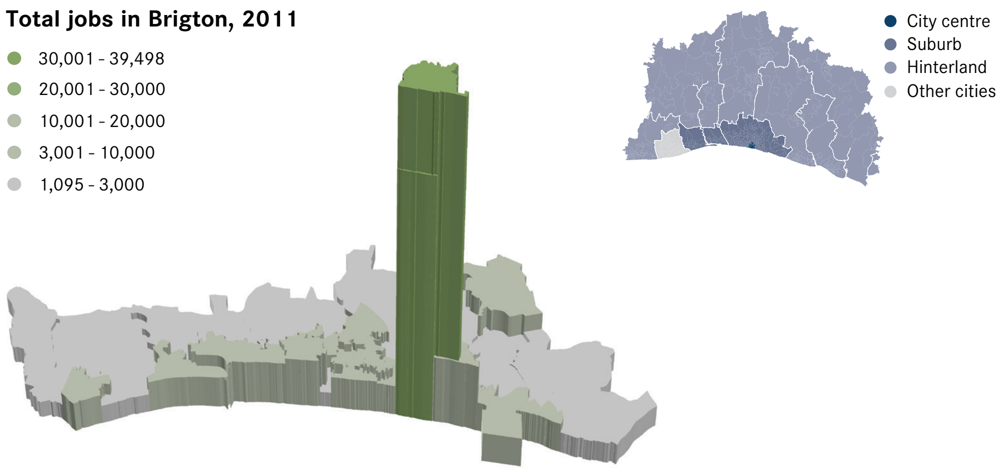
17 Swinney P and Sivaev D (2013) Beyond the High Street: Why our city centres really matter. London: Centre for Cities
18 Correlation across E&W of share of jobs in KIBS in a city and share of city centre residents aged 20-29
19 HESA (2015), Students by HE institution, 2000-01 and 2010-11, https://www.hesa.ac.uk/content/view/1973/239/
20 Sheffield City Council (2014) Student Accommodation Strategy. https://www.sheffield.gov.uk/dms/scc/management/corporate-communications/documents/housing/strategy-policy/housing/Student-Accommodation-Strategy-2014-2019/Student%20Accommodation%20Strategy%202014-2019.pdf

This trend of out-commuting is driven by the geography of jobs in Sheffield, which are dispersed across the city region (Figure 10) – something which has been exacerbated by the decline in the number of private sector jobs located in the city centre between 1998 and 2011.

Despite the draw of Sheffield city centre as a centre for leisure and culture, which has been supported by its growing student population, this has not played out into a growth in young professionals. The city overall and the city centre in particular have not been able to support the jobs needed to retain graduates or to attract in young professionals, demonstrating how amenities alone are not sufficient to attract working residents.

Brighton

Figure 11: The geography of jobs across Brighton



Source: Nomis (2015), Census 2011, workplace zone data, displaying suburban MSOAs and city centre.

The city centre of Brighton grew by just 32 per cent between 2001 and 2011 – slower than the average for all city centres across England and Wales. **Yet high house prices suggest that it is a popular place to live**. Not only does the city have the fourth least affordable housing nationally, but city centre residents also pay a premium to live there instead of the surrounding suburbs.

The survey results emphasise that its **restaurants and leisure facilities as well as its high quality built and natural environment** – likely to relate to its seaside location – have played into why people choose to live there. But proximity to the workplace does not seem to be a key reason why people live there. Instead, a large number of people commute out of the city centre to work elsewhere.

This is despite Brighton's city centre economy performing strongly in recent years, with a considerable increase in private sector jobs between 1998 and 2011, particularly in knowledge intensive business services.[21] This is likely to have played a role in increasing demand, but so too has an increase in residents commuting to London, likely to reflect respondents' prioritisation of proximity to public transport over proximity to work. This increasing demand, which is likely to have been

21 Clarke E Swinney P and Sivaev D (2013) Beyond the High Street: Brighton Analysis. London: Centre for Cities.

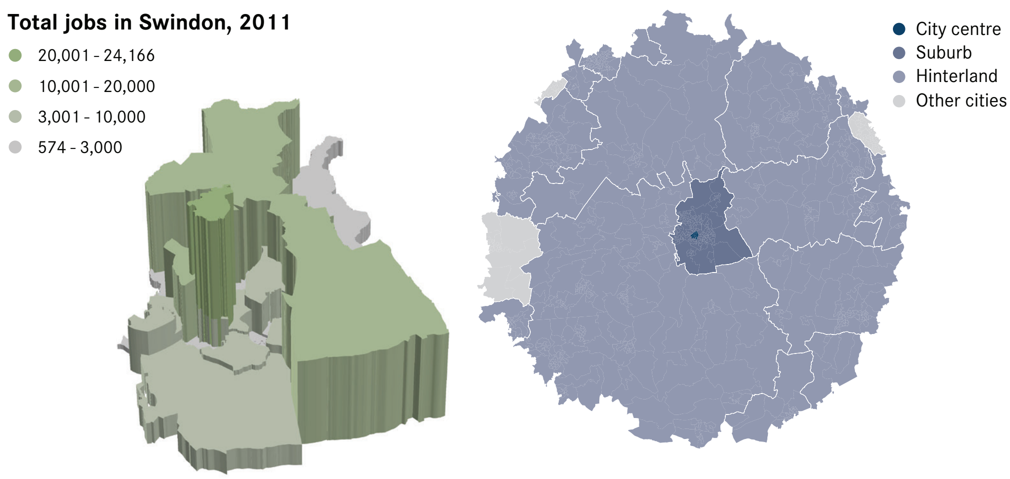
exacerbated by the low growth in the number of homes in Brighton over the last 10 years,[22] has pushed up house prices.

Brighton has an older demographic in its city centre, 21 per cent of residents were aged over 35 with a degree in 2011. This is likely due to younger residents being priced out by high housing costs. Despite there being two universities in Brighton, few students live in the city centre. Instead, city centre residents are less mobile than in most city centres, with nearly a third of those surveyed saying that they are "very unlikely" to move house in the next two years. Their survey responses have more in common with over 55s rather than young professionals – where being close to countryside and living in a quality built or natural environment were more commonly chosen by respondents in Brighton than in other city centres.

These trends are comparable to other constrained cities such as York and Cambridge, which also have strong city centre amenity offers and high city centre house prices compared to the suburbs. In these places, there is a need to increase the housing supply to prevent young people from being priced out – but without limiting the amount of office space in the city centre, which is crucial for supporting business growth.

Swindon

Figure 12: The geography of jobs across Swindon



Nomis (2015), Census 2011, workplace zone data, displaying suburban MSOAs and city centre.

Like Brighton, Swindon also saw slower population growth in its city centre than the average for England and Wales. But the nature of its growth was very different: **residents working in low-skilled occupations accounted for the equivalent of more than half of its growth**, and **residents without a degree accounted for the equivalent of two thirds of its growth**. In 2011, 39 per cent of its residents were unemployed, economically inactive or under 16, and just 14 per cent of its residents were aged under 35 with a degree.

This demographic profile, which is more characteristic of a suburb, suggests that the city centre has less of a distinctive draw seen in other city centres. This is reflected in the polling results, which show that city centre residents surveyed chose to live there

22 Centre for Cities (2015). Cities Outlook 2015 London: Centre for Cities.

because of the **cost, size and type of housing available**, and more than in other city centres, because of the **proximity to good schools**. This suggests that it is the availability of cheaper housing, rather than access to leisure, culture and the workplace, that is the principal reason why people choose to live in Swindon city centre.

Unlike Manchester and Sheffield, Swindon does not have a major university, something which is likely to play into its older demographic. But its demographic is also strongly related to its relatively weak city centre economy. **Between 1998 and 2011 the number of private sector jobs located in the city centre fell**. There are fewer professional job opportunities in Swindon than in the average city centre, and most people living in the city centre commute out to jobs elsewhere. In 2011, only 17 per cent of city centre residents also worked there.

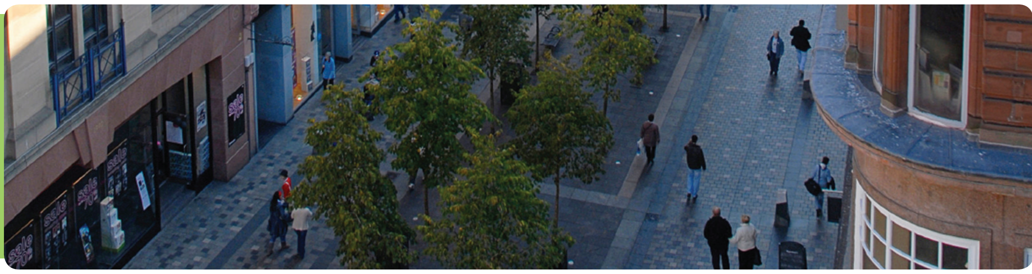
In the other cities surveyed, proximity to work was a more frequently chosen reason for living in the city centre, and became less so in suburbs and hinterlands. In Swindon the opposite is true – a much higher share of suburban residents surveyed chose this as an answer than those in city centres. Without the benefit of proximity, there is little incentive for young professionals to live in the city centre, and so it has not developed as an amenity-rich location as seen in other city centres such as Manchester.

The lessons from Swindon are likely to apply to a large number of small and medium-sized cities, such as Doncaster, Newport and Worthing, that have seen lower than average population growth in their city centres. In these places, it is likely to be cheaper housing that drives people's choice to live in the city centre, rather than access to leisure, culture or the workplace.

City centre jobs have been crucial in supporting city centre living

The four case studies demonstrate how there have been two key factors driving city centre growth over recent years: universities and jobs. Universities have played a key role in drawing residents into city centres, most notably in large cities such Sheffield, but also in smaller cities such as Middlesbrough and Oxford. The presence of students has also had an influence on the ability of these places to support leisure and cultural amenities, but as Sheffield demonstrates, this city centre lifestyle alone is not sufficient to retain graduates within a city after university.

In cities where growth has been primarily driven by young professionals, as seen in Manchester (as well as in Birmingham and Reading), it has been matched by jobs growth, particularly in high-knowledge industries. Where these jobs exist in the city, graduates and young professionals have been likely to stay or move into the city from elsewhere. And when those jobs are located in the city centre in particular, residents are more likely to also live in the city centre to be able to live close to their workplace, as well as to be near to restaurants, leisure and cultural facilities that tend to be valued highly by city centre residents in Manchester, Sheffield and Brighton.



Implications for future living trends in city centres

The most successful city centre economies have seen jobs – particularly knowledge intensive jobs – concentrate within them in recent years.[23] And given that the UK is likely to continue to specialise in these types of activities, this trend is likely to continue.

This is also likely to mean that demand to live in these city centre will also continue to increase. There are five implications from these patterns:

1. ***Successful city centres that continue to increase their housing supply will see populations continue to grow***

Large cities have experienced an apartment boom in recent years. If housing supply continues to increase in line with demand, then the return to city centre living seen in these places will continue.

2. ***Successful city centres that don't increase their housing supply will become less affordable***

Both London and Brighton have seen demand for city centre housing outstrip supply. Not only has this limited the growth of their city centre populations, but it also seems to have altered their demographic profile[24] – the older demographic of these two places relative to other city centres suggest that younger people have been priced out. Without an increase in housing other high demand cities are likely so see similar patterns in the future.

3. ***Permitted development rights could restrict the supply of office space in high demand city centres***

In cities where jobs are likely to continue to centralise into the city centre, the demand for city centre living will increase, too. But this increases competition over the use of land in city centres, between office and residential uses. Currently, the policy of Permitted Development Rights, which allows developers to convert office space to residential use without full planning permission,[25] means that developers are incentivised to convert offices wherever there is higher demand for residential space. But this threatens the future of office spaces in the cities where demand from knowledge-based businesses for employment space is likely to increase, and could threaten the growth of city centre economies.

23 Swinney P and Sivaev D (2013) Beyond the High Street: Why our city centres really matter. London: Centre for Cities.
24 22 per cent of central London residents and 21 per cent of central Brighton residents are aged over 35 with a degree, compared to an average of 14 per cent in city centres across England and Wales.
25 Planning (2015) Office-to-resi permitted development extends to allow demolitions and new build homes. Planning, 13 October 2015. http://www.planningresource.co.uk/article/1368187/office-to-resi-permitted-development-extends-allow-demolitions-new-build-homes

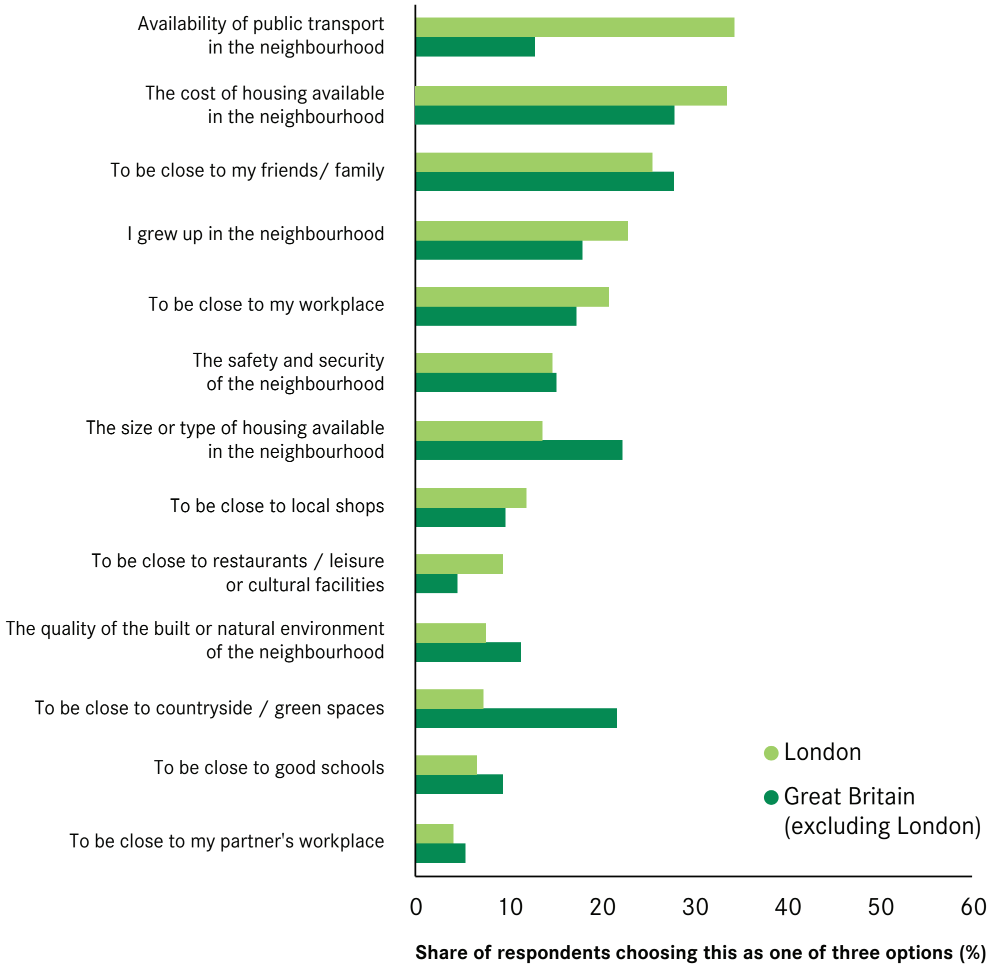
Businesses unable to find appropriate office space in the centre will harm the city's economy as a whole – and with proximity to their workplace as one of the key determinants of why people live in city centres (and particularly in cities such as Manchester) this in turn will undermine the demand for city centre living, too.

4. ***The concentration of jobs in city centres is likely to alter the preferences of residents in the suburbs and hinterlands***

The concentration of jobs in a city centre means that getting to work via private transport becomes ever less practical. In London, where 30 per cent of jobs are located in its core,[26] 90 per cent of the people who work in central London (who live either in the city centre, suburbs or hinterland) use public transport, walk or cycle to work.

This has an impact on where people choose to live in London. As Figure 13 shows, access to public transport was a much more frequently chosen reason by Londoners for why they chose to live where they do than elsewhere in Britain.

Figure 13: The main reasons why Londoners chose to live in their neighbourhood



Source: YouGov, 2015, 2080 GB residents.

If other city centres develop in the way that central London has in recent years, then the provision of public transport will become a larger factor in why people choose to live where they do – something that is already seen in cities around the UK, where transport strategies such as the expansion of the Metrolink tram network

26 ONS (2013) Business Structure Database.

in Manchester[27] and the extension of the Nottingham Express Transit[28] illustrate the increasing importance of good rapid transit between growing suburbs and city centres.

5. Without improving their city centre economies, many small and medium sized cities are unlikely to see a substantial increase in city centre living

In small and medium sized cities such as Swindon, which have seen slower city centre population growth, the future of city centre living will depend more on whether these cities are able to support jobs growth in their city centres, rather than across the city. Currently, people are attracted to live there because of cheaper housing. But in fast-growing city centres, it has been access to jobs, as well as their recreational and cultural offer, the types of housing available, and the quality of the built environment, that have driven population growth. Physical regeneration strategies that do not also address the geography of the economy are unlikely to have a long-term effect on their city centre populations.

27 Transport for Greater Manchester (2015). Future Metrolink. http://www.metrolink.co.uk/futuremetrolink
28 Nottingham Express Transit (2015). Phase Two. http://www.thetram.net/phasetwo.aspx

Conclusions and policy recommendations

Conclusions

Where people choose to live is largely determined by their stage of life. Young people aged between 25 and 34 prioritise proximity to the workplace, cost of housing, and access to leisure and cultural facilities when choosing where to live. Those aged between 35 and 55 tend to value access to good schools, and the size and type of their houses. And those aged over 55 prioritise access to countryside and green space. These preferences help to explain the differing demographics seen across cities and their surrounding areas – different parts of cities are more able to offer amenities that are prioritised by people at different stages of their lives.

The demand for city centre living has increased considerably in recent years – the populations of the city centres of English and Welsh cities increased by 37 per cent between 2001 and 2011. This is particularly stark when comparing it to the longer term trends in city centre living, where city centres saw declining populations through the 1970s and 1980s.

But this return to city centre living has been stronger in some cities than others. The populations of city centres in large cities doubled between 2001 and 2011, driven by young, single professionals and students. The centres of medium and small cities have grown more slowly, by 35 per cent in medium cities and 22 per cent in small cities, and this growth has been driven by residents working in non-professional occupations.

These differing trends are partly explained by universities - the growth of student numbers in universities has been felt particularly strongly in large cities, and changing preferences for student accommodation has meant that a large part of city centre growth has been driven by students. But while this has been a major part of the growth in cities like Sheffield and Middlesbrough, other cities, such as Manchester and Birmingham, have seen more of their growth accounted for by young professionals.

This is related to the strength of their city centre economies, and it is something that is likely to continue. The likelihood of the UK to continue to specialise in knowledge-focused activities, and the preference of these types of jobs for city centre locations, means that city centres - particularly in large cities - are likely to play an ever greater role in the wider city economy. In these cities, more young professionals are likely to move into city centres, increasing the pressure on city centre accommodation – as well as on office space. But more suburban residents are also likely to commute into city centres, underpinning the requirement for good public transport links across the city-region.

In small and medium sized cities which have seen slower growth in their city centres, and where jobs tend to be dispersed across the city, fewer young professionals have been

attracted into the city, and city centre populations tend to be families who locate there for cheap housing. These trends are unlikely to change through physical regeneration alone, and instead it is likely to be clustering of high-knowledge jobs in the city centre that will see long term population change. And if these strategies are pursued, then the displacement of existing city centre populations will also need to be factored in.

Policy implications

Planning strategically across city regions

People choose where to live across a city according to the attributes that a neighbourhood can offer, on the basis of their preferences at certain stages in their life cycle. Understanding these characteristics, and the links between areas, is crucial for local authorities to provide the appropriate types and tenures of housing, modes of transport, and public services, in appropriate places. This means that planning needs to be managed at a strategic level right across the city region, with governance structures that strengthen cooperation. Granting strategic planning powers to combined authorities, as in London and as has been announced for Manchester and Sheffield,[29] will help cities and their surrounding areas to make these decisions at the appropriate scale.

Putting economic development at the heart of regeneration strategies

City centre regeneration strategies have often focused on physical or cultural regeneration.[30] And while there are many positive benefits that can be reaped from these sorts of interventions, treated alone, they tend to have limited effect on population growth[31] and local economic growth[32] – and will not alone be sufficient to attract people into the city or the city centre. If policies to attract new residents in city centres are to be pursued, cities need to put city centre economic growth at the heart of it – through matching up skills provision to local businesses, supporting existing strengths and clusters in local businesses, and ensuring that city centres are able to offer the employment space and infrastructure that businesses need.

Extending Permitted Development Exclusion Zones

High-demand areas in some authorities, including several London boroughs and central Manchester, have been declared Permitted Development Exclusion Zones, in order to preserve uncontrolled conversion of valuable office space.[33] Allowing other places to introduce Exclusion Zones in high demand areas, subject to Government endorsement, could reduce the risk to city centre economies by preserving valuable office space.

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29 GMCA and HM Treasury (2014) Greater Manchester Agreement: devolution to the GMCA & transition to a directly elected mayor. London: HM Treasury. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/369858/Greater_Manchester_Agreement_i.pdf; Carptenter J (2015) Sheffield devolution deal includes strategic planning powers. Planning (2 October 2015) http://www.planningresource.co.uk/article/1366858/sheffield-devolution-deal-includes-strategic-planning-powers.

30 Tallon A (2013) Urban Regeneration in the UK. Second edition. London: Routledge

31 Champion T and Fisher T (2004) Migration, residential preferences and the changing environment of cities. In Boddy M and Parkinson M (2004) City Matters: Competitiveness, cohesion and urban governance. Bristol: The Policy Press

32 What Works Centre for Local Economic Growth (2015) Evidence Review 5: Estate Renewal. London: WWCLEG http://www.whatworksgrowth.org/policies/estate-renewal/

33 DCLG (2013). Areas exempt from office to residential change of use permitted development right 2013. London: DCLG. https://www.gov.uk/government/publications/areas-exempt-from-office-to-residential-change-of-use-permitted-development-right-2013

Maximising student presence in city centres

The location of university buildings and students have had a large impact on the development of city centres of large cities in recent years, and can have a role in helping to support local shops and amenities. Universities in cities with poorly performing city centres should review their property portfolios to consider increasing their presence in the city centre – either through new city centre campuses, a strategy that has been adopted in Ipswich and Newport, or by developing new student accommodation. While this approach is not a silver bullet either for residential growth or for long term economic growth, and there are recognised challenges that stem from having transient student populations in city centres,[34] it can have a role in increasing footfall within wider city centre strategies.

Mitigating the drawbacks of city centre life: managing pollution and open spaces

People live in city centres in order to capture the benefit of proximity to work and to restaurants and cultural facilities – and in doing so, they accept high levels of pollution, and a lack of access to green space. But as city centres grow, these drawbacks are likely to intensify, potentially becoming deterrents to city centre living – meaning that cities will need to think actively about how to mitigate them. Making landscaping and both public and private green spaces a part of new developments in city centres can not only offset some of the drawbacks of city centre living, but also improve residents' perception of density, making more sustainable and economic use of space palatable to growing numbers of urban residents.[35] And with road traffic emissions as the key cause of air pollution in cities,[36] congestion charging, cycling strategies and investment in low-emission public buses can all be practical ways of improving air quality.

34 DCLG (2008) Evidence gathering: Housing in Multiple Occupation and possible planning responses – final report. http://webarchive.nationalarchives.gov.uk/20120919132719/http://www.communities.gov.uk/publications/planningandbuilding/evidencegatheringresearch

35 OECD (2012) Green Growth Studies Compact City Policies: A comparative assessment. Paris: OECD.

36 Environmental Protection UK (2015) Air Pollution Sources http://www.environmental-protection.org.uk/committees/air-quality/about-air-pollution/air-pollution-sources/

Appendix

Geographies

The first part of this research series, Urban Demographics: Where people live and work, looked at the city centres, suburbs and hinterlands of 59 cities across England and Wales.

The cities used are those defined as Primary Urban Areas. More detail on the PUA definition can be seen at www.centreforcities.org/puas

These geographies were defined as follows:

City centre

The city centre is defined as a circular area, composed of all LSOAs that fall within a radius from a pre-defined city centre point. The radius is 2 miles for London, 0.8 miles for large cities and 0.5 miles for medium and small cities. LSOAs were allocated to city centres where more than 50 per cent of the land mass fell within the circular areas of the defined city centre. Where the boundary of city centres changed between 2001 and 2011, adjustments were made, involving adding or removing individual LSOAs to or from these definitions. The adjusted city centre definitions cover the same land area of cities in 2001 and 2011.

Suburb

Suburbs are defined as all other LSOAs within the Primary Urban Area (PUA) that are not classed as city centres. Suburbs of different cities do not overlap, as these are perfectly nested within the local authorities that make up the PUA. The Primary Urban Area (PUA) definition is a standard statistical geography which reflects the continuous built up area of a city. It is defined for English cities only. For Welsh cities, a city definition is based on the corresponding local authority area. City centres and suburbs combined make up the PUAs.

Hinterland

The hinterland is defined as a circular area, composed of all LSOAs that fall within a certain radius from the pre-defined city centre point. This radius is city-specific and depends on the average distance travelled by those who live outside of the city but commute into the city. The average distance travelled figures are calculated in reference to Middle Layer Super Output Areas (MSOAs) rather than LSOAs, as commuting data for LSOAs would have been too complex to analyse. The MSOA-based average distance travelled figures are likely to be similar to the LSOA-based figures. Where an LSOA only partially falls within this commuting radius, more than 50% of its land mass must fall within it for it to be classed as a hinterland. The city centre or suburb of one city cannot be classed as a hinterland of another city, even if they fall within the commuting radius.

Four categories of cities

The analysis distinguishes between four types of cities, based on the resident population in 2011.

- London [1]
- Large (population more than 550,000) [8]
- Medium (population between 230,000 and 550,000) [30]
- Small (population less than 230,000) [20]

A full list of those cities included is available on the online appendix.

Surveys

This project uses two YouGov surveys: a national survey across Great Britain and a survey conducted in the city centres, suburbs and hinterlands of four case study cities: Manchester, Brighton, Sheffield and Swindon.

The four case study cities were Brighton, Manchester, Sheffield and Swindon. These areas were defined using the postcode sectors that were best-fitted into the three areas of a city that were used in *Urban Demographics, Where people live and work* (city centre, suburb and hinterland) in four cities, creating a total of 12 defined postcode areas.

The sample sizes for each of the 12 defined postcode areas were as follows:

1. Brighton city centre (91)
2. Brighton suburb (200)
3. Brighton hinterland (135)
4. Manchester city centre (89)
5. Manchester suburb (306)
6. Manchester hinterland (185)
7. Sheffield city centre (50)
8. Sheffield suburb (213)
9. Sheffield hinterland (120)
10. Swindon city centre (38)
11. Swindon suburb (81)
12. Swindon hinterland (217)

Across most of the 12 defined postcode areas we achieved a sample size of at least 50 respondents, which is deemed to be a wide enough cross-section of the target population and considered to be statistically reliable. This does not apply to the size of the sample captured in Swindon city centre, where the number of people that responded to our survey was 38. For Swindon city centre, all results will be reported in the form of numbers rather than percentages (e.g. “X residents in Swindon city centre said…” rather than “Y per cent of residents in Swindon city centre said…”).

For more details on the surveys and the full survey questions, please see the online appendix at: http://www.centreforcities.org/reader/urban-demographics-2/appendix/

1971-2011 census data: change over time

Census population data from 1971, 1981, 1991, 2001 and 2011 were used to measure population change in city centres. The definitions of city centres for 2001 and 2011 are consistent with the definition used in the first part of this research series, Urban Demographics: Where people live and work. For 1971, 1981 and 1991, enumeration districts (EDs) were used instead of LSOAs, and the population is estimated on the basis of the weighted population of the EDs that partially or completely fall within the 2001 and 2011 city centre definition. The weights are based on the percentage of the ED land mass that falls within the 2001 and 2011 city centre definitions.

There is a break in the population data series. In the 1971, 1981 and 1991 Censuses students were enumerated at their home address, but starting from the 2001 Census students were enumerated as resident at their term-time address. The 1991 population series was adjusted using additional Small Area Statistics on the location of students, but was not available for 1971 and 1981. The break in enumerating students is likely to understate the size of city centres during 1971 and 1981.

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