



**WEST
MIDLANDS**
GROWTH COMPANY

QUARTERLY ECONOMIC DIGEST

**INFRASTRUCTURE,
REGENERATION,
PLACE**

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FOREWORD

As our review of the latest data shows, the West Midlands is currently faced with a range of significant economic challenges and opportunities. This makes it even more important to ensure that the fundamentals are in place to support the region's medium- and long-term growth and prosperity.

In particular, we need to ensure that the West Midlands continues to offer a compelling place proposition – to potential investors and the existing businesses and residents living and working in the region.

This is our focus in this issue of the Quarterly Economic Digest:

- **Andy Phillips**, WMGC's Head of Research, and **Professor Delma Dwight**, Director of the Economic Intelligence Unit look at the latest economic data for the West Midlands.
- **Viral Desai**, Practice Director for Planning, Environmental Consenting and Communities at AtkinsRéalis, reviews the key issues the region needs to address in order to achieve sustainable place-led growth.
- **Ellie Bird**, Assistant Director at Deloitte, highlights the region's emergence as a national and global hub for sport activity in the wake of the 2022 Commonwealth Games – but argues that we need to continue to build the brand to ensure further success in the future.

- **Becky Frall**, WMGC's Head of Visitor Attraction, reviews our recent research on investment opportunities in the West Midlands hotel market – arguing that, while demand is growing, there are a number of gaps in the market that need addressing if we are to make the most of it.
- **Harry Belshaw**, WMGC's Investment Manager for Strategic Real Estate, highlights some of the key strategic sites around the region being showcased at this year's UKREiIF in Leeds.
- **Richard Hancher**, Director of PwC's Midlands Transport Sector, sets out how a devolved, holistic approach to investment in the region's transport infrastructure can boost its long-term growth and productivity.
- **Iain Andrews**, Head of Marketing Communications at HS2 Ltd, discusses how this critical piece of infrastructure investment is helping drive the region's regeneration.
- **Birmingham Airport** plays a key role in the region's place proposition – providing vital global connectivity. CEO Nick Barton shares out its current and future investment plans.
- **Haydn Cooper**, Chief Executive of Calthorpe Estates, highlights key investments in Edgbaston Village, at the heart of Birmingham's ongoing regeneration.
- **Mel Smith**, CEO of the NEC Group, explains how the strengths and attractiveness of the West Midlands have underpinned their recent successes and are underwriting bold plans for the future.

I hope you find the Digest an interesting and informative read.

We would be keen to hear your feedback.



Neil Rami, Chief Executive,
West Midlands Growth Company

ECONOMIC REVIEW: THE WEST MIDLANDS ECONOMY CONTINUES TO FACE SIGNIFICANT CHALLENGES

Andy Phillips, WMGC’s Head of Research and Professor Delma Dwight, Director of The Economic Intelligence Unit, review the latest economic data.

The UK economy continues to face significant challenges.

After growing by 0.7% in Q1 and 0.6% in Q2 there was no growth in GDP in Q3 and growth of just 0.1% in Q4 - giving a figure of 0.9% for the year as a whole.

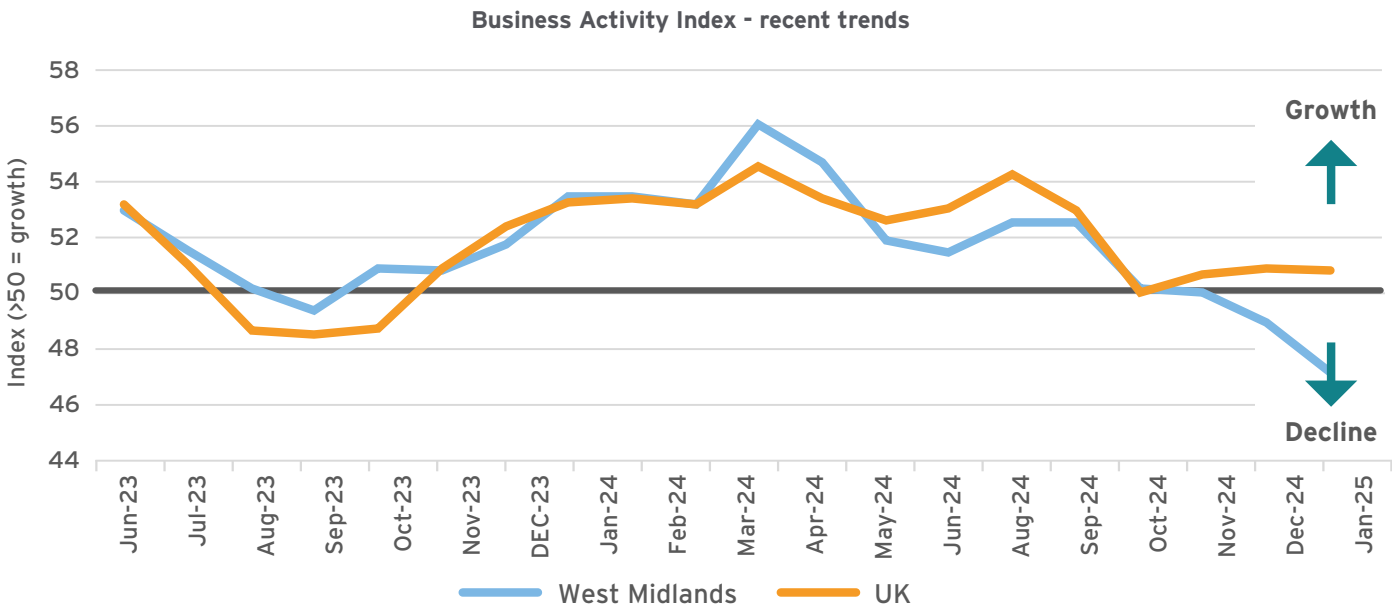
While business investment declined by 3.2% and export volumes fell by 2.5% in Q4, there was welcome news of growth of 0.4% in December, driven principally by hospitality and some elements of manufacturing.

Looking forward, forecasts are highly uncertain. While there is the prospect of government spending and

investment announced in the Autumn budget providing some degree of tailwind for the economy, risks are significant - for example:

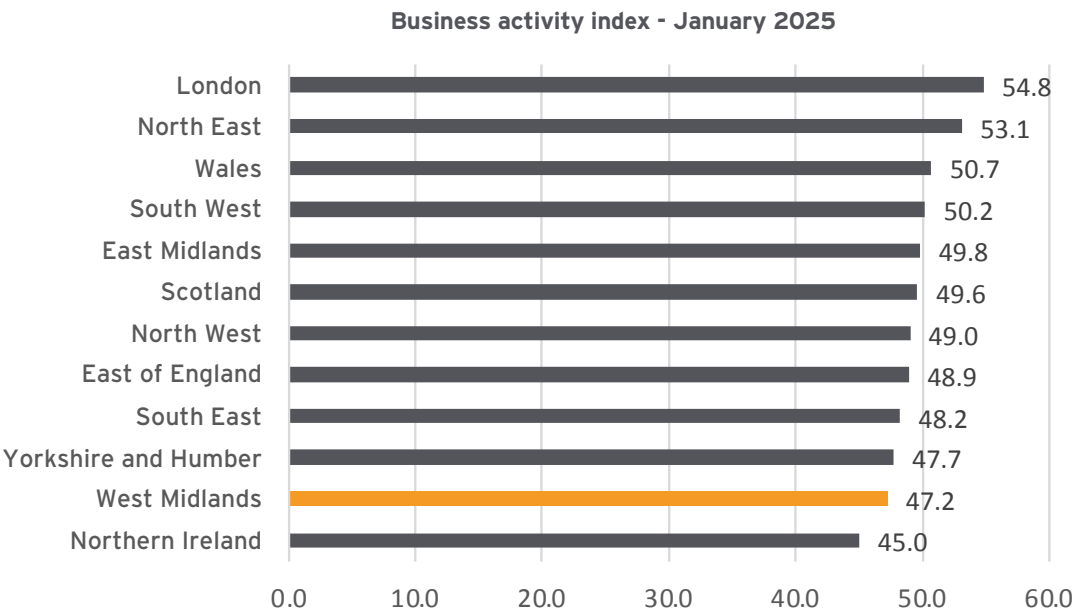
- The prospect of reduced trade volumes due to tariffs imposed by the Trump administration.
- Any worsening of geopolitical tensions in Russia/ Ukraine and the Middle East could fuel an up-tick in inflation and hit consumer spending.

The West Midlands economy is bearing the brunt of these challenges. The NatWest Regional Growth Tracker, widely recognised by economic commentators as the most accurate and timely measure available, reveals that there was a slowdown in economic activity in December - and a further decline in January.



Source: Natwest Purchasing Manager’s Index

The West Midlands economy is currently one of the worst performing in the country. A business activity score of 47.2 in January was well below the UK average of 50.6 - and only Northern Ireland scored lower.



Experimental business births and deaths data from the ONS for Q4 2024 provides further evidence of the tough business conditions in the region. Over the year, business births decreased by 13% in the WMCA area - nearly double the UK figure of 8%. Business deaths increased by 16%, - more than double the UK figure of 7%.

All that said, however, the data also reveals some positive developments which could bode well for the region in the immediate and longer term:

- Local trade in goods statistics show that the West Midlands continues to out-perform the UK as a whole on exports. In the year ending Q3 2024, the West Midlands exported more than £35bn worth of goods, an annual increase of 3.5%, which contrasts with a decrease of 6.3% across the UK as a whole.
- Latest ONS data on business enterprise research and development (R&D) indicates that businesses in the West Midlands spent £4.4bn on R&D in 2023, up by more than 17% on the previous year. This was the strongest investment in the country and more than five times the UK average (less than 3%).



‘Local businesses are grappling with rising inflation, wage costs, and increases in energy and transportation expenses. The WM Business Activity Index dropping below 50 marked a significant decline in output and a third consecutive fall in regional business activity. Many local firms are raising prices, cutting recruitment, and delaying investment. A quarter of businesses are bracing for contraction, with low consumer and business confidence. Geopolitical uncertainty, especially around US orders, is impacting on the local economy.

All these factors indicate another challenging year for the West Midlands economy. The forthcoming Industrial strategy alongside a new small business strategy and a new trade strategy will be critical in increasing investment to drive productivity.’

Professor Delma Dwight
Director of The Economic Intelligence Unit

ACHIEVING SUSTAINABLE, PLACE-LED GROWTH

Viral Desai, Practice Director for Planning, Environmental Consenting and Communities at AtkinsRéalis, highlights the key issues the region needs to address in order to achieve sustainable place-led growth.

The West Midlands is the UK's top destination for Foreign Direct Investment outside London. Why are firms flocking here - and how can the region capitalise on this opportunity.

It's an exciting time for the West Midlands. The Trailblazer Deeper Devolution Deal has secured a huge transfer of power and responsibilities in housing, regeneration, economic development, transport and skills, bringing £1.5bn of new funding to the region. HS2 has created a web of new development opportunities through enhanced connectivity, and billions of pounds is otherwise pouring into the region's transportation - through the Midlands Rail Hub, through City Regional Sustainable Transport Settlements 1 and 2, and through the Local Integrated Transport Settlement.

So far, so very good for the region and its 4.3 million people. Its young, diverse and energetic population continues to grow, and opportunities abound. Yet look a little closer, and you'll see many of the same obstacles ahead for the West Midlands as for the rest of the UK. Providing affordable housing and socially cohesive communities is still a major challenge, and local authorities are severely stretched. Decarbonisation is no longer an abstract nice-to-have, it's mandatory. And decision-makers must contend with the worsening backdrop of a changing climate.

To make growth sustainable, we need clear regional leadership, effective spatial planning structures, and more devolved decision-making, as this government has outlined. That's how to ensure that major schemes - whether they be transportation, infrastructure or housing - both set out and deliver on bold aspirations.

Yet that's harder than ever, given the complexity of today's world - where programme delivery is increasingly fraught with risk. What's needed is a leftward shift. Early stage, multidisciplinary collaboration should create 'right first time' programmes and integrated strategies that ensure smooth progress from design all the way through to construction. For the West Midlands, getting this right could genuinely mean transformation.



'To make growth sustainable, we need clear regional leadership, effective spatial planning structures, and more devolved decision-making, as this government has outlined. That's how to ensure that major schemes - whether they be transportation, infrastructure or housing - both set out and deliver on bold aspirations.'

Viral Desai
Practice Director for Planning,
Environmental Consenting and Communities at AtkinsRéalis

Devolution evolution to place-led growth

For an overview of the roadmap to further devolution, it's helpful to look to London. The Greater London Oversight Committee released a report at the end of 2023 with key recommendations for devolution priorities, in which a few key imperatives stand out. First, to progress further fiscal devolution, through current business rates, council tax systems, and other duties. Second, to retain revenue locally - to better respond to local needs and spend it more effectively. That will enable devolution to be a catalyst for innovation. And third, that mayors and combined authorities are best positioned to deliver reform, and importantly, to scale up climate, health & wellbeing and net zero initiatives.

Or, in other words, to deliver place-led growth. A place-led approach is founded on a strong understanding of local issues, interconnections and relationships, which in turn drives coordinated, integrated investment. That's why combined authorities are uniquely well-positioned to deliver it, and one reason why the previous government struggled to effectively land its Levelling Up agenda over the last few years.

However, strategising and executing complex schemes and masterplans that integrate a huge range of diverse priorities is pioneering work. Projects and programmes must now think harder, deeper, and earlier about how to deliver environmental and social outcomes, and understand how to measure and map those outcomes through effective evaluation mechanisms. From health to housing, employment to education, capturing and accounting for place-led growth is an extraordinary challenge for planners, designers and leaders.

Commonwealth

The Commonwealth Games in 2022 show what can be achieved when place, vision, and leadership align. With an estimated audience of 1.5bn spectators globally, 13,000 volunteers and 6,600 athletes, it was a huge economic boost in the short term to the retail, hospitality and entertainment sectors. But in the long term, its new sporting facilities and improved transport links have had lasting benefits to commerce and community. That's how to link investment to outcomes, by seeing the place-led big picture.

We're proud of our role in securing planning consent and discharging planning conditions for all the Commonwealth Games venues. During the Games, our team in Birmingham were able to attend the events and witness the fruits of their labour. They saw the transformation of the city, social value being created in front of their eyes, and opportunities for how to keep improving. We need to keep that momentum, learning from what doesn't work and enhancing what does.

Forging a new legacy

Around the UK, both the public sector and private sector will be keenly watching the West Midlands. Armed with a new devolution deal, a sustained period of investment, and charged up with optimism, this upcoming period has huge potential to get things off to a flying start. With a bit of luck, and a lot of integration, the region will demonstrate how to achieve sustainable, place-led growth.

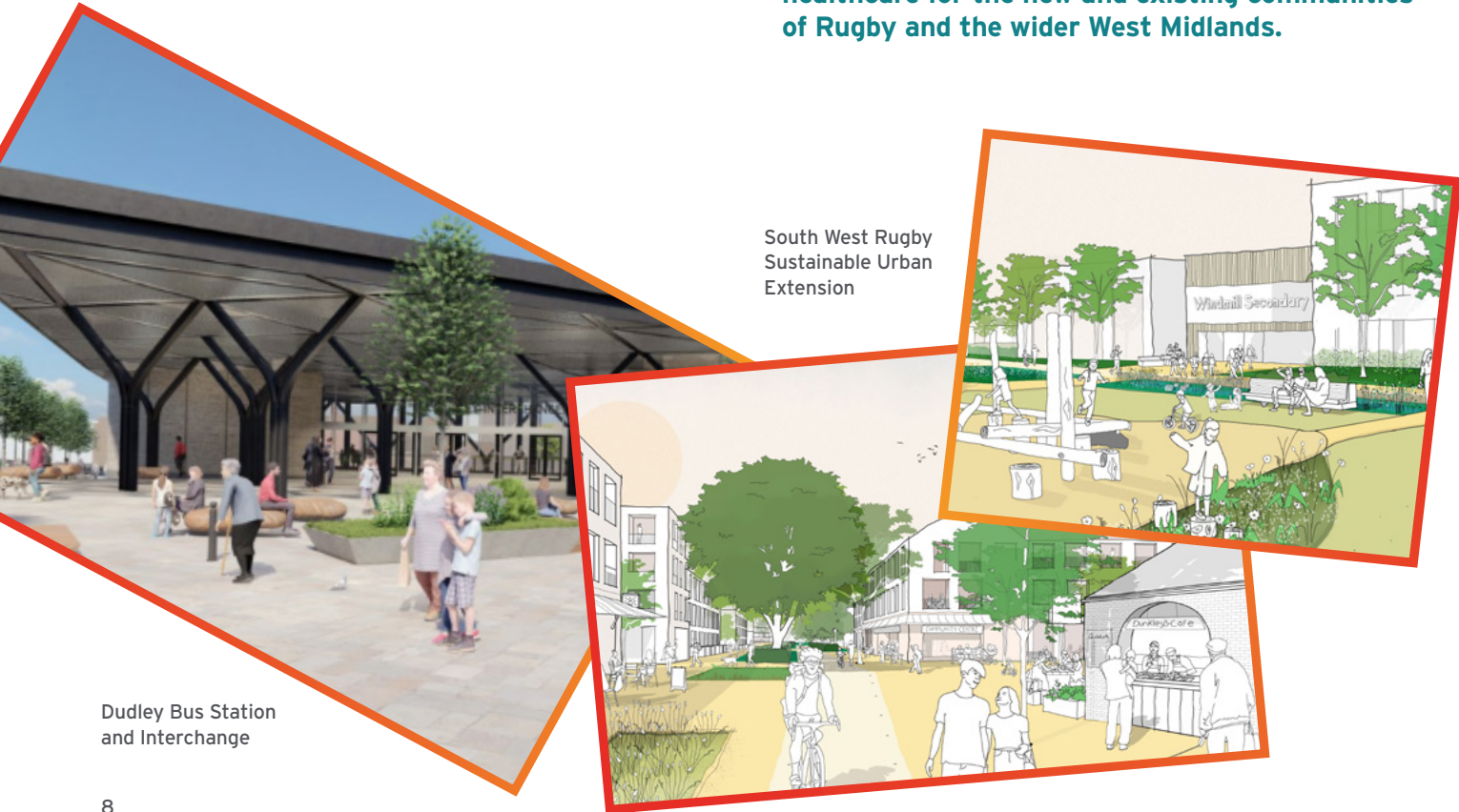
ATKINSRÉALIS IS LEADING ON A NUMBER OF PROJECTS WHICH WILL HELP REALISE THIS VISION:

CASE STUDY
DUDLEY BUS STATION
AND INTERCHANGE

This project is set to provide major transport upgrades in Dudley through the creation of a new bus station, with associated facilities to provide bus travel, metro travel, sprint bus and non-motorised travel. The project also includes improvements to the nearby landscape and public realm, as well as a new connecting road to Duncan Edwards Way. Once completed, the project will serve as a major transport hub for the Dudley Region, providing strong transport links to wider locations in the West Midlands such as Birmingham and Wolverhampton, as well as strategic locations such as Halesowen and Stourbridge.

CASE STUDY
SOUTH WEST RUGBY

The South West Rugby Sustainable Urban Extension is set to deliver homes, employment land and infrastructure within the West Midlands. Our Birmingham team are working towards securing planning consent through two applications for the delivery of circa 1,600 homes, two schools, a local centre and associated infrastructure. Extended periods of community and stakeholder engagement with members of the community, community groups, wider West Midlands bodies and many more have created a strong understanding of local needs and built relationships with the existing community. A place-led approach has developed a masterplan where schools and the local centre are to be delivered at the heart of this new community, providing space for education, local business and healthcare for the new and existing communities of Rugby and the wider West Midlands.



Dudley Bus Station and Interchange

South West Rugby Sustainable Urban Extension



AtkinsRéalis, 2 Chamberlain Square, Birmingham

CASE STUDY
HAGLEY ROAD RE-IMAGINED

As one of the busiest radial routes into Birmingham city centre, connecting the A4540 Middleway with the M5 at Junction 3 and at Junction 2 via the A4123 Wolverhampton Road, the A456 Hagley Road performs a vital role in the West Midlands transport network. Served by over 30 buses per hour, with routes extending into Sandwell and Dudley, the constrained nature of the corridor means that opportunities for bus priority or the introduction of Sprint BRT, alongside the potential provision of segregated cycling infrastructure, will require making compromises across all modes. AtkinsRéalis

has undertaken two studies on the Hagley Road corridor. The first explored quick-win opportunities for the Quinton to Bearwood section, with some elements now implemented. The more recent Hagley Road Reimagined study explores potential options for the 3.5km section of the corridor from Bearwood to Five Ways, on the western edge of Birmingham city centre, using up-to-date traffic flow and Origin-Destination data to understand travel patterns along and across the corridor, and hence identify a package of potential interventions to meet stakeholder objectives.

BUILDING THE BRAND TO ATTRACT INVESTMENT



Ellie Bird, Assistant Director at Deloitte Midlands, argues that whilst the West Midlands is emerging as a hub for sporting activity in the wake of the 2022 Commonwealth Games, the region needs to continue to establish a strong brand to attract investment and stimulate development in the hotel and leisure sectors moving forward.

Establishing a world-class reputation

According to the [Deloitte European Hotel Industry and Investment Survey 2024](#), Birmingham moved up three places in the rankings to be the fifth most attractive UK city for UK regional hotel investment in 2025.

The latest visitor numbers for 2023 (published in July 2024), indicated a 3% increase on the previous year with more people than ever visiting the West Midlands. However, our survey indicates that these statistical gains are either not significant enough for investors to commit capital to start construction on new hotels, or that the construction sector's response will be delayed.

This is supported by Deloitte's 2025 Birmingham Crane Survey which reported there was no recorded activity in the hotel sector across new starts, under construction or completion figures. However, planning permission has been granted for over 1,300 new hotel beds, but these are yet to break ground.

As the West Midlands builds its reputation as a sporting destination with world-class credentials, much more needs to be done to ensure the sector drives socio-economic growth.

Promoting the brand - lessons from sport

2024 has seen the region further leverage sport to raise its global profile. As asserted by Deloitte's Sports Business Group, elite sport can act as a catalyst for economic growth, and raising global brand profile can stimulate tourism and boost the visitor economy.

Birmingham and the wider West Midlands continues to capitalise on the success of the Commonwealth Games and implement its sporting legacy. In 2024, the West Midlands Growth Company published its [Heart of Sport Plan](#), which aims to elevate the profile of the region both nationally and internationally to promote its world-class hosting credentials.

The gameplan is in motion, and in April 2024 the region played host to the SportAccord World Sport and Business Summit. Over 100 leaders of international federations attended the event providing a further springboard for the city and wider region on the global stage.

Continuing the sporting momentum and after a successful year of hosting key sporting events, the region was announced as the host of the Invictus Games in 2027. Leveraging sport to boost its profile is a safe bet and is helping to position the region as the 'beating heart of sport' in the UK. Over the last two years, Birmingham's global ranking as a Sports City, according to [Burson](#), rose from 34th in 2022 to 31st in 2024.

And the private sector is now investing in facilities, sporting excellence and growth. In Birmingham, for example, notable projects in 2024 include:

- Edgbaston Cricket Club gained planning consent for the final phase of its masterplan, which will include a new stand and 4* hotel and is expected to be completed in time for men's Ashes Test against Australia in 2027.
- Knighthead Capital's investment into Birmingham City Football Club and its acquisition of 48 acres of land in Bordesley Green to deliver an ambitious new sports quarter and stadium (also a major FDI capital project).
- Aston Villa Football Club announced its North Grounds regeneration plans which will include a new multi-use venue and fan zone.

Developing the region's brand

The region's brand is also making ground in the cultural, creative and media sectors. In 2024, Birmingham City Council launched its Culture Strategy refresh. The Strategy seeks to unite sectors through culture and the arts, to enrich lives and drive economic growth.

2024 saw the first phase of Digbeth Loc Studios complete in Digbeth and director Stephen Knight commence filming of the Peaky Blinders movie. After the success of the series, Peaky Blinders (and the obligatory flat cap) is now synonymous with Birmingham, and whilst the series has helped promote the West Midlands to a wide audience, the movie is set to have global reach. The power of film should not be underestimated; Visit Britain indicates that nine in 10 potential visitors would be interested in visiting a filming location in the UK. Capitalising on this potential, Birmingham has secured its role as host to the inaugural World Screen Tourism Summit in November 2025.

A combination of sports and the arts could be compelling in promoting the brand and attracting greater visitor numbers. The pipeline of hotel schemes looks strong on paper and there are signs of site readiness across the region, suggesting cautious optimism. In our latest Birmingham Crane Survey, four schemes have cleared sites with planning consent that could deliver 715 hotel rooms if construction started in 2025. This includes a 22-storey hotel at One Ratcliffe Square as part of the Paradise Circus development.

However, if we are to see the sector's cautious optimism convert to committed construction, it will need assurance that the region's brand will attract the visitor numbers needed to ensure profitability. Hotel occupancy data for the West Midlands in 2024 indicates that the region has a 72% average occupancy, which is below the UK average of 79%.

Retail and leisure

Turning to the retail sector, whilst average footfall and vacancy rates for retail/leisure appear to have stabilised post-pandemic, the sector remains subdued, and footfall has not yet reached pre-pandemic levels. In our 2024 Birmingham Crane Survey, just over 100,000 sq. ft. of retail floorspace is currently under construction, all of which formed part of major mixed-use schemes.

However, bucking this trend, 11,000 sq. ft. of targeted food and beverage floorspace for football fans completed at Birmingham City Football Club in Central East and, contributing to Digbeth's nighttime economy offer, we could see Digbeth Boxpark start on site in 2025, which will bring forward a further c.11,000 sq. ft. of food and beverage floorspace following grant of planning permission in 2024.

Both these schemes demonstrate that, with the right market offer in the right location, retail and leisure-led developments can still contribute to the region's brand and create a destination fit for residents, visitors and workers.

Converting cautious optimism to committed construction

In 2024, the public sector has broken new ground promoting the West Midlands on the global stage. In 2025, we expect to see the brand gain further traction. With sufficient momentum, and if the numbers stack up, we could see investor's cautious optimism convert to committed construction from 2025 onwards.

RESEARCH ON INVESTMENT OPPORTUNITIES IN THE WEST MIDLANDS HOTEL MARKET

The West Midlands hotel market presents significant opportunities for investors looking to capitalise on the region's thriving visitor economy. However, key gaps in hotel provision, particularly in the luxury segment in Birmingham and across various categories in Wolverhampton, need addressing to meet increasing demand.

Drivers of growth

The West Midlands is set to see major growth in hotel demand over the next 20 years, driven by transformational projects such as HS2, strong growth in the region's sizeable visitor economy and its rich cultural heritage - with more than 2,000 cultural spaces spread across the region:

- While Coventry held the title of UK City of Culture in 2021, further plans are now underway for Arts Council England and the British Council to relocate their current collections to the city.
- Stratford-upon-Avon is one of the region's most famous cultural landmarks as the birthplace of William Shakespeare and home of the Royal Shakespeare Theatre.
- The region is also home to Warwick Castle, a historical fortress that brings medieval history to life with its interactive displays and reenactments.
- The Black Country Living Museum, which served as a filming location for the hit TV series, Peaky Blinders, attracts more than 300,000 visitors a year.
- In the realm of performing arts, the Birmingham Royal Ballet stands out as one of the UK's top ballet companies, while the world-renowned City of Birmingham Symphony Orchestra (CBSO) enhances the region's artistic prestige with outstanding classical concerts.

The region also has a thriving business events sector. Each year, over 250,000 conferences and 320 exhibitions come to the region, bringing more than eight million conference guests to venues such as the International Convention Centre (ICC) and National Exhibition Centre (NEC).

And investors continue to ramp up interest, driving substantial corporate demand. In 2023-24, the West Midlands reaffirmed its position as the leading destination for Foreign Direct Investment (FDI) outside London, with global firms such as Goldman Sachs, HSBC and Tata Technologies making the region their home in recent years.

Sport also continues to thrive in the West Midlands - and is responsible for around one in seven visits.

Hotel investment opportunities

For real estate investors and hotel developers, the opportunity to contribute to and make returns from the region is compelling, and there are significant opportunities in the city markets of Birmingham and Wolverhampton, as well as in Dudley, Walsall and across the broader West Midlands region.

The West Midlands boasts more than 21,000 hotel rooms, but an analysis of the sub-markets reflects that some parts of the geography are underserved in both quantity and quality. Wolverhampton lacks supply across all categories, and Birmingham's market needs more aparthotels, whilst its upscale to luxury segment is smaller than similar cities. These gaps in the market represent sizeable opportunities for the hotel and development investment industry.

The opportunity in Birmingham

Historically, Birmingham has been seen as a challenging market for hotel investment. Whilst its market-leading business events industry has always been strong and kept occupancy and daily rates high during the peak conferencing season, large fluctuations throughout the calendar year has meant investment has been slow.

As a result, the city centre hotel market currently underserves the city, with customers typically paying high prices during peak times. A September 2024 report by Good Travel revealed Birmingham has the highest hotel cost per sq. ft. outside London.

But things are changing, and the hotel industry should be looking to the rapid transformation of Birmingham's core and a new-found confidence in its leisure market. Birmingham is the largest built-to-rent market outside London, and boasts a residential pipeline of over 18,000 units, transforming the city centre into a vibrant hub for living, working and leisure.

Further, with the city council focused on enhancing the region's residential offering, areas like Digbeth and the Jewellery Quarter are attracting new residents and hospitality offerings.

The food, beverage and entertainment scenes are also thriving. Opheem became Birmingham's first two Michelin star restaurant in 2024, while the Big Mamma Group is opening its first UK regional restaurant locally in the Paradise development. Further, F1 Arcade and Toca Social launching their second UK venues in Birmingham, while last year Lane7 launched its largest location yet at Birmingham's Bullring.

The market has started to notice this shift, led by the reopening of The Grand Hotel in Birmingham in May 2021. Additionally, while Birmingham's proportion of serviced apartments has traditionally lagged behind cities like Liverpool and Manchester, a surge in planning applications is now underway, driven by both leisure travellers and the corporate sector.

Moving forward, Birmingham has the chance to continue to broaden its offering, particularly in the high-end hospitality sector, where the city has a noticeable gap in the market for a luxury hotel development. With potential opportunities to acquire iconic buildings in the city and to create a standout destination, this presents a rare investment opportunity.

The opportunity in Wolverhampton

In Wolverhampton, exciting developments are transforming the centre of the city. A new transport interchange and commercial quarter have already been completed and are operational, while 6,500 new homes are planned, with 3,500 to be built in the city centre.

Supporting these developments, the University of Wolverhampton is making significant strides under new leadership, with ambitious plans for a medical school and a revamped international student strategy that will drive increased demand for accommodation.

The city is also implementing strategies to boost its night-time economy and establish itself as a hub for sports. Renowned event venue, The Halls, reopened in 2023 and has welcomed more than 200,000 guests to over 130 events since.

Wolverhampton boasts a top-tier city centre stadium, Molineux, with a capacity of 32,000. The city also attracts large crowds to major events such as the Grand Slam of Darts and hosted the Kabaddi World Cup in 2025, further boosting its appeal to sports enthusiasts and visitors.

Amid these developments, Wolverhampton's current hotel supply is falling short. There are no hotels within the inner ring road, and the city lacks adequate conferencing facilities. According to STR data, the average daily demand for hotel rooms in Wolverhampton is 975, yet only 642 branded rooms are available.

This situation must change. Wolverhampton is well-positioned to support several new hotel developments, and the proactive city council is eager to collaborate with industry stakeholders to advance the hospitality investment the city urgently needs.



'The West Midlands tourism sector has a superb offer - with a rich cultural heritage and world -class business conference and sporting venues - and it's no surprise that we attract more than 140 million visitors who generate more than £16bn worth of wealth for the region annually. If we can fill the gap in the market for hotel accommodation, the region can only go from strength to strength.'

Becky Frall
Head of Visitor Attraction, WMGC

FOCUS ON UKREiIF

DRIVING INVESTMENT AND REGENERATION INTO THE WEST MIDLANDS

The UK's real estate, investment and infrastructure forum (UKREiIF) brings together professionals from national and local government, investors, developers, end-users and the wider built environment industry - and where conversations start to drive investment and is where regeneration into regions like the West Midlands. A range of key strategic sites are being showcased at the 2025 forum in Leeds, including:

Smithfield Birmingham, which comprises a £1.9bn regeneration of 17 hectares in the heart of the city - delivering 3,000 new homes, 1.3 million sq. ft. of modern workspace and 470,000 sq. ft. of retail and leisure space, including vibrant dining, shopping, and entertainment venues, all close to the Bullring, Birmingham New Street, Moor Street and the future HS2 Curzon Street station.

The development will feature a cultural quarter and will be centred around a new market square - and aim to achieve BREEAM Excellent ratings through energy-efficient buildings, green roofs, and pedestrianised public spaces. Phase 1 is to start on-site in 2025 and

is due to complete circa 2028. As part of this initial phase, a planning application has been submitted for circa 400 Build-to-Rent residential units with active ground floor retail/F&B frontages as well as a dedicated health & wellness facility.

The **West Bromwich Masterplan**, which is a transformative, multi-phase regeneration project, to be delivered over a 20-year period, with over 1,300 homes, 12,000 m² of retail floor space and significant public realm improvements.

Phase one comprises a mixed-use development and is supported by the largest allocation of Towns Deal funding in the UK. It is led by high-quality residential spaces and complemented by offices, dining, retail, community, and leisure facilities and includes inviting public spaces and sustainable transport connections. Future phases of the masterplan will include further innovation and investment, seeking to redefine the town as an attractive place to live and work.



Smithfield Park



'Sandwell Council are promoting a regionally significant opportunity to transform our strategic centre, West Bromwich, into a thriving, modern town centre. With a £500m regeneration vision, we are seeking a development partner to deliver new and sustainable homes alongside vibrant leisure, commercial, and public spaces.'

Our bold reinvention, outlined in the West Bromwich Masterplan, moves beyond the outdated town centre model, instead creating a dynamic, mixed-use destination where people can live, work, and enjoy high-quality public

realm. New homes and quality public realm centred around a stronger high street will make West Bromwich a place of opportunity and growth. The formal invitation to participate will be published following a launch event at UKREiIF, with a partner due to be selected by December.'

Alan Lunt, Executive Director-Place, Sandwell Metropolitan Borough Council

Portersfield offers an opportunity to transform Dudley's town centre through a dynamic mixed-use regeneration scheme. With outline planning permission secured in November 2021, the 10-acre site includes the provision of 330 residential dwellings, 60,000 sq. ft. of retail, 15,000 sq. ft. of food & beverage, 20,000 sq. ft. of office, and 40,000 sq. ft. of leisure space.

The development is anchored by sustainable, inclusive connectivity, incorporating improved bus, taxi, pedestrian, and cycling routes - enhancing accessibility and promoting economic vitality. The development seeks to shape a forward-thinking town centre, unlocking commercial potential while delivering significant social and environmental benefits.



"The Portersfield development is an important part of the jigsaw piece for Dudley town centre. Although very complex, its proximity to the new interchange and university campus, which is currently under construction, will bring the whole area together in a cohesive way."

This strategic project is identified for delivery through our place-based strategy, and which will put us in a strong position to draw down funds from the Integrated Settlement Funding this year - we aim to go out to market to attract a developer over the summer. We want to bring forward a modern development which will primarily focus on building high-quality affordable homes in the heart of the town, with residents benefiting from much improved transport connectivity, located just a stone's throw from Castle Gate leisure park and other exciting leisure offers in the pipeline for Dudley."

Cllr Patrick Harley, Leader of Dudley Council

FOCUS ON UKREIIIF CONTINUED...

The **Coventry and Warwick Gigapark Investment Zone** (CWGIZ), which is a key strategic zone of nearly 250 hectares straddling Coventry City & Warwick District. It consists of four sites: Greenpower Park, SEGRO Park Coventry, Whitley South and Whitley East - and 183 hectares are available for tax incentives such as:

- Full business rates relief for five years
- Capital allowances
- Stamp duty land tax relief
- Structures and building allowances
- Elevated employer national insurance contributions threshold

Collectively, the vision for the CWGIZ is to act as the key catalyst for driving the growth and modernisation of the West Midlands' battery tech, automotive and wider future mobility sectors. There is a market-ask for

an anchor investor and operator at Greenpower Park, specialising in battery manufacturing and/or related future mobility supply chain activities. The supporting sites are expected to then attract further investment and through linked IZ activities, catalyse growth opportunities for businesses operating in Advanced Manufacturing supply chains regionwide.

"It remains important for the UK to grow the domestic battery industry. There is a need for several further giga factories and the associated upstream and downstream supply chains; the Gigapark provides the ideal location to form a cluster of these companies in the heart of the UK's automotive industry."

Professor David Greenwood FREng, CEO of the High Value Manufacturing Catapult and Director for Industrial Engagement at Warwick Manufacturing Group



Birmingham Knowledge Quarter (BKQ), a 210-hectare site stretching from Birmingham city centre eastwards towards Aston, aims to support R&D in digital-tech and health-tech centred enterprises. Part of the West Midlands Investment Zone, it will deliver over 3 million sq. ft. of commercial and innovation floorspace, 1.1 million sq. ft. of cultural and community space, 4,800 homes and 15 hectares of new public realm - generating up to 20,000 high-skilled jobs. To stimulate this regeneration, 6.5 hectares of the site has been allocated as tax incentive land, attracting the same benefits as the Coventry and Warwick Gigapark Investment Zone.

Arden Cross is a £3.2bn, 140-hectare site centred around the HS2 Interchange station - and will put Solihull within touching distance of London Euston, with a journey time of just 38 minutes. The scheme will be all encompassing, delivering up to 3,000 homes, 6 million sq. ft. of commercial space, including R&D, advanced manufacturing, academic campuses providing up to 27,000 jobs and enhanced green and blue infrastructure knitting together the individual districts.

The scheme has excellent access to national road and rail networks and to international flights through Birmingham International Railway Station, the M42 & M6 and Birmingham Airport. As part of the first phase, in partnership with the University of Warwick, a HealthTech campus will be brought forward as part of the scheme's innovation district, building on the region's significant strengths in med and health tech.

The 8.9-hectare Gasholders site in Walsall offers a unique opportunity for industrial and logistics businesses. Situated adjacent to Junction 10 of the M6, it provides an ideal location for regional and national operations. Allocated as a Key Employment Site within Walsall Metropolitan Borough Council's Local Plan, the site can accommodate mid-sized units of up to 200,000 sq. ft. Additionally, Growth Zone status allows the Council to reinvest business rates generated by the site to support delivery.



'UK Central Solihull and the West Midlands already hosts an established and growing HealthTech cluster, including the largest network of medical technology companies in the UK.

The Arden Cross HealthTech Campus has the potential to really boost this already thriving sector, leveraging our prime location, unrivalled infrastructure, and broad skills base to create opportunities for our communities and further drive economic growth.

By working in partnership with the University of Warwick, Arden Cross Ltd and Muse, we can position Arden Cross and the HealthTech Campus at the heart of an exciting and globally significant new innovation network connected by HS2.'

Cllr Ian Courts, Leader of Solihull Metropolitan Borough Council

ON TRACK FOR GROWTH?

HOW TRANSPORT INFRASTRUCTURE CAN BOOST THE WEST MIDLANDS



Richard Hancher, Director, Midlands Transport Sector, PwC

As the government's plans for growth take shape, it's becoming clear that improving regional productivity is key. And with good reason. PwC's analysis shows that raising productivity across all sectors could add

£71 billion to the UK economy - that's £10.3bn alone for the West Midlands!

Connecting new housing locations to places of employment and learning is crucial to unlocking this growth because we won't improve productivity if we don't make it easy for people to get from where they live to school, college, or a new job. PwC's recently published report [Turning the Tide on Economic Inactivity](#) reveals that 34% of those currently out of work view poor transport as a barrier to returning.

And our latest Good Growth for Cities index shows that house prices are shooting up faster than earnings. The average home now costs over eight times what people earn, compared to just four times in the 1990s. Birmingham, in particular, is struggling with one of the largest social housing waiting lists in the UK.

Increasingly, this is pushing people from lower socio-economic backgrounds further and further away from town and city centres and the jobs and skills development that are there. This deepens existing divides in income, education, and health and further raises barriers to social mobility.

All this is making it increasingly difficult for businesses to pull in the right talent, especially those with the new skills required. A recent study by the Resolution Foundation found that around 275,000 graduates - 49% of those living in the Birmingham urban area - are poorly connected to the city centre. This makes it harder to attract businesses to invest in the West Midlands and limits growth for local companies that are already here, creating a vicious circle.

PwC's Productivity Tracker analysis shows that investing in housing, skills, and infrastructure helps deliver high productivity growth. The UK Government's devolution agenda offers an opportunity to look at these three areas holistically in our region for the first time to fix this.

And the political case is strong too. Putting in place better transport infrastructure and services to connect our cities and neighbourhoods is one of the most visible and powerful ways for regional leaders to demonstrate that they are delivering the change that will drive growth.

Let's Talk Transport

In our Framework for Growth research, business leaders expressed a clear view that a lack of transport infrastructure is a big reason why cities outside London aren't keeping pace with their European counterparts.

The research shows that the UK spends a larger chunk of its GDP on transport than Germany, despite a perception that this isn't the case. So why aren't we seeing the results of this investment in the regions? Those same business leaders see the problem stemming from a mix of higher returns on investment in London and much decision-making remaining concentrated in central government hands.

The West Midlands economy will undoubtedly benefit from big-ticket, high-profile projects like HS2 that will deliver much needed additional capacity. But it might be that smaller, local improvements on top of this will give us even more bang for our buck, especially when it comes to providing transport to everyone in the region, irrespective of where they live or come from. Crucially, it will allow us to break away from existing piecemeal strategies to create changes that tie together walking, biking, trains, buses, and roads to create truly integrated transport.

These are the sorts of investment decisions that can only be made with local knowledge. The UK Government's policy of 'devolution by default' gives local decision-makers the freedom to create transport plans that work hand-in-hand with housing and skills initiatives. Meaning that smaller-scale improvements can be targeted where they are most needed.

We're already seeing examples of how devolved power can be used to rethink how our transport system works. In some parts of the West Midlands, 40% of people do not have access to a car, and bus travel remains the most important mode of travel. So little surprise that West Midlands Mayor Richard Parker's flagship transport policy is to bring bus services back under public control, enabling Transport for West Midlands to set timetables, fares and routes so that services can be improved where they are most needed.

What Local Leaders Need

There is a political reality that we are living in a period of tight purse strings. So for this to work, we need the public and private sectors to work hand-in-hand to make sure that infrastructure investment is made in a targeted way that will encourage their investment to create those new job opportunities. And for local leaders to make the right decisions around where to invest public funds, they need to understand what will help attract investors.

As a major employer in the region, we're looking forward to playing our part to deliver our own purpose of solving important problems like this. PwC is launching a Transport Hub in Birmingham to bring together the best of our sector experience and provide a space for transport leaders, local government and other stakeholders to connect to make the region more investible, to deliver that much needed economic growth.



HS2 IS A KEY DRIVER OF GROWTH FOR THE REGION

Iain Andrews, Head of Marketing Communications at HS2 Ltd, sets out how this critical piece of infrastructure investment is helping drive the region's regeneration.

Since last summer's General Election, Government's focus on growth has been absolute. Soundbites promising to supercharge the economy, policies pledging to cut red tape and bold new planning reforms are all designed to get Britain building, attracting investment and generating the confidence needed to boost UK plc. However, creating the right conditions for new life to thrive is a delicate process and the success of a project is often determined years before it comes to fruition. Selecting the right plot of land, understanding the ground conditions and bringing forward schemes that complement the surrounding ecosystem is essential for success. In the West Midlands, businesses and developers are already laying the groundwork for growth, spurred on by the incoming arrival of HS2, which is creating fertile conditions for investment in the areas it touches.

The connection between infrastructure investment and economic growth has repeated itself over centuries. With each new mega project, whether it be the construction of the motorway network, channel tunnel or Crossrail, the ability of more people to access a location boosts footfall and creates demand for new homes, offices and places to socialise. Spurred on by this pattern of success, developers are already betting on the same benefits reaching the West Midlands with the arrival of HS2, which will see new stations built at Birmingham Curzon Street and Interchange in Solihull, connecting passengers to London in 41 and 32 minutes respectively. What's more, this investment is accompanied by other important upgrades to the local transport network, including the extension of the West Midlands Metro to Digbeth High Street and Curzon Street, and a new automated people mover that will link Interchange station with the National Exhibition Centre, Birmingham Airport and Birmingham International railway station.

An analysis of planning data reveals that the number of planning applications submitted in the areas surrounding HS2's new stations in the West Midlands have increased by two-thirds since the project was greenlit in 2017. In this same period, there has been a 200 per cent increase in planned floorspace, and a huge 484 per cent increase in the number of new homes in the planning pipeline - which has risen from 9,349 units in the seven years preceding Royal Assent to 59,142 in the seven years after. Economists believe that the uplift in investment attracted by HS2 in the West Midlands will be directly responsible for the creation of 41,000 new homes, 30,000 new jobs and an economic uplift of ten billion pounds over the next decade.

This trend goes beyond what is planned on paper, it is written in the skyline, with new skyscrapers, cranes and ongoing construction charting the region's renaissance. Close to Curzon Street station, Stoford is currently building the BBC's new Birmingham HQ - The Tea Factory. Set to open in 2027, the development will deliver 800,000 sq. ft. of new residential, office and hospitality accommodation around the new regional broadcasting base, transforming ten areas of land and

the nearby canal basin to create new public spaces. Close by, Steven Knight's new Digbeth Loc studios has opened its doors to shoot internationally significant television and film productions, including the eagerly awaited Peaky Blinders movie, for streaming giant Netflix.

The Smithfield regeneration, arguably the city's most ambitious scheme, is also nearby, with the seeds of growth already spreading as new complementary schemes come forward, such as the £100m Phoenix Yard development opposite Digbeth Coach Station.

In Solihull, the upcoming arrival of HS2 at Interchange station has sparked extensive growth and regeneration plans in the area that surrounds it, including the Arden Cross masterplan, the wider UK Central scheme and the Mell Square scheme in Solihull Town Centre.

Although there's no failsafe formula for growth, there's no denying that infrastructure investment creates favourable conditions for regeneration and investment.



'As HS2 continues to take root in the West Midlands, the pipeline of projects being completed, constructed and planned shows that the region is serious about making the most of the opportunity it creates. For investors and developers looking to make their mark on the West Midlands, the sky's the limit.'

Iain Andrews, Head of Marketing Communications at HS2 Ltd



INVESTMENT IN THE REGION'S GLOBAL CONNECTIVITY

Birmingham Airport plays a key role in the region's place proposition - providing vital global connectivity. CEO Nick Barton sets out its current and future investment plans.

Birmingham Airport has just completed its busiest year ever, processing nearly 13 million passengers. 2025 will build on this demand even further, as the pivotal hub for the UK's second largest city and dynamic West Midlands region is on track to grow to 18 million passengers by 2033.

The airport plays a crucial role in supporting the region's economic development. By providing seamless connectivity to global markets, with a growing roster of airlines and routes, BHX enables businesses to

attract investment, expand their operations and access new opportunities. By 2033, BHX is likely to deliver £2.1bn worth of GVA to the region, supporting around 34,500 jobs.

With this growth and forecasted demand, the airport needs to keep up. Ongoing and accelerated investment is underway. Last year, a £60m state-of-the-art security hall was opened and this year, a further two new lanes have been opened - dramatically enhancing and streamlining passenger throughput. This speed (which can screen up to 3,600 passengers per hour) will be needed, as the airport looks forward to welcoming HS2, putting Birmingham within a 40 minute striking distance of central London. This is the equivalent to

Zone 5 on the underground.

This year, investment focuses will remain on improvements both in the terminal and on the airfield. Areas including baggage, retail and immigration will be enhanced, meaning that millions more will benefit from Birmingham Airport in coming years.

Alongside an extensive investment programme, growing our route network remains in focus, with a particular interest in unserved routes including Riga, Oslo and Helsinki in Europe. Further afield, and our sights are on Mumbai, Hong Kong, the USA, Beijing and Singapore. Once connected to them, growth for passengers and businesses in and around the airport will be set for even greater take off.



'BHX enables businesses to attract investment, expand their operations and access new opportunities. By 2033, BHX is likely to deliver £2.1bn worth of GVA to the region, supporting around 34,500 jobs'.

Nick Barton
CEO, Birmingham Airport

SPOTLIGHT ON EDGBASTON VILLAGE



Developments which help make the West Midlands a great place to live and work are vital to ensure that the region has a compelling offer for investors. Home to a unique blend of independent retail, dining and leisure destinations, Edgbaston Village complements the area’s workspace and residential sectors and is at the heart of Birmingham’s ongoing regeneration. Haydn Cooper, Chief Executive of Calthorpe Estates, highlights key investments that are shaping the future of this historic estate.

A Revitalised Public Realm

Edgbaston Village has undergone a major transformation in recent years, with Greenfield Crescent at the centre of its redevelopment. The multi-million-pound investment in this historic street has created a thriving public space, enhancing its appeal for both businesses and visitors.

A key highlight of the regeneration is Chapter, a highly acclaimed neighbourhood restaurant that has quickly become a cornerstone of Edgbaston’s growing hospitality scene. It joins an impressive roster of venues, including the Michelin-starred Simpsons, Smoke + Ash pizzeria, well-established gastropub, The High Field and Persian-themed Baloci, making Edgbaston a premier dining destination.

Adding to the vibrancy of the area, the monthly artisan market on Greenfield Crescent has proven a huge success, regularly attracting thousands of visitors and further cementing Edgbaston’s reputation as a cultural and lifestyle hub.

Enhanced Connectivity and Infrastructure

Connectivity is key to unlocking the potential of Edgbaston, and the extension of the West Midlands Metro has been a game-changer. With a tram stop linking the area to Birmingham city centre in just a few minutes, Edgbaston is now more accessible than ever.

Further bolstering Edgbaston’s growth is a major residential development opposite the Metro in partnership with Moda Living, set to deliver up to 1,600 high-quality apartments as part of the New Garden Square masterplan. This aligns with Birmingham’s wider strategy to increase urban living options, ensuring a sustainable balance between business and residential growth.

A Commitment to Green Spaces and Heritage

Calthorpe Estates is dedicated to preserving Edgbaston’s unique character while enhancing its green spaces. Already home to the Birmingham Botanical Gardens, the estate continues to invest in the maintenance and improvement of public areas, ensuring they remain inviting, well-kept, and accessible to all. New green spaces are also being created. At New Garden Square, a one-acre public park is planned while a more intimate space – the Edgbaston Village Community Garden - opened to the public in late 2024. Tucked behind Greenfield Crescent, this tranquil green space provides a retreat for residents and visitors while fostering a strong sense of community. Sustainable urban design remains a primary focus, incorporating landscaping, tree planting, and high-quality materials to complement the area’s heritage. Efforts like these ensure Edgbaston remains an attractive and environmentally-conscious destination for residents, businesses, and visitors alike.

A Bright Future for Edgbaston

With its rich heritage and forward-thinking approach, Edgbaston Village is emerging as one of Birmingham’s most exciting lifestyle destinations. The combination of enhanced public spaces, improved transport links and a thriving commercial and residential scene ensures that it remains a key driver of the city’s regeneration. As Calthorpe Estates continues to invest in its future, Edgbaston is set to shine as a vibrant and sustainable urban village for generations to come.



THE VISION FOR THE NEC

Mel Smith, CEO of the NEC Group, explains why this is an exciting time for the region.

I am the leader of a business which is built on the idea of the West Midlands as an attractive destination. Our business model is dependent on attracting customers to visit our venues - essentially creating a place that entices in external audiences - both in terms of individuals, but also businesses, projects and investment. All to help deliver growth.

This region has made a huge amount of progress since powering the nation through its steel mills and factories, and while our industries may have changed, steel is still in the region as part of our population's resilience. One thing that has not changed is the strong identity those in the West Midlands identify with.

So, despite the national mood music, I am a huge advocate for this region and all it has to offer. It is no accident that the West Midlands is host to the "National" Exhibition Centre.

The local economy is valued at over £30bn, making it the second-largest in the UK. We are home to over 80,000 businesses here, including major firms in sectors like automotive, life sciences, and digital industries. Companies such as Jaguar Land Rover, HSBC, and the University of Birmingham play key roles in the economic landscape.

The region is a focal point, a hub, and somewhere that the country as a whole gravitates to. This is demonstrated by global, external stakeholders realising this, and betting on the West Midlands.

Blackstone are one of the most well-respected investors in the world and have been a brilliantly supportive owner, helping to grow the NEC Group and invest in our customer proposition.

NFL great Tom Brady took a stake in Birmingham City and Knighthead Capital, a New York-based investment firm, has bought a 49% stake in the Birmingham Phoenix cricket franchise. Aston Villa are back at football's top table, eyes of the world watched on as they took on Paris Saint Germain in the Champions League quarter-final. This is West Midlands products performing on the global stage.

We have an optimistic and engaged population, world-class infrastructure with an international airport and transport links that will be further strengthened by HS2, alongside globally-recognised cultural assets.

There is so much to be positive about with a huge variety of world-class events providing great entertainment for everyone. Crufts and the Horse of the Year Show have been personal highlights for me recently, both attracting a global audience, drawing investment into the region, while creating a sense of community, prosperity and enthusiasm, right on our back doorstep.

Our goal is to turn the NEC campus into the most sought-after entertainment, exhibitions and conventions 'destination' venue in the country. And the positive momentum and attractiveness of the West Midlands is at the heart of that.

We're very proud of our West Midlands identity, and think it is a place with so much to offer. We love doing our bit at the NEC in welcoming the country, and the world at large, to the West Midlands.



'The region is a focal point, a hub, and somewhere that the country as a whole gravitates to. This is demonstrated by global, external stakeholders realising this, and betting on the West Midlands.'

Mel Smith, CEO of the NEC Group





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**Please give us your feedback on this
edition of our QED [here](#).**

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