

Why invest in Birmingham?



Radius



Birmingham is becoming an irresistible location for investors

“Why should you invest in Birmingham?” asked the West Midlands mayor Andy Street at his most recent annual mayoral dinner. The answer, he replied, was quite simple: because you’ll be in good company if you do.

When it comes to investment, Birmingham’s record speaks for itself. In the years prior to the pandemic, the city consistently attracted the highest levels of investment outside the capital. With the pandemic in retreat, its economy has wasted no time in getting back up to speed.

From green technologies to digital skills and financial services, Birmingham’s vibrant economy is driving demand for high-quality real estate across the city and wider West Midlands region – making it an irresistible location for UK and international investors alike.



EG Radius figures show a total of £939.8m of investment deals in the city in 2021 in 106 transactions, up from £758.1m in 2020*



Industry overview: key players and deals

As Birmingham's private sector races back into action, the market for office lets remains buoyant, with transactions accounting for more than 200,000 sq ft of space in the first four months of 2022. Key industry players include CBRE, Cushman & Wakefield, Colliers, Savills, Siddall Jones and Avison Young.

As one of the city's most aspirational developments in recent years, 103 Colmore Row – the tallest office building in Birmingham – has continued to make headlines at the prime end of the market. In January, 103 Colmore Row reported its largest lease to date, with law firm Shoosmiths taking on 32,900 sq ft across several floors.

The deal takes the grade-A development to more than 60% occupancy, with other tenants including Grant Thornton, wealth manager Tilney Smith & Williamson and insurance broker Gallagher. Remaining space in the 26-storey building (rated BREEAM Excellent) is currently being marketed by Cushman & Wakefield, Colliers International and Knight Frank.

Away from Colmore Row, the canal-side developments at Brindleyplace continue to drive interest from high-profile occupiers looking for grade-A office space. In the past year, the Commonwealth Games team took on an additional 28,000 sq ft at Six Brindleyplace while flexible workspace provider X+Why took on 40,000 sq ft in the same building.

Top Dealmakers in Birmingham

Agent	Space transacted (sq ft)
CBRE	77,569
Siddall Jones	74,057
Savills	40,493
Avison Young	30,093
BNP Paribas Real Estate	26,551
Gerald Eve	13,114
JLL	12,952
Colliers	2,755
Cottons Chartered Surveyors	527

With **EG Radius On-Demand Rankings** you can access an up-to-date picture of how agencies are performing across the UK by sector, geography and deal type. Access the full rankings here: eg.co.uk/contributor-rankings-2022-cities

Deals transacted on EG Radius 01/01/22 to 24/04/2022

As for the most active agent, CBRE takes the prize in EG's On-Demand Rankings, reporting 77,569 sq ft of deals in the first four months of 2022. Notable lets included 36,057 sq ft to engineering consultancy Atkins at Two Chamberlain Square, as well as 17,885 sq ft for a new regional headquarters for the British Transport Police Authority.

Among those occupiers that have taken on new space, the most commonly cited factors behind their decisions include sustainability, design, location and amenities.

What's driving demand?

Home to a world-class talent base and five universities, Birmingham is quickly becoming a prime location for financial services companies, many of which have made the city their largest non-London base in the UK.

In the past two years, one name in particular has embodied that trend, with international banking giant Goldman Sachs confirming in spring 2021 that it will boost its presence in Birmingham. The bank will base several hundred employees at 55 Colmore Row.

The West Midlands region's financial and professional services sector is now the largest outside London, with 343,000 people employed by 53,000 companies. The sector is projected to grow by 31% by 2030, with its GVA expected to double.

This surge in demand is having consequences for office supply, with industry leaders reporting a squeeze on grade-A space. According to Paul Pritchard, director of Tristan Capital Partners (co-developer of 103 Colmore Row), Birmingham's economic success has led to the city experiencing a "chronic undersupply" of prime space.



In common with other major cities, demand is also reflecting post-pandemic working trends – in particular the continued rise of hybrid working. Occupiers are increasingly seeking workspaces that place a premium on flexibility, with “burst spaces” that enable collaboration and hot-desking favoured over sheer volume of desk space.

Serviced workspaces are another popular option, with Birmingham becoming the first regional home for workspace provider X+Why. The award-winning company now runs two fully serviced locations across the city, partnering with Hines at 6 Brindleyplace as well as taking on 31,500 sq ft at 103 Colmore Row.

Among those occupiers that have taken on new space, the most commonly cited factors behind their decisions include sustainability, design, location and amenities – with many explicitly linking their choice of office space with their strategy to recruit and maintain top-level talent.

Environmental concerns

As for sustainability, the climate remains a major priority for city leaders. After formally declaring a climate emergency in 2019, Birmingham City Council has since codified the city's ambition to reach carbon-neutral status by 2030 – two decades ahead of the UK's nationwide net-zero target.

Notable environmental initiatives within the city include the Birmingham District Energy Scheme – an award-winning project to provide low-carbon heat, cooling and power to a decentralised network of buildings across the city.

Outside the office market, industrial demand in Birmingham remains strong, with more than 1.5m sq ft of transactions recorded across the wider West Midlands region in the first four months of the year. Retail transactions added up to a respectable 331,271 sq ft during the same period.





18,000+

Properties in Birmingham listed on EG Propertylink received over 18,000 enquiries in Q1 2022.

As of April 2022

The future of Birmingham

With a keen eye on the future and a knack for ambition, Birmingham is a natural home for fast-growing tech businesses. The city is also benefiting from a major push towards green technologies across the West Midlands, as the region that drove the UK's first industrial revolution looks to play a similarly formative role in Britain's transition to low-carbon technologies.

In January this year, planning permission was secured to turn unused space at Coventry Airport (situated some 20 miles southeast of Birmingham) into the UK's largest giga-factory. When up and running, it will produce batteries to power some 600,000 electric vehicles.

Birmingham's buoyant economy makes it a strong candidate for infrastructure investment, with the likes of HS2, the new Curzon Street station and the expansion of the Midlands Metro all set to come online in the coming years.

A number of residential projects are also in the works, including from build-to-rent investors. Significant residential projects currently underway include a 49-storey development at Paradise Circus and a plan to build 551 homes at Living's Makers' Yard project on Sherlock Street, as well Hub's plan to develop a 0.4 acre site opposite



Want to learn more about Birmingham and its surrounding areas?

Birmingham Snow Hill railway station.

The former industrial hub of Digbeth will be home to a particularly ambitious regeneration project, spearheaded by the arrival of a major new studio – Digbeth Loc – owned by Peaky Blinders creator Stephen Knight. The show – and Knight himself – have been widely credited with reviving Birmingham's appeal to television creatives.

In February this year, Knight revealed that Digbeth Loc had finalised a deal to bring the BBC's MasterChef production studios

to Birmingham from 2024. "To have such an iconic, globally-respected British brand come to the heart of Birmingham is a genuine game-changer for the city," said Knight, announcing the deal.

With Birmingham's economy firing on all cylinders, all indications suggest it won't be the last good news of its kind – at least not for long.

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