

Socio-economic Regeneration Impact Statement

Hotspur Press, Manchester

November 2023

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Contact

Tom Ellis
Senior Planner, Economics
tom.ellis@turley.co.uk

Client

Manner

Our reference

DUKM3000

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Socio-economic Regeneration Infographic

PROPOSED DEVELOPMENT: 578 high-quality purpose-built student accommodation (PBSA) bedspaces with resident amenities accompanied by c. 280 sqm ground-floor commercial floorspace

SITE: Hotspur Press, Manchester

Construction Phase



Significant Investment

In the scheme's construction



120 gross jobs

Full time equivalent (FTE) jobs supported on average throughout construction (c. 3 years)

Generating 75 direct jobs

Net additional FTE jobs in Greater Manchester, including 60 for Manchester residents

Plus 40 indirect/induced jobs

Net additional FTE supply chain jobs in Greater Manchester, including 10 for Manchester residents



£30.6million Productivity boost

GVA¹ generated during construction, including £24.9 million in Manchester

Operational Phase



Supporting growth in Manchester

Helping to meet PBSA needs and reinforcing the city's appeal to students



20 On-site jobs

Supported by ground-floor commercial uses and building management



£900,000 Productivity boost

GVA generated annually, including £600,000 in Manchester



£1.9 million Resident expenditure

Annually on retail, leisure and other living expenses, helping to support local businesses



£300,000 Visitor Expenditure

From families and friends visiting residents each year, supporting the local leisure and tourism industry



15 Retail and leisure jobs

Supported by PBSA residents' and visitors' expenditure

PBSA: Expanding Choice and Capacity in the Housing Market



Up to 165 homes

Made available for 405 new residents through freeing up former student HMOs



Up to £250,000 Council Tax

Revenue for Manchester City Council each year from non-exempt homes²

¹ GVA (Gross Value Added) measure the value of output created (i.e. turnover) net of inputs used to produce a good or service (i.e. production of outputs). It provides a key measure of economic productivity. Put simply the GVA is the total of all revenue into businesses, which is used to fund wages, profits and taxes.

² Estimate assumes all Band A properties.

1. Introduction

- 1.1 This Socio-economic Regeneration Impact Statement has been prepared by Turley Economics on behalf of Manner ('the Applicant') in support of a planning application to Manchester City Council (MCC) for permission to deliver new Purpose-Built Student Accommodation (PBSA) and accompanying amenity and community uses ('the Proposed Development') through the construction of a new 36-storey building alongside the redevelopment of existing Hotspur Press Complex (Medlock Mill) at 2-4 Cambridge Street, Manchester ('the Site').

The Site and Proposed Development

The Site

- 1.2 The Site is located on the corner of Whitworth Street West and Gloucester Street, Manchester. It is bounded by the river Medlock to the south and east and the Grade Two listed railroad viaduct, adjacent to Oxford Road station to the north and west. The Site comprises a vacant, former mill, known as the Hotspur Press, and therefore does not currently support any socio-economic activity.

The Proposed Development

- 1.3 The Proposed Development comprises 578 PBSA bedspaces, in a mix of studio and cluster beds. Supporting ancillary resident amenity uses will be provided (e.g. gym, breakout spaces, cinema room, lounges) alongside ground-floor floorspace commercial or community uses.
- 1.4 The full description of development is presented below:

"Partial demolition and redevelopment of the former Hotspur Press Complex (Medlock Mill) and redevelopment of the site to provide Purpose Built Student Accommodation (Sui Generis Use Class) within a part 4-storey (existing) and part 36-storey (new build) building with ground floor commercial or community uses (Use Classes F(e), F2(a)(b) and E(b)), associated ancillary internal and external amenity space, public realm (including a new public square), hard and soft landscaping and associated highway works"

Economic Impact Assessment

- 1.5 This assessment is informed by the 2014 Homes & Communities Agency's (HCA, now known as Homes England) Additionality Guide (4th edition)¹, the HCA's Employment Density Guide (3rd Edition)² and published statistical data sources.
- 1.6 The assessment considers the quantifiable impacts of the Proposed Development during both its construction and operational lifetime. Economic impact estimates are presented as net figures, accounting for additionality factors such as existing uses (the 'Reference Case'), leakage, displacement and multiplier effects.

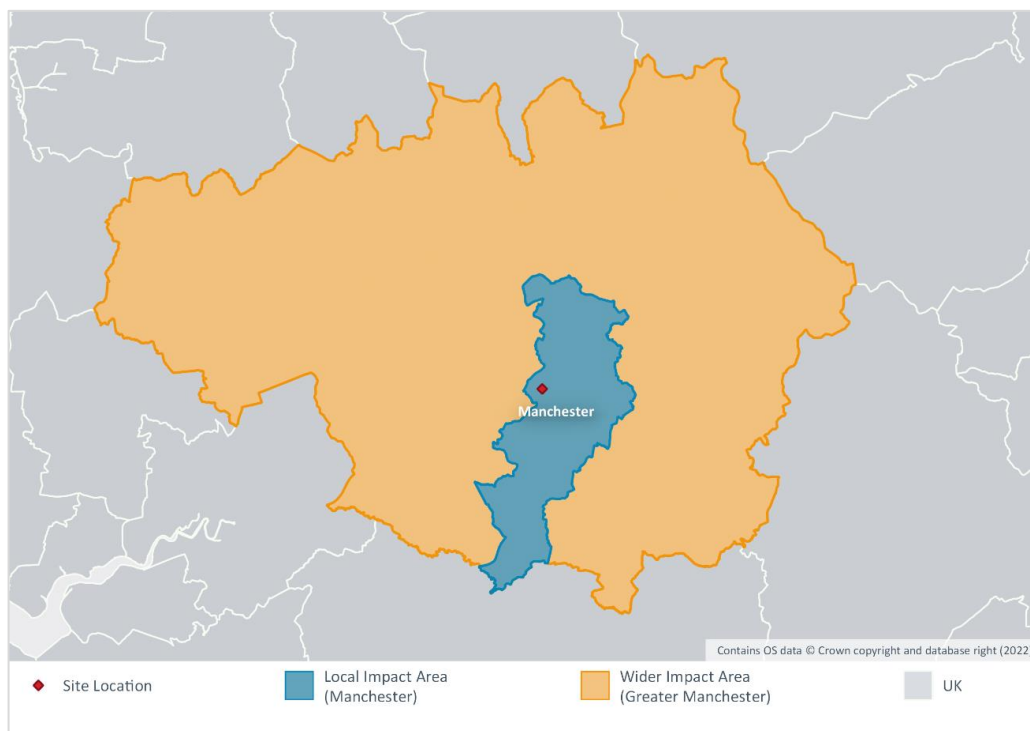
¹ Homes & Communities Agency (2014) Additionality Guide (4th Edition)

² Homes & Communities Agency (2015) Employment Density Guide (3rd Edition)

Study Area for the Assessment

- 1.7 For the purposes of this assessment, a functional economic geography has been determined using available Census data on labour market containment. This analysis has resulted in economic impacts being measured at two spatial scales:
- The **local impact area**, covering the local authority of Manchester. The 2011 Census shows that 38% of people who work in Manchester also live in the area, demonstrating a reasonable level of socio-economic containment at this scale³.
 - The **wider impact area**, covering Greater Manchester. The 2011 Census shows that 84% of all jobs in Manchester are taken by people residing in the wider combined authority area, suggesting a relatively high level of containment at this scale⁴. It is considered, therefore, that the majority of socio-economic effects would be concentrated and experienced within the wider impact area.
- 1.8 The study area is presented spatially overleaf at Figure 1.1.

Figure 1.1: Assessment Study Area



Source: Turley Economics, 2023

Structure of Report

- 1.9 The remainder of the report is set out as follows:

³ ONS via Nomis (2011) 2011 Census: WU01UK - Location of usual residence and place of work by sex. Note that equivalent data gathered for the 2021 Census has not yet been published at time of writing. This is also the case in relation to other references to the 2011 Census throughout this report.

⁴ Ibid.

- **Section 2: Planning Policy Context** – outlines the policy and economic context for the site.
- **Section 3: Socio-economic Baseline and Need Context** – presents a socio-economic baseline of the local area, highlighting key characteristics of the local population, economy and business base in comparison with wider geographies. PBSA accommodation need is also summarised.
- **Section 4: Construction Phase Impacts** – estimates the future net additional economic impact which may be generated by the Proposed Development during the construction phase.
- **Section 5: Operational Phase Impacts** – estimates the future net additional economic impact which may be generated by the Proposed Development once completed and fully operational.
- **Section 6: Conclusion** – summarises the net additional benefits resulting from the Proposed Development.

2. Planning Policy Context

- 2.1 This section firstly provides an overview of the relevant economic policy and strategy context; demonstrating both the national and local Government commitment to facilitating sustainable economic growth and economic recovery following the Covid-19 pandemic, with a focus on creating employment opportunities and delivering infrastructure and housing through a supportive planning system.

National Policy and Economic Strategy Context

National Planning Policy Framework

- 2.2 The revised National Planning Policy Framework (NPPF)⁵ – along with the accompanying Planning Practice Guidance (PPG)⁶ – setting out the Government’s planning policies for England. As with the 2012 framework, the revised NPPF and PPG continue to be built around a policy commitment to sustainable development, outlining the expectation that future development will play in meeting economic and social objectives. Details of these objectives are provided at paragraph 8 of the revised NPPF:

“an economic objective – to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure; and

a social objective – to support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations; and by fostering a well-designed and safe built environment, with accessible services and open spaces that reflect current and future needs and support communities’ health, social and cultural well-being”⁷

- 2.3 In order that sustainable development is pursued a positive way, at the heart of the NPPF is a “*presumption in favour of sustainable development*”⁸, which requires local authorities – in the development of their Local Plans – to “*positively seek opportunities to meet the development needs of their area*”⁹.

Levelling Up White Paper

- 2.4 The Levelling Up White Paper¹⁰ outlines that a key objective of the Government over the period to 2030 is to close the gap in economic opportunities and outcomes between those top performing and other areas, tackling geographic disparities. It is outlined that the ‘six capitals’ – physical, human, intangible, financial, social and institutional – are interdependent and success will only be achieved if each of them is thriving in a given place.

⁵ Department for Levelling Up, Housing and Communities (2021) National Planning Policy Framework

⁶ Department for Levelling Up, Housing and Communities (2021) Planning Practice Guidance

⁷ Department for Levelling Up, Housing and Communities (2021) National Planning Policy Framework

⁸ Ibid.

⁹ Ibid.

¹⁰ Department for Levelling Up, Housing and Communities (2022) Levelling Up: White Paper

2.5 A key pillar of the policy regime is the setting of clear and ambitious medium-term missions in order to:

- *'Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging'* through missions related to boosting investment in research & development and improving local public transport connectivity and digital connectivity.
- *'Spread opportunities and improve public services, especially in those places where they are weakest'*, through missions related to education, skills, health and wellbeing.
- *'Restore a sense of community, local pride and belonging, especially in those places where they have been lost'*, through missions related to pride in place, housing and crime.
- *'Empower local leaders and communities, especially in those places lacking local agency'*, through missions related to devolution deals and long-term funding settlements.

Plans for Growth and Jobs amid the Cost-of-Living Crisis

2.6 The UK Government's economic strategy, as expressed through its 'Build Back Better: Our Plan for Growth'¹¹ and 'Plan for Jobs'¹² documents, outline the means by which the economic recovery of the UK following Covid-19 will aim to *"build back better"* by driving growth that creates high-quality jobs across the country.

2.7 The Plan for Growth, which builds upon and replaces the Government's Industrial Strategy, outlines that the UK's economic strategy will be built upon three 'core pillars of growth', these being:

- **Infrastructure**, to stimulate economic activity and drive long-term productivity;
- **Skills**, to support productivity growth, with the importance of high-quality apprenticeships and technical education in key industries being emphasised; and
- **Innovation**, with the Government stating its intention to support and incentivise the development of the creative ideas and technologies that will shape the UK's future high-growth, sustainable and secure economy.

2.8 The Plan highlights that the implementation of actions based on the three pillars will prioritise on delivering on the Government's 'levelling up' agenda, which is characterised as the need to ensure that everyday life is improved for communities throughout the UK, and that where people live should not be a barrier to their life chances.

2.9 The Plan for Jobs includes measures to protect and create jobs. The construction sector is described as, *"vital for the recovery of the UK economy"*, and the Plan highlights the Government's commitment to supporting 'shovel ready' infrastructure projects across

¹¹ HM Treasury (2021) Build Back Better: Our Plan for Growth

¹² HM Treasury (2020) Plan for Jobs

the country, to ensure that projects which can support the UK's economic recovery in the next few critical years proceed at pace.

- 2.10 The need for new jobs and a boost to pay and living standards remain of vital importance in the current context of inflationary pressures and the cost-of-living crisis, with ONS research indicating that 94% of adults in Great Britain reported an increase in their living costs over the year to February 2023¹³.

City-regional Policy and Strategy Context

Greater Manchester 'Places for Everyone'

- 2.11 The draft Greater Manchester 'Places for Everyone' (PfE)¹⁴ document sets out the Greater Manchester Combined Authority's (GMCA) long-term plan for the city-region's housing and economy.
- 2.12 PfE identifies Manchester city centre and immediate surrounds as Greater Manchester's 'Core Growth Area', which is highlighted as the most significant economic location in the country outside London, stating that:
- "The Core Growth Area offers the conditions to boost the role of Greater Manchester as a Global City. It is the home of many global businesses and continues to attract high profile companies seeking to invest. Conditions for growth are in place, with high rates of productivity, innovation and global competitiveness. The Core Growth Area offers businesses, residents and visitors access to a highly skilled population, a wide range of premises and accommodation, digital infrastructure, excellent accessibility, a high-quality environment, cultural and retail opportunities"*¹⁵
- 2.13 Policy JP-J 1: 'Supporting Long-Term Economic Growth' states that *"a thriving, inclusive and productive economy will be sought in our boroughs"*¹⁶, outlining that there will be a focus on facilitating the development of high-value clusters in prime sectors.
- 2.14 It is also stated that Greater Manchester's universities will be a vital component of its developing as a globally important city region, highlighting that Greater Manchester has one of the largest concentrations of students in Europe, and an enormous supply of new graduates across a wide range of subjects each year who can help to drive future economic growth.
- 2.15 PfE Policy JP-P 5: 'Education, Skills and Knowledge' consequently states the importance of *"supporting the continued growth and success of the university sector"* by *"continuing to help develop Greater Manchester as the UK's best destination for students"*.

¹³ ONS (2023) 'Impact of increased cost of living on adults across Great Britain: September 2022 to January 2023' [Online]. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/expenditure/articles/impactofincreasedcostoflivingonadultsacrossgreatbritain/september2022tojanuary2023>

¹⁴ Greater Manchester Combined Authority (2020) Greater Manchester's Plan for Homes, Jobs and the Environment: Greater Manchester Spatial Framework Publication Plan 2020 – Draft for Approval: October 2020

¹⁵ Ibid.

¹⁶ Ibid.

Local Policy and Strategy Context

Manchester Core Strategy

- 2.16 Manchester's Core Strategy¹⁷ was adopted in 2012 and sets out the planning principles and policies that will deliver Manchester City Council's (MCC) vision for the city as one *"with a growing economy"* and with *"an increased and sustainable healthy population and a community which both benefits from and drives the City's productivity upwards"*¹⁸.
- 2.17 The Core Strategy highlights that students account for a significant proportion of the city's population and that much of the retail and leisure offer in areas of the city with high student populations has evolved to primarily meet student needs.
- 2.18 A key component of the aim to manage student housing demand and 'protect the sustainability and amenity of neighbourhoods' is detailed within the Core Strategy in relation to the occupation of Houses in Multiple Occupation (HMOs) as student households. Whilst family households are considered essential for sustainable communities, given that they support a range of local facilities such as schools and tend to have a greater commitment to the neighbourhood as they live there longer than other types of households, the Core Strategy reports that areas with a high concentration of student-occupied HMOs can experience increased prevalence of issues such as anti-social behaviour.
- 2.19 PBSA is therefore identified as key towards meeting demand for student accommodation in Manchester, whilst potentially also freeing up family housing and broadening housing choice for residents of all types in the city. Criterion 4 of Policy H12 of the Core Strategy outlines with respect to PBSA that:

"Proposals that can demonstrate a positive regeneration impact in their own right will be given preference over other schemes. This can be demonstrated for example through impact assessments on district centres and the wider area. Proposals should contribute to providing a mix of uses and support district and local centres, in line with relevant Strategic Regeneration Frameworks, local plans and other masterplans as student accommodation should closely integrate with existing neighbourhoods to contribute in a positive way to their vibrancy without increasing pressure on existing neighbourhood services to the detriment of existing residents"

First Street Strategic Regeneration Framework

- 2.20 Aspirations for the regeneration of the First Street area were originally endorsed by MCC in 2015. Several Strategic Regeneration Framework (SRF) documents have been produced to guide the redevelopment of the area, with the 2018 publication¹⁹ summarising the existing and emerging context:

"First Street is now an established office location, demonstrating the success of its unique locational attributes and distinctive offer of large, flexible-floorplate Grade A

¹⁷ Manchester City Council (2012) Manchester's Local Development Framework: Core Strategy Development Plan Document

¹⁸ Ibid.

¹⁹ Manchester City Council (2018) First Street, Manchester: Development Framework Update 2018

office floorspace. Lettings secured to-date have created a critical mass of quality occupiers, fuelling further demand and setting the conditions for exponential growth in the area.

The popularity of First Street as a distinctive destination within the City Centre has increased in recent years. Established occupiers like HOME, VITA, and Melia Inside Hotel have attracted a critical mass of people to the area. This has been supplemented by the popularity of recent food and beverage and leisure operators at First Street.

Development within and in the vicinity of the masterplan area – at Whitworth Street, River Street and within the Great Jackson Street Framework – have extended the City Centre core southwards, bringing First Street closer into the heart of the city.

There is a finite amount of land within the City Centre to deliver the floorspace needed to support Manchester’s growth agenda. In light of these conditions, there is a need to revisit the development parameters for First Street Central”

- 2.21 Whilst the aspirations for the regeneration of the area remains, the overarching vision and delivery objectives have evolved in light of an ever-changing context. The most-recent First Street SRF²⁰ – published in July 2020 – highlights that:

“The spatial context of First Street has continued to evolve since adoption of the 2018 Framework. Regeneration objectives around this part of the city are being realised and the emerging urban form is now visible. It is also now clear how First Street is starting to knit into the wider city, including Great Jackson Street and Hulme. There remains evidence of continued strong demand and development activity, emphasizing the need to maximize the contribution that sites across First Street make to the continued economic growth of the city”²¹

Summary

- 2.22 Planning and economic strategy as expressed through national priorities alongside Greater Manchester’s PfE and MCC’s Core Strategy and the First Street SRF highlights the importance of growing Manchester and wider city region’s economy, population and workforce and that the delivery of significant levels of residential development will be required in order to do so.

²⁰ Manchester City Council (2020) First Street Medlock Sites, Manchester: Development Framework Addendum (July 2020)

²¹ Ibid.

3. Socio-economic Baseline and Need Context

- 3.1 This section provides a socio-economic baseline of the First Street area in which the Site of the Proposed Development is located, highlighting key characteristics of the local population, economy and business base in comparison with wider geographies.
- 3.2 Where possible and relevant, the baseline is presented at the scale of an approximation of the First Street SRF area, defined on the basis of the 'Lower Super Output Area' (LSOA) encompassing the neighbourhood²². Where information is not available at this scale, the analysis will consider the baseline at other geographies, such as the local authority level of Manchester as a whole.
- 3.3 Up to date needs assessments which have been conducted with respect to PBSA are also summarised, which in addition to providing context as to existing and pipeline development, consider the Proposed Development's potential contribution to meeting demand for these uses in Manchester.

Socio-economic Baseline

Age Profile and Student Population

- 3.4 ONS data indicates that as of 2021, there were c. 2,720 people living in the neighbourhood local to the Proposed Development²³. Of this total, almost three-quarters (73%) were aged 18-24 (an age-group indicative of a university student-age population).
- 3.5 The representation of the student-age population within the First Street SRF area is therefore almost double that of the wider Manchester city centre²⁴, which in turn is over double the Manchester local authority as a whole.

Table 3.1: Population Composition by Age

	First Street SRF Area	Manchester City Centre	Manchester	Greater Manchester
Age 18-24	73%	38%	15%	9%

Source: ONS via Nomis, 2021

Economic Activity, Employment and Unemployment

- 3.6 The above is consistent with data from the 2021 Census data reporting that there were c. 1,510 residents living in the neighbourhood who were economically inactive due to

²² LSOA are a geographic hierarchy designed to enable the reporting of small area statistics. LSOAs are automatically generated to be as consistent in population size as possible, with a minimum resident population of 1,000 and average of 1,500. The LSOA serving as the approximation of the First Street SRF area is Manchester 057B.

²³ ONS via Nomis (2022) Census 2021

²⁴ Defined as the Middle Super Output Areas (which are comprised of groups of LSOAs) Manchester 054; Manchester 055; Manchester 057; and Manchester 060.

being a student, plus a further c. 540 residents recorded as being economically active and a student.²⁵

- 3.7 As many as 65% of residents were economically active within the wider city centre, which is a notably higher rate than Manchester as a whole (59%) and Greater Manchester (60%). The city centre does, however, accommodate a slightly higher proportion of residents who are economically active but unemployed in comparison with wider geographies.

Table 3.2: Economic Activity

	Manchester City Centre	Manchester	Greater Manchester
Economically active	65%	59%	60%
Economically active: Employed	59%	53%	56%
Economically active: Unemployed	7%	6%	4%

Source: ONS via Nomis, 2021

- 3.8 Claimant Count data published by the ONS²⁶ provides an indication of the number of people claiming benefits principally for the reason of being unemployed. This reveals that as of August 2023, there were c. 23,610 people claiming out-of-work benefits in Manchester, accounting for 6.2% of the resident working-age population. The number of claimants across Greater Manchester is 90,240, therefore equating to a slightly lower proportion (4.9%) of working-age residents.
- 3.9 Analysis Jobseeker's Allowance (JSA) claimants²⁷ (a sub-set of the overall claimant count) highlights that c. 405 people were recorded as specifically seeking employment in construction-related trades in Manchester in August 2023, rising to 2,290 at the scale of Greater Manchester. This indicates that there is available construction labour force supply in the local impact area and wider city-region.

Labour Market and Economic Output

- 3.10 The latest Business Register and Employment Survey (BRES)²⁸ recorded that the First Street SRF area accommodated c. 5,000 workforce jobs in 2021, which is an increase of 43% on the 3,500 recorded in 2015.
- 3.11 As shown below at Figure 3.1, both the First Street SRF area and Manchester City Centre have displayed strong employment growth (43% and 25%, respectively) since 2015. This far surpasses the 18% recorded across Manchester and 13% recorded across Greater Manchester as a whole.

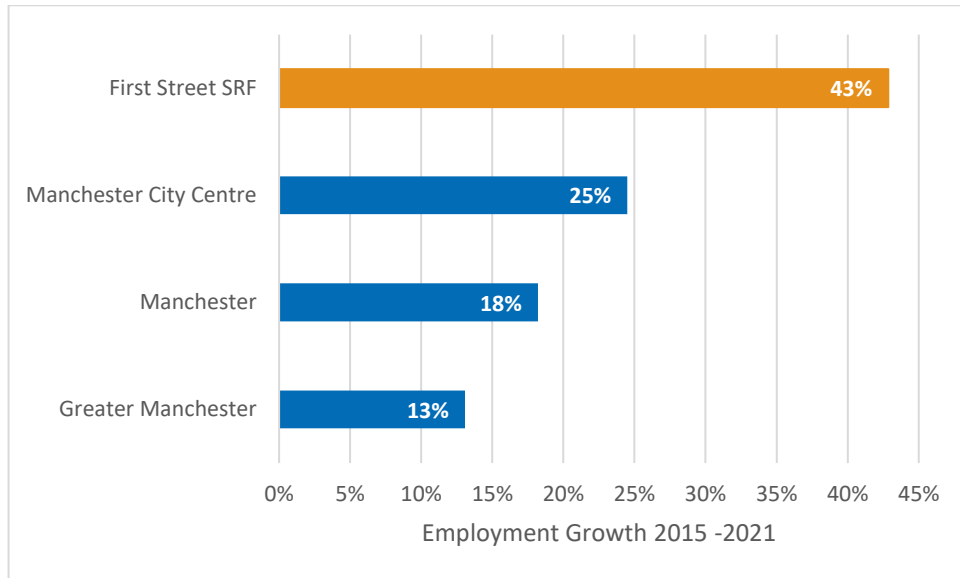
²⁵ ONS via Nomis (2022) Census 2021

²⁶ ONS via Nomis (2023). Claimant Count: December 2022

²⁷ ONS via Nomis (2023). Jobseeker's Allowance by Occupation: December 2022

²⁸ ONS via Nomis (2022). Business Register and Employment Survey: 2021

Figure 3.1: Percentage Employment Growth, 2015 - 2021



Source: ONS via Nomis, 2022

- 3.12 Table 3.1, below, takes a closer look at employment amongst the First Street area's retail and leisure businesses. These sectors would typically be expected to be supported by student expenditure, and employment has grown in all across the area over recent years, albeit noting more recent falls in retail and arts, entertainment and recreation post-2019, potentially reflective of the impacts of the pandemic.

Table 3.3: Retail and Leisure Employment in the First Street SRF Area, 2015 – 2021

Date	Retail	Accommodation & food services	Arts, entertainment, recreation	Total
2015	40	50	150	240
2016	75	175	150	400
2017	100	250	200	550
2018	100	300	200	600
2019	100	350	450	900
2020	75	350	500	925
2021	75	450	450	975
Change 2015-21	+35	+400	+300	+735

Source: ONS via Nomis, 2022

- 3.13 Gross Value Added (GVA) measures the value of output created (i.e. turnover) net of inputs purchased and used to produce a good or service (i.e. production of the output), and therefore provides a key measure of economic output and productivity. Experian

data²⁹ indicates that total economic output in Manchester in 2021 equated to £26.57 billion GVA, this representing over a third (34%) of Greater Manchester's total output.

Student Accommodation Need Context

Student Accommodation Demand Study

3.14 Knight Frank's Student Accommodation Demand Study prepared for the Proposed Development³⁰ reports on the existing and pipeline supply of PBSA in Manchester, the demand pool and student to bedspace ratios. Key findings from the Demand Study area set out below:

- A total of 29,941 PBSA bedspaces are identified in Manchester (including 16,058 within one mile of the Site of the Proposed Scheme), which accounts for just 31% of the total demand pool of c.99,100 full-time students across Manchester's three largest Higher Education Providers (HEP)³¹. Furthermore, in relation to the supply/demand imbalance in Manchester, the Demand Study cites recent analysis by CBRE, which identified a citywide shortage of 23,186 PBSA bedspaces.
- The number of full-time students at the three HEPs increased by 17% between 2017/18 and 2021/22, and that growth in the number of students living within one mile of the Site of the Proposed Scheme has been higher still, at 35%.
- Manchester has recorded a relatively muted increase in PBSA supply since the start of 2012, having delivered 7,282 beds during this period (equivalent to 662 bed per annum). As such, delivery of student beds has fallen considerably short of the 23,576 full-time students added to the student population since the 2012/13 academic year.
- A total of 2,011 bedspaces are identified in the pipeline (planning consented with none yet under construction), with it being noted that delivery of these bedspaces in full would only serve to raise the proportion of the total demand pool with access to PBSA from 31% (as outline above) up to 33%.
- It is subsequently calculated that Manchester accommodates a ratio of 3.2 students per PBSA bedspace (or, alternatively expressed, 0.31 bedspaces per student). Within a one-mile radius of the Site of the Proposed Scheme, the ratio of students to bedspaces is higher still, at 4.6³².
- Operator evidence suggests that PBSA provision in Manchester is widely perceived as older and of lower quality than that of competitor markets, and this sentiment is largely recognised by MCC.

²⁹ Experian (2022) Local Market Forecasts Quarterly: December 2022

³⁰ Knight Frank (2023) PBSA Demand Study: Former Hotspur Press Site

³¹ HEPs included in the analysis are: University of Manchester, Manchester Metropolitan University and the University of Salford.

³² Analysis includes the two HEPs within one mile of the Site, the University of Manchester, Manchester Metropolitan University.

- 3.15 Overall, the Demand Study concludes that *“it is clear that Manchester has a severe supply/demand imbalance in PBSA stock”*.
- 3.16 It is additionally noted in relation student accommodation that in 2019/20, MCC estimated that the Council would forego c. £17 million in revenue through Council Tax exemptions as a result of students living in HMOs. An MCC report subsequently highlighted *“that there is potential to improve the Council’s Council Tax revenues through a reduction in student Council Tax exemptions in city centre and south Manchester properties by directing students to PBSA”*³³.

Summary

- 3.17 The socio-economic baseline has highlighted that the neighbourhood of the Site is one which presently accommodates notably high proportions of younger people, many of whom are students. As highlighted in Section 2, the GMCA and MCC identify the student population as a key driver of the local economy.
- 3.18 The city’s leisure, hospitality and tourism businesses – amongst the sectors most impacted by the pandemic and those supported by to a significant degree by students on normal times – will also benefit from increased activity; Manchester’s students have considerable purchasing power in the local economy, and increasing capacity to accommodate students will help support growing levels of student expenditure retained locally.
- 3.19 The alignment of the occupants of the PBSA with existing local demographics and the known contribution of students to economic development are both factors which strongly suggest that the delivery of new PBSA is likely to closely integrate with the existing neighbourhood and contribute in a positive way to local vibrancy without detriment to the existing residential community.
- 3.20 Knight Frank’s PBSA Demand Study highlights the limited existing supply and pipeline of PBSA, concluding that there is a *“severe supply/demand imbalance”* of this type of accommodation, whilst also highlighting that PBSA provision in Manchester is widely perceived as older and of lower quality than that of competitor markets.
- 3.21 It is therefore concluded that the Proposed Development is well-suited locationally, quantitatively and qualitatively to making an effective contribution towards meeting local needs.

³³ Strategic Director, Growth and Development - Manchester City Council (2020) Report for Resolution: Purpose Built Student Accommodation in Manchester

4. Construction Phase Impacts

- 4.1 This section outlines the economic impacts estimated to result from the Proposed Development during the construction phase. The economic benefits are outlined with respect to Manchester (the local impact area) and Greater Manchester (the wider impact area).
- 4.2 The following economic benefits are quantified: construction employment (direct, indirect/induced and net additional) and economic output (measured in GVA) to the local and wider impact areas' economies.

Gross Employment

- 4.3 The construction of the Proposed Development will require significant investment³⁴ of the scale that could be expected to support approximately 360 'person-years' of direct employment, based on the average turnover per employee in the construction industry in the North West³⁵. This equates to an average of c. 120 gross full-time equivalent (FTE) construction-related jobs on site throughout the approximate 3-year construction period.

Net Additional Employment

- 4.4 Net additional employment is a term used to refer to the final scale of employment that is generated once a number of economic considerations have been taken into account, and is the sum of the total net direct, indirect and induced employment impacts of the Proposed Development.
- 4.5 The creation of temporary construction jobs during the build period will provide new employment opportunities for the local and wider labour force in Manchester and across the Greater Manchester city region, and the positive economic impacts of the Proposed Development will extend beyond construction employment. Expenditure on construction materials, goods and other services will have far-ranging benefits both locally and further afield as it filters down the supply chain.
- 4.6 The Homes & Communities Agency (HCA) recommends a specific approach to calculating additionality³⁶. Its recommended approach takes account of multiplier effects generated both through the site supply chain and induced financial benefits arising from increased local expenditure. The approach allows for the consideration of the following methodological points:
- **Deadweight** – the economic outcomes which would occur if the Proposed Development were not implemented;

³⁴ Construction costs and build period advised by the applicant.

³⁵ Department of Business, Energy and Industrial Strategy (2022) Business population estimates: Table 12 – North West

³⁶ 'Additionality' is defined in the Homes & Communities Agency (2014) Additionality Guide (4th Edition). The Guide advises on the assessment of the additional impact (or 'additionality') of interventions in terms of local and regional economic growth.

- **Leakage** – a measure of the extent to which employment will be taken up by persons residing outside of the target area;
- **Displacement** – the extent to which investment in the Proposed Development will lead to existing companies or employees within the target area relocating activities to the Proposed Development, as opposed to the attraction of new investment and employment arising from businesses located outside of the target area; and
- **Multiplier effects** – further economic activity (jobs, expenditure or income) associated with additional local income (from employment), local supplier purchases and longer-term expenditure effects.

4.7 These factors are considered in turn below to estimate the net additional employment benefit generated by construction of the Proposed Development. Deadweight is considered to be zero during construction and is not explored in further detail, given that a continuation of the Site’s existing state will not generate additional employment opportunities in the construction sector.

Leakage

4.8 The creation of construction jobs at the application site can be expected to provide new employment opportunities both for local residents of Manchester and those residing in the rest of Greater Manchester.

4.9 The 2011 Census found that 38% of those working in Manchester also resided in the city council area with 84% of jobs in Manchester being filled by residents of Greater Manchester³⁷. It is therefore reasonable to assume that a rounded proportion of approximately 40% of jobs created through construction of the Proposed Development will be contained and accessed by residents of the city, expanding to 85% being filled by those residing elsewhere within the wider Greater Manchester city region, the remainder living further afield, outside of the wider impact area.

Displacement

4.10 Displacement occurs when new development takes existing market share – in this case labour – from other existing local businesses. During construction, this allows for the possibility that an increase in demand for construction workers could result in delays to other developments or increased costs, if there is a temporary shortage of construction labour.

4.11 As highlighted in Section 3 of this report, as of August 2023 there are 405 JSA claimants in Manchester seeking employment in construction-related occupations³⁸. Further latent labour force capacity also exists beyond the city in the rest of the wider impact area of Greater Manchester, with a total of 2,290 people seeking employment in occupations relating to construction.

4.12 Displacement effects are therefore considered to be low. This recognises the large latent supply of construction workers and the scale of employment effect generated by

³⁷ ONS (2011) Census 2011 - Location of usual residence and place of work by sex (WU01UK).

³⁸ ONS via Nomis (2022) Jobseekers Allowance by Occupation: December 2022

the Proposed Development. Taking into consideration guidance outlined in the HCA Additionality Guide³⁹, a low (25%) rate of displacement has been assumed during construction at the scale of both the local and wider impact areas.

Multiplier Effects

- 4.13 Investment in the Proposed Development will generate considerable expenditure on construction materials, goods and other services that will be purchased from a wide range of suppliers. This expenditure has far-ranging benefits both locally and further afield, as it filters down the construction supply chain (indirect effects). Employees working in construction in relation to the development will also spend their wages on goods and services (induced effects).
- 4.14 This will result in an amplification of the initial investment in the Proposed Development; in other words an economic multiplier effect, with linked benefits in terms of expenditure on goods and services locally. This will bring indirect employment and financial benefits for local individuals and firms involved in skilled construction trades and associated professions and could help to sustain employment within this sector across the local and wider economy.
- 4.15 Based on the Additionality Guide's recommendations⁴⁰, a sub-regional composite multiplier of 1.25 has been applied at the scale of the local impact area, with a multiplier of 1.5 being applied at the scale of the wider city region.

Net Additional Employment

- 4.16 Allowing for these additionality factors, Table 4.1 outlines that the construction of the Proposed Development will directly generate 75 direct FTE employment opportunities for Greater Manchester residents each year, of which 35 will be local to Manchester.
- 4.17 A further 40 indirect and induced FTE jobs could be annually supported across Greater Manchester through economic multiplier effects, of which 10 could be local to Manchester.
- 4.18 In total, the direct, indirect and induced impacts of the construction of the Proposed Development can therefore be expected to annually create 115 net additional FTE employment opportunities for Greater Manchester residents, inclusive of 45 jobs for residents of Manchester. This is summarised in the table overleaf.

³⁹ Homes & Communities Agency (2014) Additionality Guide (4th Edition)

⁴⁰ Ibid.

Table 4.1: Construction Phase Employment

	Local Impact Area	Wider Impact Area
Person-years of Employment		360
Construction Period (Years)		3
Gross FTE Employment		120
Direct Net Additional FTE Employment	35	75
Indirect / Induced Net Additional FTE Employment	10	40
Total Net Additional FTE Employment	45	115

Source: Turley Economics, 2023

Economic Output and Productivity

- 4.19 The construction phase of the Proposed Development will generate a significant increase in GVA.
- 4.20 Estimates sourced from economic data provider Experian indicate that the average FTE employee in the construction industry in Manchester generates £101,400 GVA annually⁴¹. This is significantly higher than the GVA generated by the average employee across all sectors in the local and wider impact areas (respectively £70,000 and £63,300), demonstrating the importance of the construction sector to local, regional and national economic recovery following the fall in output in the wake of the Covid-19 pandemic and the ongoing cost-of-living crisis and inflationary pressures.
- 4.21 Applying the appropriate GVA measures to the net additional employment generated by construction of the Proposed Development indicates that an additional £10.2 million in GVA could be annually generated across the wider impact area during the construction period, inclusive of £8.3 million concentrated in the local impact area. Over the 3-year construction period, it is therefore calculated that construction of the Proposed Development will generate £30.6 million GVA within Greater Manchester, inclusive of £24.9 million concentrated in Manchester. This is summarised in the following table (Table 5.1).

⁴¹ Experian (2023) Local Market Forecasts Quarterly: June 2023. Annual average 2018- 2022 applied.

Table 4.2: Construction Phase GVA

	Local Impact Area	Wider Impact Area
Direct Net Additional GVA (Annual)	£7,700,000	
Indirect / Induced Net Additional GVA (Annual)	£600,000	£2,500,000
Total Net additional GVA (Annual)	£8,300,000	£10,200,000
Total Net Additional GVA (Construction Period)	£24,900,000	£30,600,000

Source: Turley Economics, 2023

Summary

4.22 In summary, the construction of the Proposed Development has the potential to generate the following economic impacts:

- **Significant investment** made in construction, directly supporting **360** person-years of employment, equating to an average of **120** FTE gross jobs over 3 years.
- An average of **115** direct, indirect and induced net additional FTE jobs generated for workers in Greater Manchester during construction, of which **45** could be held by residents of Manchester.
- Total net additional contribution of **£30.6 million** GVA to the Greater Manchester economy, including **£24.9 million** concentrated in Manchester.

5. Operational Phase Impacts

- 5.1 This section presents the quantified economic impacts likely to be generated during the operational phase. Upon completion and full operation, the Proposed Development will deliver a range of economic impacts which will persist over the long term. This will support the wider economic recovery and growth objectives of local and city-regional policy and strategy.

PBSA's Expenditure and Housing Market Impacts

- 5.2 The Proposed Development will increase the supply of PBSA bedspaces in Manchester by 578, providing purpose-built accommodation for students who could potentially otherwise live in other types of housing (such as HMOs).

Expenditure

PBSA Student Expenditure

- 5.3 Whilst the overall number of students in Manchester will not necessarily increase as a result of PBSA being available at the Proposed Development, the expenditure impacts of the students accommodated are provided for illustrative purposes.
- 5.4 Survey-based research by the consumer rights organisation 'Which?'⁴² provides a breakdown of average student expenditure of UoM students, enabling analysis to be conducted regarding the contribution of students to the local economy. Which? research suggests that students spend an average of £365 per month (not including rent or household bills) on goods and services.
- 5.5 This total (presented below, broken down by type of expenditure) can be applied to the capacity for 578 students to be accommodated at the Proposed Development. As presented at Table 5.1, based on expenditure of £365 per student per month multiplied out to a total of £3,285 per student over a 9-month academic year, it is estimated that the 578 residents accommodated at the Proposed Development could generate c. £1.9 million in expenditure each year.

⁴² Which? (2023) 'Student Budget Calculator' [Online]. Available at: <https://www.which.co.uk/money/university-and-student-finance/student-budget-calculator>

Table 5.1: **Proposed Development Estimated Student Spend**

Type of Spend	Student spend per month	Student spend per year	Proposed Development
Local transport	£78	£702	£406,000
Groceries	£87	£783	£453,000
Going out, eating out & takeaways	£82	£738	£426,000
Interests & hobbies	£45	£405	£234,000
Clothing	£41	£369	£213,000
Personal care	£12	£108	£62,000
Other expenses	£20	£180	£104,000
Total Spend	£365	£3,285	£1,900,000

Note: Academic year assumed to be 9 months. Spend per type rounded to nearest £1,000 and total spend rounded to nearest £100,000.

Source: *Which?; Turley Economics, 2023*

- 5.6 It is reasonable to expect that a considerable proportion of this expenditure will be retained within the local economy, thereby sustaining economic activity and employment in retail, leisure and a range of other sectors. This is likely to benefit businesses both in the local area within easy walking distance of the Proposed Development, as well as other cultural, leisure and retail businesses in the city centre, the neighbouring district and local centres and across the rest of Manchester and the GMCA area.
- 5.7 As highlighted by MCC's retail evidence base⁴³, there can be significant 'leakage' of retail expenditure from city centre residents outside of the city centre, particularly to larger supermarkets; for example, the retail evidence indicates that the Reagent Road Sainsbury's and the Eastlands Asda (both outside the city centre) respectively command 19.5% and 15.5% of convenience retail expenditure of city centre residents.

PBSA Visitor Expenditure

- 5.8 Students residing in the Proposed Development will receive visits from friends and family, and the impact of the expenditure derived from these visitors can therefore be attributed to the Proposed Development.
- 5.9 It can be conservatively assumed that each student living at the Proposed Development will receive at least one visit per year from friends and/or relatives and with each visit assumed to last 2 days. Evidence published by Marketing Manchester⁴⁴ indicates that overnight visitors to Manchester each spend an average of £130 per day (including accommodation).

⁴³ Alyn Nicholls & Associates on behalf of Manchester City Council (2010) Quantitative Need for Additional Retail Floorspace (2010 Update)

⁴⁴ Marketing Manchester (2023) One Stop Intelligence Document: Greater Manchester's Tourism Sector – Tourism, its Value to the Local Economy (June 2023)

- 5.10 Therefore, an increase in the number of visits linked to the Proposed Development equating to one two-day visit to Manchester per student per annum could therefore generate approximately £300,000 in tourist expenditure. This will support the local leisure and tourism industry in the city and help sustain associated employment, including in shops, hotels and restaurants which will benefit from increased expenditure.

Employment Supported by PBSA Student and Visitor Expenditure

- 5.11 Student and visitor expenditure will also help retain employment in local businesses, particularly those operating in those sectors such as leisure and hospitality, which are in normal times supported to a significant degree by the student population, and which – as outlined in Section 3 – have been especially impacted by the Covid-19 pandemic.
- 5.12 Based on the average turnover per employee across the leisure, retail and transport sectors in the North West⁴⁵, it is estimated that the £1.9 million annual student expenditure and £300,000 annual visitor expenditure would have the capacity to support approximately 15 jobs in the leisure, retail and transport sectors in the Manchester and wider city-region's economy.

Employment

- 5.13 The Proposed Development will provide c. 280 sqm Use Class E commercial floorspace at ground-floor level. Based on the application of standard employment densities in line with HCA guidance⁴⁶, it is estimated that this could support c. 15 FTE jobs in sectors such as retail and food & beverage services. An estimated further 5 FTE employment opportunities will support the ongoing operation of the PBSA; these will likely be in concierge roles and other buildings maintenance activities. Therefore a total of 20 FTE jobs could be supported on-site.
- 5.14 After accounting for leakage, displacement and multiplier effects (having applied equivalent additionality assumptions as outlined previously in relation to construction), the operation of the Proposed Development could be expected to generate approximately 20 direct, indirect and induced FTE net additional employment opportunities for residents of Greater Manchester, inclusive of more than 5 jobs for Manchester residents. This is set out in the below table.

⁴⁵ Department for Business, Energy and Industrial Strategy (2022) Business Population Estimates 2022: Table 12 – North West. Analysis utilises BPE turnover per employee data for the retail; food and accommodation services; and arts, entertainment and recreation sectors to determine the number of jobs supported and / or generated by retail and leisure expenditure

⁴⁶ Homes & Communities Agency (2015) Employment Density Guide (3rd Edition). Assumed one FTE job per 17.5 sqm (NIA) Class E floorspace, allowing for medium density food & beverage services and/or retail uses.

Table 5.2: Operational Phase Employment

	Local Impact Area	Wider Impact Area
Gross FTE Employment		20
Direct Net Additional FTE Employment	5	10
Indirect / Induced Net Additional FTE Employment	<5	10
Total Net Additional FTE Employment	>5	20

Source: Turley Economics, 2023

Economic Output and Productivity

- 5.15 The operational phase of the Proposed Development will also contribute to economic output and productivity across the local and wider impact areas. Experian data indicates that the annual average productivity generated by FTE workers in roles associated with the management of the PBSA development could generate £41,600 GVA per FTE worker per annum whilst workers in the accommodation & food services and retail sectors respectively generate £32,000 and £45,800⁴⁷.
- 5.16 Applying relevant measures to the net additional employment effects (sum of direct and indirect impacts) presented above suggests that an additional £900,000 GVA will be generated annually across the Greater Manchester economy, inclusive of £600,000 concentrated in Manchester.

Table 5.3: Operational Phase GVA

	Local Impact Area	Wider Impact Area
Direct Net Additional GVA (Annual)		£500,000
Indirect / Induced Net Additional GVA (Annual)	£100,000	£400,000
Total Net additional GVA (Annual)	£600,000	£900,000

Source: Turley Economics, 2023

PBSA: Expanding Choice and Capacity in the Housing Market

- 5.17 By increasing the proportion of students accommodated in PBSA, the Proposed Development could contribute to meeting the Core Strategy's objectives relating to reducing the numbers of students living in HMOs, which, as outlined in Sections 2 and 3, seek to free up family housing and broaden housing choice for other types of residents.
- 5.18 Whilst such a shift will not occur with immediate effect, the Proposed Development represents an opportunity for the gradual re-orientation of housing in areas of

⁴⁷ Given the flexibility of uses that could occupy Class E floorspace, the mid-point between retail and accommodation & food services GVA figures informs the assessment.

Manchester with high numbers of HMOs towards providing for a more diverse mix of residents and creating more sustainable communities. A number of economic and social benefits of freeing up family housing are considered below.

Housing freed up and new residents accommodated

- 5.19 The 2011 Census recorded the average household size in Manchester where all residents are full-time students as being 3.5 persons⁴⁸. It is therefore estimated that 578 student bedspaces at the Proposed Development could provide accommodation equivalent to c. 165 houses currently used as student HMOs; homes which could subsequently be freed up for new residents all of household types.
- 5.20 It is estimated that expanding housing availability by 165 homes could accommodate 405 new non-student residents if occupied in line with the average household size in Manchester at the 2021 census⁴⁹. These new residents will also contribute towards generating expenditure within the local economy and creating demand for local services, shops and businesses.
- 5.21 Based on Manchester's current age⁵⁰ and economic activity⁵¹ profile, 195 of these new residents could be working age (16-64) and employed, contributing to the on-going competitiveness of the city by growing the supply of skilled labour available to local businesses.

Resident Incomes and Expenditure

- 5.22 Household incomes and expenditure in the local economy will occur over the long period in which homes are occupied. Based on the latest ONS Annual Survey of Hours and Earnings (ASHE)⁵² and the occupational profile of Manchester residents⁵³, it is estimated that residents of 165 homes could earn a combined income of £5.6 million per annum⁵⁴.
- 5.23 Whilst a proportion of this income will be used to meet housing and other fixed household costs, a considerable percentage will be available for convenience and discretionary expenditure by households, a significant proportion of which in turn is likely to be spent locally.
- 5.24 Households in Manchester on average spend £12,100 annually on retail⁵⁵ and a further £7,700 on leisure⁵⁶ goods and services. It is therefore estimated that the occupants of 165 homes could generate total household retail and leisure expenditure of £3.8 million per annum, contributing to sustaining local shops and businesses and the

⁴⁸ ONS via Nomis (2011) 2011 Census. Note that equivalent data from the 2021 Census has not yet been released at time of writing.

⁴⁹ ONS via Nomis (2011) 2021 Census

⁵⁰ Ibid.

⁵¹ ONS via Nomis (2023) Annual Population Survey: April 2022 – March 2023

⁵² ONS (2022) Annual Survey of Hours and Earnings 2022

⁵³ Ibid.

⁵⁴ Note that this is based on median incomes in the North West for the average overall occupational profile in Manchester, and therefore wages earned by residents could, for example, be higher than this figure if residents work in higher-paid jobs than the average for their occupation in the North West and/or if the resident profile is weighted more towards professional occupations than the city average. This figure also does not include other sources of income, such as those derived from investments or social security benefits.

⁵⁵ Both convenience and comparison.

⁵⁶ Oxford Economics via Precisely (2023) UK Consumer / Leisure Expenditure

employment they support. This retail and leisure expenditure could be expected to benefit district centres in those areas such as Fallowfield that currently have high numbers of student HMOs and where there is the greatest potential to re-balance the stock to provide more general housing.

Employment Supported by Resident Expenditure

- 5.25 This potential uplift in local expenditure will not only increase footfall, vitality and the trading performance of existing shops and leisure services in local and district centres; the additional expenditure is also expected to support jobs within the retail and leisure industries. It is estimated that approximately 25 retail and leisure related jobs could be supported by new household expenditure⁵⁷.

Council Tax Revenues

- 5.26 The re-occupation of homes previously occupied by students – and therefore exempt from paying Council Tax – will also boost MCC's Council Tax revenues. Boosting Council income is a priority in the context of constrained local authority funding since 2010, which was compounded by the need for increased expenditure on public services during the pandemic.

Based on the conservative assumption of all re-occupied homes being Band A properties, it is estimated that payment of Council Tax for 165 non-exempt homes could generate revenue of up to £250,000 per annum at 2023/24 rates⁵⁸, which could be invested in delivering and enhancing public services in Manchester.

Summary

- 5.27 In summary, Proposed Development has the potential to generate the following economic impacts once operational:
- Expenditure of **£1.9 million** per academic year generated by **578** students, with their visitors contributing a further **£300,000**. A significant proportion of this expenditure will be retained locally, supporting businesses in the First Street SRF area, the rest of Manchester city centre, neighbouring district centres and across the city region.
 - Student and visitor expenditure has the capacity to support **15** jobs locally, in industries such as hospitality and retail.
 - Up to **20** gross direct on-site FTE jobs, generating **20** direct, indirect and induced net additional FTE jobs for Greater Manchester residents, including more than **5** jobs for residents of Manchester.

⁵⁷ Department for Business, Energy and Industrial Strategy (2022) Business Population Estimates 2022: Table 12 – North West. Analysis utilises BPE turnover per employee data for the retail; food and accommodation services; and arts, entertainment and recreation sectors to determine the number of jobs supported and / or generated by retail and leisure expenditure.

⁵⁸ Note that this figure does not account for any occupants who are exempt from paying Council Tax for reasons other than being a student.

- Annual net additional contribution of **£900,000** GVA to the Greater Manchester economy, including **£600,000** concentrated in Manchester.
- Up to **165** student HMOs could be freed up by instead accommodating students in PBSA, supporting:
 - Accommodation for **405** new residents in former HMOs, **195** of whom could be of working age and in employment;
 - Up to **£3.8 million** in retail and leisure expenditure generated by new occupants of former student HMOs;
 - Up to **25** jobs in retail and leisure industries through the expenditure of new occupants of former student HMOs; and
 - Up to **£250,000** per annum in Council Tax revenue collected by MCC following the re-occupation of former student HMOs.

6. Conclusion

- 6.1 This Socio-economic Regeneration Impact Statement has been prepared by Turley Economics on behalf of DLM (Manchester) Ltd in support of a planning application to Manchester City Council for permission to redevelop the existing Hotspur Press Complex (Medlock Mill) at 2-4 Cambridge Street, Manchester to deliver new Purpose-Built Student Accommodation (PBSA) and accompanying amenity and community uses.
- 6.2 The delivery of the necessary student accommodation to support investment, job opportunities and to grow the local population and economy is considered by published planning and economic policy and strategy to be key to the recovery in Manchester and the wider city region in the wake of the Covid-19 pandemic and in order to respond to the growing cost-of-living crisis.
- 6.3 The First Street SRF area is one which presently accommodates notably high proportions of people who are of typical student age. The GMCA and MCC identify the student population as a key driver of the local economy.
- 6.4 The city's leisure, hospitality and tourism businesses – amongst the sectors most impacted by the pandemic and those usually supported by to a significant degree by students – will also benefit from increased activity; Manchester's students have considerable purchasing power in the local economy and increasing capacity to accommodate students will help support growing levels of student expenditure retained locally.
- 6.5 The alignment of the occupants of the PBSA with existing local demographics and the known contribution of students to economic development are both factors which strongly suggest that the delivery of new PBSA is likely to closely integrate with the existing neighbourhood and contribute in a positive way to local vibrancy without detriment to the existing residential community.
- 6.6 A PBSA Needs Assessment for Manchester⁵⁹ highlighted the current limited supply and uncertain pipeline for new delivery to support growth in the sector, and it is therefore concluded that the Proposed Development is well-suited locationally, quantitatively and qualitatively to making an effective contribution towards meeting local needs.
- 6.7 The Proposed Development will also help support the economic growth and recovery ambitions through providing new, high-quality accommodation for students in the city, whose expenditure will support retail and leisure businesses both in the immediate locality of the Site and wider city centre. This could also support ambitions to free up family housing currently used occupied by students in the private rented sector, further increasing local expenditure and Council Tax revenues for MCC.
- 6.8 Quantified economic impacts of the Proposed Development are summarised again below:

⁵⁹ Knight Frank (2023) Hotspur Press, Manchester: PBSA Assessment of Need Report

6.9 The of the Proposed Development will generate the following economic impacts during its 3-year construction period:

- **Significant investment** made in construction, directly supporting **360** person-years of employment, equating to an average of **120** FTE gross jobs over 3 years.
- An average of **115** direct, indirect and induced net additional FTE jobs generated for workers in Greater Manchester during construction, of which **45** could be held by residents of Manchester.
- Total net additional contribution of **£30.6 million** GVA to the Greater Manchester economy, including **£24.9 million** concentrated in Manchester.

6.10 Upon completion and operation, the Proposed Development will generate a range of long-term economic impacts:

- Expenditure of **£1.9 million** per academic year generated by **578** students, with their visitors contributing a further **£300,000**. A significant proportion of this expenditure will be retained locally, supporting businesses in Manchester city centre, neighbouring district centres and across the city region.
- Student and visitor expenditure has the capacity to support **20** jobs locally, in industries such as hospitality and retail.
- Up to **20** gross direct on-site FTE jobs, generating **20** direct, indirect and induced net additional FTE jobs for Greater Manchester residents, including more than **5** jobs for residents of Manchester.
- Annual net additional contribution of **£900,000** GVA to the Greater Manchester economy, including **£600,000** concentrated in Manchester.
- Up to **165** student HMOs could be freed up by instead accommodating students in PBSA, supporting:
 - Accommodation for **405** new residents in former HMOs, **195** of whom could be of working age and in employment;
 - Up to **£3.8 million** in retail and leisure expenditure generated by new occupants of former student HMOs;
 - Up to **25** jobs in retail and leisure industries through the expenditure of new occupants of former student HMOs; and
 - Up to **£250,000** per annum in Council Tax revenue collected by MCC following the re-occupation of former student HMOs.

Turley Office
1 New York Street
Manchester
M1 4HD

T 0161 233 7676