



**Alberton House
Economic Impact Assessment**

June 2022

Contents

Introduction.....	1
Proposed Development.....	1
Assessment Scope	1
The Economic Context for Intervention.....	3
A Strong and Growing City.....	3
A Significant Economy	3
Growth Prospects.....	4
Providing Opportunities for a Growing Population	4
Supporting Key Growth Sectors.....	5
Manchester City Centre: A Key Employment and Population Centre	6
The Market Context for Intervention	7
Significant Demand for Office Space	7
Changing Workspace Demands	7
The Strategic Context for Intervention	9
Alignment with National Policy	9
Alignment with Local Policy Objectives.....	9
Alberton House Development Economic Impact	12
Economic Uplift from Construction.....	12
Operational Direct Economic Impact	12
Summary	14

Introduction

Proposed Development

The proposals for Alberton House involve:

Demolition of existing building and erection of a 19 storey (basement, ground including mezzanine, plus 18) building comprising ground floor food and beverage (Use Class E, Sui Generis), 16 floors of office (Class E), and two floors of wellness centre (Sui Generis) including ancillary food and beverage (Use Class E), landscaping, highways and other associated works.

Alberton House is strategically located in the St. Mary's Parsonage Strategic Regeneration Framework (SRF) area, in Manchester City Centre. The site is located next to the major commercial district Spinningfields, and within close proximity of Deansgate, the City Centre Primary Shopping Area and Manchester Victoria train station. The site sits on the banks of the Irwell with direct access to the Trinity Bridge, a pedestrian footbridge, which provides a key route between Salford and Manchester City Centre.

The site is not located within a designated Conservation Area and falls in the area of the SRF that has been identified as more appropriate for additional height.

Despite its desirable location, the existing 1970's building is largely vacant due to its dated configuration and inability to compete with newer commercial office spaces that are being brought forward in the City Centre. Maintaining the site for its current use would therefore represent a missed opportunity to deliver good quality and sustainable commercial premises in a key city centre location and to support the employment and regeneration ambitions of the city.

The Alberton House proposals for a new 19 storey office-led development are expected to comprise of:

- 26,420m² (GIA) of office space;
- 1,470 m² (GIA) food and beverage space on the ground floor fronting the river, with an external terrace activating the Trinity Bridge walkway;
- Office reception and mezzanine with co-working space and amenity features;
- Basement includes a cycle hub (with 120 secure cycle parking spaces), a gym, changing and showering facilities;
- Rooftop amenity and wellness space on 17th and 18th floor, including a leisure and fitness offering such as a swimming pool and associated facilities;
- A panoramic landscaped, external rooftop terrace on 17th floor; and
- Tree planting and public realm enhancements along St Mary's Parsonage and Trinity Bridge walkway

The proposed redevelopment of Alberton House is incorporating sustainability at all stages of the design process to deliver an operationally net zero carbon contemporary office building targeting NABERS accreditation¹. This will considerably improve on the sustainability of the existing building and support Manchester City Council's ambition to become a net zero carbon city by 2038.

The development has an estimated construction cost of £94.4m over a 121 week build period.

Assessment Scope

ekosgen have been commissioned to produce a socio-economic assessment of the Alberton House proposals. The assessment is intended to outline the breadth and scale of benefits that are expected to be unlocked by the redevelopment, during both its construction and operational phases. Consideration has been given to:

- The economic, market and strategic context within which the proposals have been put forward, recognising Manchester and the city centre's role as a key economic centre;
- How the plans align with local and national strategic ambitions; and

¹ NABERS is a system for rating the energy efficiency of office buildings which measures and rates the actual energy use of offices.

- The scale and nature of the economic benefits that can be unlocked by the scheme during construction and once it is operational.

The findings are outlined in the sections that follow.

The Economic Context for Intervention

A Strong and Growing City

Manchester is the most important economic centre in the country outside of London, following a rapid period of transformation and expansion over the past decade. A combination of diverse and abundant employment opportunities, a thriving cultural, leisure and evening economy, and an attractive proposition for businesses and investors has transformed Manchester into a popular place to live and do business.

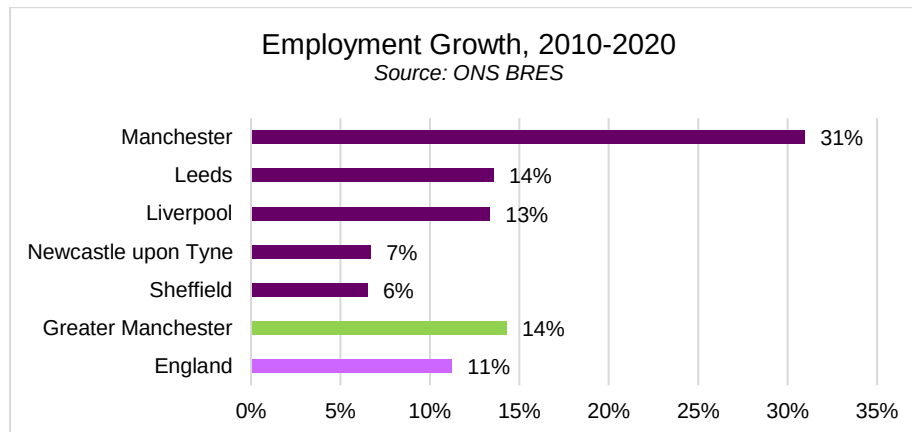
For instance:

- The Economist's Global Liveability Index for 2021 ranked the city as the number one place to live in the UK.
- Time Out ranked Manchester as the world's third greatest city, number one in the UK, acknowledging its resilience and achievements during the pandemic.²
- Manchester was ranked the best place in the UK for local business in a study by Capital on Tap in 2021³.
- It was the third best performing city in the UK for attracting FDI in 2020, after London and Edinburgh, according to EY's latest UK Attractiveness Survey.
- Recent analysis from Orega has rated Manchester as the best city in the UK to live and work, ahead of London, Birmingham and Bristol. This takes into account pollution levels, access to parks, top restaurants, number of jobs, rental costs, and number of coworking spaces to find the best cities for young professionals.
- The fDi European Cities and Regions of the Future 2020/21 report, ranked Manchester as Europe's top large city for business friendliness and second for inward investment.⁴

A Significant Economy

A Key Employment and Business Centre

As of 2020, 412,500 people worked in Manchester, accounting for almost 31% of jobs in Greater Manchester. Between 2010 to 2020, employment in Manchester grew by 31%, at least double that of other major northern cities, and almost three times the national growth rate for the same period.



During the past five years, Manchester has seen a considerable uplift in employment. With 55,500 additional jobs over this period (representing a 16% uplift), employment growth in Manchester has significantly outpaced all major northern cities and nationally. From 2019 to 2020, employment in Manchester increased marginally, despite the significant impact of Covid-19, while during the same time period, employment in other major northern cities and nationally declined.

² <https://www.timeout.com/news/revealed-the-best-cities-in-the-world-according-to-time-out-090821>

³ <https://www.business-live.co.uk/retail-consumer/manchester-best-place-local-businesses-19602288>

⁴ The Financial Times, fDi European Cities and Regions of the Future 2020/21

Turning to the business base, there were 23,600 businesses operating in Manchester in 2021. These businesses account for 22% of the Greater Manchester business base and is up from 12,500 in 2011, reflecting growth of 89%.

Since 2015 there has been a 38% uplift in the number of businesses (+6,500 businesses), which far exceeds the business count growth experienced in any other major Northern city and is 2.8 times the national business growth rate.

Looking ahead, it is important for Manchester to maintain this momentum. Ensuring strong future growth will require the city to attract new businesses and jobs by delivering new attractive employment space in strategic locations.

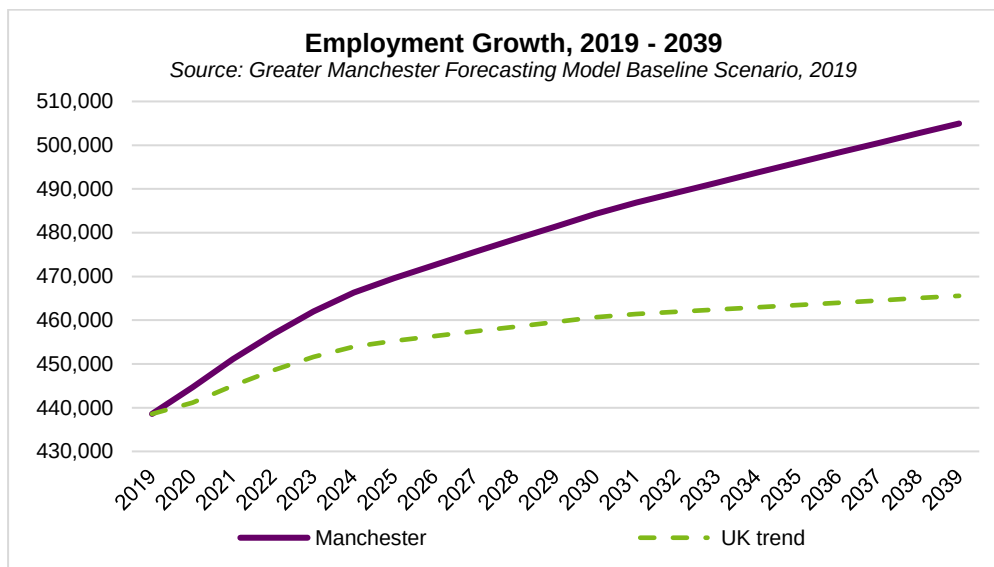
An Important Economic Contributor

In 2019, Manchester contributed £24.5 billion Gross Value Added to the UK economic (GVA is a measure of economic output), having grown by 34% since 2014.

The city has outperformed growth across Greater Manchester and nationally. Manchester has been a driving force for Greater Manchester's economic output, accounting for 42% of the sub-region's GVA growth between 2014 and 2019. Looking beyond the sub-region, Manchester had the highest GVA per capita of the major northern cities, and experienced a faster rate of growth between 2014 and 2019.

Growth Prospects

The Oxford Economics Greater Manchester Forecasting Model (GMFM) forecasts that between 2019 and 2039 Manchester will be home to an additional 66,400 jobs (+15.1%), outperforming jobs growth across the UK (6.2%), as well as all major cities in England outside of London.



While these forecasts were established pre-Covid-19, Manchester has shown its resilience, and is expected to bounce back strongly. To continue to support Manchester's economic recovery and achieve forecast growth, there is a need to ensure employment space is delivered in attractive locations and of the type required by the market to satisfy demand.

Providing Opportunities for a Growing Population

Over the past 20 years, Manchester's population has grown by 32% - more than twice the national growth rate of 15% - and the city is now home to 555,741 people. The city's working age population has continued to grow strongly, by 42% which is 3.5 times the national rate of 12%. Central to this growth has been the growth of employment opportunities and the growing attractiveness of the city centre as a place to live and work.

Between 2019 and 2039, there are expected to be 94,000 additional residents in Manchester with population growth continuing to outstrip the growth at the national level, this will be driven by further

employment growth which in turn will attract and retain highly skilled migrants. Over this period, Manchester's working age population is expected to grow by 12% with an additional 49,000 residents aged between 16 and 64, compared to a 1.2% reduction across the UK. This further demonstrates the momentum and strength of Manchester in continuing to attract and retain people of working age to live in the city.⁵

Manchester has a relatively young population, with 77% of its residents under age 50, compared to 62% across England. Around 70% of Manchester's population is working age, compared to 63% across Greater Manchester and 62% nationally.

Manchester also has a significant student population. With over 74,000 living in the city, Manchester has one of the largest concentrations of students in Europe. Combined with a high graduate retention rate (of over 60%⁶), this supports a pipeline of new graduate workers for the city. This reflects a positive undergraduate experience and the availability and range of good quality jobs. The city economy has a large proportion of its employment in high growth sectors which require a well-qualified young workforce, and this is reflected in the makeup of the workforce.

Supporting Key Growth Sectors

The Alberton House development is expected to accommodate sectors including financial, digital, tech and professional services. These sectors account for 23% of total employment in the city and 17% of employment in Greater Manchester. They have grown strongly in recent years and continue to display strong growth forecasts. Over the five years from 2015 to 2020, employment in these sectors grew by 21% in Manchester compared to national growth of 6%.

Employment in Financial, Digital, Tech and Professional Services Industries, 2015 – 2020			
	2015	2020	Change since 2015
Manchester	78,000	94,000	21%
Greater Manchester	200,000	227,500	14%
England	4,321,000	4,561,000	6%

Source: ONS BRES, 2020

Alongside employment growth, the number of financial, digital, tech and professional services businesses in Manchester has grown by 11% since 2016, above the Greater Manchester (7%) and national (2%) rates of growth. There is now a considerable concentration of businesses clustered in the city centre, as well as at Salford Quays which, together with research and development (R&D) assets along Manchester Corridor, are seen as important accelerators of growth from Greater Manchester and the wider north.

Businesses in Financial, Digital, Tech and Professional Services Industries, 2016 – 2021			
	2016	2021	Change since 2016
Manchester	6,055	6,735	11%
Greater Manchester	25,245	26,905	7%
England	647,000	658,375	2%

Source: ONS Business Counts, 2021

Manchester has a growing reputation as a tech cluster in the UK, for example:

- According to the Tech Nation 2020 report,⁷ Manchester is Europe's fastest-growing major tech cluster, with investment growing from £48m in 2018 to £181m in 2019, an uplift of 277%.

⁵ Greater Manchester Forecasting Model, 2019

⁶ https://www.savills.co.uk/research_articles/229130/308587-0

⁷ UK Tech for a Changing World, Tech Nation Report 2020

- Analysis for the UK's Digital Economy Council has named Manchester as second to London in a new levelling up Power Tech League, with tech jobs in Manchester increasing by 165% in 2021⁸.
- The Data City, a data science and software company, research conducted in 2020 named Manchester as the UK's top Digital Tech city in terms of the scale of digital business activity and affordability. The report shows that Manchester is home to 18,900 digital businesses and hosted almost 1,800 related digital events in 2019.⁹
- Recent research by digital learning company Fire Tech suggests that "*Manchester is the UK's most impactful tech hotspot outside of London*" and is home to more than one fifth of tech and digital roles outside of London.¹⁰

Building upon the substantial financial services and tech and digital sectors in Manchester, Fintech is a fast emerging specialist sub-sector for Manchester which is now recognised as a fintech powerhouse that is developing strength and expertise in sectors such as data analytics, payments, cyber-security, platforms and software¹¹. The 2021 Global Fintech Rankings named Manchester as one of the Top 50 cities in the world for starting and scaling up a FinTech company, ranking 34th globally (up to 19 places), 9th in Europe and second in the UK after London.¹²

This position is driving demand for space within accommodation such as that proposed at Alberton House, to meet the needs of growing businesses already in the city and incoming businesses looking to join and benefit from the cluster.

The financial, digital, tech and professional services sectors are expected to continue to grow strongly in Manchester, with the impacts of clustering and agglomeration helping to drive jobs and GVA growth. Employment in professional services is expected to grow by 31% during the 20 year period to 2039, while GVA is forecast to grow by 72%.

In order to meet growth forecasts, there is a need for the infrastructure to be in place to accommodate businesses and employees in locations that satisfy the needs of businesses in a competitive labour market. An ability to access modern office requirements is an important consideration for the sector.

Manchester City Centre: A Key Employment and Population Centre

Manchester city centre acts as the key employment centre for the wider city region. In 2020 the city centre, including the Oxford Road Corridor, was home to 213,000 jobs, just over half of all jobs in Manchester. Since 2015, there are 37,500 more jobs in the city centre, a 21% uplift in five years, which compares to growth of 8% across Greater Manchester and 3% nationally.

This strong employment base has played a central role in attracting people to live within the city centre. Manchester city centre is now home to just under 40,000 residents, having grown by 50% since 2015. This is a significantly faster rate of growth than achieved by Manchester as a whole (5%), Greater Manchester (3%) and nationally (3%).

The city centre will play a central role in accommodating the city's forecast strong employment growth. To achieve this forecast growth will, however, require suitable premises to be provided in key locations.

⁸ <https://gmlep.com/insights/manchester-takes-second-place-in-levelling-up-power-tech-league-2021>

⁹ <https://www.investinmanchester.com/media-and-events/industry-news/2020/3/18/world-first-ai-survey-identifies-manchester-as-uks-top-digital-tech-city-a2769>

¹⁰ <https://edtechnology.co.uk/business/manchester-crowned-biggest-tech-hub-outside-uk-capital/>

¹¹ <https://www.manchesterdigital.com/digital-specialisms/fintech>

¹² <https://www.prolificnorth.co.uk/news/tech-news/2021/06/manchester-named-one-worlds-top-fintech-cities>

The Market Context for Intervention

Significant Demand for Office Space

According to the Manchester Office Agent's Forum (MOAF), Manchester's third quarter figures for 2021 show office take up has risen by 17%, with city centre transactions totalling 257,200 ft² completed in the third quarter, an increase on the 220,200 ft² on the previous quarter.¹³

In tandem with this, Manchester reached a new rental high of £38.50 per ft² in the first quarter of 2021 and sustained rents at this level in Q4 of 2021. During 2021, JLL reported that office investment totalled £707m in Manchester, notably higher than that recorded across the rest of the 'big six', which, in addition to Manchester, is made up of Birmingham, Bristol, Edinburgh, Glasgow and Leeds. The JLL report showed that occupancy was driven by strong activity in the technology, media, and telecom and professional services sectors, accounting for over 50% of total take up by ft² in 2021.¹⁴

Manchester is expected to become one of the UK's fastest-growing cities and a leading business location within Europe, with the region's economy expected to recover from the 2020 recession and grow by 22% over the next five years. Over the past five years, private sector office-based employment within Manchester has grown by 20% and is forecast to grow by a further 7% over the next five. Manchester is also forecast to see higher levels of office-based employment growth of the big six between now and 2025.¹⁵

The Manchester property market in 2022 will possibly see the biggest uptake in city centre office space that the city has experienced in several years according to OBI, a commercial real estate consultancy based in Manchester. According to the OBI, there has been strong rental growth throughout 2021 and they expect to see this continue through 2022, with £40 sq. ft aiming to be achieved in quarter one. OBI suggest that, *"the Manchester office market is no longer relying on banks, lawyers, and accountants as it was 10 years ago, and is now driven on by growth businesses in the technology and digital sectors"*¹⁶. With both a diminishing supply of Grade A new builds and limited new build space due to be delivered until 2023, OBI also expects demand for existing buildings providing more than 50,000 sq. ft to outweigh supply, leading to an upward price on rents.¹⁷

The latest Deloitte Regional Crane Survey reports that Manchester and Salford have been remarkably resilient during 2021 and whilst there has been some rebalancing of market activity over the past 2 years, overall construction levels are well above average for the city. They find that there is a healthy pipeline of new developments fuelled by a continued appetite for inward, as well as government funding already beginning to unlock a number of complex regeneration projects. In 2020, the volume of office floor space completed was 1.2 million sq. ft across 8 schemes, well above the annual average, and the second highest year on record. Looking ahead, the pipeline for completions suggests that 745,000 sq. ft is set to be delivered to market in 2022 and 575,000 sq. ft is in the pipeline for completion. 60% of schemes that were targeting completion in 2021 have extended their completion dates into early 2022.¹⁸

Changing Workspace Demands

Covid-19 has accelerated existing trends in the commercial property market including flexibility, health and wellbeing and sustainability.¹⁹

Insights from Savills highlight that post-pandemic there is a greater demand for workplaces that incorporate flexibility, collaboration and amenity with communal spaces for socialising. In addition, there is a growing focus on health and wellbeing, including as a staff attraction and retention tool²⁰.

¹³ <https://www.thebusinessdesk.com/northwest/news/2087419-manchester-office-market-back-with-a-vengeance-as-take-up-rises-by-17>

¹⁴ JLL, The Big 6 Report 2021

¹⁵ https://www.savills.co.uk/research_articles/229130/314716-0

¹⁶ <https://www.thebusinessdesk.com/northwest/news/2091314-consultants-predicting-positive-manchester-property-market-in-2022>

¹⁷ <https://www.thebusinessdesk.com/northwest/news/2091314-consultants-predicting-positive-manchester-property-market-in-2022>

¹⁸ <https://www2.deloitte.com/uk/en/pages/real-estate/articles/regional-crane-surveys.html>

¹⁹ Arup, Future of offices: in a post-pandemic world

²⁰ https://www.savills.co.uk/research_articles/229130/324998-0

Alberton House proposals respond to these trends by including onsite wellness centre, pool, gym and a restaurant and bar.

Sustainability of the workspace is also an increasingly important consideration to both businesses and employees. Knight Frank forecast a growing trend for businesses choosing to base their teams in green, sustainable offices as a clear way to demonstrate a commitment to sustainability to employees, clients and competitors.²¹ The proposed Alberton House development will deliver to an operationally net zero carbon contemporary office building targeting NABERS accreditation.

²¹ <https://www.knightfrank.co.uk/office-space/insights/culture-and-space/2020-workplace-trends/>

The Strategic Context for Intervention

Alignment with National Policy

Build Back Better and Levelling Up the National Economy

Build Back Better: our plan for growth outlines the Government's approach to push forward economic growth across the country, including through growth in existing, new and emerging industries, and states:

Our plan to build back better takes a transformational approach, tackling long-term problems to deliver growth that creates high-quality jobs across the UK and makes the most of the strengths of the Union. We must retain our guiding focus on achieving the people's priorities: levelling up the whole of the UK, supporting our transition to net zero, and supporting our vision for Global Britain.

The plan outlines the role that cities play in realising this ambition and the purpose of addressing regional inequalities, rebalancing the economy and 'levelling up' underperforming and left-behind parts of the UK. Manchester has already firmly demonstrated the role it can play on a national and international stage with further growth potential evident.

Supporting the transition to net zero is one of the three key priorities of the plan. The Alberton House proposals align to this by proposing an operationally net zero carbon contemporary office building.

The Northern Powerhouse

The Northern Powerhouse concept – “a vision for joining up the North's great towns, cities and counties, pooling their strengths, and tackling major barriers to productivity to unleash the full economic potential of the North”²² – is key to the overall strategy to produce more even and inclusive growth across the UK, aiming to address the primacy of London and the South East.

Digital, financial and professional services – which characteristically cluster in city centres – have been recognised as strengths in the north, where Manchester has established itself as a key destination with further scope for growth. Dependent upon an adequate supply of suitable premises being made available and continued success in attracting and retaining skilled workers in the city, Manchester's significant and fast-growing economy can continue to help drive growth in the North of England. Further growth is predicted through both the continued productive economic use of existing employment premises and new employment development, counterbalancing the strength of London and the South East.

Alignment with Local Policy Objectives

Strategic Regeneration Frameworks

Alberton House falls within the endorsed St. Mary's Parsonage Strategic Regeneration Framework (SRF) which highlights the potential of the area to contribute to Manchester's growth and deliver significant regeneration benefits. The SRF's development overview references the delivery of high-density development, with a desire to produce “taller, high density development (Albert Bridge House & Alberton House) [which] will straddle the heart of the Parsonage Gardens conservation area”.

In regard to Alberton House, the SRF outlines an opportunity for the site to provide a “more substantial increase in height in this location, although any height will need to respect the landmark status of buildings to the south”. The scheme takes into account both the need to be considerate of the adjacent Parsonage Conservation Area and nearby listed buildings and the necessity to provide high-density development.

The draft St. Mary's Parsonage SRF sets out a vision to redefine the area, delivering a commercially led mixed use neighbourhood. The proposals for Alberton House are well aligned with the ambitions of the SRF, including maximising the area's potential, with it being considered that “any future proposals for these buildings would benefit from delivering a coordinated response to the site context at ground floor level. This could potentially strengthen connections to the river, consolidating service

²² HM Government, Northern Powerhouse strategy, 2016

arrangements as well as delivering a critical mass of ground floor retail or leisure uses that maximise the positive contribution towards the vibrancy of St. Mary's Parsonage”.

Manchester Local Plan Core Strategy, 2012

The Core Strategy outlines Manchester's growth ambitions and recognises the city centre as the key location for major employment growth, especially through high-density development, with an allocation of 58ha for employment use between 2012-2027. The Strategy states that *“City Centre development will generally be high-density. It is a location where land should be used to maximise its efficiency”*. The scheme responds to this context and ensures that high-density development can be offered within a land constrained local authority area.

City Centre Strategic Plan 2015-2018

The Strategic Plan for the city centre sets out a long-term vision for the future of the city centre, highlighting its role as a key driver of economic growth as well as a major employment centre. The plan references the digital sector as one of Manchester's distinctive strengths which it will continue to expand and build upon.

Increasing demand for a range of commercial space that meets the range of markets and sectors flourishing in Manchester city centre is highlighted, with the need to *“maintain momentum and provide further growth and development”*. The proposals for Alberton House respond to these requirements.

State of the City Report, 2021

Manchester's 2021 State of the City Report recognises the importance of continued development within the city centre and that it *“has grown and been transformed over recent years and is a major asset for the city. While the development of cities globally has been reduced by the pandemic, Manchester has maintained momentum and continues its pre-pandemic growth trajectory following an initial slowdown in March 2020. Manchester has continued to successfully and sustainably develop, due to a strong, co-ordinated and collaborative response with partners across the city”*.

The report highlights the importance further commercial development in supporting further economic growth and recovery and the benefits of St. Mary's Parsonage SRF, with it *“enhancing permeability and connections to adjacent city centre neighbourhoods and delivering developments that respond to the demands and requirements of the city centre”*.

Developing a More Inclusive Economy – Our Manchester Industrial Strategy, 2019

- Our Manchester', the Manchester Strategy for 2016 – 2025, sets out the wider strategy and long-term vision for the city. The Manchester strategy outcomes include plans for Manchester to become:
- A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities
- A highly skilled city: world class and home grown talent sustaining the city's economic success
- A progressive and equitable city: making a positive contribution by unlocking the potential of our communities
- A liveable and low carbon city: a destination of choice to live, visit, work
- A connected city: world class infrastructure and connectivity to drive growth

The Our Manchester Industrial Strategy sets out Manchester's vision and delivery plan for developing a more inclusive economy, highlighting the importance of the city centre to meeting objectives: *“The city centre continues to be the engine of Manchester's growth....As well as being the economic driver of the city region, the city centre also has a vital role to play in the rebalancing of the national economy. Sustaining the growth of the city centre will ensure that Manchester can continue to compete as a viable alternative to London and the South East, increasing the productivity of the UK and increasing its global profile.”*

The Alberton House development will accommodate consistent growth within the city in sectors that can enable Manchester to continue to provide high value jobs to its residents and make an expanding contribution to the national economy.

The Our Manchester Industrial Strategy highlights Manchester's ambition to become a net zero carbon city by 2038, including by proposing higher energy efficiency standards for new residential and commercial development. Alberton House proposals support this ambition by proposing an operationally net zero carbon contemporary office building targeting NABERS accreditation.

Alberton House Development Economic Impact

The Alberton House development will generate economic benefits through both its construction and operations. This section considers the nature and scale of benefits forecast to be achieved under each stage, considering the direct, indirect and induced effects.

Economic Uplift from Construction

The development has an estimated construction costs of £94.4m across a 121 week (2.3 year) build period. Applying the average spend per full time equivalent (FTE) in the Construction sector in the North West²³, suggests around 800 FTE job years will be supported over the construction period. These jobs will generate total Gross Value Added (GVA – a measure of economic output) of £61.9m across the period.

Assuming a consistent development programme, this suggests that an average of 340 FTEs jobs will be supported for a period of 2.3 years, generating GVA of £24.8m per annum.

The construction sector is recognised to generate considerable multiplier effects with a high proportion of construction related expenditure and wages recirculating in the economy. This in turn can help to support employment in the supply chain and wider economy. Applying the HCA Additionality Guidance sub-regional multiplier for regeneration and physical infrastructure projects, suggests a further 260 FTE job years will be supported through indirect impacts (including spill-over effects through the supply chain) and induced impacts (including knock-on consumer spending, e.g. via wages), supporting a GVA contribution of £16.6m over the full construction period.

Temporary Economic Uplift across the Construction Period	
Temporary Construction Benefits	
Construction FTE job years	800
GVA	£61.9m
Temporary Supply Chain Benefits	
Indirect and induced FTE job years	260
Indirect and induced GVA	£16.6m

By adopting a Local Labour Agreement, additional local employment opportunities would be provided to ensure benefits are captured in the local economy. In addition, any apprenticeships directly supported through the construction phase would help to make a contribution to upskilling the local workforce and providing additional local entry level employment opportunities, generating wider benefits.

Operational Direct Economic Impact

Scale of Forecast Benefits

The Alberton House building is likely to accommodate high productivity businesses across a range of sectors including financial, digital, tech and professional services businesses, key growth sectors for Manchester. A restaurant and bar will be located on the ground floor.

The proposed development is estimated to deliver the following benefits:

- 1,960 FTE jobs accommodated in the building, once fully occupied, based on the anticipated floorspace, anticipated uses and the application of HCA employment densities guidance.
- The significant number of jobs accommodated will generate GVA worth over £170.2m per year.
- Wages will total £62.7m and a considerable proportion of which will be spent locally, particularly in the city centre.
- Each year, £12.9m of national insurance and income tax will be contributed to the public purse.
- Business rates of £2.4m per annum will be generated, totalling £23.5m every decade²⁴. Given that Manchester Council currently retain 99% of business rates, any additional business rates

²³ Using the Annual Business Survey, Business Register and Employment Survey (BRES) and the Annual Population Survey

²⁴ Calculated on the basis of the published VOA dataset using average rateable values for office and retail uses in for the LSOA where the site is located, applied to the floorspace to be created for each use.

generated can help to support the delivery of local services, generating wider benefits for the borough.

Onsite Employment Uses and Benefits					
	FTE	GVA	Total Annual Wages	Total Annual NI & Income Tax	Business Rates
Office	1,880	£167.3m	£61.3m	£12.7m	
F&B	80	£2.9m	£1.4m	£0.2m	
Total	1,960	£170.2m	£62.7m	£12.9m	£2.4m
<i>NB: some totals may not match due to rounding</i>					

The employment supported onsite will cater to a range of skill levels, including opportunities for a significant number of highly skilled workers, including roles relevant to graduates who have a strong retention rate in the city, helping to drive economic growth and productivity in the city. Mid-level and low skilled roles will also be accommodated, providing accessible employment opportunities for residents and supporting inclusive growth aspiration. The range of job roles will create opportunities for career progression.

As outlined earlier in this report there is evidence of high demand for commercial space in the city centre which meets current market needs and expectations, suggesting there is currently a missed opportunity to provide good quality premises in a key city centre location and support the employment and regeneration ambitions of the city.

Operational Indirect and Induced Impacts

The effects of agglomeration, knock-on effect of consumer spending through the wages spent by employees, and additional spending in the supply chain by businesses accommodated onsite will provide a further economic boost in the local economy. This impact is partially captured by the multiplier effect.

The What Works Centre for Economic Growth Local Multiplier Toolkit suggests an additional job in the tradable sector will create 0.9 jobs in the non-tradable sector,²⁵ but notes that skilled jobs or jobs in high-tech industries typically generate larger multipliers (2.5 for high skilled jobs and 1.9 for the tech industry). Taking a conservative approach, given that the development will accommodate a range of sectors and skill levels, applying a multiplier of 0.9 suggests a further 1,760 FTEs will be supported in the wider economy as a result of the development.

²⁵ <https://whatworksgrowth.org/resources/toolkit-local-multipliers/>

Summary

The proposed redevelopment of Alberton House will involve the demolition of the existing 100,000ft² 1970's, largely vacant premises located at St Mary's Parsonage and the delivery of a new 19 storey office-led development. The development is expected to deliver:

- 26,420m² (GIA) of office space;
- 1,470 m² (GIA) food and beverage space on the ground floor fronting the river, with an external terrace activating the Trinity Bridge walkway;
- Office reception and mezzanine with co-working space and amenity features;
- Basement includes a cycle hub (with 120 secure cycle parking spaces), a gym, changing and showering facilities;
- Rooftop amenity and wellness space on 17th and 18th floor, including a leisure and fitness offering such as a swimming pool and associated facilities;
- A panoramic landscaped, external rooftop terrace on 17th floor; and
- Tree planting and public realm enhancements along St Mary's Parsonage and Trinity Bridge walkway

Alberton House benefits from a highly accessible location in the St. Mary's Parsonage Strategic Regeneration Framework (SRF) area, in Manchester City Centre, by the major commercial district Spinningfields and close to Deansgate and the City Centre Primary Shopping Area, within close proximity to Manchester Victoria train station.

Alberton House proposals are well aligned to the economic, market and strategic context, in particular the proposals respond to:

- Manchester and the city centre's growing role as a nationally and internationally important employment and business location.
- Recent and forecast employment growth and evidence of a growing of financial, digital, tech and professional services base in Manchester.
- Evidence of high demand for commercial space in the city centre.
- Changing demands for workspace, including a greater focus on communal and amenity spaces, health and wellbeing and sustainability.
- Strategic ambitions for the city and plans for the area as set out in the St. Mary's Parsonage SRF.
- Manchester City Council's ambition to become a net zero carbon city by 2038 by proposing to deliver an operationally net zero carbon contemporary office building targeting NABERS accreditation, considerably improving on the sustainability of the existing building.

The proposed redevelopment of Alberton House is expected to deliver significant economic benefits including:

- Supporting a temporary economic uplift during a 121 week construction phase, supporting 800 construction job years and a further 260 indirect and induced FTE job years, equivalent to an average of 460 FTEs being supported for a period of 2.3 years. The scheme is expected to deliver a total GVA contribution of circa. £78.5m through the direct, indirect and induced construction effects over the construction period.
- Accommodating around 1,960 FTEs once fully occupied, generating GVA worth £170.2m per year, with wages totalling £62.7m.
- A range of jobs, including highly-skilled roles, graduate-relevant opportunities, and entry-level roles will be accommodated helping to drive economic growth and productivity in the city and support inclusive growth objectives.
- Benefits to the public purse include £12.9m of national insurance and income tax each year and business rates of £23.5m over 10 years.