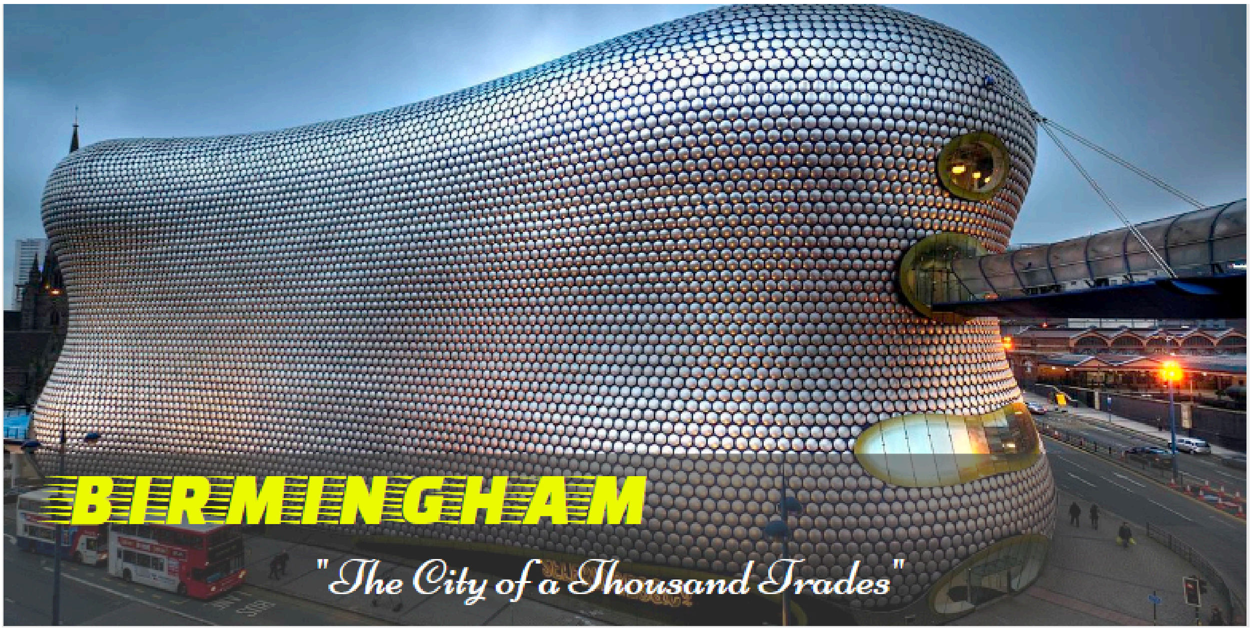
Birmingham, the next 'LONDON'



Urban regeneration has transformed Birmingham into a big capital city

As the world progresses into a new era and populations grow, cities, too, will evolve, transforming from nondescript outer suburbs into big capital cities, like Manchester, Liverpool, Birmingham – even Kuala Lumpur. Infrastructural growth is the main catalyst for the changes that attract migrants, causing an increment in population numbers. Thus, small cities become capital cities.

In the UK, some of the most exciting cities today in terms of population, job and infrastructural growth are Birmingham, Liverpool and Manchester.

Research compiled by Centre for Cities cites Birmingham as the second fastest growing city after Liverpool from 2002 - 2015, increasing from 9,800 to 25,800 people -- 7 times faster than London over the same period. This is impressive, given how London had completely eclipsed Birmingham in the past. How the tides have changed!

Knight Frank reports that the number of people living in Birmingham will rise by 171,000 to a total of 1.3 million people by 2039, especially with the expansion of the HS2 high-speed rail line being built in central Birmingham and nearby Solihull, followed by other regeneration projects. A sweet enticement to new investors indeed.

Birmingham: One of the Best Performing Cities in England & Wales

In the face of this renaissance, this booming city, also fondly known as "The City of A Thousand Trades" maintains its status as the heartland for British industry. The growth of the motor car as well as manufacturing continues to support the industrial sector in England and Wales, creating more job opportunities and attracting more people -- many of whom have relocated from London.

Between 1998 and 2015, job growth in Birmingham hit 30%, representing around 30,600 jobs in total.

Biggest Growth in City Centre Population & Jobs in England and Wales

Rank	City	Population growth in city centre (2002-2015)	Jobs growth in city centre (1998-2015)
1	Manchester	149%	84%
2	Leeds	151%	34%
3	Birmingham	162%	30%
4	Liverpool	181%	27%
5	Milton Keynes	110%	52%
6	Bristol	86%	41%
7	Newcastle	112%	29%
8	Cardiff	86%	19%
9	Brighton	38%	31%
10	Norwich	57%	16%
20	London	22%	71%

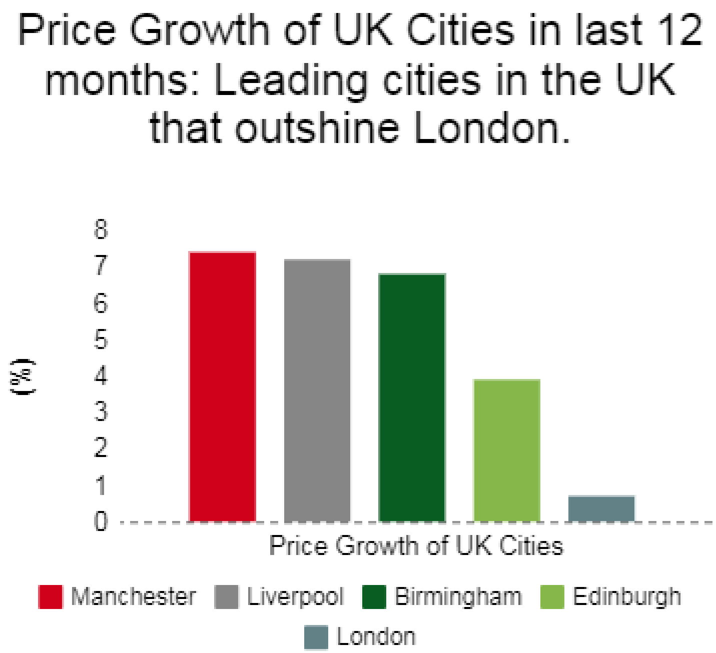
Source: BirminghamLive

However, despite the massive development and job growth, Birmingham is facing a shortage of housing. Between 2011 and 2016, only an estimated 8,000 new houses were built, whereas the actual demand was around 20,000.

The latest data by Hometrack shows that Birmingham is at the third place of house price growth in England, after Manchester and Liverpool, whilst London remains at the bottom.

Manchester clinched top spot at 7.4% growth, followed by Liverpool at 7.2%, and Birmingham at 6.8%. London stayed somewhat flat at only 0.7%.

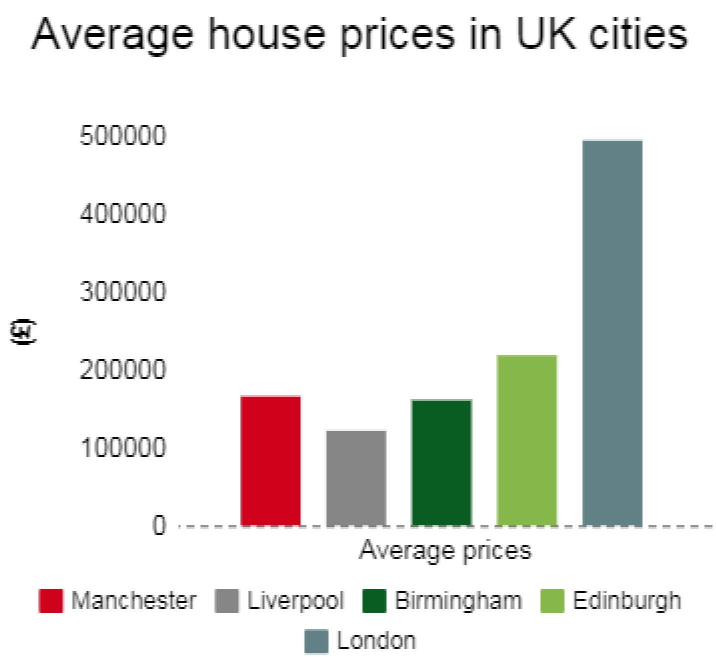
The average price in Birmingham was at £161,200, slightly lower than Manchester at £166,100, and Liverpool, at £121,900.While price growth in London has been static, house prices there are more than double the national average at £494,800!



Price Growth of UK Cities in last 12 months: Leading cities in the UK that outshine London.

Source: Hometrack

Clearly, cities in the Northwest received high capital gains over the last 12 months, yet there is still much room for growth.



Average Prices in UK Cities: London prices are at stratospheric levels, making high yields and capital gains quite impossible.

Source: Hometrack

The outlook for the housing market in Birmingham appears rosy, thanks to its economic growth thus far.

The region's strong performance is mainly attributed to its manufacturing sector. In 2016, manufacturing made up 11% of employment in Birmingham, compared to the average for UK cities of 8.8%.

Due to costly house prices, as well as lesser employment opportunities, many Londoners, especially millennials, are relocating to Birmingham,and the other booming cities of Manchester and, Liverpool .

Ultimately, urban regeneration has played a vital part in these cities' transformations, influencing the movement of millennials towards greater opportunities such as education, jobs and employment options. Savvy investors are starting to see the opportunities in store for Birmingham. Are you an investor? Are you thinking of making your money work for you? Then you don't want to miss out.

By Noorasikin Ali

Sources:

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