Developer Court Collaboration brought in investment from six countries in its first four years in business - and founder Anthony McCourt isn't stopping there.

Court has attracted more than £160 million worth of investment in the West Midlands and has become synonymous with Chinese-backed property schemes building homes throughout the city and the Greater Birmingham regions.

Mr McCourt believes that this is the tip of the iceberg. Court has worked with partners from China, Saudi Arabia, Hong Kong and America to build homes in Sutton Coldfield, Bournville and the Jewellery Quarter - with first-time investors in the city coming back for more.

And he says the city is well placed to emerge well from Brexit - by having the confidence to punch its weight globally.

He said: “We plan to tell the story of Birmingham to whoever will listen. If that means a five-minute car journey or an 18-hour flight, we think it is worth it.

“When we tell people about the potential this city has, it never fails to ignite interest. We've made inroads in China, but there's so much more we can do to develop a special relationship, but it is a big world out there and myriad opportunities.

We want to be the ones taking them.

Court Collaboration specialises in property developments supplementing the growth of Birmingham city centre, and building homes across the West Midlands.

Developments like Royal Sutton Place, which transformed the former Sutton Coldfield Council House into luxury homes, and the Franklin, which transformed a former office building in Bournville into 79 boutique apartments, have established Court's ethos and commitment to quality.

Now, thousands more homes will be built, including at Holloway Head, Motif Works in Digbeth and One Five One on Great Charles Street - and all will follow the same commitment to quality, sustainability and affordability.

All homes will be sold through Court Living - a new arm of the Colmore Row-based firm which will deal directly with the market.
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To discuss terms or arrange a viewing, please contact the joint letting agents.
Come in, and let us show you around. Come on, keep up! There’s a lot to see. Over the next few pages, Insider will give you a power-walk around the West Midlands. This year we’ve split it into its six local enterprise partnership (LEP) areas: Greater Birmingham and Solihull, Coventry and Warwickshire, Black Country, Stoke and Staffordshire, Marches, and Worcestershire. We give valuable information on each and why they are attractive to investors.

After the reception area, the first department we’ll come to is Greater Birmingham and Solihull, the most high-profile part of the business. GBS is multicultural, young, dynamic, well-connected and highly ambitious. These qualities, together with its continuous expansion, is helping to attract staff from rival businesses, particularly in the South East.

Also on the ground floor, at the rear of the building, is Coventry and Warwickshire. This department is mainly made up of factory workspace and focused on very clever engineering, such as driverless and hybrid vehicles. As well as its manufacturing prowess, the department is known for its Shakespeare-like ability with words.

On the first floor, we’ve got two departments currently in the middle of major restructuring. First, there is the Black Country, which is undergoing a lot of investment. In the office next door is Stoke and Staffordshire, which is also in the middle of a considerable shake-up after years of underinvestment. In each case, the plan is to make the most of the core staff’s skills and make better use of the huge amounts of space it has available.

And on the top floor, where lovely scenic views are guaranteed, are the Marches and Worcestershire.

Welcome to Insider’s West Midlands Investment and Property Guide. It provides all the facts and figures you need about one of the UK’s most attractive business locations.

Enjoy.

Ian Griffin
Business editor

GREATER BIRMINGHAM AND SOLIHULL

Greater Birmingham and Solihull is home to one of the largest professional and financial centres outside of London, with a world-leading advanced manufacturing sector, fast-growing creative and cultural industries and emerging strengths in life sciences.

The area benefits from a young and diverse population, with over a third aged 24 and under – well above the UK average of 30.6 per cent, and the highest percentage of any LEP area in the country. Over a quarter of the population is from a black and minority ethnic background, compared with 14 per cent nationally.

The Greater Birmingham area has a high proportion of apprentices. The proportion of people educated to NVQ level 2 and above is 50.1 per cent. This is higher than the rest of the West Midlands, but lower than the national average of 56.9 per cent.

Our Driving Midlands Growth Programme assesses the implications of economic change, helping your business to capitalise on the opportunities it affords. Go to ey.com/midlandsengine
WHERE CHARACTER COMES AS STANDARD

Each Spitfire home is created to complement its surroundings. Built not only to stand out, but to fit in. From a chic contemporary townhouse, to a characterful Cotswold home or a classic mansion, the external materials and internal specification are individually selected to ensure each home is sympathetic to its surroundings.

Featuring bright interiors designed for modern living coupled with Spitfire’s signature high specification, quality is assured. And with the opportunity to personalise certain aspects of each property, the result is a character-filled home which is just as individual as you are.

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The anticipated relocation of thousands of white-collar jobs from the South East over the next few years means lots of refurbishing and building of offices.

The flagship scheme is Paradise, the most important city-centre development in the UK outside of London. It will be a vibrant mix of commercial, civic, retail, leisure and hotel space and will be able to accommodate up to 12,000 workers. PwC has announced it will take up space at the 1.8 million sq ft site.

The relocated professional jobs include the 1,000 HSBC UK will bring when it relocates from London in early 2018. The bank is building its headquarters at the Arena Central complex, which will total 670,000 sq ft of grade-A office accommodation.

Other major developments include the £500m Smithfield scheme, which will accommodate 3,000 jobs, the 103 Colmore Row tower block and Bruntwood’s recently completed refurbishment, the 110,000 sq ft Cornerblock development in Cornwell Street.

Birmingham has a large portfolio of private and public sector sites that are being brought forward for development, such as the Battery Park, the Life Sciences Campus, Pebble Mill – home to the new £50m Dental Hospital and School of Dentistry – and Longbridge.

One of the biggest opportunities is UK Central, a cluster of developments in and around Solihull which will include a new HS2 station, Birmingham Airport, NEC and Blythe Valley and Birmingham business parks. It is estimated it will create 100,000 jobs and increase the region’s revenue to up to £19.5bn annually by 2040.

Birmingham Airport is the UK’s fifth largest, handling 9 million passengers a year. It has the UK’s second-largest proportion of business travel behind Heathrow, and 50 airlines fly to more than 100 destinations worldwide.

The Greater Birmingham area has six main railway stations. The largest, Birmingham New Street, carries 140,000 passengers per day. Destinations include London (1hr 50min average journey time), Manchester (1hr 38min) and Nottingham (1hr 14min).

HS2 will cut these times dramatically when it opens in 2026: 49min to London and 41min to Manchester. There will be HS2 stations in Curzon Street, Birmingham, and Birmingham Interchange, near the airport.

The growth of the economy means 89,000 new homes are needed by 2031. About 7,000 will be created at UK Central and Smithfield, and 6,000 will be built at the Peddimore scheme, near the M6. Court Collaboration said in July it planned to build 3,000 apartments in the city in the next three to four years, while Berkeley Homes said it aimed to build 400 homes there. The average Birmingham house price is £171,000, about £50,000 cheaper than the national average.
FURTHER SHOCKWAVES?

Last year, I wrote an article in this publication suggesting that after Brexit many of us in the business community were shocked at the large share of the electorate wanting us to leave the “bloc” (as some commentators seem to be using when referring to the European “union”).

What’s interesting is that a year on we were not nearly as shocked at the election outcome. I feel this is evidence of our resilience. Whilst there were a couple of weeks of reflection it seemed most then just got back to business. This was mirrored in activity levels at DWF as we have seen no discernible slow down as a result of the changing political landscape.

We still need to be alert and alive to opportunities. It is a shared responsibility as members of the business community to be innovative, to support and challenge, be vocal but constructive and to continue to lead and influence, least of all of the business community to be innovative, to support and challenge, be vocal but constructive and to continue to lead and influence, least of all to be passive.

REGIONAL INVESTMENT

The Midlands remains a key market for investors, providing a variety of exciting opportunities for both manufacturing and service industries. Birmingham is a growing city with a young population, good transport links, a clear economic strategy and an established reputation for delivering key infrastructure projects. These continue to attract and retain many well-known occupiers and present excellent opportunity for development.

At DWF, we remain confident due to resilience we’ve seen from clients and business partners; the UK is anchored in one of the most secure and stable real estate markets globally. We’ve seen post-Brexit conditions present increased opportunities because this market continues to trade at a discount to international investors due to the weaker pound.

We’re maintaining faith in the West Midlands and continue to advise an eclectic mix of clients from both private and public sectors. We remain involved in significant transactions, including long-term, strategic projects across transport and manufacturing sectors. These require innovative use of tax-led structuring in property development and working with high-net-worth investors who continue to seek investment opportunities utilising overseas equity, increasingly in the regions.

In the last year, the Birmingham team completed circa £400m worth of forward funding on hotel developments to various pension funds, demonstrating that strong UK transactions remain attractive for domestic products and investors. Amongst this, we have picked up new clients with equity funds based overseas but with a remit to invest in UK property and with an interesting blend of equity and debt propositions.

BUILDING CONFIDENCE

Family-owned property investment and development company Hortons recognises a similar sentiment in the market. Tony Green, Hortons’ Chief Executive, commented: “Recently we have seen continued improvement in the occupational market across the Midlands region with confidence maintained despite economic uncertainty. Birmingham has continued to perform strongly, driven by the demand for food and beverage units in particular. Its growing reputation as an ‘investable city’ played a key role in enabling us to agree a deal with Principal Hotels for them to fit-out and operate The Grand Hotel, which, when it opens in early 2019, will be Birmingham’s finest hotel.”

CONCLUSION

Let’s not be complacent or naive, we do acknowledge that there is more turbulence ahead of us. However, at DWF we are confident about the future. We have much to be proud of and are well equipped to meet challenges.
COVENTRY AND WARWICKSHIRE

Coventry and Warwickshire is the home of the UK automotive sector, specialising in advanced manufacturing and autonomous vehicle research. This year, China-based Geely launched a £325m factory in Anstey that will make electric-powered hybrid London taxi cabs – the latest in a long line of major investments in the sector.

The area is also home to one of the UK’s largest gaming clusters. The towns of Leamington Spa, Warwick and Southam have been dubbed ‘Silicon Spa’ thanks to a concentration of more than 30 gaming studios.

This dynamism means that Coventry and Warwickshire’s economy is on course to outperform that of the rest of the UK over the next year, according to Coventry and Warwickshire Chamber of Commerce. The county is also the home of William Shakespeare, meaning visitors are attracted from across the world.

OFFICES

The Friargate and City Centre South scheme in Coventry is aimed at revitalising the run-down city centre. Friargate is a flagship development on a scale not usually seen in provincial UK cities. The office units will feature a range of shops and leisure on the ground floor and total 3.2 million sq ft over 25 buildings, including 2.3 million sq ft of offices, and two hotels. City Centre South will regenerate the southern end of the city’s retail core.

INDUSTRIAL

Jaguar Land Rover plans to expand its existing facilities at Whitley to create a technology

OVERVIEW

NEW JOBS BY 2025
Source: C&W LEP
15,000

GVA
Source: ONS
£18bn

FOREIGN INVESTMENTS IN 2015/2016
Source: C&W LEP
47

AVERAGE FULL-TIME ANNUAL WAGE
Source: ONS
£28,740

DISPOSABLE INCOME PER HEAD
Source: ONS
£16,859 (2014)

KEY BUSINESSES
Jaguar Land Rover, Aston Martin, Seven Trent, IBM, Royal Shakespeare Company.

Private equity has the ability to transform a business and supercharge growth. Last year alone, our diverse Midlands portfolio of 24 companies grew total sales by an average of 15 per cent - even more impressive during a period of economic and political uncertainty.

With uncertainty the new normal, investors are still looking to invest but business leaders are increasingly looking for more than just money. They are looking for a real partner to help them grow their business.

First and foremost LDC invests in people - backing management teams to continue to lead and develop their businesses. We work in partnership with them and can share our knowledge and experience from helping more than 550 management teams across the UK to grow their businesses. It’s this approach, alongside our flexibility in structuring our investment, that helps create value for shareholders.

As part of Lloyds Banking Group, we have a committed source of funding, providing certainty to sellers and a highly flexible approach to investment for management teams.

We continue to do just that having already invested in ten new companies across the UK this year, and provided follow on funding to many existing portfolio companies, such as supporting Away Resorts’ acquisition of Sandy Balls Holiday Village.

We’ve pledged to invest £1.2 billion to back management teams over the next three years, and I’m confident many of these will be based in the Midlands. The combination of ambition, ability and spirit I see in the West Midlands every day makes it the place to do business.

For more information please contact: Andy Lyndon via alyndon@ldc.co.uk or call 0121 237 6500

Andy Lyndon
Director and Head of Midlands, LDC

Investing for growth
We need to address land supply

Ian Mercer, partner and head of development at Bruton Knowles in Birmingham, says unlocking land for residential and commercial use is the key to the West Midlands success.

The West Midlands Combined Authority (WMCA) has clearly set its stall out in terms of its Strategic Economic Plan. If the region is to deliver long-term economic growth and prosperity, it needs to attract an extra 20,000 businesses by 2030 and create half a million new jobs.

Furthermore, more than 200,000 new homes need to be built across the seven West Midlands metropolitan councils to meet future housing demand. In Birmingham alone, around 90,000 new homes are required over the next 15 years.

Research by the National Housing Federation piles further pressure on housing supply, suggesting that the West Midlands already has a five-year shortfall of more than 45,000 homes.

With land supply for employment and residential use already constraining economic growth there are concerns that a lack of land for development could seriously hamper WMCA’s ability to deliver its Strategic Economic Plan.

Last year, in a bid to try and tackle the issue, a new body was set up to help unlock land across the West Midlands.

The West Midlands Land Commission (WMLC) was formed to provide evidence on the challenges in developing land, identify blockages in the system and to recommend measures to secure a sufficient supply of land for development.

The WMLC is a key plank of the combined authority’s devolution deal with the Government.

Over the next 30 years, the deal will deliver an £8 billion investment package aimed at improving productivity and skills, delivering new transport infrastructure and homes and increasing the general prosperity of the region’s four million people.

The Government has already handed the combined authority its first £36.5 million annual payment.

As well as providing financial support, the Government is helping to speed up the delivery of land in more practical ways too.

In April, the then Housing and Planning Minister, Gavin Barwell, announced new measures to enable councils to bring forward derelict and underused land for new homes.

To do so, local authorities now have to produce and maintain up-to-date, publicly available registers of brownfield sites, which will help housebuilders identify suitable sites for development.

The Government has also introduced a new way of obtaining planning permission through these new registers that will make it easier for developers to deliver housing by simplifying the planning process.

‘Permission in Principle’ gives developers more certainty over whether a site is suitable for development ahead of working up costly proposals to obtain full planning permission. This will encourage new development and increase the amount of land available to build on, thus helping to boost housing supply.

But it’s not just about housing. As part of its strategy to increase land supply for commercial use, the West Midlands Combined Authority is seeking to develop an extra 1,600 hectares of former industrial sites, or brownfield land, over the coming decade.

Of course, while developing brownfield land and bringing empty, unused sites back into use is the right course of action, it may only solve part of the land supply conundrum and raises the question of whether we should be developing green belt land to meet housing and employment needs?

One thing is clear, whether it’s brownfield or green belt, if the West Midlands is to continue attracting investment, people and jobs, unlocking land for development is crucial to the region’s success.
campus, including sites for core suppliers, to meet its growing needs.

Whitley South is a 60-acre development site straddling the A45 and located next to Coventry Airport, which will include buildings primarily for automotive industries, including research and development space, light industrial and offices, hotel, car showroom and retail.

Meanwhile, the planned £300m Mira Technology Park, near Nuneaton, will create 2,000 jobs. It is also home to Lockheed Martin, Bosc, Bentley and Michelin.

**TRANSPORT & INFRASTRUCTURE**

Coventry railway station is set for an £82m revamp, with a new entrance, more parking and improved surrounding roads. The work will increase passengers from six million a year to 7.5 million by 2024. Travel times are London 1hr 26min, Manchester 2hr 8min, Nottingham 1hr 45min, Edinburgh 5hr 36min. Coventry Airport is mainly a cargo hub, but has built a reputation as an alternative to London for private flights.

**RESIDENTIAL**

Coventry, where the average house price is £155,000, is – like many other Midland cities – badly in need of new housing. The Spirit Quarters regeneration scheme includes plans to build 1,400 homes, with 550 having been completed so far. There are plans for major new housing developments across Warwickshire, including up to 650 in Nuneaton and 860 in Rugby under a scheme put forward by David Wilson Homes and Gallagher Estates.

**BLACK COUNTRY**

The area comprises the boroughs of Dudley, Sandwell, Walsall and the city of Wolverhampton. The Black Country LEP has signed a deal with the government for £655m of investment which by 2021 will create more than 4,000 jobs and 1,500 houses, support over 2,500 businesses, and bring more than 4,000 apprenticeships and over $90,000 sq ft of new commercial units.

An enterprise zone, DVS in Brierley Hill, has been given the green light and is set to bring in thousands of new jobs to the region. The Black Country Enterprise Zone comprises a range of sites spread over 300 acres covering Darlaston and Wolverhampton North.

Another highlight is the new Elite Centre for Manufacturing Skills at the University of Wolverhampton’s Springfield Campus.

**OFFICES**

There are plans for a 50,000 sq ft office building in Wolverhampton as part of the city’s £132m Interchange regeneration project, which also includes the railway station, Midland Metro extension, the completed i10 office and shops complex, former Steam Mill site and old Sack Works factory.

It follows the success of i10, the grade-A office and retail development, which was fully let within nine months of opening. The City of Wolverhampton Westside project also plans to deliver offices in a £94m investment.

**INDUSTRIAL**

The Black Country Enterprise Zone at Brierley Hill, to occupy 172 acres at Blackbrook Valley and Pensnett, and offer hi-tech office space in the Waterfront complex, is set to bring £589m a year into the region’s economy. The University of Wolverhampton’s £10.1m investment in a new science, technology and prototyping centre will provide 43,000 sq ft of space, featuring offices, laboratories and workshops. The university plans to turn its Springfield Campus into the West Midlands Construction University Technical College.

**TRANSPORT & INFRASTRUCTURE**

Wolverhampton’s station will be demolished and replaced as part of a £120m investment in its transport infrastructure. The new station building is expected to be ready for early 2019, around the same time as the new Midland Metro tram extension from Birmingham to Wolverhampton city centre. Junction 10 of the M6 in Walsall is to have a £64.5m revamp, increasing capacity from 8,000 vehicles an hour to 10,500.

**RESIDENTIAL**

The Black Country Garden City will create 90,000 new homes required over the next decade. In Birmingham alone, around 19,000 new homes were built between 2014 and 2016, with a £589m a year boost to the local economy.

The Black Country Garden City will create half a million new jobs.

**OVERVIEW**

**JOBS**

Source: Black Country LEP

446,000

**GVA**

Source: Black Country LEP

£20.2bn

**FOREIGN INVESTMENTS IN 2015/2016**

Source: DIT

19

**AVERAGE FULL-TIME ANNUAL WAGE**

Source: ONS

£25,209

**DISPOSABLE INCOME PER HEAD**

Source: ONS

£13,707

(2014)

**KEY BUSINESSES**

Jaguar Land Rover, Carillion, HomeServe, Marston's

45,000 homes in 31 different areas across the four boroughs. Development will begin this year and is due to complete by 2025. The Black Country LEP says this will boost the region by as much as £18bn in the next decade. The garden city is part of the Black Country’s wider housing plan to build 85,000 new homes in the next 15 years.
STOKE AND STAFFORDSHIRE

Recent years have brought major investments from the likes of Michelin, JCB and bet365, as well as a revival of pottery, led by companies such as Steelite and Portmeirion. Between 2010 and 2015, Stoke-on-Trent was the UK’s second-fastest-growing local economy, at 18.6 per cent, more than five times the average, according to Oxford Economics. It had the sixth-fastest growth in wage levels, at 4.8 per cent. Investors are picking up on it: enquiries about residential property more than doubled in 2016, says online agent eMoov. The city was boosted by Staffordshire University’s decision to shut its Stafford campus and relocate almost 3,000 students to Stoke after a £42m revamp.

OFFICES
Meaford Business Park near Stone has outline planning permission for up to 1.2 million sq ft of office, industrial and warehouse space, and detailed permission for a 36,000 sq ft unit. Office development is anticipated in Ceramic Valley Enterprise Zone.

INDUSTRIAL
Ceramic Valley aims to create 9,000 jobs developing mainly brownfield land around the A500. The Applied Materials Research, Innovation & Commercialisation Company is expected to move there. The city council reports big interest from overseas investors.

TRANSPORT AND INFRASTRUCTURE
Stoke connects by train to Birmingham in 20min, Manchester in 40min and London in 1hr 20min. Good road links via M6 and A50.

RESIDENTIAL
The area needs to build 3,370 homes a year until 2030 for its projected population growth.

If you would like further information on how good planning advice can add value to your property development, contact Higgs & Sons’ Commercial Property Planning specialist, Dinah Patel at: dinah.patel@higgsandsons.co.uk or call 0345 111 5050 | www.higgsandsons.co.uk
STOKE AND STAFFORDSHIRE
WORCESTERSHIRE
MARCHES

OVERVIEW
JOBS
Source: Stoke and Staffs LEP
450,000
GVA
Source: Stoke and Staffs LEP
£20.2bn
FOREIGN INVESTMENTS IN 2015/2016
Source: DIT
18
AVERAGE FULL-TIME ANNUAL WAGE
Source: ONS
£25,100

MARCHES
The global birthplace of industry, the area is made up of Herefordshire, Shropshire and Telford and Wrekin. It plans to create 70,000 homes and almost 40,000 jobs over the next 20 years.

One of the UK’s largest LEPs, covering 2,300 sq miles, it includes the main urban powerhouses of Telford, Shrewsbury and Hereford, and more than 30 market towns. The Marches has a vibrant SME business base and is a major centre for the security sector because of its proximity to GCHQ and the headquarters of the SAS.

OFFICES/INDUSTRIAL
Skylon Park Enterprise Zone in Hereford has a defence and security sector focus, building on Hereford’s association with special forces as home of the SAS. The 173-acre site has had multimillion-pound investment in infrastructure, including site clearing, road building and superfast broadband.

WORCESTERSHIRE

OVERVIEW
JOBS
Source: ONS
337,000
GVA
Source: Marches LEP
£12.3bn
FOREIGN INVESTMENTS IN 2015/2016
Source: DIT
16
AVERAGE FULL-TIME ANNUAL WAGE
Source: ONS
£25,688

WORCESTERSHIRE
Between 2010 and 2014 the area had the strongest growth in higher-level skills among the country’s 38 LEPs, the second-highest growth in productivity and the third-highest growth in prosperity.

The county wants to create 25,000 jobs and grow GVA by £2.9bn by 2025. Worcestershire’s sector strengths include advanced manufacturing, cyber security, defence, IT, and agri-tech. The visitor economy is also seen as an important source of jobs growth.

OFFICES/INDUSTRIAL
Worcester Six Business Park is a 173-acre site located close to the M5 motorway at junction 6.

The park has much to offer, including access to one of the best road transport networks in the UK, including the M5, M6, M42 and M50, which traverse the county. It has outline planning consent for 1.5 million sq ft of manufacturing, offices, research and development and logistics buildings.

Malvern Hills Science Park has the potential for at least 172,000 sq ft of new development.

TRANSPORT AND INFRASTRUCTURE
A road has been built at Vale Park in Evesham in partnership with Wychavon District Council, which has brought developments by Primafruit, processor and supplier of fresh fruit to Waitrose. Improvement is ongoing on the A4440 southern link road.

RESIDENTIAL
Worcestershire aims to create 21,500 homes by 2025. Plans include 400 homes in south Kidderminster.
FOREIGN DIRECT INVESTORS?

The West Midlands attracted 111 and East taking the region’s new project count to 155.

secured in the Midlands rose by 21%, activity in large areas of the country.

industries continues to underpin economic success in attracting FDI in the manufacturing

Midlands and Northern regions is manufacturing hub of the UK. Investment

Midlands 44. These figures indicate the highest number of projects in any year in the past decade, meaning the Midlands as a whole secured almost 14% of all UK projects, again a high point for the past decade.

With automotive at the core, the West Midlands is very much known as the manufacturing hub of the UK. Investment in the automotive sector continues to be the most numerous, generating 21% of the region’s investment projects. Software, construction, machinery and equipment were amongst other sector investments.

logistics sector and to attract investment across the manufacturing value chain not just in production facilities.

In the East Midlands region, it’s clear that the rise in projects are largely secured from European countries and there was a large increase in projects from Germany – 10 projects in total, five times the number recorded in 2015. However, the US remained the main investor in the region. In the West Midlands, investment from the US increased by 9.5% to 23 projects, Germany by 10.5% to 21 projects, and France also rose 16% to 7 projects. Conversely, Chinese and Indian projects fell.

As a result to the investment projects, almost 10,000 jobs were generated in the Midlands overall from FDI. 8,388 in West Midlands and 1,566 in East Midlands. This represents the highest annual total over the past 10 years, resulting in the region representing 22% of UK employment.

UK’s continued ability to attract FDI will be under close scrutiny in the run-up to Brexit

The UK economy continues to perform well and the outlook for FDI remains strong in the short-term. FDI remains a vital source of capability, economic activity and jobs for the UK’s regions and the UK’s continued ability to attract it will be under close scrutiny in the run-up to Brexit in 2019. However, if the UK is to succeed in the future it needs to make the most of all its resources. The signs are that without more support from the industrial strategy and a sufficient allocation of resources, especially infrastructure and skills, the more peripheral regions, cities and towns will miss out on the benefits FDI brings.

Can the Midlands Engine Remain Attractive to Foreign Direct Investors?

There is no sign of a Brexit effect on short-term investor sentiment
A solid year for FDI into the English regions with the new economic groupings increasing in significance

The total number of FDI projects secured in the English regions outside of London rose by 5% from 485 in 2015 to 509 in 2016, the highest figure recorded in the past decade. FDI projects in the Northern Powerhouse and the Midlands Engine have almost doubled since 2007, clearly demonstrating the potential of the English regions.

In 2016 the English regions collectively secured 160% more jobs from FDI than London and saw their share of employment generation from FDI reach a decade-long high point of 41% up from 37% in 2015.

**Sectors: business services and software important but manufacturing is critical for many English regions**

Manufacturing as a whole is the dominant sector for FDI in the English regions, accounting for 248 of the 509 projects in 2016, 49% of the total.

Business services projects up by 56%

Logistics projects increased by nearly 53%. The highest total in the past decade Software projects fell back by 35% to 45 projects*

R&D projects down from 50 in 2015 to 29 in 2016

*UK investment was relatively flat, suggesting that the digital divide between London and the rest of the country may be increasing.

**Time to act – empower the regions**

If the UK is to succeed in future, it needs to make the most of all its resources. As a priority, the UK’s regions and cities have to be empowered to deliver the trade strategy.

In our opinion, the key elements of a regional strategy are:

- A clear sector focus, with support for manufacturing
- A plan for digital, addressing the geographic digital divide in the UK
- Co-ordination with national efforts on skills and infrastructure
- Development of a simpler, more effective, institutional framework for devolved activity in England

**Time to act**

It’s encouraging to find that 24% of investors are planning to establish or expand operations in the UK over the coming year, in line with the intention expressed over the past seven years. The UK has also regained second place behind Germany in the ranking of Europe’s top FDI destinations – a position briefly lost to France in our post-referendum study in October 2016.

However, our study shows that 31% of investors expect FDI to decline over the coming three years, while 33% expect it to improve. These figures are significantly worse than both the long-term average and the high point of 2013 when 65% of investors had a positive three-year view of the UK.

Their concerns are about future trade and migration policy with the possibility of facing more complex customs processes, the risk of tariffs on European trade, and gaps in skills availability. 50% of investors in Western Europe expect the UK’s attractiveness to decline over the next three years, and manufacturers are on average twice as pessimistic as financial services and technology companies. Our research also identified that 9% of investors could leave the UK in the next three years, but the UK still has time to act to secure its future attractiveness in a post-Brexit world, provided it moves quickly.
Developer Court Collaboration brought in investment from six countries in its first four years in business - and founder Anthony McCourt isn’t stopping there.

Court has attracted more than £160 million worth of investment in the West Midlands and has become synonymous with Chinese-backed property schemes building homes throughout the city and the Greater Birmingham regions.

Mr McCourt believes that this is the tip of the iceberg. Court has worked with partners from China, Saudi Arabia, Hong Kong and America to build homes in Sutton Coldfield, Bournville and the Jewellery Quarter - with first-time investors in the city coming back for more.

And he says the city is well placed to emerge well from Brexit - by having the confidence to punch its weight globally. He said: “We plan to tell the story of Birmingham to whoever will listen. If that means a five-minute car journey or an 18-hour flight, we think it is worth it.

“When we tell people about the potential this city has, it never fails to ignite interest. We’ve made inroads in China, but there’s so much more we can do to develop a special relationship, but it is a big world out there and myriad opportunities. We want to be the ones taking them.

Court Collaboration specialises in property developments supplementing the growth of Birmingham city centre, and building homes across the West Midlands.

Developments like Royal Sutton Place, which transformed the former Sutton Coldfield Council House into luxury homes, and the Franklin, which transformed a former office building in Bournville into 79 boutique apartments, have established Court’s ethos and commitment to quality.

Now, thousands more homes will be built, including at Holloway Head, Motif Works in Digbeth and One Five One on Great Charles Street - and all will follow the same commitment to quality, sustainability and affordability.

All homes will be sold through Court Living - a new arm of the Colmore Row-based firm which will deal directly with the market.

The company that has put Birmingham on the map for Chinese property investors has designs on bringing in financiers from other corners of the globe.