

Salient Points from Black Swan Report “Jewellery Quarter Property Market & Employment Study – October 2013”

Context:

Blackswan was appointed by Birmingham City Council to undertake a Property Market and Employment Survey of the Jewellery Quarter in Birmingham, as defined by the boundaries set out in the Jewellery Quarter Conservation Area Character Appraisal and Management Plan (SPG 2002).

To summarise: BCC commissioned a ‘State of the JQ’ report to assess what sectors are employed in the JQ and where, and what land uses there are in the JQ and where.

Scope and method:

Blackswan visually assessed each individual property for age, density, use and occupier, and made an experienced judgement on the opportunities that the building represents for change of use. This was followed by a desktop evaluation of the information arising and carried out re-visits for a street based building inspection to estimate employee numbers, company size, building foot-prints and sector where not obvious from the signage or activity. Then interviews (primarily telephone) were carried out with a cross section of businesses within the Quarter, with senior members of the organisations for 15 minutes. The fourth stage of the process was to engage with local stakeholders, community and interest groups through a series of face to face meetings and interviews.

The final stage was the collation of all the previous stage’s information together with information provided by the Council in regard to business rates and local information to create a full picture of the Jewellery Quarter and the businesses and interest groups within it and a full picture of the effect that changes to planning policy might have upon those businesses.

To summarise: They looked at a large range of factors and used their experience to assess the state of the building and potential future uses. This produced a wide-ranging report focussed primarily on employment use and the possible alternative uses of buildings. With access to BCC records this provides a fuller picture of building uses in the JQ Conservation Area. Note this does not address areas such as streets, cemeteries, canals per se.

Observations of the report:

Jewellery Business:

- Overall the survey presented a picture of the Jewellery business in the Quarter as having some mixed fortunes but potentially having a strong and expansive future, but that to continue this the property market in the Quarter needs to evolve but also the business itself needs to undergo some modernisation across the board to survive and thrive.
- Mass produced and mass market jewellery businesses suffering.
- Higher quality jewellery (bespoke?) much more positive.
- Expansive businesses are those that have invested in facilities, training, technology and marketing.
- Some businesses on edge of poverty and can’t afford building repairs.
- Bullion dealers and specialist manufacturers doing well.
- Strong retail sector in the JQ although high quality retail space is extremely low
- Most jewellery businesses still saw benefit to being located in the Jewellery Quarter, due to its brand, reputation, and the proximity of other Jewellery businesses.
- Majority of the jewellery retail located on Vyse Street and Warstone Lane.
- Manufacturing present throughout the area but hub for smaller businesses in the Hylton Street area and hub for larger businesses on Lower Warstone Lane.
- Approximately 2/3rds of all the jewellery trade was in the Golden Triangle.

- In regard to the type of properties occupied by Jewellery uses, no discernable pattern, with some Jewellers often asking for the exact opposite of other jewellers. Therefore no specific property quality of the Quarter which attracts the jewellery businesses.

Property Market:

- Sizable but a substantial amount of space either vacant or under utilised.
- Despite high rate of vacancy the actual amount of stock being openly marketed was significantly less, with a sizable amount of property either remaining dormant or being traded off market.
- Demand for offices ranged throughout the Jewellery Quarter with estimates of rates and demand varying significantly. On a micro-level certain areas appear to have extremely high rates of occupancy and employment, whilst others have very low rates.
- Buoyant residential rental market and growth, recovery in the sales market assisted by a general lack of demand.
- No particular pattern of residential vacancy, where apartments were empty for long periods of time it was suggested this was as a result of the ownership or legal problems,
- Rented residential demand in the Quarter easily outstrips the limited supply.
- Approximately 6,000 residents in the Quarter, mostly focussed in the St Pauls and City Fringe areas.
- In opposition to some popular expectations in many parts of the Quarter residential and commercial units were able to co-exist peacefully and in certain areas commercial uses purportedly benefitted from increased residency, in addition the survey showed that most businesses have no objection to residential development in the Quarter.
- No significant demand to redevelop vacant premises.
- Where redevelopment was mentioned the end use was typically residential, however, other uses such as hotels and owner occupier offices were also mentioned.
- The main reason behind the current lack of activity seems to be the poor economic viability of converting buildings.
- Many owners of vacant buildings still have unrealistic expectations of those properties values.
- Economic viability assessments showed redevelopment at today's values to be marginal in terms of viability, however it should be noted that if prices recover to even 2005 levels it could trigger many more properties to be viably converted to residential.

Locality:

The building survey process identified the following key characteristics of the Jewellery quarter localities:

- The City Fringe is the area that has the highest density of buildings and employment but suffers from being peripheral and secondary to the City and having almost no native services.
- St Paul's is the hub of residential use in the Quarter, containing the lion's share of residents, and of the night time economy. Despite this it also had a very buoyant commercial sector, though it too struggled with a lack of native services for either workers or residents.
- The Industrial Middle suffering from an increasing vacancy problem, particularly around its core. We also discovered an area largely devoid of the activity of the surrounding areas, and paying for that in a lack of retail uses. Despite this the area still retains a lot of its character and heritage and consultation from this locality showed a connection and feel-ing of community in the area.
- The Golden Triangle is the heart of the jewellery retail and manufacture business in the Quarter, and still has a high proportion of its uses and employment in that sector. It is

generally in a positive state, with low rates of redundancy or vacancy, the exceptions being a few areas such as Spencer Street and Branston Street. The business consultation showed an industry which has been significantly affected by the recession, but also one in which the market is moving away from traditional store front retail, highlighting the need for the area to change and sympathetically modernise.

- The Industrial Fringe, apart from a strip of activity in the north, is in a state of high vacancy, redundancy and dereliction with very little street activity, or indeed activity in general, and very little sign of redevelopment.
- Great Hampton Street and Viaduct were the worst performing areas overall with low employment, low commercialisation, high rates of vacancy and redundancy, very poor condition stock and signs of social problems. The area showed signs of serious market failure. It was also noted, however, that surprisingly the area held a very high proportion of good quality (albeit poor condition) Victorian buildings, relatively high footfalls and much potential for the future

Recommendations of the report:

“The Study identified the following challenges which must be met to bring forward the regeneration of the Jewellery Quarter:

- How to bring vacant and dilapidated buildings in to use.
- How to create sustainable neighbourhoods to live and work in.
- How to grow employment.
- How to diversify and modernise the local economy.
- How to promote the growth of the Jewellery Industry.

There is no single panacea for all of these problems, or even a single solution to just one of the problems, we believe that overall there needs to be a partnership of Public and Private interests in the quarter to deliver a whole package of changes, below we set out eleven initial recommendations which we believe could start this process.”

The following conclusions are listed, with greater detail in the report:

“1 - Boundary Changes—The existing boundaries identified through the Jewellery Quarter Conservation Area Character and Appraisal Plan have been appropriate to date, however in order to develop a more community based Quarter, and to be able to appropriately apply planning policy we suggests that the localities should be rationalised and brought up to date with changes which have taken place since over the last 10 years. We believe that boundary changes to these localities will have a significant effect on grouping together areas of similar character and type, and make setting planning policy within localities much easier.

2 - Locality Changes—Each of the localities in the Quarter has its own unique set of problems and whether planning policy or a more general strategy should not treat all the areas as the same and should have specific goals for each area.

3 - Residential Policy— We propose that the residential policy for the quarter is reviewed to provide a policy which is clearly more pragmatic towards residential development.

4 - Retail Strategy—The central Jewellery Quarter is a nationally unique area and as such it draws many new unique visitors and shoppers. Despite this the relative quality of retail in the Jewellery Quarter is low and homogenous and this lack of quality and diversity seems to be preventing growth in the retail offer of the Quarter.

5 - Ground Floor Strategy— The policy towards ground floors was contentious in the Quarter, as such we propose that a detailed policy is put in place which considers all of the existing problems and opportunities.

6 - Affordable Workshops— Rather than the informal and scattergun approach currently available we propose a more thorough approach is developed to help provide good quality affordable space for businesses in the area.

7 - Assessing Economic Viability— We suggest the development of an easily circulated economic viability assessment tool to assist in applications in the Quarter .

8 - Enforcement—We would advise that a more structured and rigid policy is developed to enforce planning within the area.

9 - Signage and Advertising—We suggest that a more comprehensive Signage and Advertising strategy is developed.

10 - Parking— As an issue parking was by far the most emotive in the Quarter, and during the survey much of the concerns were borne out in generally sporadic parking use, we suggest a thorough review of parking in the Quarter.

11 - Demand Stimulation—There is a clear need for measures to stimulate demand and mitigate the problems faced by vacant and dilapidated properties.

12— Area Rebranding— We believe the areas need to be rebranded to allow communities to develop more effectively and to encourage investment.”

Our additional comments/anything missed:

- 450 telephone calls were made which resulted in 75 interviews. Does this include face to face? It would be useful to understand who these were i.e. were there any sectors or significant businesses that declined?
- Further detail on the ‘stakeholder survey’ would also be useful – who were they and how many attended?
- The multi-layered map of primary and secondary plots and a key to their uses would be useful for the Neighbourhood Planning exercise.
- Very much an observation and recommendation document as opposed to analysis of the reasons why (not that this is a bad thing).

Our conclusions ABOUT the report:

- As comprehensive a review as we could wish for.
- It would be useful to have a JQDT Board analysis of the issues.
- Useful basis for the Neighbourhood Plan.
- The splitting of the localities is an inviting prospect.
- Addresses the built environment and the jewellery industry in the main therefore Neighbourhood Plan will need to fill in the gaps in other areas too.

Some facts and figures:

- 787 unique plots counted.
- Nearly 5.5 million sq ft.
- Great variety between designated areas of JQ.

- Over 10 000 employed (estimated).
- 1476 companies counted – 10% in the Big Peg.
- Over 3300 residential units.
- Over 5600 residents.
- 15% buildings are Georgian/Regency.
- 41% are Victorian/Edwardian.
- 10% interwar.
- 34% therefore post-war (exceptionally low for commercial area).
- 60% of plots are fully utilised or have high levels of usage (occupation).
- Nearly 19% of plots were under 50% utilised.
- 13% of plots were vacant/dilapidated/derelect.
- Over 600 000 sq ft therefore available when factoring in 'float' for moving in/out and unwillingness to lease.
- Best performing areas are Golden Triangle, City Fringe & St Pauls.
- Worst performing areas are Gt Hampton St, Industrial Fringe and Viaduct.
- 67% of jewellery businesses located in the Golden Triangle, 22% in Industrial Middle and 9% in Industrial Fringe. (Note Assay Office relocation!)
- 25% of employment in JQ is linked to jewellery.
- Offices take up 41% of space and 59% of employment.
- Retail (incl jewellery) makes up 11% of each.
- Light industrial takes 10% of space and 9% of employment.
- General industrial makes up 5% space and 5% employment.
- Food & night time economy takes up 4% of space.
- Industrial Fringe has only 28% of its buildings in the 'typical JQ character'.
- 530 residential units could be made from disused space (when factoring in likelihood of planning permission) and a further 3800 new-build.
- 28% of buildings could viably form retail on ground floor.
- 7% of buildings could viably form workshops.
- 4% could become general industrial (this is quadruple the current stock).
- 20% could convert to offices.