

Property



Centre forward: Manchester Town Hall in St Peter's Square

Lighting up the North

Manchester is seeing an influx of investment that is building the city a new character as well as more homes, says *Sue Chester*

The Northern Powerhouse has been busy at Cottonopolis: £800 million invested in Airport City, £235 million for the Sir Henry Royce Institute for Advanced Materials – and not forgetting The Factory, Rem Koolhaas's £110 million ode to arts.

Greater Manchester's population of 2.8 million is expected to surpass three million by 2035. Employment in the city is predicted to grow by 3.8 per cent from 2015 to 2020. Ultimately, 10,300 new homes are required every year until 2035.

Manchester Place, a partnership between Manchester City Council and the Government, aims to speed up the Mancunian revival. It is as much about rejuvenating the city as it is about building houses.

"The place-making agenda is an important and recurrent theme for the city council," says Paul Beardmore, the council's



Golden triangle: Apartments in high-end Artillery House start from £120,000

director of housing. "The money that has flowed into the city through sport and football – the BBC's move north, the success of the Commonwealth Games and everything that has come since at the Etihad Stadium – has a cascade effect down to housing."

Over the last three years, 45 per cent of residential sales across the city were completed for less than £125,000. The council is keen to avoid London's inflated prices.

"We're working around a concept

that assumes a third of household income is being spent on your housing costs," Beardmore says. "Any more than that and it's not really affordable."

That would defeat one of Manchester's more attractive qualities. A WiredScore survey found that 63 per cent of tech workers cited property prices as the reason they prefer it to London.

Investors are catching on, too. A recent report from LendInvest, an online property investment

company, found that Manchester provides the most profitable rental returns in the UK for landlords. Between 2010 and 2016, the rental yield on buy-to-let properties in the northern city was 6.8 per cent, compared to an average of 5.7 per cent in London.

"No longer simply an alternative to a slowing London market, Manchester stands alongside the capital as a key buy-to-let market," says Jonathan Stephens of Surrenden Invest.

A major regeneration project is the Northern Gateway, almost 300 acres stretching north-east from Victoria Station, where 8,000 new homes are in the works over the next 10 to 15 years.

Then there's the Manchester Life Development Company's £1 billion plan for 8,000 homes over the next decade, including the conversion of Murrays' Mills, the oldest steam-powered cotton mill in the world. And Allied London is developing the former ITV Granada studios at St John's Quarter, a neighbourhood that will include 3,000 new homes.

"Manchester is at the forefront of the Northern Powerhouse," says Ged McPartlin, sales director at Ascend Properties. "With the amount of investment being ploughed into the city, creating new employment opportunities and bolstering the local economy, it's clear to see why this city is high on the agenda of many."