

From trains to cranes

HS2 and the West Midlands' development boom

February 2024

HS2



**WEST
MIDLANDS**
GROWTH COMPANY



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Foreword



**“
HS2 is coming, the
market is moving,
now is the perfect
time to join them.”**

As we build the UK's new high-speed railway, our focus is fixed on delivering safely, on time and ensuring value for money for the UK taxpayer. HS2 is a project of phenomenal scale and ambition and as you read this, thousands of people in our construction workforce are out on sites across the country, making that scale and ambition a reality.

However, while we're focused on the delivery of the new railway, local, national and international investors are busy maximising the opportunities it brings. In this report, we shift our focus from track and trains to those opportunities and the plans in hand for transformational regeneration and investment across the West Midlands.

For too long the debate on the wider economic benefits of high-speed rail in the UK has relied on anecdotal evidence. This report gives definitive proof that investor appetite, regeneration activity and investment close to HS2's regional assets has surged since HS2 from London to the West Midlands gained Royal Assent in 2017. That planning applications are up by two thirds, planned floorspace by 200% and planned residential units by almost 500% is testament to the scale of this change.

Whether it be a burgeoning creative industry in Digbeth, a post-industrial neighbourhood close to Birmingham Curzon Street, new housing in Birmingham's Southside District, or a boom in commercial space next to Interchange station,

it's clear that HS2's impending arrival is spreading prosperity and opportunity to the communities it touches.

There's no denying that the economic outlook since 2017 has been uncertain, reaching a peak during the COVID-19 pandemic. Looking at this report, it's clear that HS2 is giving the West Midlands a stable platform to bounce back, creating a legacy of world-leading industry, reimagined public spaces and international investment that will be felt for generations.

For local people, this means one thing – opportunity. A young person in Walsall could secure one of the thousands of jobs HS2 attracts to the region, a family from Stechford might move into one of the homes investors are building nearby, a small business owner in Ladywood may choose to set up in one of the new commercial spaces under development.

As the construction of HS2 continues at pace, the message to investors is simple – HS2 is coming, the market is moving, now is the perfect time to join them.

Sir Jon Thompson
Executive Chairman

Executive summary

The impending arrival of HS2 in the West Midlands is already delivering a positive economic legacy, driven by the promise of enhanced connectivity and heightened investor confidence.

Since Parliament approved building HS2 between London and the West Midlands in 2017, there has been a significant increase in regeneration and investment activity close to the West Midlands' two HS2 stations (Birmingham Curzon Street and Interchange) and its planned Network Integrated Control Centre and maintenance depot in Washwood Heath.

The number of planned residential units, floorspaces being developed, and the value of projects in the pipeline is much higher compared to an equivalent period before HS2 was given the green light in Parliament. These increases in regeneration and investment activity far outstrip any rises in planned development outside of HS2's impact zones* and have occurred despite economic shocks caused by Brexit and the COVID-19 pandemic.

*Within a 1.5 mile radius of HS2's three regional assets (Birmingham Curzon Street station, Interchange station and Washwood Heath Network Integrated Control Centre and depot).

In the period since Royal Assent was granted, in HS2's impact zones*, there has been a 66% increase in planning applications submitted, a 484% increase in the planned number of new homes, a 200% uplift in planned floorspace and a 240% increase in the construction value of new projects.

Economic analysis suggests that HS2 and the associated development it will bring, will deliver an economic uplift of £10 billion over the next ten years. Within its three impact zones, it is estimated that HS2 will be responsible for the generation of 41,000 additional homes, 704,000 square metres of new floorspace and 30,835 new jobs.



Visualisation of Chamberlain Square.

HS2's impact in the West Midlands

Projected economic impact

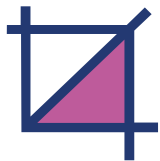
£10bn

added to the West Midlands' economy over the next ten years

Within HS2 impact zones:



41,000
additional homes



704,000
square metres of
new floorspace



30,835
new jobs

Regeneration and investment activity

Since Royal Assent was granted in 2017:



66%
increase in
planning applications



200%
increase in
planned floorspace



240%
increase in
value of planned
construction projects



484%
increase in number of
new homes planned





HS2 is opening up multi-billion-pound development projects in the areas surrounding its new stations and depot in the West Midlands. The plans in place are set to deliver thousands of new homes and jobs as well as new offices, public spaces and leisure facilities.

Introduction

In 2017, Parliament approved a new high speed railway designed to transform travel between London and the West Midlands. Set to link the UK's two biggest cities and population centres within 45 minutes by rail, HS2 will create a corridor of economic and social opportunity for the regions to trade, grow and thrive.

Local residents, policymakers and property experts have long suspected that the certainty provided by the project getting full parliamentary approval, followed by the beginning of major construction in 2020, has led to an uplift in regeneration and investment activity in the areas surrounding HS2's stations and control centre.

To date, publicity has centred on businesses that have expanded in and relocated to the region. Professional services firms such as HSBC, Goldman Sachs and PwC are lauded as proof that the promise of HS2 is drawing investment away from the capital, lifting the regional economy. Similarly, the reinvigoration of Birmingham city centre, including the ongoing Paradise redevelopment, the sheer number of cranes crowding the skyline, and the mammoth scale of regeneration plans in Solihull, is enough to convince many that the region is already benefitting from HS2's imminent arrival.

While there are undoubtedly other factors at play in the emergence of new schemes, including the uplift created by the West Midlands hosting the 2022 Commonwealth Games and the support provided by Birmingham's city centre Enterprise Zone, it is vital that we gather evidence that definitively outlines the scale of influence HS2 is having on the West Midlands' economic renaissance.

This prospect of sustained growth is particularly important for the West Midlands, a region of six million people with a £164 billion annual economy, bigger than the likes of Croatia, Bulgaria and Slovakia. An area hit hard by Britain's post-industrial decline in the 1970s and 1980s, the West Midlands has reinvented itself as a prime destination for inward investment, attracting projects from around the globe.

In the six years since HS2 gained Royal Assent, the West Midlands has been the highest performing attractor of inward investment outside London and the South East. In 2022 / 23, the number of projects it attracted was second only to the capital.

With the arrival of HS2 services drawing ever closer, it's essential that we separate the anecdotal from the evidential, so as to understand fully the impact this infrastructure investment is having on the regional economy. Infrastructure changes lives, it's time we examined how the lives of local people are changing, and how they will be transformed by our new high-speed railway.

**“
In the six years since HS2 gained Royal Assent, the West Midlands has been the highest performing attractor of inward investment outside London and the South East.”**

What is HS2?

HS2 is the UK's new high-speed railway. Its British-built bullet trains will provide zero-carbon journeys between the UK's two largest cities, Birmingham and London, on dedicated high-speed tracks. Services will then continue on to Manchester, the North West and Scotland using the conventional railway network, cutting journey times.

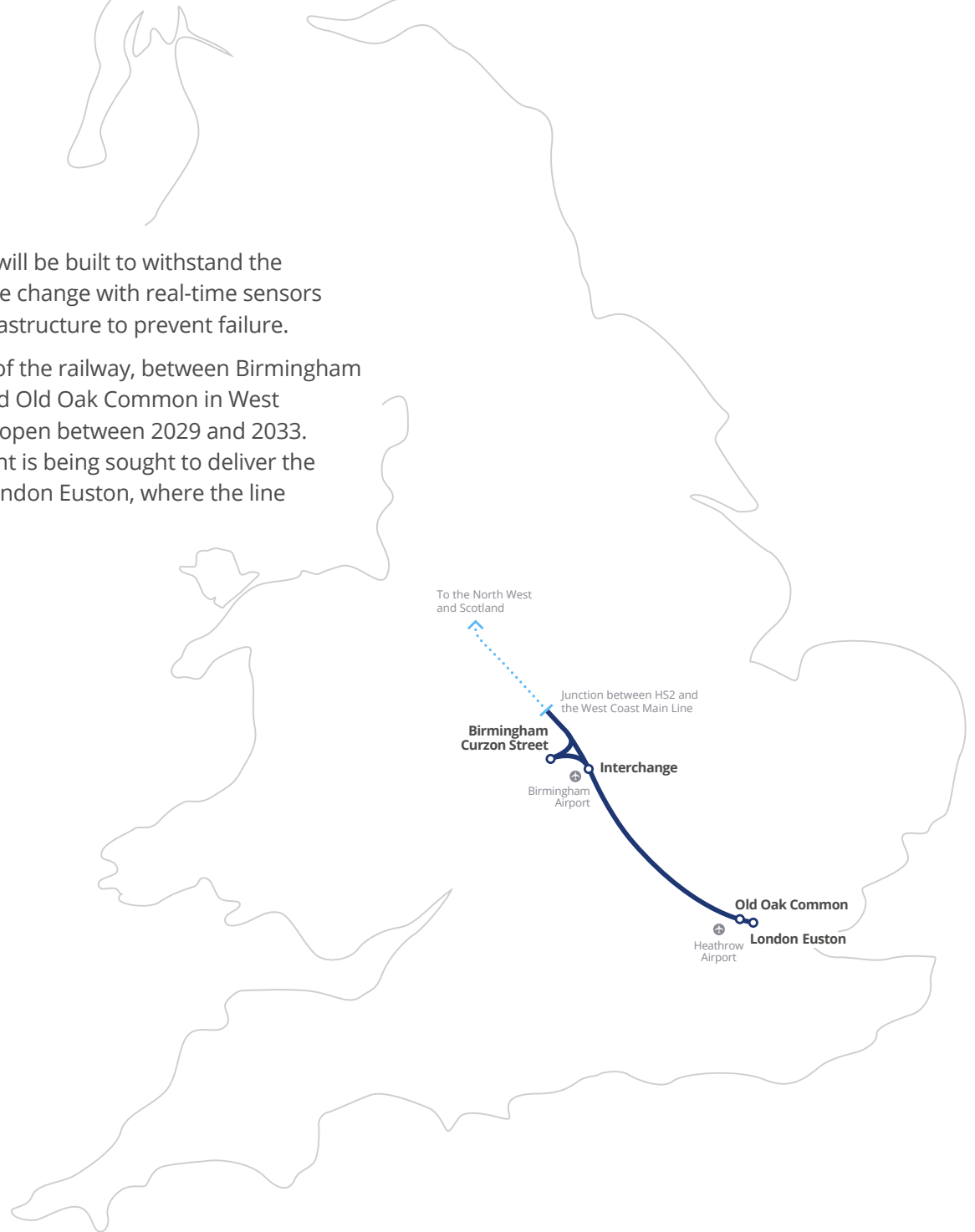
HS2 is the first new intercity railway to be built north of London in over a century. The project is Britain's biggest build, made up of 140-miles of track, four new, state-of-the-art stations, two depots, 32 miles of tunnel, and 179 bridges.

Construction of HS2 is well underway, with activity ongoing across 350 active sites between London and the West Midlands. Work has begun on two thirds of HS2's viaducts and over half of its bridges with more than a third of tunnelling already complete. Around 30,000 people are currently working on HS2, and more than 3,200 UK businesses are helping to build it.

Our new railway will deliver more track, more trains and faster journeys. It will transform the experience of rail travel for passengers, providing more comfortable and reliable journeys fit for the 21st century traveller. As well as having full mobile network and Wi-Fi coverage across the length of the route and inside all 32 miles of HS2's tunnels, cutting-edge technology systems will provide unparalleled reliability.

Track and trains will be built to withstand the impacts of climate change with real-time sensors built into the infrastructure to prevent failure.

The first section of the railway, between Birmingham Curzon Street and Old Oak Common in West London, is set to open between 2029 and 2033. Private investment is being sought to deliver the new station at London Euston, where the line will terminate.





**Britain's biggest build
is the West Midlands'
biggest opportunity.**

HS2 in the West Midlands

This region's investment in HS2 is concentrated around three major assets, sites where communities will benefit from urban regeneration, passengers will access the railway, and employees will help to run and maintain it. Each asset – Birmingham Curzon Street station, Interchange station in Solihull and the Network Integrated Control Centre and depot in Washwood Heath, is a multi-million-pound project set to spark massive investment and development.



The Tea Factory

The new home of the BBC in the West Midlands, situated right in the heart of Digbeth.

[Read full case study on page 21](#)



Digbeth Loc. Studios

The flagship regeneration project turning a derelict brownfield site into a state-of-the-art studio complex.

[Read full case study on page 22](#)



The Octagon

Soon to be Birmingham's tallest building, offering 370 new homes in the city centre.

[Read full case study on page 23](#)



Arden Cross

One of the UK's most significant regeneration projects, supporting thousands of jobs and homes.

[Read full case study on page 24](#)



Image sourced from Google maps.



The projected impacts of
HS2's arrival in the West
Midlands are startling and
represent a once-in-a-
generation opportunity.

Birmingham Curzon Street station

This state-of-the-art terminus will be at the heart of the region's high-speed rail network. It will catalyse the creation of four new public spaces – including two squares and a promenade.

The station design is integrated with local public transport links, including the extended Midland Metro. Work will also be undertaken to improve pedestrian routes to local bus services, install Sprint rapid transit bus services, boost local train services, and create space for hundreds of bicycles.

Birmingham City Council's Curzon Investment Plan will see £724 million spent on regenerating the area around the new station. The scheme will take place over 30 years, leading to the creation of several new neighbourhoods across almost 150 hectares, including 4,000 homes and 36,000 jobs.

The station is located on the doorstep of Digbeth, a neighbourhood once dominated by heavy industry and manufacturing. Having been home to a burgeoning metal works trade, as well as the Typhoo Tea factory and Bird's Custard Factory, the area is now undergoing a renaissance with huge investment in creative industries, leisure venues and residential projects boosting footfall.

The rejuvenation of the local canal network is enhancing the appeal of new housing and providing new pedestrian links across core parts of the city.



Interchange station

Set in a huge, 140-hectare site in Solihull, Interchange station will be one of the best-connected places in the UK thanks to its links to local roads, the UK motorway network and its direct access to the NEC, Birmingham Airport and Birmingham International station via an automated people mover, delivered as part of the HS2 scheme.

The upcoming arrival of HS2 has sparked extensive growth and regeneration plans in the surrounding area, including the Arden Cross masterplan, a mixed-use scheme designed to create a new residential district, commercial space for innovative businesses and a world-leading centre for research and development. As well as delivering a thriving community for residents, businesses and visitors, these plans will create 3,000 new homes and six million square feet of commercial space.

Interchange station itself will be one of the most eco-friendly ever built, and is designed to achieve a 'BREEAM outstanding' certification, meaning it will generate zero carbon emissions in its day-to-day operations.

HS2 is working alongside Solihull Metropolitan Borough Council, the West Midlands Combined Authority, local landowners and Muse Developments, to develop and deliver this transformational investment.



Washwood Heath depot

This high-tech facility, currently being built in north-east Birmingham, will act as the nerve centre of the HS2 network. Here, specialist teams will oversee the running of the railway via a purpose-built Network Integrated Control Centre, managing the dispatch of trains, communicating with drivers and ensuring that services run smoothly. Close by, a stabling yard and maintenance depot will provide space for HS2's trains to be serviced, maintained and stored.

The construction of the depot is catalysing the development of a 50-acre brownfield site in Washwood Heath, which was littered with derelict buildings and contaminants following decades of heavy manufacturing. As well as delivering the depot and control centre, the remediation of this site will also unlock 240,000 square metres of land for commercial employment and 700,000 square metres of logistics space.

Once completed, this project will open up a huge parcel of land for use by HS2 Ltd, prospective employers and the community, creating 1,000 new jobs for local people.



The analysis

For many years, commentary on HS2's influence has been dominated by anecdotal evidence, hearsay and individual case studies. This doesn't provide the hard evidence that local partners and investors need to drive long-term development plans. This report takes a different approach, pulling together hard evidence to demonstrate the economic uplift secured by the region so far.

This includes:

1. Quantifying the economic value of commercial and residential investment that can be attributed to HS2's arrival in the West Midlands, based on established Economic Impact Assessment methodologies.
2. Examining where planned investment projects and their associated economic benefits are located, and how activity is concentrated around HS2's main regional assets (Curzon Street station, Interchange station, and Washwood Heath control centre).
3. Providing data on the estimated economic benefits regeneration and investment activity will produce – namely additional jobs created and Gross Value Added (GVA).

This analysis has focused on **additionality** – calculating what extra economic uplift HS2 has generated in the West Midlands since Royal Assent was granted in 2017. Adjustments were made to exclude economic uplift that would have occurred without HS2, or that has been displaced from other areas. The economic analysis performed draws upon leading national guidelines deployed to calculate additionality, including methods used by the Department for Levelling Up, Housing and Communities (DLUHC), Homes England and the HM Treasury Green Book.



The results

Since HS2 between London and the West Midlands was approved by Parliament in 2017, there has been a significant increase in regeneration and investment activity close to the West Midlands’ two HS2 stations (Birmingham Curzon Street and Interchange) and planned maintenance depot (Washwood Heath). The number of planned residential units, floorspace being developed and the value of projects in the development pipeline is much higher compared to an equivalent period before HS2 was given the green light in parliament. These increases in regeneration and investment activity far outstrip any rises in planned development outside of HS2’s influence zones.

Planning applications

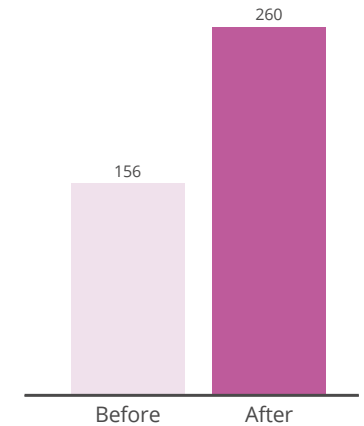
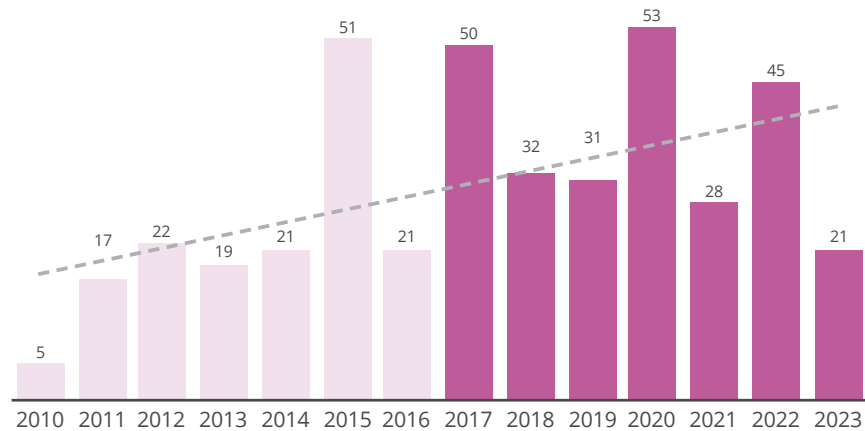
The number of planning applications submitted within HS2’s three impact zones has risen by 66% since the project’s London to Birmingham route gained Royal Assent. This rate of increase is four times higher than the 15% increase noted outside of HS2’s impact zones over this same period.



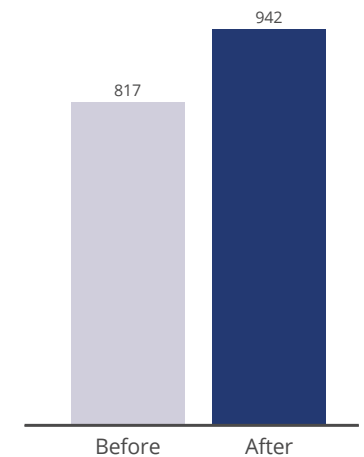
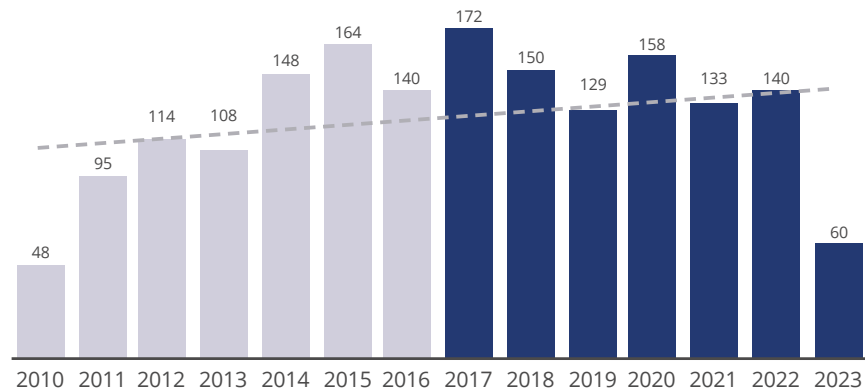
66%

**increase in
planning applications**

Inside impact zones – planning submissions (number)*



Outside impact zones – planning submissions (number)*



*Data covers the period July 2010 – August 2023.

Number of homes

There has been a 484% increase in the number of new homes planned in HS2's impact zones since Parliament approved HS2 between London and the West Midlands. Almost 55,000 units have been planned for development in our impact zones since 2017, compared to the six-and-a-half-years before Royal Assent was granted, where fewer than 10,000 homes entered the planning system. In comparison, outside of HS2's impact area, in the wider West Midlands, there was only a 34% increase in planned housing.

The rate of increase in planned housing within HS2's impact area has been 14 times greater than elsewhere in the region.

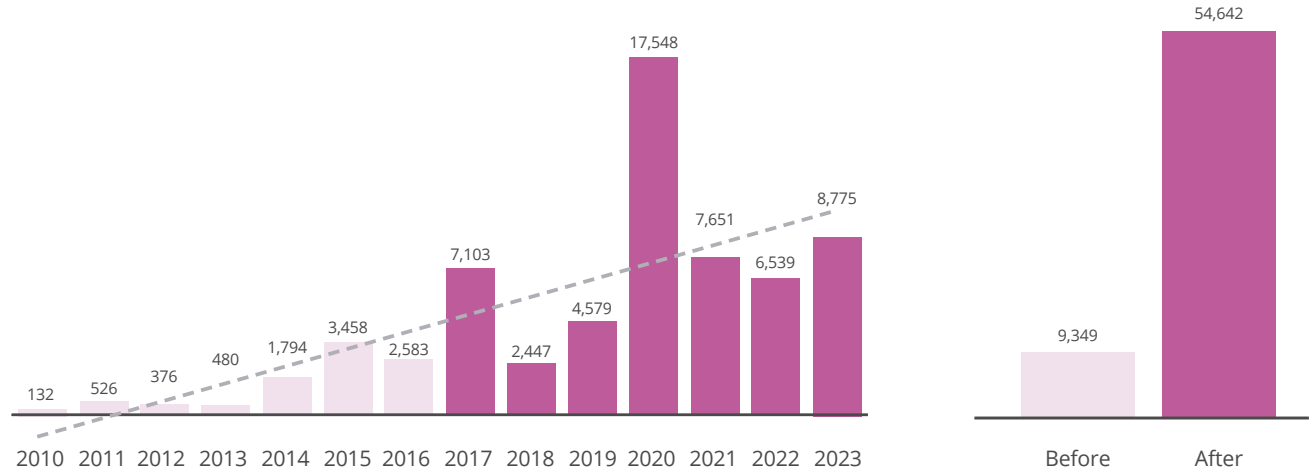


484%

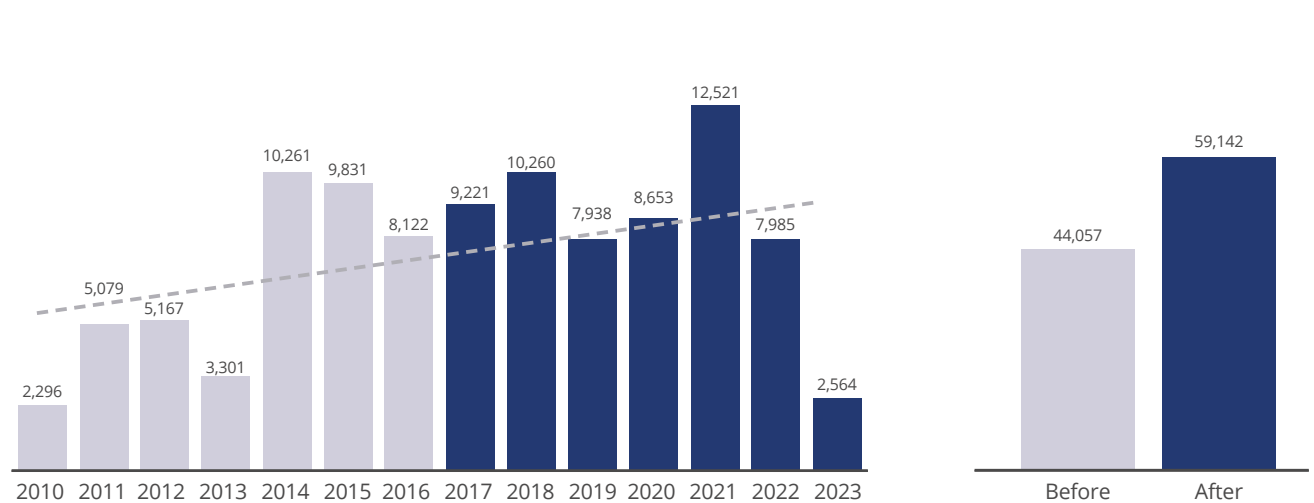
increase in number of new homes planned

*Data covers the period July 2010 – August 2023.

Inside impact zones – planning submissions (units)*



Outside impact zones – planning submissions (units)*



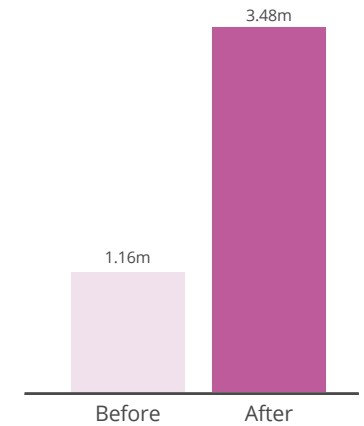
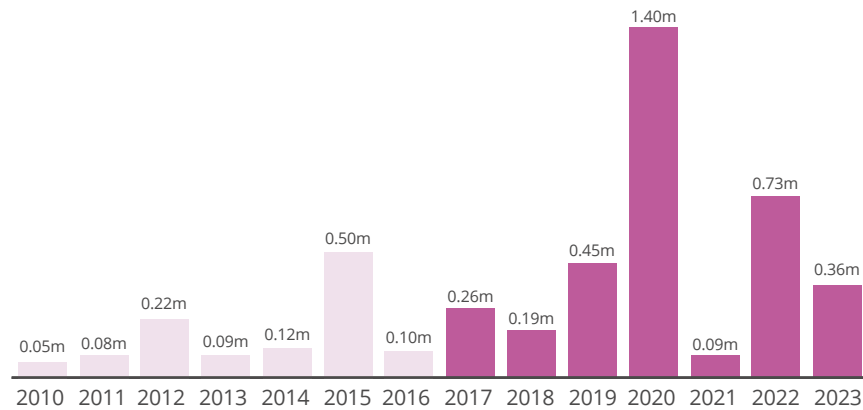
Floorspace

Analysis of the total planned floorspace, including both residential (homes) and non-residential developments (offices, industrial facilities, leisure) inside our impact zones reveals a 200% increase in planned floorspace since HS2 gained Royal Assent. This uplift is over four times greater than that experienced outside our influence zones, which saw a 45% increase over the same period.

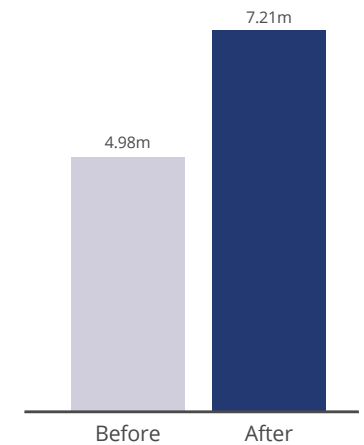
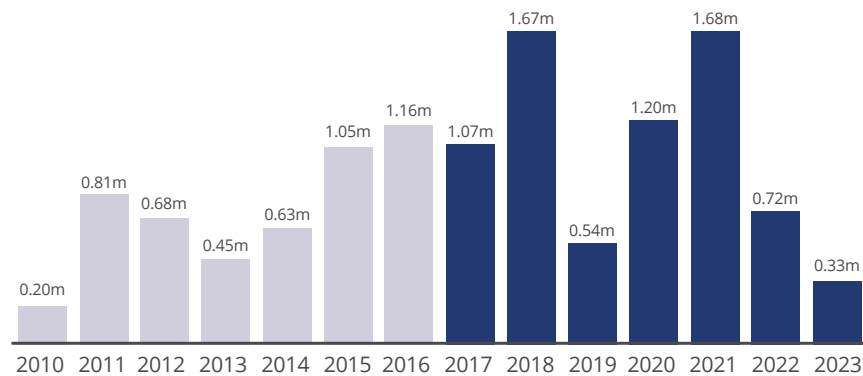


200%
increase in
planned floorspace

Inside impact zones – planning submissions (floorspace)*



Outside impact zones – planning submissions (floorspace)*



*Data covers the period July 2010 – August 2023.

Construction value

The construction value of new projects within HS2's three impact zones has increased by 240% since the project gained Royal Assent. This building boom is contrary to activity outside of HS2's impact zones, where the construction value of new planned projects has decreased by 16% since 2017. This trend shows a concentration of schemes locally in the areas closest to HS2's new stations and depot. Before Royal Assent, construction activity in HS2's impact zones accounted for 22% of total planned expenditure across the study area. Post-Royal Assent, it now accounts for 50% of total planned expenditure in the West Midlands.



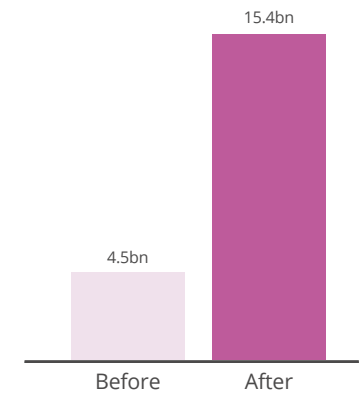
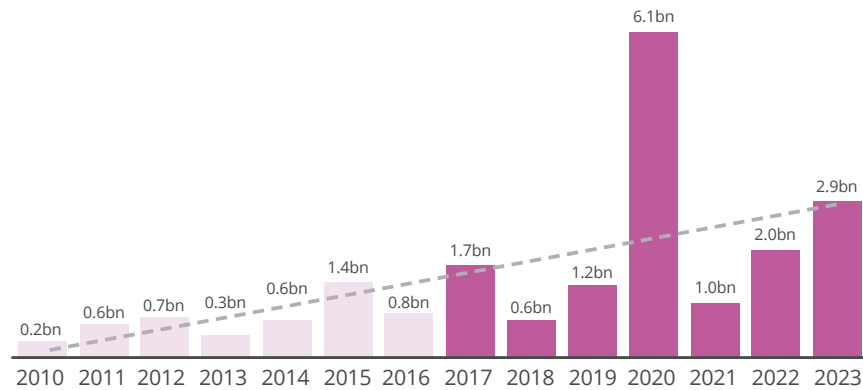
240%

increase in
value of planned
construction projects

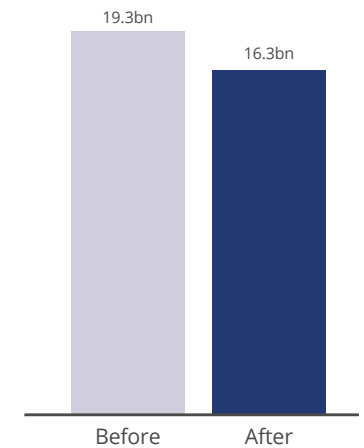
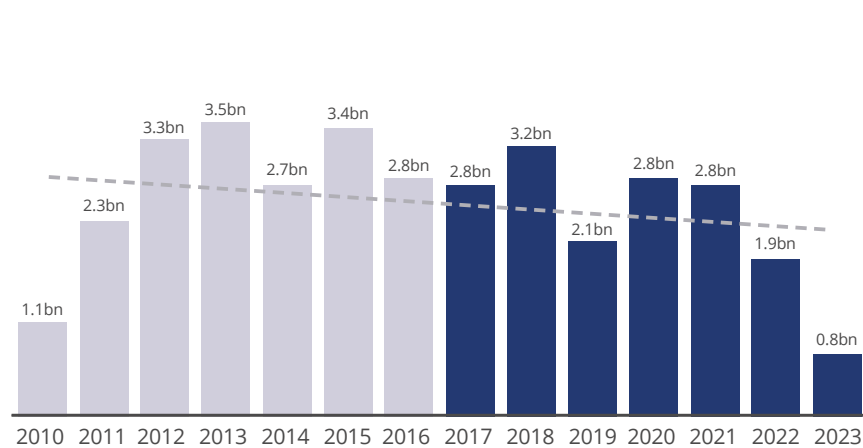
*Data covers the period July 2010 – August 2023.

**Construction values above have been adjusted for inflation.

Inside impact zones – planning submissions (construction value^{**})*



Outside impact zones – planning submissions (construction value^{**})*



Headline benefits

The research suggests that HS2 will deliver an economic uplift of £10 billion over the next ten years*.

These benefits include the economic impact of building planned schemes, the jobs created and located within new developments and the additional money spent in the local area by new residents living there.

This analysis estimates that, within its three impact zones, HS2 will be responsible for the generation of:



704,000
square metres of
new floorspace



41,000
additional homes



30,835
new jobs



Visualisation of Birmingham's Smithfield redevelopment.

*This figure is closely aligned to the West Midlands Combined Authority's (WMCA) HS2 Growth Strategy, which targeted the generation of £14bn in additional GVA, across the whole of the WMCA area, from 2015 to 2030. However, the statistics in this report are from a smaller study area - within a 1.5 mile radius of Curzon Street station, Interchange station and Washwood Heath Depot only.



Digbeth has cemented its status as Birmingham's creative quarter.

Spotlight on the Tea Factory

Due to open its doors in 2027, the Tea Factory will be the new home for the BBC in the West Midlands, hosting iconic programmes such as Midlands Today, The Archers and BBC Radio One's Newsbeat, as well as BBC Asian Network and BBC WM.

This sensitive reimagining of the old Typhoo Tea Factory, empty since 1978, will reflect the area's industrial heritage, creating space for open plan offices, technical studios and editing suites.

The building, designed by Howells Architects will maintain existing facades and structures to reduce the carbon footprint of construction.

The purpose-built facility is part of Stoford developments' wider Typhoo Wharf masterplan, which will deliver up to 800,000 square feet of new residential, office and hospitality accommodation around the new regional broadcasting base, transforming ten acres of land and the nearby canal basin over the next ten years.

This new neighbourhood will be characterised by attractive public spaces and open thoroughfares, alongside superior public transport access via the nearby HS2 Curzon Street station, tram extension, buses and walking and cycling routes.

“

The Tea factory will be a new creative production line, right in the heart of Digbeth. Not only will it see Birmingham attract, grow and retain the best creative talent, it will lead to further improvements in this corner of the city. Once the BBC's new home is up and running, we will be following it up with hundreds of new homes and major new office development, all set around the picturesque Typhoo Square.

Without HS2 and the planned Metro extension this simply wouldn't have been possible. Workers at the BBC's new base will be just minutes away from a high-speed train platform. Transport connections like this are the lifeblood of new developments like ours, and all of the associated jobs and opportunities they bring for local people.”

Gerard Ludlow
Director at Stoford



The Tea Factory Masterplan view.

Spotlight on Digbeth Loc. Studios

This flagship project is revitalising 80,000 sq. ft of commercial space, converting abandoned Victorian and industrial buildings on brownfield land into an important cutting-edge film and TV studio and flexible workspace venue.

Situated in Digbeth, Birmingham's creative hub, Digbeth Loc. Studios is just a seven-minute stroll from HS2's Curzon Street station. The development will encompass three film studios, production offices, and new and refurbished co-working spaces for the creative industries, attracted to Birmingham as a result of the Digbeth Loc. transformation.

Conceived by writer, director and Peaky Blinders creator, Steven Knight, the studios aim to generate

760 local employment opportunities, fostering the growth of the next wave of creative talent.

Before its official launch, the studio has already secured major international productions including Masterchef and the highly anticipated Peaky Blinders movie.

The site is designed to honour the heritage of Birmingham's canalside buildings, with the development being delivered in partnership with specialist asset management company, TIME + SPACE, who focuses on working with the film, media, arts and culture industries for the public and private sectors.

“

For decades Digbeth was a neighbourhood in decline, dominated by vacant industrial buildings and undeveloped land, right on the doorstep of the city centre. As a proud Brummie, it's brilliant to see that the tide has turned. Creative businesses, animators, agencies and filmmakers have created a community here, drawing investment and talent out of London.

The upcoming arrival of HS2, and the transformational connectivity it will bring has no doubt accelerated this renaissance. I can't think of anywhere in the world I'd prefer to set up Digbeth Loc. Studios. I look forward to creating world-class films and television here, to working alongside local crews and telling our stories to the world. With plans underway for thousands of new homes, tram extensions, better leisure facilities, the best is yet to come.”

Steven Knight CBE

Screenwriter and acclaimed creator of Peaky Blinders



Digbeth Loc. Studios.

Spotlight on Octagon

Located in the centre of Birmingham, and on the northern edge of the Paradise development, Octagon's statuesque, 49-storey residential design will stand at 155 metres tall, making it the city's tallest building and twice the height of the Statue of Liberty.

Offering a mix of 370 spacious Build to Rent (BTR) homes, the scheme is backed by global real estate investor City Developments Limited (CDL) of Singapore and will be the tallest pure octagonal, residential high-rise building in the world.

Designed by local firm Howells Architects, Octagon's design reflects the industrial heritage of the nearby Jewellery Quarter.

Construction partner Midgard is making good progress on site, with completion scheduled for 2025.

“

Construction of this landmark development is well underway – every day we move closer to the completion of a unique, world-class building, right in the heart of Birmingham. Everything about Octagon, from its height to its views and specification is designed with residents in mind, and will leave an indelible mark on our city's skyline for generations to come.

Our aim is simple, to build one of the finest apartment schemes ever seen in the UK. With even more development planned at Paradise, and new public realm linking us into the wider city, we are well on the way to creating a truly mixed-use scheme delivering offices, leisure destinations and, in this case, purpose-built new homes.”

Ross Fittall

Commercial Director at MEPC,
the firm leading Birmingham's Paradise redevelopment



Visualisation of Octagon.

Spotlight on Arden Cross

Arden Cross is one of the UK's most significant regeneration opportunities. Facilitated by links to HS2's Interchange station, Birmingham International railway station and Birmingham Airport, Arden Cross is one of the best-connected places in the UK.

The 140-hectare site will support tens of thousands of jobs, and thousands of new homes, along with commercial, leisure, and new public green spaces.

Muse has been selected as the preferred development partner by Arden Cross Ltd, and is developing a masterplan. Innovation-led, a Memorandum of Understanding has been signed with the University of Warwick to explore the inclusion of a HealthTech Campus at its heart.

As part of the wider proposition at Arden Cross, a HealthTech Campus represents an opportunity to leverage the West Midlands' competitive advantage across life sciences, support SMEs, improve health outcomes across the NHS, create quality new jobs, and deliver economic growth.

Arden Cross will be central to fully exploiting the East Birmingham and North Solihull Growth Zone, which is a core plank of the West Midlands' Devolution Deal. It will enable growth to be targeted in areas of relative deprivation within the region.



Visualisation of Arden Cross innovation district.

“

We are forging ahead with the delivery of Arden Cross. By leveraging the unrivalled connectivity at the heart of the project, we can target growth across the region and the UK – but also in areas of local deprivation. Realising the potential of Arden Cross is fundamental to the economic strategy of the West Midlands as it builds on the infrastructure and investment opportunities brought by HS2.”

Maggie Grogan

Managing Director – Midlands at Muse Developments

“Arden Cross’ intricate network of urban neighbourhoods, innovation district and links with the HS2 arrival experience will provide the perfect microclimate for investment, innovation and growth. Whether it’s attracting global businesses, building eco-friendly housing or creating unrivalled employment opportunities, this development will have a transformative impact on the local area, and create a nationally important destination.”

Carl Potter

Project Director at Arden Cross Limited

What next?

HS2 will finish the job it has started, continuing to set new industry standards in everything from health and safety to engineering and the environment, as it completes Britain's biggest build.

The West Midlands is booming. Years before the first services run, the expectation of HS2's arrival is boosting regeneration, investment and urban development. In Birmingham and Solihull new communities are springing up, new business are being built and new opportunities are being seized.

If the region is to capitalise fully on the transformational change that HS2 can bring, this pipeline of development must be sustained, more projects brought forward and additional investment realised.

HS2 is committed to working with partners to maintain momentum, ensuring the region makes the most of this once-in-a-generation opportunity.

This means:

Championing the region

Working with civic leaders, investors and businesses in the West Midlands to make sure that HS2's legacy is felt for generations to come; on its streets, its workplaces and in its homes. The railway is just one part of a much bigger picture of renaissance and revitalisation. HS2 will support the West Midlands as it cements its place as a leading investment destination.

Realising the benefits

Working closely with local partners, from both the public and private sectors, as they follow through with their local regeneration and development plans around HS2's major locations. HS2 is determined that its partners' visions are realised, with its stations and depots supporting wider ambitions for jobs, homes and communities.

Maintaining momentum

As the UK's new high-speed railway is built, the most important thing HS2 can deliver for stakeholders is certainty. HS2 Ltd will provide regular updates on its progress to keep partners informed, highlighting the scale of this project, the work being done, and the timeline for completion, so that investment plans can be realised.

Projected impacts

The projected impacts of HS2's arrival in the West Midlands region:



£10bn

of economic uplift
over ten years



30,000

new jobs



40,000

homes

Interested in investing in the West Midlands?
Curious about the opportunities available close to HS2's stations?
Keen to capitalise on the region's economic momentum?

Contact the West Midlands Growth Company
invest@wmgrowth.com

The methodology

We've used planning application data to analyse investment activity across the West Midlands. The data was broken down by:

Submission date

We collated, itemised and analysed planning applications over a period of 13 years (from July 2010 to June 2023), creating a comparable six and-a-half-year period before (Q3 2010 – 2017) and after 2017 (Q2 2023) HS2 gained Royal Assent. The study period pre-dates the Prime Minister's announcement in October 2023 of his decision to change the scope of HS2.

Location

We considered proximity to HS2's main regional assets – Birmingham Curzon Street station, Interchange station and Washwood Heath depot. In the analysis three 'impact zones' were created: within a 0.5 mile (immediate impact zone), 1.5 mile (moderate impact zone) and 5-mile radius (outer impact zone) from each asset.

For the purposes of evaluation and following comparisons with other infrastructure impact studies, the medium, 1.5 radius impact zone, was used for our headline analysis. West Midlands projects outside of the widest influence zone (5-mile radius) were used as a comparator to understand wider regional trends.

Application type

To calculate the estimated impacts of different types of development, i.e. the jobs and Gross Value Added (GVA) uplift they are likely to create, schemes were categorised into and sorted by their property-use class, for example A1 Retail, A2 Finance, B1a Offices, B1c Light Industrial, B2 Manufacturing, B8 Logistics, C1 Hotels etc. Crucial information on floorspace, number of units and end-uses from the descriptive text submitted as part of each planning application were also captured.

In total, over 3,000 planning applications were examined in this analysis, all were 'major' developments with an estimated construction value of £2 million or above.

Calculating economic impacts

We used an economic impact methodology to calculate the uplift HS2 (specifically, the regeneration, investment and urban regeneration it is attracting), is bringing to the West Midlands.

Using the data from all planning applications submitted since 2017, within a 1.5 mile radius of HS2's three impact zones, it calculated:

- A)** The economic impact of delivering planned schemes.
Value of construction jobs and impact on expenditure and investment in the wider supply chain.
- B)** The economic impact of new jobs created by and located in planned commercial developments.
Calculated using typical employment density (jobs per square metre) based on the building use and employment sector of planned schemes. The Office for National Statistics regional output per job was then used to calculate total GVA from jobs created through commercial investments, according to sector.
- C)** Residential expenditure effects.
Based on the number of new residents set to live in planned homes, and the associated spend these households would make in the local area, as new properties are occupied, drawing on household expenditure data.

Not all investment and regeneration activity in the impact zones can be attributed to HS2, a significant proportion of these schemes would have occurred without the project going ahead. Similarly, a percentage of the economic impacts generated by HS2 will have been displaced or relocated from other areas locally.

HS2

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