SOUTHAMPTON CITY STREETS PROGRAMME:
Appraising the Economic Benefits
December 2012

Building a Brighter Future
Southampton City Streets

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**Southampton City Streets**

**EXECUTIVE SUMMARY**

In March 2012, the Council launched its *City Centre Masterplan* at St Mary’s stadium in front of 400 representatives from local businesses. The delegates’ self-evident enthusiasm gave lie to the fact that businesses leaders know only too well Southampton is often perceived as a city stuck in a rut: a city with lots of potential, but one consistently punching below its weight.

The speakers launching the plan were also aware that during an acute recession, only a strong common purpose could lift the city. A common purpose that can reverse the drift to out-of-town development that has not helped the city centre, a common purpose that can make sure the right skills are in place for prospective employees. And finally, a common purpose that through intelligent private/public partnerships can deliver higher quality housing and office accommodation.

The *Masterplan* is ambitious, aiming to attract significant investment and up to 24,000 new jobs in the coming years. It puts in place a much needed framework for large scale development. Yet developers will only realise their plans if the conditions are right. They have to be confident businesses will pay the prices they need to charge to make schemes viable. International property specialists CBRE have put this price at £23.50 per sq ft for Grade A office accommodation. In November 2012 actual rental values were closer to £18 per sq ft.

Research has found that motivating factors that can encourage rental growth include being in an area with:

- A clear vision for positive change
- A strong economic development agenda and business image
- Proactive promotion of strengths
- Culturally dynamic and interesting activities
- An aura of being a prestigious place to be (to live, work, play and invest)
- Features that make it a practical place to operate

*Source: Propernomics (see page 21)*

Addressing that gap is the central subject of this document. The strategy is simple. Alongside the critical skills and education agenda, it is to:

- Reduce the costs of building for developers by concentrating devolved Major Schemes finance on the supporting infrastructure of City Streets
- Encourage higher quality offices space to be offered and attract higher value businesses by improving the quality of the built environment as a key part of the overall city centre offer - in turn improving the ‘culture of business’
These measures make it possible to close the gap and move the office market towards the ‘tipping point’ at which development becomes viable.
Southampton City Centre Masterplan

The Vision

“The key to the centre’s legibility is the attractiveness of connected routes and a sense that each leads to a clearly recognisable destination and holds the promise of rich and rewarding experiences”

This is a plan for the future of Southampton’s city centre - and the changes that will be made to deliver the following vision:

The city centre is the power house for the city and beyond - generating economic growth and new jobs within a low carbon environment. By 2026 new offices, shops, homes, cultural attractions and entertainment venues will be found across the city centre, notably in a new Royal Pier waterfront scheme, a Business District right next to the Central Station and in the upgraded and expanded shopping area. A variety of new residential areas will add to the appeal of city centre living. Distinctive new buildings, public spaces and walking routes will reconnect different parts of the city centre including its water fronts, Victorian parks, medieval Old Town and Central Station and transform the whole city centre into a more attractive, walkable place with a buzz about it – a great place to do business, visit and live.
Southampton City Streets

INTRODUCTION

The City Centre Masterplan recommends that to accommodate growth these transport objectives should be met:

- Developing a modern access infrastructure with capacity to support the anticipated growth
- Providing necessary modal shift to deliver growth
- Significantly improving and extending the quality of the pedestrian environment
- Improving bus facilities and services to service an extended city centre
- Making access to and within the city centre cycle-friendly
- Managing parking in scale and use to ensure its provision is efficient
- Improving transport interchange and arrival experience at and around Central Station, befitting a principal regional city

The City Streets programme being put forward by Southampton for the next round of Major Schemes funding from the DfT, will provide the physical infrastructure, working alongside the Council’s My Journey initiative funded through the Local Sustainable Transport Fund that addresses the aspiration for modal shift.

The first series of interventions will be major improvements to the network, principally around the inner ring road. (See Appendix 2 – City Streets Prospectus Summary).

This document examines the economic benefits that could arise from the City Streets programme ahead of the more detailed Business Case that will be produced using the Web-based Transport Appraisal Guidance stipulated by the DfT (WebTAG), when the programme moves into formal appraisal in 2013.

“To support the reconfiguration of their urban cores, mid-sized cities should prepare bespoke proposals to Government around transport and skills development”

Hidden Potential, Centre for Cities, June 2012 (see inset, page 12)
Masterplan: Proposed Access Framework
Southampton City Streets

BACKGROUND

The City Streets programme should be understood in the context of wider changes in the area to patterns of employment and transport use.

Outside London, Southampton is one of the largest commercial centres in the South East. The South Hampshire economy is large (18% of all employment in the South East of England) and dominated by the service sector (84% of all employees in employment). Southampton is the predominant city centre service location in the region, though the M27/M3 corridor has more office jobs in key sectors.

The economic importance of cities is recognised by Central Government, with the recent announcement that Southampton and Portsmouth have been offered the opportunity to join the second wave of City Deals.

Planning policy has shifted away from out-of-town development in recent years towards intensified use of land in the cities, the Partnership for Urban South Hampshire’s (PUSH) Cities First (2010) policy being an example where this has been promoted.

Transport

A striking characteristic of Southampton has been the fall in traffic in a period when the population has grown substantially.

![Comparison of changes in population, GVA, and traffic flows, Southampton 2001-2012](Source: Southampton City Council)

Recent figures from the DfT show this trend is consistent across the country: in the 3rd Quarter of 2012 traffic on urban roads has fallen by 7.9% since its peak in Quarter 3, 2007. Traffic currently lies at levels last seen over 19 years ago in 1993 (Source: Road Traffic Statistics, DfT, November 2012).
This pattern has significant implications for the treatment of the highway network which has historically used a ‘predict and provide’ model of forecasting in the UK: ‘predict’ can no longer simply mean ‘more’ as it was until the end of the 20th Century. The City Streets programme reflects this shift by re-casting the network to be more accessible for walking, cycling, and public transport, and by offering a higher quality built environment for residents, businesses and visitors. While there are specific areas of traffic growth associated with the Port of Southampton, which are important to consider, there is still scope to redesign these routes to provide a more civilised environment for all road users, while still retaining a traffic movement function, which is essential to maintain the future economic vitality of the Port.

**Employment**

The Partnership for Urban South Hampshire (PUSH) commissioned a detailed economic development strategy from DTZ and Oxford Economics in 2010. The strategy identified the key sectors in the area and outlined a strategic approach. Facilitating the growth of the office sector is critical to realising the growth strategy, particularly in business services.

Within Southampton, key sectors that occupy office space are:

**Banking, Finance and Insurance** – Account Management. Long established businesses mainly occupying 1980s buildings with floorplates that don’t meet modern standards

**Professional and Business Services** (Law, Accountancy, Land-based Professions, Recruitment Agencies, Marketing and PR, Consultancies). Generally occupy premises in the 10-20,000 sq ft range of differing quality. Element of clustering based upon Southampton’s historic trading role and presence of law courts.

**Shipping and Transport** – Location choice based upon port, although serving wider role in business in some cases

**Local Government** – Need to be based within the city centre is a ‘heritage’ and identity location, accessible to citizens. Characterised by contractions in space, and lower/mid-quality space.

Southampton’s office employment is driven by the ability to serve the sub-regional economy, the port, accessibility for lower paid workers, and local government. All of which suggests a vulnerability. Businesses in all of the remaining categories have located away from the city centre in recent years.

The city centre has seen the release of large amounts of 1980s secondary space onto the market as a result of consolidation in the public sector (not just the City Council but also HMRC) and Carnival’s decision to locate its staff into new premises releasing Richmond House, Dukes Keep and Mountbatten House.

The limited demand that has arisen in Southampton city centre is often the result of very specific location needs (examples of which are Capita’s occupation of One Guildhall Square in order to fulfil its contract with SCC and Carnival’s consolidation into Harbour House providing easy access to the port and allowing it to more easily retain its existing workforce).
Partnership for South Hampshire Economic Development Strategy (2010)

1. We have a world leading advanced manufacturing sector including marine and aerospace activities. This has the opportunity to support high levels of GVA growth and diversify into environmental technologies, but faces some clear threats, particularly around skills and workforce issues.

2. We have assets that can be used to deliver continued growth in transport and logistics activity.

3. The business services and health sectors are projected to be the major source of additional jobs in the next 15-20 years. We must facilitate this growth.

4. Our ambitions to deliver higher levels of growth are reliant on South Hampshire being a fantastic place to live, work and do business. We must therefore ensure those sectors which underpin quality of life and place are strong.

We have developed a strategy that is aligned to the circumstances in which we now find ourselves. Collaboration and partnership working has always been our strength. In particular we have identified eight transformational actions to achieve our ambition:

1. Leading on employment and skills – our brighter future is based on a skilled workforce that can underpin higher levels of growth and ensure our residents are engaged and suited to the jobs that are created.

2. Supporting the growth of our cities – ensuring our cities fulfil their potential as drivers of a sustainable and growing economy.

3. Creating, sustaining and growing businesses – through developing an entrepreneurial culture and utilising the business leaders and entrepreneurs in our area to deliver mentoring and support.

4. Facilitating Site Development to Support Growth – making sure we can accommodate the growth we are striving for by prioritising investment in the most important areas.

5. Establishing a single inward investment and place marketing function – to ensure we use resources efficiently to attract new businesses to the sub-region.

6. Developing our world leading sectors – to ensure we continue to be recognised as a leading location for marine, aerospace and advanced manufacturing.

7. Strengthening innovation networks to drive productivity growth – ensuring innovation and knowledge lies at the heart of our economy.

8. Driving innovation in delivery and funding models – ensuring that creative and innovative delivery is at the centre of all that we do.
Centre for Cities

“Hidden Potential: Fulfilling the economic potential of mid-sized cities” (June 2012)

Case studies in the report include reference to a variety of issues that affect the business environment of the urban core. These include:

- The age of the office stock, some premises being outdated and at the end of their useful life.
- Stronger road transport links and more parking being available for “out of town” sites.
- The “appearance of the city centre” and its negative impact on footfall and the development of “a business culture”.

The report notes that a weak urban core “can undermine the overall performance of a city”. Resolving this problem would encourage “agglomeration”, drawing in businesses and skilled employees. The effect is to create a critical mass of customers, suppliers and labour, uplifting productivity and economic performance. However, it depends upon “reconfiguration” of city centres to improve their “business environment”.

Similarly, the Centre for Cities report entitled “Making the Grade” recommends that cities “should focus on attracting businesses by improving skills, infrastructure and the general business environment”.

“In summary, research into south coast office demand and research into the economic performance of cities highlights the importance of the quality of the city environment for business.

By responding to the market’s preference for office areas that have a greater sense of prestige, as well as practical efficiency, it is to be expected that they will experience greater demand that will support rental growth, investor confidence and development prospects.

This is consistent with research by Southampton City Council into public perceptions of the city’s public realm.

Research by the Centre for Cities also highlights the importance of improving transport links and the appearance of city centres to encourage a business culture. Just as this would help development proposals move towards the “tipping point” for viability, it would also encourage positive agglomeration effects that attract more businesses and skilled employees, supporting the case for further investment by others. Enhancing the public realm is a step towards creating this virtuous circle of improvement. “

Simon Ward, Propernomics: Commentary on Centre for Cities report, October 2012
Southampton City Streets

APPRAISING THE ECONOMIC BENEFITS

The City Streets programme will ultimately be required to produce a Transport Business Case, which will be based on an appraisal using the Department for Transport’s (DfT) Transport Appraisal Guidance (WebTAG). More details on WebTAG can be found in Appendix 1 below.

DfT guidance on the Transport Business Case requires the completion of five separate sections:

- The Strategic Case
- The Economic Case
- The Financial Case
- The Management Case
- The Commercial Case

The Economic Case includes consideration of a range of criteria, which are analysed in accordance with the WebTAG guidance. This information is used to produce the Value for Money Statement. This takes account of monetised impacts, which feed into the Benefit:Cost Ratio (BCR) calculations. However, the DfT guidance is quite clear that the Value for Money assessment considers all its impacts, not just those which are monetised.

To ensure meaningful evidence can be fed into the Economic Case, the City Council and TfSH commissioned experts in the field to scrutinise the links between city streets improvements and job growth more closely. We chose to focus on two areas: the public’s ‘willingness to pay’ for improvements, and office rental values - a useful barometer of a city’s potential for development. Three pieces of research were commissioned:

MVA Consultancy

Advisors on transport and other policy areas, to central, regional and local government, agencies, developers, operators and financiers.

Commission: to use the Pedestrian Environment Review System (PERS) developed by Transport for London to feed into the Transport for South Hampshire (TfSH) Sub-Regional Transport Model (SRTM) and associated land-use model (Local Economic Impact Model or LEIM).

CBRE

One of the world’s leading commercial property and real estate services advisors.

Commission: feasibility and valuation relating to a specific site within the Station Quarter development.

Propernomics Ltd

Independent property research and related economics consultancy based in Winchester.

Commission: to provide an overview of the viability of office development in Southampton based on specialist local insight.
The area immediately outside the Northern Station Entrance will be pedestrianised with high quality paving together with improved signage to the station.

Station pick-ups & drop-offs will still be permitted outside the northern entrance to the station. The existing 20 minute bays, located in the area to the east of the station entrance, will be relocated into the public car park to the west.

Wyndham Place is to be landscaped with improved pedestrian access between the station and the bus stops.

Blechynden Terrace is to be repaved with high quality paving.

Taxis for the station on Blechynden Terrace will be relocated to the opposite side of the road directly in-front of the station entrance.
1) Valuing Urban Realm (MVA Consultancy)

The WebTAG transport appraisal process was established, when a large proportion of Major Scheme transport investment was allocated towards large scale infrastructure projects, which deliver journey time savings and other benefits for users. It is often the aggregation of numerous, small journey time savings, which deliver the greatest monetised cost benefit on a major infrastructure transport project. There has been some criticism that such journey time savings are not noticed at an individual level, but such calculations are driving investment decisions towards large scale projects as opposed to smaller scale improvements, where it is more difficult to quantify the benefits.

The City Streets project is a case in point. Some proposals may lead to a relatively small increase in journey times for traffic movements, which when aggregated, could lead to a significant monetised disbenefit, feeding into the BCR calculation. Whilst real journey time benefits for pedestrians, cyclists and public transport users can be captured and monetised, the wider benefits of improving and enhancing the urban realm from a “quality of place” perspective are not captured through WebTAG.

Building on previous research undertaken by Transport for London (TfL), a methodology based on the Pedestrian Environment Review System (PERS) was developed. Using stated preference surveys, the perceived user benefits, in terms of willingness to pay for improvements to the urban realm, were captured and converted into a generalised cost benefit (through a reduction in access times to the city centre), which could then be applied within the Sub Regional Transport Model (SRTM). This allowed the user benefits, particularly for active modes, to be fully monetised alongside the disbenefits, such as reduced highway capacity for highway users. In using this approach the standard suite of WebTAG appraisal tools can be applied, hence ensuring that the results are comparable with other schemes tested within the TfSH project. Descriptions of these models can be found in Appendix 1 of this document. The key findings were:

- The market research showed that frequent users of the existing sites were willing to pay between 88p & £1.22 per week for all of the improvements
- Infrequent users were willing to pay between £1.29 and £2.45 per year for all the improvements
- Adjusted to generalised times, the willingness to pay values were incorporated into the SRTM, translating into a Benefit/Cost Ratio of 3.01:1. Taken alongside other non-monetised impacts, this is likely to justify a High Value for Money rating.
- Using the Local Economic Impact Model (LEIM) the City Streets programme showed increases in office and retail rental values and an increase in jobs in Southampton

“Therefore, using the described methodology and assumptions, the results show that the urban realm schemes would provide value for money and offer additional wider economic benefits to Southampton.”

The full report by MVA is reproduced in Appendix 3 of the sister document.
2) Case Study: The Viability of Office Development in Southampton’s Station Quarter (CBRE)

As part of an investigation into the viability of building a multi-storey-car-park (MSCP) in the Station Quarter, CBRE were asked to look at options for sites potentially released through this process, currently used as surface car-parks. We have summarised here their findings in terms of office space – a useful barometer for economic performance in cities.

Office Demand

- Finance and Insurance companies including: Skandia, HSBC, Zurich and Aviva have offices in Southampton. The Council and firms that service the manufacturing and maritime industries are also major occupiers in the city.
- With a total of 119,978 sq ft of take up in the first half of 2012, Southampton has seen one of the strongest starts for years. (86,000 sq ft of this has come from one deal with Ageas Insurance acquiring Portswood House, the former B&Q headquarters, on a freehold basis for their own occupation.)
- Activity along the M27 corridor over the last 6 months has been relatively limited and with the exception of the Portswood House transaction there were only three other deals over 5,000 sq ft in the market.
- Enquires continue to be driven be lease events rather than expansion

Southampton Office Take-up: 2000 – Q2 2012

There was general decline in take-up from the peak of the market. This is compounded by the lack of new space that was available, meaning occupiers had less incentive to move.

Source: CBRE Research
• Despite activity so far this year, demand has been mainly for out-of-town units. This could indicate low levels of quality space in the city centre and a preference for accessible properties with plentiful parking.

“If the City centre is to compete, good quality stock with similar or better site characteristics (to the out of town offer) must be provided, otherwise demand is likely to remain unchanged.”

• Regus are interested in sites close to stations for their serviced office offer but have not yet found suitable premises in Southampton.

Office rents

Southampton’s prime office rents are currently £18 per sq ft. This is down from £19 per sq ft (2009/10) and is partially due to sluggish demand over the last 12 months. Incentives on Grade A space are stabilising at 18-24 months on a 10 year term.

CBRE in-house agents believe that for office development to be viable rents need to rise to close to £23.50 per sq ft.

![Southampton prime office rents](chart.png)

Prime rents have fallen since the peak of the market in 2007. CBRE forecasts rents to remain stable in 2012 before rising from 2013. We do not expect pre-recession rental levels until at least 2016.

Source: CBRE Research
Office Yields

Office investment transactions across the South Central region have been extremely scarce so far this year, with very little prime stock coming to the market. This is a trend CBRE has observed in most regional office markets, outside Central London. The potential is that 2012 will see the lowest investment volume since the downturn began in 2007. Nevertheless, there is a reasonably good level of demand in the Southampton area for quality, well located and well let properties.

Prime yields have remained stable at 7% throughout the first half of 2012, although it is becoming increasingly difficult to gauge given the lack of transactional activity, or even the lack of product been offered to the market. The one exception has been Skandia House, which was launched to the market with a quoted net initial yield (NIY) for an unexpired lease term of just over 15 years. This 108,000 sq ft building, fully let to Skandia Life was purchased in July by Danish property company Danmerc for £26.6 million, representing a NIY of 7.2%.

Station Quarter is only likely to attract investment if the area is improved and good quality stock is created and let to strong tenants. This trend is likely to continue while there is still uncertainty in the property market and general economy.

Office Supply

Availability has edged up through the year to date and totalled almost 673,000 sq ft at the end of June, up 6% since the end of 2011. However, Grade A available stock has been declining, down 9% from six months ago. There are now just seven prime Grade A buildings with availability, and only four of these with the ability to accommodate requirements of more than 20,000 sq ft. Going forward we expect Grade A accommodation to continue to diminish with the result that landlords in those situations may well start to hold out for better terms.

Source: CBRE Research
Property Market Summary

The MSCP site has a number of re-development options. However given the current market conditions, the site’s location and surrounding uses, and taking in to consideration the redevelopment proposals for the area to the south of the train station known as Station Quarter, CBRE make the following recommendations:

- Office development is not viable at current rents without substantial pre-lets
- A small hotel on block C is possible however waterfront locations or the Station Quarter location is likely to be a preferred location choice over the MSCP site
- Quality flats for private rent likely to be the most viable residential option
- Student accommodation is a strong sector and could be suitable for the site
- Small retailers are likely to be interested in the site and will add some vitality to the area
3) Commentary: The Viability of Office Development (Propernomics Ltd)

The viability of office development is commonly tested by means of an appraisal using the “residual valuation” method. In its simplest form this is a comparison between the end value of an office (once completed and let) with the cost of development. If the calculation generates a residual value that is sufficient to pay for the land, as well as an acceptable return on cost (developer’s profit), then the development may proceed; if the calculation generates no land value or no profit then it is not generally considered viable.

The purpose of the appraisal is to balance the cost of development against the value that can be created. Ordinarily, development will not proceed and regeneration objectives will not be delivered unless the project can do better than break even.

In the case of office development it is common to find that rental value is the key factor that determines whether an area can reach the “tipping point” that enables investment to occur.

This is summarised in the following diagram:

![Tipping point diagram – Property Values vs Construction Costs](image_url)
It is important to note that the end value of the investment (y axis) is the product of rental value and yield; i.e. the two figures are multiplied together. The yield reflects a number of risk factors including the prospects of ongoing demand and rental growth. This means that the viability of office development is especially sensitive to rental values and ensuring that the property is attractive and fit for purpose.

On the cost side of the equation (x axis), the viability of development is often affected by infrastructure costs or public realm improvements outside the property. Depending on circumstances, these costs can relate to adjacent properties at a micro level, or larger areas in the case of wholesale regeneration plans or road infrastructure. Often it will fall to the public sector to plan and create the physical context in which property investment and regeneration is viable. Like an individual office building, its physical context must also be attractive and fit for purpose.

In order to move from an unviable position to one of viability, it would be necessary to see an improvement in rents, yields or costs (or all three).

Creating the Conditions for Growth

Propernomics researchers have studied the commercial property market of southern England for almost 20 years. This work has included commissioning and analysing business surveys involving thousands of companies on a variety of business and property related topics.

One such study examined potential office demand on the south coast between Brighton and Chichester. The research aimed to establish if there were any circumstances under which companies would pay more rent to help justify the cost of developing modern business accommodation. This is a critical question for locations where rents are below the “tipping point” at which construction becomes viable.
The research found that motivating factors than can encourage rental growth include being in an area with:

- A clear vision for positive change
- A strong economic development agenda and business image
- Proactive promotion of strengths
- Culturally dynamic and interesting activities
- An aura of being a prestigious place to be (to live, work, play and invest)
- Features that make it a practical place to operate

Ordinarily one would not expect businesses to vote for higher overheads but it became clear through research that companies are not overly price sensitive if they are given what they want. This research particularly highlights the importance of towns and cities being “prestigious” and “practical” if they are to attract rental growth and stimulate fresh investment.

The MVA research on “willingness to pay” (see above) concluded that investment in the public realm does influence how an area is perceived and that a positive monetary effect can be attributed to it - i.e. investment in the public realm does influence behaviour and generate value. This finding appears to be entirely consistent with the study of office demand which suggested that companies would be motivated to pay more rent for a location that offers a sense of prestige and is practical in which to operate. Hence, it would appear that investment in the public realm and transport improvements that enhance the appeal and functional operation of a place can be drivers of demand from consumers, office users and developers.
4. **Case Study: QE2 Mile and Guildhall Square - Impact on the Retail, Leisure and Cultural Sector**

City centres are the focus for a range of activities and this is what makes them such vibrant places and a focus for economic activity. Achieving success across all sectors of a city centre’s economy is important to its overall vitality. The agglomeration benefits of locating a large amount of interconnected economic activity within a small geographical area are clear, not least from a transport perspective. City centres are fully accessible by sustainable travel modes and the focus of economic activity minimises the need to travel at all.

Southampton city centre has a very strong retail sector and is currently rated 14th in the national Experian rankings. This is higher than adjacent and competing centres. The city centre has also become a more popular place to live, with a 60% increase in resident population over the period from 2001 to 2010. However, whilst its leisure and cultural offer is improving, there is a perception that the quality of the offer is not as high as the retail offer.

Following a series of high quality public realm improvements (undertaken by the City Council between March 2008 and March 2011, and valued at £11.2m) along the City High Street (or ‘QE2 Mile’) and in Guildhall Square, an exercise was carried out to identify the value of private sector investment that could be attributed to the improvement programme. The study revealed a total of **£60m+ private sector investment**, including One Guildhall Square (office and leisure eg: Turtle Bay), the new Arts Complex and the Mecure Hotel to the south of the High Street.

On top of this figure – a ‘return’ of 5:1 on investment - other tracked benefits include increases in retail footfall and sales at John Lewis, and improved public safety.

The quality of the public realm and public space is the thread that links and promotes economic activity. Providing the right conditions for people to spend more time (and ultimately money) is essential to maximises economic success. As part of their work on the City Centre Master Plan, Gehl Architects have stressed that the goal for Southampton should be to create liveability for its residents. Gehls note that if this is achieved, then visitors will automatically go there. This includes attracting regional visitors to the city centre not just for shopping and also making the city centre an attractive place for cruise passengers to visit before departure.

Gehls have made six key recommendations to address this challenge. The City Streets project will specifically address three of these:

- **Understanding the value of public space and developing public space destinations**
  Gehls recommend that the benefits of recent public realm enhancements are fully understood to make the case for further investment to improve the overall economic, social and ecological sustainability of the city

- **Creating connectivity between the city centre and neighbourhoods**
  Gehls have identified the severance problems caused by the design of the existing Inner Ring Road and recommend addressing this
- Ensuring high mobility and great points of arrival

Gehl stresses the need for high quality public transport arrival points and onward walking and cycling links.
Southampton City Streets
EVIDENCE FROM ELSEWHERE

Re-imagining Urban Spaces (July 2012)

The Portas Review highlighted the challenges that face our high streets and town centres. In the light of changing shopping habits, they need to evolve to ensure they offer a viable and exciting alternative to out-of-town and internet shopping.

Apart from the buildings and roads, the spaces in-between are what hold them together as a place. Open spaces, squares, urban green spaces and the network of streets, pavements and pedestrian thoroughfares knit them together. All too often, these spaces are used as no more than thoroughfares, and we forget that they can be so much more.

Re-imagining Urban Spaces to help Revitalise our High Streets describes the different ways in which these under-utilised assets can revitalise high streets and town centres - increasing high street vitality, attracting footfall and boosting local economies. It signposts some of the key documents, guidance, tools and sources of support to help local partners re-imagine the urban spaces in their area.

Buses and Economic Growth (July 2012)

The Buses and Economic Growth Report was undertaken by the Institute for Transport Studies at the University of Leeds. It brings together an assessment of the economic contribution of the bus in growing the economy, connecting people with jobs, helping businesses and supporting the vitality of city centres.

The report highlights the significant direct contribution of the bus industry itself in creating employment and investment.
Measuring the Street (October 2012)

The New York City Department of Transportation issued this report, which discusses key approaches to street design projects, and how to meet safety goals while serving all users, creating public spaces and maintaining traffic flow.

Using a cross-section of recent street design projects, it details the metrics NYCDOT uses to evaluate street projects, illustrating how monitoring results can demonstrate progress toward safe, sustainable, liveable and economically competitive streets.
The Value of Station Investment (November 2011)

The rail network makes an unrivalled contribution to the sustainable growth of the UK economy, providing millions of people with access to jobs, goods and services. There is no more visible evidence of this contribution than that afforded by the role of railway stations in their communities.

Transport investment decisions are typically made through analysing the value of the investment to the user of the service. Yet stations play a broader role than providing a means of access to the rail network. They are increasingly the focal points of our towns and cities, and can be centres of economic activity in their own right. Network Rail commissioned Steer Davies Gleave to research the value of station investment and take into account the wider regenerative impact.

The research confirms that investing in stations can be an economic catalyst at a local and regional level in addition to delivering improvements for passengers.

Key benefits cited for Sheffield Station are:

- the removal of physical barriers
- an improved image for the city
- a catalytic effect on investment, where rental values within 400m of the station rose to three times the average in the city and £74million of inward investment was generated.
Southampton City Streets

CONCLUSIONS

The research commissioned reveals underlying market strength in Southampton, with rental values hovering below the tipping point. While there is demand for Grade A accommodation, there is insufficient supply. Quality 'value drivers' like the waterfront and the station remain largely untapped.

The delivery of the QE2 mile and One Guildhall Square with the £60million investment it attracted, has established credibility locally around investment in the public realm. This is supported by the evidence presented though the three separate commissions summarised here, that the City Streets programme will provide a high level of value-for-money, with a Benefit:Cost Ratio (BCR) of at least 3.01:1

With its substantial land holdings, the Council is in a strong position to work with developers to facilitate new development by reducing the infrastructure costs and freeing up opportunities, simultaneously creating the kind of prestigious environment businesses need to consider locating in the City.

Evidence from elsewhere also strongly supports the potential for a City Streets programme to generate demonstrable economic benefits.
Southampton City Streets

GLOSSARY

WebTAG: Web-based Transport Appraisal Guidance (Department for Transport)

WebTag is the DfT’s website for guidance on the conduct of transport studies. This includes advice on how to conduct an appraisal of transport projects which meets DfT requirements.

PERS: Pedestrian Environment Review System (Transport Research Laboratory)

PERS is a walking audit tool, developed by Transport Research Laboratory (TRL) in partnership with Transport for London. It is used to review the level of service and quality provided across the various types of pedestrian environments.

TfSH: Transport for South Hampshire

Transport for South Hampshire (TfSH) is a partnership between Hampshire, Portsmouth and Southampton City Councils, which aims to improve transport for the area of South Hampshire.

SRTM: Sub-Regional Transport Model

The Sub-Regional Transport Model (SRTM) is a WebTAG compliant evidence-based land-use and transport interaction model. It provides an analytical basis for the development of objective-led implementation plans to bring about the change in provision that is required to deliver prosperity to the area. The SRTM focuses on urban South Hampshire. The main urban areas (Southampton, Portsmouth, Havant) and the associated hinterland contain detailed network models.

LEIM: Local Impact Economic Model

While the SRTM focuses on urban Southampton, Portsmouth, Havant and the associated hinterland, the LEIM covers the surrounding area, including Lymington, Winchester and Chichester.

The LEIM forecasts the following for each zone of the modelled area: Supply of housing; Number of households; Population; Number of jobs, by sector; Amount of commercial floor space – shopping, office, industrial;

SCC: Southampton City Council

Southampton City Council is a unitary authority whose functions include land-use planning, transport, education, green space management, waste management and economic development.

TfL: Transport for London

Transport for London (TfL) is the local government body responsible for most aspects of the transport system in Greater London. Its role is to implement the Transport Strategy and to manage transport services across London.