

Central Milton Keynes (CMK): Investment Opportunities in the heart of a success story

PART ONE - CONTEXT

Amazing MK – a Growth City

'Different by Design' Milton Keynes was established over 50 years ago. Its population is increasing: home to 267,500 people today the aim is to expand to 500,000- a city that's bigger than Edinburgh, Cardiff or Liverpool.

But that's only part of Milton Keynes's remarkable story. Milton Keynes is one of the fastest growing economies in the UK, producing £11.24bn of Gross Value Added (GVA) in 2015 and £12.14bn of GVA in 2016. Milton Keynes had the highest percentage growth in jobs (29.19%) of any city between 2010 and 2016. Of the 182,800 jobs identified in 2016, 158,493 were in the private sector and 24,308 in the public sector. This is a resilient local economy, spanning retail and education, IT, consultancy and financial services, and with a fast growing concentration of knowledge intensive businesses.

Located in the heart of a strong growth region

Cambridge –MK- Oxford Arc image

The National Infrastructure Commission describes the Cambridge - Milton Keynes -Oxford arc of cities as the UK's silicon valley, an area of national and international importance with exceptional growth potential.

It recognises that each of the three cities is very successful in its own right. Each acts as an employment hub locally, has national, international and global potential and needs an infrastructure to match. Government has accepted that advice. The Autumn Budget 2017 contained proposals to invest in completing the East West Rail Route and the Oxford-Cambridge Expressway. The new east west routes will work as well as the existing north south transport networks which has underpinned Milton Keynes's prosperity in the past.

Government also published a visioning document "Helping the Cambridge Milton Keynes and Oxford corridor reach its potential". This set out its ambition to work with authorities on housing and growth deals in 2018. These would provide funding and flexibilities for the homes, jobs and infrastructure to support the long -term development of the cities. This means that Milton Keynes, will be at the heart of a large, expanding, highly skilled sub regional labour market, strengthening its competitive advantage.

With a strong city centre

Map of CMK here

CMK is the engine that drives the growth across the whole city. It is home to the highest proportion of large companies in the region with more than 1,600 businesses, employing over 41,000 people achieving 25% higher productivity than the national average.

The retail market in CMK has historically performed well and is one of the most successful town centre locations in the country. It serves a catchment area of approximately 1.4 million people within a 45-minute drive time. Over 30 million visitors a year come here.

People value the opportunity to combine retail and leisure trips to the city - visiting shopping malls hosting everyone from John Lewis to River Island eating out at a range of restaurants and visiting Xscape and the Theatre District. That's not just our view: Analysis from CACI puts Milton Keynes top of the 'the 2016 Hot 100 for Retail and Leisure'. This is due to the size of the catchment area, expected population growth and the headroom for potential new retail and leisure space.

An independent assessment of the relative performances of city centres conducted by the Centre for Cities and Capita identified CMK as a strong city centre. It said it had the right mix of retail, leisure, and office based exporting businesses' (those whose products have a local, national and international market) to continue to grow.

The office vacancy rate has been consistently low at around 8%. There is evidence of strong demand for office accommodation across growth sector businesses in CMK and it is estimated that this demand will be sustained.

And more people are choosing to live in CMK.

Its population has increased by 79% since 2002 – an annual growth rate of 4.6%. Over half of those residents live in rental properties and demand is strong for more city centre accommodation. It is estimated that there will be demand for flats for sale and rent and student accommodation. As well as strong local employment led demand, Milton Keynes is a relatively affordable city compared to London Oxford and Cambridge. All will be in easy reach when the new infrastructure is complete.

And with big ambitions for its future

Milton Keynes thinks big. We established the Milton Keynes Futures 2050 Commission to identify how to sustain strong inclusive growth, and in 2016 started work on making the Six Big Projects the Commission recommended real. One of those Big Projects, Renaissance CMK, sets out a programme designed to create an even stronger town centre fit for the challenges of the mid 21st century and able to capitalise on its position at the heart of the Cambridge - Milton Keynes - Oxford Arc.

PART TWO - THE PRINCIPLES

Our ongoing approach to the Renaissance of CMK embodies 3 key areas of focus

Innovation - In Development and Design

Investments in ambitious denser and taller developments will be sought that reflect MK's heritage of innovation in design and technology. Buildings will respect Milton Keynes' founding principles whilst delivering and adding to the 21st century cityscape.

Success - Sense of Achievements

Investment should generate new opportunities. New projects need to actively contribute to an enhanced city centre landscape where users will dwell and enjoy the Milton Keynes experience both in terms of sense of arrival and belonging.

Vibrant- The "Feel Good" Factor

Investment will facilitate improving skills and helping local people to enjoy healthier, more active lives. Buildings will facilitate access to a variety of lifestyle and cultural experiences. This will produce a vibrant city centre that encourages participation, builds a strong community spirit and helps reduce social isolation.

These areas of focus will be brought to life in the modern features of a new Central Milton Keynes by adopting the following principles:-

- Striking and flexible commercial developments that stimulate evolving economic activity
- A global centre for innovation & knowledge-based industries to attract young talent
- Partnerships with the new university to develop and retain a highly skilled workforce
- Shared spaces for creative artists and tech enterprises to foster collaboration
- Emerging transport technologies built into developments
- Pioneering new homes that meet the needs of a demographically diverse population
- A rich mix of retailers that reflect the evolution of the High Street experience and combines with residential and office developments
- New destination spaces inspired by the city's unique heritage
- Cultural and entertainment activity to enrich visitors' leisure experience

PART THREE - WE'RE ON OUR WAY

Major investors are already active in CMK, building high quality office, leisure, retail and housing developments. There are many projects at various stages of progression which are delivering the Renaissance

We have schemes underway and proposed

Image showing developments on the cmk map

Working in Central Milton Keynes

Victoria House - Frontier Estates have developed a 45,000 sq ft, five-storey office 50% pre let to Grant Thornton, overlooking the nearby Grafton Park, Milton Keynes.

100 Avebury Boulevard is set to become Central Milton Keynes Newest Grade A office and. This sustainable and low energy BREEAM accredited building will provide 140,000 sqft of contemporary office space on 8 floors with Retail space and has its own multi-storey car park attached First occupants are expected to be in place by the late summer of 2019.

New City Place New City Place, a partnership project between Milton Keynes Development Partnership and Sterling Property Ventures, is designed to provide class-leading office and living space within CMK. Current proposals would make this the tallest building in the city at more than 30 storeys high and feature 250,000 sq. ft. of offices and 200 apartments, between two glass towers, above a piazza of shops, cafés and restaurants

Living In Central Milton Keynes

A build-to-rent private rented sector development owned by Residential landlord **Grainger** is currently under construction on the site of the former job centre. This scheme will provide c139 units with completion due early in 2019.

The **YMCA** is to redevelop its CMK site creating a new purpose designed eight-storey building. The new development will provide accommodation for 196 residents, 50 more than at present, together with improved training and meeting rooms for the *delivery* of its engagement, support and learning programme, and a number of units for social enterprises that will provide work experience, training and employment opportunities for residents

A planning application has been submitted for a residential scheme on the former garden centre site, consisting of 328 residential units along with around 12,000 sq ft of supporting commercial units.

Campbell Park, will provide scope for development to compliment CMK including such as **Campbell Wharf**, which is currently under construction. The site will provide 383 new homes, of which 115 will be affordable, along with a range of other amenities including a new 111 berth marina, a canal-side pub, café, restaurant and a new footbridge linking the two sides of the canal. First residents are expected to move into the homes on Campbell Wharf by winter 2019.

In addition Crest and Urban Splash/PfP are working up proposals for **Campbell Park Northside**. This will be a residentially led, mixed-use scheme that will frame the northern edge of Campbell Park. It will provide a high quality, high-density urban scheme comprising around 1,500 private and affordable homes, a local centre with food and beverage outlets, and a hotel with associated facilities and office/employment accommodation.

Our strong cultural and leisure offer

Image from a festival

Our overarching ambition is to position Milton Keynes internationally as a Designed City on a scale unique across the UK and Europe. It will be a future model of how to live well in cities.

That includes a strong creative and culture offer. We are supplementing the International Festival and MK fringe with a major new biennial festival of Creative Urban Living. Our creative and cultural sector is already investing in the future. The prestigious **MK Gallery** has a major £Xm expansion, doubling its exhibition space and including new facilities added to create more opportunities for community interaction.

Otium Real Estate finished a major refurbishment of the **12th Street** leisure area in summer 2017 providing 19 restaurants, bars and ancillary leisure users located in the heart of Milton Keynes

The Hermes owned- **Centre: MK**, has recently seen a £50 million investment programme providing new state of the art customer facilities, including a customer lounge and family facilities, together with a new 1,400 space multi-storey car park adjoining John Lewis.

Planning Permission has been granted for the building of a striking 14-storey luxury hotel in the heart of the city. When completed in 2020 **Hotel La Tour** will help redefine the skyline. It will include a rooftop public viewing area and art installation, enriching CMK's cultural offering

Planning permission has also been granted for the development of a site at Avebury Boulevard and South Fifth Street'. It will see Marriott International make Milton Keynes part of the expansion of **Moxy Hotels**, its affordable lifestyle hotel concept. –

In addition a planning application has been submitted by developer **Dominvs** for a 12-storey hotel with the ground floor food/café offer on a site on Avebury Boulevard.

MK: U –our new university

Cranfield University has been appointed as lead higher education delivery partner to establish and run our new university and an international architectural competition is underway to deliver a striking functional development on a key city centre site allocated for its use.

MK: U will be no ordinary university when it opens in 2023. The first 5000 of its potential 15000 students will be studying digital, cyber, robotics and artificial intelligence programmes. These are designed to meet the needs of business now and in the future.

MK Council is providing a site and investing up to £11million of match funding in this project. This is a major commitment to secure long-term benefit for the city.

Infrastructure plans

Smart shared sustainable mobility is our ambition and we have a long - term view of what we will be doing to achieve it. This includes supporting growth and providing mobility for all, providing an effective network, maximising travel choices and protecting transport users and the environment.

This drives our investments in enhancing the station square, and our roads and redways (MK's network of cycle and pedestrian pathways). We already have an extended electrical charging infrastructure for EV vehicles and proposals put to the National Infrastructure Commission to manage 'first/last - mile" connectivity are recommending an Advanced Rapid Transport System.

We know how important digital infrastructure is and City Fibre, Vodafone and several other Fibre-to-the-Premises (FTTP) ultrafast high capacity broadband networks are being installed and will benefit all our city centre businesses and residents. This is a £40+ million investment in the future.

The cumulative impact of these schemes is helping us achieve our ambition

Taken together these schemes provide an additional 435,000 sq. ft. of prime office space, 2560 new homes, including both affordable and build to rent developments, three new hotels, shops, café's, restaurants and retail. A new marina and canal-side development will complement the refurbishment of the Theatre district. That's a big vote of confidence in our future.

We still have a wide range of opportunities available and would welcome discussion with prospective Investors.

For more information contact:

MKDP website

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