



**MIDLANDS
ENGINE**

BROWNFIELD REGENERATION

MIDLANDS CLUSTER SNAPSHOT 2023

Brownfield Regeneration



An important sub-sector of real estate and construction, brownfield regeneration and land remediation are important activities in the Midlands, with ample post-industrial land ready for new uses to provide much needed housing and employment land supply.

With the National Brownfield Institute in University of Wolverhampton, and expertise at several institutions, this sector sees particular clustering around the region's large urban areas,

notably the West Midlands Combined Authority Area, Nottingham and Leicester. The activities of this cluster are a key part of the urban environment development across the Midlands with consistent new opportunities with major potential.

A disproportionately high number of jobs have been created in the Midlands through domestic investment, but foreign direct investment is also high, with France being a key source market.

Cluster in context



Almost 10,000 jobs; 15% of UK total and the most of any region outside of London and SE.



39 high growth companies (27% of UK) and 7 £100m+ turnover companies (58% of UK).



2% of Midlands university graduates in 2021 studied relevant subjects to brownfield regeneration, including from 4 of the top 25 UK universities for Engineering Civil & Structural.



52% of Innovate UK funding to brownfield regeneration businesses since 2005 has been awarded to those with a Midlands address.



Over 600 businesses; 30% of UK total and with 55.3% growth since 2013.



25% of UK brownfield regeneration relevant Foreign Direct Investment Capex and 27% of UK brownfield regeneration relevant Domestic Direct Investment Capex 2017-2021.

Business Ecosystem



Total Cluster Business Count:

30% of UK; 55.3% growth since 2013.¹

615

£100m+ Turnover Companies:

58% of all in the UK have a Midlands location.²

7

High Growth Companies:

27% of all in the UK have a Midlands location.³

39

Incorporations 2017-22:

25% of UK brownfield regeneration incorporations between 2017 and 2022 have a Midlands location.⁴

129

Foreign-owned enterprises:

98 are known to be foreign-owned; Higher proportion of foreign-owned than national average (7%).⁵

16%

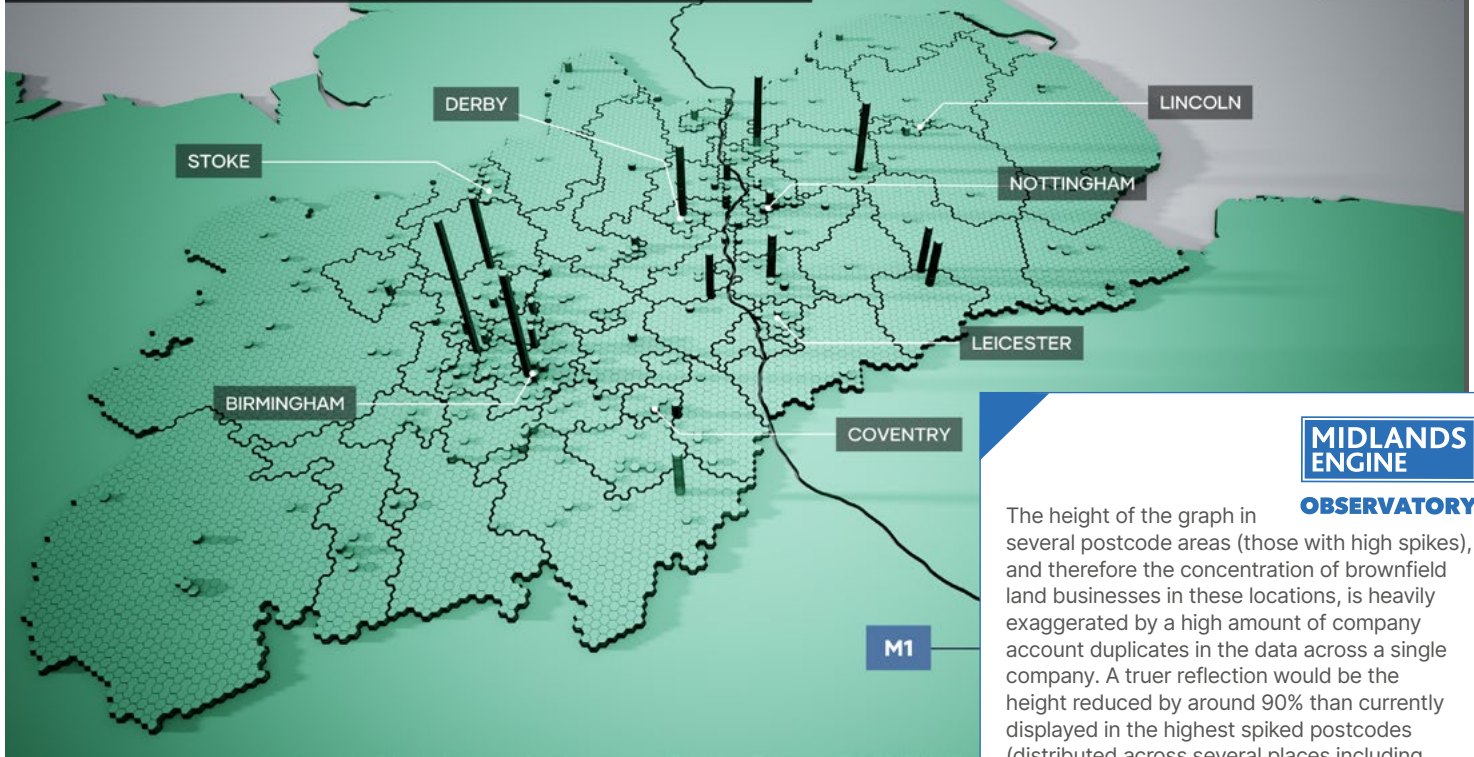


Brownfield regeneration is a relatively nascent and undefined industry with relatively few studies or data attached to it, thus the data presented should be taken with caution and in full knowledge of limitations previously outlined.

^{1,2,4,5}Data City 2023, ³Data City 2023: 20%+ company growth percentage per year.

BROWNFIELD REGENERATION - Business Counts

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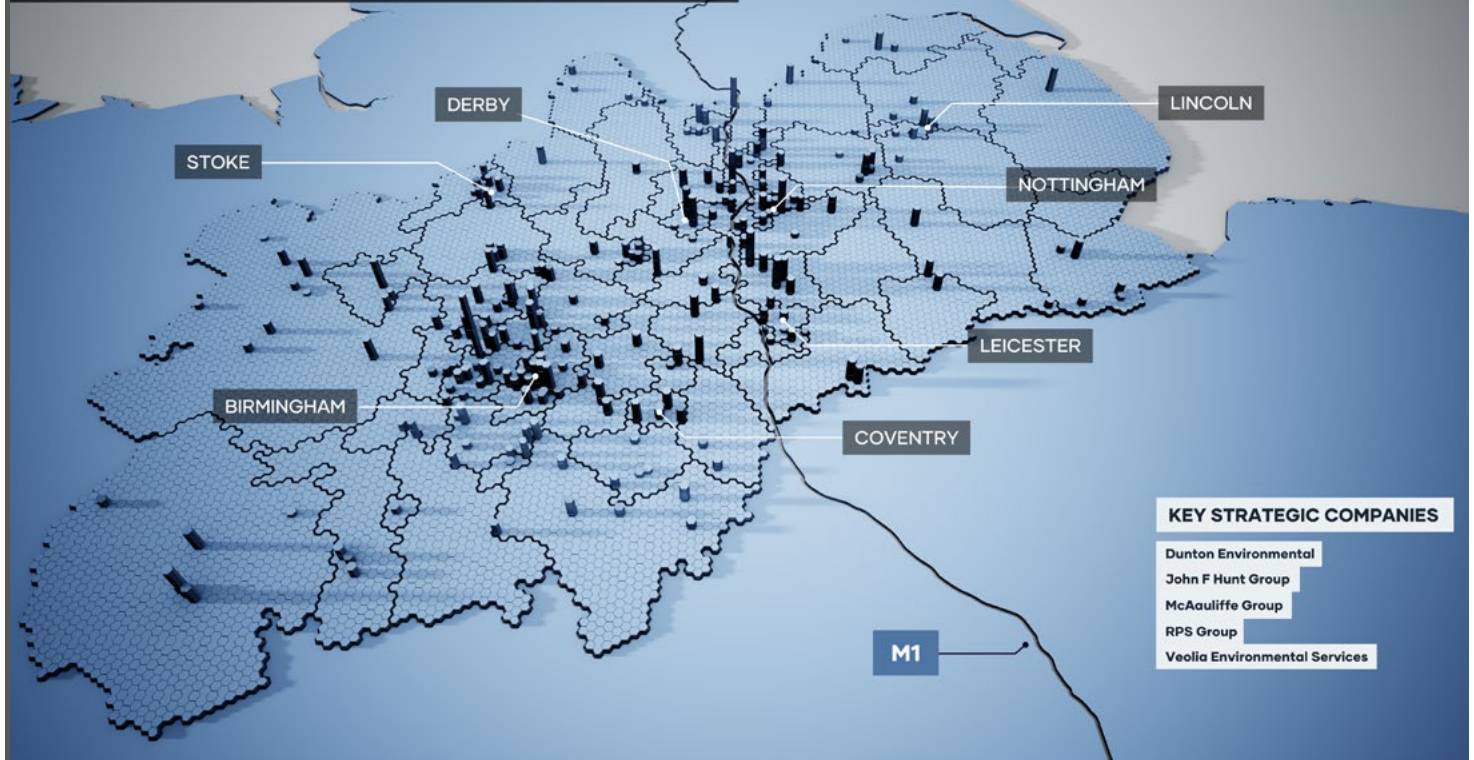
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OBSERVATORY

The height of the graph in several postcode areas (those with high spikes), and therefore the concentration of brownfield land businesses in these locations, is heavily exaggerated by a high amount of company account duplicates in the data across a single company. A truer reflection would be the height reduced by around 90% than currently displayed in the highest spiked postcodes (distributed across several places including Birmingham Wolverhampton, Mansfield, Newark and Sherwood, South Staffordshire and Derby). The duplicates of this company also affect the overall business count data by around 10%.

BROWNFIELD REGENERATION - Turnover

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KEY STRATEGIC COMPANIES

- Dunton Environmental
- John F Hunt Group
- McAuliffe Group
- RPS Group
- Veolia Environmental Services

Brownfield regeneration



Innovation Ecosystem



Accelerator Engagement:¹

6

Relevant Cluster Organisations:

Royal Institution of Chartered Surveyors and Chartered Institution of Water and Environmental Management, Innovation Alliance for the West Midlands

Relevant high performing HEI research:

Universities of Birmingham; Loughborough; Nottingham; Leicester; Nottingham Trent; De Montfort

6 Midlands universities with high research ranking in relevant subjects.²

Significant Innovation Hubs:

National Brownfield Institute (Wolverhampton); Environmental Technologies and Resource Efficiency Support Services (EnTRESS); EXPLORE Manufacturing Centre - Laing O'Rourke (Worksop, Nottinghamshire)

High Growth Company Grants:³

14

Innovate UK funding:

£1.8m since 2005

52% of Innovate UK funding to brownfield regeneration businesses had a Midlands location.⁴

¹Beauhurst 2022: High growth companies utilised accelerators from broad 'energy' area ²REF 2021 GPA >3.0 in any of Earth systems and environmental sciences; Architecture, built environment and planning; Geography and environmental studies, ³Beauhurst, 2022 (Broad energy definition), ⁴Data City, 2023.



Brownfield Regeneration



Talent Ecosystem



Estimated Employees: **9,697**
15% of UK total; the most of any region outside of London & SE.¹

University Graduates: **2,225**
2% of Midlands graduates studied relevant subjects to brownfield regeneration.⁵

Earnings: **Average salary £33,436**
National average £34,854 (4.1% lower in Midlands).²

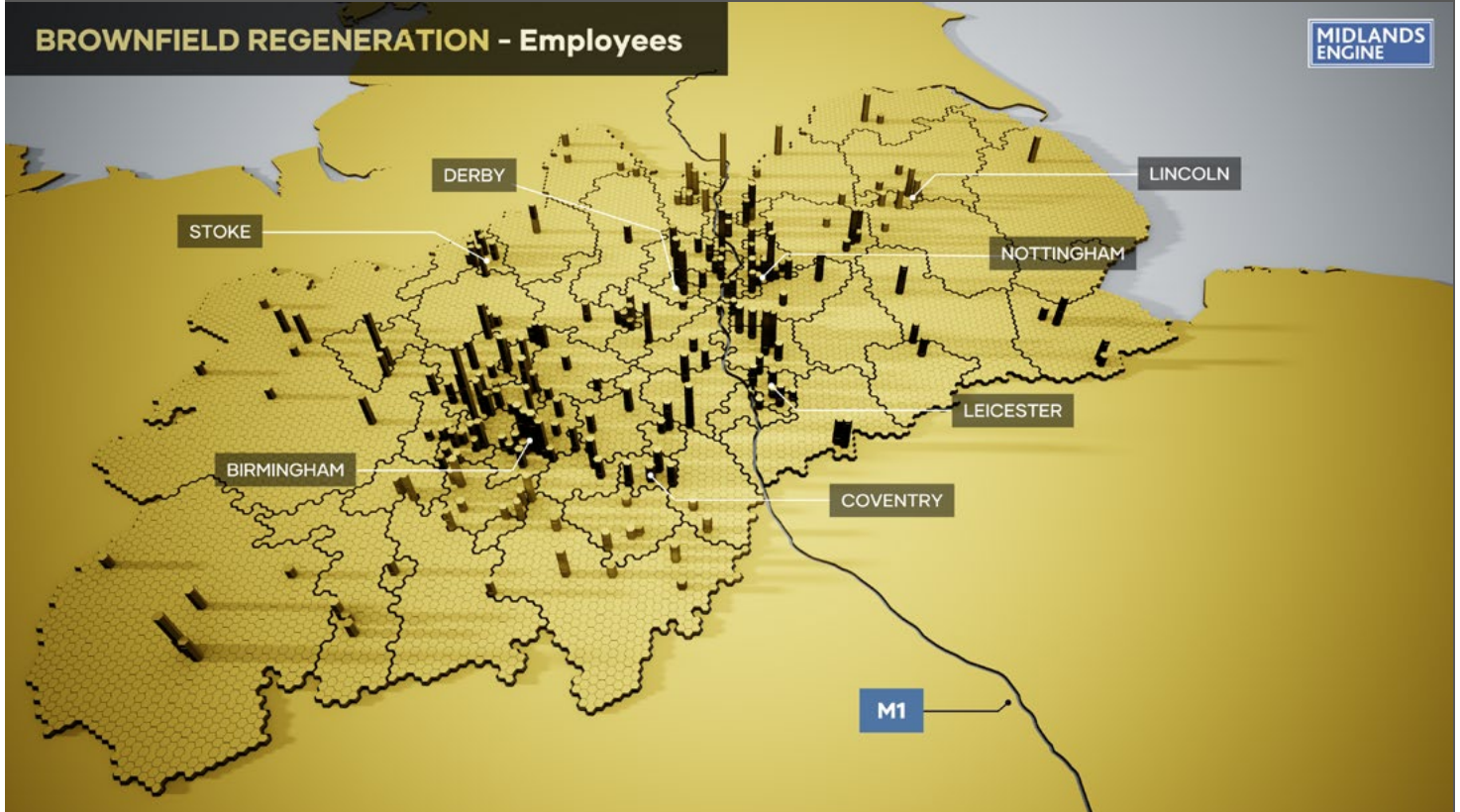
Graduate Retention: change over 3 years: **82%**
Net loss of graduates working in utilities - other regions perform slightly better but numbers are small.⁶

Further Education Leavers: **7,330**
More FE leavers (including higher level) in relevant subjects than all other regions.³

Relevant HEI High-Ranking Department:
Universities of Nottingham; Birmingham; Warwick; Loughborough
4 universities high ranked: international presence and expertise.⁴

¹Data City, 2023, ²ONS ASHE, 2021, ³DfE DfE Unit for Future Skills: Further Education leavers 18/19 in relevant fields, ⁴QS 'Engineering Civil & Structural' world subject ranking 2022 - institutions appearing in UK top 25, ⁵Graduates from relevant subjects 2021 (HESA), ⁶815/990 first degree graduates trained in region remain in 'Construction; Electricity; Water Supply' in 3 years of graduating in 2019.

BROWNFIELD REGENERATION - Employees



Brownfield Regeneration



Investment Ecosystem



<p>Investment/Venture Capital Firms: Funds HQ'd in Midlands Engine area 313 Funds have offices in region.¹</p>	<p>200</p>	<p>FDI Jobs 2017-2021: 21% of UK total.⁶</p>	<p>8,271 jobs</p>
<p>FDI into High Growth Companies: 26 of 83 investments in High Growth Companies.²</p>	<p>31%</p>	<p>DDI Jobs 2017-2021: 32% of UK total.⁷</p>	<p>10,904 jobs</p>
<p>FDI Capex 2017-21: 25% of UK total.³</p>	<p>\$9.44bn</p>	<p>FDI Projects 2017-2021: 10% of UK total.⁸</p>	<p>27 projects</p>
<p>DDI Capex 2017-21: 27% of UK total.⁴</p>	<p>\$1.14bn</p>	<p>DDI projects 2017-2021: 23% of UK total.⁹</p>	<p>125 projects</p>

Fundraising Volumes:

Mean av. £3m fundraising investment
 £252m in 83 investments (inc. £608k across 29 seed investments but no venture investments).⁵

¹Beauhurst 2022, ²Beauhurst 2022, ³Wavteq 2022, ⁴Wavteq 2022, ⁵Beauhurst 2022, ⁶Wavteq 2022, ⁷Wavteq 2022, ⁸Wavteq 2022, ⁹Wavteq 2022.





COMMENTARY

- Wavteq forecast \$7.58bn FDI capex in this sector (real estate) in the UK in 2025.
- As may be expected, individual investments into Brownfield Regeneration and real estate more widely are typically higher in value than other clusters.
- Property/land development and construction businesses headquartered in the Midlands received 9.82% of equity investment raised by companies in this sector from 2017 to 2021, while making up 12.3% of this sector's population in the UK. These companies also received just 5.72% of all grant money received by businesses in this sector.



This data has been compiled from multiple sources, using classifications based on clusters as proposed by Midlands Engine Partners. Where necessary wider sector data has been used as a 'best proxy'. Unless otherwise stated, all data is contemporary as of May 2023, and is an aggregation of all known counts/data within the Midlands Engine's 65 Local Authorities. Unless otherwise stated, business, employee and turnover figures have been calculated via DataCity based on trading addresses within the Midlands Engine.