In Coventry, the price of homes has risen 26% since the beginning of 2015, outpacing the growth seen in neighbouring Birmingham, as well as in London and the wider UK market (Fig 1). Gains have been underpinned by a shortage of homes in some locations, the city’s popularity with employers from the automotive and pharmaceutical industries, and a growing local economy that has been the driving force behind plans for large-scale redevelopment in the city centre.

Growth is forecast to continue, and Coventry’s economy is set to outperform the wider West Midlands during the next decade, according to Experian. Coventry’s gross value added (GVA), a measure of the value of goods and services produced in an area, is set to climb 17% by 2028, outperforming all other local authorities in the region, other than Birmingham, which is set to see its GVA climb 18%.

Analysis of resales during the year to February 2018 indicates property prices across Coventry average £206 per square foot. At the top end of the market, looking only at the top 10% of sales by value, an average price of £301 per square foot was achieved during the year.

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**FOCUS ON: COVENTRY**

Many of the UK’s regional employment hubs are outperforming the wider market in terms of house price growth, supported by a combination of affordability, robust levels of employment and infrastructure improvements.

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**FIGURE 1**

Coventry outperforms
House price growth, prices indexed 100 = Jan 2015

![Graph showing house price growth in Coventry, Birmingham, UK, and London, indexed to 100 in January 2015. Coventry shows a significant increase in house prices, outpacing Birmingham, UK, and London.](image)

**Source:** Knight Frank Research, Glenigan

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**FIGURE 2**

Residential Pipeline
Ten largest residential and student accommodation projects in progress

![Map of Coventry highlighting major residential and student accommodation projects. The map includes project details such as project names, number of beds, and construction status.](image)

**Source:** Knight Frank Research, Land Registry

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Please refer to the important notice at the end of this report.
Pipeline and development

Housing delivery data suggests that there is an imbalance between the supply of new homes and demand for housing in Coventry. Some 1,129 net additional dwellings were delivered in 2016-2017, down from 1,406 the previous year, according to data from MHCLG. Coventry needs 2,329 additional dwellings every year until 2026 in order to meet demand and clear the backlog, according to official estimates (Fig 4).

Residential construction in Coventry is currently largely being carried out by housebuilders on the outskirts of the city centre and towards the metropolitan boundary (Fig 2). Data from construction intelligence provider Glenigan indicates 1,156 private units were under construction as of April 2018, largely among three schemes comprising almost 800 units. These are all located outside of the city centre.

Rental market

Prime asking rents for a 2-bed flat averaged £1,000 per calendar month in Q4 2017, up from £700 during Q4 2014, according data from Rightmove (Fig 3). However, there are pockets where rental growth has been even higher. In a cluster that includes several purpose-built student accommodation blocks to the east of the city centre, close to Coventry University, prime rents average £1,400 per calendar month.

The rental market is underpinned by demand from students studying at two of the UK’s top-rated universities. Coventry University was named 12th best university in the country in the Guardian University Guide 2018, with nearby Warwick University taking 8th spot.

Regeneration and Infrastructure

Coventry is well serviced by air, road and rail. Birmingham International Airport is a 15 minute drive from the city centre. Coventry Station has direct services to Birmingham New Street Station, with an average journey time of 23 minutes. There are also direct trains to London Euston, with a typical journey time of one hour.

Rail services are set to be enhanced further. Coventry Station is to be overhauled, with the addition of a 644-space multi-storey car park and a new platform intended to increase capacity and accessibility. Works are due to complete by 2020. The station upgrades are taking place in tandem with a wider regeneration at Friargate, a 37-acre site linking the station to the city’s retail core. Here, 25 buildings are planned comprising 3.2 million square feet of mixed-use space.

Elsewhere in the city centre, a £200 million project to redevelop the shopping district near Coventry Market has been proposed. Coventry City Council has secured a £100 million grant from the West Midlands Combined Authority for the project, which could be anchored by a major department store. The plans include up to 50 new retail units, a multi-storey car park, a cinema, restaurants and a hotel.

The city is also set to benefit from the High Speed 2 rail line. A new Birmingham Interchange Station, less than 10 miles from the centre of Coventry, will provide passengers with access to the NEC and Birmingham Airport from 2026. Once open, the journey time from Birmingham Interchange to London will be 38 minutes.

Funding has been secured for the research and development of a Very Light Rail project, or tram system that could link Coventry to the proposed HS2 interchange. If it receives full funding and approval, the route could be operational by 2023, though small sections of the route could be in place by 2021.

Employment and Earnings

Average gross weekly earnings in Coventry stand at £562, according to the ONS. That’s the third highest of any local authority in the West Midlands, after Derby and Solihull. For the highest earners, weekly pay averages £1,080.

Large local employers include Jaguar Land Rover, Aston Martin, pharmaceutical company Admenta UK, Coventry City Council, and the universities of Coventry and Warwick. Jaguar Land Rover is in the process of recruiting 5,000 engineers and technical staff to its UK workforce by June 2018.

Coventry may soon experience a boost in tourism and investment after being named UK City of Culture for 2021, a competition run every four years by the Department of Digital, Culture, Media and Sport. Coventry beat competition from Paisley, Stoke, Sunderland and Swansea.
RECENT MARKET-LEADING RESEARCH PUBLICATIONS

Development Land Index - Q1 2018
UK Housing Market Forecast - Dec 2017
The Birmingham Report 2017
London Development Hotspots 2018

The UK Tenant Survey 2017
UK Student Property Report Q1 2018
Crossrail 2017
UK Retirement Housing Market Update Q1 2018

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