

Why airports are key to the future of the UK economy

Airports are far more than just transport hubs - they bring a wide range of economic benefits to the country

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Lynda Shillaw
Chief executive officer,
MAG Property

About MAG Property

Managing property takes knowledge and expertise, particularly when that property is based at an international airport. It also takes specialist skills and understanding to make sure the businesses that choose our buildings get the most out of the destination they are in. MAG Property knows how to do this. We know airport property.

We own and manage almost 6m sq ft of high-quality space in offices, terminals, hangars, warehouses and hotels across a UK airport property portfolio located at London Stansted, Manchester, East Midlands and Bournemouth.

allowing their collective potential to be realised.

Our airports are well placed to achieve their potential, in particular Manchester and Stansted where passenger numbers could be increased by an additional 50 million. Leveraging this capacity not only equates to a serious boost to the economy of UK plc but further reinforces our international reputation as a country that's easy to access and do business with, no matter where you are in the world.

Huge potential

Manchester Airport, the third biggest in the UK, is set to benefit from a £1bn terminal transformation programme over the next 10 years, meaning it is well placed to play a significant part in this. With runway capacity to carry 55 million passengers, it has the potential to deliver £75bn of growth in the north over the next 60 years - nearly six times the figure a Heathrow expansion would be worth to the north over the same period. This potential cannot be underestimated.

To facilitate this growth across the UK, priority must be given to accelerating measures to make best use of this runway capacity by improving surface access infrastructure across the country. More specifically in the South East, improving rail links and journey times to London Stansted is essential.

Further north, HS2 and HS3 will provide a critical stimulus to address the pressing need to rebalance economic growth towards the key regional cities.

While airports will continue to provide perfect destinations for business, their longevity as key economic drivers lies in their ability to fuel UK growth through increased runway capacity. This is the most important issue facing the UK's airport infrastructure, and while the Airports Commission will go some way to address this, the outcome will not be enough.

Rising pressure from the UK's growing population and the need to support economic growth means the case for investing in infrastructure is clear. Integrated rail and aviation policy must sit at the heart of this.

The good news is that airports like ours have the potential to help deliver this growth, with some capable of doubling their capacity well in advance of any new runway being built. Indeed, with a new runway in the South East taking up to 20 years to create, it is vital we make the best use of existing capability now to safeguard the future of the UK's economy. ■



The largest UK airport outside the South East, Manchester Airport is the gateway to the north. It contributes £1.9bn GVA to the North West economy, not least through the 23.5 million passengers and 106,000 tonnes of cargo it serves annually, but also in its capacity as a flourishing business destination.

Manchester Airport and its £800m Airport City development reinforce this fact, with a number of high-profile companies expanding into new and existing space. Occupiers including Handelsbanken, BCEGI, Swissport, dnata and Jet2 are thriving here, each taking more space in 2016 because of our ability to provide property that meets their growing needs.

Creating jobs

At Airport City Manchester, where DHL moved to in 2014, a pattern of similar success is also emerging. Amazon has recently opened its new 654,000 sq ft fulfilment centre, and construction of the neighbouring ALPHA logistics facility will finish this year too, helping create thousands of jobs for the region.

This is only possible because airport sites like Manchester have the ability to capitalise on the available land, infrastructure and amenity already in place, and this is why their growth is paramount for the prosperity of the country. Key to this growth is the continued development of logistics, and we are already playing our part in this by strengthening East Midlands Airport's position as the UK's largest express freight operation. DHL has been quick to capitalise on this opportunity, having started construction of the

244,000 sq ft expansion of its £90m UK and Ireland logistics hub.

By taking this strategic approach at each of our airports, we are able realise their potential with an investment and development model tailored to the strengths of the specific sites and locations in which they sit. Bournemouth Airport is a specialist aerospace and manufacturing hub home to more than 200 companies, many of which need bespoke and high-specification property in which to operate and grow.

New and existing occupiers can take advantage of the 60 ha of prime land designated for high-quality and flexible business premises, something AIM Aviation has already benefited from, having completed its £11m advanced manufacturing facility earlier this year.

Similarly, London Stansted Airport forms a crucial part of the economy and offers access to the thriving biotech industries of the London-Stansted-Cambridge corridor via the UK's fastest-growing airport. Consequently, the airport's business park thrives as an important commercial address where occupiers have the ability to grow in bespoke design-and-build opportunities across a 45-acre site. Here we have enabled the construction of a £45m, 357-bed Hampton by Hilton hotel, as well as the completion of Ryanair's new £1m training facility.

London Stansted's strategic location is convenient for the capital's financial districts, and operates as a gateway for the city region from where 25 million people can be reached in a two-hour drive. However, its future success relies on this connectivity and access developing at the same rate as the airports themselves,

The last 12 months have proved an interesting time for the UK. Economic and political uncertainty post Brexit vote has meant companies across the globe are taking time to assess the changing business landscape we find ourselves in.

It is essential we continue to harness the strength and diversity of the assets and skills we have in the UK to ensure the future of the economy is safe.

Without question, airports are vital to the country's success and their importance is reinforced by their position as kingpins of inward investment, tourism and trade. In 2015, UK airports handled more than 250 million passengers and 2.3 million tonnes of freight, as well as providing 960,000 jobs and contributing an estimated £52bn GVA to the economy.

MAG's four international airports - Manchester, London Stansted, East Midlands and Bournemouth - play a pivotal role in this success by contributing £6.2bn to that total. Clearly, the 100-plus airlines now flying more than 1,000 aircraft into these airports each day mean passengers and freight are crucial to the wider economic benefits they create - but it's the ongoing ability of airports to fuel the success of the economy in other ways that makes them so important.

Among their many positive economic roles, UK airports serve as effective places for business. Their strategic locations ensure a wealth of skills and talent are always close by, in an environment where direct access to local, regional and global transport comes as standard, alongside a combination of benefits difficult to find elsewhere. Self-contained, compact, accessible and safe, they provide a level of convenience and amenity more commonly associated with city centres.

As an airport property expert, MAG Property is able to unlock the potential of its airport locations for occupiers wanting to enjoy these benefits under one roof. By building close relationships with them and leveraging the knowledge and understanding of airports, we ensure they get the competitive edge from the exceptional locations they are in.

The past year highlights our continued commitment to supporting the growth of our airports by investing in and developing the 1,000 acres of available land and 6m sq ft of property there, meaning new and existing occupiers have the opportunity to expand in line with their growth aspirations. Taking a closer look at the strengths of airports across the UK, it is clear why they are so important and why they continue to succeed as more than just transport hubs.

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