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Unlocking Growth in the West Midlands

Why strategic land, planning reform and public-private collaboration will determine the region's next decade.

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This paper examines how the West Midlands can unlock more than £19 billion in investment opportunities and deliver its ambitious growth targets by addressing the critical barriers of development-ready land, coordinated spatial planning and the pace of delivery, highlighting the challenges and opportunities this presents for developers, landowners and investors.

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A region entering a new phase of growth, the West Midlands has become one of the UK's most important investment regions

The West Midlands is entering a period of investment and development on a scale rarely seen in the UK. More than £19 billion of live investment opportunities are identified in the West Midlands Investment Prospectus 2025, spanning regeneration, infrastructure, industrial development and housing. This is supported by ambitious regional targets for £17 billion of economic growth, 100,000 new jobs and 120,000 new homes, alongside a commitment to achieving Net Zero by 2041.

What makes this opportunity particularly significant is the strength of the underlying economic fundamentals. The region is home to 4.4 million people and a £129 billion economy, produces around 70,000 graduates each year and has one of Europe's youngest workforces. Its strategic location also provides access to 82% of the UK population within a four-hour drive. Together, these characteristics create the conditions for sustained growth in both employment and business activity.

The opportunity is increasingly being shaped around four strategic growth corridors: Birmingham & North Solihull Gateway, Coventry Growth Arc, Black Country Growth Corridor and Wolverhampton–Walsall Growth Cluster. These corridors bring together infrastructure, housing, employment and investment ambitions, creating a coordinated framework for development at a scale that could reshape the region's economic geography.

Within this wider transformation, industrial and logistics development has an increasingly important role to play. The sector is no longer synonymous with warehousing. Modern industrial space supports advanced manufacturing, battery technology, research and development, healthcare, life sciences, digital industries and the resilience of increasingly complex supply chains. Indeed, Savills estimates that more than half of industrial floorspace leased since 2019 has been taken by businesses outside traditional logistics.



This changing occupier profile points to a broader opportunity: industrial land is becoming a critical component of the region's economic infrastructure. Demand for logistics remains strong, while manufacturing and other knowledge-intensive sectors are creating additional requirements for well-located, high-quality employment space. Locations connected to strategic transport corridors are therefore not simply development sites; they are potential platforms for investment, productivity and long-term economic growth.

The scale of planned investment, combined with the West Midlands' economic fundamentals and evolving occupier demand, creates an opportunity to think differently about industrial development not simply in terms of floorspace delivered, but in terms of the businesses, jobs and economic activity that it can enable.

The constraint is increasingly about capacity to deliver

The West Midlands' challenge is no longer simply attracting investment. Increasingly, it is about having the land, infrastructure and planning capacity to convert investment interest into development and economic growth.
The scale of the potential employment land requirement illustrates the issue.

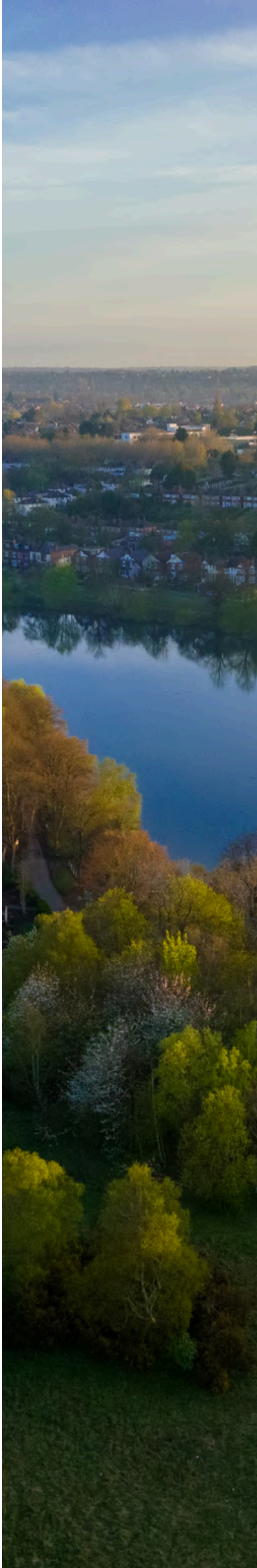
The West Midlands Strategic Employment Sites Study estimates a requirement of 1,920–2,282 hectares by 2045, compared with current estimated supply of around 1,300 hectares. The resulting shortfall is significant, particularly given the growing importance of large, well-connected sites to advanced manufacturing, logistics and other strategic industries. The study identifies the need for a further 850 hectares of road-served employment land, additional rail freight-enabled locations and a substantial pipeline of strategic sites. Yet only one site of more than 50 hectares is currently available within the West Midlands Combined Authority area.

This creates a potential disconnect between investment ambition and development capacity. Without sufficient employment land in the right locations, the region risks being unable to accommodate businesses seeking to invest and expand not because demand is absent, but because suitable sites are increasingly difficult to bring forward.

Planning adds a further layer of complexity. Recent Government measures, including investment in planning capability, new strategic policy mechanisms and efforts to accelerate infrastructure approvals, recognise the wider challenge of turning development ambitions into delivery. At a regional level, however, many of the issues are inherently cross-boundary. Housing and employment markets do not follow administrative boundaries, while **decisions on land, infrastructure and environmental constraints often remain fragmented across individual authorities.** The scale of the housing challenge reinforces this point. Significant identified shortfalls in both Birmingham and the Black Country sit alongside Green Belt constraints, limited brownfield capacity and infrastructure funding gaps. The region needs a joined-up approach to addressing these pressures; otherwise, we risk making it harder to align the supply of homes, employment land and supporting infrastructure with where future economic growth is expected to occur.

The emerging case for a more strategic approach is not simply about planning reform for its own sake. **It is about creating sufficient certainty, scale and coordination to unlock the investment already seeking a route into the region.** A stronger regional spatial framework could provide a mechanism for aligning housing, employment land, infrastructure and environmental priorities helping to ensure that the West Midlands has the physical capacity to deliver on the economic opportunity ahead.

In TerraQuest's view, closing the gap between the 1,920–2,282 hectares needed and the roughly 1,300 hectares currently available isn't simply a question of allocating more land - **it's about finding the right land faster**. Too many sites are ruled in on paper but ruled out in practice once ownership, access, environmental designations or planning constraints are properly understood, often months into a process that should have screened them out - or confirmed them - at the outset. **A smarter approach to land finding, one that overlays planning constraints, land referencing and site deliverability from the start, would allow authorities and developers to focus their efforts on sites genuinely capable of coming forward, rather than discovering viability issues later in the process.**





Public Land: Unlocking the Next Investment Pipeline

Public land could become an increasingly important source of investment across the West Midlands. The West Midlands Public Land Charter aims to unlock more than 14,000 acres by bringing together land held by local authorities, NHS Trusts, government departments and emergency services. The opportunity is not simply the volume of land, but where it intersects with infrastructure and regeneration priorities.

The strongest potential is likely to sit around:

- Transport hubs, where connectivity can support higher-density development.
- Town centres, where public land can provide the critical mass for mixed-use regeneration.
- Brownfield sites, where coordinated land assembly can help overcome viability and ownership constraints.

For investors and developers, this creates an opportunity to look beyond individual sites and identify strategic locations where public land, infrastructure and private capital can converge.

The key investment question is increasingly: which publicly controlled locations can be assembled and transformed into viable development propositions?

Market Conditions for the West Midlands

The long-term outlook for the West Midlands remains positive, but delivery is becoming harder.

With construction PMI at 44.5 in February 2026, the sector remains in contraction, while higher costs, labour shortages, planning delays, financing pressures and regulation continue to constrain delivery.

Yet confidence is proving resilient. The Deloitte Birmingham Crane Survey recorded 23 construction starts in 2025 - the highest level in five years - while the region is targeting 12,000 additional construction workers over the next three years.



Housing Delivery

Housing remains one of the region's defining challenges, with 65,335 households on social housing waiting lists and 7,450 in temporary accommodation.

The response is increasingly focused on unlocking supply and tackling brownfield viability, with £159m invested since 2018, more than 8,500 homes unlocked, and £1.7bn secured for a 10-year affordable housing programme.

Construction Pipeline

Despite a weaker national market, the West Midlands continues to attract significant development activity, with 2,664 projects worth more than £42bn since 2018 - the UK's second-largest regional pipeline after London.

The pipeline is evolving: fewer projects, but larger and more strategically significant schemes across infrastructure, industrial, energy and mixed-use regeneration. This points to a market where scale, strategic importance and long-term value are increasingly shaping investment decisions.

Our own planning index adds a caveat to this picture of resilience: housing unit applications in the West Midlands reached 44,521 in Q2 2026, up 42.32% year-on-year - among the strongest growth in England. But more applications does not mean higher delivery. With the construction sector still in contraction and the planning system already under-resourced, a growing queue of applications risks adding pressure rather than accelerating completions.

The revised NPPF could help ease that pressure. Its shift in favour of suitably located development and streamlined decision-making for medium-sized sites are both designed to move applications through the system faster. But faster decision-making only helps if the underlying data - ownership, constraints and site deliverability - is available to support it. The employment land shortfall shows that the region does not have enough of the right sites; the surge in applications shows the pressure now building within the planning system. Policy reform can speed up the process, but converting rising interest into delivery still depends on high-quality data and site-level intelligence to identify which sites can genuinely come forward.



What This Means for Landowners and Developers

The evidence suggests that landowners and developers should be positioning themselves now to take advantage of the West Midlands' strong economic fundamentals and expanding investment pipeline.

Landowners should consider:

Promoting suitable sites through emerging local plans and future strategic planning frameworks.
✅ Reviewing landholdings in areas where planned infrastructure investment and economic growth are likely to increase development potential.

✅ Engaging early with local authorities, infrastructure providers and other stakeholders to strengthen the case for strategic site allocation.

Developers and investors should:

✅ Identifying sites with potential for mixed-use development, particularly those well connected to the strategic highway and rail network.
✅ Focus on locations where planning reform, public funding and infrastructure investment are aligned.
✅ Assess opportunities around strategic transport corridors and areas identified for future growth.
✅ Consider sites capable of supporting a range of uses, providing greater flexibility as market and policy priorities evolve.
✅ Build strong relationships with public-sector partners to identify opportunities for public-private delivery and infrastructure-led regeneration.

The recommendation is therefore to take a proactive approach to site identification, promotion and investment. As land supply becomes increasingly constrained, sites that combine strong connectivity, development potential and alignment with public investment priorities are likely to be best positioned to participate in the West Midlands' next phase of growth.

Looking Ahead

The West Midlands has many of the ingredients needed to become one of Europe's leading investment regions. Government backing, devolution, infrastructure spending and institutional capital are increasingly aligned behind a shared ambition for growth. The challenge now is delivery.

Success will depend not on attracting investment, but on ensuring the planning system, land supply and infrastructure pipeline can respond quickly enough to capture it. Those organisations able to identify strategic opportunities early - and navigate an evolving planning landscape - will be best placed to shape and benefit from the region's next phase of development.



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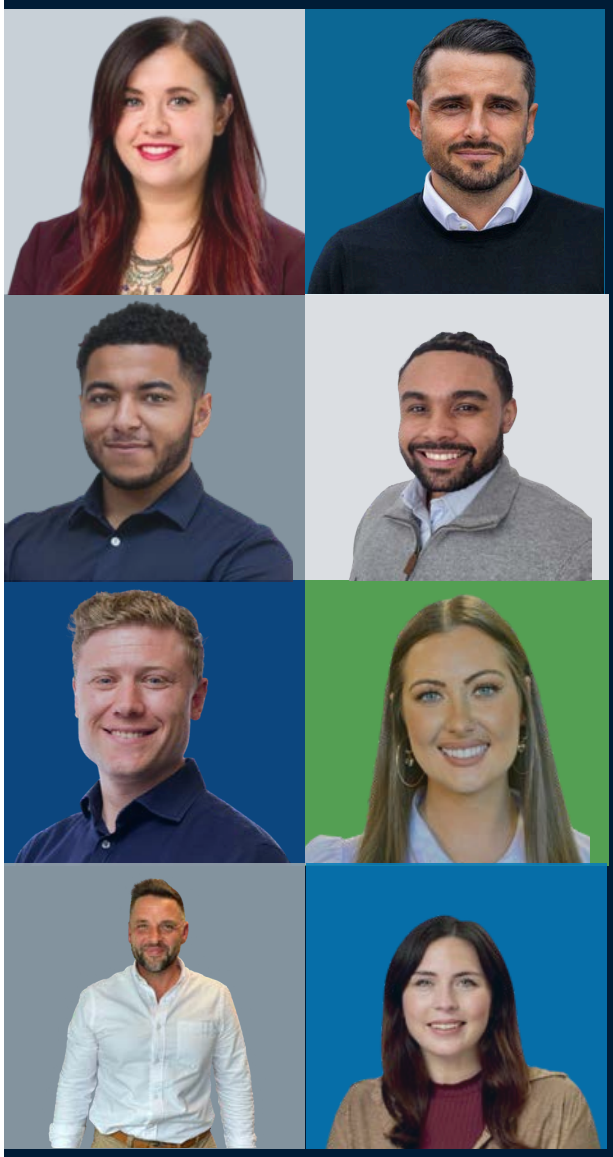
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