

Do big plans for Newcastle point the way forward for city centres?

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When developers acting for the billionaire Reuben brothers first unveiled plans for Newcastle's former Odeon site, computer generated images showed a £200m scheme that would change the face of the city centre with new shops, bars, offices, a hotel and flats.

The scheme would be the third and final part of the Reubens' massive development of the [Pilgrim Street area](#), following the Bank House scheme currently being under construction and plans for a boutique hotel on the former fire station site.

But revised plans for the site – now called Pilgrim's Quarter – have been unveiled, showing no hotel or flats, fewer shops and a huge office block large enough to house 6,700 workers.

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It does not take a genius to work out that the change in plans has come during – and probably because of – the pandemic, which has buffeted town and city centres everywhere and led to a plea from Newcastle City Council for the developers not to build any more shops while other lay empty in the city centre.

So is this new scheme a sign of things to come, with fewer shops and hotels and a greater emphasis on getting workers back into town and city centres?

Councils and businesses are desperate to get more people back into those areas after the pandemic accelerated the existing trend towards online shopping and many office-based companies switched to working from home. Getting more people to work in city centres not only brings income to shops and pubs but also increases business rates for hard-pressed local authorities.

But the future of offices is also the subject of much debate, as many firms embrace hybrid home-and-office working and switch to smaller sites.



The tower crane to help build Bank House has arrived – an aerial view of the site
(Image: Avison Young)

Here Newcastle has been fortunate in having a large area for development that could be changed to reflect the new realities of the world of work.

According to Adam Serfontein, managing director of Newcastle developers The Hanro Group, a number of factors have come together to shape the new plans for Pilgrim's Quarter.

"For new office supply, it is all about the provision of flexible accommodation and an internal design that provides collaborative space, larger communal areas than were previously required, and on flexible terms," he said.

"Whilst it is unquestionable that efficiency is significantly higher in most sectors by people working in offices, or hybrid, it is also a fact that in the 'new world' there is not yet certainty over how much space is needed per person, hence the need for occupation on flexible terms.

"In Newcastle, we have never had the levels of speculative development that other larger centres have, and for that reason, we have never had the over supply that other cities have experienced in a downturn.

"Another point to note is that our inward investment activities have continued throughout the pandemic, and have been very successful. The advantages of locating throughout the region, with shorter travel times, and attractive housing stock, with outside space, are becoming more highly valued."

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Despite the havoc wreaked on the economy by the pandemic, Newcastle last year claimed record levels of inward investment, with 26 firms choosing to set up in Newcastle and Gateshead, creating 2,500 jobs in the region. The city council is also ploughing ahead with plans for pedestrianising Blakett Street – backed by some but opposed by others, but which will certainly be a big change for the city centre.

Stephen Patterson, who took on the chief executive role at

Newcastle city centre business improvement district NE1 Ltd during the pandemic, said that the area is fortunate at this unprecedented time in having significant brownfield sites to develop: not just Pilgrim Street but also Stephenson Quarter, behind Central Station, and Helix, near St James' Park.



Stephen Patterson

(Image: NE1)

But the importance of brownfield sites is that their redevelopment has to be done correctly: once built on, those buildings will probably be there for at least another 40 or 50 years.

Mr Patterson said: "It's a hugely exciting time for the city centre. We have these longstanding brownfield sites, they're all coming up out of the ground, there's cranes in the sky and buildings are taking shape. We're going to get new offices which is really good for the economy and the region as a whole.

"With Pilgrim's Quarter, there's capacity for around 10,000 jobs across the whole scheme. If you take that in the context of Northumberland Street's daily footfall, which is around 40,000, you're going to significantly increase the number of people in that area.

"With what's being planned, and that many people working there, it really is the justification for the closure of Blakett Street. It's a move that understands the current context that not just Newcastle but all cities find ourselves in after the pandemic."

Speculation has already begun as to who will take such a large office block. Perhaps inevitably, some have linked the recent announcement that HMRC is closing its long-standing site at Longbenton to move into the city centre with the current plans. (The proposed Pilgrim's Quarter office block almost exactly matches HMRC's needs). In Sunderland and Durham – where the Riverside and Milburngate schemes are also changing the city centres – space has been taken by a mixture of public and private organisations, and that is likely to be the case in Newcastle.

What is certain is that Newcastle city centre in five or 10

years' time will look very different to how it is now, and that the decisions taken in the next few months – by developers and politicians – will have an impact for decades to come.

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