

Appendix 13

Regional and National Comparisons

Table A.1 The West Midlands: Key comparisons with the UK

Theme	Indicator	WM	UK
Demography	Population 2002 (000s)	5,304	59,229
	– % aged under 16	20.5	19.9
	– % pension age and over	18.6	18.4
Crime & Social Exclusion	Recorded crime rate (per 100,000 pop.), 2002/03	11,546	11,327
	Standardised Mortality rate (UK=100), 2002	101	100
	Pupils achieving 5 or more grades A-C; GCSE or equiv (%), 2001/02	49.7	52.5
Economy	Economic activity rate (%) for people of working age, Spring 2003	78.6	78.8
	Unemployment rate (%), Spring 2003	5.9	5.1
	Gross value added per head index (UK=100)	90.4	100.0
	Employee jobs in manufacturing employment (%), Dec 2001	19.9	14.1(i)
Earnings	Average gross weekly earnings males f/t employment, April 2002 (£)	469.6	511.3
	Average gross weekly earnings females f/t employment, April 2002 (£)	353.0	382.0
	Average gross weekly household income 1999-2002	476	510

Source: *Regional Trends*, 38 (2004); (i) figure refers to England average (Table 5.4)

- 1.1 It is essential for RHS to be based on an understanding of the dynamics of the housing market within the Region. The Region has a tenure structure broadly comparable with that for England as a whole (Table A.2). Other regions have very high levels of private renting (London) or low levels of home ownership (London, NE) or social rented housing (the South East and South West).

Table A.2 Housing Tenure in the English Regions

	Owner occupiers	Local Authority	HA	Private renting	Other	Shared ownership	Total hholds 000s
Eastern	72.2	11.6	4.9	7.6	3.2	0.5	2,232
EM	71.6	13.8	3.7	7.3	3.0	0.6	1,732
London	55.6	17.1	9.1	14.3	2.9	1.0	3,016
NE	63.2	22.4	5.3	6.3	2.5	0.4	1,066
NW	68.7	13.6	6.5	7.7	3.0	0.6	2,813
SE	73.2	7.4	6.6	8.8	3.3	0.8	3,287
SW	72.4	7.7	5.8	9.6	3.8	0.6	2,086
WM	68.9	14.3	6.3	6.4	3.5	0.7	2,154
YH	67.2	17.3	3.7	7.9	3.5	0.5	2,065
England	68.1	13.2	6.1	8.8	3.2	0.7	20,452

- 1.2 The Region’s conformity on a range of indicators has meant that distinctive characteristics are not plainly presented alongside other Regions. Since the West Midlands is not characterised uniformly either by the high demand and affordability problems associated with the wider South East, nor by demographic decline and low demand for housing, as associated with some parts of the north of England, it is possible for the issues of the West Midlands to be misunderstood or disregarded when viewed in a summary statistical manner.
- 1.3 Neither does the diversity of the West Midlands sit simplistically halfway between these two extremes, but rather it includes examples of each within the Region. This diversity is associated with major shifts in the nature of the Region’s housing markets. In Birmingham and the Black Country expensive housing presenting affordability problems for many local households sits in close proximity to low demand housing and dysfunctional markets.
- 1.4 Whilst Table A.3 indicates that the West Midlands Region does not have the high affordability problems associated with the Southern regions, Table A.4 shows the Affordability index by local authority. This clearly shows the South and West Housing Markets areas with affordability issues every bit as great as in the South East and South of England.

Table A.3 House Prices and Purchase in the English Regions: simple average house prices for new/other dwellings, type of buyer and region, United Kingdom

	All dwellings	First time buyers	First time buyers as % of average	All dwellings England = 100
Eastern	202,985	146,442	72.1	105.7
EM	154,493	110,592	71.6	80.5
London	272,886	203,927	74.7	142.1
NE	126,611	81,434	64.3	65.9
NW	139,095	90,744	65.2	72.4
SE	237,000	170,092	71.8	123.4
SW	197,926	145,393	73.5	103.1
WM	161,846	107,990	66.7	84.3
YH	137,317	91,115	66.4	71.5
England	192,002	139,573	72.7	100.0

Source: Survey of Mortgage Lenders

- 1.5 This data highlights the need to look below the regional level. The West Midlands Region is characterised by an uneven geography, demography, economy and housing market. The trends and problems that the Regional Housing Strategy must engage with relate to variations within the Region.
- 1.6 While issues of affordability are seen to dominate the regions of the South of England issues of economic and demographic decline are often presented as characterising the Northern regions. The West Midlands does not conform to either of these stereotypes and has elements of both. Its regional profile is closer to the average for England than most other regions but the unevenness within the Region means that this regional profile does not provide a sufficient basis for strategy development. In the next Chapter we consider the differentiation of housing markets within the Region and the different challenges that they represent.
- 1.7 Figure A.1 below illustrates the relationship between affordability (measured by income multipliers) and the flow of social housing lettings (measured by the proportion of lets to newly forming households). Birmingham is positioned at the centre of the scattergram – illustrating some affordability problems but balanced by a relatively high percentage of lets to newly forming households. Newcastle, Sandwell, Stoke and Walsall, have relatively high flows of lets and low affordability problems, whereas Local Authorities in the South such as Malvern Hills, Stratford, Warwick, South Shropshire and Herefordshire demonstrate high affordability problems and low flows of relets.

Table A.4 Affordability multipliers and income thresholds for entry-level house price by Local Authority
 (Source WMRA Stage 2 Report, 2004)

HMA	Local Authority	Unable at 4.25	Unable at 3.5	Multiplier
Central	Birmingham	60.3	71.5	7.0
	Cannock Chase	47.3	55.8	6.5
	Coventry	51.6	61.1	7.1
	Dudley	52.6	62.3	6.5
	Lichfield	53.6	63.4	7.4
	North Warwickshire	51.5	60.9	7.1
	Nuneaton and Bedworth	47.0	55.5	6.1
	Rugby	51.4	60.8	6.9
	Sandwell	51.9	61.4	5.5
	Solihull	61.6	73.2	9.5
	South Staffordshire	55.8	66.1	6.8
	Tamworth	51.1	60.4	7.4
	Telford and Wrekin UA	44.0	51.8	8.7
	Walsall	51.7	61.2	5.9
	Wolverhampton	49.5	58.5	5.9
North	East Staffordshire	43.9	51.7	6.4
	Newcastle-under-Lyme	41.3	48.6	5.9
	Stafford	48.4	57.1	6.8
	Staffordshire Moorlands	43.7	51.4	5.8
	Stoke-on-Trent UA	36.0	42.1	5.4
South	Bromsgrove	63.9	76.0	8.0
	Malvern Hills	69.7	83.1	9.2
	Redditch	48.9	57.7	9.2
	Stratford-on-Avon	69.8	83.1	9.4
	Warwick	71.4	85.1	9.1
	Worcester	60.5	71.9	9.4
	Wychavon	59.0	70.0	9.6
	Wyre Forest	51.2	60.6	7.9
West	Bridgnorth	61.8	73.4	7.7
	Herefordshire UA	58.1	69.0	9.7
	North Shropshire	52.2	61.8	8.1
	Oswestry	46.7	55.1	7.6
	Shrewsbury and Atcham	57.4	68.1	8.4
	South Shropshire	70.1	83.4	9.0

Figure A.1 Comparison of Affordability to Lets to New Households by Local Authority in the West Midlands (REF)



- 1.8 The implications of this are clear. Whilst the relationship between house prices and incomes is surfacing in growing affordability pressures across the Region, this represents the symptoms, the causes being an underlying structural imbalance in housing markets.
- 1.9 There is therefore a need to re-balance housing markets and in parts of the Region such as the West and the South – where the structure of the markets and the provision of social housing will not impact sufficiently on the affordability problem – housing development needs to be reflected in high rates of affordable housing.