

The Economic Demand for Housing in the West Midlands, 2006-2026: Bromsgrove

This two-page data dashboard provides an overview of the projections and analysis for the Bromsgrove Local Authority area, resulting from the SQW Consulting and CE work for the WMRA. Three growth scenarios were modelled to show how many additional dwellings could be required in the region's local authority areas between 2006-2026 to support economic growth.

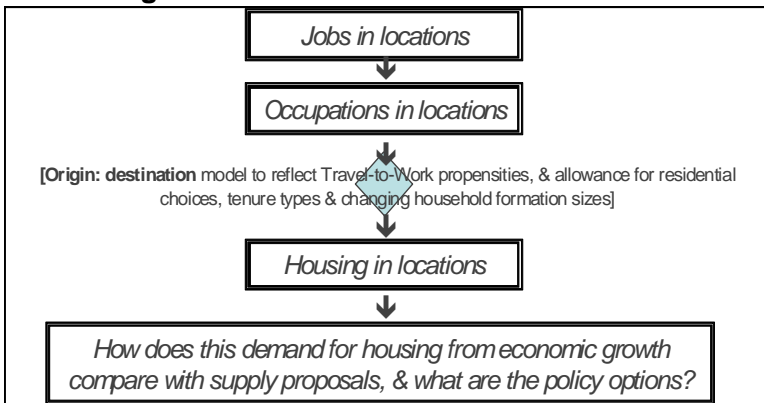
These projections are 'policy off', and do not take in to account any planned developments. Under the *Baseline* scenario, regional GVA growth is projected to be slower than that of the UK as a whole. Under the *Convergence* scenario, the regional GVA growth rate is projected to catch up with that of the UK, due to the performance of AWM's priority sectors. Under the *Austerity* scenario, there is a reduction in Public Sector employment and growth, as a result of current economic conditions.

For the purpose of this dashboard, the most positive scenario, *Convergence*, is used to report the key findings, although Box 3 shows the differential numbers of residents in employment projected by the three scenarios. All the figures in this document are taken from CE's economic projections as at the end of November 2009, and so make no allowance for the announcements in the Pre-Budget Report.

Key Issues

- Bromsgrove is projected to be hit hard by the recession, which will have impacts on local employment into the long term, with agriculture affected particularly badly.
- There are 10,000 more people commuting out of Bromsgrove to work than live and work within the local authority boundaries, suggesting future housing demand is likely to remain high.
- Affordability challenges are high in rural areas, and there may be a need to develop intermediate housing solutions to maintain owner occupation levels.
- The Study's projections to 2026 suggest that future housing provision to support economic growth will comprise, as shares of total dwellings: detached housing (44%), followed by semi-detached (28%), terraced housing (18%), and flats (10%). Tenure is projected to be 73% home ownership, 15% social rented, and 12% private rented.

1. The logic of our Model . . .



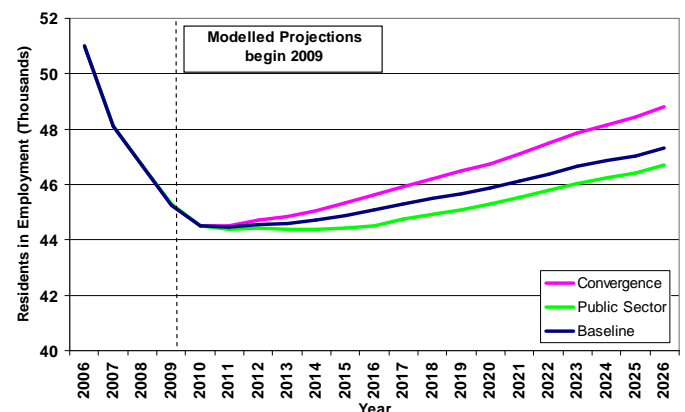
2. Projected Population Change . . .

Spatial Level	Population (000)		% Change 2006-2026
	2006	2026	
Bromsgrove	91.6	104.9	15
South Housing Market Area	801.9	901.3	12
West Midlands	5366.7	5799.8	8

- Bromsgrove's population is set to grow by 13,300 over the next twenty years – an increase of 15%, almost double the regional average of 8%.
- This percentage increase is also considerably higher than the projected increase for the whole of the South Housing Market Area.

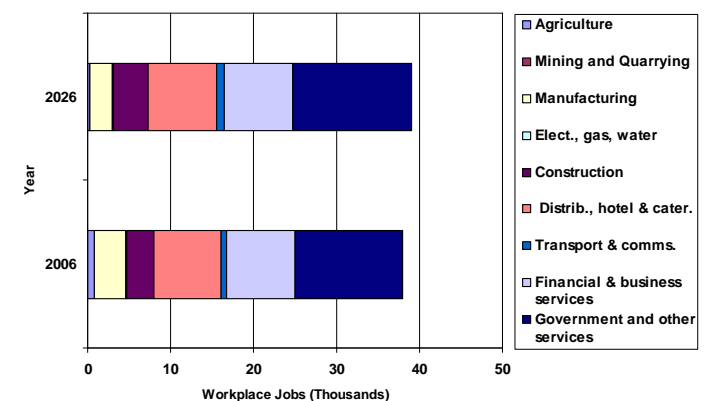
3. Number of Residents in Employment . . .

- The number of residents in employment in Bromsgrove dropped from around 51,000 in 2006 to 45,300 in 2009, as a result of the West Midlands being hit badly by the recession.
- It is predicted, even under the *Convergence* scenario, that it will take the area a substantial amount of time to recover from the downturn, and that by 2026 the number of residents in employment will still not have reached 2006 levels.
- This means that despite an increase in population, the number of residents in employment in Bromsgrove will fall from 51,000 in 2006 to 46,700 by 2026.



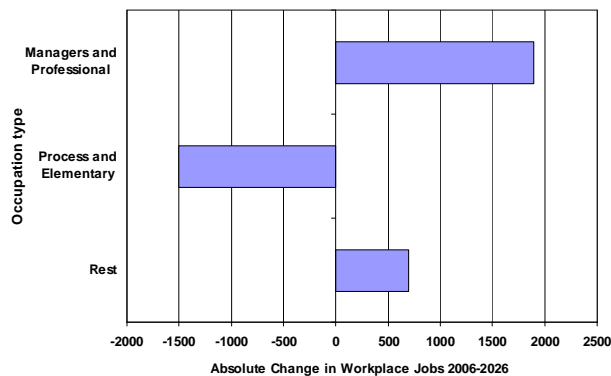
4. . . . and the Sectoral Changes

- The number of workplace jobs in Bromsgrove will increase slightly over the next 20 years, from 37,900 to just over 39,000.
- The sectoral make up of Bromsgrove's workplaces is set to change over the next twenty years. Jobs in the agricultural sector will decrease by 75% and the manufacturing and financial/business services sectors are also set to decline.
- The largest growth is expected in the government and other services and construction sectors, with transport and communications and electricity/gas/water also expected to increase slightly.



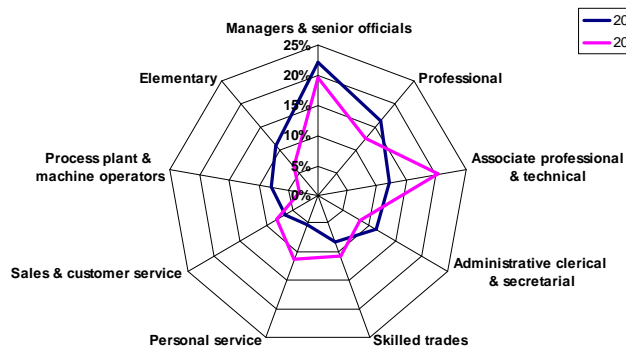
5. Changes in the Occupational Structure of Jobs

- As well as the sectoral make up of Bromsgrove's jobs changing over the twenty year period, the occupational structure of those jobs is also likely to change.
- Occupations are likely to become increasingly high-level, with the number of process or elementary jobs projected to reduce by 1,500. The number of jobs classed as managerial or professional is expected to increase by 1,900, with the occupations that make up the other category, such as skilled trades and administration and clerical, set to increase by 700.



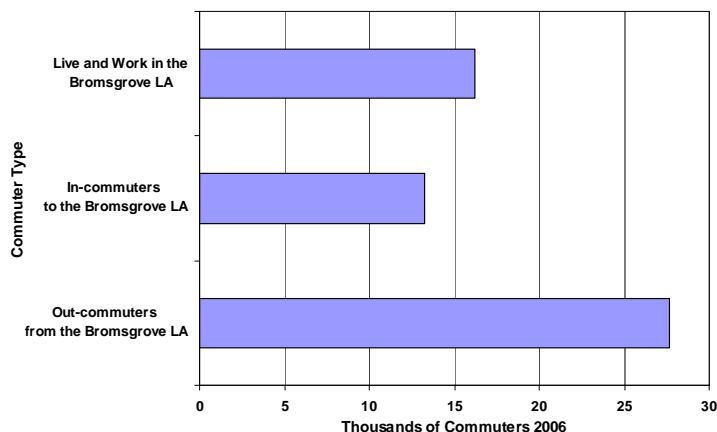
6. Residents' Changes in Occupations

- Despite the increase in high-end occupations in Bromsgrove, the number of residents in high-end occupations actually falls between 2006 and 2026, as a result of the job losses over the last three years.
- Consequently, the chart opposite shows that the proportion of residents employed in professional or managerial occupations will reduce and the absolute number employed in these professions will also fall, (from 11,300 to 9,600 for managerial occupations and from 6,300 to just over 6,000 for professional ones).



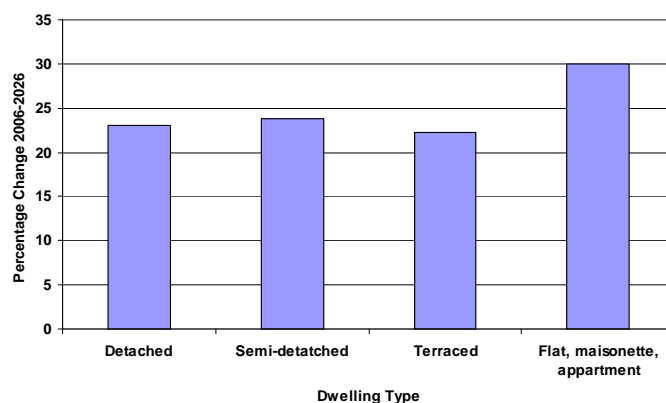
7. Travel-to-Work Patterns

- Based on 2006 travel-to-work figures, far more Bromsgrove residents (over 10,000) out-commute than live and work within the region.
- Almost half the people that commute out are travelling to Birmingham. Significant numbers also travel to Redditch, Worcester, and Wychavon for work.
- 13,000 people commute in to Bromsgrove for work; these largely come from the same authority areas that receive the largest number of Bromsgrove residents, demonstrating a two-way flow in commuter patterns.



8. Changes in the demand for types of Dwellings

- Using patterns from the 2001 Census, it is possible to estimate how demand for types of dwellings and tenure could change through to 2026.
- The Convergence scenario model suggests the highest proportionate increase in demand will be for flats, followed by semi-detached, detached, and finally terraced housing.
- In absolute terms, the largest increases will be for detached and semi-detached properties, followed by terraced housing, and then flats.



9. Changes in Tenure

- Through to 2026, the number of dwellings in home ownership is projected to increase by the lowest proportion, whilst representing a much larger absolute change. Levels of owner occupation are projected to remain very high, with a much smaller number in social and private rented accommodation.
- Bromsgrove is a very popular residential area, indicated by the high numbers of out-commuters. Affordability is likely to be a continued issue for local residents, and intermediate housing solutions may be required to help them enter, or remain in, home ownership.

