

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

This two-page data dashboard provides an overview of the projections and analysis for the Cannock Chase 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.

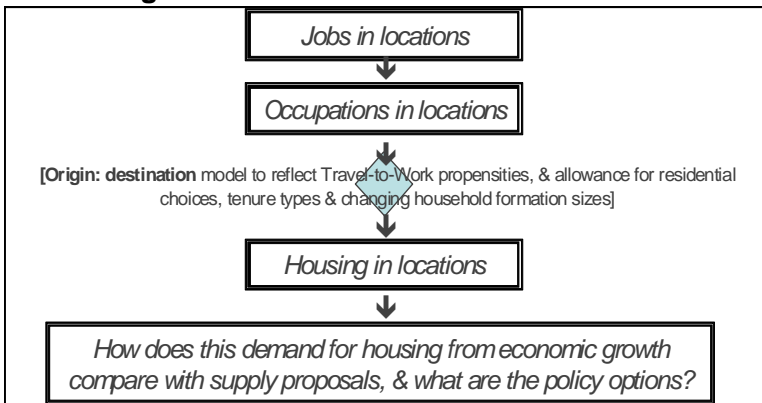
These projections are 'policy off', and do not take into account any planned developments. Under the *Baseline* scenario, regional GVA growth is projected to be slower than that of the UK as a whole. Under the *Convergence* scenario, the regional GVA growth rate is projected to catch up with that of 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

- Cannock Chase is projected to feel the impact of the recession in employment terms for the next twenty years – resident employment is not projected to return to 2006 levels under any of the economic scenarios that have been modelled.
- Workplace employment fares better, but with only a modest increase over the twenty year period.
- Population is projected to increase; with reduced employment prospects, this is likely to lead to increased demand for social housing and intermediate housing options.
- The projections suggest that future housing provision to support economic growth will comprise, as shares of total dwellings: semi-detached housing (49%) followed by detached (30%), terraced housing (12%), and flats (9%). Tenure is projected to be 74% home ownership, 20% social rented, and 6% private rented.

1. The logic of our Model . . .



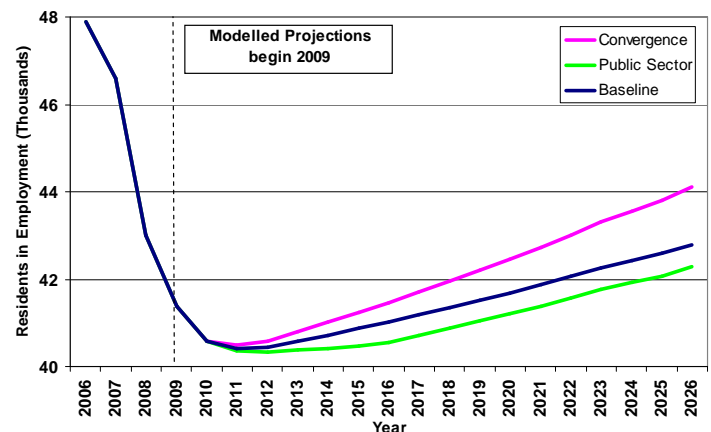
2. Projected Population Change . . .

Spatial level	Population (000)		% Change
	2006	2026	
Cannock Chase	94.3	102.4	9
Central 3 Housing Market Area	1446.4	1498.7	4
West Midlands	5366.7	5799.8	8

- The population of Cannock Chase is set to grow by 8,100 over the next twenty years to 2026 – an increase of 9%, just above the regional average of 8%.
- This percentage increase is more than double the expected average for the Central 3 Housing Market Area more widely.

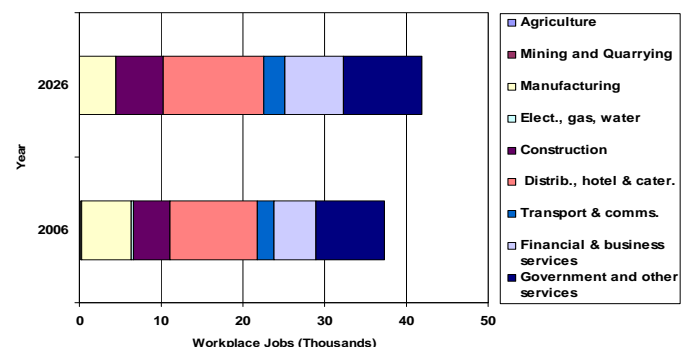
3. Number of Residents in Employment . . .

- Like other parts of the region, the recession has had a major impact locally and the number of Cannock Chase residents in employment locally fell significantly between 2006 and 2009.
- Resident employment is not projected to return to the 2006 level of 47,900 by 2026 under any of the three modelled scenarios. Under the Convergence scenario, the number of employed residents will start to increase gradually from 2011 and grow to just over 44,000 by 2026.
- Under the more negative Public Sector Austerity scenario, employment will remain low until 2014 and then will increase slowly, achieving just over 42,200 by 2026.



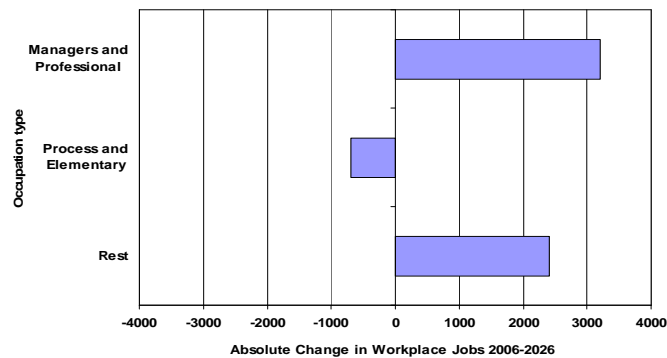
4. . . . and the Sectoral Changes

- The number of workplace jobs in Cannock Chase is projected to increase modestly between 2006 and 2026, rising by 4,700 from 37,200 to 41,900.
- The sector likely to suffer most is manufacturing, reducing by 1,800 jobs over the forecast period.
- In contrast, employment in financial and business services is anticipated to grow, with a likely increase of just over 2,000 jobs. Employment in distribution, hotels and catering is expected to grow by just under 1,600 jobs.



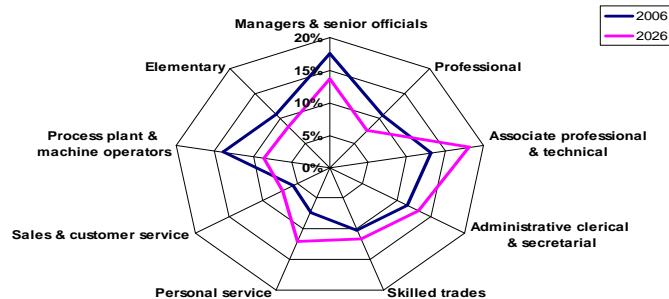
5. Changes in the Occupational Structure of Jobs

- The occupational make-up of Cannock Chase will become more high level through to 2026, with around 3,200 additional workplace jobs in managerial or professional occupations.
- Process and elementary occupations are expected to see most job losses, with a projected decrease of 700 jobs from 2006 to 2026.
- All other occupations together are expected to grow by just around 2,400 jobs over the period to 2026.



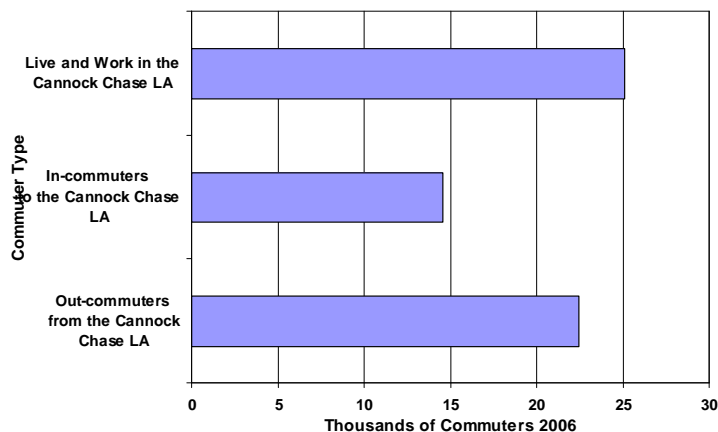
6. Residents' Changes in Occupations

- The occupations of the residents of Cannock Chase show a slightly different pattern from workplace employment. Job losses are projected in elementary and process occupations (as expected), but are also evident in managerial and professional occupations.
- However, a significant increase is shown in associate, professional and technical jobs, with lower increases in administration, skilled trades, personal service and sales and customer service.



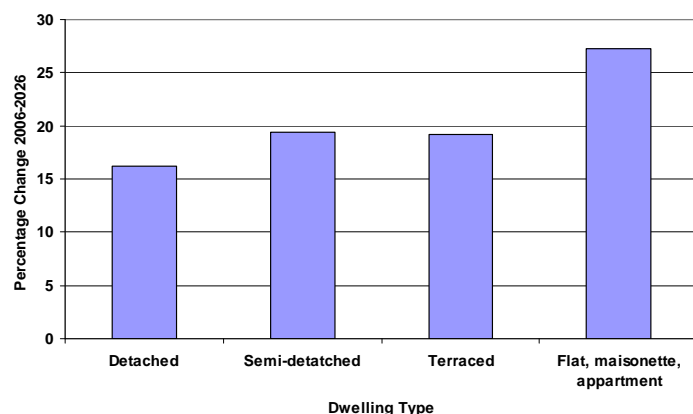
7. Travel-to-Work Patterns

- According to 2006 Travel-to-Work patterns, there is a fairly even divide between residents that work within Cannock Chase (25,000) and those that commute out of the local authority for work (22,500).
- The majority of those that out-commute, work in Walsall, Birmingham and Wolverhampton, as well as nearby Stafford and South Staffordshire. There are relatively few people that commute out of the region (around 1,000).
- There are also nearly 15,000 people that commute in to Cannock Chase for work; the majority of these come from the neighbouring areas of Stafford, South Staffordshire, and Walsall.



8. Changes in the demand for types of Dwellings

- Using patterns from the 2001 Census, it is possible to estimate how demand changes for types of dwelling and tenure.
- An increase in demand is projected for all types of dwellings between 2006 and 2026, with the biggest percentage increase in demand being for flats, followed by semi-detached, terraced and detached.
- It should be noted that, in absolute terms, the increased requirement for semi-detached and detached properties is far higher than for other dwelling types.



9. Changes in Tenure

- Through to 2026, the number of dwellings in home ownership is projected to increase by the lowest proportion, although it represents a much larger absolute change.
- However, at 20% of the total of projected tenure demand, there is a strong requirement for social housing, suggesting a significant level of housing need within Cannock Chase.
- In addition, following the impact of the Credit Crunch limiting mortgage lending, it is likely that intermediate housing solutions will be required to enable some residents to access owner occupation.

