

## The Economic Demand for Housing in the West Midlands, 2006-2026: East Staffordshire

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

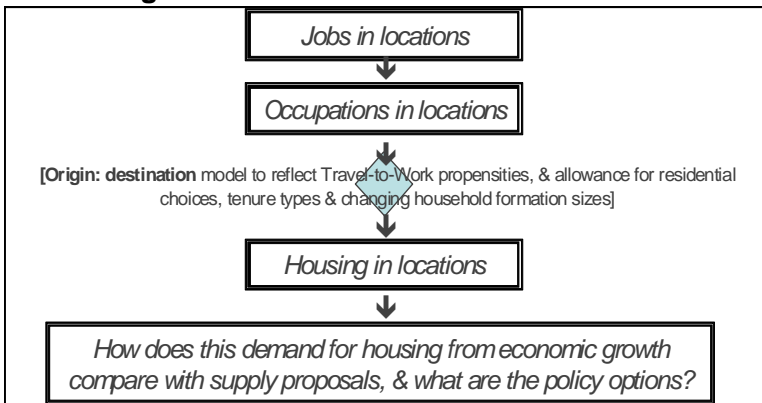
These projections are 'policy off', and do not take in to account any planned developments. Under the *Baseline* scenario, regional GVA growth is projected to be slower than that of the UK as a whole. Under the *Convergence* scenario, the regional GVA growth rate is projected to catch up with that of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

- East Staffordshire is a significant employment location and is projected to recover well from the recession, with more than 63,000 workplace jobs by 2026.
- CE's projections suggest that the balance between employed residents and workplace jobs will improve over the forecast period, with net in-commuting reducing from around 12,000 to 8,000. This is due to a higher increase in numbers of employed residents as compared with jobs, which has a subsequent implication of projected increased demand for homes in owner occupation.
- The projections suggest that future housing provision to support economic growth will comprise, as shares of total dwellings: semi-detached housing (34%), followed by detached (33%), terraced housing (25%), and flats (8%). Tenure is projected to be 77% home ownership, 13% social rented, and 10% private rented.

### 1. The logic of our Model . . .



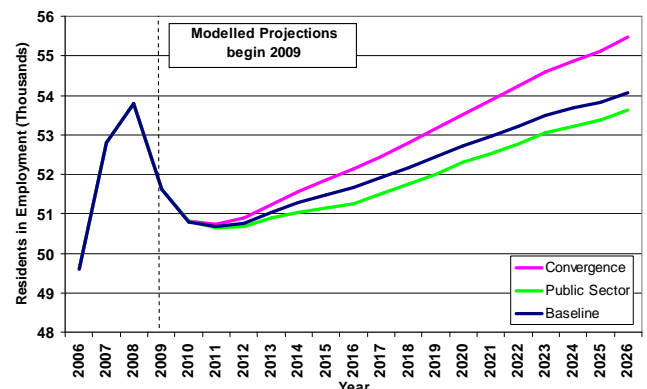
### 2. Projected Population Change . . .

Spatial Level	Population (000)		% Change 2006-2026
	2006	2026	
East Staffordshire	107.7	121.4	13
North Housing Market Area	689.9	728.4	6
West Midlands	5366.7	5799.8	8

- The population of East Staffordshire is projected to grow significantly over the period to 2026, gaining an extra 13,700 people.
- This represents an increase of 13%, well above the regional average of 8%
- The increase is far higher than that forecast for the rest of the North Housing Market Area.

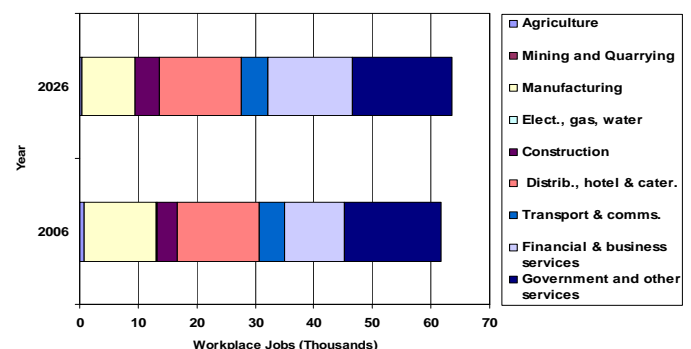
### 3. Number of Residents in Employment . . .

- Unlike other parts of the region, the recession has had a relatively modest impact on the district, and numbers of residents in employment were marginally higher in 2009 than in 2006, although down on the 2007 'high point'.
- Consequently, under all three scenarios, resident employment is expected to exceed the 2006 levels of 49,600 by 2026. Under the *Convergence* scenario, the number of residents in employment is projected to increase relatively quickly, growing to 55,500 by 2026.
- Under the *Austerity* scenario, employment is likely to increase more slowly, reaching 53,600 by 2026, although this is still below the 2008 level.



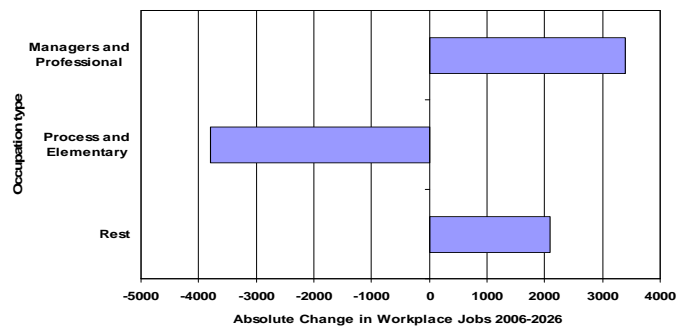
### 4. . . . and the Sectoral Changes

- The number of workplace jobs in East Staffordshire is projected to increase between 2006 and 2026, rising by just under 2,000 from 61,700 to 63,600.
- Not all sectors are expected to grow. Manufacturing is likely to lose around 3,300 jobs between 2006 and 2026.
- Many other sectors are projected to remain largely unchanged, with financial and business services and construction sectors amongst those likely to grow.



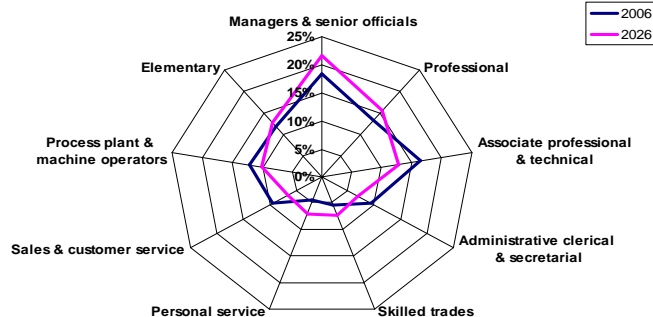
## 5. Changes in the Occupational Structure of Jobs

- The occupational make up of East Staffordshire will become more high-level, with approximately 3,400 additional workplace jobs in managerial or professional occupations.
- Process and elementary occupations are where the heaviest job losses will occur, with around 3,800 job losses expected between 2006 and 2026.
- The group of occupations that make up the rest of the workplace jobs is set to grow by just over 2,000 jobs through to 2026.



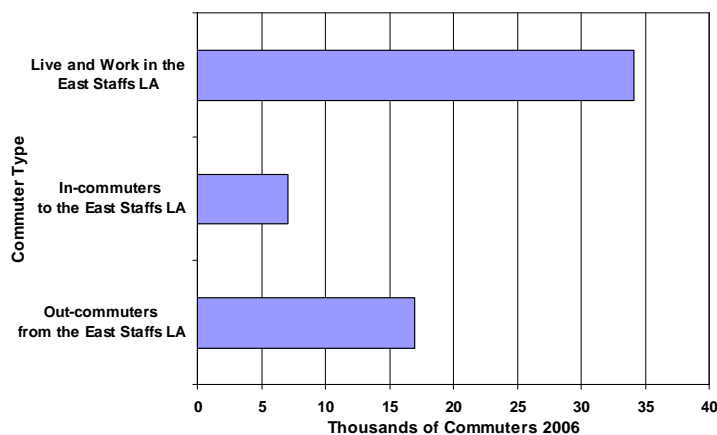
## 6. Residents' Changes in Occupations

- The occupations of East Staffordshire's residents are projected to change in a similar manner to the workplace jobs in the area over the twenty year period.
- A decline is projected in resident employment in process and plant operatives, sales and customer services and associate professional and technical occupations.
- A greater proportion of residents are likely to be employed as managers and senior officials or in professional occupations, which has implications for housing tenure and type.



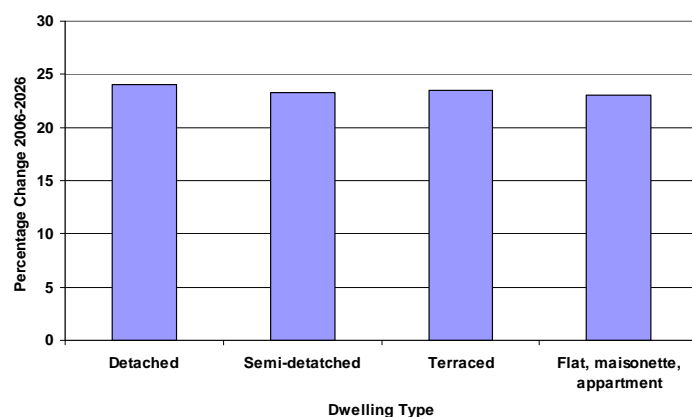
## 7. Travel-to-Work Patterns

- Drawing on 2006 patterns, approximately 34,000 of East Staffordshire's 50,000 residents in employment work within the local authority area, showing a high level of self-containment.
- Of the 17,000 who commute out for work, more than 8,500 of these commute to the East Midlands.
- Of those that remain in the region, the most popular work destinations are Birmingham, Lichfield and Stafford.
- Approximately 7,000 people in-commute to East Staffordshire for work, the majority coming from Lichfield and Staffordshire Moorlands.



## 8. Changes in the demand for types of Dwellings

- Using patterns from the 2001 Census, it is possible to look at how demand changes for types of dwelling and tenure.
- The increased demand for flats probably reflects the increased popularity of city centre living and may, in fact, prove to be higher than projected.
- With resident occupation in East Staffordshire becoming more high-end, there will be a particularly significant increase in absolute demand for detached and semi-detached dwellings.
- However, the proportionate increase is very similar across all tenures at around 23 to 24%.



## 9. Changes in Tenure

- Through to 2026 the number of dwellings in home ownership is projected to increase by the largest proportion, with slightly lower proportionate increases in social rented and private rented properties.
- However, as the absolute number of dwellings in owner occupation is much larger than those which are social or private rented, the absolute increase is consequently much more substantial.
- Due to the implications of the recession and lending restraints following the Credit Crunch, it is likely that a proportion of the projected dwellings in owner occupation will require intermediate housing options.

