

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

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

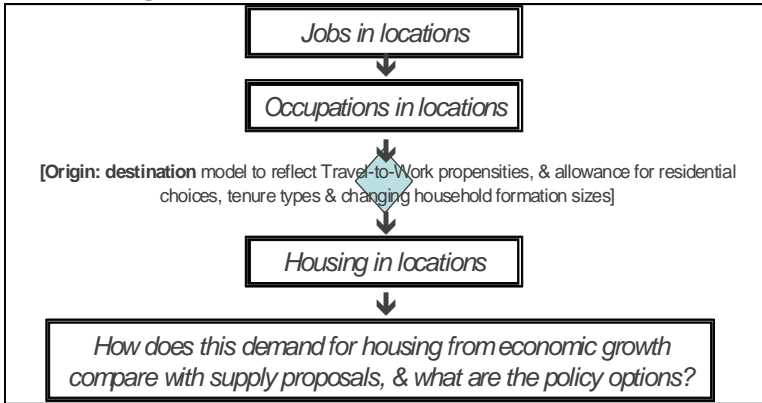
These projections are 'policy off', and do not take in to account any planned developments. Under the *Baseline* scenario, regional GVA growth is projected to be slower than that of the UK as a whole. Under the *Convergence* scenario, the regional GVA growth rate is projected to catch up with that of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

- Lichfield is projected to be relatively resilient to the recession, with immediate employment losses soon recovering and an overall increase in residential and workplace employment projected by 2026.
- More people commute out from Lichfield (particularly to Birmingham) than work in the borough and, therefore, with jobs growth on both a residential and workplace basis, future prospects for the housing market are buoyant.
- Projected jobs growth in Lichfield, continued out-commuting, and the increase in higher order occupations provide sufficient demand for high value housing within the area.
- The projections through to 2026 suggest that future housing provision to support economic growth will comprise, as shares of total dwellings: detached housing (40%), followed by semi-detached (37%), terraced housing (13%), and flats (10%). Tenure is projected to be 83% home ownership, 12% social rented and 5% social rented.

1. The logic of our Model . . .



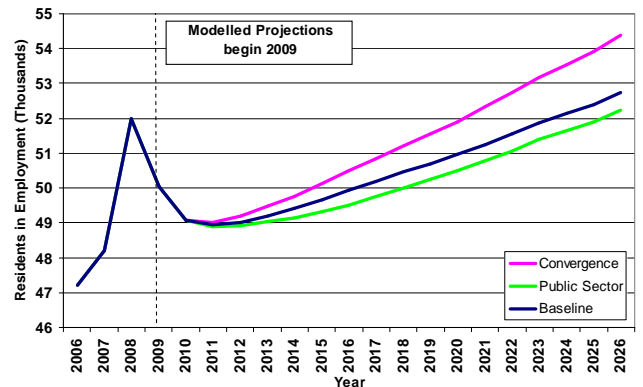
2. Projected Population Change . . .

Spatial level	Population (000)		% Change 2006-2026
	2006	2026	
Lichfield	96.7	108.5	12
Central 1 Housing Market Area	1381.6	1524.6	10
West Midlands	5366.7	5799.8	8

- The population of Lichfield is set to grow by 11,800 in the next twenty years – an increase of 12%, rather more than the regional average of 8%.
- This percentage increase is slightly above the projected increase for the whole of the Central 1 Housing Market Area.

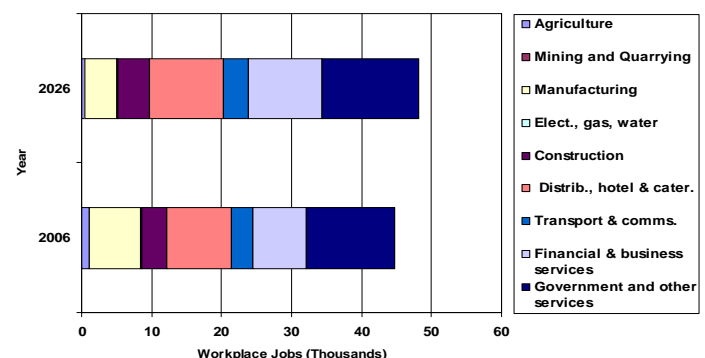
3. Number of Residents in Employment . . .

- The recession has had an immediate impact on Lichfield, with the number of residents in employment falling from 2008 (after a previous significant increase) but projected to increase further to 2010.
- However, under all three scenarios, resident employment is projected to continue improving on the 2006 level of 47,200, through to 2026. Under the Convergence scenario, the number of employed residents will start to increase rapidly from 2011 and grow to over 54,300 by 2026.
- Even under the more negative Public Sector Austerity scenario, employment will increase from 2013 reaching 52,200 by 2026.



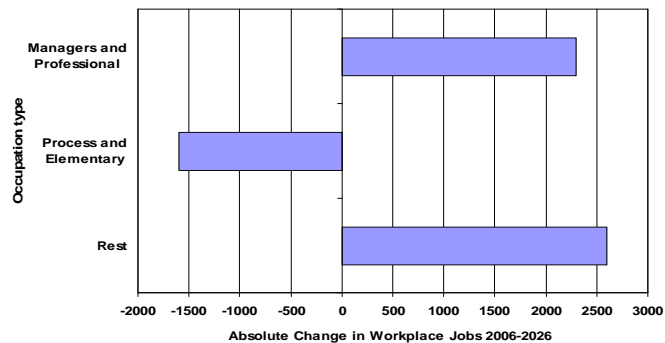
4. . . . and the Sectoral Changes

- The number of workplace jobs in Lichfield is projected to increase modestly between 2006 and 2026, rising by 3,400 from 44,800 to 48,200.
- The sector likely to suffer most is manufacturing, reducing by 2,800 jobs over the forecast period.
- In contrast, employment in financial and business services is expected to grow by 2,900 jobs. The construction sector is also anticipated to grow, with an additional 1,100 jobs projected.



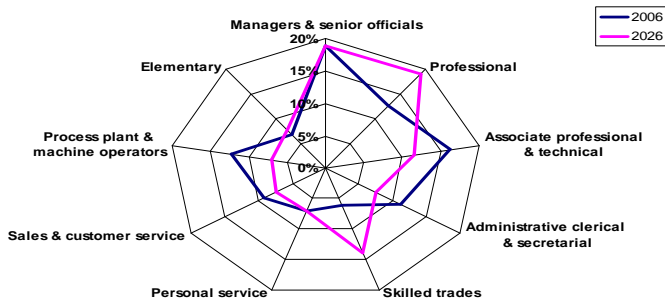
5. Changes in the Occupational Structure of Jobs

- The occupational make-up of Lichfield will become more high-level through to 2026, with around 5,500 additional workplace jobs in managerial or professional occupations.
- Process and elementary occupations are projected to see a decrease in employment, with around 1,600 fewer jobs in 2026 than in 2006.
- All other occupations together are expected to grow by 2,600 jobs over the twenty year period.



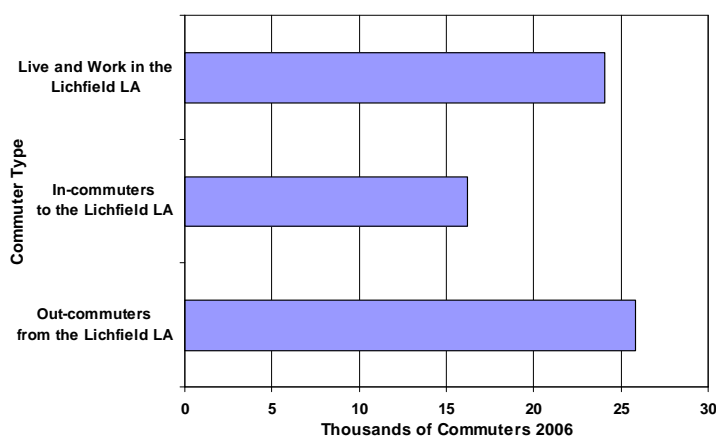
6. Residents' Changes in Occupations

- The occupations of Lichfield's residents will largely change in a similar manner to the workplace jobs profile to 2026, with some notable exceptions.
- A decline is projected in process plant operative occupations, administrative and clerical jobs. But there's likely to be a slight increase in elementary posts and a significant increase in skilled trades.
- The Study's projections indicate a higher proportion of residents employed in professional occupations and a slight increase in the number of managers/senior officials.



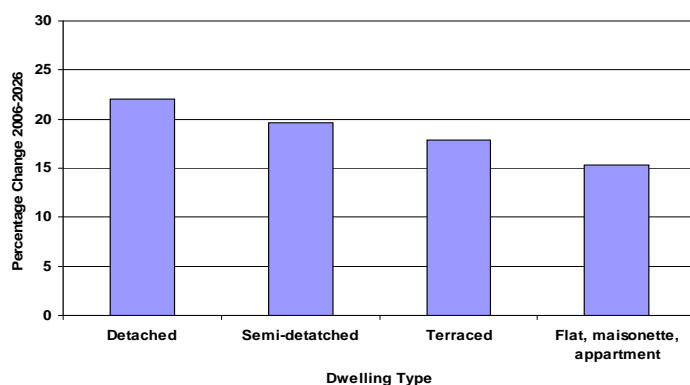
7. Travel-to-Work Patterns

- Based on 2006 figures, Lichfield shows a low level of self containment, with only 24,100 residents living and working in Lichfield.
- Almost 26,000 people out-commute from Lichfield for work. Main destinations within the region include Birmingham (7,500), Walsall, and Cannock Chase. More widely, more than 1,300 Lichfield residents commute to the East Midlands for work.
- There are also high levels of in-commuting, with 16,200 people living in other Local Authority areas commuting in to Lichfield. The majority commute from Tamworth, Cannock Chase, and East Staffordshire.



8. Changes in the demand for types of Dwellings

- Using patterns from the 2001 Census, we can 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 detached, followed by semi-detached, terraced and flatted properties.
- The projection for increased detached properties and high levels of out-commuting suggests that Lichfield will continue to be a desirable residential location.



9. Changes in Tenure

- Through to 2026 the number of dwellings in home ownership is projected to increase by the largest proportion, and the largest absolute change.
- Absolute numbers of dwellings in social and private rented tenures are very low, and projected to remain so despite the proportionate increases indicated, suggesting a low level of housing need. However, affordability is likely to be an issue and a proportion of the projected homes in owner occupation may need to be supported through intermediate housing solutions.

