

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

This two-page data dashboard provides an overview of the projections and analysis for the Malvern Hills 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 and 2026 to support economic growth.

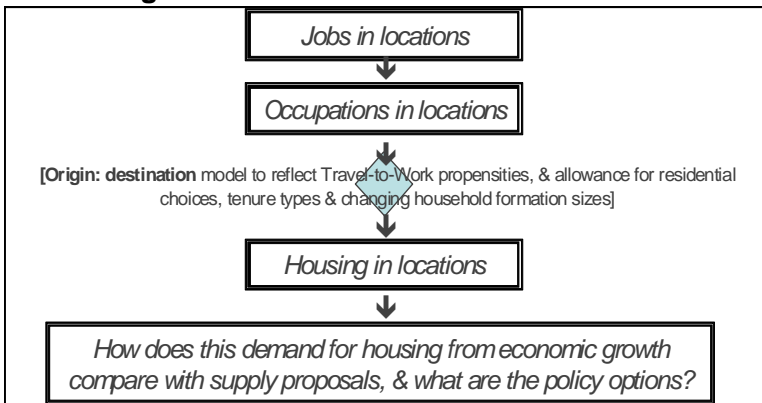
These projections are 'policy off', and do not take in to account any planned developments. Under the *Baseline* scenario, regional GVA growth is projected to be slower than that of the UK as a whole. Under the *Convergence* scenario, the regional GVA growth rate is projected to catch up with that of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

- Although 32,000 people were employed in Malvern Hills in 2006, no significant expansion in employment is expected going forward. Indeed, workplace-based jobs are only projected to grow by 200 positions in the period to 2026.
- Population growth at 9% will be strong compared to the region as a whole from 2006 to 2026. However, such growth will significantly lag behind that projected for the South Housing Market Area (12%).
- The projections suggest that future housing needed to support economic growth will comprise, as shares of total dwellings: detached housing (45%), followed by semi-detached (31%), and flats and terraced properties (both 11%). Tenure is projected to be 75% home ownership, 15% social rented, and 10% private rented.

1. The logic of our Model . . .



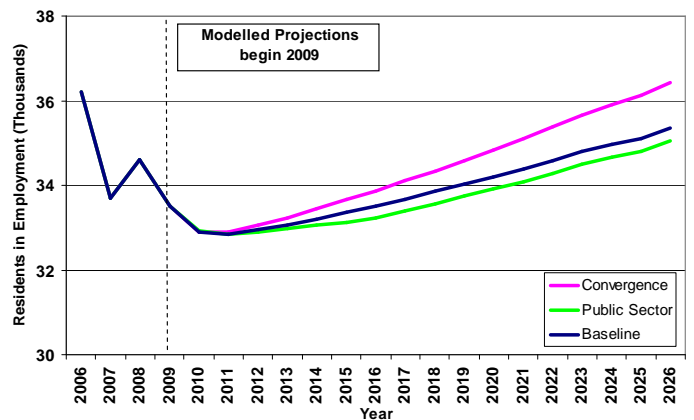
2. Projected Population Change . . .

Spatial Level	Population (000)		% Change 2006-2026
	2006	2026	
Malvern Hills	73.9	80.3	9
South Housing Market Area	801.9	901.3	12
West Midlands	5366.7	5799.8	8

- The population of Malvern Hills is set to expand by 6,400 over the next 20 years – an increase of 9%, which will outpace the regional average by one percentage point.
- However, the population expansion in Malvern Hills is projected to lag behind that for the South Housing Market Area.

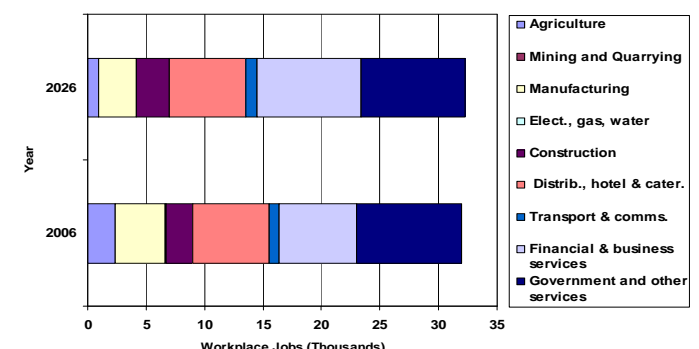
3. Number of Residents in Employment . . .

- Total employment in the local authority area fell by around 2,700 people from 2006 to 2009, mainly due to the recession.
- Only under the Convergence scenario will resident-based employment return to 2006 levels by 2026. Employment under this scenario will stand at 36,400 by 2026, with growth beginning from 2011.
- Under the other two scenarios, resident employment by 2026 will remain marginally below 2006 levels. Indeed, under the more negative Public Sector Austerity scenario, 1,200 fewer residents will be in employment in 2026 than in 2006.



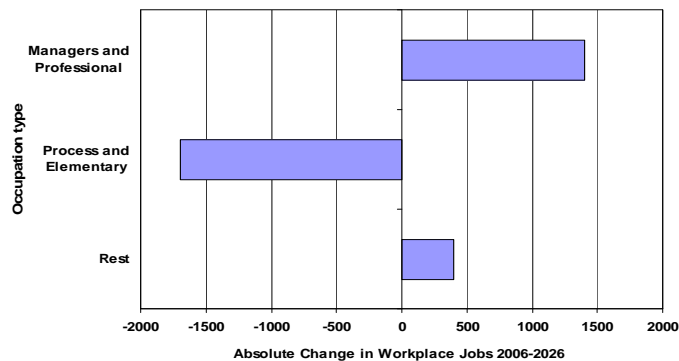
4. . . . and the Sectoral Changes

- The number of workplace-based employment positions in Malvern Hills is projected to expand slightly from 2006 to 2026, such that in 2026 total employment will stand at 32,200 – an expansion of 200 positions.
- Both the agriculture and manufacturing sectors will experience significant job losses over the period – 1,400 jobs will be lost in agriculture, and a further 1,000 in manufacturing.
- Despite this, employment in the financial and business services sector is projected to rise by some 2,100 positions, such that 8,800 people will be engaged in the sector in 2026.



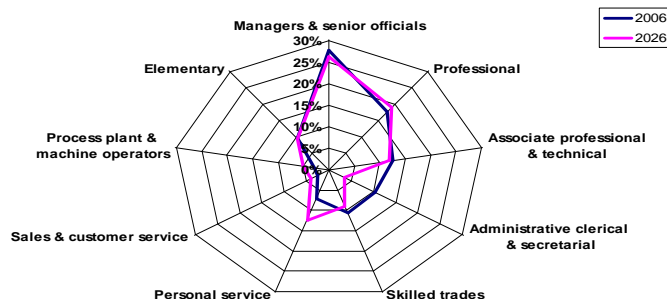
5. Changes in the Occupational Structure of Jobs

- The structure of employment is expected to shift towards higher-end occupations. Indeed by 2026, there will be 1,400 additional managers and professional occupations in the local authority area.
- Employment positions in process and elementary occupations will decline by around 1,700 jobs.
- All other occupations together are projected to experience a modest expansion of approximately 400 employment positions.



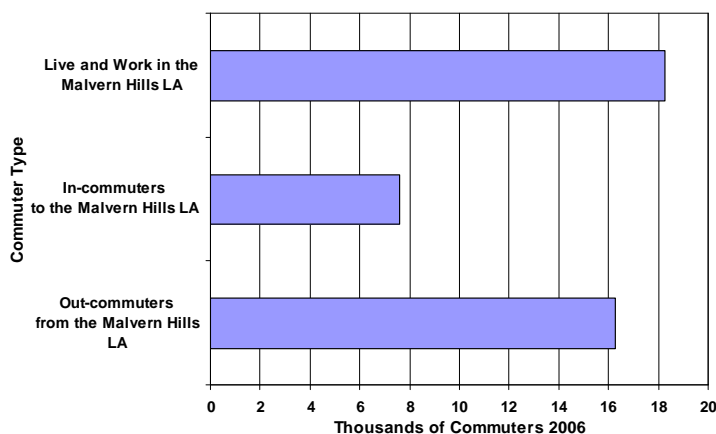
6. Residents' Changes in Occupations

- Resident-based occupations will follow a similar pattern to workplace-based occupations, with an increasing number of jobs in managerial and senior official professions from 2006 to 2026.
- Personal service occupations will also experience a significant expansion to 4,400 positions in 2026. This equates to an increase of 1,900 employees from 2006.
- The most significant declines will be amongst those in administrative, secretarial and clerical occupations – 2,400 positions will be lost from 2006 to 2026.



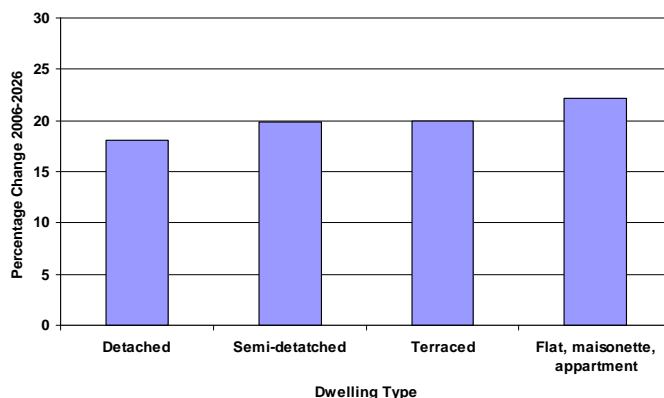
7. Travel-to-Work Patterns

- In 2006 there were almost as many people commuting out of Malvern Hills for work (16,276) as there were living and working in the district (18,269).
- Almost half of those out-commuting travel to Worcester (7,154), large numbers also travel to Hereford and Wychavon. More than 2,000 Malvern Hills' residents also commute outside the region for work.
- For the 7,500 people that in-commute to Malvern Hills for work, Worcester, Hereford and Wychavon are the most popular origins, suggesting that the in-and out-flow of commuting is quite contained between the neighbouring authorities.



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.
- Increasing demand is projected for dwellings of all types between 2006 and 2026. The largest increases will be for flats, terraced, and semi-detached properties.
- However, the greatest absolute increase in demand will be for detached homes.



9. Changes in Tenure

- Looking forward to 2026, the number of dwellings in home ownership is projected to increase by the lowest proportion, but represents a much larger absolute change.
- There will be a strong increase in demand for social rented properties of around 35% which may be a reflection of the impacts of the recession and Credit Crunch and housing needs within the borough.
- In addition, it is likely that a proportion of the projected increase in owner occupation will require supporting through intermediate housing options.

