

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

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

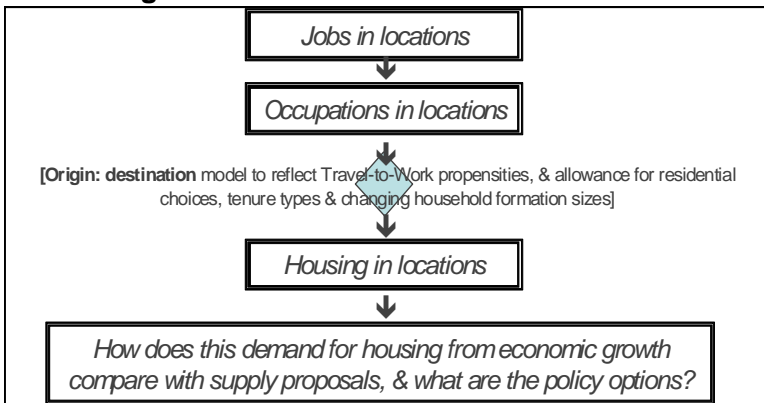
These projections are 'policy off', and do not take in to account any planned developments. Under the *Baseline* scenario, regional GVA growth is projected to be slower than that of the UK as a whole. Under the *Convergence* scenario, the regional GVA growth rate is projected to catch up with that of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

- Given that by 2026 workplace-based employment is projected to stand at 42,200 people, North Warwickshire is an important regional employment location.
- Significant numbers of the working population are projected to continue to commute outside of the area for work, suggesting North Warwickshire's continued popularity as a residential location.
- The projections suggest that future housing provision to support economic growth will comprise, as shares of total dwellings: 40% semi-detached, followed by 30% detached, 23% terraced and 7% flats. In terms of tenure, the projections through to 2026 show that 79% of properties will be in owner occupation, 13% social rented and the final 8% private rented.

1. The logic of our Model . . .



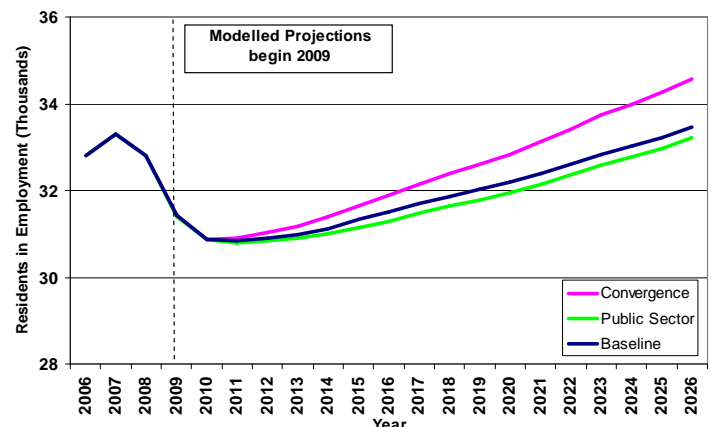
2. Projected Population Change . . .

Spatial Level	Population (000)		% Change 2006-2026
	2006	2026	
North Warwickshire	62.3	66.100	6
Central 2 Housing Market Area	579.8	633	9
West Midlands	5366.7	5799.8	8

- The population in North Warwickshire is projected to reach 66,100 in 2026 equating to an increase of 3,800 people, or 6% since 2006.
- The percentage increase in the population will be lower than that for both the Central 2 Housing Market Area (9%) and the region as a whole (8%).

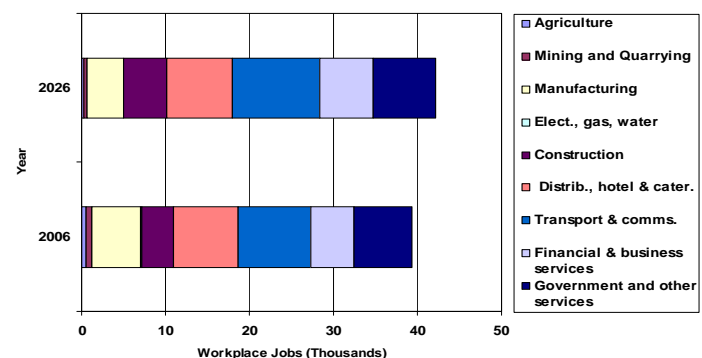
3. Number of Residents in Employment . . .

- As is the case across the region, employment has been negatively impacted by the recession. Indeed, 1,400 jobs have been lost in North Warwickshire since 2006.
- Despite this, resident employment is projected to increase to marginally above 2006 levels by 2026, with growth beginning to take off slowly in 2011.
- Under the *Convergence* scenario, it is thought that resident employment will reach 34,560 by 2026 – an increase of 1,800 employment positions from 2006.
- However, under the *Public Sector Austerity* scenario employment is projected to grow by just 700 posts to 33,200 in 2026.



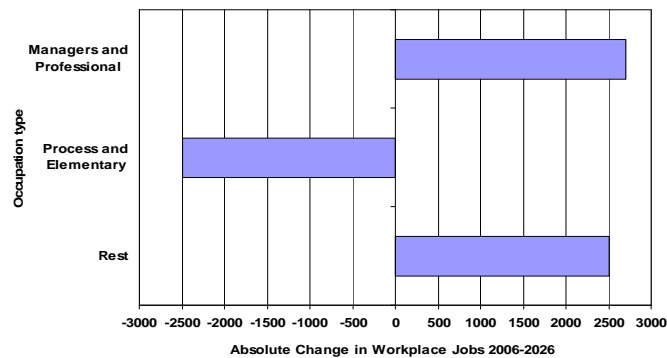
4. . . . and the Sectoral Changes

- The number of workplace-based jobs in the district will expand to 42,200 in 2026, an increase of some 2,900 jobs.
- Those sectors experiencing absolute employment losses over the 20 year period to 2026 are projected to be in the manufacturing and mining/quarrying sectors, although the latter sector is small in comparison to others in North Warwickshire's economy.
- In contrast, employment will increase in the transport and communications and construction sectors.



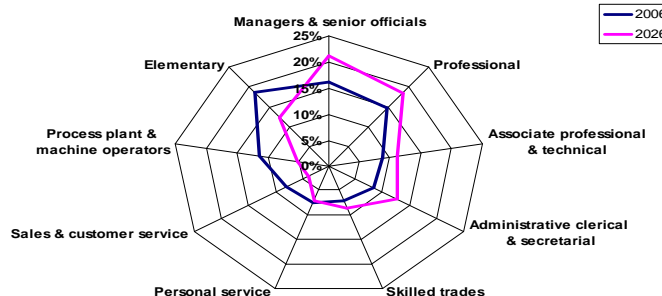
5. Changes in the Occupational Structure of Jobs

- Between 2006 and 2026, a marked increase in managerial and professional occupations is projected. More specifically, it is thought that around 2,700 additional jobs will be created in this occupational category.
- The number of process and elementary positions will decline over the period by approximately 2,500 jobs.
- However, there will be further gains in other occupations – defined as 'Rest' in the chart opposite – such as administration and clerical and caring personal service professions.



6. Residents' Changes in Occupations

- The number of employees engaged in managerial and professional, administrative, secretarial and clerical, and professional occupations will rise from 2006 to 2026.
- At the opposite end of the scale, losses in lower skilled occupations such as elementary and process and plant machine operatives are projected over this same 20 year period.
- The number of employees engaged in personal service activities will remain static.



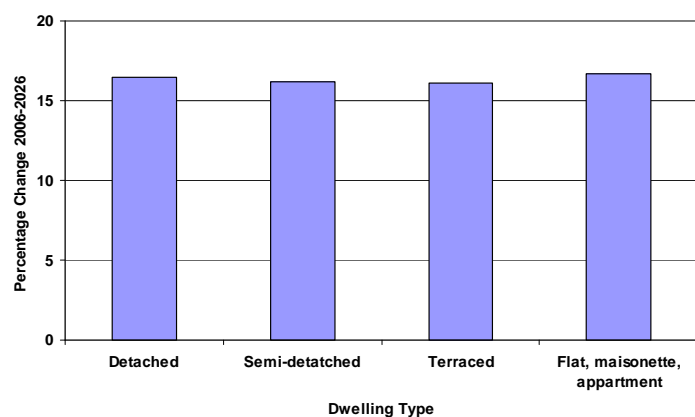
7. Travel-to-Work Patterns

- Looking at 2006 figures, the commuting patterns of North Warwickshire are quite mixed, with more people (12,169) commuting in to the district than residents working in their own area (11,591).
- The majority of those that in-commute come from Birmingham, Tamworth and Nuneaton, and Bedworth.
- Almost 20,000 residents out-commute each day, the main destinations being Birmingham, Tamworth, Coventry, Solihull and Nuneaton and Bedworth. More than 1000 North Warwickshire residents also travel to work to the East Midlands.



8. Changes in the demand for types of Dwellings

- Using patterns from the 2001 Census, it is possible to see how demand for the types of dwelling and tenure could change over the period to 2026.
- The increase in demand for all types of dwellings will be positive between 2006 and 2026. Indeed, demand for all types will increase by around 16% over this time period.
- In absolute terms the largest increase is projected for semi-detached housing followed by detached and then terraced properties. Projected demand for flats is very low.



9. Changes in Tenure

- Looking forward to 2026, the largest projected percentage change in tenure will be for home ownership followed by social and private rented, which are both projected to increase by 14%.
- The largest absolute increase in tenure will also be in home ownership, which also has the largest base. These projections indicate a low level of housing need within North Warwickshire.
- However, affordability issues (despite the recession), along with the implications of the Credit Crunch, are likely to require that a proportion of the projected increase in home ownership is supported through intermediate housing options.

