The Economic Demand for Housing in the West Midlands, 2006-2026: Nuneaton and Bedworth

This two-page data dashboard provides an overview of the projections and analysis for the Nuneaton and Bedworth 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

- As an employment centre, Nuneaton and Bedworth is an important location in the West Midlands. At 2026, workplace-based employment is projected to stand at 44,500, although this represents a marginal decline from 2006 levels.
- The population is projected to expand at rates similar to those set to be experienced across the region, but slightly behind those for the Central 2 Housing Market Area.
- The projections suggest that future housing provision to support economic growth will comprise, as shares of total dwellings: 38% semi-detached, 28% terraced, 24% detached, and 10% flats. In addition, tenure is projected to be 77% home ownership, 17% social rented, and 7% private rented.

1. The logic of our Model . . .

Jobs in locations

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Occupations in locations

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[Origin: destination model to reflect Travel-to-Work propensities, & allowance for residential choices, tenure types & changing household formation sizes]

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Housing in locations

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How does this demand for housing from economic growth compare with supply proposals, & what are the policy options?

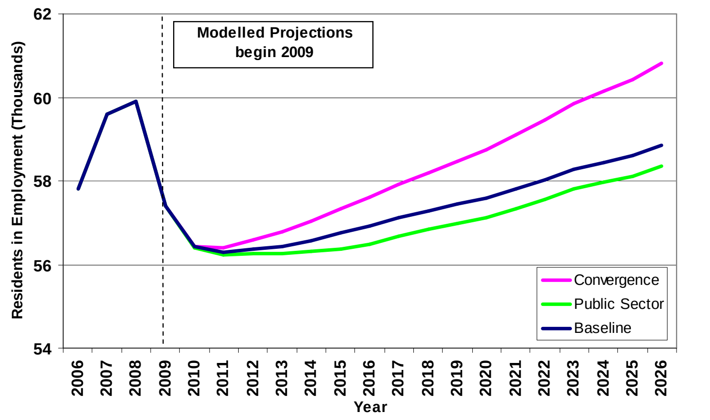
2. Projected Population Change. . .

	Population (000)		% Change
Spatial level	**2006**	**2026**	**2006-2026**
Nuneaton and Bedworth	120.7	130.4	8
Central 2 Housing Market Area	579.8	633	9
West Midlands	5366.7	5799.8	8

- By 2026 Nuneaton and Bedworth's population will reach 130,400 people. This equates to an expansion in the population of 9,700 people or 8% from 2006.
- The percentage change in the population over this 20 year period will match that in the region, but lag slightly behind that across the Central 2 Housing Market Area.

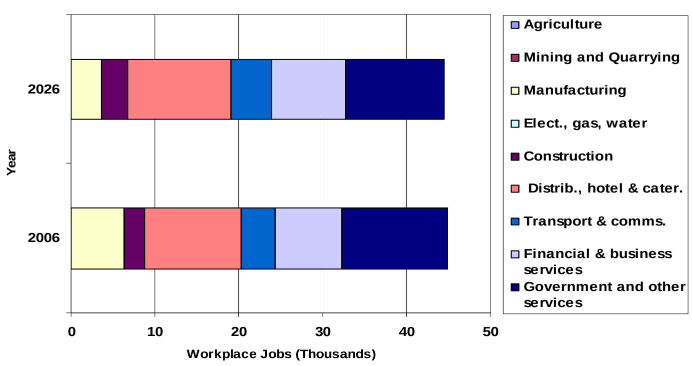
3. Number of Residents in Employment . . .

- The impacts of the recession have led resident-based employment to decline by some 400 people between 2006 and 2009.
- However, employment is projected to return to, and then exceed, 2006 levels by 2026.
- More specifically, under the Convergence scenario employment in 2026 will stand at 60,800 people – an increase of 3,000 positions from 2006. Employment growth is expected to restart from 2011 onwards.
- However, under the Public Sector Austerity scenario, expansion will be less marked with a net gain of just under 600 positions, such that in 2026 58,400 people will be in employment.



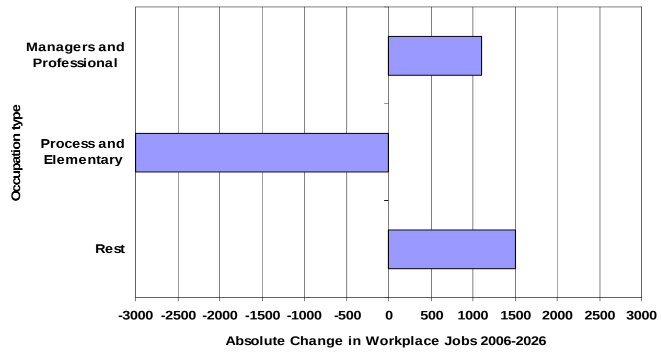
4. . . . and the Sectoral Changes

- Despite the positive picture with regard to resident-based employment, workplace-based employment is projected to decline by around 400 jobs from 2006 to 2026.
- The majority of jobs will be shed from the Manufacturing and Government and other services sectors – losses of 2,600 and 800 jobs respectively are projected.
- Despite this, some sectors, such as Financial and business services and Distribution, hotels and catering, will experience increasing employment over the period to 2026.



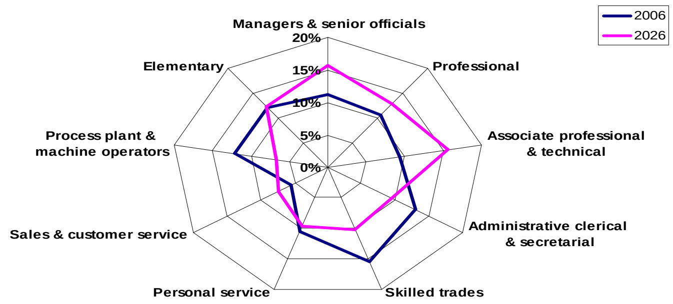
5. Changes in the Occupational Structure of Jobs

- As is evident from the chart opposite, although a significant fall in employment in process and elementary occupations is projected (3,000 jobs from 2006 to 2026), this will be offset by gains in the number of managers and professionals (1,100).
- With regard to other occupations, the number of people engaged in caring personal services and administrative and clerical positions will expand. As a whole, all other occupations will rise by 1,500 jobs over the 20 year period considered.



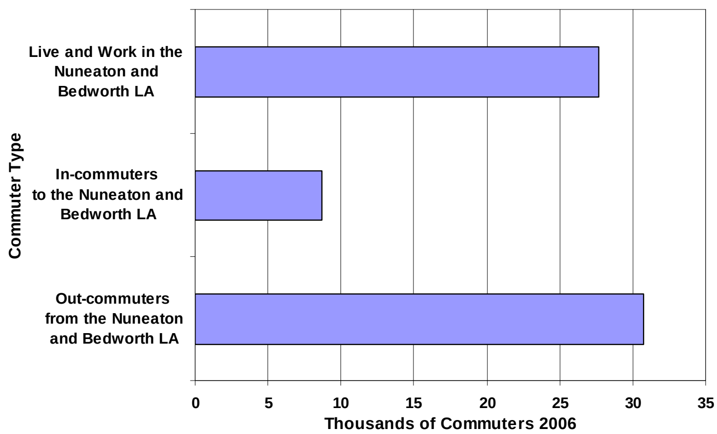
6. Residents' Changes in Occupations

- It is projected that the number of residents working in managerial and senior official, professional and associate professional and technical occupations will rise between 2006 and 2026.
- This will be offset by an absolute decline in the number of employees with jobs in skilled trades and process plant and machine operative professions.
- Such changes reflect those projected in the workplace based employed population.



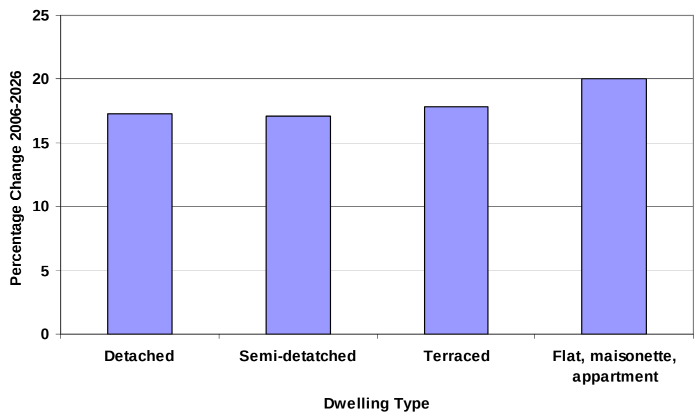
7. Travel-to-Work Patterns

- According to 2006 figures, there are more people commuting out of Nuneaton and Bedworth for work (30,741) than living and working in the district (27,681).
- Of those out-commuting to work, more than half are travelling to Coventry, and more than 5,000 are travelling outside of the region to the East Midlands. Other destinations with large numbers of commuters from Nuneaton and Bedworth are Rugby, Warwick, and Birmingham.
- Around 8,700 people travel in to Nuneaton and Bedworth for work. Of these, more than 4,000 come from Coventry and more than 2,000 from North Warwickshire



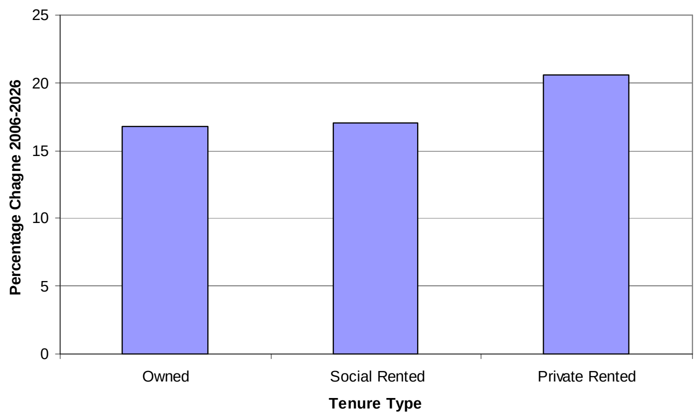
8. Changes in the demand for types of Dwellings

- 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 dwelling types. However, the greatest percentage increase between 2006 and 2026 is projected for flats, at 20%.
- The largest increase in absolute terms is projected for semi-detached properties, which also have a much larger base, as do terraced properties. These two tenures are projected to continue to dominate the housing market.



9. Changes in Tenure

- Looking forward to 2026, the greatest proportional increase in tenure will be for the private rented sector, with increases for owned and social rented dwellings projected to stand at around 17% for the 20 year period to 2026.
- The most significant absolute gains will be in home ownership. Projections for social rented housing remain significant, indicating a substantial degree of housing need, whilst the private rented sector is much smaller.
- Intermediate housing solutions are likely to be required due to continued challenges in accessing mortgage finance.



For more information on the project, please contact Rachel Brisley at SQW Consulting: rbrisley@sqw.co.uk or 0161 475 2105