

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

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

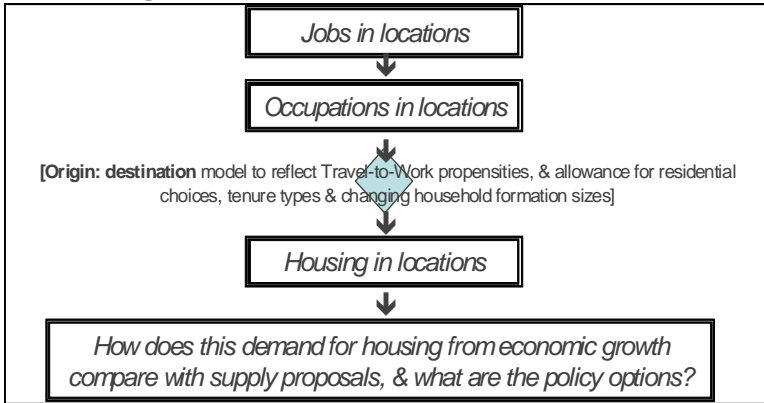
These projections are 'policy off', and do not take in to account any planned developments. Under the *Baseline* scenario, regional GVA growth is projected to be slower than that of the UK as a whole. Under the *Convergence* scenario, the regional GVA growth rate is projected to catch up with that of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

- Stafford is projected to be hit hard by the recession, which will have impacts on local employment into the long term, with manufacturing affected particularly badly.
- Self-containment is high, meaning that most residents rely on work within the district and do not out-commute, which has an impact on future housing demand. In addition, a significant number in-commute to the district for work from outside, which is likely to continue.
- The Study's projections to 2026 suggest that future housing provision to support economic growth will comprise, as shares of total dwellings: detached housing (38%), followed by semi-detached (34%), terraced housing (17%), and flats (11%). By 2026, tenure is projected to be 74% home ownership, 18% social rented and 8% private rented.

1. The logic of our Model . . .



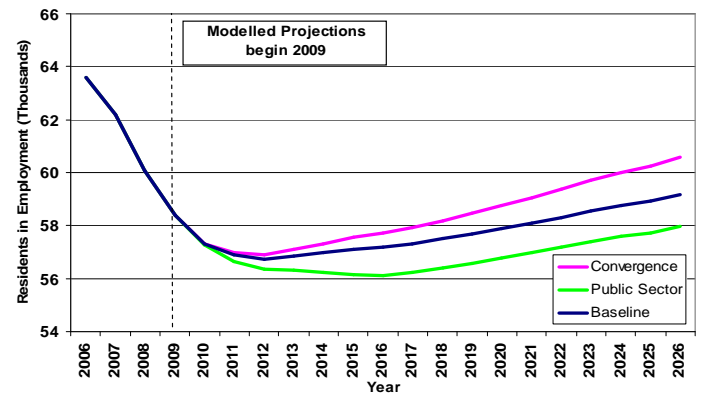
2. Projected Population Change . . .

Spatial Level	Population (000)		% Change
	2006	2026	
Stafford	123.4	134.7	9
North Housing Market Area	689.9	728.4	6
West Midlands	5366.7	5799.8	8

- The population of Stafford is set to grow by 11,300 over the next twenty years – an increase of 9%, just above the regional average of 8%.
- This percentage increase is higher than the projected increase for the whole of the North Housing Market Area.

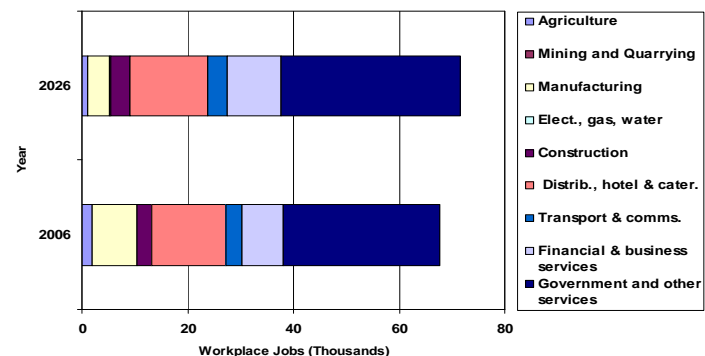
3. Number of Residents in Employment . . .

- Like other parts of the region, the recession has had a major impact locally, and the number of Stafford residents in employment locally fell significantly between 2006 and 2009.
- Under all three scenarios, resident employment is not projected to return to the 2006 level of 63,600 by 2026. Under the Convergence scenario, the number of employed residents will start to increase gradually from 2011, and grow to just over 60,000 by 2026.
- Under the more negative Public Sector Austerity scenario, employment will remain low until 2016 and then will increase slowly, achieving just under 58,000 by 2026.



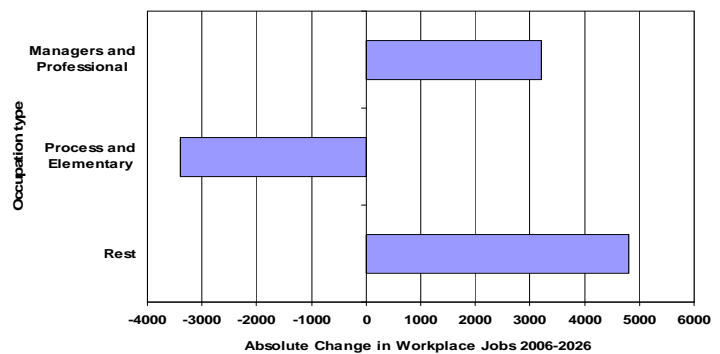
4. . . . and the Sectoral Changes

- The number of workplace jobs in Stafford is projected to increase slightly between 2006 and 2026, rising by 3,900 from 67,700 to 71,600.
- The sector likely to suffer most is manufacturing, reducing by 4,500 jobs over the forecast period.
- In contrast, employment in Government and other services is expected to grow by 4,300 jobs. Employment in financial and business services is also anticipated to increase, with an additional 2,500 jobs projected over the period.



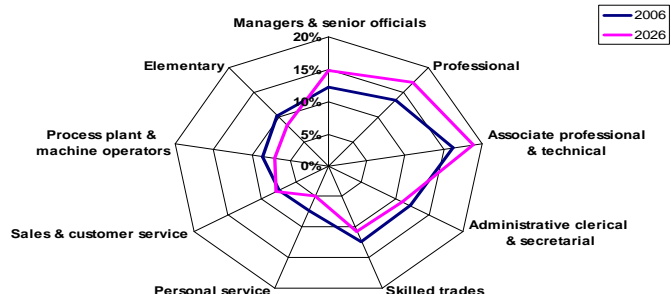
5. Changes in the Occupational Structure of Jobs

- The occupational make-up of Stafford will become more high-level through to 2026, with around 3,200 additional workplace jobs in managerial or professional occupations.
- Process and elementary occupations are where relatively heavy job shedding is projected, with around 3,400 fewer jobs in 2026 than in 2006.
- All other occupations together are expected to grow by 4,800 jobs over the twenty year period from 2006-2026.



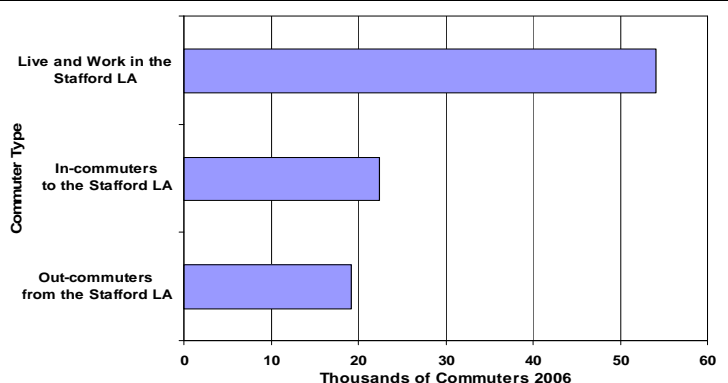
6. Residents' Changes in Occupations

- The occupations of Herefordshire's residents will change in a similar manner to that of the profile of workplace jobs over the period to 2026.
- A decline is projected in elementary and process plant operative occupations, administrative and clerical jobs, personal service and skilled trades.
- Projections indicate a higher proportion of residents employed as managers or in professional occupations, and in associate professional and technical jobs.



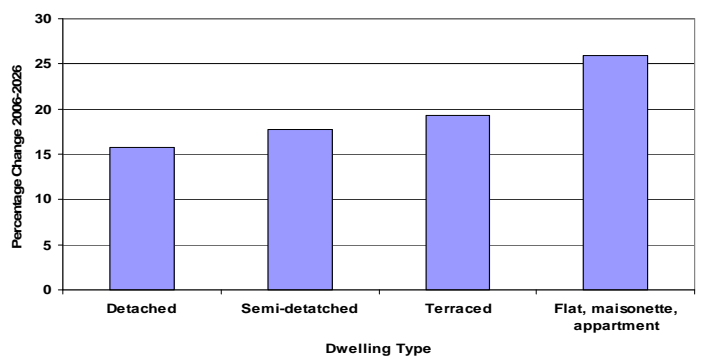
7. Travel-to-Work Patterns

- Stafford has quite high levels of self-containment, with more than 50,000 people living and working in the authority's area and less than 20,000 people commuting out.
- For those out-commuting, the main destinations are Cannock Chase and South Staffordshire, as well as Birmingham and Wolverhampton.
- More people commute into Stafford than travel out for work. The majority of these in-commuters come from Newcastle-under-Lyme, Cannock Chase, Staffordshire Moorlands, and South Staffordshire.



8. Changes in the demand for types of Dwellings

- Using patterns from the 2001 Census, it is possible to estimate what the demand changes for types of dwelling and tenure could be in 2026.
- An increase in demand is projected for all types of dwellings between 2006 and 2026, with the biggest percentage increase in demand being for flats, followed by smaller proportionate increases for terraced, semi-detached, and detached properties.
- However, in terms of absolute numbers, the increase in actual numbers of properties is larger for semi-detached and detached houses.



9. Changes in Tenure

- Through to 2026, the number of dwellings in home ownership is projected to increase by the lowest proportion, but represents a much larger absolute change.
- However, a significant increase is projected for social rented properties (albeit from a lower base), reflecting the poor employment prospects for the district and, in particular, job losses in manufacturing.
- The above, combined with the impact of the Credit Crunch, may mean that intermediate options are required to enable local people to enter or remain in owner occupation.

