

The Economic Demand for Housing in the West Midlands, 2006-2026: Stratford-upon-Avon

This two-page data dashboard provides an overview of the projections and analysis for the Stratford-upon-Avon 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

- Stratford-upon-Avon is projected to recover quickly from the recession, with positive jobs growth in the period to 2026 for both residents in employment and workplace employment.
- Occupations are projected to become more higher-order, and with a large number of out-commuters, in addition to over 40,000 people living and working locally, substantial population growth is expected.
- This is likely to have a consequent impact on housing demand, particularly for detached and semi-detached properties in home owner occupation. Affordability is likely to be a continued challenge, and there may be a need to develop intermediate housing solutions to maintain owner occupation levels.
- The Study's projections to 2026 suggest that future housing provision to support economic growth will comprise, as shares of total dwellings: detached housing (39%), followed by semi-detached (32%), terraced housing (19%), and flats (10%). Tenure is projected to be 75% home ownership, 15% social rented, and 10% private rented.

1. The logic of our Model . . .

Jobs in locations

Occupations in locations

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

Housing in locations

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

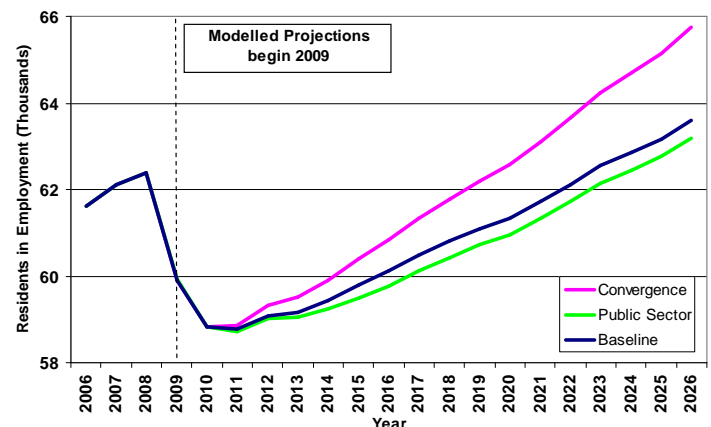
2. Projected Population Change . . .

Spatial Level	Population (000)		% Change 2006-2026
	2006	2026	
Stratford-on-Avon	116.1	137.3	18
South	801.9	901.3	12
West Midlands	5366.7	5799.8	8

- The population of Stratford-upon-Avon is set to grow by 21,200 over the next twenty years – an increase of 18%, well above the regional average of 8%.
- This percentage increase is also considerably higher than the projected increase for the whole of the South Housing Market Area.

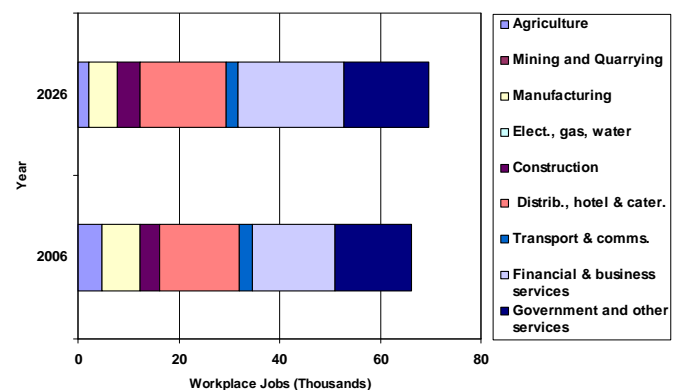
3. Number of Residents in Employment . . .

- Like other parts of the region, the recession has had an immediate impact locally, and the number of Stratford-upon-Avon residents in employment locally fell significantly between 2006 and 2009.
- However, the economy is projected to recover and under all three scenarios resident employment is projected to return to and exceed the 2006 level of 62,400 by 2026. Under the *Convergence* scenario, the number of employed residents will start to increase from 2011, and grow to just over 65,700 by 2026.
- Under the more negative *Public Sector Austerity* scenario, employment will also start increasing from 2011, achieving almost 63,200 by 2026.



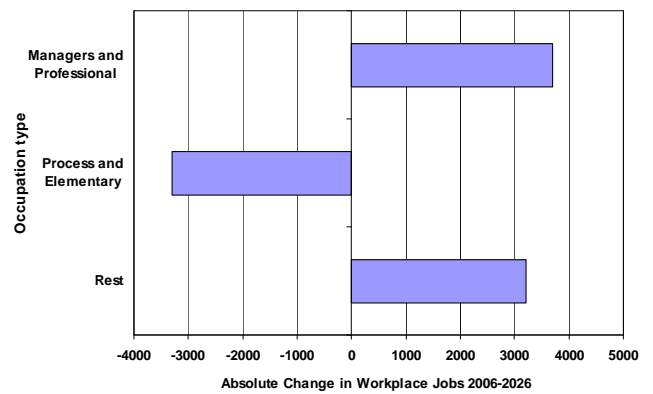
4. . . . and the Sectoral Changes

- The number of workplace jobs in Stratford-upon-Avon is projected to increase between 2006 and 2026, rising by almost 3,500 from 66,100 to 69,600.
- The sector likely to suffer most is agriculture, reducing by 2,500 jobs over the forecast period. Manufacturing is also expected to decline by 2,100 jobs.
- In contrast, employment in financial and business services is expected to grow by 4,600 jobs. Government/other services is also anticipated to grow, with an additional 1,700 jobs projected over the period, and distribution, hotels and catering is projected to grow by 1,200.



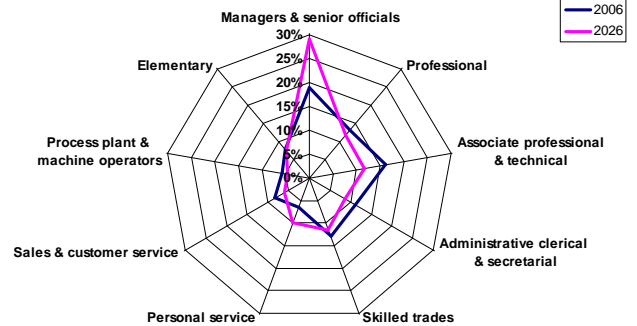
5. Changes in the Occupational Structure of Jobs

- The occupational make-up of Stratford-upon-Avon will become more high-level through to 2026, with around 3,700 additional workplace jobs in managerial or professional occupations.
- Process and elementary occupations are where relatively heavy job shedding is projected, with around 3,300 fewer jobs in 2026 than in 2006.
- All other occupations together are expected to grow by just over 3,200 jobs over the twenty year period from 2006-2026.



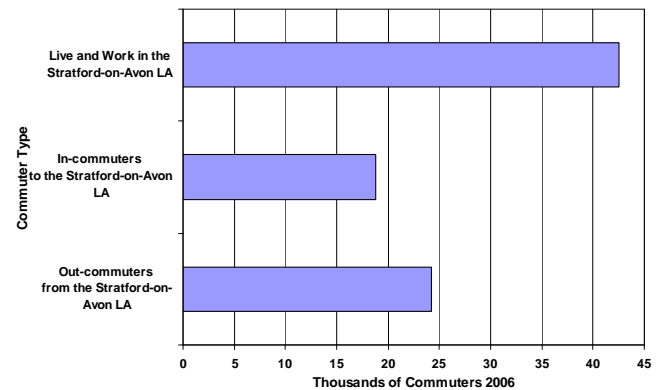
6. Residents' Changes in Occupations

- The occupations of Stratford-upon-Avon'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 process plant operative occupations, administrative and clerical jobs, skilled trades, and associate professional and technical jobs.
- Projections indicate a higher proportion of residents employed as managers and senior officials. There is also likely to be an increase in the share of residents employed in personal service.



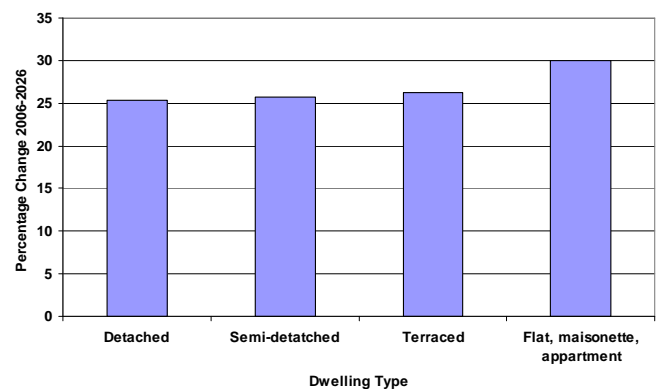
7. Travel-to-Work Patterns

- The 2006 Travel-to-Work data suggest that Stratford-upon-Avon is quite mixed with regard to its commuter patterns. More than 40,000 people live and work within the Local Authority area, with a further 25,000 commuting out for work.
- The primary destinations for out-commuters within the region are Warwick, Coventry and Birmingham, although almost 2,500 people travel to work in the South East of England and more than 1,000 to the East Midlands.
- Almost 20,000 people also commute in to Stratford; their origins include Warwick, Redditch, Wychavon, Birmingham, and Coventry.



8. Changes in the demand for types of Dwellings

- Using patterns from the 2001 Census, it is possible to estimate how demand for types of dwelling and tenure could change through to 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 similar proportionate increases for terraced, semi-detached, and detached properties.
- However, in terms of absolute numbers, the increase in actual numbers of properties is far larger for detached and semi-detached properties, reflecting the area's significantly rural nature.



9. Changes in Tenure

- Through to 2026, the number of dwellings in home ownership is projected to increase by the lowest proportion, but this represents a much larger absolute change.
- Social and private rented together make up a smaller proportion of the housing market, but with continued affordability issues (despite the recession) and the impact of the Credit Crunch, these tenures will be important. It is also likely that intermediate options may be required to enable local people to enter, or remain in owner occupation.

