

The Economic Demand for Housing in the West Midlands, 2006-2026: Telford and Wrekin

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

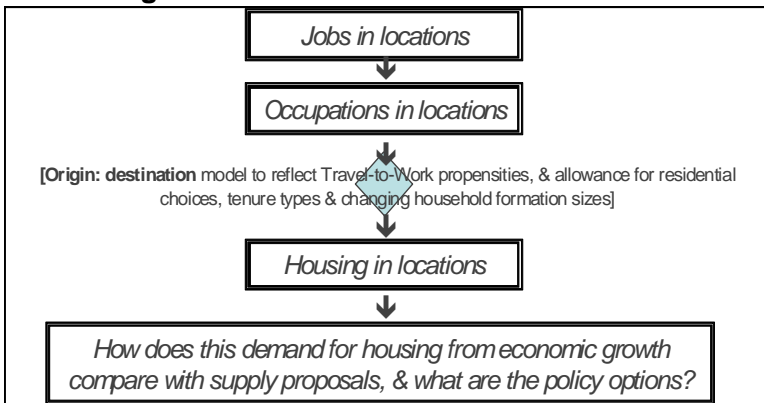
These projections are 'policy off', and do not take into account any planned developments. Under the *Baseline* scenario, regional GVA growth is projected to be slower than that of the UK as a whole. Under the *Convergence* scenario, the regional GVA growth rate is projected to catch up with that of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

- Telford and Wrekin is, and will continue to be, an important employment centre, reflected in the projection of almost 97,500 workplace jobs in the district in 2026. Projections for the numbers of residents in employment are also healthy into the long term, once the impacts of the recession have washed through.
- With a high degree of self-containment, jobs growth is expected to lead to housing growth. However, there is also a significant level of identified housing need requiring social housing or intermediate solutions.
- The Study's projections to 2026 suggest that future housing provision to support economic growth will comprise, as shares of total dwellings: semi-detached housing (37%), followed by detached (31%), terraced housing (22%), and flats (10%). Tenure is projected to be 69% home ownership, 23% social rented and 8% social rented.

1. The logic of our Model . . .



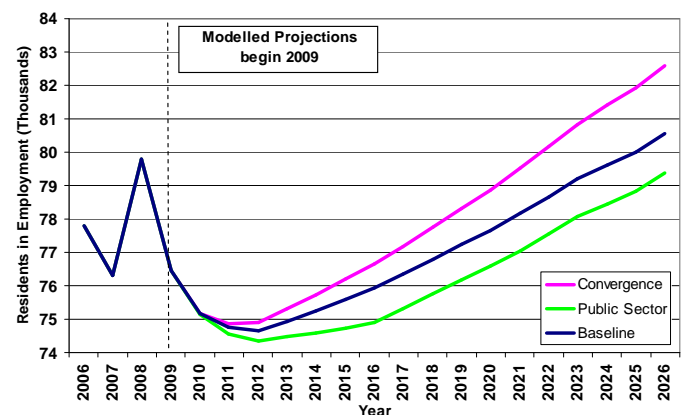
2. Projected Population Change . . .

Spatial level	Population (000)		% Change 2006-2026
	2006	2026	
Telford and Wrekin	161.9	174.2	8
Central 3 Housing Market Area	1446.4	1498.7	4
West Midlands	5366.7	5799.8	8

- The population of Telford and Wrekin is set to grow by 12,300 in the next twenty years – an increase of 8%, fully in line with the regional average (also at 8%).
- This percentage increase is double that for the whole of the Central 3 Housing Market Area more widely.

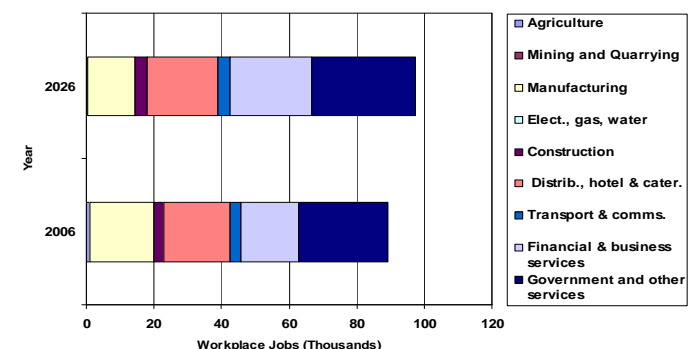
3. Number of Residents in Employment . . .

- Like other parts of the region, the recession has had a major impact locally, and the number of Telford and Wrekin residents in employment fell significantly between 2006 and 2009.
- Under all three scenarios, resident employment is projected to return to and exceed the 2006 level of 77,800 by 2026. Under the *Convergence* scenario, the number of employed residents will start to increase from 2011 and grow to 82,600 by 2026.
- Under the more negative *Public Sector Austerity* scenario, employment will remain low until 2012 and then will increase, achieving almost 79,400 by 2026.



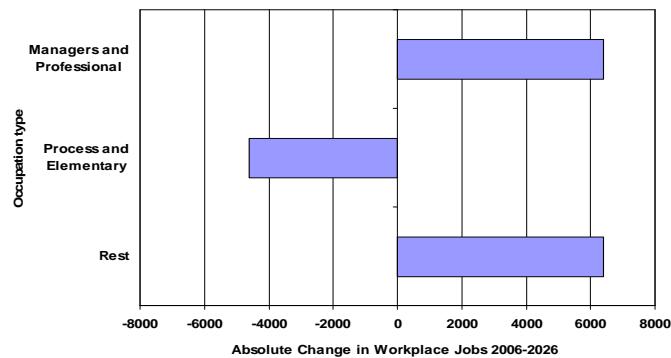
4. . . . and the Sectoral Changes

- The number of workplace jobs in Telford and Wrekin is projected to increase between 2006 and 2026, rising by 8,200 from 89,300 to 97,500.
- The sector likely to decline most is manufacturing, reducing by 7,400 jobs over the projected period.
- In contrast, employment in financial and business services is expected to grow by 7,400 jobs. The Government and other services sector is also anticipated to grow, with an additional 4,200 jobs anticipated.



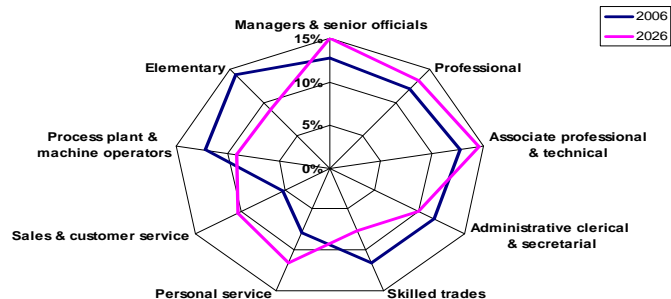
5. Changes in the Occupational Structure of Jobs

- The occupational make-up of Telford and Wrekin will become more high-level through to 2026, with around 6,400 additional workplace jobs in managerial or professional occupations.
- Process and elementary occupations are where relatively heavy job shedding is projected, with around 4,600 fewer jobs in 2026 than in 2006.
- All other occupations together are expected to grow by 6,400 jobs over the twenty year period.



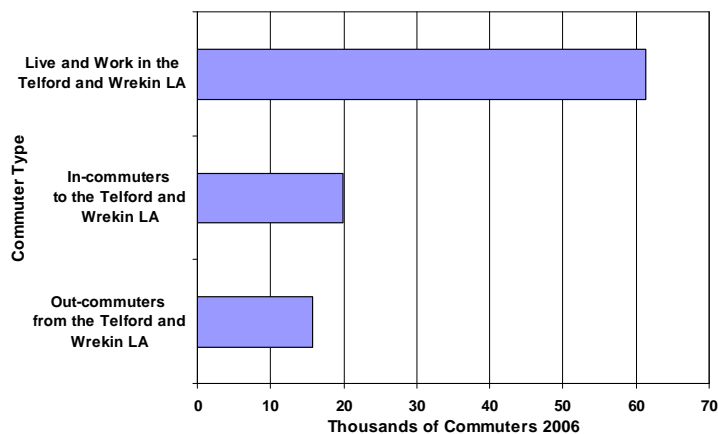
6. Residents' Changes in Occupations

- The occupations of Telford and Wrekin's residents will change in a similar manner to the profile of workplace jobs over the period to 2026.
- A significant decline is projected in elementary, process plant operative occupations, sales and customer service, skilled trades and administrative and clerical jobs.
- Projections indicate a higher proportion of residents employed as managers, professionals and associate professionals and technicians.



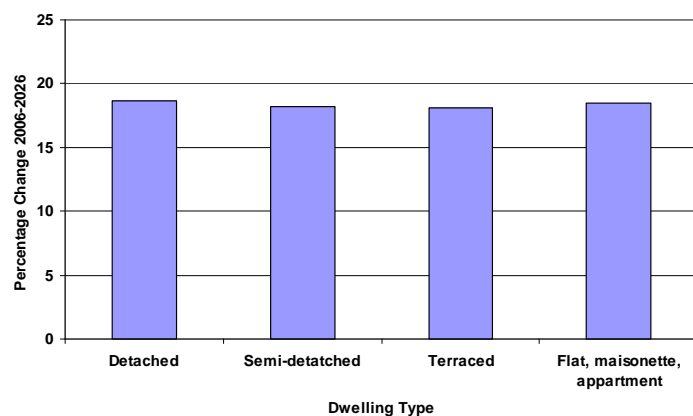
7. Travel-to-Work Patterns

- According to 2006 travel-to-work patterns, Telford and Wrekin has a high level of resident retention in terms of commuting, with more than 60,000 residents living and working in the area and fewer than 16,000 residents working elsewhere.
- There are more people that commute in to Telford and Wrekin than out for work, with almost 20,000 people in-commuting for work. Almost all those who in-commute do so from parts of Shropshire, with a large number also commuting from Wolverhampton.
- There is a similar pattern of out-commuting, with Shropshire and Wolverhampton the main destinations.



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 to 2026.
- For all dwelling types depicted to the right, this percentage demand is expected to increase by about 20% (bearing in mind different base positions).
- However, absolute increases vary considerably with larger numbers of detached and semi-detached properties projected than terraced housing. Flats only make up a small share of the housing market.



9. Changes in Tenure

- Through to 2026, the number of dwellings in home ownership is projected to increase by the largest proportion, and also represents the largest absolute increase.
- However, the projected demand for social housing in Telford and Wrekin is also relatively high, with a projected share of 23% representing a considerable level of housing need within the district.
- As social housing provision is unlikely to increase significantly and the implications of the Credit Crunch are likely to make home ownership more difficult, it is likely that intermediate housing options will also need to be delivered.

