

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

This two-page data dashboard provides an overview of the projections and analysis for the Walsall 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 and 2026 to support economic growth.

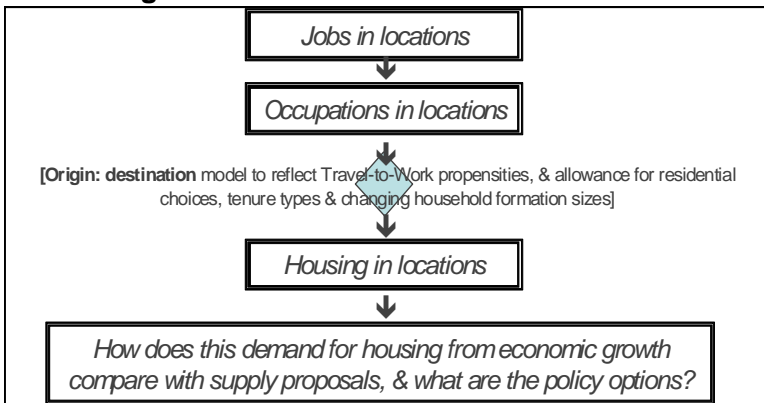
These projections are 'policy off', and do not take in to account any planned developments. Under the *Baseline* scenario, regional GVA growth is projected to be slower than that of the UK as a whole. Under the *Convergence* scenario, the regional GVA growth rate is projected to catch up with that of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

- The recession is having a severe impact on Walsall, and it will take time to recover. Projections under the Baseline scenario show only a slight increase on 2006 employment numbers by 2026 with Convergence slightly better, and Public Sector Austerity showing a reduction.
- Workplace employment is also projected to fall, with a significant drop in manufacturing employment.
- Unsurprisingly, low economic demand suggests a high degree of housing need and a requirement for a continued high proportion of social housing.
- 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 (45%), followed by terraced housing (23%), detached (20%), and flats (12%). Tenure is projected to be 69% home ownership, 24% social rented, and 7% private rented.

1. The logic of our Model . . .



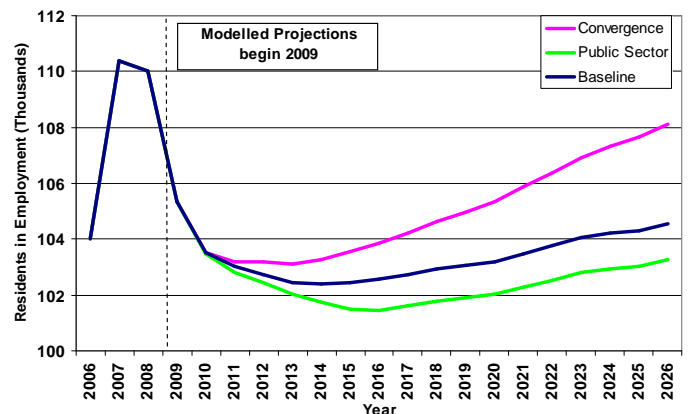
2. Projected Population Change . . .

Spatial Level	Population (000)		% Change 2006-2026
	2006	2026	
Walsall	254.5	261.9	3
Central 3 Housing Market Area	1446.4	1498.7	4
West Midlands	5366.7	5799.8	8

- The population of Walsall is set to grow by 7,400 in the next twenty years – an increase of 3%, well below the regional average of 8%.
- This percentage increase is in line with the forecast increase for the whole of the Central 2 Housing Market Area more widely.

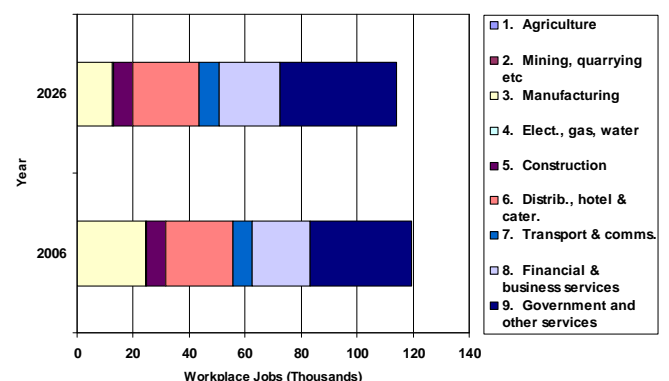
3. Number of Residents in Employment . . .

- Like other parts of the region, the recession has had a major impact locally and the number of Walsall residents in employment locally fell significantly between 2006 and 2009.
- With the Convergence and Baseline scenarios, resident employment is projected to return to the 2006 level of 104,000 by 2026. Under the Convergence scenario, the number of employed residents will start to increase gradually from 2013 and grow to just over 108,000 by 2026.
- Under the more negative Public Sector Austerity scenario, employment will remain low until 2014 and then will increase very slowly, achieving just over 103,000 by 2026.



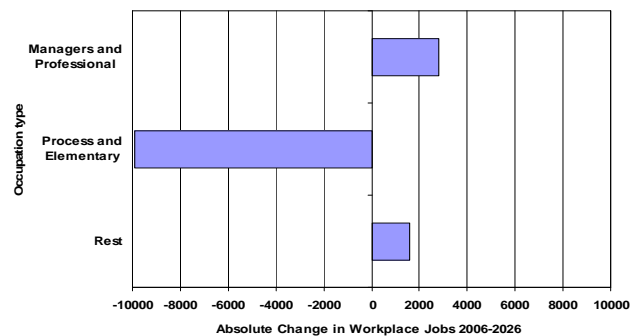
4. . . . and the Sectoral Changes

- The number of workplace jobs in Walsall is projected to decrease slightly between 2006 and 2026, reducing by 5,700 from 119,500 to just below 114,000.
- The sector likely to suffer most is manufacturing, reducing by just under 12,000 jobs over the forecast period.
- In contrast, employment in Government & other services is expected to grow by almost 5,000 jobs. The financial and business services sector is also anticipated to grow, with an additional 1,200 jobs projected.



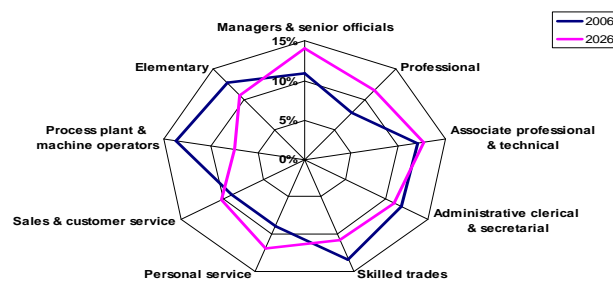
5. Changes in the Occupational Structure of Jobs

- The occupational make-up of Walsall will become more high-level through to 2026, with around 2,800 additional workplace jobs in managerial or professional occupations.
- Process and elementary occupations are where relatively heavy job-shedding is projected, with 9,900 fewer jobs in 2026 than in 2006.
- All other occupations together are expected to grow by just over 1,600 jobs over the twenty year period.



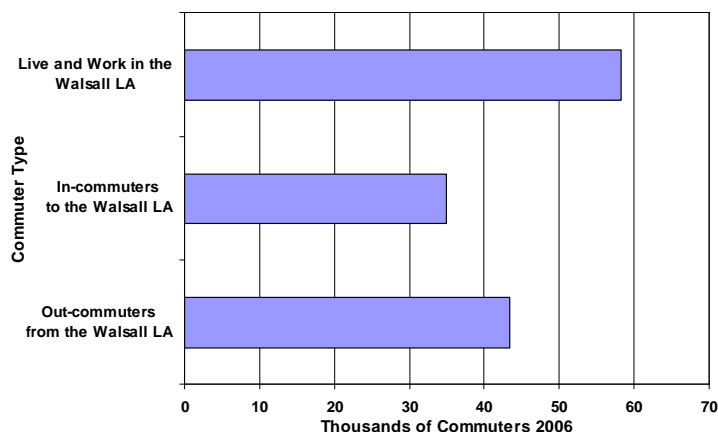
6. Residents' Changes in Occupations

- The occupations of Walsall's residents will change in a similar manner to the workplace jobs profile over the period to 2026.
- A decline is projected in elementary and process plant operative occupations. There is also likely to be a decline in skilled trades.
- Projections indicate a higher proportion of residents employed as managers or in professional occupations. There is also likely to be an increase in the share of residents employed in personal service.



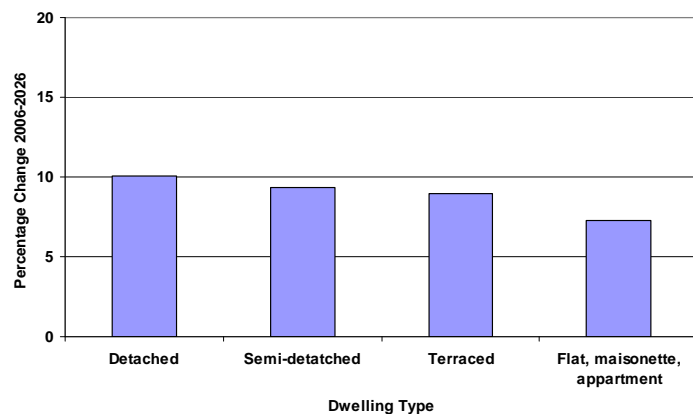
7. Travel-to-Work Patterns

- Based on 2006 travel-to-work figures, Walsall shows quite mixed patterns of commuting with almost 60,000 residents working within the local authority boundary, and a further 43,000 commuting out.
- The main destinations for out-commuters are Birmingham, Wolverhampton, and Sandwell with large numbers also travelling to Cannock Chase and Dudley. There are relatively low-levels of commuting to areas outside the region in comparison with other local authorities.
- There are also nearly 35,000 people that travel in to Walsall for work, the majority of these coming from Wolverhampton, Sandwell, and Birmingham.



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 detached dwellings, followed by semi-detached, terraced housing, then flats.
- However, in absolute terms, semi-detached properties are projected to see the largest increase, providing almost half of the district's properties followed by terraced housing, detached properties, and a much smaller number of flats.



9. Changes in Tenure

- Through to 2026, the number of dwellings in home ownership is projected to increase by the highest proportion, as well as representing the largest absolute change.
- Almost a quarter of the housing stock is projected to be social rented, which suggests high housing need. This level of need, combined with a reduction in the delivery of social housing and impacts of the Credit Crunch suggest that intermediate housing solutions will be needed to help local people enter or remain in home ownership.

