

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

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

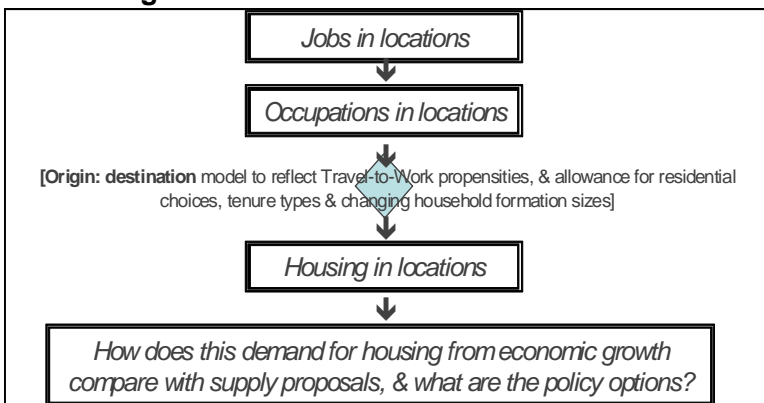
These projections are 'policy off', and do not take in to account any planned developments. Under the *Baseline* scenario, regional GVA growth is projected to be slower than that of the UK as a whole. Under the *Convergence* scenario, the regional GVA growth rate is projected to catch up with that of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

- Warwick's economy has, so far, been resilient, and only marginally affected by the recession.
- Workplace jobs are forecast to grow, and the district looks set to house additional numbers of people working in neighbouring areas, as well as locally.
- A large proportion of Warwick's residents out-commute for work, with a substantial proportion travelling considerable distances to the East Midlands and the greater South East, indicating strong residential popularity.
- The projections suggest that future housing provision to support economic growth will comprise, as shares of total dwellings: semi-detached housing (33%), followed by detached (26%), terraced (22%), and flats (19%). Tenure is projected to be 74% home ownership, 14% social rented and 12% private rented.

### 1. The logic of our Model . . .



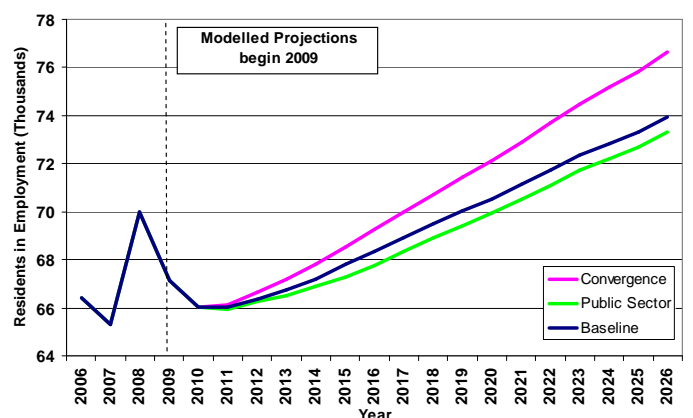
### 2. Projected Population Change . . .

Spatial level	Population (000)		% Change 2006-2026
	2006	2026	
Warwick	132.9	163.1	23
South Housing Market Area	801.9	901.3	12
West Midlands	5366.7	5799.8	8

- The population of Warwick is projected to grow significantly in the next 20 years, increasing by 30,000 extra people.
- This represents an increase of 23%, well above the regional average of 8%.
- This increase is almost double that projected for the rest of the South Housing Market Area (12%).

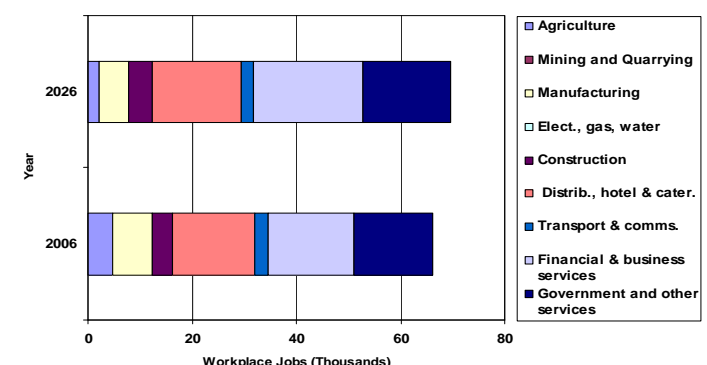
### 3. Number of Residents in Employment . . .

- Unlike other parts of the region, the recession so far appears to have had only a modest impact on Warwick. The number of Warwick residents in employment has changed little between 2006 and 2009.
- Under all 3 scenarios, resident employment is projected to exceed the 2006 level of 66,400 by 2026. Under the most optimistic scenario the number of residents in employment is projected to increase steadily by 2010 and grow by 10,300 to 76,700 by 2026.
- Under the more negative Austerity scenario, employment is likely to grow more slowly, reaching 73,300 by 2026.



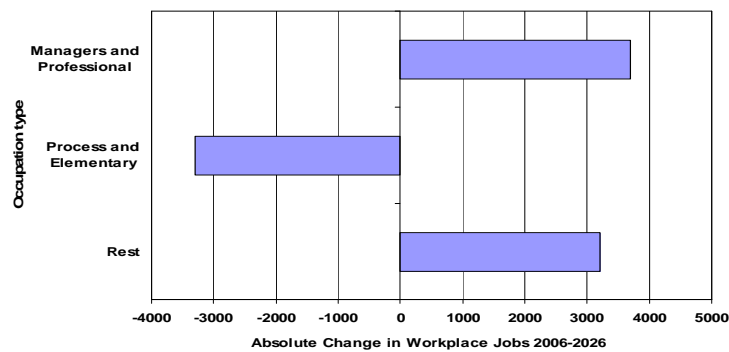
### 4. . . . and the Sectoral Changes

- The number of workplace jobs in Warwick is also projected to increase between 2006 and 2026, rising by 3,500 from 66,100 in 2006 to 69,600 by 2026.
- Two sectors are projected to lose significant numbers of jobs between 2006 and 2026: Manufacturing, with a loss of 2,100 jobs, and Agriculture with a loss of 2,400 jobs.
- Many other sectors look set to grow. Financial and business services is forecast to increase by 4,600 jobs. Government and other services is set to gain 1,700 additional jobs and the distribution, hotels and catering sector is forecast to grow by 1,200 jobs.



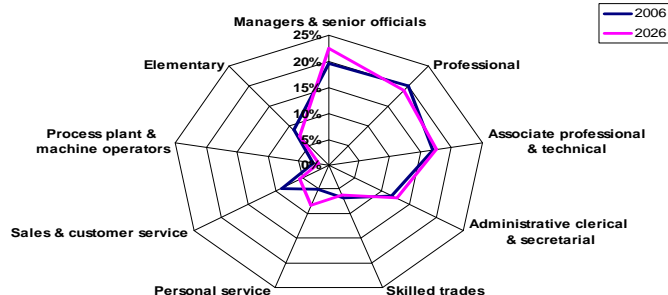
## 5. Changes in the Occupational Structure of Jobs

- The occupational make up of Warwick is expected to become more high-level, with approximately 3,700 additional workplace jobs in the managerial or professional occupations by 2026.
- Process and elementary occupations are projected to see the heaviest employment reduction, with approximately 3,300 job losses expected between 2006 and 2026.
- Those occupations that make up the rest of workplace jobs are likely to grow by over 3,000.



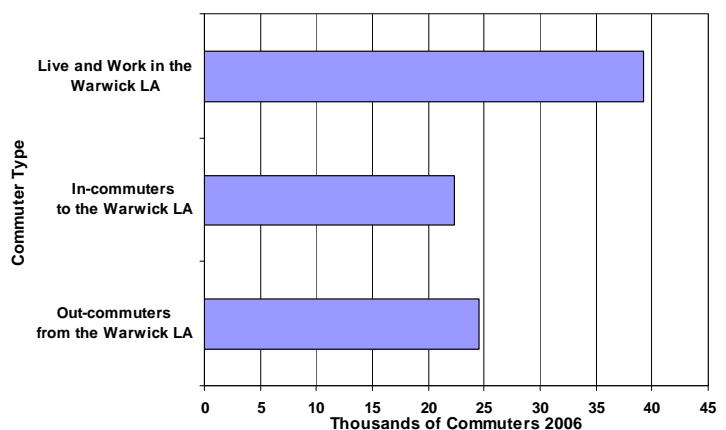
## 6. Residents' Changes in Occupations

- The occupations of Warwick's residents are projected to change only marginally over the 20 year period.
- There is likely to be a small decline in resident employment in the sales & customer services.
- A greater proportion of residents are projected to be employed as managers and in personal service jobs.



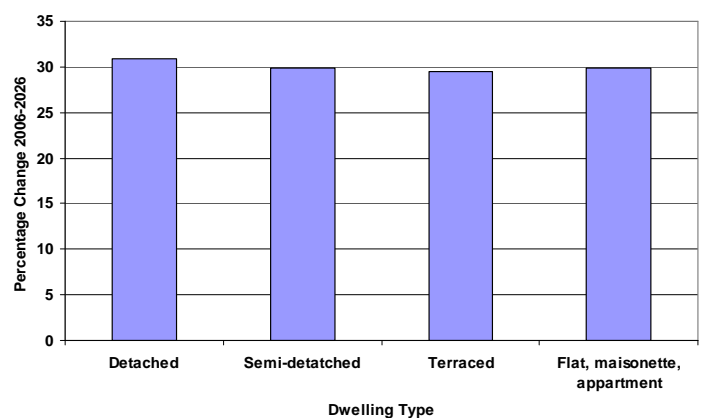
## 7. Travel-to-Work Patterns

- According to 2006 Travel-to-Work data, some 40,000 residents work within the local authority boundary.
- There are a further 25,000 people who live in Warwick but travel out of the area for work; more than one third of these (9,600) commute to Coventry. Birmingham and Solihull are the other main destinations within the region.
- In addition, a significant number of Warwick's residents (4,000) commute to workplaces outside of the region, mainly to the greater South East and the East Midlands, although about 700 commute to London and 600 to other parts of the UK.



## 8. Changes in the demand for types of Dwellings

- Using patterns from the 2001 Census, we can look to look at how demand may change for types of dwelling and tenure.
- A significant increase in demand is projected for all types of dwellings between 2006 and 2026 at around 30%.
- The largest absolute increase is projected for semi-detached homes, followed by detached and terraced properties, and flats.



## 9. Changes in Tenure

- Unsurprisingly, given the occupational mix and wider attractiveness of Warwick as a residential location, the largest projected increase is for owner occupation, with a projected need for a 30% increase in supply by 2026.
- Similar proportionate increases are projected for social and private rented dwellings, although much less significant in absolute terms.
- House prices have remained relatively high in Warwick. There may, therefore, be a need for intermediate housing solutions to support owner occupation.

