

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

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

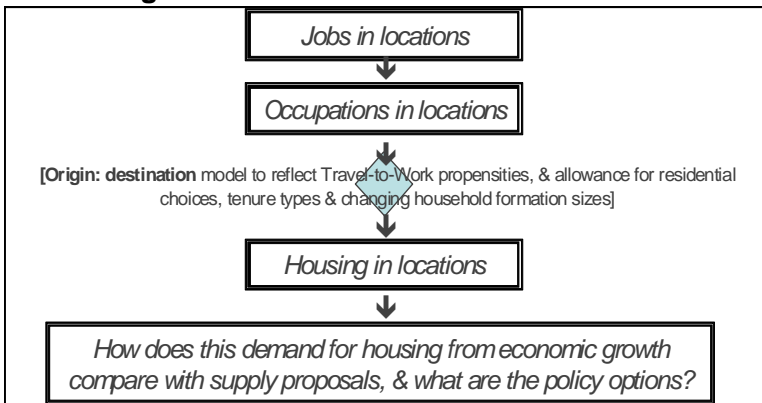
These projections are 'policy off', and do not take in to account any planned developments. Under the *Baseline* scenario, regional GVA growth is projected to be slower than that of the UK as a whole. Under the *Convergence* scenario, the regional GVA growth rate is projected to catch up with that of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

- Wychavon is projected to see modest growth in numbers of employed residents from 2011 onwards; workplace jobs will change little in total numbers, although there are gains and losses in different industrial sectors.
- Overall net out-commuting is expected to change little between 2006 and 2026, whereas net out-commuting by managers and professionals will increase.
- Wychavon is projected to continue to remain a popular residential location with high housing demand.
- The projections suggest that future housing provision to support economic growth will comprise, as shares of total dwellings: detached housing (43%) followed by semi-detached (31%), terraced housing (17%) and flats (9%). Tenure is projected to be 77% home ownership, 15% social rented and 9% private rented.

1. The logic of our Model . . .



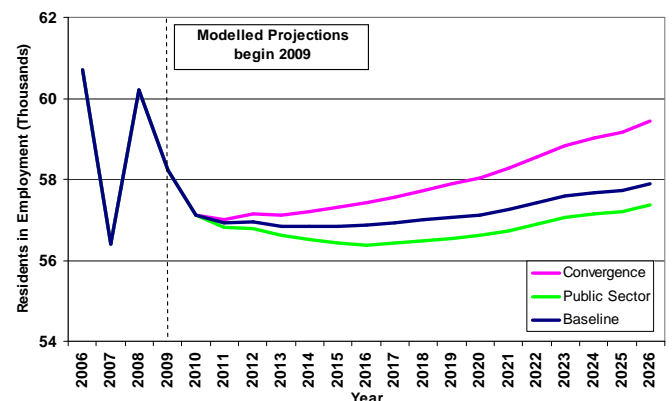
2. Projected Population Change . . .

Spatial level	Population (000)		% Change 2006-2026
	2006	2026	
Wychavon	116.3	129.7	12
South Housing Market Area	801.9	901.3	12
West Midlands	5366.7	5799.8	8

- The population of Wychavon is projected to grow significantly through to 2026 in the next 20 years, gaining more than 13,000 extra people.
- This represents an increase of 12%, well above the regional average of 8%.
- This increase is in line with that forecast for the rest of the South Housing Market Area.

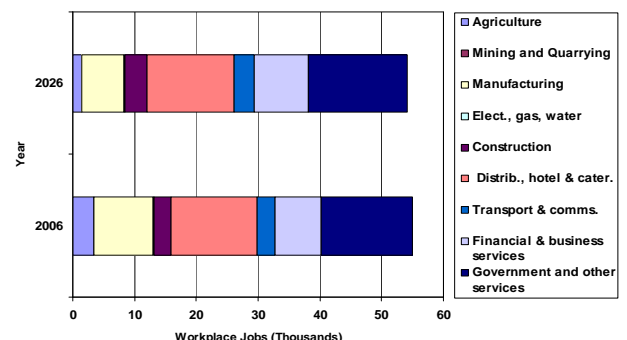
3. Number of Residents in Employment . . .

- Like other parts of the region, as a result of the recession the number of Wychavon residents in employment fell significantly between 2006 and 2009, although 2008 outperformed 2007.
- Under all three scenarios, resident employment is not expected to return to 2006 levels of 60,700 by 2026. Under the Convergence scenario, the number of residents in employment is projected to increase slowly by 2011 and grow to around 59,400 by 2026.
- Under the more negative Public Sector Austerity scenario, employment is expected to continue to fall until 2016 and then will increase only very slowly, reaching 57,400 by 2026



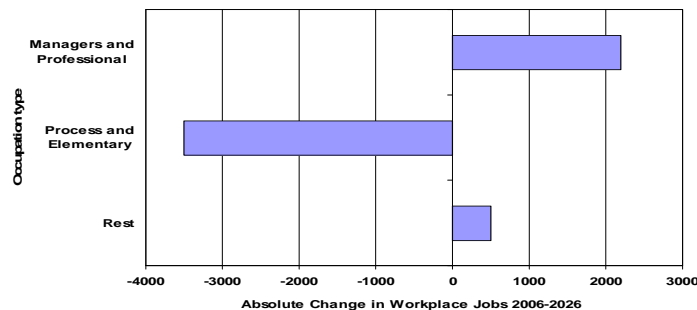
4. . . . and the Sectoral Changes

- The number of workplace jobs in Wychavon is set to decline modestly between 2006 and 2026, although the bulk of these projected job losses will have occurred between 2006 and 2010.
- The sectors set to suffer the most will be manufacturing, (2,800 job losses) and agriculture, projected to lose 2,000 jobs between 2006 and 2026.
- Most other sectors are likely to remain at their current levels through to 2026, with modest growth in financial and business services (1,500) and in Government and other services (up 1,300). The construction sector is also set to grow by 700 jobs.



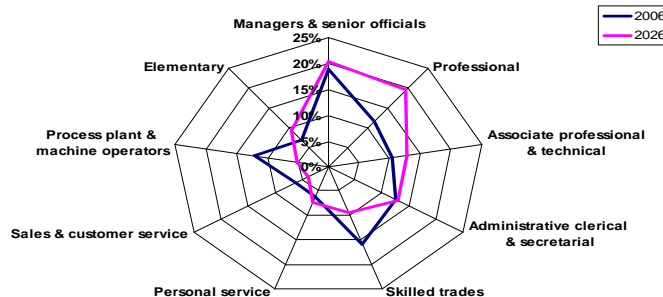
5. Changes in the Occupational Structure of Jobs

- As the chart on the right shows, despite resident and work place job losses, the occupational make up of Wychavon will become more high-level, with around 2,200 additional workplace jobs in managerial or professional occupations.
- Process and elementary occupations are where the heaviest job losses are expected, with 3,500 job losses projected between 2006 and 2026.
- The group of occupations that make up the rest of the workplace jobs is expected to increase by 500.



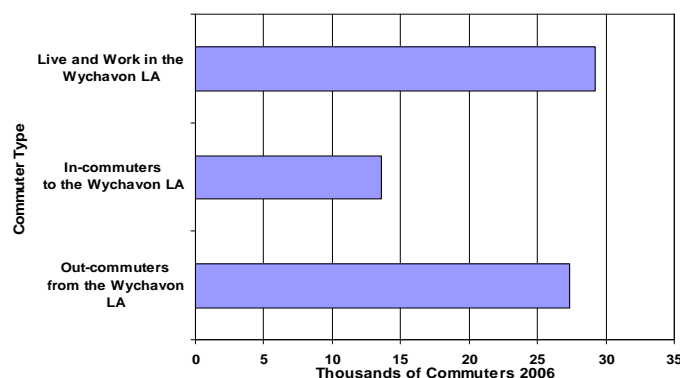
6. Residents' Changes in Occupations

- The occupations of Wychavon's residents are projected to change in a similar manner to the workplace occupations profile in the area to 2026.
- Resident employment is projected to decline in skilled trades, process and plant operative occupations. An increased number of residents are projected to be employed in professional occupations, and in associate professional and technical occupations.



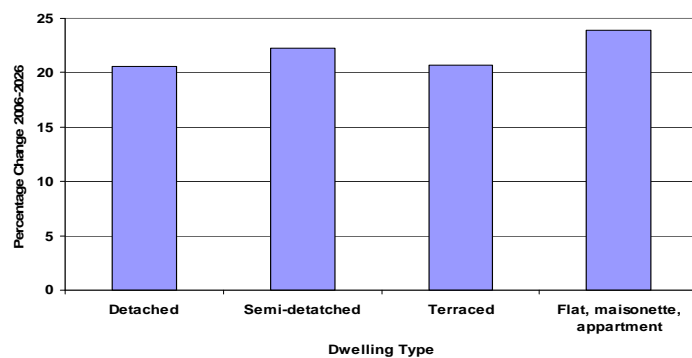
7. Travel-to-Work Patterns

- According to 2006, Travel-to-Work data there are almost as many people that live in Wychavon and commute out for work (approximately 27,000) as there people that live and work in the area (approx 29,000).
- Approximately 7,000 of those that out-commute do so to areas outside the region. Within the region, the largest numbers of out-commuters are to Worcester and Stratford on Avon.
- Almost 14,000 people commute in to Wychavon for work, mainly from Worcester and Wyre Forest.



8. Changes in the demand for types of Dwellings

- Using patterns from the 2001 Census, we can estimate how demand for types of dwelling and tenure may change. There will be a particular increase in demand for flats at 24% followed by semi-detached (22%), and detached and terraced properties (both of just over 20%).
- However, as suggested above, with resident occupations in Wychavon becoming more high-end, the largest absolute increases by far are for detached and semi-detached properties.



9. Changes in Tenure

- Taking into account the projected, continued, pattern of out-commuting of professionals, it is unsurprising that the number of dwellings in owner occupation is projected to increase by the largest proportion, followed by social rented and private rented types. In absolute terms, owner occupation is the dominant tenure and shows a much larger absolute increase.
- As a popular residential location, affordability is an issue which, combined with the impacts of the Credit Crunch, means that some intermediate housing options may be required to support home ownership.

