Wirral Housing Needs

Housing Requirements Workshop #1

Presentation by Colin Robinson

14th October 2013

nlp Nathaniel Lichfield and Partners

Purpose of Today's Workshop

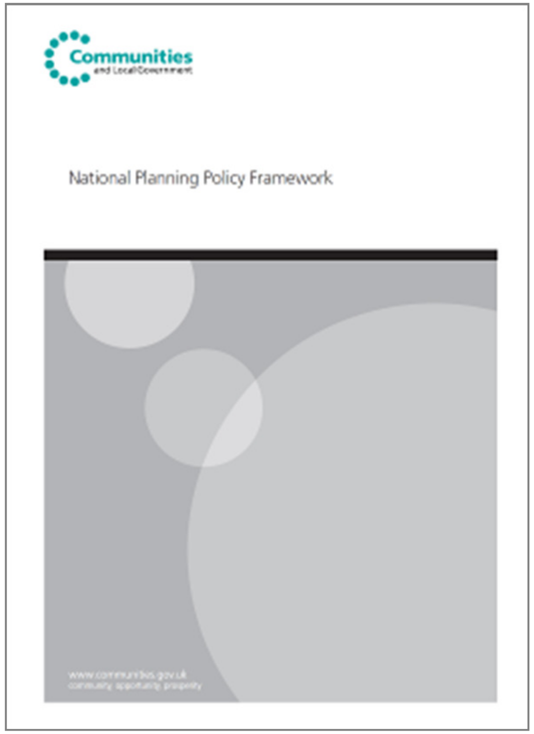
The main objectives of today's workshop are:

- Understand the modeling process undertaken to date
- Discuss the emerging findings of the housing requirement work for the Wirral
- Comment on the appropriateness/realism of the housing demand scenarios

Note: these findings are at an early stage and the figures will be subject to change

Why do we need housing targets?

Why do we need housing targets?



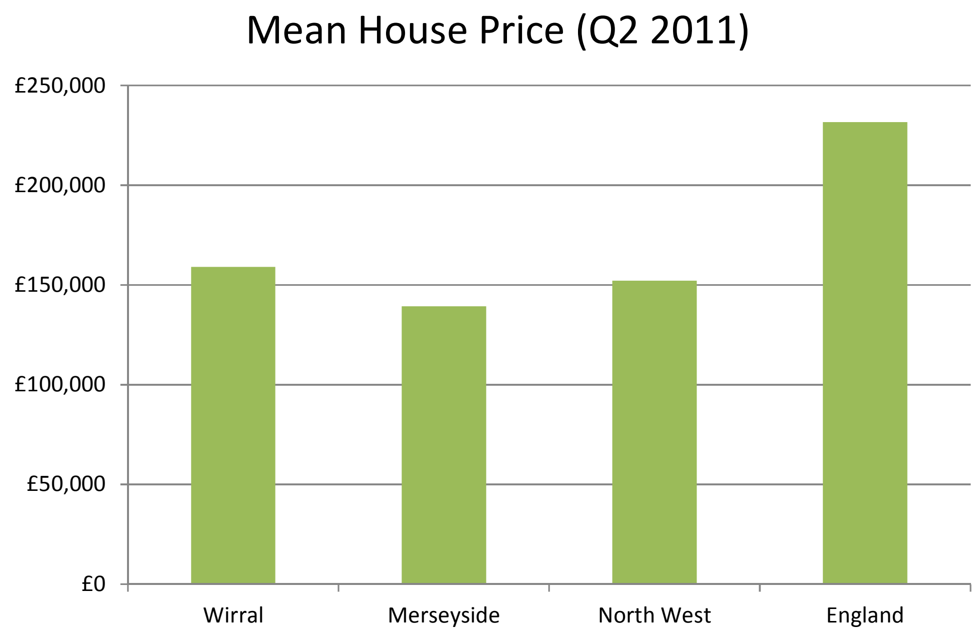
- **NPPF** unashamedly pro-growth – LPAs should positively seek opportunities to meet the full objectively assessed housing and affordable dwelling requirements in their HMA [para 47]
- Take account of market signals and set out a clear strategy for allocating sufficient housing
- Work with stakeholders to prepare a robust evidence base assessing the need for all types of households over the plan period
- Failure to do so could lead to Local Plans being found **unsound** at EiP and losing control of development in your area

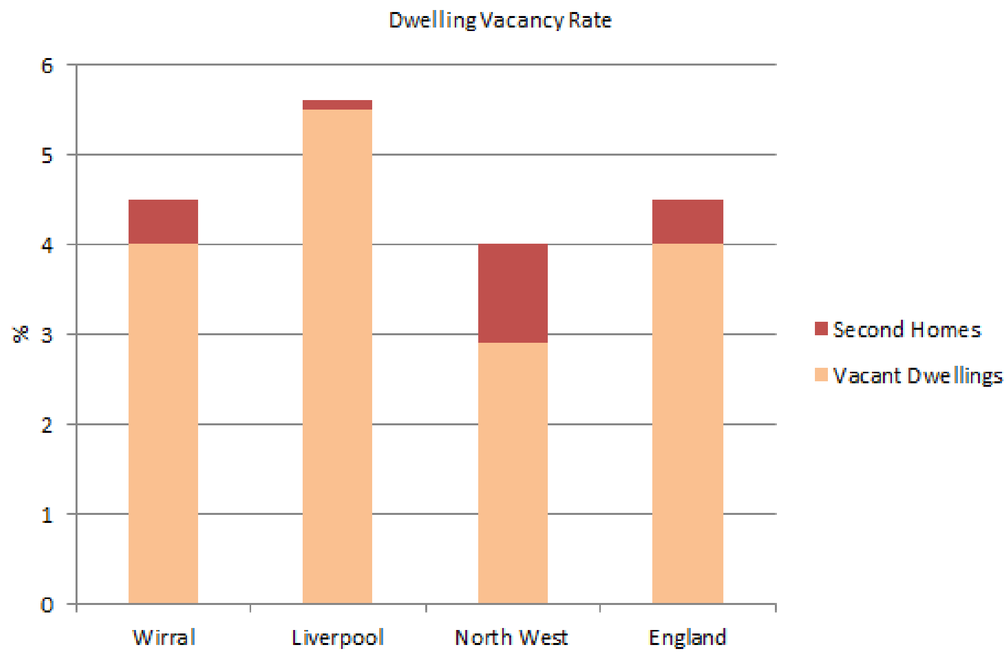
Current Situation

Housing Challenges

Weak Demand

- Wirral's mean house prices in 2011 were c.£159,000. This is lower than the national average (£232,000), but higher than Merseyside (£139,000) and the North West (£152,000)
- Vacancy levels are consistent with the national average (4.5%) – relatively low levels of 2nd home ownership
- Vacancy levels lower than Liverpool but higher than the North West





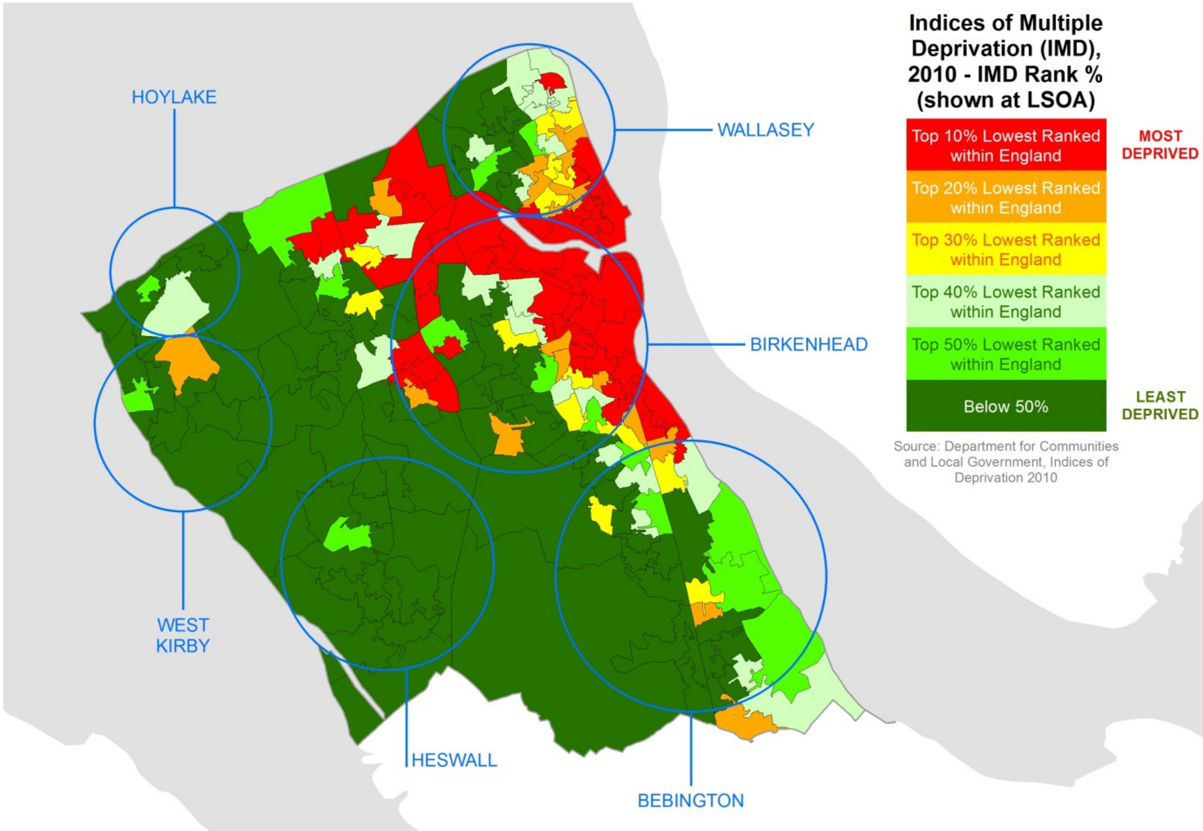
Economic Challenges

Aspirations for Growth

- Wirral Waters
  - 18 million sq. ft. mixed use development (retail, hotels, leisure, offices, and residential uses)
  - 20,000 or more new jobs
- International Trade Centre
  - 2.5 million sq. ft. of commercial floorspace
- Wider Regeneration Proposals

Indices of Multiple Deprivation

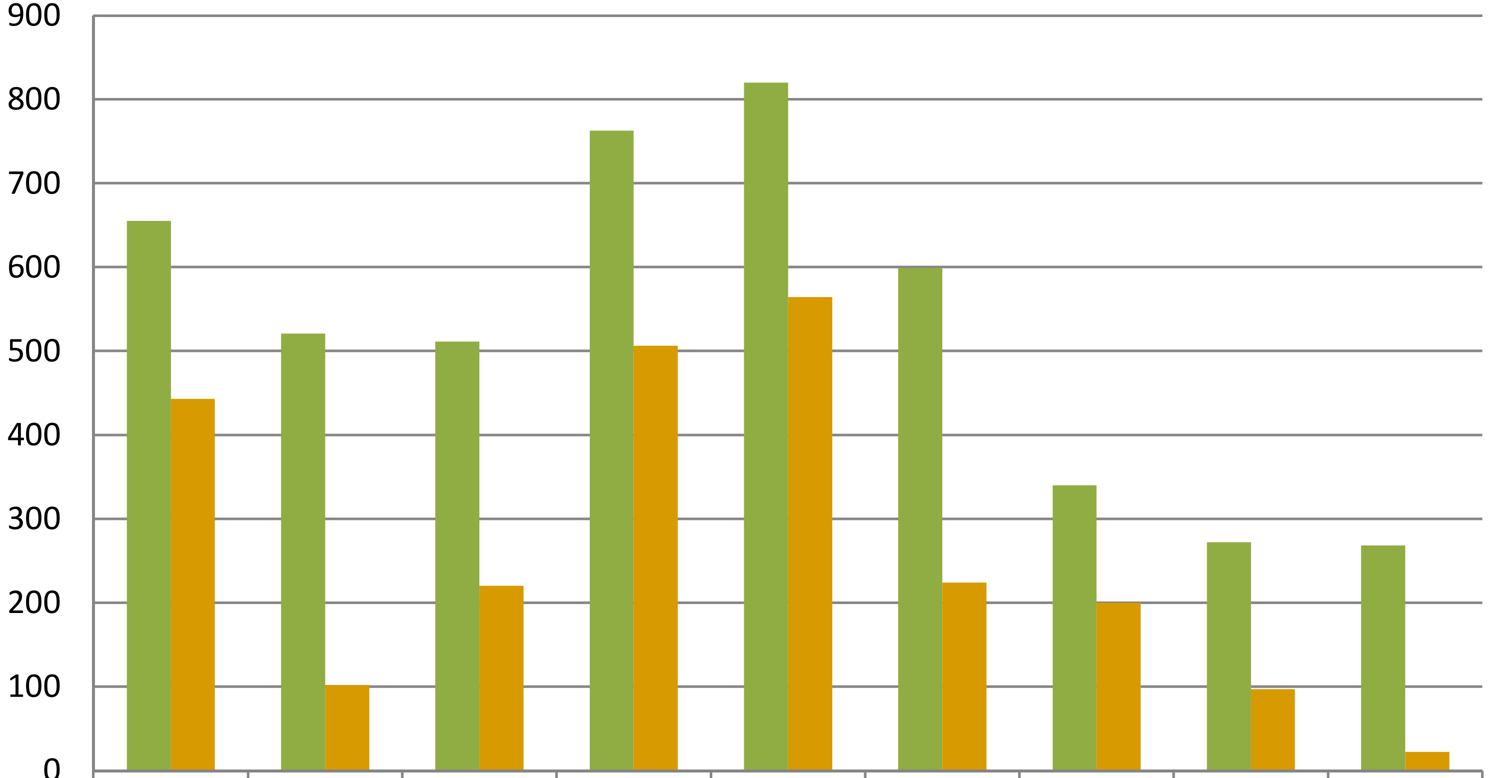
- Parts of east Wirral are within the Top 10% lowest ranked areas
- Rural areas and west more affluent – outside the top 50% lowest ranked areas
- Wirral ranked 60th most deprived out of 326 local authorities in 2010



Wirral

Housing Delivery – 264 dpa (net of demolitions)

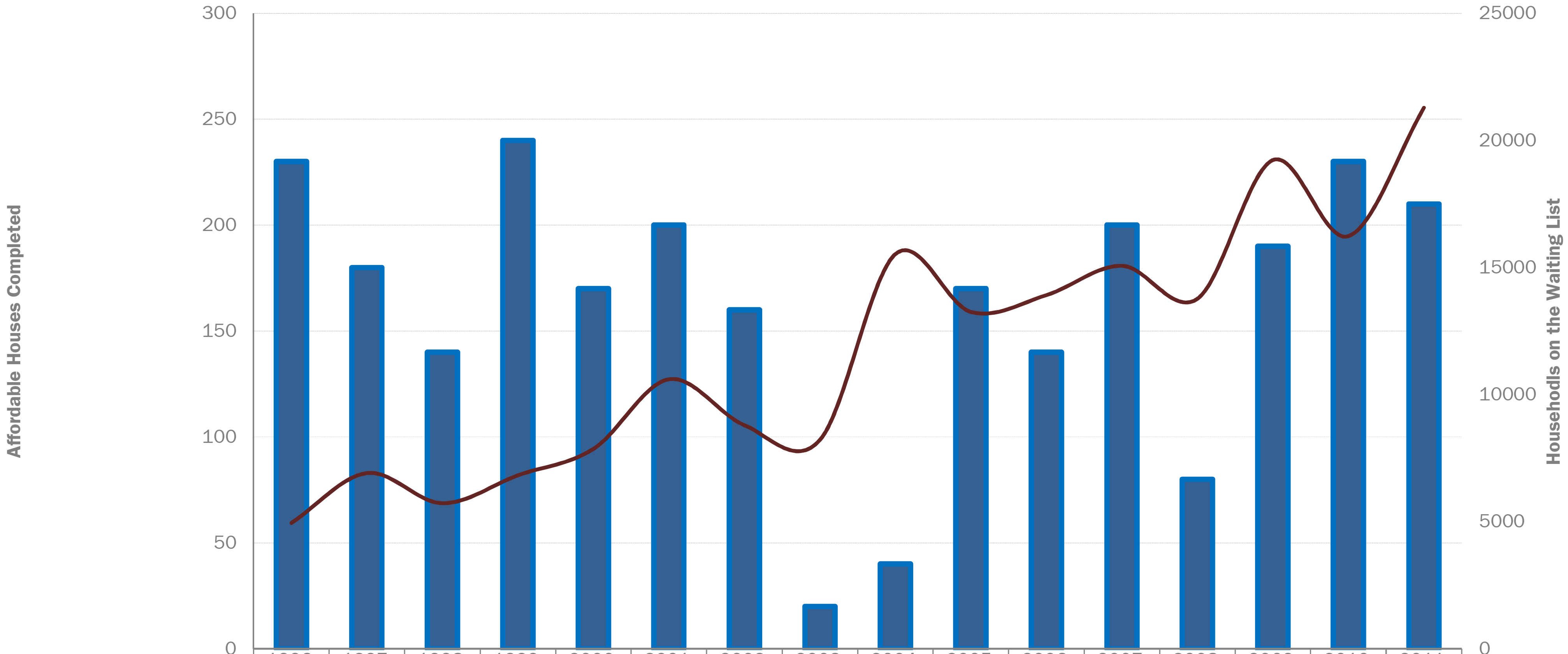
RS requirement of 500 dpa – shortfall of 2,122 dwellings since 2003 (236 dpa)



	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Gross Completions	655	521	511	763	820	599	340	272	268
Net Completions	443	102	220	506	564	224	200	97	22

Housing Challenges

Affordable Housing Delivery



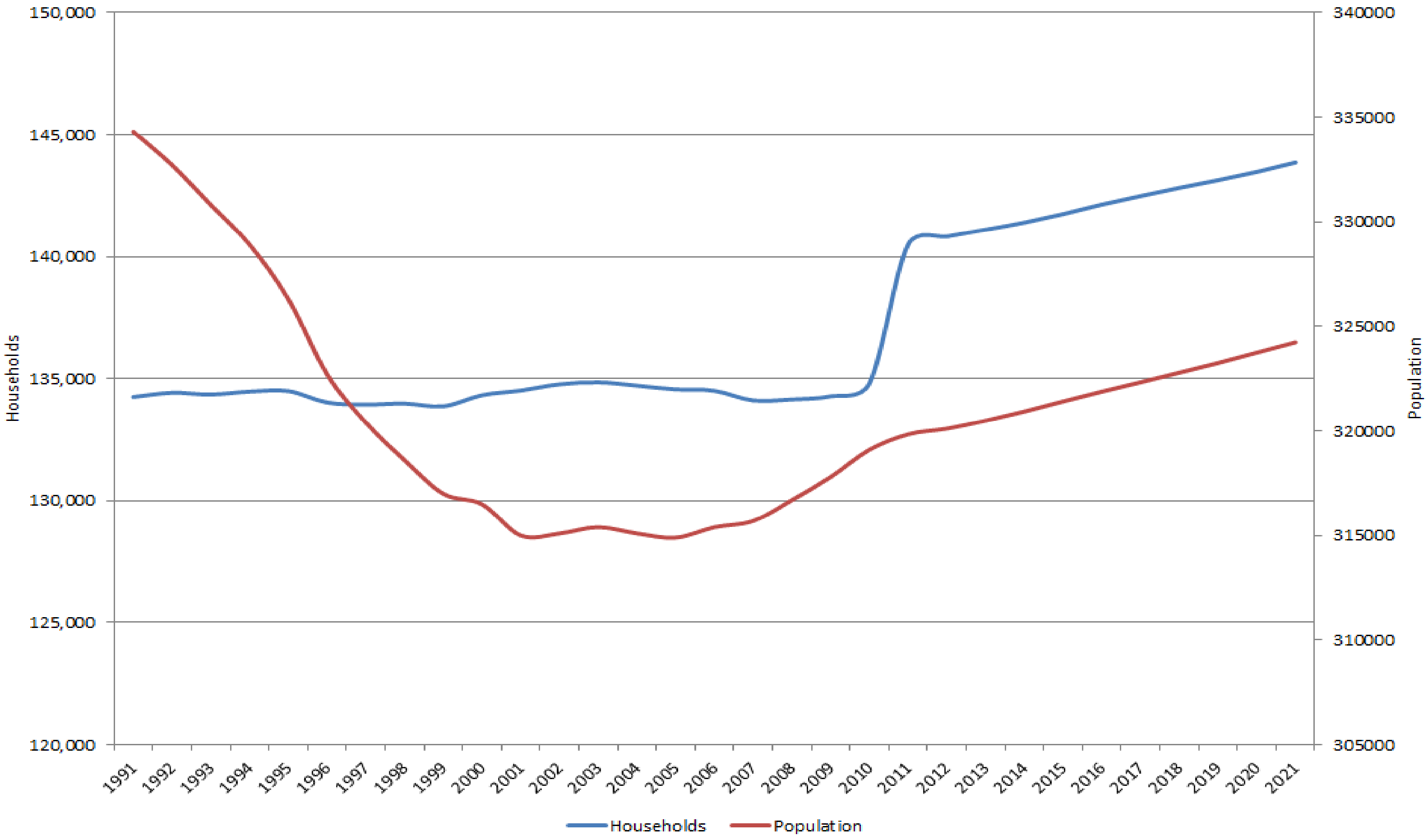
	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Wirral AH Completions	230	180	140	240	170	200	160	20	40	170	140	200	80	190	230	210
Wirral Housing Register	4949	6912	5725	6824	7861	10604	8795	8215	15524	13252	13912	15066	13770	19224	16232	21280

Demographic Challenges

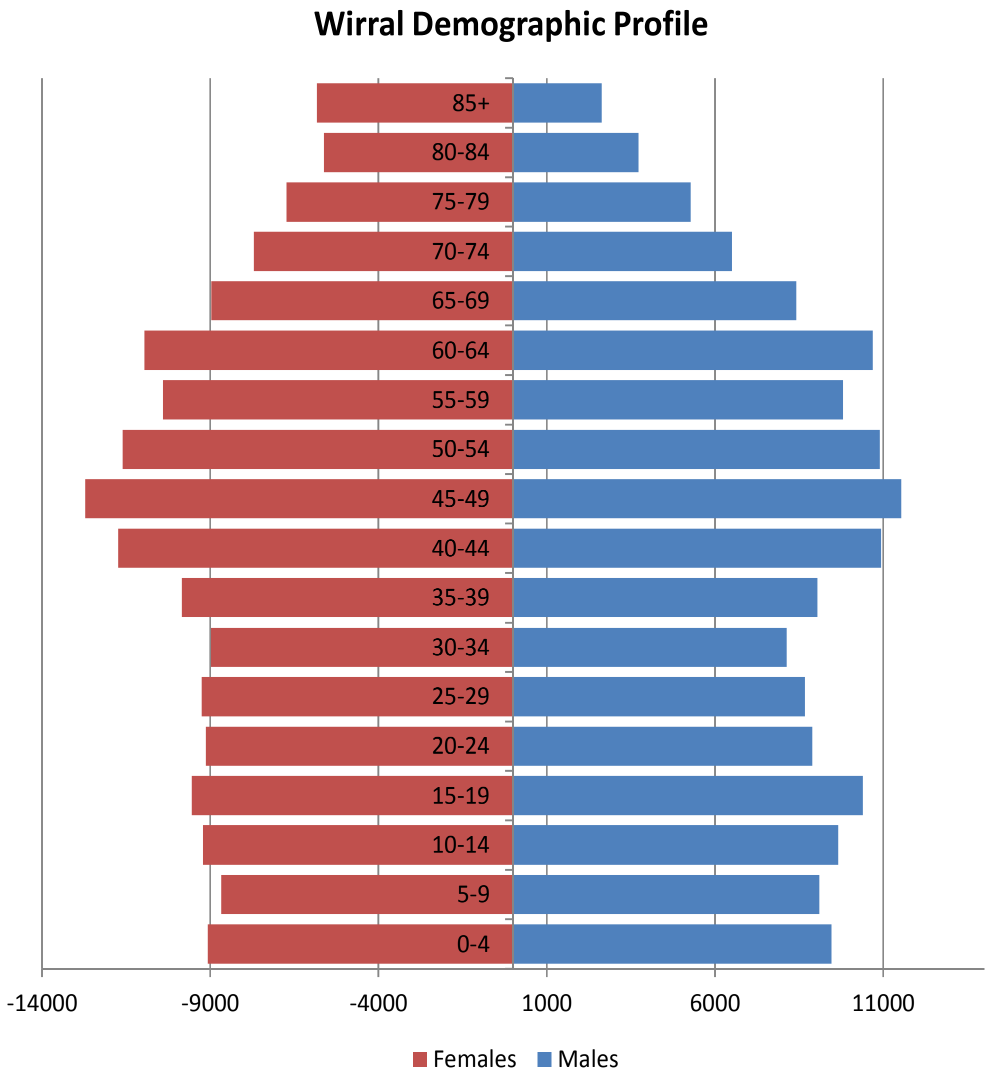
Demographic Challenges

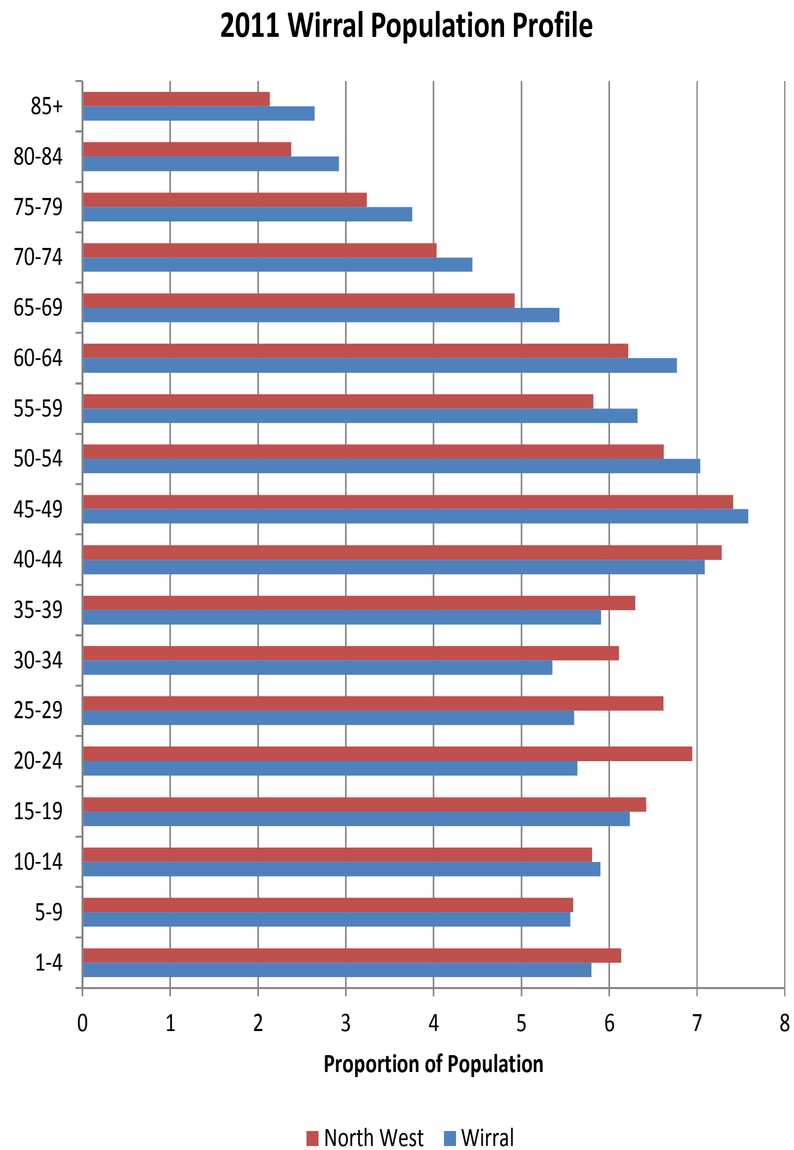
Population Change

- Wirral: Steady increase in households since 2007, from 134,000 to 140,500 in 2011
- Latest 2011-based SNPP – population increasing from 320,000 in 2011 to 324,000 in 2021



Demographic Challenges





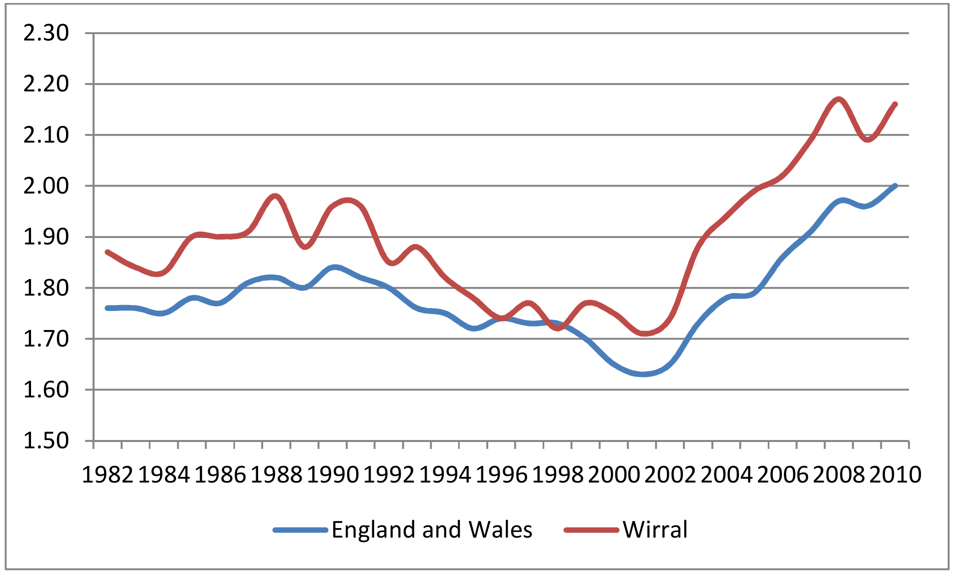
Demographic Challenges

(Interim) ONS 2011 SNPP	Wirral
Births	+39,500
Deaths	-34,500
Natural Change	**+5,100**
Domestic Migration In	+76,600
Domestic Migration Out	-73,000
International Migration In	+8,900
International Migration Out	-11,600
Net Migration	**+900**
Total	**+6,000**

Births outnumbering deaths

High levels of net out-migration countered by high levels of net in migration

High, and increasing Total Fertility Rate (TFR)



nlp

Demand Forecasting

Demand Forecasts

Considered a variety of scenarios over the Plan period to 2030

- **The PopGroup** demographic modelling tool was used to project household, dwelling and employment change over time
- Widely used by Local Authorities and the Private Sector

Assumptions underpinning all modelled scenarios include:

- Use of ONS 2010-based SNPP for TFRs, Standardised Mortality Rates (SMR)
- Use of CLG 2011-based Household projections to derive headship rates to 2021, 2008-based household projections thereafter
- Vacancy rate of 4.5% factored into model – kept constant
- NOMIS modelled unemployment rate of 8.9% used for 2012 and gradually reduced post 2019 to 7-yr average (7.6%)
- Current commuting rate of around 1.3 in Wirral kept constant (i.e. net out-commuting)

Approach

5 Key Demographic Scenarios modelled:

A. **PopGroup Baseline:** demographic shift based on current factors and recent trends in the Borough (2011-SNPP, plus various headship sensitivities)

B. **Natural Change:** excludes all domestic/international migration

C. **Zero Net Migration:** migration included, but in/out migration rates equalised

D. **Reduced Vacancy Rate:** static vacancy rate of 3%, rather than 4.5%

E. **Short term/long term migration trends:** demographic shift based on updated migration trends over the short term (past 5 years) and long term (past 10 years)

Approach

Other scenarios:

F. **2011-based CLG Household Projections:** 335 growth in households annually 2011-21

G. **Past Trends Job Growth:** Wirral average job growth over past 10 yrs (-640)

H. **Stable Job Growth:** Zero net job growth between 2011 and 2030

I. **Past delivery rates:** 528 dpa gross (2003-2012), but 264 dpa allowing for demolitions

J. **Regional Strategy requirements:** 500 dpa

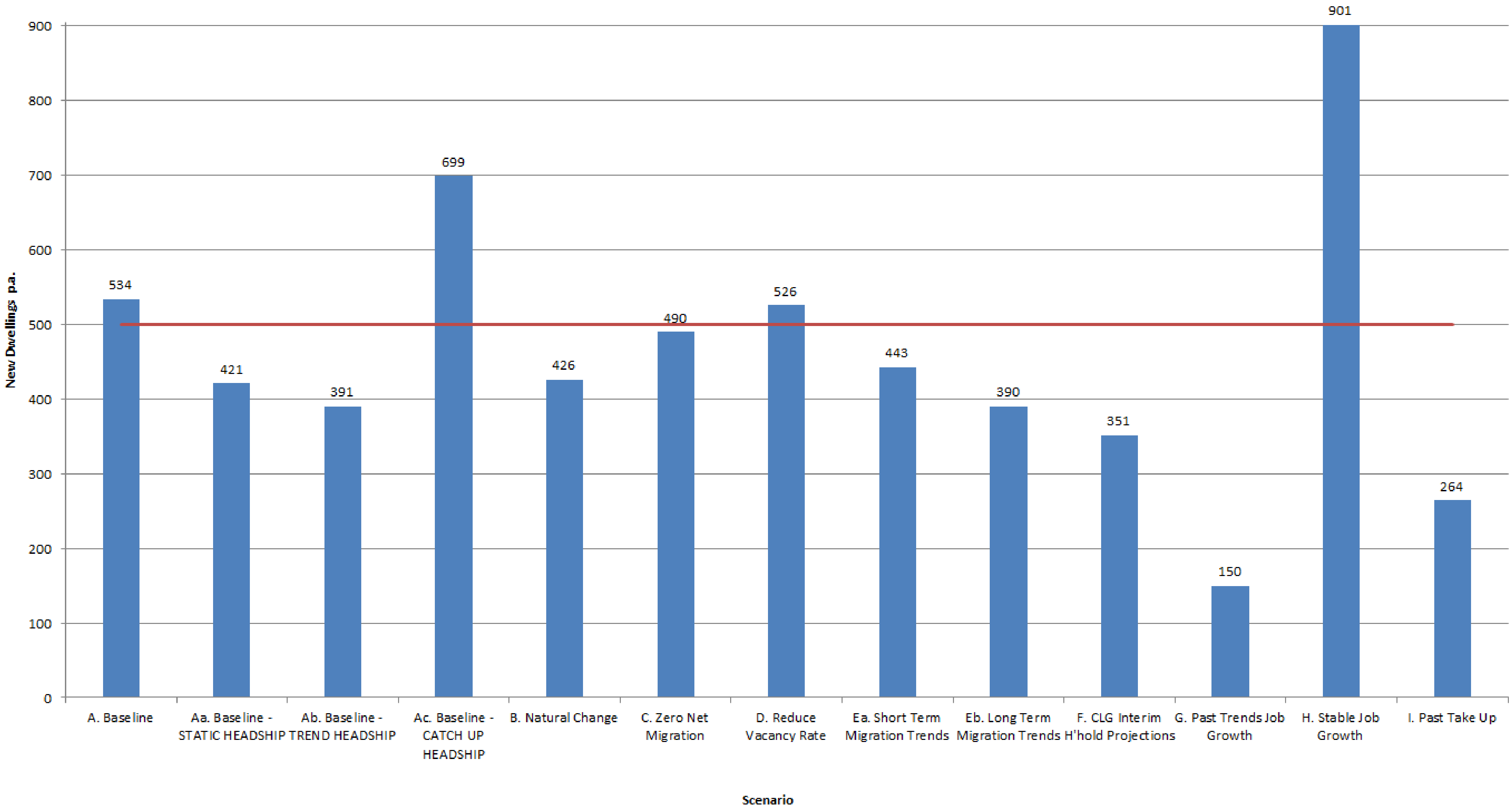
Other Economic Projections still to be modelled (i.e. new LEP labour force projections)

Initial Findings

WIRRAL	A. Baseline	Aa. Baseline - STATIC HEADSHIP	Ab. Baseline - TREND HEADSHIP	Ac. Baseline - CATCH UP HEADSHIP	B. Natural Change	C. Zero Net Migration	D. Reduce Vacancy Rate	Ea. Short Term Migration Trends	Eb. Long Term Migration Trends	F CLG Household (interim) 2-011-based projections	G. Past Trends Job Growth	H. Stable Job Growth	I. Past Take Up
Population Change	9,779	9,779	9,779	9,779	7,237	5,810	9,779	5,142	2,700	-	-9,193	26,076	-
of which Natural Change	6,250	6,250	6,250	6,250	7,237	5,810	6,250	5,933	5,748	-	2,761	8,850	-
of which Net Migration	3,528	3,528	3,528	3,528	0	0	3,528	-792	-3,048	-	-11,954	17,225	-
Household Change	9,687	7,635	7,089	12,683	7,724	8,885	9,687	8,029	7,079	3,350	2,714	16,353	-
Dwelling Change	10,144	7,995	7,423	13,280	8,088	9,303	9,987	8,407	7,413	3,508	2,842	17,124	5,016
Dwellings p.a.	**534**	**421**	**391**	**699**	**426**	**490**	**526**	**442**	**390**	**351**	**150**	**901**	**264**

nlp

Initial Findings




Discussion

Questions

- Previously discussed a figure of around 500dpa for Wirral (2,470 dwellings 2011-30). Is this too high in the light of updated demographic data?
- General clustering around 400-700 dpa – how does this align with WBC's economic aspirations?
- How do we address the issue of backlog, or past under-delivery on RS 500 dpa target?
- To what extent should the past take up rate of 264 dpa frame the requirement?
- Stabilising job growth results in a very high housing requirement figure due to the ageing population – is this an appropriate aspiration?
- Latest 2011 household projections indicate a lower level of need (351 dpa) – to what extent should this depress the dwelling requirements?
- Could we reduce the high vacancy level over time, and hence the housing requirement?
- Similarly, could we reduce the very high net out commuting rate over time, and hence the housing requirement?
- Will demolitions really decline, or will there always be an underlying level of stock rationalisation given poor quality of many of the existing offer?
- Do we need to meet the housing needs of adjacent Boroughs?
- To what extent do we think that international migration rates will change in the HMA?
- Is this sufficient to meet our social housing needs?