

# **The Housing Market in the Black Country and Telford**

**Discussion Paper on Strategic Issues and Choices**

**February 2006**

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## Introduction

This note summarises some answers to what we believe to be the four most critical questions impacting on the BCT housing market in the current context:

- What is the future for the major council estates constructed between the wars and in the early post war period?
- What will be the impact of the growth of the conurbation's BME population (in particular the Pakistani community) and how and where this will be accommodated?
- What are the implications of high household growth for the Telford housing market?
- How far can housing policy assist the BCT area to attract/retain higher proportions of social class ABs?

As we highlight in our conclusions, these issues are each inter-related and bound up with certain broader trends, including:

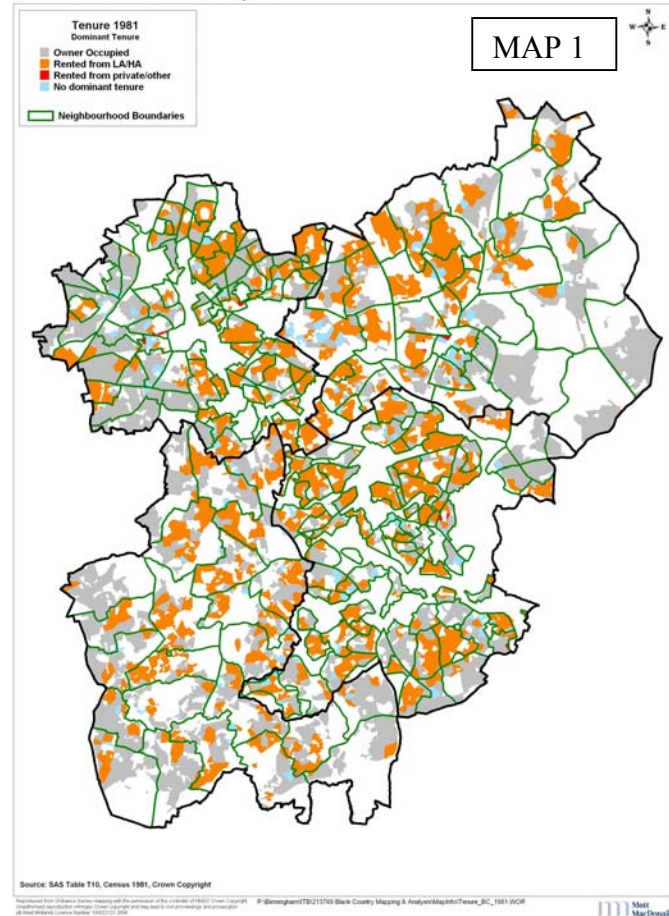
- Problems of population loss, particularly in the Northern parts of the Black Country
- The growth of the private rented sector
- Household growth/fragmentation and the consequent demand for smaller dwellings



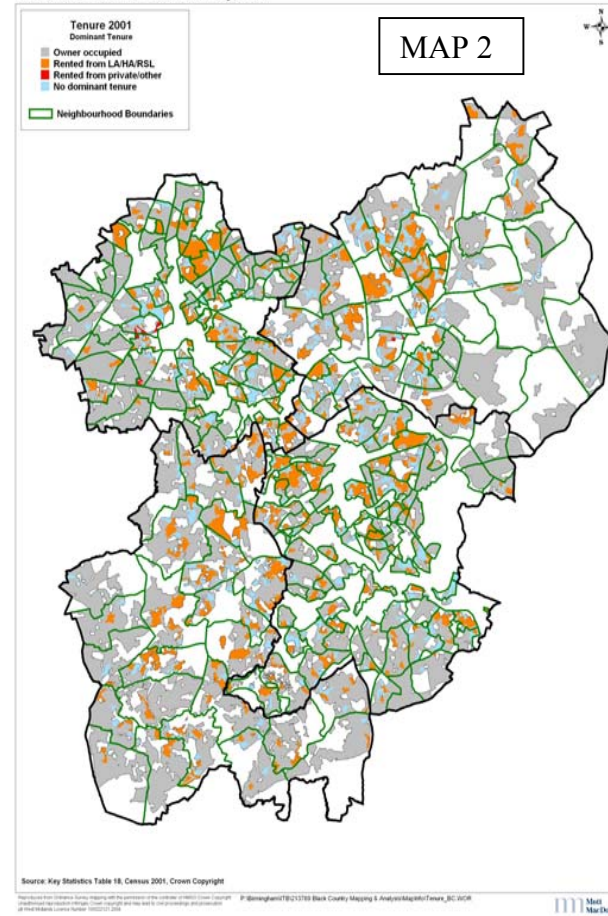
## **What is the future for the older stock of council housing and former council housing?**

Maps 1 and 2 overleaf show the dominance of the council stock in 1981 and how that dominance has been subsequently eroded by Right to Buy and clearance/new build, but still leaving substantial enclaves of social housing in parts of Wolverhampton and Walsall and the heart of the Black Country – Tipton, Bilston and Wednesbury.

Household Tenure, Black Country, 1981



Household Tenure, Black Country, 2001



Unsurprisingly, Right to Buy has had much less impact in the poorer and more stigmatised estates (see Table 1). The “fire sale” of Development Corporation properties means that Telford is an exceptional area where private renting is now filling a need for affordable housing resulting from the resulting substantial reduction in the social housing stock.

*Note: Map 12 at the rear of this document shows the location of the clusters referred to.*

<b>Table 1: Clusters with the most substantial social rented sector 1981 - showing % decline 81-01</b>			
	<b>Social rented 'footprint' 1981</b>	<b>SRS % point change 81-01</b>	<b>2001 Level</b>
<b>Low Hill</b>	85	-26	59
<b>South Telford</b>	81	-49	32
<b>East Park and Ettingshall</b>	79	-30	49
<b>Bloxwich</b>	76	-31	45
<b>Dudley North and Gornal</b>	73	-30	43
<b>Bilston</b>	73	-30	43
<b>Eastern Telford</b>	72	-45	27
<b>Heath Town Area</b>	66	-17	49
<b>Tipton</b>	65	-29	36
<b>Darlaston</b>	64	-23	41
<b>Wednesbury</b>	63	-26	37
<b>Brierley Hill</b>	63	-24	39
<b>Brownhills Central</b>	60	-25	35

Hence it is areas such as Heath Town, Darlaston, Wednesbury, Brierley Hill, Low Hill, Eastfield, Bilston, Tipton and Bloxwich which have seen the smallest tenure changes. These areas represent substantial swathes of the Black Country housing stock – their future is therefore of critical strategic importance.

These areas, with limited exceptions, have the following characteristics in common:

- Low house prices
- Low incomes
- High or above average voids
- High crime
- A small BME community
- Over representation of older age groups and/or
- Over representation of younger age groups
- Few 1 or 2 bedroom dwellings
- Poor quality environment
- Marginal or declining services – shops, schools etc.
- Stigma

In terms of key change indicators, the following are typical of most of these areas:

- population loss
- negative or marginally increasing household growth (except Telford)
- near static or rising voids 1991-2001 whereas across the BCT area void rates have been falling
- a fall in prices relative to the Region as a whole and the BCT area (except Telford)
- a rising private rented sector
- a growing BME population (despite its small size)
- marginal or declining services – shops, schools etc.

As average household size declines, and unless the dwelling stock is re-profiled, these areas will increasingly become under-occupied. This will cause a further deterioration in the level of services which can be sustained.

Over the last ten years it is likely that these areas have been prevented from deteriorating more rapidly by a number of factors:

- the trend to smaller households, which has mitigated the impact of a declining population on void rates
- the relative house price decline, which has trapped owner occupier residents in these areas due to the unaffordability of alternatives
- the limited growth in the provision of additional new social housing through RSLs and the significant level of clearance of former council housing (especially in Sandwell).

These areas are already suffering competition from the growth in the private rented sector, which can potentially offer a more attractive, and increasingly, an equally affordable alternative to the increasing numbers of smaller households. This is particularly the case in locations in and around town centres where travel savings may be considerable.

2005 Average weekly rents £s: Wolverhampton and Walsall			
	Private Rented	HA New letting	LA
2 bedroom	93	59	45
3 bedroom	97	62	51

Source: Guide to local rents 2005 – Housing Corporation

Note: *no account taken of Housing Benefit payments which will assist in bridging these differentials*

## Possible Future Scenarios

### 1. Policy Off: increased supply – static or declining demand

In a “market driven” scenario where the value of housing land continues to command a premium over poorer quality employment land, then the redevelopment of redundant and low value employment land in places such as inner Wolverhampton, Darlaston and Bilston for housing purposes is likely to remain financially attractive. Smaller one and two bedroom units offer the opportunity of higher densities and a larger capital gain. Such developments increasingly compete directly and indirectly with the mass of low quality social and former social housing.

Thus the trajectory for the social periphery would worsen, especially as decreases in household size level out and net household decline becomes a more pervasive phenomenon. This means increased voids, widening price differentials with the rest of the housing stock, a continued decline in local services, an increasingly transient population and the inevitable escalation of crime and vandalism.

## 2. Policy On

The stock profile of the social periphery is progressively remodelled with redevelopment for more attractive smaller units at higher densities close to service cores/transport nodes. Increasing voids in more peripheral areas permit land assembly into larger units suitable for subsequent sell off for the development of enclaves of private owner occupied housing (providing a better social mix) or possibly employment uses. Alongside this measures are taken to encourage BME expansion into selected parts of the social periphery (see the following analysis).

## What will be the impact of the growth of the BME community (in particular the Pakistani community) and how and where this will be accommodated?

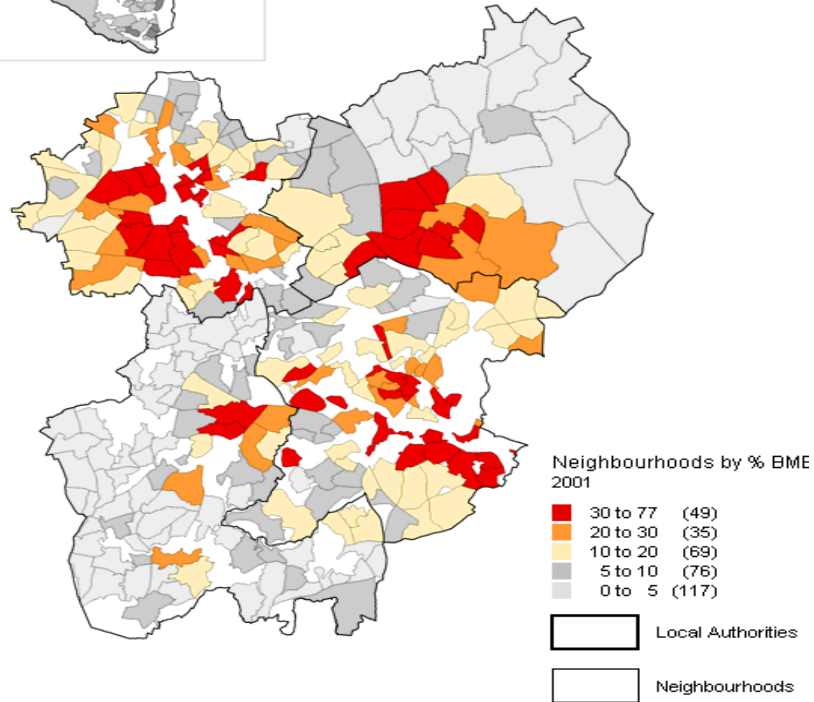
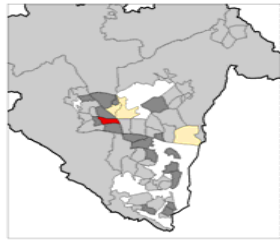
The BME population is a significant source of population and household growth in the conurbation. As well as this natural internal growth, Black Country and Telford is an important magnet for the inflow of BME groups from rest of the UK and internationally. The BCT area is also “competing” with other UK urban centres for the mobile element of the BME population.

<b>Table 2: BME Population by District</b>			
<b>District</b>	<b>BME population 2001</b>	<b>BME % of total population</b>	<b>% BME change 1991-01</b>
<b>Sandwell</b>	57,426	20.3	+41.2
<b>Dudley</b>	19,285	6.3	+34.8
<b>Walsall</b>	34,434	13.6	+38.9
<b>Wolverhampton</b>	52,538	22.2	+16.7
<b>Telford</b>	8,311	5.2	+71.6

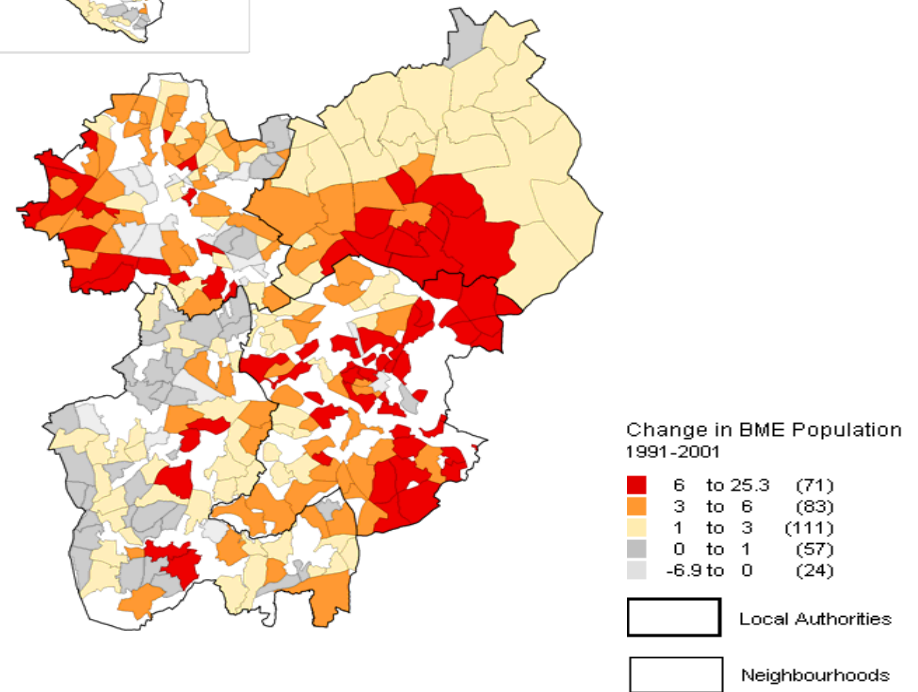
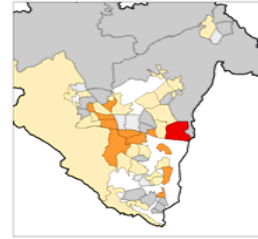
The BME population is heavily concentrated in the northern parts of the Black Country, although there has recently been significant growth but from a very low base in Telford – see Table 2 above and Maps 3 and 4 overleaf.

Since 1991 there has been a progressive “suburbanisation” of the BME population, however more detailed analysis shows this to be largely attributable to the Indian population, whereas the Pakistani population has remained largely concentrated in traditional inner city areas of older terrace housing.

Map 3

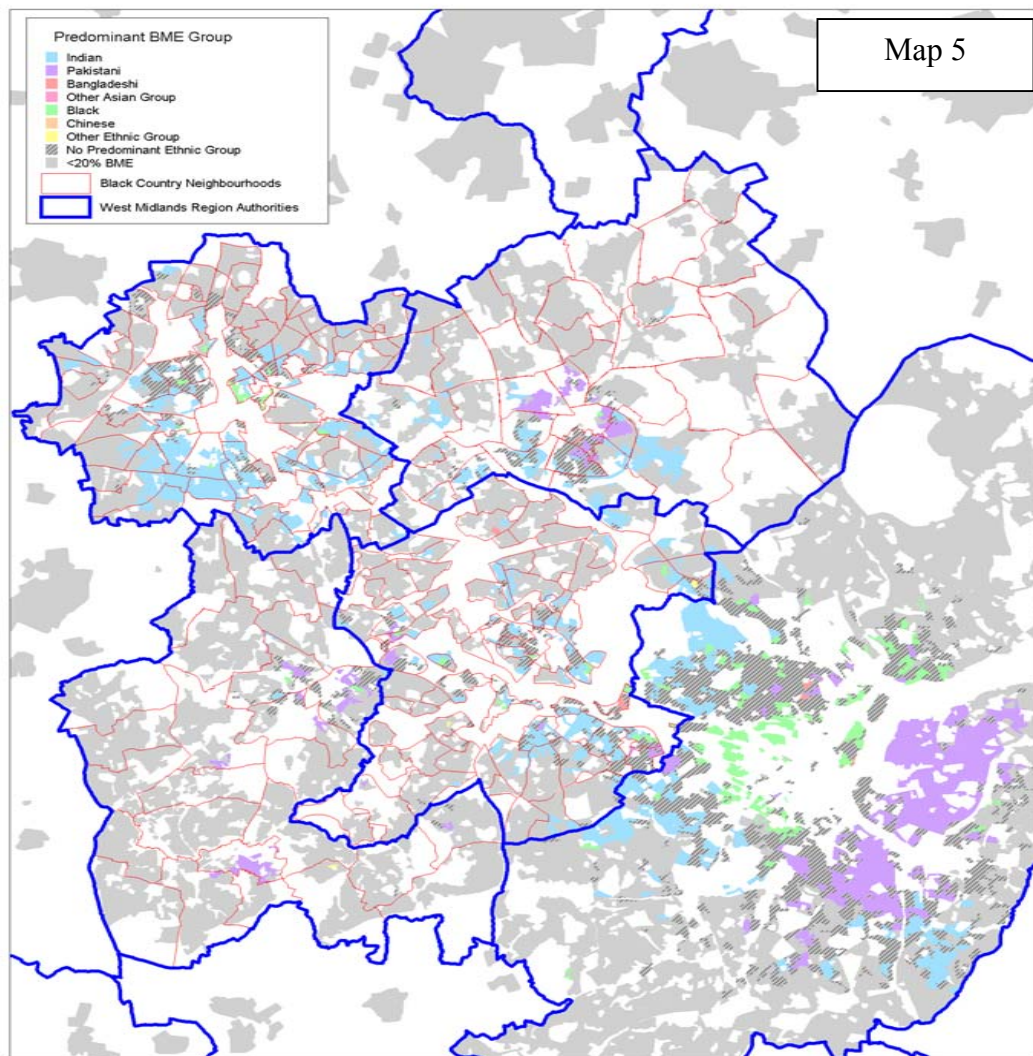


Map 4





Predominant BME Group, by 2001 Output Area



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The Pakistani community tends to be concentrated in parts of inner Walsall and to a lesser extent areas around Dudley Town Centre.

Migration data strongly suggests that the growth of the Pakistani community in Walsall is attributable to a combination of national and international migration together with “overspill” from East/Inner Birmingham. These latter areas contain the major concentrations of the Pakistani and Bangladeshi communities (see map opposite), they have also seen major growth and a consequent major inflation in the price of traditional terrace housing.

This is supported by an analysis of relative prices of terraced housing which is increasing much more rapidly in inner Birmingham. Thus Birmingham Pakistani households on low incomes looking to buy or rent a property in an established BME area are increasingly being forced to consider neighbourhoods such as Birchills in Walsall (see Table 3).

In Whitmore Reans on the other hand BME demand is fuelled by natural growth and net in migration from the UK and Internationally rather than Birmingham.

Maps 6 and 7 overleaf show migration into out from the BCT area from local authorities elsewhere in the UK but excluding Birmingham.

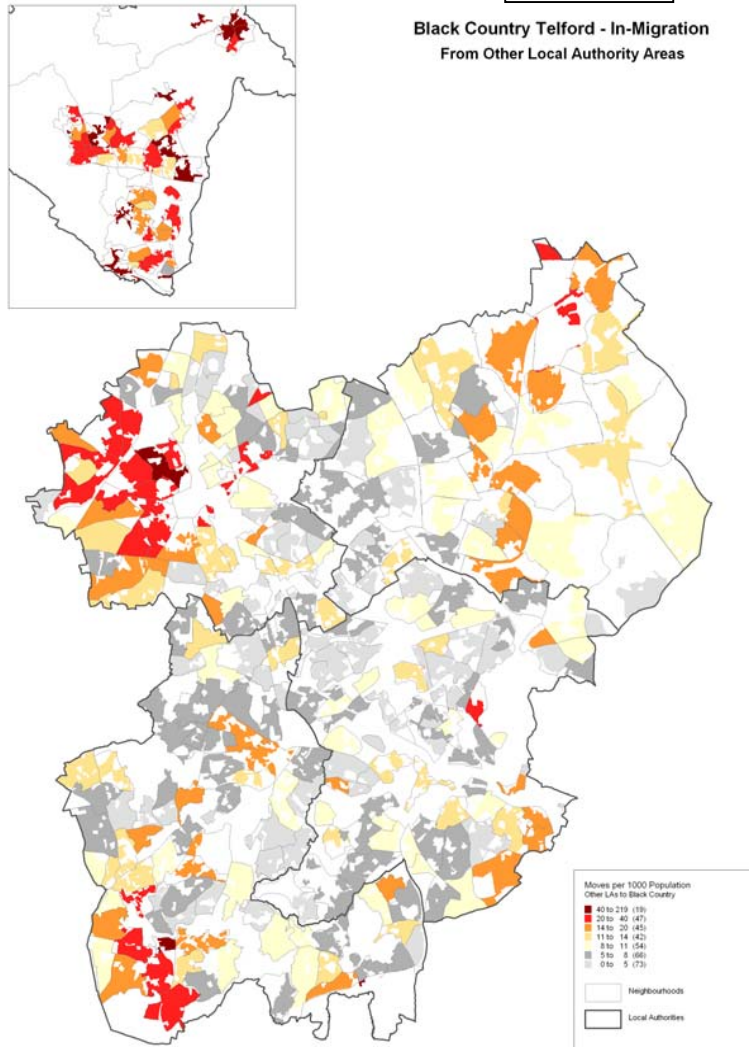
Unfortunately it is not possible to break this data down by ethnic group, however by comparing these maps with Map 5 on the previous page showing areas of highest concentrations of BME groups, it is possible to draw certain conclusions:

- The particular significance of Whitmore Reans/Newbridge in Wolverhampton as a reception area. This is underlined by Map 8 showing migration from EU accession countries.
- Map 9 shows out migration from Birmingham and highlights the inner core of Walsall and Smethwick/Bearwood, with Wolverhampton much less significant.

<b>Table 3: Comparative Terrace House Prices in BME Areas</b>		
<b>Code</b>	<b>Area</b>	<b>Average Terrace £s (3<sup>rd</sup> quarter 2005)</b>
B11	Sparkhill/Sparkbrook	114,573
WS1	Caldmore/Palfrey	113,836
B66	Smethwick	106,036
B70	West Bromwich	96,422
WV60	Whitmore Reans	92,830
B63 2	Lye	92,611
WS2	Pleck/Birchills	84,650

Map 6

**Black Country Telford - In-Migration  
From Other Local Authority Areas**

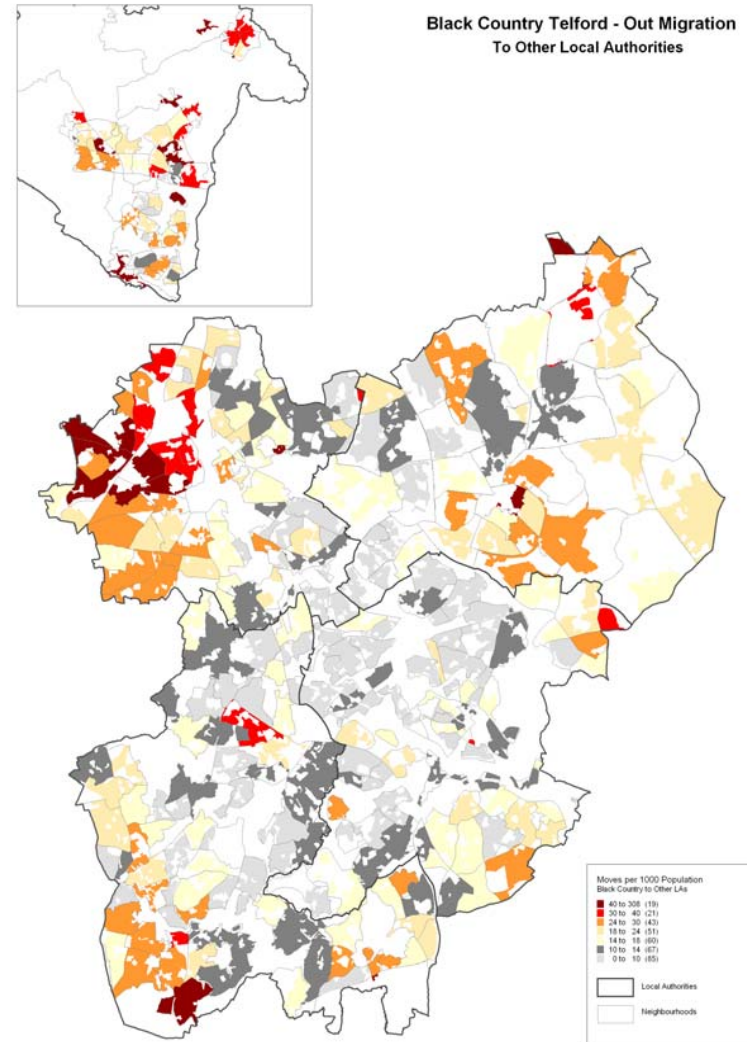


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Map 7

**Black Country Telford - Out Migration  
To Other Local Authorities**

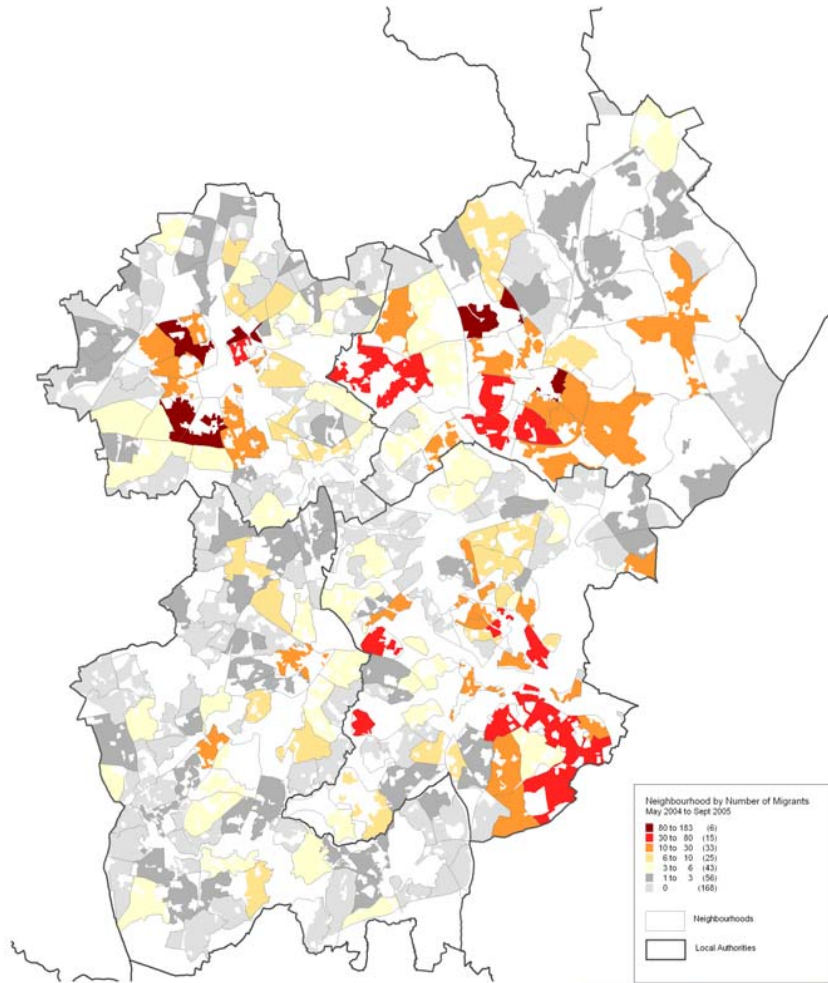


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Map 8

Black Country Telford - Migration  
From EU Accession Countries

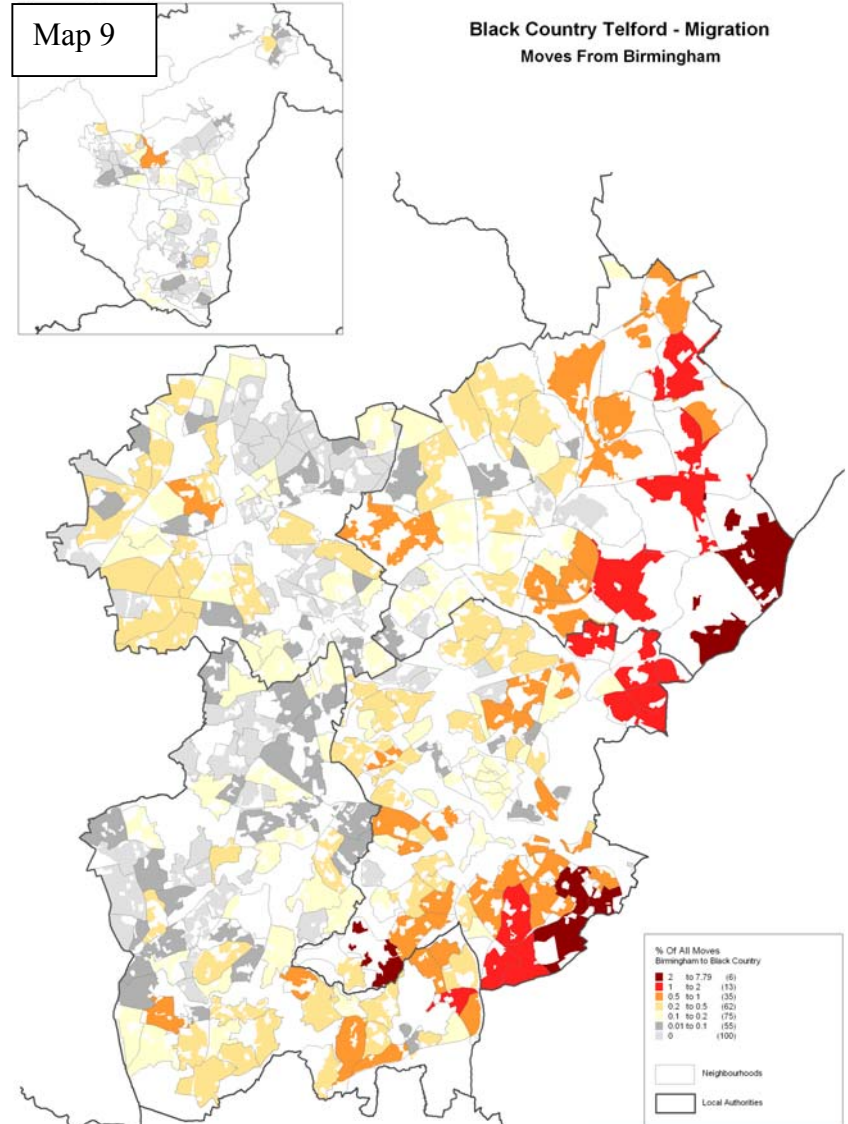


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Map 9

Black Country Telford - Migration  
Moves From Birmingham



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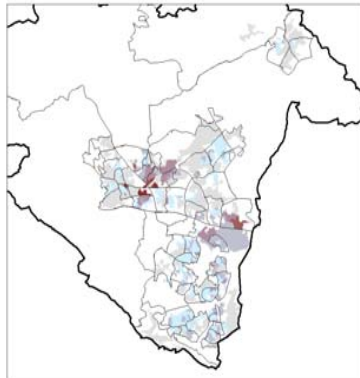
Recent research on ethnic housing needs (see Futures Housing 2020 – Ashram) suggests that in terms of household growth, BME groups are gradually becoming more aligned with current white norms in terms of deferred child birth and smaller households. The research points out however that the Pakistani and Bangladeshi communities will continue to grow rapidly in the short to medium term. Currently average household size is reducing, but remains high amongst ethnic minority communities – see Table 4.

	<b>1991</b>	<b>2001</b>
<b>White</b>	2.4	2.3
<b>Black</b>	2.6	2.3
<b>Indian</b>	3.8	3.3
<b>Pakistani</b>	4.8	4.2
<b>Bangladeshi</b>	5.3	4.7

*Source: Census/Futures Housing 2020 – Ashram HA*

**Currently, due to the excess of demand over supply in areas such as inner Walsall, Pakistani households are paying a premium for terrace housing which is often small, in poor condition and in neighbourhoods environmentally unsuited to bringing up young children.** For this group, the route taken by the wealthier sections of the Indian community of moves to more attractive suburban areas is becoming progressively less affordable. However prices of relatively spacious three bedroom semi-detached accommodation in traditional white areas in the social periphery are often below that being paid for inner city terraces (average prices in East Park Ettingshall are £81,762 for example - £10,000 below the average price of a terraced house in Whitmore Reans).

Clearly there are barriers to such moves, not least racism on white estates and difficulties of access to religious and cultural services. There is a logic however to exploring the potential for resolving the problems of inner core overcrowding and under occupation in the social periphery. To a limited extent the Pakistani community is already beginning to extend into these areas. Some council-built neighbourhoods have seen BME inflow into ex-RTB or new build and to limited degree as tenants. This is more evident in Wolverhampton’s main municipal areas than in Bloxwich, Tipton and parts of Wednesbury. Map 10 overleaf compares the 1981 Social Rented Sector “footprint” with the incidence of BME groups in 2001.

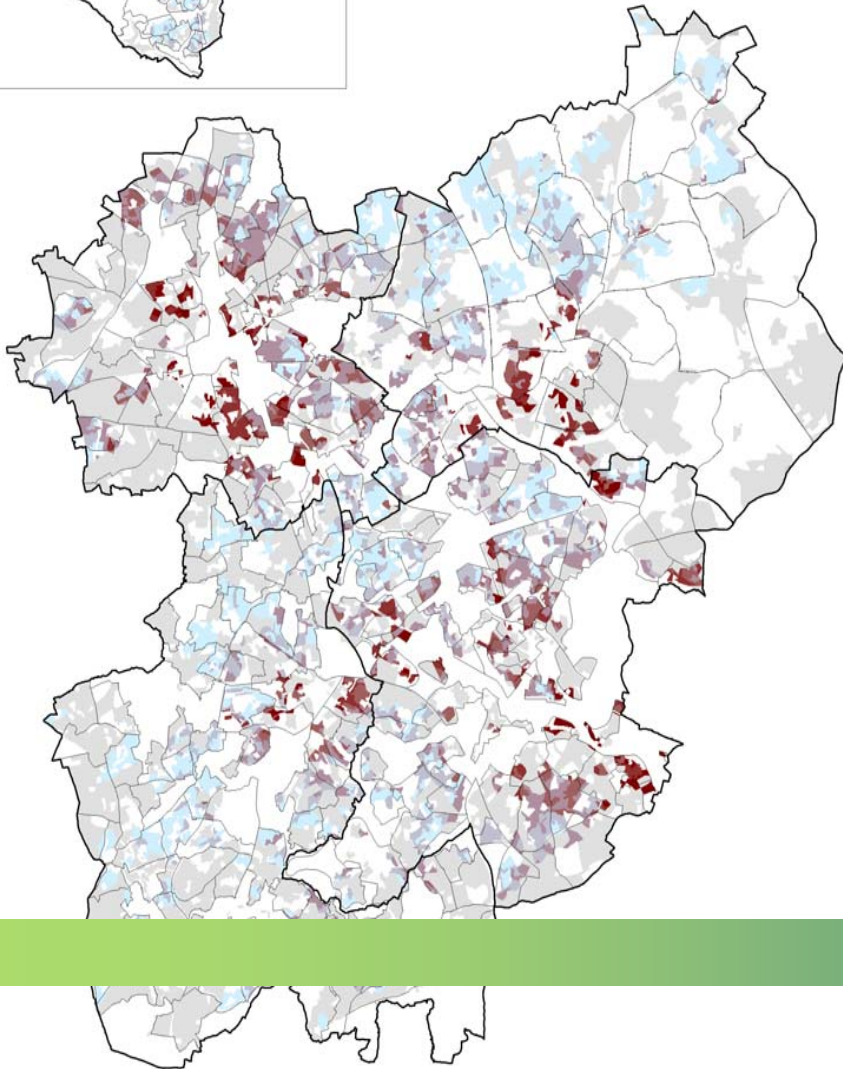


Map 10

% BME 2001

■	50 to 100
■	30 to 50
■	20 to 30
■	10 to 20
■	5 to 10
■	0.1 to 5

■	1981 Non SRS Areas
□	Local Authorities
□	Neighbourhoods



## **Future Scenarios**

### **Policy Off**

Demand pressures on inner city housing in traditional BME areas will continue to grow for the foreseeable future, as long as high birth rates and larger household sizes are maintained. This implies increased prices/rentals and increased price differentials with the social rented sector. Overcrowding problems will worsen. The condition of the stock will continue to deteriorate as repairs and improvements become less affordable. Net in migration of Pakistani and Bangladeshi groups migration from elsewhere in the UK may decline as the Black Country becomes less affordable, thus making the challenge of reversing net population outflow even more difficult to address.

Increased migration to cheaper terraced areas where these groups currently only have small foothold seems inevitable – notably parts of Dudley. Without active encouragement (see below) further expansion into the former Council stock in the social periphery is likely to be marginal – particularly if these neighbourhoods continue to deteriorate.

### **Policy On**

A policy of actively encouraging BME communities to expand into the social periphery might be sensitively pursued in partnership with local BME communities by such measures as: assistance with culturally sensitive house purchase/equity sharing schemes; house conversions to provide more 5/6 bedroom accommodation; ensuring local service provision is responsive to diversity issues etc; working to address issues of social cohesion.

Alongside this there is a need to ensure the progressive renewal of inner core areas, which suggests a more comprehensive alternative to the piecemeal approach which has tended to predominate in the past. The release of former employment land for housing in areas such as inner Wolverhampton would ease supply constraints and improve affordability.

## What are the implications of high household growth for the Telford housing market?

Although it has historically drawn much of its population from the Black Country, in many ways Telford's housing market is now unique in form and characteristics. This stems largely from the fact of its New Town/New City History – much of it being a series of “engineered” communities – and partly from its industrial history and topography. The area grew up as a distinct series of mining settlements most of which have progressively coalesced during the last century.

The specific distinguishing features of the Telford housing market are:

- rapid and continuing population growth, producing a fairly young population profile, with relatively low numbers of pensioners. Telford has doubled in size since 1961 with the major growth occurring to 1981, but there has also been a significant increase of 32,000 since 1981.
- huge contrasts in income within a relatively small area – Telford contains the richest and some of the poorest communities in the BCT area. Historically it has suffered from the decline of local manufacturing industry and the progressive downsizing of the Royal Ordnance Depot at Donnington. Jobs have been replaced by growth in newer manufacturing and service industries, but this economic dichotomy has contributed to the social polarisation of the area.
- the influence of growth of the university on the growth of the private rented sector in key neighbourhoods most accessible to the campus.
- the after effects of the 1980s fire sale of Development Corporation properties which resulted in a massive decline in the social rented stock and, in the poorest areas, the emergence of the private rented sector as the “tenure of last resort”.
- the lack of a significant BME community, except for in small parts of Wellington.
- the physical form of the area – with distinctive “planned” settlements monolithic in terms of housing types and social structure, next door to settlements which have grown organically since the industrial revolution and containing a hotch-potch of housing of different ages interspersed by old pit mounds reclaimed as open space or older industrial uses.
- With the notable exception of South Telford, some of the highest house prices, and generally by far the highest house price increases (1996-2005) in the BCT area. Even South Telford which has the fifth lowest prices in the BCT area, has gained significantly relative to the regional average over the last 10 years (see table 5).

- Telford generally has higher numbers of social classes A and B than in other parts of the conurbation. The affluent Telford clusters top the table but even Oakengates and Donnington and Wellington come in at 16th and 17<sup>th</sup> highest out of 43 clusters. The notable exception again is South Telford which is at 31st out of 43.

<b>Table 5: Telford – In and Out Migration 2001</b>		
<i>Note: no data on overseas out moves</i>		
<b><i>In movers</i></b>	<b><i>Number</i></b>	<b><i>%</i></b>
From Black Country	626	12.10%
Birmingham	177	3.40%
Elsewhere UK	3705	71.70%
Overseas	656	12.70%
Total	5164	100%
<b><i>Out movers</i></b>		<b><i>%</i></b>
To Black Country	270	6.70%
Birmingham	182	4.50%
Elsewhere UK	3582	88.80%
Overseas – not known	NK	NK
<b>Total excl Overseas</b>	4034	100%

In terms of migration, the snapshot of moves provided by the 2001 Census (see Tables 5 and 6 which are based on the moves in the 12 months to April 2001) shows that Telford drew around 75% of its net in migration from the Black Country, and none from Birmingham, although the bulk of moves are to local authorities elsewhere.

It should be noted that in the past net annual inflows to Telford would have been much higher. The net build programme is currently only in the region of around 700 dwellings per annum and there is a need of around 500 dwellings per annum to meet internally generated household growth. At current building rates there will be approximately 3500 net completions 2001-06 in Telford against a forecast trend migration based need to accommodate around 6000 additional households.

<b>Table 6: Source of net Migration from/to Telford</b>		
	<b>Net moves</b>	<b>%</b>
<b>From Black Country</b>	356	75.10%
<b>Birmingham</b>	-5	-1.10%
<b>Elsewhere in UK</b>	123	25.90%
<b>Total excl Overseas</b>	474	100.00%

Currently it is endogenous growth which is primarily fuelling demand in Telford, rather than in migration. The primary source of net in migration is the Black Country however (see Table 6), from where Telford tends to draw small numbers from the most proximate areas notably parts of Wolverhampton and Dudley.

Largely as a consequence of this excess of demand over housing supply, recent relative increases in house prices in Telford have been by far the most significant in the BCT area – see Tables 7 and 8.

Sub-market price index compared to WMR	1996	2000	2004/05	96-05 difference
Inner core	65	58	69	4
Outer core	69	60	70	1
Social periphery	68	55	64	-4
Private suburban	100	94	98	-2
Urban Telford	77	76	87	10
<i>South Telford cluster</i>	45	43	58	13
Regional average	100	100	100	
Regional average (£££)	59,971	84,273	154,558	

Index rise 96-05	WMR Index rise	BCT Rank
Ironbridge	37	1
Wellington	16	2
Newport	13	3=
Oakengates/Donn	13	3=
South Telford	13	3=
Suburban Telford	5	11=
Eastern Telford	3	16=
Priorslee	0	25=

These price rises, coupled with the loss of large sections of the social rented stock have created major problems of affordability. As a result **South Telford** has increasingly become the home of the “young poor”:

- Incomes are the lowest in Telford and the seventh lowest of any cluster in the BCT area.
- House prices lowest in Telford and 5th lowest BCT (£88,000 average 2005)
- The age profile of the area shows very high proportions of 0-4 year olds, high numbers of 5 to 19s and relatively few aged 55 or over. This is the youngest age profile in the BCT area
- There are growing numbers of single person households in Sutton Hill and Brookside
- There are high rates of long term limiting illness – despite the young age profile
- Declining economic activity rates
- Voids are 3.6% - the highest in Telford – the strong implication is that the void rate would be much higher but for the constraints on supply and affordability of alternative housing

- The private rented sector in South Telford has grown by 4.2% 2001- 2005 to 13% – the third highest growth rate in the BCT area. In South Telford little of this growth is attributable to students, who tend to reside in those parts of Eastern Telford more accessible to the university campus.

In addition South Telford as a living environment has serious physical defects:

- The worst estates – Woodside, Sutton Hill and Brookside are earlier Radburn housing much of which now has an extremely depressing physical aspect
- Approach by road is through a maze of rubbish/graffiti strewn garage courts
- The public realm is dominated by poor surface finishing and ad hoc maintenance
- Estate management is a real problem

The fact that voids are not higher and prices are just holding up in South Telford seems to confirm the fact that there is a very restricted choice of affordable accommodation for the poorest young people in Telford. Related facts are that this is a young and expanding community and that there have recently been dramatic reductions in the pool of social rented accommodation. As a consequence what might otherwise have been “sink council estates” are beginning to become “sink private rented estates”. Sluggish house prices, falling further behind regional averages in the worst parts mean (i) that existing owner occupiers are increasingly trapped in the area unless they can rent or sell to a buy to let landlord and take on a bigger mortgage, and (ii) that there is little incentive for anyone to invest in the area through house purchase.

## **SOUTH TELFORD/TELFORD - TRAJECTORY**

### **Policy Off**

For parts of the cluster not subject to intervention the future does not appear very positive. It partly depends upon the economic fortunes of Telford and more specifically the poor, young population of these estates, many of whom may in due course aspire to higher incomes.

In the immediate future it would appear that the trend to private renting will increase – fuelled by wider trends towards a fragmentation of society into smaller (and often poorer) households. Rental yields are likely to drop as further properties come onto the market and as the area suffers competition from PRS properties in more attractive areas.

In the medium to longer term this will exert further downward pressure on house prices and at that stage, with further increases in crime and a deterioration of the living environment, abandonment by owners begins to become a real possibility. This becomes more likely as the population of Telford as a whole matures, as new build sites become exhausted and population and household growth subsides.

In the meantime areas such as Sutton Hill, Brookside (and potentially Malinslee in Eastern Telford) seem tied into a spiral of declining relative house prices, disinvestment, increasing poverty, crime, and environmental deterioration. The poorer residents will become increasingly “trapped” as price differentials between the area and other parts of Telford continue to widen. There are signs that these problems are already beginning to spread to parts of Eastern Telford such as Malinslee.

### **Policy On**

Spiralling house prices and increasing problems of affordability in Telford suggest that **there is a pressing need to increase the supply of good quality, affordable accommodation.** New build rates currently at around 700 dwellings per annum need to increase to well over 1000 to cater for projected household growth and counteract the market overheating.

The corollary of increasing supply is that void rates in the worst areas will increase significantly as people vote with their feet and relative prices begin to drop. Whilst in the short term this would present a further management challenge, in the medium term it would also provide a real opportunity to comprehensively restructure substantial areas of Radburn housing which will otherwise continue to fail because of poor design and maintenance and inherent management problems.

We do not believe that this strategy would have any significant negative impact on the level of out-migration from the Black Country. This is because of (i) the strength of endogenous growth in Telford, (ii) the fact that the most significant population flows are with the rest of the UK not the Black Country (iii) that price differentials will remain significant and (v) that providing more affordable housing will not attract the more footloose AB social groups.

## How far can housing policy assist the BCT area to attract/retain higher proportions of social class ABs/higher wage earners?

*Note: this work draws on a preliminary analysis of the BCT New Build survey further analysis of data from this Survey will shed more light on the issues outlined.*

The Black Country is competing as a place of residence for social classes AB with the large swathe of middle class and upper middle class housing in the North and North West of Birmingham and with attractive market towns in the rural areas to the North and West. The latter form an arc stretching from Bromsgrove round to Lichfield. Telford is competing with a similar range of rural market towns, Shrewsbury and to an extent the affluent Western fringe of Wolverhampton and Dudley.

<b>Table 9: Groups AB as % of Population by District</b>					
<b>District</b>	<b>% Group AB</b>	<b>Number ABs</b>	<b>% Group AB</b>	<b>Number ABs</b>	<b>% Increase in number of ABs 91-01</b>
	<b>1991</b>		<b>2001</b>		
Dudley	16.5	38,519	17.7	42,549	<b>10.5</b>
Telford	15.4	14,892	20.2	24,311	<b>63.2</b>
Walsall	13.3	26,834	15.0	29,410	<b>9.6</b>
Wolverhampton	13.0	24,167	14.6	26,710	<b>10.5</b>
Sandwell	10.1	22,420	11.7	25,109	<b>12.0</b>

*Note: the definition of AB used corresponds to the Census and is based on occupational classes 1 to 3 – this includes managers, professionals and associate professionals/technicians. It should be noted that in terms of incomes, the range covered is therefore fairly broad.*

In terms of the distribution and recent growth of social classes AB by District (see Table 9): Walsall has suffered particularly from the impact of neighbouring Sutton Coldfield and Perry Barr and the fact that there has been only limited new development of more expensive housing. AB groups in Telford on the other hand have expanded dramatically, this is partly based upon recent developments, such as the substantial Priorslee neighbourhood, the bulk of which comprises top end family housing; together with an expansion of AB groups in infill and refurbished housing in adjoining areas such as Oakengates/St Georges. Sandwell has benefited from the attraction of Bearwood to professionals working in Birmingham City Centre.

Tables 10 shows the clusters with the highest proportion of ABs in 2001. Tables 11 and 12 illustrate clusters benefiting from the strongest and weakest growth in the AB population.

**Table 10: Clusters with highest % Group  
AB 2001**

<b>CLUSTER</b>	<b>%</b>
Priorslee	46.3
Ironbridge	33.2
Suburban Telford	29.7
Tettenhall and Penn	25.2
Newport	25.2
Stourbridge	24.7
Sedgley	24.5
Bearwood	24.4
Aldridge and Great Barr	23.7
Kingswinford	21.9
Park and Newbridge	21.5
Halesowen	20.9
Brownhills and Rushall	16.8
Eastern Telford	16.8
Oakgates and Donnington	16.8
Wellington	14.9

**Table 12: Clusters with smallest % point  
change groups AB 1991-2001**

<b>CLUSTER</b>	<b>% point change</b>
South Telford	1.1
Coseley	1.0
Willenhall	1.0
Wednesfield and Northern Suburban	0.9
Dudley South and Netherton	0.9
Heath Town Area	0.6
Walsall South Inner Core	0.5
West Bromwich	0.3
Sedgley	0.3
Wolverhampton Southern Inner Core	0.2
Halesowen	-0.1
Brierley Hill	-0.5
Oldbury	-0.7
Park and Newbridge	-2.8

Table 11: Clusters with largest increase in AB group % point change 1991-2001	
CLUSTER	% point change
Suburban Telford	8.7
Oakengates and Donnington	6.0
Bearwood	5.7
Newport	5.1
Priorslee	4.8
Whitmore Reans/Dunstall	4.4
Eastern Telford	3.6
Wellington	3.6
Brownhills Central	3.5
Low Hill	3.2
Lye	2.6
Tipton	2.5

### New Build and ABs

The BCT New Build Survey suggests that the generally much higher than in the housing stock nearly 60% in suburban Telford to 40% in the

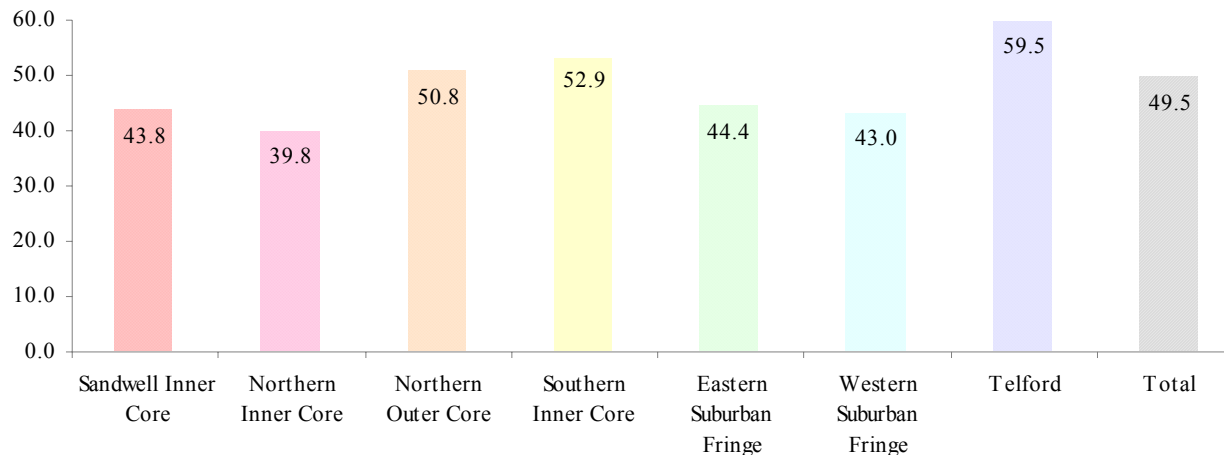
It is interesting to note that after Telford, the Southern Inner Core and Northern Outer Core tend to comprise mainly detached and terraced houses, with relatively few flats/apartments. These areas also tend to be occupied by comparatively young buyers and there is a significant representation of the Indian community which may partly explain the high incidence of ABs.

The evidence also suggests that it is in areas where currently there is little choice in terms of the availability of higher quality owner occupied housing for AB groups that new build is filling this gap in the market. Conversely, in higher income areas such as the Eastern and Western Suburban fringe where there is a more generous supply of better quality (and higher priced) properties, new build appears more often to be providing a lower cost/higher density alternative for first time buyers, and/or those in non AB social classes.

% of AB groups in new developments is as a whole. It averages 50% and ranges from Northern Inner Core – see bar chart below.

highest % of ABs are in developments in the (see Map 10 overleaf). These developments

Figure 13: % AB social groups in New Build Developments – “Super Clusters” – see Map 11 overleaf

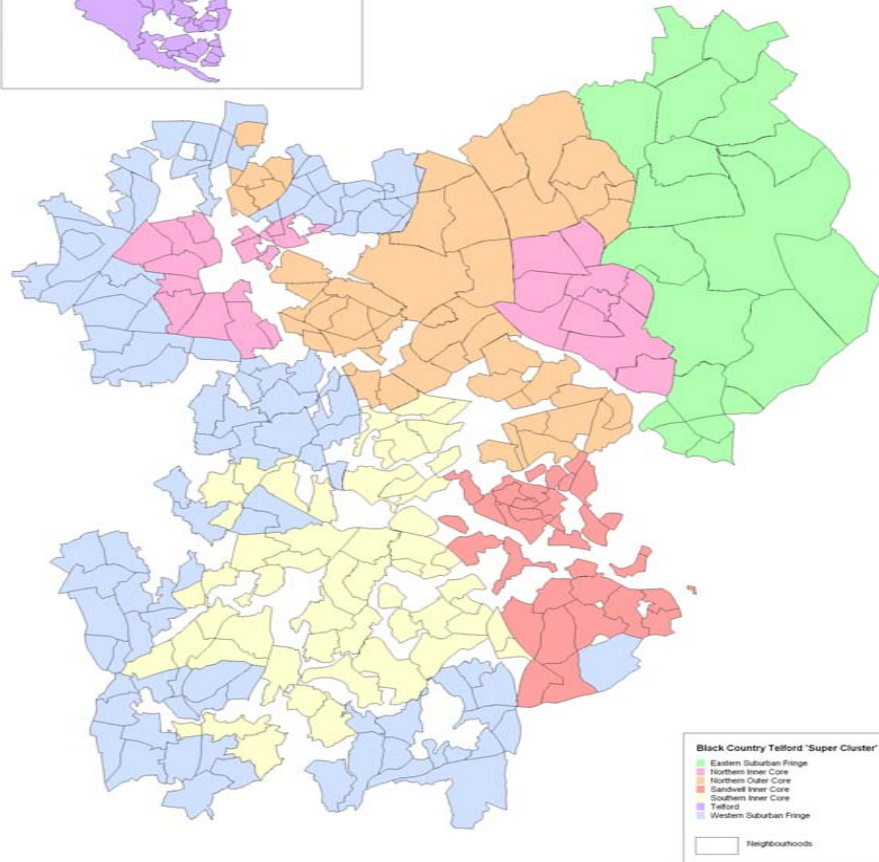


*Base: 1040. Q57a&b.*



Black Country Telford - 'Super Clusters'

Map 11



## Policy Implications

Present new build trends in the core of the BCT area which appear to be providing a wider mix of social classes, partly by “retaining” some of the suburbanising Indian AB community (see above discussion of the BME community), are clearly positive and to be encouraged.

In addition the “City Living” offer based on attracting young professionals to live in new higher density/quality apartments close to BCT centres is also to be encouraged, although our work has identified only a few limited examples of this in key strategic locations with good communications (areas around Wolverhampton, Willenhall and Walsall Town Centres for example).

Strategically there appears to be a shortage of higher quality accommodation attractive to ABs in the North Western Sector, counterbalancing the offer in Sutton Coldfield/Aldridge and Western/Southern Dudley. The testimony to this is the success of the new “middle class redoubt” represented by the Priorslee neighbourhood in Telford which has drawn from places like Tettenhall and Penn and the price premiums commanded by the market towns (further analysis of the new build survey in the Reference Area – to be completed- should shed further light on this thesis).

Employment growth in the Telford corridor will exacerbate the excess of demand over supply for high quality housing with consequent impact on prices and the problem of access to affordable housing in rural communities.

Opportunities therefore need to be identified for increasing the stock of this type of housing in this sector.

## Conclusions – cross cutting issues

The BCT housing market is highly complex and in a paper of this length it is not possible to do more than highlight what we believe to be the most critical issues and their likely consequences. We have discussed the “Social Periphery”; the expansion of BME communities; the particular problems of Telford and issues relevant to attracting/retaining ABs and creating balanced communities. It will be clear from the foregoing analysis however that there are also a number of important cross cutting links:

- The growth of the private rented sector
- The need to stem population loss from the Black Country
- The need to adapt the existing profile of the housing stock to cater for social fragmentation and smaller household sizes
- The need to co-ordinate employment and housing strategies to ensure complementarity
- The “overheating” of the housing market in parts of Birmingham and Telford (by which is meant an excess of demand over supply and a crisis of affordability – leading potentially to increasing problems of overcrowding, homelessness and displacement of poorer households).
- The major housing market weaknesses and problems are in the former large council estates and inner core areas in the Northern parts of the Black Country

### *The Growth of the Private Rented Sector*

Whilst this is part of a wider national phenomenon, its locational significance in the BCT area (see Table 14) appears closely related to a particular set of market conditions:

- Strong demand pressures, with limited supply
- Rapidly increasing relative house prices and related problems of increasing unaffordability of house purchase for lower income groups
- Generally, poorer quality housing and deteriorating neighbourhoods
- The convenient location of many PRS properties

Within particular locations these trends appear reinforced by:

- A significant student demand for rented accommodation
- A rapidly expanding Pakistani/Bangladeshi population
- The fragmentation of families, deferred childbirth and consequent increases in numbers of smaller households
- A shortage of social housing
- A “snowball effect” where demonstrably profitable investments in an area attract further investment
- In all probability a “succession effect”, whereby for example, former Indian owner occupiers moving to suburban locations choose to rent rather than sell older inner city terraces.
- The less stigmatised nature of the PRS compared to social renting

**TABLE 14: Clusters with highest % Private rented tenure 2005**

Cluster	Area	1991 % PRS	2001 % PRS	2005 % PRS (est)	Increase on 2001
Park and Newbridge	Wolverhampton	23.7	26.1	29.8	3.8
Whitmore Reans/Dunstall	Wolverhampton	11.0	15.5	18.3	2.8
Wolverhampton Southern Inner Core	Wolverhampton	10.4	14.4	17.7	3.4
Bearwood	Sandwell	9.6	12.4	16.7	4.3
Heath Town Area	Wolverhampton	4.9	11.5	14.8	3.3
South Telford	Telford	2.9	9.5	13.6	4.2
Walsall North Inner Core	Walsall	7.4	9.2	13.1	3.8
Walsall South Inner Core	Sandwell	6.8	8.4	12.3	3.9

Thus the expansion of private renting is meeting a gap in the market for those (i) who are unable or unwilling to buy or (ii) are unable or unwilling (for a variety of reasons) to access socially rented accommodation. It brings with it dangers of increased overcrowding, a substantial transient population, disinvestment in the fabric of properties and neighbourhoods, and inflated prices and fragmented ownerships - making comprehensive renewal more difficult.

*The need to stem population loss from the Black Country*

The Black Country is competing nationally for a footloose population, to the extent that its housing offer is uncompetitive in terms of price in relation to dwelling type and environment it will continue to lose population. This will also impare efforts to attract and retain investment in employment. The effects of population loss have been mitigated by household growth (albeit with an impact in terms of declining services), The decline in average household size cannot however continue indefinitely.

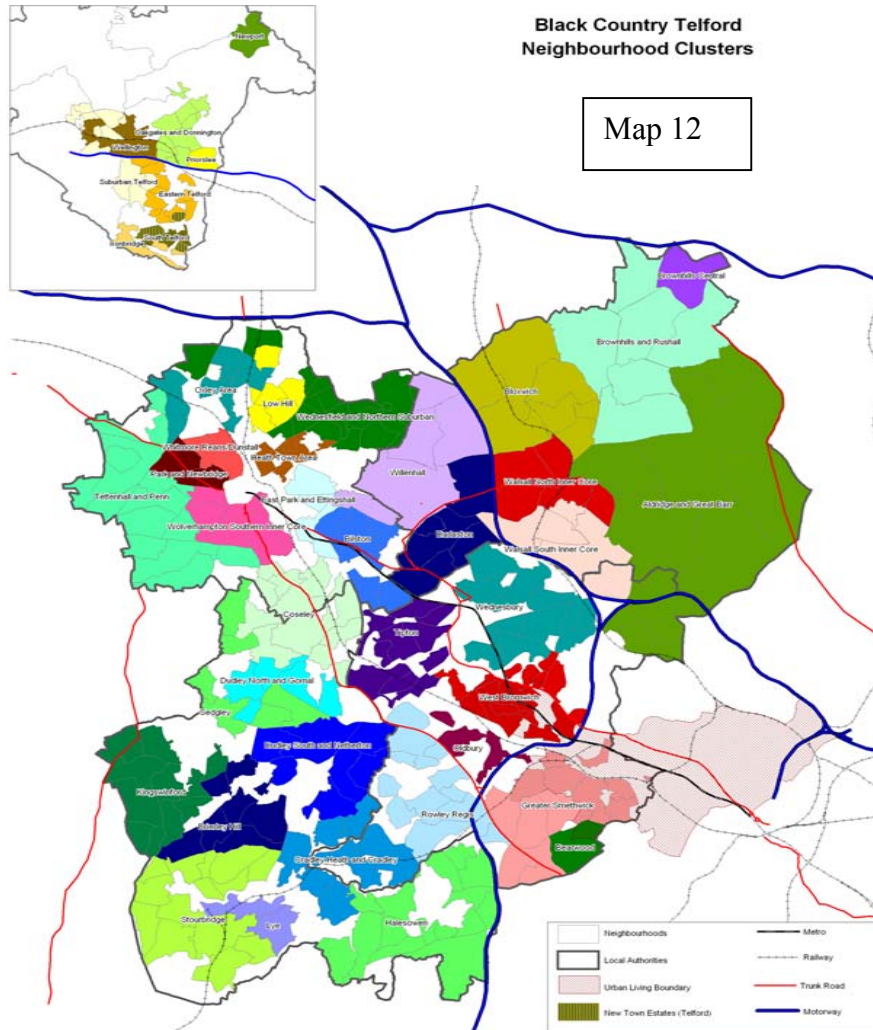
BME groups represent an important source of population growth, however affordability and related housing problems in the inner core suggest that the attractiveness of the BCT stock to these groups is declining.

*The need co-ordinate employment and housing strategies.*

The issue of the Telford Corridor (including potential developments at Cosford) have been highlighted in the context of the limited availability of higher quality housing for AB groups in the North Western sector. This issue also needs to be considered in the context of the future of the social periphery and the accessibility to transport corridors linking to employment growth areas.

**Black Country Telford Neighbourhood Clusters**

Map 12



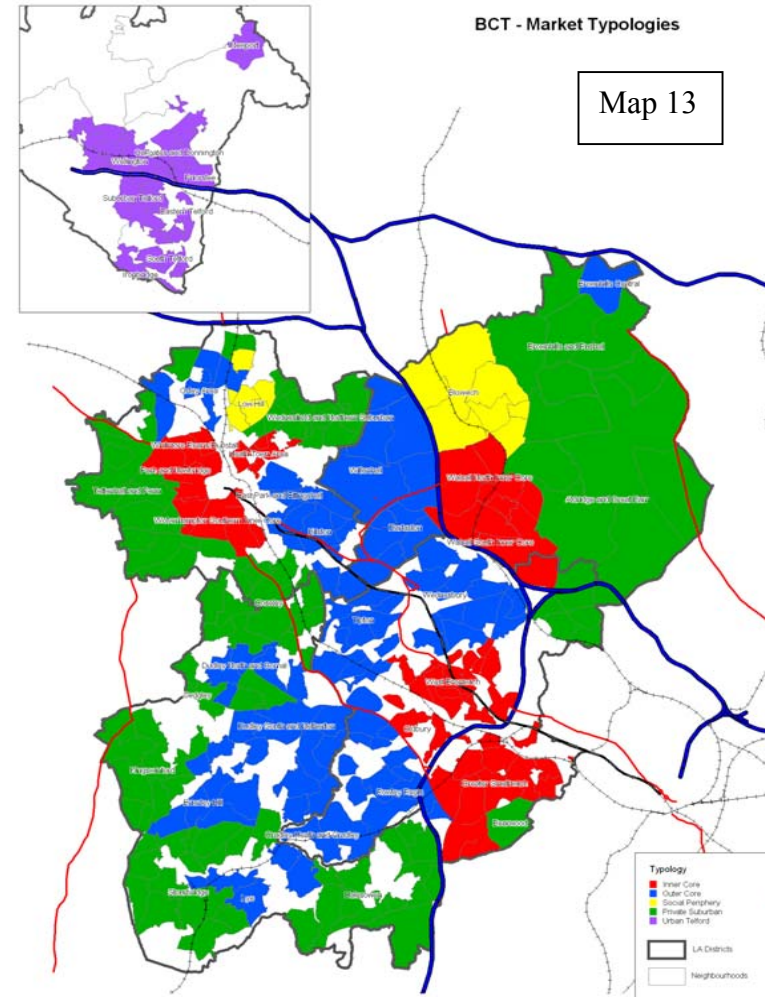
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**BCT - Market Typologies**

Map 13



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