

BLACK COUNTRY STUDY

Black Country Housing Market Thinkpiece

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FINAL DRAFT



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The Black Country Housing Thinkpiece

Executive Summary

Consultants CSR Partnership and the Centre for Urban & Regional Studies (CURS) at Birmingham University have been commissioned to provide housing market analysis for the developing Black Country Study.

A discussion paper written by Phil Leather (CURS) and Adam Carey (CSR) sets out their preliminary assessment of housing in the Black Country, the drivers of change and the likely policy implications. The key points are summarised below.

Housing and Socio-Economic Change

- Uniformly low value housing market with prices losing ground compared to surrounding areas
- High level (oversupply) of social rented housing.
- Limited range of property types especially in core
- Concentrations of vacant properties.
- Post-war agglomeration of townships leading to fragmented urban form marked by continued industrial closure and dereliction.
- Socially the Black Country has concentration of low income households in social rented sector or low value private housing.
- Low levels of economic activity and lack of qualifications.
- Parts of the Black Country have large and growing BME communities which have sustained the housing market in parts of the Black Country
- Issue of asylum seekers and link with private renting

Urban Form

- Post-war agglomeration of townships contributing to fragmented urban form
- Further industrial closure and dereliction
- Poor environment

Decentralisation of Population

- Long-term process of movement from core to suburbs of conurbation and outwards within region ('cascading migration')
- Extensive commuting in to work in main employment centres
- Large indicative Black Country housing market area

Segmentation

- Identifiable residential type/tenure clusters related to historical growth with differing urban form and social and economic function
- Six sub-markets around inner cities and municipal zones, Black Country core towns and suburban fringe often straddling local authority boundaries

Drivers of Change

- Historical legacy of poor quality environments
- Continued economic decline and change
- Ageing of white population
- Growth and/or spread of BME population
- Selective out-migration
- Loss of spending power to already buoyant periphery
- Changing aspirations
- Negative perceptions and neighbourhood stigma linked to social stress
- Segmented markets within conurbation
- Policy reinforcement of market negatives
- Spiral of decline

Policy Implications

- Unattractive housing market 'offer' spurned by those with choice
- Attracting jobs does not necessarily attract residents
- Knowledge workers aspire to appreciating values in locations with lifestyle choices and good amenities
- Better quality housing in combination with economic development, environmental measures, improved local services
- Housing market interventions in cross-boundary housing markets

1. Introduction

This paper is a contribution to stage 1 of the housing component of the wider Black Country Study. Stage 1.3b is concerned with understanding the market and key strategic implications and choices. This paper has been produced by Philip Leather from the Centre of Urban & Regional Studies and Adam Carey at consultants CSR Partnership. It brings together evidence gained from extensive work undertaken by both CSR and CURS in recent years concerned with Black Country housing markets. It also utilises data mapping undertaken by Mott MacDonald for Stage 1.3a. This paper has been prepared to stimulate discussion on the drivers of market change operating in the Black Country and the strategic and policy issues these pose for policy-makers generally and in particular for the development of the Black Country Study, as a mechanism to address the key economic, housing and transport challenges facing the sub-region.

2. Low Values

The striking feature about the Black Country housing market is the large area of uniform low values which it represents (Figure 1). This is contiguous with a similar low value area in central Birmingham. The area of low values is surrounded by a band of higher values and some areas of very high value. In the case of the Black Country these form an arc running from Lichfield in the north east through Stafford, South Staffordshire and Bridgnorth, and into Wyre Forest and Bromsgrove to the south. South Telford stands out as an isolated but similar low value area to the west.

The only significant areas of higher values within the four Black Country authorities (though not within the 'core' of the Black Country itself) are found in Aldridge and Streetly in eastern Walsall, Stourbridge/Halesowen and Kingswinford in Dudley, and Tettenhall in Wolverhampton.

Figure 2 shows *median* dwelling prices in 2003 at unit (full) postcode level across the Black Country. The median price is a better indicator of values as it is not influenced by the extremes of the distribution. Figure 2 draws on Land Registry individual transaction data which has been made available for the first time by ODPM for the purposes of this study. The use of individual transaction data makes it possible to produce a finer grained picture, and also allows the examination of the *distribution* of prices. The pattern which emerges from Figure 2 shows a much more complex pattern of price variations. A core low price area (shown as a dotted line on Figure 2) can be identified but even this includes some areas of higher prices and excludes some isolated lower priced areas. Figure 2 shows the *complexity* of the housing market and the need for fine-grained analysis to identify areas with the potential for restructuring.

Appendix A provides a more detailed analysis of house price changes over the 1996-2003 period in the Black Country, set in a wider regional context.

3. Price Changes

This is not to say that prices are static. In Wolverhampton for example, the average price almost doubled between 1995 and 2003 (Table 1 below). Rather, prices are low in comparison to surrounding areas and the region, with the exception of Dudley. More significantly, however, prices in the Black Country are generally losing ground when compared with the region or surrounding areas (Figure 3). Buying in the Black Country, especially in Wolverhampton, Sandwell or Walsall means accepting lower price appreciation than in most other parts of the region.

Table 1 is based on district level averages. Postcode sector data and median prices reveal a few relative hotspots where prices have risen faster than for the region as a whole, but confirm that across most of the Black Country performance has been worse (Figure A.13 in Appendix A).

Table 1: Average Dwelling Price by Local Authority 1995-2003

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Birmingham	54023	55377	58255	62130	67327	74376	85428	101193	118530
Bridgnorth	76971	78094	83490	94039	97335	111359	124310	153940	181430
Bromsgrove	86281	90357	92675	102771	121756	133181	141668	162675	172562
Cannock Chase	48597	52212	54338	59337	63485	64863	73755	90263	100789
Dudley	54272	57052	60610	65286	67523	71545	78695	93282	107106
Lichfield	76446	78432	85869	93697	104386	114983	121958	145594	160328
Sandwell	44069	45643	47028	49358	52204	56050	61621	73595	88706
South Staffordshire	71936	74737	82745	85753	89322	101556	110821	139508	158700
Walsall	53772	55302	58973	60575	64856	69275	76335	91075	102399
Wolverhampton	49601	50198	52980	53267	58375	61170	68328	80103	93640
Telford & Wrekin	51443	54413	58293	62854	67116	71388	78994	92998	105879
Wyre Forest	60103	60816	67030	71056	79532	83917	99613	112888	129978
Region	59121	61284	65765	70588	76925	84201	94498	110634	123636

Source: HMLR, special purchase.

4. Provision of Social Rented Housing

Against any comparator, the proportion of social rented housing in the four Black Country boroughs is exceptionally high (30% in Sandwell, 29% in Wolverhampton and 27% in Walsall compared to 21% in the region as a whole and much lower figures in the surrounding districts) and the level of owner occupation is low (Figure 4 and Table 2). Again Dudley stands apart with a profile much more similar to the regional average. Figure 5 shows a more detailed spatial breakdown, indicating that social rented provision is concentrated in central and eastern Wolverhampton, central and western Walsall, through Sandwell, and in the north and east of Dudley.

Table 2 Tenure by Local Authority 2001

	Owner Occupied	Social Rented	Private Rented
Dudley	71.4	21.8	6.8
Sandwell	60.3	30.3	9.3
Walsall	64.7	27.4	7.8
Wolverhampton	60.5	29.1	10.4
Telford and Wrekin	68.8	22.0	9.2
Bridgnorth	71.4	13.4	15.3
Cannock Chase	73.7	19.3	7.0
Lichfield	79.3	13.5	7.2
South Staffordshire	79.6	13.8	6.6
Birmingham	60.4	27.7	11.8
Bromsgrove	83.4	10.6	6.1
Wyre Forest	76.1	14.8	9.0
West Midlands	69.6	20.6	9.8

Source: ONS, 2001 Census

The high level of social rented provision in the Black Country is a factor of its industrial past and the need for low cost rented housing for those employed in manufacturing industry and also a degree of competition for tenants between Black Country authorities. Figure 6 shows the original ‘footprint’ of council housing before the onset of sales to tenants and clearance in the 1980s. It shows for example that the northern half of Sandwell was heavily dominated by council housing. The impact of two decades of sales of local authority stock has been to thin out the concentrations of social rented housing. Hence although there is still a high level of social rented provision, it is now intermixed with former council rented stock which is now owner occupied or privately rented.

Low incomes and high levels of deprivation still characterise the Black Country (see below) but arguably this is self reinforcing given the high proportion of social renting and the low value private sector stock. It is difficult to say what an appropriate level of social rented housing would be, especially at a time when housing affordability is becoming an issue even in low value areas.

But if the housing market in the Black Country is to be transformed into one with a greater degree of social mix, or more ambitiously into one which attracts workers in relatively affluent economic sectors, some reduction in the level of social renting is likely to be necessary. The difficult balancing act between the needs of existing low income households and the requirements of those whom policy-makers are seeking to attract is one of the key challenges of housing market renewal.

5. Housing Stock

Figure 7 shows the dominant dwelling type across the Black Country. The proportion of detached dwellings (which meet some types of housing aspiration especially for families with children) is generally low, except in the higher value areas of private housing outlined above. Terraced dwellings are much more prominent in the core Black Country areas, especially inner Wolverhampton and Walsall and the Sandwell part of the Birmingham-Sandwell Pathfinder. Data on council tax values shows a similar concentration of low value poorer quality property (Figure 8).

6. The Urban Form

The Black Country originated as a widespread sprawl of village-based cottage industries and later large-scale coalmining and heavy industry over 136 square miles. The dispersed nature of these settlements and decline of this early industrial activity meant that in 1947 56.5% of the total land area was either undeveloped, open spaces or derelict¹. Post-war residential development on these sites nearly doubled the total housing stock from 283,000 to 455,000 over 50 years and in the process the urban form of the Black Country largely agglomerated. Much of this was mass-built council housing. At the same time the number of local authorities was reduced from 22 to 4 reflecting the fusion of dozens of old townships. This was in contrast with the growth of Birmingham outwards as a classic industrial city with a clear focus and identity.

The Black Country remains polycentric with its historic parochialisms but also an array of small local centres offering very limited amenities as well as an archaic road system making it difficult to traverse. The decline of its manufacturing base in the last 20 years has resulted in a further welter of dereliction. Some progress has been made in developing a new economic base, but the fragmented pattern of residential and industrial land uses generates a high degree of movement and has led to significant traffic congestion. Extensive mixed uses also result in poor residential environments. The area is thus shorn of, or has never developed, many of the urban features and amenities necessary to retain aspirational groups; and changing this fundamental will be central to the Black Country Study.

¹ Conurbation: A Survey of Birmingham and the Black Country, West Midland Group on Postwar Reconstruction and Planning, Architectural Press, 1948.

7. Incomes and Economic Activity

A fuller profile of the population of the Black Country will presumably be prepared as part of other studies. However analysis of the housing market requires consideration of some key characteristics. Figure 9 shows data commissioned from CACI Paycheck for average incomes by postcode sector covering the whole of the West Midlands. The Black Country forms a large enclave of low average incomes surrounded by higher income areas, again with the exception of the northern sector towards Stafford, and the Telford area. As might be expected the distribution of incomes fairly closely mirrors that of house prices. Figure 10 shows a more detailed view of the Black Country itself.

Figures 11 and 12 show levels of economic activity underlying the picture of low incomes. In the regional context Birmingham and the Black Country form areas of relatively low economic activity surrounded by areas of much higher activity. In more detail this ‘hollowed out’ pattern of economic activity also applies to the individual boroughs.

Thus the high social renting-low price market is reflected in low incomes and low levels of economic activity. Figure 13 reinforces this. It shows the paucity of level 5 qualifications across almost the whole of the Black Country, again with a strong degree of match with higher income higher house price areas. There could be no starker illustration of the scale of the challenge facing the Black Country in seeking to diversify social mix and attract workers from higher value added economic sectors.

8. Minority Ethnic Groups

Figures 14 and 15 shows the distribution of Black and Minority Ethnic (BME) groups in the West Midlands and in more detail in the Black Country. Appendix B provides a more detailed picture of the changing distribution of white and BME groups across the West Midlands. Overall, Birmingham and the core Black Country areas have significant BME communities which form the majority of the population in parts of Birmingham, Sandwell, Wolverhampton and Walsall.

Figure 16 shows the spatial distribution of different ethnic groups in localities where the overall BME population is more than 20% of the total.² The Black Country picture cannot be seen in isolation from Birmingham which has a large Pakistani population to the south and east of the city centre and which is included in the nascent East Birmingham Housing Market Renewal area. There is a large Black community in social housing areas on the fringes of the city centre and to the north the highly diverse Handsworth area. Wolverhampton and to some extent Sandwell have very large Indian communities which are steadily migrating outwards from the inner cores into suburban areas. The main concentrations of Pakistani residents live in Walsall’s inner city, Dudley Town Centre and Tipton and the Lye area. There are no predominantly Pakistani or Bangladeshi localities in Wolverhampton. Smethwick has probably the

² Figure 16 shows the numerically predominant minority ethnic group in localities where the overall BME population is more than 20%. In areas above this threshold a particular group is identified where it comprises more than 50% of the BME total (rather than more than 50% of the entire population which includes white groups). Where no single ethnic group is numerically predominant these are shown as ethnically mixed areas and there are indicated by hatching on the map.

most diverse BME profile within the Black Country reflecting its links with West Birmingham encapsulated in the Urban Living Pathfinder area. This indicates that the characteristics of BME communities vary enormously across the Black Country.

National House Condition Surveys have shown that BME households typically experience poorer housing conditions than white households, and are especially likely to experience problems of overcrowding. It is clear from Figure 17 that the growth of these communities since 1991 has to a considerable extent sustained housing markets in many parts of the Black Country. Without the presence of these groups, problems of vacancies would be much more severe than they are at present (Figure 18).

A key issue for the Black Country study is therefore to clarify the future intentions, aspiration and needs of these communities and to assess the implications for housing in the area. Do different BME communities intend, for example, to remain in the area, or are they likely to seek better quality housing elsewhere, and if so, what might persuade them to remain in the area?

9. Asylum Seekers and Refugees

Research carried out by CURS for the Birmingham-Sandwell Pathfinder, and for Birmingham City Council and others, has established the important role that parts of the Black Country have played in the provision of short term accommodation for housing asylum seekers and refugees (Figure 19). The growth of private rented sector provision for these groups (and more generally for students, mobile households, and those preferring private rented to social rented housing) has taken advantage of declining demand for private sector housing in some areas within the Black Country. In many of the Housing Market Renewal Pathfinder areas across the country, large scale transition from owner occupation to private renting in small neighbourhoods is a key factor undermining stability in housing markets and leading to falling or changing demand. The high concentrations of asylum seekers and refugees in parts of the Black Country pose two questions:

- where will the future demand for this housing come from when these groups leave the country or are given permission to stay permanently?
- will those who stay seek to remain in the area, or to move elsewhere? This will depend not just on the availability of housing and the quality (or otherwise) of the housing stock, but on the pattern of communities and the availability and nature of economic opportunities.

10. Population Movement

Figures 20 and 21 taken from a recent CURS study³ show that there is a clear pattern of recent outwards migration from the core areas of the Black Country and Birmingham to more suburban and rural areas. More detailed trends can be examined when 2001 Census data on migration origins and destinations is available, but in the meantime Figure 20 draws on NHSCR data at district level to show a clear pattern of losses from the core areas to their surroundings. Most moves are short distance and sectoral, that is they tend to fan out along transport routes rather than crossing core areas. Thus for example there is movement from Sandwell to Dudley and from Dudley to the adjacent district of Wyre Forest. This pattern of movement has been described as ‘cascading’. The scale of net migration is relatively small in any one year, but in-movement tends to be of younger people (including some longer distance in movement to higher education centres where present) while out movement tends to involve families with children.

Crucially, the fact that most migration is relatively short distance provides the potential to reverse or reduce current trends towards out migration. Longer distance migration occurs for a variety of reasons, including retirement, job change or relocation, and moves to live with or care for relatives. Such moves are difficult to influence. But the majority of moves are associated with an adjustment to housing consumption or to relocate to a more attractive neighbourhood. They are short distance because people prefer to stay as close as possible to their existing networks of friends and relatives, communities, or the facilities and amenities which they know and utilise. Many of these moves could be eliminated if people had access to the kinds of housing which they require within their existing neighbourhoods, or if those neighbourhoods could be made more attractive, both by moves to reduce or eliminate negative factors (such as high crime levels or a poor environment) and moves to improve positive factors (such as good schools and community facilities).

Figures 22 and 23 take a long view of decentralisation within the West Midlands region. The first shows the percentage population change between 1951-2001, using the historic boundaries of the 124 local authority districts that existed before the reorganisations of 1966/74 (today there are just 34 districts and these are also shown). The second examines the absolute change in the housing stock over this period to compensate for the effect of large percentage populations increases from a very low base. Both maps should be treated with caution because of differences in the definition of the base population and the nature of a dwelling, but they provide a sufficiently clear picture of change to illustrate the point.

³ *The Black Country and Telford Housing Market Research* by Ed Ferrari and Philip Leather, CURS July 2004

The inset maps show the impact of long-term suburbanisation within the conurbation over the last half century. The populations of the inner urban centres, for example, the old County Boroughs of Smethwick, West Bromwich, Walsall, Dudley and Birmingham have declined. Meanwhile entire new residential neighbourhoods have developed in the post-war period in the western fringes of the conurbation in areas such as Tettenhall, Sedgley and Kingswinford, and also to the north in Aldridge/Brownhills. The same process can be seen in relation to Birmingham with the growth of Solihull and Sutton Coldfield.

There is an even greater zone of population growth circling the conurbation itself with significant population gains outwards from the Black Country in South Staffs and Telford and also north, east and south of Birmingham in areas of very high house prices. Overall the pattern of decentralisation is striking, with the influence of the motorway network an apparent factor.

Taken together, this evidence suggests that the centre of gravity within the region is moving southwards and eastwards, reflecting the changing position of Birmingham and perhaps the economic pull of the South East region. The position of North Staffs as a cold spot is also significant. It would be interesting to do the same comparison for south Cheshire and other NW commuter areas. With the exception of the planned New Town and post New Town development in Telford the sprawl of the Black Country has been restricted to the towns and smaller settlements of South Staffordshire district. The reasons for this include:

- Green Belt policies restricting new development to the west of the conurbation except in Telford
- Relatively poor communications, restricting access from rural areas to the west into the core of the Black Country and Birmingham. This suggests that the construction of the western orbital route would accelerate the decentralisation of the Black Country in this direction.
- A relative lack of demand from Black Country residents arising from prevailing low income levels. This has reduced the extent to which a high value rural hinterland has developed comparable to that which has developed to the north and south of Birmingham, for example. However, consideration of dwelling prices in Wyre Forest and Bridgnorth suggests that this is no longer a major constraint.

Table 3 drawing on the 2001 Census shows the extent to which migration occurs within districts. This is also of interest as it is one of the criteria suggested by ODPM's Housing Market Assessment Manual for the determination of self-contained 'housing market areas'. This issue is discussed in more detailed in the recent CURS report referred to above which defines a housing market area and intervention areas for the proposed Black Country-Telford Housing Market Renewal Area.

The data shows the same pattern with Birmingham and the Black Country as net losers through migration and surrounding districts as gainers. In the former, around 50-60% of all migration in the year before the 2001 Census was internal to the district. This was also true for Telford and Cannock Chase. However Lichfield, Bridgnorth and Bromsgrove were much more typical commuter destinations with only around one third of moves being internal.

Table 3: Migration – Self Containment

	Moved within the LA	Inflow from outside LA (incl abroad)	Outflow from LA (excl abroad)	Net movers in	Percentage all movers moving within LA
Dudley	4,647	1,950	2,057	-107	54
Sandwell	4,673	2,201	2,364	-163	51
Walsall	4,118	1,607	1,857	-250	54
Wolverhampton	4,357	1,637	1,858	-221	55
Birmingham	20,791	7,350	7,885	-535	58
Wyre Forest	1,580	742	725	17	52
Telford & Wrekin	3,613	1,768	1,735	33	51
Cannock Chase	1,507	814	671	143	50
Lichfield	1,179	1,208	1,052	156	34
Bridgnorth	670	684	750	-66	32
Bromsgrove	986	1,151	1,047	104	31

Source : ONS, 2001 Census

Although migration data is significant, it only demonstrates recent annual flows of people into and out of the Black Country. Data on travel to work provides a better indication of the accumulated impact of migration flows, and equally significantly, the connection with the conurbation through employment experienced by many people who have never *lived* in the area. In policy terms, some reduction in out migration trends would have an impact on population in the Black Country but more important is to attract in some of those who currently work but who do not live in the area.

Figure 24 and Table 4 confirm the increasing extent of commuting and its impact on the Black Country. Figure 24 shows the main concentrations of employment (using 2001 Census data). The dominance of Birmingham is clear, dwarfing all other employment locations, although the City is better regarded as a number of separate locations. There are concentrations of employment in Wolverhampton, Walsall and Sandwell, but otherwise only Telford forms a major employment location within or around the area. The feature that stands out and which reflects current trends is the very significant flow both into and out of the Black Country districts and many of the other districts surrounding them. Within the Black Country, although Walsall has very little net commuting, some 40% of the resident workforce commutes out and 40% of employees in the area commute in. Dudley experiences substantial net outward daily commuting. Wolverhampton and Sandwell are net gainers. In contrast, in districts like South Staffordshire, Wyre Forest, Bridgnorth, Cannock and Bromsgrove a high proportion of those working commute out of the district. Telford is an interesting case with significant levels of out-commuting (probably mainly related to the M54

eastwards and so some extent westwards), indicating its continuing links with the Black Country. A better and more detailed view of travel to work patterns will be from the 2001 Census origin and destination data in due course.

Table 4: Commuting

District Name	Net commuting in	% working in area commuting in	% resident workforce commuting out	Ave distance travelled to work (km)
Dudley	-16756	30	39	8.44
Sandwell	6714	47	44	7.3
Walsall	-905	39	39	8.37
Wolverhampton	9507	42	36	8.46
South Staffordshire	-21450	45	67	12.23
Bromsgrove	-10176	46	59	12.89
Lichfield	-6539	43	51	13.79
Cannock Chase	-9078	37	50	11.87
Bridgnorth	-5333	31	45	13.49
Wyre Forest	-9976	20	37	11.33
Birmingham	83576	36	21	9.04
Telford & Wrekin	5460	26	20	10.84

Source: ONS, 2001 Census

Drawing on the CURS report on the proposed Black Country-Telford Housing Market Renewal Area, Figure 25 shows indicative areas with which there are particularly strong migration links for Black Country districts. These have then been combined to produce an indicative housing market area for the Black Country overall, and also for Telford which has strong two-way migration and commuting links with the Black Country. It is unrealistic, given the growing willingness to commute, increasing commuting distances, and income-related differences in commuting ranges, to conceive of a network of strongly self-contained housing market areas, but for the Black Country, this wider area is one which contains a significant proportion of migration and travel to work interactions.

Figure 25 confirms the strong links between the Black Country and Lichfield, south Staffordshire, Cannock Chase, and Birmingham. There are also less strong but significant links with Bridgnorth and with Wyre Forest.

11. Housing Sub-Markets

Research around housing markets and urban design increasingly identifies market segments within urban areas and conurbations, which for analytical purposes are divided into a number of types of related neighbourhoods which form typologies or zones within the conurbation. This highlights commonality within zones and differences between them, and is important for policy purposes.

There are a number of ways of identifying different housing sub-markets within the conurbation. Some of these involve elaborate statistical analysis drawing on a wide range of variables, but this was outside the scope of the present study. Such approaches can also produce classifications which are difficult to interpret in practice.

A more intuitive approach groups similar neighbourhoods based on the ‘urban grain’ of the conurbation: that is, the dominant housing tenure and property type, and the period of development in the last century. These neighbourhood groupings can then be adjusted to reflect socio-economic factors, neighbourhood function, and housing market performance. The lack of a common approach to neighbourhood identification in the Black Country makes this approach to market segmentation difficult to apply here. Nevertheless it is possible to distinguish eight such sub-markets within the Black Country (Figure 26).

These are:

1. **Inner City Sandwell** covering the heavily industrial towns of Smethwick and core West Bromwich and Oldbury. This zone functions as part of greater Birmingham (hence the Housing Market Renewal cross-boundary link) but economically is in long-term decline. It has a majority and varied BME community as well as refugees; and a population skew towards young, single people, often highly mobile with pockets of elderly. These areas have poor quality terraced and often stigmatised housing, mixed use and poor environments including arterial routes and physical severance, although multi-tenure clearance has been actively pursued.
2. **Inner City Wolverhampton** which covers the Victorian core of the city to the west and the flats in the Heath Town area to the east. This cosmopolitan area with a growing student population is a microcosm of Birmingham, with a diverse BME population in the Whitmore Reans area and large Indian community to the south. Population turnover is high and one of the highest concentrations of voids in the Black Country. There is market failure in the NDC area of Blakenhall and All Saints which is affected by crime, stigma and a poor urban form. Although the problems of Wolverhampton’s inner city are intense, it is contained by scale (forming only 15% of the city’s population).
3. **Inner City Walsall** includes the tightly defined neighbourhoods and estates around the town centre that formed part of the old City Challenge area with an expanding BME (mainly Pakistani) community in areas of poor housing with high voids. It is highly polarised from its suburban hinterland.
4. **Municipal Wolverhampton** covers the mass interwar council estates to the north in Low Hill and postwar estates in the south and east of the city. The northern cluster exhibits social, economic and environmental problems in a low demand area of more than 7,500 dwellings and will need market restructuring over the next decade. The south-east cluster around Parkfields/East Park is currently performing better but faces a similar declining trajectory.

5. **Municipal Walsall** extends northwards from Walsall Town to include the huge council-built estates of Beechdale, Leamore and Blakenall which have been targeted in City Challenge, SRB and NDC area-based regeneration initiatives. These also exhibit monolithic design issues, social problems and high voids. As with Walsall's inner core, it is highly polarised from its suburban counterpart.
6. **Northern Black Country core** straddles parts of three Black Country districts and includes the towns of Willenhall, Darlaston, Bilston, Wednesbury, and parts of Coseley, Tipton and Dudley and the postwar neighbourhoods of West Bromwich. Some of these act as freestanding towns still defined by bands of industrial use and overall the urban form is highly fragmented. They have the largest concentrations of interwar council housing in the Black Country and now exhibit a range of social problems with the loss of economic function. Bilston, for example, has issues of economic exclusion, poor health, high crime and poor access to services. The Black Country Development Corporation achieved major impact with replacement activity along the spine road and new housing that has attracted inflow to the core of the conurbation, but prices remain among the lowest.
7. **Southern Black Country core** includes the core of Tipton, Rowley Regis, southern Oldbury, Cradley Heath, Netherton, Brierley Hill and Lye. The boundary between the southern and northern Black Country cores is not clear-cut and is partly topographical with the Rowley hills being the major divide of the Black Country. There is, however, an apparent watershed in terms of localities where BME populations are resident. Three wards⁴ covering white estates placed in the northern core have recently elected BNP councillors, while areas to the south in Tipton and Dudley Towns and Lye have Pakistani and mixed BME communities. These Black Country villages in the south have partly suburbanised with heavy industry long gone but they have a poor transport infrastructure. The housing market is performing slightly better than the north with lower voids and higher house prices.
8. The **suburban fringe** which extends clockwise from Halesowen/Stourbridge in the south, Kingswinford, Sedgley, Penn and Tettenhall in the west, and Wednesfield through to Aldridge/Brownhills in the north. It contains the most affluent, qualified social groups and is overwhelmingly white (except in Wolverhampton) in often detached higher priced post-war around scattered Victorian villages housing with continuing pocket development. To the south Bearwood is probably the only example in the Black Country of an inner suburban neighbourhood akin to Birmingham's high-priced Victorian Harborne-Edgbaston-Moseley-Kings Heath areas. The suburban fringe is not homogenous and does include localities of poor but usually stable social housing which can be obscured by favourable ward-level indicators.

⁴ Castle & Priory in Dudley and Princes End and Great Bridge in Sandwell.

12. Key Drivers of Housing Market Change

The picture that emerges from this analysis can be expanded in more detail but the overall position which emerges is stark and clear. The housing market in the four Black Country Boroughs represents a strong and uniform concentration of low value private housing together with a high level of social rented housing. There is a remarkable absence of large areas of higher value and aspirational housing of the kind that might be expected and which are present, for example, in parts of north and south west Birmingham.

Demand and supply are not, in general, out of balance in the way that is evident in some Northern housing markets which have experienced similar levels of decline. In part this is because the opportunities for decentralisation of both employment and population have been more strongly restricted by planning policies and poor transport links, but the potential for problems of this kind is present. The main factors which have led to this situation are set out below and discussed briefly:

- Economic decline and change: the historical pattern of manufacturing industry in the Black Country led to the pattern of high social rented provision and lower value private housing, with considerable inter-mixture of dwellings and manufacturing industry, leading to poor and unattractive environments. The decline of manufacturing led to a decline in the demand for these types of housing, although the impact of this has lagged behind industrial change. The advent of new forms of economic activity, such as distribution, have not attracted new aspirational housing development, and the scale of dereliction and poor environments continue to work against this.
- Demographic change: there is evidence from Figures 22 and 23 of an ageing of the population as younger people leave the area and do not return after higher education because of the lack of employment opportunities and the poor environment.
- Selective out-migration: those with choice and the capacity to move out continue to do so and the impact of this over a longer period reinforces the ageing process
- Growth and/or dispersal of BME population: BME households were originally attracted to the Black Country by opportunities in manufacturing industry and the lower paid service sectors, but these communities have grown through natural change and further in-migration.
- Aspirations: rising aspirations, together with rising real incomes to enable aspirations to be met, are one of the most powerful factors influencing housing market change across the UK., Areas which have a housing stock more closely related to past rather than present or future economic trends are likely to suffer if they cannot meet modern expectations in terms of the quality of not just the housing stock but also of environments, public services such as schools and hospitals, and other services such as shopping and leisure facilities.

- Negative perceptions: areas with high concentrations of deprivation and problems with crime and anti-social behaviour also suffer from the other side of the coin that is negative perceptions. Despite considerable community cohesion in some neighbourhoods, the Black Country is strongly affected by negative perceptions.
- Spiral of decline: there is growing evidence that problems affecting housing markets combine to produce a downwards spiral of decline which is very hard to halt. The growth of private renting has already been highlighted as a factor which can accelerate decline. Some local authorities experiencing a lack of demand for their housing have also been obliged to seek new client groups and this has also led to further instability and decline.
- Policy drivers: a range of policies can also be argued to have had an adverse impact on some housing markets. The relative weakness of regional and more local planning frameworks in the past has been unable to restrain the demand for and supply of housing in more peripheral sites, although the new RPG for the West Midlands aims to rectify this. The failure to link housing regeneration with other programmes relating to services and the environment has undermined the effectiveness of some past investment including investment in the social rented sector. The deregulation of private rented sector rents and the reduction of security of tenure in 1988 has enabled private rented provision to expand, but in some areas the scale of expansion, and the presence of poor quality landlords, has had adverse impacts on markets.

13. Policy Implications

The implications of this analysis of the Black Country housing market for policy, and for the vision and objectives of the wider Black Country Study are very substantial.

Firstly, in most areas, the nature of the housing market 'offer' (both the tenure and type of stock and the package of services and environments associated with the stock) is a major determinant of who lives there. In the case of the Black Country, the unattractiveness of this 'offer' is such that the area has lost, steadily and over a long period of time, a high proportion of those who have choice over their location. There has been significant population movement from the historic core of the Black Country to its suburban fringe and beyond this to rural districts as part of an overall process of long-term decentralisation of population from the Birmingham and Black Country conurbation. The growth of BME populations and the advent of international migration are simultaneously transforming the inner city markets of the Black Country.

This highlights the existence of distinct sub-markets within the area with specific characteristics and different trajectories. There is a particularly complicated northern core area with issues around older poor condition terraced housing and declining interwar local authority-built estates with social problems and a fragmented urban form around traditional industrial activity. This northern core straddles parts of Wolverhampton, Walsall and Dudley and whilst it is likely to form the focus of any market renewal programme for the Black Country, it will nevertheless require interventions through joint planning and delivery by the Black Country authorities.

Without change these core areas will continue to fail to attract in-migrants with choice, except where there are special factors, such as the presence of minority ethnic communities. The nature of the housing stock has exercised a strong influence on the social and economic composition of the population. Unless the nature of the stock can be changed to provide a more attractive offer, measures to attract those with choice are unlikely to succeed. Demand for social rented housing may ebb and flow with changes in the price of housing relative to incomes, but in the long run it is declining inexorably. The popularity of some dwelling types may also vary with house prices, but again in the long run only dwellings which can fit with modern lifestyles and aspirations will prove attractive to those with choice.

Put more simply, the present nature of the housing stock and the environments within which it is located will be a serious constraint on measures to attract more affluent and more highly skilled households or others who have the capacity to move to other areas which are perceived as more attractive. Even setting aside questions of preferences and the attractiveness of housing and the environment, buying a house in many parts of the Black Country does not make investment sense because of the low rate of capital appreciation that can be expected. Unless measures are taken to create a more attractive housing stock, measures to create more jobs or high quality jobs will be undermined by the housing market, or will lead to a greater demand for commuting from outside the area. A key objective of the Black Country Study must be to encourage appreciation of housing values through diversification of the stock, whilst maintaining access to purchase for first time buyers and low income groups.

The impact of this would compound the challenge of creating a new economy for the Black Country based on knowledge industries and other high value added sectors. There is a tendency to assume that economic change will determine the direction of housing market change. But more affluent households have the capacity to afford and cope with longer commuting journeys so that connections between place of work and place of residence are increasingly weak. Attracting jobs does not necessarily mean attracting residents. Two- or multi-earner households are also increasingly common and this further complicates the link between home and work and puts a premium on accessible locations, locations which are likely to remain attractive over various stages in the lifecycle, or those representing minimal risk in investment terms. Population loss from areas such as the Black Country is thus associated with active housing choices and the willingness to contemplate longer journeys to work rather than the loss of employment or the nature of employment.

As a result of these trends, the spending power of employees and their families also migrates out from less attractive areas and this compounds the impact of these processes. Higher income areas attract employment-generating activity associated with shopping, leisure and other activities, and this in turn gives these areas further momentum which less attractive areas lose out on. Households living in less attractive areas which experience an improvement in their conditions are in these circumstances more likely to relocate outside them in order to find housing that suits their aspirations.

Hence if economic development in the Black Country is to succeed in attracting educated and skilled people and businesses concerned the use and exploitation of information and creativity, it is essential to cater for the housing aspirations of these groups. Evidence suggests that the workers in these sectors of the economy aspire towards higher value property in the owner occupied sector which will show value appreciation, provide security, but also provide for diversity and access to varying lifestyle choices, and leisure or entertainment facilities.

The requirements of this group will vary. With changing household arrangements, later marriage and child-bearing, many will be attracted to city-centre type facilities. Although far from easy to provide, this is arguably the easiest environment to provide. The greater challenge is to persuade these households to stay in the city or wider sub-region as their circumstances change. At present the Black Country offers too little of either environment. But unless the housing market can be restructured to meet these anticipated demands, those with choice will move to other elsewhere, to more rural or suburban locations, or in some cases to adjacent cities, and economic diversification may be impossible to generate or its benefits will be lost.

It is not argued that developments in the housing market are the key to successful economic diversification and restructuring. Rather housing needs to be viewed as an important factor in combination with economic development, neighbourhood management, the provision of better public services, and the improvement of the environment. But a housing market which will meet the aspirations of key groups within the knowledge economy is a key element within any future strategy.