

1. INTRODUCTION

1.1 Background

This Prospectus is prepared by the **evolve** Housing Market Renewal Partnership. It represents a commitment by partners to address weak and dysfunctional housing markets across the Black Country and Telford area and support the urban renaissance agenda that underpins the Regional Spatial Strategy and Regional Housing Strategy, as well as the priorities within the Black Country Study and the emerging City Region Development Plan.

It provides the rationale behind proposed interventions that have been put forward by the **evolve** Partnership. These actions are both immediate and longer-term in scope. We have developed an initial programme that will ensure that the key components are put in place to deliver a long term programme which will address low demand issues and deliver a revitalised housing offer that impacts on the physical, social and economic fabric in a variety of areas where housing stress is most acute. The key outcomes we are aiming to achieve are:

- A growing, balanced, diverse and cohesive population.
- A high quality, attractive environment that contributes toward urban renaissance and economic and population growth.
- A bigger, more modern and stronger economy, attractive to investors, that secures accelerating prosperity, which is shared by all.

The **evolve** aims and strategy have been framed to sit within the context of key local, sub regional and regional policies, as well as the shifting national policy agenda. In particular, the Black Country Study sets out a strategy for achieving urban renaissance by reversing net outmigration, securing population growth, raising income levels, accommodating a more balanced population and creating a high quality sustainable environment. The cornerstones of this strategy are specific proposals for securing residential growth in four strategic centres and along transport networks. The evolve evidence base was developed in tandem with the build-up of the BCS and the prospectus endorses this spatial approach. It additionally encompasses proposals for Telford, which has strong linkages with the Black Country and which therefore needs to be addressed together if the RSS agenda for the region is to be effectively pursued.

This Prospectus will help guide regional agencies and the five local authorities in determining the housing and related investment priorities and programme for the area. These priorities have emerged from the evidence base, which has identified:

- The drivers affecting the market within identified sub-markets and neighbourhood clusters
- Specific areas where the market is malfunctioning and is likely to continue to do so in the absence of some form of intervention;
- The development of proposals for housing-led investments that are integrated within the wider policy framework for the Black Country and Telford.

1.2 Evidence base undertaken

The prospectus draws on the very extensive evidence base prepared by **evolve** to provide a market analysis for each area together with a clear rationale for intervention and the resulting outcomes. This links to the bid documentation submitted to RHB for 2007/08 funding with its schedule of ranked projects for RHB funding and to a complementary investment paper prepared by Ernst and Young.

The evidence base for the prospectus includes:

- A survey of occupiers of new build housing in Black Country and Telford and their respective reference areas;
- A study of the impact of the Buy to Let and Right to Buy resale market;
- An analysis of market typologies including neighbourhood form, function and trajectory
- The modelling of the expected household and demographic change in Black Country and Telford including a BME forecast of population change;
- An assessment of the extent and location of the planning pipeline in the Black Country & Telford and its hinterland;
- And the development of area frameworks for housing market areas that will experience significant change.

1.3 Structure of the Prospectus

To be completed

1.4 Summary

To be completed

2 DRIVERS OF HOUSING MARKET CHANGE

2.1 Definitions

A driver is a causal factor that impacts on the operation of the housing market to a sufficient degree to shape it. Drivers therefore relate to the factors that encourage people to move into, stay in or leave an area. As might be expected drivers do not operate in isolation; they are multi-layered in nature, in that they work through dynamically in different ways. The evidence base has identified a set of drivers, which are influencing and changing the existing housing market. These drivers operate at different spatial levels across the sub-region. In each of these spatial levels public policy can itself be a driver. A key issue is the degree to which drivers can directly influenced by the policy framework for the Black Country and Telford and the **evolve** programme.

The evidence base examined the process of change against the framework of different drivers shown in the box below:

Primary drivers – these are defined as primary drivers in that they reflect the imperatives of UK/global patterns and trends or provide the essential conditions that frame the supply/demand equation. At the level of the conurbation, these primary outcomes are economic change, the influence of the urban form and the local policy environment;

Demand drivers – these include the levels of past/future population and household growth and decline, and also changes in the pattern of incomes, preferences and aspirations;

Supply drivers – essentially the quantity and quality of the housing stock and the overall residential offer and also balance of clearance/new build rates;

Primary outcomes – these are factors commonly described as drivers but which strictly should be seen as symptoms or outcomes (effects) in that they are derived from the wider drivers operating 'upstream' (causes). A good example is mismatch of supply/demand resulting, inter alia, in surplus housing (sometimes called generic low demand). But these are important enough in their own right to be the points, strategically, where intervention takes place;

Localised drivers – these macro/meso level issues have impacted differentially within the conurbation. More localised but decisively important drivers additionally beset certain neighbourhoods and indeed sub-markets.

The research additionally distinguishes between drivers that are mainly current but also some major historic influences; and future drivers, where the present dynamic is either on-going or actually gathering pace. Where possible we have identified this trajectory in both the policy-off and policy-on scenarios. This combines in the (draft) summary matrix shown as Appendix 1.

Some of the most significant drivers affecting Black Country and Telford have developed over the past four decades. Deindustrialisation, brought about by changes in global markets has resulted in the restructuring of traditional industries. Added to this planning policies, particularly in the 1960s, led to a major decentralisation of population to the edge of the urban areas. Together these two drivers have had a longstanding impact on the West Midlands economy. However, the impact of these changes need to be considered in tandem with a sitting below a wide range of other drivers, which have emerged because of a variety of socio-economic factors. Some of these are mature or consolidating drivers of change, others are emergent.

2.2 Economic change

The Black Country's strength in metal goods industry was the major economic driver from the industrial revolution until the 1960s. The decline of manufacturing in both parts of the sub-region has led to long-term unemployment of older male employees. The replacement of higher paid manufacturing jobs with lower skilled service sector employment has been marked. The BCS notes that while the sub-region retains a significant manufacturing sector accounting for 22% of jobs it has failed to attract the new knowledge-based businesses that are driving economic growth elsewhere in the UK.

Within the Black Country, the broad employment trends have been towards a growth in employment in Dudley, with an ongoing decline in Sandwell and some modest gains in Wolverhampton and Walsall (see Figure 2.1). Overall between 1984 and 2004 total employment grew in the Black Country by almost 22,000 (5.3%). However, this is on the back of exceptional strong national economic growth and the BCS reports that there are some 100,000 fewer jobs in the Black Country than in the early 1970s. Moreover, unemployment has been increasing in the last couple of years and in November 2006 stood at 7.1% in Wolverhampton and 6.9% in Sandwell.

In contrast to the Black Country, Telford's economy has performed well and is a focus for future developments. While further growth is likely to occur in the Borough, vulnerability to a shifting of manufacturing to overseas locations must be considered, particularly in relation to a number of redundancy announcements made in the area in recent months. The planning pipeline analysis has identified a supply of employment land to come forward along the M54 Telford and Wolverhampton Technology Corridor, suggesting an increasing importance to Telford as a location for high technology industries (ECOTEC 2006c). A key challenge in terms of housing market renewal will be the potential to harness the growth potential for Telford for the benefit of the sub-region.

Figure 2.1: Employment change 1984-2004

Year	1984	1989	1995	1999	2004	Change
Dudley	93300	108500	122300	123800	119434	26134
Sandwell	128500	132900	123500	128100	122204	-6296
Walsall	102400	106700	99300	106900	103588	1188
Wolverhampton	101900	105800	98000	106900	102917	1017
Black Country	426200	453900	443100	465700	448143	21943
Birmingham	474000	469800	464700	482000	491863	17863
Telford and Wrekin	42600	58000	68900	77700	79,093	36493

Source: NOMIS

Restricted job opportunities alongside other push factors such as the limited housing and residential offer have contributed to out-migration of younger households to suburban locations.

Economic change has left an area, notably the core of the Black Country and to a larger extent south Telford, with a declining low-income population that is dependant on the declining economic sectors and displays particular forms of social and economic polarisation that impact upon or are in turn are exacerbated by the operation of the housing market.

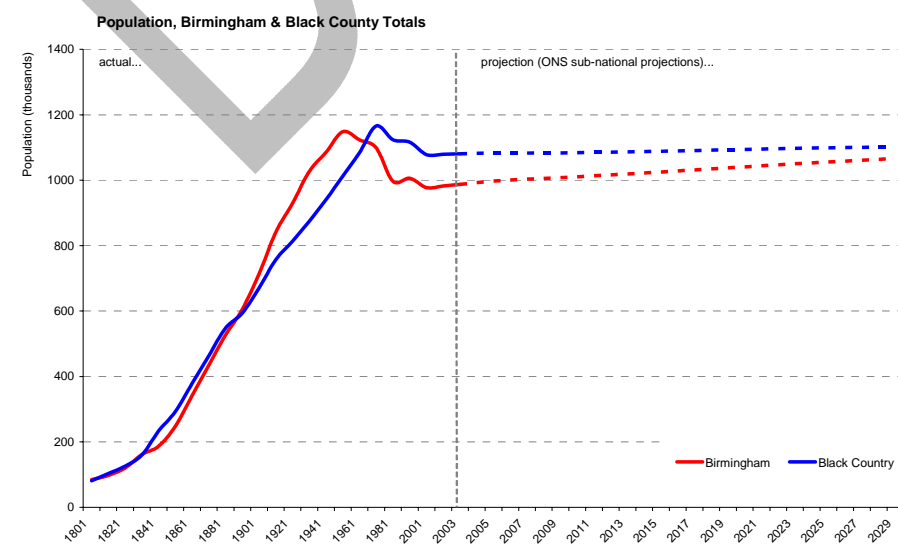
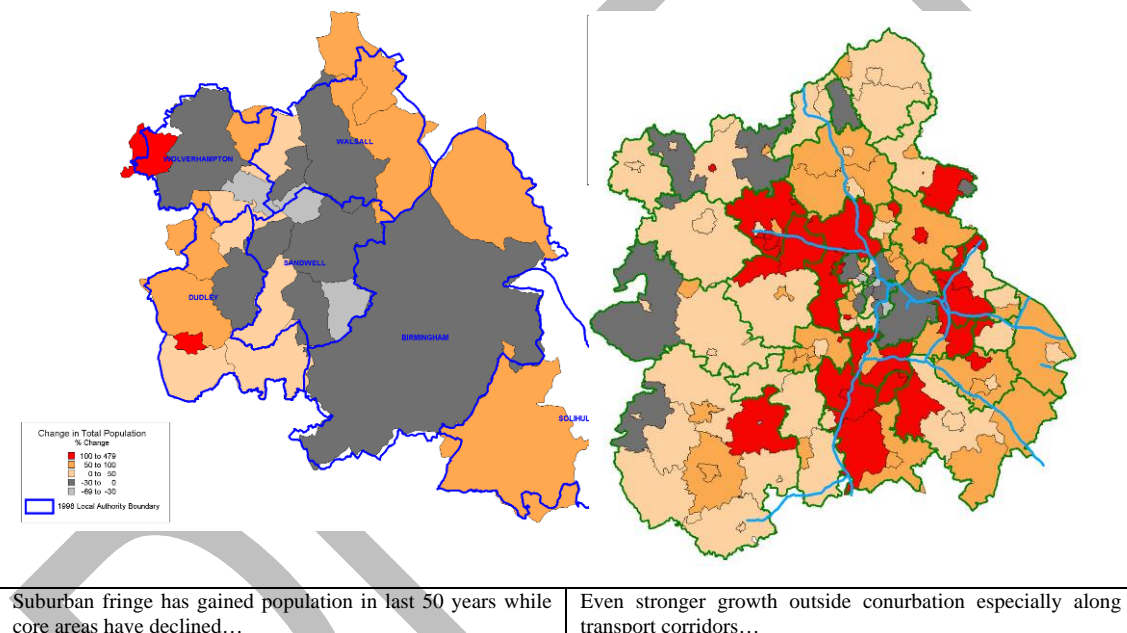
Following an initial time lag, an increasing ageing population has affected the vacancy and activity rates experienced in both the social rented and private sectors during the 1990s. With relatively high unemployment and loss of economic function, inner core housing areas and estates have become residualised and lost population.

In the Black Country the ongoing structural problems and the switch from manufacturing to service-based employment still has some way to run. However, the attraction of high quality new business activity is essential if the trend towards population decentralisation is to be reversed. The implementation of the Black Country Study will be essential in ensuring economic growth in the sub-region's strategic centres and corridors.

2.3 Population Decentralisation

The decentralisation of population and economic activity away from the metropolitan centres of the West Midlands region has been a significant driver affecting housing market change over the past few decades.

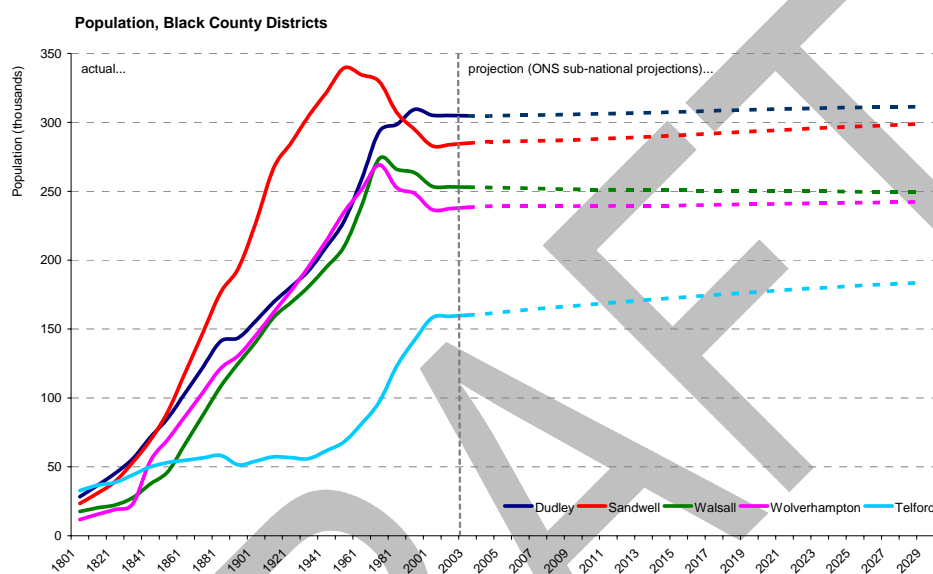
The population of the inner urban cores of the Black Country notably Smethwick, West Bromwich, Walsall and Dudley have declined sharply over the past half century (Fig. 2.2). Nevertheless, in the early postwar years the buoyant economy and plentiful land supply in the Black Country underpinned overall population growth until 1971, in contrast to Birmingham which has steadily fallen since 1951 (Fig. 2.3).



The Black Country eventually outstripped Birmingham in population terms. The projection to 2029 is ONS-based.

As well as experiencing suburbanisation within the Black Country from these traditional centres, there has been a growth of population circling the conurbation in the areas of South Staffs and Telford and this is also true of the Birmingham (Fig. 2.4).

As noted below, this process was aided by the previous policy of planned population decentralisation from the conurbation, which attracted to places such as the New Town of Telford both professional groups and those displaced by slum clearance. After flat-lining for 80 years, the planned growth of Telford in the second half of the twentieth century was as headlong as the growth of Birmingham and the Black Country had been in the *laissez-faire* era a century before (Fig. 2.5)



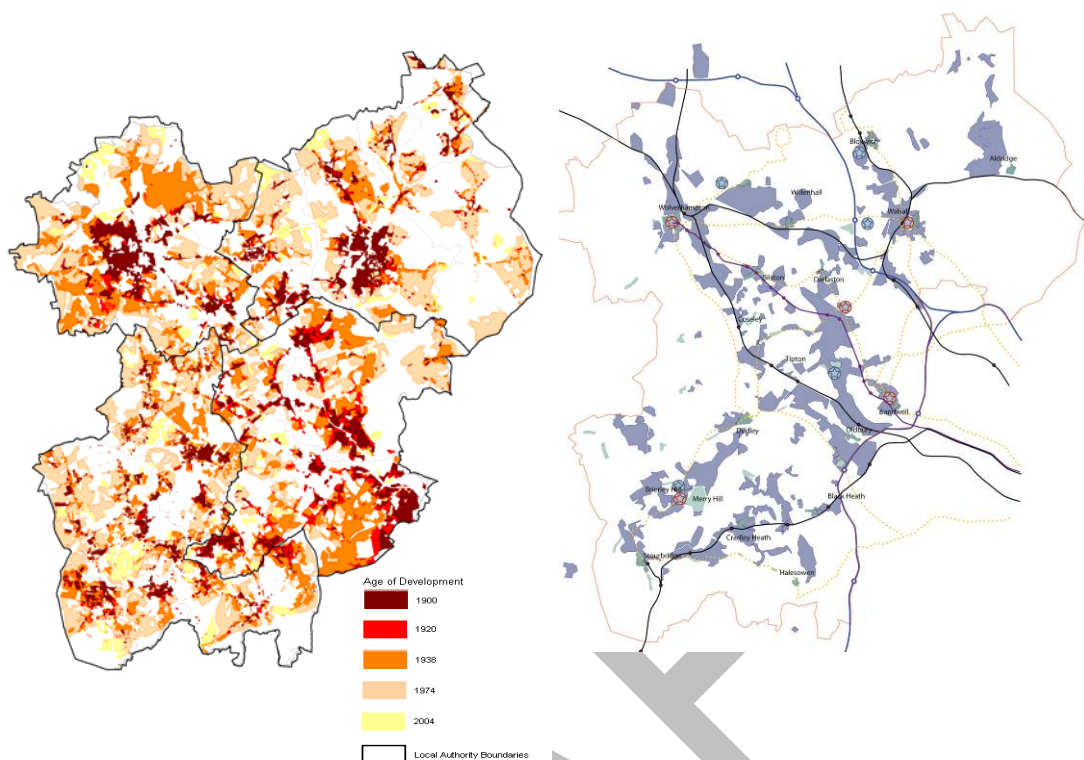
This shows the dynamism of the Sandwell area and the eventual impact of suburbanisation in Dudley, together with the continued expansion of Telford following its development as a New Town. The projection to 2029 is ONS-based.

The falls in population in the core of the Black Country has occurred alongside a collapse in the mixed-use environment and the emergence of low demand in the social rented sector. The core of the Black Country in particular has been effectively 'hollowed out' and market forces would continue this process. However, the cornerstone of the RSS and the Black Country Study is to counter and reverse this process.

2.4 Changing Urban Form

The legacy of the area's industrial past has left a weak urban form, which has been a primary driver of housing market change.

As noted, the Black Country originated as a widespread sprawl of village-based cottage industries and large-scale coalmining and heavy industry, which was heavily reliant upon Birmingham's growing manufacturing base. By the middle of the last century the decline in these early industries had left huge holes in the urban fabric: 57% was undeveloped, derelict or open space. The Telford area similarly had huge areas of dereliction. The considerable house-building undertaken in the inter war years led to the agglomeration of the Black Country (Fig. 2.6). Even so the series of separate and fragmented settlements of varying sizes with a continued focus upon the town centres of Wolverhampton, Walsall and Dudley are still visible. Much of the new housing was still located near to the centres of employment (Fig. 2.7) was often high-density, poor quality private and public units. Only in the more suburban parts offered the residential and environmental characteristics to retain aspirational groups.



The Black Country is polycentric in nature and is still marked by fragmented land use and poor infrastructure

The industrial areas shown here form the flipside of the previous residential map

With large amounts of former industrial land available following closures over the last 30 years, there have been opportunities for major land-use change and increasingly a high private new build rate, particularly in urban centres but frequently outside of existing residential locations. As a result many traditional industrial housing areas have become predominantly low-income household locations. Meanwhile the complexity and cost of site reclamation have mounted. The Black Country Development Corporation was a major agent of this land use change, and developed a major new road with a ribbon of business sites along it together with extensive new build housing, especially in Tipton.

2.5 Social change

During the last fifteen years the British economy has experienced the longest period of unbroken economic growth since records began. This era has been characterised by rapidly increasing levels of employment, a growth in two-income households and significant changes in the employment market. These changes have had a significant impact upon the demand for housing and the patterns of consumer expenditure and aspirations. The combination of changing demand and aspirations has enabled consumers to have a much wider choice in the type of housing they live in, and the locations where they choose to live.

Generally, the trends of the last fifteen years have been for geographic mobility to increase as people choose to live further from their place of employment. This differential socio-economic migration has further polarised cities in the North and Midlands in comparison to the more affluent commuter hinterlands. In some urban areas the demand for property has been bolstered by international migration, but in most of the large ex-industrial conurbations this inward movement has not been significant enough to compensate for the outward migration of the existing residents.

The Black Country has not been immune from these trends. Despite generating significant internal household growth, and being attractive to people who are internationally mobile, the conurbation has experienced significant population loss in recent times.

The factors which have driven the process of population decentralisation within the region, are complex and varied, but a key issues is changing lifestyles and aspirations.

The desire to live independently from parents and other relatives and increasing rates of separation and divorces has led to a growing trend towards smaller households, which has overtaken population growth. This has been facilitated in many places by an increasing supply of housing and far greater economic prosperity.

Rising aspirations together with rising incomes are one of the most powerful factors influencing housing market change across the UK. Areas with a housing stock more closely related to past rather than future economic trends are likely to suffer if they cannot meet modern expectations in terms of quality housing and related facilities. Because of these trends, those with the spending power vote with their feet and have migrated out of the less attractive areas.

2.6 Governance and Policy Environment

It can be argued that until recently a range of public policies has had an adverse impact on some housing markets. During the post war period of the 1950s and 1960s increased housing demand led to a public sector led slum clearance and decentralisation programme of local authority housing provision, which resulted in the development of peripheral Greenfield and New Town developments on the edge of the conurbation. During the 1980s, private sector housing development became increasingly located on greenfield sites and away from the urban core. Such policies along with economic restructuring have exacerbated the decline in the West Midlands' urban core.

The clearance of unpopular social housing stock, and housing policies such as Right to Buy, have reduced the level of social housing rented stock and led to a near complete tenure transformation in parts of the suburban fringe but also some large areas such as Bristnall in Sandwell. A key outcome of this has been the purchase of older, in some cases 1930s, stock for owner occupation or private rental which is currently in a poor condition due to lack of maintenance. This is an increasing concern for both the Black Country and Telford authorities.

The deregulation of the private rented sector in 1988 eventually helped to arrest the long-term decline in this sector (see below).

It is important to identify public policy now as a positive driver. The legacy of historical planning/housing is profoundly important but is working through alongside new planning policy in the form of RSS, where the Urban Renaissance agenda is replacing market-driven decentralisation policies. This is given practical expression through the new BCS and its Spatial Strategy. This has been developed with a focus on growth on public transport and employment corridors serving and linking the four strategic centres and Birmingham Centre as well. It has been explicitly designed to counter further hollowing out of the inner cores.

2.7 Growth of private renting

The impact of sales of local authority stock to sitting tenants over 25 years and the clearance of unpopular stock has significantly impacted upon the availability of this housing tenure. The housing association (RSL) sector has expanded in this period but still occupies only a small share of the market.

The UK's private rented sector has recovered from its low point in 1989 and expanded both in absolute terms and as a proportion of the housing stock. An important stimulus to this was the introduction of assured tenancies and assured shorthold tenancies – allowing landlords to set market rents and reducing the security of tenure enjoyed by tenants – in the 1988 Housing Act. Another key influence emerging in the early 1990s was 'reluctant' landlords. These were homeowners who, unable to sell their home during the housing market recession, choose to rent out their homes instead. More recently, factors stimulating tenant demand have been much more important. These include greater household breakdowns, the increased importance of job mobility, affordability issues and increased student numbers. Improved availability of mortgages for residential investment purposes - buy-to-let mortgages - have made it easier for existing and new landlords to satisfy tenant demand.

The analysis of private renting growth for the period 2001-2005 demonstrates how changes to the structure of the housing market, affordability issues and the exponential growth of buy-to-let as an investment option have served to stimulate a period of strong growth in the private rented sector.

The research suggests that across the Black Country and Telford around 1,630 extra properties have entered the private rented market each year since 2001, compared to 790 properties per year for the previous decade. The vast majority of these properties were bought by individuals rather than companies, with buy-to-let mortgages a key impetus to investment. Based on current performance the total number of privately rented properties could reach as many as 40,000 by 2011 (CSR Partnership 2006c). Within the Black Country, there is a clear north-south divide in terms of private renting expansion with higher growth in the North. Bearwood is the notable exception in the South.

A key finding of evidence base is the importance of the private rented sector to the new build apartment market: across Black Country and Telford as a whole 43% of surveyed occupiers of new build apartments currently privately rent (26% did so at last address). Overall, 15% of homes built in the Black Country over the period 2001-2005 are now privately rented. And notably 13% of households moving into private rented new build came from the social rented sector. Private renting and particularly PRS new build provides an affordable housing option that lacks the stigma associated with the Black Country's social housing estates.

The private sector is accommodating a gap in the current market, effectively filling the gap in social rented stock and catering for those sections of the population who are unable or unwilling to buy property. It also brings with it many dangers in terms of a substantial transient population, market oversupply, fragmented ownership and disinvestment in the fabric of the properties and neighbourhoods.

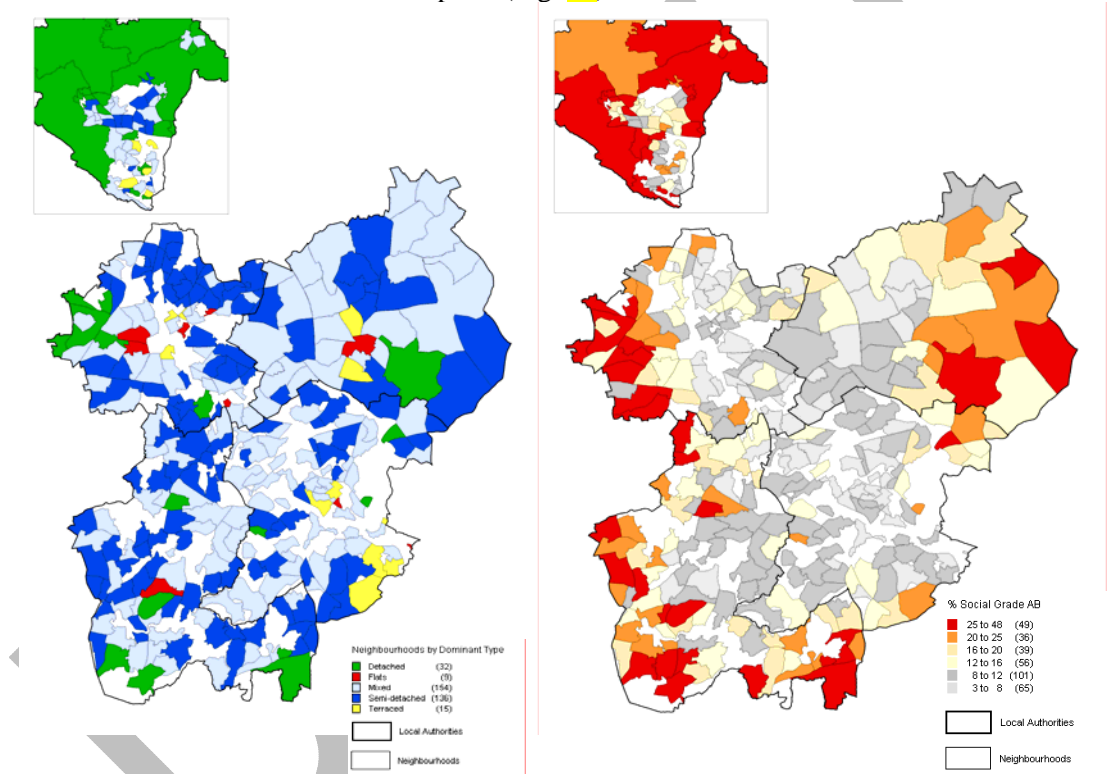
In synthesis with other studies undertaken for the evidence base including the analysis of neighbourhood form function and trajectory (CSR Partnership 2006d) and the Right to Buy study (ECOTEC 2006a), the PRS analysis revealed a number of neighbourhoods as being particularly at risk of destabilisation due to high population turnover, limited investment in properties and anti-social behaviour issues. These are mainly in the inner cores of Wolverhampton and Walsall, Willenhall and South Telford.

2.8 Housing Choice

Despite the substantial clearance of some public sector stock, there is still a legacy of poorly designed post-war housing developments in the Black Country and south Telford which has greatly impacted upon the popularity and sustainability of many housing estates.

Housing choice is an important determinant when choosing where to live and move. Encouraging people to stay into the Black Country and Telford area will mean competing with areas that provide more housing choice and better neighbourhoods and local services. A key objective within the Black Country Study is to attract and retain higher proportions of AB households; however, the area is competing with neighbourhoods and the housing offer within the wider reference area around Birmingham and the rural fringes.

Fig. xx shows that neighbourhoods with a predominantly detached housing stock are confined to the suburban fringe of the Black Country and to parts of North Telford. The match with concentrations of AB households is plain (Fig. xx)



The green areas are mainly detached housing on the fringe. Note the limited concentrations of remaining terraced housing.

All the higher AB locations are also in the suburban fringe with the exception of more inner suburban locations like Bearwood (Sandwell) and Park (Wolverhampton)

2.9 Localised drivers affecting particular neighbourhoods

The research undertaken into drivers affecting housing markets at the local level has identified crime and environment as a central driver. Factors such as anti-social behaviour, problem neighbours and general appearance of the neighbourhood are key concerns affecting many residents. The outcomes from the sub-regional new build survey (CSR Partnership 2006e) suggested that improvements to tackling crime and anti-social behaviour was one of the cited problems identified by residents who were expected to move away from the Black Country.

The evidence clearly identified a market hierarchy of neighbourhoods within the Black Country and Telford housing market areas, which have become heavily stigmatised, as shown by an analysis of council waiting lists (CSR Partnership 2000, 2001). Some of these estates are affected by a multiplicity of issues including design and environment, poor services and economic and social exclusion. A recent study found the South Telford estates to be among the most disadvantaged in the West Midlands region (CSR Partnership 2006f).

Parts of the southern Black Country including areas like the southern part of Tipton have been successful in attracting new build housing, which has been enhanced through significant investment in area-based regeneration programmes (CSR Partnership 1997). There remain significant concentrations of deprivation and poorly performing locations such as parts of Tipton (a band of council estates), West Bromwich and Smethwick. The most acute problems are, however, being addressed by the Urban Living Market Renewal Pathfinder.

In contrast, much of the northern part of the Black Country has less of a history of significant regeneration inevitably and as a result is exhibiting areas of acute housing stress. This is reflected in the higher incidence of vacancies, the low levels of Right to Buy and high levels of private rented stock.

In Telford, the evidence base suggests that housing estates in south Telford have become increasingly polarised in comparison to the increasing prosperity and economic growth enjoyed in the wider Telford area.

2.10 New Supply: Planning Pipeline and the New Build Market

Housing markets operate independently of administrative boundaries, hence the reason why it is important to understand the potential effects of the wider housing market on the Black Country and Telford area.

The implementation of a housing renewal and development strategy, to support the implementation of the Black Country Study, will have significant land-use implications and will require strategic interventions to support the acquisition and clearance of land and properties to facilitate housing development. A key issue for the Black Country and Telford Housing Market Renewal Area is the level of supply coming forward in adjacent areas.

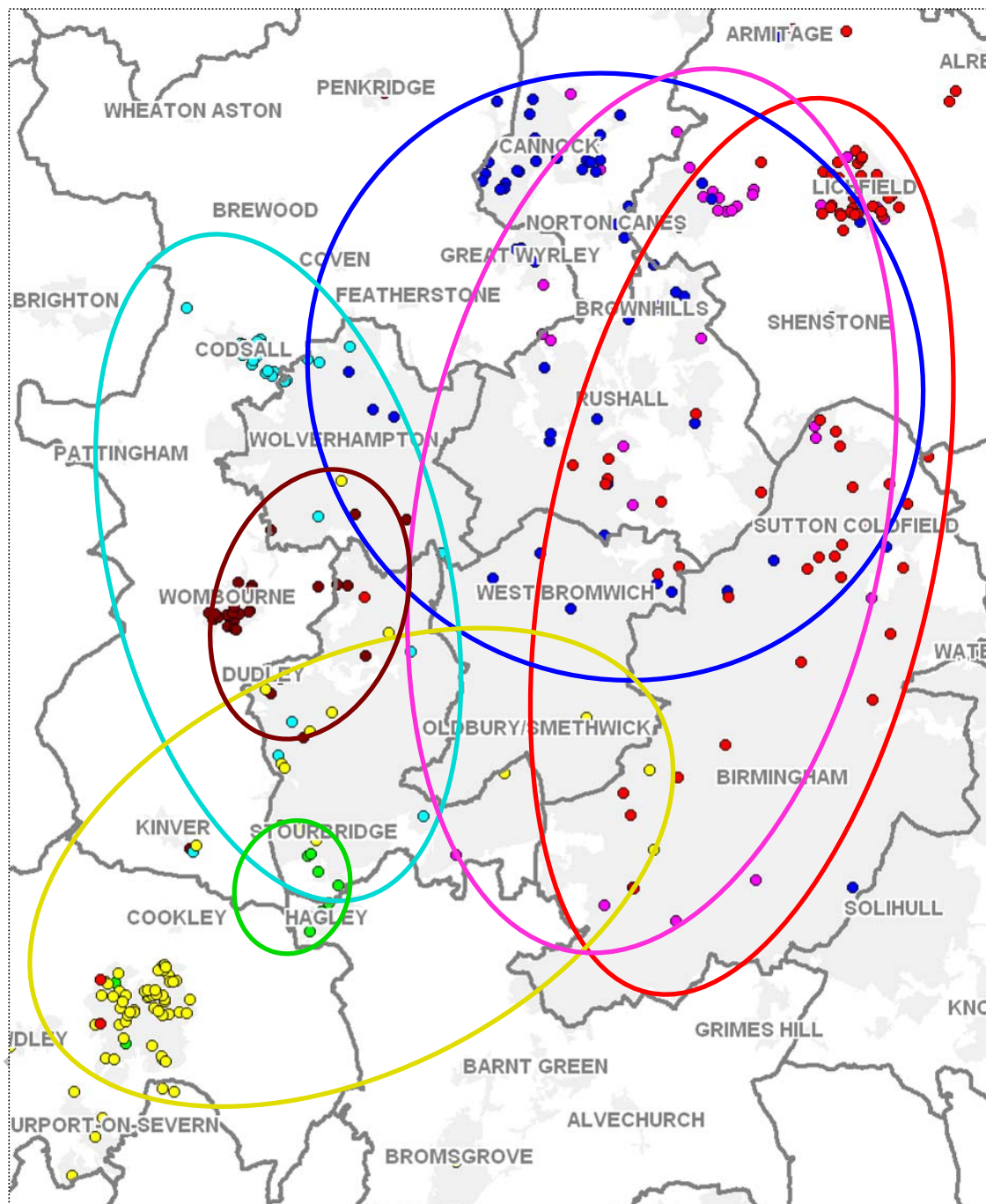
In the past, the Black Country and Telford authorities have underperformed against their current Regional Spatial Strategy (RSS) targets. However, the Black Country has built 104% of RSS minima over the past five years (only Dudley is behind) and is now exceeding RSS minima new build rates by up to 29%. A key issue for each of the authorities will be their ability to bring land forward for development post-2011 in order to achieve the targets sets within the current RSS and the revised household forecasts to be determined as part of the Phase 2 RSS review.

Overall, new build tended to be a more significant component of the housing market in the adjacent districts than within the conurbation itself. Over the period 2001-2005 newly build properties made up 11% of all sales in Walsall but only 4.5% in Wolverhampton. Overall new build accounted for 8% of all sales across the Black Country and Telford compared with 13.7% in the reference area (CSR Partnership 2006b). The new build market is a strikingly local one with little inflow from elsewhere in the West Midlands. The new build market caters for existing owner-occupiers to a far greater extent than the general housing market does.

The evidence suggests that the new build market within the Black Country has the potential to fill the gaps currently experienced in the housing where there is little choice in terms of availability of higher quality owner occupied housing, particularly for AB groups (Figure xx).

The piecemeal nature of many new build developments means they often contrast sharply with the immediate surrounding housing and urban form. As well as conforming to local norms, new build has the potential to fill gaps in the market, attracting new residents with demographic, socio-economic and ethnic profiles that are uncharacteristic of surrounding established neighbourhoods. For example, in the northern part of the Black Country outer core 36% of new build properties are occupied by BME households despite this group accounting for only 18% of the wider population (CSR Partnership 2006b). Indeed, new build is an impetus to the movement of BME households into new areas in a number of locations across the conurbation. For example, the new build survey for Urban Living showed that 31% of new build property in the Sandwell side of the Pathfinder area (an inner core market) was taken up by people leaving Birmingham, the majority of which were BME families from Aston, Lozells and Newtown (CSR Partnership 2005).

The survey pointed to a continued shortage of higher quality accommodation and that the new build market in the wider reference area is drawing some demand from the Black Country. One in seven new build occupiers surveyed in the Black Country's immediate surrounding housing market area had moved from within the Black Country (CSR Partnership 2006b). This is particularly evident notably to the north, where the new build along the M54/M6 Toll corridors has a catchment area stretching deep into the northern half of the Black Country (see Fig. xx).



This map [to be reduced in size] shows the origin of occupiers of new build housing in the Black Country reference area. The northern developments are drawing population from Wolverhampton and Walsall and also Birmingham.

In order to stem the flow opportunities will need to be identified for increasing the stock of this type of housing.

More positively, the principal centres of the Black Country are showing signs of an active residential market for young professionals via city living new build. The density of new developments has increased substantially and is likely to continue. Sales data shows almost 21% of sales in Black Country and Telford in the period 2001-05 to be accounted for by new build, rising to one third in Sandwell. A quarter of the new build has been flats or apartments. This reflects the shift in planning policy and developer preferences to increase the density of new build. This is in response to the high level of demand and the need to restrict prices. Although developments of flats/apartments can be found in many areas of the Black Country,

there is a trend towards locating them in the main centres, parts of which have not contained housing since the slum clearance of the 1960s (see maps below).



Places in 2000 where housing had given way to other uses...

Since 2000 new residential neighbourhoods, including 'city living' in the old town centre footprints...

New research into new build apartments in Brierley Hill strategically provides an important case study of the new build market in the Black Country, particularly for the issues around higher density city living in the sub-region's key centres (ECOTEC 2006e and also see box).

Merry Hill new build apartments: a case study for Urban Renaissance

In 2006 Brierley Hill Regeneration Partnership (BHRP) commissioned ECOTEC to conduct a study of two small new build developments located on the edge of the Merry Hill shopping centre in Brierley Hill. The study used evidence drawn from the Black Country and Telford new build survey together with a survey of occupiers and investor purchasers and local estate agents.

The survey found that 57% of occupiers had lived in their current neighbourhood and 33% in Dudley for less than two year, a degree of inflow is consistent with the wider Black Country and Telford new build apartment market. Some 10% had considered moving out of Dudley at last move, implying a degree of additionality from the new build. The survey and the estate agent interviews together suggest the new build is therefore an important factor in conjunction with employment opportunities in attracting population inflow to the area.

Demographically, half the sample was under the age of 34 and was mainly single person households or couples without children while a quarter was from BME groups. Many were newly formed households. Respondents were overwhelmingly in full-time employment locally and were higher income earners. Employment opportunity has been the key driver in securing a high level of inflow to the area. Seven in ten (70%) were in professional and managerial occupations (AB groups) compared to 41% in the wider survey's apartment sample and 50% across the wider new build in Black Country and Telford. This is in line with the BCS target of 70% AB occupying new build in the Black Country.

The potential for population retention is positive. Notwithstanding the importance they placed on the property this time, area will be more important (17%) than property (8%) in choosing the next home. It is therefore encouraging that 44% of the Merry Hill sample expect to move within current neighbourhood and 17% to remain in Black Country.

There is evidence of significant occupancy turnover, with the survey finding 22% reporting living in their current property less than six months and 33% between 6-12 months. Resales account for about 12% of the units and around 10 (7%) are currently up for sale. Encouragingly, however, intentions to move again are not particularly high given the stepping-stone this accommodation represents for many.

Even with plenty of them on the market, prices have edged up, by 4% since construction. Importantly, this compares with a 3% price fall in the locality.

Investors mainly bought off plan and now own more than half of the two developments. One estate agent manages 20 properties for a variety of landlords, mainly amateur investors (the average portfolio is only 1.4). The developer rapidly sold both developments but there are indications of efforts by investors to cash in and immediately sell on. Either by virtue or through necessity, the sample of investors interviewed now claimed to be holding them long-term.

It is the case that local estate agents are less sanguine than investors about the potential for capital gain, with some expressing concern about possible saturation by apartments in Brierley Hill. These issues will require careful monitoring.

The void rate across the two sites according to the council tax register is 12% (which is normal for a mainly private rented market) and the number of void episodes since construction is fairly limited. The data identified a few properties that have never been let which probably reflect a decision by investors not to do so. Overall, this suggests ready letability, and estate agents and landlords we interviewed who pointed to decent rental levels being achieved underline this.

Overall it appears that the two developments have helped shape the market by providing an effective bridgehead for city living in Brierley Hill. It has changed perceptions of the market and contributed to the sense of momentum for the area. This may be a partial perspective or perhaps more fairly one that can be addressed by the progressive development of the overall offer of Brierley Hill as a strategic centre as envisaged by the Black Country Study.

FIGURE XX: NEW BUILD SURVEYS: MERRY HILL AND WIDER AREA			
	Merry Hill sample	Black Country and Telford: Flats/apartments sample	Black Country and Telford: Full sample
Socio-economic profile	Peak age 35-44 (36%) Mainly single person households (53%) 39% had no previously independent home 25% BME 83% working and 53% household income above £25,000 70% AB 63% work in Dudley/12% rest of Black Country/16% Birmingham	Peak age 25-34 (40%) 40% single person households 30% had no previously independent home 10% BME 68% working and 44% household income above £25,000 41% AB 53% in Black Country/17% Birmingham	Peak age 25-34 (33%) 52% families with children 13% had no previously independent home 27% BME 75% working and 68% household income above £25,000 50% AB 52% in Black Country/17% Birmingham
Tenure	42% currently privately rent and 14% did so at last address	43% currently privately rent (26% did so at last address)	15% currently privately rent (14% did so at last address)
Neighbourhood drivers	Area (17%) more important than property (8%) in choosing current home Live in this area because near to job (53%) 92% property satisfaction 80% neighbourhood satisfaction More feel area has got better (19%) than worse (8%) Addressing traffic problems most important area improvement needed (42%)	Property (20%) more important than area (14%) in choosing current home Live in this area because near family (50%) 85% property satisfaction 93% neighbourhood satisfaction More feel area has got better (22%) than worse (3%) Addressing traffic problems most important area improvement needed (14%)	Property (21%) more important than area (14%) in choosing current home Live in this area because near family (40%) 97% property satisfaction 89% neighbourhood satisfaction More feel area has got better (20%) than worse (7%) Crime and anti-social behaviour & traffic problems most important area improvements needed (9% each)
Property drivers	Bought current property because of price (36%) employment reasons (19%) or new build (17%) Bought new build because of design (50%)	Bought current property because of price (36%) new build (21%) or location (14%) Bought new build because of design (31%)	Bought current property because wanted new build (51%), right size/type for family (44%) and price (42%) Bought new build because of lower maintenance costs (37%)
Population retention and inflow	10% had considered moving out of Dudley at last move 57% lived in current neighbourhood and 33% lived in Dudley less than 2 years 42% moved into Dudley to current address, mainly for employment reasons (67%)	11% had considered moving out of local authority district at last move 59% lived in current neighbourhood and 35% lived in local authority district less than 2 years 40% moved into local authority district to current address because near to work/job/study (24%), closer to family/friends (24%)	11% had considered moving out of local authority district at last move 39% lived in current neighbourhood and 21% lived in local authority district less than 2 years 31% moved into local authority district to current address because of employment (24%) or proximity to family/friends (22%)
Plans to move in future	36% expect to move in next two years (11% definitely so)	35% expect to move in next two years (22% definitely so)	20% expect to move in next two years (9% definitely so)
Drivers for future move	Will move because want larger home (47%) or want a garden (22%)	Will move because want larger home (34%) or want own home (23%)	Will move because want larger home (32%) or want end of tenancy (30%)
Property and tenure aspirations	89% expect to buy next time including 73% of private renters mainly to modern terraced (42%) or semi-detached (25%) with only 12% flat/apartment 69% prefer a new build next time	75% expect to buy next time, mainly in a flats/maisonette (25%) or apartment in city centre location (5%) 53% prefer new build next time	88% expect to buy next time, mainly a detached (55%) or semi-detached (23%) 53% prefer new build next time
Future population retention	Area (17%) more important than property (8%) in choosing next home 44% expect to move within current neighbourhood and 17% to remain in Black Country	Most (89%) view area/property of equal importance in choosing next home 23% expect to move within current neighbourhood and 37% to remain in Black Country	Area (23%) more important than property (9%) in choosing next home 33% expect to move within current neighbourhood and 50% to remain in Black Country

Source: New Build Surveys: CSR Partnership 2006b, ECOTEC 2006e.

The encouraging socio-economic profile of the occupiers in both the Merry Hill survey and the wider apartments survey sample and their satisfaction with the design and nature of the development provides encouragement for the objectives of the Black Country Study, since it confirms the high level of demand for city living in one of the four strategic centres for certain types of AB households and the role this can play in changing the function of perceptions of local areas.

2.11 Newly emerging households and BME Growth

The evidence base identifies that the BME population is a significant source of population and household growth in the conurbation and is a key driver of housing demand in the foreseeable future.

As well as contributing to high levels of internally generated household growth within the Black Country and Telford area is an important magnet for the inflow of BME groups, accommodating the overspill from the East/inner Birmingham areas as well as from the rest of the UK and internationally. The BME population is heavily concentrated in the northern parts of the Black Country's traditional inner city areas; however, since 1991 there has been a progressive suburbanisation of the Indian population, particularly evident in Wolverhampton.

The revised 2003 Household Projections issued by the Government in April 2006, forecast significant household growth in the West Midlands. This has been fuelled by the growth in international migration. To accommodate such growth an outcome of this has been a substantial increase in the future housing provision across the West Midlands conurbation as part of the RSS review process.

Summary

The process of housing market change is continuous and is driven by a complex process of interactive factors of social and economic change, public policy and neighbourhood dynamics. The complex nature of this process is further added to by the fact that some drivers of change are historically rooted whilst others are newly emerging.

These powerful drivers raise a number of issues for policy makers and funding bodies within the sub-region. These issues include:

- The need to stem the flow population outflow away from the Black Country
- The need to adapt the existing profile of housing stock to accommodate changing household requirements and to ensure that new provision matches aspirations, whilst sustaining the affordable housing supply in the most vulnerable neighbourhoods
- The need to address the issues arising out of an increasing private rented sector
- The need to co-ordinate employment and housing strategies to ensure complementarity, and to deliver the priorities identified in the Black Country Study
- To address the major housing weaknesses evident in the northern parts of the Black Country and to reduce the displacement and adjacency impact from new housing developments
- Delivering and phasing sufficient land supply to accommodate increasing household demand.

3. CURRENT MARKET POSITION

This section firstly outlines the different spatial levels used in the analysis from the sub-region's area of influence in its widest sense down to specific neighbourhood groupings.

It sets out the principal features of the current market in the Black Country and Telford area and its principal market segments.

3.1 Sub Markets

The Black Country & Telford phase 1 evidence base (ECOTEC 2005) identified market drivers at different spatial layers (regional down to neighbourhood) and also in preliminary terms, different sub-markets within Black Country & Telford. The phase 2 work then identified 43 groupings of adjacent individual neighbourhoods in neighbourhood clusters (CSR Partnership 2006d). These captured areas with similar characteristics to allow an assessment to be reached around form, function, market performance and trajectory:

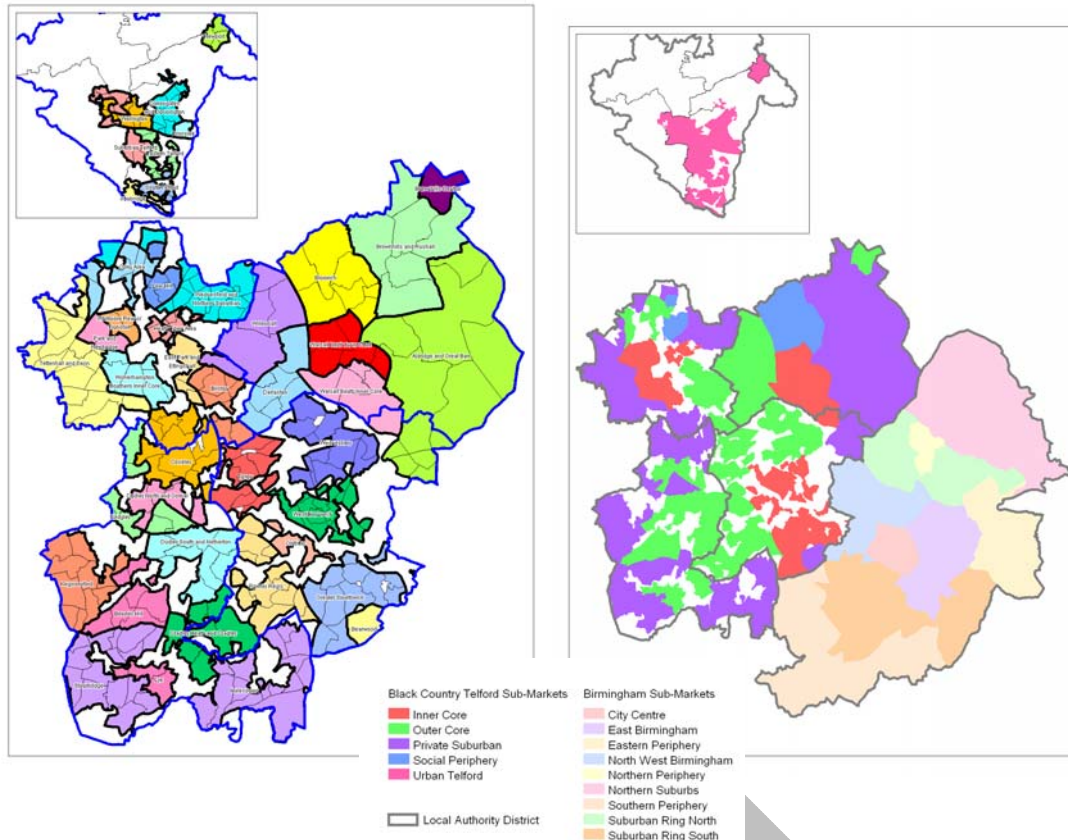
- Form – historical evolution of ‘place’, urban structure and quality of areas as places to live, proximity of industry and transport infrastructure such as non-conforming or mixed use, neighbourhood amenity, etc
- Function – different socio-economic groups they house, the position in the housing market hierarchy and degree to which an area is an arrival or departure point for longer-range migrants, etc
- Market performance – the supply and demand equation and the impact on voids and prices; all these reflect the ‘sorting effect’ of the residential housing market.
- Trajectory – direction and scale of change and where areas are heading

Figure xx shows the individual clusters and Figure xx shows the further grouping of clusters into five sub-markets or typologies. The market typologies relate to the principal watersheds within the Black Country and Telford and reflect the primary components of the Black Country, especially its polycentricity. The map also shows the adjacent sub-markets identified for Birmingham.

They form the upper tier of geographical hierarchy developed for housing market analysis and are ideally suited to the analysis of strategic drivers.

The five sub-markets are:

- Inner core
- Outer core
- Social periphery
- Private suburban
- Urban Telford



The polycentric Black Country can again be seen in the multiple inner cores. The outer core is highly varied and is under-going significant market restructuring as factory closures and new housing replaces them.

The Birmingham sub-markets follow a more concentric pattern. The Urban Living pathfinder covers NW Birmingham and the Eastern Corridor HMRI East Birmingham and the Eastern Periphery.

3.2 Black Country and Telford reference area

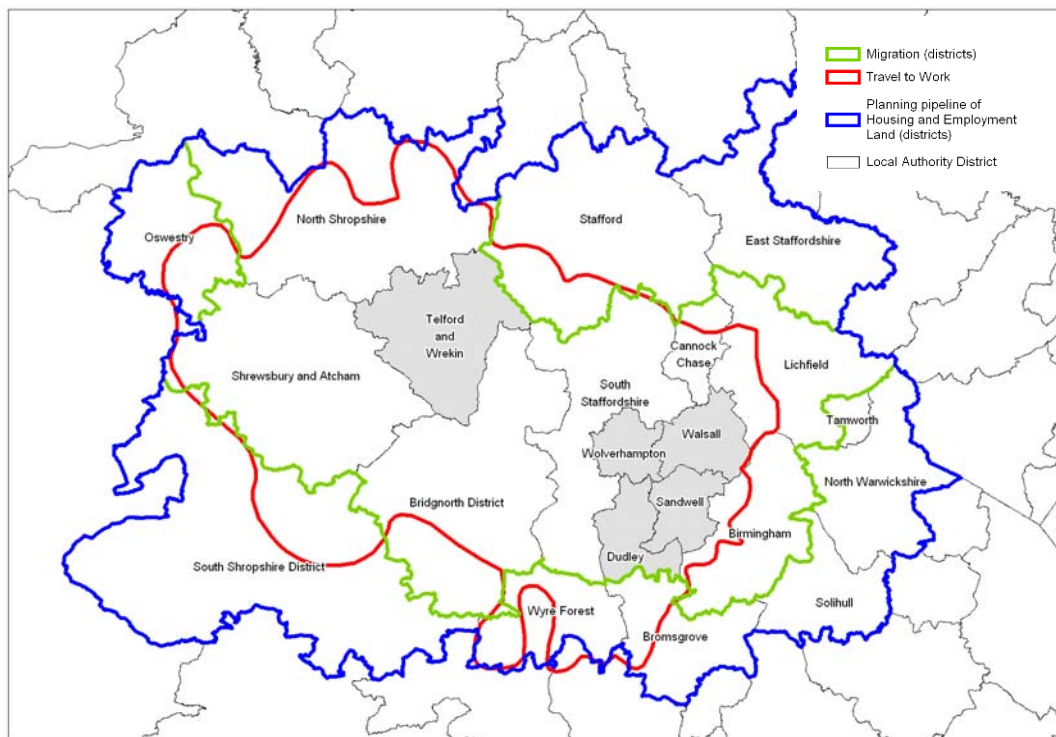
As part of the Phase One research a reference area was defined based on both travel to work and outward migration patterns to determine the area of influence of each of the five Black Country and Telford districts. This analysis identified:

- A complex pattern of interactions between the authorities as a result of the fragmented pattern of employment centres and settlements across the area. This is overlain at a larger scale by the presence of the regional centre of Birmingham to the east;
- A high degree of self containment for Wolverhampton, Walsall and Dudley, which look outwards to their suburban and rural hinterlands rather than towards one another or to Birmingham;
- In the case of Sandwell, a closer relationship to Birmingham, which is an important employment destination and supply of in-migrants to offset the population loss in Sandwell;
- Links between the Black Country and Birmingham are significant, but fall off sharply to the west thus suggesting that distance and the presence of urban settlements and alternative employment opportunities is a significant constraint on travel from the west;
- Telford and Wrekin to the west has the strongest links with Wolverhampton and Dudley in terms of travel to work. However Telford has strong migration links with

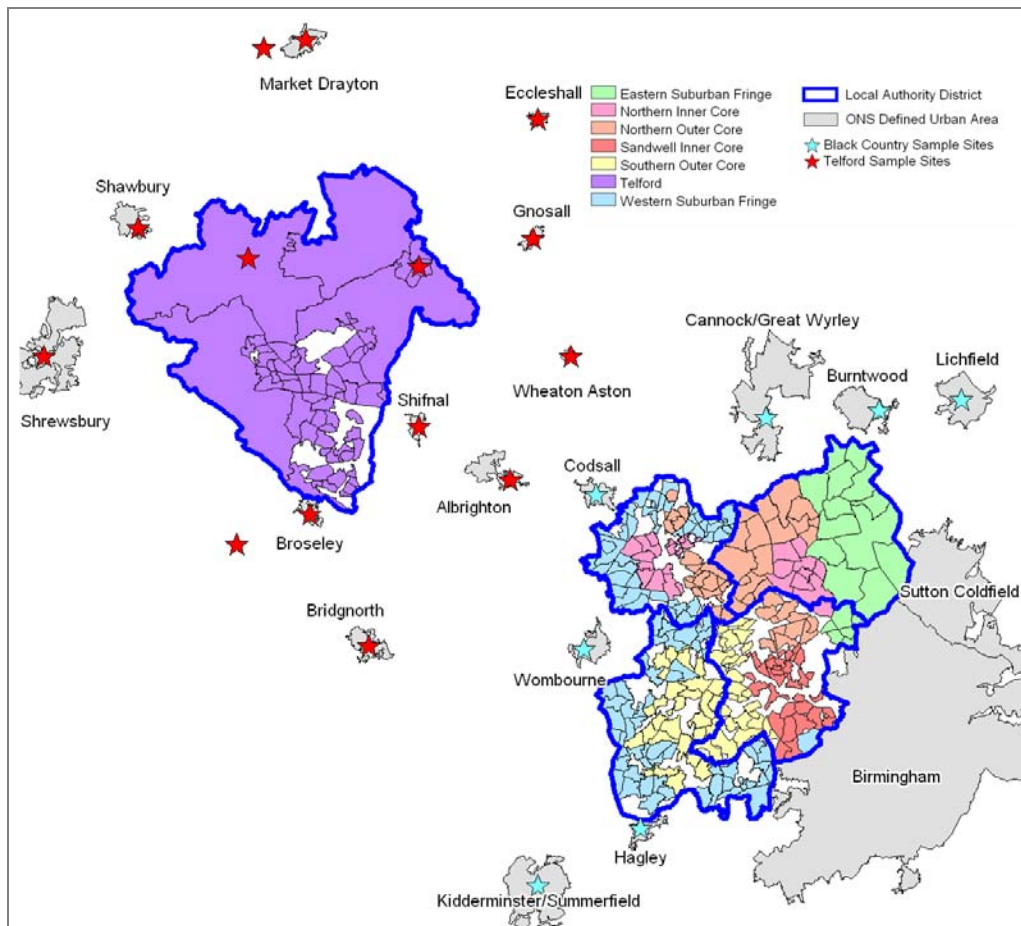
Birmingham thus suggesting links with Telford and the Black Country, which extend both ways.

The work concluded that the area of influence for the Black Country looks north, south and west from its boundaries rather than east, together with a link to Telford from the western part of the Black Country boroughs. It is within this area that changes in the pattern of employment opportunities; new housing provision and other decisions affecting travel to work and population movements are most significant

In considering the relationship between the housing and employment land pipeline the reference area was extended as part of the phase 2 work to take in additional authorities (ECOTEC 2006c). To the east this included Lichfield, North Warwickshire and East Staffordshire, Cannock Chase. Bromsgrove, Solihull, Wyre Forest and Bridgnorth were included to the south and west of the HMR reference area (Fig. xx)



The Black Country and Telford reference area indicated by the respective migration, travel to work and housing/employment pipelines...



The western flank of the reference area was targeted in the new build survey undertaken by CSR Partnership (CSR 2006b and 2006e)

3.3 Market performance at sub-markets level

The period 1996-2004/05 saw average house prices across the Black Country and Telford fall slightly relative to average prices for the West Midlands. Prices steadily fell, both in absolute terms and as a proportion of the regional average, during the 1990s with the year 2000 being the low point. The relative position has since improved such that prices are now at or approaching the same position they were at in 1996. A number of trends at the level of the BCT market typologies are evident:

- Inner core average prices have risen relative to the regional average as household sizes have decreased, the total number of dwellings has fallen and the total number of households has increased.
- Over the period 1996-2000 average prices in the outer core fell behind the regional average to a greater extent than the inner core but have subsequently recovered to their 1996 position.
- The period 1996-2000 saw the relative position of the social periphery worsen more so than the other typologies and is yet to fully recover its position. Despite falling household sizes household growth has not kept pace with increases in the total number of dwellings and consequently the void rate rose over the period.
- The private suburban market fell behind the regional average to a lesser extent than other areas of the Black Country in the period up to 2000 and has subsequently all but recovered to its 1996 position.

- Driven by strong population and household growth and construction of higher priced housing, average prices in Telford have grown steadily over the period.

Text to be added to explain this table together with a summary matrix.

	1981	1991	2001	Change		
				81-91	91-01	81-01
Population						
<i>Inner core</i>	221,250	210,077	203,696	-5.0	-3.0	-7.9
<i>Outer core</i>	387,555	390,165	385,783	0.7	-1.1	-0.5
<i>Social periphery</i>	68,468	63,526	60,987	-7.2	-4.0	-10.9
<i>Private suburban</i>	433,220	417,343	419,222	-3.7	0.5	-3.2
<i>Urban Telford</i>	87,243	115,326	147,257	32.2	27.7	68.8
BCT Total	1,197,736	1,196,437	1,216,945	-0.1	1.7	1.6
Households						
<i>Inner core</i>	78,349	80,760	81,369	3.1	0.8	3.9
<i>Outer core</i>	139,968	151,908	158,105	8.5	4.1	13.0
<i>Social periphery</i>	22,795	23,533	24,271	3.2	3.1	6.5
<i>Private suburban</i>	154,527	161,702	171,682	4.6	6.2	11.1
<i>Urban Telford</i>	30,388	43,603	59,685	43.5	36.9	96.4
BCT Total	426027	461,506	495,112	8.3	7.3	16.2
Housing stock						
<i>Inner core</i>	85,528	87,388	86,624	2.2	-0.9	1.3
<i>Outer core</i>	147,880	158,226	163,655	7.0	3.4	10.7
<i>Social periphery</i>	24,014	24,281	25,466	1.1	4.9	6.0
<i>Private suburban</i>	162,338	166,613	175,387	2.6	5.3	8.0
<i>Urban Telford</i>	33,378	45,148	61,309	35.3	35.8	83.7
BCT Total	453,138	481,656	512,441	6.3	6.4	13.1
Void rate %						
<i>Inner core</i>	5.5	7.4	5.9	1.9	-1.5	0.4
<i>Outer core</i>	3.6	4.0	3.3	0.4	-0.7	-0.3
<i>Social periphery</i>	3.1	3.2	4.6	0.1	1.4	1.5
<i>Private suburban</i>	2.8	2.9	2.0	0.1	-0.9	-0.8
<i>Urban Telford</i>	5.5	3.4	2.5	-2.1	-0.9	-3.0
BCT Total	3.8	4.2	3.3	0.4	-0.9	-0.5

The remainder of this section of the prospectus summarises the drivers influencing particular sub-markets within the BCT area.

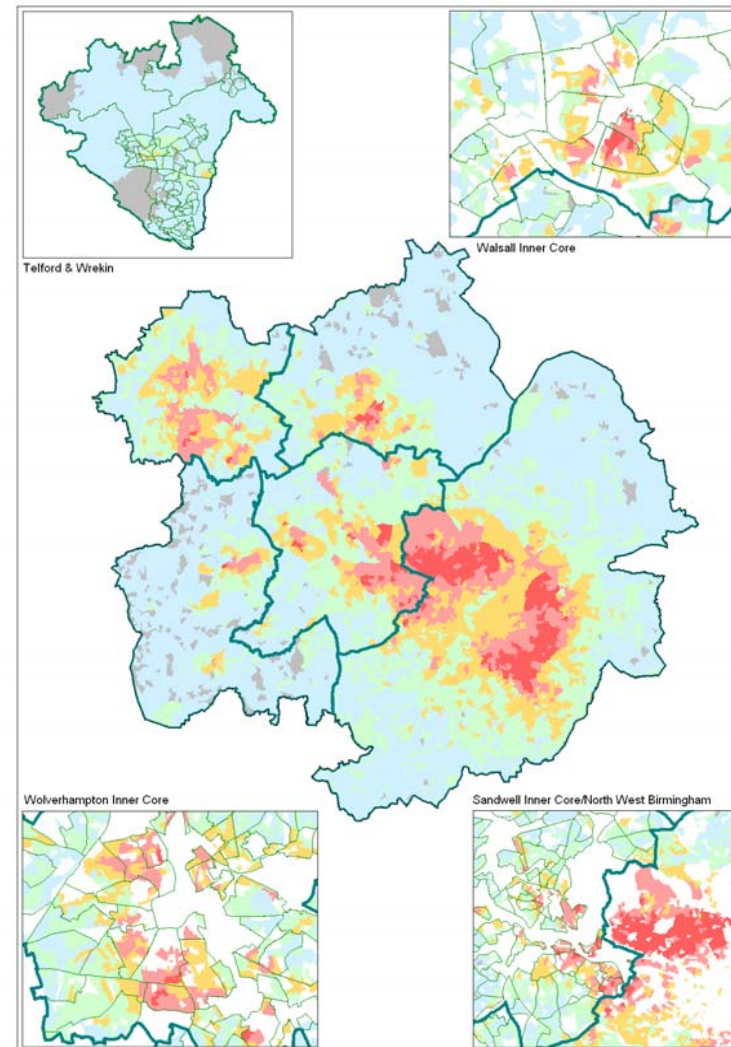
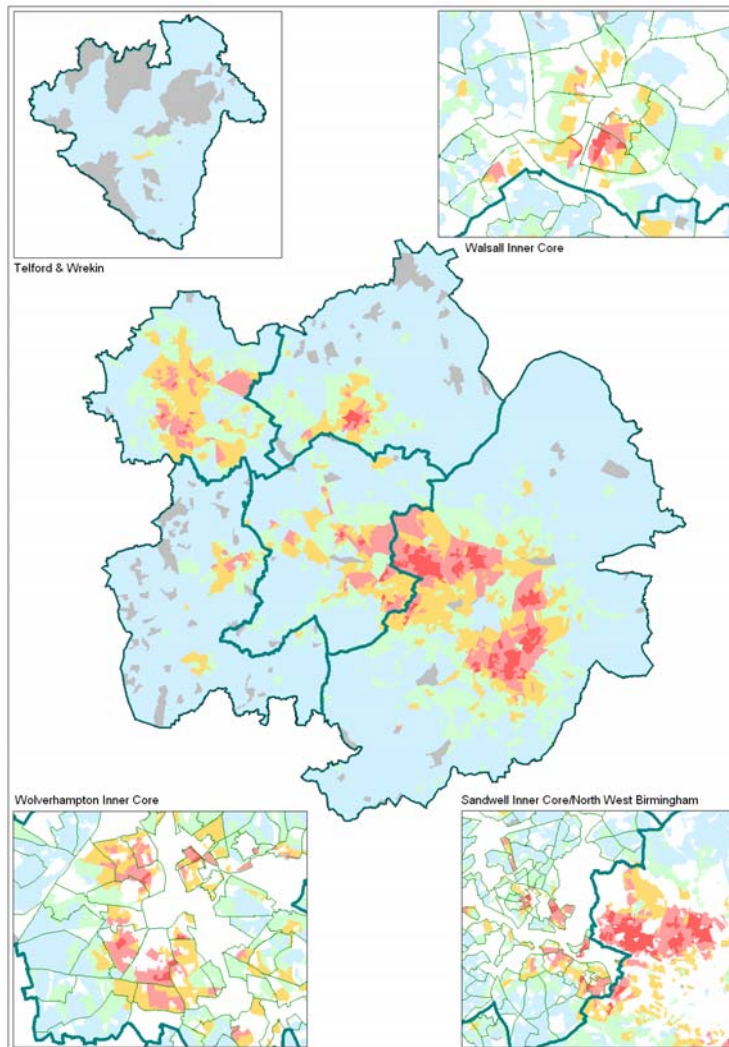
Inner Core Terraced Market

In contrast to the rest of the Black Country and Telford, the housing stock in the Inner Core declined over the period 1991-2001. However despite being diluted by demolitions and some new build, pockets of Inner Core areas of Wolverhampton, Walsall and Sandwell remain dominated by poor quality terraced housing. Overall, terraced housing still makes up a third of all housing stock in the inner core. A strong relationship exists between those areas with a high proportion of terraced stock, large BME populations, high proportions of students (Wolverhampton and Walsall) and private rented sector growth. With the exception of Park and Newbridge, which performs a similar function for Wolverhampton as Bearwood does to Birmingham, these areas are also characterised by relatively low house prices, small proportions of AB social groups and high international in-migration.

BME Growth

The monolithic social housing estates, which dominate the outer core and social periphery of the Black Country, have traditionally acted as a constraint on the potential for BME communities to take advantage of more affordable neighbourhoods. Results from the new build survey (CSR Partnership 2006b) indicate the potential for newly build housing to act as a pathway for resettlement away from the inner core, but this effect has been limited to date.

Also evident is the suburbanising trend of economically mobile Indian families towards higher priced neighbourhoods, particularly to Wolverhampton's suburban fringe. However, the majority of the BME population remains concentrated in the inner core due variously to an unwillingness and/or inability to move elsewhere.

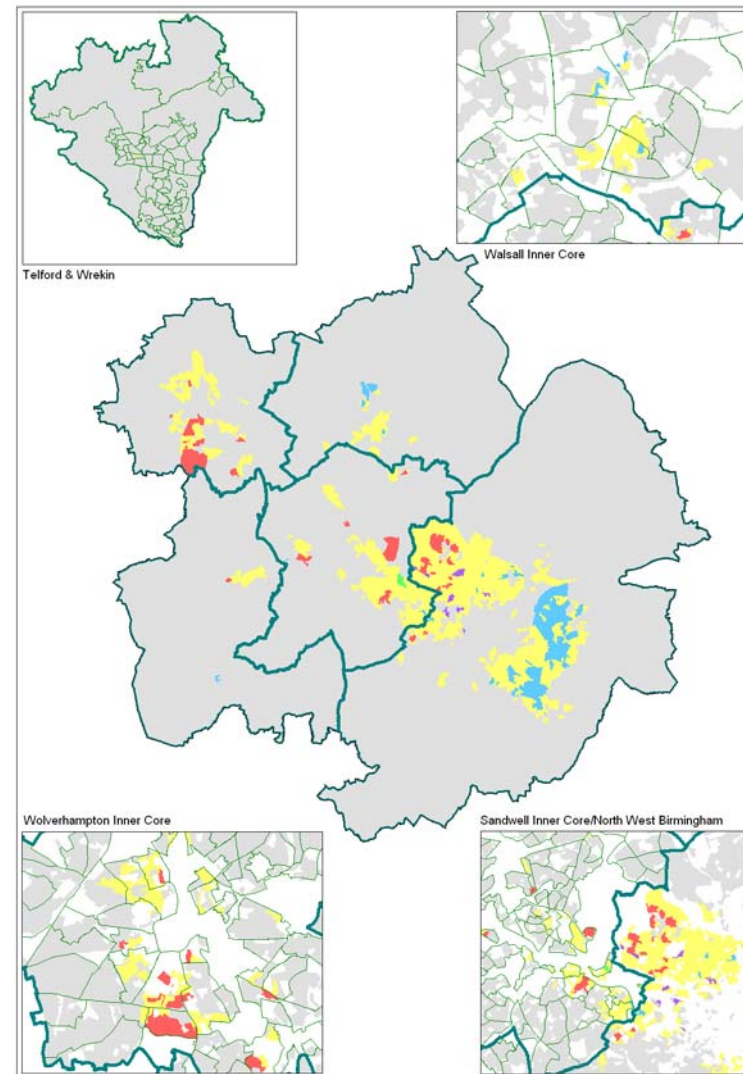
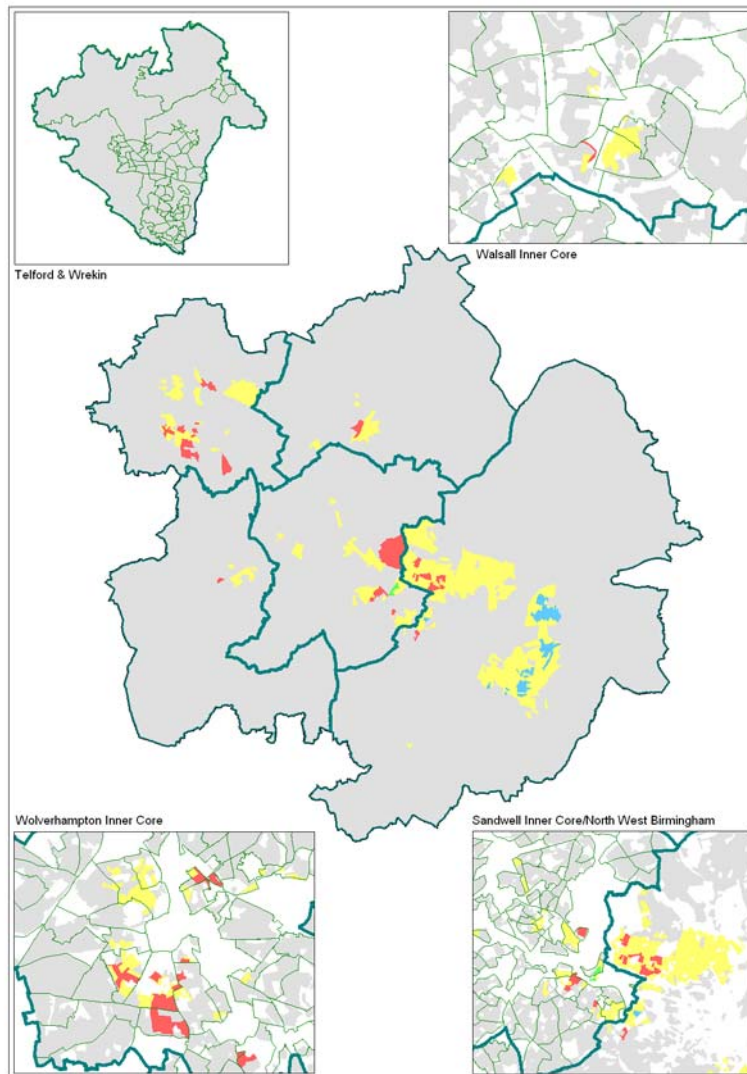


% BME



Black Country Telford
Neighbourhood

Local Authority District



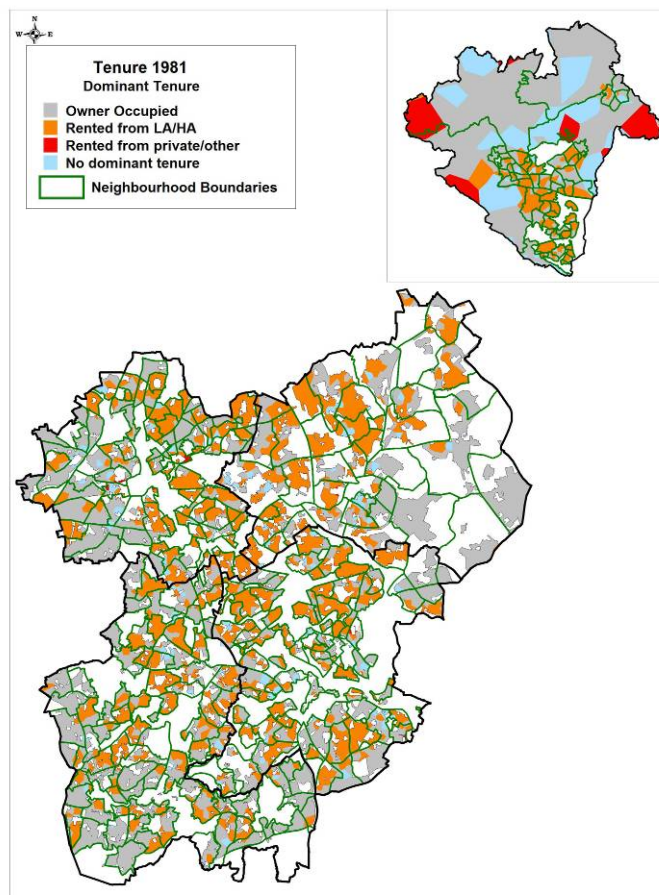
The Changing Role of Social Housing Estates

As the Phase One report highlighted, council and ex-council housing dominates the core of the Black Country and much of Telford (Fig. xx). Although there is still a high level of social rented provision notably in the north of the Black Country, this is now intermixed with former council rented stock that is now owner occupied or privately rented.

Figure xx: Change in Social Rented Sector I, Black Country and Telford sub-markets 1981-2001

	SRS 81 (%)	SRS 91 (%)	SRS 01 (%)	% Point Change 81-91	% Point Change 91-01	% Point Change 81-01
Inner Core	47	39.8	31.7	-7.2	-8.1	-15.3
Outer Core	58.4	45.5	34.6	-12.9	-10.9	-23.8
Social Periphery	78.1	61.5	47.8	-16.6	-13.7	-30.3
Private Suburban	26.8	18.5	14.7	-8.3	-3.8	-12.1
Urban Telford	53.2	30.8	22.8	-22.4	-8.0	-30.4
BCT Average	45.5	34.4	26.5	-11.1	-7.9	-19.0

Sources: Census 1981, 1991 & 2001



This map shows the dominance of municipal housing in parts of Black Country and Telford in 1981 before the onset of sales and clearance. Almost half the stock (45% was social rented).

On the most popular estates, supported by good services, facilities and local schools, former RTB properties offer affordable housing for young families seeking a foothold on the housing market. Areas such as Bristnall in Sandwell and Alumwell in Walsall are characteristic of such estates, having seen high levels of RTB and increasing economic activity rates. BME population growth in the Black Country and Birmingham's inner urban areas seems set to further buoy demand in these areas in the future. However other popular estates, of which Ashmore Park in Wolverhampton is an example, are at risk of destabilisation due to a mix of issues including monolithic design, isolation, rapidly ageing populations and falling economic activity rates.

On traditional estates with longstanding problems of social stigma RTB tends to have impacted less dramatically. On the Tibbington Estate in Sandwell and Beechdale in Walsall, the residualisation of the resident population is clear from analysis of the data which shows falling household sizes, falling economic activity rates and little or no BME inflow. Given the tendency towards smaller household sizes amongst the White population, the long-term viability of the least popular and most stigmatised 1930s and early post-war social housing estates, much of which is dominated by 3 bedroom family housing, is in question. The band of estates in the north of Walsall and Wolverhampton running from Brownhills to Ashmore Park; and the arc of estates running from northern areas of Sandwell through much of Dudley, Kingswinford, Brierley Hill, Cradley and into Rowley Regis, remains far less permeable to BME population growth.

The Black Country and Telford's non-traditional estates tend, for a mix of reasons, to have retained their social housing profile to a greater degree than elsewhere – with South Telford being the notable exception. However, where social renting has decreased significantly the private rented sector tends to have increased too, with Sutton Hill in Telford and the Heath Town cluster in Wolverhampton examples of such areas. Moreover the increasing over-representation of BME groups in non-traditional estates in Wolverhampton and Walsall poses significant challenges to community cohesion in the north Black Country.

4. MARKET TRAJECTORY

Housing Supply and Demand

Housing Supply

The West Midlands Regional Spatial Strategy is committed to taking forward a realistic approach to development, recognising the different roles played by different parts of the region, with the major urban areas (MUAs) as the main economic drivers for the region and home to the bulk of the region's population.

It is clear that priorities for each authority, in relation to the provision of future housing and land supply, is focused on the reuse of brownfield land in locations with good accessibility to transport and local facilities and centres and which use existing infrastructure. Affordability, particularly in relation to social housing stock, the condition of the existing dwelling stock and the need to ensure a balanced range of housing stock to meet all needs are key issues evident across all the authorities.

The spatial analysis of completed housing supply undertaken for the evidence base (ECOTEC 2006c) shows a strong new build market in Birmingham, particular in the city centre and the area along the A38 corridor north towards Sutton Coldfield. There is also a level of activity demonstrated to the north of the Black Country in Cannock and to the east in Lichfield and Tamworth. Activity within Telford and Wrekin appears to have been predominantly to the north of the borough, whereas activity in Wolverhampton has taken place around its inner ring road and to the north east of Walsall.

It was recognised that to deliver against the current RSS house building targets, the Black Country would have to significantly increase its level of new provision. Encouragingly, as noted in section 2, the Black Country has built 104% of RSS minima over the past five years. The key issue is the ability to identify and to bring land supply forward to achieve the targets set out within the Black Country Study and RSS beyond 2011. A recent Black Country Urban Housing Capacity Study has indicated that 1,600 hectares of employment land will need to be re-designated for housing use (Halcrow Group 2005). The study notes:

"The re-development of land that is currently in employment use will be critical to achieving housing growth in the Black Country. It will require existing uses to be relocated, land remediation and planning for change on a scale never before seen in the Black Country. The capacity of the public and private sectors to deliver this housing capacity needs to be explored."

However, the Growth Point submission underlines the view of the Black Country Consortium that the detailed technical and implementation work since this report provides a confirmation that this strategic imperative can be delivered [more text to be added, as well as check that BCC comments on first draft have been incorporated].

In Telford and Wrekin, the level of completions achieved since 2001 has been lower than the previous decade, exacerbated by a high level of demolitions undertaken as part of wider regeneration proposals. It is anticipated that the levels of net completions will rise significantly as English Partnerships are due to commence work on strategic development sites.

A key issue, which may impact upon the Black Country and Telford Housing Market, is the level of supply coming forward for those authorities to the north and west of the Black Country within its reference area. Should these authorities continue to perform as they have over the previous five years, there are potential displacement and adjacency issues facing the Black Country authorities.

Housing Demand

As part of the evidence base a detailed population and household forecast, with an ethnic group dimension was produced using the H-DAM model (ECOTEC 2006b).

This suggests demand for between 42,650 and 48,600 additional homes over the period 2001-2021¹. Crudely this equates to demand for between 2,130 and 2,430 extra homes per annum across the Black County and Telford.

Crucially, in the Black Country where H-DAM predicts additional demand for between 22,100 and 26,600 homes, the model predicts a declining number of White households with additional demand driven exclusively by BME household growth. Conversely, in Telford where the model predicts continuing strong household growth of between 20,550 and 22,000 over the forecast period, BME groups are likely to account for around one quarter of household growth. H-DAM predicts 32-34% household growth in Telford as opposed to 5-6% household growth in the Black Country.

Household projection by % ethnicity: 2001-2021									
		2001		2007		2011		2021	
Typology	Scenario	White	BME	White	BME	White	BME	White	BME
Inner Core	SC1	67.3%	32.7%	64.3%	35.7%	62.4%	37.6%	58.4%	41.6%
	SC2	67.3%	32.7%	64.3%	35.7%	62.4%	37.6%	58.5%	41.5%
Outer Core	SC1	90.0%	10.0%	88.4%	11.6%	87.4%	12.6%	84.9%	15.1%
	SC2	90.0%	10.0%	88.5%	11.5%	87.4%	12.6%	85.0%	15.0%
Social Periphery	SC1	92.1%	7.9%	90.7%	9.3%	89.6%	10.4%	87.2%	12.8%
	SC2	92.1%	7.9%	90.6%	9.4%	89.7%	10.3%	87.3%	12.7%
Private Suburban	SC1	94.9%	5.1%	93.8%	6.2%	93.0%	7.0%	90.9%	9.1%
	SC2	94.9%	5.1%	93.9%	6.1%	93.1%	6.9%	91.1%	8.9%
Urban Telford	SC1	96.0%	4.0%	94.4%	5.6%	93.4%	6.6%	90.8%	9.2%
	SC2	96.0%	4.0%	94.4%	5.6%	93.4%	6.6%	90.8%	9.2%
Black Country	SC1	88.3%	11.7%	86.7%	13.3%	85.6%	14.4%	83.0%	17.0%
	SC2	88.3%	11.7%	86.7%	13.3%	85.6%	14.4%	83.0%	17.0%

Source: H-DAM Household Projection, ECOTEC Research & Consulting

Household projection market typology: 2001-2021					
Typology	Scenario	2001	2007	2011	2021
Inner Core	SC1	73,350	74,700	75,525	77,275
	SC2	73,350	75,425	76,825	79,925
Outer Core	SC1	160,450	162,825	164,425	167,825
	SC2	160,450	163,575	165,825	171,225
Social Periphery	SC1	29,900	30,500	30,850	31,575
	SC2	29,900	30,700	31,200	32,425
Private Suburban	SC1	175,150	178,550	180,550	184,275
	SC2	175,150	177,375	178,750	181,875

¹ Two scenarios for the household projections were produced using H-DAM. The first based on all household sizes gradually converging towards the national average. The second based on constant household sizes. The population forecast is unaltered in each scenario.

Urban Telford	SC1	63,775	69,850	74,100	84,325
	SC2	63,775	70,125	74,625	85,775
Black Country	SC1	438,850	446,575	451,350	460,950
	SC2	438,850	447,075	452,600	465,450

Source: H-DAM Household Projection, ECOTEC Research & Consulting

In future years the inner core areas of Wolverhampton, Walsall and Sandwell are likely to be placed under increasing pressure as population and household growth outstrips housing capacity. Across the Black Country, BME communities are set to outgrow the existing 'footprints' of traditional areas of settlement and will increasingly be led to consider longer-range moves.

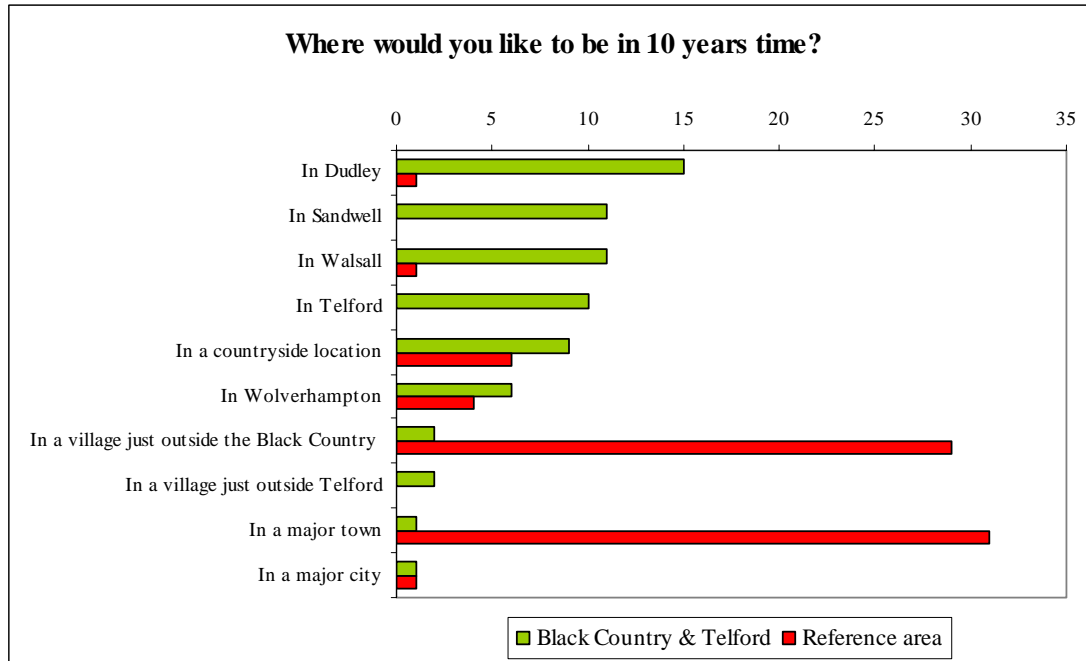
Birmingham is a key influence on the eastern flank of the Black Country in terms of migration and travel to work patterns and house prices.

A high proportion of Birmingham's new housing supply is located within the City Centre (the City's UDP target, which seems likely to be achieved, is for 10,000 dwellings in the City Centre over the current plan period). Population projections for Birmingham predict that around two-thirds of its household growth will be accounted for by BME communities. City centre provision, which is overwhelmingly apartments, is unlikely to be of a size or type to meet the needs or aspirations of most BME groups.

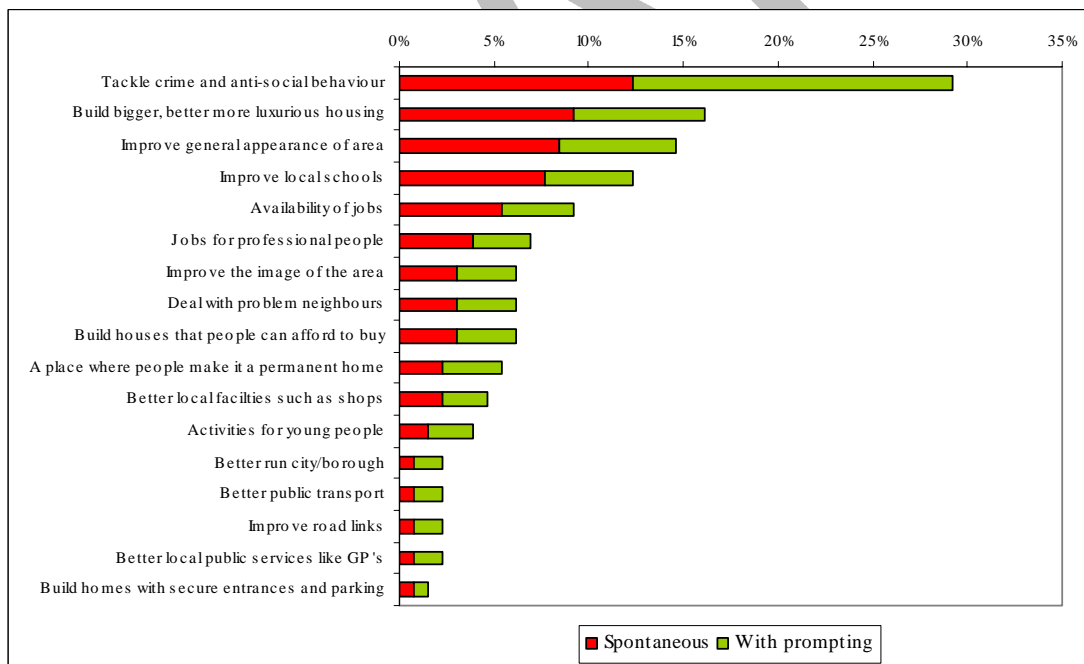
Work carried out as part of the Phase 2 research has suggested that Sandwell and Walsall, the eastern flank of the Black Country and Telford area, has accommodated movement from Birmingham's housing market, particularly its BME market (CSR Partnership 2006a). As housing pressures in Birmingham's inner core BME neighbourhoods increase, it is inevitable that increasing numbers of BME families will relocate to the Black Country's eastern flank. As such it can be expected that the inner core areas of Sandwell and Walsall will become increasingly east facing.

Meanwhile 'pivot' points for international migration tend to fall within established BME communities. The implication is that these neighbourhoods will become increasingly ethnically diverse as suburbanising groups are replaced by newly arriving ASRs, refugees and economic migrants.

Text to explain the graphs below from the new build surveys.



Reference area population uses Black Country but won't move to it; their next move is village locations or further away from conurbation. New build occupiers in the Black Country are naturally more loyal but even so a layer will continue to outmigrate...



Action on crime, environment and better housing feature among the steps needed to retain the 30% new build buyers expecting to leave Black Country...

More generally, the evidence points to the importance of:

- Falling household sizes – impact on demand for, and under-occupation of, monolithic housing estates
- Growing retired population – in some outer core and social periphery estates
- Growing young BME population with differing aspirations and risk of young aspirational BME population loss as well as smaller household formation (Ashram 2005)
- Greater ethnic diversity and need for wider range of house types and sizes – gradually decreasing BME household sizes should not be used as justification for not meeting the needs of larger/extended families
- Growing older BME population with support needs

Summary

To be added.

5. POLICY FRAMEWORK

This Prospectus has been produced at a time when the Public Sector Policy Frameworks designed to achieve Urban Renaissance are being finalised at a National and Regional level. These regional and sub regional objectives are set out within this chapter, and they provide a clear exposition of the ambitions of the various public sector agencies charged with regenerating the Black County and Telford. This chapter is divided into two sections: the first briefly sets out the changing policy frameworks at the National Level; while the second details the aims and objectives of the key regional and sub-regional strategies, and how they relate to the process of housing market renewal.

The Changing Policy Framework at a National Level

The key event this year for agencies involved in Regeneration will be the publication by the Government in the summer of the 2007 Comprehensive Spending Review (CSR 2007). The CSR will set departmental budgets for 2008-09, 2009-10 and 2010-11. The Government has already indicated that priorities within the next financial settlement will include education, training, health, criminal justice/national security, transport and affordable housing

In the 2006 Budget the Government announced a review of sub-national economic development and regeneration strategies, to consider the efficiency and effectiveness of regional and local interventions. As part of this review, the Government is undertaking an assessment of the efficiency, impact and accountability of sub-national delivery agents such as the Regional Development Agencies. The review will also consider how to deliver further devolution to the regions and localities, and how to achieve greater co-operation between regions, sub-regions (including city regions) and local authorities.

In parallel to this exercise in national financial planning the Government is also reviewing delivery arrangements for Regeneration and Renewal. The recently released Barker Report into the efficiency of the planning system has produced the following responses from the Government of direct relevance to the study area:

- The Government will publish a reform in spring 2007, which will review brown field land tax relief to ensure additional development is achieved;
- In the light of the national demographic forecasts, further measures are being brought forward to increase and speed up the delivery of a sustainable housing supply. PPS3 will ensure that local and regional plans are more responsive to housing markets and prepare and release more land for future housing requirements.
- To reinforce PPS3, some 29 areas have been named as New Growth Points with the potential to contribute around 100,000 additional dwellings by 2016, an increase of 32% on previous plans for housing supply in those areas. (One of these designated Growth Areas is Telford and Wrekin).
- To deliver the increase in housing supply the Government has established a 2007 CSR Policy Review to identify measures to support housing growth. This review has identified key themes for further work, including:
 - Identifying the infrastructure implications for housing growth
 - Possible adjustments to departmental priorities and allocation mechanisms to ensure more efficient provision of infrastructure.

- Improving infrastructure planning and delivery at the local and regional level, including measures to improve the co-ordination of delivery partners and mechanisms for front-funding infrastructure.

In addition to the Barker Review, the Government has also announced the creation of Communities England through the amalgamation of English Partnerships, the Housing Corporation, and some of the responsibilities of the Department of Communities and Local Government. This powerful new agency will need legislation to create it, and will therefore only become operational towards the end of the current Parliament. Nevertheless, its formation, and its wide ranging funding powers represent a real opportunity to secure resources for the Telford and Black Country areas.

Regenerating the Black Country & Telford – Regional and Sub-Regional Policy Objectives

The evidence base that has been developed for the Black Country and Telford housing market as part of this project has already been used to support policy initiatives and funding bids to the Regional Housing Board. It has also provided a significant input into the spatial options for the Black Country Study and the submission for the Telford Growth Point Bid.

The region faces many challenges, not least of which is implementing the RSS vision of achieving urban renaissance by reversing the longstanding trend of outmigration from the major urban areas. This will be achieved by accommodating higher than expected household growth, though addressing areas of low housing demand and through providing quality housing that will support the region's economic growth agenda. Over the coming year the evidence base that has informed this Prospectus will provide an essential component in informing the development of policies and interventions for the Phase 2 revision of the Regional Spatial Strategy, the Regional Economic Strategy review and the emerging City Region Development Strategy. Below is a review of the key regional/sub-regional documents establishing their key objectives, which will influence the development of housing policy and strategy, and this Policy Framework is highlighted in final section of the Prospectus which details action points, in the light of the evidence base and the objectives of Public Policy within the West Midlands region.

West Midlands Regional Spatial Strategy

The Regional Spatial Strategy is designed to guide development in the West Midlands to 2021 and beyond. The strategy focuses on restructuring the Major Urban Areas, including the Black Country, in parallel to meeting the needs of the rural areas. The four main themes and challenges within the RSS are:

- Urban Renaissance – countering the longstanding trends of net out-migration of people and jobs from the Major Urban Areas;
- Rural Renaissance – securing regeneration of the region's rural areas;
- Diversifying and modernising the Region's Economy – ensuring that opportunities for growth contribute to meeting the needs and reducing social exclusion;
- Modernising the Transport Infrastructure of the West Midlands – supporting the sustainable development of the region.

Building on the principles of urban and rural renaissance there are two main regional drivers – housing and employment land, the challenge being to balance housing growth with employment

growth in order to regenerate the Major Urban Areas whilst achieving sustainable communities and growth.

The current RSS is undergoing a partial revision; this will involve an update of housing policies by re-examining regional and sub-regional housing needs and requirements. In drafting the spatial options, a key implication has been accommodating the 2003 revised household projections for the region as well as having to take into account the Barker Report on housing and the emerging PPS3. The RSS seeks to encourage new development in the major urban areas and beyond this the settlements of Worcester, Telford, Shrewsbury, Hereford and Rugby. In examining regional housing needs, the revision has developed three options for allocating gross new housing development:

Options	Level of New Housing Required		Dwellings per annum		Actual Annual Build Rate 2001 – 2005
	Gross	Net	Gross	Net	
One	381,000	293,400	15,200	11,700	17,400
Two	491,000	376,000	19,600	15,100	17,400
Three	575,000	460,000	23,000	18,400	17,400

Option One carries forward the existing RSS strategy to 2026; whereas Option Two and Three use higher assumptions. In particular, Option Three suggests a level of new housing development to meet the level demand in the Government's revised household projections.

In developing the three options, the potential distribution of new dwellings has been broken down to the local authority level. It is clear from the allocation that the annual build rates contained within Options two and three will significantly increase from the current RSS for the Black Country and Telford authorities.

LPA	Number of Households	Option One 2001 - 2026	Option Two 2001 - 2026	Option Three 2001 - 2026
Black Country	438,869	79,400	99,900	106,700
Telford & Wrekin	63,738	24,000	30,000	36,000

Under the current Phase 2 RSS revision, the role of Telford, in accommodating new household growth, has emerged as one of the West Midlands New Growth Points with the provision of up to 25,000 new homes by 2026.

West Midlands Regional Economic Strategy

The Regional Spatial Strategy sets out the Vision for transforming the West Midlands economy by 2010. This Vision is both ambitious and challenging and to achieve it the region faces many challenges, which will involve:

- Developing a diverse and dynamic business base
- Promoting a learning and skilful region
- Creating the conditions for growth; and
- Regenerating communities.

In creating the conditions for growth, the RES acknowledges that parts of the region have poorly performing housing markets leading to out migration, particularly the Black Country, Birmingham and Stoke-on-Trent. Inequality is also reflected in the housing market as some households (notably Asian) are under-represented in local authority and RSLs housing and over

represented in the poor quality end of the owner-occupied sector. In addition, in some areas, house prices have risen to the level that excludes younger and less affluent buyers and renters.

It is acknowledged that changing household needs and sizes require adjustments to the housing stock to provide a full range of housing choice and to link housing stock with employment opportunities. The challenge for the RES is to work with partners to ensure that a housing agenda for economic growth is delivered, which will link housing quality with employment opportunities and that this is translated into sustainable neighbourhood renewal.

Regional Housing Strategy

Together with the RSS and RES, the Regional Housing Strategy aims to create a flourishing, diverse and stable regional economy, which through the provision of 'pathways of housing choice' will enable people to live near their work and other activities in pleasant affordable homes.

The strategic goal of the RHS is to redress the failure of the housing market to provide many people with the housing that they want, which left to itself the market has been unable to deliver. The key aims of the RHS are both consistent and supportive of the West Midlands RSS and the RES. These are to:

- Create mixed, balanced and inclusive communities;
- To assist in the delivery of the RSS policies of Urban and Rural renaissance;
- To address the future development of new housing provision to facilitate and enhance the economic development of the Region;
- To address the variety of needs across a range of specific sectors of housing circumstances;
- To work toward the success of the two national HMRA pathfinders (Birmingham/Sandwell and North Staffordshire/Stoke) and the regionally identified housing restructuring areas of East Birmingham/North Solihull and North Black Country/South Telford.
- To ensure that the Government's decent homes standards are met; and
- To achieve social and other affordable housing.

Black Country Study

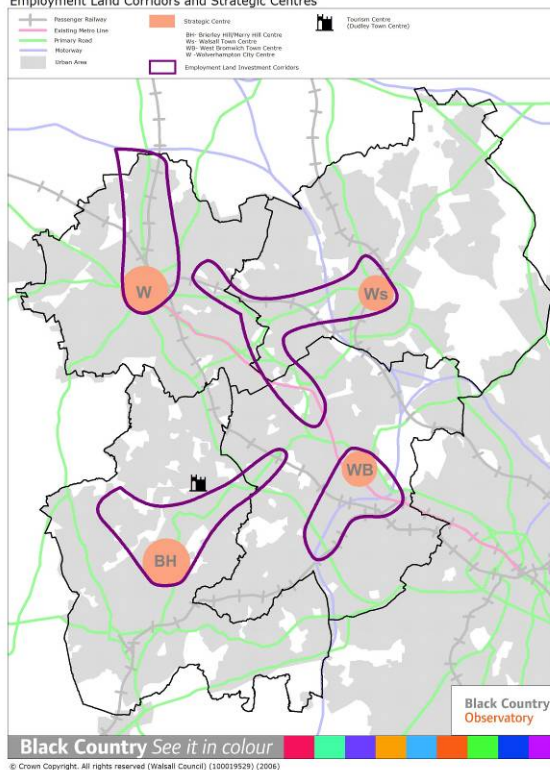
The Black Country Study (Black Country Consortium 2006) has established a 30-year vision and an agenda for change. This agenda clearly sets out four key objectives, which will drive the implementation of the study to 2031:

- Reverse net out-migration and grow population to 1.2 million;
- Raise income levels to 90% of the UK average from 81% today;
- Accommodate a more balanced population; achieving parity with the national social grade profile; and
- Create high quality, sustainable environments.

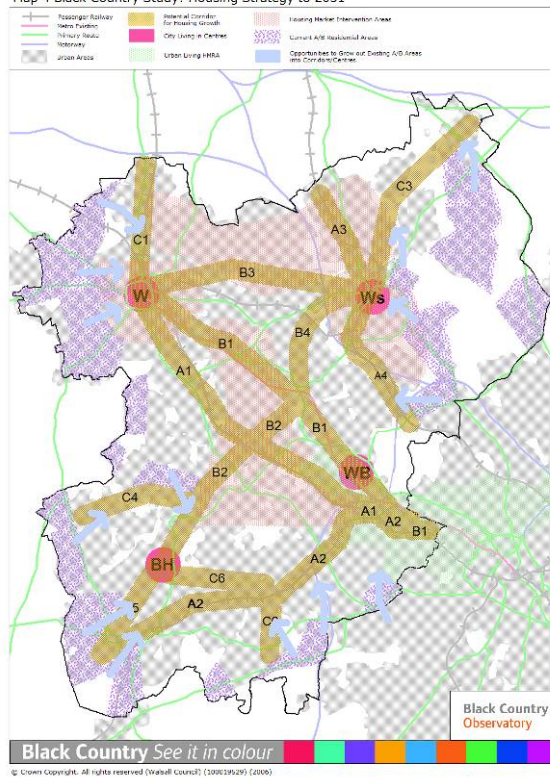
The work of the Black Country Study has illustrated the challenge in accommodating the present RSS requirement for new housing to 2021 within the Black Country itself and has demonstrated that this is a growth strategy necessitating net inward migration from 2011. Improving the quality and widening the choice of housing is key to the future prosperity of the Black Country. Today's housing market does not adequately meet the needs of many residents and as a result, many households have chosen to move away. The strategy will reverse this trend by transforming the historic 'push' factors into positive 'pull' factors. This will involve:

- Accelerating the rate of house building to 3,600 home per annum providing an additional 71,000 dwellings by 2031;
- The demolition of 790 home per annum to create new residential environments;
- Converting 1,100 ha of employment land to residential use by 2021
- The provision of a more diverse range of housing types and densities
- A programme of progressive housing renewal to raise the quality of existing home and residential environments across the some of the most deprived areas in the Black Country.

Map 3 Black Country Study Economic Strategy to 2031 Investment Foci
Employment Land Corridors and Strategic Centres



Map 4 Black Country Study: Housing Strategy to 2031



This shows the strategic centres and employment corridors which are central to the BCS...

...And the the housing and transport corridors of the BCS

The next sections of this Prospectus, highlight the current trends and issues which exist within Telford and the Black Country Housing Markets, and sets out the challenges to policy-makers in devising and implementing programmes of change at a local level which are capable of realising the aspirations being set at the national, regional and sub-regional level.

6. CONCLUSIONS: RESPONDING TO THE EVIDENCE BASE AND DELIVERING THE POLICY AGENDA

This concluding section of the Prospectus summarises the rationale for continued intervention in the Housing Markets in the Black Country and Telford. This is followed by a brief description of some of the specific interventions that will need to be deployed in the short to medium term, and the strategic outcomes that will need to be developed though local housing strategies are also considered. Finally the Prospectus concludes with a specific proposal to enhance capacity to deliver the regional and sub regional agenda.

The Rationale for Intervention in Black Country and Telford

The Black Country and Telford Housing Market is a highly complex market in which some neighbourhoods, which were previously in decline, are now showing signs of stabilising, whereas as others are still exhibiting signs of housing market stress.

A comprehensive analysis of the individual neighbourhoods and their future housing market trajectory has revealed a number of key issues, which if left to market forces will continue to impact upon the sub-region:

- 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. The sub-region is losing population, particularly in the Northern parts and without intervention; it will continue to do so. The overall effects of population decline have been mitigated by growth in smaller households, however, this cannot continue indefinitely.
- Growth of BME groups represents an important source of population and household growth for the Black Country. However affordability problems and lack of housing choice in the inner core of the Black Country, suggest that the attractiveness of this area is declining.
- Whilst being a wider national phenomenon, growth in the private rented market is meeting a gap in the current market for those who are unwilling/unable to buy or access social rented accommodation. An active and increasing private rented market leads to many problems, not least, a substantially transient population, disinvestment in the fabric of properties and neighbourhoods, inflated prices and fragmented ownership – making comprehensive renewal difficult to implement.
- Some of the major housing market weaknesses and problems are in the former large council estates and the inner core areas of the Northern parts of the Black Country. The dominance of council stock has been eroded by Right to Buy and clearance/new build activity. However this has left behind substantial enclaves of social housing in parts of Wolverhampton, Walsall and the heart of the Black Country, notably northern Tipton, Bilston and Wednesbury, which experienced population loss, marginal household growth, rising voids, a rising private rented sector and declining services. The future sustainability of this housing stock has critical strategic importance.
- The decline of social housing stock has been reduced over the past ten years by the growth in smaller households. However unless the profile of current stock is adapted to the demands from smaller households, then the future trajectory will worsen.

- The overheating of housing markets in parts of Telford, a consequence of excess demand over housing supply, has seen the most significant rise in house prices in the Black Country and Telford area. These house prices, coupled with the loss of large sections of social housing stock, have created major problems. As a result, South Telford has increasingly become a home of the “young poor”.
- The Black Country is competing as a place of residence for social classes AB with more affluent and aspirational housing markets in and around Birmingham and within the market towns. The new build market to the north and west of the Black Country and Telford area is increasingly providing for AB households. However, as employment growth increases there is a danger that higher income households will locate elsewhere, unless the supply of this stock increases.

Without intervention, it is likely that the Black Country and Telford housing market will continue to experience population loss, the private rented market will continue to grow, higher income groups will continue to move or locate outside of the area, whilst social housing estates will increasingly become polarised leading to highly fragmented and unsustainable housing market areas.

Areas of Intervention

A framework for addressing weak and dysfunctional housing markets across the Black Country and Telford will provide an integrated approach to interventions and investment, which will enable partners to restructure housing markets and to deliver the objectives of the Black Country study.

In delivering these aims and objectives, five broad areas have been identified for urban and housing related interventions. The emerging preferred option of the BCS also informed the selection of these areas. These areas are summarised in the box followed by market analysis and a map is shown overleaf. The evidence base also includes detailed Area Frameworks for each of these areas (Llewelyn Davies Yeang 2006). These intervention areas provided the cornerstones of **evolve's** successful bid to the West Midlands RHB for 2007/08 funding. The rationale for intervention and specific proposals for each of the five areas set out below therefore draws on the strategic investment paper that supported the RHB submission (ECOTEC 2006d).

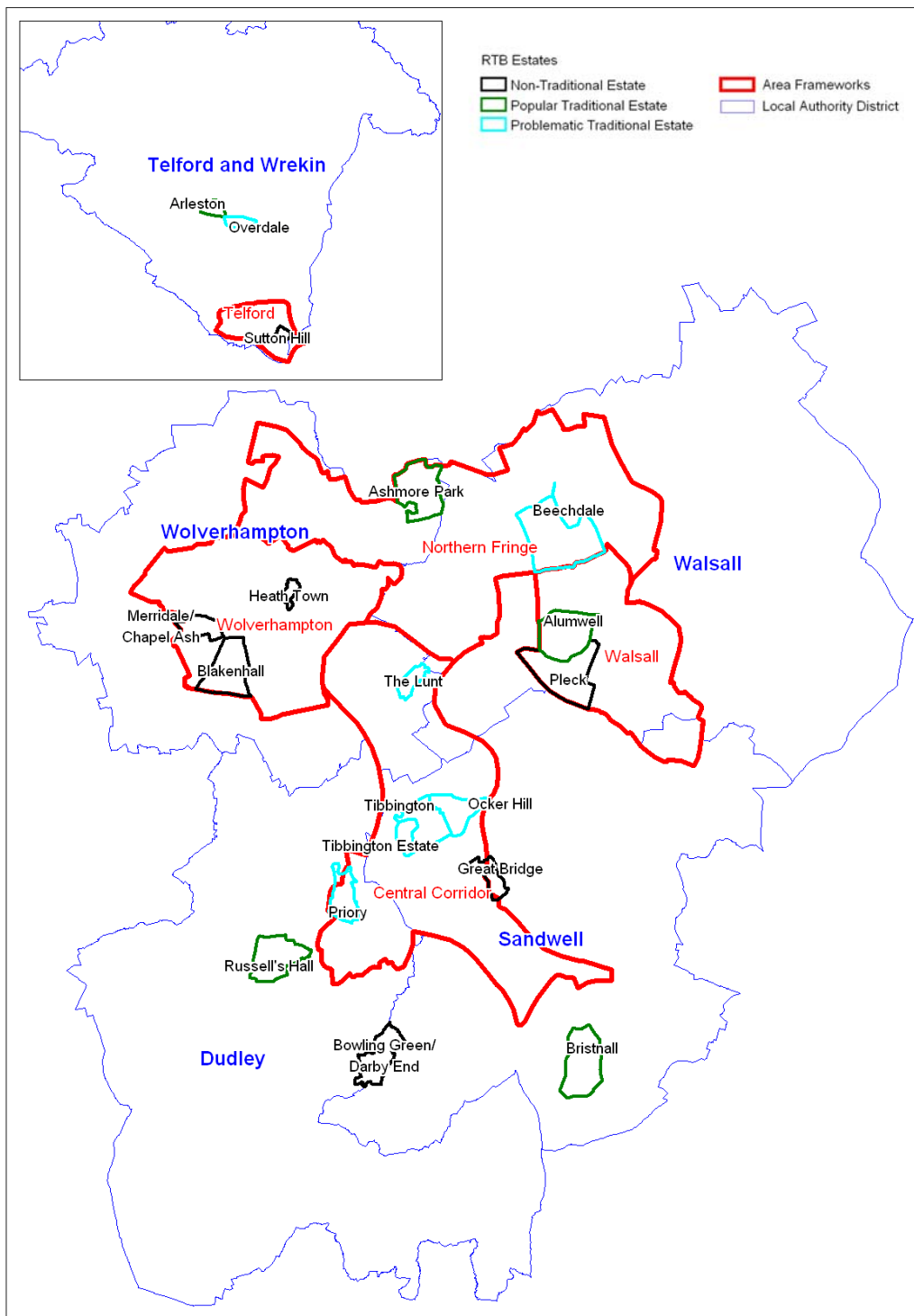
Central Wolverhampton: The area encompasses the city centre and inner core residential areas including Whitmore Reans, Heath Town, Park Village, Blakenhall and Penn Fields. Within this area there is evidence of low value and obsolete housing located adjacent to significant commercial and employment opportunities arising from the city centre and developments along the Canal Quarter such as Low Level Station Site and Springfield Brewery.

Walsall Town Centre: Like Wolverhampton this area demonstrates low value and obsolete housing within Walsall's inner area and sitting alongside commercial and employment opportunities to be generated in Walsall Town Centre through the work of Walsall Urban Regeneration Company.

The Northern Corridor: this area encompasses the northern fringe estates in Walsall and Wolverhampton including the residential areas of Low Hill, Wednesfield, Bloxwich and Willenhall. This area has had less of a history of urban intervention and is exhibiting high levels of housing stress, higher vacancies, increase private renting and lower levels of Right to Buy. Here, housing improvement and tenure diversification will need to be linked both with measures to reduce social exclusion and with employment opportunities arising in the adjacent town and city centres and along the M54 growth corridor.

Central Corridor: This area provides spatial linkages between the renewal of Wolverhampton City Centre, the regeneration of the Urban Living area and Birmingham City Centre; it also takes in Bilston, the town centre of Dudley, Tipton and Oldbury. The Central Corridor has an established and growing private sector new build programme and an economy that is showing signs of growth following a period of industrial decline.

Telford: This area encompasses the estates of South Telford. Here the start of the redevelopment of Woodside, the completion of the Woodside Regeneration Programme and the restructuring of the South Telford estates of Sutton Hill, Brookside and Malinslee can be linked into the renewal of Telford town centre and the development of the M54 corridor.



This shows the five area frameworks as well as the study areas selected for the RTB study (ECOTECa)

CENTRAL WOLVERHAMPTON

Market context

This area, which forms one of **evolve's** five area frameworks, includes Wolverhampton City centre and the surrounding residential neighbourhoods. It therefore includes the City's inner core market – an arc of neighbourhood clusters from Heath Town in the NE, through Whitmore Reans/Dunstall in the west and the All Saints/Blakenhall area to the south. The circle is completed by the mainly council-built estates of the East Park/Ettingshall cluster that marks the north-western spur of the Black Country's outer core market typology, where the similarity to places like Bilston, Tipton, and Darlaston is apparent.

The functionality of this major mixed-use zone was undermined by the economic decline of the 1971-85 period. Industrial closures left huge holes in the urban fabric, which persist today in the area north and east of the city centre. The area is now characterised by areas of low quality housing and an extensive rustbelt that disconnects the city centre, itself still a major centre of the Black Country, from its immediate hinterland. These issues and the enormous potential opportunities are fully recognized in the BCS. The city centre can be a growth motor, with very significant 'city living' new build. It plans for a new employment, land investment and housing growth corridor northwards along the Stafford Road; and three further housing corridors: eastwards to Walsall and two along the SE traditional artery to West Bromwich and Smethwick

Following the economic shocks of the 70s/early 80s, Central Wolverhampton continued to lose population into the 1990s as aspirational groups left resulting in low demand and abandonment but during this period the outflow was already being counterbalanced by fresh inflow due to a set of market drivers that have assumed a progressively greater significance. These include a BME community growing to nearly half the population with marked suburbanisation underway of more affluent Indian households and backfilling in traditional BME areas by asylum seekers, refugees and migrants from EU accession states. They also include the growth of the student market and an inflow of poor young and single people into the growing private rented sector or into stigmatised council high-rise estates. This cosmopolitan area is a microcosm of Birmingham and its inner city, with a highly diverse and highly mobile but low-income population.

These changes have resulted in strong housing demand which coupled with relatively low house prices made it fertile ground for buy-to-let investors. Low incomes and attendant affordability problem have made a ready market for landlords and the area now has some of the highest private rented rates in the Black Country and Telford. Two strong examples of this occur in All Saints and Park Village, the proposed locations for two of **evolve's** key projects.

Rationale for intervention and key outcomes

The central Wolverhampton market is among the most complex and problematic markets in the Black Country.

Overall the market here is likely to become more polarised, with its central neighbourhoods anchoring the entrenched east-west divide in the city. Demand will rise in this central area through marked household growth, which includes features of overcrowding in BME areas and more volatile single person households making short-term use of the burgeoning private rented sector. The central zone will continue to be a principal source of inflow into the Black Country including students and international migration. Responding to the complex features of this housing growth and mounting housing needs while reconstituting the urban form and delivering the objectives of the BCS will be perhaps the principal strategic issue facing the city.

The **evolve** strategy is to make an early start on the two weakest points of the central Wolverhampton market.

In the first of these, All Saints there has been market failure in a neighbourhood that remains affected by crime and stigma. The low quality of the urban form and generally poor state of much of the housing in the area make it difficult to envisage any marked improvement in the performance of the owner-occupier housing market in the absence of decisive intervention in the housing market. All Saints forms a key part of the City Centre Improvement Plan as well as being a key target area for transformational change within the NDC strategy, while the neighbourhood is also integral to the St. John's urban village. RHB funding will therefore strongly complement existing local regeneration to get the improvement process underway by acquiring and demolishing pre-1919 properties to enable coherent, mixed redevelopment and to begin the process of transforming the physical and social fabric of the area to secure its long-term sustainability.

The second of these, the Heath Town area is a highly complicated cluster which includes probably two of the largest remaining estates of flats/maisonettes in the Black Country as well as Victorian and modern RSL and private properties. It includes Park Village, which is currently affected by withdrawal of NASS (asylum seekers) contracts and has rising voids, as well as problems of unfitness. The proposed project will allow for the completion of a Neighbourhood Renewal Assessment for the neighbourhood and a masterplan for the wider Heath Town cluster prior to major acquisition and remodelling creating a more balanced area of housing choice and quality. Early action on private landlord accreditation and licensing will pay dividends. Longer-term, the future of non-traditional council stock can be examined in an area on an important BCS corridor to Walsall.

In both places, the early programme will combine visible local actions with a strong emphasis on addressing some of the worst aspects of the overall urban fracture zone around the city centre whilst also tackling mounting housing needs. This will contribute to wider social cohesion objectives.

WALSALL TOWN CENTRE AND NORTHERN CORRIDOR

Market Context

This target area represents the western part of Walsall identified by the evidence base to be at risk of market failure. It includes large parts of five natural clusters of residential neighbourhoods. These are: inner core Walsall North and South (together forming one of **evolve's** area frameworks), the outer core towns of Darlaston and Willenhall and the Bloxwich cluster which forms Walsall's social periphery. In terms of the **evolve** strategy, these last three clusters also fall within its Northern Corridor area framework.

This area also anchors the Black Country Study's employment land investment housing corridor stretching through Darlaston into Walsall Town Centre. This is in turn bounded by BCS housing corridors from Walsall to Wolverhampton via Willenhall and northwards through Bloxwich.

It is therefore strategically important because it spatially combines areas with some of the greatest current risk and future opportunity in the Black Country.

Darlaston is a declining mixed-use area with poor quality council housing marked by eyesores of derelict amenities. In the absence of household growth voids have risen and prices are low, while private renting is expanding. Moxley is particularly problematic with a poor environment and a growing BME community in Fallings Park. Willenhall fares better than Darlaston, but still has similar issues of mixed-use environments and where buy-to-let activity is stimulating the private rented market.

Even with its fringe private estates, Bloxwich is overwhelmingly council-built and includes several sink estates where incomes and skill levels are crushingly low, together with problems of crime. Neighbourhood stigma is reflected in an ageing population and limited inflow, and BME growth is notable by its absence. Voids have risen and prices have lost ground.

The large Walsall South cluster area forms an arc south of Walsall Town Centre extending across the Walsall ring road and as far south as the M6 and the Yew Tree/Tamebridge neighbourhood in Sandwell. It includes a complex patchwork of new apartments and two-storey development intermixed with terraced housing, much of it in poor repair; high-rise flats and industrial and commercial uses.

In many ways Central Walsall exhibits the characteristic features of the Black Country inner core typology in terms of its urban form, cosmopolitanism and economic profile, problems of crime, and growing private rented sector in localities with high voids. It is however, spatially more compact and coherent than inner Wolverhampton and also socially more cohesive. Prices had eroded badly in the 1996-2000 period but since then they have more than rebounded, to 77% of the regional average in the north cluster and 69% in the south. As well as buy-to-let investors it appears that prices are also reflecting rapid strengthening of demand as inflow into the inner core gathers pace.

The trajectory in the Central Walsall zone is an active market fuelled by demand from the growing Pakistani community, as well as the impact of long-range moves from Birmingham and further afield. It has recently proved a major destination for migrant workers from Eastern Europe. Like the rest of the inner core, it has a 'reception area' role, although not on the scale of Wolverhampton or the cross-boundary Urban Living area. Birchills in particular appears to be functioning as a destination for poorer BME groups being priced out of housing in inner-city

Birmingham. Meanwhile Indian households are spreading outwards into the suburban parts of the cluster and into neighbouring clusters, most notably Park Hall and parts of Chuckery, mirroring the process of BME suburbanisation in Wolverhampton. The local Pakistani community is experiencing substantial growth but is much more spatially constrained, partly through commitment to existing areas, but due to affordability pressures and the effect of the social rented collar to the north in Bloxwich (this reflects a similar pattern to Tipton). Here occupiers are likely to be unable to afford the costs of basic maintenance or improvements to their dwellings. There may even be a scenario where poorer BME family households get squeezed as land values rise and there are pressures to redevelop at higher densities for flats/apartments for (more wealthy) smaller households and students.

Rationale for intervention and key outcomes

The principal strategic issue for the Western part of Walsall is (a) the mounting household growth and housing need among its BME communities in the inner core; alongside (b) low demand in its more affordable social periphery, which has a declining, low skilled and ageing population; and (c) the complex mix of issues which underline the separateness of these two markets. Meanwhile Darlaston and Willenhall are marked by poor quality mixed environments and some notably unattractive council-built areas. Already these areas have lost out on household growth and face decline. Hence the need to radically transform their urban form to reconnect them to the major centres and foster aspirational housing, which in turn will underpin demand for enhanced local services and amenities. Walsall Town Centre has some major assets and is a significant focus of the BCS and associated investment programmes. Hence the rationale for intervention is one of need and opportunity.

The purpose of the RHB-funded **evolve** project is therefore to tackle these challenges across this Western part of Walsall but focussing on the Town Centre and the BCS corridors. It will address areas of market failure, BME needs and social polarisation/deprivation through the phased acquisition and demolition of key commercial and residential properties, land assembly and remediation to create mixed, sustainable areas of housing quality and choice in revitalised neighbourhoods. Masterplans and site investigations necessarily kick-start this in places such as Moxley but there is a clear emphasis on creating good housing sites for aspirational groups (in Willenhall) with clearance in Goscote and Pleck and the removal of eyesores and enhanced public realm in Bentley and Blakenall (an NDC area). This approach combines laying the foundations for transformational change in these key neighbourhood clusters, while providing visible projects for early impact on image and appearance and therefore local confidence. Longer-term, evolve will be working within Walsall's Strategic Regeneration Framework, and in particular to balance the differing local housing markets in a way which addresses mounting BME housing needs and meets social cohesion objectives.

CENTRAL CORRIDOR – TIPTON AND DUDLEY

Market Context

This target area forms part of the identified BCS employment, investment and housing corridors stretching from Wednesbury to Brierley Hill. It includes two natural clusters of residential neighbourhoods: Tipton and Dudley North. Although migration links between the two are limited, there are historic cultural and social linkages, together with strong retail and employment connections. They therefore share similar urban form issues and many market characteristics.

Following major factory closures very significant private new build activity has taken place, especially in the southern area formerly covered by the Black Country Development Corporation (BCDC). The Park Estate to the south is ringed by this new build activity and is one of the few surviving terraced areas in Tipton and forms a distinct Pakistani/Bangladeshi district, bounded by two railways and the Birmingham canal.

The BME population in the Tipton area has almost doubled over the last decade to 12.4% of the total but is highly confined to the southern neighbourhoods in the cluster. The growth reflects internal household growth from the Park estate as well as BME purchasers of new properties but these are mainly affluent Indian groups rather than low income Pakistani/Bangladeshis.

One of the former City Challenge scheme's objectives was to diversify the housing tenure away from social renting. Across the Tipton cluster as a whole, the social rented sector was 65% in 1981 but in 2001 was down to 37%. This principally reflects the enormous private new build market. Overall, however, the northern council-built areas are the least affected by the restructuring of the housing market in Tipton over the last 15 years. These feature in the worst 10% of the overall national deprivation index (IMD 2004). They form the southern end of one of the Black Country's worst concentrations of areas affected by crime stretching northwards to Bilston. These areas are consequently very heavily stigmatised. Furthermore, social cohesion issues have been consistently exploited by the BNP with them eventually winning council seats in two Tipton wards.

The key market issue in Tipton is the stark polarisation of the town, highly segmented between:

- An impoverished Pakistani/Bangladeshi community experiencing high household growth in confined, limited terraced localities due partly to neighbourhood loyalty but also to very limited affordability and problems of racism in the wider area;
- A significant white working class community affected by the social consequences of a loss of traditional employment occupying a still large social rented housing footprint in the central parts of the town in a market exhibiting declining relative house prices;
- A vibrant new build market on the edges of the cluster attracting footloose inflow and also a more affluent Indian community.

Adjacent Dudley North is three-quarters council built and is sandwiched between the successful suburban clusters of Coseley and Sedgley. This underlines the social polarisation in the north of Dudley Borough, but equally it sustains its function in providing low-income housing. **evolve** is targeting one of its neighbourhoods: Priory, which is now among the least prepossessing estates in the Black Country & Telford. RTB sales here are unusually low and surveys indicate it is amongst the most unpopular estates. Likewise, inflow from BME groups was hitherto limited

although Priory has received some asylum seekers and refugees since the Millennium. High turnover has since persisted although the estate has a core of highly committed residents. It is concerning that the BNP gained a council seat for the ward covering Priory at the same time as their breakthrough in Tipton.

Rationale for intervention

Tipton is one of the places in the Black Country where the spatial and ethnic migration divides are most acute. The place is growing through market forces, but this growth is highly unbalanced. Tipton is a testament to the success of physical (and to some extent) social regeneration but the dynamic of change is not yet exhausted. Land use patterns remain in a state of flux as local industry contracts. Further downsizing of social rented provision will be required as well as replacement housing more geared to the needs of emerging BME household growth. This may give rise to social tensions and other difficulties in an area marked by low skills and narrow horizons. It is recognised that this will need a careful policy response to these market drivers.

The interventions therefore embrace a masterplanning process for the whole town in order to integrate the benefits of planned transport infrastructure investment and more strategically, to support the urban renaissance agenda of the BCS for this important corridor.

Investment in site remediation in the Park Estate will facilitate a significant new build development using Asian housing design principles but the footprint of this community will also need to grow. **evolve** is planning a programme of selective clearance of obsolete stock in the Tibbington and Glebefields estates along with careful land assembly to create new mixed-tenure housing localities in the north of the town. Plans are also in hand to link the programme for Tipton with the emerging spatial and housing strategy for Dudley North, which includes the Town Centre masterplan and also major intervention in North Priory. A fully costed plan has been prepared based on part clearance/redevelopment alongside refurbishment and design enhancement. Extensive community consultation is envisaged.

The policy outcome for Tipton-Dudley North will need to be an area where market-led growth is balanced with a shift in the social mix (ethnically and economically) and wider housing choice. Overall, the area is one of the most obvious touch-points for the Government's social cohesion agenda in the West Midlands. Most fundamentally, as one of the historic pivot points of the Black Country, Tipton/North Dudley has to function effectively if it is to anchor the major planned BCS employment, investment and housing corridor.

The measures proposed by **evolve** will ensure that a solid foundation for future investment will have been laid. The masterplanning, consultations, remediation and site clearance work will deliver cost effective, long-term sustainable regeneration and renewal. It will be catalytic in securing widespread urban renaissance that will complement work being done to the South in the Urban Living Pathfinder area.

SOUTH TELFORD

Market context

The South Telford cluster includes the earlier New Town settlements of Woodside, Sutton Hill and Brookside.

Although it has historically drawn much of its population from the Black Country, in many ways Telford's housing market is unique in form and characteristics. This stems largely from the fact of its New Town History – much of it being a series of 'engineered' communities – and partly from its industrial history and topography, where disparate mining settlements progressively coalesced during the last century.

These estates are built on Radburn principles and to a design that has subsequently created major problems for their effective management. There are large zones of unkempt public spaces and many residential areas have no real identity. The local centres constructed to serve these communities are poorly designed with large areas of uncontrolled public space. Road access is tortuous and creates a negative image because of cul-de-sac issues and rubbish and graffiti-strewn garage courts. The design facilitates crime and nuisance. Standards of maintenance and surface finishing are very poor, contributing to a drab, featureless, uncared for environment.

A fragmented pattern of ownership and poor levels of management and investment compound this strikingly poor urban form. This problem can be traced back to the fire-sale disposal of stock by the former New Town Development Corporation in the 1980s. Social renting accounted for 81% of households in South Telford in 1981 – a 'footprint' equivalent to the social periphery of the Black Country. By 2001 social renting was down to under a third – a fundamental transformation, but not one paralleled in the Black Country. The disposal fuelled the emergence of a significant private rented market. South Telford has also recently proved attractive to buy-to-let investors, and private renting now accounts for 12% of the market.

Private renting has thus effectively begun to supplant social housing as the most affordable alternative for those on low incomes with limited choice, particularly single people households. The fact that voids are not higher and prices are just holding up in South Telford seems to confirm there is a very restricted choice of affordable accommodation for the poorest young people in Telford. What might have been 'sink council estates' are beginning to become 'sink private rented estates.' This process can also be seen in the ex-NCB estates of the North Staffordshire conurbation. Sluggish house prices trap existing often low-income owner-occupiers in the area unless they can rent or sell to a buy-to-let investor and there is little incentive for anyone to invest in the area through house purchase. The estates appear tied into a spiral of declining relative house prices, increasing poverty, crime, and environmental deterioration. In this context private renting facilitates rapid churning of the local population and further undermines stability and cohesion.

Rationale for intervention and key outcomes

The rationale for the selection of South Telford for early intervention must be seen within the wider context of the Borough's agenda. Telford & Wrekin was selected by Government as the first Single Pot LAA in the Country in 2005. Following negotiation, the primary aim of this ground-breaking agreement was the physical and economic transformation of Telford. The transformation of Telford is also the first of Telford & Wrekin LSP's seven Community

Ambitions. It contains as a key goal, the regeneration of the South Telford former new town estates.

This regeneration programme is predicated upon the **evolve** research. Within Telford, the Woodside estate has been identified as a priority for intervention. Work has already started upon what is also one of English Partnership's national strategic sites. This work has achieved over 80% satisfaction rates from residents. Within the emerging Local Development Framework, South Telford has been identified as one of two Action Area Plans. An independent delivery vehicle is being established to implement this transformational change.

Our analysis has confirmed that the South Telford area exhibits acute housing difficulties. Previously viewed in isolation, the link to the Black Country is now well understood but the legacy of limited past regeneration investment remains. The evidence base for **evolve** together with a comparative study of West Midlands estates (CSR Partnership 2006f) has squarely placed South Telford within the **evolve** target intervention area.

At a strategic level, Telford's young population and high birth rates together with the level of net immigration of around 700 households per annum has delivered rising demand. But this is well ahead of Telford's distinctly low-key recent new build programme, which has caused prices to surge and sharpened affordability pressures. This has guaranteed a crude demand for South Telford but it remains a highly dysfunctional housing market. The provision of more affordable housing in Telford would rapidly deflect this demand with a direct impact on local prices and voids. So it is vital that investment is now made in these estates to ensure their current management and stability and to underpin the long-term within the wider Telford market

The analysis, when combined with the ability to deliver early RHB spend and outputs, directed the **evolve** partners to rank the South Telford project as a priority.

Woodside is already the focus of ongoing neighbourhood renewal activity with a programme underway for the progressive demolition and replacement of the worst of the stock and a remodelling of the infrastructure and public realm. The impact is highly visible and is boosting prices in the improved part of the estate.

The **evolve** project for the Woodside, Brookside and Sutton Hill estates will feature the comprehensive regeneration of the area through acquisition, demolition and redevelopment, coupled with measures to enhance the local skills base and improvements to the social fabric.

The outcomes include land release for new build to meet Telford's growth objectives. Mixed-income housing will provide more balanced communities to address current problems of social polarisation. The project will augment existing community engagement and address a variety of symptoms including absent landlords. The community-led improvement to design and layout will support local centres, address crime issues and contribute to the Respect agenda.

Cross-cutting Themes

In each of the five areas, there are three cross cutting themes that complement the interventions. These themes include:

- Measures to effectively manage and regulate the growing private rented sector;
- A strategy to facilitate social cohesion to accommodate the needs of increasing BME communities and particularly to understand the aspirations of young people of BME origin;
- Measures to ensure that a quality urban design and environment is achieved, which will provide the Black Country and Telford with a more competitive edge over the large supply of housing that exists outside of the main urban areas.

Specific Actions

In addition to the general themes identified above, there are a number of specific actions, which need to be developed in response to the research findings, and these are set out below:

Social Cohesion

This is an issue that needs an effective response across all five Local Authority areas. However there are likely to be pressures caused by demographic change and migration within the conurbation over the next decade, and these may be most acute in the Walsall and South Black Country areas. These areas are already experiencing inward migration from BME groups from the City of Birmingham. Given the projected growth of these groups within the city, and the current availability of the market to meet their needs through the provision of affordable housing, it is likely this migration will continue into the Black Country. A series of local cohesion strategies, which can address the issues that may arise from these changes, needs to be developed across the south Black Country as a priority.

Affordable Housing Supply

As this decade has progressed the issue of affordability has become more acute in all areas. Given the demographic profile of the Black Country and Telford, and the increasingly polarised nature of the employment market, the provision of affordable housing will need to be as much of a priority for policy makers as the attraction of social class AB households. If social segregation is to be reduced then firm plans need to be developed to ensure that genuinely mixed income communities are developed within the new build programme, and within some of the more socially excluded council estates in the outer core and social periphery such as Dudley North, Tipton, Bloxwich and Low Hill.

Competitiveness of the Urban Form

The research has demonstrated that over the last two decades the problems associated with housing market weakness, have shifted, in relative terms, from the South Black Country to the North. In the North of the Black Country, a fairly monolithic housing offer has had to compete with a robust new build market beyond the borders of the conurbation. The likelihood is that if this part of the Black Country is not prioritised for regeneration and restructuring it is unlikely to compete effectively with other areas in its rural/suburban hinterland. If this were to be the

outcome, it is likely that the conurbation will continue to lose population, rather than grow, as Policy Makers would wish.

A similar issue, albeit at a smaller scale is evident in South Telford, where the disparity in life changes and environmental condition are increasingly evident. A strategy is in place for the Woodside area, and this approach to renewal will need to be rolled out to adjacent estates over time.

A Development Plan for Changing Land Use

The key to the Black Country achieving its regeneration and growth objectives is the facilitation of the changing pattern of land use which will need to occur as the area moves from an industrial to a post industrial environment. For the area to attain its population and growth objectives, a considerable amount of industrial land will need to be remediated and prepared for housing use. It is envisaged by the Black Country study that this change of land use will be delivered through the redevelopment of a number of Strategic Corridors. These corridors will need a development plan, which clearly sets out the sequencing of land release, the costs associated with it, the type of housing to be developed as well as how the outcomes will be consistent with the broader regeneration aims of the Black Country (for example how does the development of a corridor impact on cohesion or need?). The most obvious starting point for a corridor of this type would be in the area between Wolverhampton city centre and Smethwick. Here there are a critical mass of initiatives (which include the Government's Market Renewal Programme) as well as a recent history of developer interest.

Managing the Private Rented Sector

The growth of the private rented sector is an issue that will need careful consideration by the five local authorities who have collaborated on this Prospectus. There has been sustained and spatially focused growth in this sector throughout this decade. The growth is most pronounced in the north of the Black Country, and is particularly evident in the inner areas of Wolverhampton. The Private Rented Sector in marginal housing areas brings many challenges that include: higher population turnover (and reduced cohesion); a lack of investment in property; a higher 'natural' vacancy rate, higher rates of crime (as a result of the housing market change). These challenges will need to be reflected in neighbourhood management processes and programmes as the trend towards higher levels of private renting is unlikely to abate in the medium term, although there may be short-term fluctuations.

The link between Housing Strategy and Regional and Sub-Regional Policy Objectives

The research programme has identified a series of key drivers of change in relation to local housing markets. Ideally local housing strategies will be adjusted to take account of these drivers and to develop measures that will enable the Regional and Sub-Regional policy objectives to be achieved. Appendix 2 details how the drivers of change are linked to the regional and sub-regional policy objectives via a series of Strategic Outcomes that will flow from effective housing market intervention.

BLACK COUNTRY COMMISSIONING UNIT

During the course of this study a number of issues have emerged where it is thought that a fresh approach should be taken to assist in achieving the Public policy objectives which have been set Regionally and Sub-Regionally. The Objectives contained in the RSS to reverse the historic outward flow of residents from the conurbation, along with the objectives contained within the Black Country Study which seeks radical land use change to facilitate an Urban Renaissance, represent the most ambitious approach to regeneration since the end of the 1960s.

Through a series of discussions held between partners who have had an input in the ECOTEC work, the following areas were highlighted which would benefit from a more collaborative approach between the local authorities. These include:

Estate Regeneration

All five local authorities have significant issues and needs relating to council-built estates. It is felt that in recent years the skills base to fulfil this task has been diminished.

Facilitation of new housing supply

Government policy is increasingly focused on encouraging greater housing supply. In the West Midlands context this involves the provision of affordable housing, but also for regeneration purposes, higher quality housing to ensure more mixed income communities emerge in the conurbation. The scale of this task is likely to stretch the capacity of the public sector.

Radical change in land-use patterns

The Black Country is highly dependent on securing radical changes to the existing land use patterns. This will require cross boundary working over the next two decades to achieve the desired level of change.

Multiple Area Agreements

Through the MAA process it may be possible to secure a link between existing regional and sub-regional strategies, with a programme of regeneration activity, which has buy in from local and central Government.

Housing

In respect of housing, there is a need for a formal mechanism that could assist with the updating of the sub regional strategies.

There is an opportunity to create a Commissioning unit to assist in achieving/completing the tasks outlined above. The main benefits of developing this approach are that:

- It would allow a panel of national and international experts to be assembled which each partner could draw upon either collectively or individually;
- Because of the panel arrangements this resource could be accessed quickly and without the normal delays associated with the tendering process for individual contracts;

- This approach to procurement would facilitate a Black Country wide view in relation to the physical and social redevelopment of the area.
- It would raise the profile of the issues and enhance the delivery capacity for regeneration in the Black Country;

The approach chosen in relation to commissioning could be as ambitious or conservative as the funding authorities would wish. We can envisage at least three separate tasks which could be 'bolted' together, depending upon the objectives of the partners.

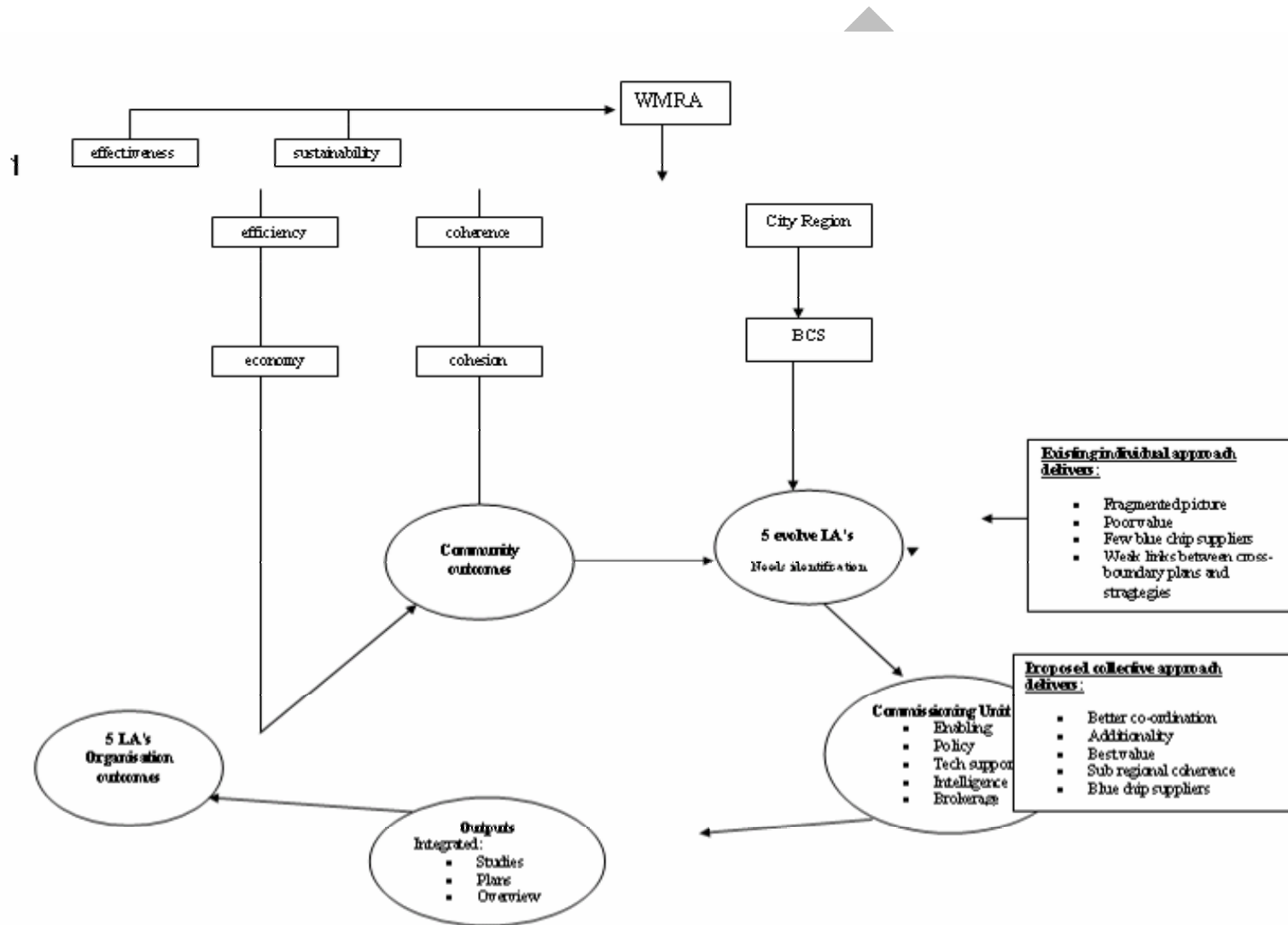
The minimal approach for a small commissioning unit would be to undertake the following tasks:

To commission research which has a sub regional remit or relates to the delivery of those objectives;

- Masterplanning
- Commissioning assistance with programme or project development
- To procure support for bids for resources and resource maximisation
- To commission work relating to housing and social cohesion which has a sub-regional impact

A more ambitious approach could also involve creating a developers' panel and RSL partnerships through this unit. This would help to facilitate increased housing supply, estate regeneration and land use changes. Finally, dependent upon the resources available, it would be possible for this unit to offer programme and financial management services to aid a Black Country wide approach to housing market restructuring.

It is envisaged that the commissioning unit would be small, and would be paid for in the first instance by a modest sub-regional top slice of funds. Access to the facilities of the Unit would be dependent upon a draw down approach, or pay as you go method, so that each partner can take out what they put in. The governance of the unit would be made up of the representatives of the local authorities and the Black Country Consortium. This is explored in more detail below.



BCCU: Justification and Governance Relationships

In housing, current arrangements produce a less than satisfactory relationship between the regional level and individual Local Authorities. This is detrimental to the operation of the wider housing market.

It results in an approach that fails to deliver coherence in policy and planning *across* Authorities. The current approach is also uneconomic because it does not make best use of the collective buying power of the five LA's in the **evolve** area, and inefficient as it can fail to attract the big "name" companies because the contracts offered to them on an individual LA basis can be too small to attract the biggest blue chip suppliers.

Overall, this tends to produce an ineffective response to the housing challenges facing the sub-region.

The key benefits include:

- By creating a single commissioning unit to satisfy a variety of LA housing needs, individual LA outcomes of improved economy, efficiency and effectiveness are all enhanced.
- The process works through the commissioning vehicle selecting an approved panel of suppliers for a variety of agreed activities via a process involving a single European Journal (OJEU) notice.
- This collective approach is likely to attract bigger blue chip suppliers which may not necessarily be tempted by the size of contracts on offer through individual LA procurement practices. The suppliers bid to offer a number of desired services at an agreed rate and once appointed to the panel work directly for the client Authority/Authorities. However, the commissioning vehicle will map activity to avoid duplication, provide advice and maximise learning for the benefit of all its members.
- Importantly, the commissioning approach also produces many positives for local communities. These include a sub-regional perspective where the potential advantages of producing a better-integrated picture deliver wider community benefit through improved cohesion, coherence and sustainability.
- Improved organisation and community outcomes will help to deliver the strategic benefits the Regional Assembly and those other bodies, such as the City Region and Black Country Consortium aim to promote.
- Developing the commissioning approach thus not only delivers important linkages between the region, the wider housing market and local communities but also produces a virtuous cycle of continuous improvement, all in a more efficient manner.
- If proved to be effective during the operation of a housing pilot, the commissioning solution could also potentially offer a satisfactory approach for other areas of activity, such as economic development.

APPENDIX 1: DRIVERS OF CHANGE MATRIX (WORKING DRAFT – NEEDS MORE WORK ON POLICY-ON TRAJECTORY)					
Timescale	Primary driver	Supply driver	Demand driver	Primary outcome	Localised driver
Historic or current driver	<p>Economic change</p> <p>General restructuring of conurbation economy away from manufacturing over past 30 years</p> <p>Poorly performing economy, especially lack of knowledge-based industries (limited growth of AB groups over last decade)</p> <p>Shift of employment to (a) Birmingham/Warwickshire and M54/Telford corridor:</p> <ul style="list-style-type: none"> - Large development of sub-regional employment sites in Birmingham, Staffordshire and North Warwickshire - Development has mirrored road corridors – M6, A38 and M54 <p>Manufacturing closure resulting in huge land release</p> <p>Continued shift from industrial use to housing</p> <p>Failing urban form:</p> <p>Polycentric origins – fragmented historic settlement pattern - no ‘city effect’</p> <p>Historical legacy of poor quality environments</p> <p>Population decentralisation:</p> <p>Long-term process of cascading migration within conurbation and persistent out-migration to surrounding districts</p> <p>Growing importance of high value reference area developing in South Staffs:</p> <ul style="list-style-type: none"> - 17% of new build occupiers in reference area from Black Country - New build occupiers in reference area have strong work connections (22%) with BC and (24% go to Wolverhampton for leisure and 30% Dudley for shopping) <p>Governance and policy environment:</p>	<p>Clearance</p> <p>Postwar clearance in Victorian cores</p> <p>1990s clearance of obsolete social rented stock</p> <p>Tenure shift</p> <p>Original mass municipal build for industrial population</p> <p>Declining social rented stock through RTB and clearance</p> <p>Postwar shift of poor quality private housing from PRS to owner occupation</p> <p>Choice</p> <p>Limited range of property types</p> <p>Poor quality, easy access housing</p> <p>Lack of larger accommodation</p> <p>Quality residential neighbourhoods confined to suburban fringe</p> <p>Poor stock condition</p> <p>Loss of family social rented housing (RTB)</p> <p>RTB sales generating new market but urban form of estates remain same</p> <p>New build</p> <p>Largest new build sites in core (BCDC impact and since)</p> <p>Advent of ‘city living’ market in parts of Black Country but huge in Birmingham</p> <p>Accelerating new build rate due to land supply and changing planning</p>	<p>Migration</p> <p>Changing aspirations (cf overall residential offer)</p> <p>Inflow of young people and outflow of families with children</p> <p>Ageing population and changing household structures and falling household size</p> <p>Evidence of family breakdown causing frequent moves in social rented estates</p> <p>Wolverhampton, Walsall and Dudley fairly self-contained markets but link with rural hinterlands while Sandwell links mainly to Birmingham</p> <p>BME</p> <p>BME main source of household growth in Black Country</p> <p>Indian outflow from inner core</p> <p>Apparent ‘Inpermeability’ of some council estates to BME</p> <p>BME backfilling</p> <p>International migration to inner core (reception function)</p> <p>Asylum seekers providing fresh demand for social renting</p> <p>Asylum seekers often male under 35</p> <p>New build</p> <p>New build attracting inflow (26%), AB (xx%) and BME (xx%) but also private investors (15%)</p> <p>Advent of city living demand for specific design/cultural offer not</p>	<p>Economic</p> <p>Low incomes, levels of economic activity and lack of qualifications</p> <p>Concentrated poverty</p> <p>Low levels of owner occupation</p> <p>Underinvestment in housing stock</p> <p>Poor stock condition</p> <p>Markets</p> <p>Lack of housing choice (tenure and quality)</p> <p>Mismatch of supply and demand</p> <p>Concentrations of vacant properties, especially in north Black Country</p> <p>Recent price rises from low base</p> <p>Asylum seekers and EU migrants stimulating private renting market</p> <p>Advent of buy-to-let market and surge in private renting</p> <p>Area function</p> <p>Loss of function in inner core and social periphery neighbourhoods</p> <p>Large and growing BME communities sustaining local housing markets</p> <p>Localised BME migration from traditional areas</p> <p>Housing need</p> <p>Mounting affordability issues since 2000 buttressed demand for much smaller social rented sector.</p> <p>Declining SRS displaced low-income households into private rented property</p>	<p>Poor estate design (tower blocks, deck access, Radburn)</p> <p>Concentration of marginalised and socially stressed households</p> <p>High churn in some neighbourhoods</p> <p>Social cohesion issues</p> <p>Crime and anti-social behaviour, problem neighbours and fear of crime</p> <p>Poor local services</p> <p>Quality and maintenance of local environment</p> <p>Property and neighbourhood dissatisfaction</p> <p>Loss of ‘critical mass’: limited or declining local shops and businesses</p> <p>Negative perceptions and neighbourhood stigma</p> <p>Examples of successful neighbourhood regeneration including City Challenge and Estate Action</p> <p>Student market (inner core Wolverhampton)</p> <p>Market insularity leading to susceptibility to demographic decline</p> <p>Spiral of decline (combination of factors)</p>

APPENDIX 1: DRIVERS OF CHANGE MATRIX (WORKING DRAFT – NEEDS MORE WORK ON POLICY-ON TRAJECTORY)					
Timescale	Primary driver	Supply driver	Demand driver	Primary outcome	Localised driver
	<p>Early postwar 'patchwork quilt' of 21 local authorities with fragmented services, planning and urban management, while later reorganisation led to remoteness</p> <p>1950s/60s planned population decentralisation (peripheral greenfield sites, New Towns)</p> <p><i>Green belt restricted development but 'leapfrogging' activity occurred</i></p> <p>Right to Buy legislation created fresh market but with mix of impacts including problems of meeting need, marginal owner-occupation</p> <p>Deregulation of private rented sector in 1988 with some adverse market impacts</p> <p>Examples of both effective and poorly designed and delivered regeneration and housing programmes</p> <p>Success of BCDC with road infrastructure and business development and new build housing in core</p> <p>Policy reinforcement of market negatives: weakness of predict and provide planning, improved transport links enabling outflow of higher income groups, 'fire-sale' of New Town stock, etc</p> <p>Advent of urban renaissance agenda to address past policy failures (BCS)</p>	<p>land supply and changing planning framework – especially in Sandwell</p> <p>Large new build supply in Birmingham city centre and Shire Authorities</p>	<p>inner core</p> <p>Minimal interest in reference area new build occupiers in moving to BC next time and only 5% expect to do so in 10 years</p> <p>Reference area population uses Black Country but won't move to it; their next move is village locations or further away from conurbation</p>	<p>rented property.</p> <p>Pakistani and Bangladeshi growth in Black Country and Birmingham results in significant housing need in current locations</p> <p>Affordability issues affecting young BME residents</p> <p>Over-heating of housing market in Birmingham and Telford</p>	
	<p>Overall economy performed well and lost jobs replaced by growth in newer manufacturing (polymer engineering, ICT) and service industries</p> <p>Economy exposed to shifts in foreign direct investment (FDI)</p> <p>Competition from M54 Wobaston Road</p> <p>May lack economic base to support population growth agenda</p> <p>Distinctive “planned” settlements - monolithic</p>	<p>Some clearance in Woodside</p> <p>Tenure skew in South Telford</p> <p>Low new build rate and land supply insufficient to deliver RSS targets</p>	<p>Rapid and continuing population growth</p> <p>Very young population profile</p> <p>Lack of significant BME community</p> <p>High AB population</p> <p>Gains from Black Country not Birmingham</p>	<p>Highly socially and economically polarised between South Telford (and to some extent East Telford) and the rest of Urban Telford</p> <p>South Telford catering for an exploding population of the young and poor</p> <p>Internal household growth exceeding new build rate</p> <p>High house prices and very strong</p>	<p>Influence of growth of the university on the private rented sector</p> <p>South Telford estates – Radburn problems, fire-sale legacy, growing private renting for young poor</p>

APPENDIX 1: DRIVERS OF CHANGE MATRIX (WORKING DRAFT – NEEDS MORE WORK ON POLICY-ON TRAJECTORY)					
Timescale	Primary driver	Supply driver	Demand driver	Primary outcome	Localised driver
	in terms of housing types and social structure Supply of employment land Disposal policy of Telford New Town Corporation RSS sees BTW as focus for major retail, office and leisure developments			price growth as market overheats Strong PRS growth and marginal owner occupation	
Future – policy off	Continued manufacturing decline leaving low skill workforce and widening income gap (divergence) Reducing but continued outmigration of population Population loss especially north Black Country RSS imperatives on new build locations/density Pipeline reflects employment land completions – more land supply in Black Country and Telford M54 Axis potential threat to the Black County	Growing private rented sector Loss of social rented family housing through RTB sales Housing pipeline – improved performance Black Country Authorities against RSS Surge in new build with only modest household growth will cause voids to rise	Population outflow and population decline (new build survey suggests cascade migration set to continue) Continued international migration Displacement of low income population from Birmingham 30% of new build occupiers plan to leave BCT at next move Limits to city living - only 1% of new build occupiers want city centre apartment next time Employment growth in M54 corridor may worsen problem of AB loss to reference area	Low value/low income housing stock vulnerable to changes in demand Strong PRS growth, especially in city living apartment market Potential for gentrification limited (too few neighbourhoods like Bearwood or Park) Continued underinvestment Mounting housing need Dispersal of some BME groups and backfilling by international migration will continue Prospect of worsening living environments Social cohesion concerns Trend line to 2031 population loss of 84,000 and ultimately end of household growth Surge in new build with only modest household growth will cause voids to rise North Black Country vulnerable to population loss due to weaker profile and exposure to reference area Impact on urban form if closures result in dereliction	Neighbourhood dissatisfaction Dereliction Declining image Social tensions Crime

APPENDIX 1: DRIVERS OF CHANGE MATRIX (WORKING DRAFT – NEEDS MORE WORK ON POLICY-ON TRAJECTORY)					
Timescale	Primary driver	Supply driver	Demand driver	Primary outcome	Localised driver
	Employment growth expected	Comment on new build		<p>New build rates of 700 pa lags behind need for circa 1,000 to meet mainly internal household growth and some inflow</p> <p>Results in spiralling prices</p> <p>Pressing need to increase supply of affordable housing</p> <p>Trapped market in South Telford</p>	
Future – policy on	Focus on strategic centres	<p>New build and integrated offer</p> <p>Clearance to improve residential offer</p> <p>New high quality residential areas</p>	Population retention	<p>RPG build and clearance to 2021 with constant void rate means needed 90,000 population gain and 480 inflow pa</p> <p>Extending RPG rates to 2031 with constant voids rate 125,00 population gain and 1600 inflow pa Population inflow into core areas</p> <p>Council estates</p> <p>Stock profile progressively remodelled</p> <p>Smaller units at higher densities close to centres/corridors</p> <p>Measures to encourage BME inflow in parts of social periphery</p> <p>Environmental and regeneration interventions</p> <p>BME</p> <p>Interventions to include BME housing design issues into new build</p> <p>Measures to encourage BME migration to social periphery and other major council estates in the core</p> <p>Progressive renewal of inner core</p>	

APPENDIX 1: DRIVERS OF CHANGE MATRIX (WORKING DRAFT – NEEDS MORE WORK ON POLICY-ON TRAJECTORY)					
Timescale	Primary driver	Supply driver	Demand driver	Primary outcome	Localised driver
				avoiding past piecemeal approach	
		Constraining supply of AB housing			

Driver	Strategic Outcomes	Link to Regional and Sub Regional Policy Objectives	
Decentralisation and demography	To ensure that the market has an adequate supply of land to support increased levels of new house building and reverse outward migration	RSS	To address decentralisation through the significant redistribution of housing provision to the MUAs. Local authorities should optimise the opportunities for recycling land for new housing development, to contribute to the Regional target of 76% of future housing provision on previously developed land by 2011.
		RHS	To reinforce and apply the principles of urban renaissance underpinning the RSS and RES, by securing long term changes in to the housing choices so that communities are mixed and economically and socially sustainable.
		CRDP	The City Region will implement policies of urban renaissance to end out-migration and to increase population from 2.7m to over 3million by 2025.
		BCS	To reverse new out migration and grow population to 1.2 million. . A total of 44,100 new homes will be provide by 2021 and 71,700 by 2031
Industrialisation/re-industrialisation	To contribute to the growth in the Region's GVA, by linking economic growth with improved housing choice and market restructuring.	RES	To work together to link housing quality and availability to employment opportunities in the Black Country. The RES will focus economic activity of the Regeneration Zones (including North Black Country/South Staffs and South Black Country and West Birmingham Zones) as well as the three High-Technology Corridors (including Wolverhampton to Telford Corridor)
		CRDP	Creation of mixed and sustainable communities across the City Region will contribute to the Government's sustainable Communities Policy. Housing interventions will support the attraction and creation of skilled labour force to support the City Region's growth ambitions.
		BCS	To raise income levels to 90% of the UK average. A total of 80,000 new jobs will be created by 2021 and 160,800 by 2031
Changing Urban Form	To create the right mix of housing types, tenure, density and price to accommodate the changing needs and aspirations of the current and future	BCS	To create high quality sustainable environments. A total of 1,100ha of land will be transferred from employment land to residential led mixed uses.

Driver	Strategic Outcomes	Link to Regional and Sub Regional Policy Objectives	
	population.	RSS	To improve the quality of the existing housing stock and increase the scale and range of new housing development to create attractive urban communities
Governance and Policy	To assure the deliverability of the policy objectives and priorities of the Black Country Study and the Regional Spatial Strategy.	CRDP	The City Region will implement policies of urban renaissance to end out-migration and to increase population from 2.7m to over 3million by 2025.
		BCS	The study will provide evidence for the formulation of a joint Black Country Core Strategy and will inform the Phase One review of the Regional Spatial Strategy
		RSS	Action to renew and redevelop, neighbourhoods should be focused in areas where there is a risk of problems of decline spreading to adjoining housing areas.
		RHS	To work towards the success of the Regional identified housing market restructuring area of Black Country and Telford.
Changing Lifestyles and Aspirations	To create the right mix of housing types, tenure, density and price to accommodate the changing needs and aspirations of the current and future population.	CRDP	The City Region will need to create high quality aspirational housing in well resourced neighbourhoods to present alternative pathways to BME groups and new international migrants.
		BCS	To accommodate a more balanced population; achieving parity with the national social grade profile.
		RHS	To secure long term changes in to the housing choices so that communities are mixed and economically and socially sustainable
Housing Choice	To ensure that the market has an adequate supply of land to support increased levels of new house building and reverse outward migration	CRDP	The City Region will invest in the core regeneration areas to accelerate the rate of new house building, stock replacement and housing renewal. This will require significant land use change.

Driver	Strategic Outcomes	Link to Regional and Sub Regional Policy Objectives	
	<p>building and reverse outward migration</p> <p>To create the right mix of housing types, tenure, density and price to accommodate the changing needs and aspirations of the current and future population.</p> <p>To improve social cohesion and ensure that new and expanding communities are more balanced and mixed.</p>	BCS	The strategy will increase house building at a minimum of 3,600 new homes per annum to 2031 providing an additional 71,000 dwellings. This scale of housing growth will require a significant change in land use patterns and up to 1,700 ha of employment land will be redesignated for housing.
		RHS	To invest in the region's housing offer to create long term changes in to the housing choices and address the variety of needs across a range of specific sectors of housing circumstances so that communities are mixed and economically and socially sustainable.
		RSS	Local authorities, developers and social housing providers should co-operate to create more balanced and mixed communities through the provision of a range of housing types and tenure within new housing development.
Neighbourhoods Experiencing Decline and environmental quality	<p>To create the right mix of housing types, tenure, density and price to accommodate the changing needs and aspirations of the current and future population.</p> <p>To improve social cohesion and ensure that new and expanding communities are more balanced and mixed.</p>	CRDP	The City Region will provide quality housing to attract and retain high-income employee of the knowledge economy, through the regeneration of neighbourhoods that currently deter potential residents.
		RHS	To invest in the region's housing offer to create long term changes in housing choices , to achieve social and other affordable housing and address the variety of needs across a range of specific sectors of housing circumstances so that communities are mixed and economically and socially sustainable.
New Supply	To ensure that the market has an adequate supply of land to support increased levels of new house building and reverse outward migration	CRDP	The City Region will invest in the core regeneration areas to accelerate the rate of new house building, stock replacement and housing renewal. This will require significant land use change. A failure to regenerate such neighbourhoods will continue to undermine the economic renaissance of the City Region.

Driver	Strategic Outcomes	Link to Regional and Sub Regional Policy Objectives	
	To create the right mix of housing types, tenure, density and price to accommodate the changing needs and aspirations of the current and future population.	RSS	To address decentralisation through the significant redistribution of housing provision to the MUAs. Local authorities should optimise the opportunities for recycling land for new housing development, to contribute to the Regional target of 76% of future housing provision on previously developed land by 2011.
		RHS	To influence the future development of new housing provision to facilitate and enhance the economic development of the Region
Accommodating newly emerging household and BME household growth	<p>To ensure that the market has an adequate supply of land to support increased levels of new house building and reverse outward migration</p> <p>To create the right mix of housing types, tenure, density and price to accommodate the changing needs and aspirations of the current and future population.</p> <p>To improve social cohesion and ensure that new and expanding communities are more balanced and mixed.</p>	CRDP	The City Region will need to create high quality aspirational housing in well resourced neighbourhoods to present alternative pathways to BME groups and new international migrants.
		RHS	To create mixed, balanced and inclusive communities and understand and provide appropriate housing choices responding to the patterns of change in housing circumstances of the Region's long established BME communities.
New economy	<p>To contribute to the growth in the Region's GVA, by linking economic growth with improved housing choice and market restructuring.</p> <p>To create the right mix of housing types, tenure, density and price to accommodate the changing needs and aspirations of the current and future population.</p>	CRDP	The City Region will provide quality housing to attract and retain high-income employee of the knowledge economy, through the regeneration of neighbourhoods that currently deter potential residents.
		BCS	The Black Country will facilitate diversification of the local economy and support the location of new companies through the provision of 2,200ha of employment land and related transport improvements to develop modern employment sites.

Driver	Strategic Outcomes	Link to Regional and Sub Regional Policy Objectives	
	<p>population.</p> <p>To assure the deliverability of the policy objectives and priorities of the Black Country Study and the Regional Spatial Strategy.</p>	RHS	To influence the future development of new housing provision to facilitate and enhance the economic development of the Region
		RES	"to work together to link housing quality and availability to employment opportunities in the Black Country"
		RSS	Economic growth should be focused on the MUAs and the scale and nature of development should be controlled to ensure that it meets local needs and does not encourage further decentralisation of people and jobs from the MUAs.

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