2012-based household projections
The London Perspective

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Overview

- Summary of results for London
- Comparison to 2008-based projections
- Household formation trends
- Drivers of HH growth
- Impact of recent changes in migration
- HH growth across the wider South East
Summary of results for London

- Total projected households
- Annual household growth
- Distribution between local authorities
- Households by relationship status of head of household
- Households by age of head of household
- Average household size
London – estimated and projected households 1991 to 2037

Graph showing the growth of households in London from 1991 to 2037. The black line represents the estimated number of households, while the red dashed line represents the projected number. The number of households increases steadily over time, with the projected number showing a more significant rise compared to the estimated number.
Average annual household growth by decade

- 1991: 20,000
- 2001: 25,000
- 2011: 50,000
- 2021: 50,000
- 2031: 50,000
Projected households by relationship status of head of household

- **Single**: 2012 - 850,000, 2037 - 1,700,000
- **Couple**: 2012 - 1,600,000, 2037 - 2,000,000
- **Previously married**: 2012 - 900,000, 2037 - 1,200,000

Relationship status of head of household
Projected households by age of head of household
Average household size
Average household size
Projected growth in households 2012 to 2037 by local authority
Comparison to 2008-based projections

- Total projected households
- Annual growth
- Total projected population
Total households
Comparison with 2008-based results

![Graph showing the comparison of total households over time, with projected, 2008-based, and estimated data.](image-url)
Average annual HH growth by decade
Comparison with 2008-based results

Decade beginning -

Average annual HH growth (thousands)

- 2012-based
- 2008-based
Total population
Comparison of 2012 and 2008-based SNPP
Household formation trends

- Past household representative rate trends
- Projected household representative rates
Household representation by age
1991 to 2011
Past household representative rate trends

- Household representation among young adults has fallen since 1991
  - Increased participation in higher education
  - Falling affordability
- Some increase in rates among the middle-aged
  - Falling proportion in marriage/cohabitation
Household representation by age
2012 to 2037
Projected household representative rates

- Household representation among 20 to 39 year olds projected to remain lower than in the past
- Representation among 40+ projected to continue to increase

Household projections become increasingly sensitive to number of 40+ in the population
Drivers of household growth

Projected households in the model result of three factors:

- Total population
- Age structure
- Household representative rates

What is the contribution of each to projected growth?
Testing drivers of household growth

- London’s population projected to increase by 2 million over projection period
- Disproportionate growth among older age groups
  - Where household representative rates are higher
- Household representative rates increasing at some ages, falling at others
Projected population by age
Testing drivers of household growth

Manipulate population inputs to model and observe results:

1. Allow total population to change, but keep 2012 age structure
2. Allow age structure to change, but keep 2012 total population
3. Fix population at 2012 values
Testing drivers of household growth
Testing drivers of household growth

- Increase in overall population responsible for majority of household growth
- Changing age structure for remainder
- Changing representative rates little impact on total growth, but....

<table>
<thead>
<tr>
<th>Population variant</th>
<th>Annualised growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full 2012-SNPP</td>
<td>53,106</td>
</tr>
<tr>
<td>Total population held constant</td>
<td>11,350</td>
</tr>
<tr>
<td>Age structure held constant</td>
<td>38,325</td>
</tr>
<tr>
<td>Population held constant</td>
<td>416</td>
</tr>
</tbody>
</table>
...does affect distribution of household types over projection period

No change in population
Impact of recent changes in migration

- Recent patterns of migration
- Impact on projected population
- Impact on projected households
Patterns of migration

- London has net inflow from overseas
- Net outflow to rest of UK
  - Especially E and SE regions
- Net inflow of young adults
- Net outflows of every other age group
London net migration flows mid-2009 to mid-2013
Patterns of migration

- In aftermath of financial crisis net domestic outflows from London fell substantially
- Large variation of impact by age
  - Biggest change in 25-44 age group
- Slowly recovering, but still below pre-crisis levels
- 2012-based SNPP only reflects recent (5yr) domestic migration trends
Net domestic outflow from London

![Graph showing net domestic outflow from London from 2003 to 2013. The graph indicates a trend of declining net outflow over the years, with a slight increase in recent years.](image-url)
Annual house sales in south east
Net domestic outflow from London
Selected age groups

![Graph showing annual net outflow from 2003 to 2013 for two age groups: 25-44 and 45-64. The graph indicates a decline in outflow for both age groups over the years, with the 25-44 group showing a more significant decrease.]
Impact on projected population

- GLA produces projections using both short-term (5yr) and long-term (12yr) migration trends
- Short-term results closely match ONS 2012-based SNPP
- Long-term results have lower total population and younger age structure
  - (similar differences can be seen between 2010- and 2012-based SNPP)
Projected 2037 population
GLA short term vs SNPP-2012
Projected 2037 population
GLA short-term vs long-term
Impact on projected households

[Graph showing annualized HH growth from 2012 to 2037 for GLA short-term, GLA long-term, and DCLG-2012.]
HH growth across the wider South East

- Total projected growth across wider SE
- Distribution of growth
- Impact of financial crisis on regional migration patterns
## National context of growth

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth 2012-2037</th>
<th>Annualised growth</th>
<th>Share of England total</th>
</tr>
</thead>
<tbody>
<tr>
<td>England</td>
<td>5,243,510</td>
<td>209,740</td>
<td></td>
</tr>
<tr>
<td>London</td>
<td>1,327,648</td>
<td>53,106</td>
<td>25%</td>
</tr>
<tr>
<td>East</td>
<td>657,365</td>
<td>26,295</td>
<td>13%</td>
</tr>
<tr>
<td>South East</td>
<td>926,443</td>
<td>37,058</td>
<td>18%</td>
</tr>
<tr>
<td>Wider South East</td>
<td>2,911,456</td>
<td>116,458</td>
<td>56%</td>
</tr>
</tbody>
</table>
Distribution of growth across south east

- Large proportional increases in households projected for many districts in SE
- Largest proportional rises in London authorities
Change in projected HH growth

![Bar chart showing annualised HH growth 2012-2033 for London, East, and South East, with 2008-based and 2012-based projections.

- South East: 2008-based 40, 2012-based 35]
Change in migration patterns post-2008

- Net outflows to most SE districts fell after crisis
- Will they rise again in line with economic recovery?
Implications for planners

- What would be the impact of projecting all of wider south east population using longer time series?
  - Similarly sensitive as London projections?
- Alternative migration scenario SNPP on ONS to-do list
  - But currently lack resource to produce these
- Inconsistent use of projections could lead to “gap” in planned housing provision
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