

EXECUTIVE SUMMARY

**Review of Research on
Migration Influences and Implications for
Population Dynamics in the Wider South East**

**Providing state of the art evidence
to local authorities in the East of England**

Report to the East of England Local Government Association

2 January 2018

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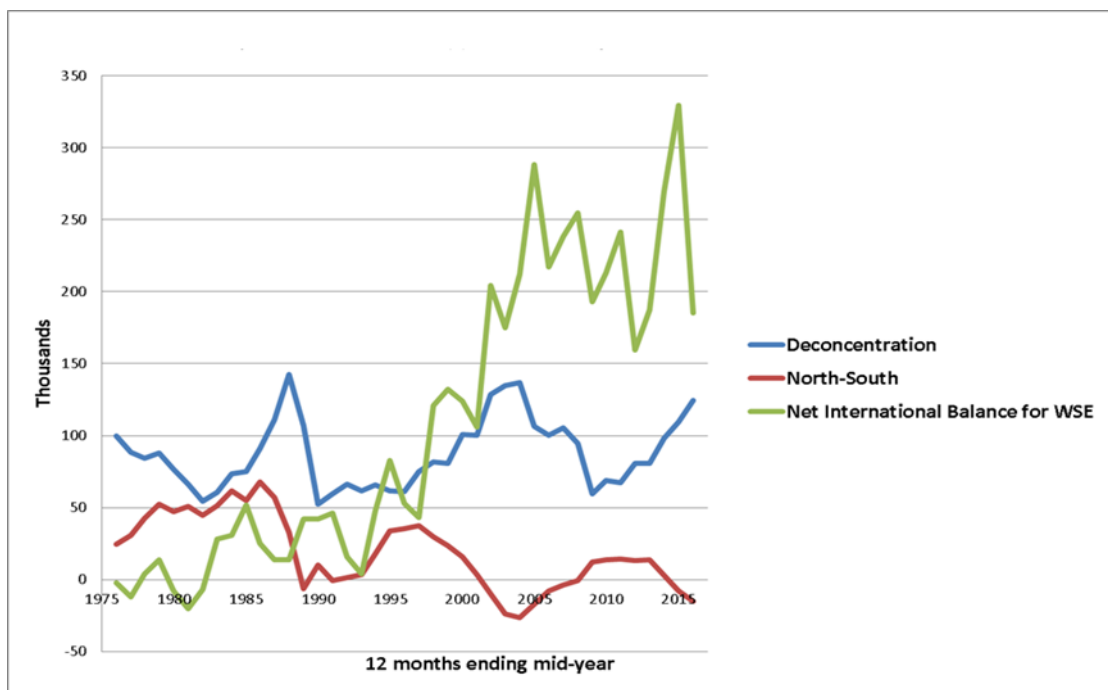
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This executive summary provides a brief overview of the key findings from the LSE's "Review of Research on Migration Influences and Implications for Population Dynamics in the Wider South East".

The Wider South East (WSE) is a large, diverse, dynamic, well networked and polycentric region – although with over a third of its population in one central conurbation. The effect of this combination of characteristics is to give it a highly integrated migration system, with sub-regions occupying different roles and to varying degrees of dynamism, but interacting with the other sub-regions and responding to some shared external factors - in ways that need to be better understood.

- There have been three migrational currents of general importance to the region as a whole – as well as to a 'fringe' area across its northern and western borders:
 - North-south flows, generally involving a significant drift to the WSE and its fringe;
 - International flows, bringing net additions from rich and poor countries, most significantly to London;
 - Deconcentrating moves of population out from major urban areas within the region, most notably London, toward less densely populated areas in the WSE, its 'fringe' – and beyond.
- The relative importance of these has seen important changes over the past 30 years (see graph):
 - The North-South drift mainly of working households has diminished in significance since the 1980s, when both the employment gap was very much wider and cost differentials - notably housing – were smaller, so it now hardly affects WSE population growth in an average year;
 - International migration, on the other hand has grown considerably and now makes a contribution to population growth across the region comparable with that of natural increase;
 - Deconcentrating flows within the WSE (and its fringe) have continued at about the same rate over this long period - though with strong fluctuations.

Graph: Three currents of migration affecting the Wider South East



- The driving force of population deconcentration has been demand for additional living space from residents in major urban areas beyond what is forthcoming there, mostly over spilling in unplanned ways. Underlying this continuing demand has been:
 - Natural increase from births to relatively young populations in these areas;
 - An upward trend in real incomes for most of the population (at least until about 15 years ago); and
 - The concentration of net international migration into London (an increasing factor over the past 20 years).
- The deconcentrating flow exemplifies a more general processes of ‘displacement’ operating across the region as a whole from a complex chain of movements, whereby an external demand to move into an area (from abroad for work or from a few miles away for a house) stimulates some existing residents to move on – and commonly further out.
 - This is especially so from areas where additional housing supply is particularly constrained, as in the outer metropolitan ring, where, as a result, initial inflows from London get matched by outflows from existing residents;
 - Hence the deconcentrating ‘current’ flows on further outward to places in the outer WSE and the fringe beyond, with fewer constraints, and where growth pressures become diffused.
- So far, the degree of displacement has been proportionately less (around 50% rather than full displacement of 100%) in areas with large scale international migration, because many new migrants from poor countries have accepted much higher densities of occupation of existing properties. This substantially explains how London has managed to accommodate a large population growth with only a modest increase in dwellings – though that would cease to be sustainable if/when economic integration of past migrants brings real convergence in expectations about living space or incomes more generally returned to historic growth rates.
- Though dynamic centres in outer parts of the WSE clearly attract labour migrants from other parts of the region (as well as outside) the major deconcentrating flows are housing/environmentally motivated and initially involve extended commuting back to an existing workplace (at least for the principal worker). But the long term experience is that this does not persist and eventually the great majority of those moving out in this way (e.g. from London) find jobs nearer their new residence.
- Each of the major migrational currents has shown considerable fluctuations over the past 40 years, and notably since 2001. For the intra-UK currents, the drivers of change seem to be similar to early periods:
 - For the deconcentration current, which is crucial to London’s net migration balance, slowing substantially after the early 2000s and subsequently recovering, the two key influences remain fluctuations in net international migration *and* nation-wide influences on effective demand for residential space;
 - The balance between these two factors has shifted, however, with impacts of (expanded) international migration contributing more, *and* demand for extra space rather less than in previous eras. In the latter case, this may well reflect the combination of stagnation in real median earnings over the past 15 years with continuing real increases in house prices.
- Within this overall picture, while mobility remains highest among younger single person households and others with no dependents, the number of older movers has grown since 2009 – including many ‘right sizers’ who did not need a mortgage. And while mobility into/out of London in particular is highest for private tenants net (outward) flows are still dominated by owner-occupiers. There have been considerable changes

in the mix of households in London, partly reflecting very significant affordability problems. Single person households have declined to the point of being an endangered species; people are having children later (and possibly fewer) and increasingly even couple households are sharing accommodation with family and friends. The result has been far higher densities of occupation than had been predicted, and less outmigration into the rings than might have been expected. Similar kinds of patterns are also emerging outside London, most strongly in the Outer Metropolitan Area but increasingly across the whole WSE.

- A critical aspect in relation to housing demand, household formation and the pattern of population movement, is the nature of the driving forces which seems not to have greatly changed. However, the outcomes have been very different because the values of those drivers (e.g. income growth and external migration) *have* changed very significantly.
- There are major sources of uncertainty about region-wide patterns of migration in relation to these factors, that cannot be resolved now:
 - What will be the future scale of immigration, post Brexit?
 - How far and how fast will the space expectations of recent migrants converge on those of more established residents? and
 - How long will the stagnation of (median) real earnings continue, with what impact on the space demands underpinning the deconcentration current?
- More speculatively, there are also questions about whether:
 - London's new mix of younger residents with a taste for urban culture will come to give the same priority as previous cohorts did to extra space/quiet over centrality/stimulus; and
 - How far an increased acceptability of living in multi - occupied rental housing will impact on the wish and capacity to move and/or change tenure (as has been the norm for outward movers).
- Another reasonable question, which we could find no present basis for answering, was the impact that any real acceleration of housing construction – within London and/or in other 'rings' of the WSE - would have on actual patterns of population movement (as might reasonably be expected). Addressing this question really depends on understanding much better how the market responds to new supply across the whole WSE.
- The inability to answer that question, and a number of others, reflects not just a lack of evidence, but a lack of attention to researching changing patterns of internal migration with ramifications across the Wider South East during the past 20 years or so, when academic interest has shifted toward international movements and the professional regional planning research capability has been substantially lost.
- Almost everything we know about future migration and housing is based on the past but we must recognise the major changes underway in a whole series of socio-economic, demographic, cultural and (indeed) political factors. This puts the onus on decision makers both to monitor what is actually happening as closely as possible - including in particular the dynamics of the London housing system and patterns of deconcentration across the wider south east.
