

2012-based household projections

The London Perspective

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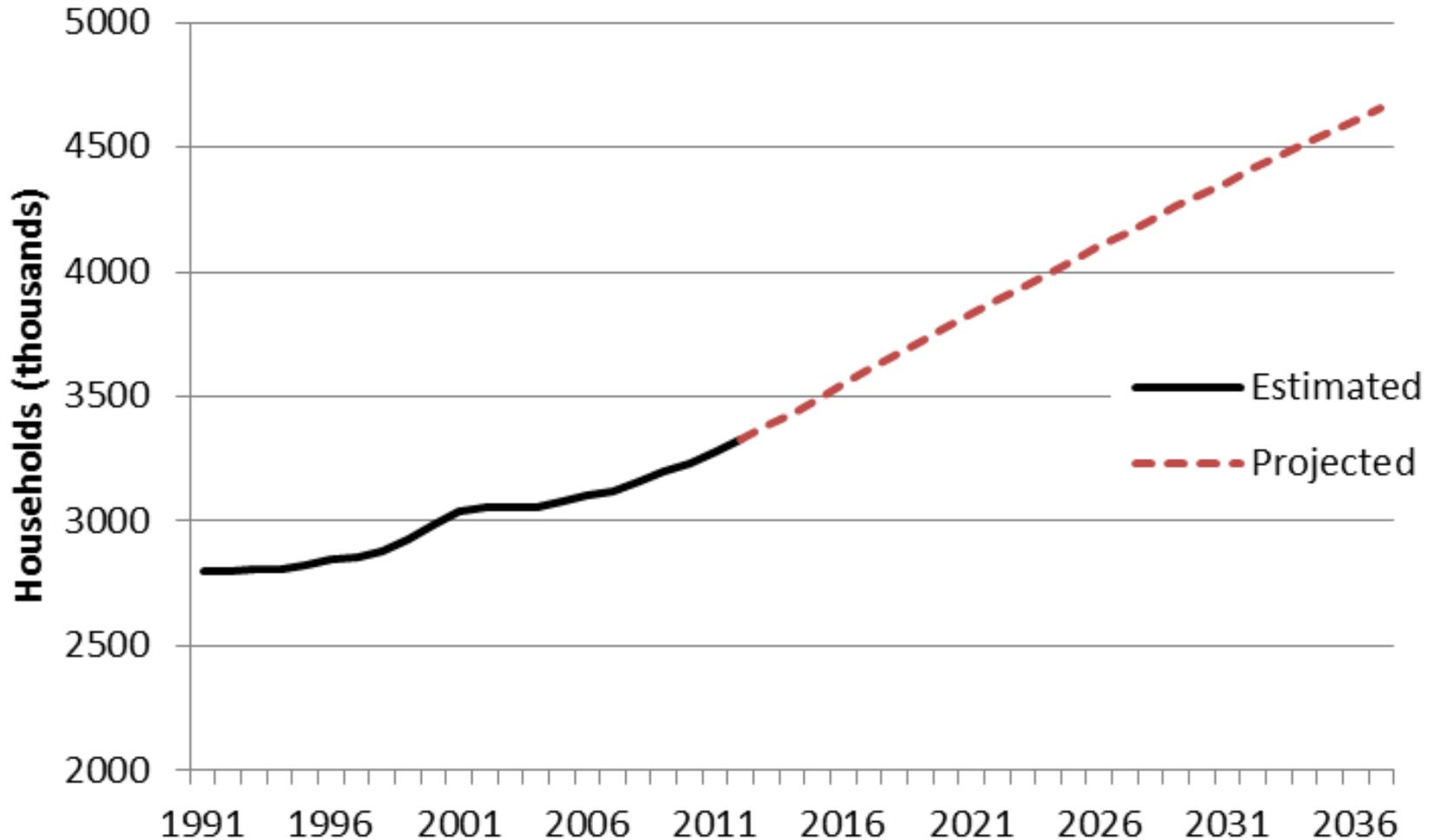
Overview

- 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

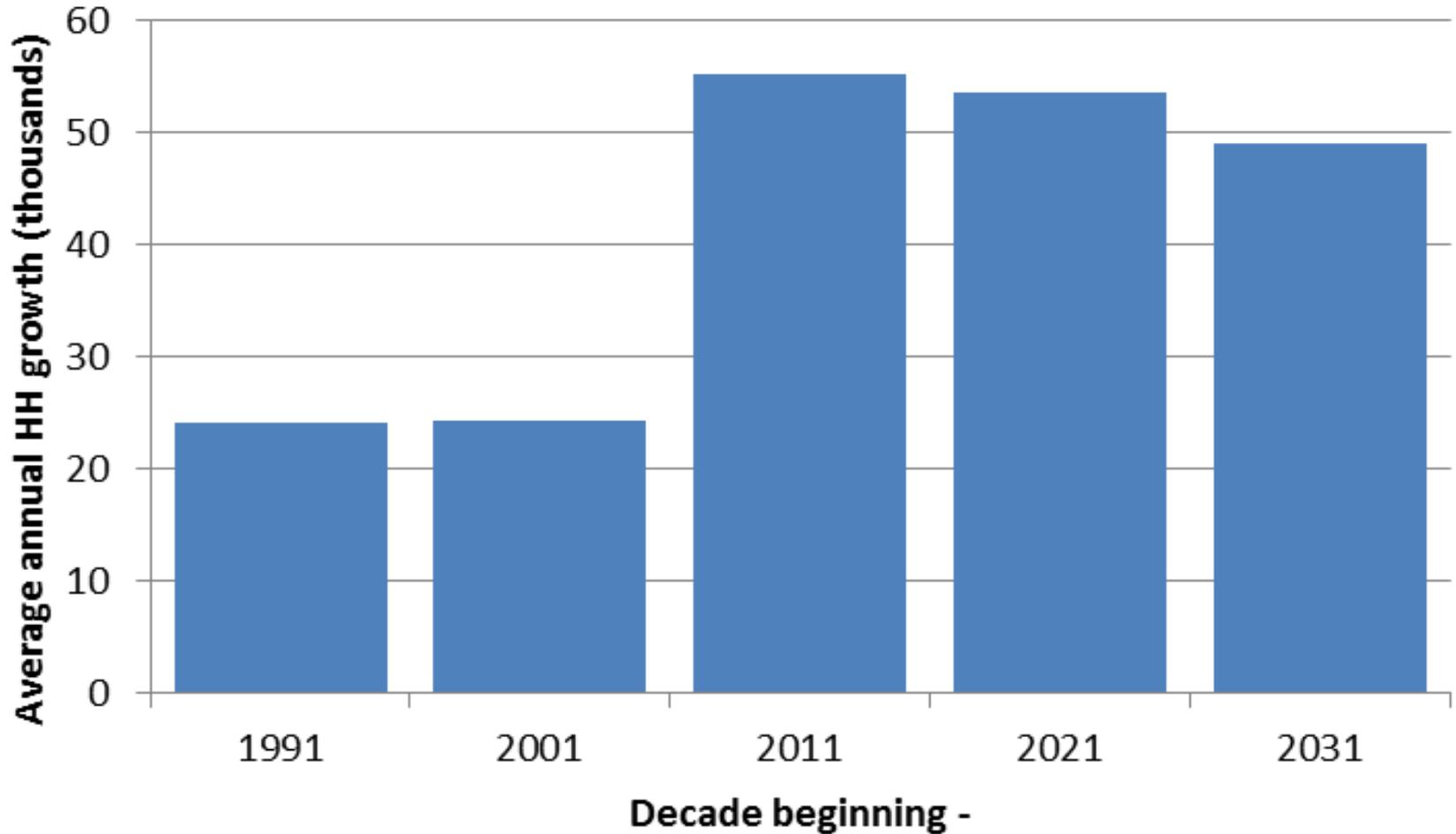
Summary of results for London

- 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

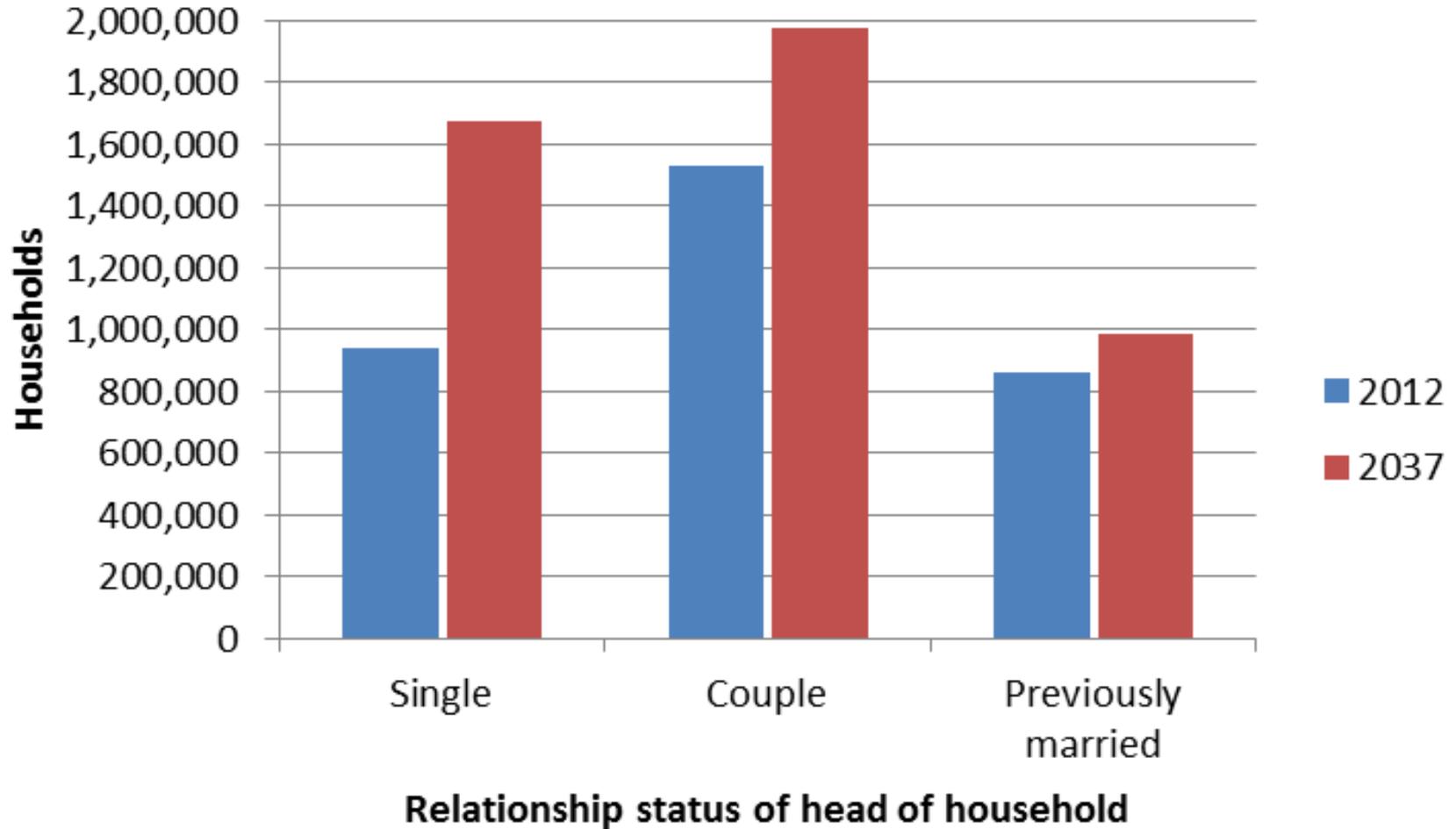
London – estimated and projected households 1991 to 2037



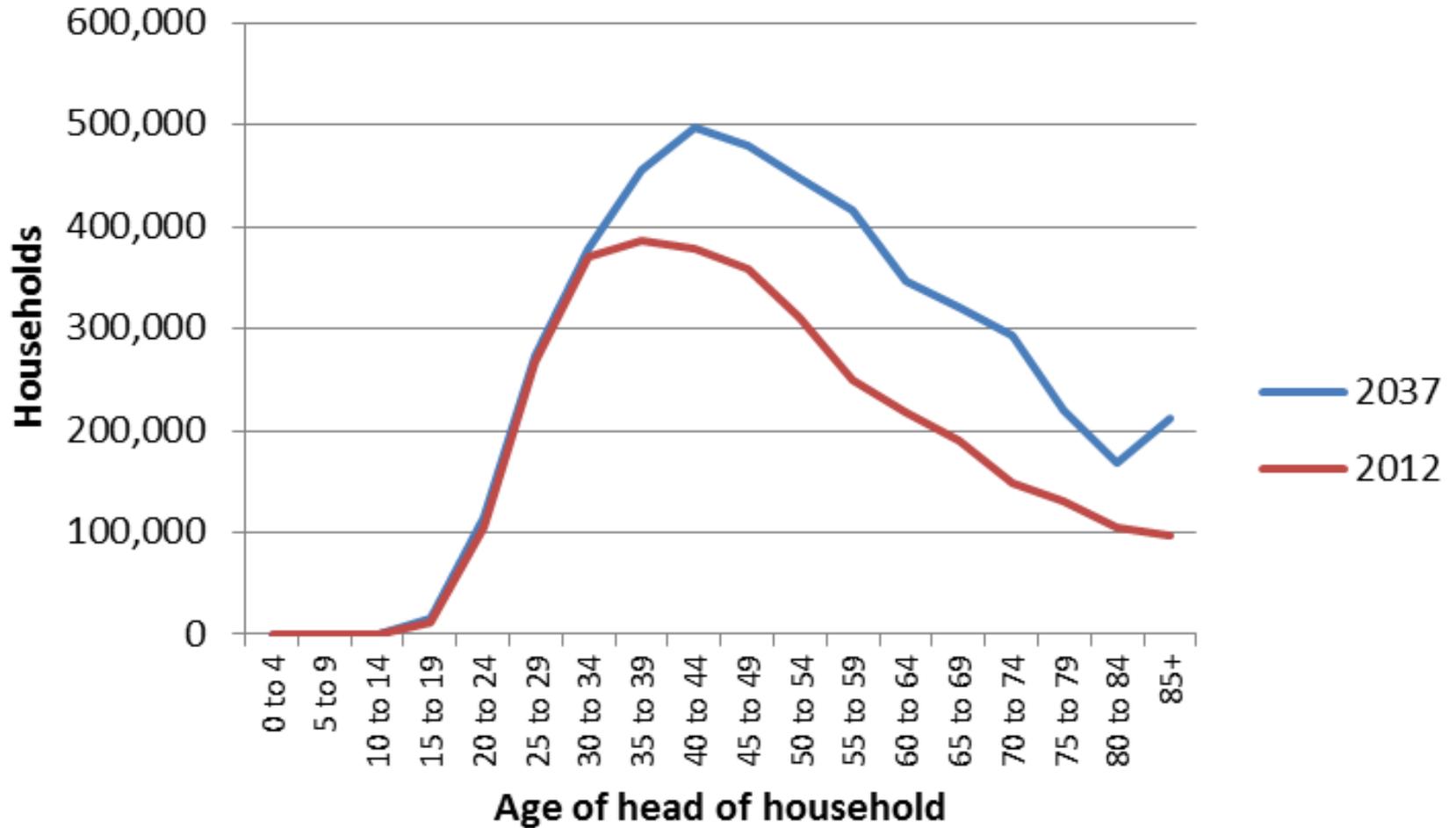
Average annual household growth by decade



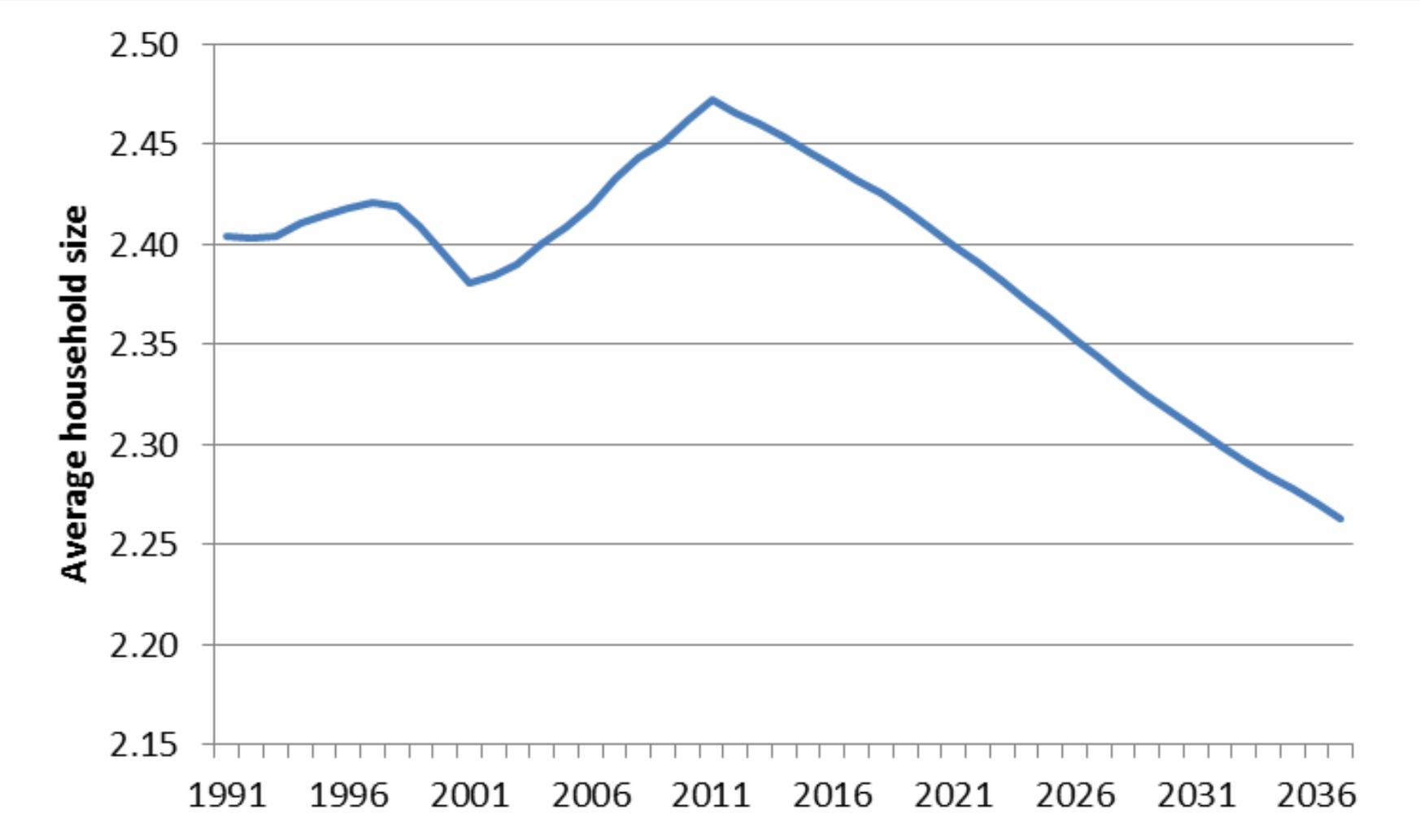
Projected households by relationship status of head of household



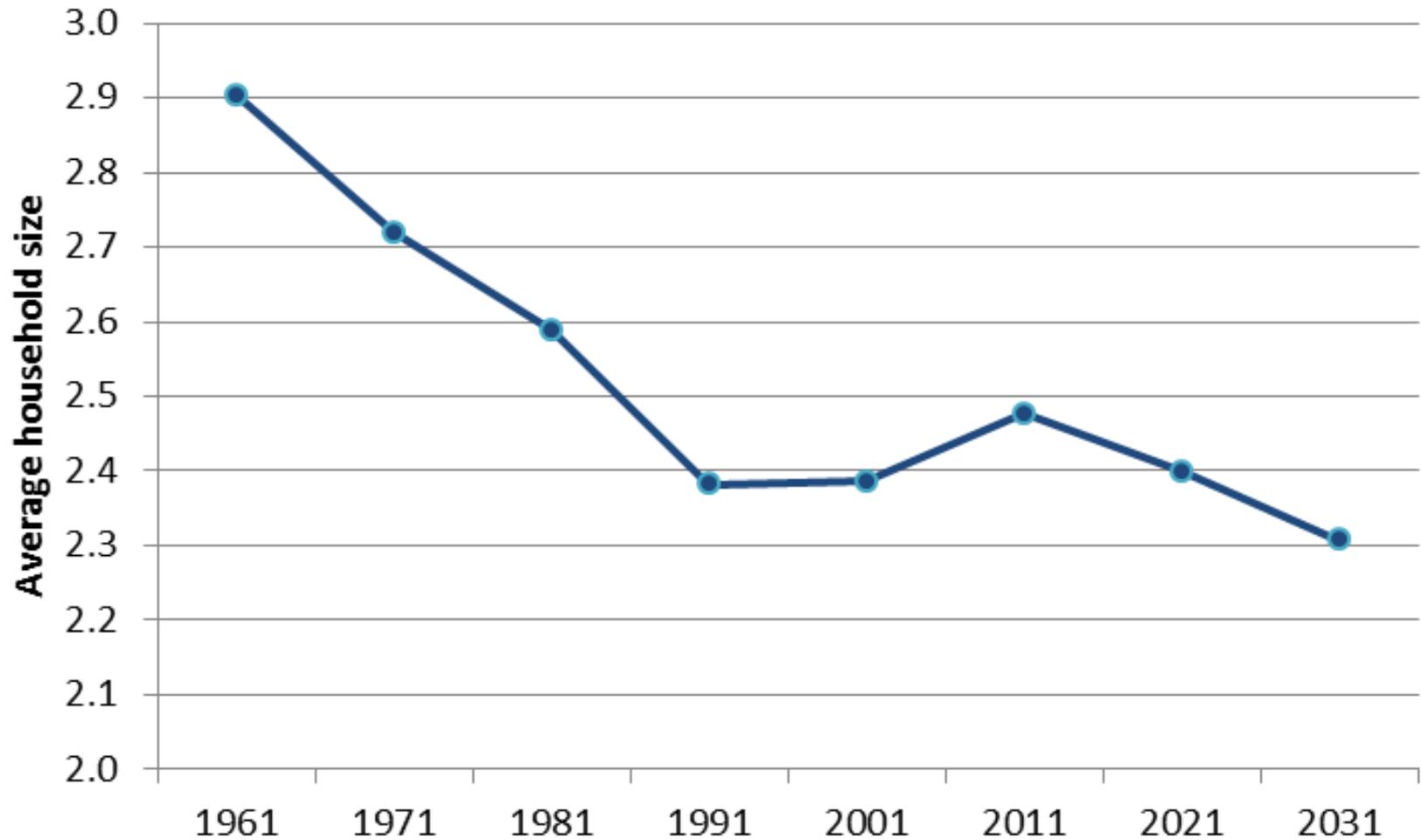
Projected households by age of head of household



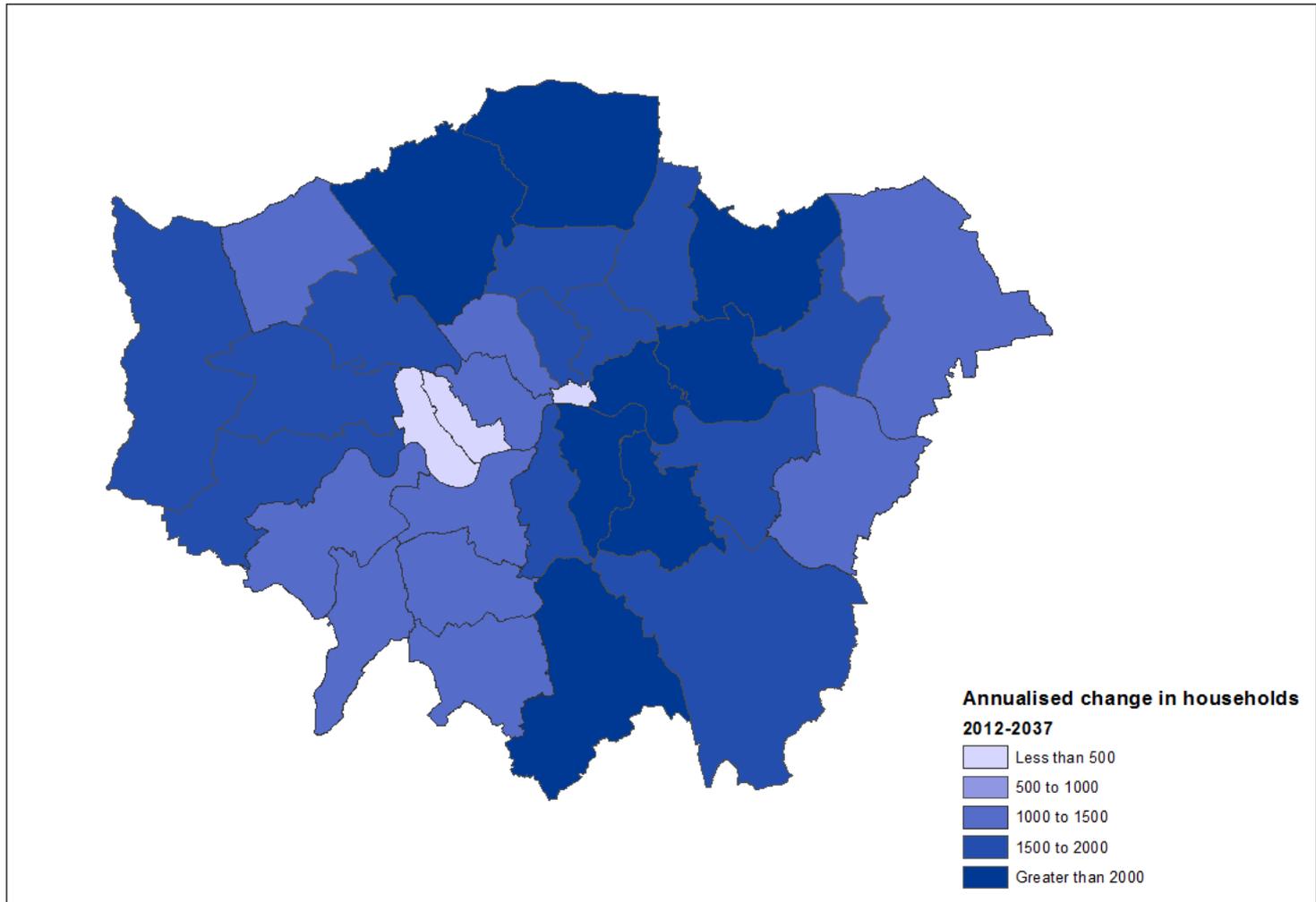
Average household size



Average household size



Projected growth in households 2012 to 2037 by local authority



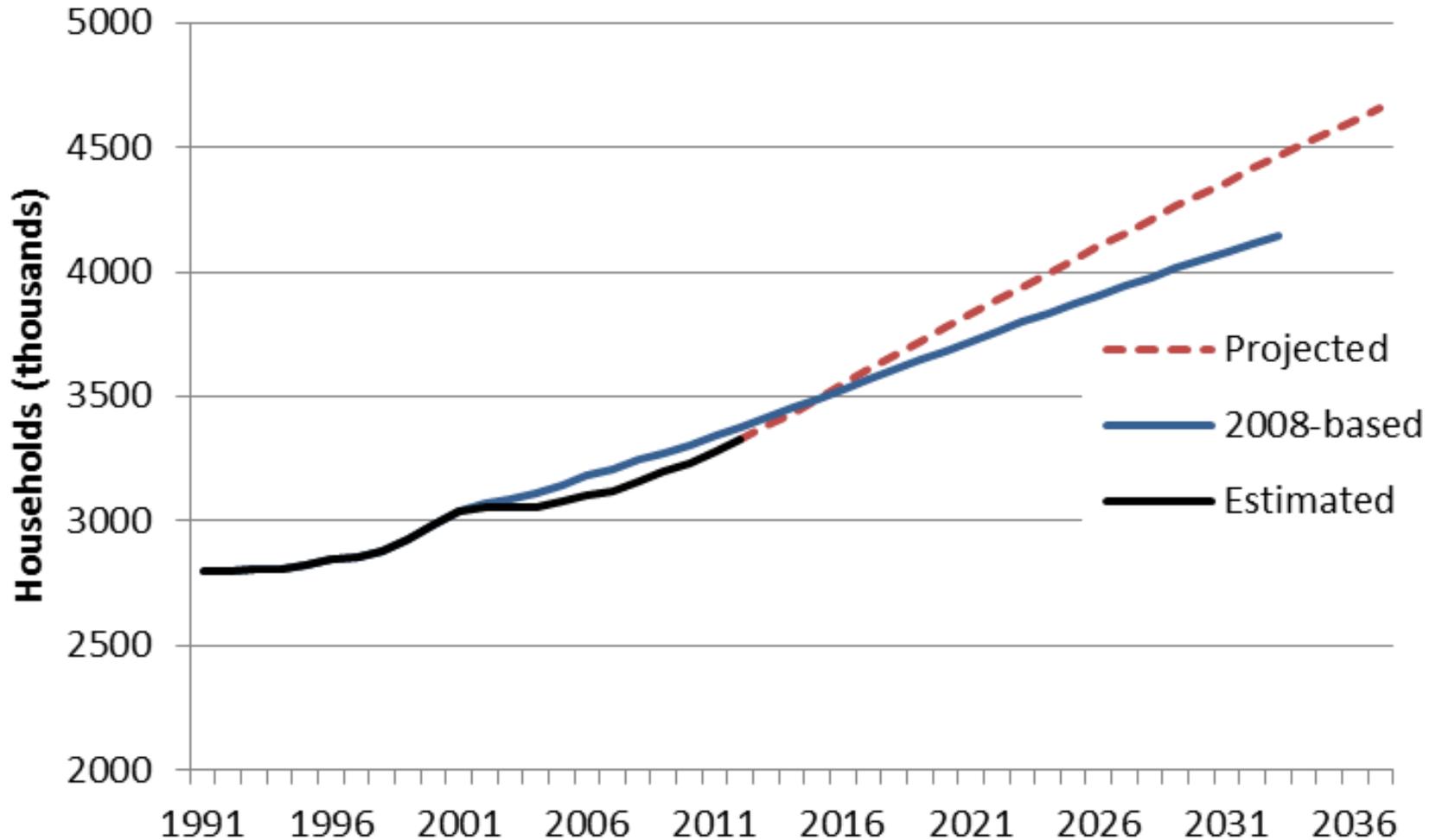
Comparison to 2008-based projections

- Total projected households
- Annual growth
- Total projected population



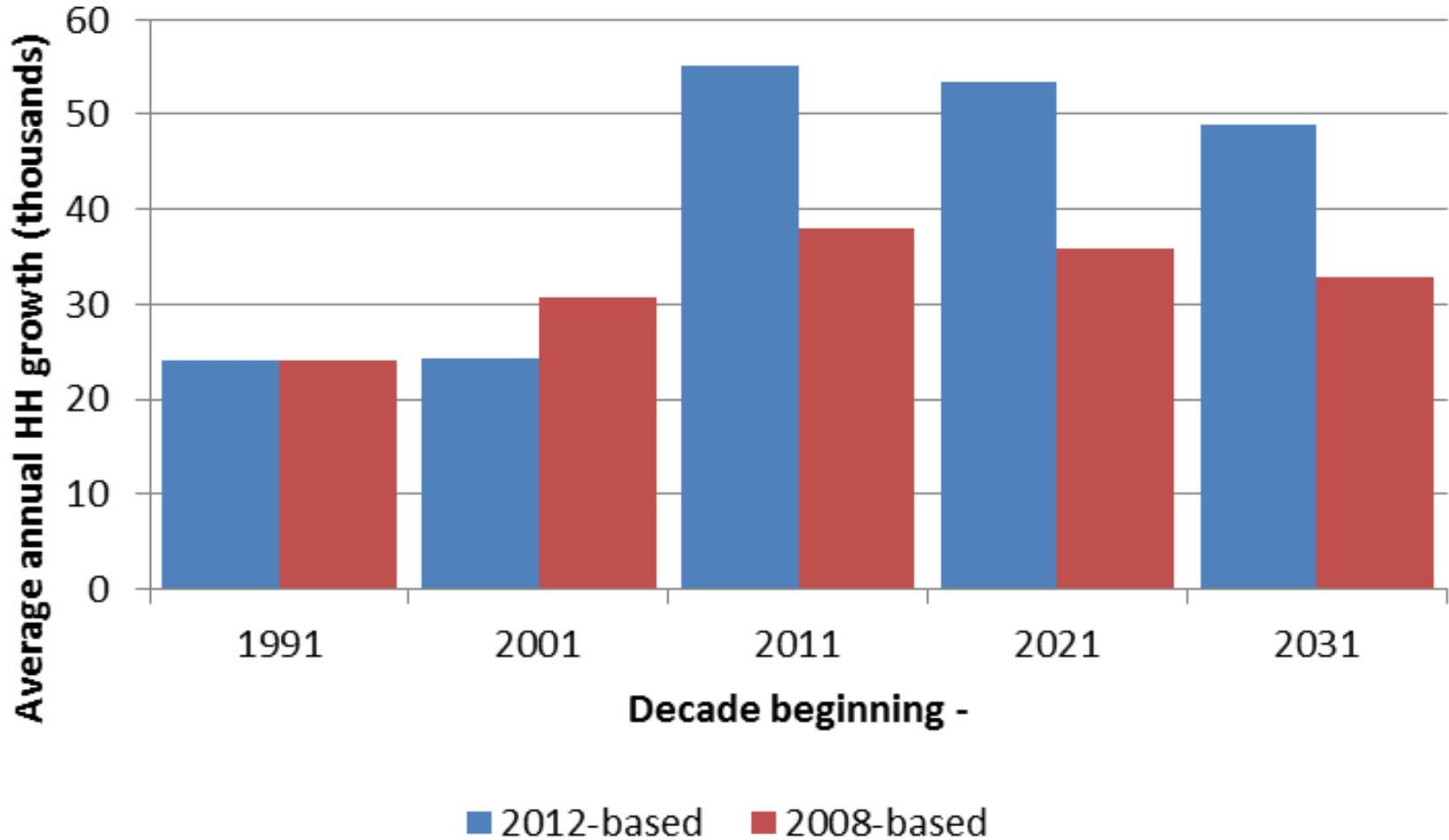
Total households

Comparison with 2008-based results



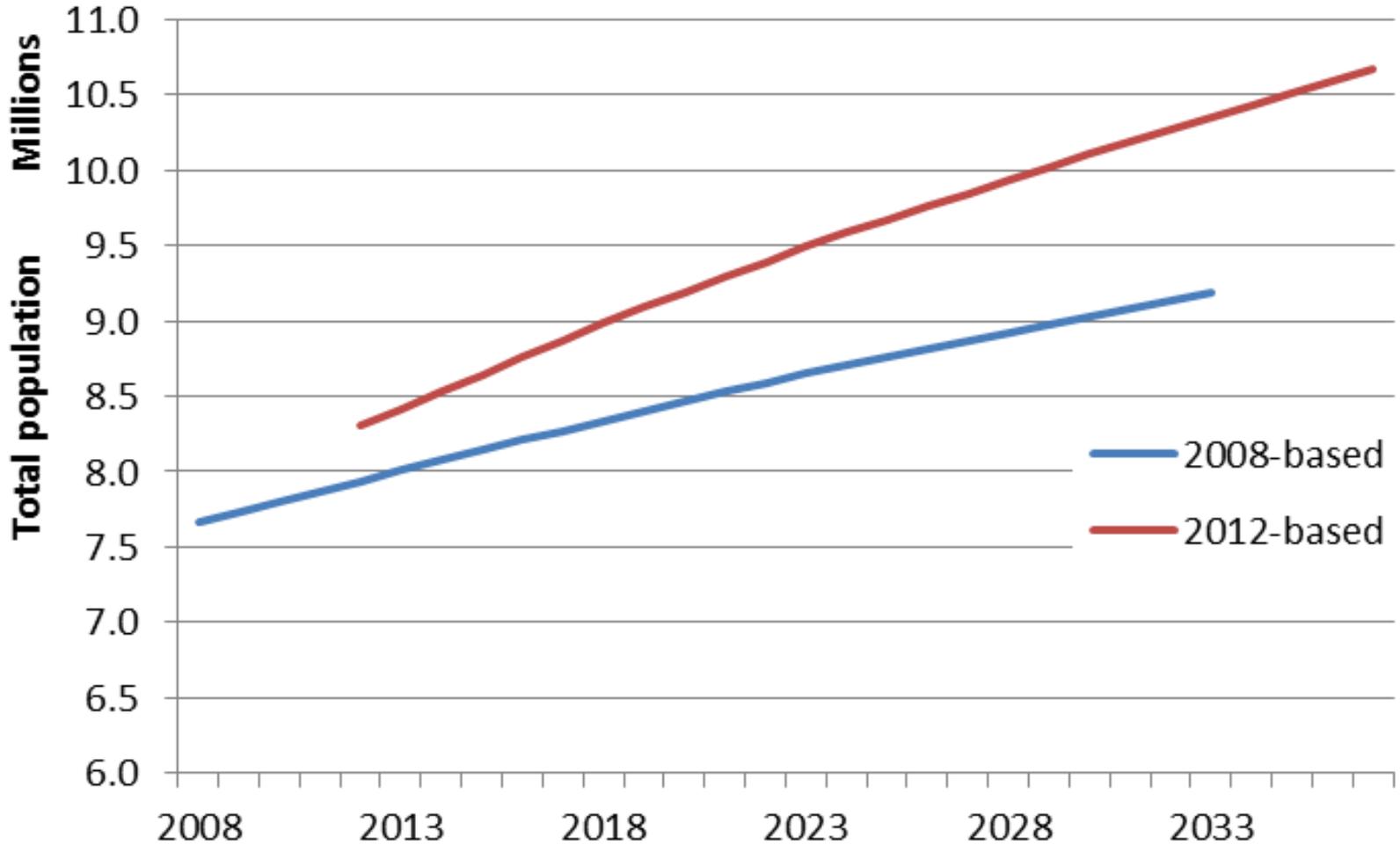
Average annual HH growth by decade

Comparison with 2008-based results



Total population

Comparison of 2012 and 2008-based SNPP

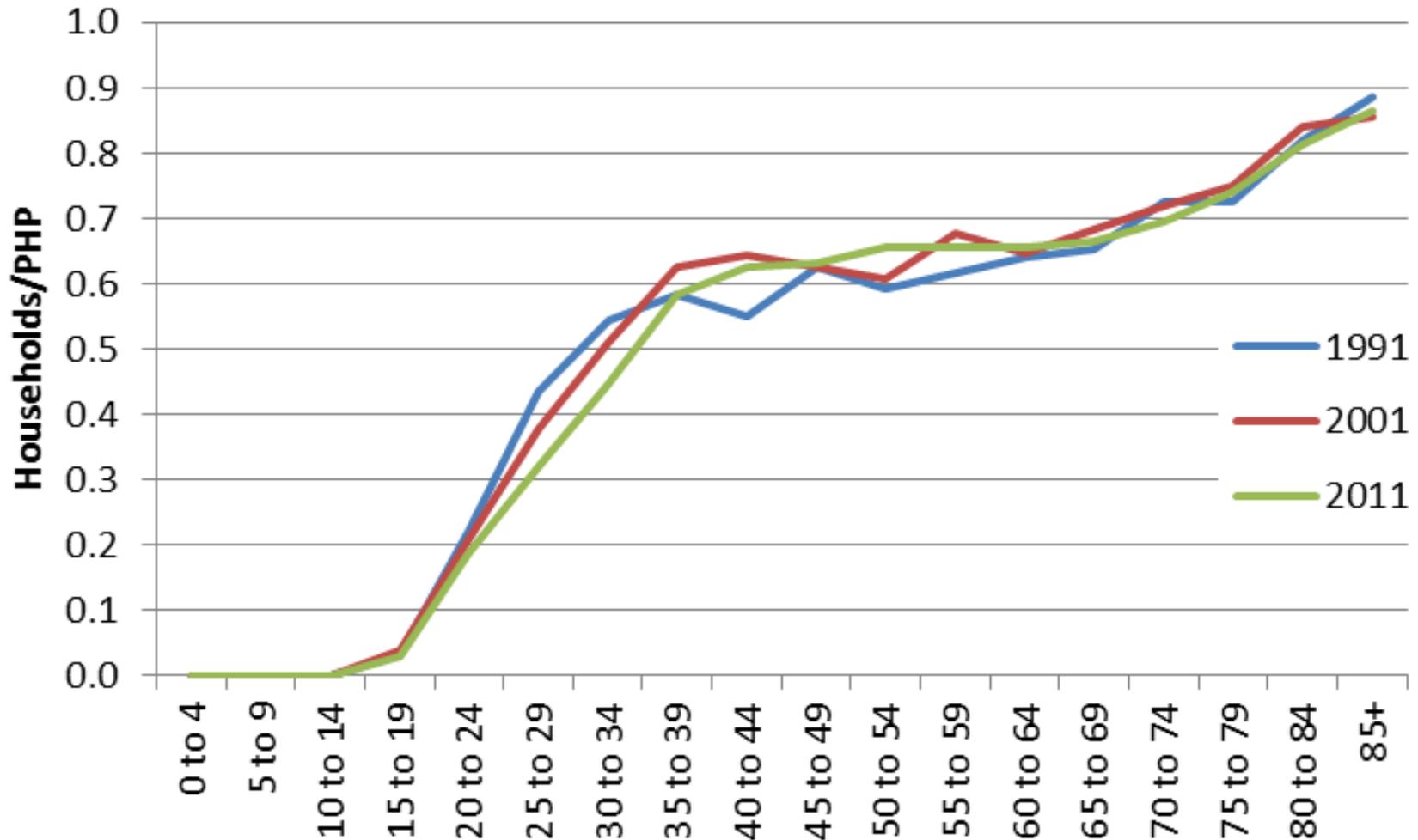


Household formation trends

- Past household representative rate trends
- Projected household representative rates



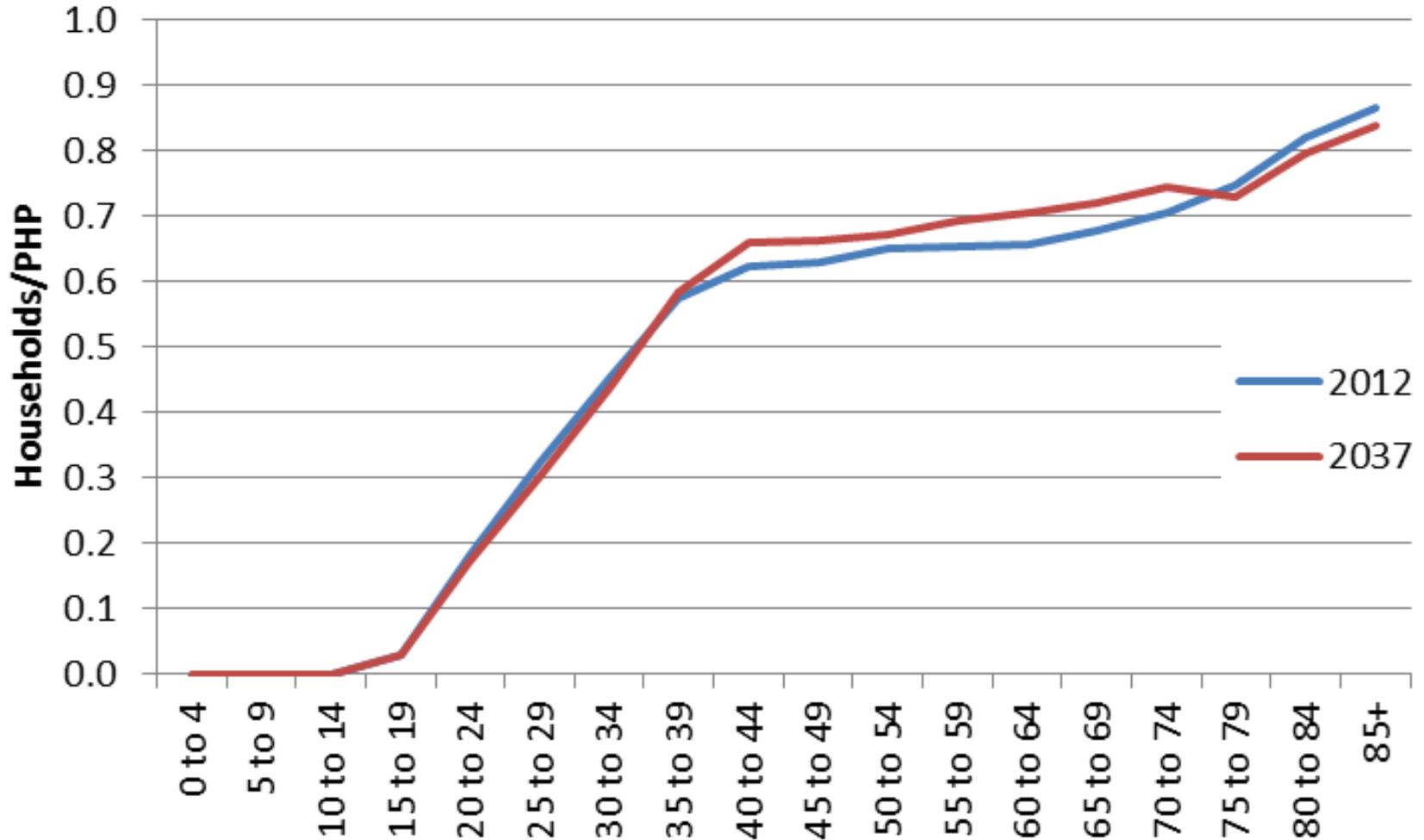
Household representation by age 1991 to 2011



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:

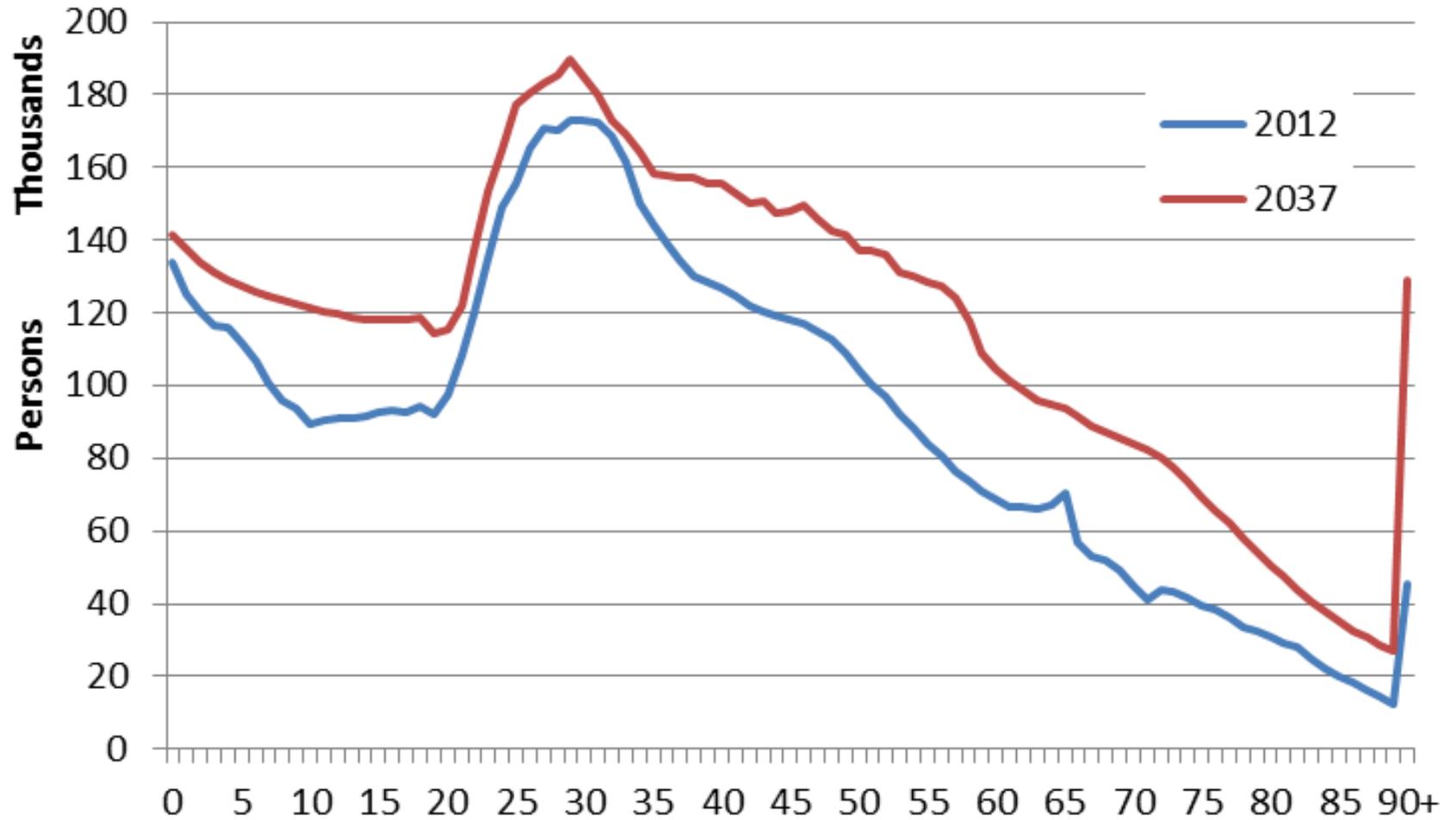
- Total population
- Age structure
- Household representative rates

What is the contribution of each to projected growth?

Testing drivers of household growth

- London's population projected to increase by 2million 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

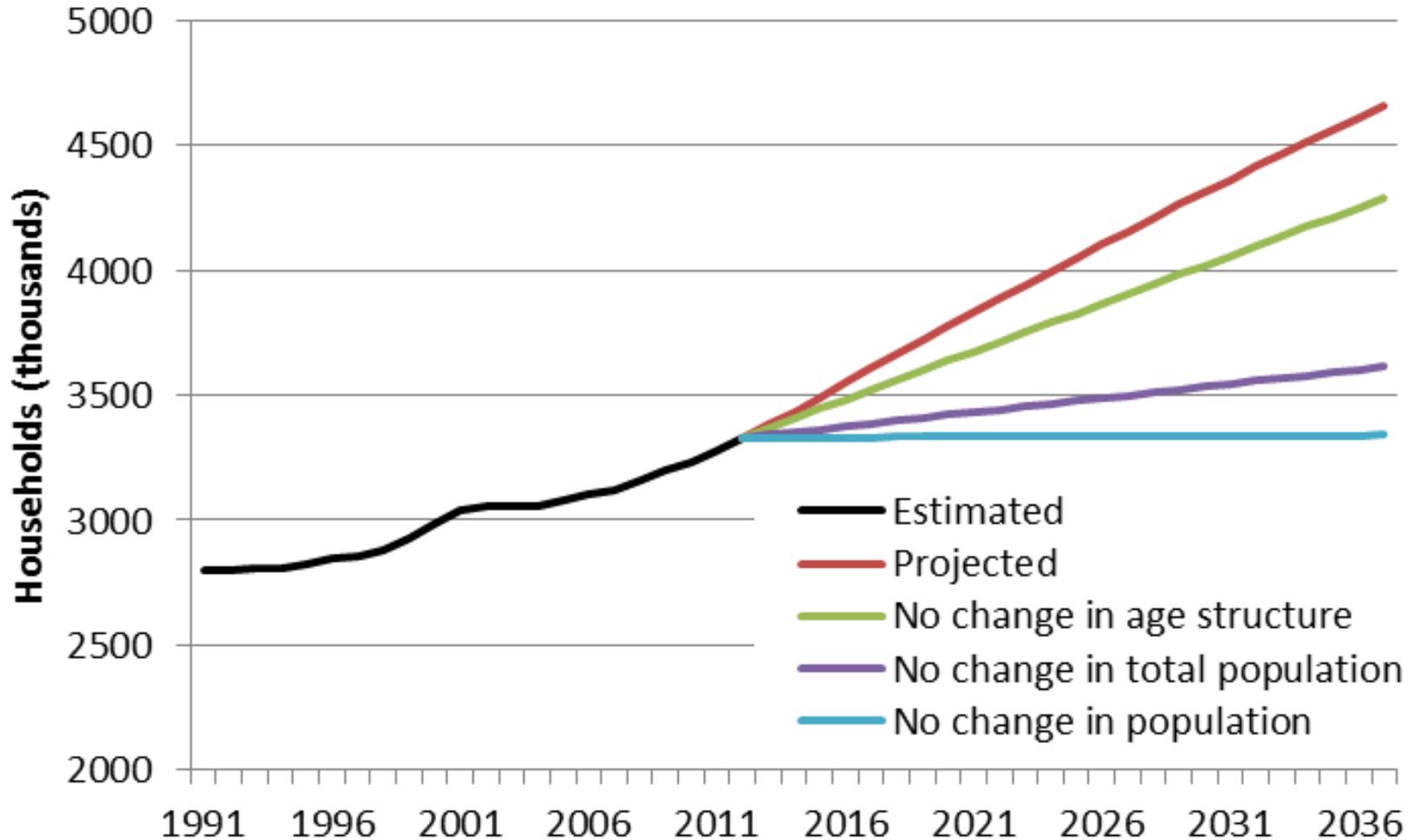


Testing drivers of household growth

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

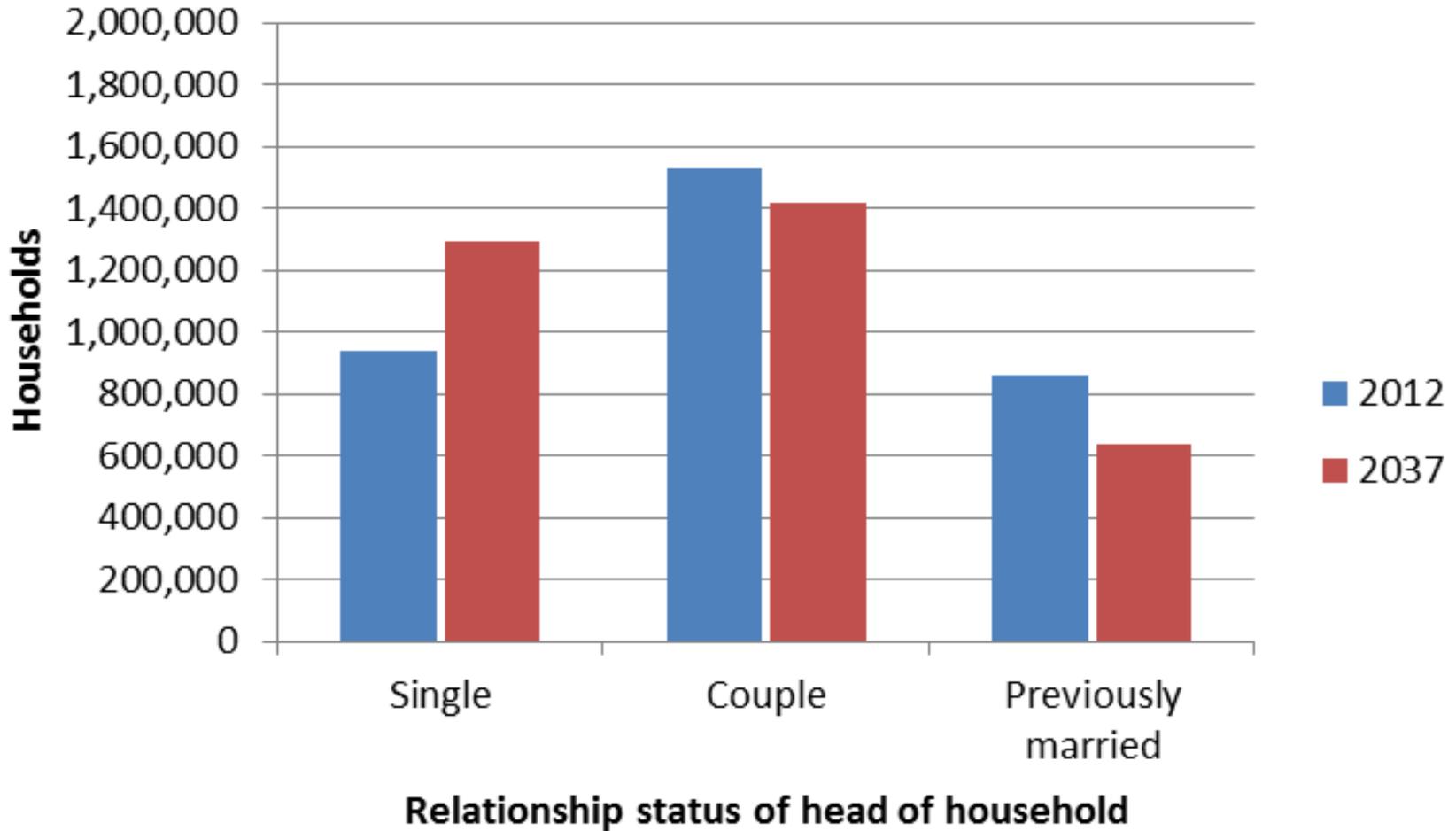


Testing drivers of household growth

Population variant	Annualised growth
Full 2012-SNPP	53,106
Total population held constant	11,350
Age structure held constant	38,325
Population held constant	416

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

...does affect distribution of household types over projection period



No change in population

Impact of recent changes in migration

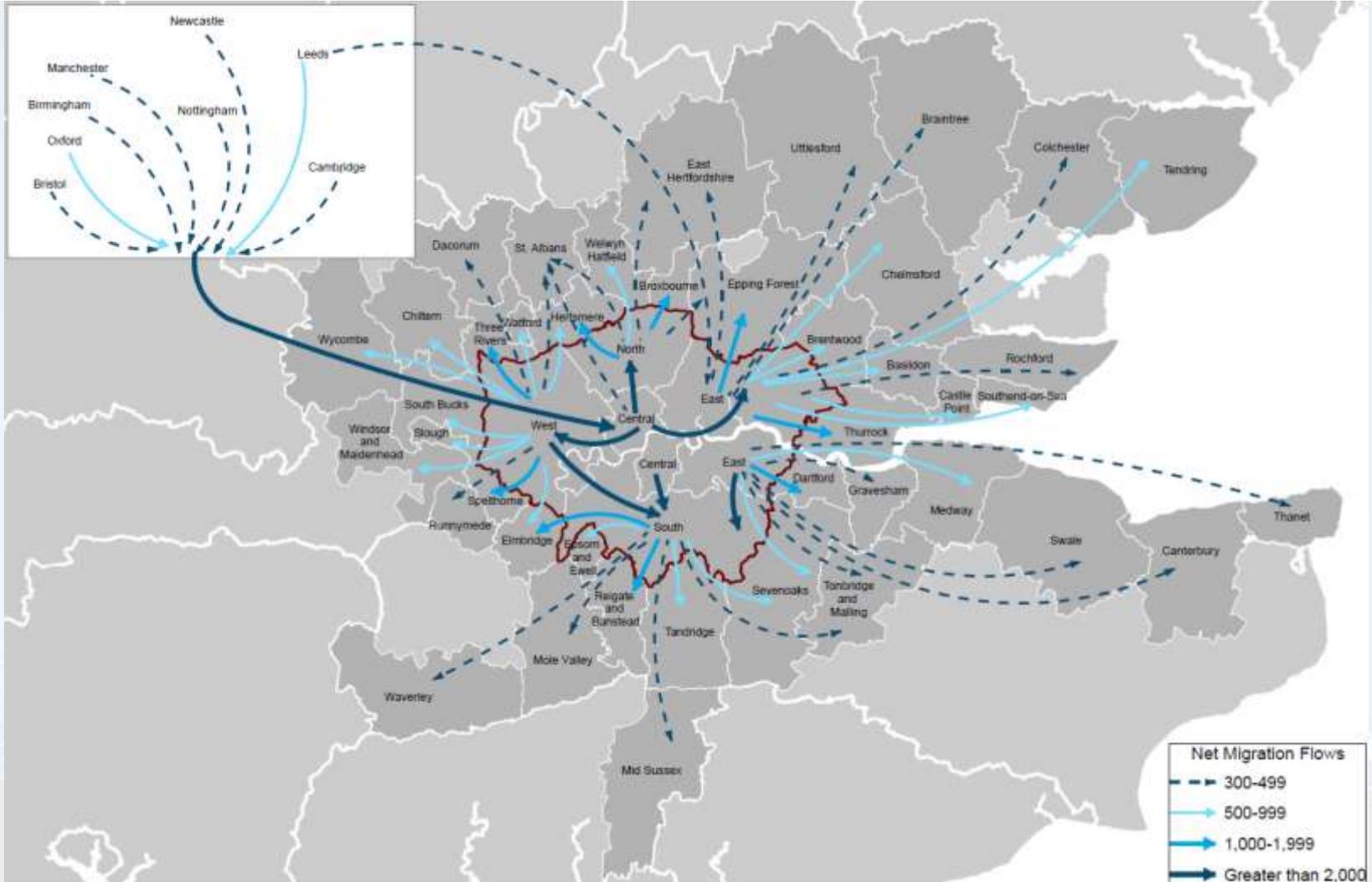
- Recent patterns of migration
- Impact on projected population
- Impact on projected households



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

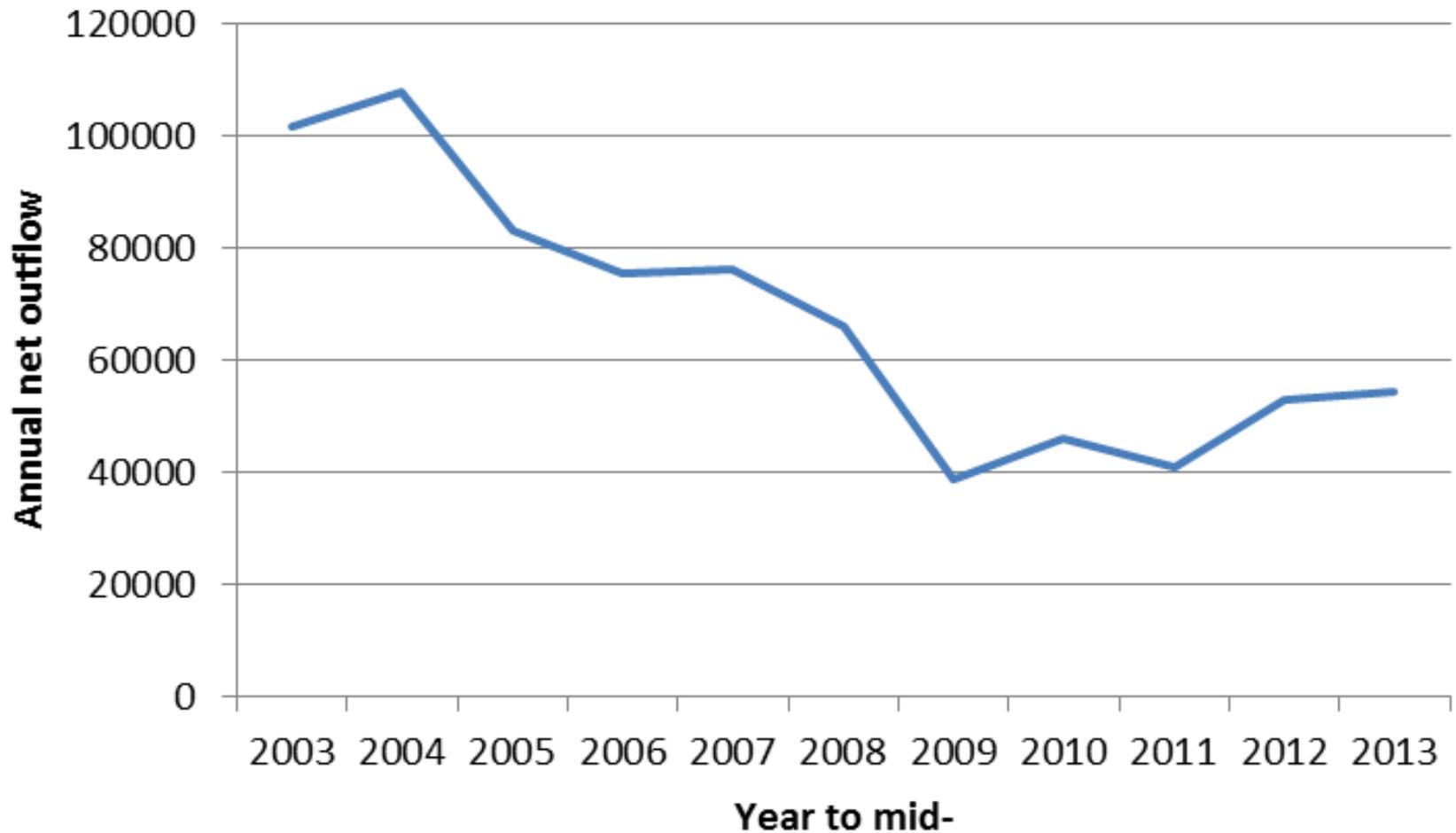
London net migration flows mid-2009 to mid-2013



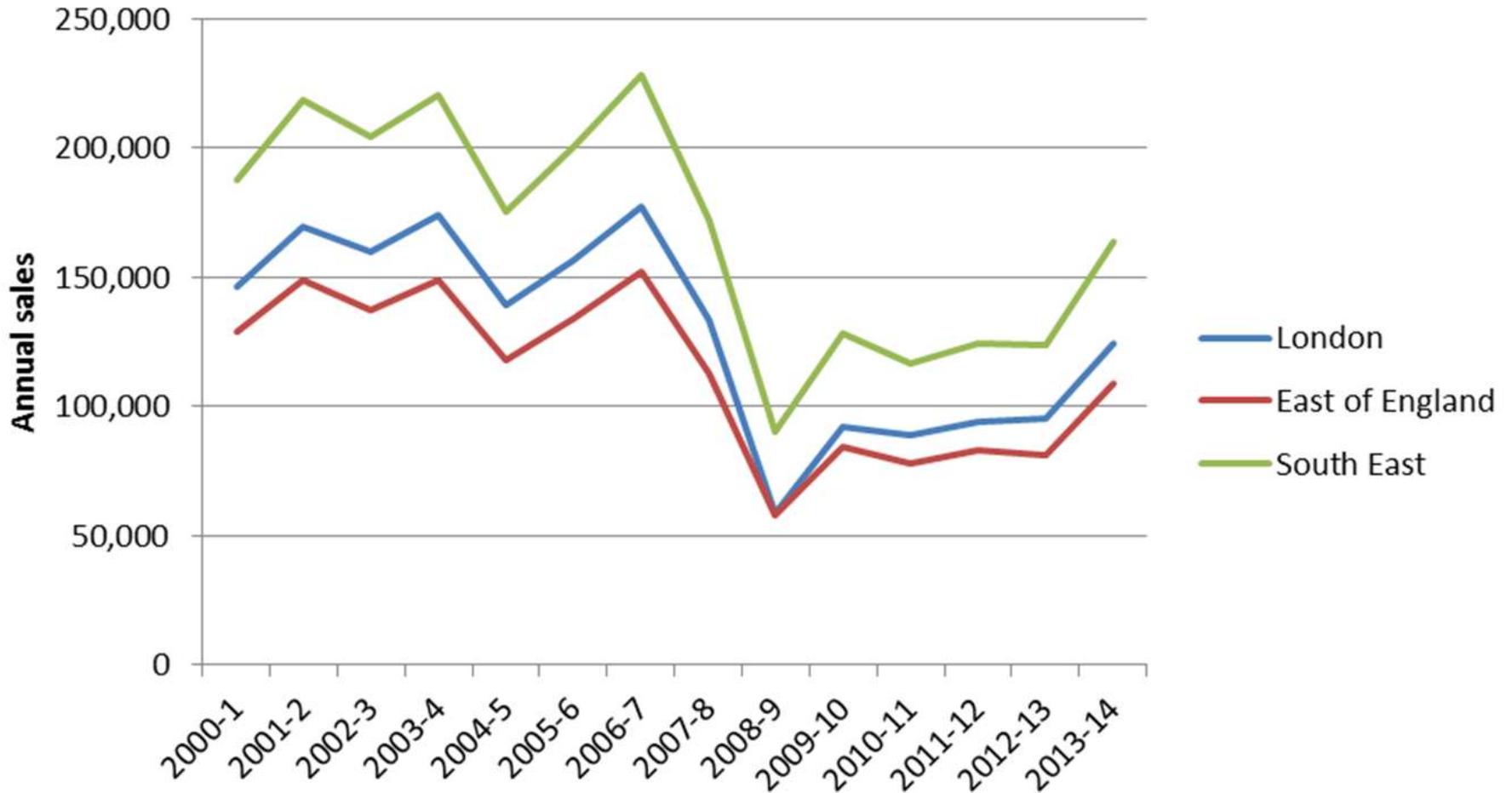
Patterns of migration

- 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

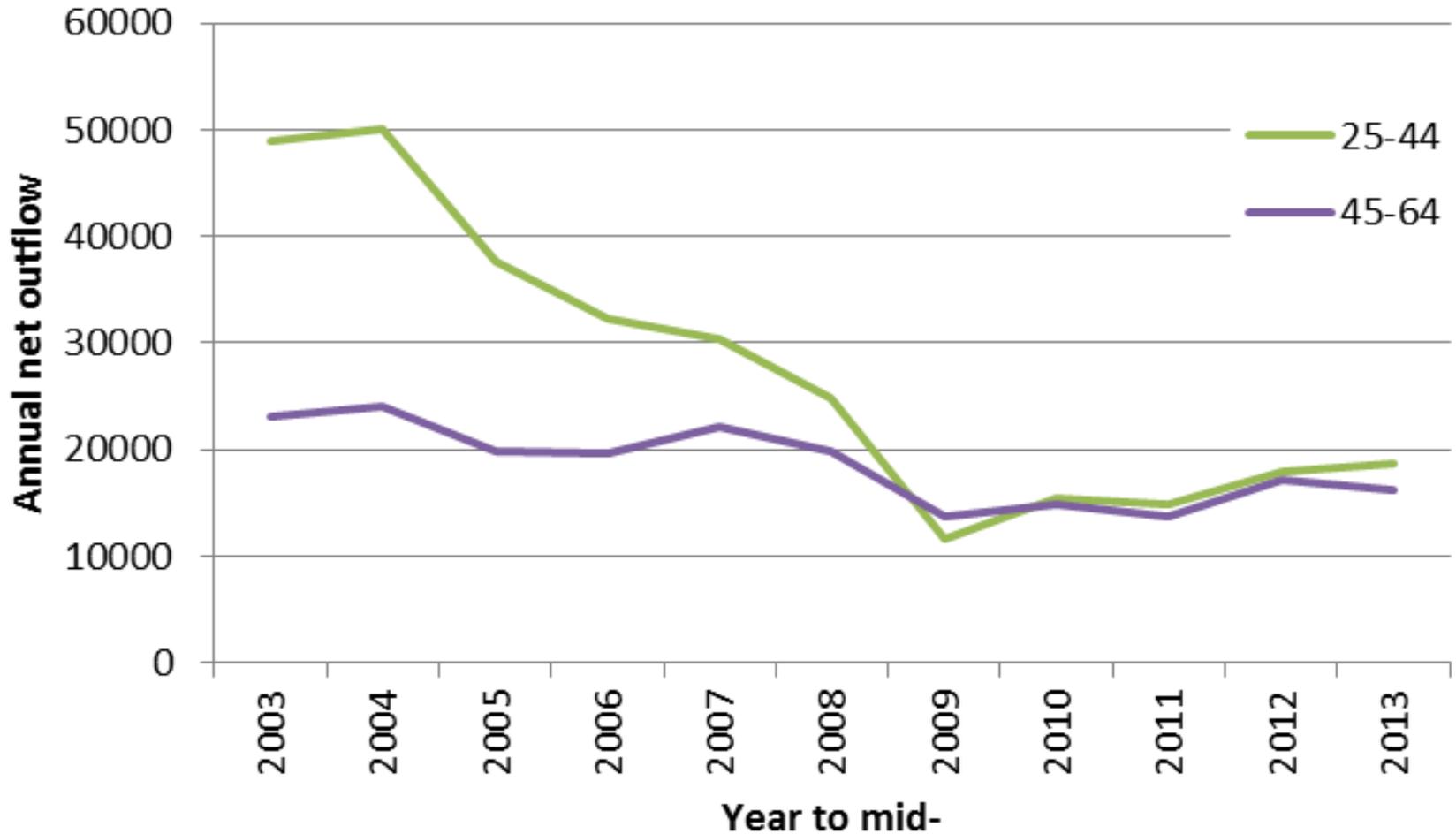


Annual house sales in south east



Net domestic outflow from London

Selected age groups



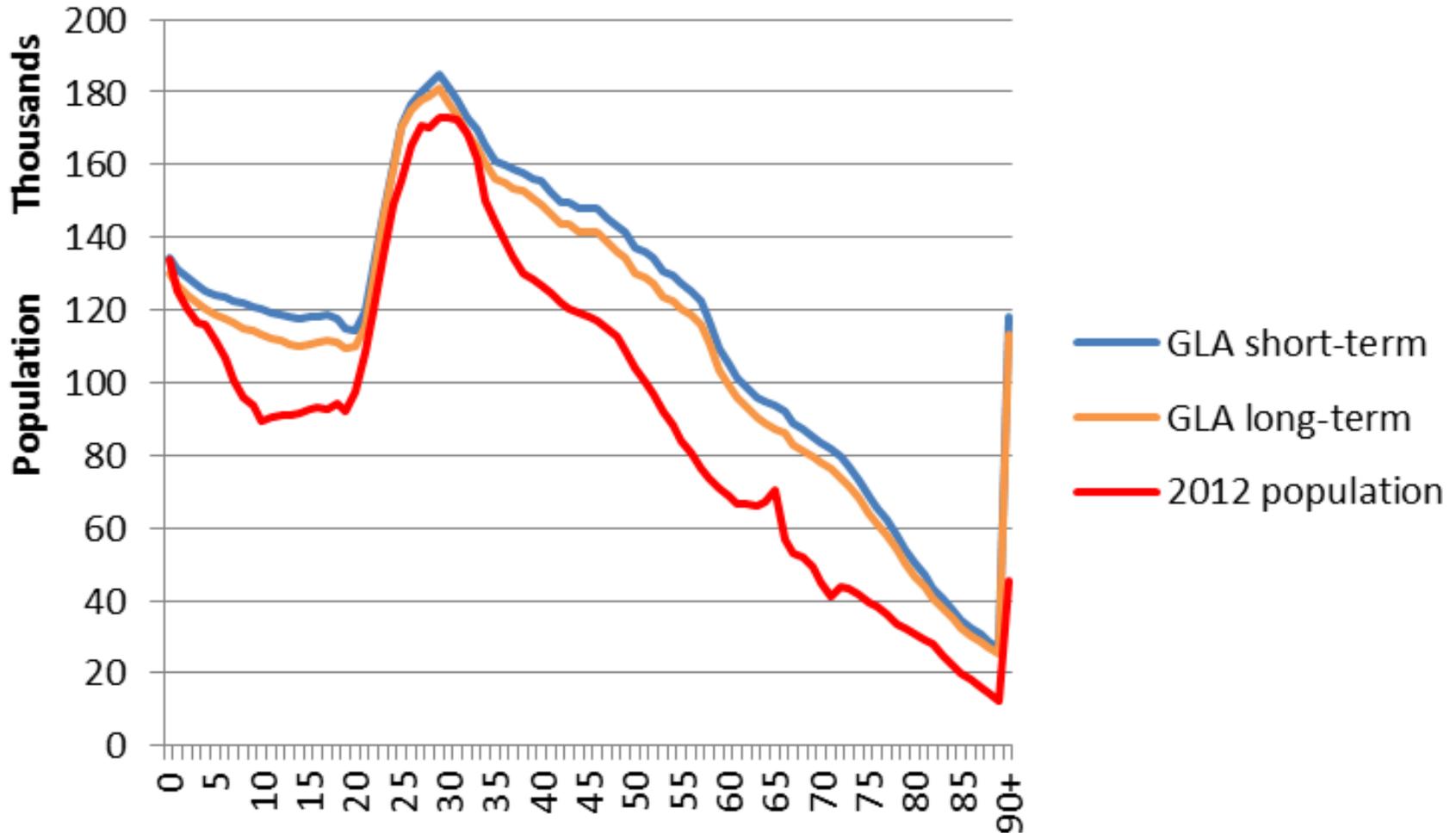
Impact on projected population

- 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)

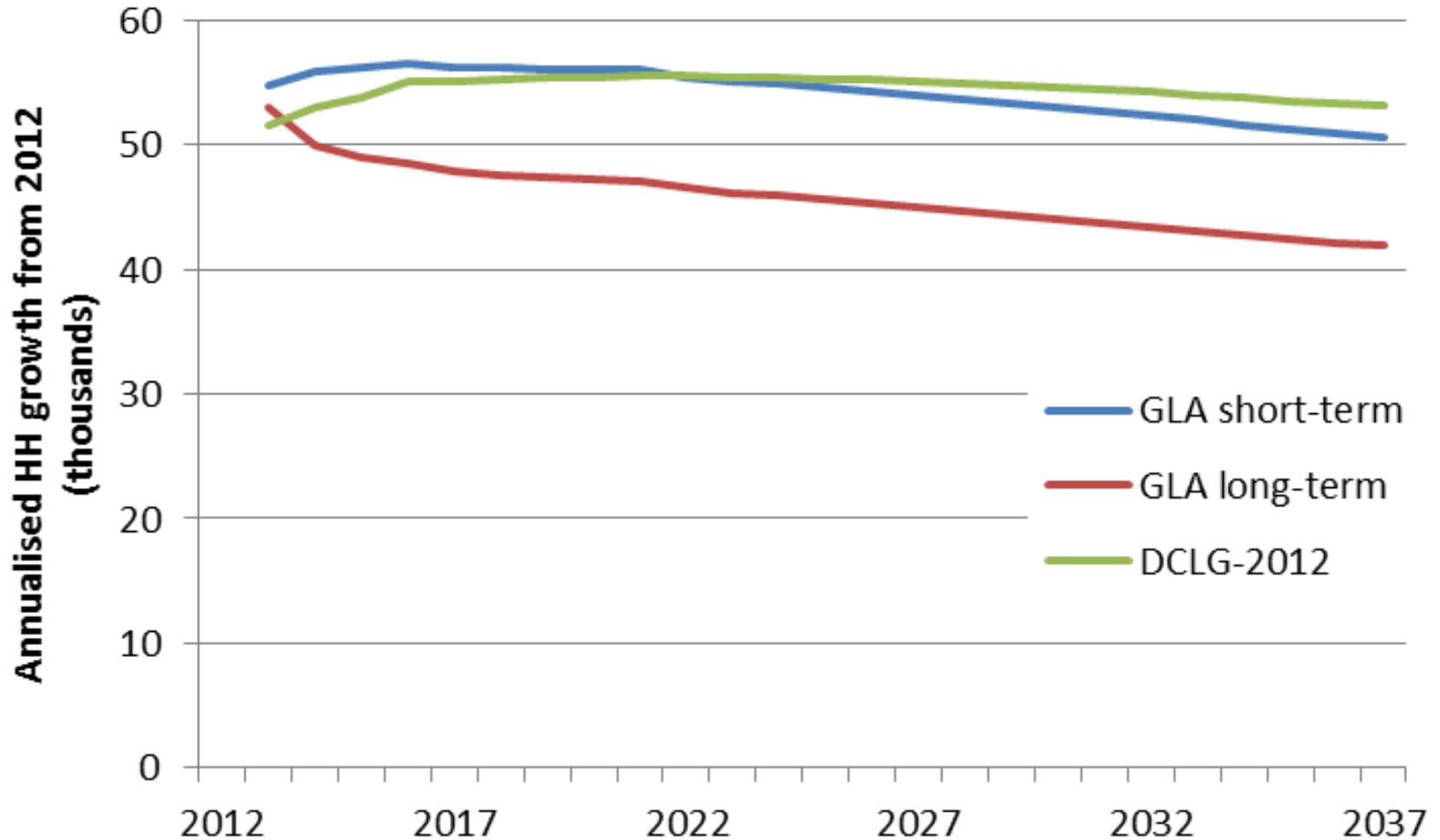
Projected 2037 population GLA short term vs SNPP-2012



Projected 2037 population GLA short-term vs long-term



Impact on projected households



HH growth across the wider South East

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

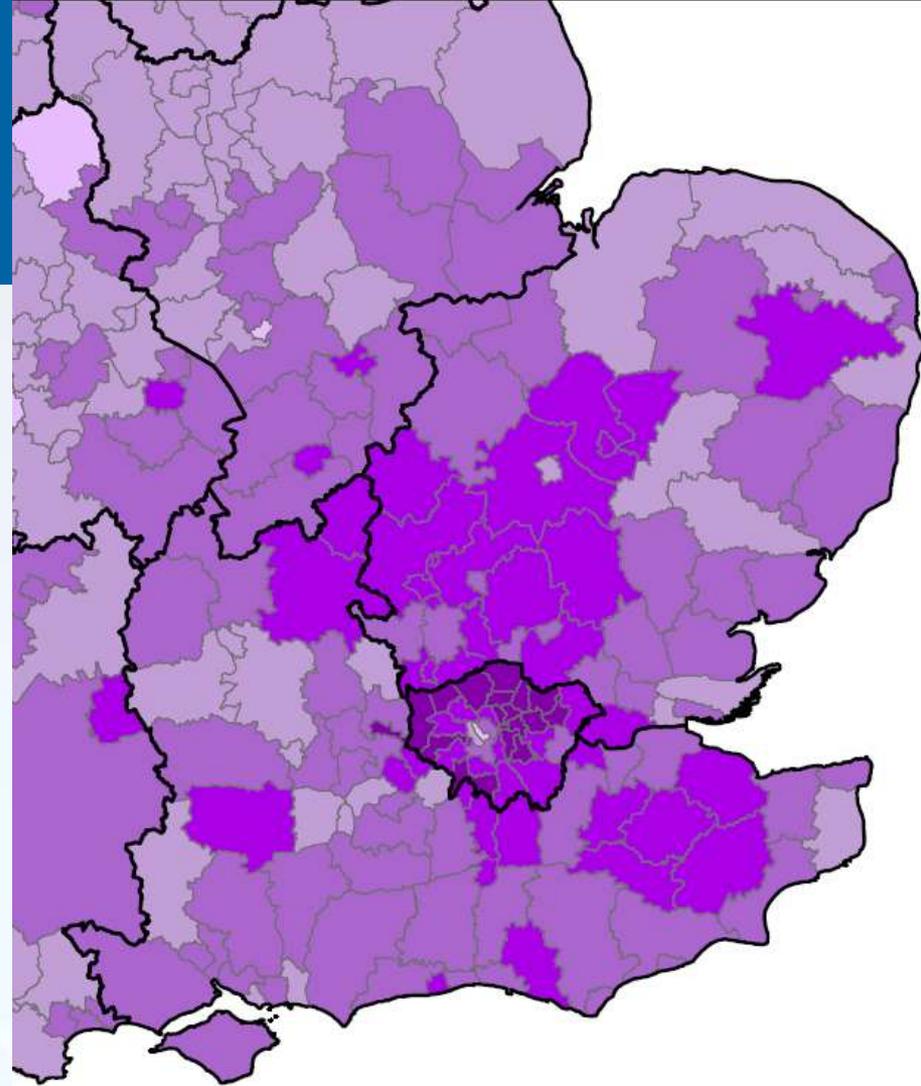


National context of growth

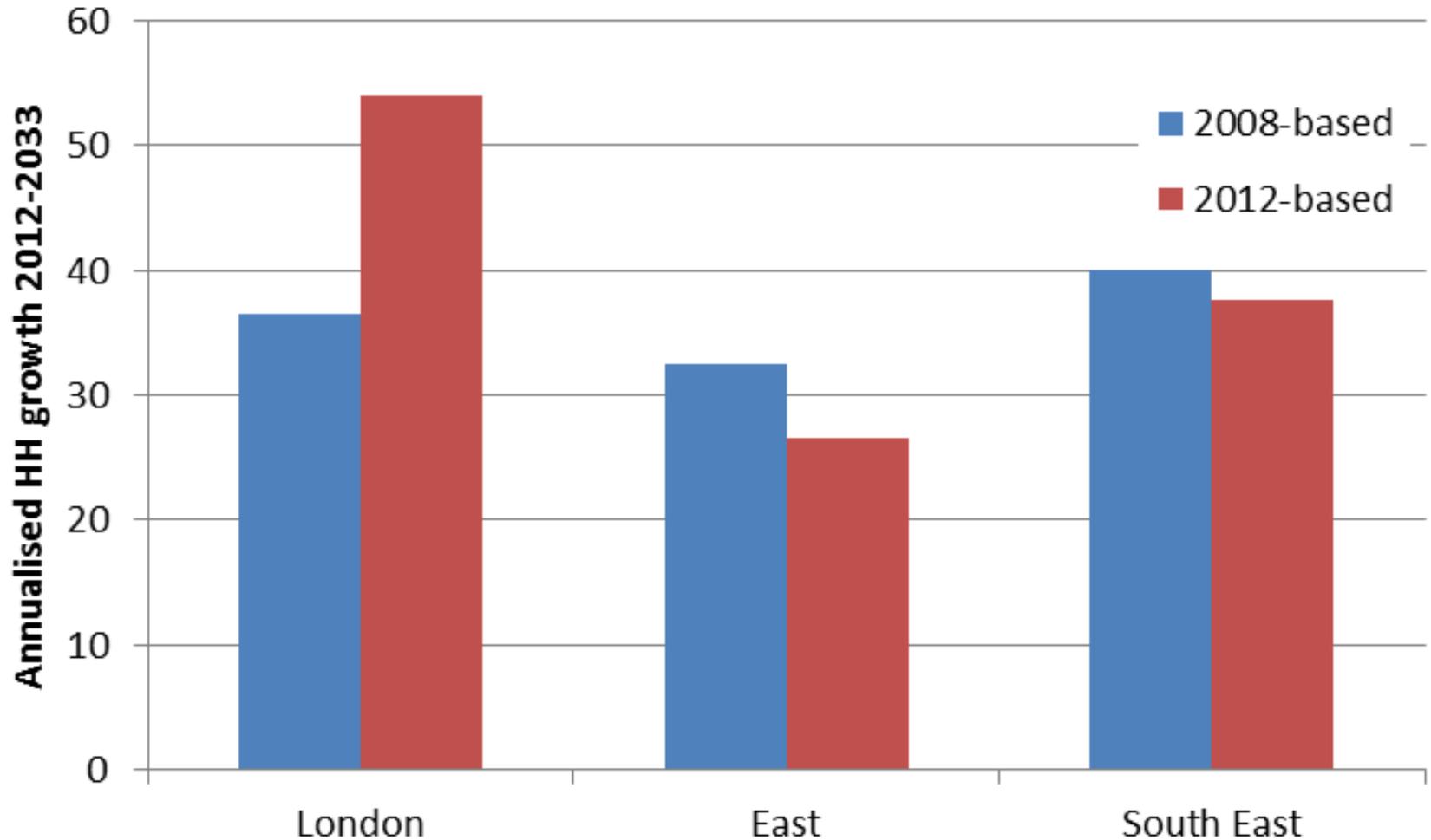
Region	Growth 2012-2037	Annualised growth	Share of England total
England	5,243,510	209,740	
London	1,327,648	53,106	25%
East	657,365	26,295	13%
South East	926,443	37,058	18%
Wider South East	2,911,456	116,458	56%

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

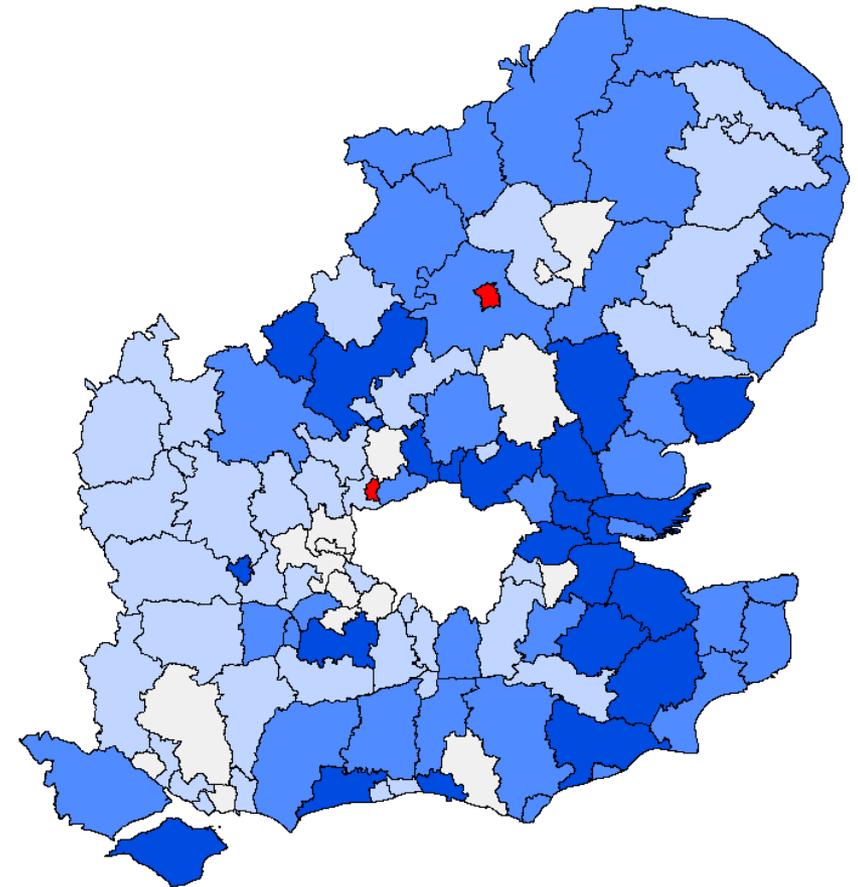


Change in migration patterns post-2008

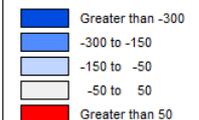
- Net outflows to most SE districts fell after crisis
- Will they rise again in line with economic recovery?

Difference in average net flow pre-2008 and post-2008

Net flows = flows to districts from London minus flows from districts to London



Difference in average net flow pre-2008 and post-2008



Pre-2008 covers mid-2001 to mid-2008

Post-2008 covers mid-2008 to mid-2012

Negative value = average net flow post-2008 is less than pre-2008

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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