



MIGRATION AND HOUSING

Summary

1. The government has now formally admitted in a written answer (HL 627 - see endnote 5) that their household projections, and therefore their housing plans, have failed to take sufficient account of the high levels of immigration over recent years. They are based on a 1996 immigration projection of 65,000 a year. The latest government projection is 103,000 and even that is far below the average of the past five years which is 158,000. The effect of using the government's projection of 103,000 is a requirement for over 400,000 homes in England by 2021 over and above present plans. The figures reveal a requirement for an extra one million homes if the 158,000 figure is used in the projections.

Put another way, based on current rates of net migration (i.e. the 158,000 figure) nearly 5 million homes will need to be built in the 1996-2021 planning period of which over a third will be required as a direct result of migration policies. Yet England is already nearly twice as crowded as Germany and four times as crowded as France.

Detail

2. Every few years the Government produces projections of the number of households [1] in England which help to inform planning policies. The last projections were produced in 1999 based on 1996 population projection data. The projections indicated an increase in households of just over 3.8 million in the period 1996-2021 [2].

3. The household projections, and the population projections on which they are based, are sensitive to a number of assumptions - one of which is net inward migration [3]. The 2000 principal household projections assumed that net inward migration would be 65,000 each year. The government projections showed the effect of variations on these principal projections of plus or minus 40,000 net migration a year. A variation of +40,000 a year would result in 450,000 more households than the principal projection. A variation of -40,000 a year would result in 410,000 fewer households than the principal projection.

4. The government claim that "it is not possible" to estimate the impact of higher immigration levels. However, this is misleading. It is certainly possible to make broad estimates. Migration Watch UK has confirmed with those responsible for producing the projections that variations outside the + or - 40,000 range described above will be roughly proportionate to the figures given in paragraph 3 above.

5. From this we can calculate that of the estimated 3.8 million new households required in the 1996-2021 period about 700,000 (or 18%) will result from the assumed net migration of 65,000 per annum.

6. In practice net migration to the UK [4] has exceeded 65,000 in the last five years for which data has been published and in the 7 years 1996-2002 inclusive it averages 127,000, nearly double the rate used in the principal projections. Over the last 5 years the average is 158,000. The Government Actuary's latest population projections assume net migration will be at a level of 103,000 people each year.

7. The assumptions about future net migration are an important part of the picture. The Government Actuary's Department has consistently underestimated net immigration over the past five years, putting it at about 100,000 despite the actual level of 150,000. The latest assumption is no different. They have included all the factors that might reduce it while omitting any that might increase it. Thus they have not included failed asylum seekers who have averaged some 40,000 a year in recent years and they have applied a reduction of 27,000 a year as an adjustment flowing from the recent (and sharply contested) census. Yet they have taken no account of the massive increase in work permits from about 30,000 a year in the early 1990s to 175,000 this year, plus dependants. Nor have they allowed for additional immigration from Eastern Europe. The calculations below are, therefore, based on the assumption that immigration will continue at the average of the last five or seven years.

8. Tabulated below are the approximate number of additional households attributable to net migration over the 1996-2021 period based on: 1) net migration levels of 103,000 people per annum (i.e. the Government Actuary's projection), 2) net migration of 127,000 per annum (i.e. assuming the experience of the last 7 years continues) and 3) net migration averaging 158,000 per annum (i.e. assuming that the experience of the last 5 years continues and becomes the 25 year average).

| Net migration level | Increase in new house holds above existing projections | Total new households attributable to migration | Total new house holds | Percentage attributable to migration |
|---------------------|--------------------------------------------------------|------------------------------------------------|-----------------------|--------------------------------------|
| 103,000 | 427,000 [5] | 1,127,000 | 4,227,000 | 27% |
| 127,000 | 697,000 | 1,397,000 | 4,497,000 | 31% |
| 158,000 | 1,046,000 | 1,746,000 | 4,846,000 | 36% |

9. To put these figures into perspective the number of new homes tentatively planned for the four "growth areas" in the South-East (Ashford, Thames Gateway, Milton Keynes/South Midlands and the London-Stansted-Cambridge corridor) is 803,000 by 2031 - considerably less than the numbers attributable to migration on the Government Actuary's 103,000 per annum net migration forecast and in a longer timescale.

10. Under the Government's existing plans (based on net migration of 65,000 people per annum) 155,000 new homes are required each year to meet the growth in the number of households [6]. This would increase to nearly 200,000 new homes if migration continues at its present level of 158,000.

11. However, current rates of house building are not meeting the published projections. "New house building has fallen steadily from a peak of 350,000 annually in the 1960's to below 140,000 now. The net result taking account of demolitions is nearer 120,000. The result is that demand for housing, especially in London and the South-East is outstripping supply. Many on modest incomes, including key public sector workers and others essential to the local economy, cannot afford to buy - and renting can be very expensive. Increasing numbers of people find themselves without a home. In September 2002 there were 85,000 homeless households who had been placed in temporary accommodation. Two-thirds of these were families with children, minority ethnic groups are disproportionately affected." [7]

12. International migration is not evenly spread across the regions of England; 75% of migrants go to London and the South-East - the majority to London [8]. The effect is a very large flow of migrants into London and a (largely) compensating flow of existing inhabitants from London to the South-East and beyond [9]. This is one of the key factors driving the demand for new housing in the "growth areas" (see paragraph 7 above).

13. These complex migration flows make it difficult to predict the housing requirements in each region. However, the Office of the Deputy Prime Minister (ODPM) has published a regional breakdown of household projections to 2021 based on 65,000 per annum net migration (column 3 below). Column 4 below shows the increased numbers based on actual migration levels of 158,000 [10] and column 5 shows the number of additional houses which will be required at this level of net migration over and above existing plans.

| (1) Region | (2) No. of house holds 2001 | (3) No. of households projected 2021- based on 65,000 net migration | (4) No. of households projected 2021- based on 158,000 net migration | (5) Additional households 2001-2021 - not incurrent plans |
|--------------|-----------------------------|---------------------------------------------------------------------|----------------------------------------------------------------------|-----------------------------------------------------------|
| N East | 1,100,000 | 1,170,000 | 1,190,000 | 20,000 |
| N West | 2,880,000 | 3,110,000 | 3,190,000 | 80,000 |
| Yorkshire | 2,140,000 | 2,370,000 | 2,450,000 | 80,000 |
| E. Midlands | 1,760,000 | 2,030,000 | 2,120,000 | 90,000 |
| W. Midlands | 2,190,000 | 2,400,000 | 2,470,000 | 70,000 |
| East | 2,280,000 | 2,700,000 | 2,850,000 | 150,000 |
| London | 3,130,000 | 3,650,000 | 3,830,000 | 180,000 |
| S-East | 3,400,000 | 4,060,000 | 4,290,000 | 230,000 |
| S-West | 2,120,000 | 2,520,000 | 2,660,000 | 140,000 |
| Total | 20,990,00 | 24,000,000 | 25,040,000 | 1,040,000 |

14. As can be seen from the above we estimate that over 410,000 new homes will be required in the London and the South East - over and above existing plans. Yet the House of Commons Committee, ODPM: Housing, Planning, Local Government and the Regions has already concluded, referring to the four South-East region growth areas, that ".....the impact of such a housing programme on the environment could be unsustainable".[11]

24 March, 2004

NOTES

- [1] Households equate roughly to dwellings. Occasionally there are two households sharing one dwelling..
- [2] Office of the Deputy Prime Minister, Projections of Households in England 2021 - available at the website http://www.odpm.gov.uk/stellent/groups/odpm_housing/documents/page/odpm_house_604206.hcsp
- [3] Net inward migration is the estimate of the number of people who either enter the UK for a period of more than one year or who extend their stay in the UK to more than a year less those who leave the UK for more than a year or who extends their overseas stay for more than one year.
- [4] Housing figures quoted in this paper are for England only - net migration figures are for the UK as a whole but international migration flows to England were similar to (slightly exceeded) the UK as a whole in the period 1992-2001.
- [5] Baroness Cox asked: "what according to sensitivity analysis accompanying the most recent household projections would be the effect of immigration at a level of 103,000 people per year; and what would be the effect of a level of 155,000 people per year on the forecast household formation" - In response the Minister of State, the Office of the Deputy Prime Minister (Rt. Hon. Lord Rooker) said "The 1996 based household projections showed that the number of households in England were projected to grow from 20.2 million in 1996 to 24 million in 2021 - an increase of 3.8 million or 19 per cent. The sensitivity analysis shows that increasing the net international migration from 66,000 to 103,000 per year would increase the projected number of households over the same period by 416,000. It is not possible to estimate the effect of net international migration of around 158,000 per year." The reason for small discrepancy with the figures quoted in the body of the report is that Minister assumed that that the baseline used in the projections was 66,000 per annum instead of the 65,000 actually used.
- [6] Source: "Sustainable Communities" - ODPM 2003
- [7] Extracts from "Sustainable Communities" - ODPM 2003
- [8] Source: ONS - Total International Migration time series 1992-2001 area of destination or origin in the UK
- [9] Inflows and outflows of people to London are shown on page 21 of the London Analytical Report available from the Prime Minister's Strategy Unit web-site at http://www.strategy.gov.uk/files/pdf/ar_full.pdf (Overseas inflows to London are 200,000 per annum and outflows of London residents to the rest of the UK 230,000 per annum).
- [10] Assumes increased number of homes are spread across the Regions in proportion to the original projections.
- [11] Planning for Sustainable Housing and Communities, Communities in the South-East