



Greater Manchester Strategic Housing Market Assessment Summary Report

January 2019

A Strategic Housing Market Assessment (SHMA) has been produced for the Greater Manchester Combined Authority.

The purpose of the SHMA is to present a clear, evidenced picture of the Greater Manchester housing market and how it is changing, to provide an assessment of future needs for both market and affordable housing, and to explore the housing needs of different groups within the population over the next twenty years. The full report includes a great deal of detailed information and analysis, and this summary necessarily presents a very selective story in comparison. Some key messages can be outlined as follows:

Greater Manchester is a large and diverse city region which, while well connected to our neighbours, can reasonably be defined as a housing market for planning purposes.

More than four out of every five households who move into a home in Greater Manchester already live here. Nearly nine in ten working people who live in Greater Manchester also work here, and of Greater Manchester residents who work here, two-fifths travel to another district for work, showing how interconnected we are as a city region.

Chapter 2 of the full report shows how we have concluded that Greater Manchester can be defined as a housing market.



With 2.8 million people living in 1.2 million homes across ten districts, Greater Manchester and our residents are of course hugely diverse. At a headline level, we can say that:

- we are youthful, with over 20% of residents under 30
- while numbers in the older age groups are growing fast too
- we are slightly more ethnically diverse than England and Wales as a whole
- more of us live alone than in any other type of household
- we are increasingly likely to rent our home in the private sector, especially if we are young or if we are from a black and minority ethnic communities
- household incomes are significantly lower than the national average and we have high levels of deprivation
- homelessness and rough sleeping have risen in recent years
- compared to the rest of the country, our homes are more likely to be terraced or semi-detached and have one or two bedrooms, and less likely to be detached, bungalows or flats, or to have four or more bedrooms

- about six out of ten households are owner-occupiers, and almost half of those have bought their property outright. About two in ten households rent from a housing association or local authority, with the remainder renting privately
- around one in twenty households are in overcrowded accommodation, concentrated in the rented sector
- Two thirds of households (and 80% of owner-occupiers) have at least one spare bedroom



Using the Government's proposed new standard methodology, we calculate an annual housing need for Greater Manchester of 10,583 new homes per year. Chapter 3 of the SHMA sets out that calculation in more detail.



Looking at the housing market, house prices in Greater Manchester as a whole have remained substantially below national averages. Between 2007 and 2017, our average price paid rose by 11% to £158,000, compared to a 24% increase to £233,000 in England and Wales as a whole. Our private rents are also lower than national averages – our average monthly rent in 2017/18 was £595, compared to £675 in England as a whole. But, given our relatively low average household incomes, that still means that many of us find meeting housing costs a challenge.

Average figures for Greater Manchester mask patterns within the city region. For both buying and renting Trafford and Stockport averages are significantly higher than Greater Manchester as a whole, while rents in Manchester are also higher, reflecting the city centre market. And in all districts, the variations between neighbourhoods can be substantial.

One in five homes in Greater Manchester are in the social housing sector, and around 95% of those are rented at social rents, which are generally substantially below private sector rents. Even so, over 85,000 households were on local authorities' housing registers in 2016/17, of which almost 26,000 were assessed as having a priority need for a home.

New housebuilding continues to slowly recover from the post-2008 collapse in delivery, with the 2017/18 total of around 9,000 net additional homes being the highest since 2007/08, driven by new developments in the central areas of Salford and Manchester. Empty dwellings are at historically low levels, matching England as a whole, another sign of strong demand for additional homes. Chapter 5 of the SHMA explores the housing market signals for Greater Manchester in detail.

Different households need different types of homes. We know that people in Greater Manchester have relatively poor health. By 2035 nearly three in twenty of us will be 75 years or older - and one in twenty 85 or older – though our population profile will still be younger than the national average. At the same time, the number of homes needed for families with dependent children will grow by almost 10%, though almost all of that growth will be in families with only one child. Again by 2035, almost one in three of us aged 65 or over will have a long term illness that limits our day to day activities ‘a lot’, and just under 8% will have dementia.

Alongside changes in the population, we know the housing sector is changing. Private renting is likely to continue to grow, to evolve in terms of the investors and management of rented homes, and in the types of households living in the sector. National policy, regulation and taxation regimes may have a significant impact on changes in the sector, but on current trends more families with children and older households will rent privately. Chapter 6 looks more closely at the housing requirements of different groups.

It is important that our residents are able to find homes they can afford, but defining ‘affordability’ is complex. Government gives us a wide definition of ‘affordable housing’ and a methodology to calculate how much of it we need. Using that gives a figure of

4,678 households per annum. That is not a target for building new affordable house building through the planning system, but it is something we need to consider in developing the Greater Manchester Spatial Framework, and in our work with Homes England, housing providers and other partners to deliver the affordable homes we need for the future. Chapter 7 of the SHMA discusses this in detail.



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