



MANCHESTER
CITY COUNCIL

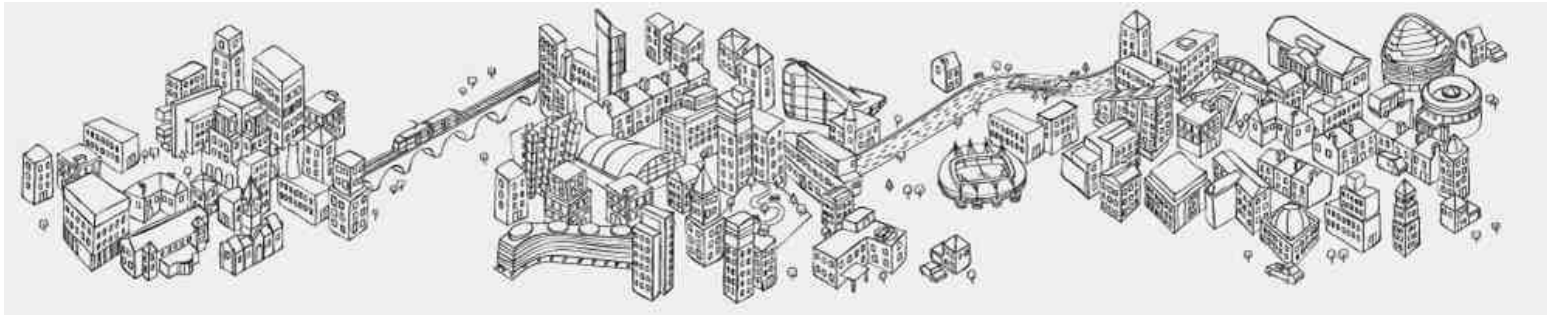
Affording a House in Manchester

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Paul Beardmore

Introduction and context

- Manchester Strategy 2016-2025
- Manchester Residential Growth Strategy
- Action Plan and policy development



A changing city

- Population and economic growth set to continue
- Primarily driven by job opportunities
- New homes required to support growth across a range of household incomes



Government direction

- Home ownership is the central plank to governments housing policy direction
- Emphasis on 'Starter Homes'
- Current and emerging policy changes will change the affordable and social housing sector
- Manchester can be more creative so public subsidy represents greater VfM

Rethinking affordability

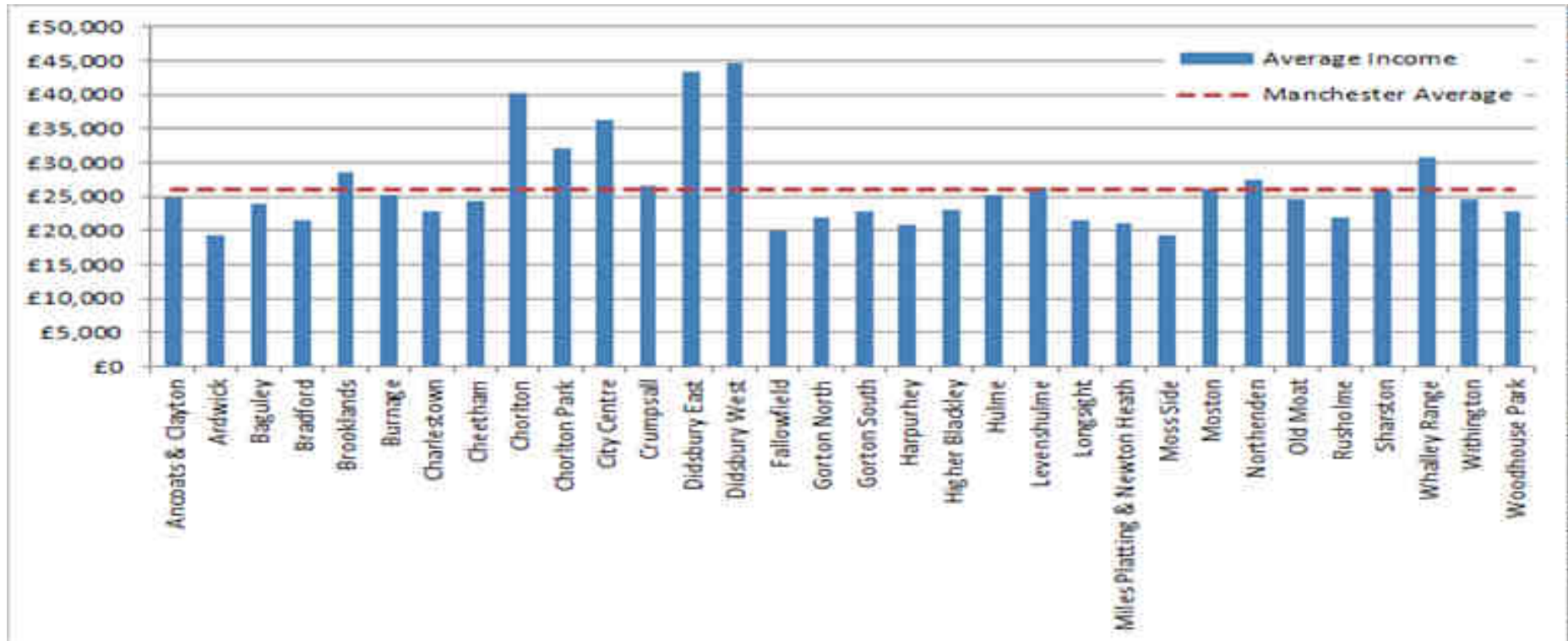
- Definition of affordable housing is often confusing and misinterpreted
- S106 has been very limited in delivery of affordable homes
- Opportunity to design our approach to support our economic ambitions
- Greater correlation between income and housing cost

Guiding principles

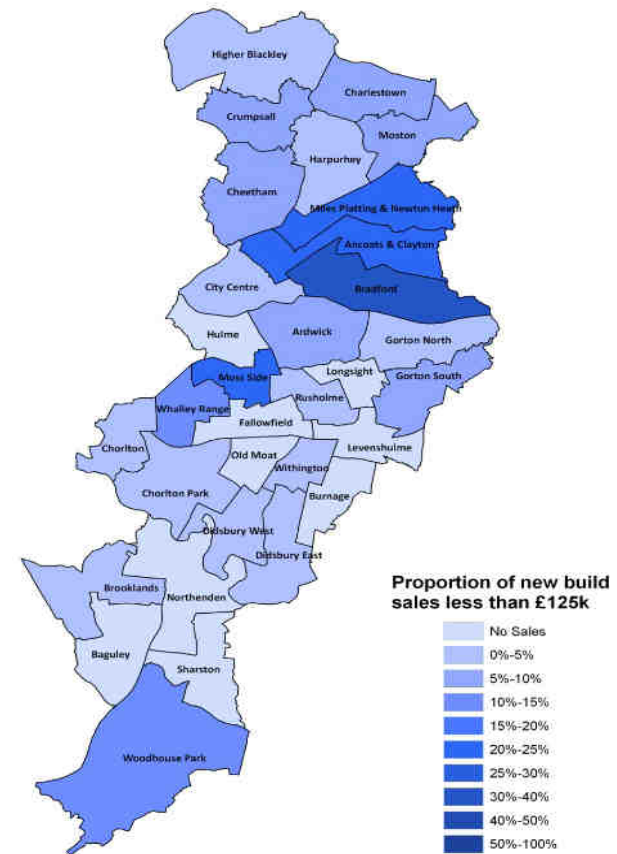
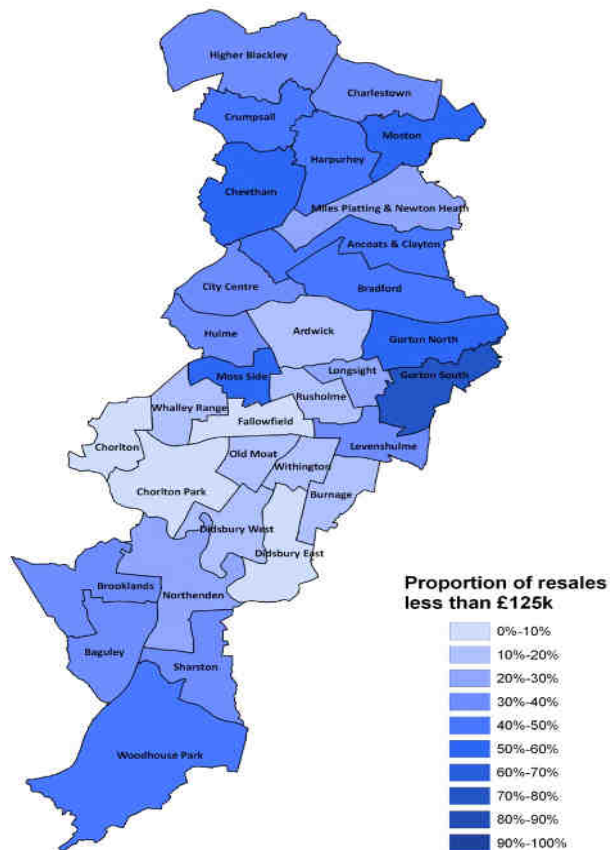
- No more than 1/3rd of household income should be spent on housing costs
 - Household income = all income, earned and unearned
 - Housing costs = rent/mortgage costs only
- Residents should have a range of choices between house, tenure and area
- We should make the best use of our existing social housing stock

Average income in Manchester

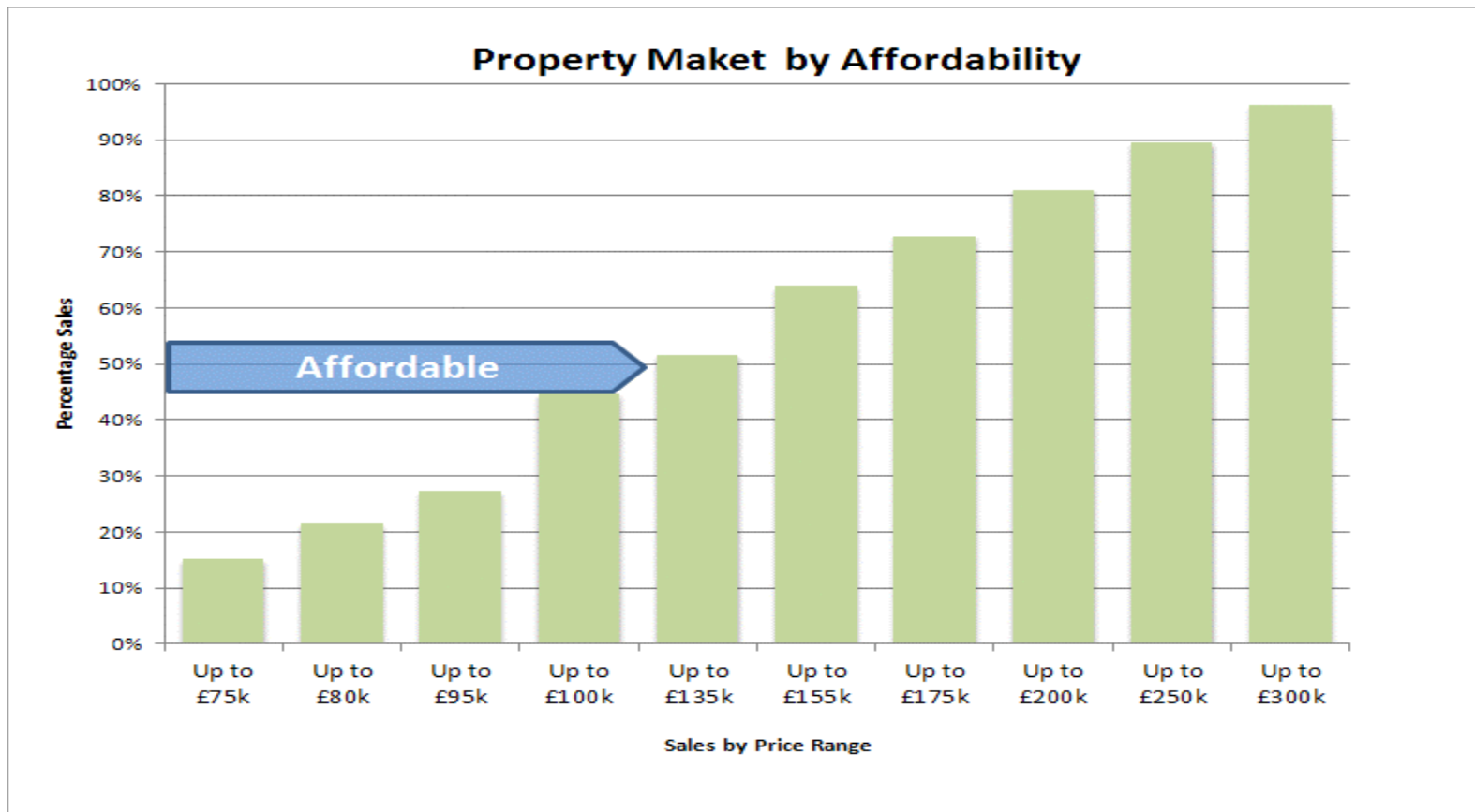
- Average household income of £27.5k – includes all earned and non-earned income



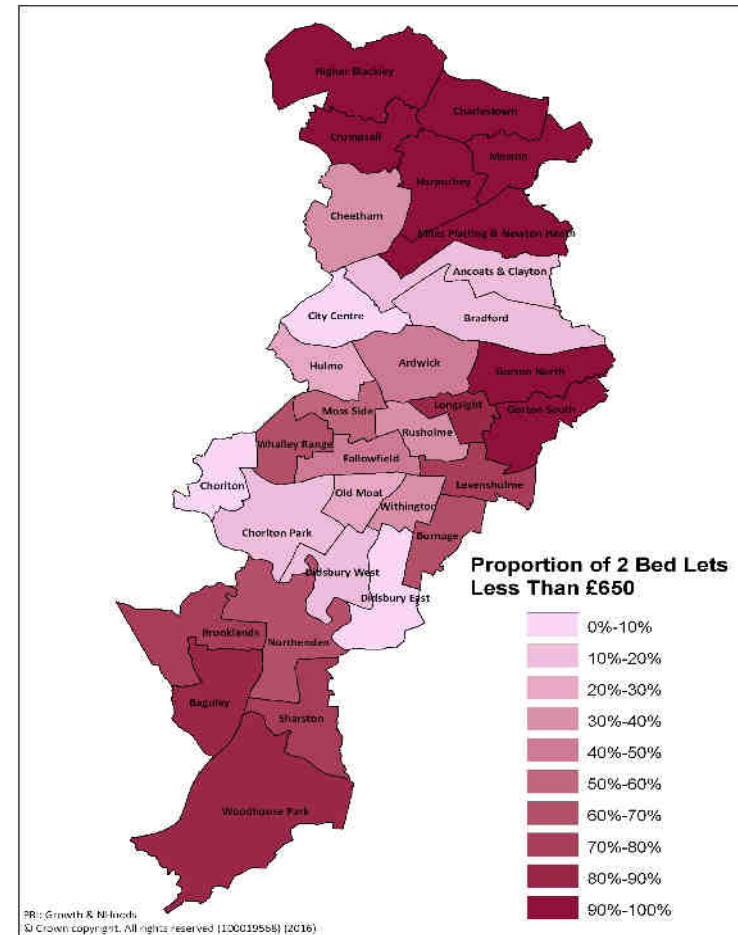
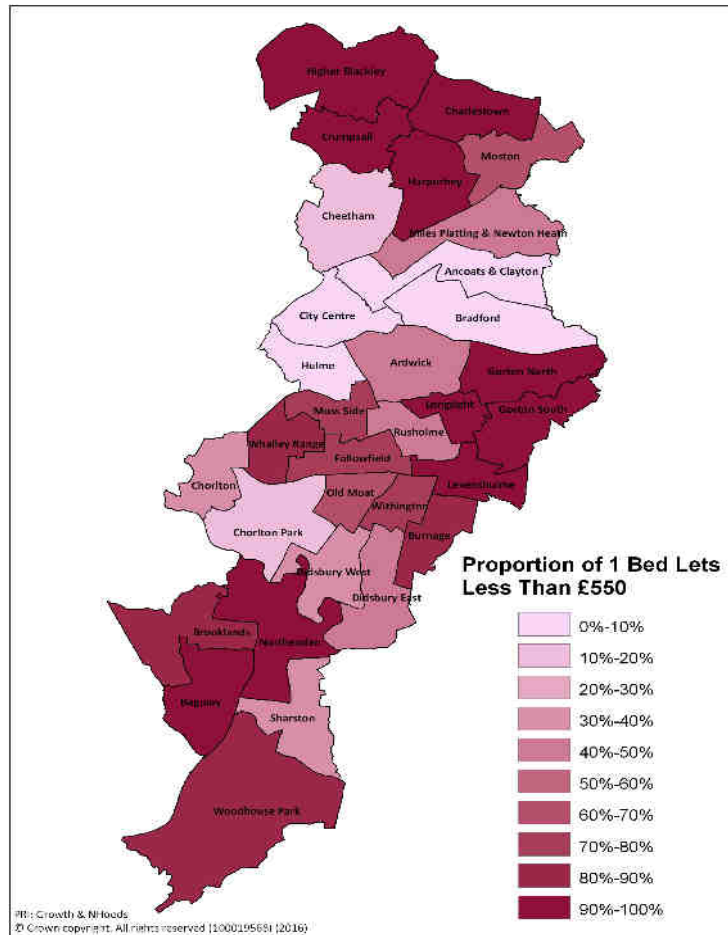
Sales within 'affordable' range



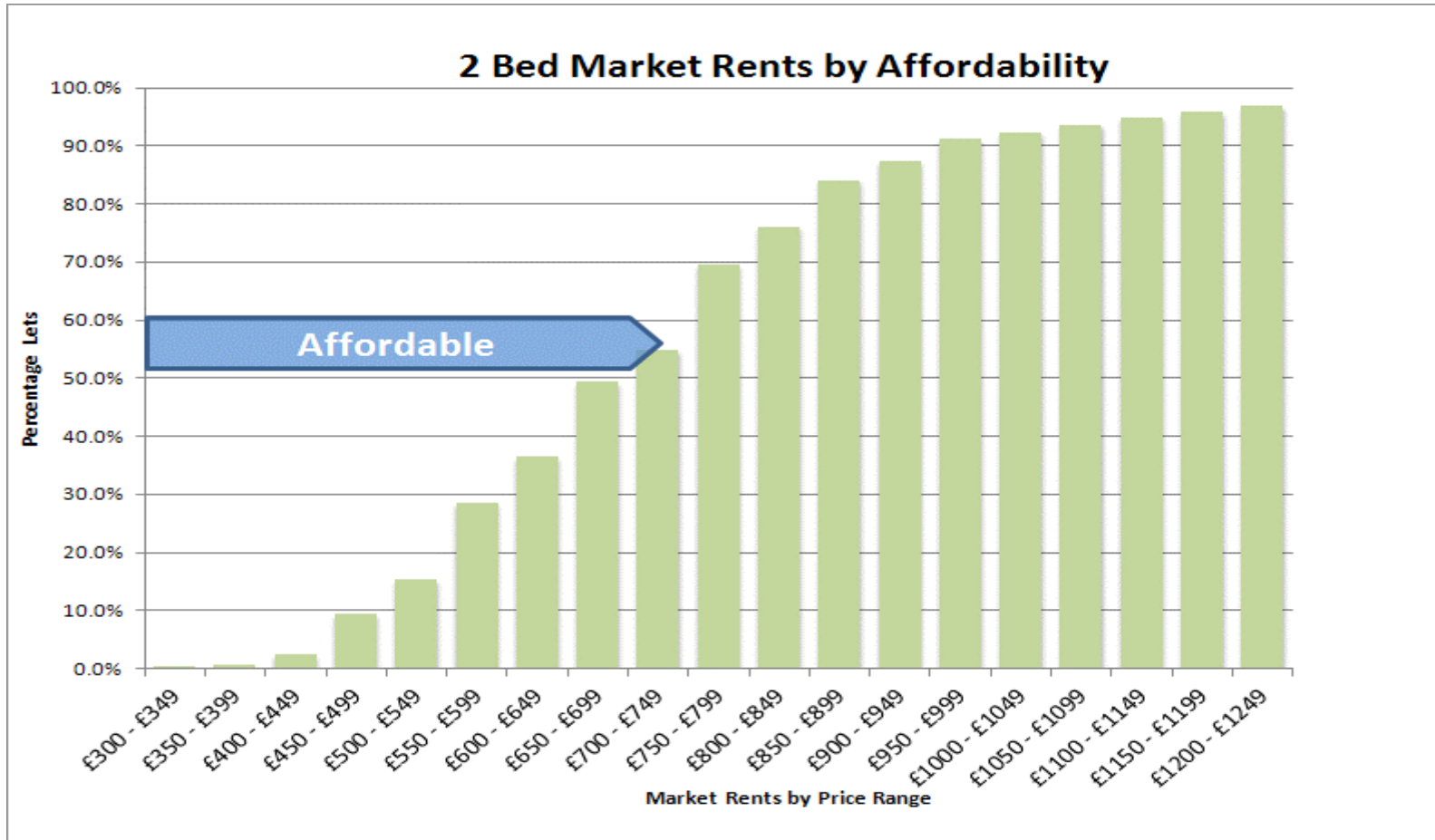
Sales affordability



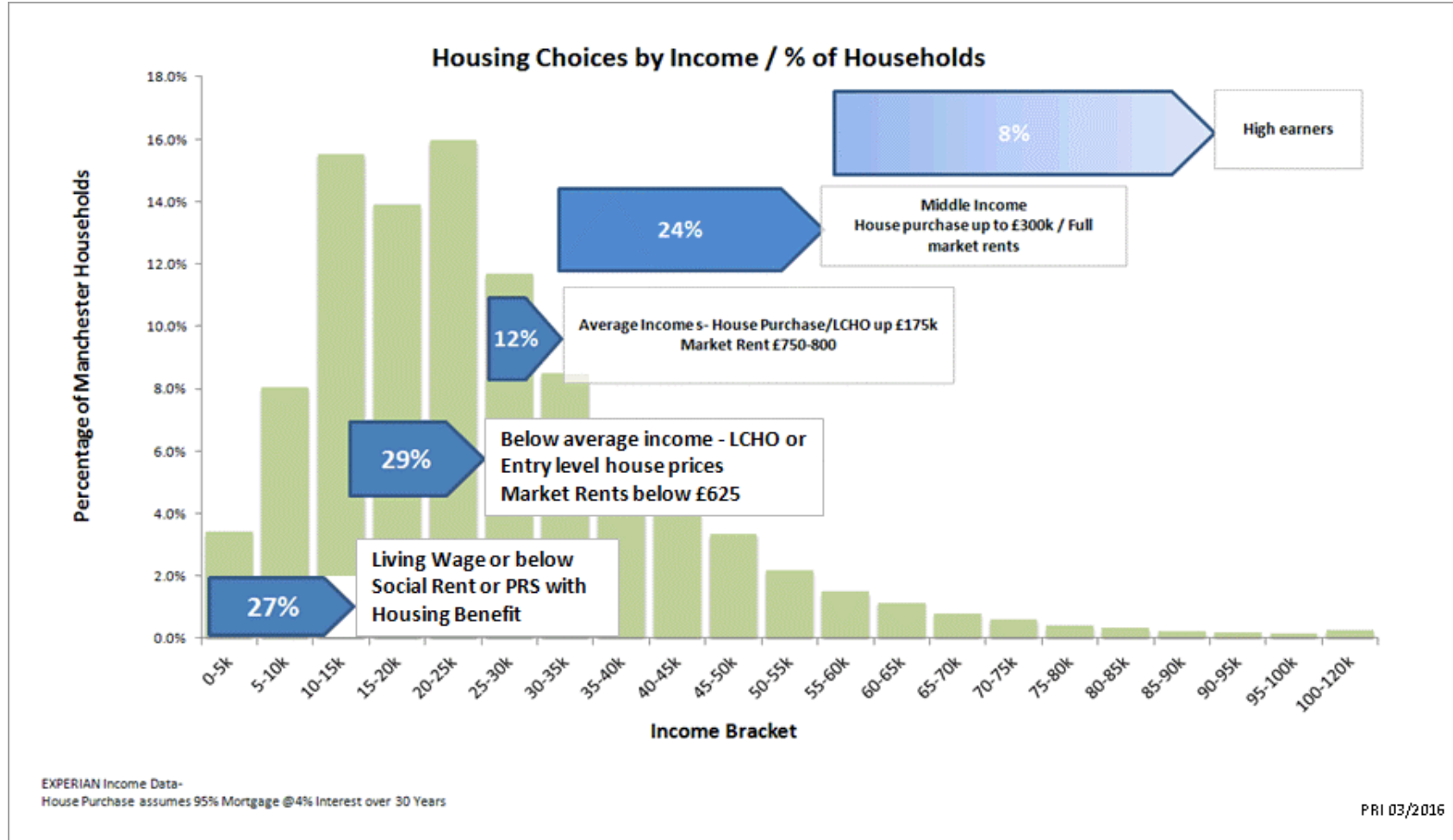
Rents within 'affordable' range



Rental affordability



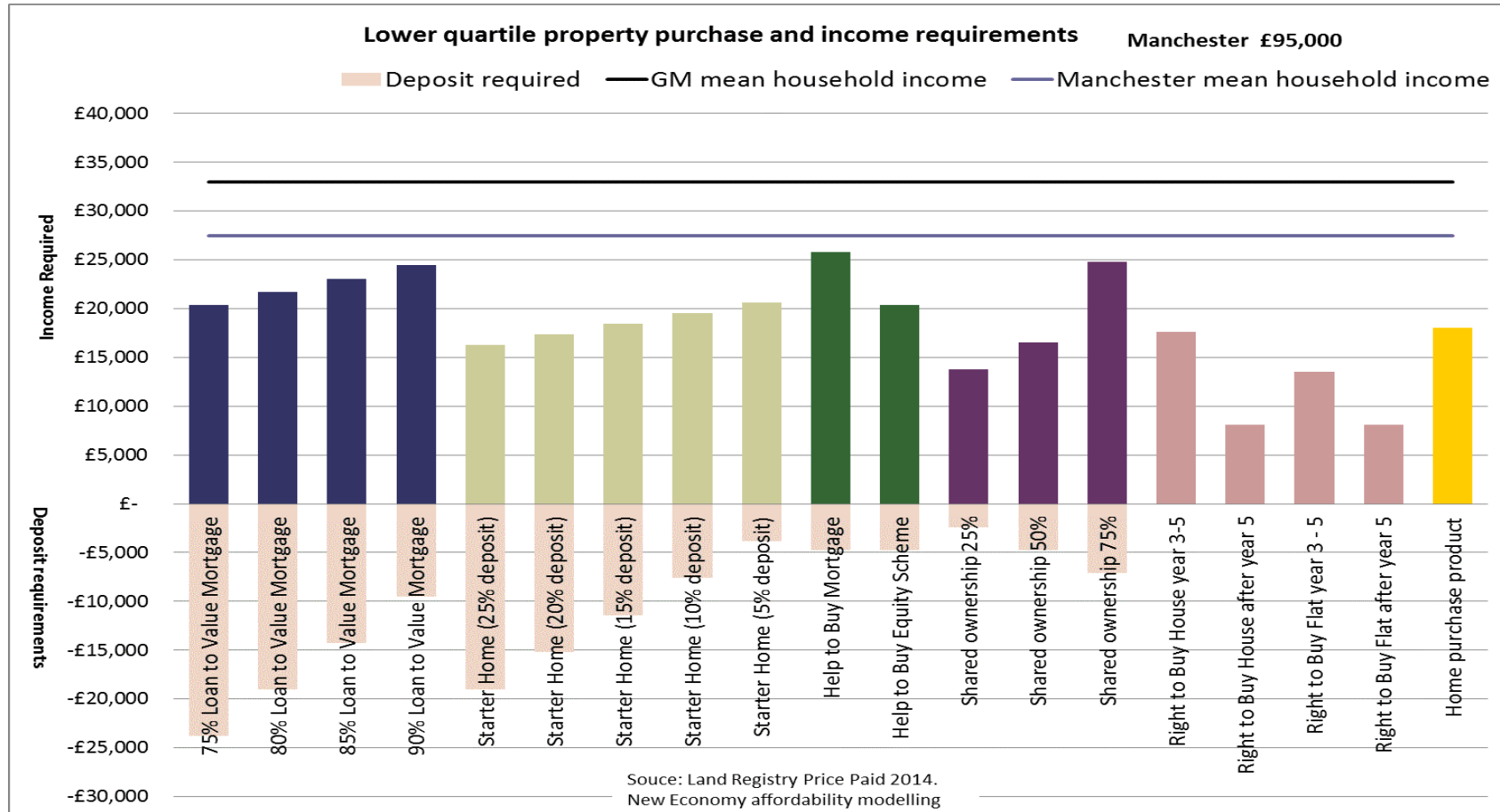
Manchester household income v affordability



Key issue – housing access

- However, access to housing is restrained by deposit requirements for purchase and rent
- Practicalities of saving a deposit restraining First Time Buyers (FTB)
- Average age of FTB – 37. Recent reports indicate Help to Buy is bringing this closer to 31
- Demand for social and affordable rented housing remains high

Purchase and Income requirements



Housing Strategy

- Build more homes,
 - Manchester Place, Matrix Homes
- Remove barriers to getting a home
 - Mortgage deposits
 - Tenancy deposits
 - Manchester Move
- Manage our existing stock
 - Market rented
 - Social rented stock

Collaboration and innovation - Manchester Housing Providers Partnership

Karen Mitchell – CEO Southway Housing
Charlie Norman – CEO St Vincent's Housing

Manchester Housing Providers Partnership (MHPP)

- MHPP 68,000 social homes
- Manchester focus
- Public Service Reform – Role of RP's
- New build – over 800 new homes in current HCA programme
- Neighbourhoods and place making roles
- Growth potential

St Vincent's Housing

- Focus on younger people
- Welfare reform impacts - supported housing lobby
- Impacts of RTB and Pay to Stay
- Remodelling existing housing
- Future development

Conclusion

- Governments direction on affordable housing doesn't work very well for us
- The market is building a large proportion of housing that is affordable to a lot of people
- The issue is access to housing - deposits and mortgages.
- Choices will be constrained by cost, location and type.
- MCC will use it influence, investment capability and asset base to promote housing that is affordable