

Private Rented Sector Strategy 2020-25

Insert Foreword (Cllr Richards)

Coronavirus Pandemic

During the Covid-19 crisis the Government intervened in our lives in unprecedented ways from March 2020 onwards. Lockdown restrictions put in place from the 23rd March effectively put a freeze on the housing market, halting transactions in both the sales and lettings market and slowing construction activity. Legislation was hastily put in place to prevent evictions, initially for three months, then extended to five months, and landlords were allowed mortgage holidays to help their cash flow.

Following an initial pause, most developments across the city returned to site after the Easter weekend as contractors began to adopt new practices to work more safely in line with social distancing guidelines and as the more stringent restrictions began to be lifted from May onwards, sales and lettings market activity increased. By the end of Summer the courts are due to begin to consider rent arrears cases once more.

At the time of writing it is unclear how the private rented sector will respond but there is a genuine concern that landlords will immediately seek to evict tenants in arrears leading to a serious spike in homelessness.

As referenced later, the short-term lettings market adapted rapidly to the changing demand (i.e no visitors) with many landlords switching properties back into traditional private lets.

As this strategy is being drafted the Council does not know how long this pandemic will continue and whether it will return. What it does know, however, is that a disproportionate amount of people living in poorer quality housing have been directly affected by this virus. It has also disproportionately affected specific groups, particularly those from Black, Asian and Minority Ethnic (BAME) communities, many of whom live in extended families in, often, overcrowded housing. This strategy must do everything it can to improve the quality of accommodation and the life chances for those communities who have suffered most.

Private Rented Sector - Vision

“Manchester’s Private Rented Sector will provide a high quality, low carbon, affordable and sustainable offer so that Manchester’s residents have a good choice of quality homes in clean, safe and vibrant neighbourhoods.”

Introduction

This Private Rented Sector (PRS) Strategy sets out how the council, along with its partners, will support the improvement of housing standards within the sector over the next 5 years (2020-25). The main focus of this strategy is improving housing and

management standards at the lower end of the market, and assisting landlords and residents to meet their individual responsibilities by providing advice and information.

Over the last 5 years the approach and delivery of the previous Market Rental Strategy has been, in part, successful. A report on progress was presented to the Council's Neighbourhoods and Environment Scrutiny Committee in March 2020 and can be found here:

<https://democracy.manchester.gov.uk/documents/s16166/PRS%20Strategy%202020-25.pdf>

However, the continuation of welfare reform, and the issues around housing supply, affordability, homelessness and no fault evictions has seen a further polarisation of the sector. This has led to a review of the strategy to make sure the Council can effectively refocus its priorities to meet the challenges affecting the sector, specifically at the lower end of the market.

This strategy will sit alongside the Housing Strategy and Residential Growth Plan which sets out the wider overarching strategic objectives for housing and growth across the city.

Wider Strategic Context

The 'Our Manchester' strategy has established a series of high level aims to secure the 2025 vision for the city, in particular the need to build well designed, energy efficient, sustainable and affordable homes to rent and buy. Creating more homes to meet the needs of a growing population and economy is a significant priority.

The Residential Growth Strategy (2015-2025) sets out the city's approach to providing the right mix of housing for all residents. One of the six key principles set out in the Residential Growth Strategy is "developing a quality private rented sector" and the Market Rental Strategy (2015) set out how the Council would meet this commitment.

The key strands of this strategy were:

1. Promote greater self-regulation of the sector.
2. Target and focus intervention and proactive enforcement on the very worst properties, landlords, agents and neighbourhoods.
3. Enhance the role of partners.

Background

There has been a significant growth in the number of homes in the private rented sector in Manchester over the past two decades, growing from 18.8% of total stock in 2001 (c.25,000 homes) to 38% of total stock today (c.88,000 homes). This growth has been concentrated in areas of highest population growth and new job creation - principally the city centre and inner city areas.

The city has undergone a period of significant post-industrial economic restructuring, with the emergence of a new and diversified employment market in a number of important sectors across the city including digital, tech and media. This has resulted in c.100,000 new jobs created across the city between 2011 and 2019, attracting new residents and fuelling rapid population growth¹.

Between 2001 and 2011, Manchester was the fastest growing city and third fastest growing Local Authority in the UK and recent evidence shows no signs of this pace of growth slowing. According to the latest in-house population estimates, there are currently c.586,000 people living in Manchester - including over 65,000 in the city centre - a 15.8% increase on 2011².

The majority of the growth in the city centre is attributable to new graduates and young professionals coming into the city to access jobs and housing in close proximity across the central area. In response to this, newer Build to Rent products have emerged which have helped to professionalise the lettings market with higher management credentials, additional amenities and a greater sense of community (and a lower risk of rogue / absentee landlords).

This growth in new supply of higher quality products for rent combined with a sustained period of demand has driven average rents in the city centre to c.£1,000 pcm (2bed). Whilst this is higher than the city average (£730), options for sharers mean that the city centre market remains an attractive and affordable rental option for many residents and this is reflected in the proportion of households of 2+ people in the city centre which currently stands at over 70%.

Outside the city centre, the private rented sector has grown fastest in areas which have seen the highest levels of inward migration, such as Crumpsall (45.8% of stock) and Longsight (34.2% of stock). A recent study by The Migration Observatory found that three in four (76%) migrants who have moved to the UK in the last 5 years find accommodation in the private rented sector³. Recent migrants rely on the private rented sector because of its relative flexibility and ease of access. In Manchester this is almost certainly the case with the evidence suggesting many new migrants find rented accommodation through well established cultural and community connections.

Unlike the growth in the city centre however, many of these new residents are on lower incomes and as such, the private rented sector in these areas - principally North and East Manchester - remains concentrated in poorer quality existing stock and is pitched at lower price points. Properties in this part of the market are characterised by disparate ownerships, varied management and issues linked to property condition and criminality. They are owned either by absentee landlords or landlords who simply fail to respond when tenants report problems.

This polarisation of the private rented sector has led to the emergence of a series of submarkets across the city representing the full suite of price points, property types, location and quality. There is no accepted methodology to determine different types

¹ Greater Manchester Forecasting Model (GMFM) 2019

² Manchester City Council Forecasting Model (MCCFM) W2018

³ The Migration Observatory, "Migrants and Housing in the UK: Experiences and Impacts" (October 2019)

of PRS accommodation operating within the market. However, broadly speaking there are roughly 6 PRS submarkets operating at present in Manchester (see Appendix 1).

This strategy does not focus on the middle and premium end of the lettings market which will need to continue to be monitored separately. Similarly, the homelessness agenda is covered by a separate strategy. However, there are clear strategic links and actions that this strategy will directly contribute towards with regards to providing affordable housing to prevent homelessness and provide good quality move on accommodation.

This refreshed strategy will, therefore, focus on the areas that are most challenging, targeting resources to improve housing outcomes for some of our most vulnerable residents (the submarkets outlined in red in Appendix 1). It will also consider how best to respond to the emerging short-term lettings sector and, crucially, sets out our approach to developing a zero carbon strategy and a fire safety strategy within the private rented sector.

Market Context

Manchester's combination of relatively low property prices and strong rental growth presents a very attractive opportunity for prospective buy-to-let investors. Recent research by MCC found that landlords in North and East Manchester, in particular, could achieve yields upwards of 10% - which is amongst the highest in the country. This has also meant that, unlike parts of the country with very high property prices such as in central London, landlords in Manchester were not put off by the 3% Stamp Duty Land Tax (SDLT) surcharge on second home purchases introduced in April 2016. This coupled with the low value of sterling, high levels of demand and driven by unprecedented post-war levels of population growth, has continued to make Manchester amongst the most attractive cities in the UK for residential investors both at home and abroad.

There are no longer any areas of low demand in Manchester. Historically, Manchester's population growth has been absorbed through backfilling previously empty properties, however, sustained high demand has led to long term void rates remaining between 0.5% and 1% across all wards in the city.

As demand has continued to increase, landlords are no longer having to look to low income UC/HB claimants to fill properties and as a result the composition and make up of the sector has transformed to an overwhelmingly middle/high income in-work tenant base. As the number of working households living in the private rented sector has increased - c.43,000 in Manchester in 2011 (70% of PRS households) to c.81,000 in 2018 (93% of total PRS households) - the areas with high numbers of claimants has become concentrated in a minority of North and East Manchester wards. This step change is represented by the fact that fewer than 1 in 10 PRS households are currently out of work and fewer than 1 in 5 are claiming Housing Benefit or Universal Credit however there's still a large number of lower paid workers living within the sector.

Alongside this, limited availability has led to a period of sustained rental inflation in both high and low value neighbourhoods. As a result the number of wards with average rents at LHA levels has reduced and housing options for lower income residents has become more limited. Since the introduction of the Coalition Government's programme of welfare reforms, Manchester's LHA market has become increasingly concentrated in certain neighbourhoods. The impact of these changes is still being felt and whilst the announcement of the end to the freeze of the LHA rates was welcome, issues remain about the scale of the gap between market rents and the LHA rates linked to dysfunctional Broad Rental Market Areas⁴ in Manchester which are out of sync with current housing market dynamics in Manchester and Greater Manchester.

Non-traditional online lettings portals and word of mouth

Whilst the average rent in most Manchester wards is currently above the LHA rate, this does not mean that there isn't property affordable to claimant households. In 2019, 1.7% of properties advertised on the property website Zoopla across Manchester were under the local LHA rate and a further 2.3% were affordable to claimants able to "top-up" by up to £50pcm. In more affordable areas of the city this increases to between c.10% of properties available within the LHA rate and a further c.25% accessible to households able to "top-up".

Alongside Zoopla, there is an active lettings market which appears to transact through non-traditional portals and word of mouth. Recent research undertaken by the Council found that there were c.350 properties advertised for rent on non-traditional portals, however the majority of these (72%) were rooms (as opposed to full properties) in HMO-style accommodation. This even more lightly regulated lettings market mirrors a trend evident across the city, of landlords letting out properties on a per room basis to maximise rental income, in many cases in some of the smallest and poorest quality housing options in the city.

This, combined with a lack of recent new supply in areas where this market is most prevalent (Longsight and Cheetham) has led to an increasingly intensive use of property, particularly in lower end PRS stock. An increase in single person claimant households and larger / multi-generational claimant households has led to average household size of LHA claimant households increasing from 2.27 in 2012 to 2.75 in 2018 (compared to an increase from 2.34 to 2.45 in the mainstream market over the same period).

Where products in this market are comparable to mainstream portals, the evidence suggests that properties let through non-traditional portals / word of mouth don't provide a significantly cheaper alternative and in many cases, adverts were found to specify that tenants must not be in receipt of housing benefit. In addition, whilst these portals can provide a low cost model to landlords and agents, there are concerns around property condition and quality of management due to the unregulated nature

⁴ The pace of change in the lettings market in Manchester has led to the BRMA framework in Manchester bearing little resemblance current housing market dynamics. For example, the Central GM BRMA covers the neighbourhoods where rents range from £350pcm to over £2,500pcm (2beds) and in Wythenshawe (which is covered by the Southern BRMA) where LHA levels are dictated by rents in Trafford and Stockport

of the market. Despite this, it is clear that this market remains popular and continues to provide housing options for some residents.

Existing and Emerging Challenges

As we have seen over recent times the sector is constantly developing and this strategy has been written with this in mind. As the sector develops, the strategy and associated work streams will have to adapt to provide an evidence base to support decision makers tasked with increasing the supply of good quality affordable homes in clean and safe neighbourhoods.

Homelessness and Temporary Accommodation

Across Manchester an increasing number of individuals and families are becoming homeless and are at greater risk of homelessness. The main reason for statutory homelessness is the no fault loss of a private rented sector tenancy through the issue of a Section 21 notice, which has become the leading cause ahead of loss of lodgings, relationship breakdown and domestic abuse. Government welfare changes, which include capping personal benefits and limiting the amount payable in rent via the LHA, have had a major impact in contributing to the loss of tenancies. However, the buoyant housing market in the city is also a significant factor as landlords replace those who can't by those who can afford to pay the increase in rents.

Evicted tenants, who present as Homeless are often initially placed in emergency temporary accommodation (residential hotels). This accommodation is inappropriate for households and as such families with children, should only be placed in hotels for a maximum of 42 days, although for single people no such cap exists. The Council and the Greater Manchester Combined Authority (GMCA) are striving to improve the quality of such accommodation across the city region, and have made some progress in recent years, however there is still work to do. A number of specialist landlords acting at this level are responsible for Houses of Multiple Occupation (HMOs). Others provide accommodation on a larger scale - sometimes on a room by room basis. These suppliers consist of an assortment of hotels, hostels, and other multi-let operations.

The resident profile is mixed, with families who have lost their PRS property through no fault of their own, other than the landlord requiring possession of the property, showing limited support needs, to single people often suffering from multiple complex needs including poor health, financial and social exclusion. Tenants can have poor housing histories, including exclusion from social housing registers as well as having a history of criminal convictions, including acquisitive crime, drug related offences, violence and sexual offences. Many residents seek the use of hostel and hotel B&B accommodation following discharge from prison or having been asked to leave supported accommodation. There is evidence that demand for this type of Unsupported Temporary Accommodation (UTA), is increasing in the City and across Greater Manchester (GM). (NB - UTAs are not part of the Council's Homelessness offer).

Changes to welfare and benefit caps, including the change in age requirements for shared accommodation rates for housing allowance, is likely to force many single

people to live in shared accommodation in the future. For this reason the shared PRS is likely to come under immense pressure. The situation is particularly difficult for single people under the age of 35. Government rules mean they are only awarded enough housing benefit to cover the cost of a single room in accommodation with shared facilities. To make matters worse, many young people find that this kind of accommodation isn't easily accessible – leaving them with a stark choice between homelessness and paying for rent shortfalls out of some of the lowest incomes in the city.

Short Term Lets

Over the last ten years there has been a huge growth in online platforms which facilitate the short-term letting of rooms or whole domestic properties as an alternative form of visitor accommodation. As demand has grown, the market-place has developed and professionalised, evolving alongside residents renting out spare rooms towards a more professional entire property model, increasingly dominated by landlords.

Short-term lets are available across a variety of platforms (e.g. Homes Away, Booking.com etc), although Airbnb is by far the largest actor – estimated to be over 75% of the short-term lettings market in Manchester. Prior to the Covid-19 pandemic, Manchester had experienced a period of exceptionally rapid growth with well over 3,000 active Airbnb listings in the city (of which c.50% are for entire properties), comparable to other similar UK cities but much smaller than major European tourist destinations.

There are a wide range of different typologies of short-term lets operating in Manchester covering the full range of quality and management standards and carrying different levels of risk from a local authority perspective. At the lowest end of the risk spectrum is a large proportion of the city centre market (predominantly in and around the Northern Quarter) which makes up c.50% of total Airbnbs and is of high quality and generally well managed. Whilst there are some issues linked to antisocial behaviour, noise complaints and waste disposal there is evidence that, in some instances, professional management is beginning to remedy these problems.

Outside of the city centre however, whilst the total numbers of properties are smaller, and principally concentrated in relatively small pockets of Central, East and South Manchester, the issues faced are much more acute and the market is dogged by instances of poor property condition and / or unprofessional management. There is also evidence of a small but significant “HMO model” short-term lets market focused in Moss Side and Rusholme where multiple guests separately rent individual rooms within a property despite clear issues with safety, quality and management in some instances.

This portion of the short-term lettings market has generated a growing number of problems for residents nearby linked to poor waste management practices, noise and anti-social behaviour as well as, in some instances, criminal activity which has damaged the reputation of the city. These issues are exacerbated by the fact that in many cases entire home short-term lettings are taking family homes out of the mainstream market. In order to avoid the loss of any more family housing, MCC is

seeking legal advice to identify whether it can avoid properties built on Council-owned land being used as short term lets. An example of where this has worked well and had a real impact ensuring family homes are actually let to families can be found in Brunswick; where, to achieve this objective, clauses and restrictive covenants are included within the lease and freehold transfer, that provide for strict and controlled lettings within the neighbourhood.

Fire Safety

Following the Grenfell Tower disaster in June 2017, the government asked the former Chair of the Health and Safety Executive, Dame Judith Hackitt, to undertake a review of building regulations and fire safety. This review specifically relates to High Rise Buildings. The Council has worked alongside Greater Manchester Fire and Rescue Service to identify the relevant buildings in Manchester (over 200). The Council is working with owners and managing agents to identify the type of cladding and other features, such as balconies, on each building. The Council is also working with residents in some of those buildings to put pressure on the owners to carry out work to ensure their homes are safe whilst, at the same time, lobbying the government to make sure that individual leaseholders do not have to pay huge service charge bills.

The Council has been selected as an Early Adopter following the review and is working with government departments to test and develop new ways of working to ensure high rise building safety in the future. New legislation, in the form of a Fire Safety Bill and a Building Safety Bill, is being drafted and a new regulatory regime will be introduced which will formalise and professionalise high rise building safety management.

As an Early Adopter the Council is committed to implementing the recommendations made in the Hackitt review before legislation is introduced, doing everything within its powers to ensure that residents are safe in their homes. The Council's Building Control team, along with the Health and Safety Executive and Fire Risk assessors will play a key role in ensuring new, and existing, buildings are as safe as they can be for residents.

Health and Housing

The interrelationship between poor quality housing and health conditions is well documented and in Manchester there is a clear correlation between areas with high levels of poor quality PRS properties and long term physical and mental health issues.

Property conditions such as excess cold, damp and mould, excess heat and lack of ventilation, and lack of space and overcrowding all contribute to a decline in health outcomes within the sector and increasing costs to the health sectors. This was one of the major themes that came out of the consultation and this strategy will identify interventions with health colleagues to improve health outcomes for residents within the sector. This will include:

- Joint-working within and across Local Authorities in Greater Manchester, and with local health and social care providers.

- Improving the information provided to Health and Social Care around property standards within the sector and how and where to report issues
- Supporting landlords to make homes more energy efficient and explore working with RPs to assist with retrofitting homes.

Zero Carbon

Greater Manchester has declared a target of a carbon-neutral city region by 2038, and is taking action to tackle the residential component of carbon emissions. Expert support is needed to develop a method to model the need and opportunity for domestic retrofit in Greater Manchester and, through this, support the development of business cases to unlock investment opportunities and implement cost-effective pathways to retrofit existing homes. However this will be expensive and the council will need to identify investment and funding opportunities to meet these challenging targets and to be able to support landlords.

Discussions are underway with the Red Coop and Carbon Coop regarding methods for reducing fuel poverty and domestic carbon emissions. Funding opportunities are being explored for pilot projects including a potential loan product for domestic retrofit of private rented sector homes. The aim would be to create warm, energy efficient, healthy homes and to share knowledge from the pilots.

Developing the Strategy

Along with identifying existing and emerging challenges within the sector, to assist with the development of the strategy, stakeholder engagement has been undertaken to understand the issues facing residents, landlords and other key stakeholders.

Stakeholder Engagement

Detailed consultation was undertaken with Registered Providers, Neighbourhood place based groups (made up of local neighbourhood services and includes health and social care, GMP, the fire service and representatives from various council services), Greater Manchester Combined Authority and the Northern Housing Consortium. Alongside this, four drop-in events and an online consultation for tenants, landlords and representative bodies was also carried out.

Rent levels and property conditions were consistently raised as the most important issues for tenants. Indeed, high rents were three times more likely than any other issue to be listed as one of the things respondents don't like about the sector and 68% reported experiencing at least one problem with their private rented sector property over the last 6 months (with fewer than half saying the issue was fixed satisfactorily). The other main issue raised by tenants was the insecurity of the tenure (linked to Section 21 evictions) and more than a quarter of respondents said they had been subject to the threat of unlawful eviction.

Feedback was received from landlords and managing agents representing over 10,000 properties across Manchester. The most important issue to landlords was ensuring the ability of tenants to pay their rent. A number of landlords highlighted concerns around letting to tenants in receipt of housing benefit or Universal Credit,

due to delays in tenants receiving benefits, increasing the likelihood of defaulting on their rent. In contrast to the tenants' responses, all landlords responded saying that any problems or issues raised with their properties over the last 6 months had been resolved satisfactorily.

Other issues raised during the consultation included:

1. The need for more, open dialogue with health colleagues about property condition and health issues
2. A request for training and support for both tenants and landlords
3. A desire for improved communication between the Council and landlords and agents
4. Concern about the concentrations of temporary accommodation for homeless families
5. The potential for Registered Providers to take a more active role in neighbourhoods through ownership or management

Full analysis can be found on the city council's website: [access the download directly here](#)

In response to the consultation we have developed a number of strategic themes and objectives and a clear set of actions described in Appendix 2.

Strategic Themes & Objectives

Objective 1: Improve Property and Management Standards

“Target and focus intervention and proactive enforcement on the very worst properties, landlords and agents and improvement of neighbourhoods”

The improvement of property condition and management standards across the private rented sector has been a key area of focus over the past 5 years with progress made on a number of fronts through both MCC interventions, work with Registered Provider partners and private initiatives. Continuing these approaches will remain a factor within this strategy as well as new initiatives.

Selective Licensing

Selective licensing is intended to respond to problems of poor property condition, management, crime and anti-social behaviour (ASB) within a defined geographical area. All privately rented properties within a designated area require a licence with some exemptions, for example, property rented to family members.

Manchester currently has four Selective Licensing areas, encompassing approximately 2,000 private rented properties. Further areas will be identified and consulted upon for future designation within a rolling programme.

Build to Rent Family Housing

Build to Rent is predominantly a city centre apartment product, however over the past 5 years the sector has expanded across the rest of the city including a lower density family housing product. The Council entered into a joint venture with the Greater Manchester Pension Fund (GMPF) to build 120 new homes for rent in Chorlton, Wythenshawe and Gorton under the Matrix Homes brand. Alongside this, Sigma Capital Group and Countryside Properties developed a 59 home scheme in Charlestown under the DifRent PRS brand.

The continued growth of this well managed lettings product, targeting families, is key to enabling access to good quality accommodation that meets the aspirations of Manchester residents on a range of incomes.

Registered Provider-led market rent schemes

The Manchester Housing Providers Partnership (MHPP) Growth and Affordable Homes workstream coordinates developments with the Council to deliver its target of a minimum of 6400 affordable homes by 2025.

In 2018-19, One Manchester completed c.170 new homes across two sites at Leaf Street and Royce Road in Hulme and, more recently, Your Housing Group's development at Amberley Drive includes an element of market rent alongside homes for Shared Ownership. These new developments are increasing the provision of well managed private rented sector homes in Manchester.

Alongside these new build developments, One Manchester have also announced the planned acquisition and refurbishment of around 300 existing properties in North and East Manchester which would have otherwise likely transferred into the sector - almost certainly towards the lower end of the PRS.

Short Term Lets

The Council expects good quality management of short-term lets and to encourage this within the sector we are working with the Short Term Accommodation Association (STAA) to develop a Considerate Short Term Letting Charter which defines parameters and sets out best practice for property owners, managing agents and hosts engaging in this activity, emphasising the shared responsibility of them and their guests.

Interim Management Orders (IMOs) and Empty Dwelling Management Orders (EDMO)

Empty dwelling management orders (EDMOs) are a legal device which enable local authorities to put an unoccupied property back into use as housing. There are a number of occasions where management orders may be necessary: as a sanction in Selective Licensing areas and to deal with long term empty properties. Funding for this scheme will need to be identified and a proposal developed.

Rent Repayment Orders (RRO)

RROs require repayment of rent, or housing benefit, or the housing costs element of universal credit paid in respect of a tenancy or licence, by a landlord/agent who has committed a particular offence listed in the legislation. The Housing Compliance and Enforcement team will pursue such cases and if an RRO is granted, this can require the repayment of rent.

Zero Carbon

The Council is currently working with the GMCA on a project modelling the characteristics of the current housing stock across Manchester and GM in order to identify the estimated cost of retrofitting properties to meet the Council's ambitions for Zero Carbon by 2038. It is anticipated that the final results of this work will become available from early 2021.

Fire Safety

The Council has been selected as an Early Adopter following Dame Judith Hackitt's review of the construction industry (link to review below). The Council is committed to doing everything within its powers to ensure that residents are safe in their homes. The Council will ensure that managing agents and owners carry out relevant works to make their buildings safe and ensure that they undertake the new duties which will come into force following Dame Judith's report and the Grenfell Tower Inquiry recommendations.

<https://www.gov.uk/government/publications/independent-review-of-building-regulations-and-fire-safety-final-report>

Objective 2: Increase Opportunities within the Sector for Low Income Households

"Narrow the quality gap between the lower end and that of the middle and higher end of the market so that people on lower incomes have greater access and more choice"

The success of Manchester's growth over the past twenty years has created a number of challenges for lower income households in Manchester linked to increasingly limited housing options. There are a number of key programmes of work currently underway which are looking at ways to improve access to high quality housing for residents across a range of incomes.

Local Housing Company

The establishment of a Local Delivery Vehicle for the delivery of new homes in Manchester will be an intrinsic part of the City's economic recovery post Covid-19. It will be more important than ever for the Council to lead the recovery of the Manchester housing market and out of the recession.

A new vehicle will increase delivery capacity for new homes, at a time when major housebuilders may be reticent to bring forward large volumes of property for sale. Creating a long term stable investment proposition will provide confidence and

certainty for the wider Manchester market. The scalability and long term ambitions of the Council proposition will allow suppliers, and those in the supply chain, to make confident long term decisions to invest and innovate both in respect of social value outcomes and technology to support the low carbon objectives of the Council.

Registered Providers

RPs are becoming the lead developers in many neighbourhoods for mixed-tenure housing including PRS. The Council are proactively working with RP partners to tackle some of the issues in the private rented sector across the city. Growth programmes by a number of RPs are developing new homes for a range of tenures across Manchester with the aim of bringing better quality properties into the affordable and private rented sector.

The purchase and refurbishment of empty properties within the private sector in partnership with RPs will continue. Where possible these homes will include a zero carbon refit and provide affordable housing options for first time buyers and people on lower incomes.

GM Ethical Lettings Agency

Over the last 18 months, the GMCA has been developing initiatives towards improving the sector. A partnership of GM Housing Providers has set up the Ethical Lettings Agency to work with the GMCA to enable greater access to private rented sector properties and offer an alternative to landlords who do not want to let their properties through high street letting agents. The agency has secured funding to create a portfolio of 800 properties across GM over the next two years. Manchester will work with the agency to focus on solutions around homelessness prevention (for people threatened with homelessness) and move on accommodation for households moving out of temporary accommodation.

Objective 3: Improve Communication across the Sector

“Raising awareness of landlord, agent and tenant responsibilities; sharing good practice and an enhanced role for the relevant professional bodies will help ensure standards continue to be met at all levels of the market”

The online consultation highlighted the importance of the Council’s website as a valuable resource for providing advice and information for both tenants and landlords. It is important that this is recognised along with ways to further improve communication within the sector at the national, regional and local level including the use of modern methods of communication to raise awareness of the rights and responsibilities of landlords, agents and tenants.

Social media takeover days

Social media takeover days will raise awareness and provide information about how the Council is developing and delivering solutions to meet the city’s wide ranging housing needs. The takeover days will include posts on Facebook and Twitter, with links to the housing advice pages of the Council’s website. This also enables residents to retweet and share so that the messages are disseminated further.

Messages can be focussed on a range of issues, such as the rights of those in private rented accommodation, action taken against non-compliant landlords and signposting tenants to other advice and support.

Considerate Short Term Letting Charter

We are working with the Short Term Accommodation Association (STAA) to develop a Considerate Short Term Letting Charter. This will define parameters and set out best practice for property owners, managing agents and hosts active within this market, emphasising the shared responsibility of them and their guests.

Improving Landlord and Tenant Interactions

The online consultation highlighted the feelings of many private sector tenants in Manchester that the balance of power weighed too heavily towards landlords. It is important therefore to work with partners to continue to provide information to residents on their rights and responsibilities and empower them to become more discerning tenants. Opening these lines of communication could provide a key source of insight into the lower end of the market.

Similarly, an appropriate framework to engage private sector landlords and encourage good practice could provide a vehicle through which to identify and grow the good quality parts of the sector - particularly outside the city centre. During the consultation process, landlords expressed support for the reintroduction of forums and the overwhelming majority were in favour of better training and provision of advice. A landlord "hub" will be created, in partnership with other stakeholders, to provide up to date advice and information for landlords and residents.

Greater Working with Health Colleagues

Work is underway to improve communication between the Council and Public Health colleagues to help identify where poor housing is having a significant impact on residents' health and ensure GPs and Health Visitors are aware of how to report concerns of poor property condition. The importance of this is highlighted by the outbreak of Covid-19 with initial evidence suggesting those living in overcrowded conditions (including HMOs and larger households - particularly BAME residents) are more adversely affected.

Greater Manchester Private Rented Sector Strategy

The Council is working closely with GMCA in the development of a GM-wide Private Rented Sector Strategy. The strategy will have significant emphasis on lobbying the Government for greater levels of resource and autonomy to improve the sector.

Issues currently under consideration include:

1. Greater influence over the welfare system.
2. Additional powers to intervene in issues of safety and security of our residents at risk from the effects of poor housing or rogue landlords and

3. An opportunity to pilot the Rugg Review proposal for 'property MOTs' for PRS properties.

Work with GM will also include identifying and attracting investment for zero carbon objectives.

Future Workstreams

Against this background, an action plan has been developed in conjunction with key partners which sets out a series of workstreams aligned to the objectives set out above.

Underpinning this action plan will be a programme of work focused on continuing to utilise the Council's data resources to monitor key housing market and demographic indicators in order to understand how the private rented sector continues to evolve across the city. This will be used to inform evidence based policy making and ensure that the Council's resources to effectively intervene are maximised. Alongside this baseline monitoring, work is underway to monitor and respond to emerging national policy & legislation including new regulations around Assured Shorthold Tenancies and Section 21 notices and changes to welfare provision.

Governance and Reporting Structure

The PRS Strategy will be delivered by a newly formed delivery group. The membership of the group will be made up of the Action Plan leads and will meet monthly, each lead will report on the progress of their specific actions.

The delivery group will report to the Strategic Housing Board which meets monthly.

Conclusions

This strategy sets out the current challenges faced by tenants and landlords in the private rented sector - specifically at the lower end of the market - and begins to outline the Council's plans to work collaboratively with key partners and stakeholders to continue the progress made over the past 5 years and identify new areas of opportunity.

Large elements of the private rented sector self regulate and are delivering an attractive housing offer for residents. However where there are instances of poor practice the Council will continue to use its enforcement powers to ensure quality and management standards are upheld. Part of the role of the Council over the period of this strategy will be to promote and facilitate the growth of the good quality parts of the sector and, working with both public and private sector partners, create the right conditions to address the poor quality and resource intensive parts of the market.

The private rented sector will continue to play a major role in providing housing for a large proportion of Manchester residents and is only likely to grow as the city continues to attract new residents from home and abroad. The limited public sector resources will be appropriately targeted to improve the lower end of the market and to deal with any fire safety issues.

Appendix 1 - Submarkets Within the Private Rented Sector in Manchester

Market Segment	Common Characteristics
Premium Market	<ul style="list-style-type: none"> • Houses & apartments in affluent areas • Asking rents £1,200 pcm for a 2 bed • Good quality & professionally managed • Professionals (and potential owner occupiers) in the top 10% of highest earners
Middle or Mainstream Market	<ul style="list-style-type: none"> • Conurbation Core & South Manchester • Asking rents £850 - £1,200 pcm for a 2bed • Good quality & professionally managed • Professionals (and potential owner occupiers) with higher than average salaries
Student Market	<ul style="list-style-type: none"> • A range of products (apartments/HMOs/shared houses) covering a range of markets: • High Price International – Premium market (Conurbation Core) • Low Price International – Including families (Conurbation Core) • High Price Domestic – Central / South (higher rents) • Low Price Domestic – Limited Choice Sharing in Central / South
Lower End – Professionally Managed	<ul style="list-style-type: none"> • Concentrated in North & East Manchester • Asking rents c.£600 pcm for a 2 bed • LHA claimants and sharers • Large scale professional landlords – engaged with the City Council
Lower End – Unprofessionally Managed	<ul style="list-style-type: none"> • Unregulated with absent landlords and possible criminality • Asking rents c.£600 pcm for a 2 bed • Little credible intelligence • Poor property conditions and management • Intensive use of property by vulnerable tenants
Bottom End	<ul style="list-style-type: none"> • Almost exclusively LHA claimants • Poorest quality and management • Temporary Accommodation, Bed and Breakfast hotels and other Homlessness temporary housing. • Various precarious housing options / borderline homeless