



Manchester Housing Strategy

24 June 2021

Strategic Context

- The 2021 Housing Strategy will bring together two different historic documents into a single, holistic Strategy:
 - Housing Strategy (2015-21)
 - Residential Growth Strategy (2015-25)
- The time period for the Strategy is still to be determined but we are currently envisaging it covering a 10 year period to c.2030
- It is likely that as part of the Strategy we will review and refresh the Residential Growth Strategy target of delivering 32,000 new homes by 2025 including a minimum of 6,400 new affordable homes (c.20% of the total pipeline)
- The Strategy will be focused around the following objectives
 1. Increase housing supply across all tenures
 2. Ensure housing is affordable & accessible to those who need it most
 3. Working in mixed tenure neighbourhoods and improving quality & management in the PRS
 4. Increase the sustainability, safety & efficiency of new and existing stock

A growing & evolving housing market

- Manchester's housing market has transformed rapidly over the past 30 years
- The residential pipeline is a period of significant delivery with more cranes than any other European city during the summer of 2019
- Over 17,500 new homes have been built since 2015 and a further c.15,000 are expected to complete over the next 5 years
- However more homes - of all types & tenures incl. affordable homes - are still needed
- Whilst the market matures and continues to evolve, a number of challenges remain:
 - The housing stock remains dominated by Council Tax Band A & B – constraining our ability to pay for services
 - Options for home ownership continue to be squeezed – reduced to 1 in 3 homes compared to c.40% in 2001
 - There are too many people on the Housing Register and in Temporary Accommodation
- So Manchester remains a polarised place with major wealth and housing inequalities across the city

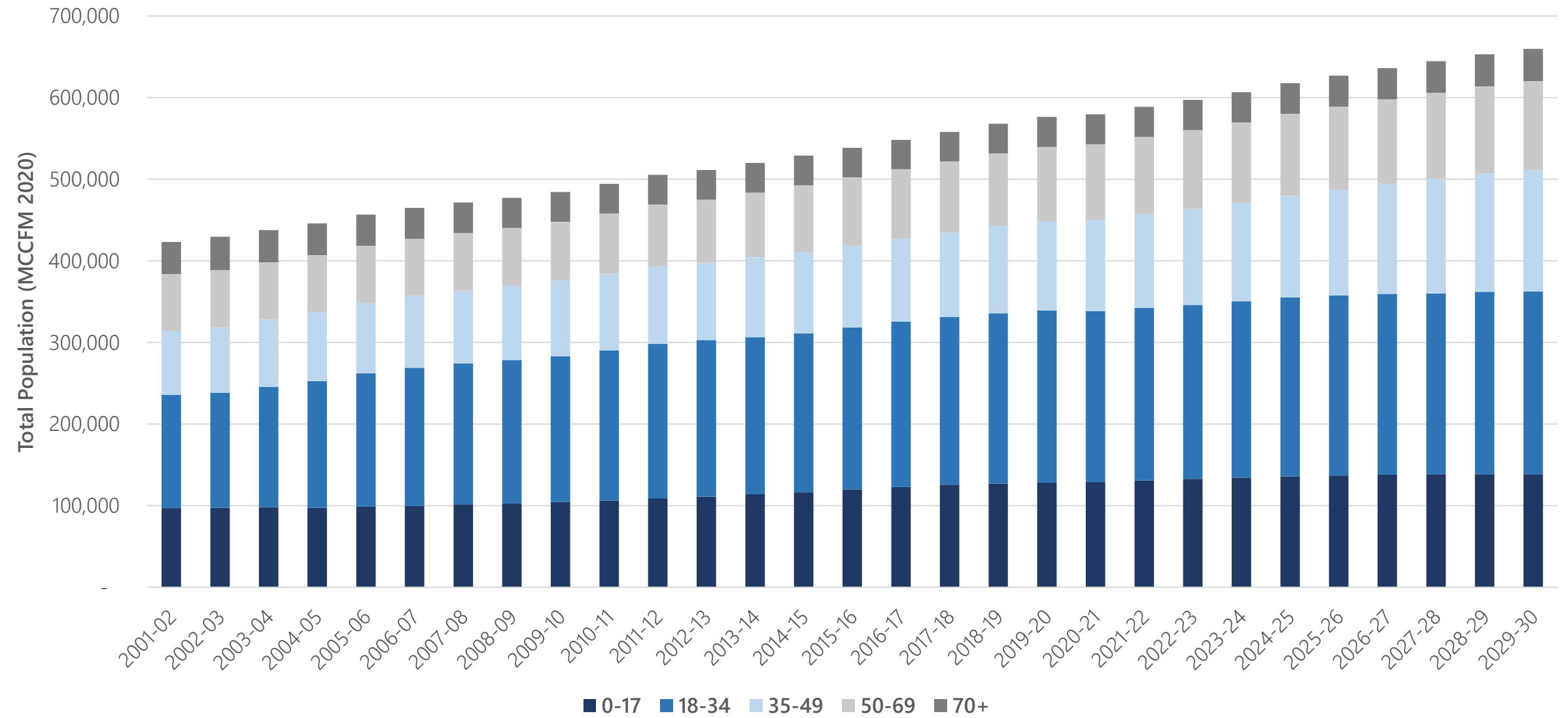
Increase housing supply across all tenures



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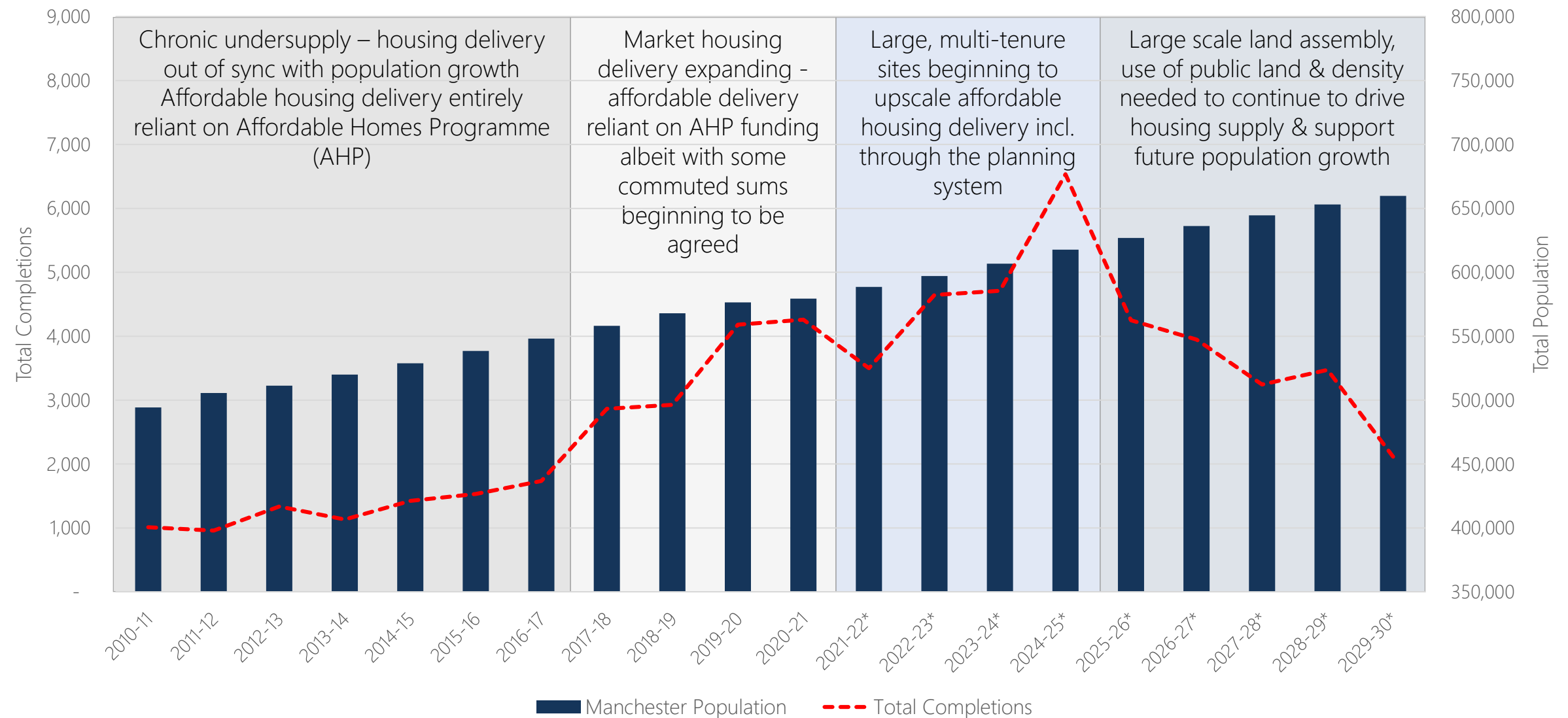
Covid-19 has not altered the city's population growth trajectory

c.70,000 new residents expected by 2030 – fastest growth in over 35s as more residents remain in the city (& city centre) for longer



Further housing supply needed to continue to meet & sustain population growth

Including diversifying location of development & via a wider range of delivery models (affordable housing through the planning system)



Large scale affordable (& multi-tenure) schemes needed to meet & exceed 6,400 by 2025 target

Biggest affordable schemes with planning currently delivering a mix of tenures in across Manchester (incl. one city centre site)

Site Name	Ward	Status	Developer / RP	Social Rent	Affordable Rent	Shared Ownership	Rent to Buy	Total Homes
Edge Lane Business Centre	Clayton & Openshaw	Planning Approved	Your Housing Group	18	51	95	52	216
Dulverston Street / Oldham Road	Miles Platting & Newton Heath	Planning Approved	One Manchester	100	39			139
Former Belle Vue Stadium	Longsight	Under Construction	Great Places	89	12	29		130
Former Manox Works	Miles Platting & Newton Heath	Planning Approved	ENGIE Services (RP TBC)		36	34	44	114
Pottery Lane / Gorton Lane	Gorton & Abbey Hey	Under Construction	One Manchester			18	91	109
Gorton Mill House (Extra Care)	Gorton & Abbey Hey	Under Construction	Southway	106				106
Collyhurst Village	Harpurhey	Planning Pending	FEC (RP TBC)	100				100
Store Street	Piccadilly	Planning Approved	Clarion			66		66
Alpine Street / Ilk Street	Clayton & Openshaw	Under Construction	One Manchester			20	46	66
Manchester College (Moston Campus)	Moston	Planning Approved	One Manchester	10		33	17	60
Total				423	138	295	250	1,106

Upscaling delivery of new affordable homes via large scale (& multi-tenure) schemes

Victoria North – planning approved for first phases at Victoria Riverside (634 homes) & Collyhurst Village (244 homes)



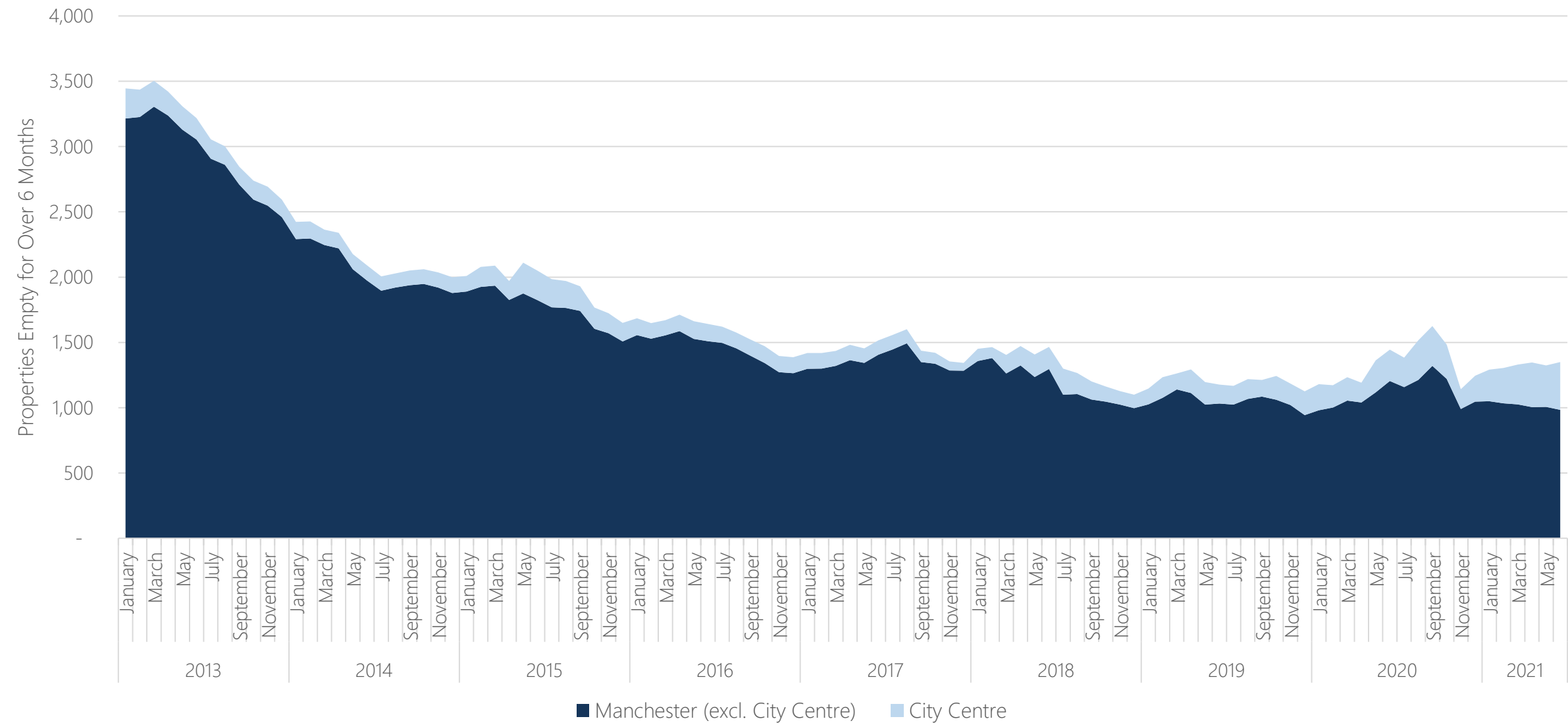
Diversifying the housing offer in the city centre

Planning submitted for new affordable homes at the Ancoats Dispensary (Back of Ancoats) & Store Street



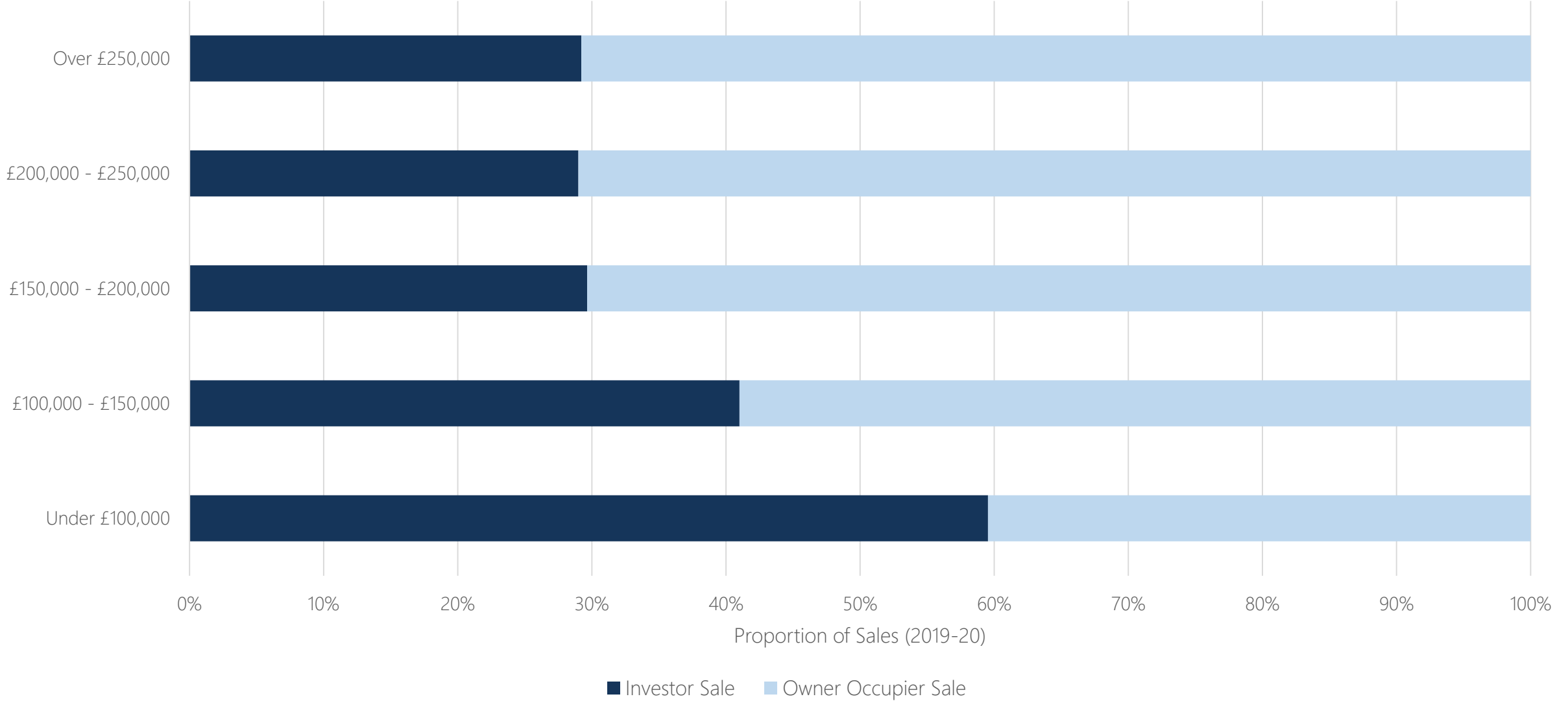
Voids remain at historic lows – no areas of low demand in the city

The long term void rate is currently 1.0% in the city centre and 0.5% across the rest of the city



Investors pricing out potential owner occupiers at lower price points (under £100k)

Contributing to a 7% fall in the proportion of owner occupied homes in Manchester over the last 20 years



Over 74% of Manchester housing stock in Council Tax Band A & B

Despite over 38,000 new homes built in the last 15 years (mostly in Band C) – the proportion in Bands A & B has remained the same

Band	2005 % Split	2011 % Split	2015 % Split	2021 % Split
A	65.2	60.1	58.7	56.6
B	14.4	16.1	16.8	17.4
C	12.1	13.6	14.1	14.7
D	5.0	6.5	6.7	7.3
E	2.1	2.3	2.4	2.4
F	0.8	0.9	0.9	1.1
G	0.4	0.3	0.4	0.4
H	0.05	0.05	0.05	0.1

- Over 74% of Manchester's residential property is in council tax band A & B - the overwhelming majority are social rented or affordable homes
- 1/3 homes are socially rented - compared to 1/4 in Birmingham and 1/5 in Leeds
- Only 0.5% of Manchester properties are in Bands G & H - compared to 7.7% in Greater London
- In 2021 Manchester had almost as many Band A properties (134,776 out of 238,178 properties) as the whole of Greater London (142,816 out of 3,696,293 properties)

Major incentive to diversify and grow the housing stock through new supply across all price points and tenures...

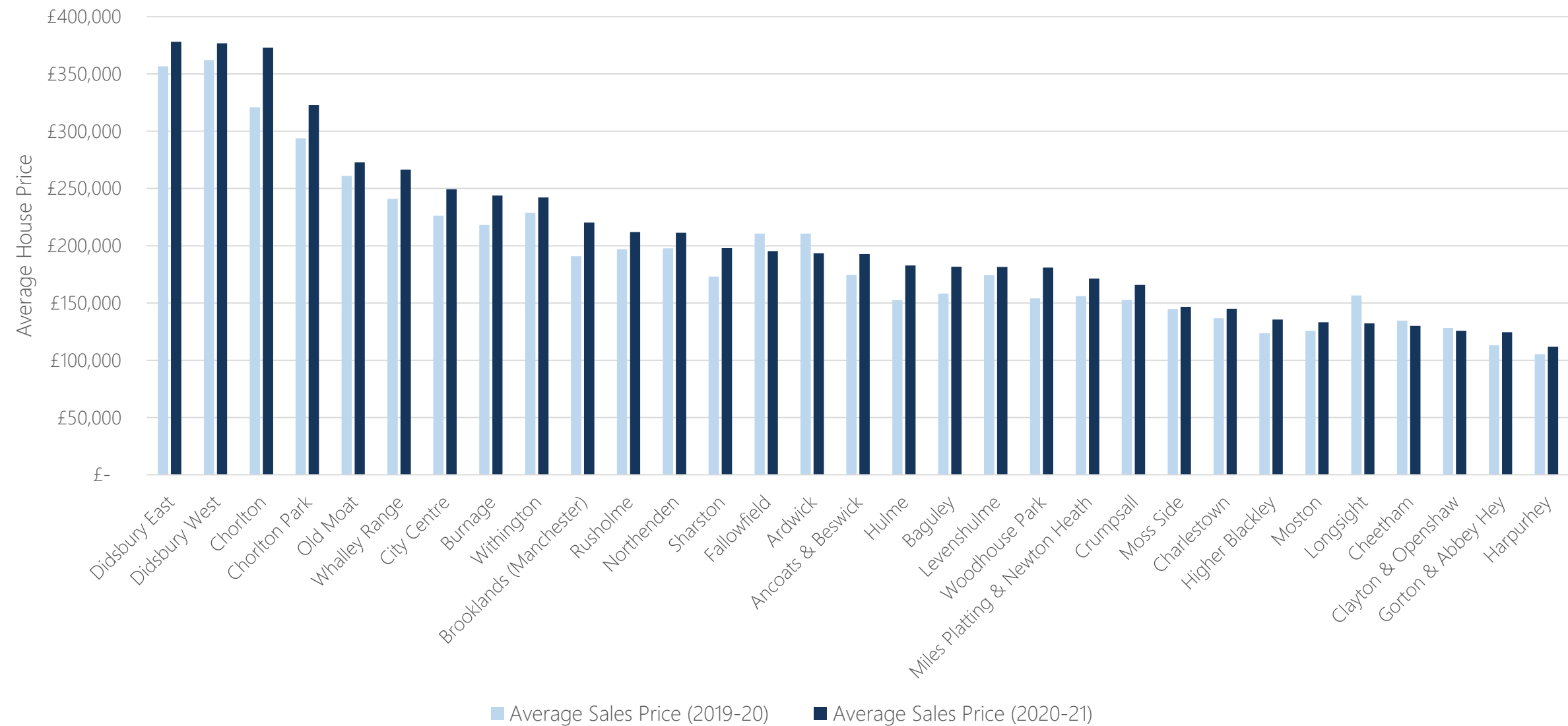
**Ensure housing is affordable & accessible
to those who need it most**



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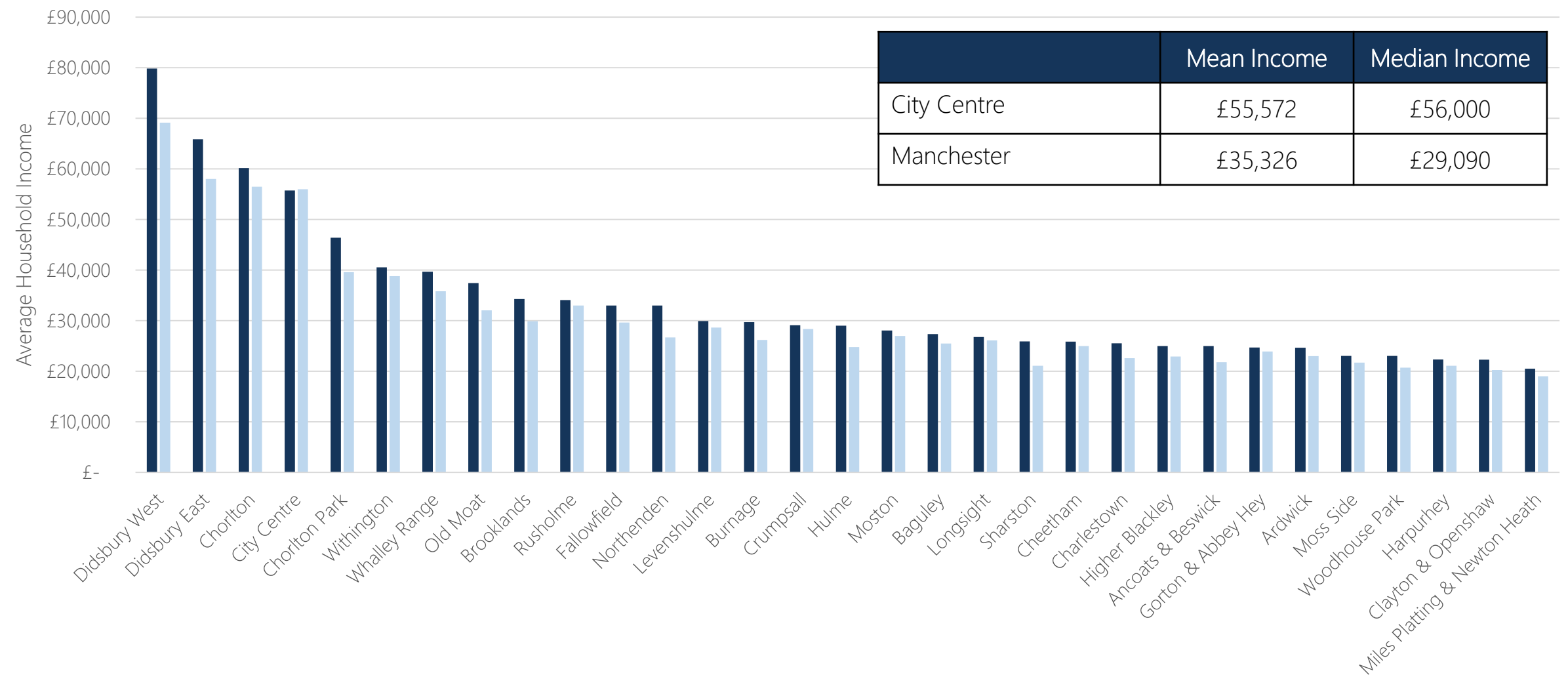
House prices polarised across the city

Average house price in Didsbury East is £378,092 compared to £111,843 in Harpurhey



Incomes polarised across the city

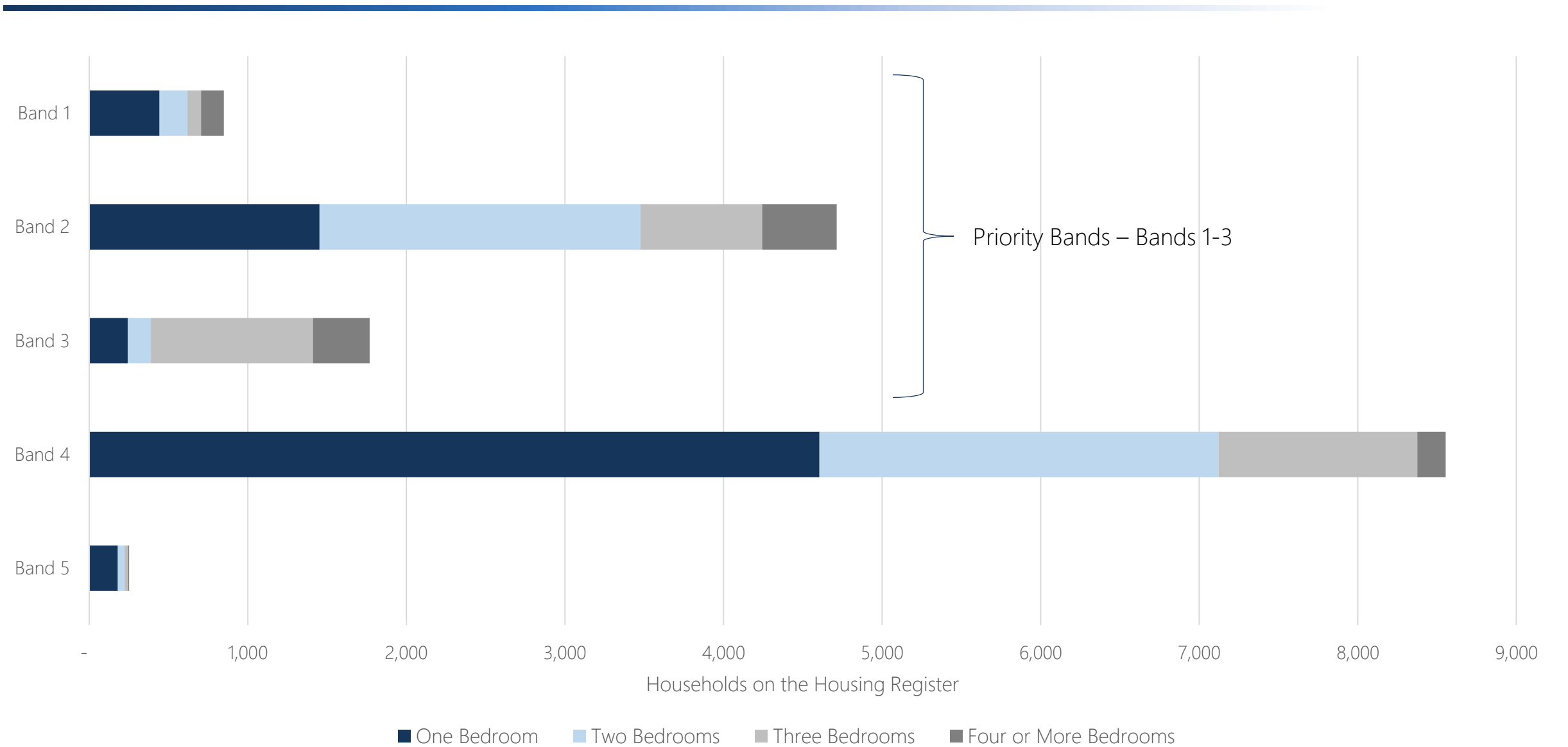
Using a single citywide income (currently £27k) fails to account for the differences in residents' purchasing power in different wards



* Average incomes calculated excluding students

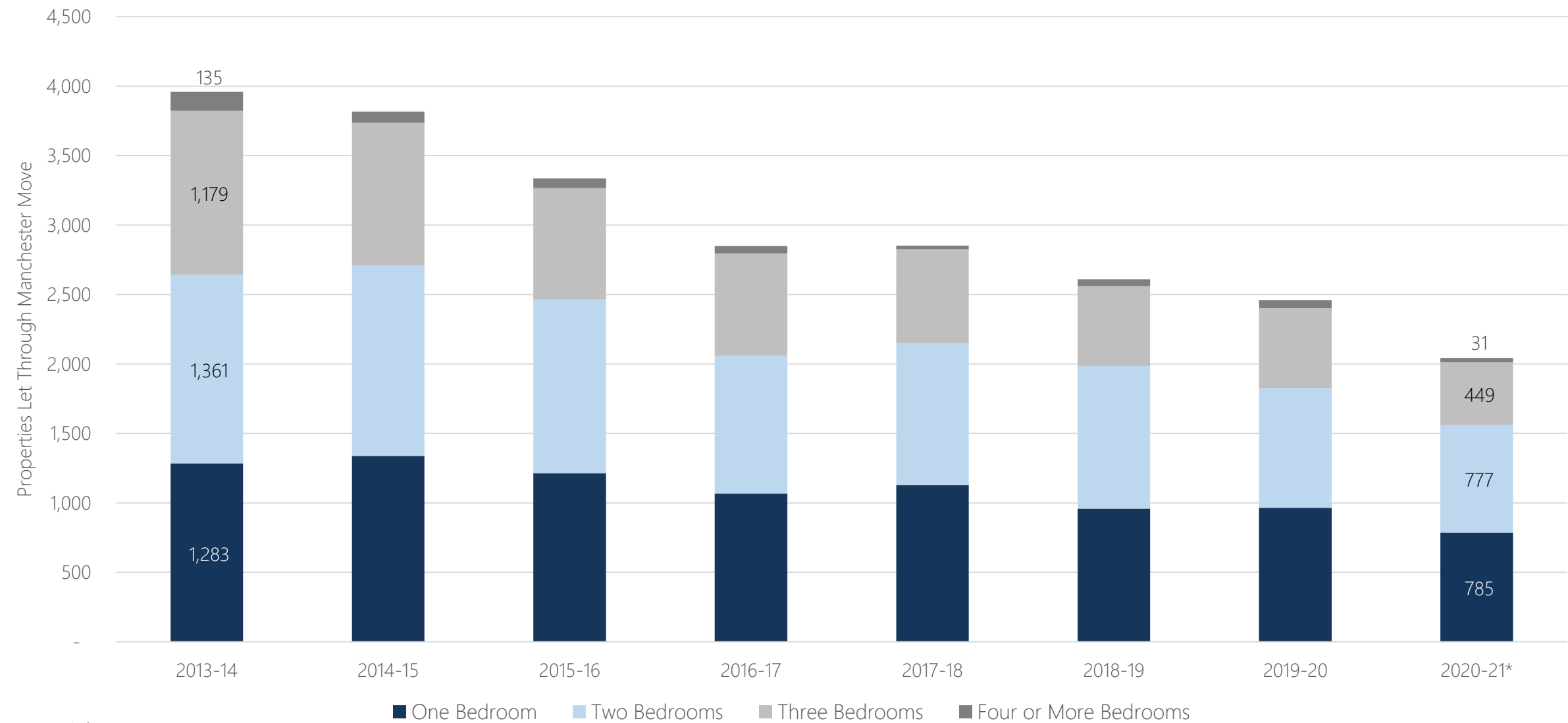
c.13,000 households on the Housing Register in Manchester incl. over 7,000 in Priority Bands 1-3 (March 2021)

Over 70% of households in Priority Bands 1-3 require 2+ bedrooms (c.40% require 3+ bed family housing)



Whilst demand is increasing the number of properties let through Manchester Move is decreasing

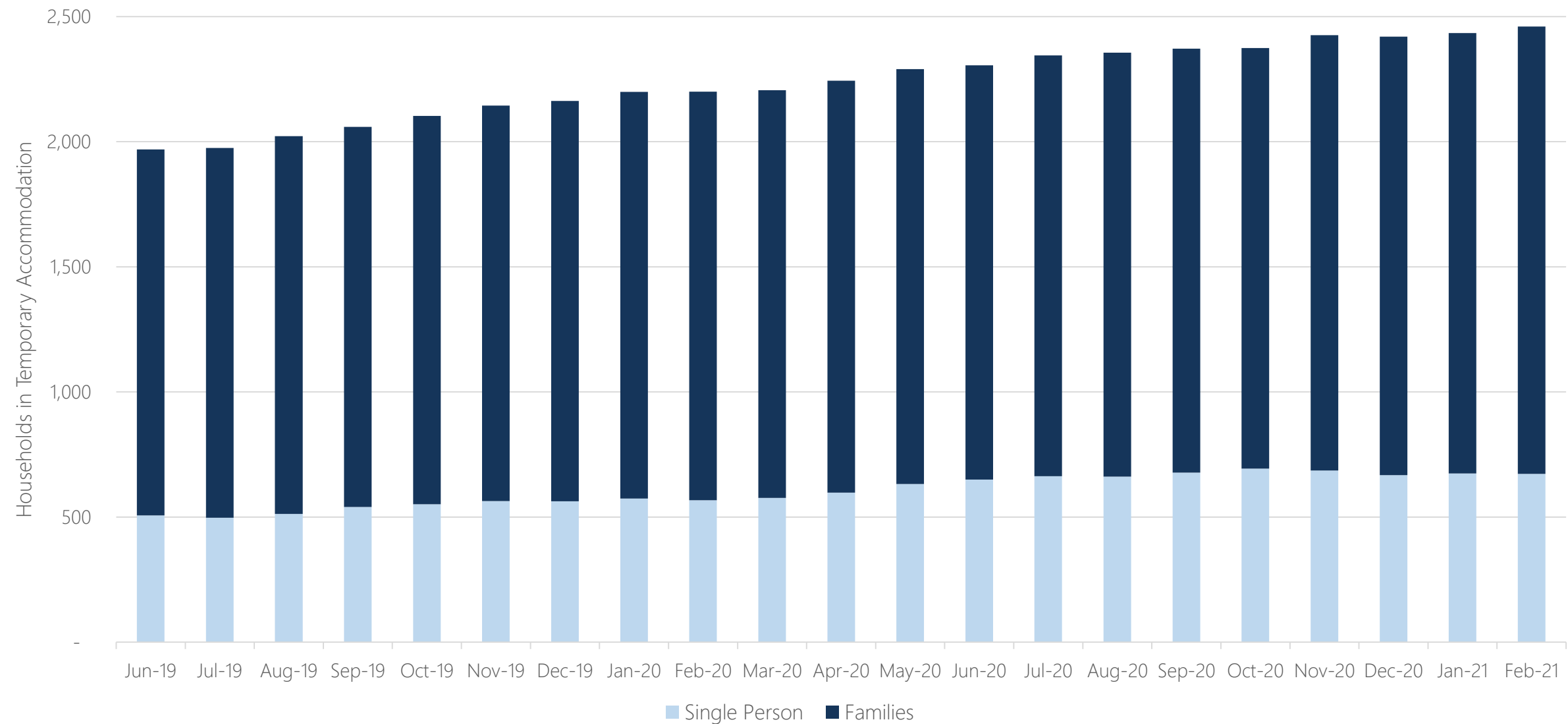
Turnover reducing due to scarcity of properties & increasing rents in the private sector - Largest reductions in turnover of family housing



* 2020-21 data up to 25 January

Number of households in temporary accommodation has increased by 25% since June 2019

3 in 4 households currently in TA across Manchester are families



Housing Allocations Policy

- In November 2019, the Executive endorsed a review of Manchester's Housing Allocations Policy which looked to more appropriately house people on the Housing Register in an environment of growing demand and increasingly limited supply
- The basic aim of the scheme review was to improve access to the scarce supply of social housing for those in greatest need
- In order to achieve this, the key change included in the review was to remove the additional priority for working or volunteering – such a requirement was deemed unachievable for most households in crisis
- The significance of this is to increase the priority of many homeless applicants into Priority Band 2
- The onset of the Covid-19 pandemic and associated measures put in place to help the most vulnerable mean that it is too early to fully understand the impacts of the new Allocations Policy
- A report to Neighbourhoods & Environment Committee in March 2021 however outlined early evidence pointing to the schemes positive impact – principally linked to homeless households moving into a higher Priority Band and therefore increasing their likelihood of finding a home
- An annual update is planned for the start of 2022 and 2023 – the latter of which will provide the best assessment of the review of the scheme

Bringing Northwards back in-house

- Manchester City Council owns nearly 15,500 homes, 12,700 of which are managed by Northwards
- On 3 June 2020, Executive considered the position of the delivery of the Housing service in the context of the Housing Revenue account (HRA) in which the reserves were forecast to be exhausted by the end of the 30-year business plan leaving a deficit
- Part of the proposal to mitigate the losses was to bring Northwards back in-house
- The September 2020 Executive confirmed that bringing the ALMO back in-house was the preferred option, subject to and had the potential to create savings of up to **£77m over a 30-year period** compared to continuing the current arrangement
- This decision was subject to tenants' & leaseholders' opinions – a Test of Opinion found that **93%** voted for Northwards to return
- Northwards will be returning back in-house on the **5th July 2021** based within Neighbourhood Services

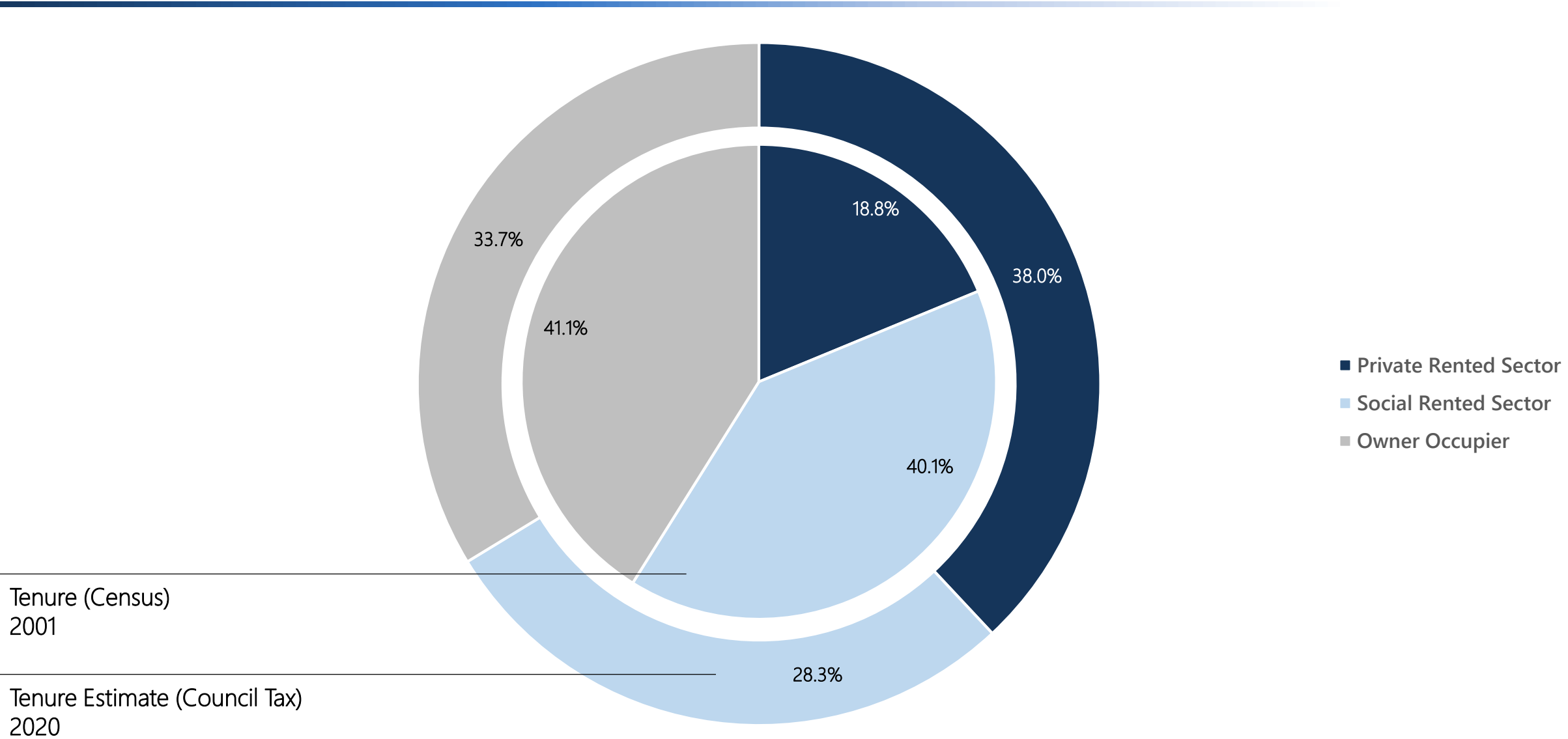
Working in mixed tenure neighbourhoods and improving quality & management in the PRS



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Private rented sector has grown to become the dominant tenure across Manchester

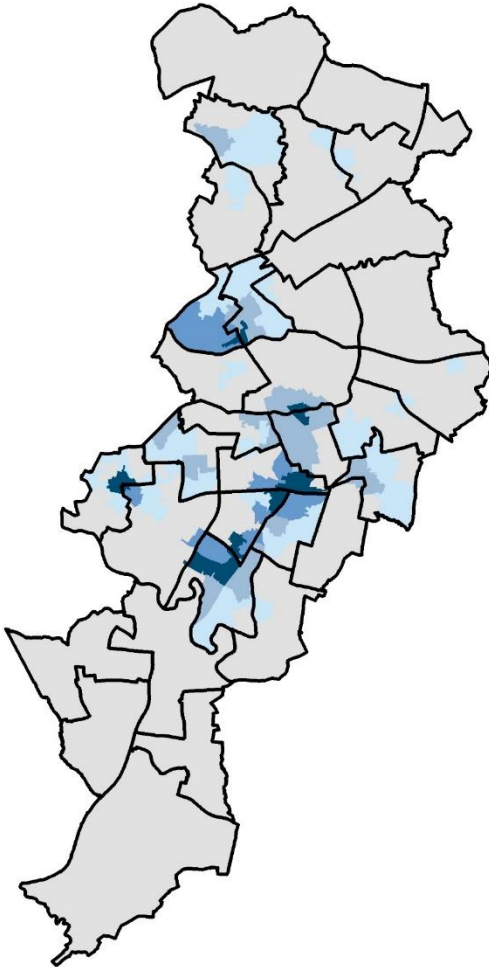
c.90,000 homes (38% of total stock) across the city are currently in the private rented sector



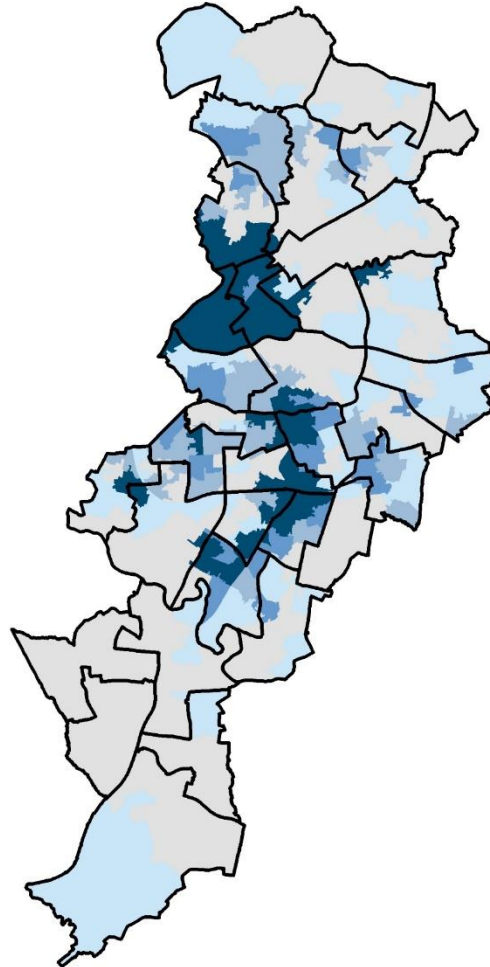
The sector is expanding outside of traditional city centre & student neighbourhoods

Albeit with varying levels of quality & management across the city

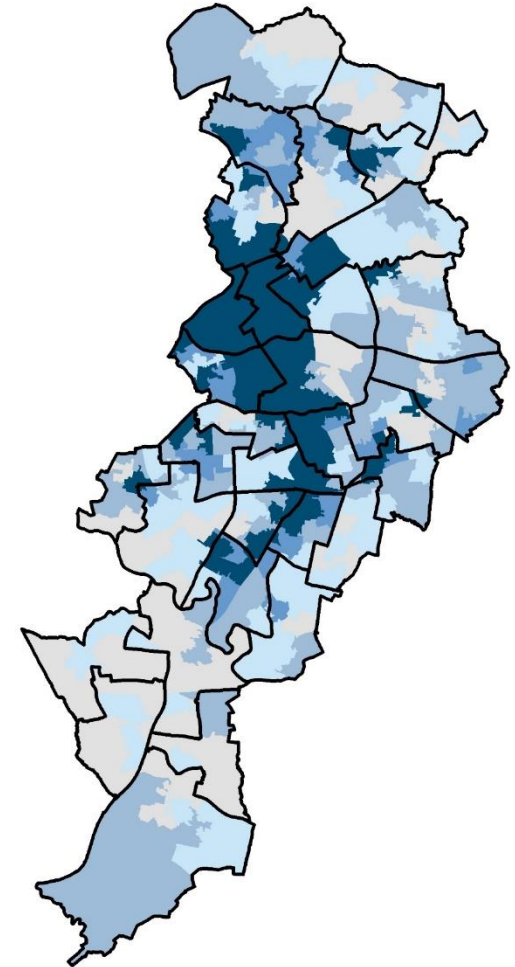
2001



2011



2020

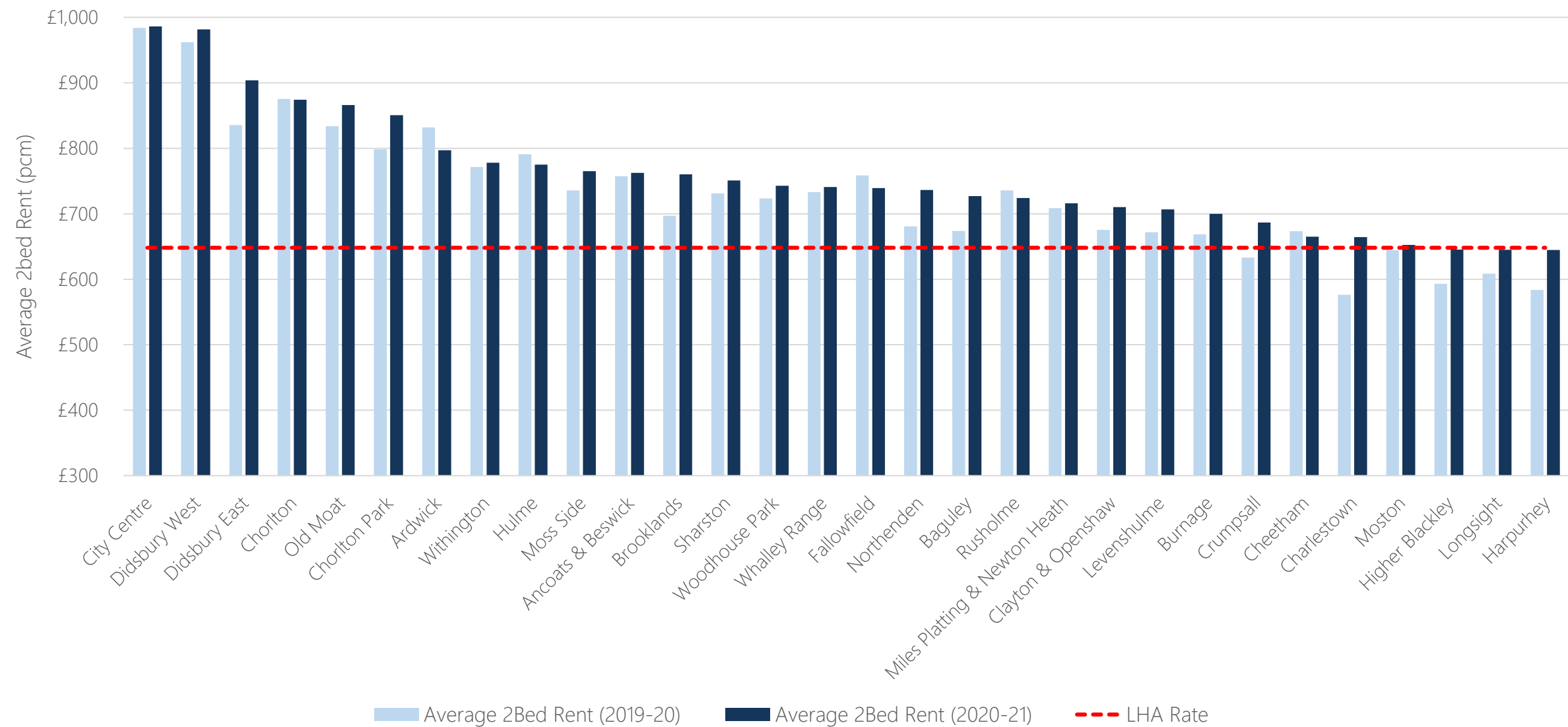


Households in Private Rented Sector %

Under 20% 20% - 30% 30% - 40% 40% - 50% Over 50%

Rents polarised across the city

Evidence that rents in parts of North & East Manchester continue to be pegged to the LHA rate following April 2020 increase



A diverse private rented sector exists across the city

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 	<ul style="list-style-type: none"> 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 2 bed Good quality & professionally managed 	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> International – Mostly Premium city centre apartments High Price Domestic – Central / South (higher rents) Low Price Domestic – Limited Choice Sharing in Central / South incl. some now redundant blocks 	
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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Poor property conditions and management Intensive use of property by vulnerable tenants Little credible intelligence
Bottom End	<ul style="list-style-type: none"> Almost exclusively LHA claimants Poorest quality and management Temporary Accommodation, B&Bs and Supported Housing 	<ul style="list-style-type: none"> Various precarious housing options / borderline homeless

Registered Provider market rent housing

Two One Manchester schemes completed in 2018 – The Aaben (105 homes) & Baker Place (67 homes)

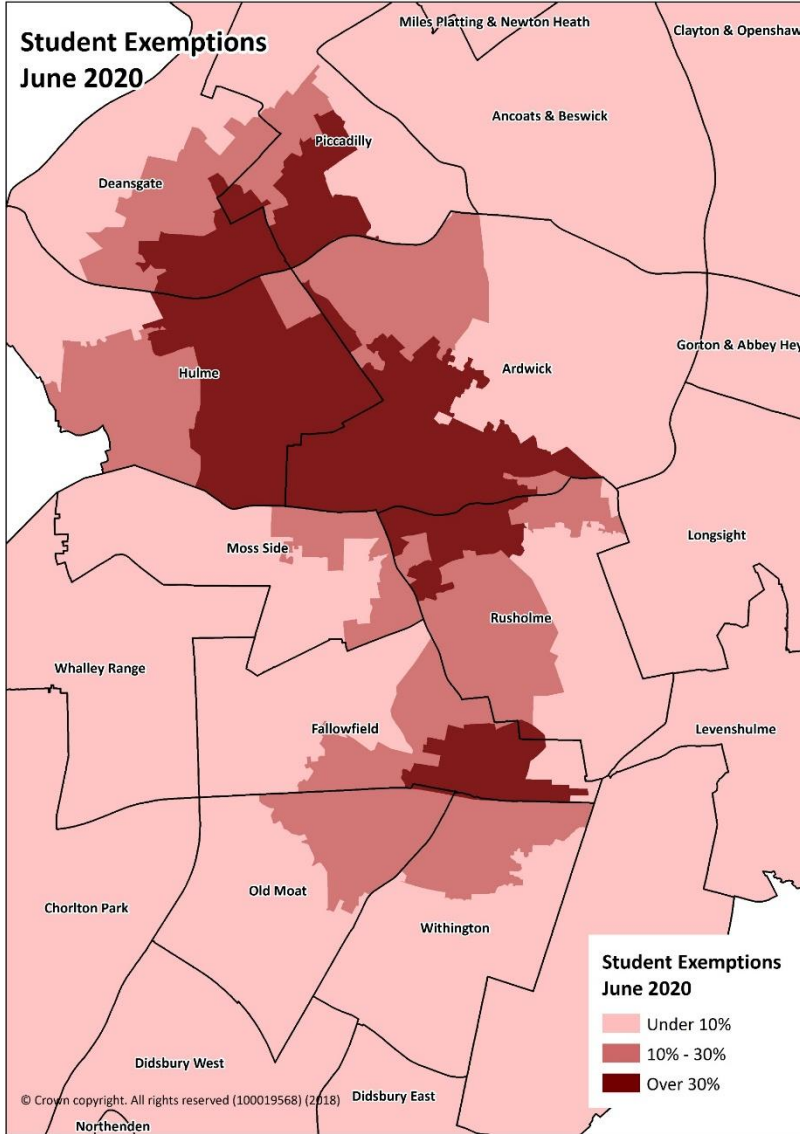
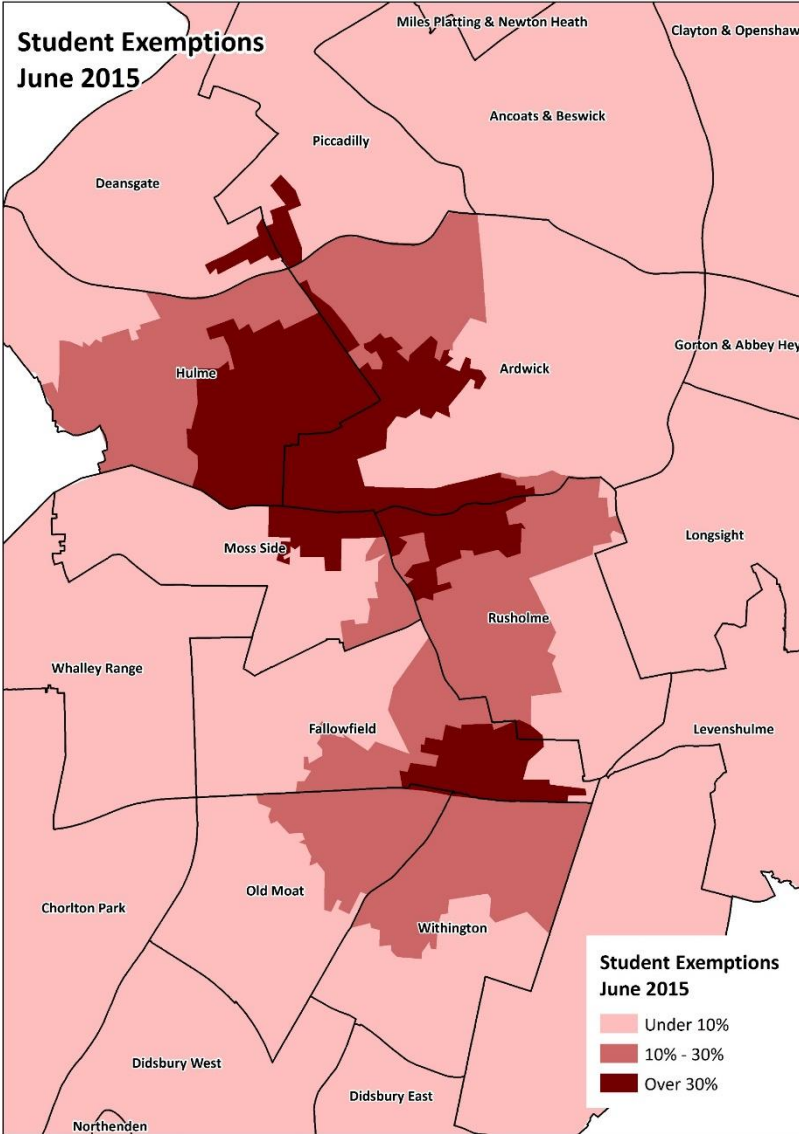
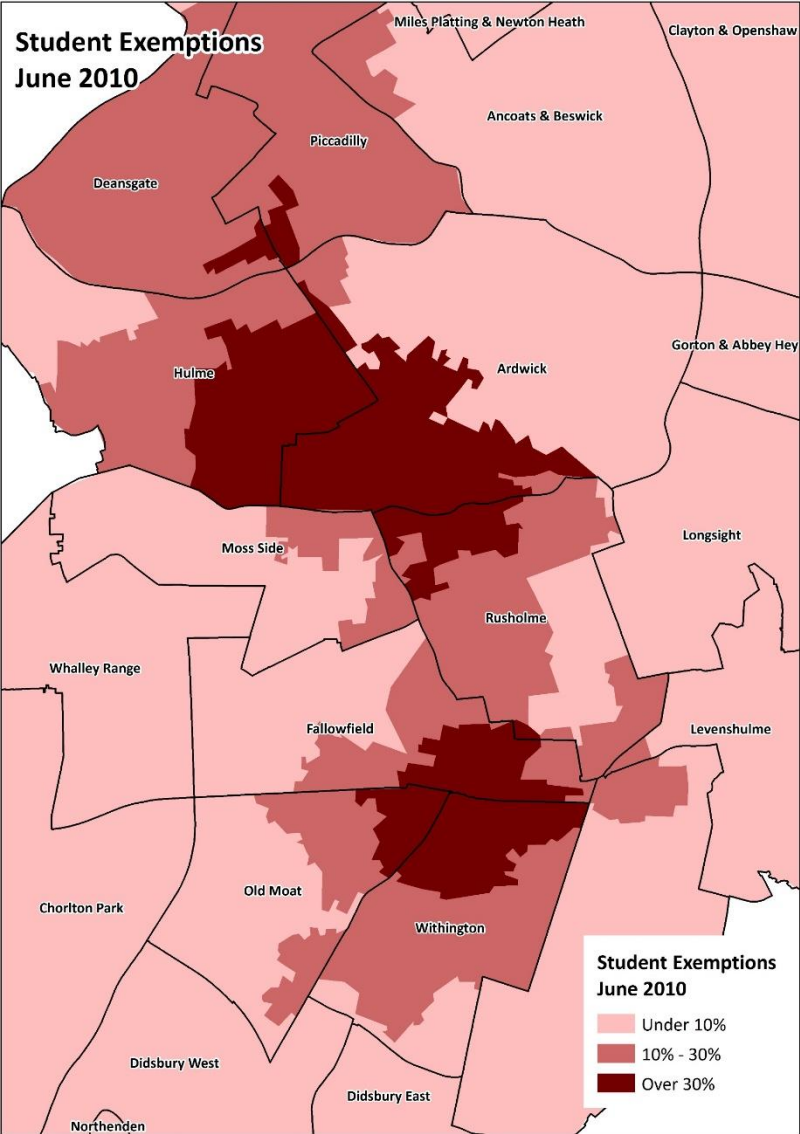


The Aaben



Student market narrowing & moving north along the Oxford Road Corridor

Linked to the internationalisation of Manchester's student population & growing PBSA offer



An expanding PBSA pipeline in & around the Oxford Road Corridor

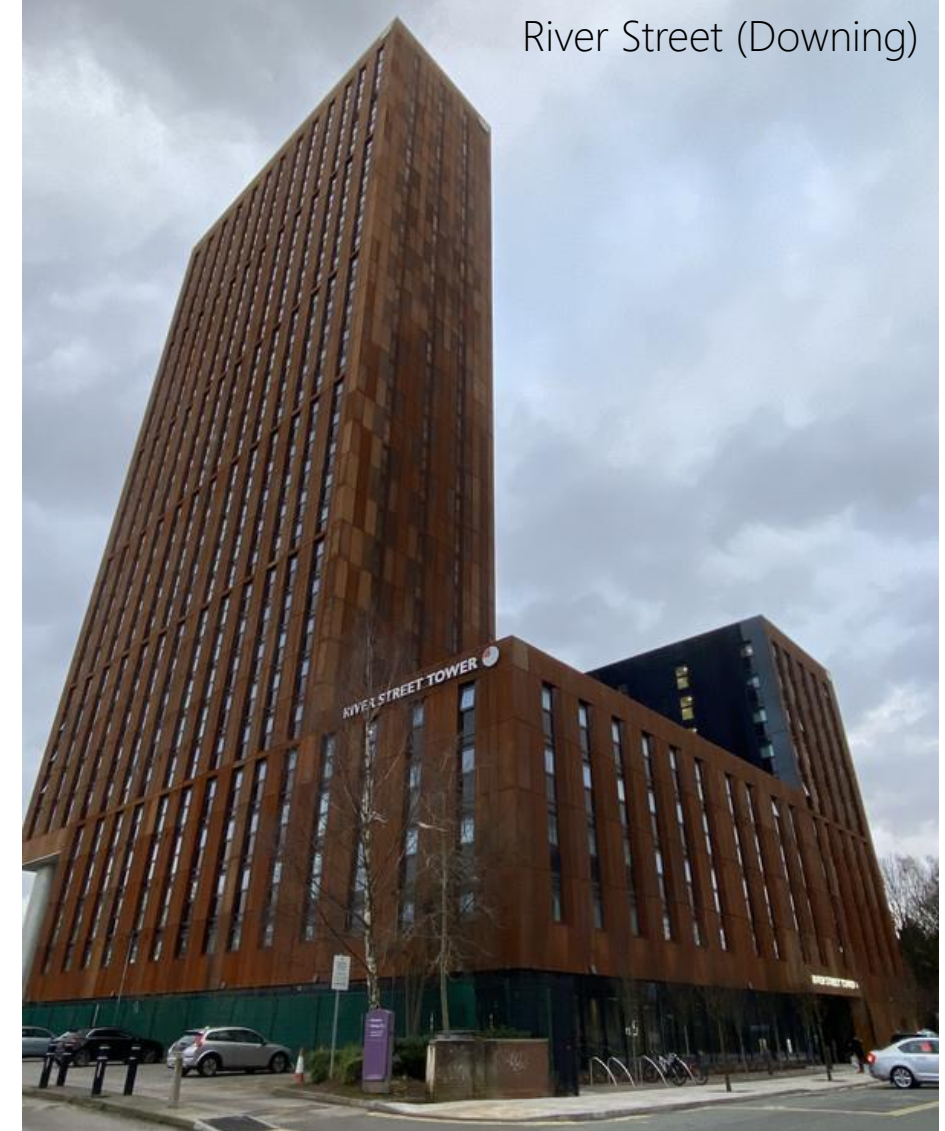
Over 1,200 new PBSA beds expected to be delivered in the next 4 years



VITA Circle Square (Bruntwood / Select)



River Street (Downing)



Neighbourhood management challenges



Crackdown on noisy students isn't working say fed-up Fallowfield residents

Complaints about 'horrendous' noise are already being investigated just two weeks into the new term

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Airbnb 'booking for two' turned into huge illegal party in Manchester flat - with young woman telling landlord 'I will pay for everything'

Manchester
EveningNews



Inside the filthy house deemed so unsafe it saw Manchester lettings firm fined £21k

A council investigation found no fire alarms, routes of escape blocked, and a broken window covered with a 'to let' sign

A housing letting and management company has been issued a Civil Penalty notice and ordered to pay a fine of over £21,000 following appeal for breaching management regulations after an investigation by the Council's Rogue Landlords team.

On inspection, the Council's Rogue Landlord team found fire safety breaches, including obstructions to escape ways in the event of a fire – including doors that could not be unlocked without a key. The management company also failed to provide a gas safety certificate when requested, and deficiencies were found in the electrical installation

In the last year, the Council has issued 39 improvement notices, 10 hazard awareness notices, and has issued 28 civil penalties totalling £288,674



An additional 12 areas identified for Selective Licensing

Following the success of the 4 initial schemes implemented in 2017 & 2018

- One of the main themes of the Council's Private Rented Sector Strategy is tackling poor quality management in PRS and focusing enforcement resources on the worst conditions and landlords in the sector
- A key part of this are the Selective Licensing areas in various locations across the city
- A review in early 2020 of Manchester's 4 initial Selective Licensing areas found the schemes to have had a positive impact where implemented – resulting in the inspection of 281 properties, 214 properties undergoing remedial work and the issuing of 14 civil penalty notices for breaches of licence conditions / failing to apply for a license
- Subsequently a further 14 potential areas have been identified across the city:
 - Ben Street
 - Trinity (Harpurhey)
 - Ladders (Gorton)
 - Hyde Road
 - The Royals (Longsight)
 - Laindon Road (Rusholme)
 - Claremont Rd / Great Western St (Moss Side)
 - Heywood Street (Cheetham)
 - Birch Lane (Rusholme)
 - Esmond Road / Avondale Street (Cheetham)
 - Cheetham Hill Road (Flats over shops)
 - Matthews Lane (Levenshulme)
- A consultation period ran at the start of 2021 with a view to designating approval for these areas in Summer 2021

**Increase the sustainability, safety & efficiency
of existing stock**



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Manchester City Council is committed to be Zero Carbon by 2038

- In 2019 Manchester City Council declared a climate emergency and set the target of becoming a zero carbon city by 2038 – 12 years ahead of the national 2050 target.
- Housing represents a key part of Manchester's carbon emissions and as such a programme of work is currently underway / planned to improve the sustainability of the sector:
 - Zero Carbon Housing Retrofit is one of the four strategic propositions in the **Economic Recovery Plan** which has identified £260m for a retrofit programme of 10,500 properties over the 4 years in conjunction with MHPP
 - A **Low Carbon Build Standard** (based around the Top 10 Carbon Priorities including energy controls, efficient boilers and using renewable energy sources etc.) has been published which sets minimum expectations for all new MCC developments with the intention of all new schemes to be zero carbon and climate resilient from 2023
 - A set of **draft principles** have been identified which encourages the adoption of Modern Methods of Construction (MMC) by partners in the delivery of new affordable homes
- Alongside this, we need to understand how to improve the sustainability of existing stock – whether through retrofit or potentially via repurposing of older, poorer quality housing in the conurbation core

Encouraging Modern Methods of Construction (MMC) in the delivery of new homes across Manchester

MMC has the potential to increase the speed of delivery & secure greater levels of funding from Homes England



hoUse – New Islington



It is proposed that the following draft principles are adopted by partners looking to increase the supply of homes using Modern Methods of Construction in Manchester:

- MCC acknowledges the role of MMC in achieving low carbon development and **speeding up delivery** particularly in light of the new grant opportunities for RPs engaging with the sector
- MCC will not universally endorse or accredit any particular MMC product type in any particular location within Manchester. Rather, **each proposal will be considered on individual merit** (*location, site, tenure & product*) in line with the standard application process for all types of residential development activity in the city
- As far as possible, any residential development proposal utilising MMC in Manchester should meet the standard set out in the existing **MCC Residential Quality Design Guide**
- Any proposal for MMC affordable housing development should be shared with both housing and planning officers **ahead of any political dialogue**
- **Project 500** will provide an opportunity for RPs to deliver MMC in addition to the wider AHP. Scale could be achieved by procuring building services including MMC together
- There are various ways to deliver MMC - one potential / preferred procurement route would be via the existing **Great Places Framework**

Increasing the sustainability of existing stock through retrofit...or repurposing?

MCC & One Manchester have successfully bid for £3.12m to retrofit 164 social homes in Beswick



Grey Mare Lane Estate



Plans for the UK's first LGBT+ Extra Care Scheme are being developed

Working with Anchor Hanover to develop over 100 flats for members of the LGBTQ+ community aged 55+



Evidence to suggest Extra Care provision undersupplied across Manchester

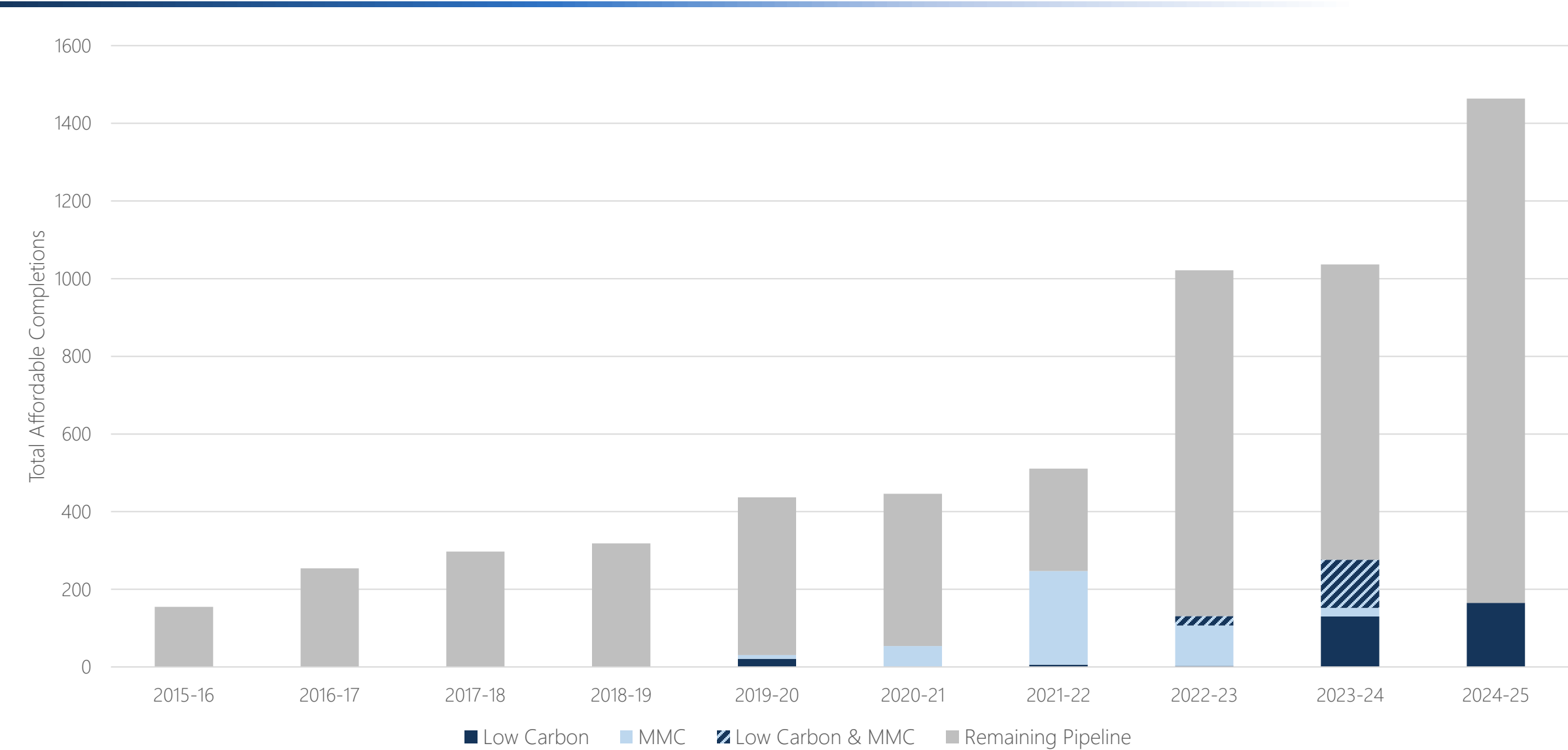
Over 560 units currently in the city – operating at over 95% capacity - with a further c.280 in the pipeline



Village 135

Over 900 low carbon and/or MMC homes expected to be built in the next 5 years in the city (c.20% of the total pipeline)

Some progress but at the moment the pipeline remains behind the ambition – plenty of work still to do!



Significant number of Manchester buildings with fire safety issues excluded from remediation funding

Government's response to fire risk buildings does not go far enough

- The Government's Building Safety response so far includes:
 - £200m private sector ACM cladding remediation fund
 - Hackitt recommendations to be legislated for in the Building Safety Bill and Fire Safety Bill
 - £5bn Building Safety Fund for the removal of non-ACM cladding on private & social high-rise blocks over 18m
- The fund however still does not cover:
 - Buildings under 18 metres
 - Steel Frameworks – costing on average £9,000 per leasee
 - Defective Fire Doors - costing on average £9,000 per leasee
 - Timber Balconies – costing on average £5,000 per leasee
 - Internal Compartmentation – costing on average £3,000 per leasee
- The Building Safety Fund is *first-come-first-served* which is unsatisfactory as it does not prioritise the buildings most in need
- The total funds committed remain well below the £15bn cost of remediation estimated by the MHCLG Select Committee which itself is contradicted by (& much lower than) actual costs quoted to leaseholders for remediation

Manchester has the highest number of buildings registered for the Building Safety Fund outside of London – however analysis has found that unfunded issues affect over 80% of registered buildings

An aerial photograph of Manchester, UK, showing a dense urban landscape with numerous skyscrapers and residential buildings. The image is tinted with a blue color scheme. The text "Manchester Housing Strategy" and "24 June 2021" is overlaid in white. The background shows the city extending to the horizon under a cloudy sky.

Manchester Housing Strategy

24 June 2021