Economy Update January 2023

Manchester's Economic Headlines for January 2023

1. December 2022 saw the both the CPI and the CPIH decline for the second consecutive month. The CPI for December 2022 currently stands at 10.5%, and the CPIH is at 9.2%. Despite the decline seen in the most recent inflation figures, the rates of both CPI and CPIH are well above where they were in December 2021 when they were at 5.4% and 4.8% respectively.

2. Petrol and diesel prices have continued declining. There have now been 12 consecutive weeks where both the price of petrol and the price of diesel have fallen. Petrol currently stands at 148.21p per litre, and diesel is currently 170.86p per litre. The price of petrol is declining at a faster rate than that of diesel. When comparing with the same period in 2021 petrol is 2.31% more expensive, however diesel is 14.82% more expensive.

3. The Manchester City Council cost-of-living advice line started taking calls on 3rd October 2022. Residents can be offered one or more types of support – when disaggregated 23.7% of residents were referred to our food support team, 21.7% were offered financial advice and support with debt and bills, 10.2% were offered help and support with debt or rent issues and 4.6% were offered digital support.

4. Figures for the number of people in receipt of Council Tax Support shows that there has been a continued decline. Figures from the December 2022 snapshot shows that there are 48,184 people currently in receipt of CTS. As this measure is means tested, its possible that either less people are applying for CTS or that less people are qualifying for the CTS. In contrast to the CTS data, there has been a large increase in the number of applications being approved for fuel grants, and as a result the total value of what is being granted is also increasing.

5. For Universal Credit Claimants, there is currently no breakdown available for November 2022 of those who are in work claimants and those who are out of work claimants. What we can see however from the revised November 2022 projections is that there was an overall rise in the number of Universal Credit Claimants between October 2022 and November 2022. Provisional figures for December 2022 shows that there has been a 3.38% rise in the number of Universal Credit Claimants from December 2021 to the present.

6. 16 - 17 year olds not engaged in education, employment or training (**NEET**) rose to 455, which is 8.1% higher than where it was in November 2022. In comparison to December 2021, the NEET figure is 33.8% higher. Not Knowns also saw an increase between November 2022 and December 2022 and now stands at 488. When compared with December 2021, there has been a 13.2% rise in the number of Not Knowns.

7. Data provided by Lightcast (replacing Burning Glass) shows that there were 26,531 unique job postings in December 2022, this was a decline of 6.5% in unique job posting when compared with November 2022. However, when comparing December 2022 with December 2021 there was an increase of 10.4% in the number of unique job postings in Manchester.

8. Rental prices within Manchester have continued to rise, within Manchester City Centre the average 2 bed rental cost is £1,238 per month. This is a 3.6% rise against the previous quarter. Rental prices outside of the city centre have seen a higher rate of quarterly change, rising 4.5% against the previous quarter. The number of properties that are affordable on the Local Housing Allowance (LHA) has declined drastically between 2021/22 and 2022/23, with only 46 properties advertised within the LHA in 2022/23.

9. The residential property pipeline shows that there are over 11,000 homes under construction across the city. Of those, there are just over 1,400 affordable homes. This means that of all of the new homes under construction, 12.6% are to be affordable. The commercial property pipeline shows that there is over 55,000 sqm of leisure facilities on site outside of the city centre.

10. City Centre footfall data up to the 26th December 2022 shows that footfall has declined from the end of November 2022 and up to the latest figures. Despite this decline however Manchester city centre footfall is above where it was in 2021 by 16.2%, however it is below where it was for the same period in 2019 by 21.3%. District centre footfall also declined between the end of November 2022 and up to the latest figures and is below where it was for the same period in 2021 by 7.1%, but it is slightly above where it was for the same period in 2019 by 0.1%.

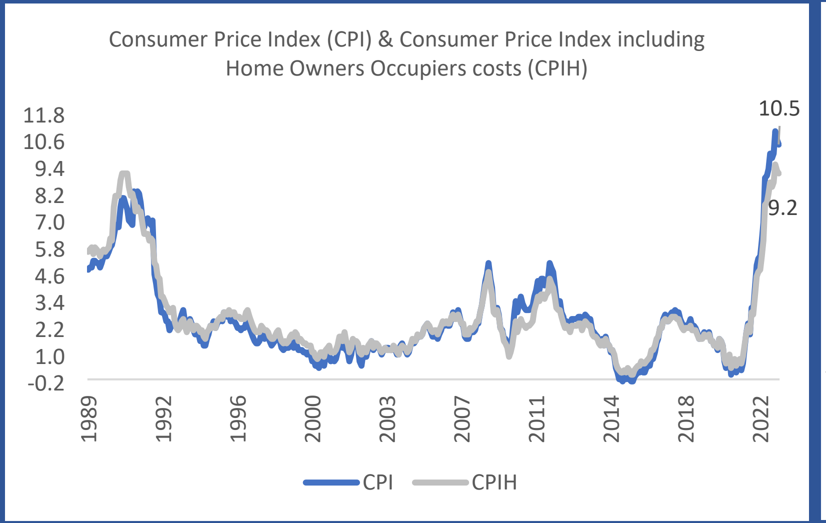
11. Manchester Airport saw a substantial drop in passenger numbers between October 2022 and November 2022, a decline of 29.7%. However, when looking at trends pre pandemic we can see that there was a similar level of decline seen between October 2019 and November 2019, when the passenger numbers declined by 26.9%. In November 2022 Manchester had more airport passengers than both Stansted and Birmingham airport.

Economy Update January 2023

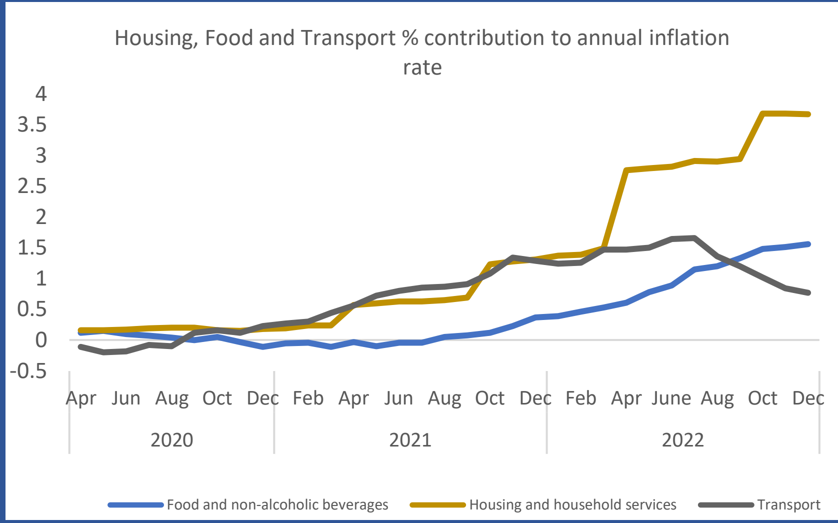
January 2023

Economic Indicators

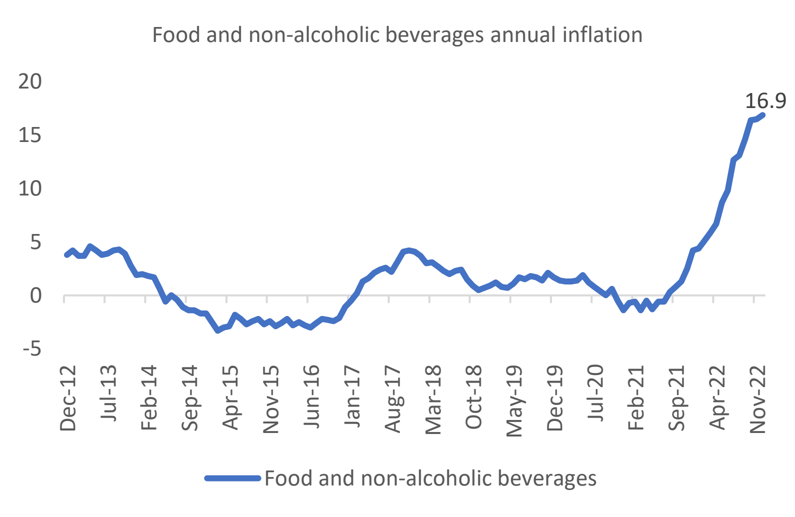
Inflation



Source: ONS, CPI & CPIH
Data released: 18/01/2023 Next Updated: 15/02/2022

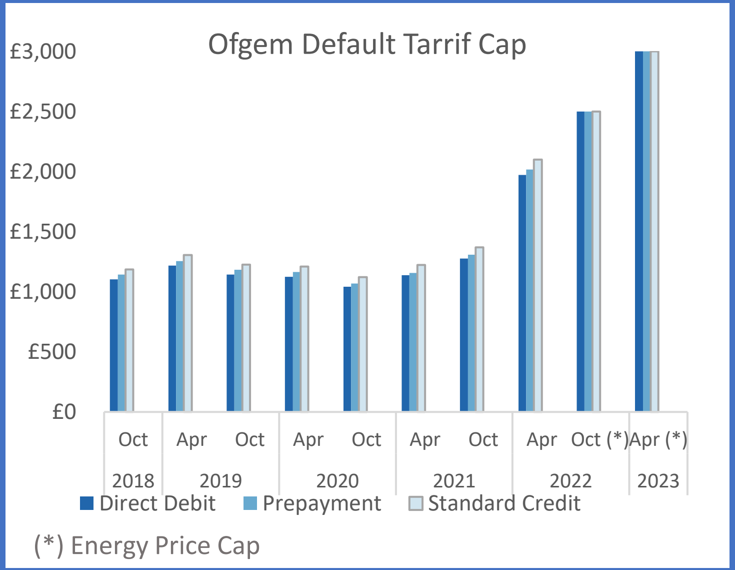


Source: ONS, Contributions to the CPIH 12-month inflation rate
Data released: 18/01/2023 Next Updated: 15/02/2022

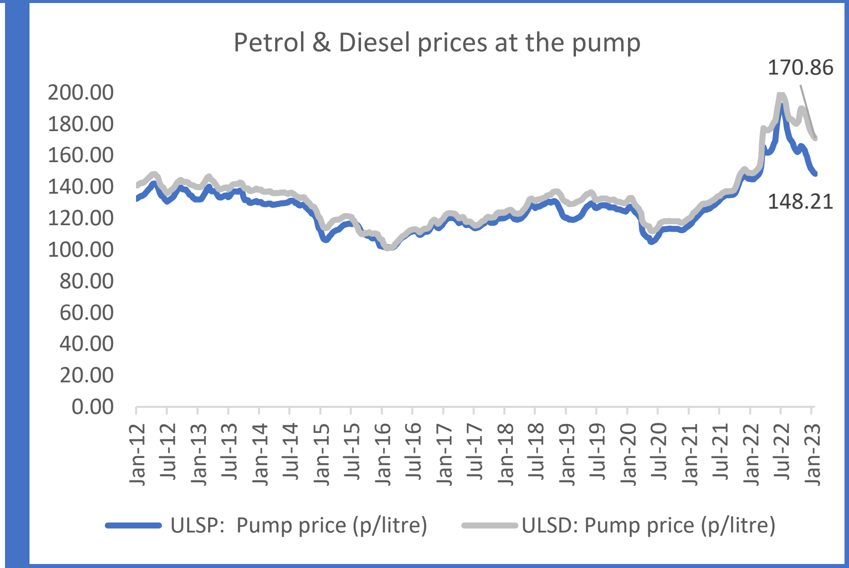


Source: ONS, Inflation and price indices.
Data released: 18/01/2023 Next Updated: 15/02/2022

Fuel & Energy Pricing

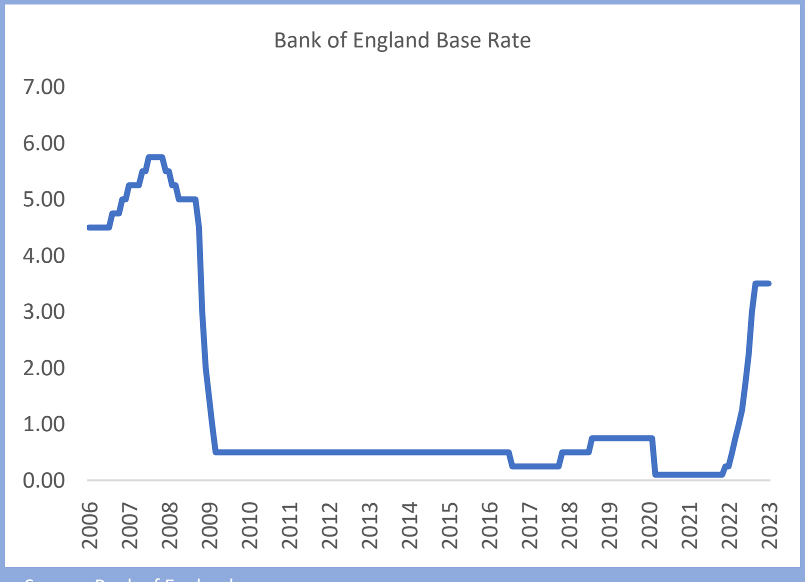


Source: Ofgem
Data released: 24/11/2022 Next Updated: TBC



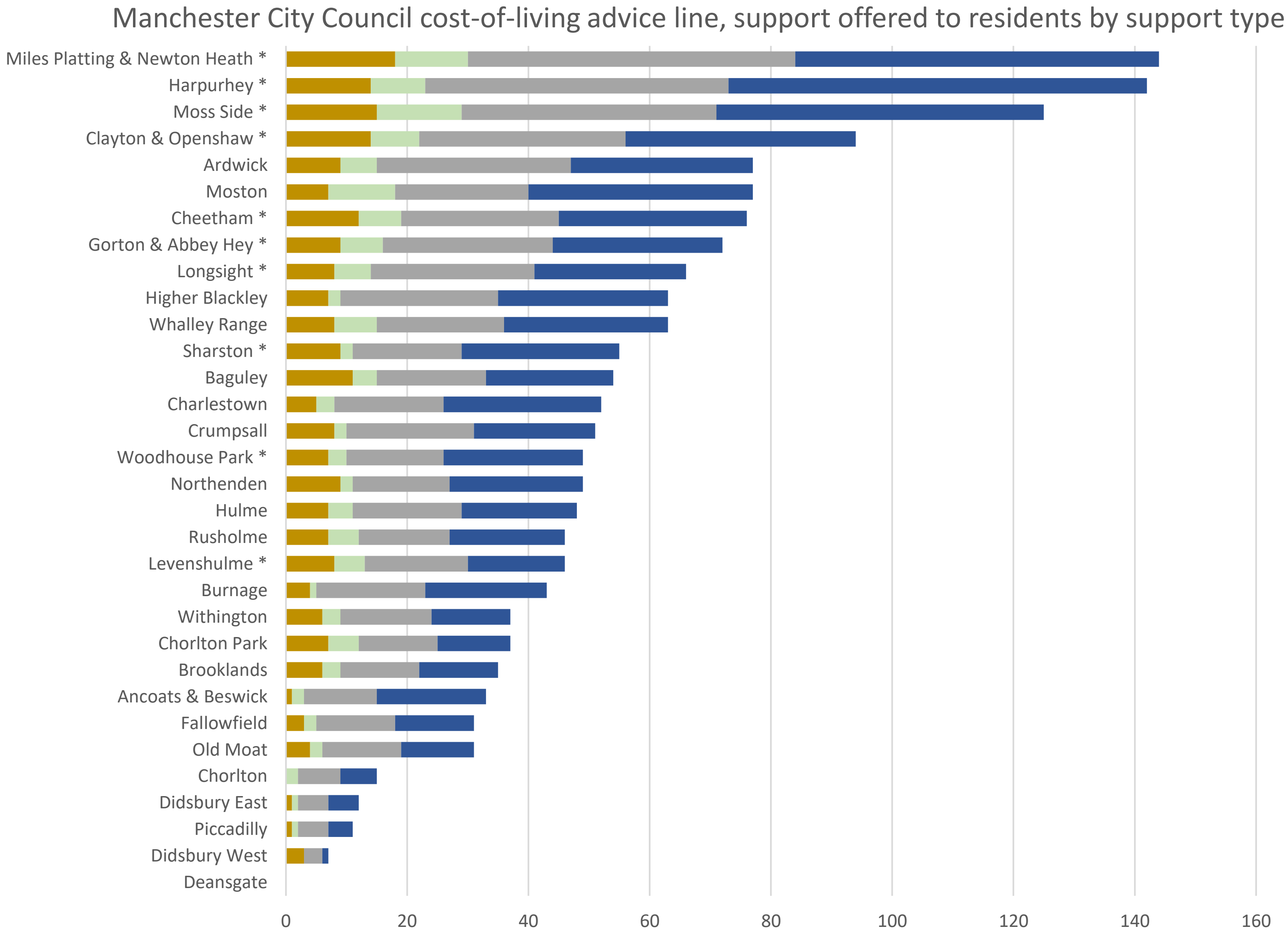
Source: Dep. for Business, Energy & Industrial Strategy
Data released: 24/01/2023 Next Updated: 31/01/2023

Interest Rate



Source: Bank of England
Data released: 15/12/2022 Next Updated: 02/02/2023

Manchester City Council have been running a cost-of-living advice line for residents since October 3rd 2022. Whilst individual circumstances vary there a number of key support types that are offered. The chart below shows the distribution of support and advice broken down by ward of residence. Not all callers provide enough detail to allocate them to a ward so the chart does not show the full extent of support offered.

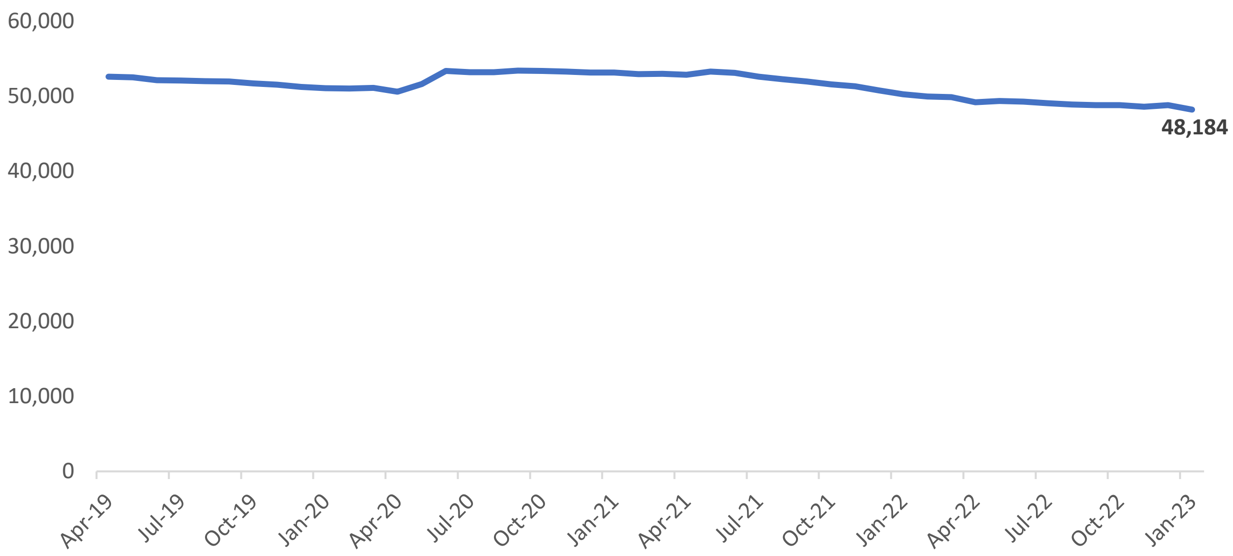


Ward names followed by an * symbol are the priority wards identified in the September 2022 ***'The impact of the cost of living crisis in Manchester and our response'*** **executive strategy group paper.**

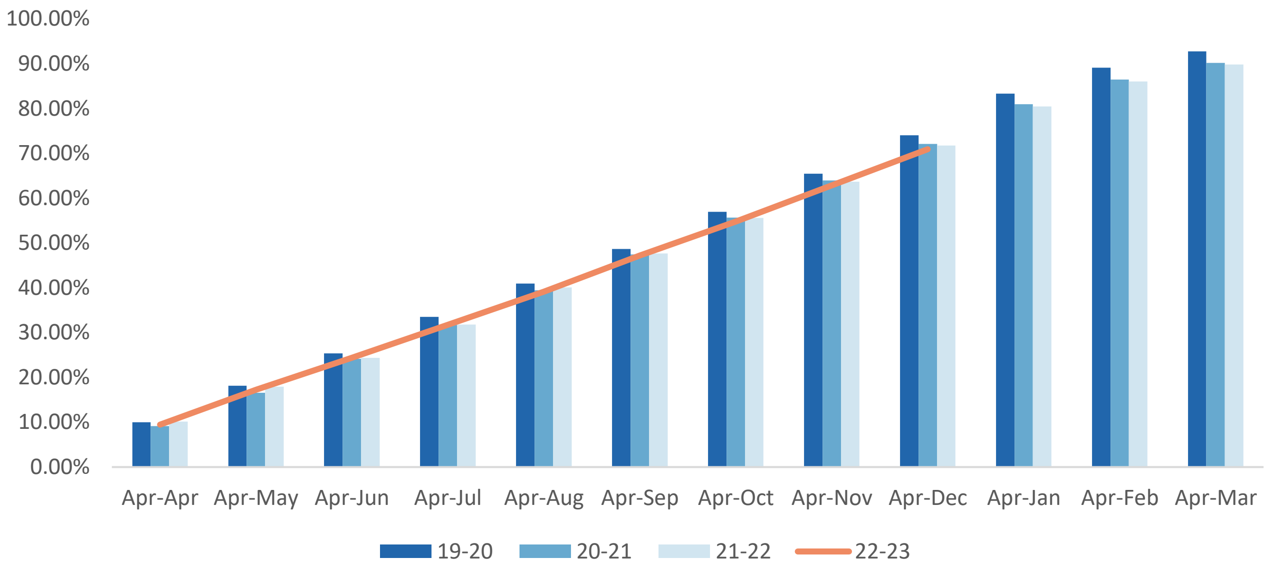
Source: NCC Cost-of-Living advice line
Data is updated daily during the working week and is available via the Cost-of-Living SharePoint resource

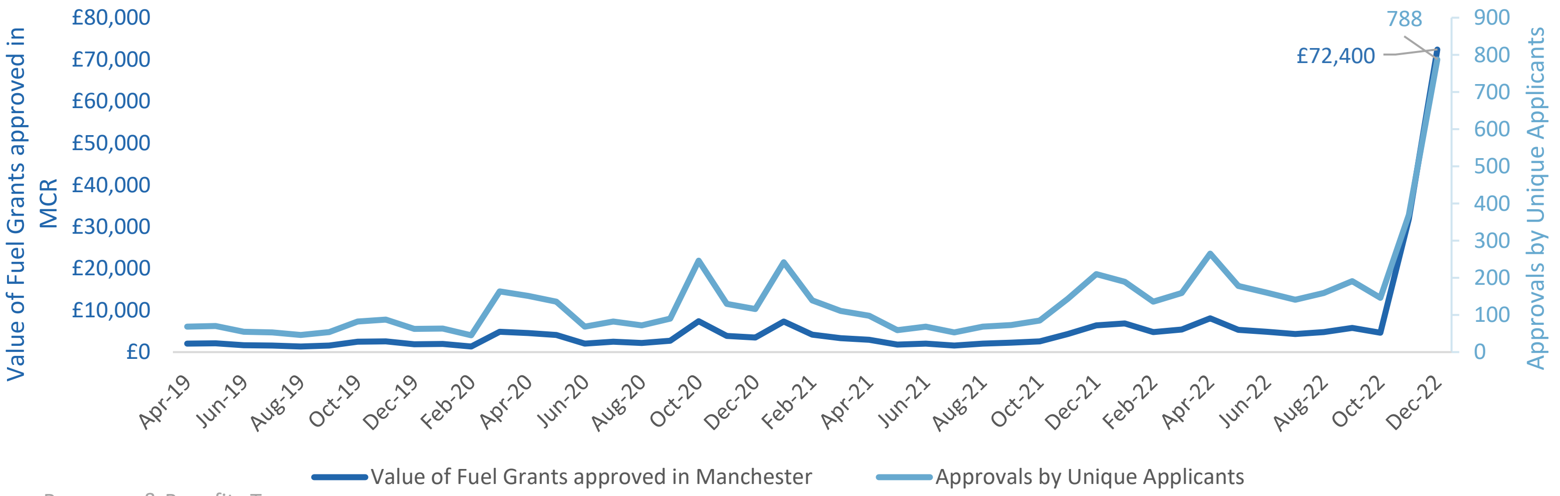
Figures for January 2023 show that Manchester has seen a decline of 1.3% in the number of Council Tax Support in payment when compared with December 2022. When compared with figures from January 2022, there has been a decline of 4.1%. Figures for April to December of the % of council tax collections shows that it is below where it was at the same point in the year 2021/ 2022 by 0.8%. However despite it being below collection rates of previous years, the actual amount of council tax collected is above previous years at the same stage.

Snapshot view of the number of people in receipt of Council Tax Support on that date



The % of council tax collections, April 2019-Present

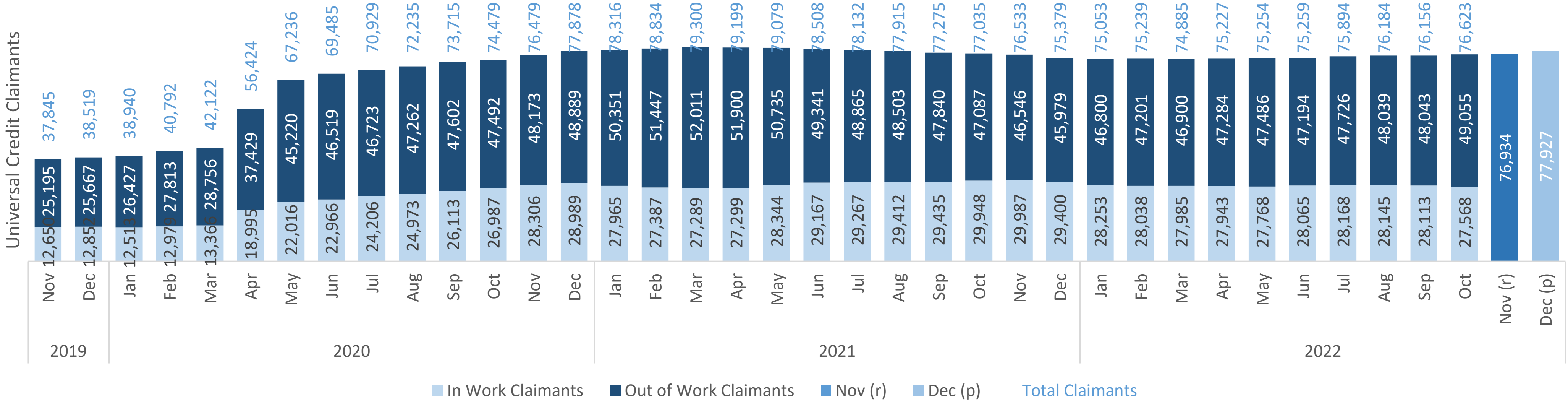




From November 2022 the amount of money the fuel grant could offer increased from £30 to £100, however if an award had previously been made within the last 12 months the scheme could award £70. Additional funding had been made available from the Household Support Fund. However the fuel grant has now been reduced to its pre-November levels and will again be £30. This change should be reflected in the February 2023 data release.

Source: Revenues & Benefits Team
Data released: 06/01/2023 Next Updated: 01/02/2023

Provisional figures for a 1.29% rise against the previous month. When comparing against December 2021, there has been a rise of 3.38%.



Total Universal Credit Claimants (December -provisional*):

77,927

Monthly Change (Nov – Dec (p)*)

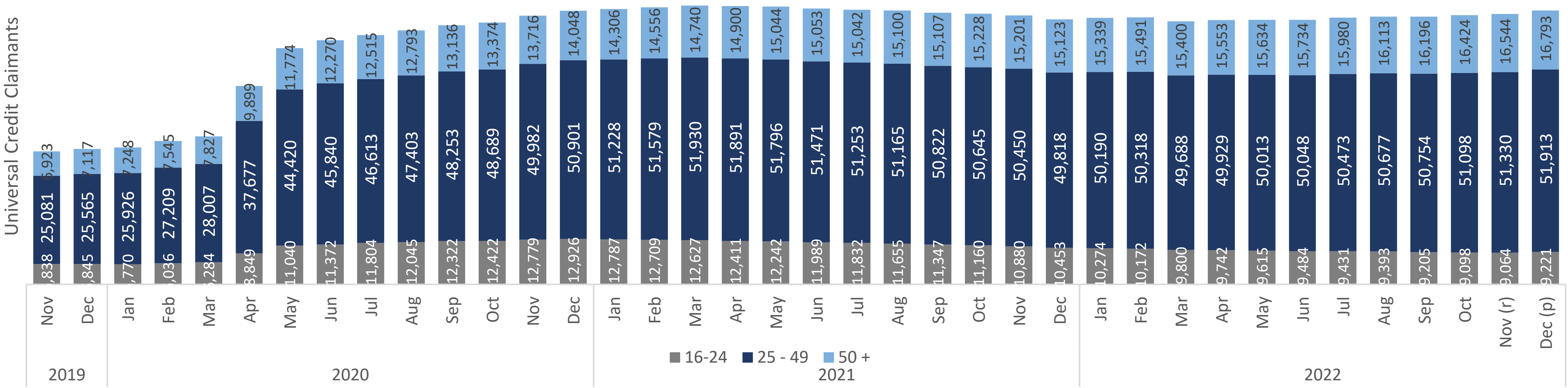
1.29%

Out of Work Claimants (Oct (r))

49,055 (64%)

*Provisional results generally over estimate the actual no. of claimants

All age bands have seen a rise, 16-24 had an increase of 1.73% from November to December 2022, which was the biggest monthly change in that period.



Largest Age Group (Dec (p))

25-49 year olds (51,913)

Monthly Change in 25-49 year old claimants

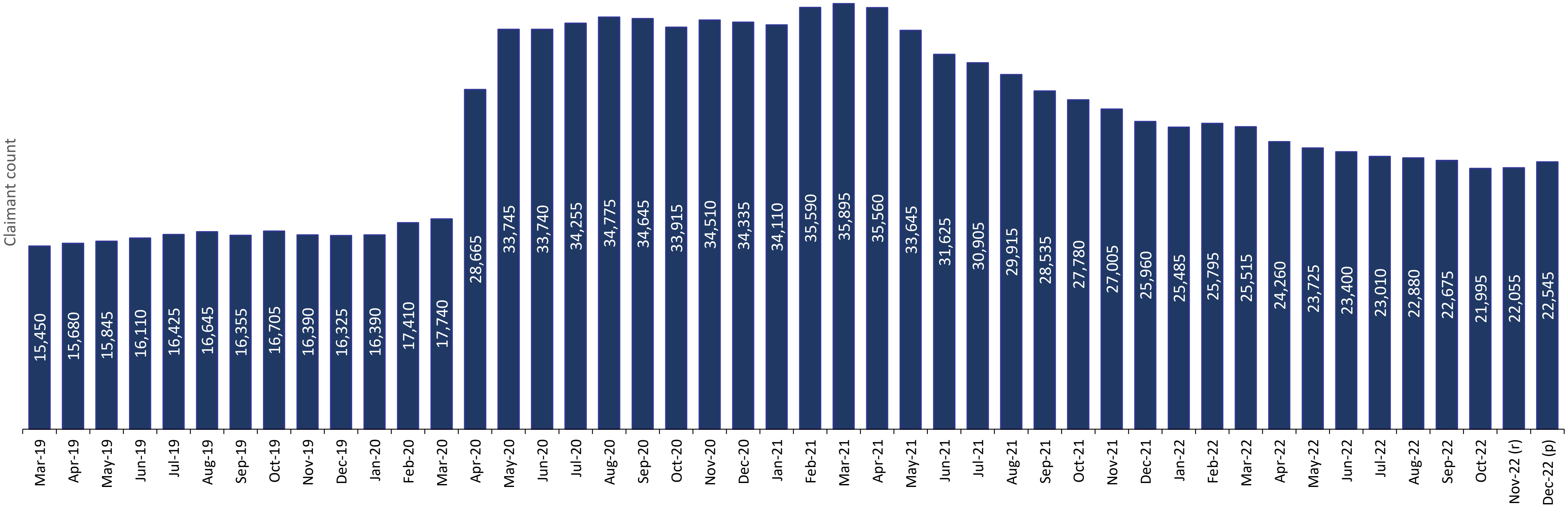
1.14%

Source: DWP, via Stat-Xplore

Data released: 17/01/2023 Next Updated: 14/02/2023

Provisional figures show that the unemployment claimant count in Manchester rose by 2.22% from November 2022 to December 2022.

Current figures show that in the last 12 months, December 2021 to December 2022 there has been a drop in unemployment claimant count of 13.15%.



Unemployment Claimant Count
(December 2022)

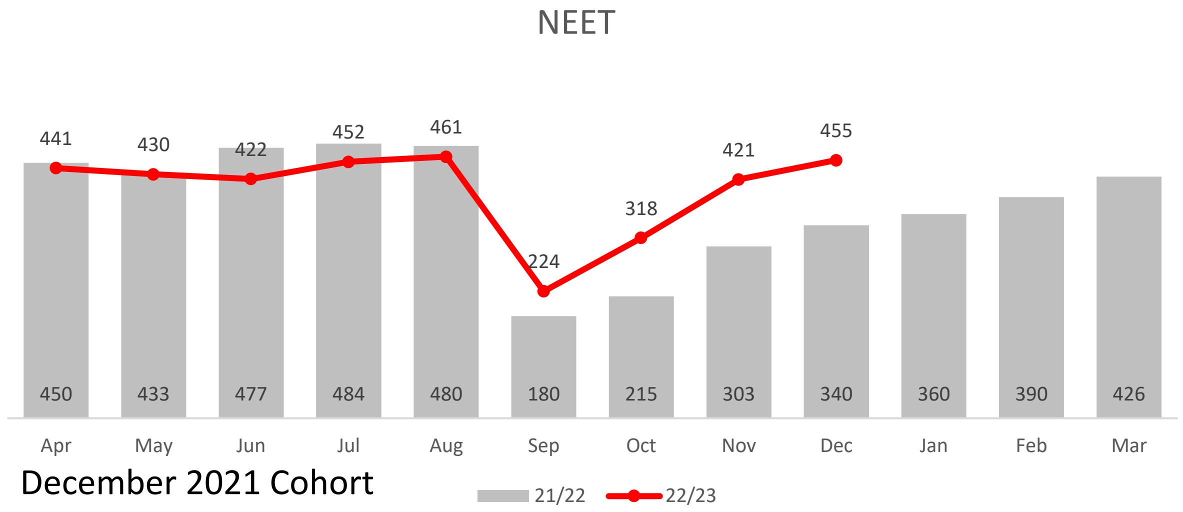
22,545

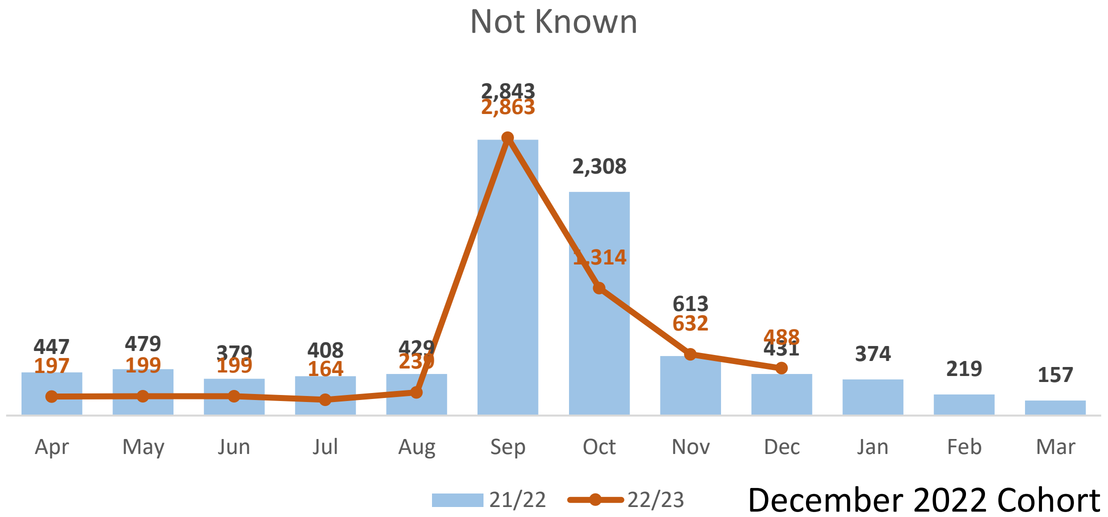
Unemployment Claimant Count Rate
(December 2022)

c. 5.8%

Source: Claimant Count, ONS
Data Released: 17/01/2023 Next Updated: February 2023 (TBC)

455 16-17 years olds were NEET in December compared to 340 in the same period in 2021, an increase of 8.1%. There were 488 whose status was unknown in December 2022, a 22.8% reduction from the previous year. The cohort size of those aged 16-17 saw an increase of 10% between December 2021 and December 2022. When taking into account the change in the cohort size, there has been a 26% increase in the NEET over the same period.





December 2021 Cohort size

12,563

NEET

340 (2.7%)

Not Known

431 (3.4%)

Combined

771 (6.1%)

Category	16 Yrs	17 Yrs	Total
Participation in education and training	93.7%	88.7%	91.3%
Meeting the Duty	94.0%	88.9%	91.5%
Participating in RPA compliant education and training	93.7%	88.7%	91.3%
Working towards meeting the duty	0.3%	0.2%	0.3%
Temporary break from Learning	0.2%	0.4%	0.3%
Not Known	215	273	488
Not Known %	3.0%	4.1%	3.5%
In Learning	6,749	5,910	12,659
In Learning %	93.7%	88.7%	91.3%
Actual NEET	158	297	455
Actual NEET %	2.2%	4.5%	3.3%
Combined NEET and Unknown	373	570	943
Combined NEET and Unknown %	5.2%	8.6%	6.8%

December 2022 Cohort size

13,870

NEET

455 (3.3%)

Not Known

488 (3.5%)

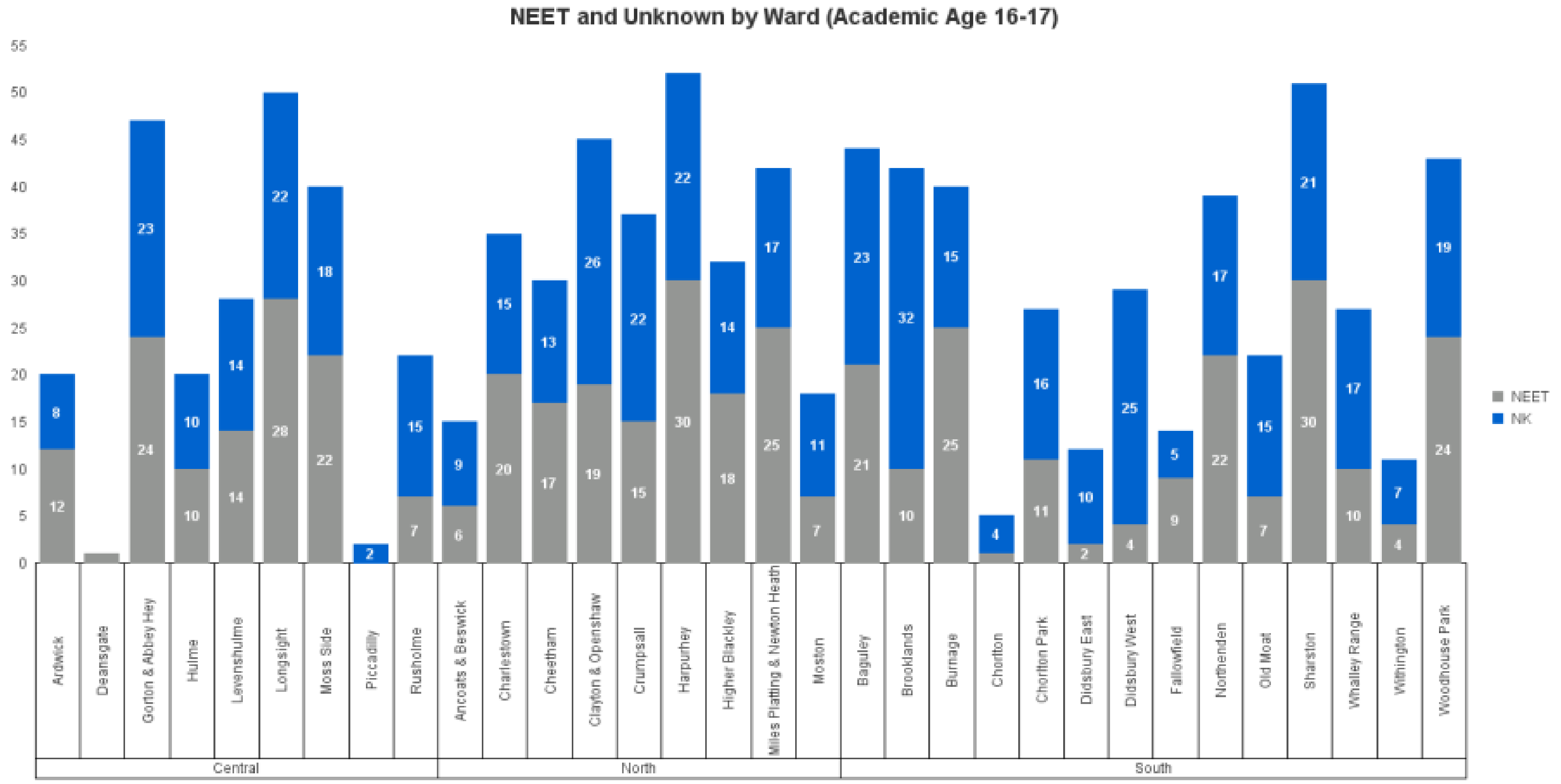
Combined

943 (6.8%)

Source: EYES, NEET

Data Released: 24/01/2023 Next Updated: February 2023

Data for December 2022 shows that the wards with the largest number of NEETs are Harpurhey and Sharston. Brooklands has the highest number of Not Knowns.
Highest proportion of NEET 16-17 year olds are in **Sharston** with 6.5%.



Source: EYES, NEET
Data Released: 24/01/2023 Next Updated: February 2023

Data from Lightcast shows that between November 2022 and December 2022 there was a decline in the number of unique job postings. When comparing December 2022 against 2021 there has been an increase of 10.4%. Data for job postings is now provided by Lightcast, it was previously provided by Burning Glass.

Unique job postings in December 2022:

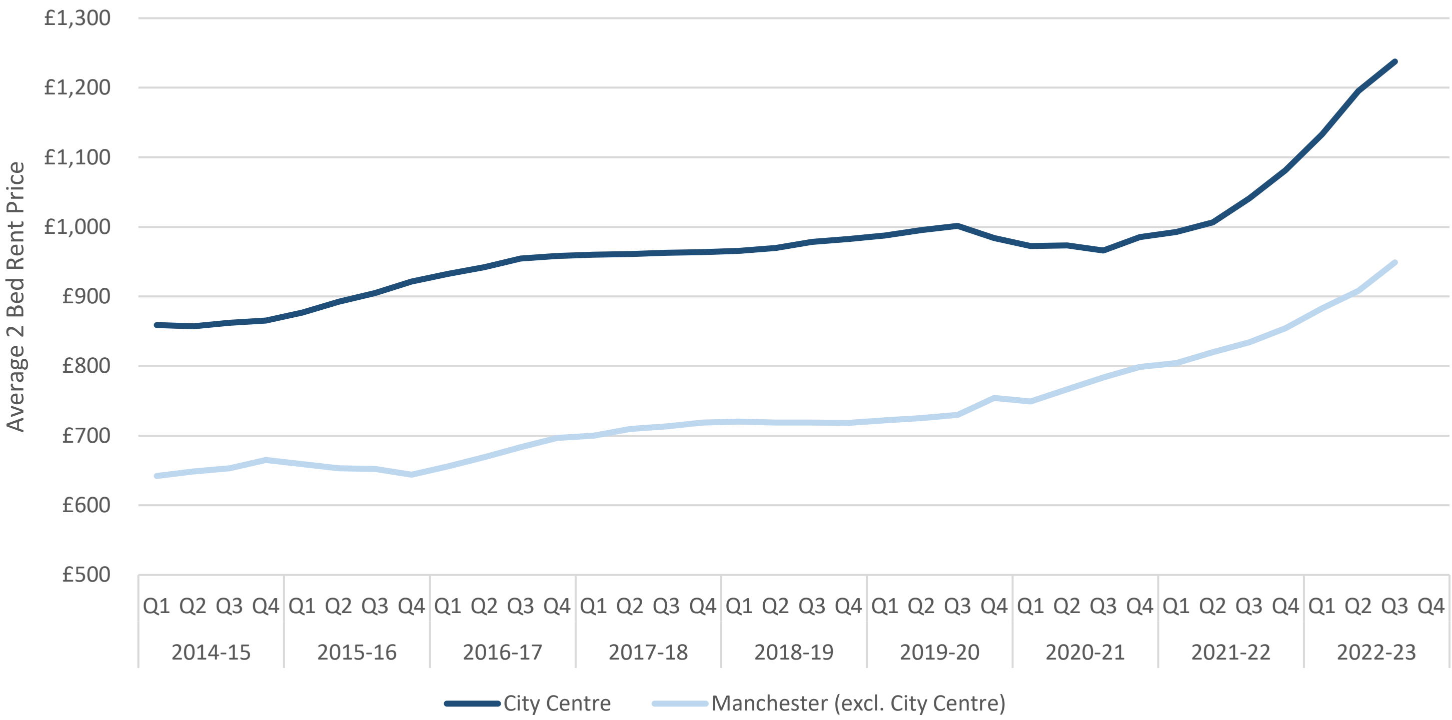
26,531

% change in monthly job posting vs previous month (November 2022):

-6.5%

Source: Burning Glass Technologies - Labour Insights
Data released: 16/01/2023 Next Updated: 01/02/2022

Sustained demand continuing to increase rents albeit rental inflation uneven across the city centre

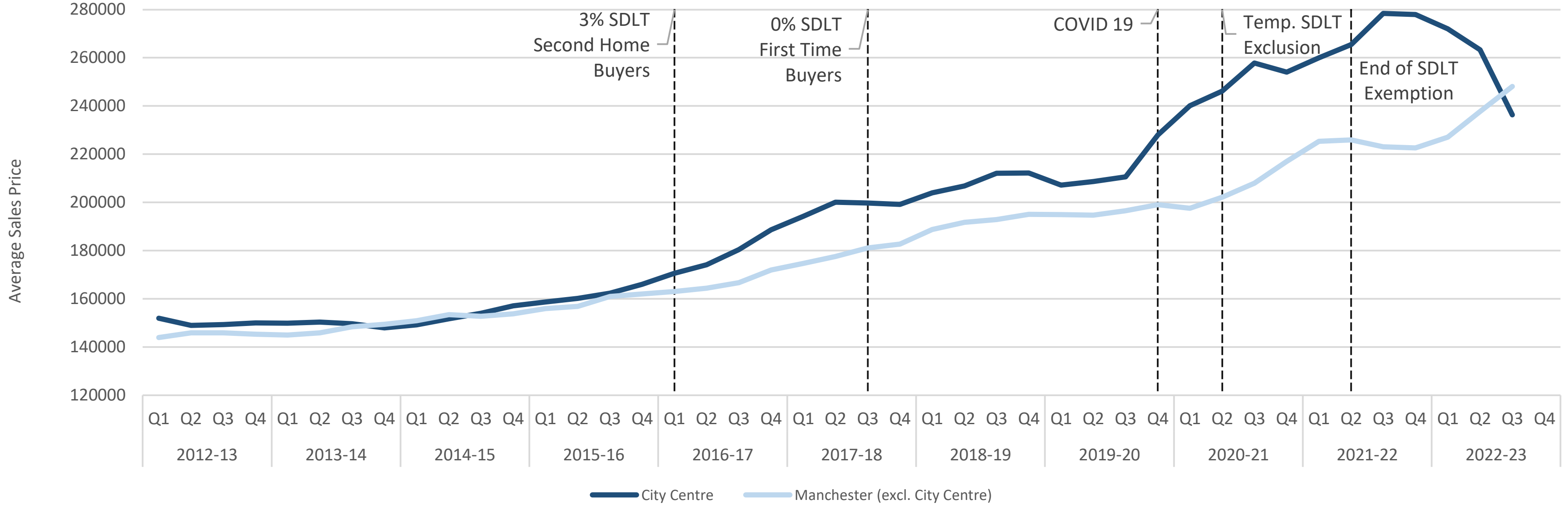


City Centre		Rest of City	
2Bed Rent	Quarterly Change	2Bed Rent	Quarterly Change
£1,238	**3.6%**	**£949**	**4.5%**

City Centre Neighbourhood 2Bed Rents	Q3 2021-22	Q4 2021-22	Q1 2022-23	Q2 2022-23	Q3 2022-23	Quarter Change	Annual Change
Owen Street & First Street	£1,183	£1,237	£1,325	£1,441	£1,509	8.8%	21.9%
Deansgate & Spinningfields	£1,244	£1,272	£1,312	£1,376	£1,394	4.8%	10.6%
Ancoats & New Cross	£1,085	£1,138	£1,190	£1,254	£1,328	5.4%	15.6%
Piccadilly Basin	£1,063	£1,123	£1,179	£1,263	£1,289	7.2%	18.9%
Castlefield	£1,032	£1,069	£1,151	£1,234	£1,231	7.2%	19.6%
Oxford Road North	£1,086	£1,077	£1,119	£1,170	£1,201	4.5%	7.7%
Northern Quarter	£1,028	£1,067	£1,125	£1,171	£1,193	4.1%	13.8%
Greengate & Chapel Street	£1,002	£1,023	£1,067	£1,119	£1,184	4.8%	11.7%
Salford Quays & Pomona Island	£1,050	£1,074	£1,092	£1,141	£1,170	4.5%	8.6%
Chapel Street West	£1,023	£1,050	£1,078	£1,117	£1,170	3.7%	9.2%
City Centre North	£971	£1,006	£1,071	£1,126	£1,169	5.2%	16.0%
New Islington	£1,011	£1,037	£1,063	£1,106	£1,161	4.0%	9.4%
Ordsall Lane & Middlewood	£987	£1,023	£1,060	£1,118	£1,157	5.4%	13.3%
Castlefield West	£1,003	£1,032	£1,073	£1,111	£1,147	3.6%	10.8%
Oxford Road South	£905	£923	£920	£961	£1,065	4.5%	6.2%
Hulme Park & Birley Fields	£800	£852	£892	£926	£971	3.8%	15.8%
City Centre	**£1,041**	**£1,081**	**£1,133**	**£1,195**	**£1,238**	**3.6%**	**18.9%**
Manchester (excl. City Centre)	**£834**	**£854**	**£883**	**£908**	**£949**	**4.5%**	**13.8%**

Source: Rightmove
Data released: 06/01/2023 Next Updated: 06/04/2023

Average sales prices in the city centre correcting after Covid-19 boost – prices outside the city centre continuing to increase



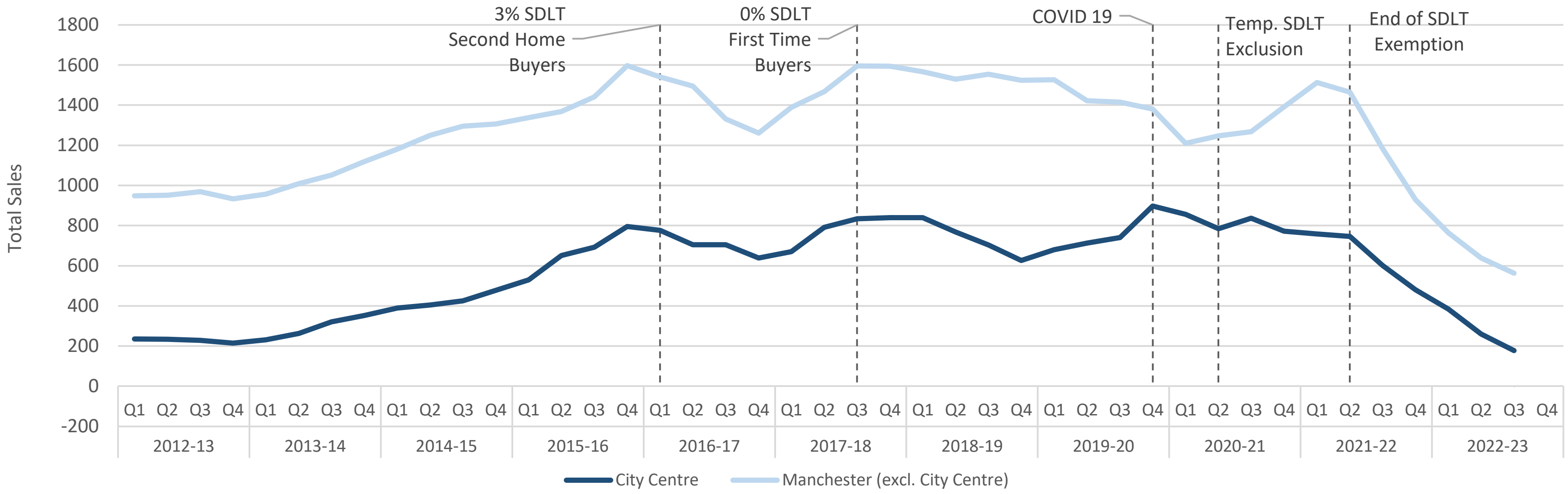
City Centre Average Sales Price

£236,371

Manchester (excl. City Centre) Average Sales Price

£248,099

Sales market activity at it’s lowest point at any time in the last decade both in the city centre & across the city



City Centre Quarterly Change*

-31.7%

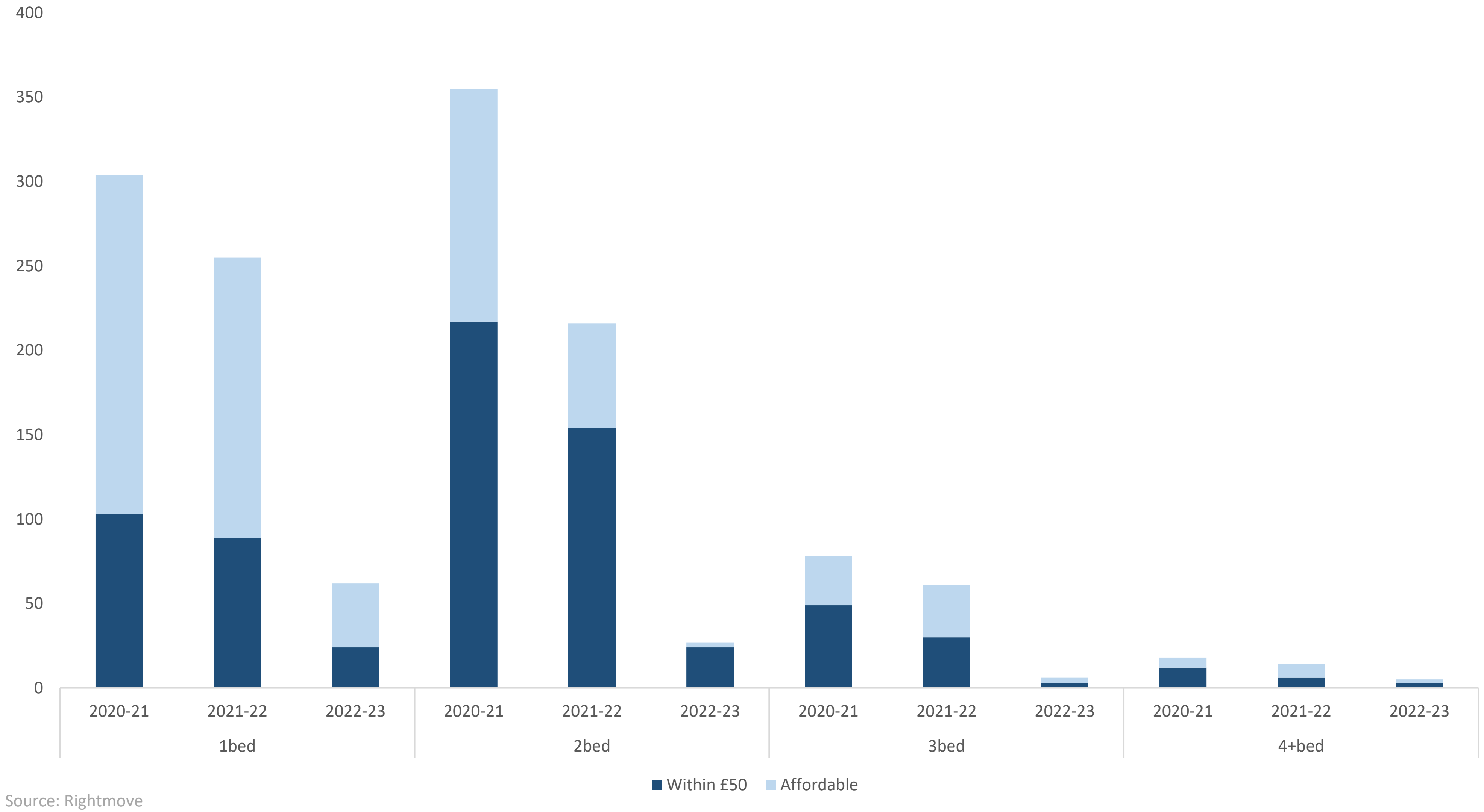
Manchester (excl. City Centre) Quarterly Change*

-11.8%

Source: HM Land Registry
Data released: 28/12/2022 Next Updated: 30/01/2023

* Large numbers of sales are backdated in future releases so these figures are expected to increase in future updates

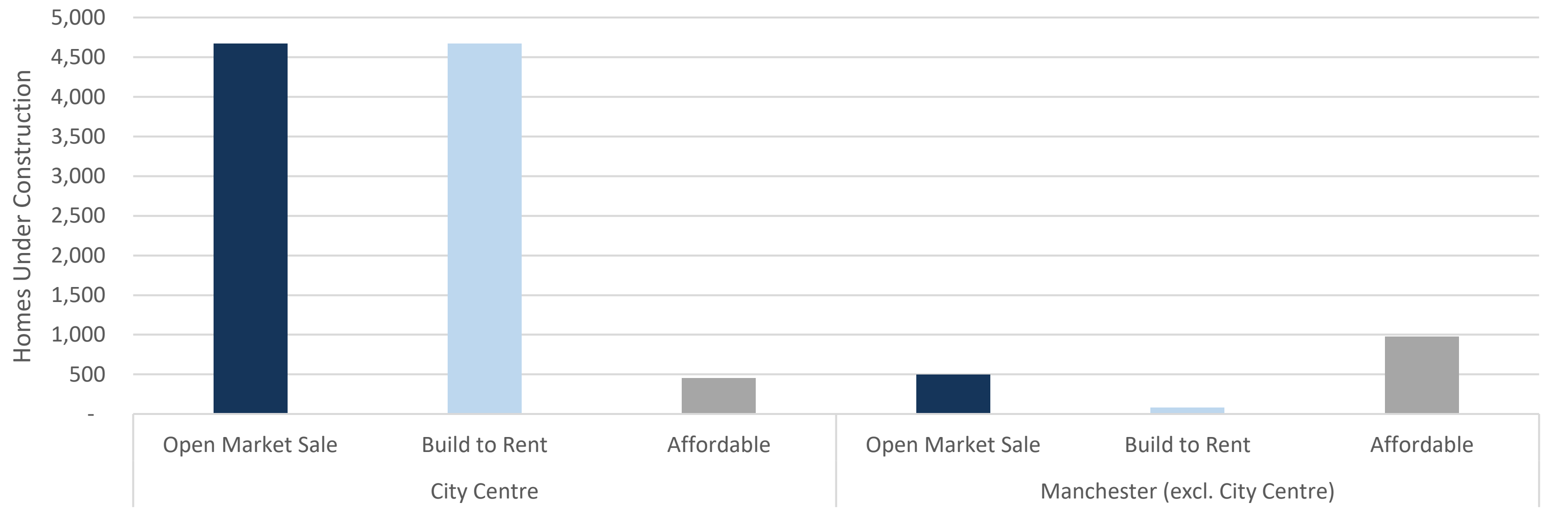
Rental inflation combined with the ongoing freeze on LHA has led to just 46 properties advertised within the LHA rate in 2022-23, compared to 374 in 2020-21.



Number of Bedrooms	Properties affordable on LHA (2022-23)
1 bed	38
2 bed	3
3 bed	3
4+ bed	2

Source: Rightmove
Data released: 06/01/2023 Next Updated: 06/04/2023

Over 11,000 homes under construction across the city – including over 1,400 affordable homes (*)

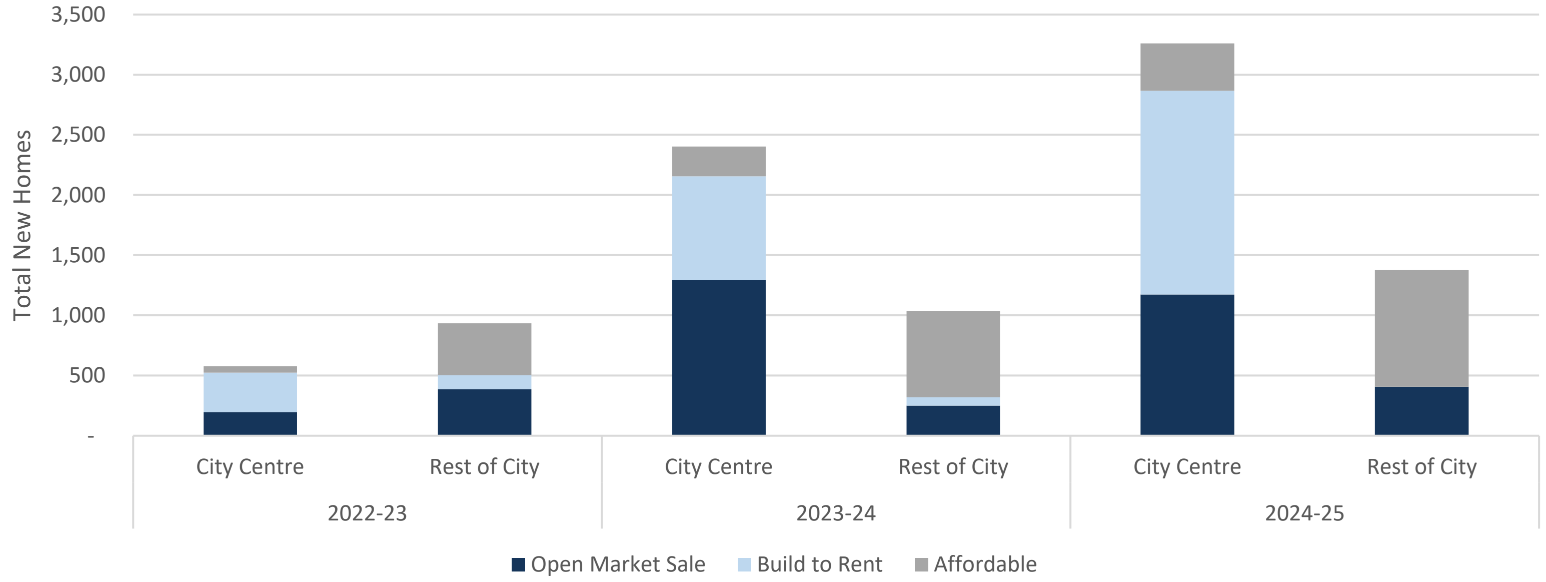


City Centre Homes Under Construction
9,796

Rest of City Homes Under Construction
1,553

Affordable Homes Under Construction
1,429

c.1,500 new homes expected to complete this year before pipeline recovering from 2023-24 onwards



Expected Completions – 2022-23
1,509

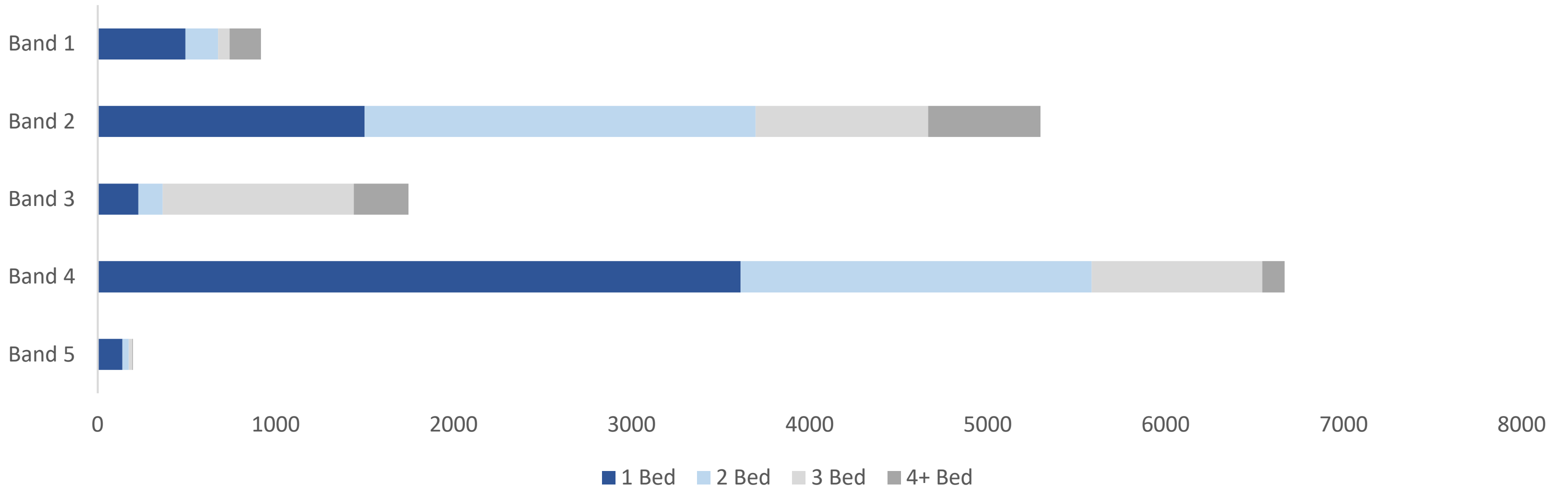
Expected Completions – 2023-24
3,439

Expected Completions – 2024-25
4,635

Source: MCC Residential Development Tracker
Data released: 24/01/2023 Next Updated: 24/04/2023

(*) **Affordable homes:** all homes sold or let for below market value - this includes social rent, affordable rent, shared ownership, rent to buy and homes let at the newly launched Manchester Living Rent

A snapshot of the figures show that the majority of households in Housing Need require 2 or more bedrooms. From the November 2022 snapshot to the January 2023 snapshot there was a 0.4% reduction in the number of live applications.



Applicants in Priority Bands 1-3 (In Housing Need)

7,962

Proportion of Applicants in Housing Need Requiring 2+ Beds

67%

Source: Manchester Move
Data released: 06/01/2023 Next Updated: March 2023

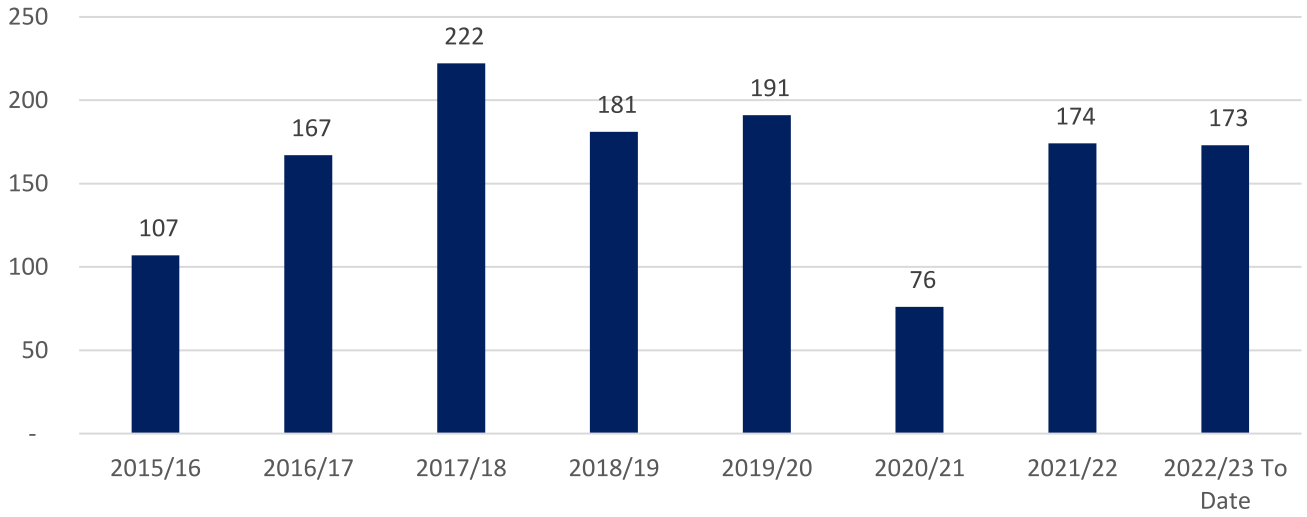
Right to Buys recovering to pre-Covid levels

Total Right to Buys (2022-23 to Date)

173

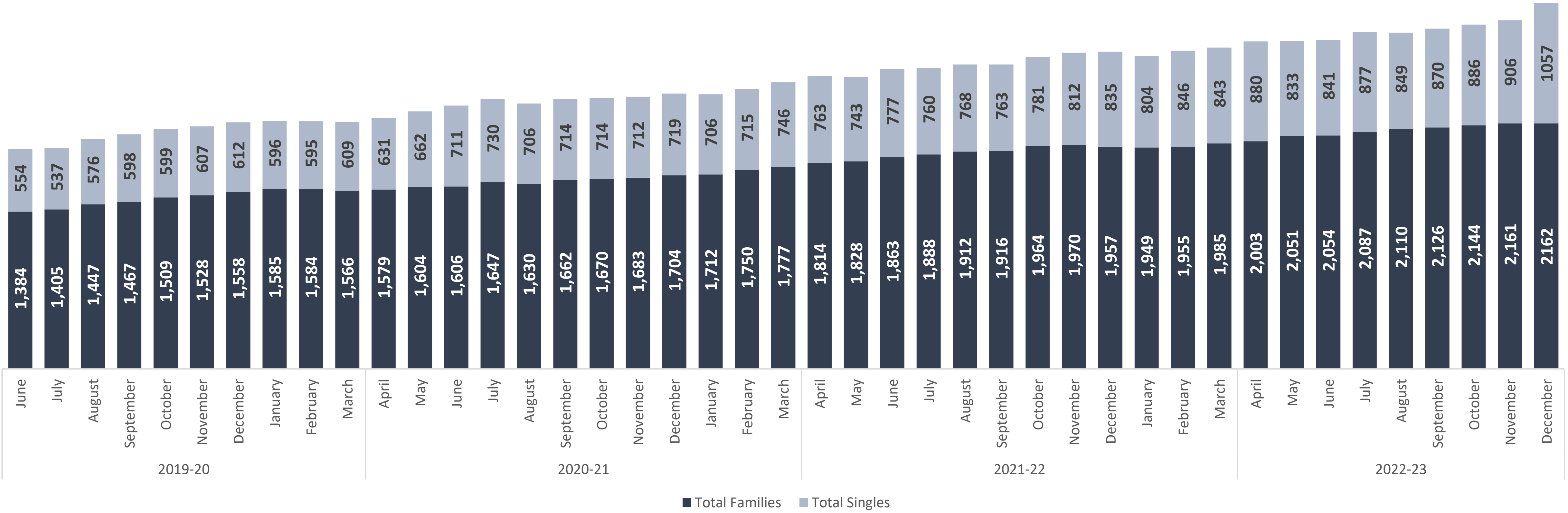
Amount in the Housing Affordability Fund

£9.31m



Source: MCC Housing Operations
Data released: 24/01/2023 Next Updated: 24/04/2023

December 2022 saw the total number of persons in Temporary Accommodation increase by 4.96% when compared with November 2022. The number of families in Temporary accommodation increased by 0.05% over the same period, however the total number of singles increased by 16.67%.

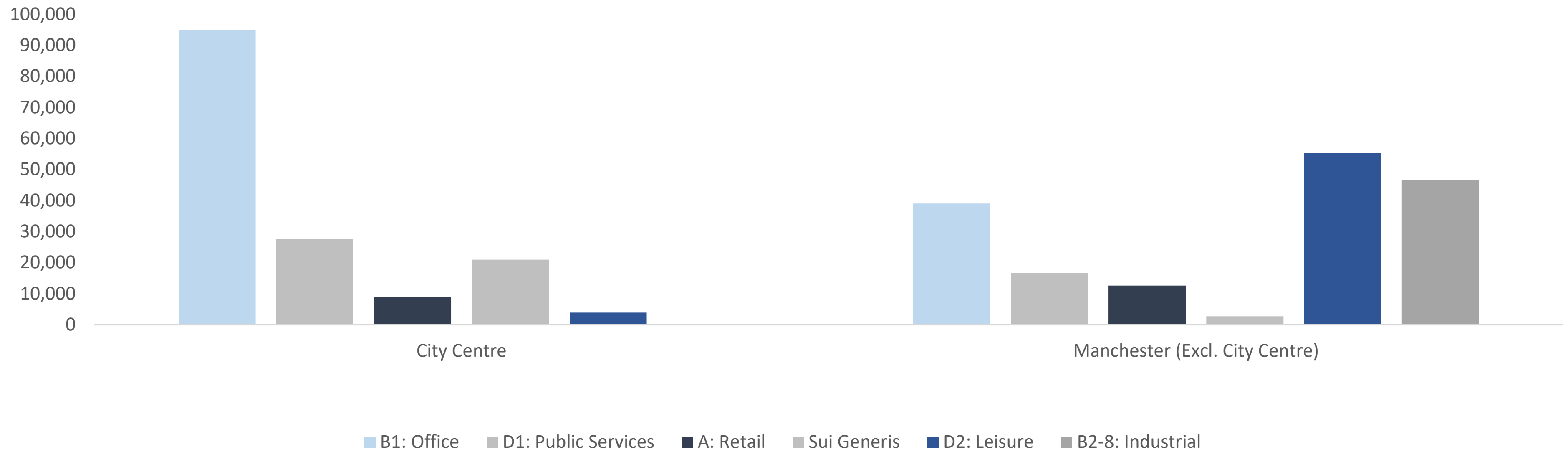


Families in TA (December 22)	Single Person Households in TA (December 22)
2,162	**1,057**
(10% annual growth)	**(27% annual growth)**

Source: Homeless TA Monthly Figures
Data released: 03/01/2023 Next Updated: 01/02/2022

* MCC have recently announced the intention to end the use of B&Bs to house families

94,975m² of office space is currently on-site in the city centre. Outside of the City Centre there is 55, 258m² of on site classed as Leisure.



Total Office Space Under Construction

97,975m²

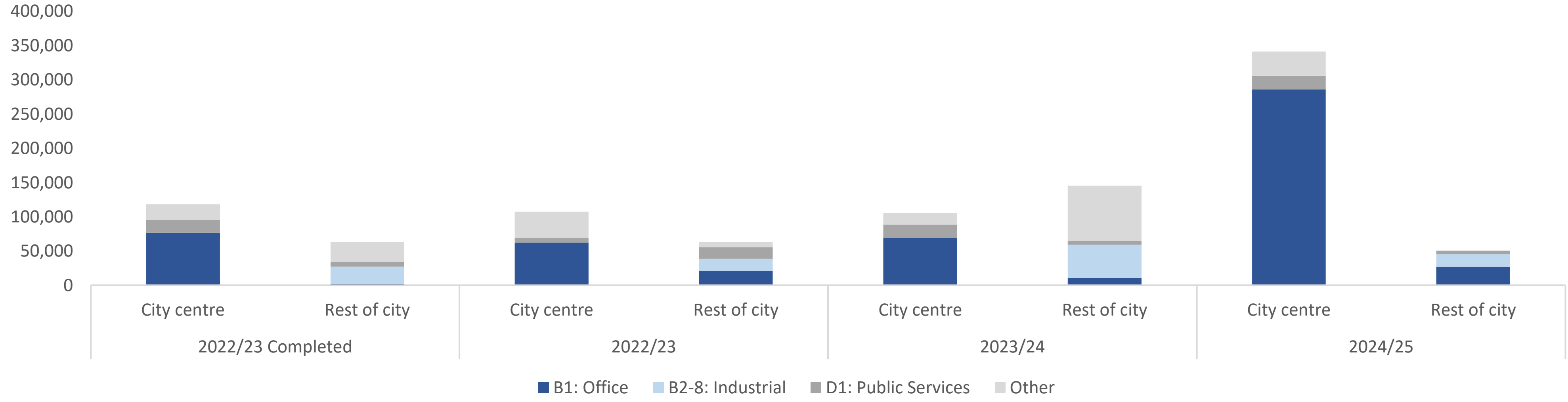
Expected City Centre Office Space Completions
2022-22 – 2024-25

494,129m²

Expected Rest of City Office Completions
2022-23 – 2024-25

60,482m²

Commercial Developments – Completions & Expected Completions (2022-23 – 2024-25)



Expected City Centre Completions
(2021-22 – 2023-24)

720,979m²

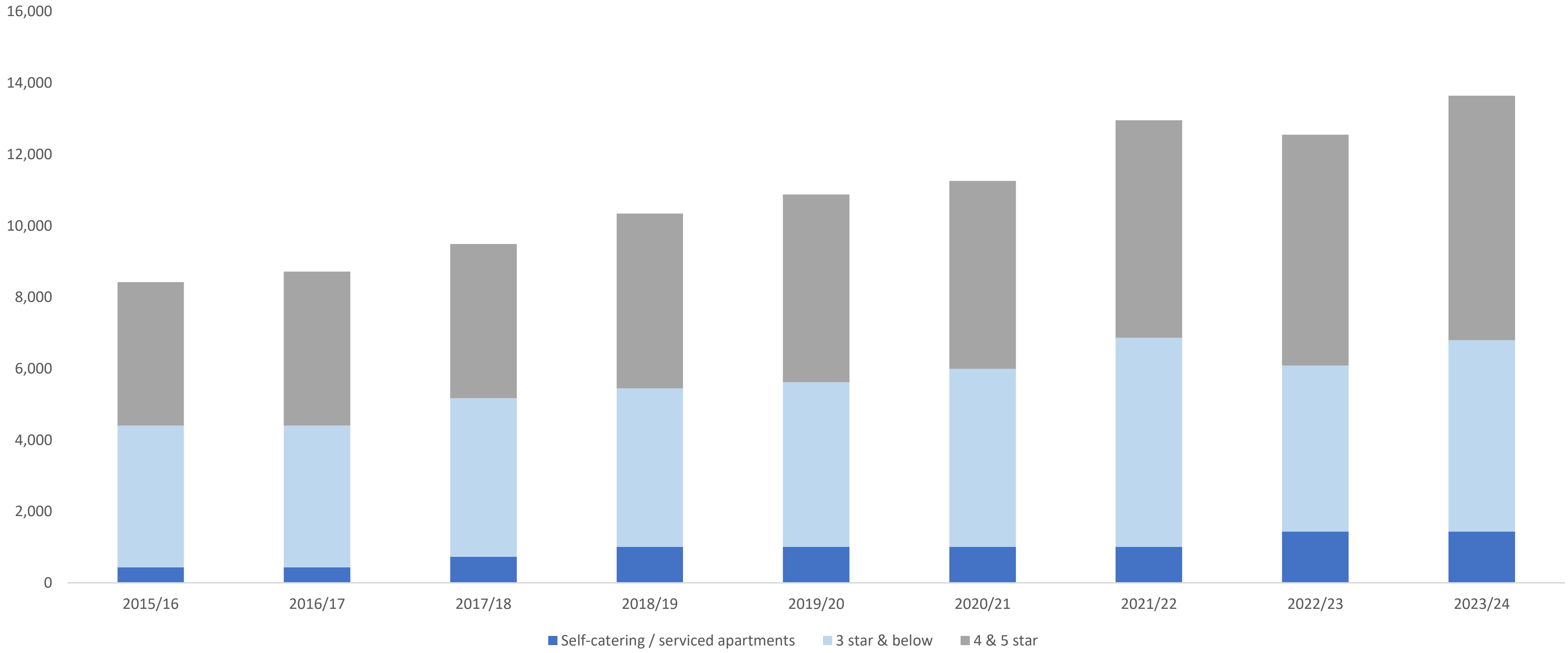
Expected Rest of City Completions
(2022-23 – 2023-24)

357,787m²

Source: EGI and MCC Planning Application Portal
Data Released: 23/01/2023 Next Update: March 2022

*Please note that this is experimental data. We intend to review the process of the data collection and analysis in the coming months. This could lead to revisions of what is presented currently.

There remain 6,466 hotel rooms in the City Centre that are 4 and 5 stars, with the majority being 4 stars. Manchester provides 46.5% of all of the visitor accommodation stock rooms within Greater Manchester.



City Centre Hotel Rooms Constructed 2022

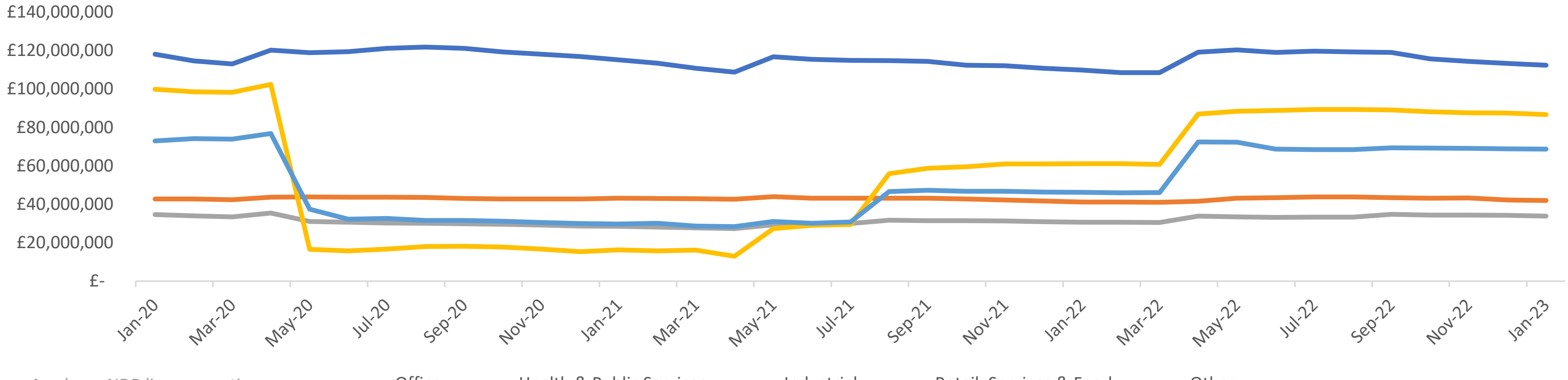
1,728

City Centre Expected Completions 2022-23 to 2024-25

1,811

Source: Marketing Manchester
Data released: 20/01/2022 Next Updated: 31/01/2022

Total business rates charged decreased by £2.55m between December and January. In spite of this month on month decrease, January 2023 is £54.6m higher than January 2022*



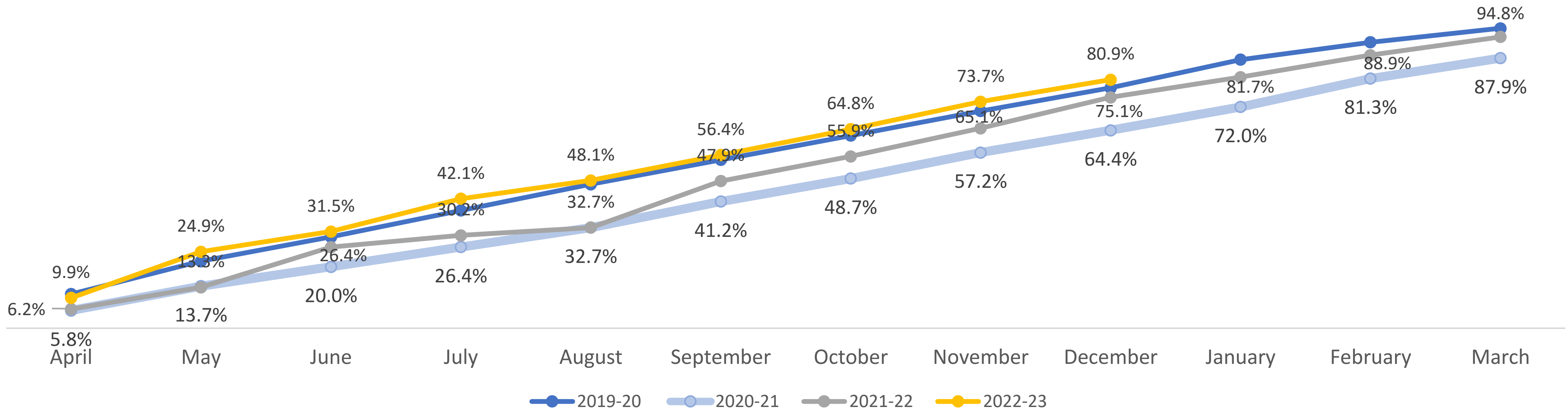
Total Annual Business Rates Charged (January):

£343.5m

Source: Academy NDR live properties
Data released: 01/12/2022 Next Updated: 01/02/2023

* This increase reflects businesses re-opening following COVID and business rates relief slowly being wound down

Business rates collection continues to increase. Total collection rate 2022-23 currently stands at 80.9%. Collection rates are above where they were at this stage for both 2020/21 and 2021/22.

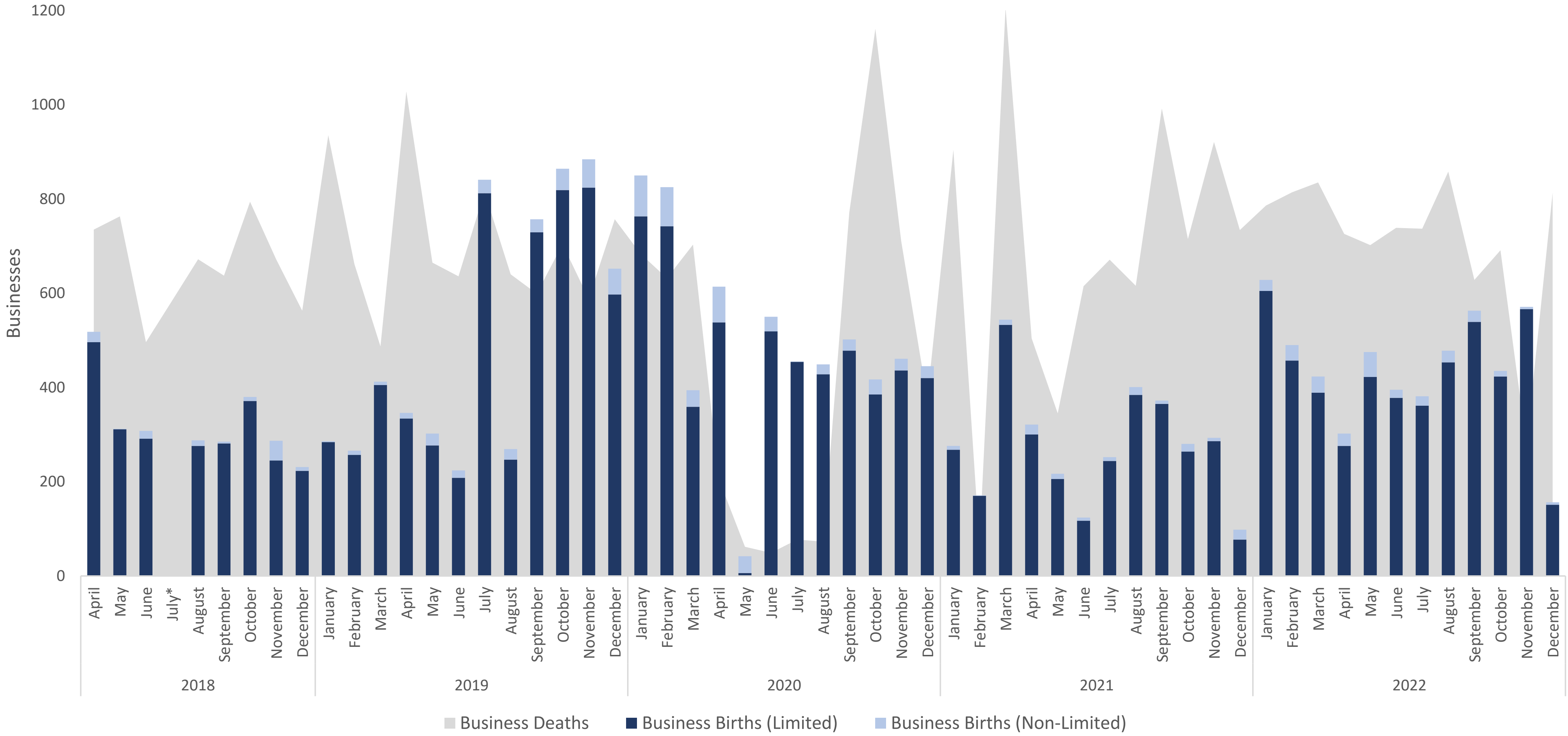


Total Collection Rate 2022-23 (December):

80.9%

Source: Academy NDR live properties
Data released: 01/12/2022 Next Updated: 01/02/2023

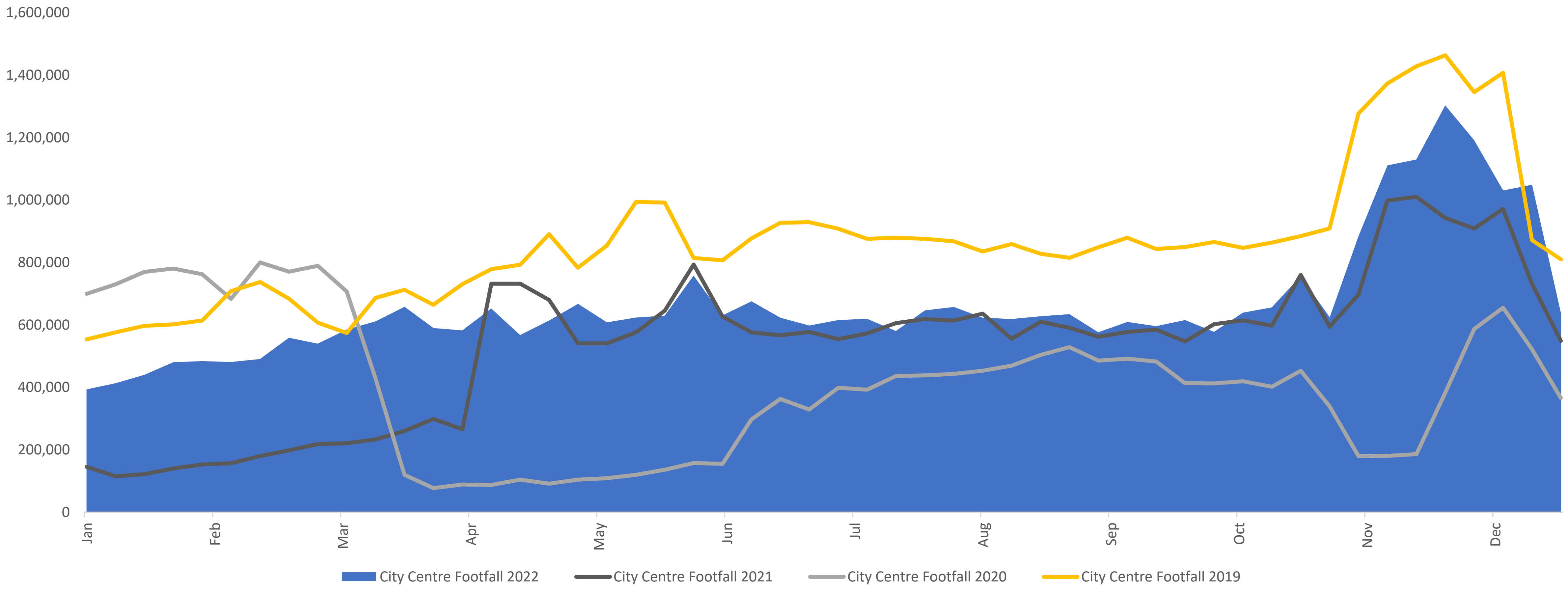
Business deaths in December 2022 have again exceeded Business births in Manchester; 813 deaths vs 156 births in December.



Source: Experian
Data released: 03/01/2023 Next Updated: 01/02/2023

*Automatic strike-off and company obligations were suspended from April to June during lockdown by Companies House – resulting in an administrative lag in recording business deaths which manifested in a large spike towards the end of 2020

Footfall in the City Centre up to the fourth week of December 2022 is way above where is had been compared to the same point in 2021. The fourth week of December 2022 saw the lowest recorded footfall in 8 weeks. Due to this decline footfall is significantly below where it was at the same point in 2019.



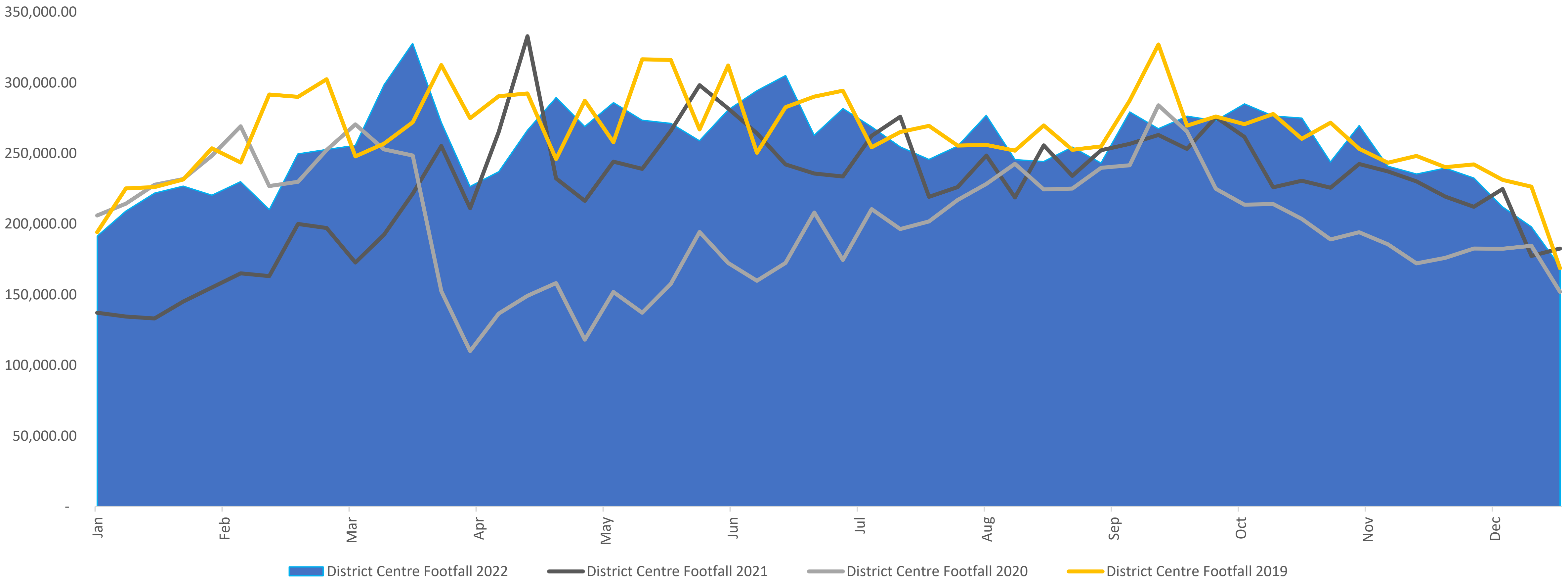
Source: Springboard /CityCo
Data released: 01/01/2023 Next Updated: 30/01/2023

City Centre* Footfall
(w/s 26th December):

Change v 2021	Change v 2019
16.17%	**-21.27%**

* City Centre data on Market St, Exchange Square, St Ann's Square & King St
** District Centres data on Blackley, Cheetham Hill, Chorlton, Fallowfield, Gorton, Harpurhey, Levenshulme, Northenden, Rusholme & Withington

District Centre footfall up to the last week of December 2022 is below where it was at the same point in 2021, but is slightly above where it was at the same point in 2019. The footfall figure for the last week of December was 169,781 which is the lowest footfall of 2022.



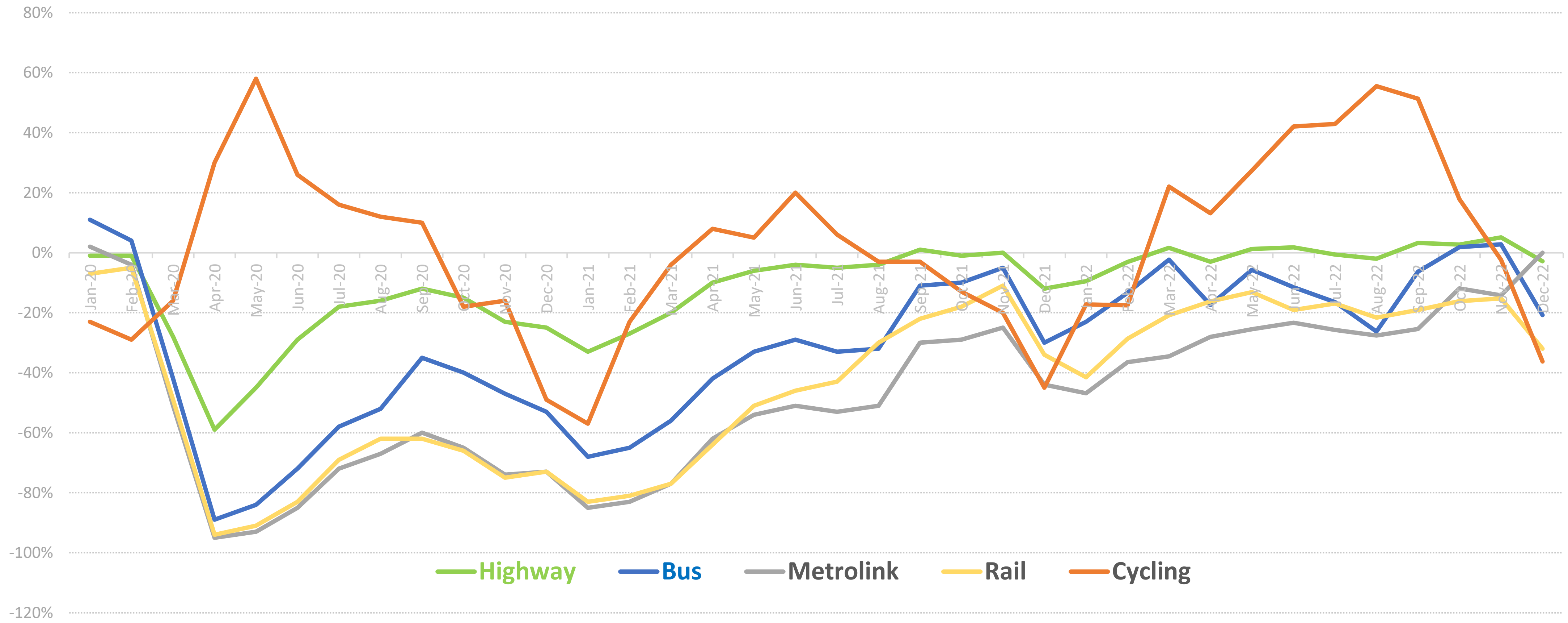
Source: Springboard /CityCo
Data released: 01/01/2023 Next Updated: 30/01/2023

District Centres Footfall**
(w/s 26th December):

Change v 2021	**Change v 2019**
-7.07%	**0.66%**

* City Centre data on Market St, Exchange Square, St Ann's Square & King St
** District Centres data on Blackley, Cheetham Hill, Chorlton, Fallowfield, Gorton, Harpurhey, Levenshulme, Northenden, Rusholme & Withington

Transport usage decreased across all forms of transport, except for Metrolink. The cycling monthly average usage in December was 36% lower than the baseline (2019), highways usage was 3% lower than the baseline (2019), rail usage was 32% lower, bus usage was 21% lower than the baseline and Metrolink was equal to the baseline (2019).

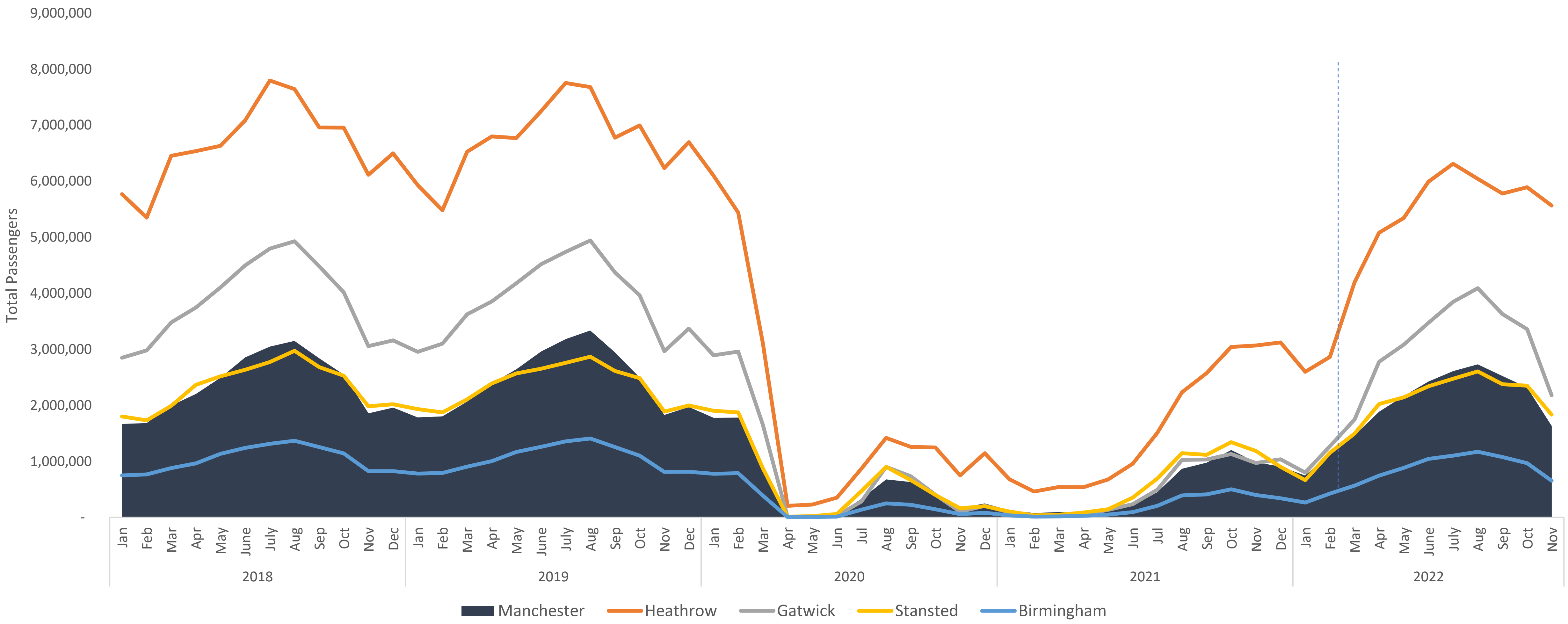


* Rail data from Manchester Piccadilly

Cycling	Highways	Bus	Metrolink	Rail
-36%	**-3%**	**-21%**	**0%**	**-32%**

Source: Transport for Greater Manchester
Data released: 22/01/2023 Next Updated: 22/02/2023

Between October 2022 and November 2022 all of the major English airports saw a decline in the number of airport passengers, for Manchester airport this is the third successive month in a row where there has been a decline in airport passengers. This decline does reflect previous passenger trends which were seen pre pandemic.



Manchester Airport Passengers (November)

1,629,427

Monthly Change (October - November)

-29.7%

Source: Civil Aviation Authority, UK Airport Data

Data released: 16/01/2023 Next Updated: February 2023