# Quarterly Economic Update

## Manchester's Economic Headlines for August 2023

1. The Office for National Statistics released new figures for the annual inflation rate (based on its preferred measure – the Consumer Price Index - CPI) which fell to 6.8% in the year to July 2023: this is a reduction from last month's rate of 7.9%. The Consumer Price Index with Housing Costs (CPIH) also declined over this period, falling to 6.4% in the 12 months to July 2023. Despite a fall in inflation, the Bank of England increased the base rate again this month from 5.0% to 5.25%. In August 2022, the base rate was at 3.0%.

2. The North-West region jumped two places in the UK rankings for Foreign Direct Investment projects (FDI). EY's latest UK Attractiveness Survey published (19 June 2023) has revealed the region jumped from fifth in 2021, to third in 2022. Excluding London, Manchester attracted more FDI projects than any other UK city in 2022 with a total of 45, an increase of 14 compared with 2021. (MIDAS)

3. The commercial real estate services division of CBRE released a report which looked at 50 of the country's largest regional towns and cities outside of London to evaluate which was best suited for growth in the housing, office, retail, life sciences, and industrial scene. Manchester excelled in the rankings of U.K. growth cities, reaffirming its status as a hotspot for development and investment. Retail saw Manchester rank third, behind Birmingham and Bristol. Manchester was fifth when it came to having the most potential for growth in the leisure, food, and beverage sector – as well as affordable housing. (Place North-West)

4. Diesel prices increased week-on week over the past month after 32 weeks of a continuous downward trend. Over these four weeks, the price of diesel has risen by 4.0%, now costing 150.37 p/L. Petrol prices have also experienced a broad downward trend, though with greater fluctuation than the price of diesel. Over the past 4 weeks petrol has risen in price by 3.5% and now costs 147.77 p/L. Despite these increases, diesel is down 18.79% year on year and petrol is down 15.17% year on year.

5. Provisional figures for July 2023 shows that there has been a 1.80% rise in the number of Universal Credit Claimants from June 2023. For 9 consecutive months, the total number of Universal Credit Claimants has increased. Between June 2022 and June 2023 there has been an increase of 10.8% in the number of Universal Credit claimants who are Not in Employment, over the same period the number of In Employment claimants has decreased by 1.5%.

6. 16 - 17-year-olds not engaged in education, employment or training (NEET) decreased in June 2023 to 543: however, when compared with June 2022 there has been an increase 28.7% . Those who are Not Known decreased over the same period and is 37.2% lower than June 2022: there are 125 Not Knowns. The overall cohort size increased over the last 12 months, rising by 7.7%, and now stands at 13,775 16–17-year-olds.

7. Data provided by Lightcast shows that there were 26,297 unique job postings in July 2023, this was a decline of 5.2% against June 2023. When comparing against July 2022, the decline was much more marginal at 0.6%. It should be noted that since the last Economy Update there have been substantial revisions in the job total numbers following a review of the data by Lightcast.

8. Rental prices within Manchester have continued trend upwards, within Manchester City Centre the average 2 bed rental cost is £1,333 per month. This is a 2.8% rise against the previous quarter. Rental prices outside of the city centre have seen a higher rate of quarterly change, rising 3.8% against the previous quarter. In the last 12 months the average monthly rent for a 2 bed in the city centre has increased by 17.5%. Outside of the city centre there has also seen a large increase, with 2 bed rental prices increasing by 15.9%.

9. The gap between market rents & the Local Housing Allowance (LHA) is greater for larger homes – with average rents in 4 or more-bedroom properties being £1,206 higher than LHA in the city centre & £871 higher across the rest of the city. The rental data comes solely from Rightmove and only includes data of listing hosted on their site, so it will not capture all the rental market data for Manchester.

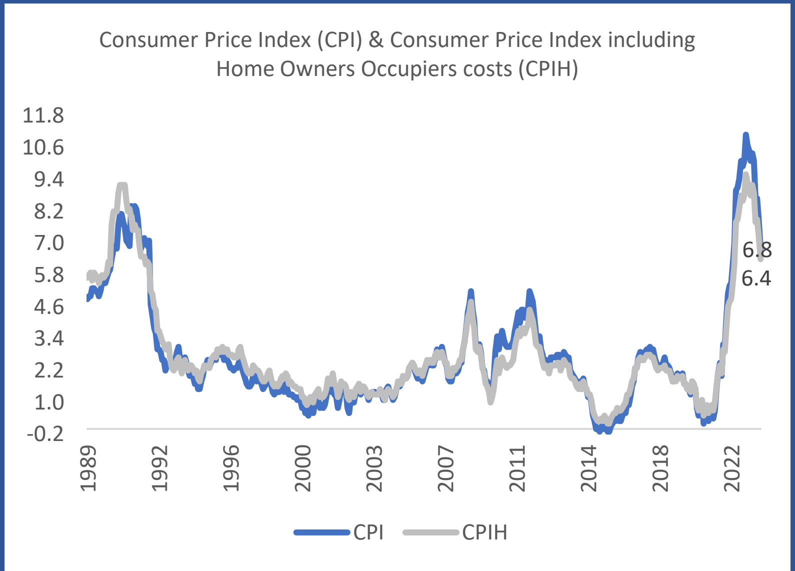
10. The residential property pipeline shows that there are over 12,000 homes under construction across the city. Of those, there are just over 1,300 affordable homes. This means that of all the new homes under construction, 10.8% are to be affordable.

11. City centre footfall data for the week commencing the 6th August 2023 shows that the level of footfall is up 16.8% against the same week recorded in 2022, however in comparison to the same week in 2019 footfall is down 12.9%. In contrast the district centre footfall shows a different picture with footfall being down against the same week in 2022 by 6.7%, but against the same week in 2019 footfall is up 0.9%.

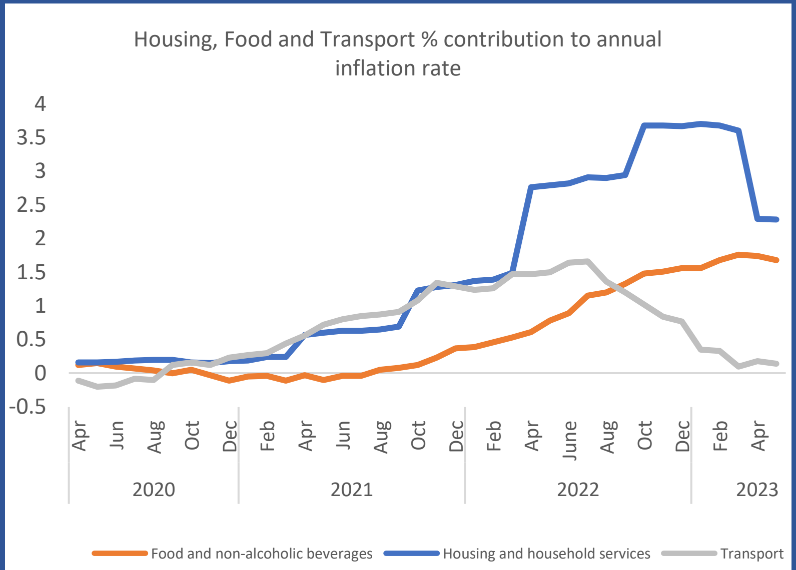
## Quarterly Economic Update

**August 2023** **Economic Indicators**

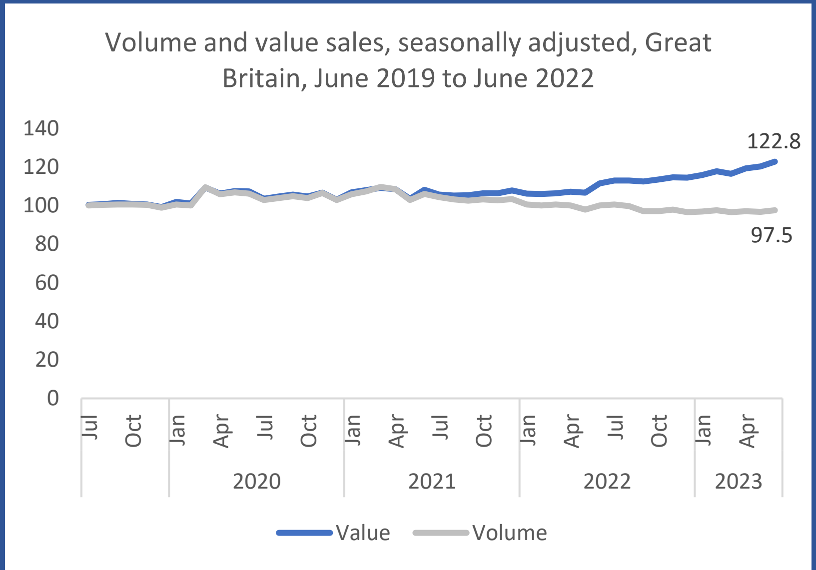
# Inflation




Source: ONS, CPI & CPIH
Data released: 16/08/2023 Next Updated: 20/09/2023

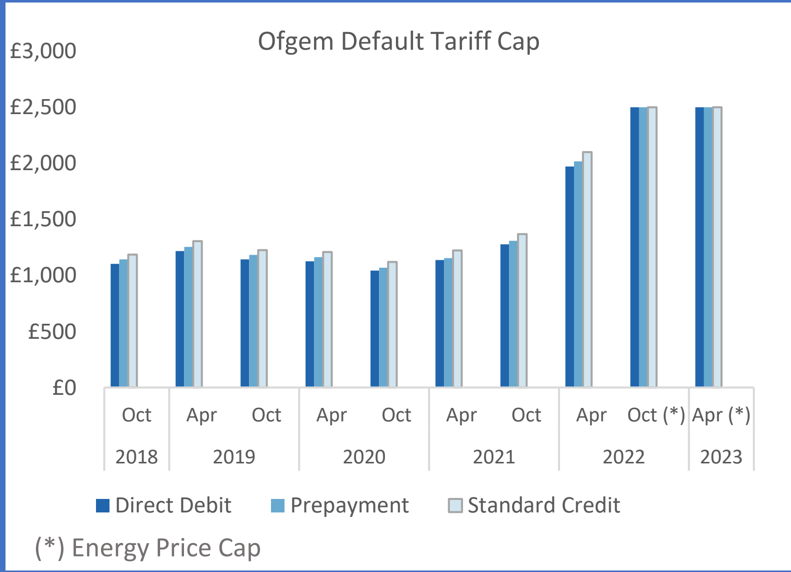



Source: ONS, Contributions to the CPIH 12-month inflation rate
Data released: 16/08/2023 Next Updated: 20/09/2023

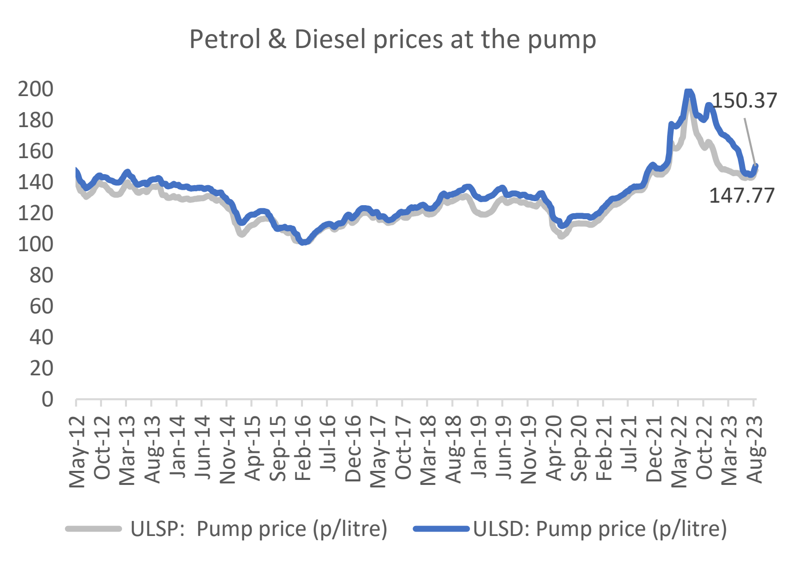



Source: ONS, Inflation and price indices.
Data released: 21/07/2023 Next Updated: 18/08/2022

# Fuel & Energy Pricing

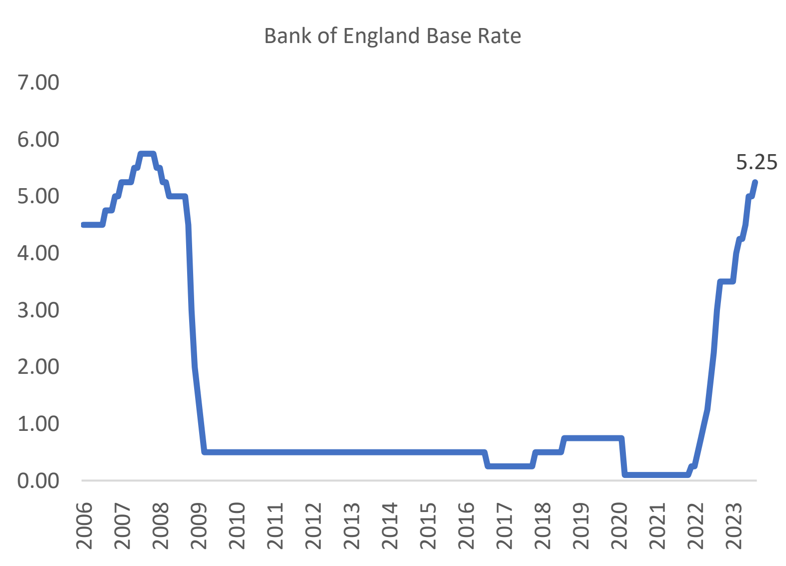



Source: Ofgem
Data released: 24/11/2022 Next Updated: TBC



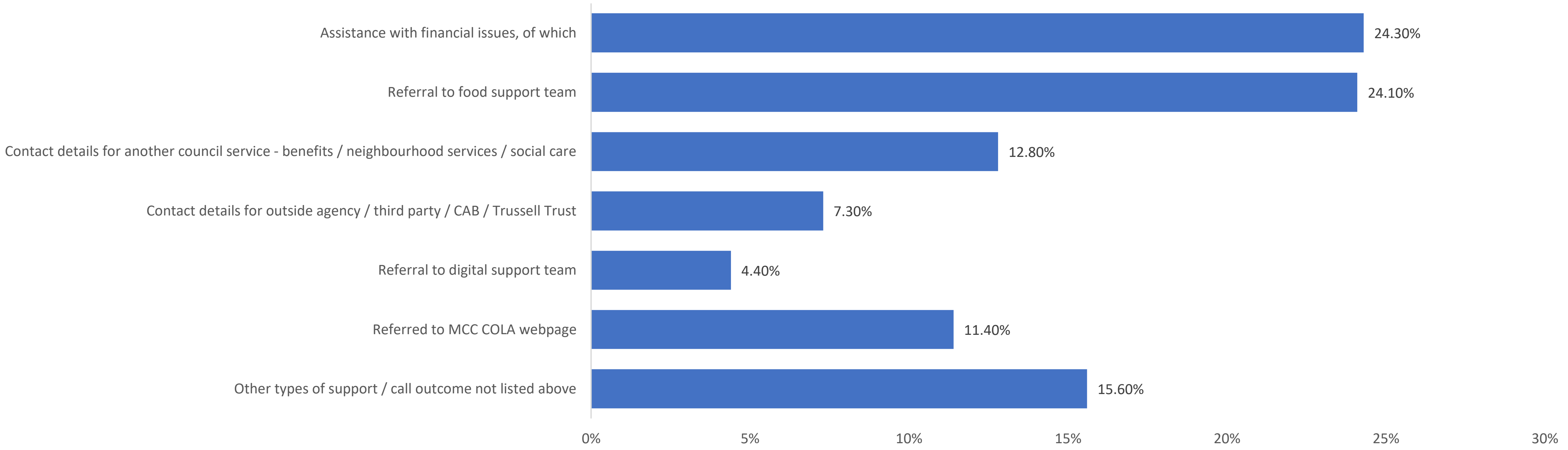

Source: Dep. for Business, Energy & Industrial Strategy
Data released: 15/08/2023 Next Updated: 22/08/2023

# Interest Rate



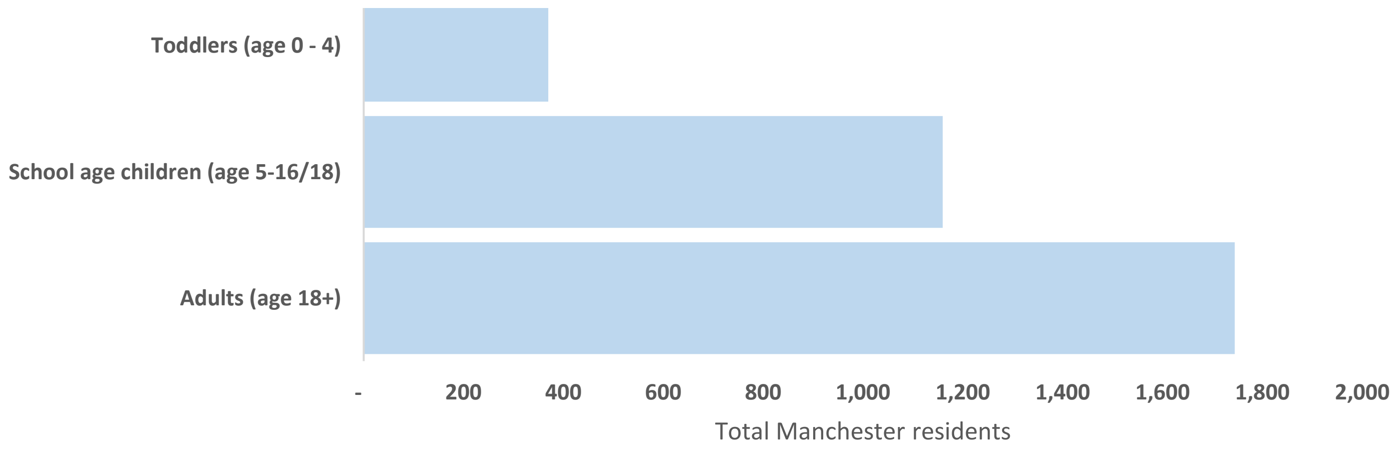

Source: Bank of England
Data released: 03/08/2023 Next Updated: 21/09/2023

**The Cost-of-Living Advice Line has been in operation since October 2022. Over 5,250 calls have been made to the advice line and offers of support are made as appropriate to the resident's circumstances. The most frequent support offers are assistance with financial issues and referral to our food support team.**



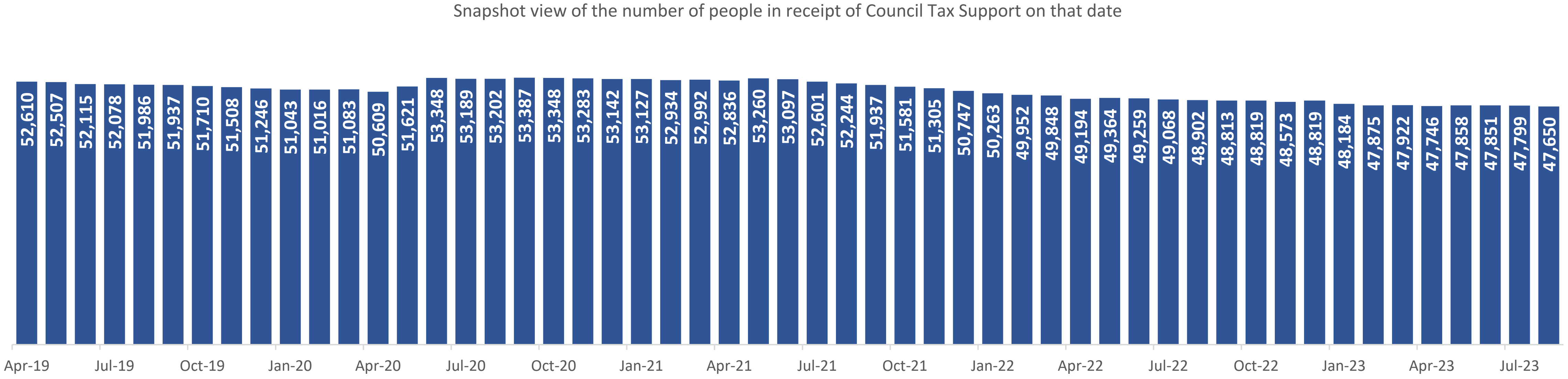

Callers to the advice line who are referred for food support are asked for details of the number of adults and children in their household. This allows us to visualise the number of residents who reside in households in need.

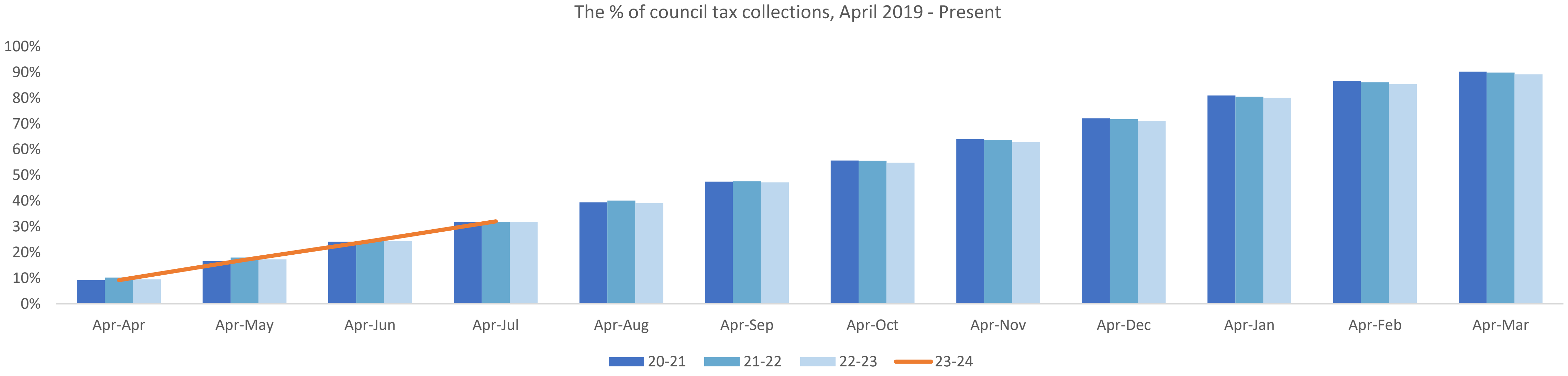
The data suggest that ~3,275 Manchester residents from around 1,130 households are either directly (e.g., they contacted the advice line) or indirectly (they reside in a household where there is need and someone else has contacted the advice line) impacted by issues that impact on their ability to obtain sufficient food. It is worth noting that some residents have told us specifically that they ensure that it is the adults in the household rather than the children who lack food.




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

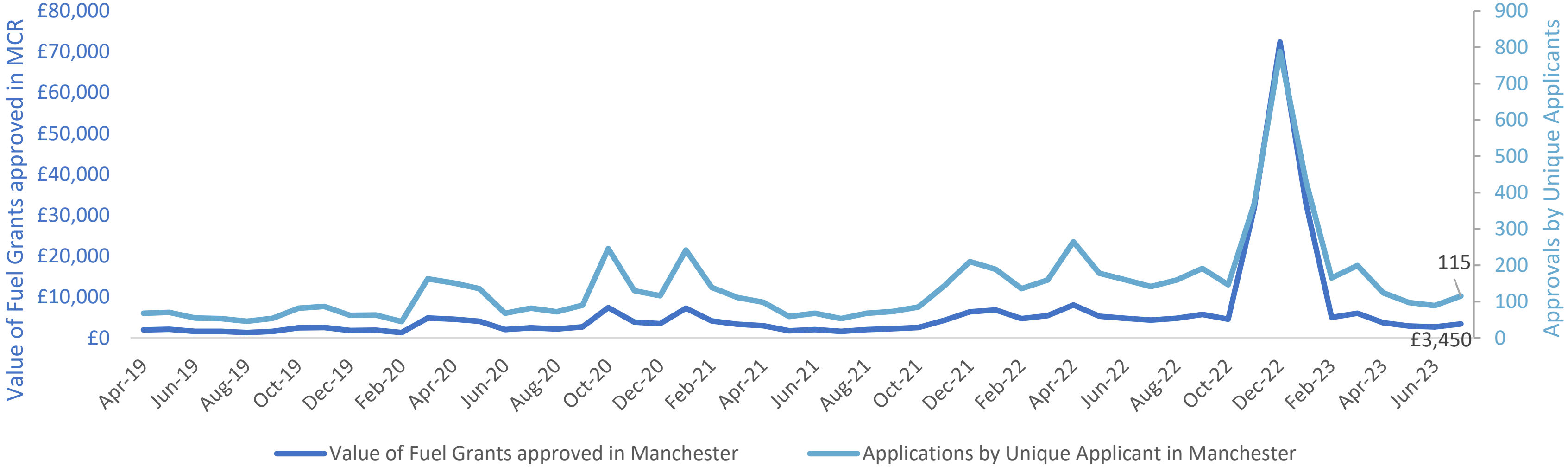
**The number of people in receipt of Council Tax declined between July 2023 and August 2023 by 0.4%, and over the last 12 months there has been a 2.6% decline. Figures for April to July 2023-24 show that the % of council tax collections is higher than where it has been in the previous 3 years, at 32.0%. Currently, £5.4 million more has been collected in council tax than at the same point last year.**



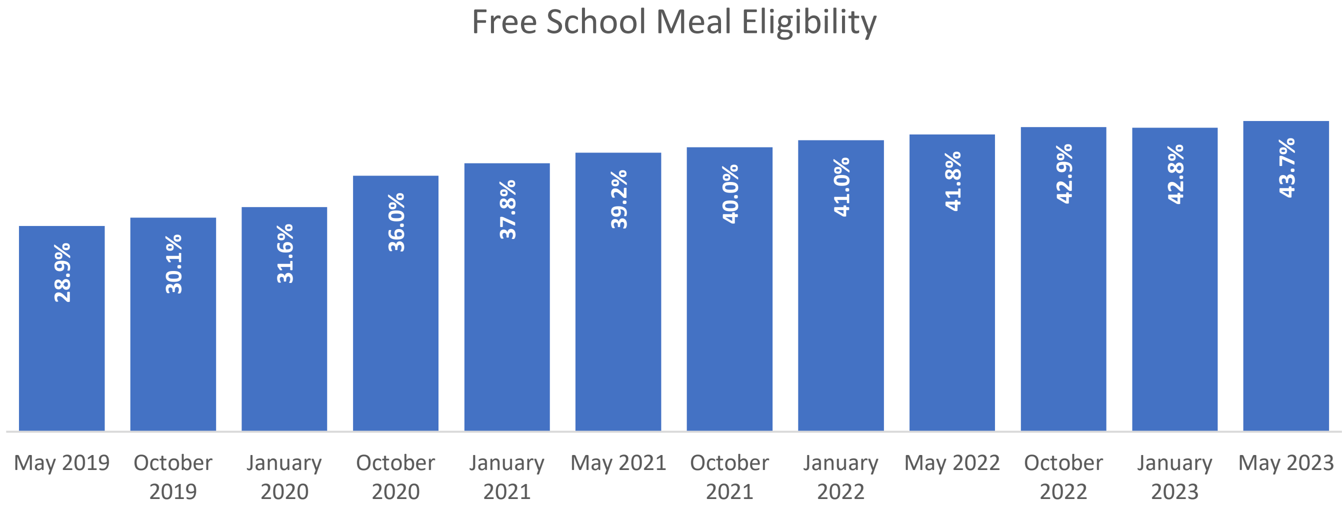

Source: MCC Revenues & Benefits Team
Data released: 03/08/2023 Next Updated: 06/09/2023

**The number of fuel grant approvals by unique applicant in Manchester between June 2023 and July 2023 increased by 29.2%, and the total value of fuel grants approved in Manchester increased by 27.8% over the same period. The number of unique applicants over the last 12 months has declined 18.4%. Free School Meal eligibility has increased between the January and May 2023 school census, and now 43.7% of pupils in who are residents of Manchester are eligible for Free School Meals.**




Source: Revenues & Benefits Team
Data released: 09/08/2023 Next Updated: 11/09/2023

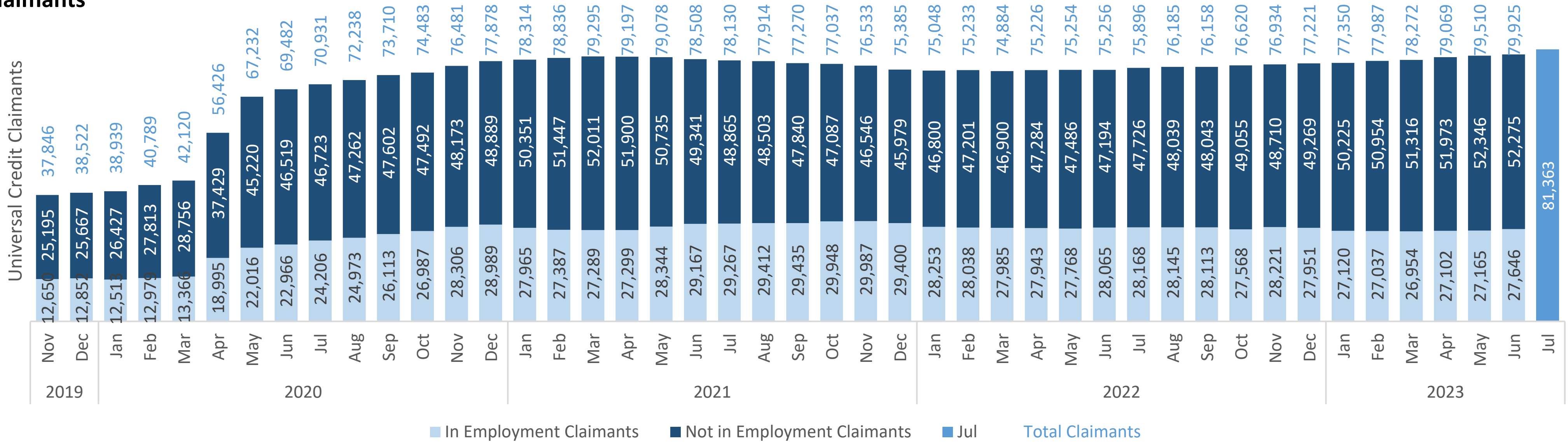
From November 2022 the amount of money the fuel grant could offer increased from £30 to £100, however if an award had previously been made within the last 12 months the scheme could award £70. Additional funding had been made available from the Household Support Fund. The fuel grant has now been reduced to its pre-November levels and is £30.




Source: MCC School Census
Data released: August 2023 Next Updated: November 2023

Data relates to Manchester pupils who are residents within Manchester. No School Census was conducted for May 2020. Dates relate to term-time, for example May 2019 relates to the Spring Term academic year 2018/19.

**Provisional figures for July 2023 shows a 1.8% rise in Universal Credit (U.C.) Claimants compared with June 2023. Annual comparison with July 2022 indicates a rise of 7.2% in U.C. Claimants**




Total Universal Credit Claimants (July -provisional*):

**81,363**

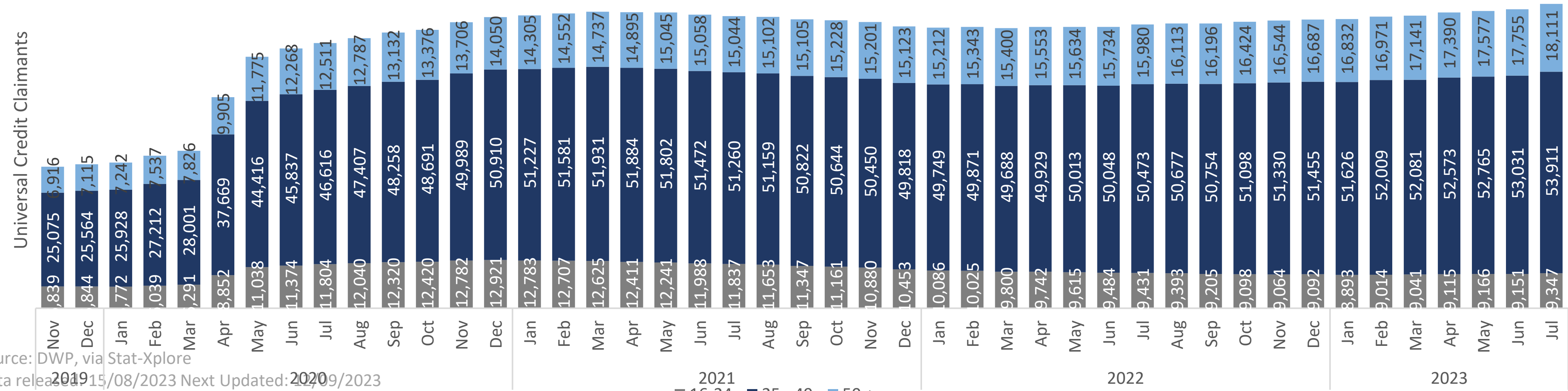
Monthly Change (Jun – Jul (p)*)

**1.80%**

Not in Employment Claimants (Jun (r))

**52,275 (65%)**

**All age bands have seen a rise in U.C. Claimants. The greatest increase between June and July 2023 was in the 16-24 age band which rose by 2.1%.**




Source: DWP, via Stat-Xplore
Data released: 15/08/2023 Next Updated: 12/09/2023

Largest Age Group (July (p)*)

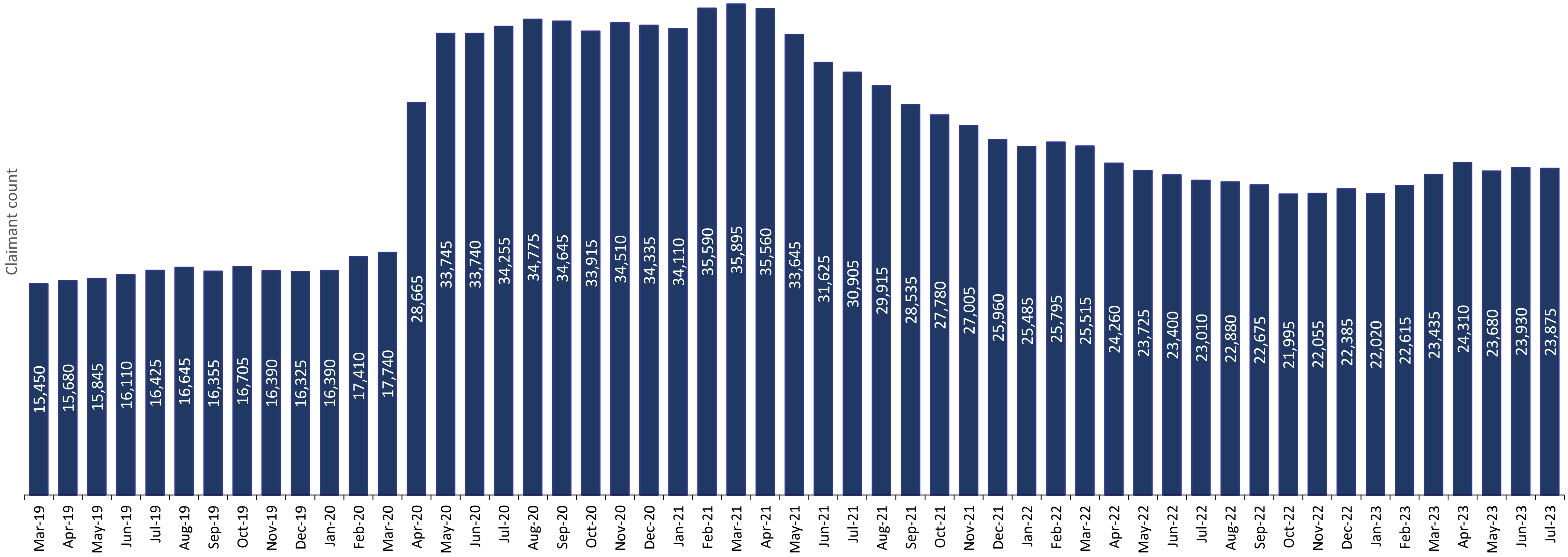
**25-49 year olds (53,911)**

Monthly Change in 25-49 year old claimants (Jun – Jul (p)*)

**1.66%**

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

**Provisional figures for July 2023 show that the unemployment claimant count in Manchester declined by 0.23% from July 2023 to June 2023. Current figures show that in the last 12 months, July 2022 to July 2023 there has been an increase in the unemployment claimant count of 3.76%.**




**The Claimant count measures Job Seekers Allowance (JSA) and unemployed Universal Credit claimants.**

Unemployment Claimant Count
(July 2023)

**23,875**

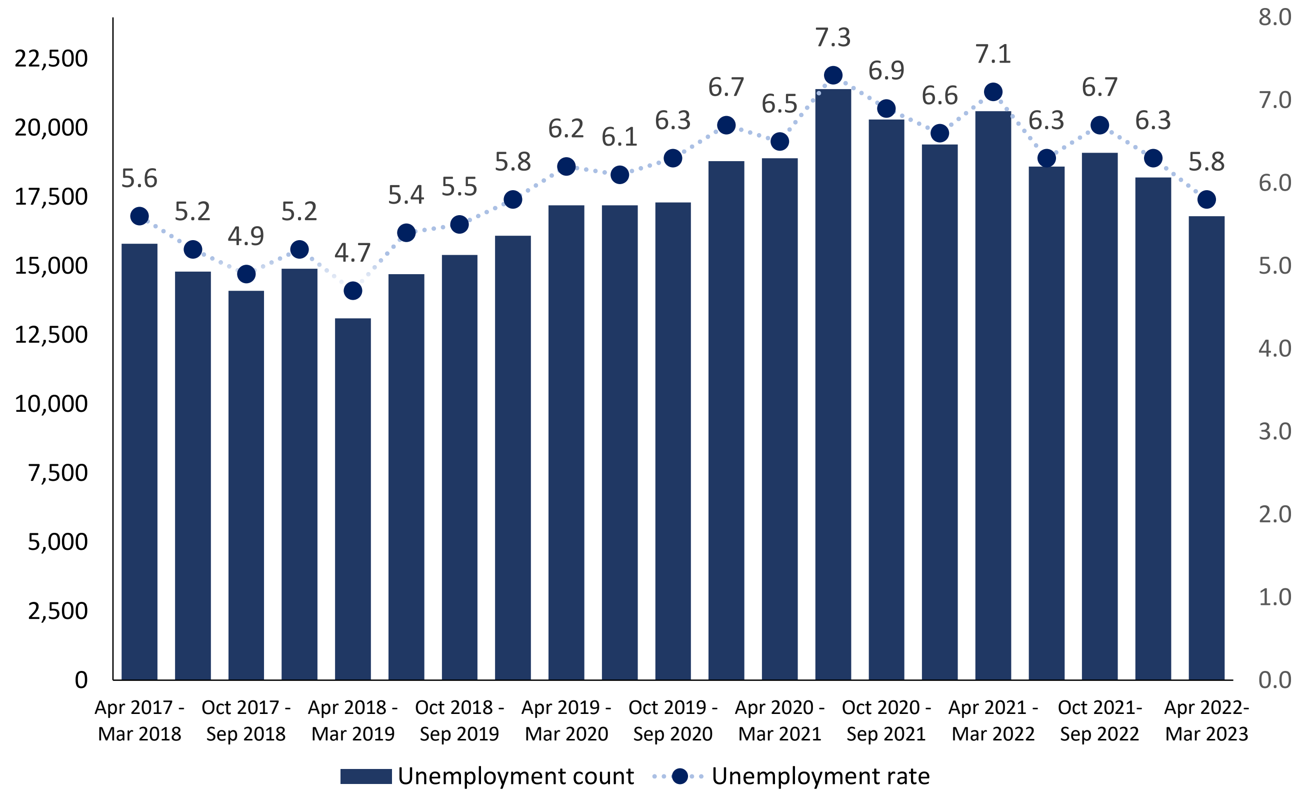
Unemployment Claimant Count Rate
(July 2023)

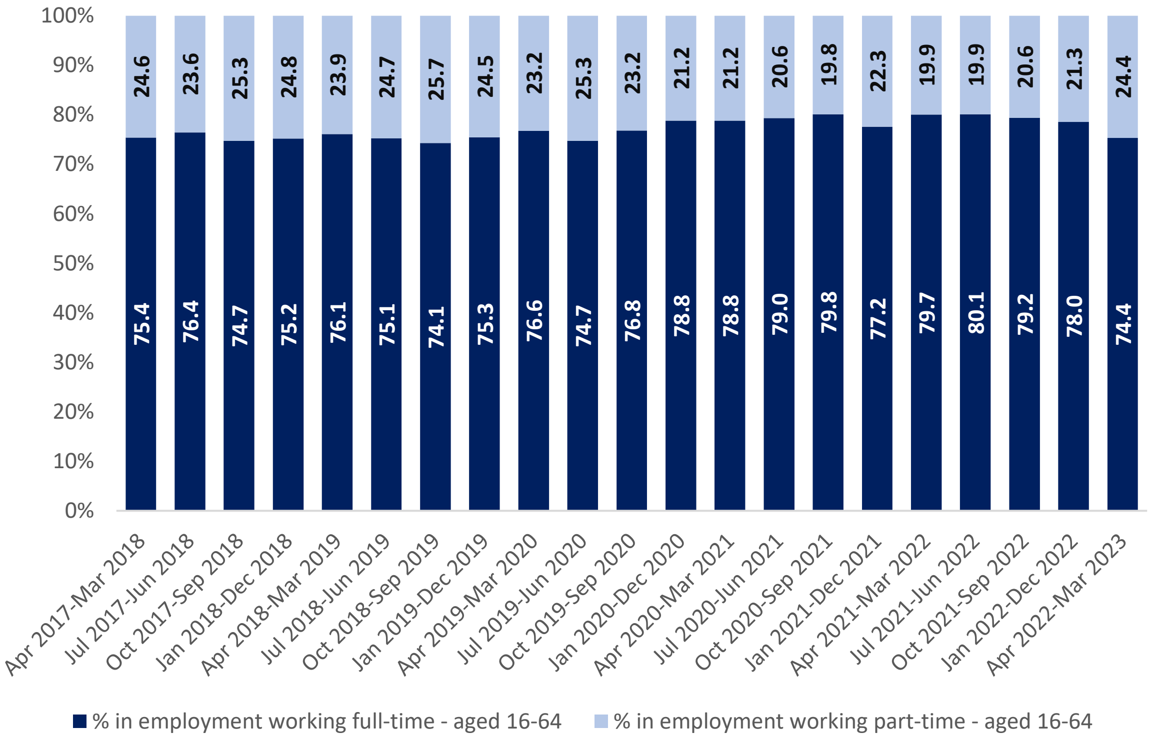
**c. 6.1%**

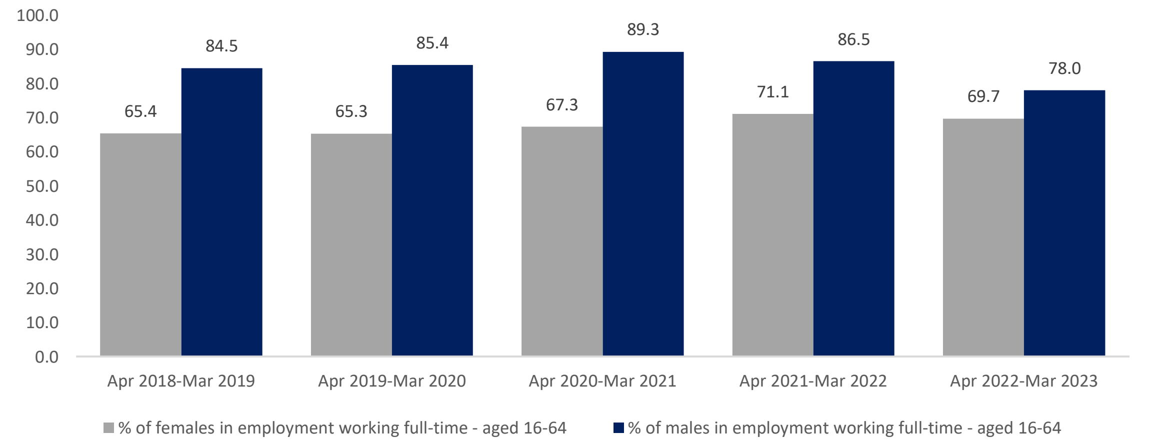
Source: Claimant Count, ONS
Data Released: 15/08/2023 Next Updated: 12/09/2023

**In Manchester both the Unemployment rate and the count have continued to trend downward. In the latest data, the unemployment rate has declined to 5.8%. The % of people who are in employment working full time aged 16-64 declined to 74.4% in the latest figures, this is the lowest the rate has been since Oct 18- Sep 19.**

Manchester unemployment count and rate (model based)



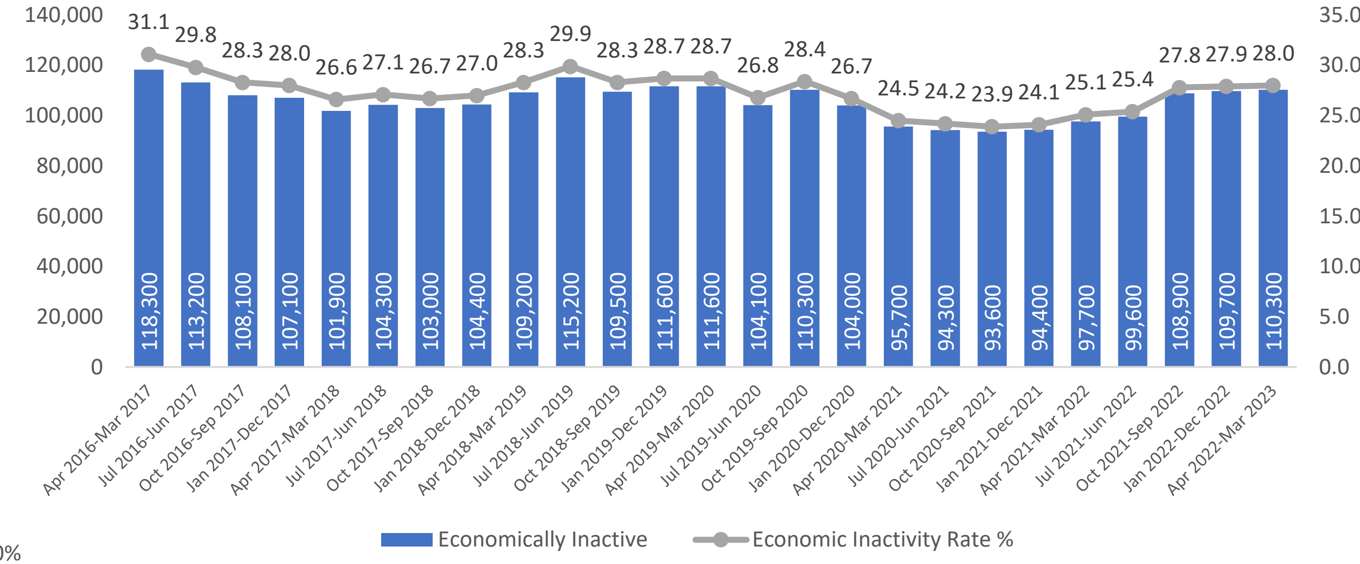



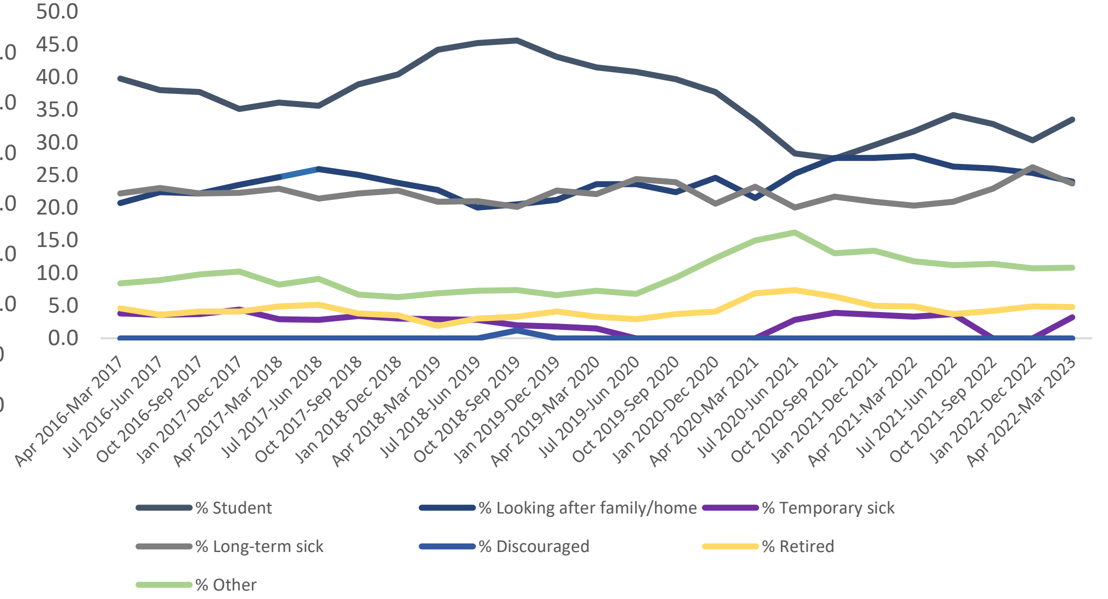



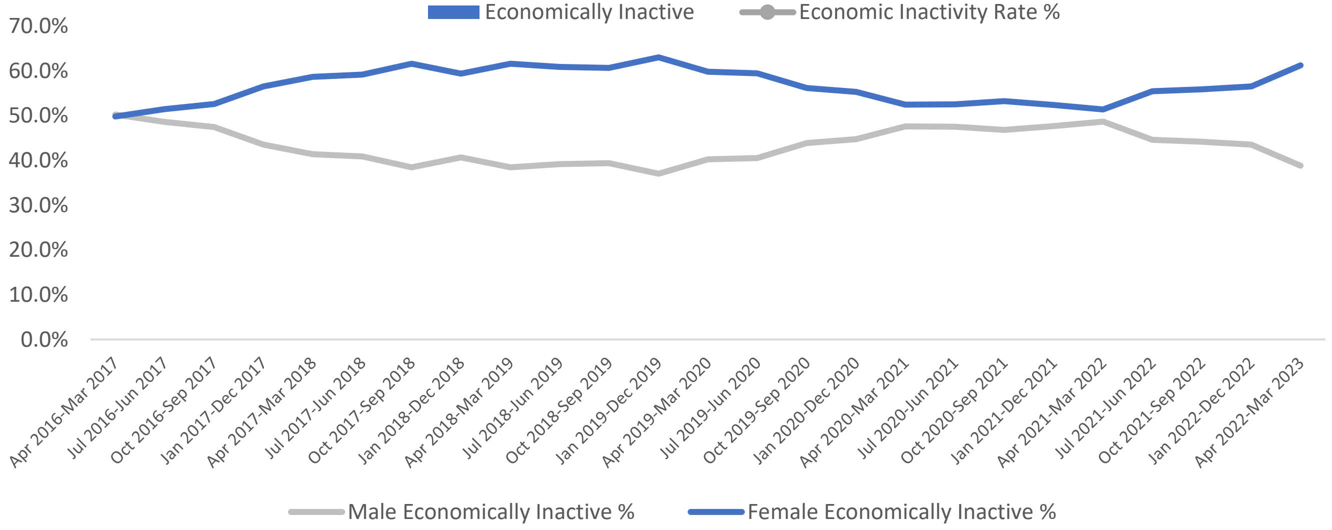

**The unemployment rate is the percentage of the economically active population who are seeking work and are available to take it.**

Source: Annual Population Survey, ONS
Data Released: 15/08/2023 Next Updated: 17/10/2023

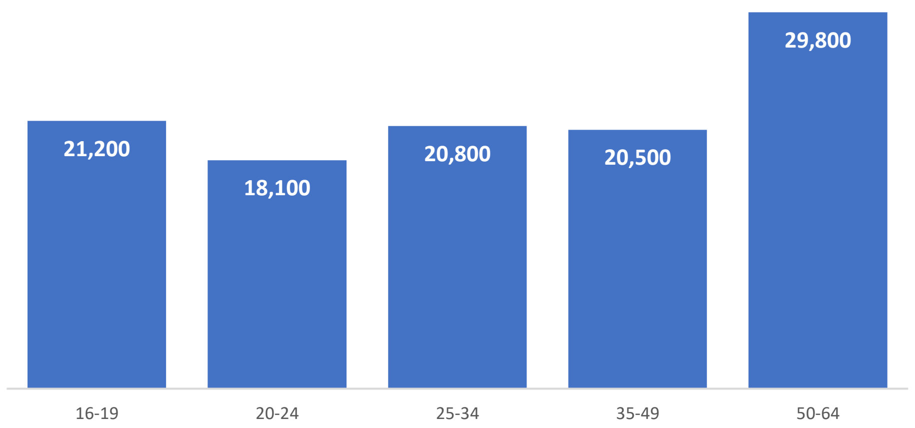
**The percentage of Manchester residents (aged 16-64) classed as economically inactive continues to increase; this is the sixth quarter in a row where there has been growth. Economically inactive is used to describe residents who are not involved in the labour market – they are neither working or actively seeking employment. This includes students, early retirees and the long-term sick. The topmost chart on the right shows that, in contrast to the relative stability seen pre and during the pandemic, there now is some variation in the representation of the various subgroups of economically inactive residents. Caution should be exercised in drawing any conclusions from this as the level of variation is within the confidence levels published alongside the survey data.**



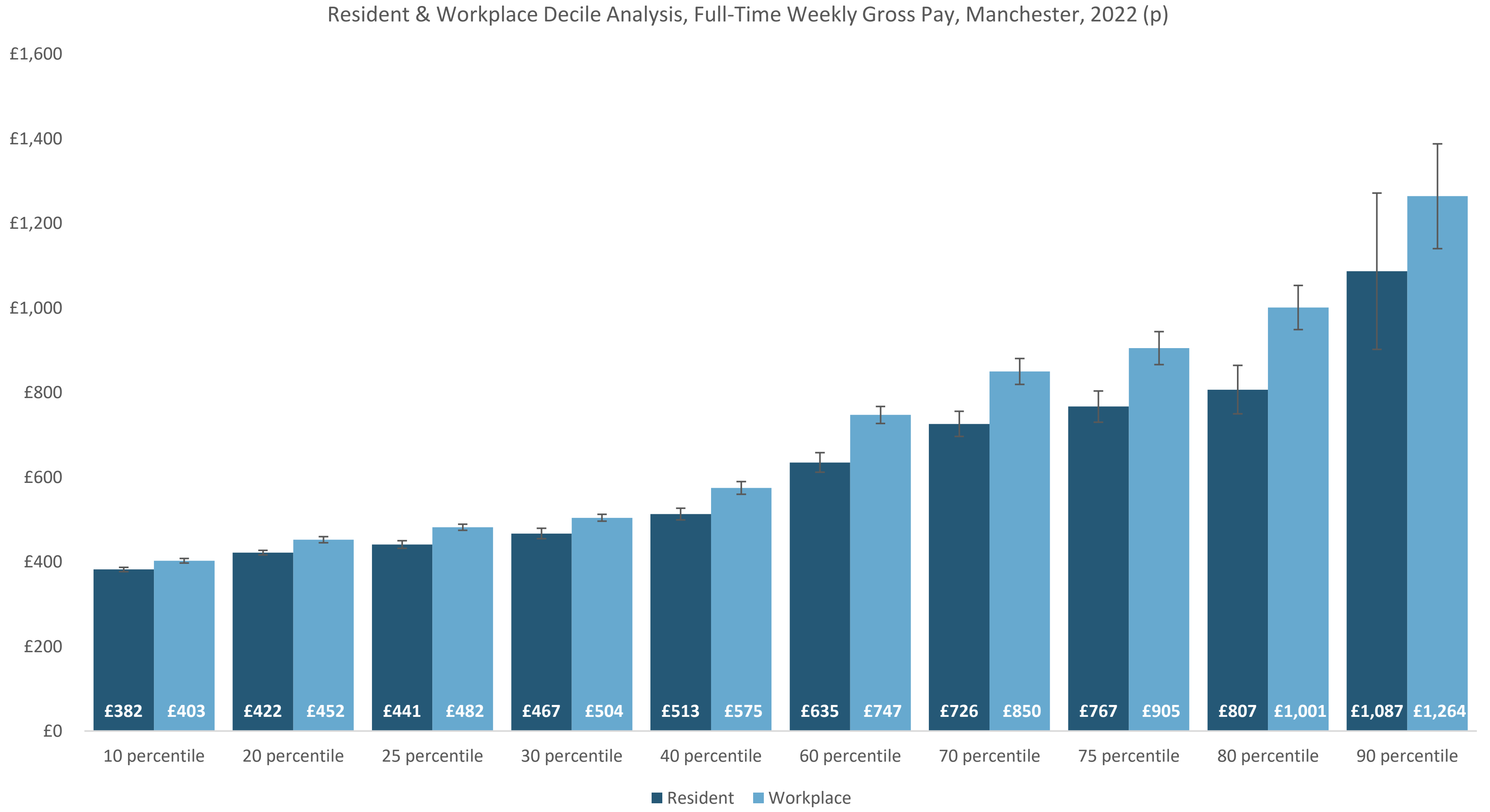




Manchester's Economic Inactivity 16-64, by age cohort, Apr 2022 - Mar 2023



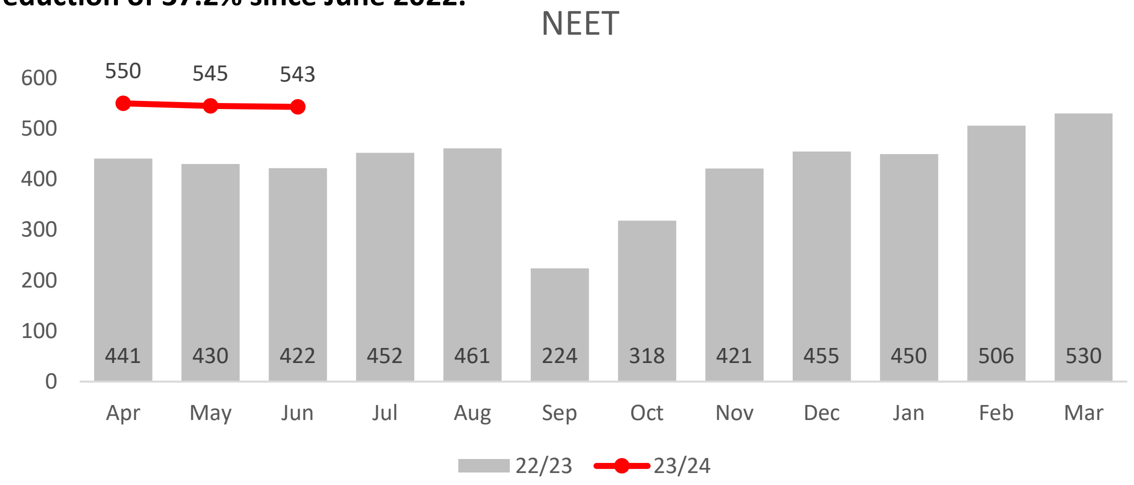

Source: Annual Population Survey, ONS
Data Released: 15/08/2023 Next Updated: 17/10/2023

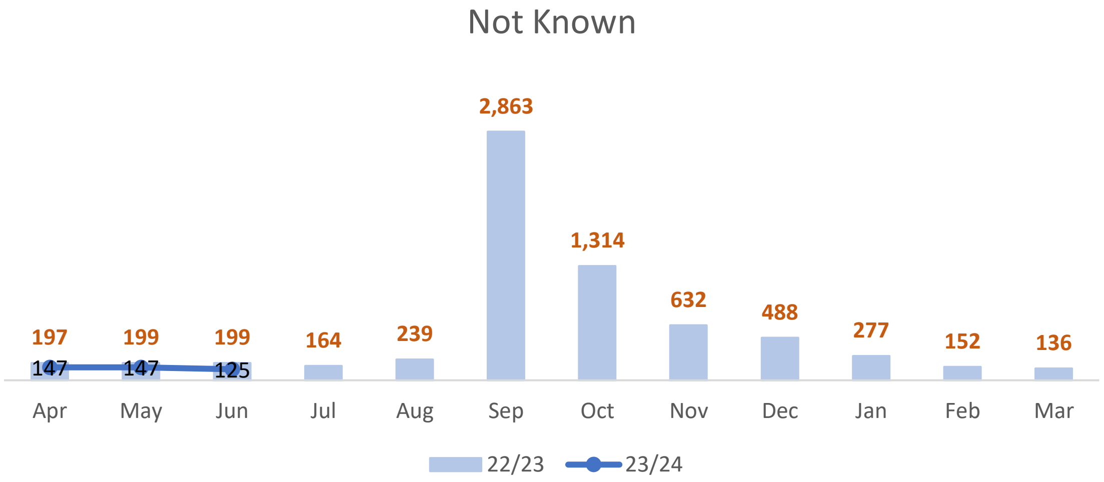
**The chart below showing the decile analysis of gross weekly income for residents and workplace indicates that residents are paid less in each decile of weekly gross income. The largest disparity in weekly gross income between 'resident' and 'workplace' is found in the 80 percentile, where those in the 'resident' category are paid 24.0% less.**




Source: Annual Survey of Hours and Earnings (model based), ONS
Data Released: Nov 2022 Next Updated: Nov 2023

**In June 2023 there were 543 16–17-year-olds resident in Manchester who were NEET, an increase of 28.7% compared with June 2022. The size of the cohort of 16–17-year-olds increased by 7.7% over the same period, and the overall proportion of 16–17-year-olds categorised as NEET rose from 3.3% to 3.9%. The number of 'Not Knowns' in June 2023 was 125, a substantial reduction of 37.2% since June 2022.**




June 2022 Cohort size
**12,786**

NEET
**422 (3.3%)**

Not Known
**199 (1.6%)**

Combined
**621 (4.9%)**

| Category | 16 Yrs | 17 Yrs | Total |
|---|---|---|---|
| Participation in education and training | 94.9% | 89.1% | 92.1% |
| Meeting the Duty | 95.3% | 89.4% | 92.5% |
| Participating in RPA compliant education and training | 94.7% | 88.9% | 91.9% |
| Working towards meeting the duty | 0.6% | 0.6% | 0.6% |
| Temporary break from Learning | 0.3% | 0.6% | 0.5% |
| Not Known | 23 | 102 | 125 |
| Not Known % | 0.3% | 1.5% | 0.9% |
| In Learning | 6,728 | 5,929 | 12,657 |
| In Learning % | 94.9% | 89.1% | 92.1% |
| Actual NEET | 217 | 326 | 543 |
| Actual NEET % | 3.1% | 4.9% | 3.9% |
| Combined NEET and Unknown | 240 | 428 | 668 |
| Combined NEET and Unknown % | 3.4% | 6.4% | 4.9% |

June 2023 Cohort size
**13,775**

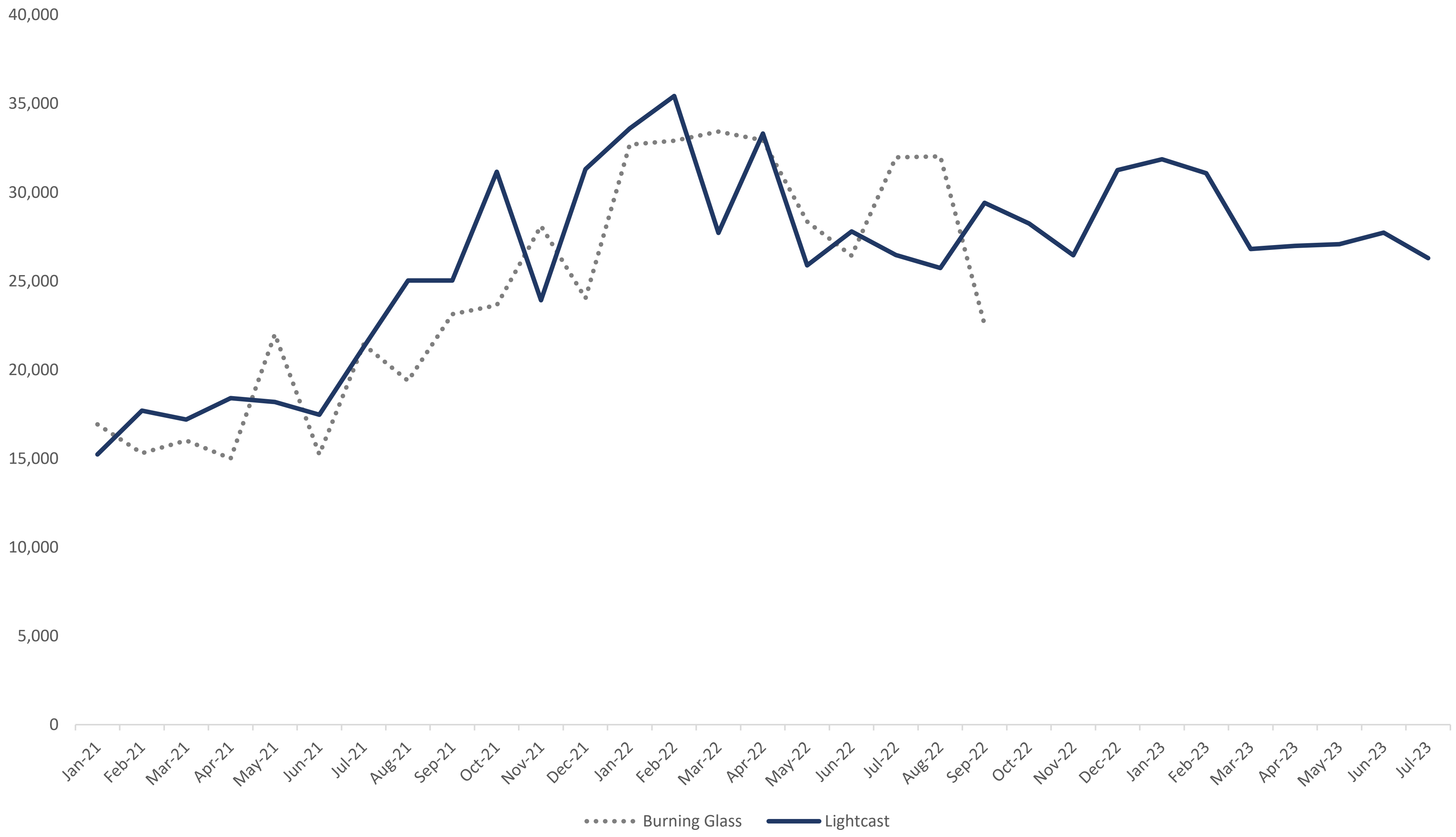
NEET
**543 (3.9%)**

Not Known
**125 (0.9%)**

Combined
**668 (4.9%)**

Source: EYES, NEET
Data Released: 24/07/2023 Next Updated: August 2023

**The monthly job postings in Manchester declined by 5.2% between June 2023 and July 2023. Compared to July 2022, job postings have marginally reduced by 0.5%.**




Unique job postings in July 2023:

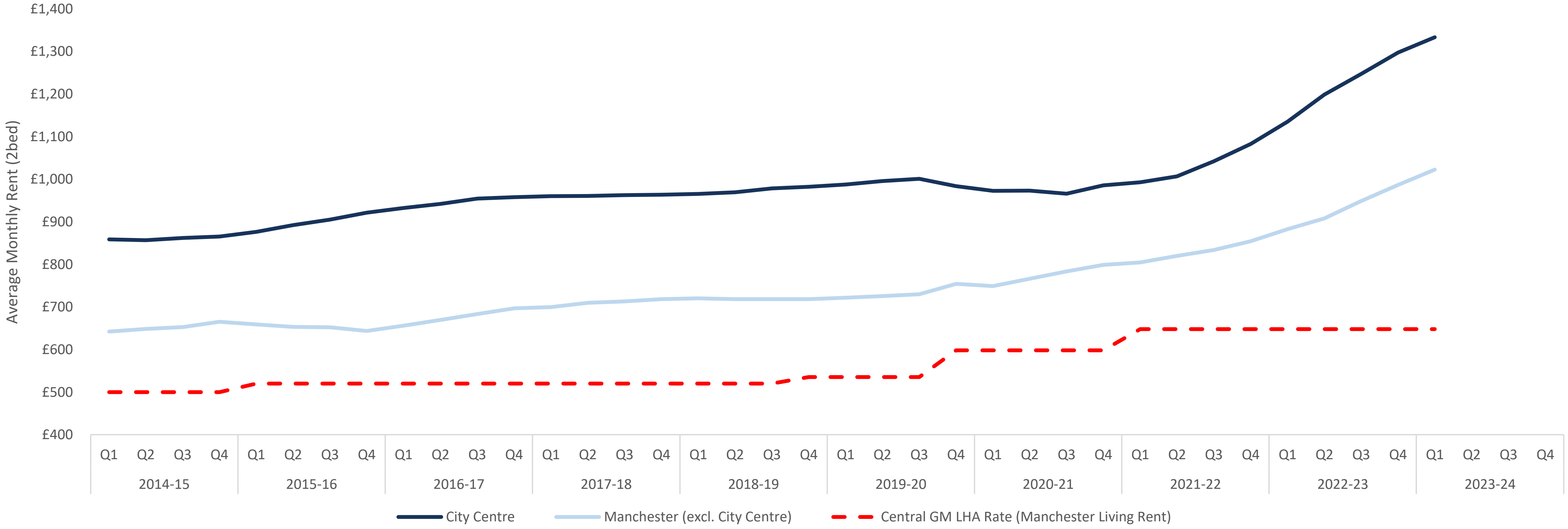
**26,297**

% change in monthly job posting vs previous month (June 2023):

**-5.2%**

Source: Lightcast - Labour Insights )
Data released: 09/08/2023 Next Updated: 08/09/2022

**Sustained demand continuing to increase rents away from the level set by the Local Housing Allowance (LHA) – affordability pressures exacerbated by announcement that freeze on LHA is to remain in place throughout 2023-24**

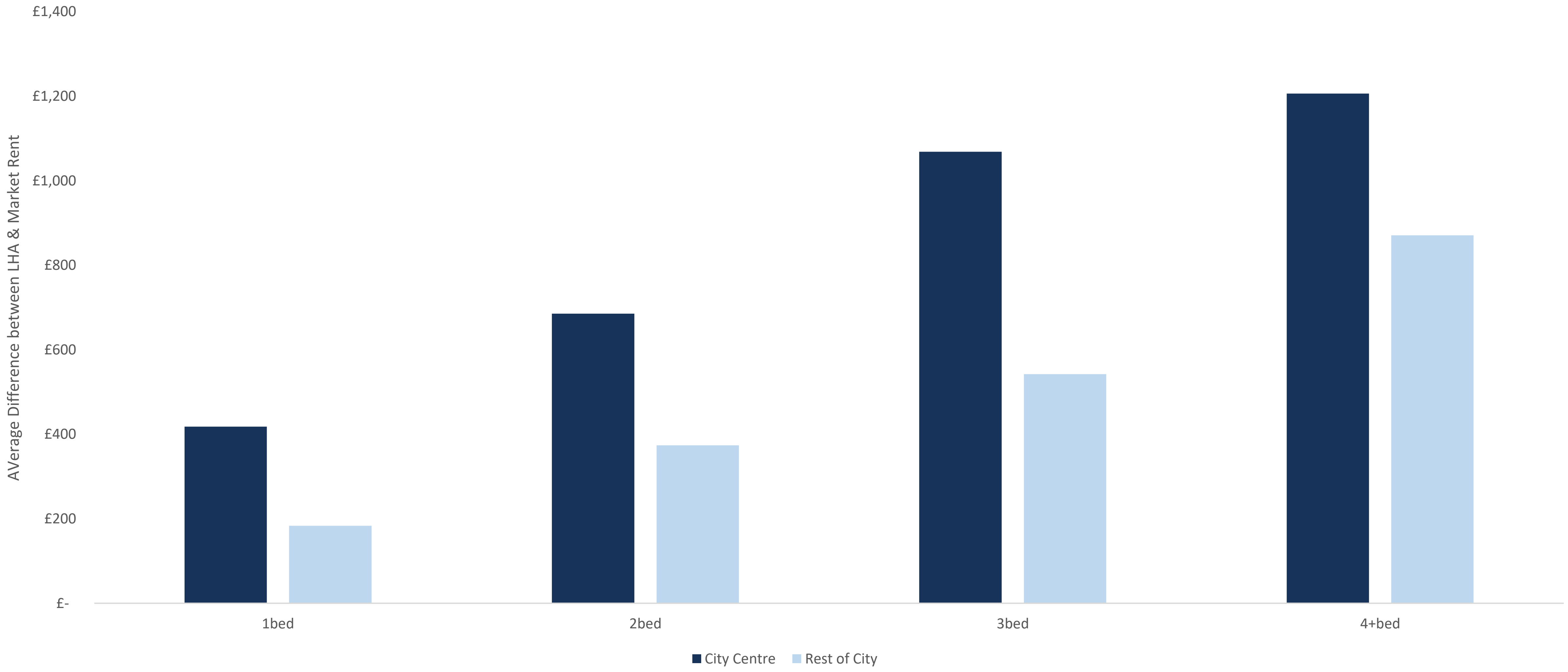



| City Centre | | Rest of City | |
|---|---|---|---|
| 2Bed Rent | Quarterly Change | 2Bed Rent | Quarterly Change |
| **£1,333** | **2.8%** | **£1,023** | **3.6%** |

Source: Rightmove

Data released: 06/07/2023 Next Updated: 06/10/2023

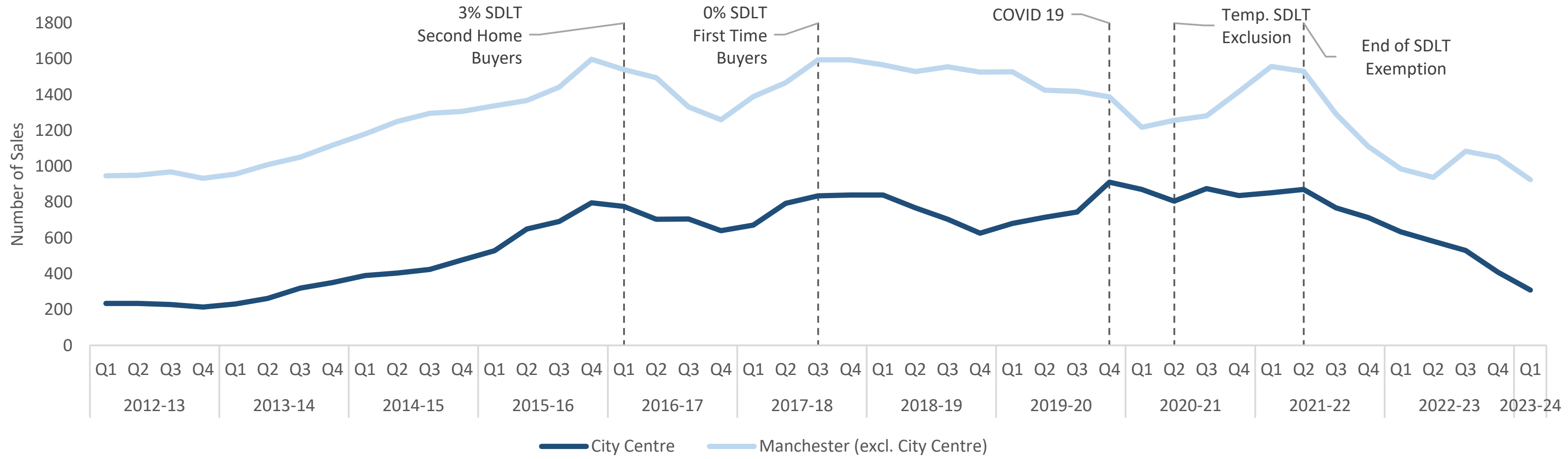
**Gap between market rents & LHA larger for larger homes – average rents in 4+ bed properties £1,206 higher than LHA in the city centre & £871 across the rest of the city.**




Source: Rightmove
Data released: 06/07/2023 Next Updated: 06/10/2023

*It should be noted that not all rental data is included within this data set. This is because the data comes solely from properties listed for rent on Rightmove, and it does not include rental properties that are let through the informal market.

## Sales market activity is at its lowest point at any time in the last decade, this is linked to a slowdown in completions – new build sales are almost 80% lower in the city centre & over 90% across the rest of the city compared to 2020-21




City Centre Quarterly Change*

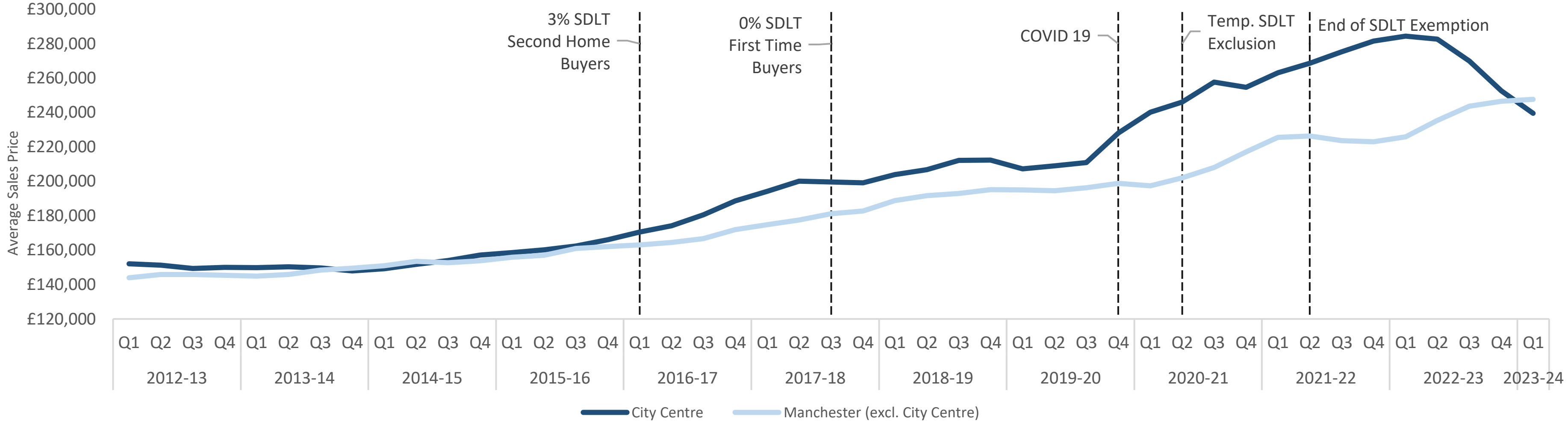
**-24.19%**

Manchester (excl. City Centre) Quarterly Change*

**-11.21%**

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

## Average sales prices in the city centre dropping due to lower value secondary sale market making up a larger proportion of activity than in previous years – despite prices for both secondary sales & new build continuing to increase




City Centre Average Sales Price

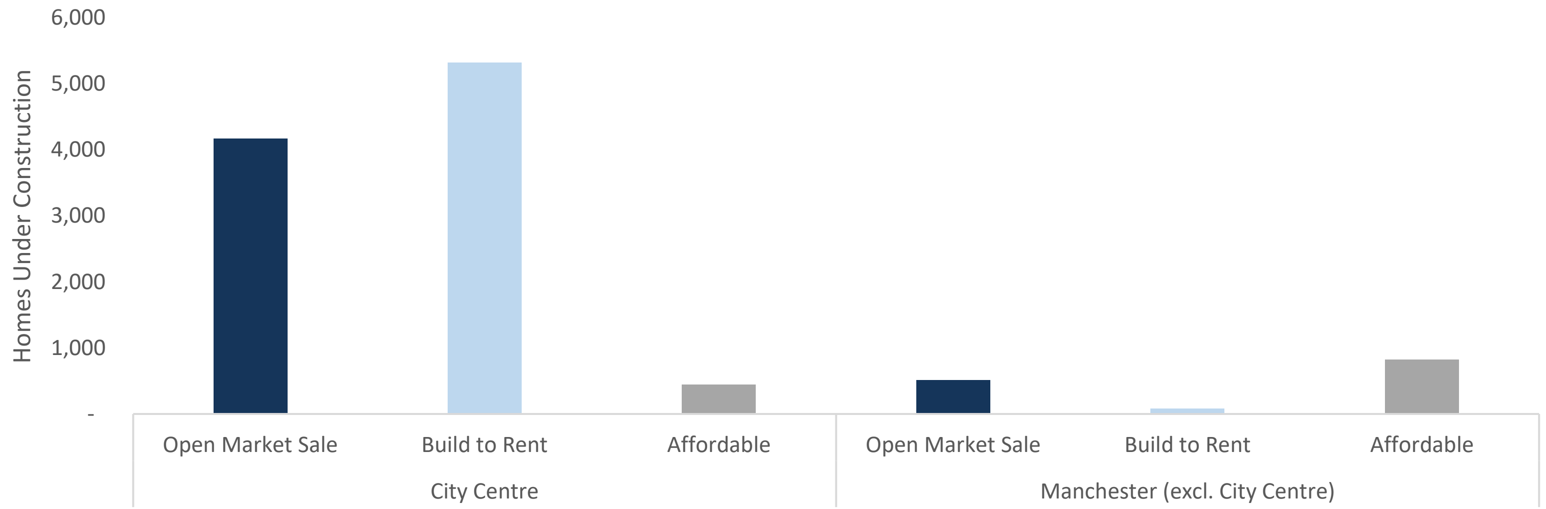
**£239,538**

Manchester (excl. City Centre) Average Sales Price

**£247,608**

Source: HM Land Registry
Data released: 28/07/2022 Next Updated: 28/10/2023

## Over 12,000 homes under construction across the city (10,460 in the city centre) – including over 1,300 affordable homes*

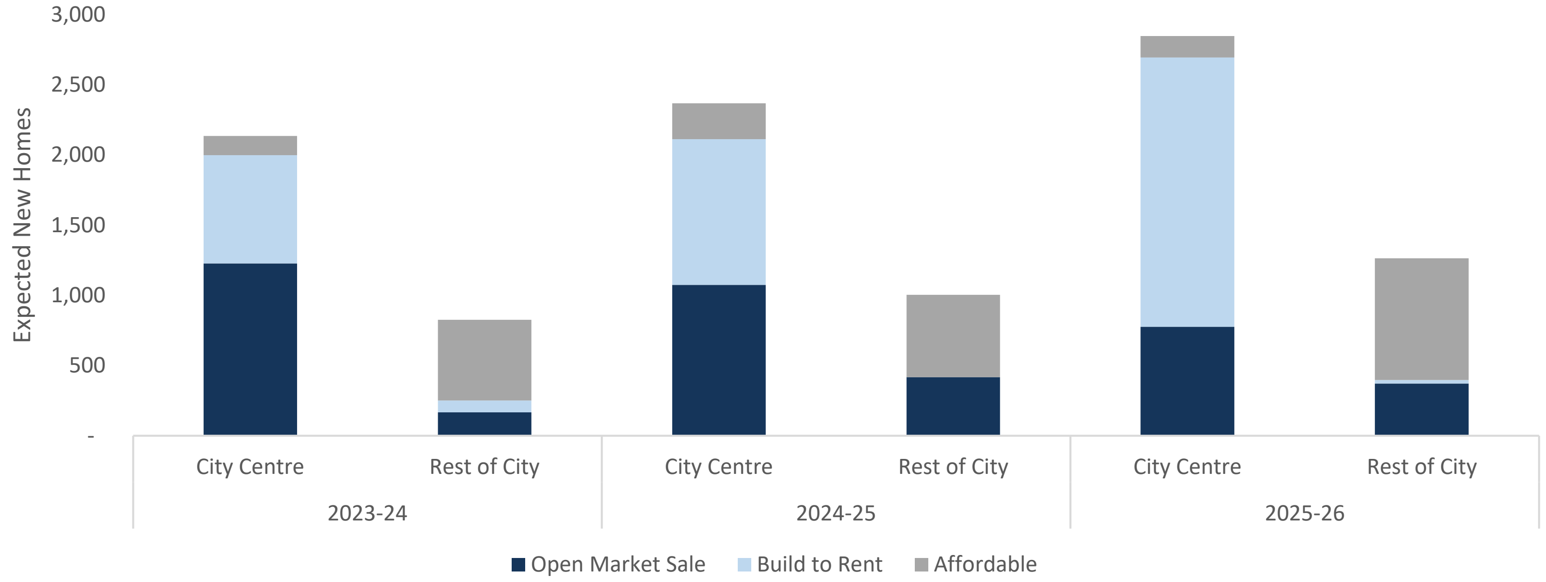



City Centre Homes Under Construction
**10,459**

Rest of City Homes Under Construction
**1,683**

Affordable Homes Under Construction
**1,310**

## Pipeline continuing to recover following slight drop off in completions in 2022-23 – almost 3,000 completions expected in 2023-24




Expected Completions – 2023-45
**2,958**

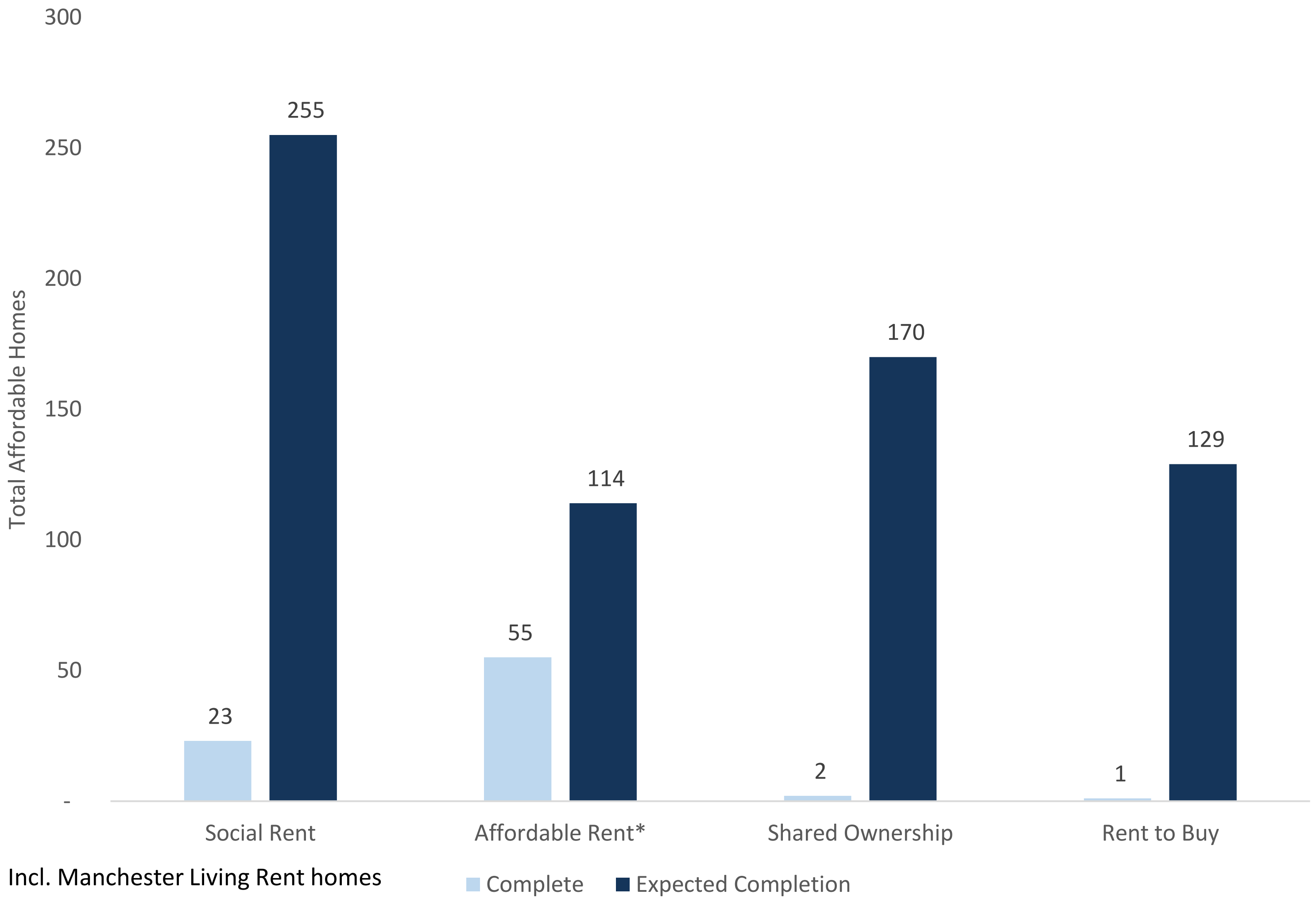
Expected Completions – 2024-25
**3,372**

Expected Completions – 2025-26
**4,110**

Source: MCC Residential Development Tracker
Data released: 24/07/2023 Next Updated: 24/10/2023

***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 Manchester Living Rent (pegged at the LHA rate)

## 749 new affordable homes expected to complete in 2023-24 (of which 81 have already been built) - evidence of a shift towards medium & larger schemes including first new build affordable city centre schemes



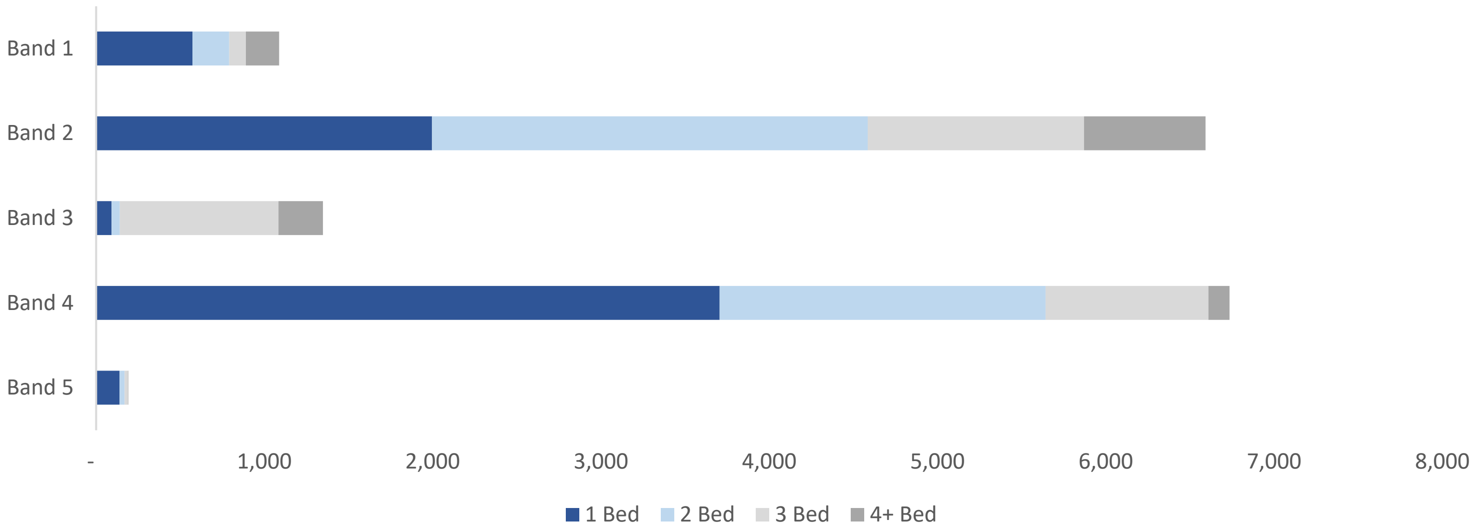

* Incl. Manchester Living Rent homes

| | 2023-24 Homes | 2023-24 % | 2022-23 % |
|---|---|---|---|
| One Bedroom | 190 | 25.4% | 27.1% |
| Two Bedrooms | 380 | 50.7% | 41.8% |
| Three Bedrooms | 139 | 18.6% | 21.8% |
| Four+ Bedrooms | 40 | 5.3% | 9.3% |
| City Centre | 93 | 12.4% | 0.5% |
| Rest of City | 656 | 87.6% | 99.5% |
| Small Site | 30 | 4.0% | 29.4% |
| Medium Site | 381 | 50.9% | 39.7% |
| Large Site | 338 | 45.1% | 30.9% |

Small sites – Under 25 homes, Medium sites – 25-75 homes & Large sites – Over 75 homes

Source: MCC Residential Development Tracker
Data released: 24/07/2023 Next Updated: 24/10/2023

**A snapshot of the figures show that the majority of households in Housing Need continue to require 2 or more bedrooms. Between the April 2023 snapshot and the July 2023 snapshot there has been a 4.8% increase in the number of housing applicants.**




Source: Manchester Move
Data released: 28/07/2023 Next Updated: August 2023

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

**9,029**

Proportion of Applicants in Housing Need Requiring 2+ Beds

**69%**

Total Right to Buys (2022-23)

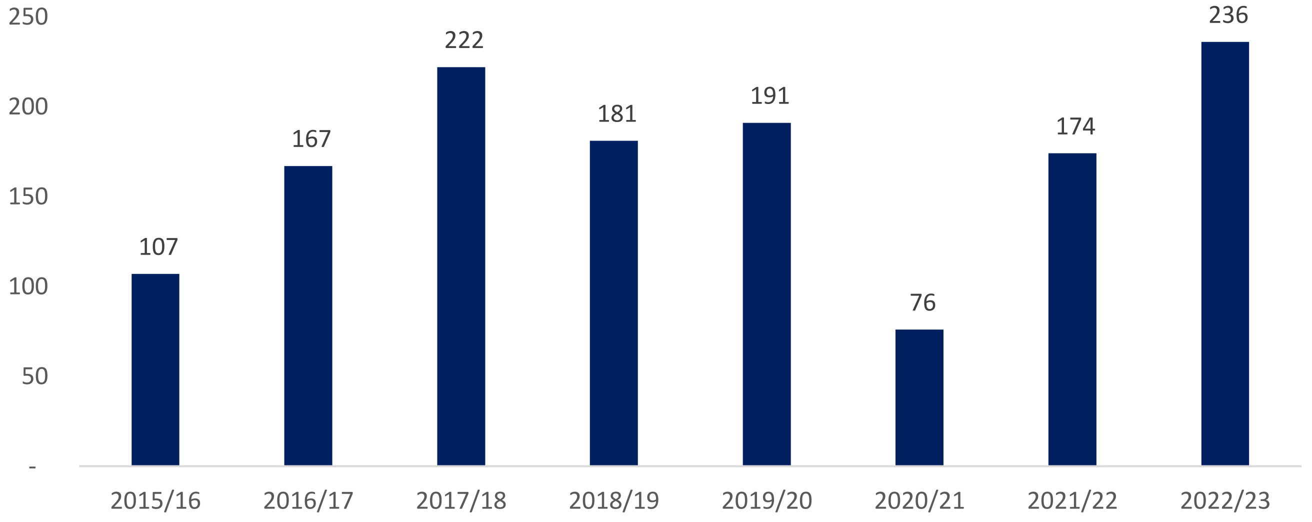
**236**

Amount in the Housing Affordability Fund

**£9.31m**

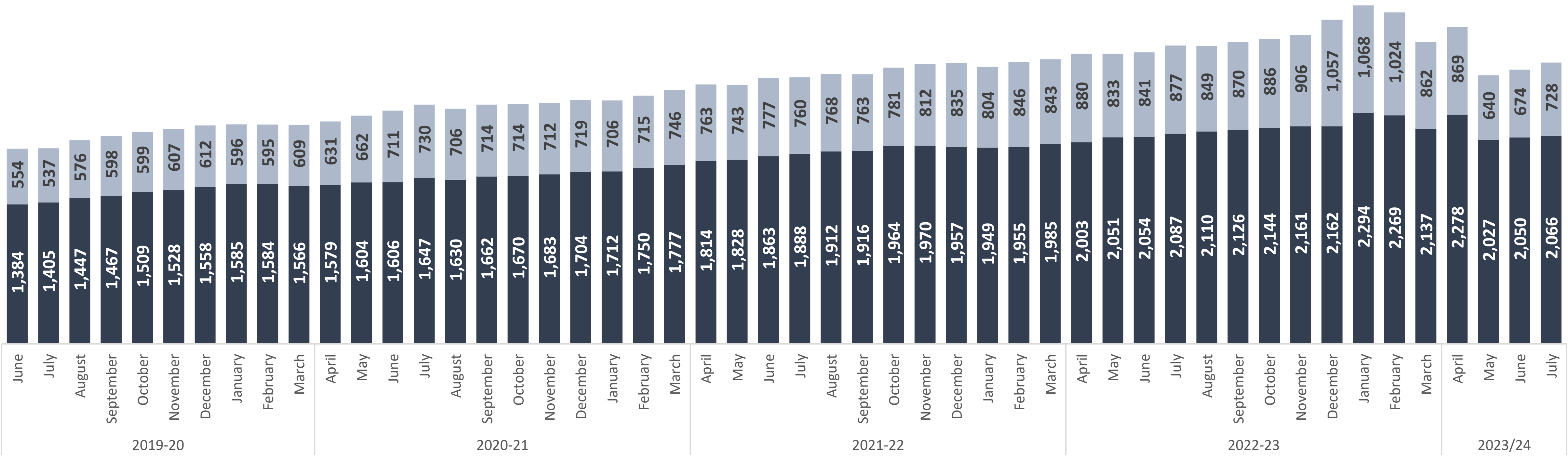
**No new data is available for the Right to Buy data at present.*

**Right to Buys recovered to pre-Covid levels**




Source: MCC Housing Operations
Data released: 24/04/2023 Next Updated: 24/07/2023

**Figures for July 2023 show that in the last 12 months the total number of families and single person households in Temporary Accommodation has decreased by 1.0%. Between April 2023 and July 2023 there has been a 9.3% decline in the number of families, a 16.2% decline in the number of singles and a decline of 11.2% in the total Temporary Accommodation.**

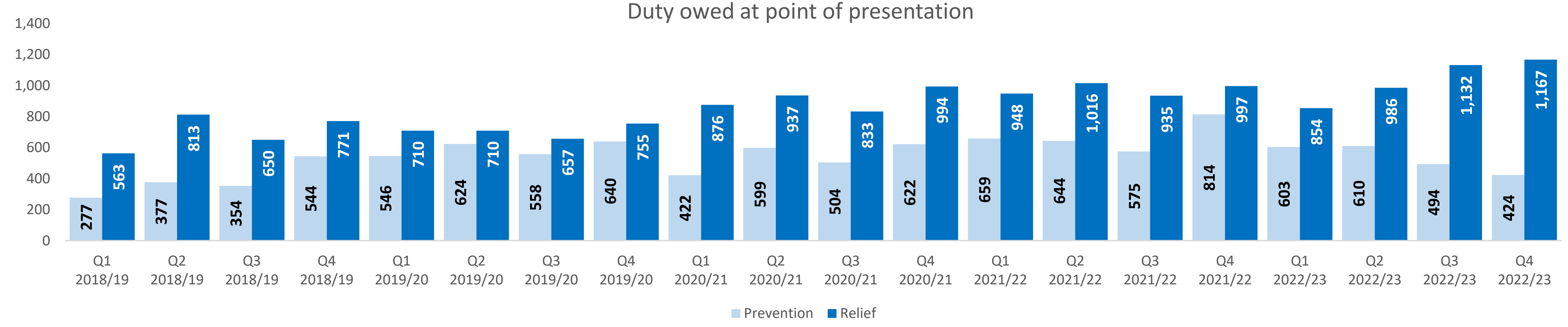


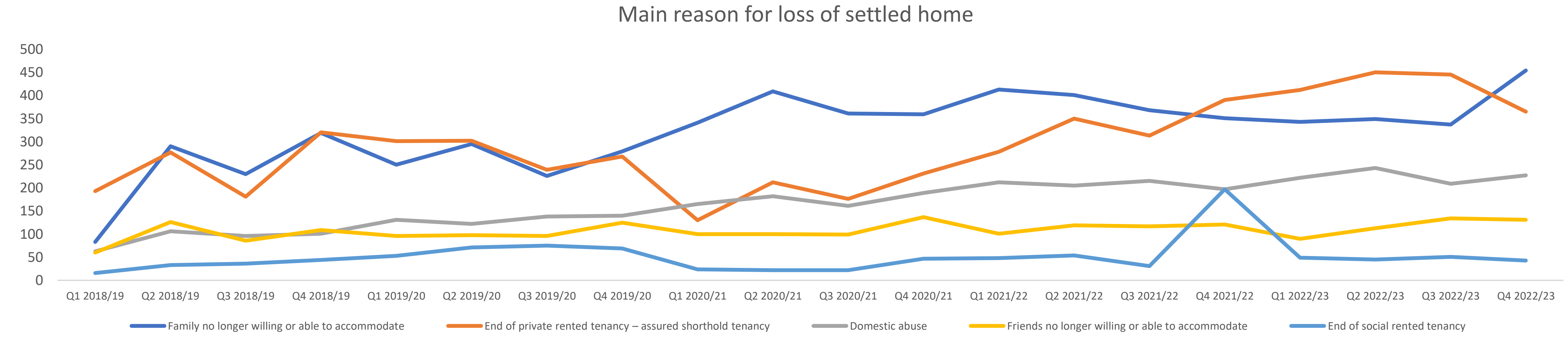

| | | | |
|---|---|---|---|
| Families in TA (July 23) | **2,066** | **(-5.7% annual change)** | |
| Single Person Households in TA (July 23) | **728** | **(-17.0% annual change)** | |

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

Source: Homeless TA Monthly Figures
Data released: 02/08/2023 Next Updated: 04/09/2023

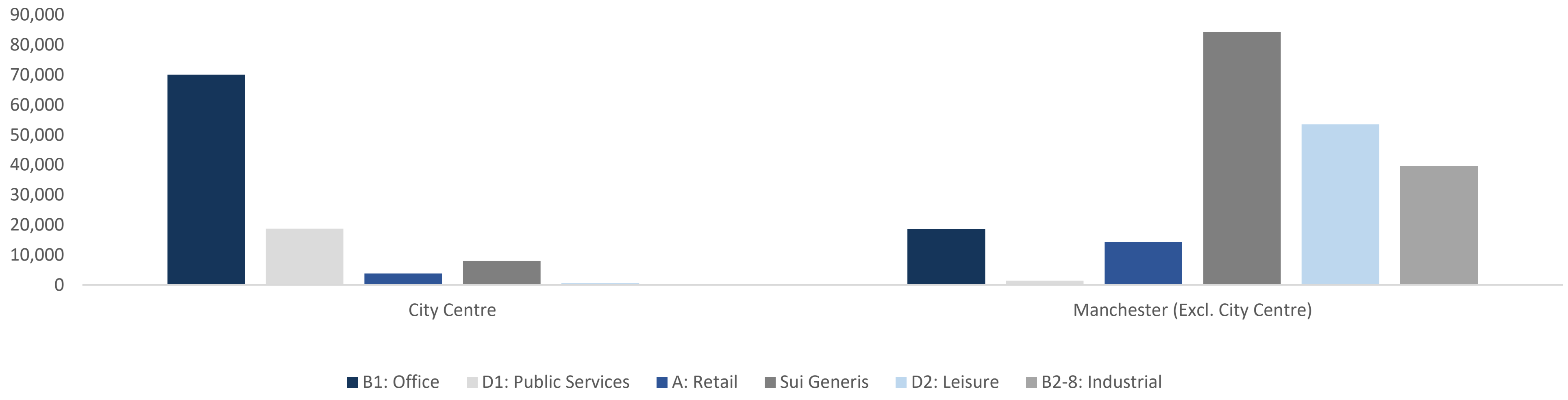
**In the first chart the increase in instances of placing people who are homeless in relief seen over the previous four quarters is attributed to a focus on quickly improving their situation. The service are moving to a greater focus on the prevention of homelessness, and it is anticipated that this will be reflected in future updates to this indicator. Currently the main reason recorded for the loss of a settled home is "*Family no longer willing or able to accommodate*".**




Source: Homeless TA Quarterly Figures
Data released: 10/04/2023 Next Updated: 18/08/2023

**88,660m² of office space is currently on-site in the City Centre. Outside of the City Centre there is 53,481m² of on-site classed as Leisure.**



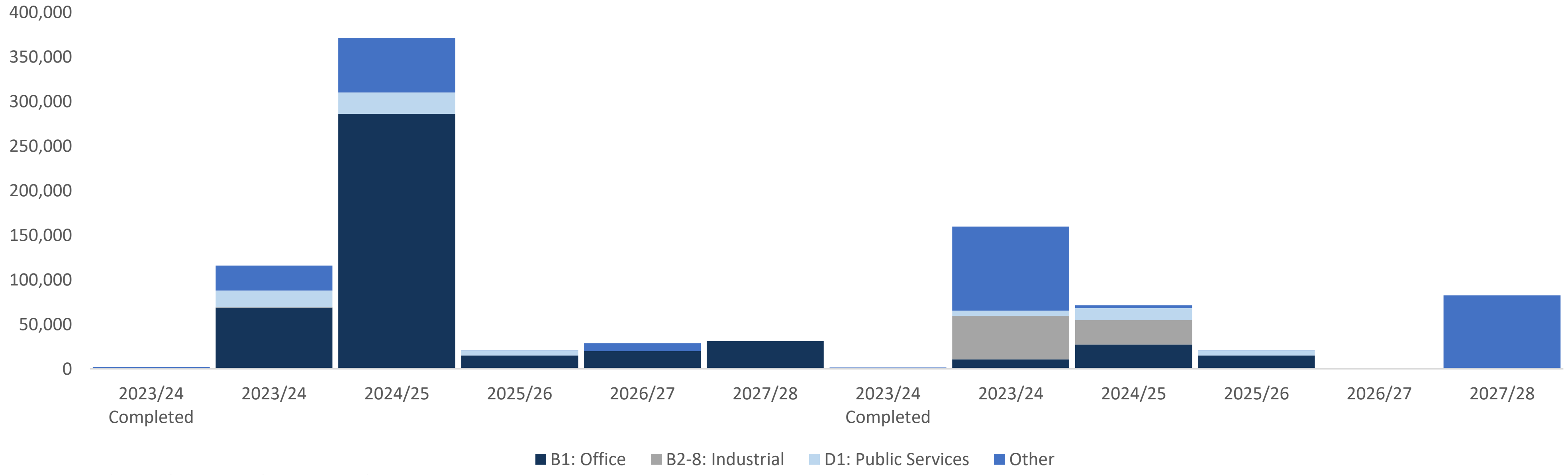

Total Office Space Under Construction (Manchester)

**88,660m²**

Total Leisure Space Under Construction (Manchester)

**54,002m²**

## Commercial Developments – Completions & Expected Completions (2023-24 – 2027-28)




Expected City Centre Completions (2023-24 – 2027-28)

**567,665m²**

Expected Rest of City Completions (2024-24 – 2027-28)

**350,743m²**

Expected City Centre Office Space Completions (2023-24 – 2027-28)

**420,972m²**

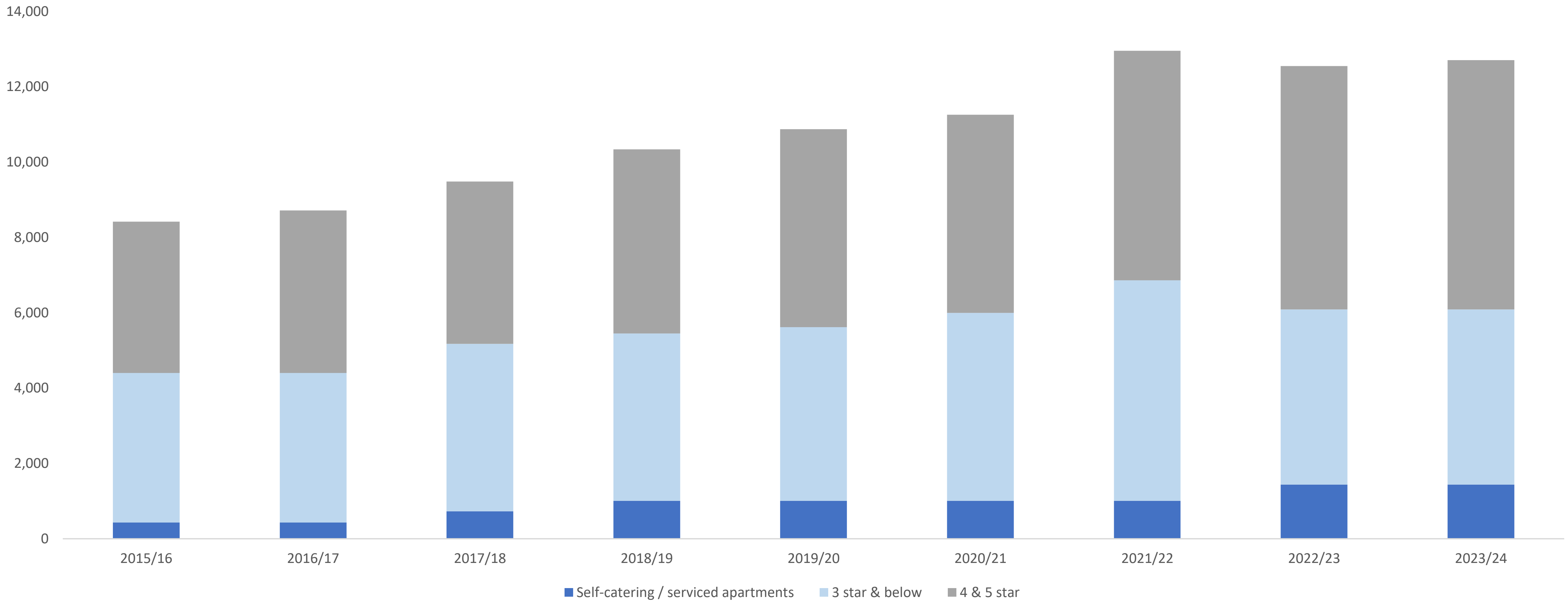
Expected Rest of City Office Completions (2023-24 – 2027-28)

**42,104m²**

Source: EGI and MCC Planning Application Portal
Data Released: 22/08/2023 Next Update: November 2023

***Please note that these are experimental data and is subject to a process of manual validation.**

**6,466 City Centre hotel rooms are classed as '4 and 5 star' accommodation, with the majority being 4 star. Manchester provides 46.3% of all the visitor accommodation stock rooms within Greater Manchester.**




City Centre Hotel Rooms Constructed 2023

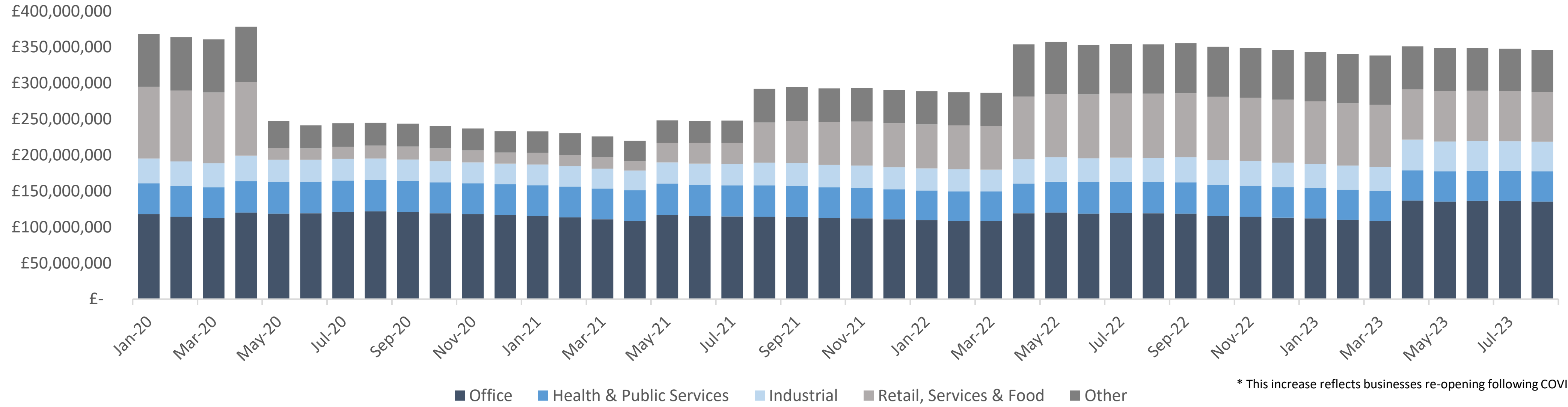
**435**

City Centre Expected Completions (Rooms) 2023 - Onwards

**1,961**

Source: Marketing Manchester
Data released: 01/08/2023 Next Updated: 04/09/20223

**Total business rates charged decreased by £1.7m between July and August 2023. When comparing August 2022 with the latest figures, the amount of business rates charged is down £7.9m**

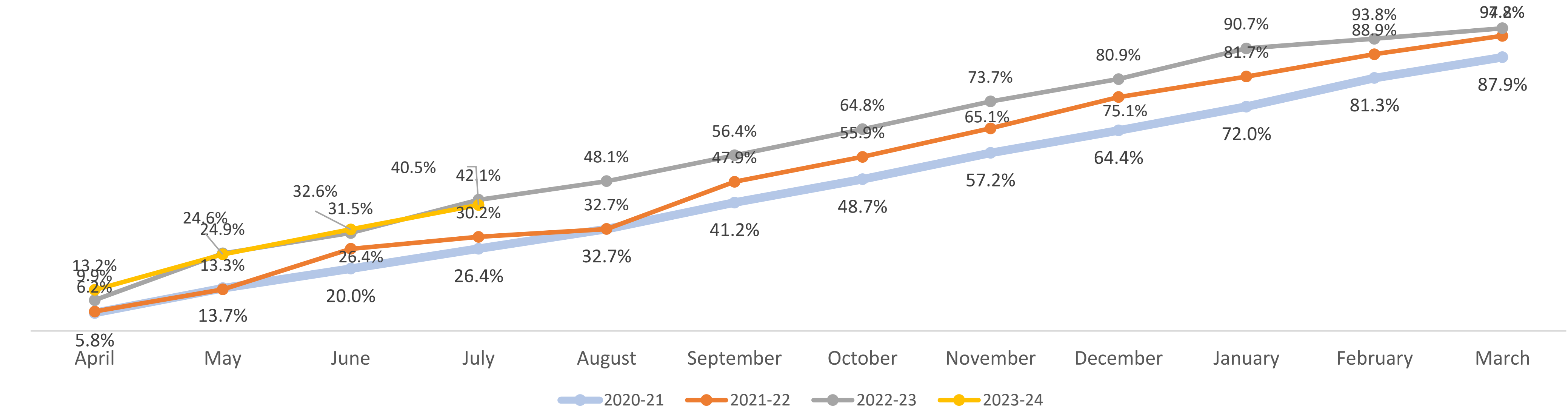



Total Annual Business Rates Charged (August):

**£346.1m**

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

**Business revenue collection rate is currently at 40.5% as of July 2023-24. This is below the rate of collection at the same point last year: 42.1%.**



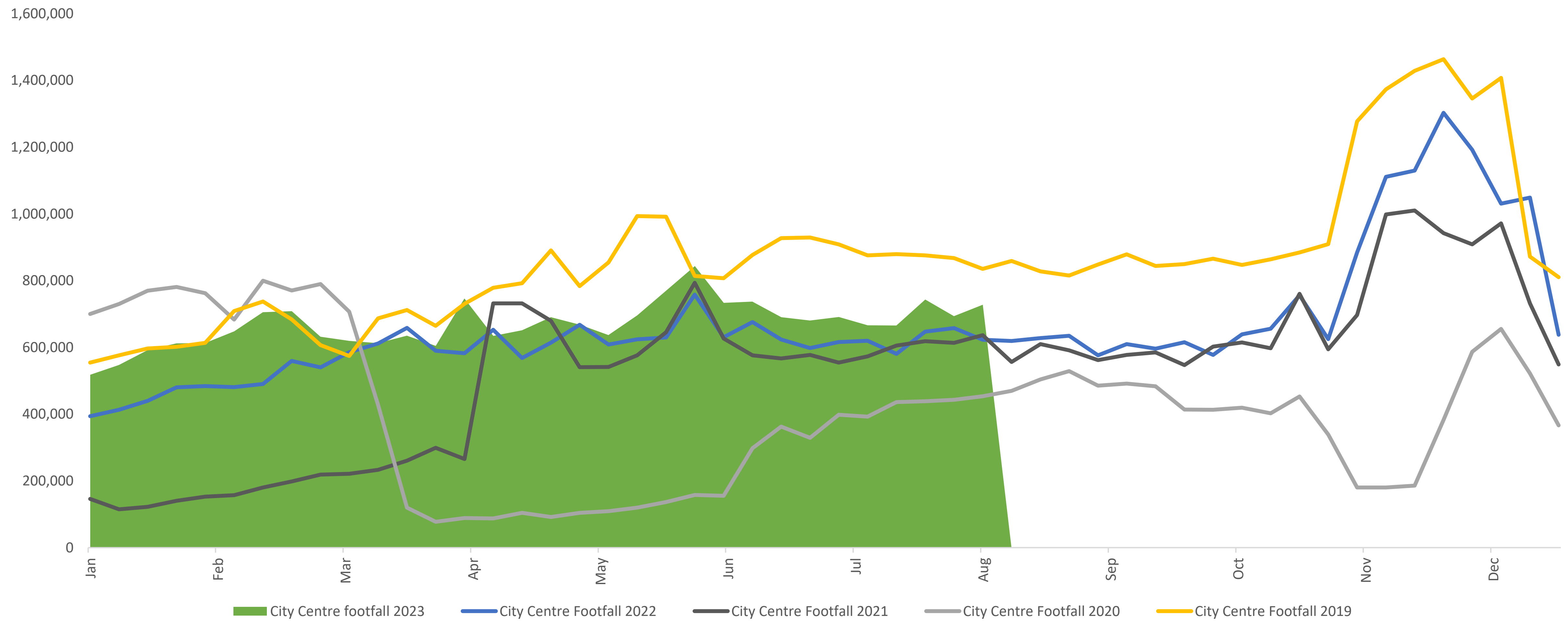

Total Collection Rate 2023-24 (July):

**40.5%**

Source: Academy NDR live properties

Data released: 04/08/2023 Next Updated: 01/06/2023

**City Centre footfall in the first week of August was 727,551, an increase of 4.9% on the previous week. Compared with the same point in 2022, footfall in the City Centre is markedly higher though is yet to return to 2019 (baseline) levels.**



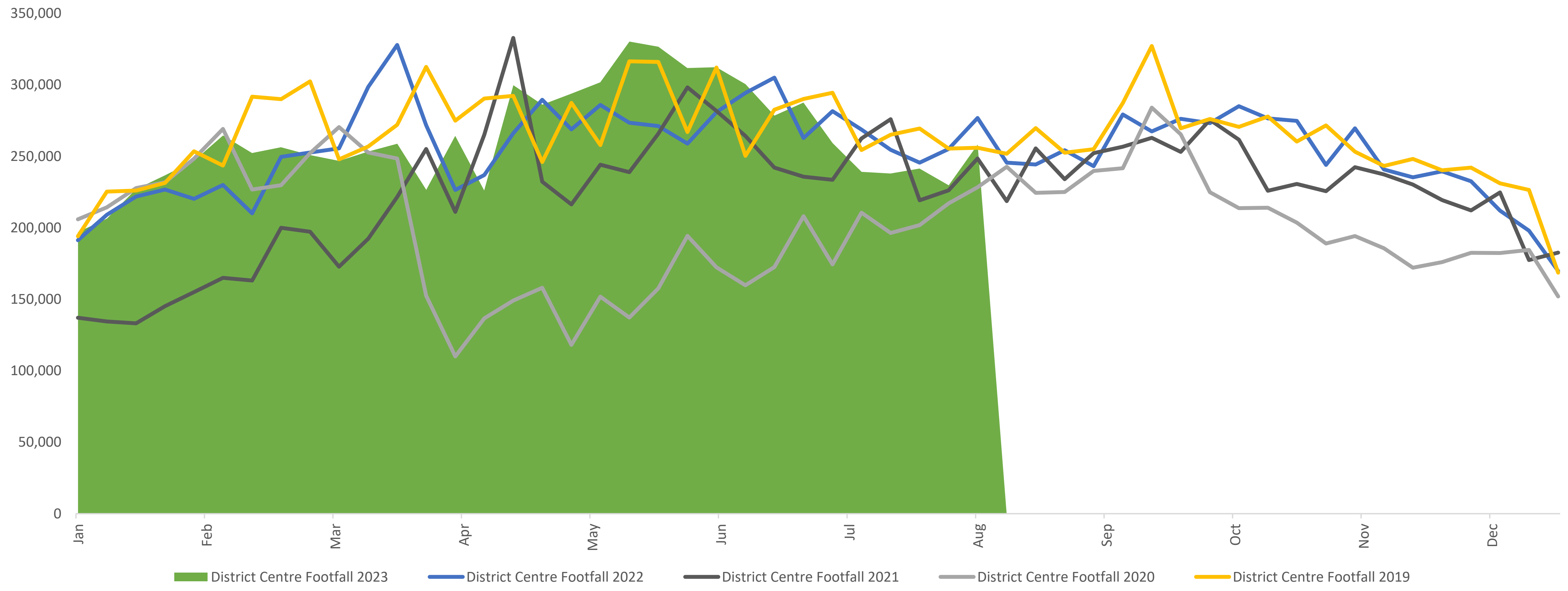

Source: Springboard /CityCo
Data released: 14/08/2023 Next Updated: 21/08/2023

**City Centre* Footfall**
(w/s 6th August):

| **Change v 2022** | **Change v 2019** |
|---|---|
| **16.78%** | **-12.89%** |

* 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 rose in the first week of August, with 258,287, this was an increase of 12.4% against the last week of July 2023. Despite this rise district centre footfall is below where it was at the same point in 2022 and is slightly above where it was at the same point in 2019.**



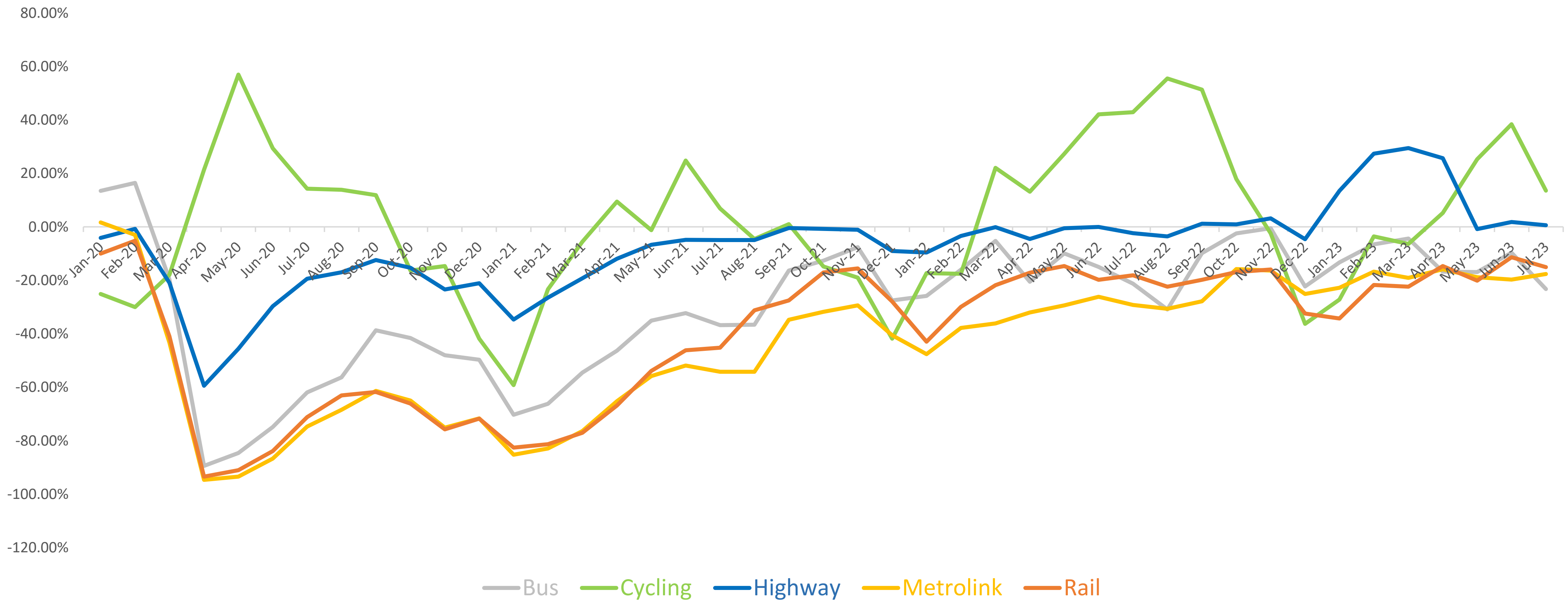

Source: Springboard /CityCo
Data released: 14/08/2023 Next Updated: 21/08/2023

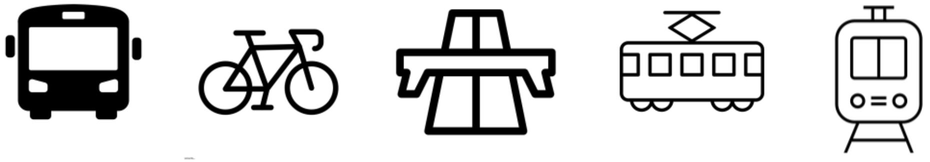
**District Centres** Footfall**
(w/s 7th August):

| Change v 2022 | Change v 2019 |
| --- | --- |
| **-6.72%** | **0.89%** |

* 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

**Except for Highways and Cycling, journeys by all other modes of transport have declined over the month of July 2023 in comparison with the 2019 baseline. Cycling has trended upwards since spring; however there has been a decline between June and July 2023, perhaps due to the adverse weather conditions experienced over that period.**



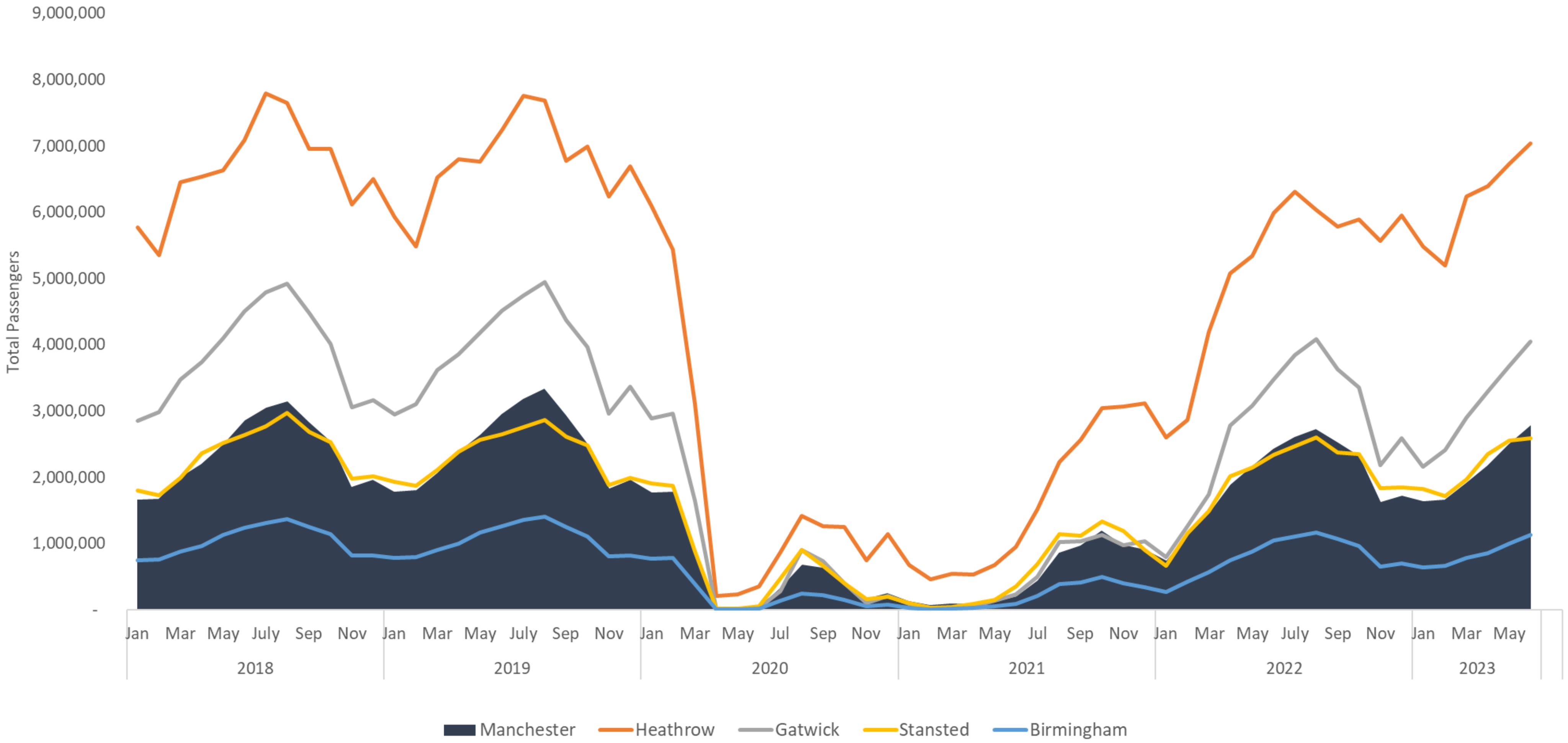



| Bus | Cycling | Highways | Metrolink | Rail |
|---|---|---|---|---|
| **-23%** | **14%** | **1%** | **-18%** | **-15%** |

* Rail data from Manchester Piccadilly

Source: Transport for Greater Manchester
Data released: 07/08/2023 Next Updated: 08/09/2023

**Manchester saw an increase of 15.1% in the number of airport passengers between May 2023 and June 2023. Over the same period only Birmingham airport saw a larger percentage increase than Manchester. In comparison to figures from June 2022, Manchester airport has seen a 15.0% increase in the number of passengers.**




Manchester Airport Passengers (May)

**2,505,927**

Monthly Change (April - May)

**15.1%**

Source: Civil Aviation Authority, UK Airport Data
Data released: 28/07/2023 Next Updated: August 2023