Quarterly Economic Update

Manchester's Economic Headlines for October 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 remained at 6.7 in the year to September 2023. The Consumer Price Index with Housing Costs (CPIH) also remained the same over this period at 6.3 in the 12 months to September 2023. The Bank of England, for the first time since the end of 2021, has kept the base rate at 5.25%.

2. Following 11 weeks of upward trend diesel and petrol has decreased in the first 2 weeks of October 2023. Current price for diesel and petrol are down 4.7% and 10.7% respectively in comparison with 12 months ago.

3. Provisional figures for September 2023 shows that there has been a 2.5% rise in the number of Universal Credit Claimants from August 2023. For 11 consecutive months, the total number of Universal Credit Claimants has increased, annual increase current stands at 9%. Between August 2022 and August 2023 there has been an increase of 10.9% 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 1.6%.

4. In August the level of NEET increased from 3.6% last year to 4.4%. However the Unknown has decreased from 1.9% to 1.5% in the same period. The combined percentage is slightly higher than it was for this period last year from 5.5% to 5.9%.

5. Data provided by Lightcast shows that there were 25,587 unique job postings in September 2023, this was an increase of 0.5% against August 2023. When comparing against August 2022, the decline was much more substantial at 13%.

6. Rental prices within Manchester have continued trend upwards, within Manchester City Centre the average 2 bed rental cost is £1,377 per month. This is a 3.3% 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. In the last 12 months the average monthly rent for a 2 bed in the city centre has increased by 14.9%. Outside of the city centre there has also seen a large increase, with 2 bed rental prices increasing by 17.7%.

7. 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 £1,090 higher than LHA in the city centre & £930 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.

8. The residential property pipeline shows that there are almost 13,000 homes under construction across the city. Of those, there are over 1,500 affordable homes. This means that of all the new homes under construction, 11.8% are to be affordable.

9. City centre footfall data for the week commencing the 9th October 2023 shows that the level of footfall is up 4.1% against the same week recorded in 2022, however in comparison to the same week in 2019 footfall is down 21.4%. In contrast the district centre footfall shows a different picture with footfall being down against the same week in 2022 by 2%, but against the same week in 2019 footfall is up 3.2%.

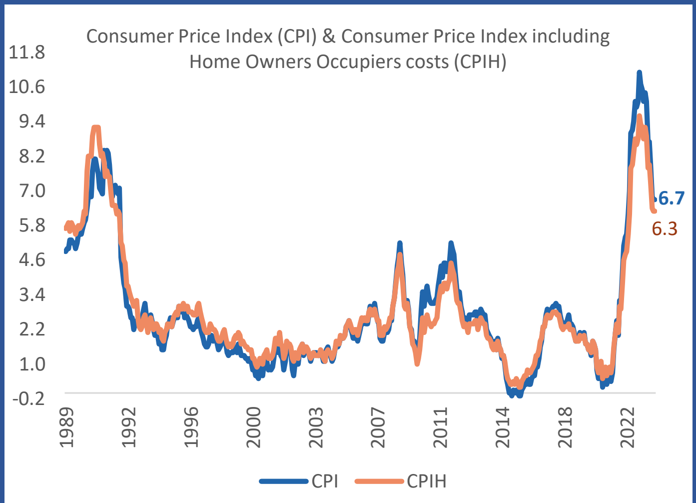
10. Occupiers signed for a total of 351,000 sq ft during July, August, and September, 172,000 sq ft more than the previous quarter, according to Manchester Office Agents Forum. A total of 59 deals were completed in the last three months, with two education providers taking the most space. (Place North-West)

11. Factory International's new £240m home opened to the public this month and has been described as an "internationally important venue, extraordinary in its scale and ambition." The space will host a year-round programme of original productions and special events across all art forms – from major exhibitions and concerts to intimate performances and immersive experiences. Manchester City Council has led the development with £99m backing from the government, as well as £7m from Arts Council England. (Place North-West)

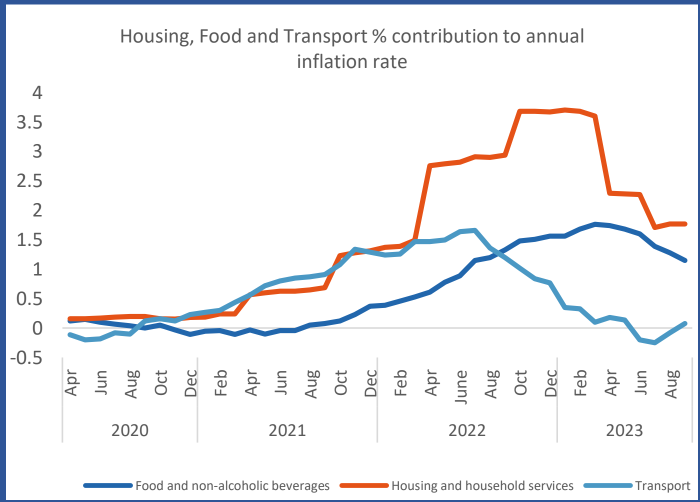
Quarterly Economic Update

October 2023 **Economic Indicators**

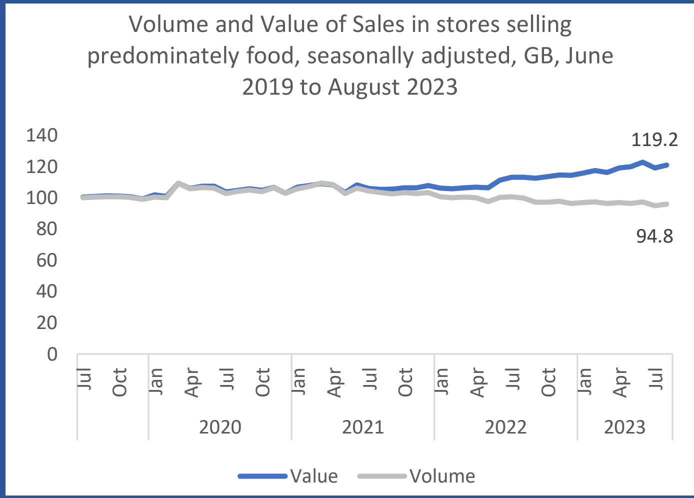
Inflation



Source: ONS, CPI & CPIH
Data released: 18/10/2023 Next Updated: 15/11/2023

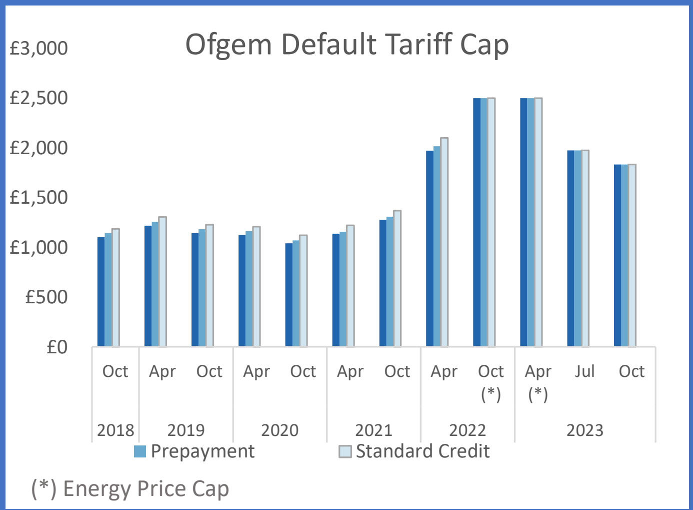


Source: ONS, Contributions to the CPIH 12-month inflation rate
Data released: 18/10/2023 Next Updated: 15/11/2023

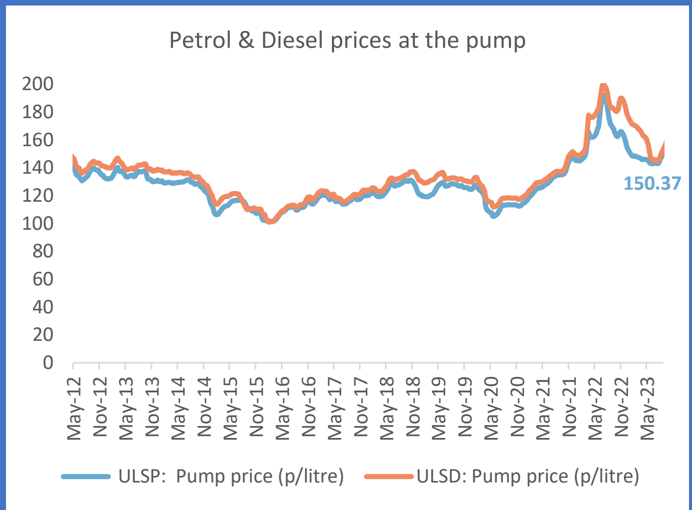


Source: ONS, ONS Retail Sales Index.
Data released: September 2023 Next Updated: October 2023

Fuel & Energy Pricing

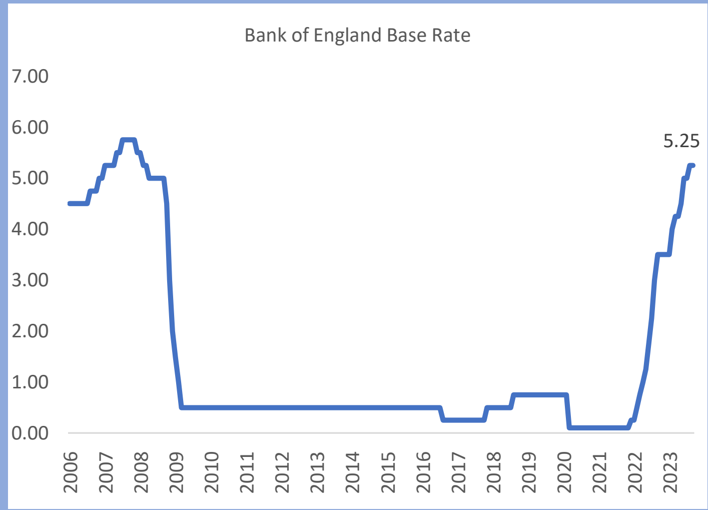


Source: Ofgem
Data released: August 2023 Next Updated: TBC



Source: Dep. for Business, Energy & Industrial Strategy
Data released: 17/10/2023 Next Updated: November 2023

Interest Rate



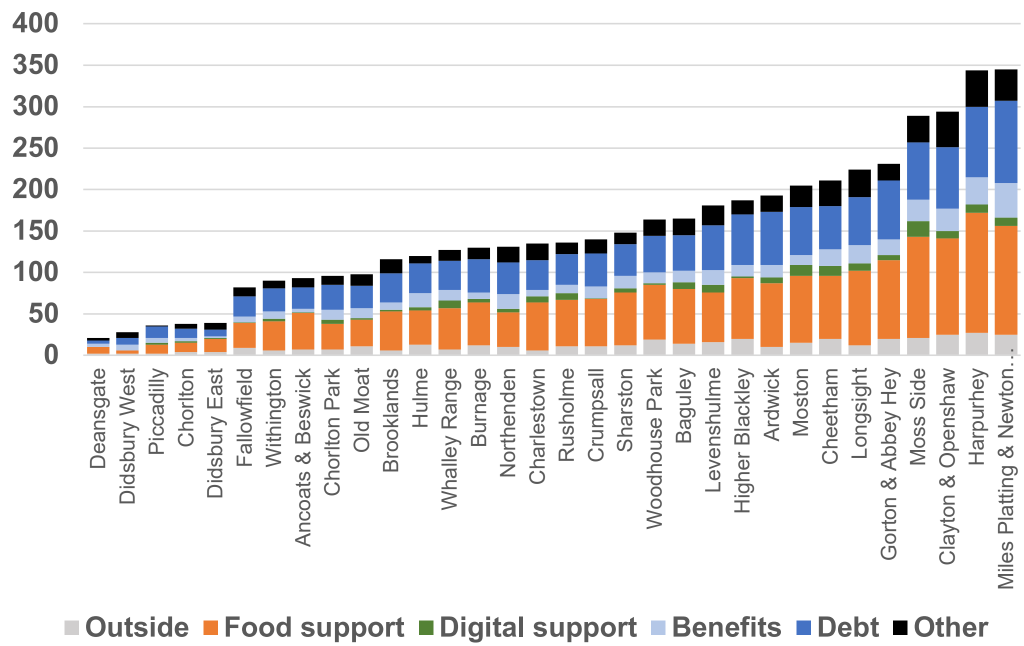
Source: Bank of England
Data released: 21/09/2023 Next Updated: 02/11/2023

The Cost-of-Living Advice Line has been in operation since October 2022. Over 6,250 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, a more detailed breakdown is shown to the right.

The chart below shows the types of support offered by ward, giving an indication of the respective level and types of support needs across the city.

Support, by type of support and ward

Residents may be offered more than one type of support so column totals will exceed the total residents from each ward who have contacted the advice line



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

Financial support: of which
24.9%

Financial advice and support with debt and bills
18.1%

Benefits query / help with rent
6.7%

Referral to food support team
24.3%

Other support
14.1%

Contact details for another council service
13.7%

Callers referred on to council services such as council tax, social care or neighbourhoods

Referred to MCC COLA webpage
12.5%

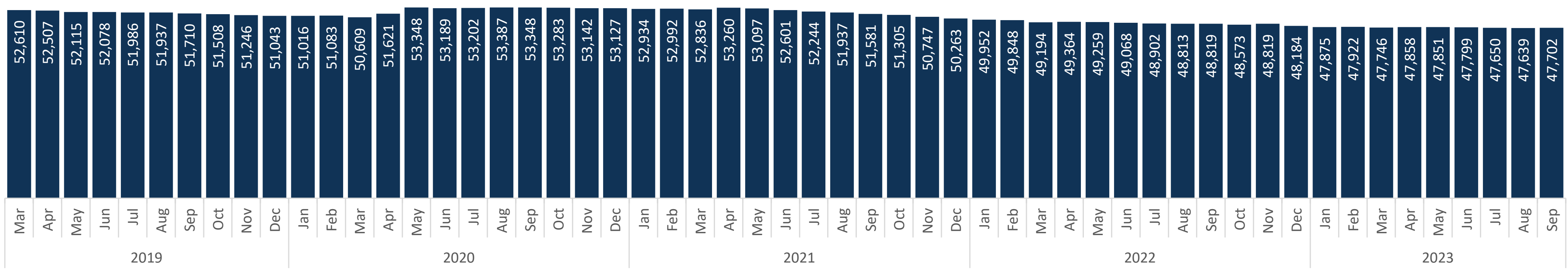
Contact detail for outside agency
6.4%

Callers may be provided with contact details for outside agencies, such as Citizens Advice, DWP

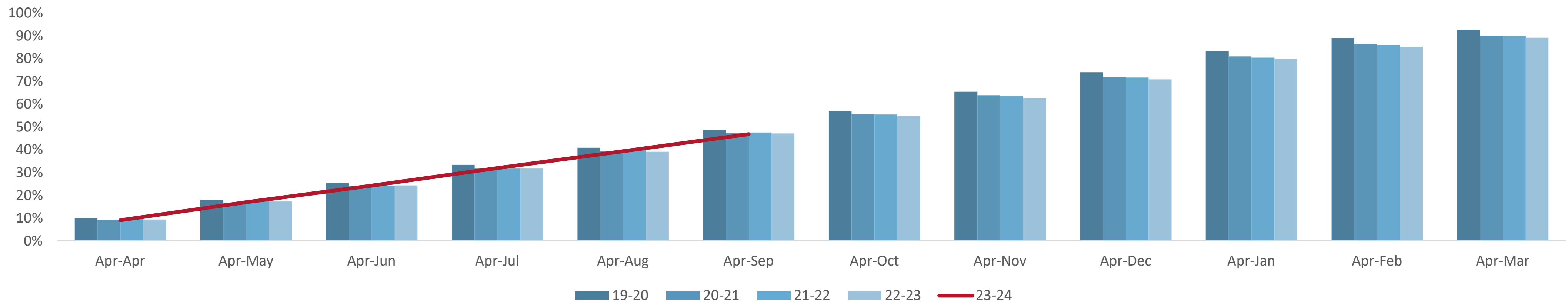
Referral for digital support
4.2%

The number of people in receipt of Council Tax Support increased slightly between August and September 2023 by 0.1%, and over the last 12 months there has been a 2.3% decline. Figures for April to September 2023 show that the % of council tax collections is slightly lower than where it has been in the previous 4 years, at 46.8%.

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

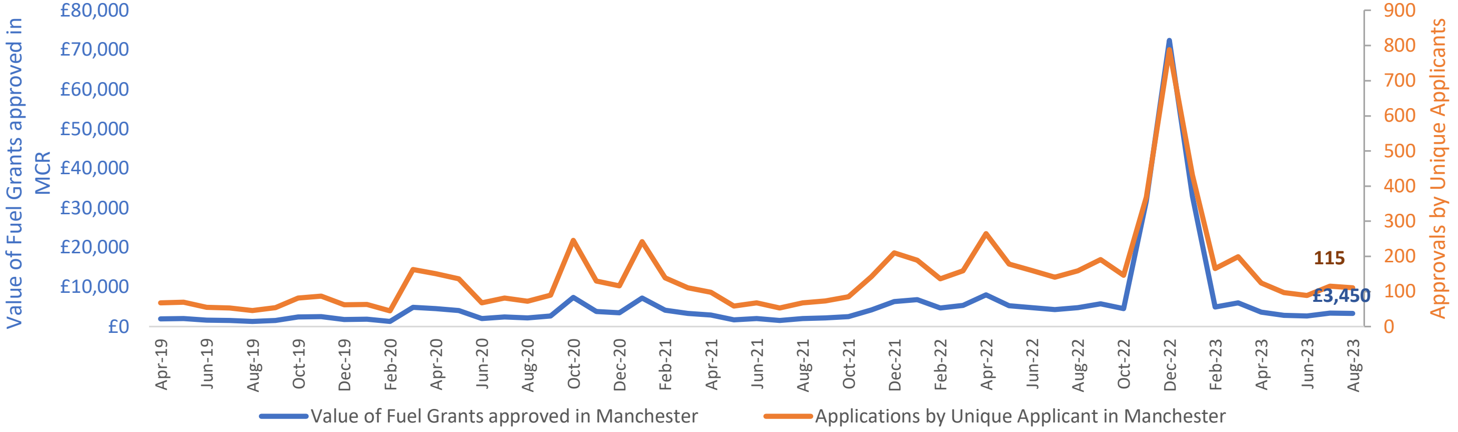


The % of council tax collections, April 2019 - Present



Source: MCC Revenues & Benefits Team
Data released: October 2023 Next Updated: November 2023

The number of fuel grant approvals by unique applicant in Manchester between July and August 2023 decreased by 3.5%, and the total value of fuel grants approved in Manchester decreased by3.5% over the same period. The number of unique applicants over the last 12 months has declined 30.2%. Free School Meal eligibility has increased 0.9 percentage points between the January and May 2023 school census, in May 2023 43.7% of pupils in who are residents of Manchester were eligible for Free School Meals.



In 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 only award £70. Additional funding had been made available from the Household Support Fund.

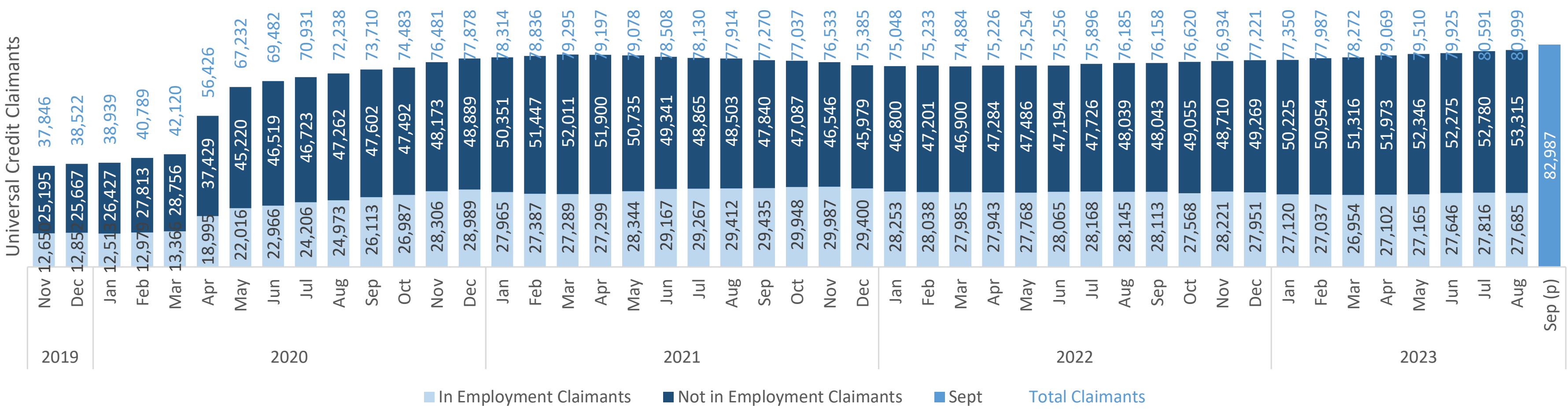
Fuel grant has now been reduced to its pre-November levels of £30.

Source: Revenues & Benefits Team
Data released: October 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.

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

Provisional figures for September 2023 shows a 2.5% rise in Universal Credit (U.C.) Annual comparison with September 2022 indicates a rise of 9% in U.C. claimants



Total Universal Credit Claimants (September -provisional*):

82,987

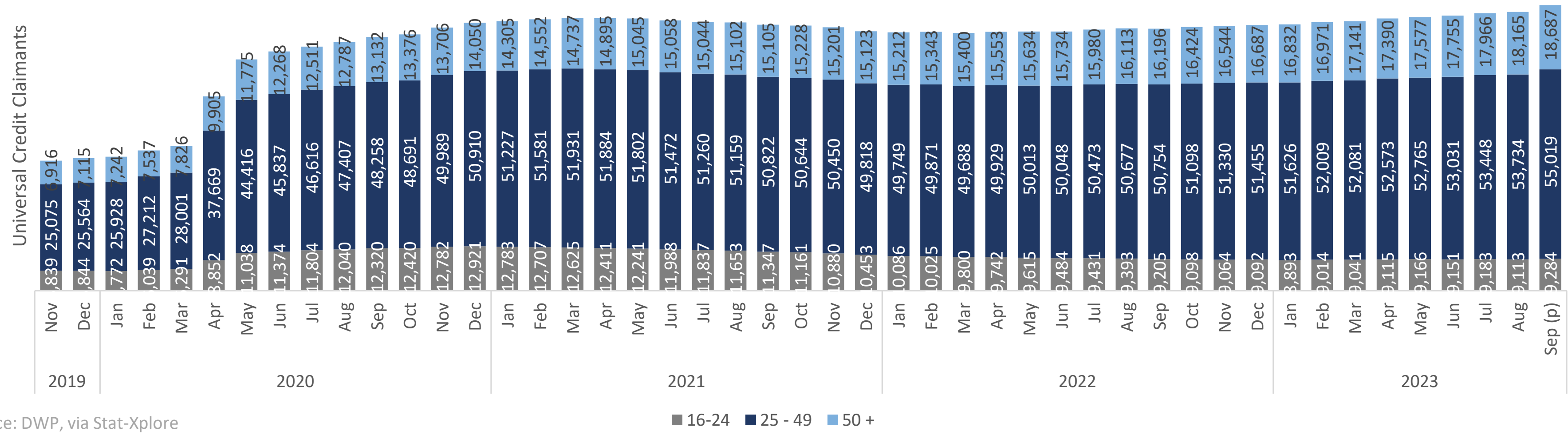
Monthly Change (Aug – Sep (p)*)

2.5%

Not in Employment Claimants (Aug (r))

53,315 (66%)

All age bands have seen a rise in U.C. Claimants. The greatest increase between August and September 2023 was in the 25-49 age band which rose by 1,285 (2.9%)



Largest Age Group (Sep (p)*)

25-49 year olds (55,019)

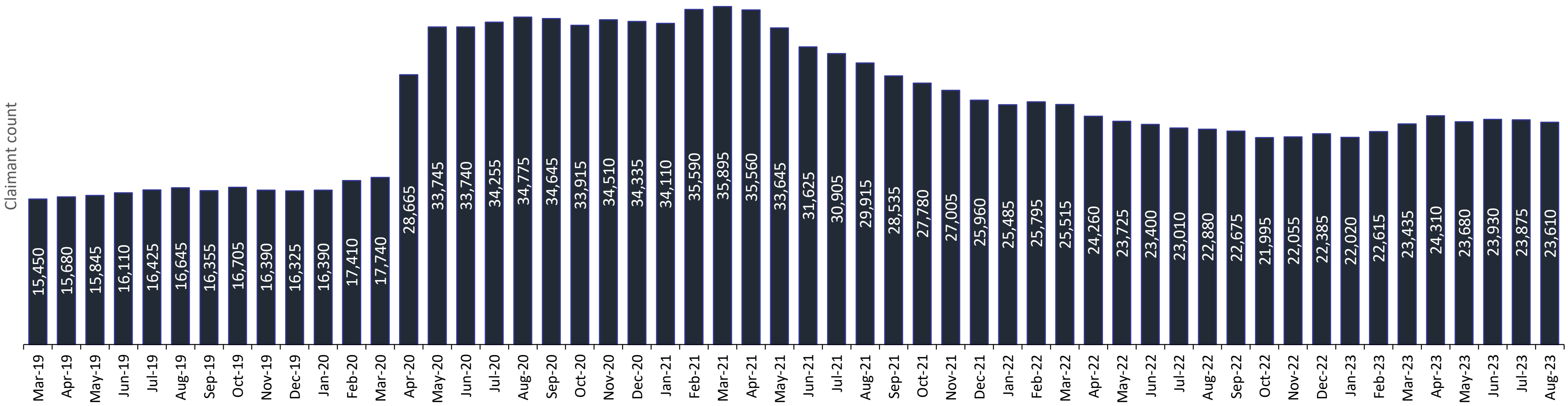
Monthly Change in 25-49 year old claimants (Aug – Sep (p)*)

2.4%

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

Source: DWP, via Stat-Xplore
Data released: 17/10/2023 Next Updated: 14/11/2023

Provisional figures for August 2023 show that the unemployment claimant count in Manchester declined by 1.11% from July 2023 to August 2023. Current figures show that in the last 12 months, August 2022 to August 2023, there has been an increase in the unemployment claimant count of 3.19%.



Unemployment Claimant Count
(August 2023)

23,610

Unemployment Claimant Count Rate
(August 2023)

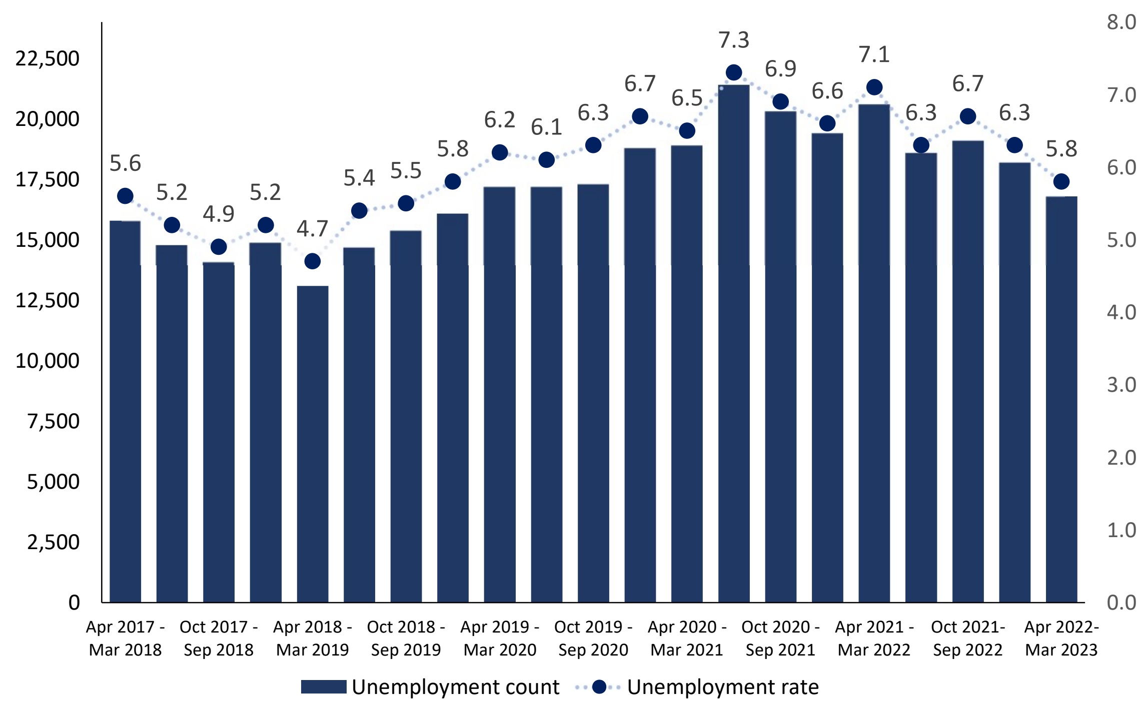
c. 6.0%

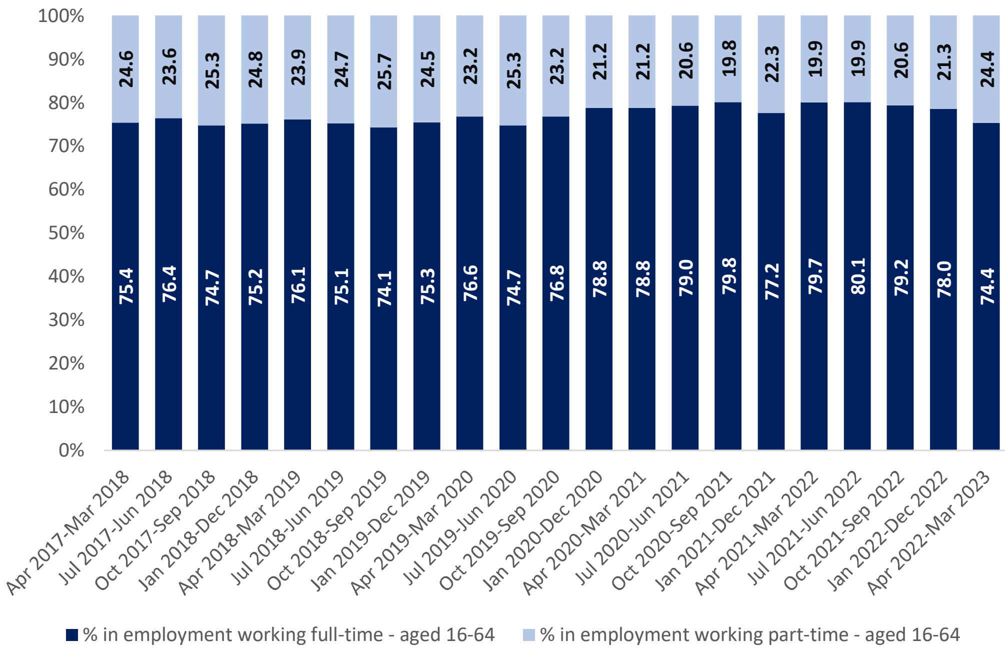
The Claimant count measures Job Seekers Allowance (JSA) and unemployed Universal Credit claimants.

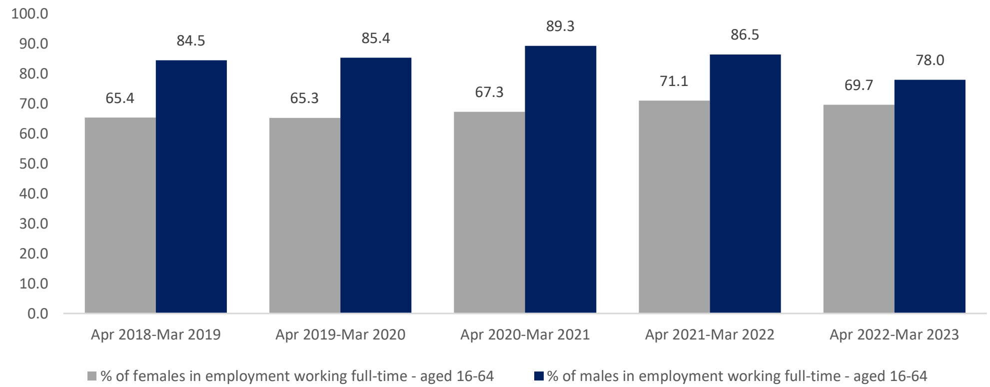
Source: Claimant Count, ONS
Data Released: 12/09/2023 Next Updated: 24/10/2023

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)



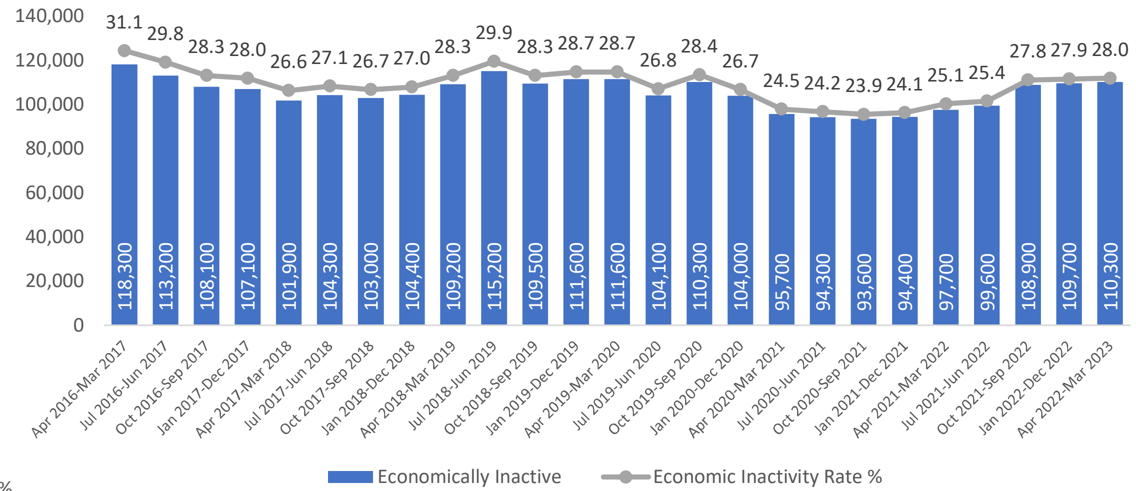


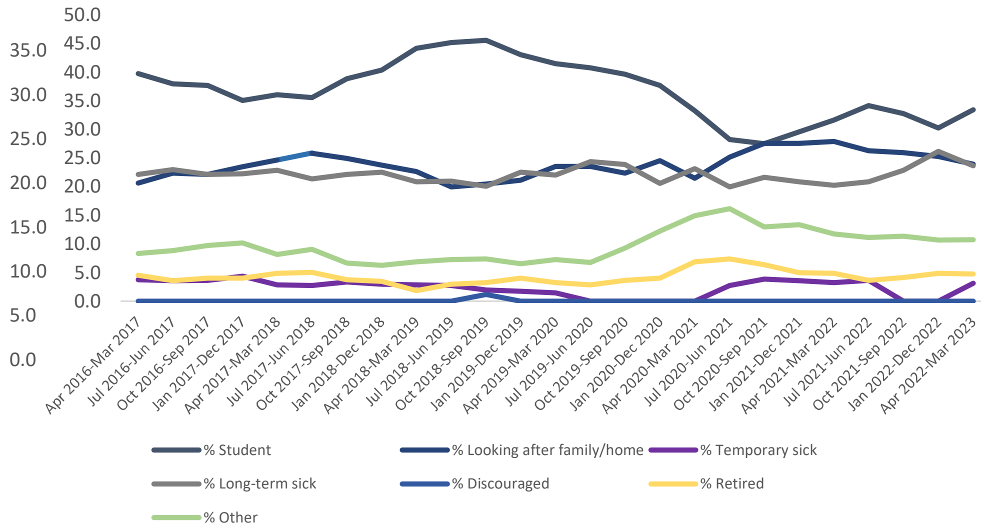


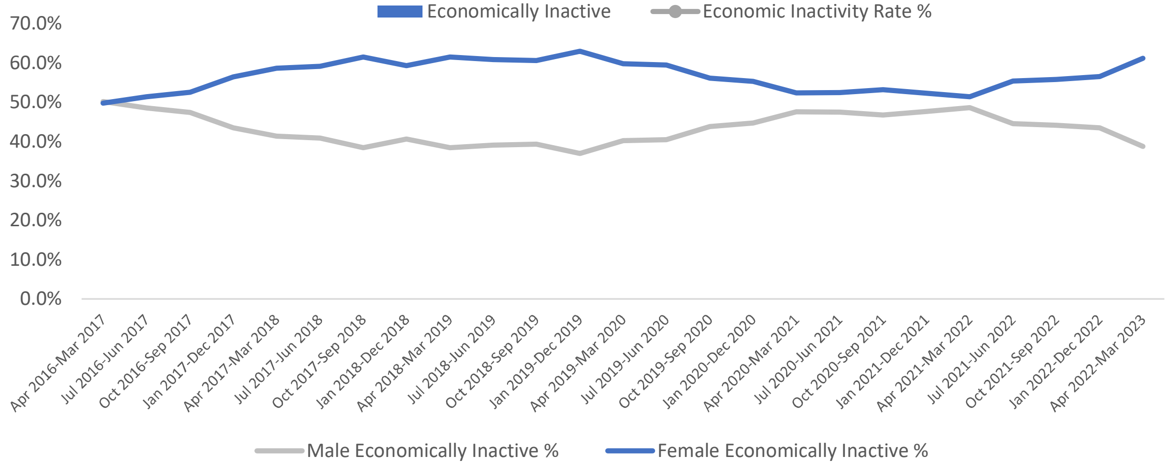
The unemployment rate is the percentage of the economically active population who are seeking work and are available to take it.

Source: Annual Population Survey, ONS
Data Released: 15/08/2023 Next Updated: 24/10/2023

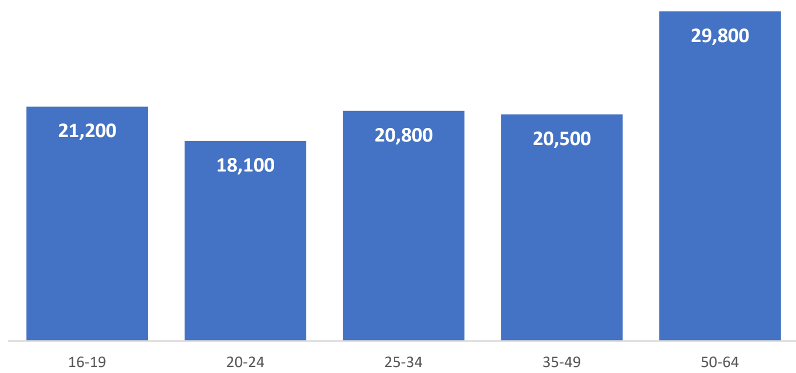
The percentage of Manchester residents (aged 16-64) classed as economically inactive continues to increase; this is the sixth quarter in a row where there has been growth. Economically inactive is used to describe residents who are not involved in the labour market – they are neither working or actively 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.





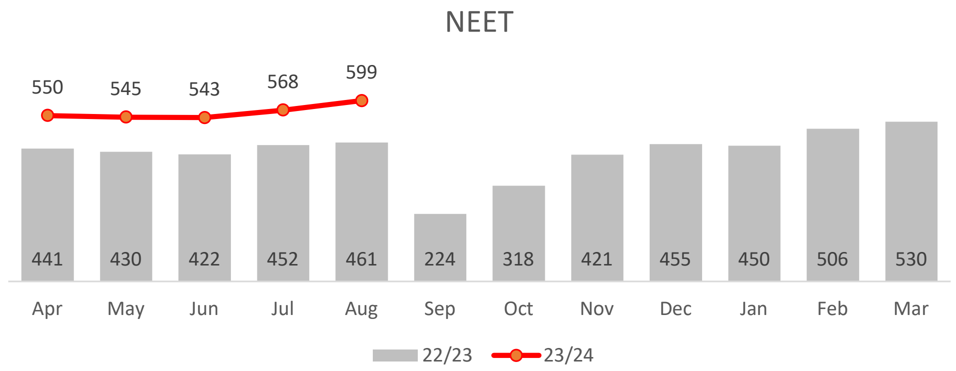


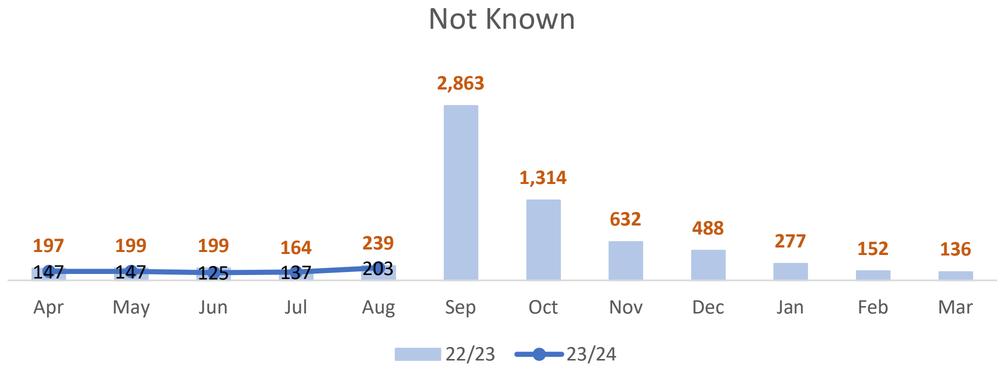
Manchester's Economic Inactivity 16-64, by age cohort, Apr 2022 - Mar 2023



Source: Annual Population Survey, ONS
Data Released: 15/08/2023 Next Updated: 24/10/2023

In August 2023 there were 599 16–17-year-old resident in Manchester who were NEET, an increase of 29.9% compared with August 2022. In the same period the number of 'Not Known' was 203, a substantial annual reduction of 15.4%. The combined metric increased 14.6% from 700 to 802. However, when considering the increase of the size of the 16-17 cohort (7.29% from 12,780 to 13,712) the level of NEET increase is less pronounced at 0.8 percentage points from 3.6% to 4.4%; in the same period Not Known decreased 0.4 percentage points from 1.9% to 1.5% resulting in a combined increase of 0.4% points from 5.5% to 5.9%.





August 2022 Cohort size
12,780

NEET
461 (3.6%)

Not Known
240 (1.9%)

Combined
700 (5.5%)

Category	16 Yrs	17 Yrs	Total
Participation in education and training	94.9%	89.2%	92.0%
Meeting the Duty	95.2%	89.6%	92.5%
Participating in RPA compliant education and training	94.8%	89.2%	92.0%
Working towards meeting the duty	0.4%	0.5%	0.4%
Temporary break from Learning	0.2%	0.6%	0.4%
Not Known	77	163	240
Not Known %	1.2%	2.6%	1.9%
In Learning	6,128	5,630	11,758
In Learning %	94.9%	89.2%	92.0%
Actual NEET	180	281	461
Actual NEET %	2.8%	4.5%	3.6%
Combined NEET and Unknown	257	444	701
Combined NEET and Unknown %	4.0%	7.0%	5.5%

August 2023 Cohort size
13,712

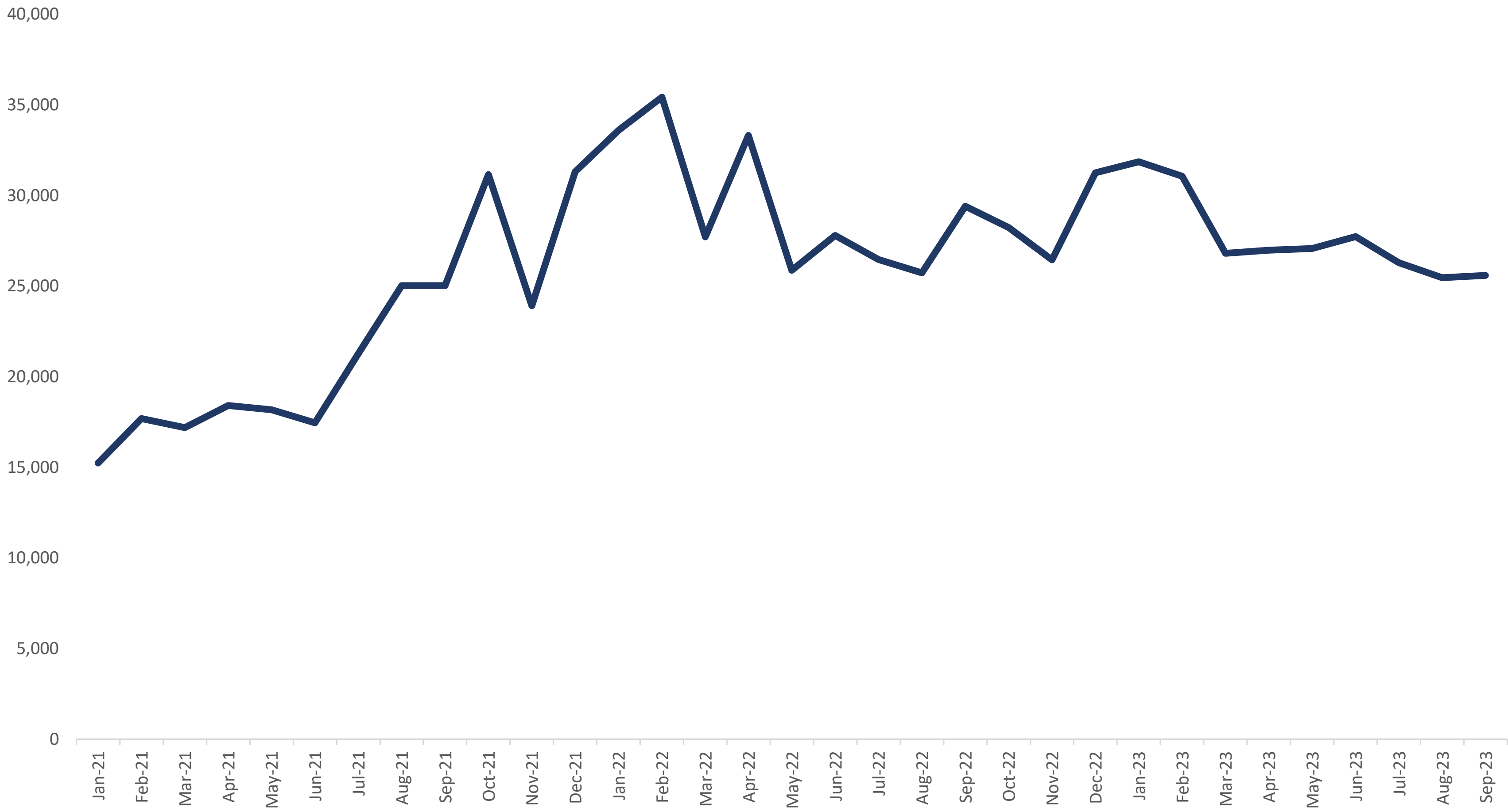
NEET
599 (4.4%)

Not Known
203 (1.5%)

Combined
802 (5.9%)

Source: EYES, NEET
Data Released: September 2023 Next Updated: October 2023

The monthly job postings in Manchester increased slightly by 0.5% between August and September 2023. Compared to September 2022, job postings have reduced by 13%.



Unique job postings in September 2023:

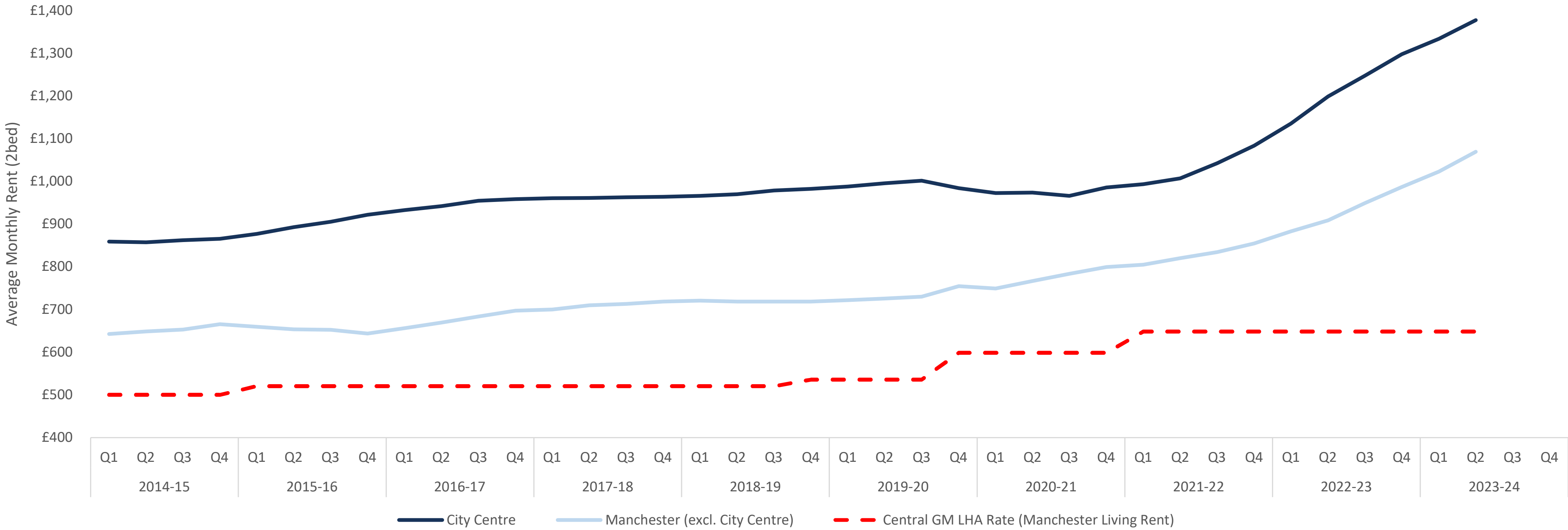
25,587

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

-0.5%

Source: Lightcast - Labour Insights)
Data released: October 2023 Next Updated: November 2023

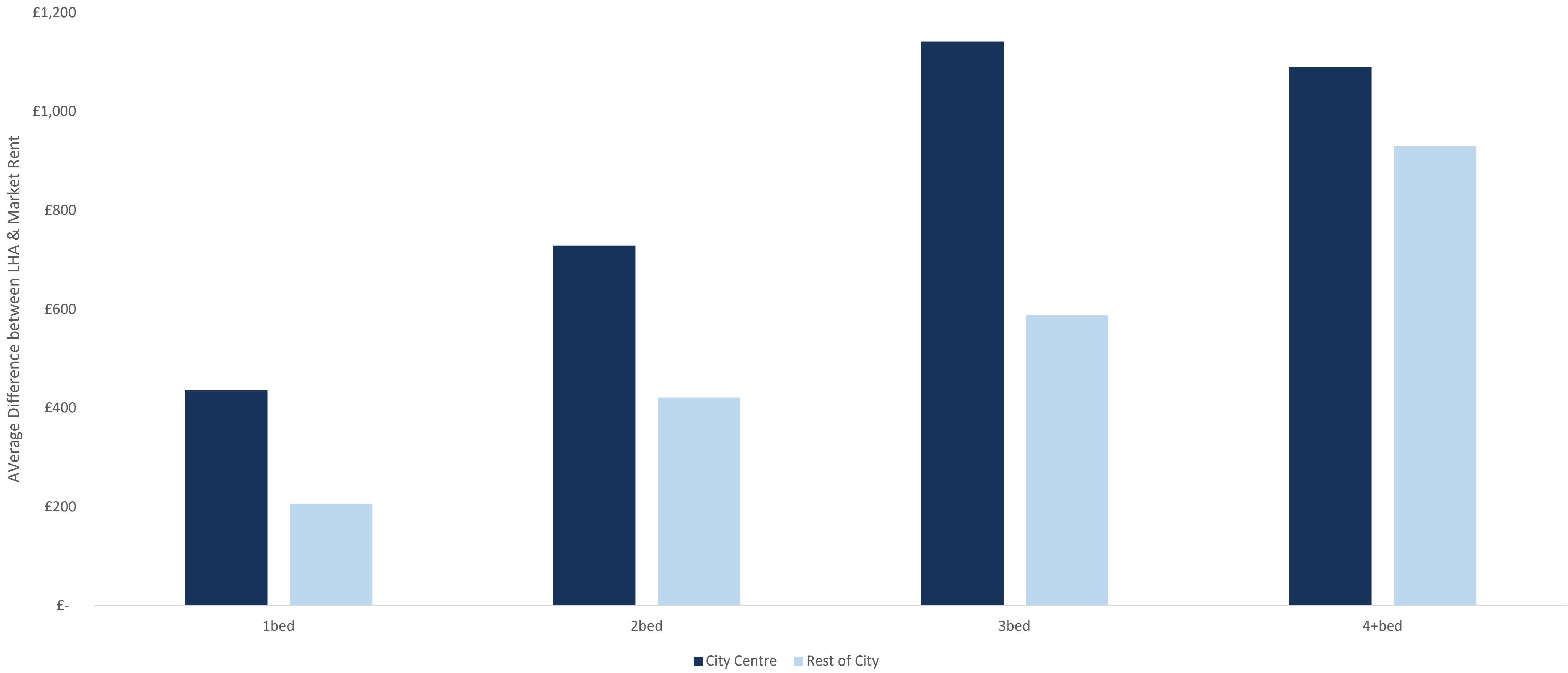
Rents continuing to pull away from frozen LHA rates with demand for private rented properties hugely outweighing supply – LHA rate, which should be equivalent to the 30th percentile of incomes is now equivalent to just the 3rd percentile (2beds).



City Centre 2Bed Rent	City Centre Quarterly Change	Rest of City 2Bed Rent	Rest of City Quarterly Change
£1,377	**3.3%**	**£1,069**	**4.5%**

Source: Rightmove
Data released: 06/10/2023 Next Updated: 06/01/2024

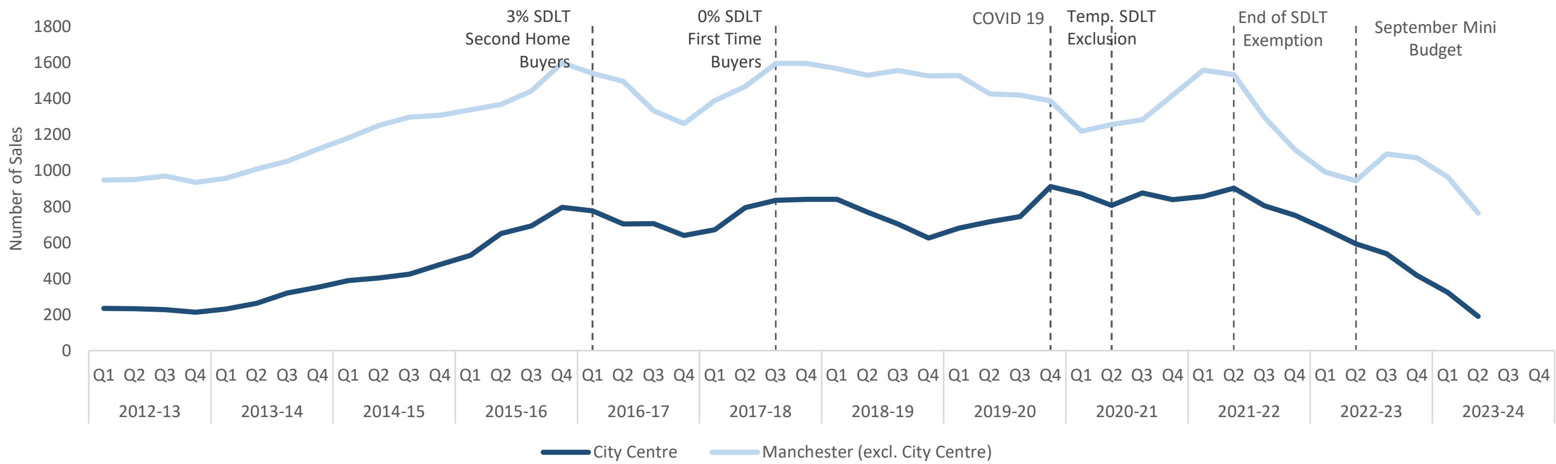
Gap between market rents & LHA larger for larger homes – average rents in 4+ bed properties £1,090 higher than LHA in the city centre & £930 across the rest of the city.



Source: Rightmove
Data released: 06/10/2023 Next Updated: 06/01/2024

*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.

Lack of new build activity continuing to impact sales volumes – 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*

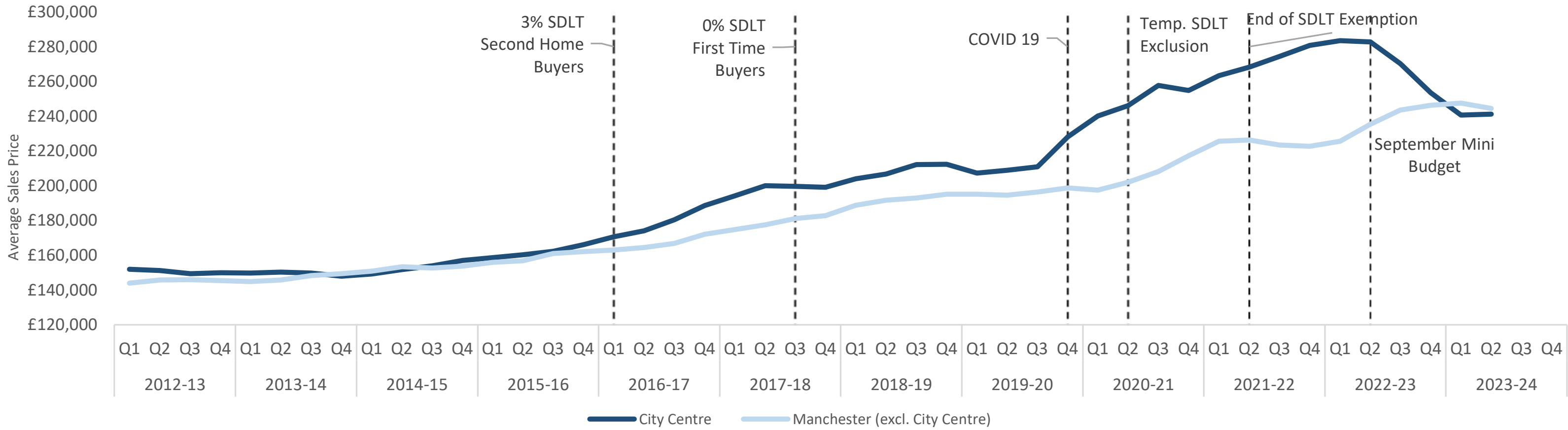
-41.0%

Manchester (excl. City Centre) Quarterly Change*

-20.9%

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

Secondary market in the city centre continuing to make up large proportion of the sales as city centre house prices stay below the rest of the city average



City Centre Average Sales Price

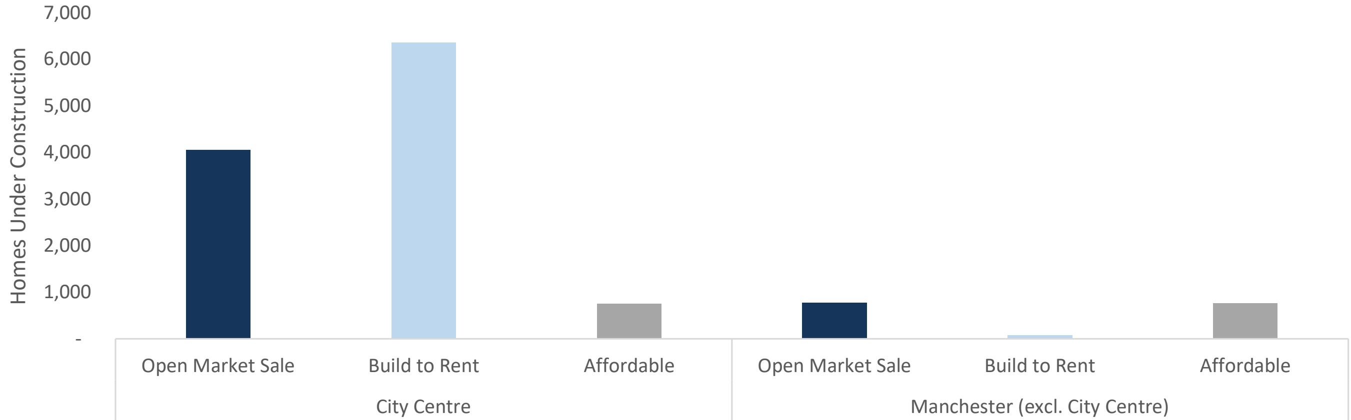
£241,224

Manchester (excl. City Centre) Average Sales Price

£244,442

Source: HM Land Registry
Data released: 20/10/2023 Next Updated: 20/01/2024

Construction sector continuing to show resilience despite ongoing volatility - almost 13,000 homes under construction across the city (11,174 in the city centre) including over 1,500 affordable homes*

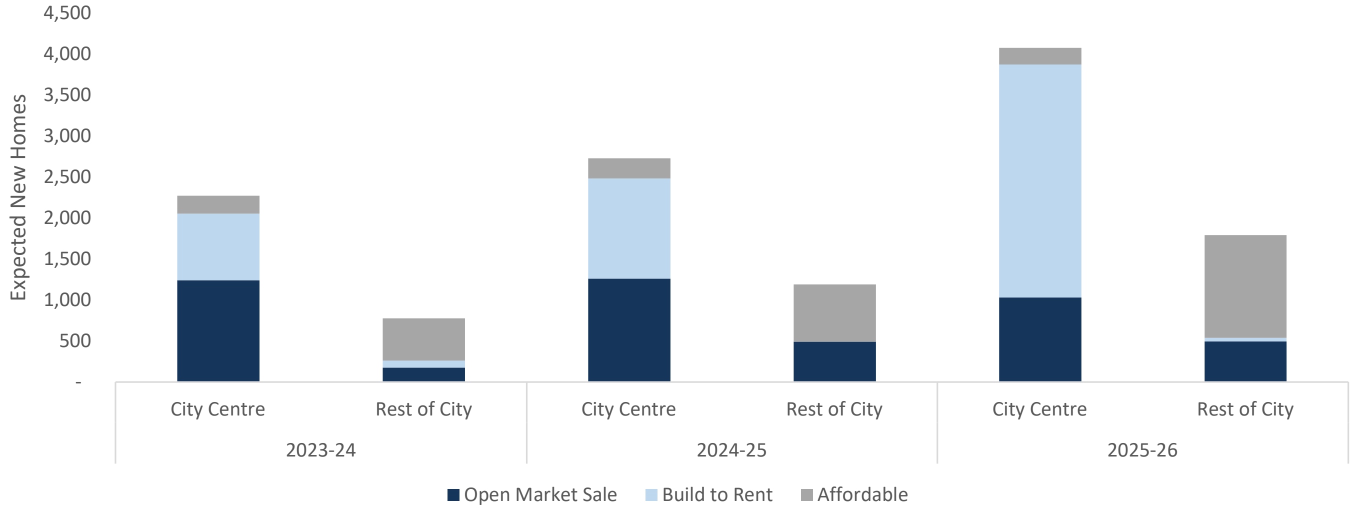


City Centre Homes Under Construction
11,174

Rest of City Homes Under Construction
1,634

Affordable Homes Under Construction
1,523

Number of completions expected to recover following drop off in 2022-23 – over 3,000 new homes expected to complete in 2023-24 and over 12,000 over the next 3 years



Expected Completions – 2023-24
3,045

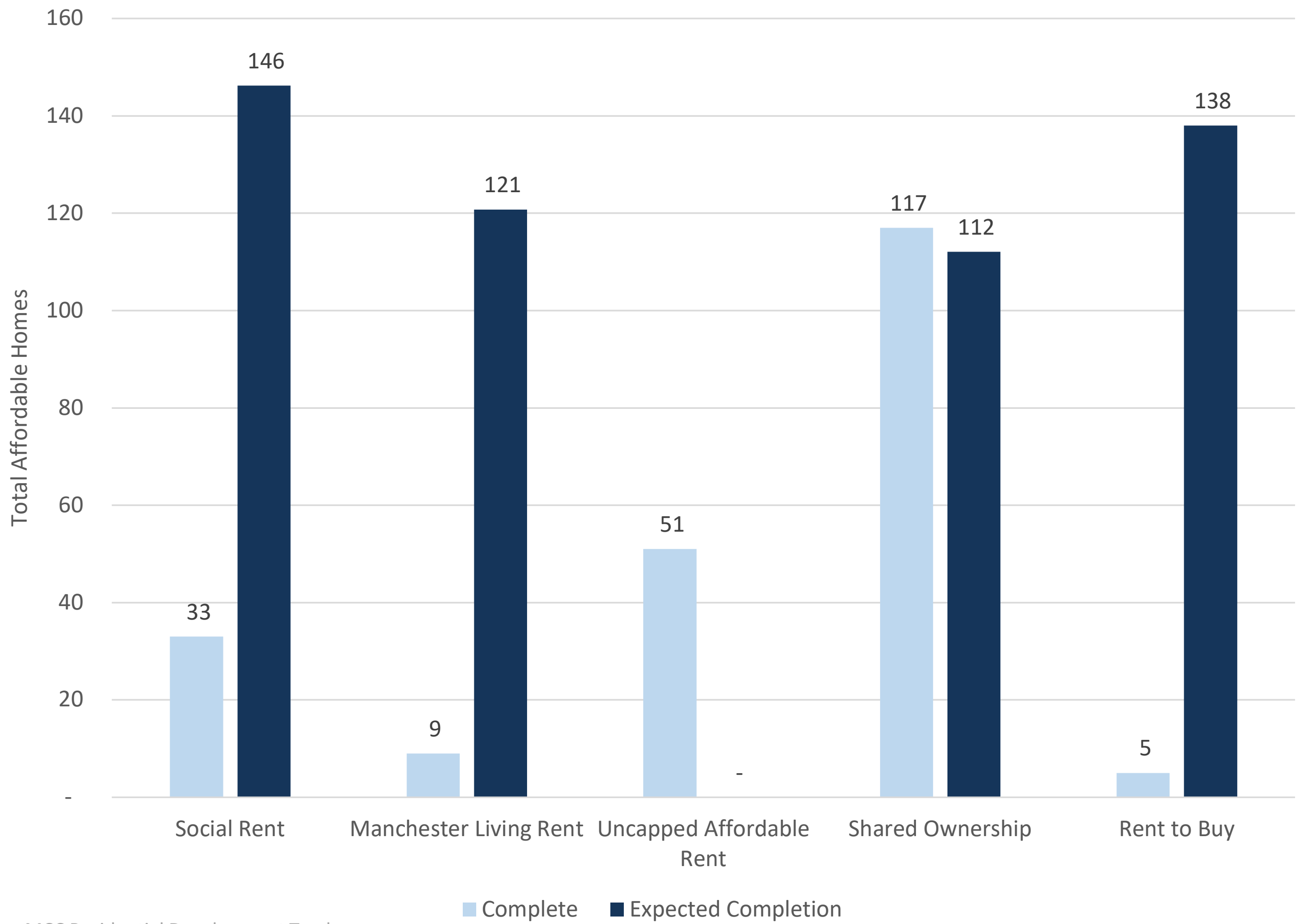
Expected Completions – 2024-25
3,919

Expected Completions – 2025-26
5,864

Source: MCC Residential Development Tracker
Data released: 20/10/2023 Next Updated: 20/01/2024

***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)

732 new affordable homes expected to complete in 2023-24 (of which 215 have already been built) – will be the largest number of affordable homes built in year in Manchester over the past decade

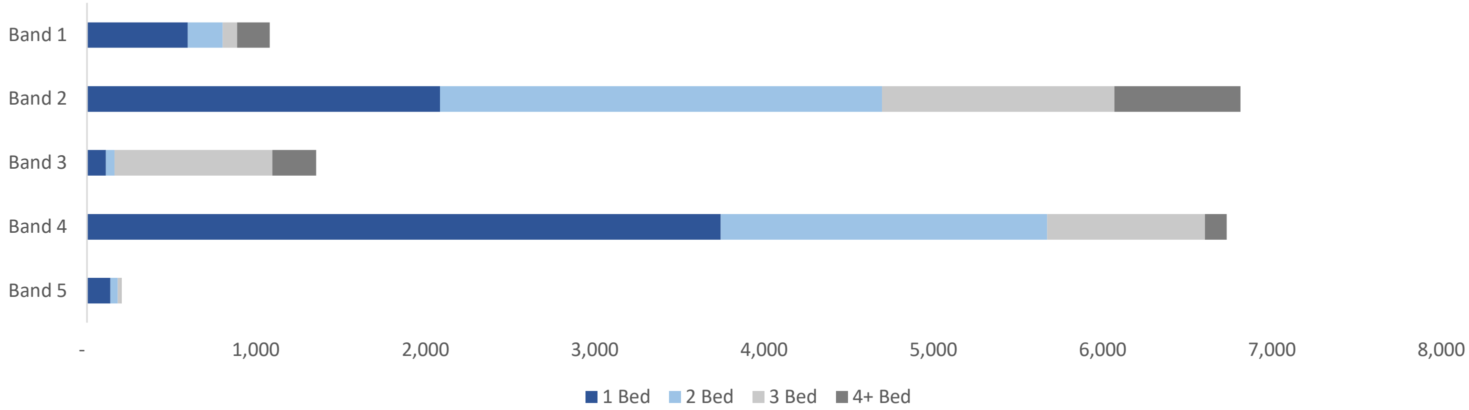


	2023-24 Homes	2023-24 %	2022-23 %
One Bedroom	174	23.7%	27.1%
Two Bedrooms	383	52.3%	41.8%
Three Bedrooms	143	19.6%	21.8%
Four+ Bedrooms	32	4.4%	9.3%
City Centre	219	32.2%	0.5%
Rest of City	461	67.8%	99.5%
Small Site	45	6.1%	29.4%
Medium Site	299	40.8%	39.7%
Large Site	388	53.1%	30.9%

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

Source: MCC Residential Development Tracker
Data released: 20/10/2023 Next Updated: 20/01/2024

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 September 2023 snapshot there has been a 6.3% increase in the number of housing applicants.



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

9,246

Proportion of Applicants in Housing Need Requiring 2+ Beds

70%

Source: Manchester Move
Data released: September 2023 Next Updated: October 2023

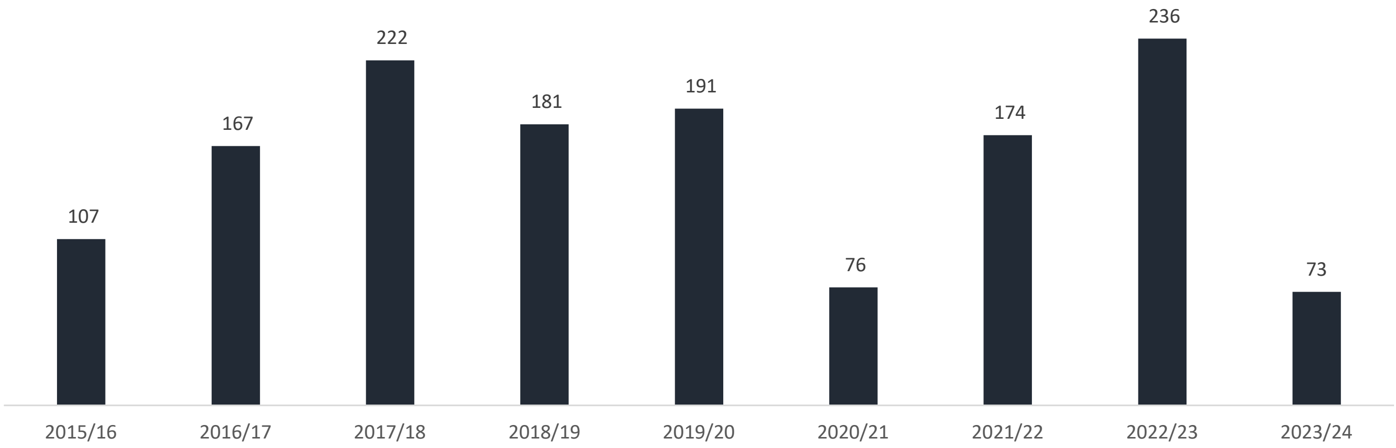
Right to Buys recovered to pre-Covid levels

Total Right to Buys (2023-24 Q1/Q2)

73

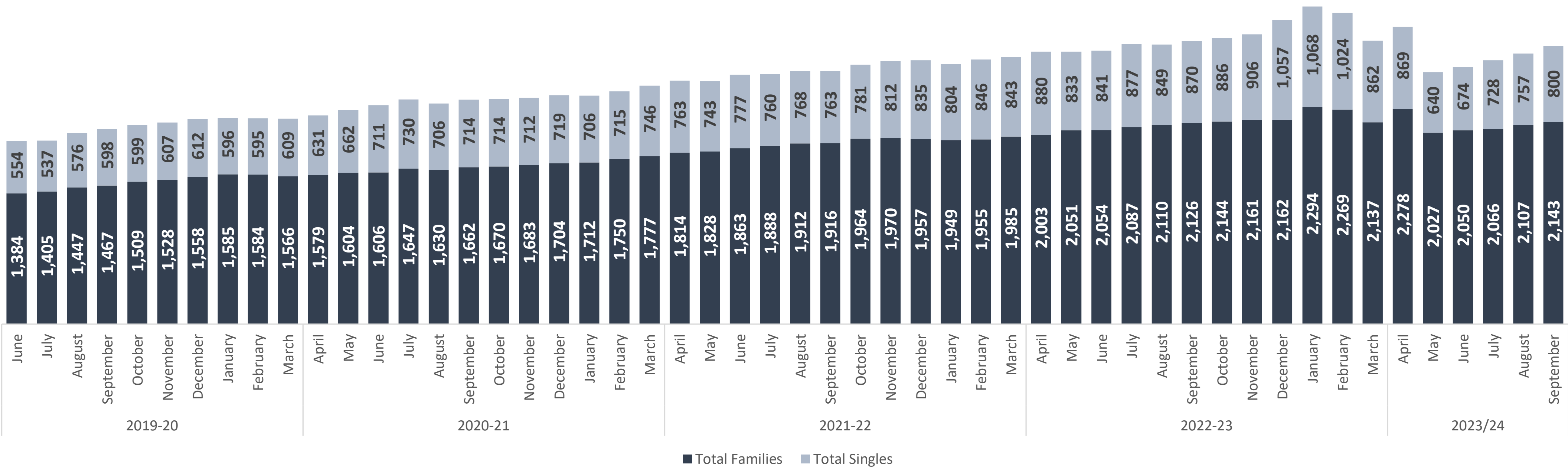
Amount in the Housing Affordability Fund

£9.31m



Source: MCC Housing Operations
Data released: 20/10/2023 Next Updated: 20/01/2023

Figures for September 2023 show that in the last 12 months the total number of families and single person households in Temporary Accommodation has decreased by 1.8%. Between April 2023 and September 2023 there has been a 5.9% decline in the number of families, a 7.9% decline in the number of singles and a decline of 6.5% in the total Temporary Accommodation.



Families in TA
(September 23)

2,143

(0.8% annual change)

Single Person Households in TA
(September 23)

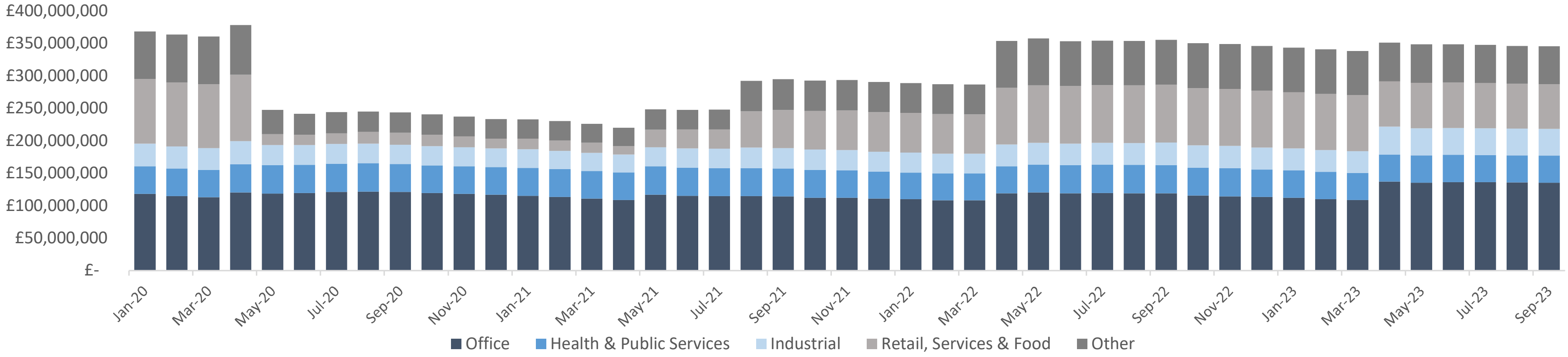
800

(-8% 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: 02/10/2023 Next Updated: 04/11/2023

Total business rates charged decreased by £353k between August and September 2023. When comparing September 2022 with the latest figures, the amount of business rates charged is down £9.9m

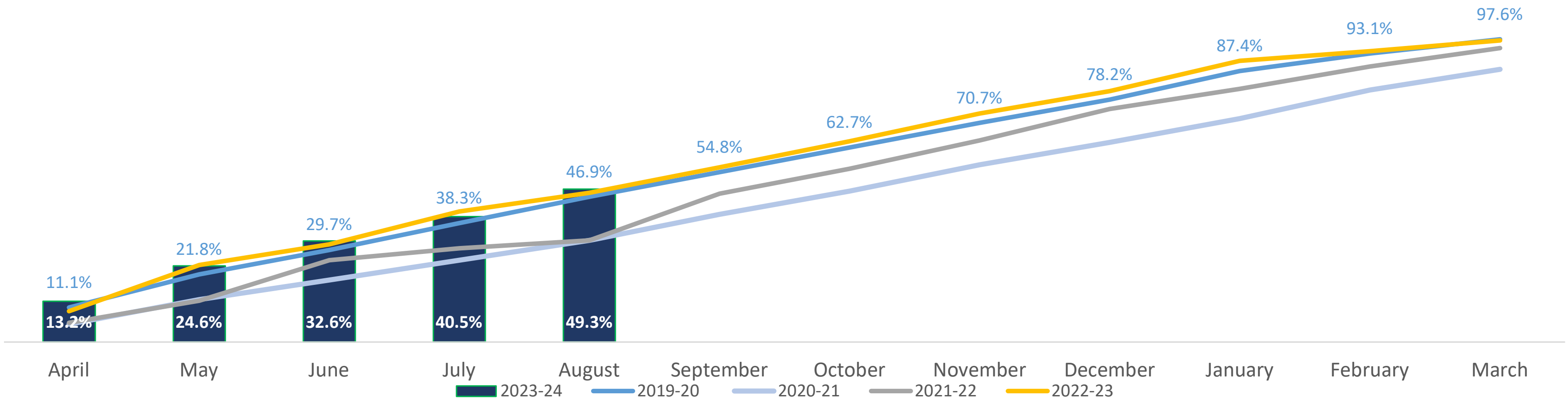


Total Annual Business Rates Charged (August):

£345.7m

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

Business revenue collection rate is currently at 49.3% as of August 2023. This is Above the rate of collection at the same point last year (48.1%) and pre pandemic (46.9%)

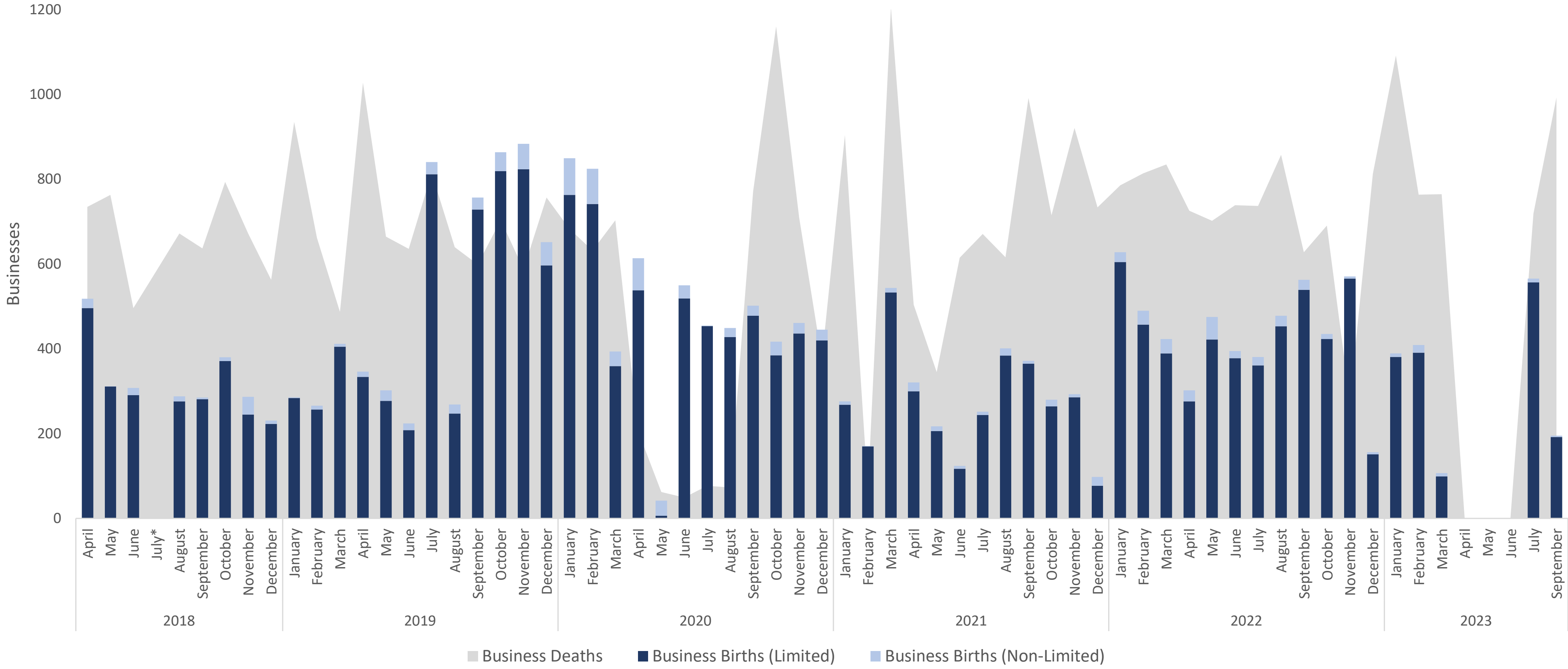


Total Collection Rate 2023-24 (August):

49.3%

Source: Academy NDR live properties
Data released: October 2023 Next Updated: November 2023

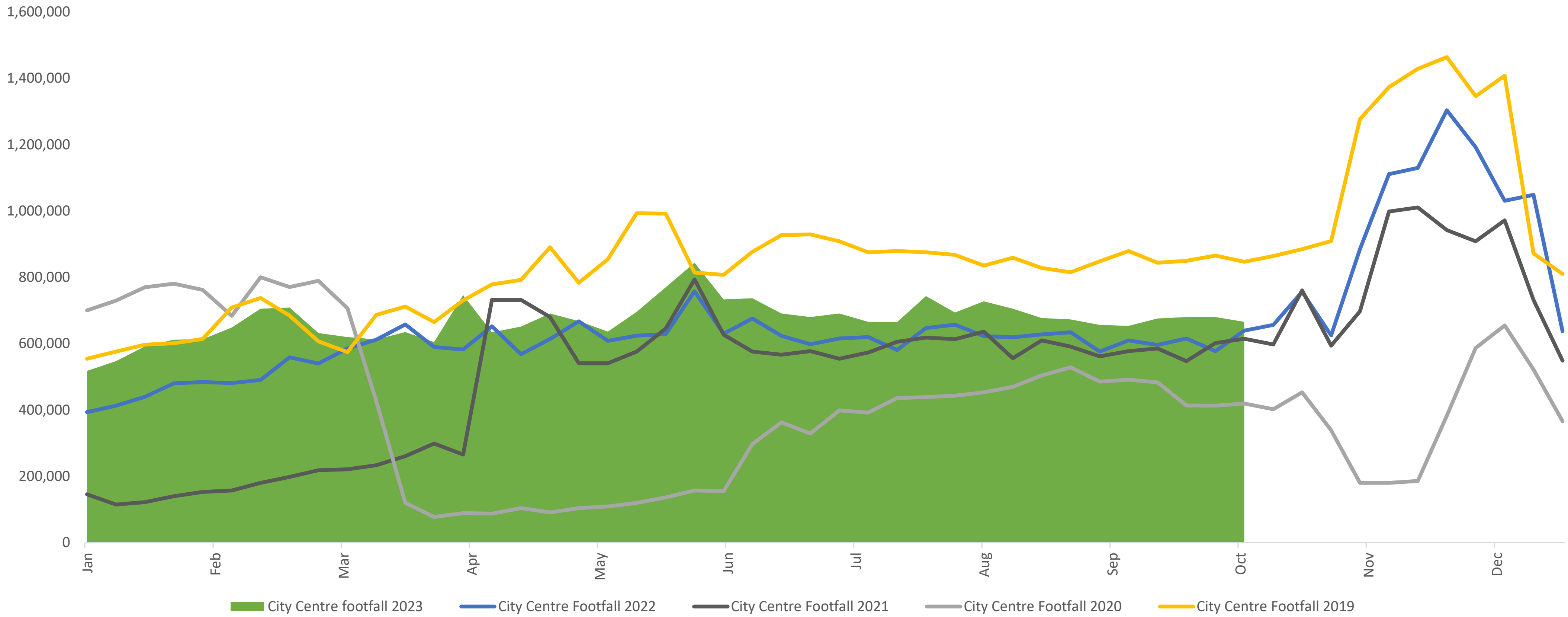
Business deaths in September 2023 have again exceeded Business births in Manchester; 993 deaths vs 195 births.



Source: Experian
Data released: October 2023 Next Updated: November 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

City Centre footfall in the second week of October was 665,728, a decrease of 2.1% on the previous week. Compared with the same point in 2022, footfall in the City Centre is higher though is yet to return to 2019 (baseline) levels.



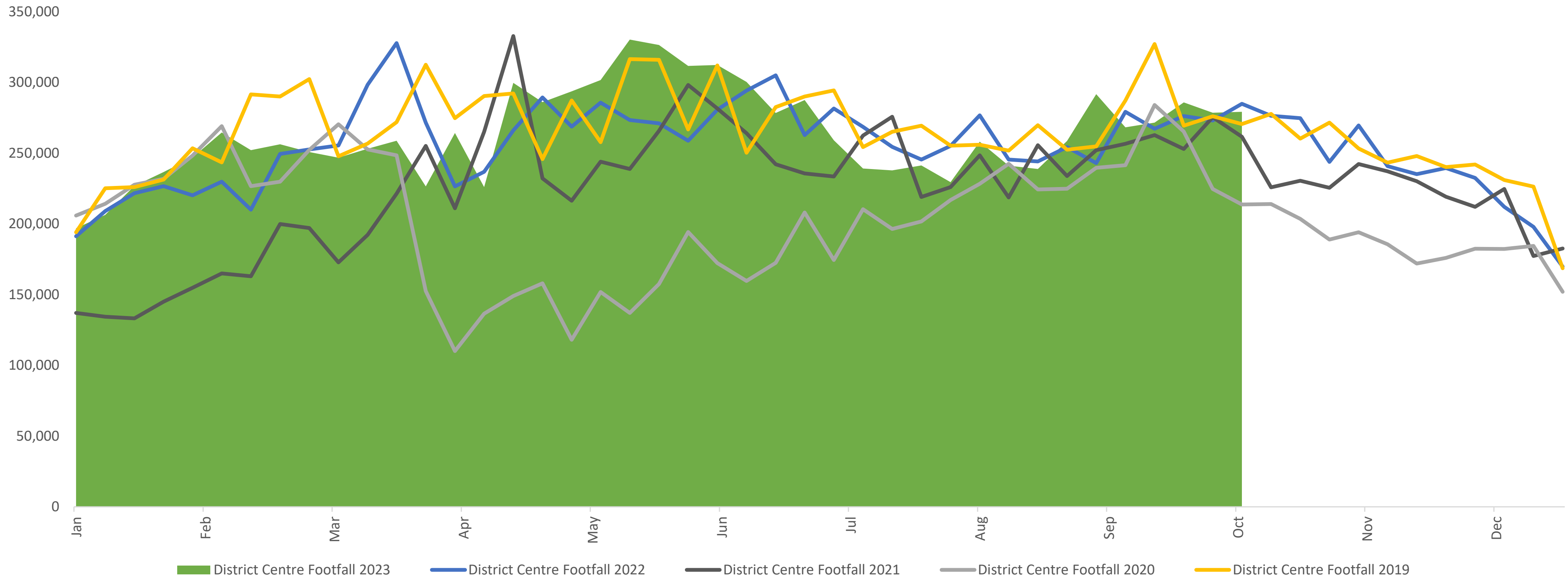
Source: Springboard /CityCo
Data released: 16/10/2023 Next Updated: 23/10/2023

City Centre* Footfall
(w/s 9th October):

Change v 2022	**Change v 2019**
4.13%	**-21.41%**

* 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 increased slightly in the first week of October, with 279,383. 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.



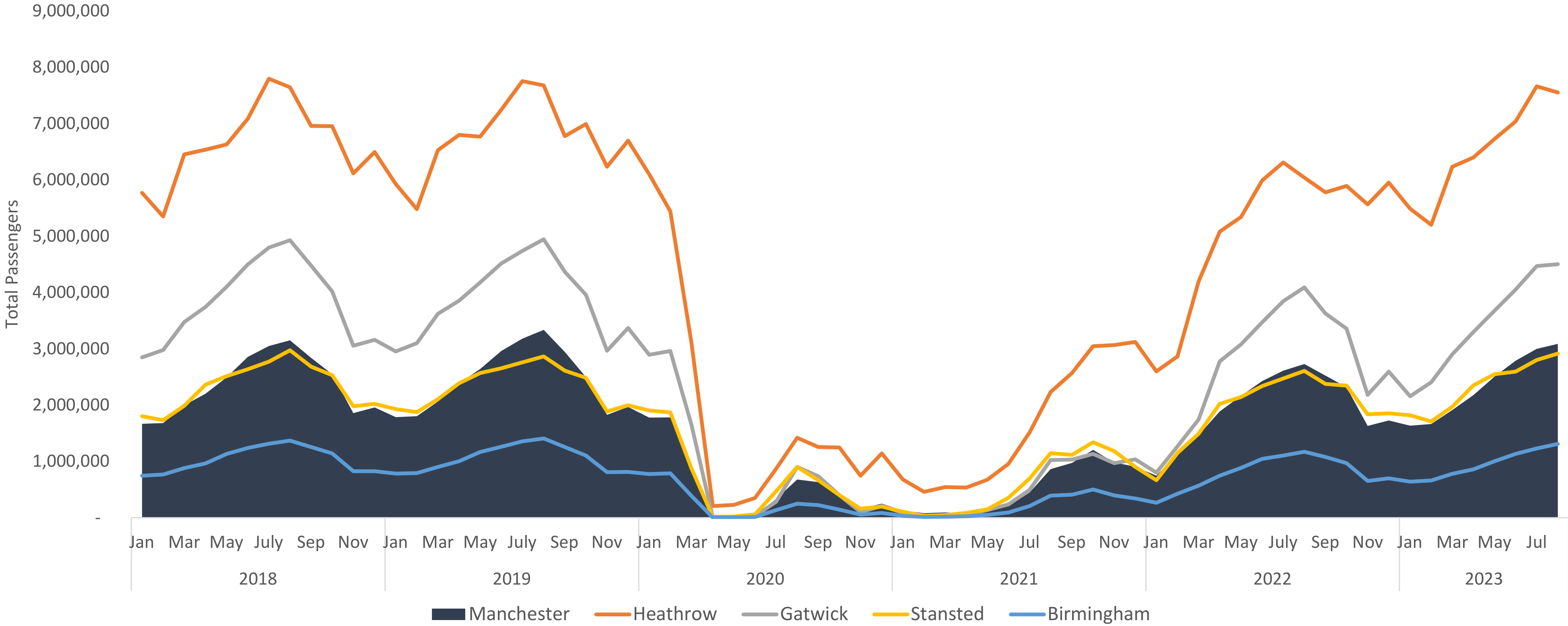
Source: Springboard /CityCo
Data released: 16/10/2023 Next Updated: 23/10/2023

District Centres Footfall**
(w/s 9th October):

Change v 2022	**Change v 2019**
-1.99%	**3.22%**

* 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

Manchester saw an increase of 3% in the number of airport passengers between July and August 2023. Over the same period Birmingham and Stansted airport saw a larger percentage increase than Manchester. In comparison to figures from August 2022, Manchester airport has seen a 13% increase in the number of passengers.



Manchester Airport Passengers (August)

3,086,665

Monthly Change (July - August)

3%

Source: Civil Aviation Authority, UK Airport Data
Data released: Sep 2023 Next Updated: Oct 2023