

Economic Update

November 2024

Report Content

Manchester's Economic Headlines

Wider Economy

- Consumer Price Index (CPI) and consumer price index including owner occupiers' housing costs (CPIH) CPI subset to track changes in housing, food and transport price over time.
- Value and volume of sales in stores selling predominantly food
- Energy default tariff cap
- Prices of petrol and diesel
- Bank of England interest rate

Include more people in economic opportunity

- Employment count and percentage, trend and benchmarking
- Unemployment count and percentage, trend and benchmarking
- Economically Inactive and percentage, trend and benchmarking and by reason
- Real Living Wage accreditations, Data & Targets
- Council Tax Support & Collections

Nurture Thriving, productive and innovation sectors

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Develop worldclass infrastructure, places and talent

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Develop World Class Infrastructure, Places and Talent; Use Investment and Development to Drive Inclusive Growth

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- Housing Affordability
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- Homes Under construction and Expected Completions
- Affordable Homes Completed
- Housing Need and Right To Buy
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Quarterly Economic Update

Manchester's Economic Headlines for November 2024

- The Office for National Statistics released new figures for the annual inflation rate (based on its preferred measure – the Consumer Price Index - CPI) which declined to 1.7% in the year to September 2024, the lowest the rate has been since April 2021. The Consumer Price Index with Housing Costs (CPIH) also declined over this period to 2.6% in the 12 months to September 2024. For September 2024, the Bank of England base rate remains at 5.0%, with the next rate expected to be announced 7th November 2024.
- Data from the ONS shows that in Manchester the unemployment rate has increased to 6.7% figures from July 2023- June 2024 show. When compared against figures for July 2022- June 2023 there has been an increase of 1.2 percentage points.
- In August 2024 the level of NEET increased from 4.4% last year to 5.4%. The Not Known also increased from 1.5% to 2.2% in the same period. The combined percentage is higher than it was for this period last year from 5.9% to 7.6%.
- Data provided by Lightcast shows that there were 17,454 unique job postings in September 2024, this was a decrease of 31.0% against September 2023. When comparing against pre pandemic figures of September 2019, there has been a significant increase in the number of unique job postings of 49.1%.
- Data for Q2 2024 from the ONS shows that for the fifth quarter in a row, business births exceeded business deaths in Manchester. In Q2 2024 business birth exceeded business deaths by 255, in Q4 2023 business births exceeded business deaths by 220.
- City centre footfall data for the week commencing the 29th September 2024 shows that the level of footfall is up 1.4% against the same week recorded in 2023 however in comparison to the same week in 2019 footfall is down 18.1%. District centre footfall shows a slightly different picture with footfall being up against the same week in 2023 by 1.2% and against the same week in 2019 footfall is up 2.2%.

Quarterly Economic Update

Manchester's Economic Headlines for November 2024

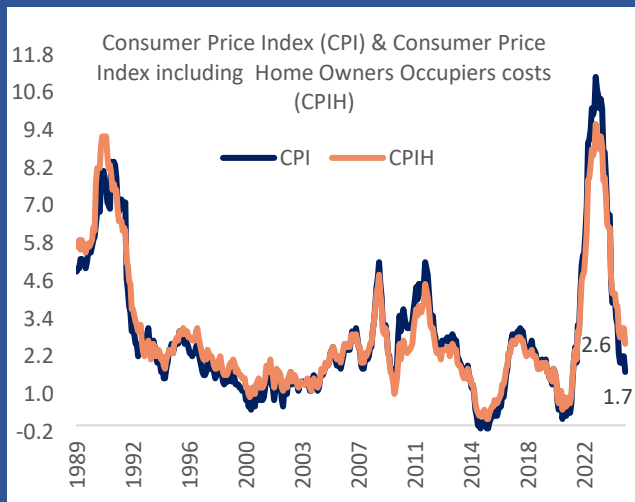
- Rental prices within Manchester have continued trend upwards, within Manchester City Centre the average 2 bed rental cost is £1,461 per month. This is a 2.0% rise against the previous quarter. Rental prices outside of the city centre have seen a slightly lower rate of quarterly change, rising 1.2% against the previous quarter. In the last 12 months the average monthly rent for a 2 bed in the city centre has increased by 6.1%. Outside of the city centre there has also seen a large increase, with 2 bed rental prices increasing by 7.6%.
- 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 £947 higher than LHA in the city centre & £737 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.
- The residential property pipeline shows that there are over 14,500 homes under construction across the city. Of those, there are over 2,248 affordable homes. This means that of all the new homes under construction, 15.3% are to be affordable.
- The University of Manchester has declined to 27th place in The Times and Sunday Times Good University Guide, falling into third place in the North West. Manchester Metropolitan University has made into the top 50 nationally after rising up the rankings from 60th to 46th. The university was also a runner up for the Sustainable University of the Year award with judges praising it for 'boosting biodiversity'. (MEN)
- Construction of £105m Manchester mental health hospital completes. North View, a 150-bedroom in-patient mental health unit, will open its doors next month after works were finalised. The site has been built with consideration for the latest environmental standards, including the net zero commitment for modern mental health environments. (Place North-West)
- All of the office space at the forthcoming £120m Manchester office block from Gary Neville's Relentless Developments has now been pre-let following Channel 4 taking a 10-year lease for 12,293 sq ft at St Michael's. Manchester Office Agents Forum (MOAF) has reported that Manchester is on track for 1.3m sq ft office take up in 2024. (Place North-West)

Quarterly Economic Update

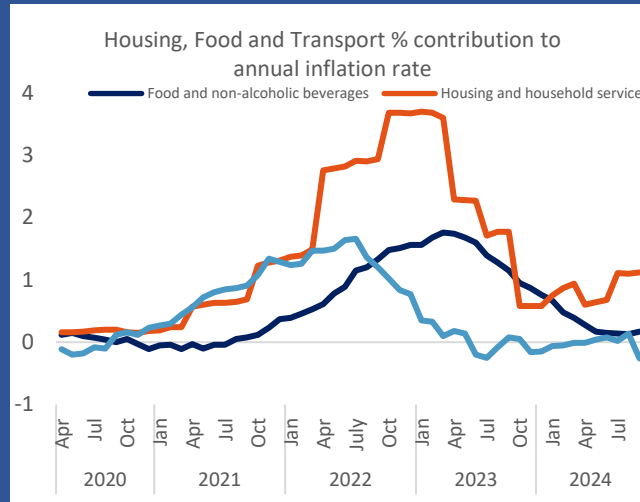
November 2024

Wider Economy

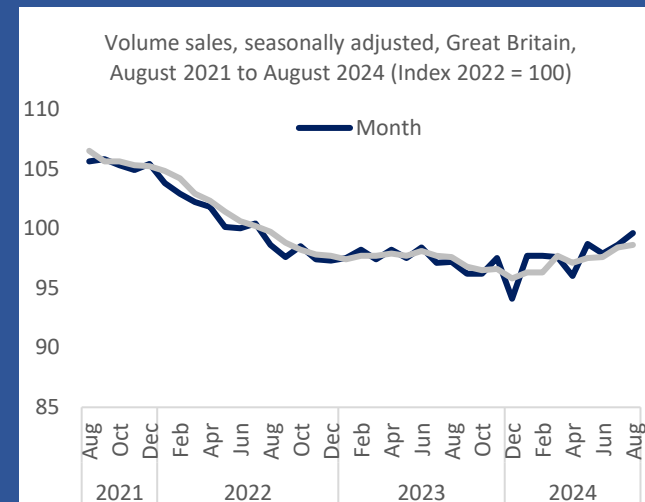
Inflation



Source: ONS, CPI & CPIH
Data released: 16/10/2024 Next Updated: 20/11/2024

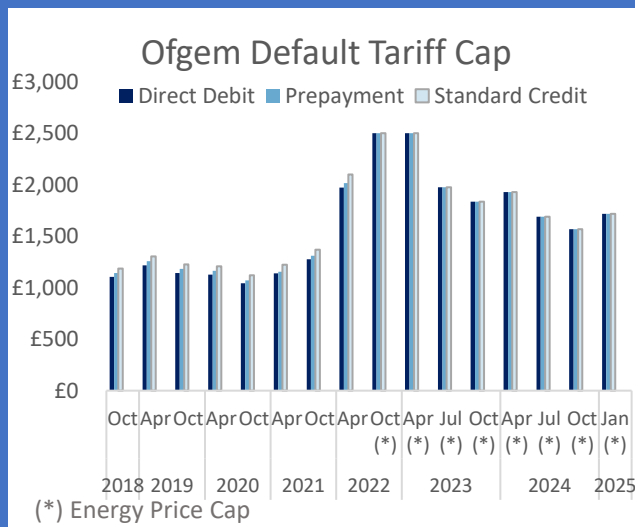


Source: ONS, Contributions to the CPIH 12-month inflation rate
Data released: 16/10/2024 Next Updated: 20/11/2024

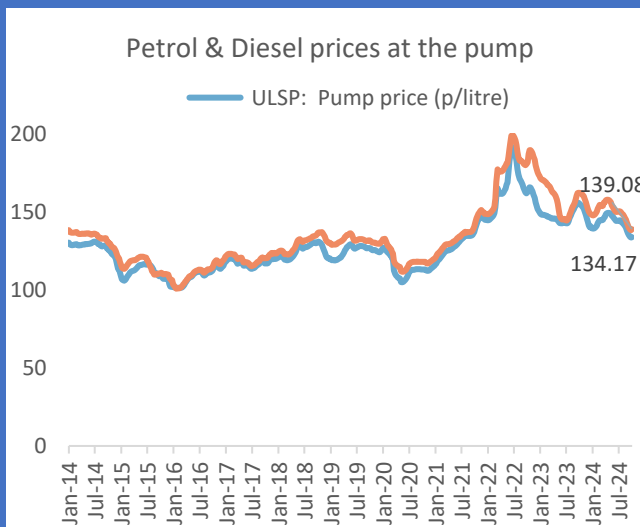


Source: ONS, ONS Retail Sales Index.
Data released: 20/09/2024 Next Updated: 18/10/2024

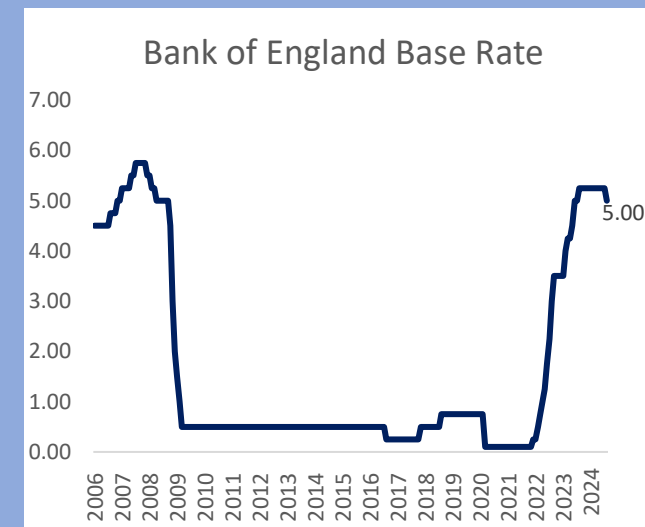
Fuel & Energy Pricing



Source: Ofgem
Data released: October 2024 Next Updated: January 2025



Source: Dep. for Business, Energy & Industrial Strategy
Data released: 15/10/2024 Next Updated: 22/10/2024



Source: Bank of England
Data released: 01/08/2024 Next Updated: 07/11/2024

Interest Rate

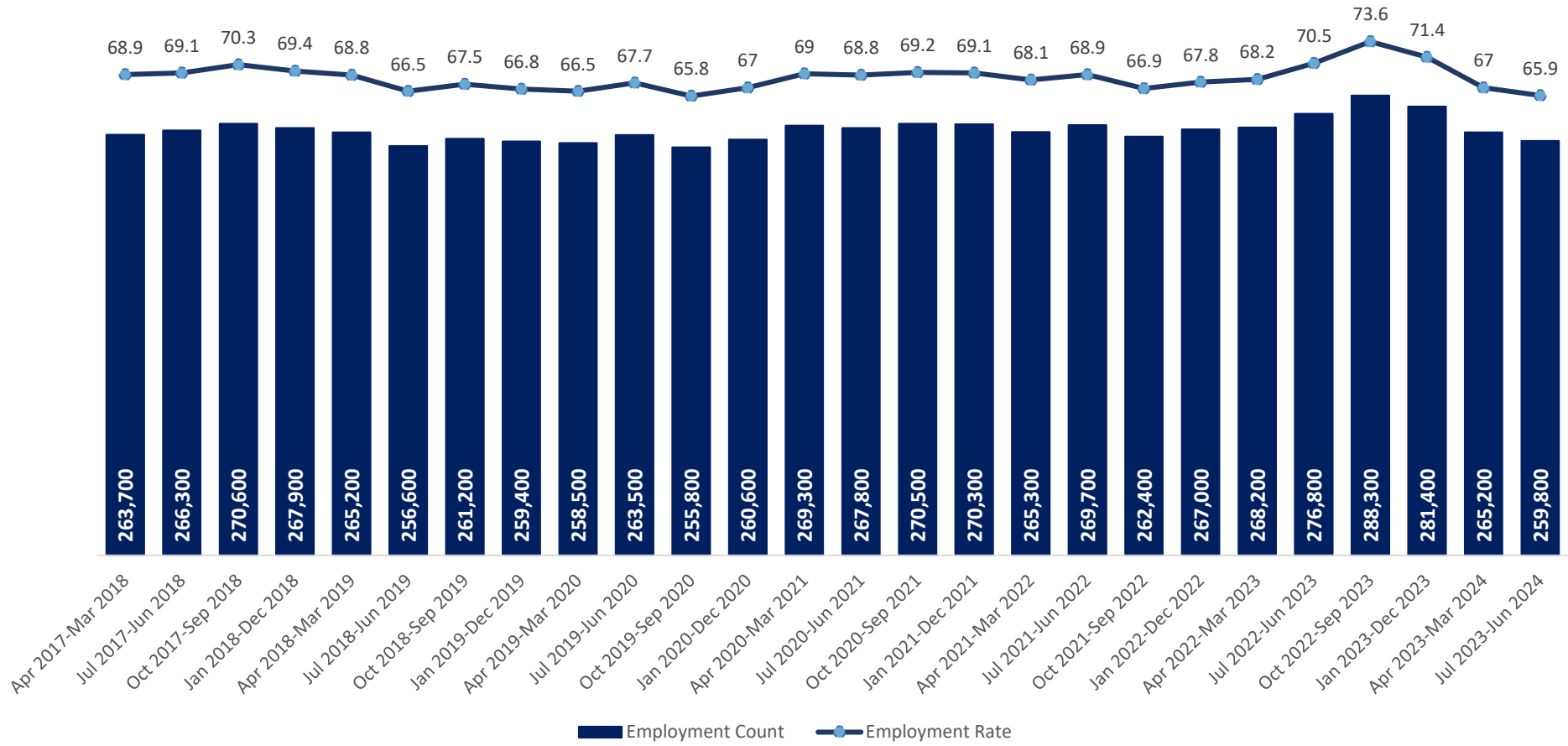
Quarterly Economic Update

November 2024

Include More People in Economic Opportunity

Employment

Manchester's employment rate declined to 65.9% over the Jul 2023 – Jun 2024 period and is now below where it was in Jul 2022 – Jun 2023 by 4.6 percentage points. The employment count is also below where it was in Jul 2022 – Jun 2023 by 17,000 and is now 259,800.

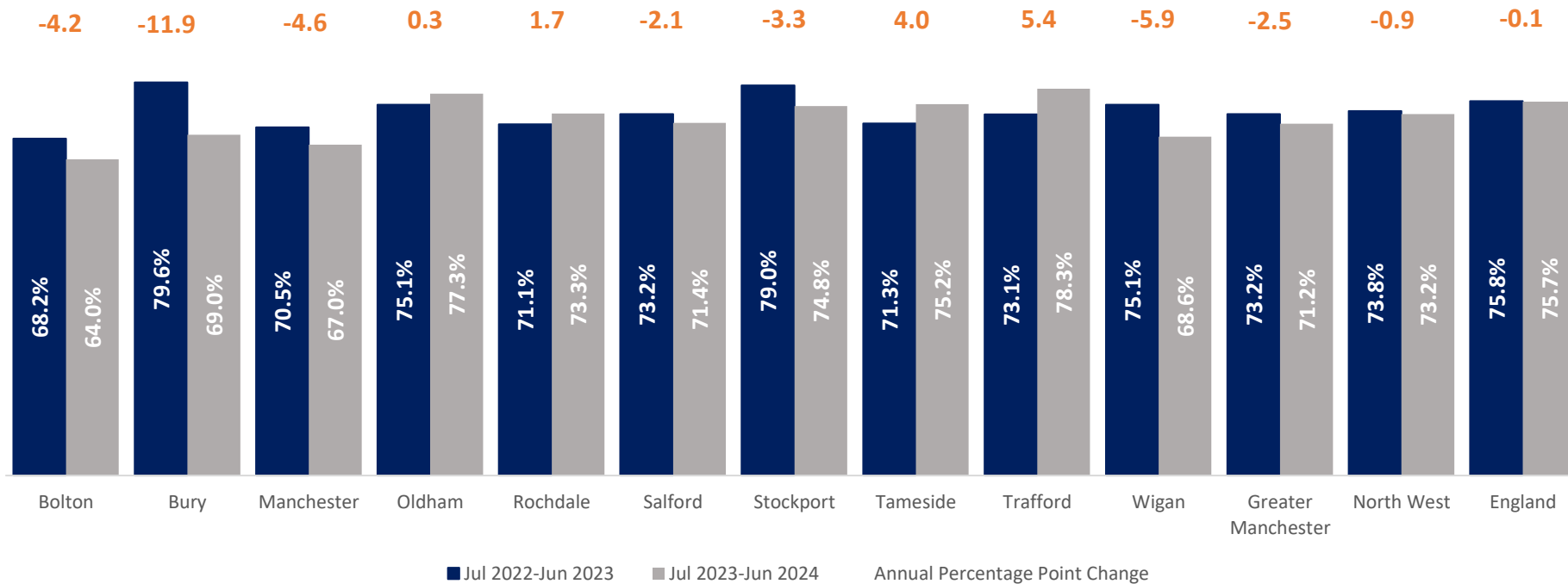


■ Employment Count ● Employment Rate

Employment

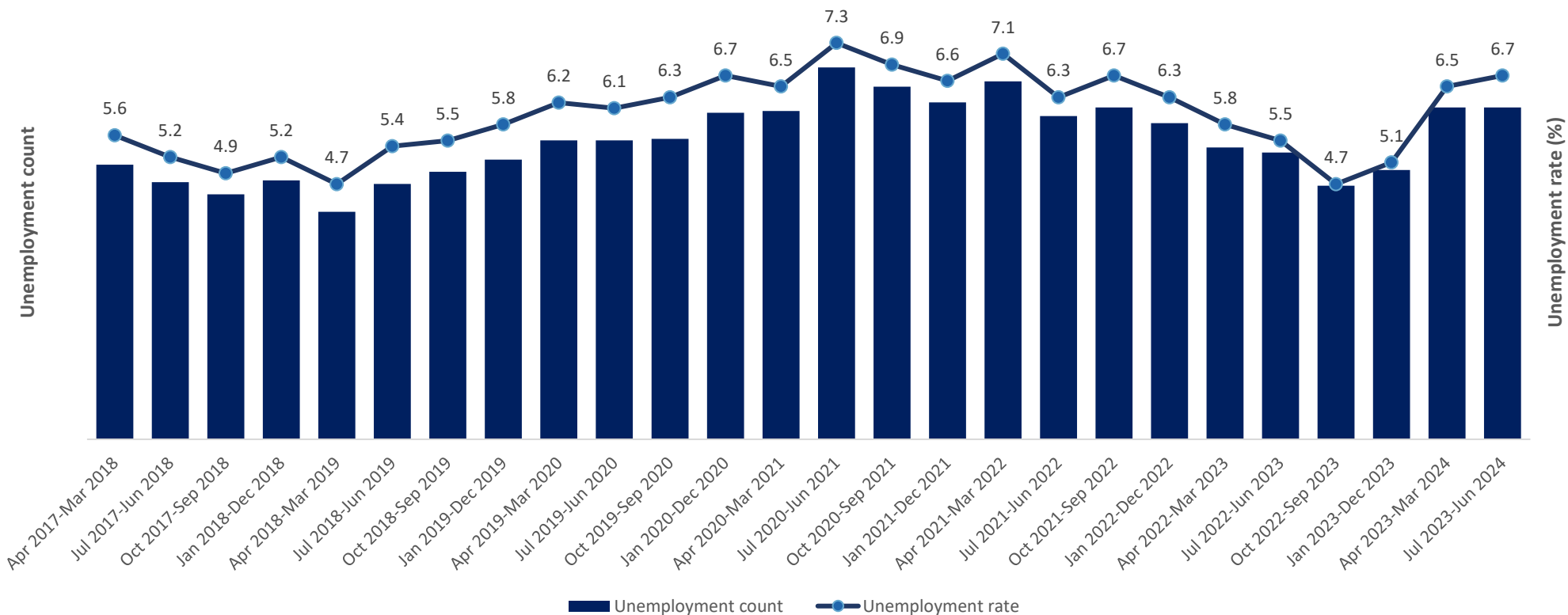
Manchester's employment rate (16-64) decreased between the reporting periods Jul 2022 – Jun 2023 and Jul 2023 – Jun 2024 by 4.6 percentage points, it is now at 67.0%. In Greater Manchester, the employment rate has declined over the same period by 2.5 percentage points, however the GM employment rate remains above that of Manchester. The North West and England also have a higher rate of employment than Manchester, by 6.2 and 8.7 percentage points respectively.

Employment Rate (Jul 2023 – Jun 2024) & Percentage Point Change between Jul 2022 – Jun 2023 to Jul 2023 – Jun 2024



Unemployment

In Manchester the unemployment rate increased for the second consecutive period, however the unemployment count remained at 19,100. In the latest data, Jul 2023 – Jun 2024, the unemployment rate has increased to 6.7%. This is the highest the rate has been since Oct 2021 – Sep 2022 when it was also 6.7%. The unemployment count is level with what it was during that period at 19,100.

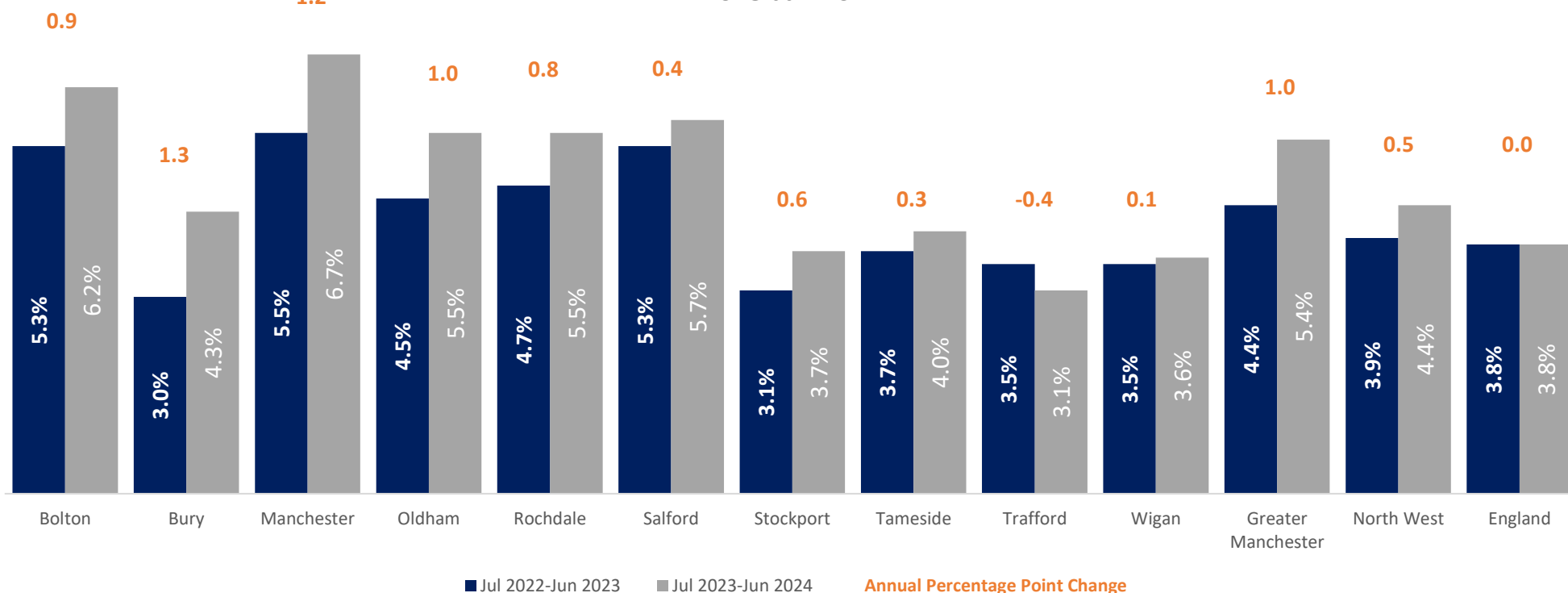


The unemployment rate is the percentage of the economically active population who are seeking work and are available to take it.

Unemployment

Manchester’s increase in unemployment between Jul 2022 – Jun 2023 and Jul 2023 – Jun 2024 was greater than the increase seen in the North West and England. Manchester’s unemployment rate is 2.9 percentage points higher than the rate in England.

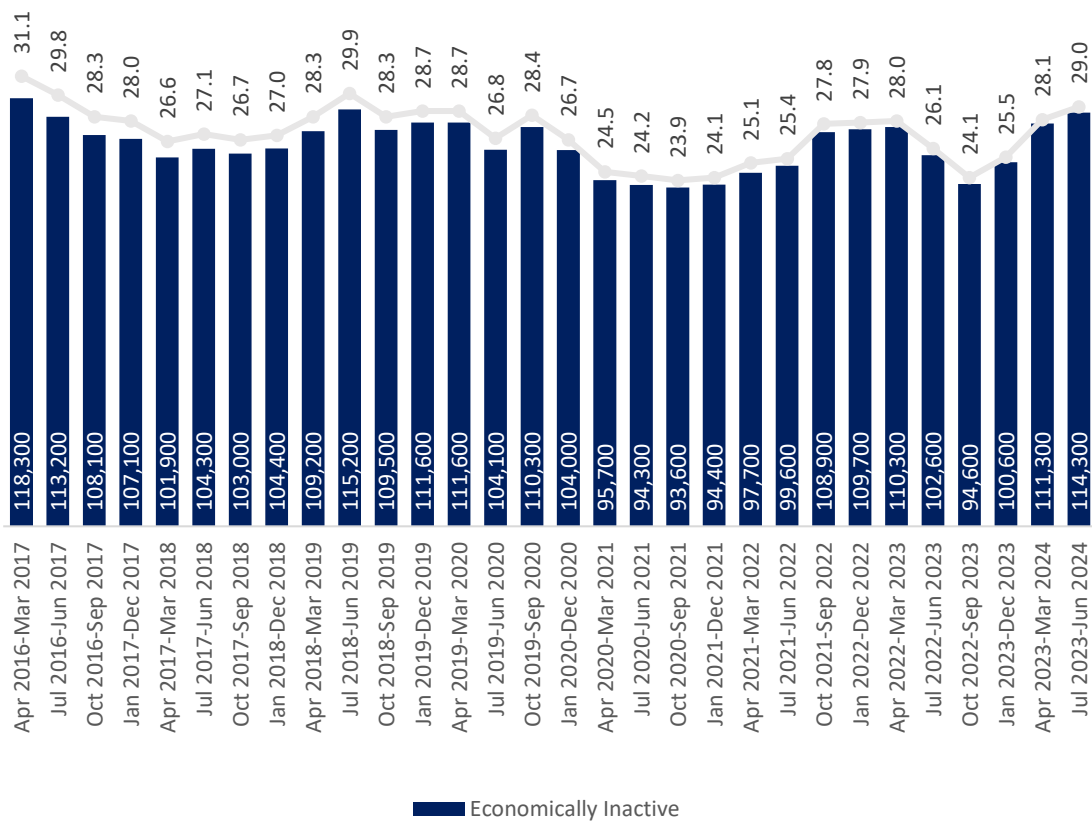
Unemployment Rate (Jul 2023-Jun 2024) & Percentage Point Change between Jul 2022-Jun 2023 to Jul 2023-Jun 2024



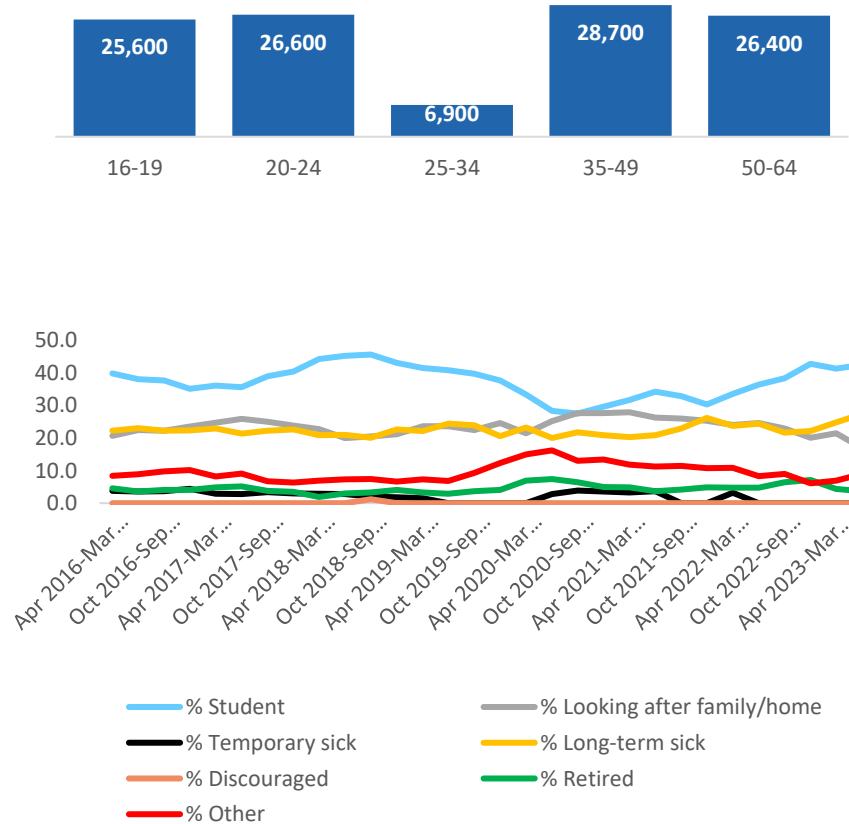
Economic Inactivity

The percentage of economically inactive Manchester residents (aged 16-64) has risen for the third consecutive period, reaching its highest level since 2019. This increase is primarily due to a rise in economically inactive recorded as students (11,200 or 30% increase) and also an increase in the number of long-term sick (6,300 or 25.2% increase) However, this has been partially offset by a decrease in those recorded as 'Looking after family/home' (5,900 or 23.4% decrease)

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.



Manchester's Economic Inactivity 16-64, by age cohort, Jul 2023-Jun 2024

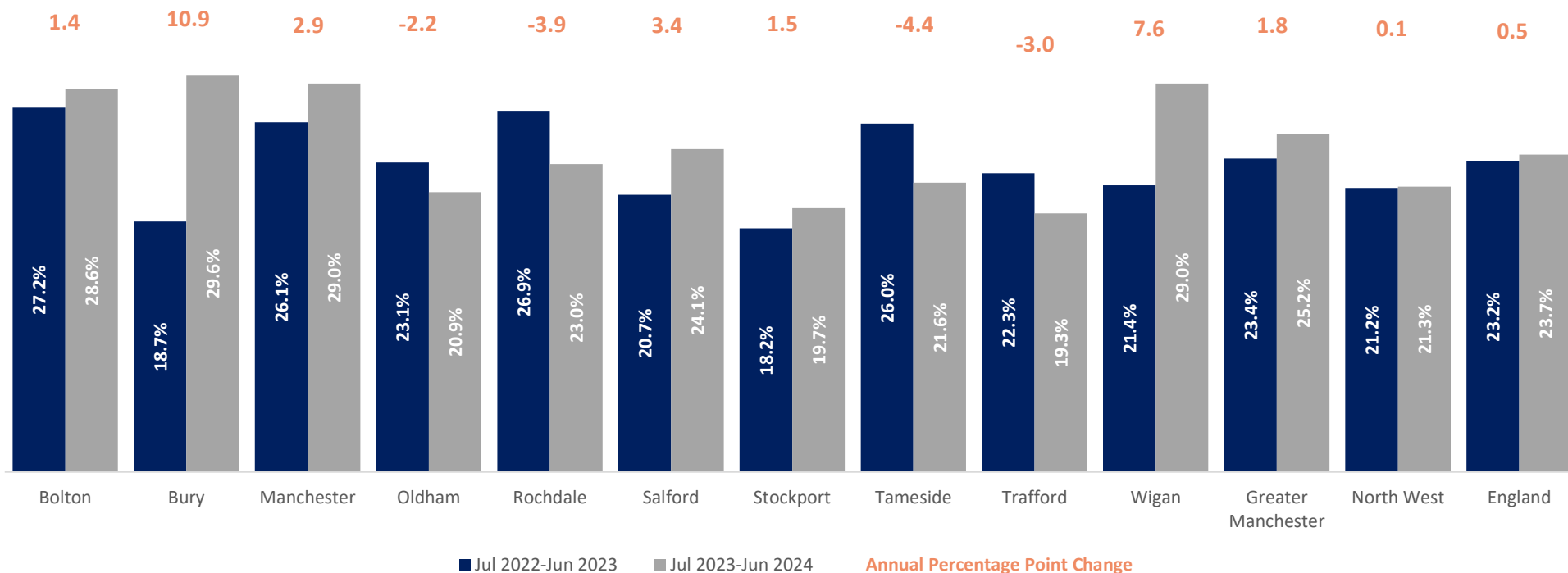


Caution should be exercised in drawing any conclusions from this as the level of variation is within the confidence levels published alongside the survey data.

Economic Inactivity

Due to Manchester's significant student population, it has a higher rate of economically inactive than Greater Manchester, the North West and England. Manchester has seen a 2.9 percentage point rise in the rate of those who are economically inactive between Jul 2022- Jun 2023 and Jul 2023- Jun 2024.

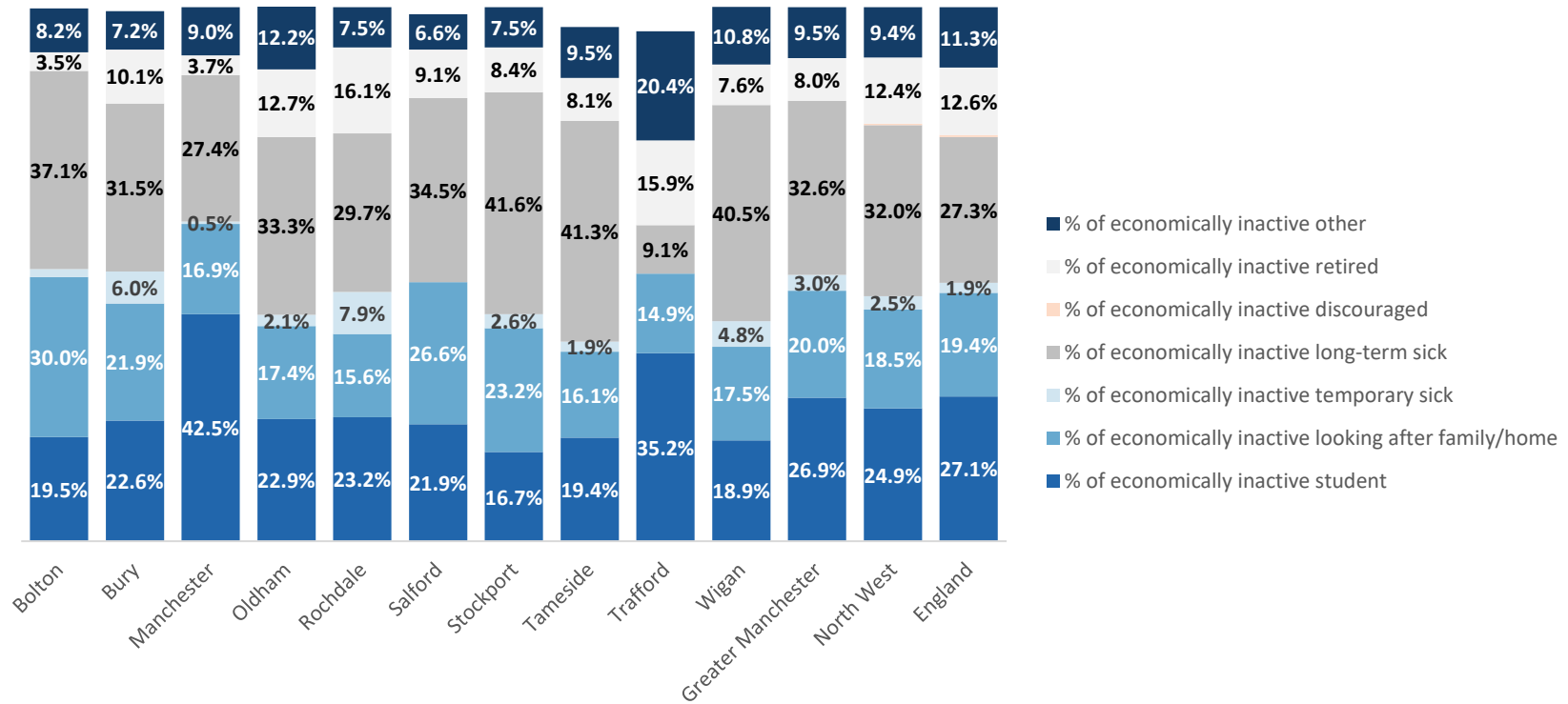
Economic Inactivity Rate (Jul 2023-Jun 2024) & Percentage Point Change between Jul 2022-Jun 2023 to Jul 2023-Jun 2024



Economic Inactivity

Manchester has a much larger proportion of economically inactive who are students than Greater Manchester, the North West and England. Figures for Jul 2023 – Jul 2024 show that of the economically inactive population in Manchester, 42.5% are students. With the exception of Trafford, the proportion of people who are economically inactive and long term sick is less in Manchester than it is across GM and the North West. In England, 27.3% of the economically inactive are long-term sick, compared to a slightly higher rate of 27.4% in Manchester.

Economic Inactivity by reason, Jul 2023 - Jun 2024



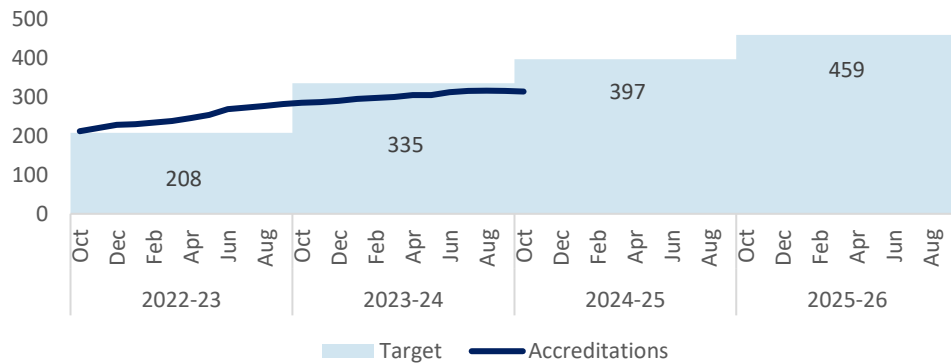
Where totals don't calculate to 100%, this is due to no data being available due to sample size being too small.

Source: Annual Population Survey, ONS
 Data Released: 15/10/2024 Next Updated: 14/01/2024

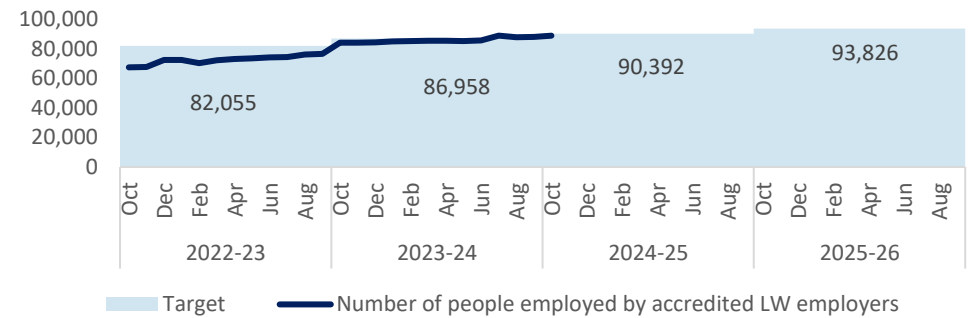
Real Living Wage

The below charts show the current Real Living Wage (RLW) accreditations, number of people employed by an accredited real living wage employer and the number of uplifted employees as of October 2024 and the targets that have been set going forward. Figures for October 2024 show that there are now 314 accredited RLW employers in Manchester.

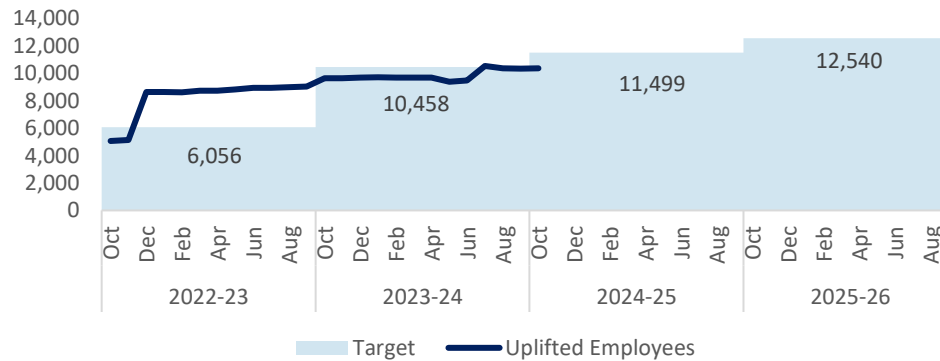
Accreditations and Targets



Number of people employed by accredited LW employers



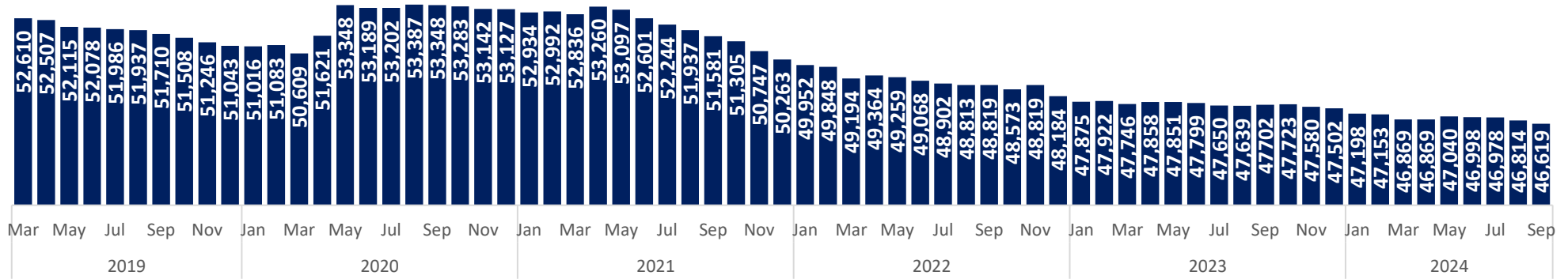
Uplifted Employees and Targets



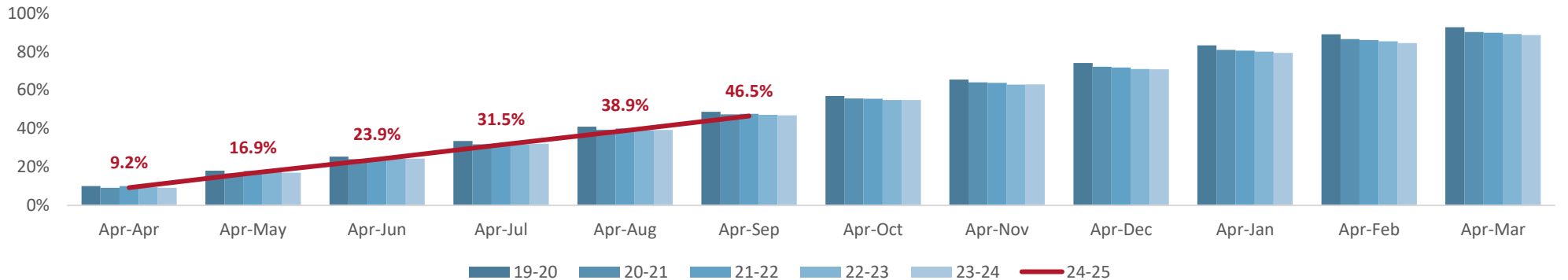
Council Tax Support & Collections

The number of people in receipt of Council Tax Support decreased between August 2024 and September 2024 by 0.42%, and over the last 12 months there has been a 2.3% decline. Figures for April to September 2024 show that the % of council tax collections is lower than where it has been in the previous 5 years, at 46.5%.

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



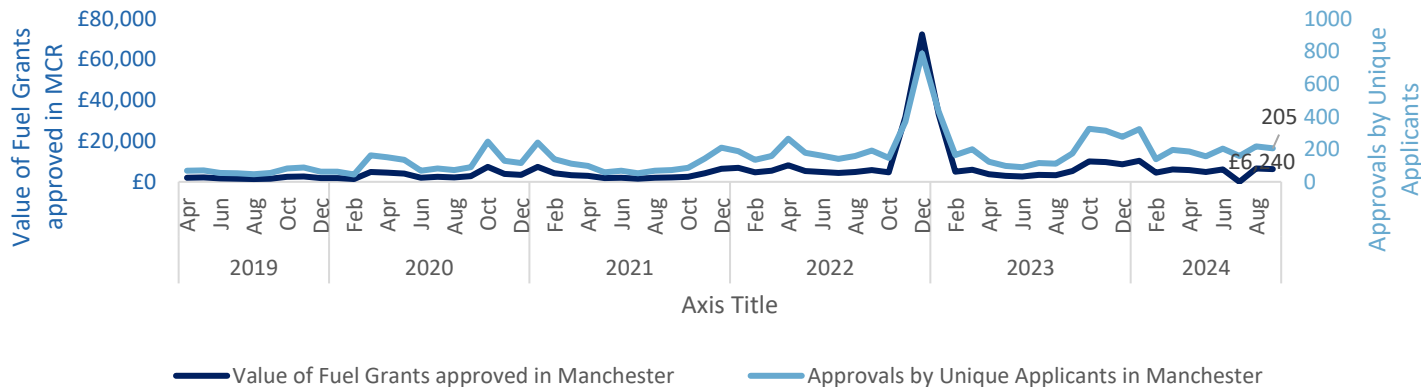
The % of council tax collections, April 2019 - Present



Source: MCC Revenues & Benefits Team
Data released: October 2024 Next Updated: November 2024

Fuel Grants & Free School Meals

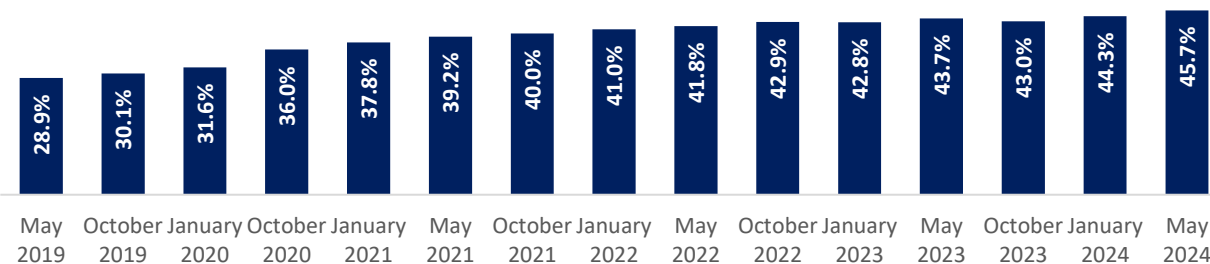
The number of fuel grant approvals by unique applicant in Manchester between August and September 2024 decreased by 5.5%, and the total value of fuel grants approved in Manchester decreased by 5.0% over the same period. Free School Meal eligibility has increased 1.4 percentage points between the January 2024 and May 2024 school census, in May 2024 45.7% 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 2024 Next Updated: November 2024

Free School Meal Eligibility



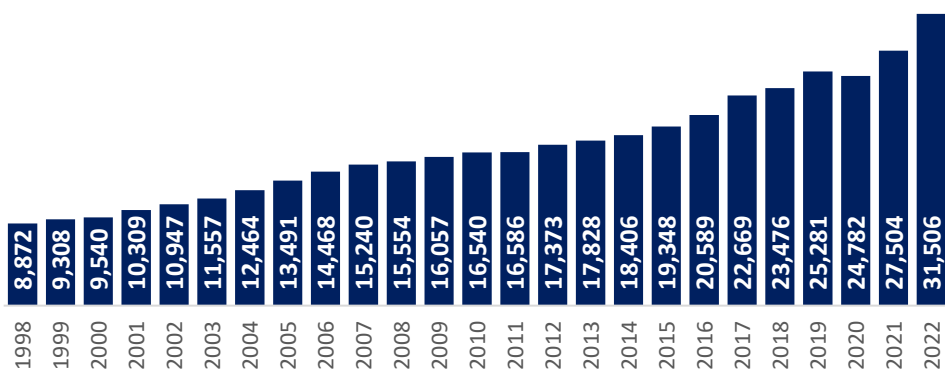
Data relates to Manchester pupils who are residents within Manchester. No School Census was conducted for May 2020. Dates relate to term-time, for example May 2019 relates to the Spring Term academic year 2018/19.

Source: MCC School Census
Data released: July 2024 Next Updated: December 2024

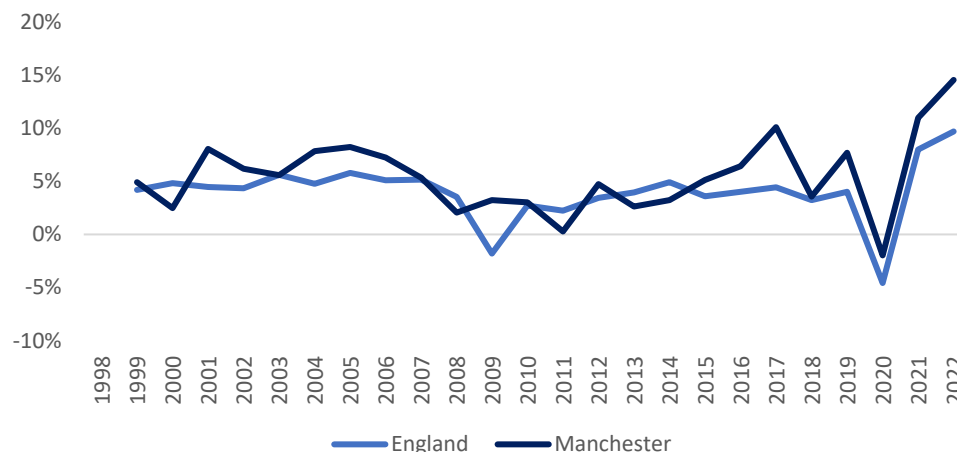
GVA Current Price Estimates

Manchester Gross Value Added (GVA) in 2022 was estimated to be £31,506m, which is the highest recorded annual total to date. The year on year change in Manchester continues to be ahead of England, and has been since 2014. When comparing the % change to England Manchester grew by 4.9 percentage points more between 2021 and 2022. This was the highest percentage point gap between Manchester and England since 2017, when the gap was 5.7 percentage points.

Manchester GVA Current Price Estimates (£ Millions)

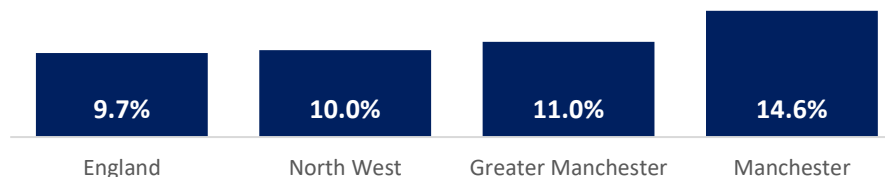


GVA Current Price Estimates Year on Year % Change



GVA Current Price Estimates (£), & Year on Year % Change 2021 - 2022

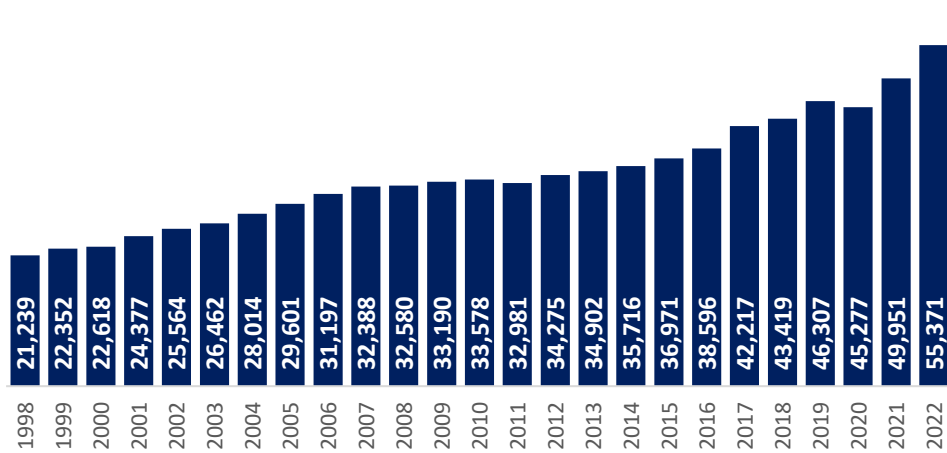
GVA is defined as the value of the goods and services produced, minus the value of the intermediate inputs that were used to produce those good and services.



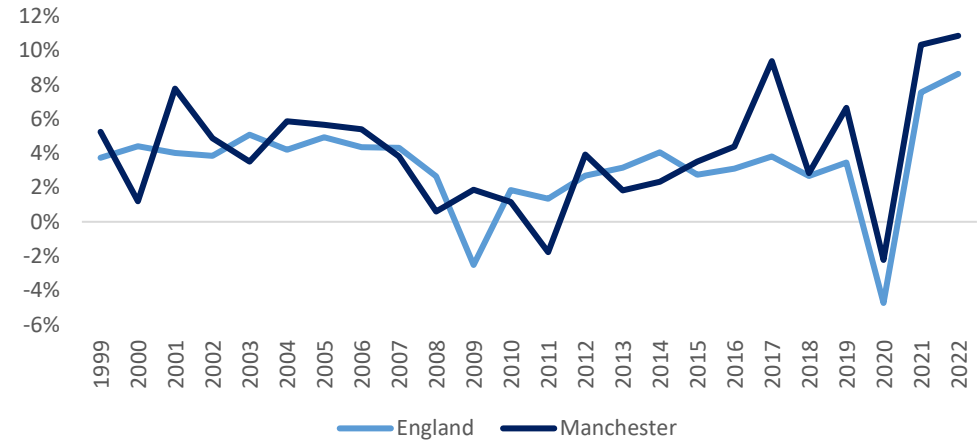
GVA Per Head

In 2022, Manchester GVA per head of population was £55,371, a 10.9% increase in comparison to the previous year. The rate of increase was higher than Greater Manchester, the North West and England as a whole. Manchester's GVA per head grew 2.3 percentage points faster than England.

Manchester GVA per head (£)

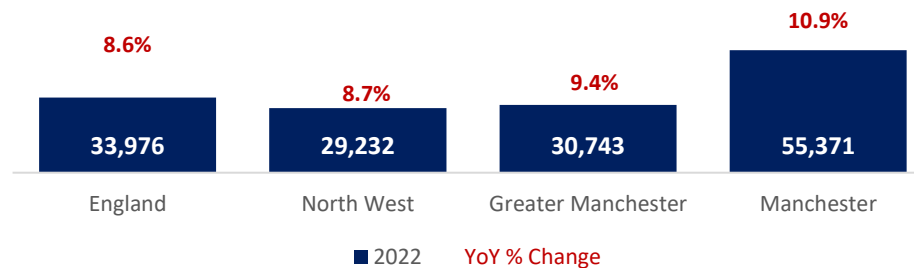


GVA per head, Year on Year % Change



GVA per head (£), & Year on Year Change 2021 - 2022

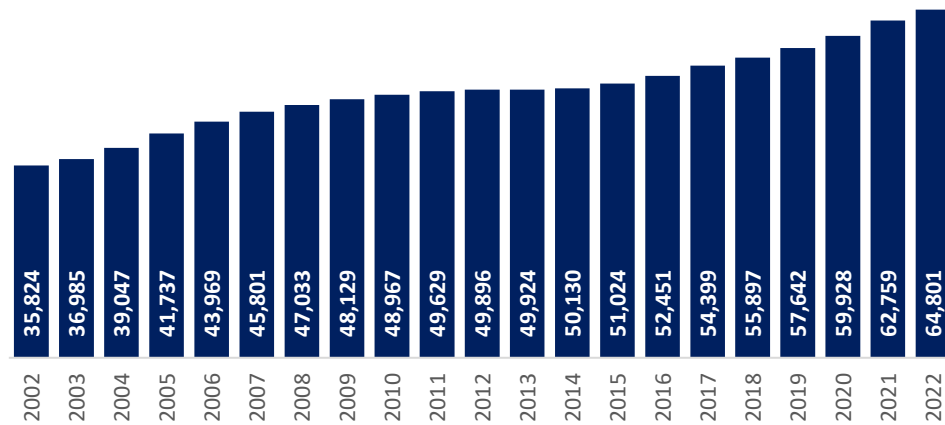
GVA per head is calculated by dividing the total GVA figure by the total population.



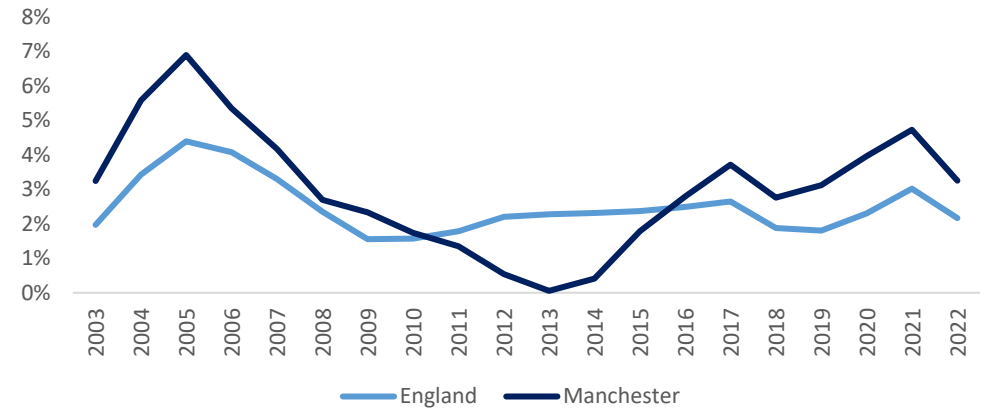
GVA Per Job Filled

In 2022, Manchester's GVA per filled job was £64,801, a 3.3% increase in comparison to the previous year. The rate of increase was higher than Greater Manchester, the North West and England as a whole. Manchester's GVA per job filled was 1.1 percentage points higher than England between 2021 and 2022.

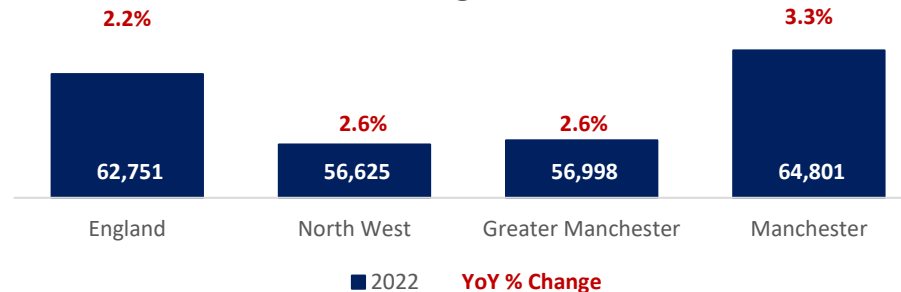
Current Price (smoothed) GVA per filled job (£), Manchester



Current Price (smoothed) GVA per filled job (£), Year on Year % Change



Current Price (smoothed) GVA per filled job (£) & Year on Year % Change 2021 - 2022

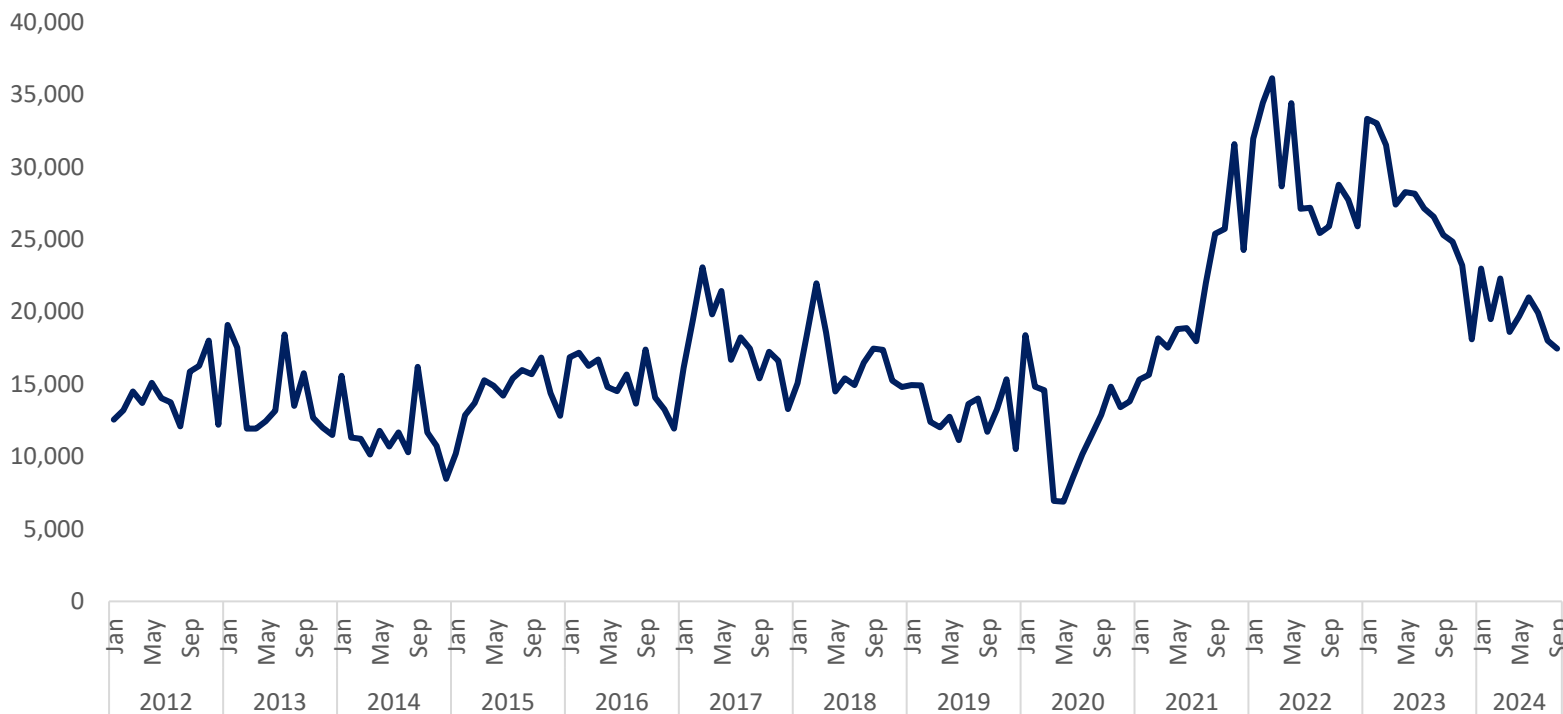


GVA per filled job is calculated by dividing the Total GVA figure by the number of employees.

Unique Job Postings

The monthly job postings in Manchester declined by 3.1% between August 2024 and September 2024. When comparing the number of unique job postings in Manchester in September 2023 and September 2024 there has been a significant decline of 31.0%. Despite this large decline over the last 12 months, when comparing the number of unique job postings with pre pandemic figures, there has been a significant increase of 49.1%.

Number of Unique Job Postings - Manchester



Unique job postings in Sep 2024:

17,454

% change in monthly job posting vs previous month (Sep 2024):

-3.1%

% change in annual job posting (Sep 2023):

-31.0%

% change in annual job posting (Sep 2019):

49.1%

GM Job Posting (Excluding MCR) (Sep 2024):

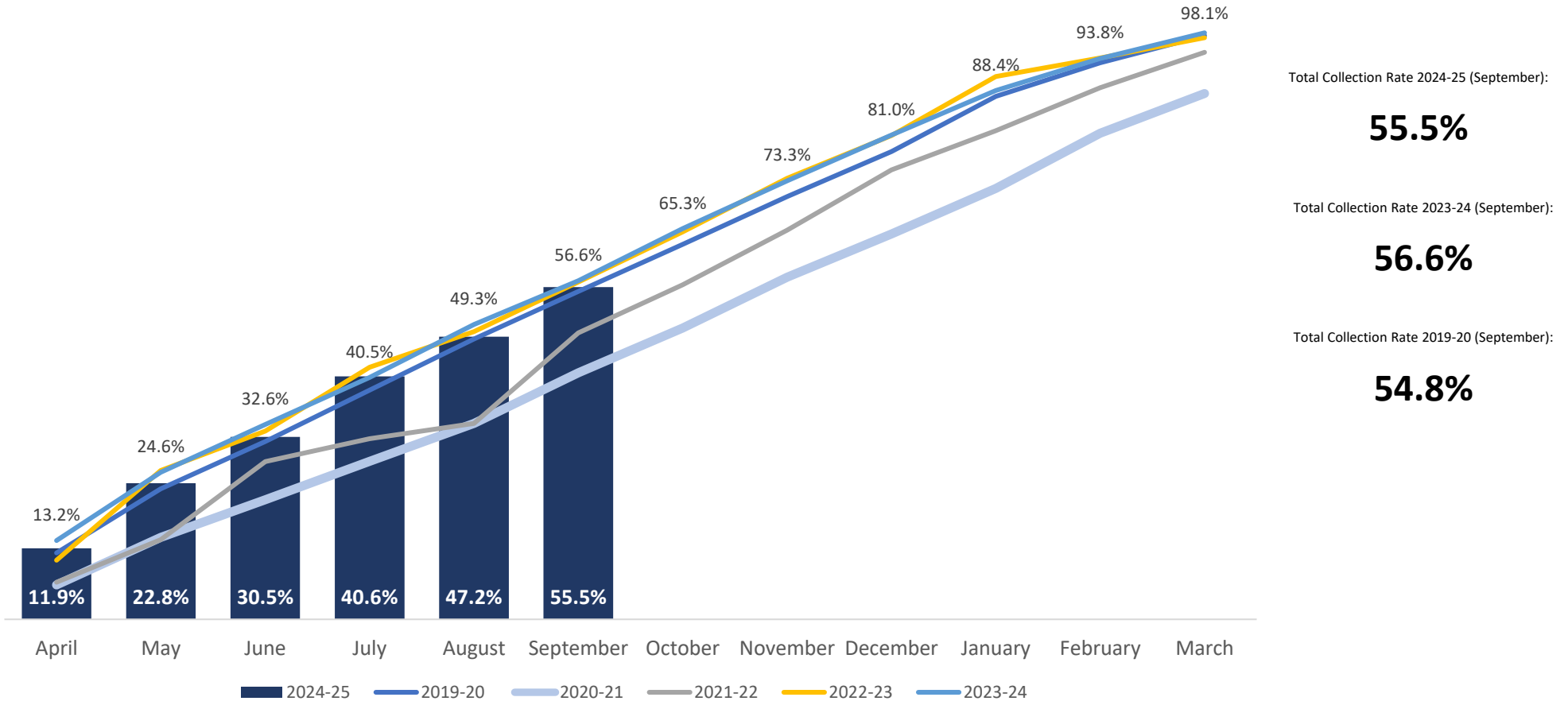
11,561

GM Job Posting (Excluding MCR) % change (Sep 2023 – Sep 2024):

-24.6%

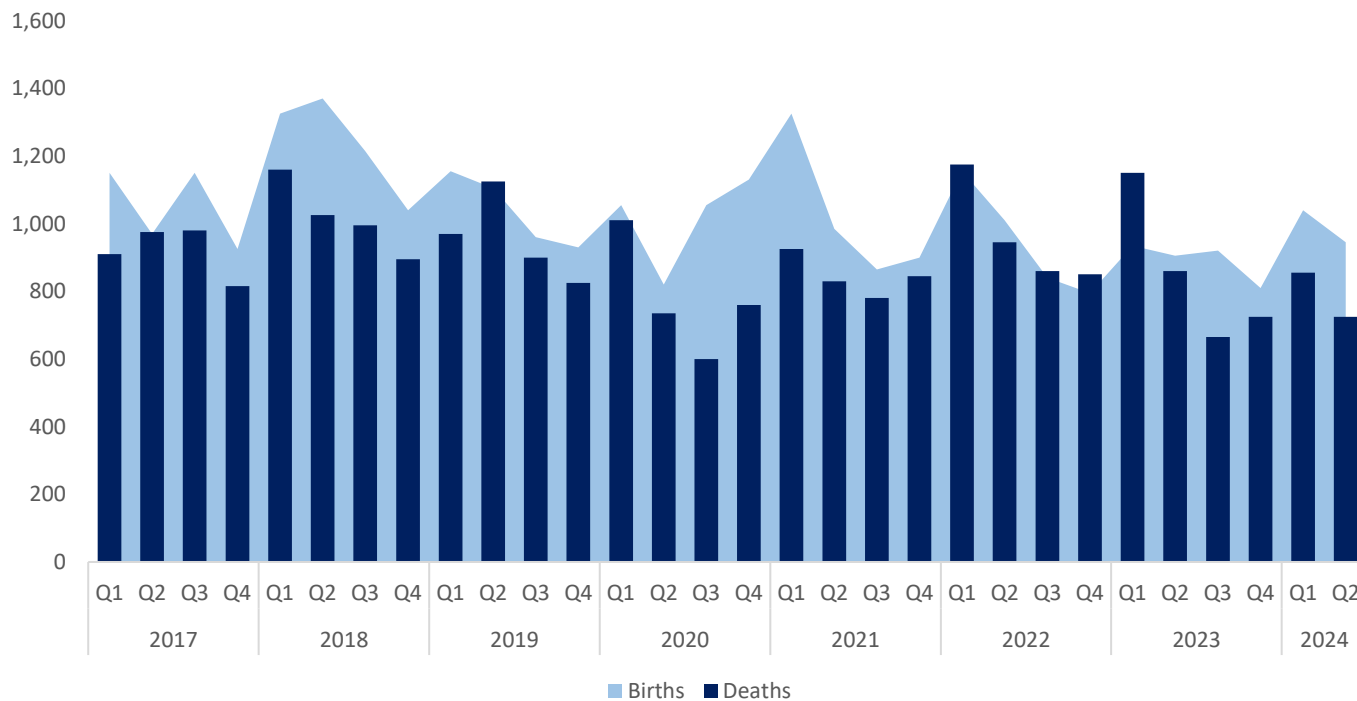
Business Rates

Business revenue collection rate ended September 2024 at 55.5%. This is very similar to the rate of collection at the same point last year (56.6%) and is above the pre pandemic rate (54.8%).



Business Births & Deaths

ONS Business births in Q2 2024 (April to June) exceeded Business deaths in Manchester. Over this period there were 945 business births compared to 725 business deaths.



Business births 2024
(April to June)

945

Business deaths 2024
(April to June)

725

Business births 2023
(April to June)

905

Business deaths 2023
(April to June)

860

Business births 2019
(April to June)

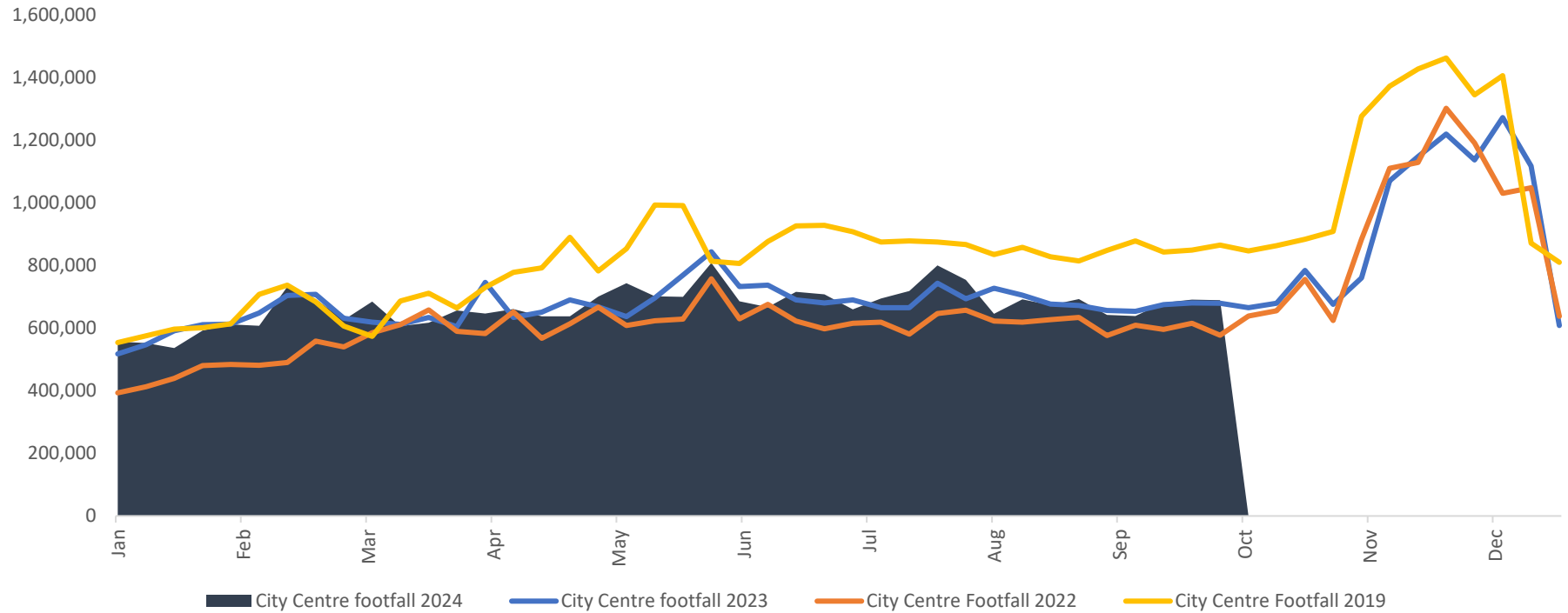
1,105

Business deaths 2019
(April to June)

1,125

City Centre Footfall

City Centre footfall in the first week of October was 689,643, an declined of 0.3% on the previous week. When compared with the same week in 2023 footfall in the city centre is up, and when compared with pandemic levels footfall remains down.



City Centre* Footfall
(w/s 29th September):

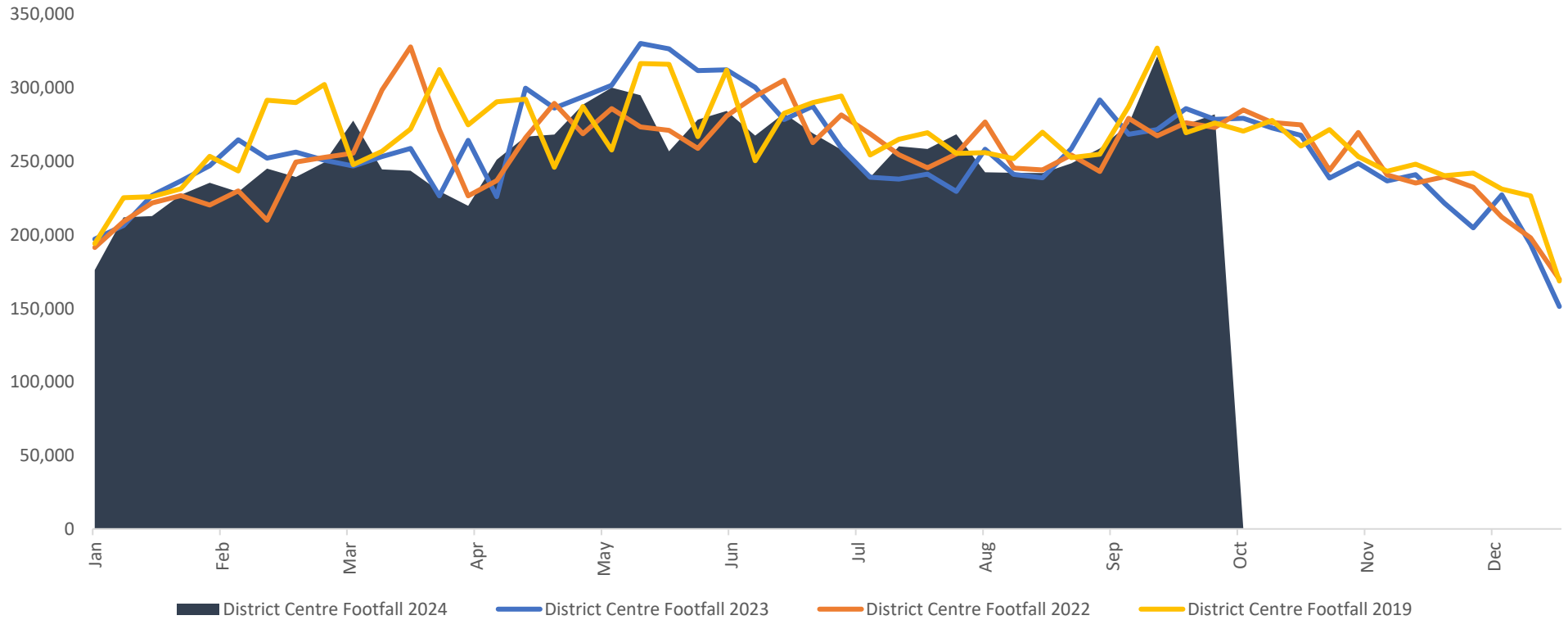
Change v 2023	Change v 2019
1.4%	-18.1%

Source: MRI /CityCo
Data released: 07/10/2024 Next Updated: 16/10/2024

* 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

District Centre footfall declined in the first week of October, with 282,116. The district centre footfall is above where it was at the same point in 2023 and is above the pre pandemic baseline in 2019.



District Centres** Footfall (w/s 30th September):

Change v 2023

1.2%

Change v 2019

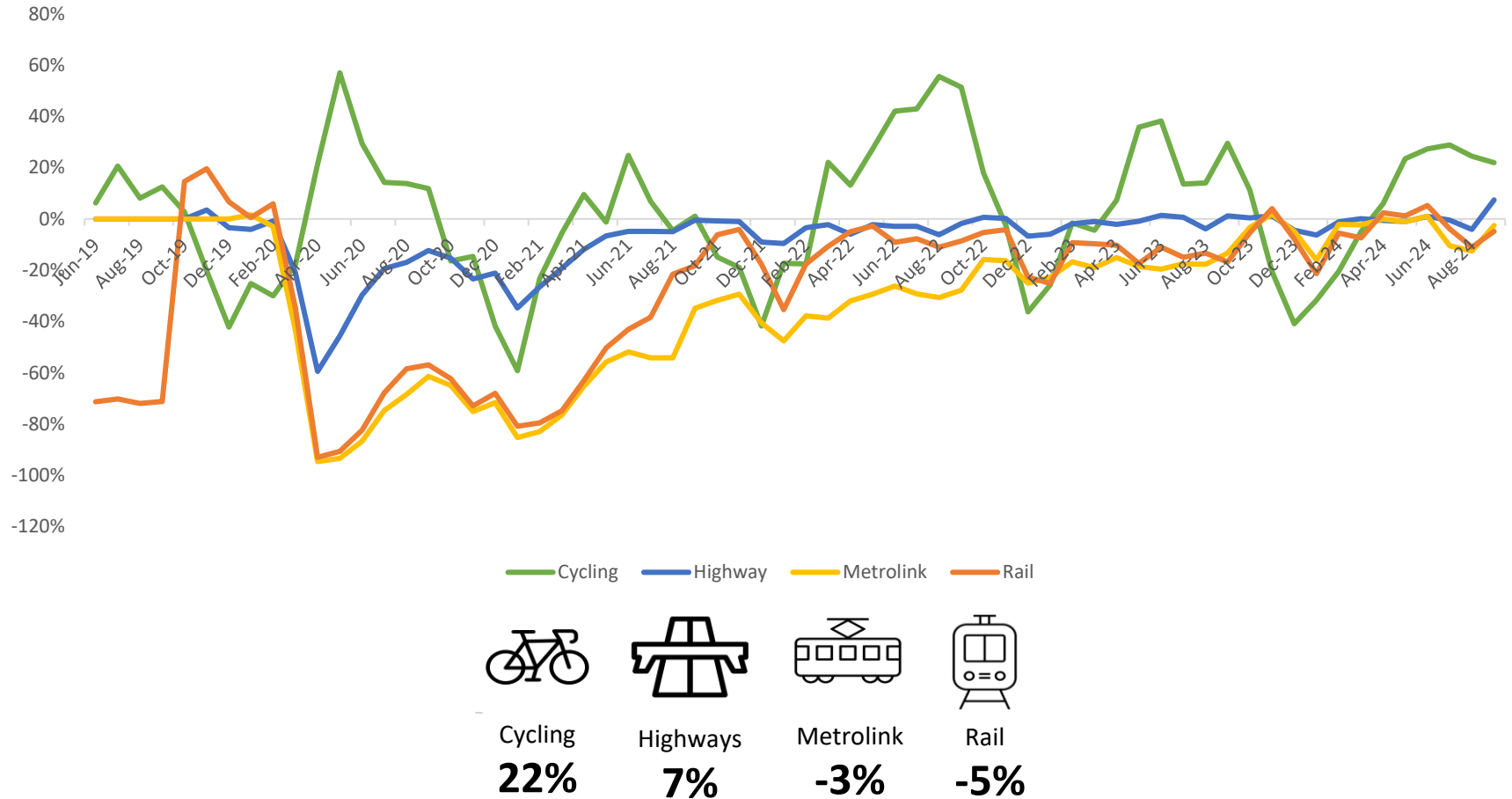
2.2%

Source: MRI /CityCo
Data released: 07/10/2024 Next Updated: 16/10/2024

* 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 for Greater Manchester

Cycling and Highways increased over the month of September 2024 in comparison with the 2019 baseline. Cycling has been trending down against the 2019 baseline and this is most likely due to the recent change in the weather and the seasonal nature of cycling.

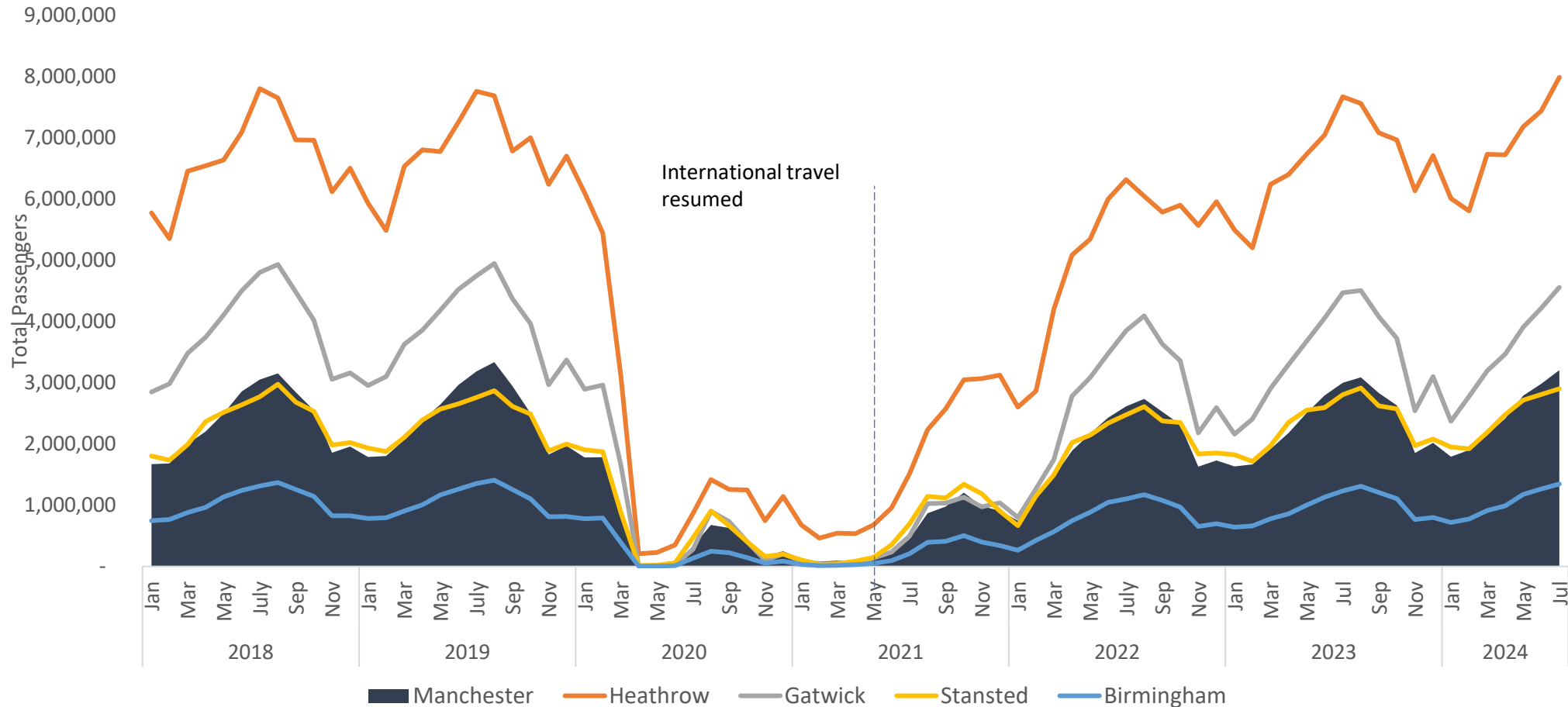


* Rail data from Manchester Piccadilly

** Bus data has been temporarily removed from this data set due to changes in franchising

Airport Passengers

Manchester saw an increase of 7.5% in the number of airport passengers between June 2024 and July 2024. Over the same period only Gatwick airport saw a larger percentage increase than Manchester. In comparison to figures from July 2023, Manchester airport has seen an increase of 6.8% in the number of passengers.



Manchester Airport Passengers
(Jul 2024)

3,202,172

Monthly Change
(Jun 2024 – Jul 2024)

7.5%

Annual Change
(Jul 2023- Jul 2024)

6.8%

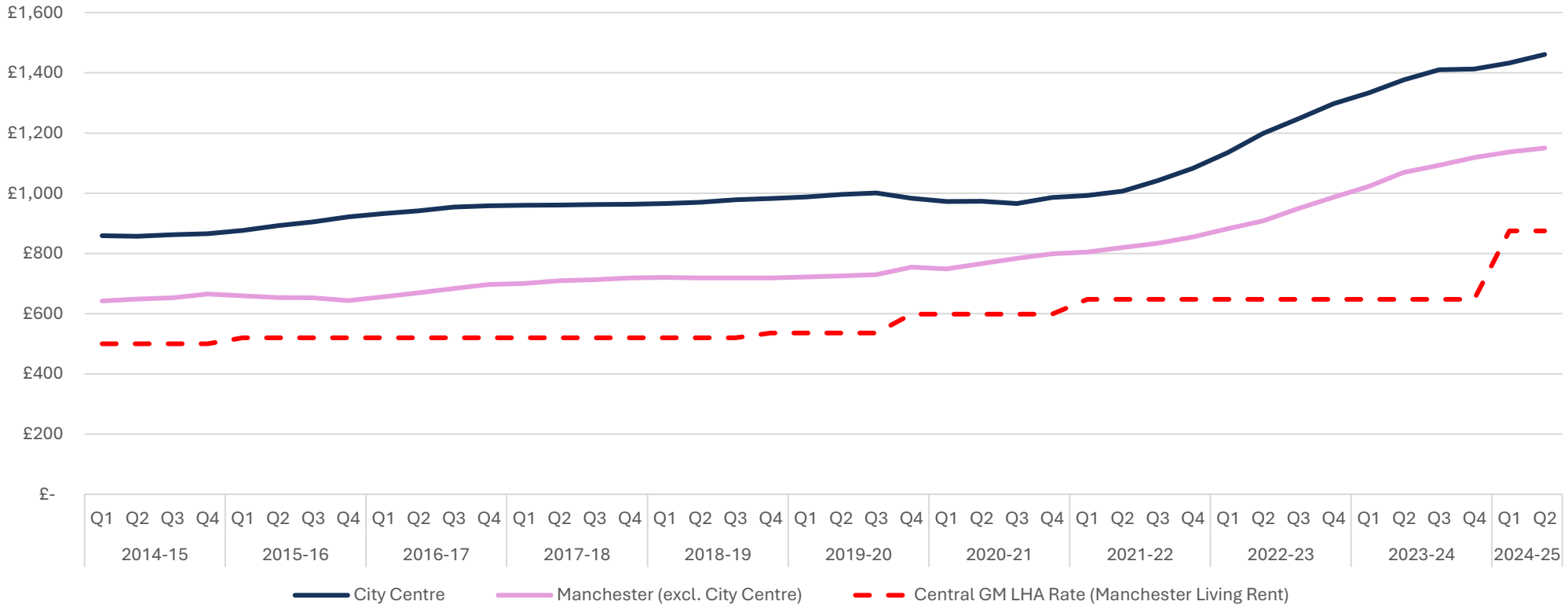
Quarterly Economic Update

November 2024

Develop World Class Infrastructure, Places and Talent - Use Investment and Development to Drive Inclusive Growth

Residential Rents

High demand, a new build premium & limited availability of homes to rent continuing to push rental inflation – albeit not as quickly as in the previous 12 months (2bed rents risen by 6% in the city centre & 8% across the rest of the city between 2023-24 & 2024-25 compared to 15% & 17% respectively between 2022-23 and 2023-24)



City Centre		Rest of City	
2Bed Rent	Quarterly Change	2Bed Rent	Quarterly Change
£1,461	2.0%	£1,150	1.2%

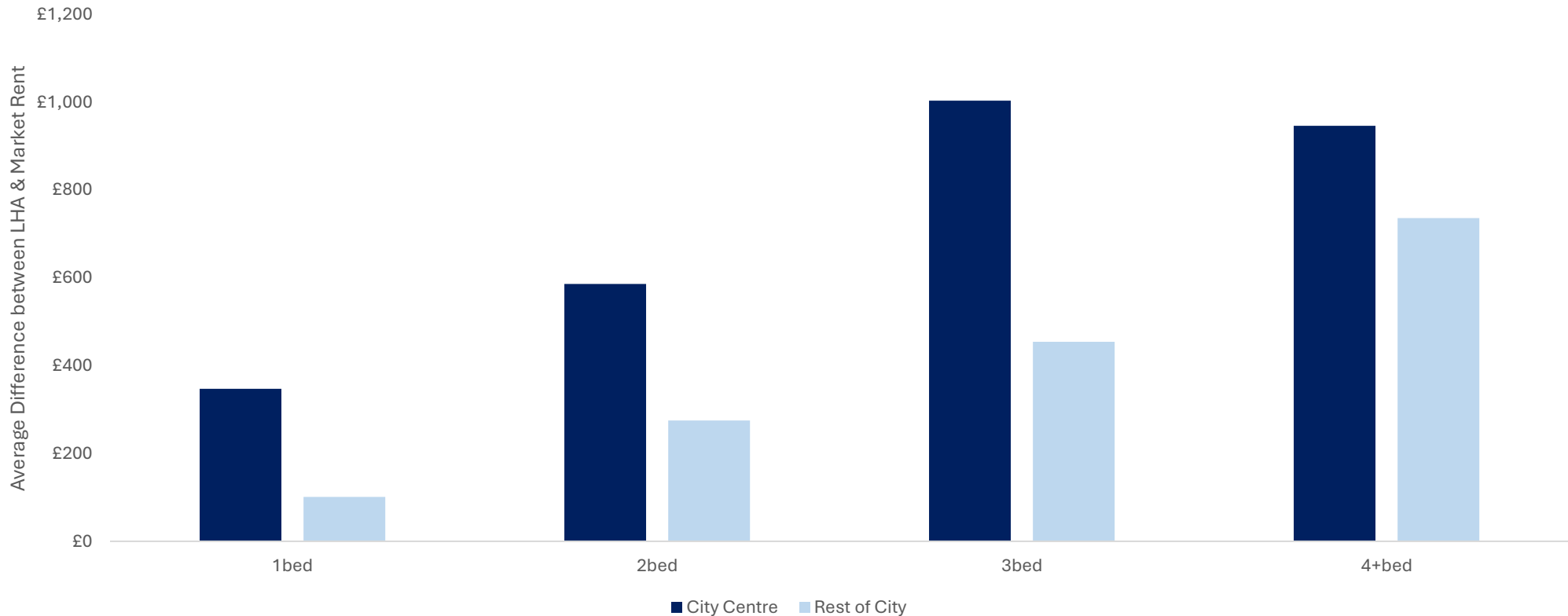
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Housing Affordability (LHA)

Local Housing Allowance rates increased in April 2024 – significantly improving the availability of properties available on LHA (outside of the city centre in particular). Albeit average rents (Rightmove) remain higher than the LHA rate in all wards for properties with 2 or more bedrooms



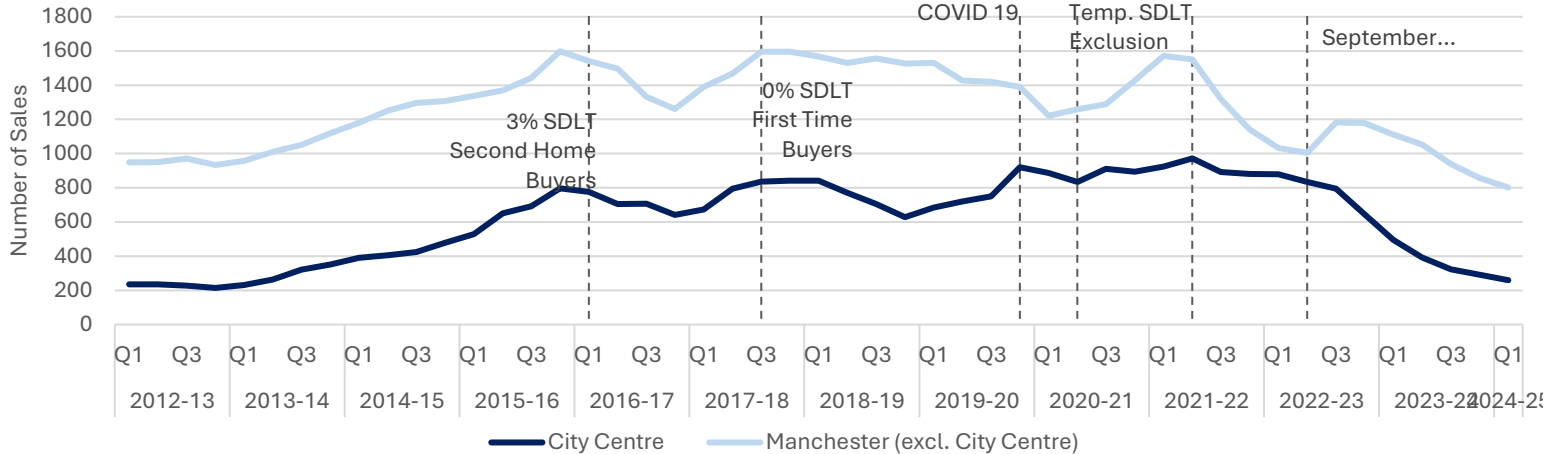
*It should be noted that not all rental data is included within this data set. This is because the data comes solely from properties listed for rent on Rightmove, and it does not include rental properties that are let through the informal market.

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Property Sales & Prices

Sales activity remains at the lowest point over the last decade - linked to high interest / mortgage rates, large deposit requirements & a lag in new build sales



City Centre Quarterly Change*

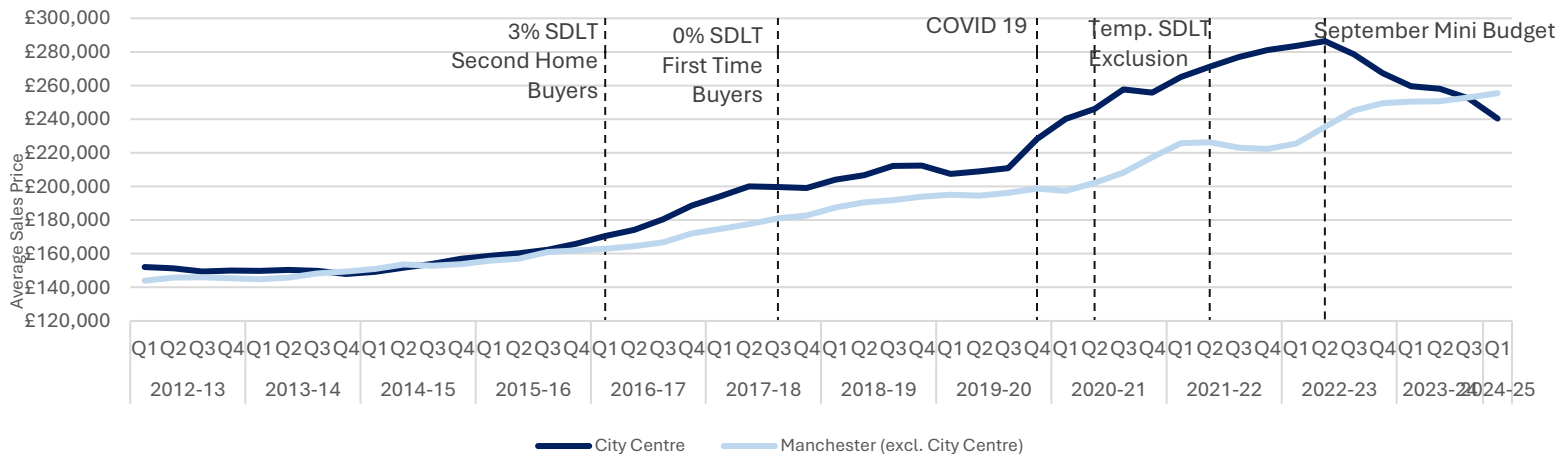
-11.0%

Manchester (excl. City Centre) Quarterly Change*

-6.5%

* Large numbers of sales are backdated so sales data is reported on a 1 quarter lag - these figures are expected to increase in future updates

Average sales prices remain higher outside of the city centre, with a large proportion of sales transacting predominately in South Manchester



City Centre Average Sales Price

£240,387

Manchester (excl. City Centre) Average Sales Price

£255,451

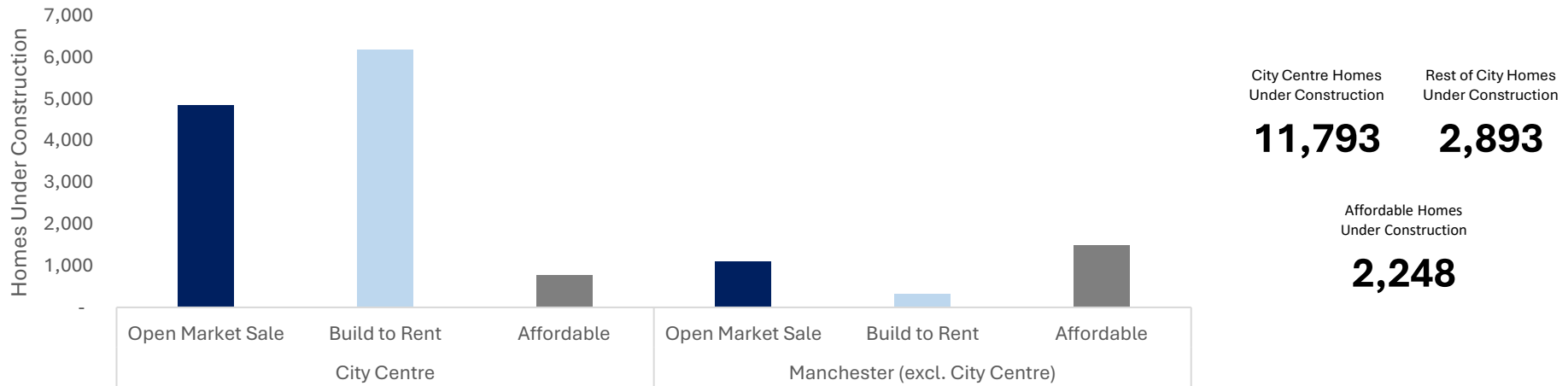
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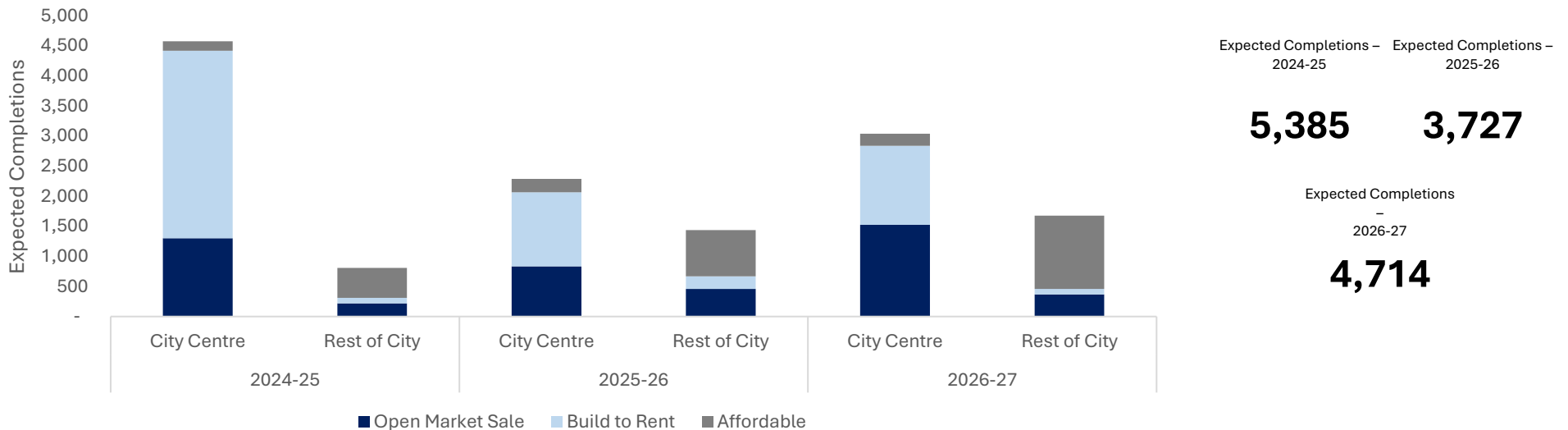
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Homes Under Construction & Expected Completions

Over 14,500 homes under construction across the city (41% of Housing Strategy target) including over 2,200 affordable homes*



Expected completions by 2026-27 will take us 52.1% of the way to 36,000 homes Housing Strategy target at the halfway point of the Strategy period



*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 (capped at the LHA rate)

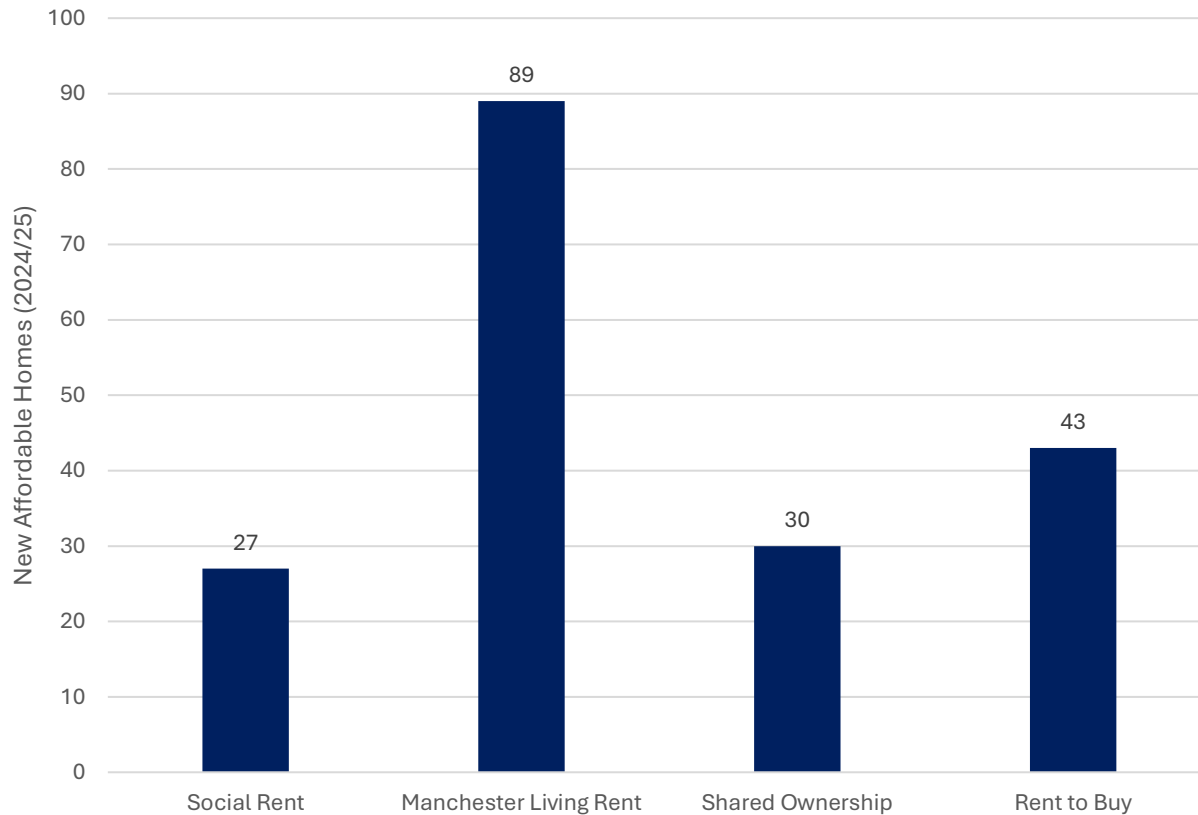
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Affordable Homes

665 new affordable homes expected to complete in 2024-25 - of which 189 completed in the first half of the year (28%) including 53 Manchester Living Rent, Shared Ownership & Rent to Buy homes at Edge Lane Business Centre. Completions so far this year exclusively on medium and large schemes



Completions to date	2024-25 homes	2024-25 %	2023-24 %
One Bedroom	8	4.2%	26.2%
Two Bedrooms	81	42.9%	52.8%
Three Bedrooms	94	49.7%	16.6%
Four+ Bedrooms	6	3.2%	4.4%

City Centre	11	6.7%	33.7%
Rest of City	178	93.3%	66.3%

Small Site	0	0%	4.5%
Medium Site	130	64.5%	43.3%
Large Site	59	35.5%	52.2%

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

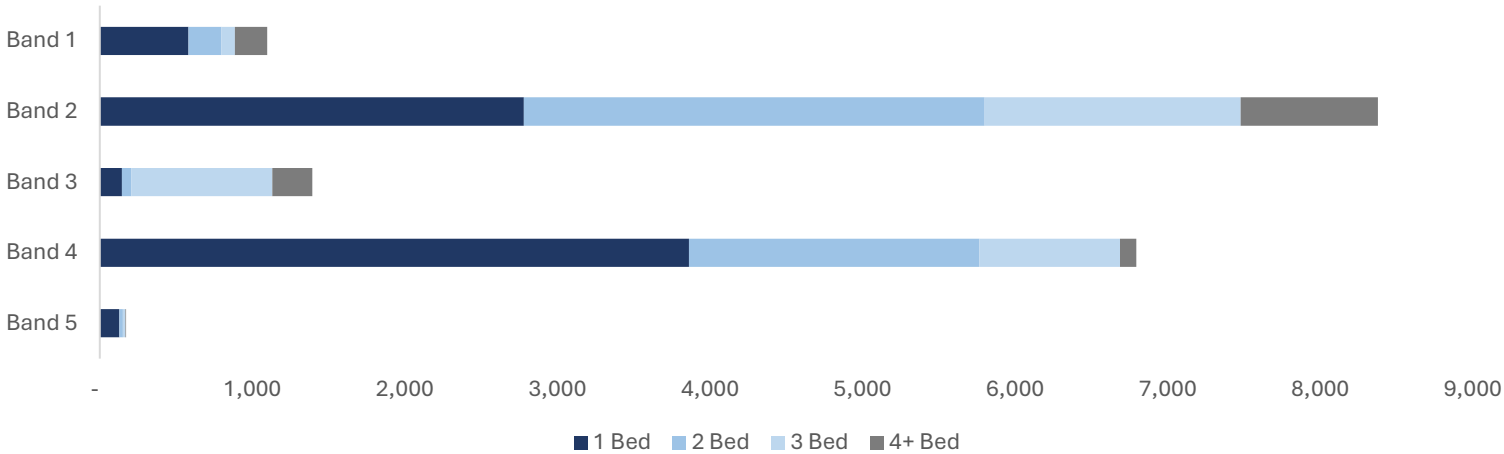
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Housing Need & Right to Buy

A snapshot of the figures show the majority of households in Housing Need continue to require 2 or more bedrooms. Between the May 2024 snapshot and the July 2024 snapshot there has been a 2.9% increase in the total number of housing applicants.



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

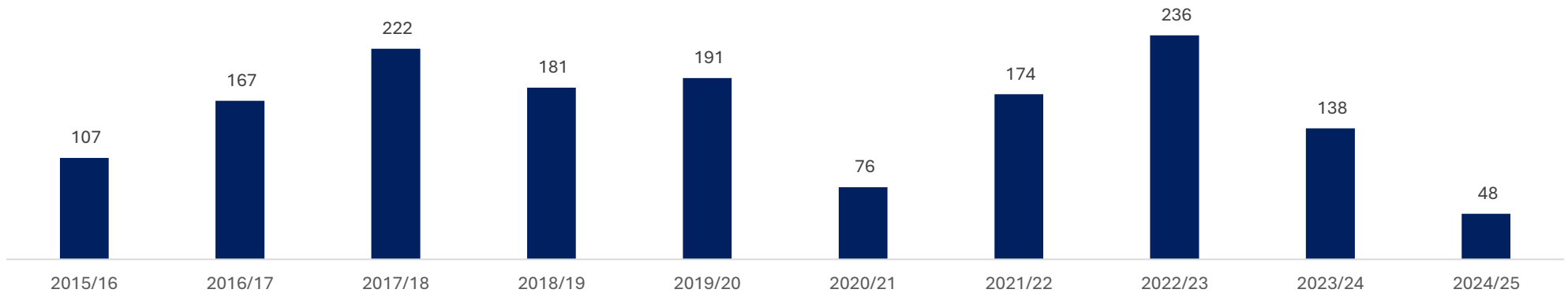
10,869

Proportion of Applicants in Housing Need Requiring 2+ Beds

73%

Source: Manchester Move
Data released: 15/10/2024 Next Updated: December 2024

48 properties sold through Right to Buy in the first half of 2024/25



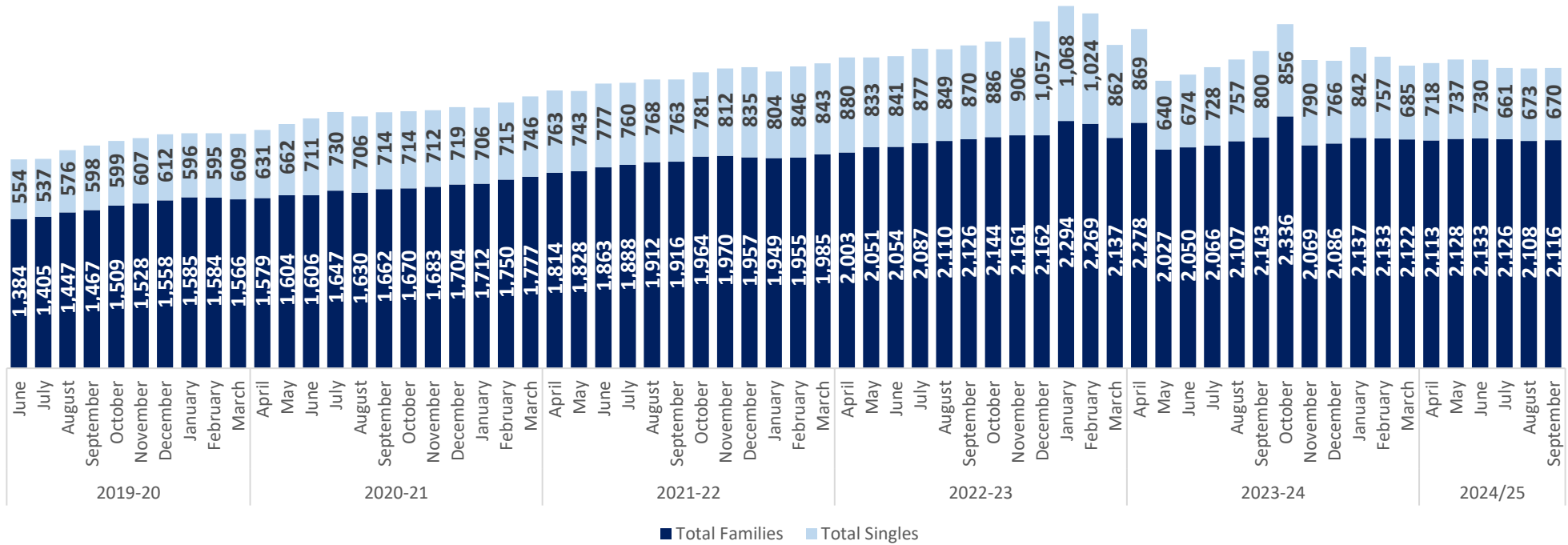
Source: MCC Housing Operations
Data released: 10/10/2024 Next Updated: 10/01/2025

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Temporary Accommodation

Figures for September 2024 shows that in the last 12 months the total number of families and single person households in Temporary Accommodation has decreased by 5.3%. Between August 2024 and September 2024 there has been a 0.4% increase in the number of families, a 0.4% decline in the number of singles and an increase of 0.2% in the total Temporary Accommodation.



Families in TA
(September 2024)

Single Person Households in TA
(September 2024)

2,116

670

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

(-1.3% annual change)

(-16.3% annual change)