STOCKPORT HOUSING STRATEGY

Housing Market Quarterly Bulletin

Issue 44 – January 2019

Housing Market Overview

UK house prices unexpectedly rose at the fastest monthly rate in almost two years in December, according to Halifax, despite warnings over the potential impact of Brexit for the year ahead. UK house prices grew by 2.6% in the year to November 2018. The growth rate has increased from a five year low of 2.3% in October 2018. Analysts have warned that house price growth would be restrained in 2019 after a decade of weak wage rises, as well as the risk of a property slump triggered by a possible no-deal Brexit.

The latest data from the Land Registry show that the annual average house price increase in Stockport was 7.9%, which is significantly higher than the UK average. The number of transactions have also increased from under 300 properties sold per month in the quarter ending June 2018 to over 400 per month in the last quarter to September 2018.

The UK's key inflation rate, the Consumer Price Index (CPI) dropped to 2.1% in December, from 2.3% the previous month, according to the Office for National Statistics (ONS).The CPI figure was the lowest in nearly two years, pushed down by petrol price falls. The figure is close to the Bank of England's target of 2% and may mean the Bank of England is less likely now to consider any interest rate rises in the near future.

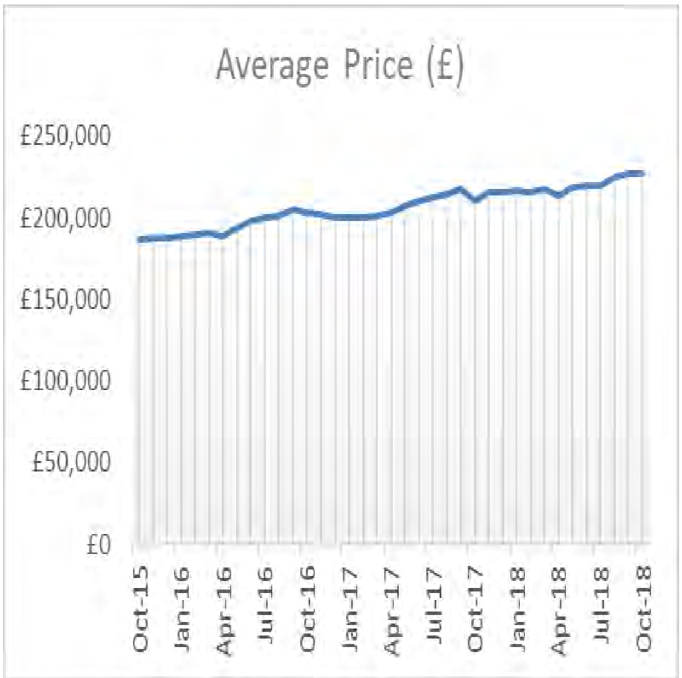
Consultation on the revised draft of the Greater Manchester Spatial Framework (GMSF) formally commenced on 21st January and will run until 18th March 2019. The second draft, cuts the loss of Green Belt by over half and introduces new protections on other green spaces. Instead, the draft focuses on a brownfield-first approach to release sites for development and a new priority on town centres for more residential developments. The GMSF sets the strategic level of housing and employment needed across the conurbation for at least the next 15 years. The Council, in support of the Local Plan and the GMSF, has published a Strategic Housing Land Availability Assessment (SHLAA) to help meet the housing needs in the borough up to 2035.

Stockport Homes and partner Registered Providers are nearing the completion of the Affordable Homes Programme (AHP) 2015-2018 as well as a number of Continuous Market Engagement (CME) programme schemes to build in excess of 400 houses. Since the last update, Stockport Homes have completed the schemes at Thomas' Hospital, Shaw Heath – this is a development of 59 homes; 28 for affordable rent and 31 for shared ownership.

Countryside Properties are progressing on schedule with building 275 new houses as part of a wider regeneration strategy for Brinnington and Your Housing Group are nearing completion of building 74 new housing units at Covent Garden in the Town Centre. The Covent Garden homes will be available for market sale, private rent and shared ownership later this year. Stockport Homes are also on site or in advanced planning stages on a number of other sites. In December Homes, England approved a higher grant funding to develop social rented housing on two sites at Booth St and Stockholm Rd in Edgeley. This is welcome news and represents a shift in Government policy to develop much needed social housing.

The GM Mayors' flagship programme for Rough Sleepers called 'A Bed Every Night', which aims to give homeless people food and somewhere safe to sleep throughout the winter months is working well in Stockport with almost 100 homeless people accommodated since the launch of the initiative in November 2018.

Housing Market Statistics



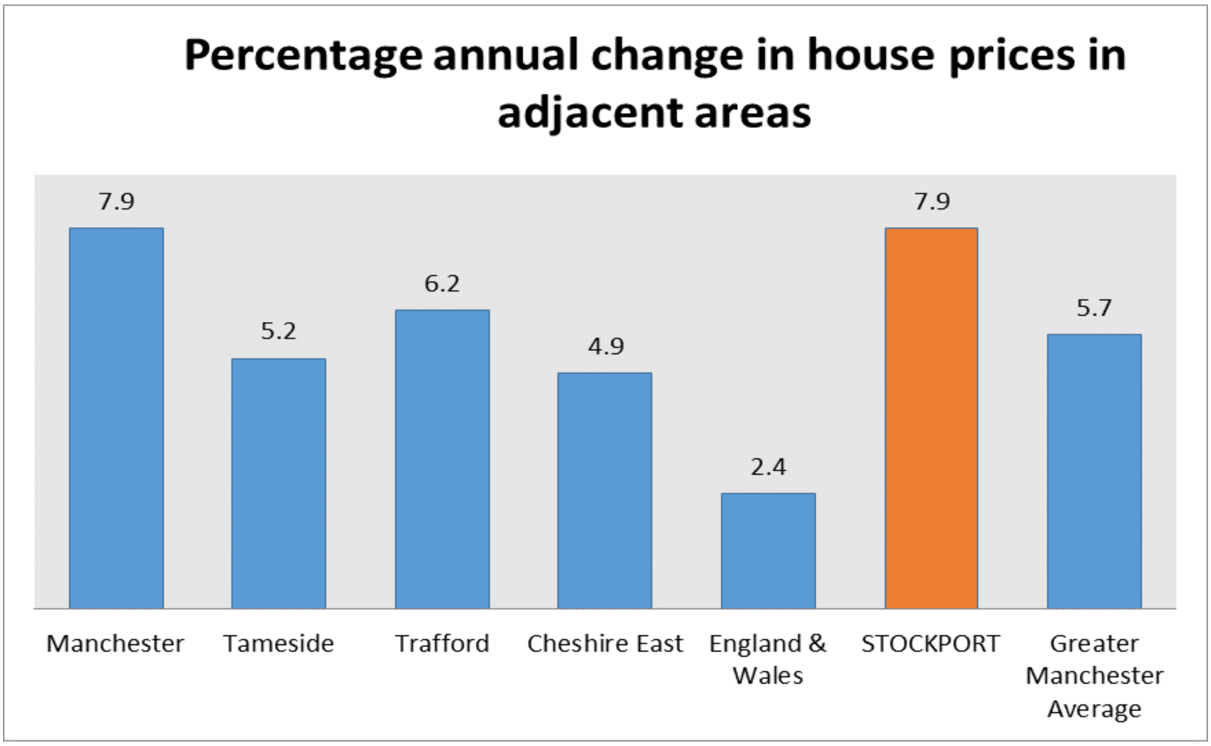
Source : HM Land Registry Dec 2018 **- NB Sales volume data for the two most recent months are not used by HMLR as comparisons due to the lag in the registration of sold properties**

Actual average sale prices by postcode sector for the Quarter 3
Jul to Sep 2018

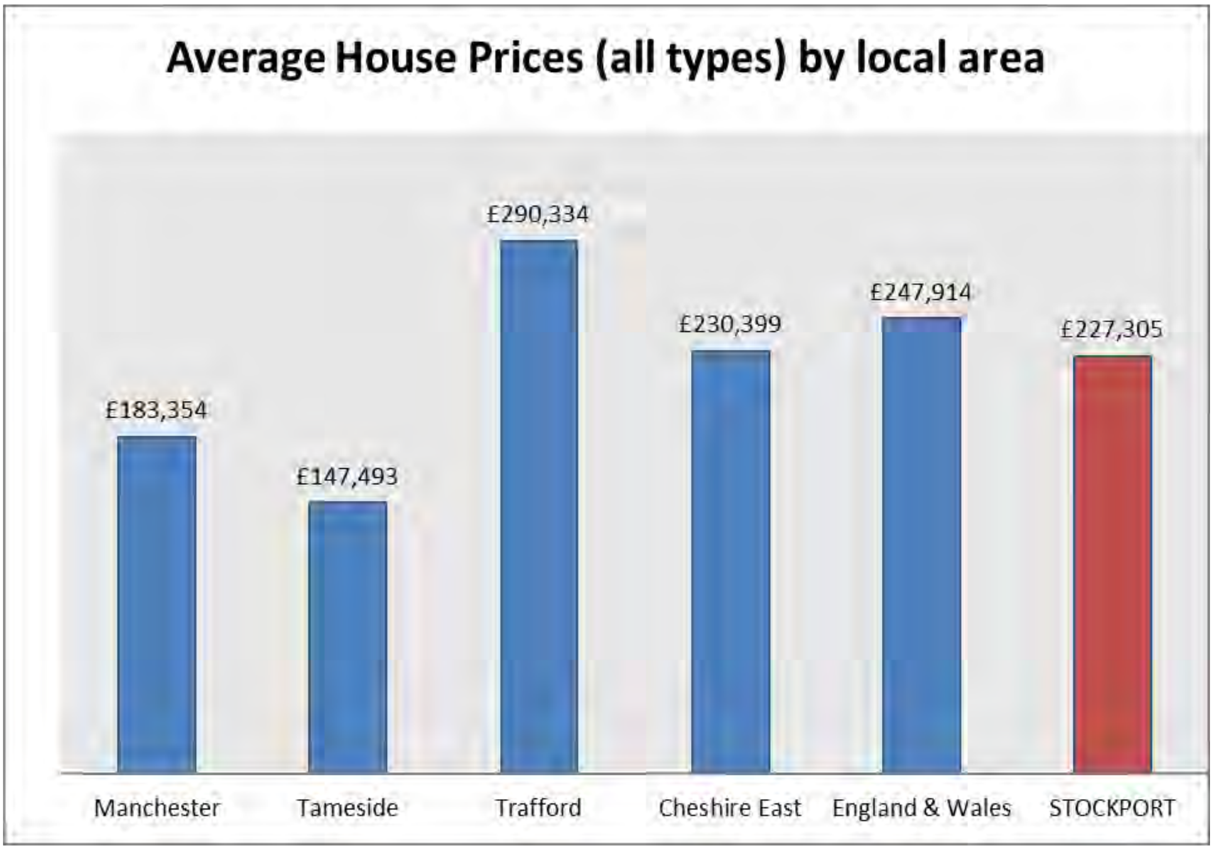
	Detached		Semi		Terraced		Flats/maisonette	
	Average Price	No of Sales	Average Price	No of Sales	Average Price	No of Sales	Average Price	No of Sales
SK1	£516,000	1	£162,907	20	£129,133	26	£97,814	11
SK2	£292,212	14	£231,582	65	£186,509	40	£112,800	5
SK3	£252,905	12	£210,208	58	£158,302	64	£107,692	6
SK4	£477,787	37	£359,089	81	£280,498	48	£152,202	29
SK5	£266,290	5	£176,399	43	£140,051	50	£95,000	7
SK6	£387,486	60	£240,694	94	£193,046	53	£115,389	14
SK7	£523,431	59	£295,655	94	£188,573	21	£198,706	17
SK8	£406,026	84	£274,401	135	£231,258	56	£163,169	33
Total Sales		**272**		**590**		**358**		**122**

Source : HM Land Registry Dec 2018

Key:
SK1: Town Centre/Hillgate/Portwood SK2: Davenport/Heaviley/Great Moor/Stepping Hill/Offerton
SK3: Shaw Heath/Adswood/Cheadle Heath SK4: Heaton Moor/Heaton Mersey
SK5: Heaton Chapel/Reddish/Brinnington SK6: Bredbury/Woodley/Romiley/Marple
SK7 : Bramhall/Woodford/Hazel Grove SK8: Gatley/Heald Green/Cheadle Hulme



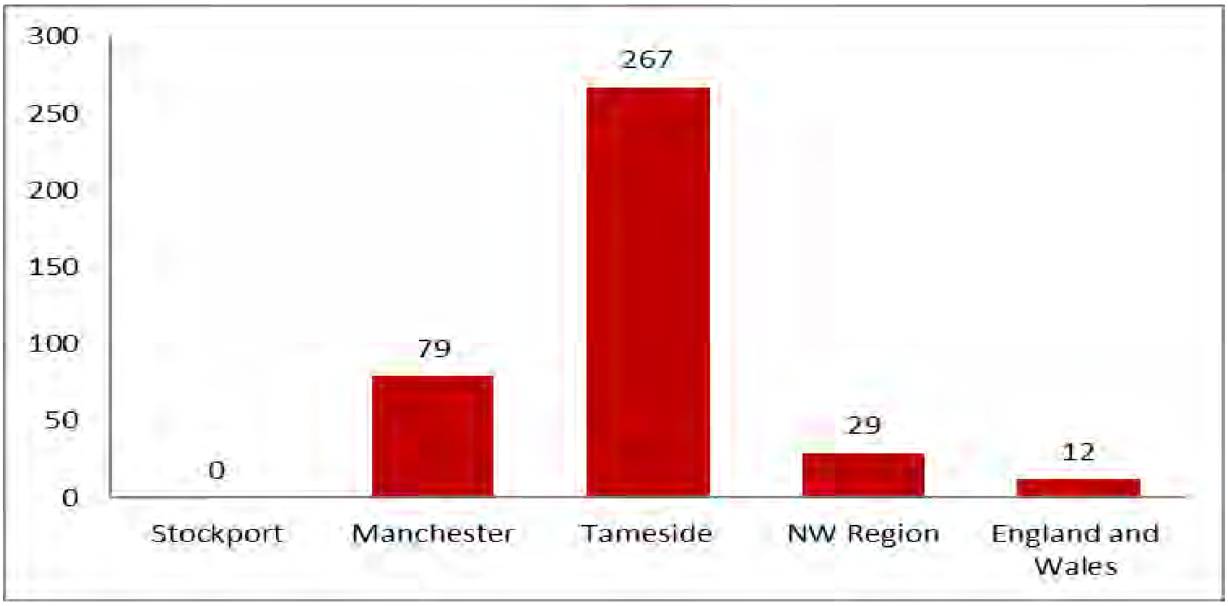
Source: HM Land Registry Dec 2018



Source: HM Land Registry Aug 2018

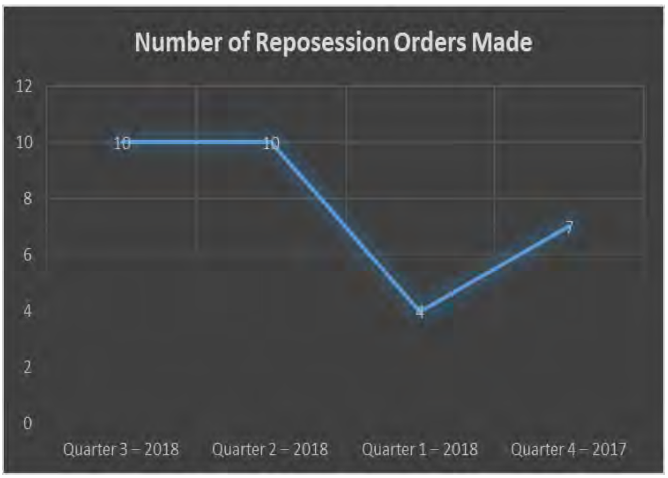
Mortgage Repossession Statistics

Quarterly Percentage increase/decrease in the number of Repossession orders made.



Source: HM Ministry of Justice – Quarter 3 (2018)

Repossession Orders Made in Stockport



	Number made in the Quarter	Quarterly change (%)
Quarter 3 2018	**10**	**0**
Quarter 2 2018	**10**	**150**
Quarter 1 2018	**4**	**-43**
Quarter 4 2017	**7**	**-12**

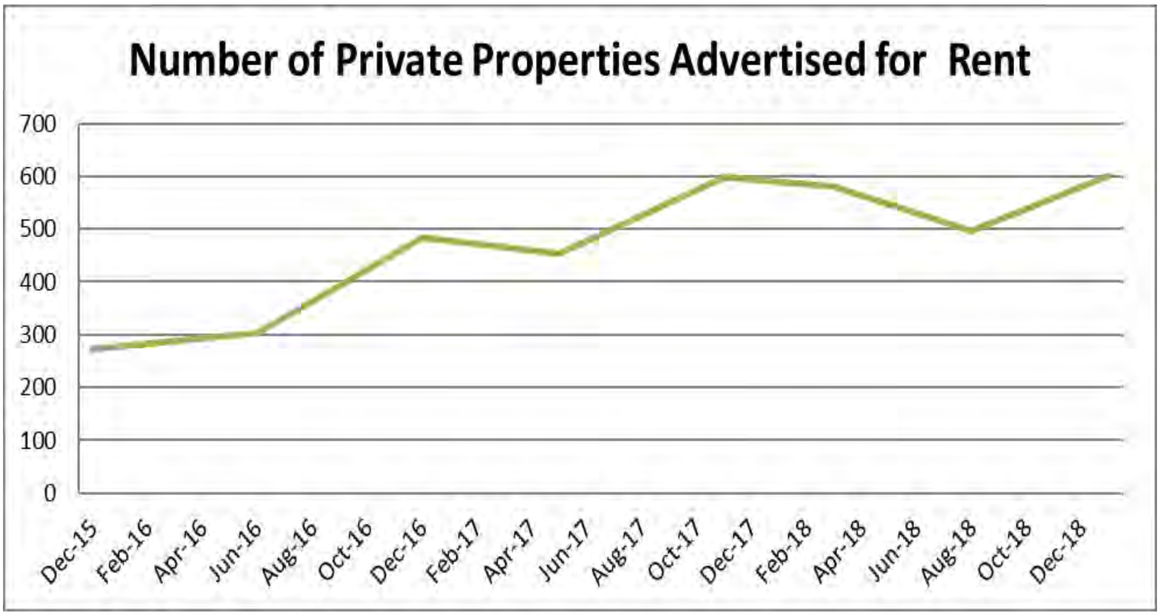
Source: HM Ministry of Justice – Quarter 3 (2018)

Rented Housing Market

Average rent levels as at Apr 2018

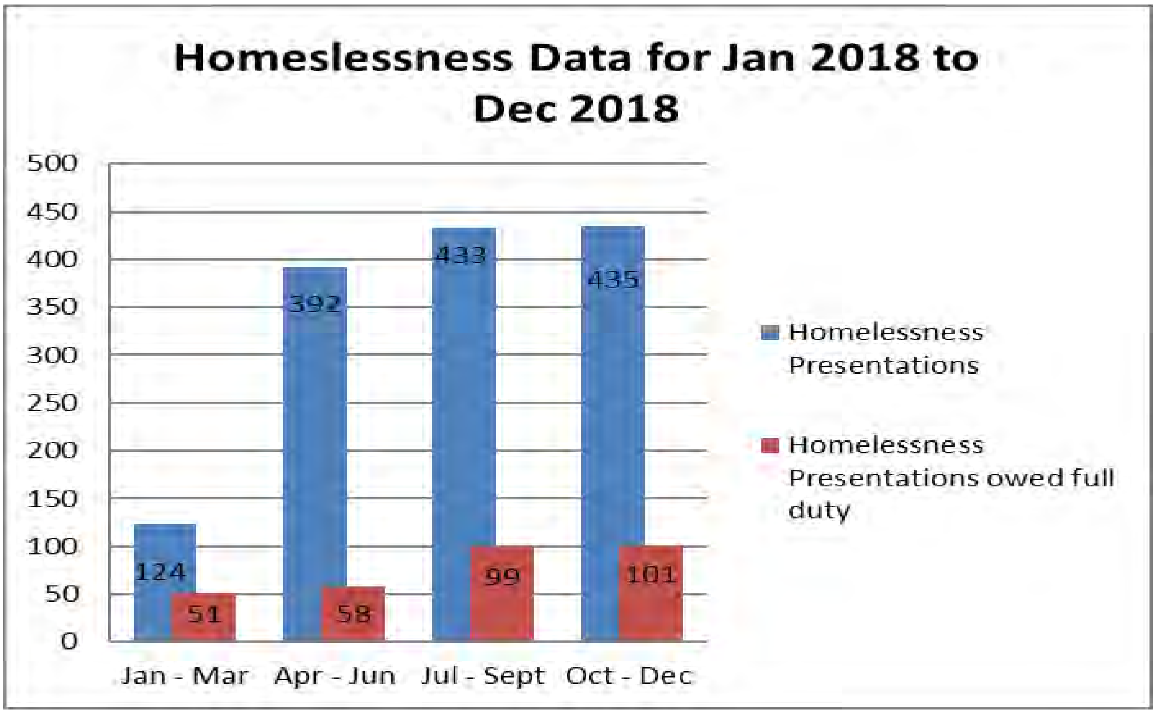
	Registered Providers	Stockport Homes (ALMO)	Private Sector (Jan 2019)
Flats 1/2 beds	81.70	69.12	145.90
Terraced Houses	93.60	83.09	158.46
Semi-Detached	111.60	95.65	207.22
Detached	n/a	n/a	310.34

Source: Stockport Housing Partnership/Stockport Homes Ltd / Private Lettings Agencies/Rightmove Website



Source: Rightmove website

Homelessness Statistics



	Oct 18 – Dec 18	Quarterly Change (Jul 18 – Sep 18)	
		Number	%
Homelessness Presentations	433	2	0.5
Homelessness Presentations owed full duty	99	2	2

Source: Stockport Homes Jan 2019

Key Economic Indicators as at 18th January 2019

Current Bank of England Base Rate:
0.75 %

Current Inflation Rate (CPI):
2.1% (RPI: 2.7%)

Government Target Inflation Rate (CPI):
2.00 %

3 Month LIBOR as at 18thJanuary 2019:
0.92%

(Source: www.thisismoney.co.uk)

Empty properties in Stockport as at 31st December 2018

All empty properties: 3,512
(3.2% of private housing stock)

Empty for more than 12 months:
1, 040
(0.95% of private housing stock)

Source: Stockport Council

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