



STOCKPORT HOUSING STRATEGY

Housing Market Bulletin

Issue 52 – September 2021

Housing Market Overview

House prices hit a record high in August, but the annual pace of growth in property values slowed, according to the UK's largest mortgage lender. The stamp duty holiday, put in place at the start of the pandemic to support the housing market, runs out at the end of September, and is no longer having a significant impact on the market. Instead, record levels of buyer activity were being driven by homebuyers' demand for more space as many continue to work from home. These trends look set to persist and the price gains made since the start of the pandemic are unlikely to be reversed once the remaining tax break comes to an end later this month.

England house prices grew by 7.0% in the year to July 2021, down from 13.2% in June 2021. The average house price now stands at £270,973. In Stockport, the average house price grew by 10.6% over the same period and the average value is £261,888. The number of transactions has fallen significantly from almost 500 per month in April 2021 to just over 150 in June 2021 representing a fall of around 70%.

The number of job vacancies soared to more than 1m in August for the first time since official records began in 2001, rising by 35% in the space of three months across all sectors of the British economy. Business leaders have warned that shortages of workers and raw materials will hold back Britain's economic recovery from the pandemic, with lobby groups calling for looser post-Brexit migration rules to enable firms to hire more staff from the EU.

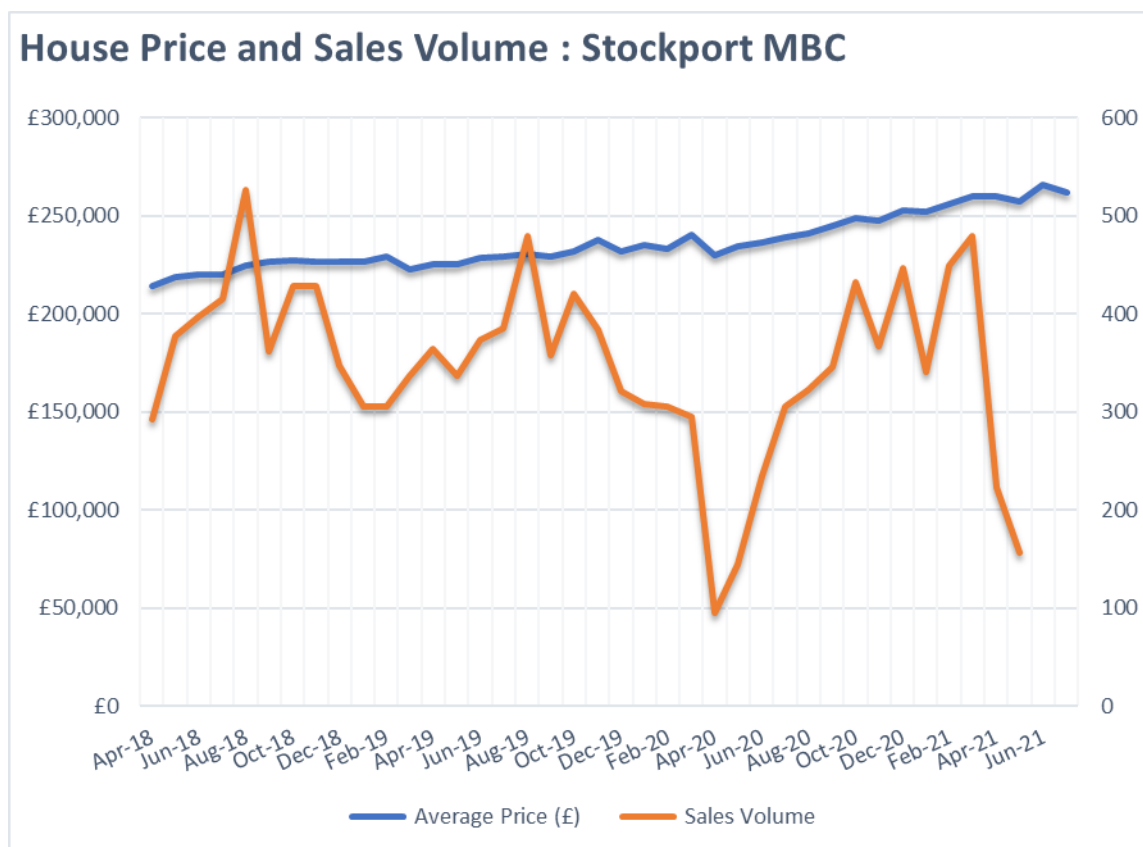
According to the latest data, the inflation rate jumped to 3.2% between July and August, the largest increase since the Bank of England was made independent in 1997 and above its target rate of 2.0%. It is too early to say if this is a temporary spike in prices due to the economy opening up after the restrictions were lifted or if this is a real inflation problem not just in the UK but across many western economies.

The number of private rented properties available for let in the Borough has continued to fall sharply since the start of the Pandemic from 575 in March 2020 to just over 170 in September 2021 representing a drop of around 70%. This is of significant concern for private renters and is pushing the rent prices even higher. The average private rent for a 2 bed flat in the Borough is currently around 140% higher than social rent for a similar property. The consequences of rising rent levels and shortage of properties for let are likely to put even more pressures on the Council's housing register.

Stockport Homes (Viaduct Partnership) and partner Registered Providers are progressing with the delivery of a number of affordable housing schemes in the Borough. Stockport Homes have completed schemes at Hexham Close, Offerton (24 Units), Booth St, Edgeley (28 units) and Hopes Carr Phase III, Town centre (14 units) in the last quarter. There continues to be some delays in procuring materials due to the Pandemic and the impact of Brexit. There are currently nine schemes on site and upon completion would yield around 300 units of affordable homes including large schemes at Melford Rd (87 units) and Hempshaw Lane (144 units).

Number of households assessed for homelessness was largely on trend for what is normal across a quarter in Stockport with number of presentations generally being between 400-450. Similarly, relief duties for the quarter also appear to be close to the average with the total number per year usually being around 400. Being asked to leave by friends or family was the highest cause of homelessness across the quarter, accounting for 37.5% of all relief duties started. The second and third highest causes were eviction from the private rented sector and domestic abuse respectively.

Housing Market Statistics



Source: HM Land Registry Sep 2021 - 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 2 Apr 2021 to Jun 2021

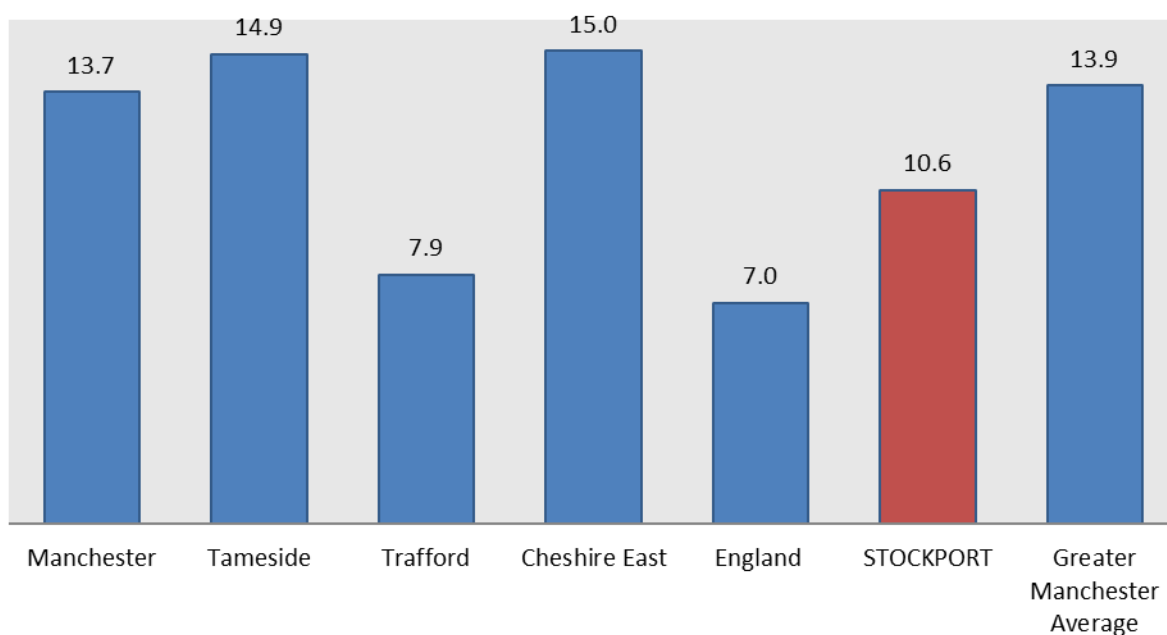
| | Detached | Sales | Semi-det | Sales | Terraced | Sales | Flat/mais | Sales | Overall average | Total sales |
|--------------|----------|-----------|----------|------------|----------|------------|-----------|-----------|-----------------|-------------|
| SK1 | £228,000 | 1 | £192,000 | 4 | £169,750 | 8 | £75,000 | 1 | £173,500 | 14 |
| SK2 | £349,244 | 8 | £312,453 | 16 | £210,117 | 15 | £118,000 | 1 | £276,574 | 40 |
| SK3 | £307,500 | 2 | £238,904 | 16 | £190,654 | 17 | £98,750 | 2 | £212,867 | 37 |
| SK4 | £397,500 | 6 | £397,239 | 22 | £301,032 | 11 | £178,473 | 11 | £327,976 | 50 |
| SK5 | £280,000 | 3 | £243,417 | 6 | £174,662 | 13 | £0 | 0 | £207,777 | 22 |
| SK6 | £479,521 | 28 | £280,209 | 23 | £231,306 | 18 | £163,600 | 5 | £335,850 | 74 |
| SK7 | £578,502 | 24 | £343,218 | 34 | £193,872 | 16 | £138,750 | 2 | £380,696 | 76 |
| SK8 | £580,857 | 24 | £331,069 | 42 | £287,163 | 30 | £193,667 | 12 | £359,115 | 108 |
| Total | | 96 | | 163 | | 128 | | 34 | | 421 |

Key

SK1: Town Centre/Hillgate/Portwood
SK3: Shaw Heath/Adswood/Cheadle Heath
SK5: Heaton Chapel/Reddish/Brinnington
SK7: Bramhall/Woodford/Hazel Grove

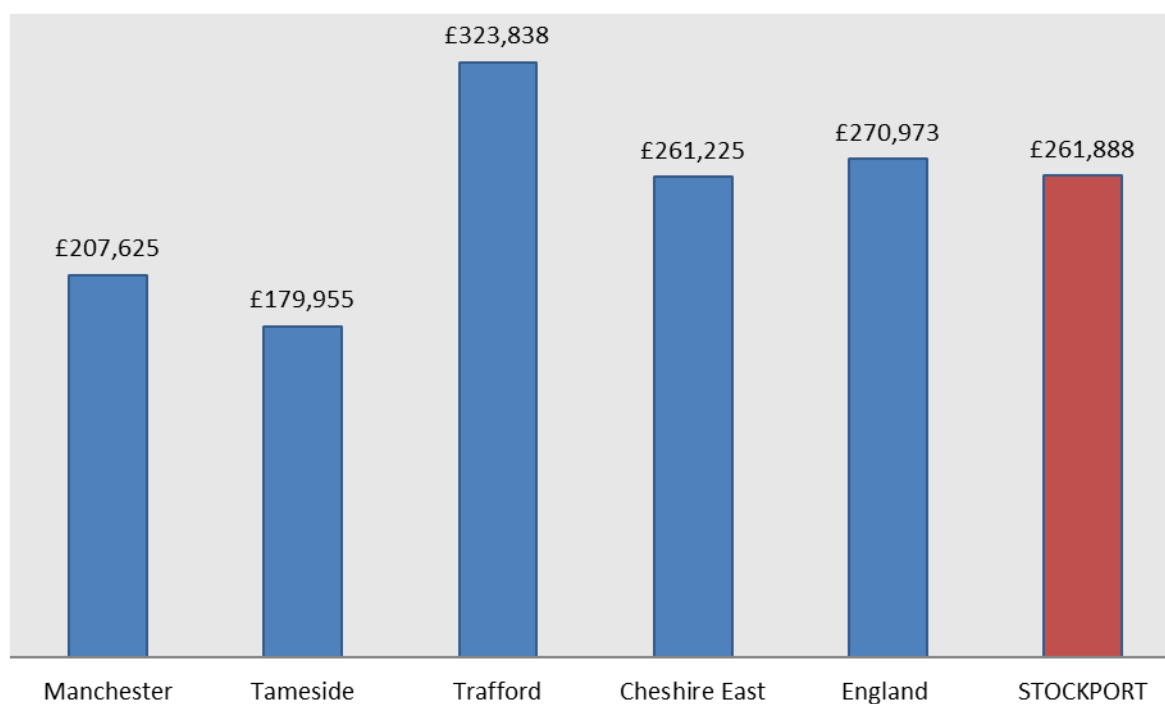
SK2: Davenport/Heaviley/Great Moor/Stepping Hill/Offerton
SK4: Heaton Moor/Heaton Mersey
SK6: Bredbury/Woodley/Romiley/Marple
SK8: Gatley/Heald Green/Cheadle Hulme

Percentage annual change in house prices in adjacent areas



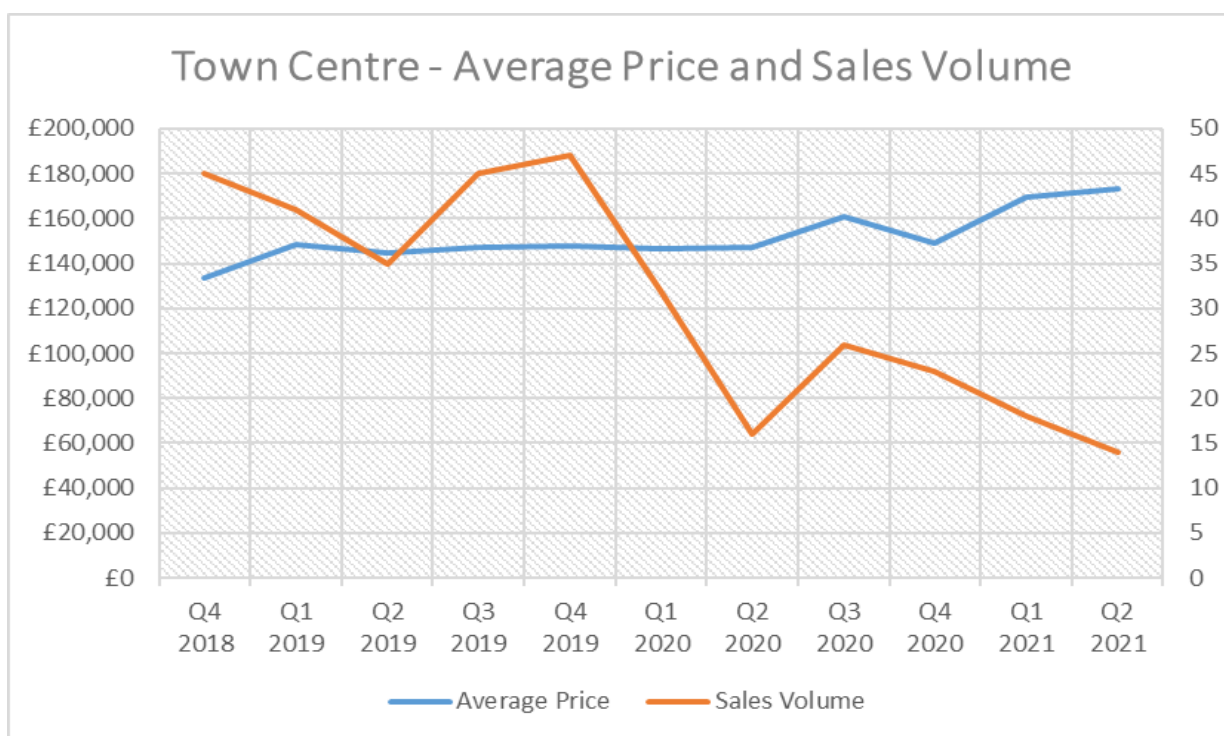
Source: HM Land Registry Sep 2021

Average House Prices (all types) by local area



Source: HM Land Registry Sep 2021

Town Centre



Source: HM Land Registry Sep 2021

Mortgage Repossession Statistics

Mortgage and Landlord possession claims have started to increase nationally after the lifting of restrictions. Mortgage possession actions are slowly recovering from the impacts of Covid-19, with claims, orders, and warrants currently around 60%, 90% and 89% below pre-Covid19 levels in Q2 2019. As a result, the latest data published by the Ministry of Justice are unlikely to be representative of general trends in possession actions.

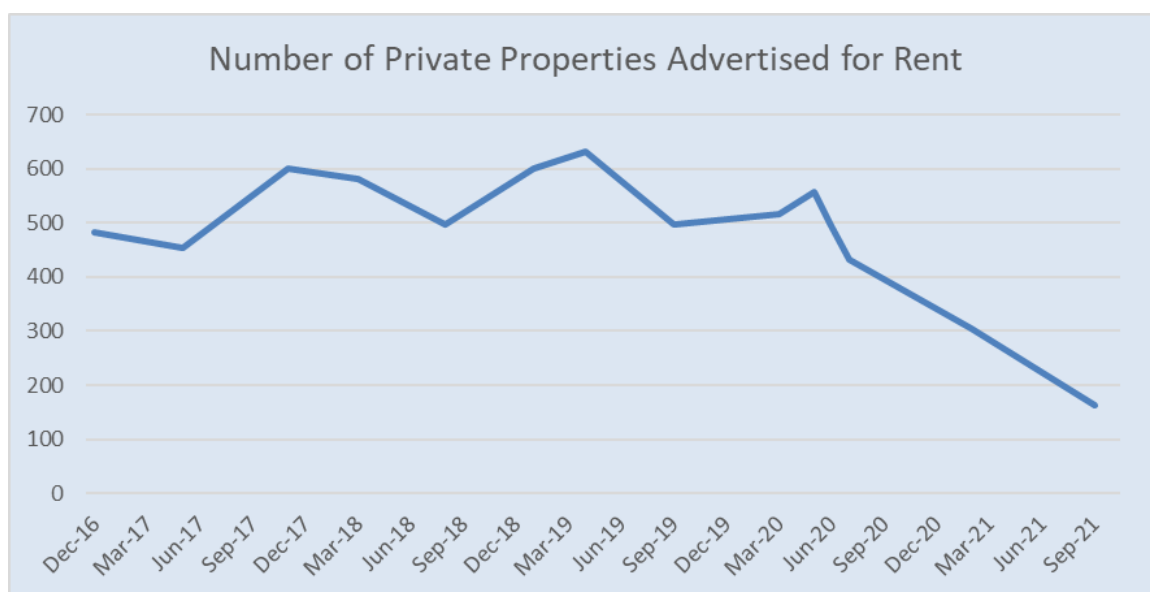
In Stockport there were 8 claims made in Q2 of 2021 and zero orders for possessions granted.

Rented Housing Market

Average rent levels (Per Week) as at Sep 2021

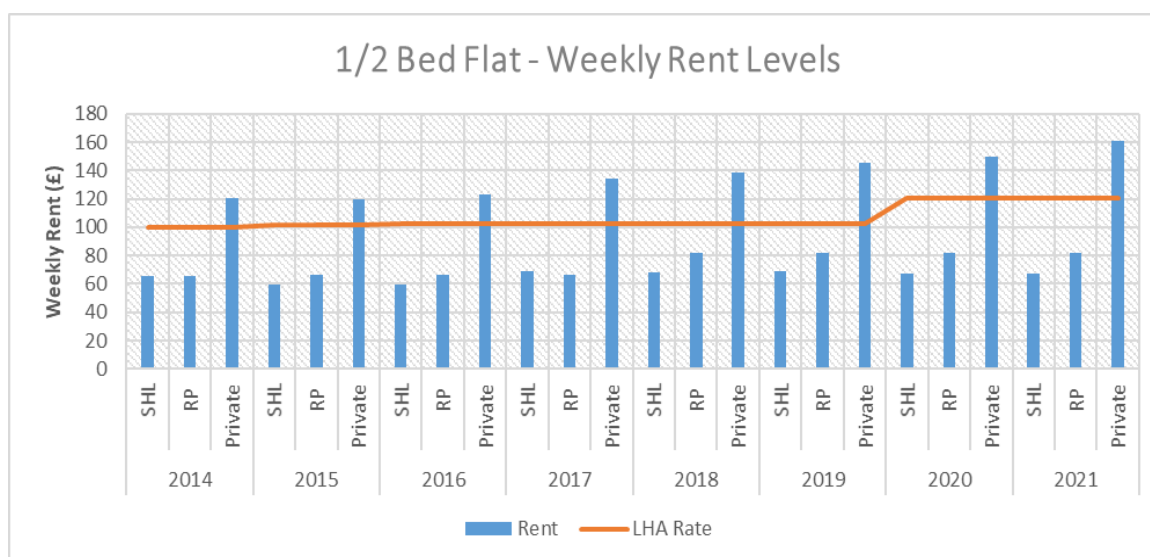
| | Registered Providers | Stockport Homes (ALMO) | Private Sector (Sep 2021) |
|------------------------|----------------------|------------------------|---------------------------|
| Flats 1/2 beds | 81.91 | 67.59 | 160.06 |
| Terraced Houses | 89.02 | 83.57 | 187.95 |
| Semi-Detached | 103.45 | 94.55 | 211.21 |
| Detached | n/a | n/a | 300.77 |

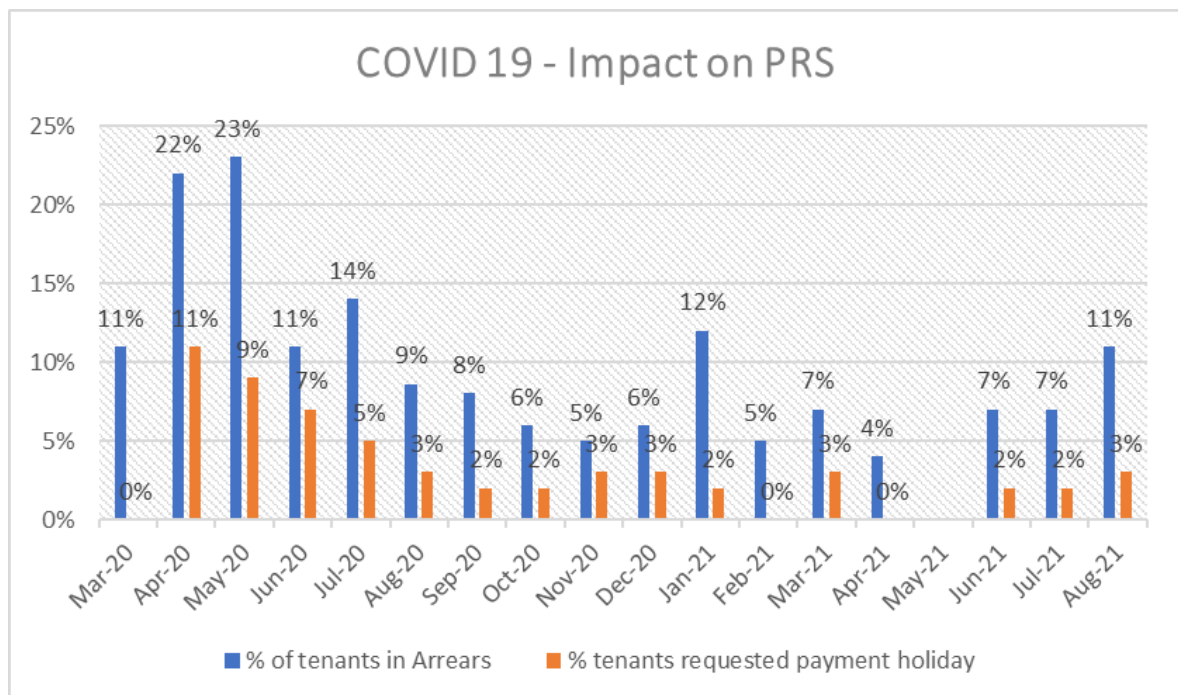
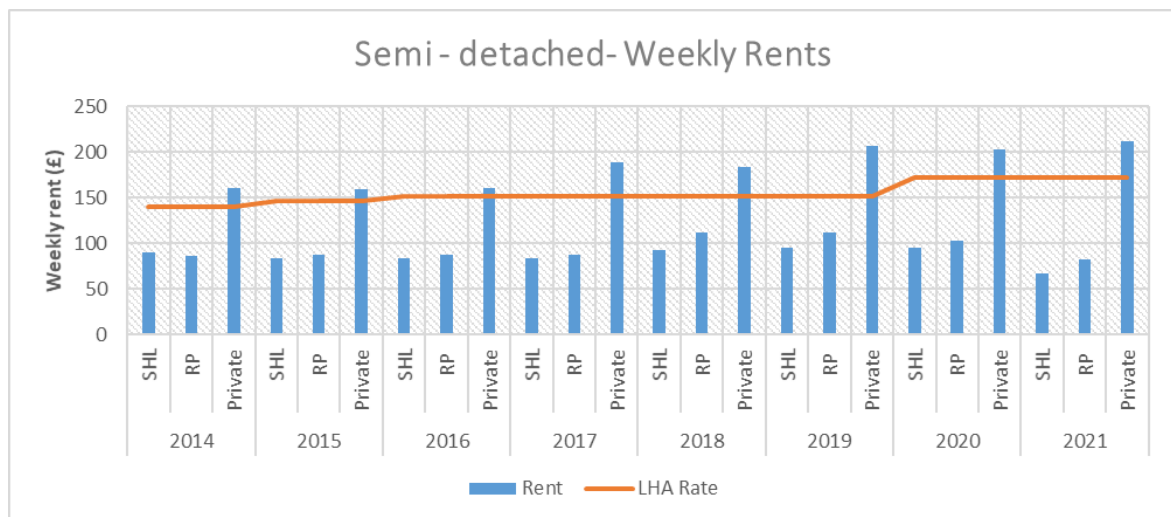
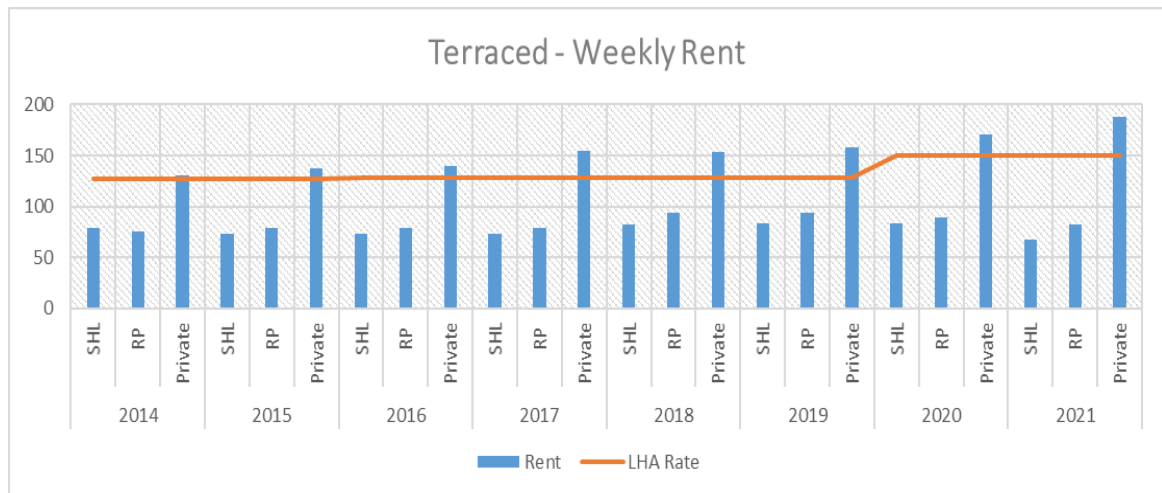
Source: Stockport Housing Partnership/Stockport Homes Ltd / Private Lettings Agencies/Rightmove Website



Source: Rightmove website – Sep 2021

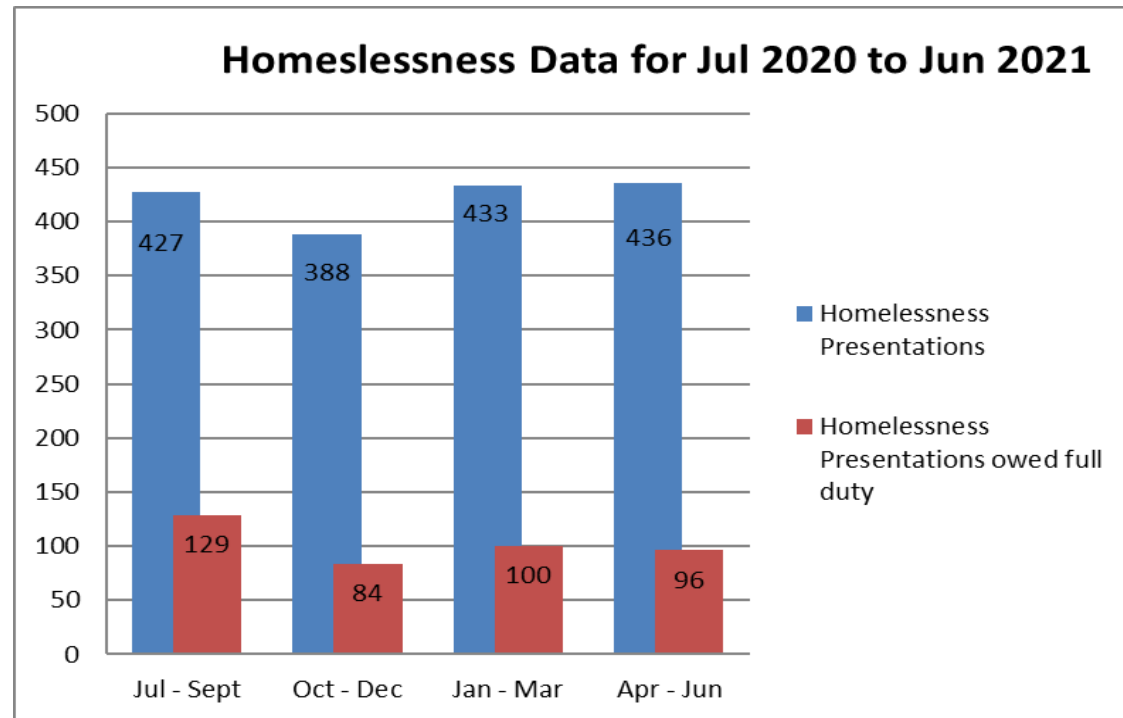
WEEKLY PRIVATE RENT MONITOR (Average Rents)





Since the start of the Pandemic the Council has been conducting monthly surveys with landlords in its database to monitor the impact of the pandemic on the private rented sector. The percentage of tenants in arrears increased to 23% in May 2020 during the first lockdown but has since dropped below the levels seen prior to the pandemic at around 3% in August 2021.

Homelessness Statistics



| | Jan 21 – Mar 2021 | Quarterly Change (From Jan 21 – Mar 21) | |
|---|-------------------|--|-----------|
| | | Number | % |
| Homelessness Presentations | 436 | 433 | 0.7 % |
| Homelessness Presentations owed full duty | 96 | 100 | (-) 4.0 % |

Source: Stockport Homes Aug 2021

Key Economic Indicators as at 16
September 2021

Current Bank of England Base Rate:
0.1 %

Current Inflation Rate (CPI):
3.2 % (RPI: 4.8 %)

Government Target Inflation Rate (CPI):
2.00 %

(Source: ONS)

Empty properties in Stockport as at
30th June 2021

Empty for more than 24 months:
552

Source: Stockport Council

Contact Us :

Tel: 0161 474 4390

E-mail : housing.strategy@stockport.gov.uk

**Housing Strategy Team
Place Directorate - Strategic Housing
Stockport Metropolitan Borough Council
Stopford House
Piccadilly
Stockport
SK1 3XE**