

# Housing Market Quarterly Bulletin

Issue 46 – Oct 2019

## Housing Market Overview

House prices in England grew by 0.3% in the year to July 2019, down from a rise of 1.1% in June 2019. The August Inflation Report from the Bank of England reported that the housing market remains weak but there are some signs that it has stabilised. Around 20% of households who are expecting to move to a house in the next two years reported having delayed moving due to Brexit-related uncertainty. Analysts are overwhelming in their views that a possible no-deal Brexit could significantly impact house prices in the short to middle term. The latest data from the Land Registry showed that the annual average house price increase in Stockport was 3.0% over the same period, which is significantly higher than the UK average. The number of transactions have also increased in the second quarter of 2019 from around 250 per month to over 350 per month.

Boris Johnson's first few weeks in office have provided only limited clues about the likely direction of housing policy. The outcome of the Green Paper is still awaited and many commentators have suggested that there will be a shift in policy towards home ownership initiatives. Statements confirming the government's ongoing commitment to delivering affordable homes are positive as are announcements of greater spending on infra structure. However, concerns remain that the recent policy shift in support of council housing by the Theresa May government may not be progressed.

Consumer price inflation was slightly lower than expected at 1.7% in the year to August 2019 (lowest since December 2016) according to the Office for National Statistics (ONS). The stable inflation rate means that unless there is a no-deal Brexit or big problems as a result of Brexit, there is no pressure on the Bank of England to raise interest rates. This will be good news for consumers especially as wages are beginning to increase faster than the rate of inflation and unemployment is at a record low at around 4%.

Affordability, especially for people in the lowest income bracket continues to be a major issue despite having a buoyant housing market in the borough and the increased number of housing delivery in 2018/19 (both market and affordable). The problem is set to increase given current trends of wage rises lagging behind house price and rent increases. The availability of private rented accommodation continues to be relatively low leading to private rents increasing to a level which is over twice that of social rents for comparable properties. The Local Housing Allowance (LHA) has not kept pace with private rents which undermines landlord confidence to rent to tenants on low income and receiving Housing Benefit. This in turn increases pressures on the Councils Housing Register which currently has over 6,500 households. The effect of rising property prices and rents is that there are now very few affordable housing properties available to people on the lowest quartile income bracket.

Stockport Homes through Viaduct Partnership are progressing well with the construction of almost 400 new homes across seven sites including 144 units at the former Battersby Hatworks site in Offerton, which would deliver homes for affordable rent, shared ownership and outright sale. Other notable schemes are 87 units at Melford Road in Hazel Grove (Shared Ownership, outright sale & social rent) and 47 units at Booth St, Edgeley (Social rent and shared ownership). A new 11 unit supported accommodation scheme for residents with Learning Disabilities was also completed in September 2019 at Grafton Street, Heaton Norris. Stockport Homes Group (SHG) and partner Registered Providers (RPs) are also in advanced planning stages on a number of other sites across the borough.

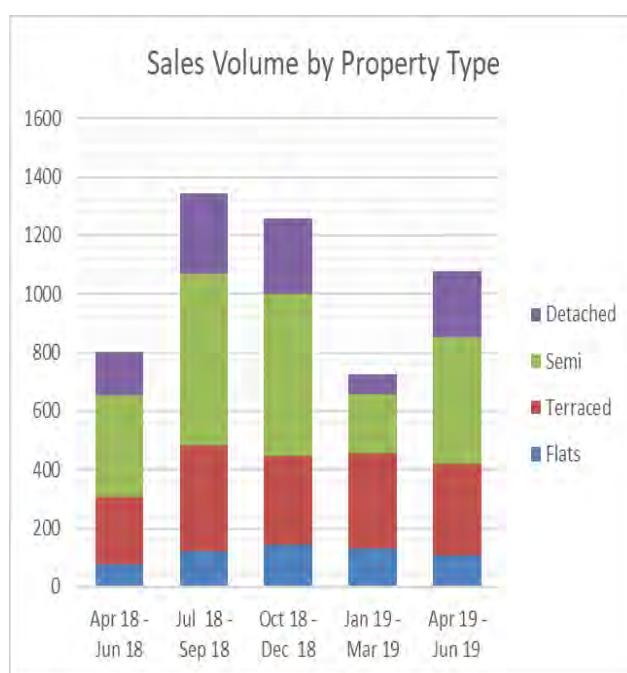
The Council has been working closely with GMCA and Stockport Homes towards the installation of sprinklers to all 22 high rise residential council buildings in the Borough. Wide ranging consultation with GMFRS, Fire Risk Assessors and Mechanical and Electrical Consultants have been undertaken. A tendering exercise was also completed to appoint a preferred contractor with a revised two-year programme developed to reduce the time and provide cost certainty. The installation works at Hanover Towers, Pendlebury Towers and Yorke St commenced in August 2019.

2019/20 is the first full year that all homelessness decisions have been made in line with the 2017 Homelessness Reduction Act. This has significantly changed the duties owed towards homeless households and the way numbers are recorded, meaning that number have spiked in recent months and therefore not comparable to previous years. The GM wide 'A Bed Every Night' (ABEN) initiative to offer temporary accommodation to all rough sleepers has been extended for a further year until June 2020. Starting in November 2018, some 239 people at risk of sleeping on the streets in Stockport had been placed by the end of June 2019, with 90 moving on into settled accommodation. The Council will continue to track homelessness figures so that it can respond accordingly if homelessness rises as a result of

affordability and higher private rental prices leading to evictions.

The way in which Empty Property figures are reported has been changed and going forward, properties that are empty for more than 24 months will be reported. A new database/dashboard has been built that allows the Council to report on a much wider range of statistics. Previously the Housing Market Bulletin reported on properties empty for more than 6 months and more than 12 months, but it became apparent that this measure was not meaningful. This is because properties that fall into these categories are more likely to be properties that are empty due to being on the market for sale, those going through probate or those that are empty because the owner is carrying out refurbishment. The properties that are of interest are those that have been empty longer, where the owner has no prospect of bringing them back to use. These are the properties that are likely to fall into disrepair, and generally affect the visual amenity of our borough and are therefore prioritised by the Housing Standards Team.

## Housing Market Statistics



Source : HM Land Registry Sep 2019 - 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

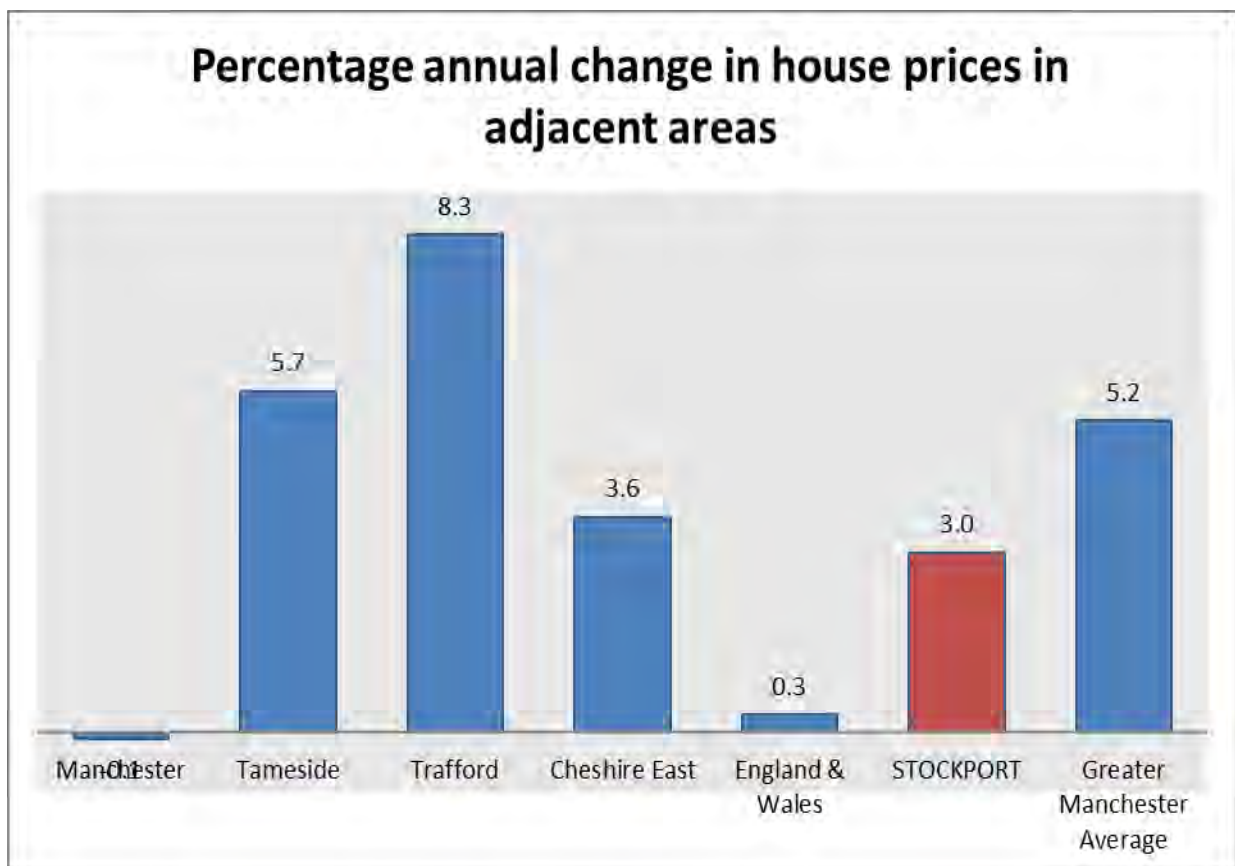
Actual average sale prices by postcode sector for the Quarter 2  
Apr to Jun 2019

	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
<b>SK1</b>	£180,000	1	£163,667	9	£137,365	23	£84,000	5	£137,695	<b>38</b>
<b>SK2</b>	£288,531	16	£232,601	65	£177,537	27	£126,800	5	£222,682	<b>113</b>
<b>SK3</b>	£267,374	12	£217,665	49	£158,090	52	£111,900	6	£191,312	<b>119</b>
<b>SK4</b>	£473,955	22	£281,017	45	£258,529	29	£174,528	30	£284,174	<b>126</b>
<b>SK5</b>	£277,499	6	£179,022	56	£144,198	58	£98,333	6	£163,839	<b>126</b>
<b>SK6</b>	£376,192	49	£243,215	66	£193,598	46	£130,758	12	£259,886	<b>173</b>
<b>SK7</b>	£531,035	65	£281,604	53	£250,439	42	£161,867	15	£356,507	<b>175</b>
<b>SK8</b>	£418,283	53	£288,250	88	£255,259	38	£168,216	27	£299,887	<b>206</b>
<b>Total</b>		<b>224</b>		<b>431</b>		<b>315</b>		<b>106</b>		<b>1076</b>

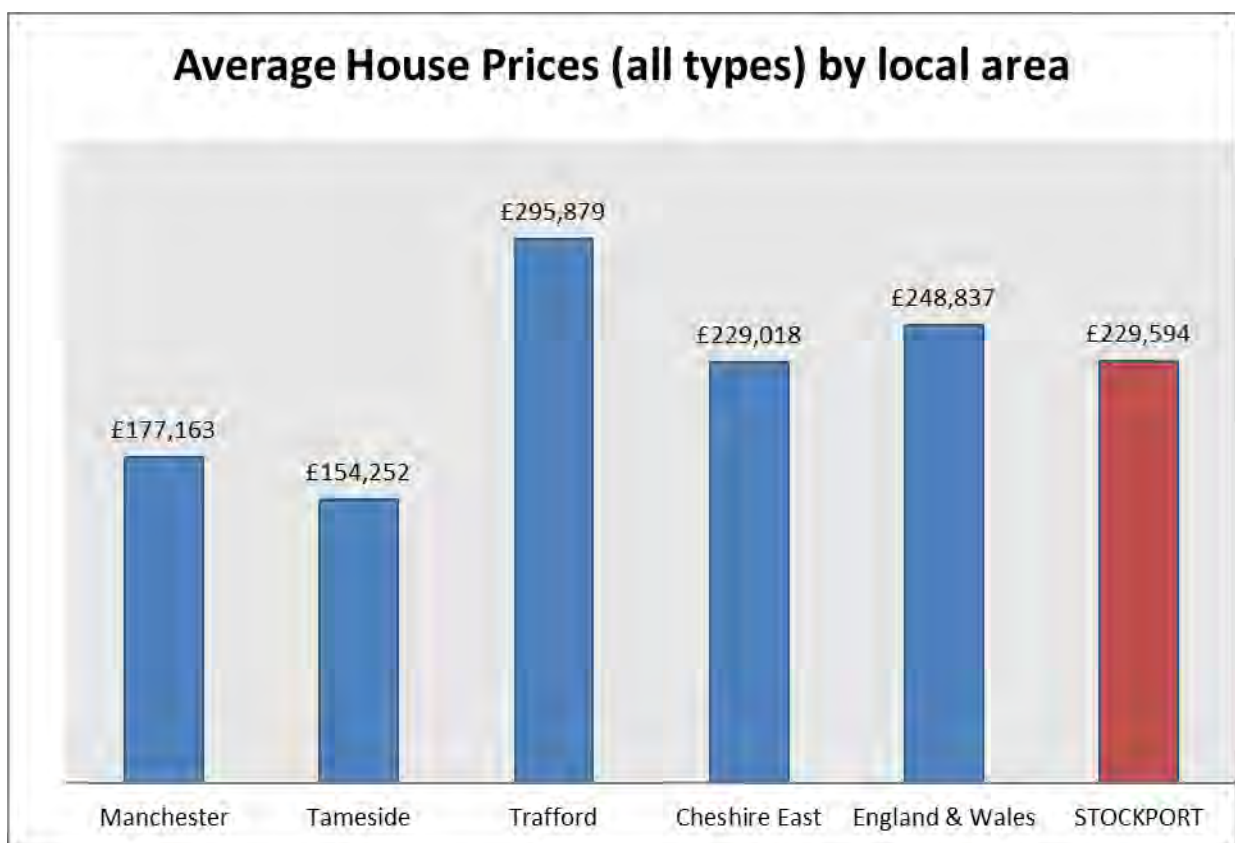
### Key

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

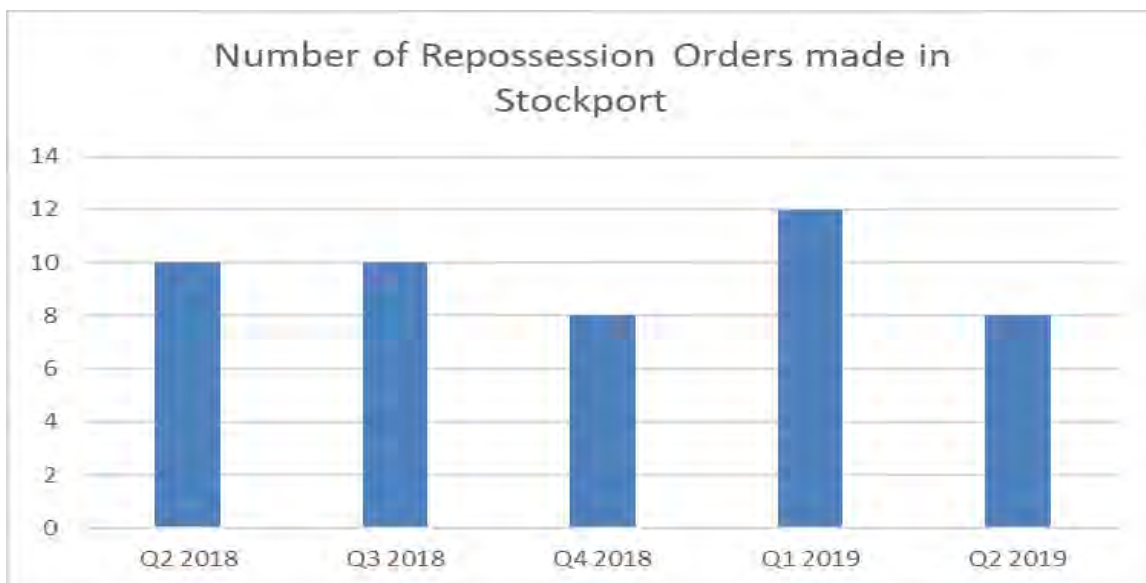
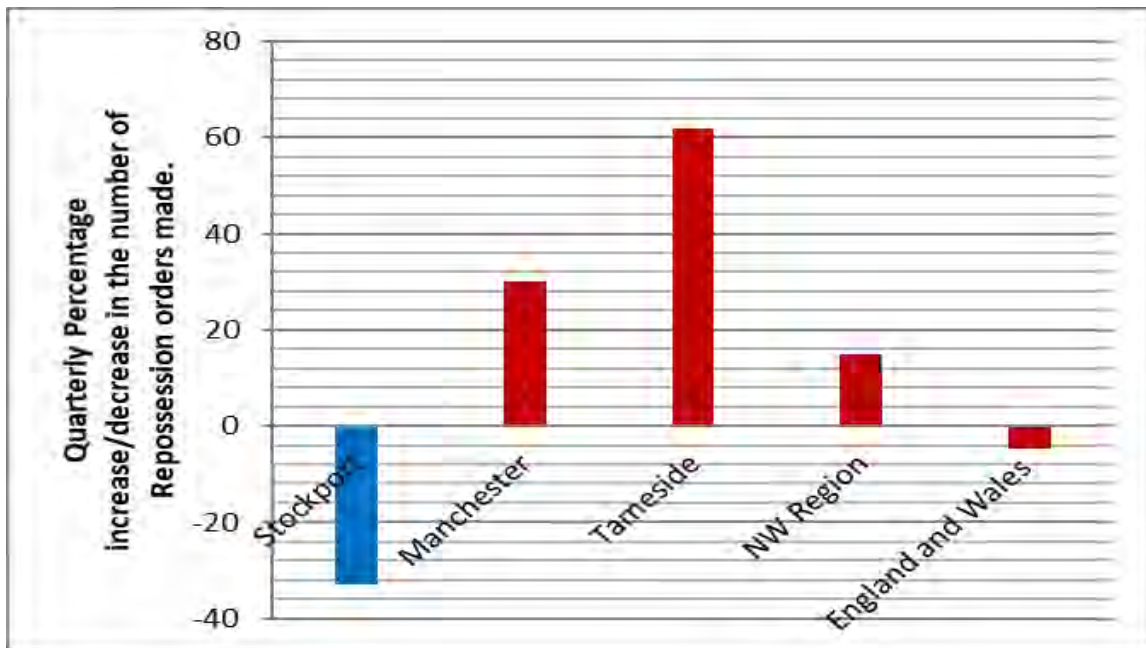


Source: HM Land Registry Sep 2019



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# Mortgage Repossession Statistics



Source: HM Ministry of Justice – Quarter 2 (2019)

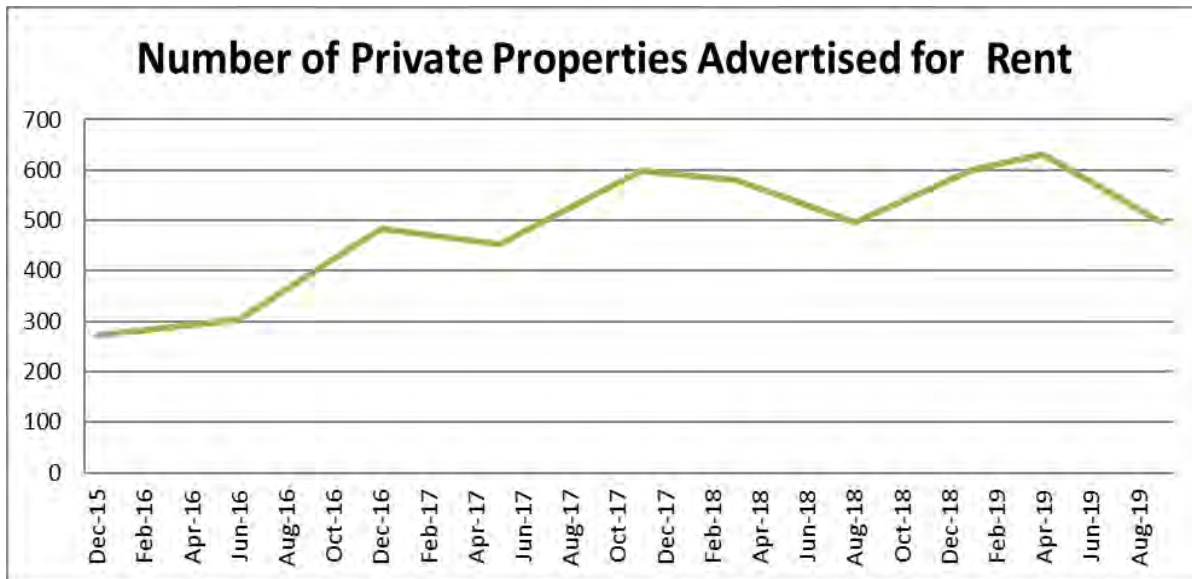
## Rented Housing Market

Average rent levels as at Sep 2019

	Registered Providers	Stockport Homes (ALMO)	Private Sector (Sep 2019)
Flats 1/2 beds	81.70	69.12	145.80
Terraced Houses	93.60	83.09	171.28
Semi-Detached	111.60	95.65	202.09
Detached	n/a	n/a	258.87

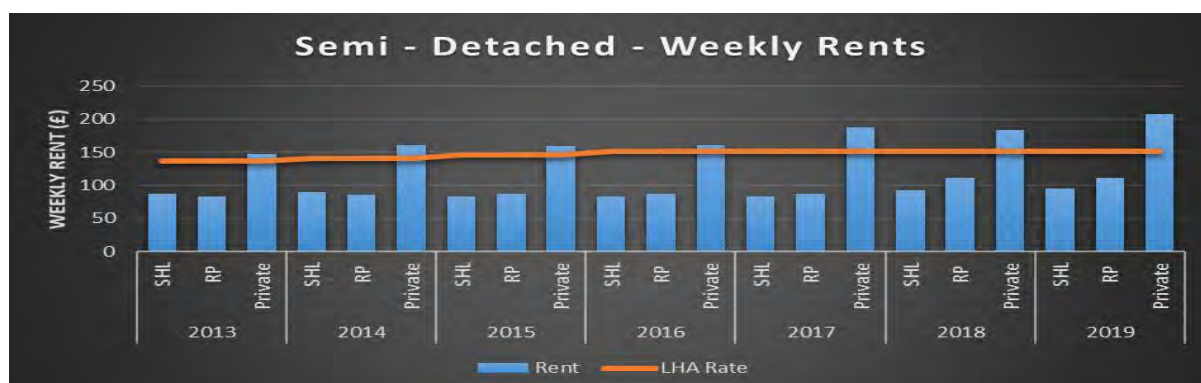
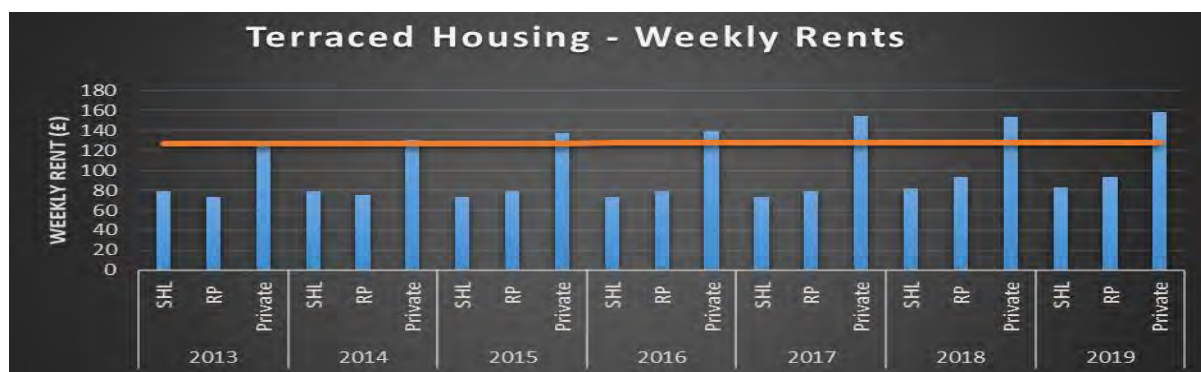
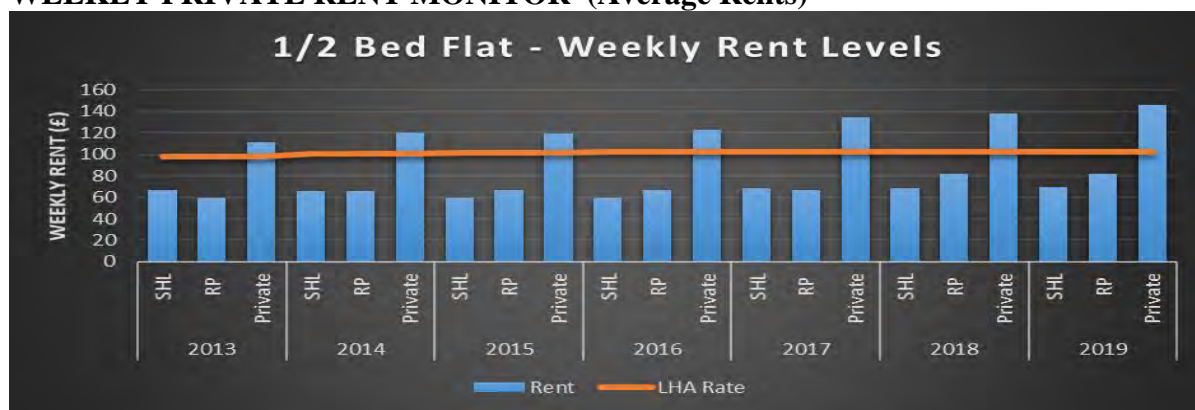
Source: Stockport Housing Partnership/Stockport Homes Ltd / Private Lettings Agencies/Rightmove Website



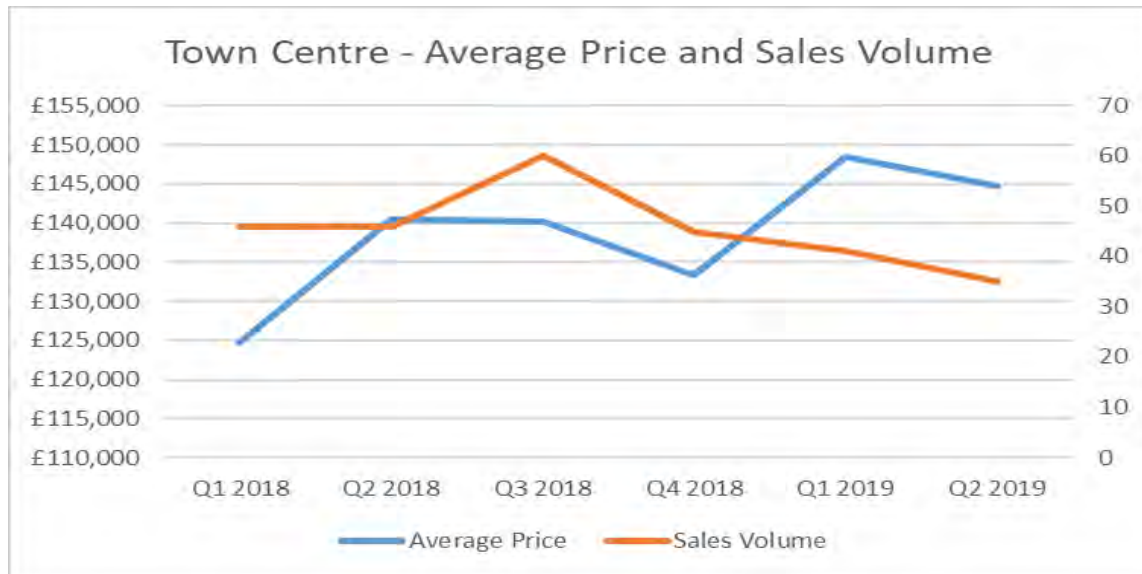


Source: Rightmove website

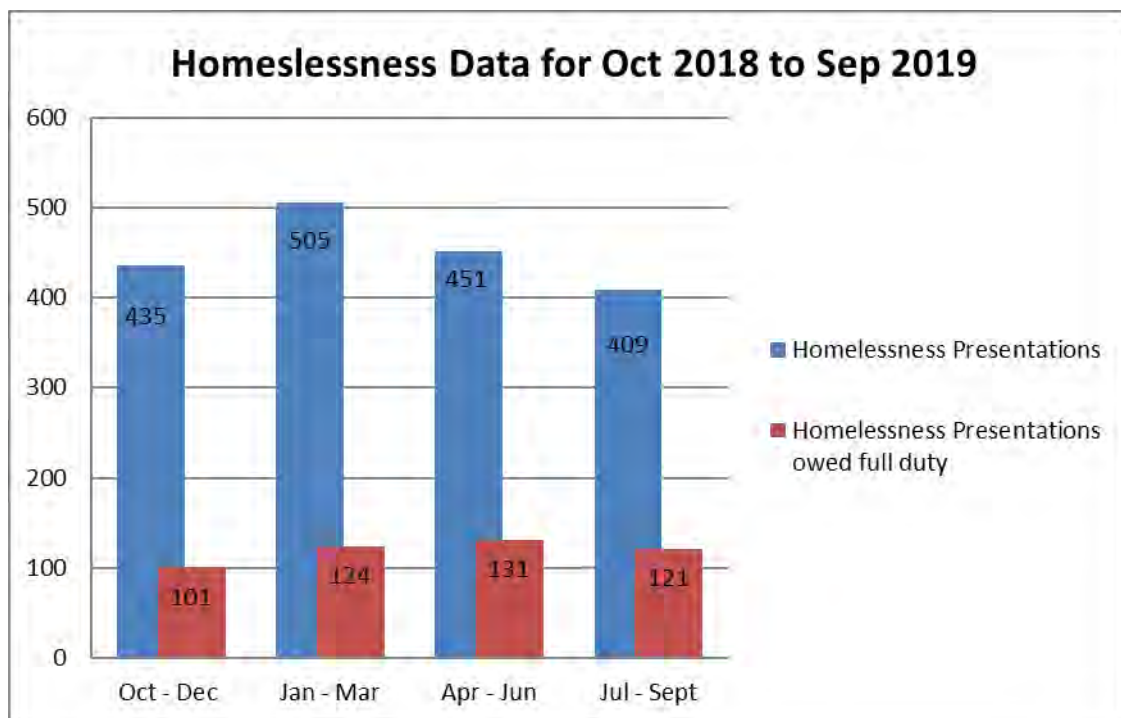
## WEEKLY PRIVATE RENT MONITOR (Average Rents)



## Town Centre



## Homelessness Statistics



	Jan 19 – Mar 19	Quarterly Change (Oct 18 – Dec 18)	
		Number	%
Homelessness Presentations	505	70	16.1
Homelessness Presentations owed full duty	124	23	22.8

Source: Stockport Homes Sep 2019

Key Economic Indicators as at 1st  
October 2019

Current Bank of England Base Rate:  
0.75 %

Current Inflation Rate (CPI):  
1.7% (RPI: 2.6%)

Government Target Inflation Rate (CPI):  
2.00 %

3 Month LIBOR as at 30<sup>th</sup> September  
2019: 0.76%

(Source: [www.thisismoney.co.uk](http://www.thisismoney.co.uk))

Empty properties in Stockport as at 30<sup>th</sup>  
September 2019

Empty for more than 24 months:  
437

Source: Stockport Council

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