



STOCKPORT HOUSING STRATEGY

Housing Market Bulletin

Issue 53 – January 2022

Housing Market Overview

Annual house price growth remained in near double digits in November making 2021 the strongest calendar year performance since 2006. Prices rose by almost 1% month-on-month, after taking account of seasonal effects. Demand has remained strong in recent months, despite the end of the stamp duty holiday at the end of September. Mortgage approvals for house purchase have continued to run above pre-pandemic levels, despite the surge in activity seen earlier in the year. Indeed, in the first 11 months of 2021 the total number of property transactions was almost 30% higher than over the same period of 2019. At the same time, the stock of homes on the market has remained extremely low throughout the year, which has contributed to the robust pace of price growth.

England house prices grew by 9.8% in the year to November 2021. The average house price now stands at £288,130. In Stockport, the average house price grew by 11.1% over the same period and the average value is £276,147. The number of transactions has continued to fall to around 123 per month representing a fall by over 75% since April 2021.

Surging food and fuel prices pushed inflation to a 30-year high at 5.4% in the 12 months to December, up from 5.1% the month before. Prices have gone up at their fastest rate in nearly 30 years - but there is worse to come, experts have warned. The last time inflation was higher was in March 1992, when it was 7.1% and with gas and electricity costs set to rise further in the spring, analysts predict it will reach that level again. Households have seen their energy bills kept in check by the government's price cap, which limits the amount suppliers can charge, but this is due to be revised on 1 April 2022. As a result, fuel bills could increase by another 50% in the next few months, the energy industry has warned.

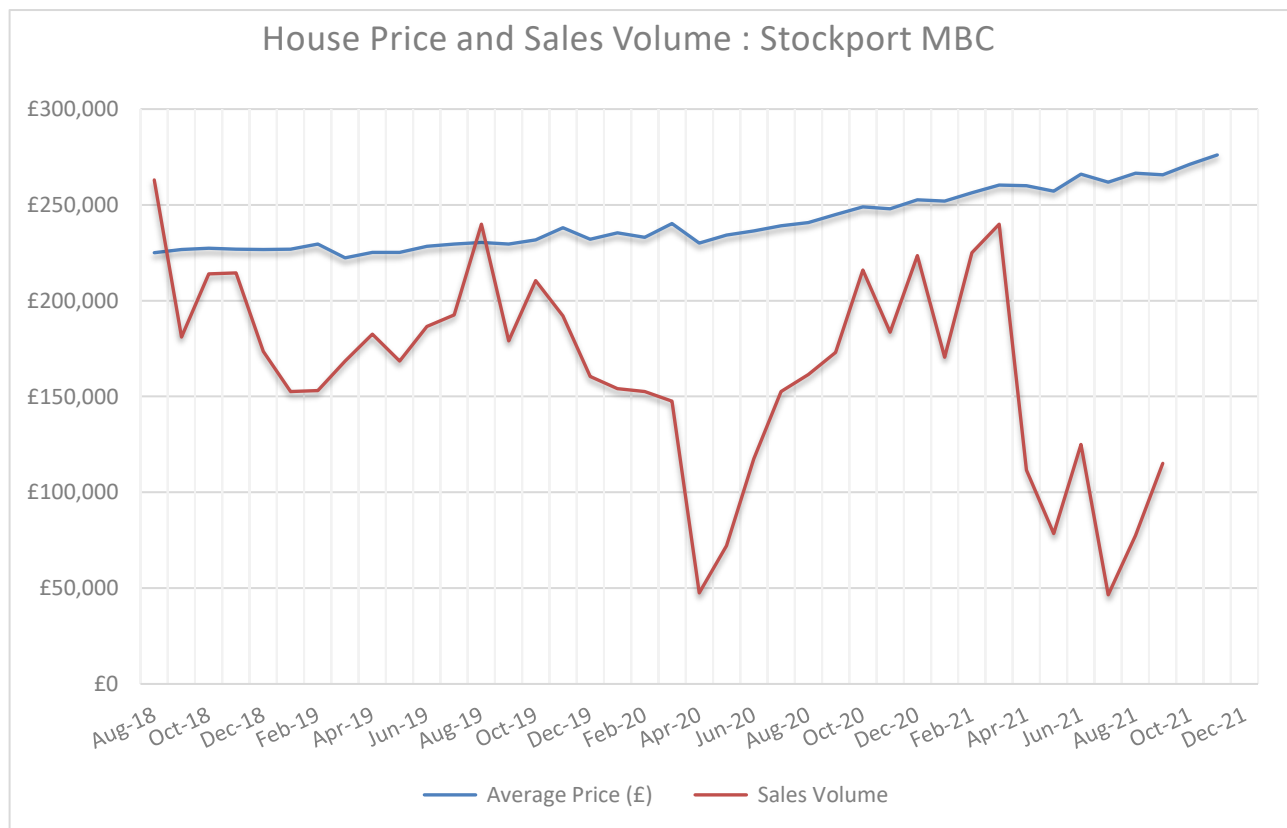
With inflation rising rapidly, it seems highly likely that the UK interest rate will rise again when the Monetary Policy Committee (MPC) meet in early February resulting in the first back-to-back rate rise since 2004. Economists expect rates to then rise perhaps three more times this year, reaching as high as 1% by the summer. The Bank of England put rates up in December from 0.1% to 0.25%. While mortgage rates are still at historic lows, the combination of an increase in monthly repayments for those on variable rates, plus inflation (food and energy bills) means living costs will be more expensive which should have a dampening effect on house prices and sales.

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 120 in January 2022, representing a drop of almost 80%. 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 136% 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 and households presenting themselves as homeless.

Stockport Homes (Viaduct Partnership) and partner Registered Providers are expected to complete the delivery of c250 affordable homes across the Borough by the end of March 2022. Large schemes include Melford Rd (87 units) and Battersby Hatworks (89 units, with the remaining 55 units due for completion in 2022/23). Great Places Housing Group are currently on site at the former Cranford Golf Centre - 106 total (47x social rent, 54x shared ownership, 5x market sale). There continues to be some delays in procuring materials due to the pandemic and the impact of Brexit.

The last quarter saw an overall decrease in the number of households presenting themselves as homeless. However, there was an increase in relief and prevention duties likely in part due to the lifting of the eviction ban. Despite an increase in overall duties owed over the previous quarter, the number of successful outcomes were well above the national average with 78% of all prevention duties over the quarter ending successfully and 51% of all relief duties ending successfully (UK average ~40% relief, ~60% prevention).

Housing Market Statistics



Source: HM Land Registry Jan 2022 - 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 2021 to Sep 2021

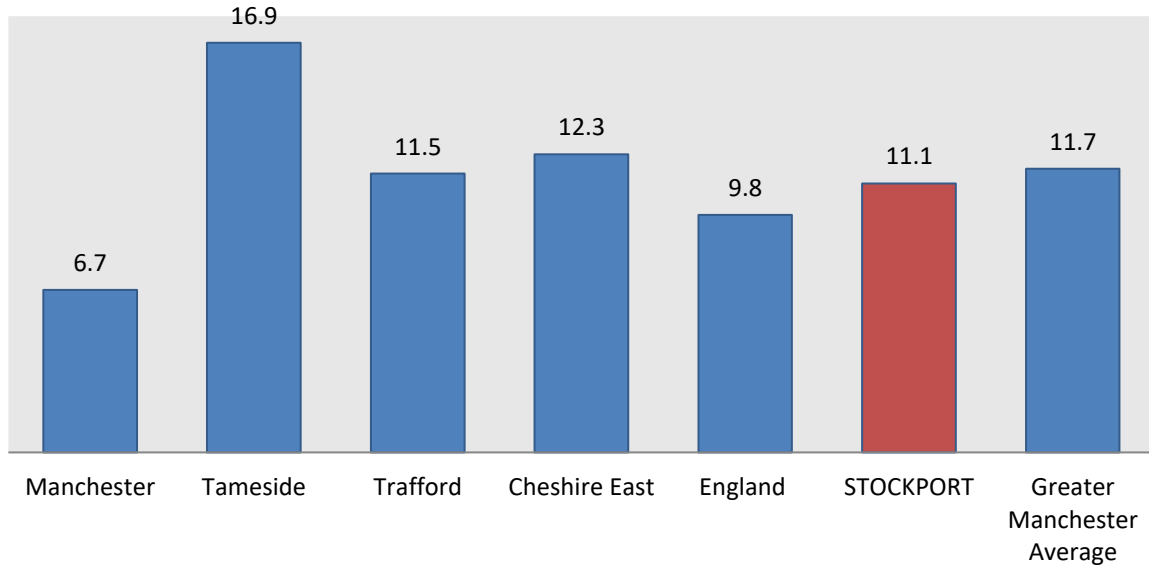
	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
SK1	£0	0	£175,000	5	£181,556	8	£140,000	2	£173,830	15
SK2	£369,000	10	£269,530	20	£206,762	15	£65,000	1	£266,240	46
SK3	£311,000	3	£242,594	16	£177,562	16	£143,750	4	£211,038	39
SK4	£426,500	4	£484,933	17	£290,079	12	£158,944	9	£353,841	42
SK5	£280,000	2	£205,855	20	£178,489	18	£0	0	£197,247	40
SK6	£407,232	14	£270,788	27	£238,460	24	£184,375	4	£282,218	69
SK7	£540,837	9	£345,214	21	£292,308	6	£190,167	12	£336,518	48
SK8	£435,119	21	£323,703	24	£249,095	19	£154,583	6	£322,381	70
Total		63		150		118		38		369

Key

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

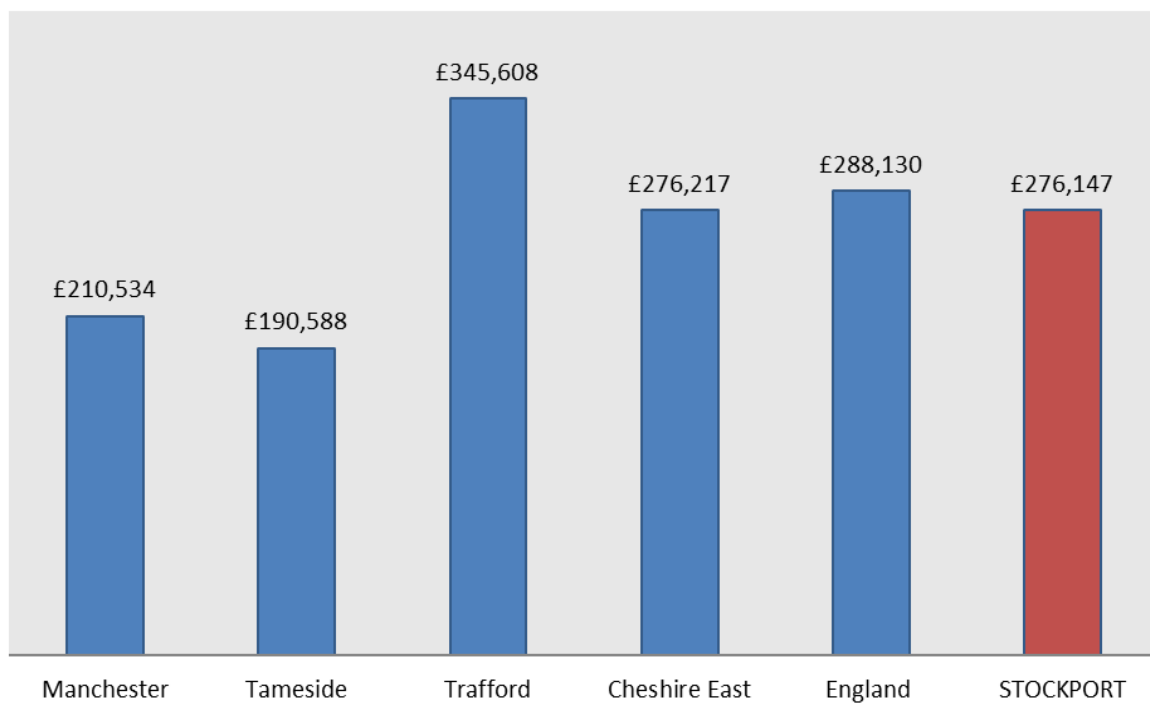
SK2: Davenport/Heaviley/Great Moor/Stepping Hill/Offerton
 SK4: Heaton Moor/Heaton Mersey
 SK6: Bredbury/Woodley/Romiley/Marple
 SK8: Gatley/Heald Green/Cheadle Hulme

Percentage annual change in house prices in adjacent areas



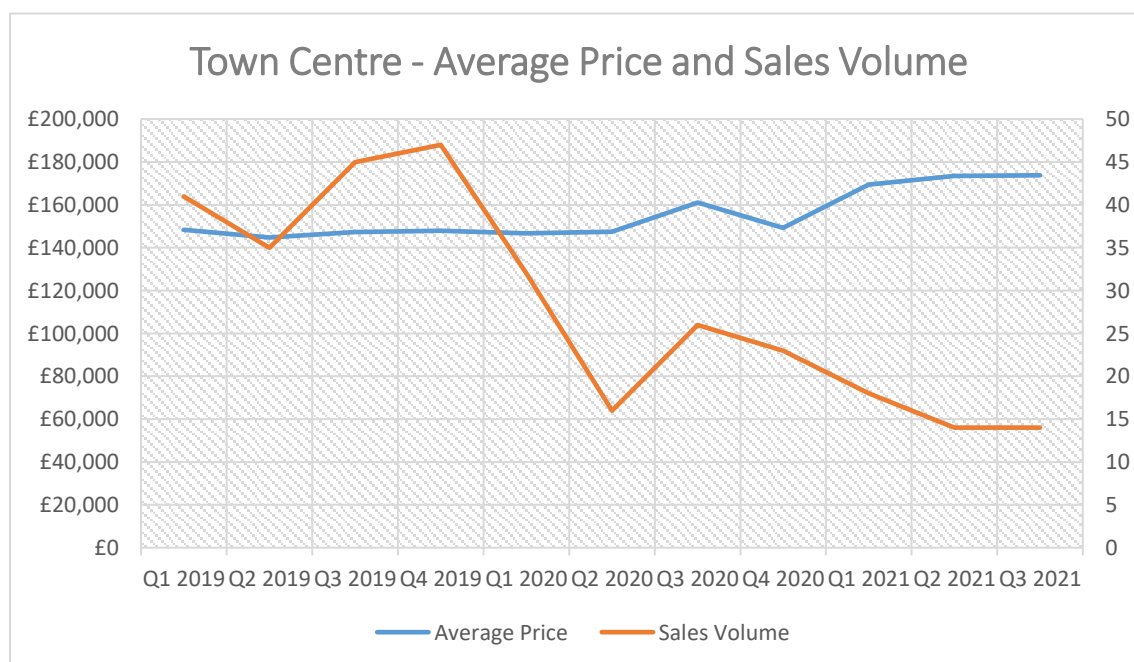
Source: HM Land Registry Jan 2022

Average House Prices (all types) by local area



Source: HM Land Registry Jan 2022

Town Centre



Source: HM Land Registry Jan 2022

Mortgage Repossession Statistics

Incoming court volumes have remained steady since the end of the stay in Sept 2020. Mortgage and Landlord possession claims continue to increase but remain well below the baseline following the lifting of the bailiff 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 6 claims made in Q3 of 2021 and 2 orders for possessions granted.

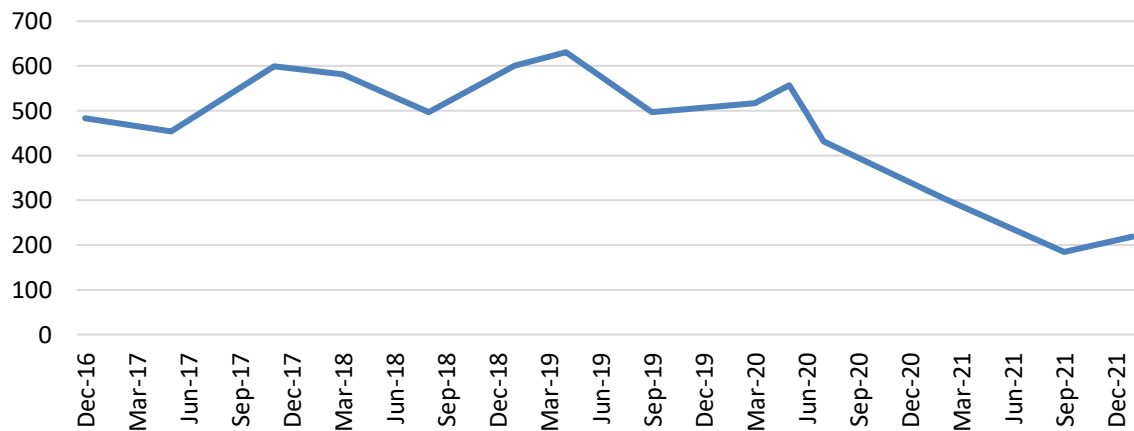
Rented Housing Market

Average rent levels (Per Week) as at Apr 2021

	Registered Providers	Stockport Homes (ALMO)	Private Sector (Jan 2022)
Flats 1/2 beds	84.01	70.74	165.00
Terraced Houses	93.99	86.27	193.97
Semi-Detached	107.51	97.60	214.56
Detached	n/a	n/a	298.85

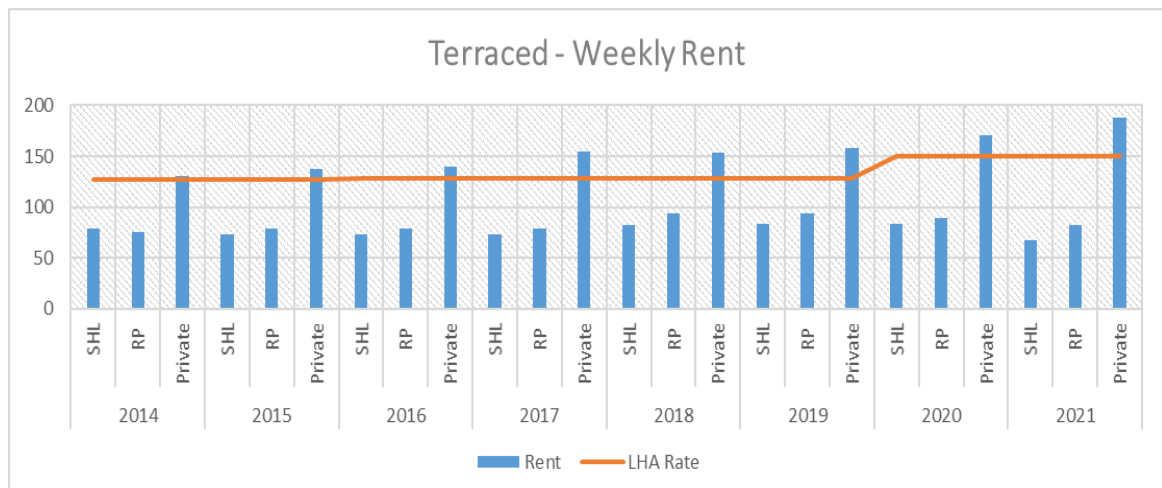
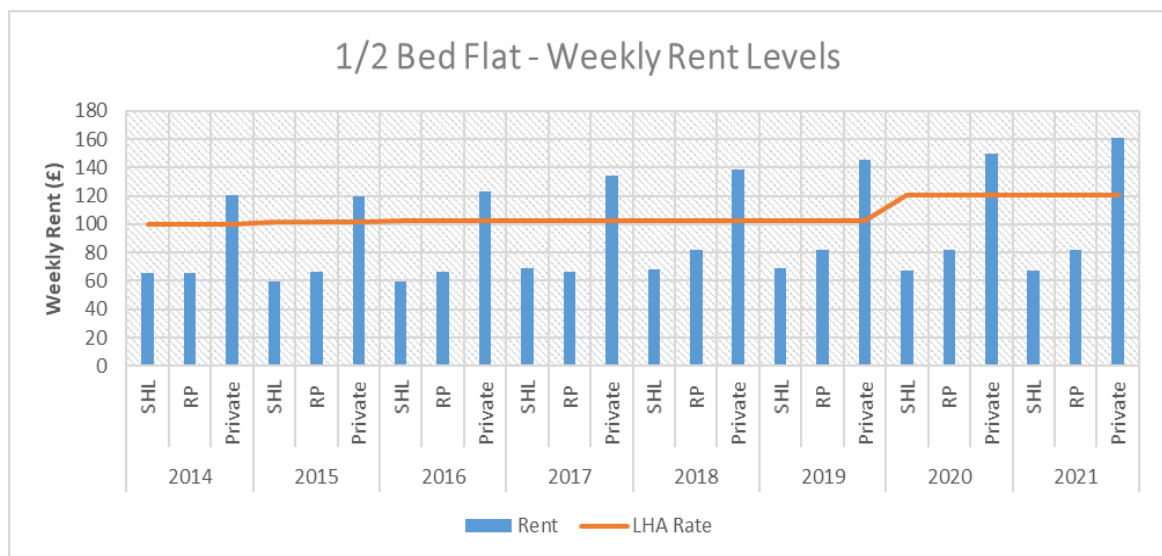
Source: Stockport Housing Partnership/Stockport Homes Ltd / Private Lettings Agencies/Rightmove Website

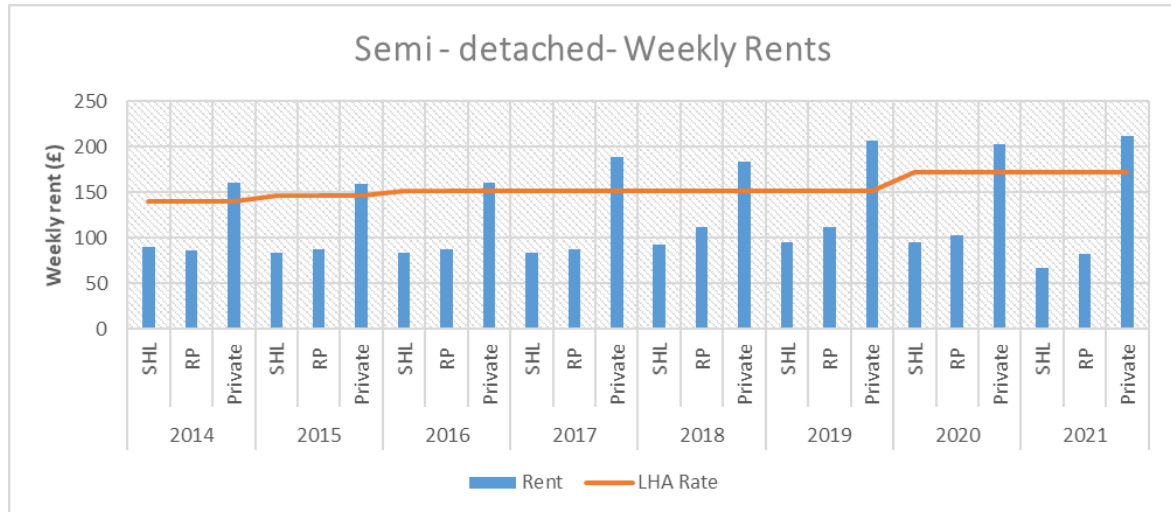
Number of Private Properties Advertised for Rent



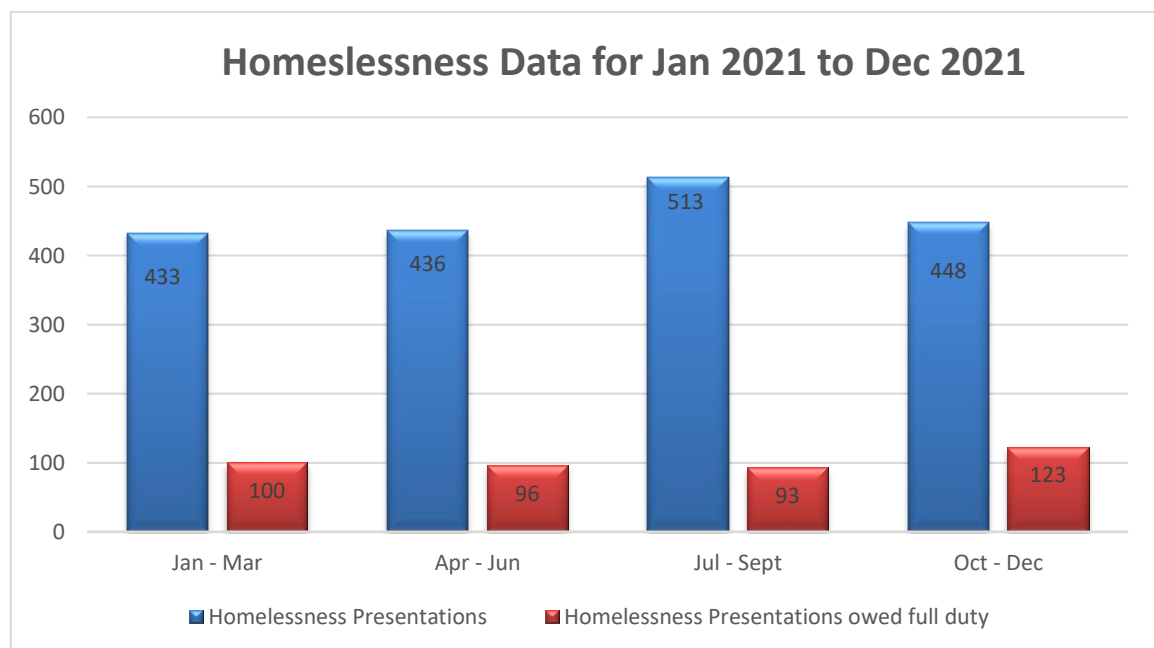
Source: Rightmove website – Jan 2022

WEEKLY PRIVATE RENT MONITOR (Average Rents)





Homelessness Statistics



	Oct 21 – Dec 2021	Quarterly Change (From Jul 21 – Sep 21)	
		Number	%
Homelessness Presentations	448	513	-12.6 %
Homelessness Presentations owed full duty	123	93	32.3 %

Source: Stockport Homes Jan 2022

Key Economic Indicators as of 19 January 2022

Current Bank of England Base Rate:
0.25 %

Current Inflation Rate (CPI):
5.4 % (RPI: 7.5 %)

Government Target Inflation Rate (CPI):
2.00 %

(Source: ONS)

Empty properties in Stockport as of 30th December 2021

Empty for more than 24 months:
561

Source: Stockport Council

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