



STOCKPORT HOUSING STRATEGY

Housing Market Bulletin

Issue 54 – May 2022

Housing Market Overview

After a year of soaring prices and fierce competition between buyers, predictions are that house price growth is likely to slow in the coming months as the market settles down with homebuyers facing higher interest rates and the cost-of-living squeeze. England house prices grew by 10.7% in the year to February 2022. The average house price now stands at £295,888. In Stockport, the average house price grew by 9.5% over the same period with the average value now at £279,483. The number of transactions has increased slightly from the previous quarter to around 180 per month representing a fall by over 62% since April 2021.

Surging food and fuel prices have continued to push inflation to a 30-year high at 7.0% in the 12 months to March 2022, up from 6.2% the month before. Prices have increased at their fastest rate in nearly 30 years - but there is worse to come, experts have warned. Prices are rising faster than wages and there is pressure on the government to do more to help those struggling with the cost-of-living crisis. The cost of living is expected to rise even further after the energy price cap was increased from 1st April 2022, driving up gas and electricity bills for millions by over 50%. Some analysts are even predicting that inflation could hit 10% by the end of this year if the war in Ukraine becomes protracted, driving up energy costs and disruption in the supply of ingredients such as edible oil and wheat.

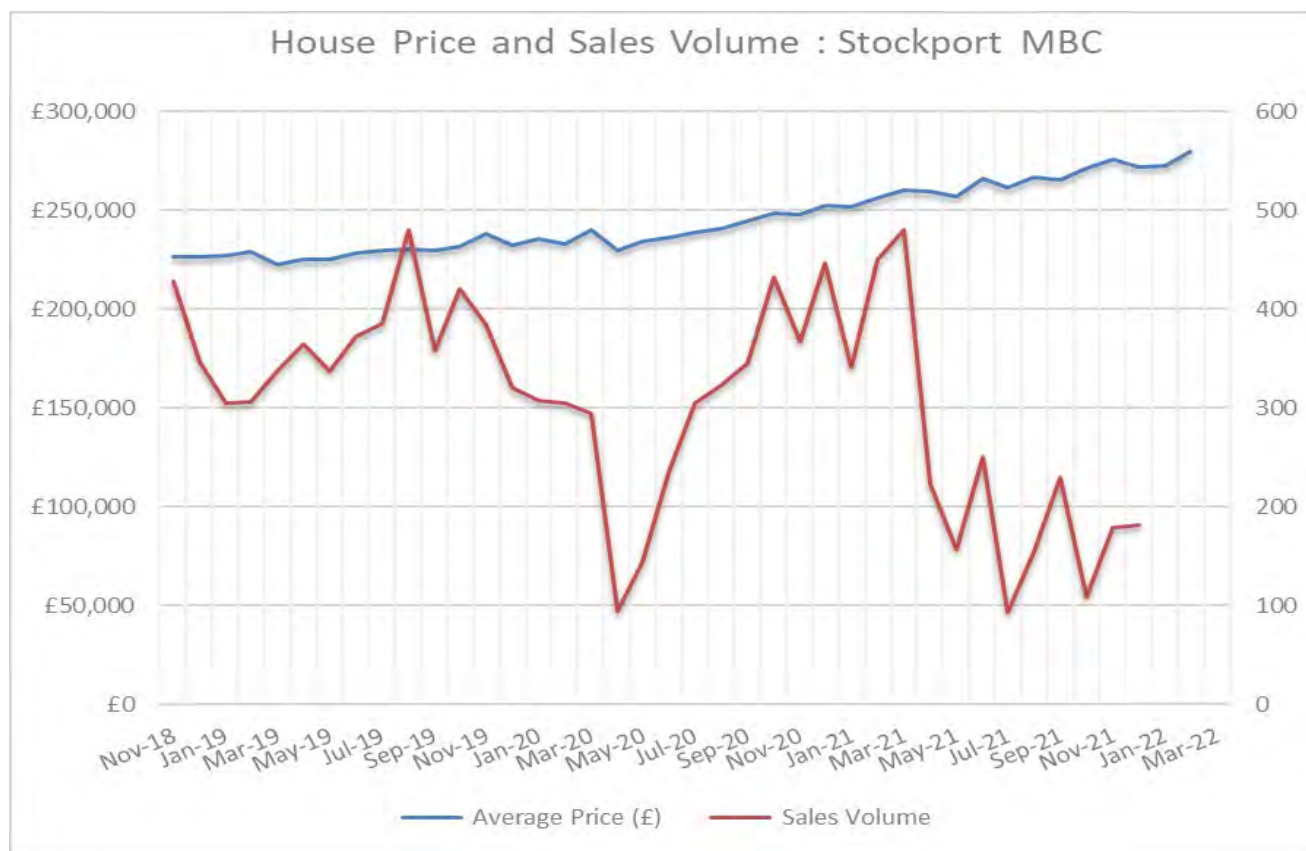
With inflation rising rapidly, the Monetary Policy Committee (MPC) has again increased the UK's interest rate by another 25 basis points to 1% on May 5. This is the first quadruple back-to-back interest rate hikes in a quarter of a century. Confidence in a rate rise strengthened as new data pointed to a tight jobs market, with vacancies still rising and pay climbing but failing to keep pace with inflation.

The number of private rented properties available for let in the Borough remains extremely low since the start of the Pandemic from 575 in March 2020 to just over 200 in April 2022, representing a drop of over 65%. This inevitably is pushing the rent prices even higher for private renters. 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 the 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 progressing with the delivery of a number of affordable housing schemes in the borough. There continues to be some delays in procuring materials due to the pandemic and the impact of Brexit which is, in turn, affecting completion dates. There are currently 6 schemes on site which, upon completion, would yield around 390 units of affordable homes including large schemes at Melford Rd (87 units), Hempshaw Lane (144 units) and Cranford Golf Course (106 units).

Though there was an increase in homeless assessments over the last quarter, there were less homeless acceptances extended to households. As with previous quarters since the eviction ban was lifted, there has been a gradual increase in prevention and relief duties to those presenting following the loss of PRS tenancy/s21 notice being served. In terms of duties ended over the quarter, 50% of all relief duties ended with the applicant securing accommodation and 71% of all prevention duties ended with the household securing accommodation and no longer being threatened with homelessness. (UK average ~40% relief, ~60% prevention).

Housing Market Statistics



Source: HM Land Registry Apr 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 4 (Oct 2021 to Dec 2021)

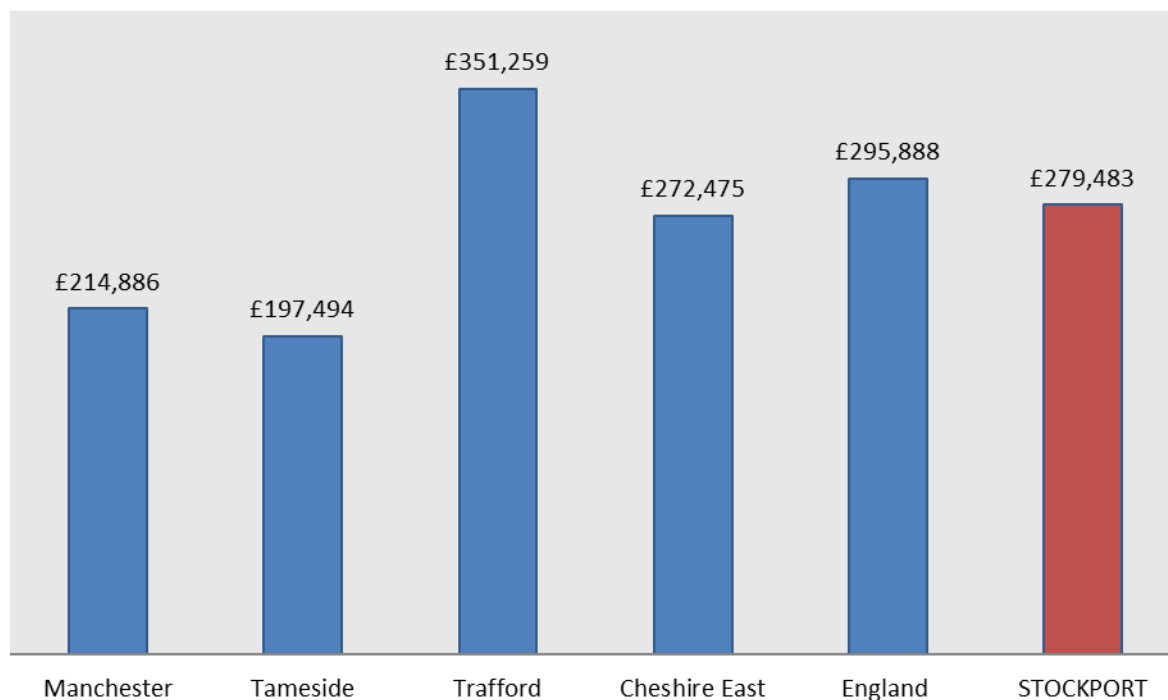
	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
SK1	£320,000	1	£187,625	4	£166,036	7	£0	0	£186,062	12
SK2	£337,500	4	£302,793	22	£206,695	22	£266,250	2	£261,825	50
SK3	£283,333	3	£226,332	19	£200,137	13	£120,000	2	£216,002	37
SK4	£596,500	4	£348,657	7	£253,115	13	£174,244	8	£297,220	32
SK5	£297,500	1	£196,500	13	£164,451	14	£154,167	3	£181,188	31
SK6	£508,784	15	£306,980	23	£250,917	15	£144,556	8	£321,516	61
SK7	£666,156	17	£336,300	18	£239,803	8	£153,742	6	£412,631	49
SK8	£473,468	22	£348,303	25	£255,525	10	£163,398	11	£345,243	68
Total		67		131		102		40		340

Key

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

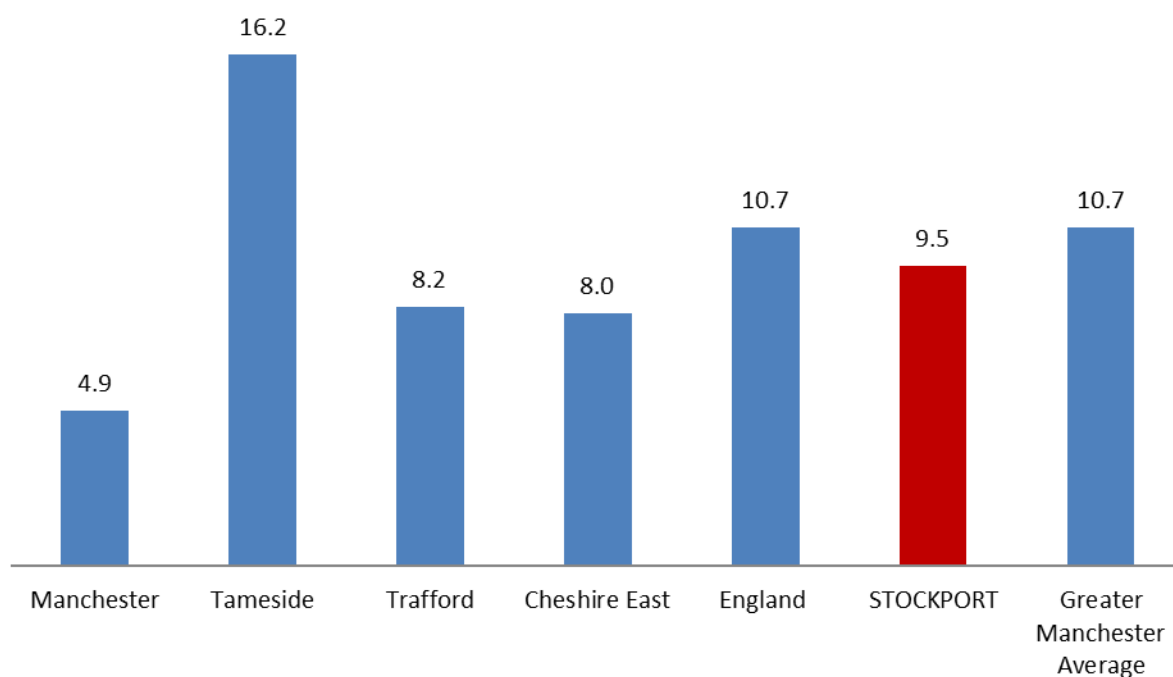
SK2: Davenport/Heaviley/Great Moor/Stepping Hill/Offerton
SK4: Heaton Moor/Heaton Mersey
SK6: Bredbury/Woodley/Romiley/Marple
SK8: Gatley/Heald Green/Cheadle Hulme

Average House Prices (all types) by local area



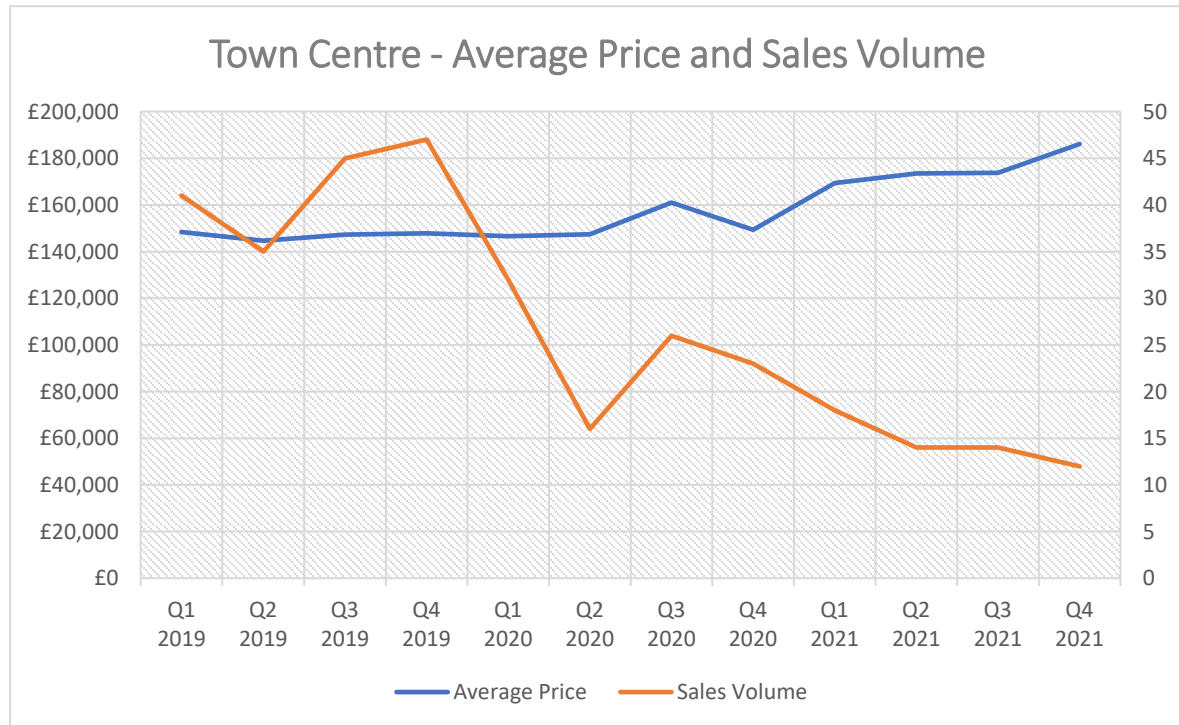
Source: HM Land Registry Apr 2022

Annual Change (%)



Source: HM Land Registry Apr 2022

Town Centre



Source: HM Land Registry Apr 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 59%, 63% and 71% 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.

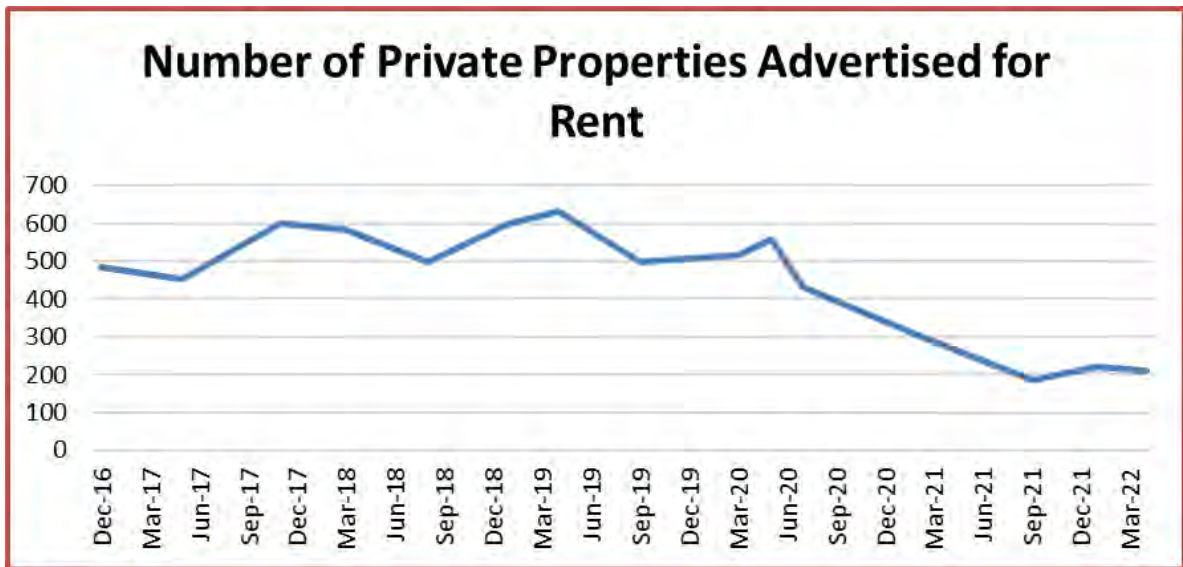
In Stockport there were 12 claims made in Q4 of 2021 and 3 orders for possessions granted.

Rented Housing Market

Average rent levels (Per Week) as at Apr 2021

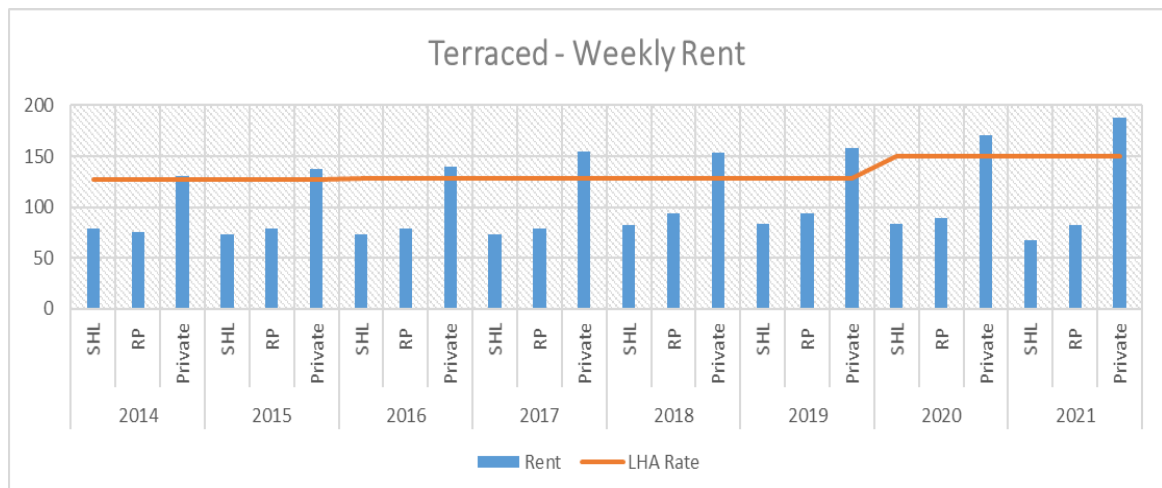
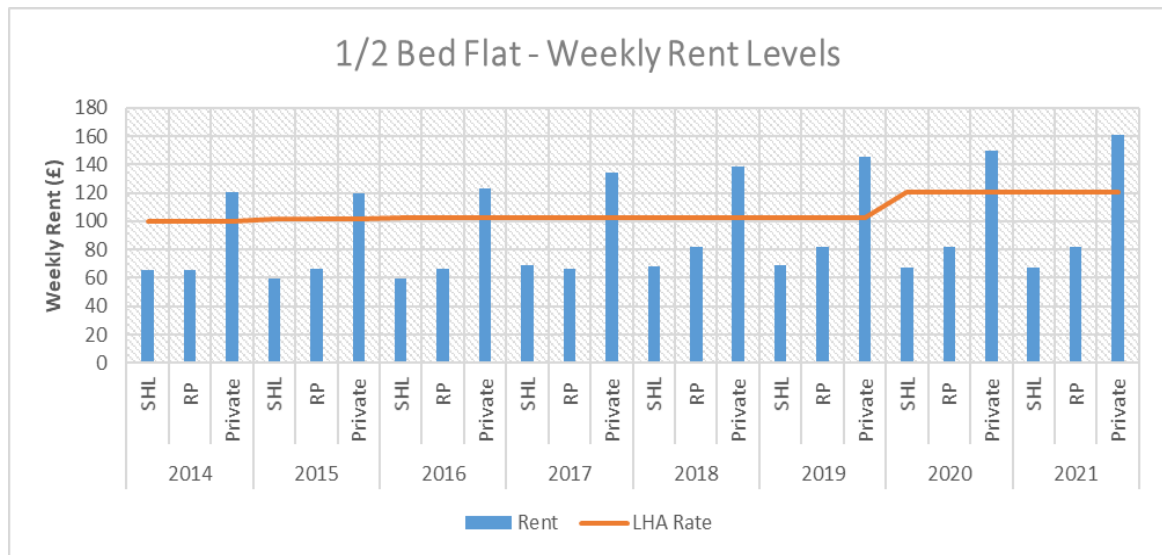
	Registered Providers	Stockport Homes (ALMO)	Private Sector (Apr 2022)
Flats 1/2 beds	84.01	70.74	163.84
Terraced Houses	93.99	86.27	193.53
Semi-Detached	107.51	97.60	213.46
Detached	n/a	n/a	298.85

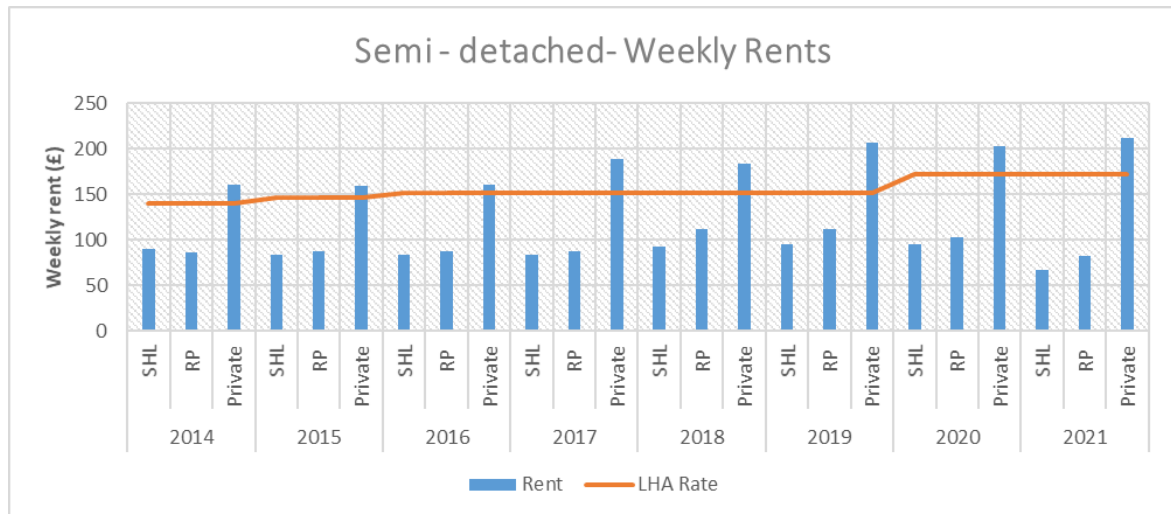
Source: Stockport Housing Partnership/Stockport Homes Ltd / Private Lettings Agencies/Rightmove Website



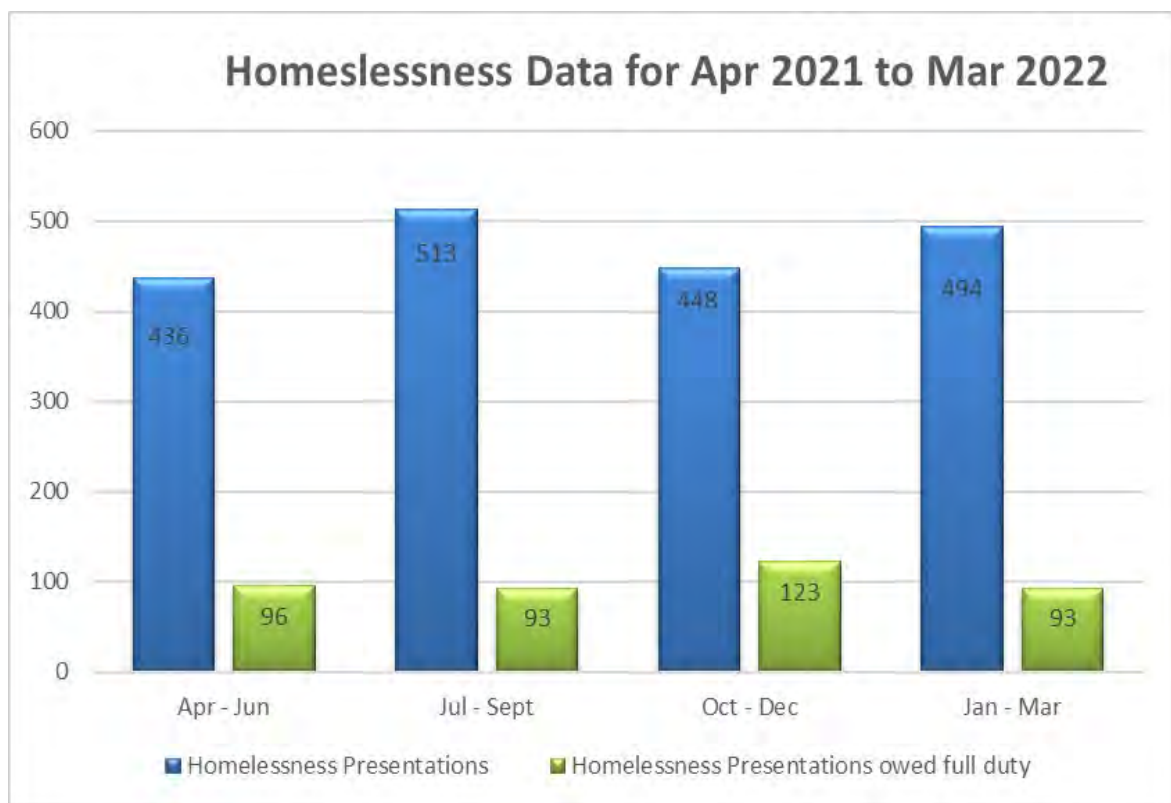
Source: Rightmove website – Apr 2022

WEEKLY PRIVATE RENT MONITOR (Average Rents)





Homelessness Statistics



	Jan 22 – Mar 2022	Quarterly Change (From Oct 21 – Dec 21)	
		Number	%
Homelessness Presentations	494	448	10.0 %
Homelessness Presentations owed full duty	93	123	-24.4 %

Source: Stockport Homes Apr 2022

Key Economic Indicators as at 06 May 2022

Current Bank of England Base Rate:
1.0 %

Current Inflation Rate (CPI):
7.0 % (RPI: 9.0 %)

Government Target Inflation Rate (CPI):
2.00 %

(Source: ONS)

Empty properties in Stockport as of 31st March 2022

Empty for more than 24 months:
580

Source: Stockport Council

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