Manchester City Council

Housing
Needs Assessment

MANCHESTER
CITY COUNCIL

Final Report

October 2007

fordham RESEARCH

FOREWORD

This report provides the key information on housing need in the format set out in the latest Guidance (Practice Guidance CLG March 2007)

Chapter Listing

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1. Overview of Manchester Housing Market Area

Introduction

1.1   Manchester is a city that has transformed itself from being at the heart of the industrial revolution, with an economy dependent upon manufacturing to be the leading City in the North with a varied and thriving economy dependent on services. The legacy of the past has several costs that have not yet been fully addressed, and so there are significant problems as well as positive aspects to the housing market in Manchester.

1.2   The following map shows the wider context of the entire Greater Manchester area. This makes it clear that the City of Manchester, and the adjoining City of Salford which is also part of the present analysis, are at the heart of a much wider conurbation forming the city region. Part of the major change that has occurred over recent decades is that where formerly the rest of the conurbation contained much employment, the jobs are now mainly focussed on the City of Manchester, and to a lesser extent the City of Salford, and so the whole conurbation has become in effect more centralised.

Map 1.1 Greater Manchester area
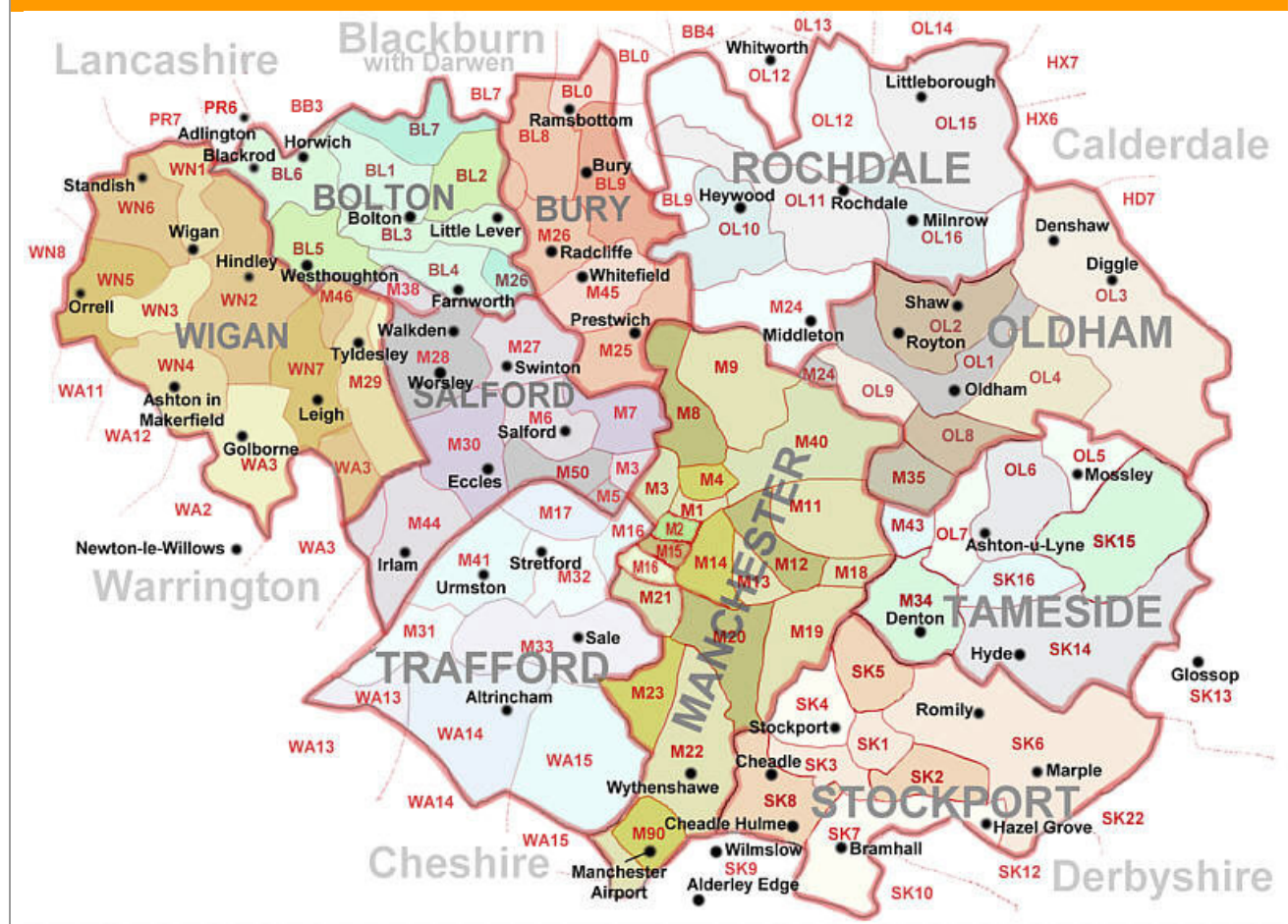
Source: Fordham Research Manchester HNA 2007

Description

1.3   This section describes the City of Manchester itself. The following material is taken from various websites related to the City and describes its current position:

> *Manchester is a city of startling contrasts and significant challenges. It is the North West's regional centre for finance, commerce, retail, culture and leisure, home to a major international airport and one of the largest student populations in Europe.* Manchester has been involved in extensive regeneration over the past decades, the city centre has undergone rapid change with many warehouses and other industrial buildings converted into contemporary flats or office space whilst maintaining the character of the area. *A major redesign and extension of the centre attracted £500 million of investment from public and private companies and landmarks such as Urbis, Cathedral Gardens and Exchange Square were created.*

Manchester is also home to two prominent football teams, with Manchester United particularly having an international reputation. The success of the Commonwealth Games in 2002 offered a focus to the regeneration leading to the creation of *sport amenities such as the internationally renowned Sportcity complex in east Manchester which offers facilities for elite athletes and the community. Since the Commonwealth Games the city has attracted around £2 billion of private sector investment that created 45 000 jobs. The increased opportunities, cultural and leisure facilities are contributing to a better quality of life for all Manchester residents. Manchester is now driving the regeneration of north west England, offering world class venues such as the International Convention Centre, Bridgewater Hall and the MEN arena. The redevelopment of the city has contributed to continued investment from major companies, such as the Bank of New York.*

The urban mix of diverse communities, wide range of creative industries, cultural programmes and fresh ideas all contribute to making Manchester a great place to work, live and for tourists to visit.

Current and prospective general situation

1.4   The following extracts from a current report (Ecotec: Making Housing Count Workstream 2 January 2007, Table 9.1 p 100)

   i)   Forecast 24% employment growth and 6% (to 2014) population growth

   ii)   Incomes: '*consistently very low incomes, except enclaves in south and in city centre*'

   iii)   Housing offer: '*major housing offer problem both in terms of poor condition private stock and high level of social rented housing provision. Increasing erosion of home ownership by large private rented sector*'.

   iv)   Planning context: '*planned provision almost double ONS (population) growth rate, but potential problems in providing sites and creating demand*'

   v)   Implications: 'leading employment growth in city region in Central Business District and Airport; continuing city centre housing growth but major increase in inward commuting unless core regeneration succeeds; significant poor housing offer; focus for migration generating increasing 'transit' function; rapid increase in BME population'

1.5   The City now has a BME population which exceeds a fifth of its total population. The population includes many long settled residents, but also, as the above bullet points emphasise, a rapidly evolving one in which includes a 'transit' function. This is characteristic of areas with cheap housing: the East end of London has acted as host to a series of in-migrant populations over many centuries.

Spatial dimension of the Manchester market

1.6   One of the fortunate by-products of the regeneration process is much study work which has among other things produced detailed descriptions. The following map indicates the tenure pattern across the two cities.

Map 1.2 Example Map – TENURE
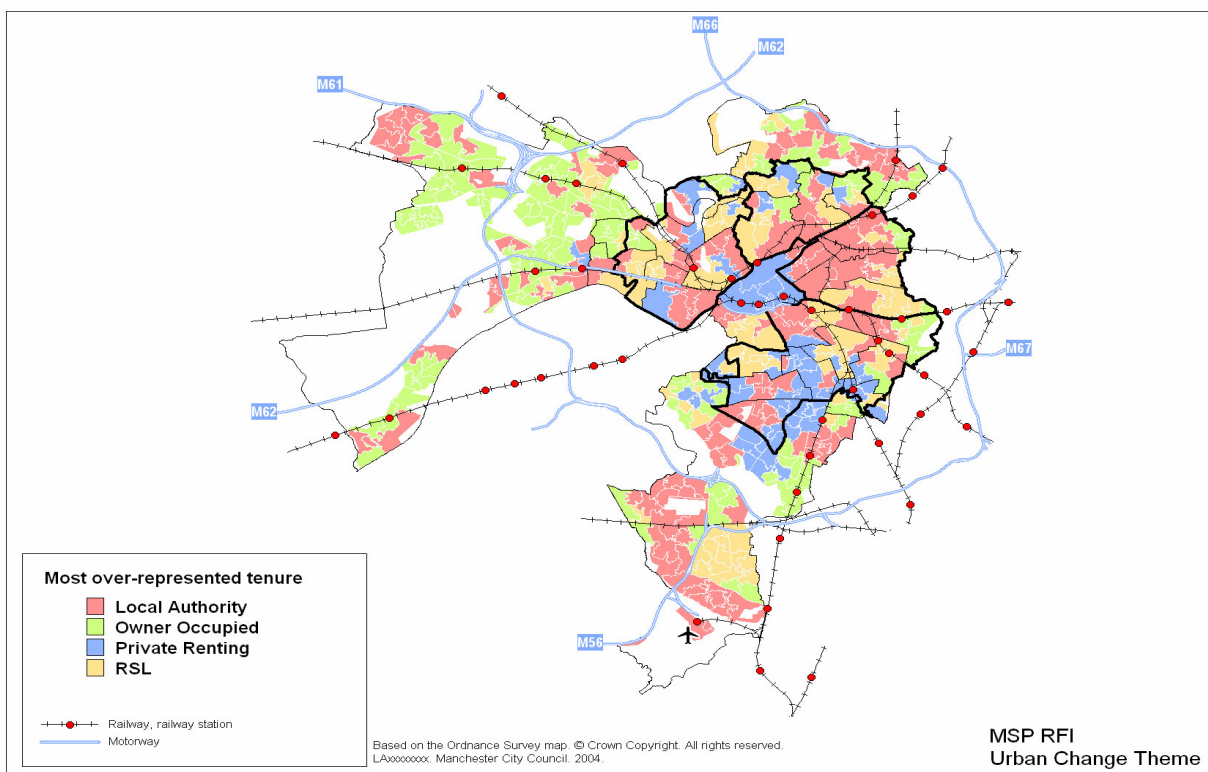
Source: Drivers of Change in the Manchester Salford Housing Market – ECOTEC Sept 2005. It is important to note that staggered stock transfer is in progress in the City, and so this map is no longer up to date as between RSL and Local Authority housing.

1.7   The map is helpful in showing the most over-represented tenures across the two cities. Where one tenure is over-represented this can affect a community's sustainability.

Nature of this study

1.8   This document contains a Housing Needs Survey for Manchester. This follows the analytical procedures set out in a series of Government Guidance, most recently the Practice Guidance of March 2007.

Summary

1.9   As can be seen from the above comments, the City clearly has some severe challenges to face in relation to what the market commentators call its 'housing offer'. This study is devoted to examining the nature of Manchester's housing market, their dynamics and prospects. The following chapter sets out some key definitions and concepts for the ensuing analysis.

2. Scope of the work

Introduction

2.1   This chapter discusses the Brief for the work and outlines the scope of the database used to produce the analysis contained within it. This chapter also contains a short review of the literature on 'drivers' of change in Manchester and Salford.

The Manchester/Salford/MSP Brief

2.2   The Brief provides both general and specific information on the requirements for this study:

[The Clients] *wish to undertake a comprehensive survey of housing requirements… [to] cover all tenures and …areas* (para 1.1)

The research is needed to support both Councils strategic planning (with details of many types of strategic policy). ..The final report should include a housing needs (supply and demand) forecast for (a) the next 5 years and (b) an indication of need over the next 10 years.

In Section 2.3 are listed over a dozen headings, which range from specific requirements (essentially the measurement of housing demand and need) to general intentions.

Table 2.1 Detailed Brief requirements (para 2.3)

- *Assess the function and structure of current housing markets, including existing housing demand;*
- *Estimate changes in household numbers in order to identify future housing demand for type, size, and tenure mix*
- *Estimate current and future levels of housing need by type, size and tenure mix*
- *Consider intermediate housing and low cost housing and the demands of particular household groups*
- *Assist the City Councils and MSP (Manchester Salford Pathfinder) to make informed decisions about the targeting of housing resources and spending priorities;*
- *Assist the Councils in developing their Housing Strategies and housing policies within the LDF, and ensure that these are effective and joined up across both Cities*
- *Inform the further development of housing for vulnerable people including the elderly, people with disabilities, mental health problems and learning difficulties.*
- *Assist the targeting of Supporting People funding, and delivery of new supported accommodation project.*
- *Indicate the likely demand for adaptations for disability, and hence the demand for Disabled Facilities Grants*
- *Inform the corporate strategies of both City Councils.*
- *Provide background material to inform the Housing Investment Programme, HMRF and other bids.*
- *Assist the Councils in developing appropriate approaches to meeting BME/Faith Group housing needs through maximising the use of existing social housing stock; supporting new investment to meet the identified housing needs and promoting home ownership where appropriate ; and*
- *Assist the Councils in developing appropriate approaches to meeting gypsies and travelers housing needs, having regard to guidance published by the ODPM.*

Source: Manchester/Salford MSP Brief

2.3   In para 3.4 are listed 7 requirements from the primary survey:

Table 2.2: Requirements from the primary data (para 3.4)

- *Levels of overcrowding/under occupation by tenure and concealed households and situations where special adaptations are required to ensure that current homes meet the needs of existing occupiers;*
- *Local information about household income, equity, savings and deposits, which are linked to estimates of affordability;*
- *The average and entry level rents for properties of different sizes and location*
- *Household aspirations, preferences and concerns in terms of location, tenure, size and type of housing*
- *Need and demand for intermediate housing products and social rented housing*
- *The needs of particular groups of households e.g. those in the private rented sector or living in a regeneration area; and*
- *The profile (in terms of numbers of bedrooms) of affordable housing needed*

Source: Manchester/Salford MSP Brief

2.4 In responding to the Brief, Fordham Research broadly undertook to fulfil these requirements, focussing its proposal on the CLG's model for estimating housing need.

Data sources

2.5 This HNS combines existing (secondary) data and primary (newly gathered survey data) as is required to produce robust housing market analysis (please see Section 2.4 above for fuller discussion). The secondary data is summarised in Chapter 5 below, and contained at fuller length in the Technical Appendix. The following section discusses the primary data gathering.

Submarket areas used for the HNS analysis

2.6 CLG has issued various suggested Guidance on market and submarket areas ('Identifying sub-regional housing market areas (March 2007) and 'Identifying submarkets at the sub regional level in England' (May 2007)).

2.7 However these suggest methods and are not prescriptive. Indeed they are more pragmatic:

'Housing markets are complex and multi-dimensional, and overlap administrative boundaries **for these reasons…..for the purpose of developing evidence bases and policy [authorities will want to consider] using a pragmatic approach that groups local authority administrative areas together as an approximation for functional sub-regional housing market areas'** *(para 9)*

2.8   Although this is directed at local authority level, it is just as true at sub-authority level. There is advantage in using boundaries that have been developed for wider purposes. Given the wide range of previous study of Manchester, there is therefore good reason to use boundaries for sub-markets within the City that agree with boundaries used for other reasons. After discussion with the City the Strategic Regeneration Framework set of sub areas was chosen, as shown below:

Figure 2.1: Manchester sub market areas

Source: Manchester City Council

2.9   It is impossible to model housing market areas exactly, as they are not only interactive but fluid over time. However this set of sub-market areas does capture some of the major features of the City's character. Subsequent housing market analysis is carried out within this framework.

Primary data collection

2.10 The primary data was collected using a hybrid approach of personal interviews and postal questionnaires. In total 1,314 personal interviews were completed and 3,805 postal questionnaires were returned, totalling 5,119 responses overall. The number of responses provides sufficient data to allow complete, accurate and detailed analysis of needs across the City and geographical breakdowns for the 17 neighbourhood areas.

2.11 Prior to analysis, data must be weighted in order to take account of any measurable bias. The procedure for this is presented in the following sections.

Base household figures and weighting procedures

2.12 Firstly, the total number of households is estimated. This is necessary in order to gross up the data to represent the entire household population. A number of different sources were consulted, primarily the Council's Housing Strategy Statistical Appendix (HSSA) (2006), the Council Tax Register and 2001 Census results. Using this information, the base household figure for Manchester was estimated as follows:

Total number of households = 193,400

Survey results and elements used for weighting

2.13 Table 2.3 below shows an estimate of the current tenure split in Manchester along with the sample achieved in each group.

Table 2.3: Number of households in each tenure group				
Tenure	Total number of households	% of households	Number of returns	% of returns
Owner-occupied (no mortgage)	35,475	18.3%	1,037	20.3%
Owner-occupied (with mortgage)	52,359	27.1%	1,436	28.1%
Council	39,808	20.6%	1,143	22.3%
RSL	29,275	15.1%	584	11.4%
Private rented	36,482	18.9%	919	18.0%
TOTAL	193,400	100.0%	5,119	100.0%

Sources: Manchester City Council HSSA 2006, Census 2001, HNS 2007

2.14 Survey data was weighted to match the suggested tenure profile shown above. An important aspect of preparing data for analysis is 'weighting' it. As can be seen from the table above, social survey responses never exactly match the estimated population totals. As a result it is necessary to 'rebalance' the data to correctly represent the population being analysed.

CLG Guide	*'If inconsistencies are found between survey results and benchmark sources, there may be a case for re-weighting the data in-line with the distribution indicated by the benchmark source'.* [Section 4.2 (page 54)]

2.15 Data was also weighted to be in line with the estimated number of households in each of various groups:

- The Council Tax Register
- Number of people in household (2001 Census)
- Household type (2001 Census)
- Accommodation type (2001 Census)
- Car ownership (2001 Census)
- Ethnicity of the household head (2001 Census)

2.16 The estimated number of households and number of responses for each of these groups is shown in Appendix Part B.

Summary

2.17 The study contained in this report is intended to address the key issues in the Brief using the methodology envisaged by CLG. The report also uses a number of analytical tools developed by Fordham Research for HNS work. A wide range of existing (secondary) data was used, together with new (primary) data gathered in order to permit housing market dynamics to be identified.

3. House price information

Introduction

3.1   This chapter sets out the results of an analysis of housing market prices and rents in Manchester. Information was collected from two sources:

- Land Registry
- Survey of local estate and letting agents

3.2   Land Registry information provides the context for the property price situation in Manchester and then a sequence of analyses based on information collected from estate/letting agents leads to figures that show the minimum price/rent of housing for a range of dwelling sizes.

National, regional and local picture

3.3   Information from the Land Registry shows that between the 3rd Quarter of 2001 and the 3rd quarter of 2006 average property prices in England and Wales rose by 69.9%. For the North West the increase was 90.8% whilst for Manchester the figure was 91.9%.

3.4   The table below shows average prices in the 3rd quarter of 2006 for each of England and Wales, the North West and Manchester. The table shows that average prices in Manchester are around a third lower than the average for England & Wales and are also slightly lower than the average for the North West.

Table 3.1 Land Registry average prices (2nd Quarter 2006)		
Area	Average price	As % of E & W
England & Wales	£211,521	100.0%
North West	£153,261	72.5%
Manchester	£144,636	68.4%

Source: Land Registry – Residential Property Prices
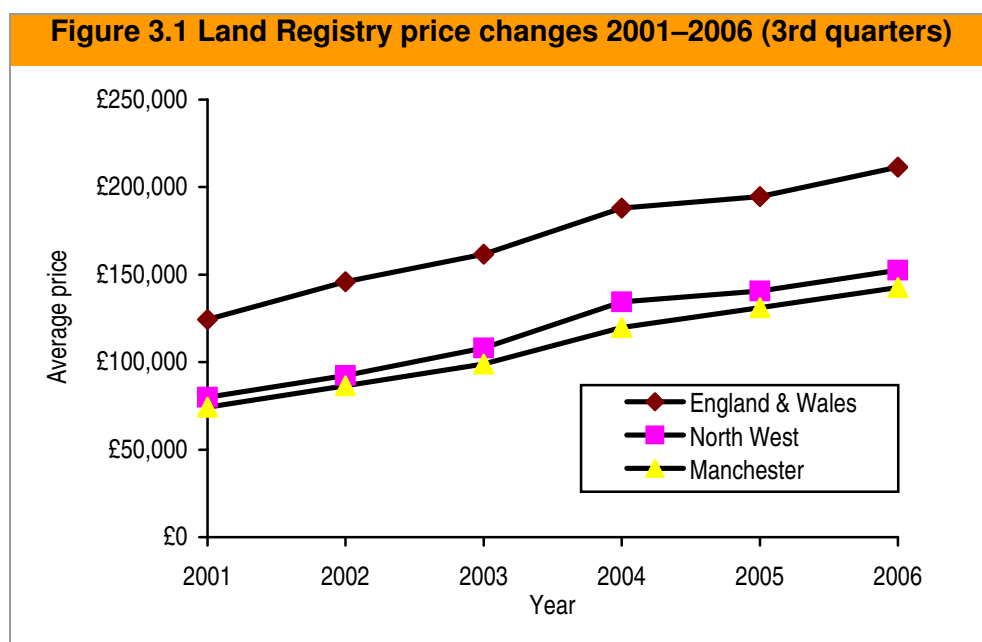
Source: Land Registry – Residential Property Prices

3.5   The table below shows average property prices for the City for each dwelling type (from Land Registry data). This data is compared with regional price information. The volume of sales by type is also included for both areas.

Table 3.2 Land Registry average prices and sales (3rd quarter 2006)				
Dwelling type	Manchester		North West	
	Average price	% of sales	Average price	% of sales
Detached	£296,178	3.8%	£280,306	15.6%
Semi-detached	£161,946	27.5%	£155,102	33.8%
Terraced	£113,852	41.2%	£105,056	39.9%
Flat/maisonette	£145,066	27.5%	£135,006	10.8%
All dwellings	£142,619	100.0%	£152,491	100.0%

Source: Land Registry

3.6   The largest volume of sales in the City was for terraced houses (41.2%) with an average price of £113,852. Semi-detached houses and flats/maisonettes each accounted for over a quarter of total sales. Sales regionally show a higher proportion of detached houses and a lower proportion of flats/maisonettes.

Prices in adjoining areas

3.7   As the table below demonstrates, most of the local authorities around Manchester have prices below the average for England and Wales, with the exception of Macclesfield and Trafford. When compared with neighbouring Local Authority areas Manchester shows an average price towards the middle of the scale.

Table 3.3 Price levels in Manchester and adjoining areas (3rd quarter 2006)	
Council area	% of England & Wales
Tameside	57.2%
Oldham	58.9%
Rochdale	59.8%
Salford	62.1%
Manchester	**67.4%**
Bury	67.8%
Stockport	90.1%
Trafford	110.9%
Macclesfield	128.4%

Source: Fordham Research Manchester HNA 2007

Price areas and analysis of agent's data

3.8 A detailed analysis of information from both sales and letting agents was conducted. This was examined in the context of the Land Registry data and other secondary information on the structure of Manchester's housing market. Manchester is of course unusual in a national context because only about half (as compared with two thirds or three quarters) of the housing is owner occupied. As a result the market is less dominant. However the market is responsive to the areas of poor quality housing and 'over-represented' social rented estates, and so the price patterns do act as a proxy for both sale and rented (public and private) housing.

3.9 The submarket areas for which data was gathered and analysed are shown below.

Table 3.4: Sub market areas of Salford and Manchester		
Sub Area	Households	%
Salford		
North Salford	32,296	11.1%
Mid-West Salford	19,210	6.6%
South Salford	39,655	13.7%
Salford Regional Centre	6,639	2.3%
Manchester		
Central Manchester	40,873	14.1%
Manchester City Centre	8,150	2.8%
East Manchester	18,556	6.4%
North Manchester	39,572	13.6%
South Manchester	55,070	19.0%
Wythenshawe SRF	30,279	10.4%
Total	290,300	100.0%

Source: Fordham Research Manchester HNA 2007

3.10   The pattern of these submarkets (based on Strategic Regeneration Framework areas) across Manchester, shown also in Chapter 2, is repeated for convenience below:

Figure 3.2: Manchester sub market areas

Source: Manchester .City Council: this is also shown as Figure 2.1 above
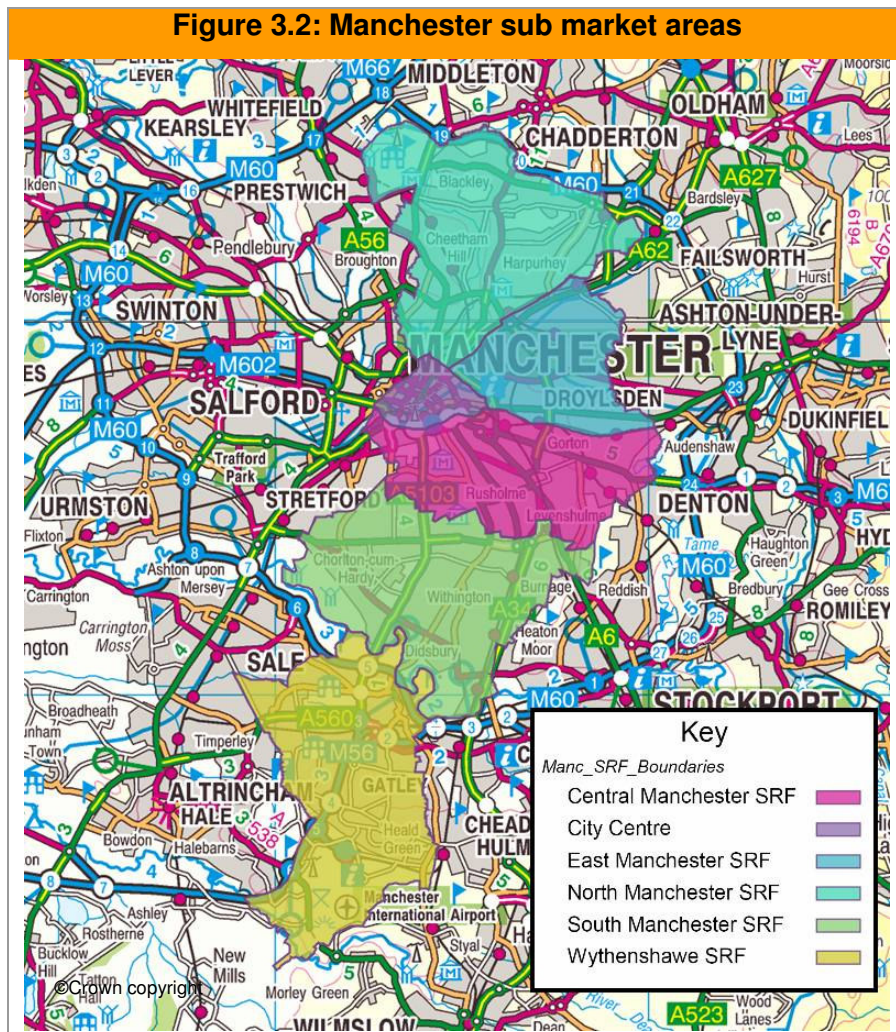
3.11   The price and rent data was collected for 6 submarket areas across Manchester. These correspond to the Renewal areas in the City.

Table 3.5 Weekly costs of each tenure in Manchester						
Sub-area/ Beds	*Central*	*City Centre*	*East*	*North*	*South*	*Wythen- shawe*
Newbuild price						
One	£167	£213	n/a	n/a	n/a	n/a
Two	£205	£251	£190	£198	£228	£190
Three	£236	n/a	£220	£192	£380	£213
Four	n/a	n/a	£289	£304	n/a	£281
Entry level purchase price						
One	n/a	£181	n/a	n/a	n/a	n/a
Two	£94	£157	£81	£97	£158	£143
Three	£108	£182	£99	£126	£196	£154
Four	£119	n/a	£114	£131	£309	£190
Entry level market rent						
One	n/a	£101	n/a	£59	£75	n/a
Two	£67	£103	£57	£63	£81	£78
Three	£70	£109	£76	£78	£90	£95
Four	£94	£120	£90	£86	£121	n/a
Social rent						
One	£50	£50	£50	£50	£50	£50
Two	£58	£58	£58	£58	£58	£58
Three	£64	£64	£64	£64	£64	£64
Four	£71	£71	£71	£71	£71	£71

Source: Estate Agents and Letting Agents surveyed by Fordham Research 2007 and CORE data. n/a means data was not available for this size.

3.12 The house prices and rents show wide variations. The highest and lowest figures vary somewhat with size of dwelling, but Manchester City Centre stands out as very expensive, as does South Manchester albeit for larger sized dwellings. The lowest prices/rents are found in East Manchester.

3.13 These prices/rents are used as the basis for the subsequent affordability analysis, and in particular the 'entry level' ones, which are generally considerably, lower than the averages.

Summary

3.14   House prices in Manchester are generally much lower than the national average: being 67% of it, and the regional one (the Northwest is about 72% of the national average). However within that there are very wide variations, from almost half the national figure to about 150% of it, depending on which part of the City is examined.

3.15   Based on detailed analysis of prices, rents and other information the two cities were divided into 10 submarket areas. The average and entry level prices and rents are shown for them. These prices and rents, and in particular the entry level ones, are used in subsequent housing market and housing needs analysis.

4. Housing information by tenure

Introduction

4.1   This chapter provides some statistics from the primary data on housing characteristics across the tenure groups in Manchester.

Owner-occupied sector

4.2   This sector is the dominant one at the national scale (70%) but it is far less dominant in Manchester. Data suggests that only 45.4% of households in the City are owner-occupiers and that 59.6% of these have a mortgage (the latter figure being close to the average). Owners are distinguished as to whether they have a mortgage or not. This is partly as it permits an age-related implication to be drawn, since those without a mortgage are normally older, but also because the households still with a mortgage are likely to have a lower financial capacity (please see Ch 5 for further discussion of this).

4.3   The table below shows the size profile of the owner-occupied stock in Manchester. The data suggests that the majority of households have three or more bedrooms. Only 1.7% have one bedroom accommodation. The table also shows the turnover of owner-occupied stock within each size category over the last two years.

Table 4.1 Turnover of dwellings in the owner-occupied stock by size of dwelling (number moving into)			
Number of bedrooms	Number moving in past two years	Number of households	Estimated annual turnover rate
1 bedroom	500	1,513	16.5%
2 bedrooms	3,199	14,921	10.7%
3 bedrooms	6,255	52,773	5.9%
4+ bedrooms	2,988	18,628	8.0%
TOTAL	12,942	87,835	7.4%

Source: Fordham Research Manchester HNA 2007 It should be noted that the first column provides figures for two years combined, and therefore is halved to produce the annual turnover rate in the third column. The total stock is given in the middle column.

4.4   The recent mover data points to an overall turnover rate of 7.4%, although this will be a slight underestimation of total turnover for the dwellings concerned (given that there may have been multiple moves in the two-year period). Turnover of one bedroom dwellings is greater than for the other property size categories.

4.5   Finally, we can consider households claiming financial assistance with their housing costs (for mortgage interest payments). The data suggests that around 4.7% of households with a mortgage receive income support towards their mortgage payments (2,448 households). This figure represents 2.8% of all owners.

The private rented sector

4.6   The private rented sector is typically a key to the housing market's dynamic. In Manchester the sector is very large: 18.9% of households (Table 4.2 below) compared with 12% nationally. The two tables below show the size of dwellings in the private rented sector and the relative turnover of stock. It is clear that the number of one and two bedroom properties is proportionately larger in the private rented sector – 47.0% of all private rented stock is one or two bedroom, which compares with only 18.7% of the owner-occupied stock.

Table 4.2 Number of households in each tenure group		
Tenure	Total number of households	% of households
Owner-occupied (no mortgage)	35,475	18.3%
Owner-occupied (with mortgage)	52,359	27.1%
Council	39,808	20.6%
RSL	29,275	15.1%
Private rented	36,482	18.9%
TOTAL	193,400	100.0%

Fordham Research Manchester HNA 2007

4.7   Overall, the data shows that turnover of stock is much higher in the private rented sector, which would be expected given the transitional nature of the tenure. The estimated annual turnover rate in the private rented sector is 32.5% compared to 7.4% in the owner-occupied sector.

Table 4.3 Turnover of dwellings in the private rented stock by size of dwelling (households moving in)			
Number of bedrooms	Number moving in past two years	Total Number of households	Estimated annual turnover rate
1 bedroom	3,934	5,459	36.0%
2 bedrooms	7,532	11,689	32.2%
3 bedrooms	6,466	11,739	27.5%
4+ bedrooms	5,769	7,595	38.0%
TOTAL	23,701	36,482	32.5%

Source: Fordham Research Manchester HNA 2007 It should be noted that the first column provides figures for two years combined, and therefore is halved to produce the annual turnover rate in the third column. The total stock is given in the middle column.

4.8   Additionally, survey data suggests that 21.5% of households (7,841 households) in the private rented sector are in receipt of housing benefit, this compares with 2.8% of all owners.

The social rented sector

4.9   In common with the national trend, the turnover rate in the social rented stock is around 9.1% per annum; slightly above the rate for owner-occupation but much lower than for the private rented sector.

Table 4.4 Turnover of dwellings in the social rented stock by size of dwelling (households moving in)			
Number of bedrooms	Number moving in past two years	Total Number of households	Estimated annual turnover rate
1 bedroom	1,308	5,271	12.4%
2 bedrooms	4,483	21,304	10.5%
3 bedrooms	4,829	34,384	7.0%
4+ bedrooms	1,981	8,124	12.2%
TOTAL	12,601	69,083	9.1%

Source: Fordham Research Manchester HNA 2007 It should be noted that the first column provides figures for two years combined, and therefore is halved to produce the annual turnover rate in the third column. The total stock is given in the middle column.

4.10   Survey data also suggests that 69.7% of households in the social rented sector are in receipt of housing benefit.

Comparisons of stock profile and turnover in Manchester

4.11   For ease of comparison it is useful to bring together the information from the above analysis. The figure below compares the profile of stock (by size) in each of the three main sectors. The figure makes it clear that there are large differences between the stock profiles in the different sectors. The social and private rented sectors contain proportionally more smaller properties than the owner-occupied sector.

Figure 4.1 Profile of housing stock (by size and tenure)

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Owner-occupied	1.7%	17.0%	60.1%	21.2%
Private rented	15.0%	32.0%	32.2%	20.8%
Social rented	7.6%	30.8%	49.8%	11.8%

Source: Fordham Research Manchester HNA 2007
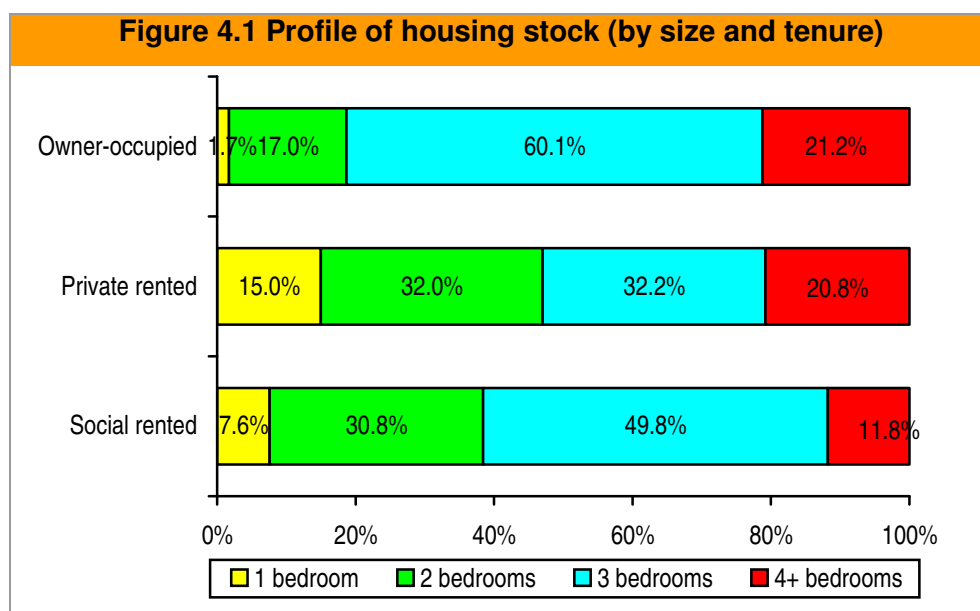
4.12 The table below summarises the position with regard to turnover of stock and the proportion of households claiming housing benefit (income support) towards housing costs. The table again clearly demonstrates the differences between the different tenures. The turnover of private rented stock is around 4 times that in the owner-occupied sector whilst households in the social rented sector are significantly more likely to claim assistance with their housing costs than owners or private tenants. As can be seen, however, a fifth of private tenants obtain Housing Benefit, while hardly any owner occupiers do.

Table 4.5 Turnover of stock and housing benefit claims by tenure		
Tenure	Annual turnover of stock (% of households)	% claiming housing benefit (income support for owners)
Owner-occupied	7.4%	2.8%
Private rented	32.5%	21.5%
Social rented	9.1%	69.7%
TOTAL	12.7%	30.2%

Source: Fordham Research Manchester HNA 2007

Levels of turnover by tenure across both cities

4.13 The following figures are shown for both cities as the patterns of difference are quite instructive. The table below shows survey results for the two years gathered by the survey. It can be seen that the private rented sector accounts for about half the total of moves. Despite the big difference in the importance of the private rented sector (Salford 11% and Manchester 19%) high levels of turnover characterise all of them. A few (particularly Manchester City Centre) rise well above the 40% average level.

4.14   In the owner occupied sector only the two city centre submarkets (both very small) show higher turnover. It is noteworthy that the owner occupied without mortgage sector is virtually static (2% turnover) and mainly older households, while the owner occupied with mortgage sector is more dynamic at 10% turnover. The two owner occupied sectors behave differently as they typically contain households at different stages of the life cycle: it is therefore instructive to separate them.

4.15   Both affordable housing sectors show low turnover, though the council one shows a noticeably lower turnover than the RSL one. Due to stock transfer this boundary is shifting in any case. However the levels of movement are not high. Only in West Salford and Manchester City Centre (both with small stock) is there a higher figure.

Table 4.6 Total households moved in the last two years, by sub-area						
	Owner-Occupied (no mortgage)	Owner-Occupied (w/ mortgage)	*Council Rented*	*RSL Rented*	*Private Rented*	*TOTAL*
North Salford	228	1,312	1,267	284	2,149	5,240
Mid-West Salford	287	1,425	414	116	687	2,929
South Salford	224	1,995	1,610	719	2,382	6,930
Salford Regional Centre	28	713	390	142	846	2,119
Central Manchester	456	1,658	1,790	1,228	6,541	11,673
M'cr City Centre	216	1,485	0	179	2,957	4,837
East Manchester	0	703	733	1,442	1,408	4,286
North Manchester	399	1,132	2,083	1,057	2,780	7,451
South Manchester	515	3,986	850	849	9,140	15,340
Wythenshawe SRF	303	2,088	1,059	1,331	875	5,656
TOTAL	2,656	16,497	10,196	7,347	29,765	66,461

Source: Fordham Research Manchester HNA 2007

Table 4.7 Yearly Turnover by Tenure and Sub-area						
	Owner-Occupied (no mortgage)	Owner-Occupied (w/ mortgage)	*Council Rented*	*RSL Rented*	*Private Rented*	*TOTAL*
North Salford	1.5%	6.9%	7.7%	7.7%	30.1%	8.5%
Mid-West Salford	2.2%	8.9%	8.1%	23.9%	32.8%	7.9%
South Salford	1.4%	7.8%	7.3%	13.0%	39.4%	9.2%
Salford Regional Centre	3.2%	27.0%	8.0%	12.0%	34.0%	17.5%
Central Manchester	3.6%	9.6%	9.2%	8.3%	32.6%	13.8%
M'cr City Centre	13.3%	23.7%	0.0%	20.2%	38.2%	28.8%
East Manchester	0.0%	12.2%	6.7%	13.8%	33.4%	12.1%
North Manchester	2.2%	5.7%	9.4%	14.4%	23.8%	9.4%
South Manchester	2.1%	10.5%	5.6%	12.0%	35.2%	13.9%
Wythenshawe SRF	3.0%	11.9%	9.2%	7.4%	26.4%	9.3%
TOTAL	2.3%	10.2%	8.1%	11.1%	39.1%	12.1%

Source: Fordham Research Manchester HNA 2007

Accommodation typology by tenure

4.16   The figure below shows the type of properties in each of the three broad tenures in Manchester. The figure indicates that 12.1% of owner-occupied properties are flats, whilst this dwelling type constitutes almost half of properties in the private rented sector and over a third of affordable accommodation. Nearly half of owner-occupied homes are detached or semi-detached houses, much higher than the proportion recorded in the other tenures.

Figure 4.2 Dwelling type by tenure

	Detached	Semi-detached	Terraced	Flat
Owner-occupied	5.7%	45.3%	36.9%	12.1%
Private rented	3.8%	16.2%	33.0%	47.0%
Social rented	3.0%	24.5%	36.8%	35.7%
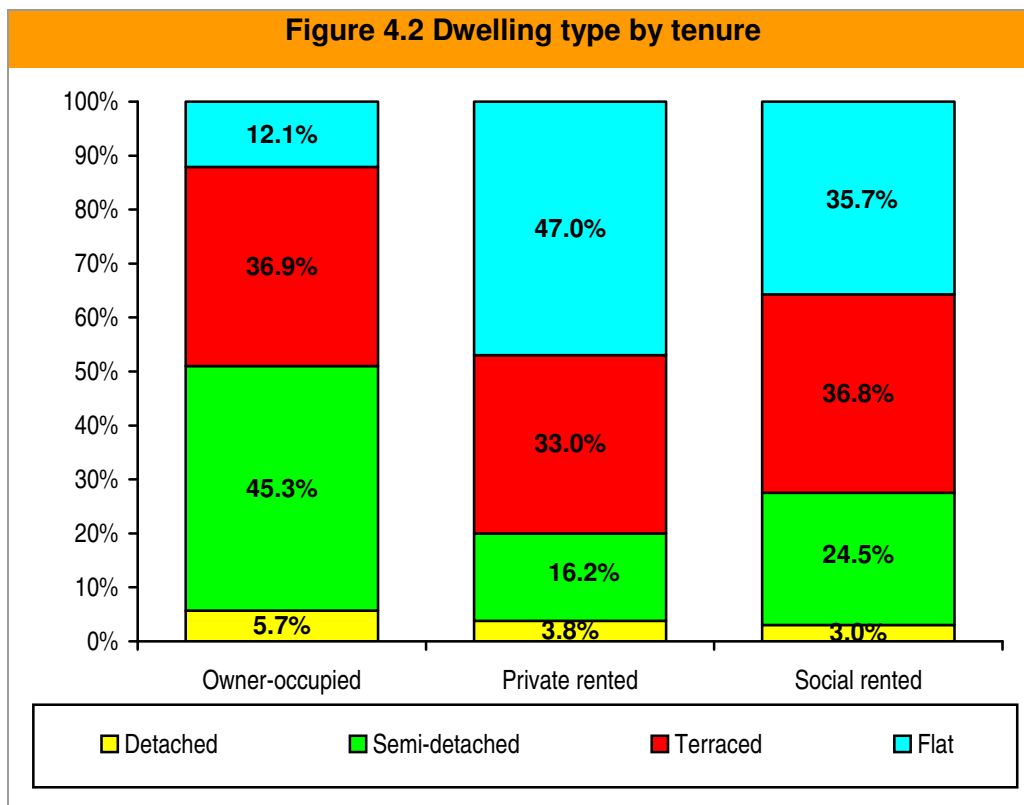
Source: Fordham Research Manchester HNA 2007

Household composition by tenure

4.17   The figure below shows the type of households' resident in each of the three broad tenures in Manchester. The figure indicates that the social rented sector contains the highest proportion of single pensioners and relatively few households with two or more adults and no children. The private rented sector contains the largest proportion of households with two or more adults and no children and relatively few pensioner households. The owner-occupied sector contains the largest proportion of two or more pensioner households. This sector also contains relatively few lone parent households.

Figure 4.3 Type of households in each tenure
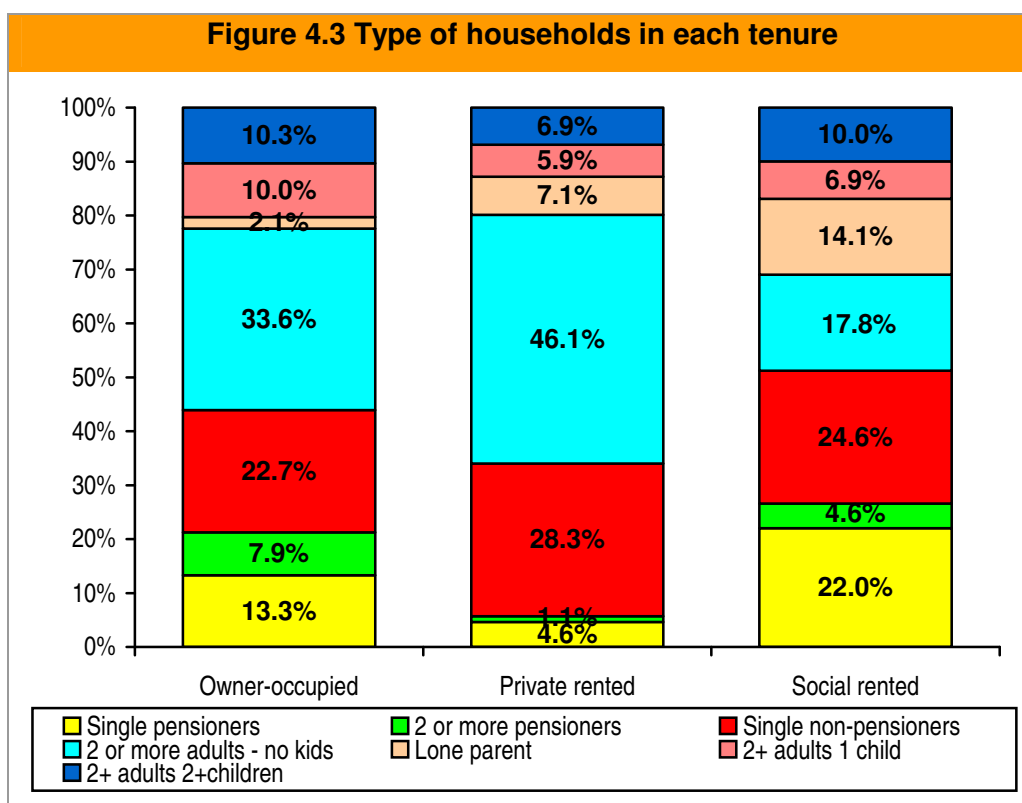
Source: Fordham Research Manchester HNA 2007

4.18 The table below extends the information presented in the figures above to show the type of households living in each type of accommodation in the three broad tenure types.

Table 4.8 Household type by accommodation type and tenure					
Tenure	Household type	Accommodation type			
		Detached	Semi detached	Terraced	Flat/ maisonette
Owner-occupied	Single pensioners	458	6,232	3,766	1,115
	2 or more pensioners	404	3,917	2,253	275
	Single non-pensioners	799	5,120	7,747	6,111
	2 or more adults - no children	1,966	12,932	11,615	2,761
	Lone parent	65	1,078	704	20
	2+ adults 1 child	596	4,884	3,073	198
	2+ adults 2+ children	700	5,288	2,937	76
	Total	4,988	39,451	32,095	10,556
Private rented	Single pensioners	0	427	616	617
	2 or more pensioners	0	109	225	76
	Single non-pensioners	214	919	2,345	6,856
	2 or more adults - no children	848	2,658	4,877	8,420
	Lone parent	52	413	1,814	320
	2+ adults 1 child	151	547	944	512
	2+ adults 2+ children	119	828	1,232	343
	Total	1,384	5,901	12,053	17,144
Social rented	Single pensioners	383	2,950	4,038	7,977
	2 or more pensioners	71	998	1,292	843
	Single non-pensioners	103	1,896	3,814	11,382
	2 or more adults - no children	399	4,116	5,601	2,315
	Lone parent	275	3,175	4,996	1,376
	2+ adults 1 child	219	1,602	2,447	563
	2+ adults 2+ children	623	2,381	3,539	453
	Total	2,073	17,118	25,727	24,909

Source: Fordham Research Manchester HNA 2007

4.19   The figures shown above for house types can be expressed as percentages to aid interpretation. The following table shows the same information as Table 4.8, but in percentage form.

Table 4.9 Household type by accommodation type and tenure (percentages)

Tenure		Accommodation type					
	Household type	**Detached**	**Semi detached**	**Terraced**	**Flat/ maisonette**	**Total %**	**Total count**
Owner-occupied	Single pensioners	4.0%	53.9%	32.5%	9.6%	100.0%	11,571
	2 or more pensioners	5.9%	57.2%	32.9%	4.0%	100.0%	6,849
	Single non-pensioners	4.0%	25.9%	39.2%	30.9%	100.0%	19,777
	2 or more adults - no children	6.7%	44.2%	39.7%	9.4%	100.0%	29,274
	Lone parent	3.5%	57.7%	37.7%	1.1%	100.0%	1,867
	2+ adults 1 child	6.8%	55.8%	35.1%	2.3%	100.0%	8,751
	2+ adults 2+ children	7.8%	58.7%	32.6%	0.8%	100.0%	9,001
	Total	5.7%	45.3%	36.9%	12.1%	100.0%	87,090
	Household type	**Detached**	**Semi detached**	**Terraced**	**Flat/ maisonette**	**Total %**	**Total count**
Private rented	Single pensioners	0.0%	25.7%	37.1%	37.2%	100.0%	1,660
	2 or more pensioners	0.0%	26.6%	54.9%	18.5%	100.0%	410
	Single non-pensioners	2.1%	8.9%	22.7%	66.3%	100.0%	10,334
	2 or more adults - no children	5.0%	15.8%	29.0%	50.1%	100.0%	16,803
	Lone parent	2.0%	15.9%	69.8%	12.3%	100.0%	2,599
	2+ adults 1 child	7.0%	25.4%	43.8%	23.8%	100.0%	2,154
	2+ adults 2+ children	4.7%	32.8%	48.9%	13.6%	100.0%	2,522
	Total	3.8%	16.2%	33.0%	47.0%	100.0%	36,482
	Household type	**Detached**	**Semi detached**	**Terraced**	**Flat/ maisonette**	**Total %**	**Total count**
Social rented	Single pensioners	2.5%	19.2%	26.3%	52.0%	100.0%	15,348
	2 or more pensioners	2.2%	31.1%	40.3%	26.3%	100.0%	3,204
	Single non-pensioners	0.6%	11.0%	22.2%	66.2%	100.0%	17,195
	2 or more adults - no children	3.2%	33.1%	45.1%	18.6%	100.0%	12,431
	Lone parent	2.8%	32.3%	50.9%	14.0%	100.0%	9,822
	2+ adults 1 child	4.5%	33.2%	50.7%	11.7%	100.0%	4,831
	2+ adults 2+ children	8.9%	34.0%	50.6%	6.5%	100.0%	6,996
	Total	3.0%	24.5%	36.8%	35.7%	100.0%	69,827

Source: Fordham Research Manchester HNA 2007

4.20 This shows that detached housing, which is what most households aspire to, is occupied more by larger families than smaller ones, but very little by renters except with larger families. It shows semi-detached houses to be the dominant type for owner occupiers, followed by terraced, with few flat dwellings except the single adults. Both rented tenures show large fractions of flat dwelling especially singles and childless couples (private renting) and singles and single pensioners (social renting).

Summary

4.21   Turnover is generally low, except in the private rented sector. This contrasts with the picture shown in the 2001 Census, which showed much higher rates across all tenures. This suggests that the Manchester housing market has stabilised during the past half decade, partly under the influence of the national rise in housing market prices.

4.22   The overall level of private rented turnover is 40% of the stock, and makes up about half of all annual home moves. The lowest private rented turnover (still 30% or so) is found in the poorer areas: North Salford and North Manchester. Turnover in both owner occupied and social rented stock is quite low.

5. Financial capacity and its relationship to income

Introduction

5.1   This section reports on details of the socio-economic status of households that have recently moved into Manchester (during the past 2 years) and on those planning to move out of it.

Financial capacity of all households

5.2   Financial capacity refers to the overall ability of a household to purchase housing (whether for sale or to (part) rent). The term includes income, owned equity and savings.

5.3   To measure the combined value of 'capital' and 'income' it is necessary to put them on the same basis. It is possible to 'annualise' a capital sum (as for example valuers do when assessing the capital value of offices that are rented) or 'capitalise' the annual sums (as for example mortgage lenders do when applying multiples to income to work out how much a household can afford). Since this discussion looks at housing we adopt the latter approach. We use an income multiple of 3 to calculate a households overall financial capacity.

5.4   The following table looks at the financial capacity of all resident households in Manchester, regardless of whether they plan to move or not. It provides a benchmark for further analysis. The results for all households in both Manchester and Salford are provided for comparison.

Table: 5.1 Financial capacity – all households		
Topic	Manchester	Manchester & Salford
1. Mean income	£20,991	£21,459
2. Mean savings	£11,489	£11,688
3. Mean equity	£49,474	£53,759
Financial capacity to buy	£123,936	£129,824

Source: Fordham Research Manchester HNA 2007

5.5   However within the City-wide picture there is significant variation in financial capacity by tenure as is illustrated in the table below. The table shows that the owner-occupied households have an average financial capacity around 3.5 times greater than the average for private rented households and 7 times greater than the average for social rented

tenants. Private rented households' financial capacity is around double that of social rented households.

Table 5.2 Financial capacity by tenure – all households			
Topic	Owner-occupied	Private rented	Social rented
1. Mean income	£30,664	£19,072	£9,706
2. Mean savings	£21,648	£6,199	£1,365
3. Mean equity	£108,936	-	-
Financial capacity to buy	£222,574	£63,415	£30,484

Source: Fordham Research Manchester HNA 2007

Groups of movers and non-movers

5.6   The following table looks at all Manchester residents in terms of any planned moves within the next two years:

      a.   Those planning a move within the two city area

      b.   Those planning to move outside that area

      c.   Those not planning to move within the next two years

Table 5.3 Financial capacity of households by movement intentions			
Topic	Planning to move within Manchester and Salford	Planning to move outside of Manchester and Salford	Not planning to move
Mean income	£17,141	£23,471	£21,450
Mean savings	£4,563	£9,073	£12,910
Mean equity	£13,726	£30,932	£57,335
Financial capacity	£69,711	£110,418	£134,595

Source: Fordham Research Manchester HNA 2007

5.7   There are a number of interesting features of these different groups:

      i)   The non-movers show a higher financial capacity than the movers. This derives mainly from equity rather than income.

      ii)   The movers within the two city area show a much lower financial capacity than those planning to move out of it

      iii)   The movers out of the area show higher incomes than the other two groups

5.8 This finding is not obvious: it might be thought in principle that higher financial capacity would mean higher tendency to move, but there are complex factors involved: for example many retired households have a high financial capacity but less incentive to move.

5.9 Further information can be presented to show how the financial capacity of households moving out of the City varies by the current tenure of the household. This is shown in the table below. The table indicates that the ratio between the three tenure groups for the financial capacity of households moving out of the City is similar to that for all households in the City.

5.10 The table also indicates that social renting households moving out of the City have a lower financial capacity than all households in this tenure resident in the City, whilst owner-occupiers and private renters moving out of the City have a higher financial capacity than all households in these respective tenures.

Table 5.4 Financial capacity by tenure – households moving out of the City			
Topic	Moving from owner-occupation	Moving from private rent	Moving from social rent
1. Mean income	£39,837	£20,125	£8,563
2. Mean savings	£21,544	£4,937	£208
3. Mean equity	£95,488	-	-
Financial capacity to buy	£236,544	£65,313	£25,897

Source: Fordham Research Manchester HNA 2007

Recent in-movers

5.11 The following table provides some details on in-movers to Manchester according to tenure destination. It is important to notice that 'incoming' means coming in from outside both Manchester and Salford.

Table 5.5 Financial capacity of in-migrant households			
Topic	Moving to owner-occupation	Moving to private rent	Moving to social rent
Mean income	£37,101	£21,617	£11,663
Mean savings	£16,088	£6,704	£912
Mean equity	£68,481	-	-
Financial capacity	£195,871	£71,554	£35,900

Source: Fordham Research Manchester HNA 2007

5.12   The table shows that in-migrant owner-occupiers have much higher incomes and savings than in-migrant private and renters.

5.13   Incoming private renters have a higher financial capacity than all private renters in the City whilst incoming owners have a lower financial capacity than all owners in the City, but higher household incomes. The information on incoming social renters should be treated with caution as it is based on a small sample.

Summary

5.14   Households that don't intend to move record the highest financial capacity and households moving out of Manchester and Salford have higher incomes and savings than those moving within the area.

5.15   Owner-occupiers have a financial capacity between three and four times larger than private renters and between seven and eight times larger than social renters.

6. Current and future housing needs

Introduction

6.1   This section is concerned with the need for affordable housing, with much of the analysis concentrating on past trends.

6.2   This discussion is supported by more detailed figures provided in Appendix Section C. The section begins by considering some of the key terms and definitions used in the analysis.

Key Terms and Definitions

Housing need

6.3   The CLG Practice Guidance of March 2007 defines housing need as 'households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market'. The aim within this section is to exclude from assessment households who would like affordable housing but are not in need but to include those who have a need but have not expressed any expectation of securing such housing (possibly due to knowledge about the likelihood of being able to secure such housing).

Unsuitable housing

6.4   A key element of housing need is an assessment of the suitability of a household's current housing. The CLG guide sets out a series of nine criteria for unsuitable housing under four main headings. The main headings are shown below (the number in (brackets) is the number of sub-divisions in each category). In this report we have studied all nine of the categories set out in the guide.

•   Homeless households or with insecure tenure (2)
•   Mismatch of housing need and dwellings (4)
•   Dwelling amenities and condition (2)
•   Social needs (1)

Affordable housing

6.5   The CLG guide sets out definitions of types of affordable housing (split between social rent and intermediate). Below we replicate these broad definitions along with notes about how these relate to our assessment.

•   Social rented housing: rented housing owned by local authorities or RSLs, for which guideline target rents are determined through national rent setting regimes. Other properties provided under equivalent rental agreements are also included as social rented. In this study we take average CORE rents for properties let in the past year as an indication of a typical social rent by size of dwelling.

- Intermediate housing: housing at prices or rents above those of social rent but below market prices or rents.

Assessing affordability

6.6 All households who are potentially in need whether as part of the backlog of need or newly arising (projected) need are subject to an affordability test. Full details of the test applied can be found in Appendix C. Broadly speaking the assessment takes account of individual household's current financial situation in relation to the entry-level cost of housing of a suitable size (to buy or rent).

6.7 The affordability tests are based on the ability to secure a mortgage for purchases (based on typical mortgage lending procedures) and for renting figures are based on a proportion of income to be spent on housing (set at 25% of gross income). Households are tested against the prices and rents in the area in which they currently live. Sub-area weekly costs for each tenure are set out in Section 21.1.

Housing Needs Assessment

6.8 The table below sets out the outline housing needs assessment model set out by the CLG. There are four broad analytical stages which lead to an overall estimate of the net shortfall (or surplus) of affordable housing.

Table 6.1 Outline of housing needs assessment model
CURRENT NEED
Minus
AVAILABLE STOCK
Plus
NEWLY ARISING NEED
Minus
FUTURE SUPPLY OF AFFORDABLE UNITS
Equals
NET SHORTFALL (OR SURPLUS) of affordable units

Source: Fordham Research Manchester HNA 2007

6.9 Within each of the four broad stages set out in the table above there are a number of detailed calculations (19 in total) many of which themselves have a number of steps. We therefore move on to look at the detailed calculation for Manchester. Each of the nineteen stages are set out with a broad description of the required output before moving on to the locally available data. The data sources used are based on a combination of primary survey data and other secondary data.

6.10   It is important to note that for the calculation of the housing needs assessment model student households are excluded. This is because student households are a special case, particularly in relation to affordable housing. Most have low incomes but do not generally qualify for affordable housing due to the short-term nature of their residence. Although student-only households raise their own housing issues, as these do not directly impact on the need for affordable housing, they are not addressed in this model. The survey estimates that there are 6,944 student-only households in the City of Manchester, meaning the base household population for the housing needs assessment model is 186,456.

6.11   The full model calculation is shown in the following table:

Table 6.2 Detailed needs assessment table for Manchester		
Stage and step in calculation	Notes	Output
STAGE 1: CURRENT NEED (Gross)		
1.1 Current occupiers of affordable housing in need		7,152
1.2 plus Households from other tenures in need		3,401
1.3 plus Households without self-contained accommodation		243
1.4 equals Total current housing need (gross)	1.1+1.2+1.3	10,796
STAGE 2: AVAILABLE STOCK TO OFFSET NEED		
2.1 Current occupiers of affordable housing in need		7,152
2.2 plus Surplus stock		-
2.3 plus Committed supply of new affordable units		See Note
2.4 minus Units to be taken out of management		250
2.5 equals Total stock available to meet current need	2.1+2.2+2.3+2.4	6,902
2.6 equals Total current unmet housing need	1.4–2.5	3,894
2.7 times annual quota for the reduction of current need		20%
2.8 equals annual requirement of units to reduce current need	2.6×2.7	779
STAGE 3: NEWLY ARISING NEED		
3.1 New household formation (gross per year)		7,288
3.2 times Proportion of new households unable to buy or rent in the market		32.5%
3.3 plus Existing households falling into need		3,429
3.4 equals Total newly arising housing need (gross per year)	(3.1×3.2)+3.3	5,796
STAGE 4: FUTURE SUPPLY OF AFFORDABLE UNITS		
4.1 Annual supply of social re-lets (net)		5,123
4.2 plus Annual supply of intermediate housing available for re-let or resale at below market price/rent		77
4.3 equals Annual supply of affordable units	4.1+4.2	5,200
NET SHORTFALL OR SURPLUS OF AFFORDABLE UNITS		
Overall shortfall or surplus (per annum)	2.8+3.4–4.3	1,375

Source: Fordham Research Manchester HNA 2007. The order of topics in this table is different from the CLG Practice Guidance but the total content is the same. Note: although the latest Guidance asks for the supply of new committed affordable housing to be taken into account, this is not feasible in this table, as there is uncertainty as to when committed units will actually be built over say a 5 year period. No reliable annual figure can be derived.

6.12   Despite the high proportion of existing affordable housing in Manchester, there is still a net need for extra affordable housing.

6.13   The data from City suggests that 209 affordable units are under construction and another 249 have planning permission. About half of these dwellings are social rented and the other half will be shared ownership or shared equity. This does not provide a reliable profile for deriving an annual rate, as planning permissions have a life of 5 years. Nor is the 'under construction' figure an annual one.

6.14   Therefore on the subject of 'committed supply' it is simply worth noting that affordable housing is being built, at a rate in terms of annual permissions which is not exactly known, but is probably below 200. This is clearly not going to remove a level of housing need that is in the thousands.

Size of affordable housing required

6.15   Overall the survey suggests a shortfall of affordable housing in the City. We have taken into account the size and type of accommodation required by households and balanced this against the size and type of accommodation secured by those who have recently moved into affordable accommodation, based on the responses in the survey.   The size and type of accommodation required is based on the bedroom standard discussed in the glossary. The moves that have taken place in the last two years have of course been subject to the availability of property.

6.16   This analysis indicates an overall need for one bedroomed properties, reflecting the bedroom requirements of newly forming households. In addition the survey shows an overall need for larger family housing.

Locations of affordable housing required

6.17 In addition we can look at the distribution of housing need in different parts of the Council area. It has been assumed that homeless households have been split pro-rata with the number of households in each area. The supply distribution is derived from survey information on those who have recently moved into affordable accommodation whom did not transfer within the City's affordable housing stock. The table below shows the result of this analysis.

Table 6.3 Geographical distribution of affordable housing requirements in Manchester				
Sub-area	Need	Supply	TOTAL	Supply as % of need
Central Manchester	2,465	1,899	566	77.0%
Manchester City Centre	111	115	-4	103.7%
East Manchester	1,120	1,055	65	94.2%
North Manchester	1,788	1,305	484	73.0%
South Manchester	1,366	913	453	66.8%
Wythenshawe SRF	1,105	1,294	-189	117.1%
TOTAL	7,955	6,580	1,375	82.7%

Source: Fordham Research Manchester HNA 2007

6.18 As can be seen, the highest need in index terms is in Central Manchester, followed by North Manchester and South Manchester. Wythenshawe and Manchester City Centre record a surplus of affordable accommodation.

6.19 Varying an affordable housing target might not be the best way of meeting housing need. There is a complex interaction between the housing markets across the city which includes as one of its dynamics the ability or willingness of people to move to meet their housing requirements. For this reason, needs identified in one area are often met in others. Similarly, it will be important to consider the existing housing mix when assessing the contribution new housing schemes can make to the present balance of house type, size and tenure in choice in different neighbourhoods.

6.20 Consequently, although different levels of need have been identified across the City, each scheme will have a contribution to make when assessed against the overall citywide housing need. The interaction of housing markets and migration patterns will be researched in greater detail as part of the Association of Greater Manchester Authorities' housing research programme to determine whether more precise targets should be set.

Findings in context: Affordable Housing Index

6.21 The net shortfall of 1,375 can be related to a wider context by using the Fordham Research Affordable Housing Index (simply dividing the total by the number of thousands of households in the district in question). The result in the case of Manchester is an index of 7:

Figure 6.1 Typical levels of need for new affordable housing
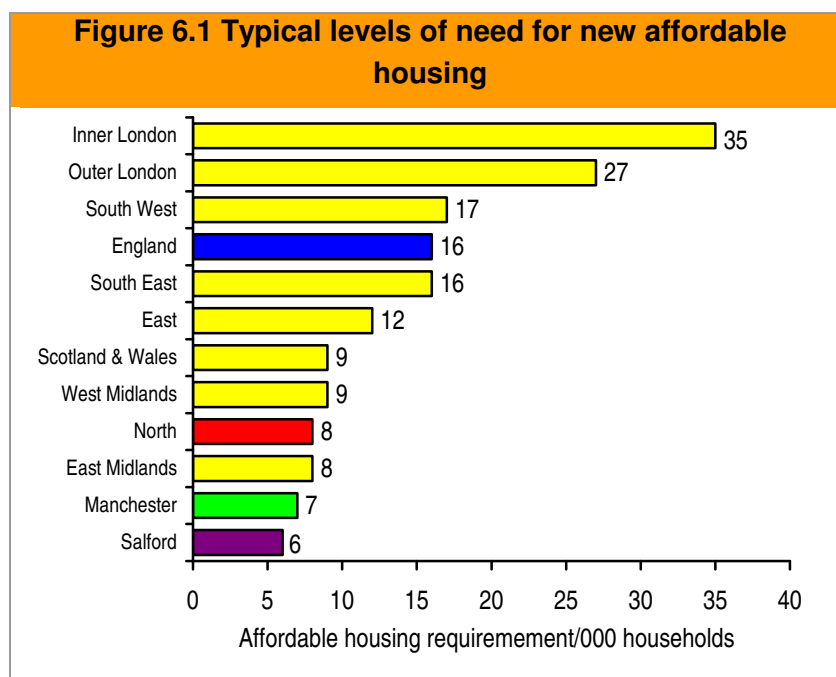
Source: Fordham Research Manchester HNA 2007

6.22   As would be expected, this Index figure is much lower than the national average (of 16) but is quite high for North West generally.

Status of intermediate housing

6.23   The data was analysed to show how much of the housing need could be met either by intermediate (priced between a social rent and market entry) and by social rented housing. The results are as follows:

Table 6.4 Social rented and intermediate housing requirements in Manchester (following CLG guide)

	Social rented	Intermediate housing	Total
Current need	2,059	100	2,159
Available stock	1,380	0	1,380
Newly arising need	5,160	636	5,796
Future supply	5,123	77	5,200
Net shortfall or surplus	716	659	1,375
% of net shortfall	52.1%	47.9%	100.0%
Gross annual need	7,219	737	7,955
Gross annual supply	6,503	77	6,580
Net annual need	716	659	1,375

Source: Fordham Research Manchester HNA 2007

6.24   As can be seen, about half of the housing need can be met by Intermediate housing. Given the great difficulty of producing genuinely affordable intermediate housing, this puts a great premium on getting the price of any new intermediate housing right. Table 6.5 provides specific data for submarket.

Table 6.5 Weekly costs of each tenure in Manchester						
Sub-area/ Beds	*Central*	*City Centre*	*East*	*North*	*South*	*Wythen-shawe*
Newbuild price						
One	£167	£213	n/a	n/a	n/a	n/a
Two	£205	£251	£190	£198	£228	£190
Three	£236	n/a	£220	£192	£380	£213
Four	n/a	n/a	£289	£304	n/a	£281
Entry level purchase price						
One	n/a	£181	n/a	n/a	n/a	n/a
Two	£94	£157	£81	£97	£158	£143
Three	£108	£182	£99	£126	£196	£154
Four	£119	n/a	£114	£131	£309	£190
Entry level market rent						
One	n/a	£101	n/a	£59	£75	n/a
Two	£67	£103	£57	£63	£81	£78
Three	£70	£109	£76	£78	£90	£95
Four	£94	£120	£90	£86	£121	n/a
Social rent						
One	£50	£50	£50	£50	£50	£50
Two	£58	£58	£58	£58	£58	£58
Three	£64	£64	£64	£64	£64	£64
Four	£71	£71	£71	£71	£71	£71

Source: Estate Agents and Letting Agents surveyed by Fordham Research 2007 and CORE data. n/a means data was not available for this size.

Summary

6.25   The analysis reported in this chapter follows the latest CLG Guidance. It suggests that there is a net housing need in the City, and that this is of a significant scale. The index number is quite low, but high enough to justify a reasonable level of affordable housing target.

6.26   The pattern of housing need is quite uneven across Manchester. There is therefore no obvious reason for varying any affordable housing target on the basis of housing need alone. Since viability is a key basis for seeking affordable housing, and since housing mix is another, there is an argument for setting a higher target in the more prosperous areas, since they also have a significant housing need.

7. Households with support needs

Introduction

7.1   The survey collected a wide range of information which enables estimates to be made of support needs, and also health and social care related problems. This chapter summarises the results. Information collected through the survey enables us to identify the principal client groups who have special requirements.

7.2   It must be emphasised, given that there are a range of care and support programmes, as well as accommodation in some cases, that the categories used in this analysis are rather loose when compared with precisely stated and assessed requirements addressed under the various services and programmes provided by the council and other bodies.

7.3   It is an unavoidable consequence of the survey method of data collection, for instance, that all requirements are self assessed, and not derived from professional judgement. As a result the categories themselves will not necessarily fit exactly with those used by the various care and support organisations.

7.4   In that sense, the data presented here should be seen as broadly indicative of the magnitude of various problems, rather than providing exact figures for recognised categories of care or support need.

7.5   There is a further cause for care in using the data, which derives from the sample sizes in some cases. The accuracy of each figure will vary according to the size of the group involved and it should be noted that the range of groups covered by the survey is not fully inclusive. There are, for example, many groups for which it would not be possible to obtain results through the questionnaire type approach (either due to the small numbers or because of the nature of the support need). Examples of groups not specifically covered include drug/alcohol problems and women fleeing domestic violence.

7.6   It should also be noted that the finding of a household with a support need does not necessarily mean that the household needs to move to alternative accommodation. In many cases the support need can be catered for within the household's current home whilst for others the issue may be the need for support rather than any specific type of accommodation.

7.7   The above are all necessary caveats to the use of the data presented below. At the same time the dataset does provide a wide range of information, and should prove useful as context as well as for policy and funding purposes.

Special Needs: data coverage

7.8   The survey looked at whether household members fell into one or more of a range of primary client groups. Whilst these represent the larger client groups covered in Supporting People Strategy, they are not exhaustive, and meaningful data on some other, smaller groups could not be delivered with the sample size used in the survey.

7.9   The groups covered were:

- Frail or elderly
- Persons with a medical condition
- A physical disability
- A learning disability
- A mental health problem
- Persons with a severe sensory disability
- Others

7.10   Each person with a special need could respond to as many of the above categories as is applicable. This means that we can differentiate between households that have more than one person with a special need and those that have people with multiple special needs.

Special needs groups: overview

7.11   Overall there are an estimated 43,017 households in the Manchester area with one or more members in an identified special needs group. This represents 22.2% of all households, which is higher than the average Fordham Research has found nationally (13-14%). The table below shows the numbers of households with different types of special needs. The numbers of households in each category exceed the total number of special needs households because people can have more than one category of special need.

7.12   Persons with a 'medical condition' are the predominant group, with 23,718 households containing a member with a medical condition. The next largest group is 'physical disability, with 19,939 households having a member in this category. These two categories represent 55.1% and 31.9% of all special needs households respectively.

Table 7.1 Support needs categories				
Category	Number of people	Number of households	% of all households	% of support needs households
Frail or elderly	15,636	13,707	7.1%	31.9%
Medical condition	27,088	23,718	12.3%	55.1%
Physical disability	21,736	19,939	10.3%	46.4%
Learning disability	4,870	4,274	2.2%	9.9%
Mental health problem	9,065	8,576	4.4%	19.9%
Severe sensory disability	4,583	4,196	2.2%	9.8%
Other	2,711	2,467	1.3%	5.7%

Source: Fordham Research Manchester HNA 2007

7.13   In addition to the above information we are able to look at the number of people in each household with a special need and also households containing persons with multiple special needs. The results for these are shown below.

Table 7.2 Number of people with special needs		
	Households	% of households
No people with special needs	150,383	77.8%
One person with special needs	35,977	18.6%
Two persons with special needs	6,227	3.2%
Three or more persons with special needs	812	0.4%
TOTAL	193,400	100.0%

Source: Fordham Research Manchester HNA 2007

Table 7.3 Households with special needs		
	Households	% of households
No people with special needs	150,383	77.8%
Single special need only	24,422	12.6%
Multiple special needs	18,594	9.6%
TOTAL	193,400	100.0%

Source: Fordham Research Manchester HNA 2007

7.14   The two tables above show that the majority of special needs households (83.6%) only contain one person with a special need and that the majority of households with a special needs member do not have multiple special needs (56.8%). However, some 7,039 households in the Manchester area are estimated to have two or more people with a special need whilst an estimated 18,594 households contain someone with multiple needs.

Characteristics of special needs households

7.15   The tables below show the characteristics of special needs households in terms of household size, age, tenure and unsuitable housing.

Table 7.4 Size of special needs households					
Number of persons in household	Special needs households				
	Special needs	No special needs	Number of h'holds	% of total h'holds with special needs	% of those with a special need
One	19,381	56,504	75,885	25.5%	45.1%
Two	12,154	41,780	53,934	22.5%	28.3%
Three	4,866	22,780	27,646	17.6%	11.3%
Four	3,427	16,717	20,144	17.0%	8.0%
Five	1,693	8,465	10,158	16.7%	3.9%
Six or more	1,497	4,138	5,635	26.6%	3.5%
TOTAL	43,018	150,384	193,402	22.2%	100.0%

Source: Fordham Research Manchester HNA 2007

7.16 The table above shows that households with special need members are likely to be small, comprised of one or two persons. Special needs households are also more likely to contain older persons.

Table 7.5 Special needs households with and without older people					
Age group	Special needs households				
	Special needs	No special needs	Number of h'holds	% of total h'holds with special needs	% of those with a special need
No older people	22,241	118,562	140,803	15.8%	51.7%
Both older & non older people	5,995	7,558	13,553	44.2%	13.9%
Older people only	14,780	24,263	39,043	37.9%	34.4%
TOTAL	43,016	150,383	193,399	100%	100.0%

Source: Fordham Research Manchester HNA 2007

7.17 As the table below shows, special needs households are more likely to be living in social rented housing. Some 36.0% of households living in Council rented housing contain a special needs member. Additionally, 25.8% of owner-occupied (no mortgage) households contain a special needs member.

Table 7.6 Special needs households and tenure					
	Special needs households				
Tenure	Special needs	No special needs	Number of h'holds	% of total h'holds with special needs	% of those with a special need
Owner-occupied (no mortgage)	9,167	26,308	35,475	25.8%	21.3%
Owner-occupied (with mortgage)	6,276	46,083	52,359	12.0%	14.6%
Council	14,313	25,495	39,808	36.0%	33.3%
RSL	9,311	19,964	29,275	31.8%	21.6%
Private rented	3,950	32,533	36,483	10.8%	9.2%
TOTAL	43,017	150,383	193,400	22.2%	100.0%

Source: Fordham Research Manchester HNA 2007

7.18   The table below indicates that special needs households are more than twice as likely to be living in unsuitable housing as non-special needs households. Some 23.6% of all special needs households are living in unsuitable housing, which compares with 12.2% of all households and 8.9% of all non-special needs households.

Table 7.7 Special needs households and unsuitable housing					
	Unsuitable housing				
Special needs	In unsuitable housing	Not in unsuitable housing	Number of h'holds	% of total h'holds in unsuitable housing	% of those in unsuitable housing
Special needs	10,164	32,853	43,017	23.6%	43.2%
No special needs	13,361	137,022	150,383	8.9%	56.8%
TOTAL	23,525	169,875	193,400	12.2%	100.0%

Source: Fordham Research Manchester HNA 2007

Requirements of special needs households

7.19   Those households with a member with special needs were asked to indicate if there was a need for improvements to their current accommodation and/or services. The responses are detailed in the figure below.

Figure 7.1 Special needs households: improvements to accommodation & services

Improvement	Households
Level access shower unit	11,605
Downstairs WC	10,193
Low level shower unit	9,482
Other alterations to bathroom/toilet	9,435
Emergency alarm	7,574
Extra handrails	7,385
Alterations to the kitchen	7,005
Car parking space near to front door of home	6,578
Lift/stair lift	6,423
Other alterations/adaptations to improve accessibility	5,419
Need to move to alternative housing with specialist adaptations	4,289
More support services to your present home	4,037
Need to move to housing with on-site warden	2,622

Source: Fordham Research Manchester HNA 2007

7.20   The results show requirements for a wide range of adaptations and improvements across the special needs households. The most commonly-sought improvements needed were:

- Level access shower unit (11,605 households – 27.0% of all special needs households)
- Downstairs WC (10,193 households – 23.7% of all special needs households)
- Low level shower unit (9,482 households – 22.0% of all special needs households)

Analysis of specific groups

7.21   The analysis that follows below concentrates on differences between different groups of households with special needs.

7.22   The table below shows some characteristics by special needs group. The table shows a number of interesting findings. The data shows that 55.8% of frail or elderly households and 44.8% of physical disability households are also single person households. On the other hand, over a third (39.2%) of households containing someone with a learning disability contained four or more people. Relatively few households containing someone with a learning disability contained older persons.
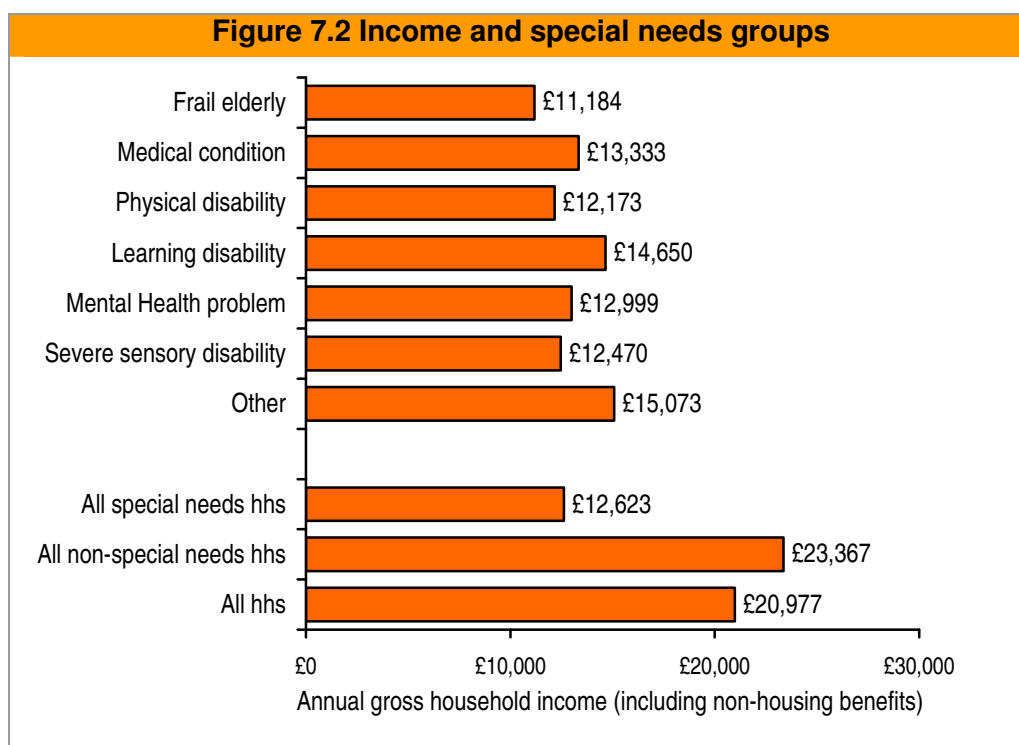
7.23   By tenure the results show that all special needs groups are less likely than non-special needs households to live in owner-occupied accommodation (with a mortgage) and all groups are more likely than average to live in social rented housing and less likely than average to live in private rented housing. A third of frail or elderly households live in the owner occupied (no mortgage) sector.

Table 7.8 Characteristics of special needs households by special needs group										
	Frail or elderly	Medical Condition	Physical disability	Learning disability	Mental Health problem	Sensory disability	Other	All special needs hhs	All non-special needs hhs	All households
Household size										
One	55.8%	40.3%	44.8%	19.0%	39.6%	39.4%	30.4%	45.1%	37.6%	39.2%
Two	29.1%	31.6%	31.1%	26.8%	34.4%	32.4%	36.7%	28.3%	27.8%	27.9%
Three	6.9%	12.1%	11.4%	14.9%	7.9%	8.5%	7.4%	11.3%	15.1%	14.3%
Four	4.8%	8.0%	5.8%	18.3%	9.1%	6.9%	8.1%	8.0%	11.1%	10.4%
Five	1.3%	4.3%	3.9%	11.9%	5.4%	7.2%	10.9%	3.9%	5.6%	5.3%
Six or more	2.2%	3.7%	3.0%	9.0%	3.5%	5.6%	6.6%	3.5%	2.8%	2.9%
Age of household members										
No older people	19.7%	53.3%	45.2%	78.1%	73.5%	53.5%	67.8%	51.7%	78.8%	72.8%
Both older & non older people	20.3%	15.6%	16.4%	12.8%	10.9%	14.5%	17.7%	13.9%	5.0%	7.0%
Older people only	60.0%	31.1%	38.3%	9.1%	15.6%	32.0%	14.5%	34.4%	16.1%	20.2%
Tenure										
Owner-occupied (no mortgage)	33.2%	20.3%	23.3%	10.2%	12.7%	20.6%	20.5%	21.3%	17.5%	18.3%
Owner-occupied (with mortgage)	11.4%	15.1%	13.9%	20.7%	18.4%	16.8%	21.0%	14.6%	30.6%	27.1%
Council	27.8%	35.1%	32.9%	38.6%	38.1%	38.7%	27.6%	33.3%	17.0%	20.6%
RSL	20.3%	18.8%	22.8%	23.0%	19.4%	14.6%	22.4%	21.6%	13.3%	15.1%
Private rented	7.4%	10.6%	7.1%	7.5%	11.4%	9.4%	8.5%	9.2%	21.6%	18.9%

Source: Fordham Research Manchester HNA 2007

7.24   The figure below shows income levels for each category of special needs household. Also shown is the figure for non-special needs households. The average income of all households in Manchester was estimated at £20,977 per annum (gross income including non-housing benefits). The figure shows that all special needs groups have average income levels noticeably below both the Manchester average and the average for non-special needs households.

Figure 7.2 Income and special needs groups

Group	Annual gross household income
Frail elderly	£11,184
Medical condition	£13,333
Physical disability	£12,173
Learning disability	£14,650
Mental Health problem	£12,999
Severe sensory disability	£12,470
Other	£15,073
All special needs hhs	£12,623
All non-special needs hhs	£23,367
All hhs	£20,977

Annual gross household income (including non-housing benefits)

Source: Fordham Research Manchester HNA 2007

7.25   Finally we can look at levels of unsuitable housing by special needs group. The table below shows the proportion of each group estimated to be living in unsuitable housing. Households containing someone with a special need category 'other' are the most likely to be in unsuitable housing (37.1%); this compares to the Manchester average of 12.2% and an average of 8.9% for non special needs households.

Table 7.9 Proportion of special needs groups living in unsuitable housing	
Special needs group	% of households
Frail or elderly	26.6%
Medical condition	26.8%
Physical disability	25.2%
Learning disability	25.2%
Mental Health problem	27.1%
Severe sensory disability	29.1%
Other	37.1%
All special needs households	23.6%
All non-special needs households	8.9%
All households	12.2%

Source: Fordham Research Manchester HNA 2007

Care & repair and staying put schemes

7.26 This section studies special needs households who have stated experiencing difficulty in maintaining their home. The results are shown in the table below and are split between owner-occupiers and tenants. The table clearly shows that special needs households are more likely than other households in the housing market area to have problems with maintaining their homes.

7.27 Of all households with a problem or serious problem, a total of 48.1% have special needs. Almost 60% of these are tenants.

Table 7.10 Special needs households and difficulty maintaining home						
Household group	No problem		A problem/ serious problem		TOTAL	
	Number	%	Number	%	Number	%
Special needs – owner-occupied	9,140	59.2%	6,304	40.8%	15,444	100.00%
Special needs – tenants	18,325	66.5%	9,249	33.5%	27,574	100.00%
All special needs households	27,465	63.8%	15,553	36.2%	43,018	100.00%
All households	161,044	83.3%	32,356	16.7%	193,400	100.00%

Source: Fordham Research Manchester HNA 2007

7.28 The evidence of the tables above is that there is certainly some further scope for 'staying put' or 'care and repair' schemes in the Housing market area. A total of 32,356 households state a problem with maintaining their homes – of these 15,553 are special needs households with an estimated 6,304 living in the owner-occupied sector.

Summary

7.29 Information from the survey on special needs groups can be of assistance to authorities when contributing to detailed Supporting People Strategies. Some 22.2% of all households in Manchester (43,017) contain special needs members. Persons with a 'medical condition' are the predominant group, with 23,718 households containing a member with a medical condition. The next largest group is 'physical disability, with 19,939 households having a member in this category.

7.30 Special needs households in the Manchester area are generally smaller than average and are disproportionately made up of older persons only. Special needs households are more likely than households overall to be in unsuitable housing.

7.31 Special needs households in general stated a requirement for a wide range of adaptations and improvements to the home. Level access shower units and a downstairs WC were most commonly required.

7.32   Finally, the survey suggested there is increased scope for 'care & repair' and 'staying put' schemes.

8. Black and Minority Ethnic households

Introduction

8.1   Information was gathered in the survey to find out the ethnic origin of the head of household (and partner if applicable) for each sample household in the survey. The categories used on the survey forms were consistent with those used in the 2001 Census. Due to the relatively small sample size of some BME groups, some categories have been grouped, resulting in five different ethnic groups overall. Results should be viewed with caution due to the small sample size of BME households.

8.2   The table below shows estimates of the number of households in each ethnic groups and the number of survey responses. For the analysis in this chapter, the ethnic group of the survey respondent is taken to represent the head of household.

The BME population

8.3   The table below shows results of the survey which shows that around 85% of households in Manchester are headed by someone who describes themselves as White. The next largest group is Asian (5.6% of households) followed by Black (5.0%).

Table 8.1 BME households		
Categories	Number of households	% of all households
White	165,902	85.8%
Mixed	3,639	1.9%
Asian or Asian British	10,896	5.6%
Black or Black British	9,667	5.0%
Chinese or other	3,295	1.7%
TOTAL	193,400	100.0%

Source: Fordham Research Manchester HNA 2007

8.4   The proportion of BME households shown by the survey (about 14%) is less than the Census proportion of BME households. The Census figure is 19% (the total BME figure given in the Census is 25.5%, but this includes some 6.5% of 'other white'). The present survey estimate of 14% is therefore lower than the 2001 Census. It is also important to bear in mind that the present survey estimates is based on <u>household heads</u>, and where family size is larger than average, as it is among BME households in Manchester, this helps to explain the difference.

Characteristics of BME households

8.5   The table below shows household size by ethnic group. The data suggests that a majority of households are comprised of one or two persons only. White households have the smallest average household size (2.1 persons), whilst Asian households have the largest average size (3.3 persons).

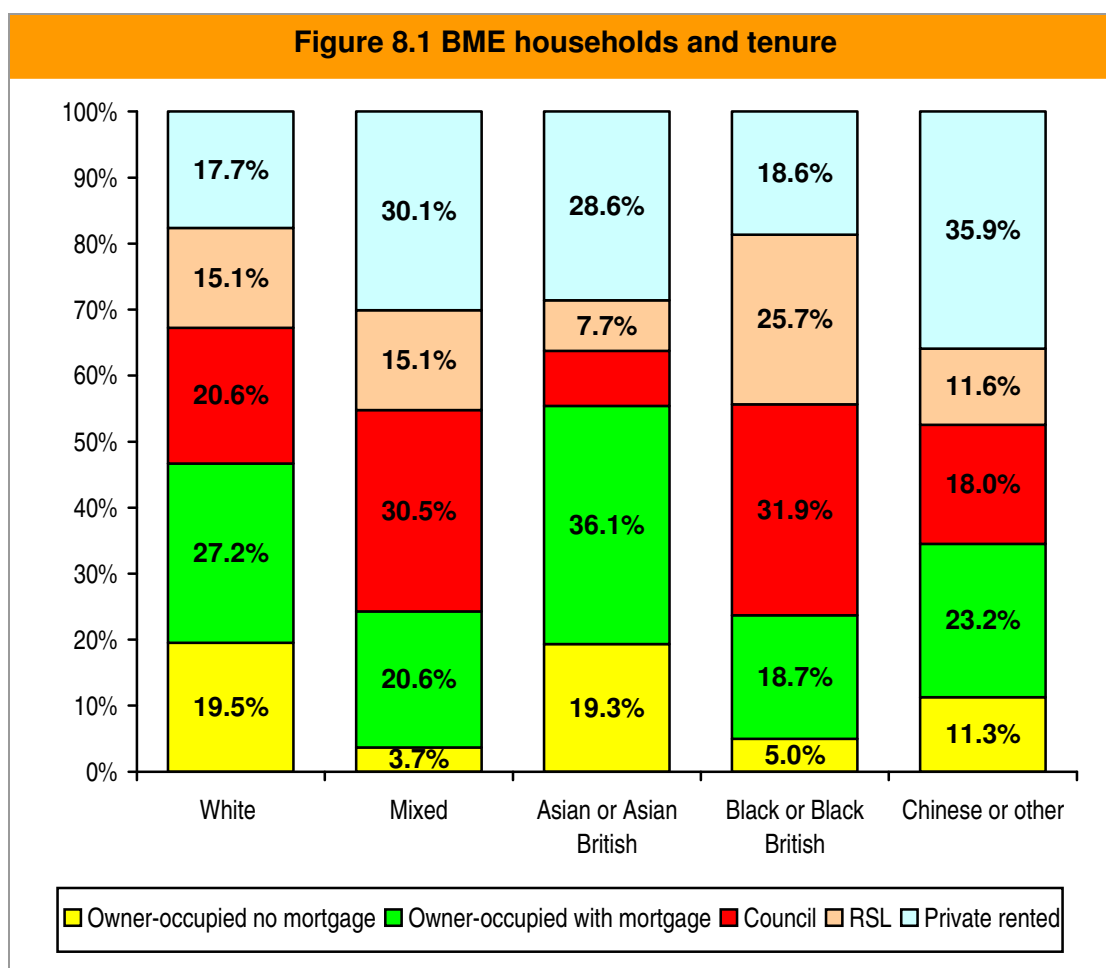| Table 8.2 Size of households								
Ethnic Group	Number of persons						Total	Average HH size
	1	2	3	4	5	6 or more		
White	67,964	48,542	23,233	15,893	7,516	2,754	165,902	2.1
Mixed	1,273	869	391	567	197	342	3,639	2.7
Asian or Asian British	2,329	1,881	1,962	1,841	1,474	1,408	10,895	3.3
Black or Black British	3,232	1,968	1,518	1,409	705	835	9,667	2.7
Chinese or other	1,086	675	541	433	266	294	3,295	2.7
TOTAL	75,884	53,935	27,645	20,143	10,158	5,633	193,398	2.2

Source: Fordham Research Manchester HNA 2007

8.6   The table below shows the housing tenures by ethnic group. It shows that owner occupation among both Asian and White households is quite high at around 55% and 47% respectively. Black & Mixed households are more likely to occupy social rented housing (58% and 46% respectively), and Chinese or Other households are most likely live in the private rented sector (35.9%).

Table 8.3 BME households and tenure						
Ethnic group	Tenure					
	Owner-occupied (no mortgage)	Owner-occupied (with mortgage)	Council	RSL	Private rented	Total
White	32,383	45,103	34,107	25,022	29,287	165,902
Mixed	133	750	1,111	550	1,095	3,639
Asian or Asian British	2,104	3,933	908	835	3,116	10,896
Black or Black British	482	1,809	3,088	2,487	1,801	9,667
Chinese or other	372	765	594	381	1,183	3,295
TOTAL	35,474	52,360	39,808	29,275	36,482	193,399

Source: Fordham Research Manchester HNA 2007

Figure 8.1 BME households and tenure

	Owner-occupied no mortgage	Owner-occupied with mortgage	Council	RSL	Private rented
White	19.5%	27.2%	20.6%	15.1%	17.7%
Mixed	3.7%	20.6%	30.5%	15.1%	30.1%
Asian or Asian British	19.3%	36.1%		7.7%	28.6%
Black or Black British	5.0%	18.7%	31.9%	25.7%	18.6%
Chinese or other	11.3%	23.2%	18.0%	11.6%	35.9%

Source: Fordham Research Manchester HNA 2007
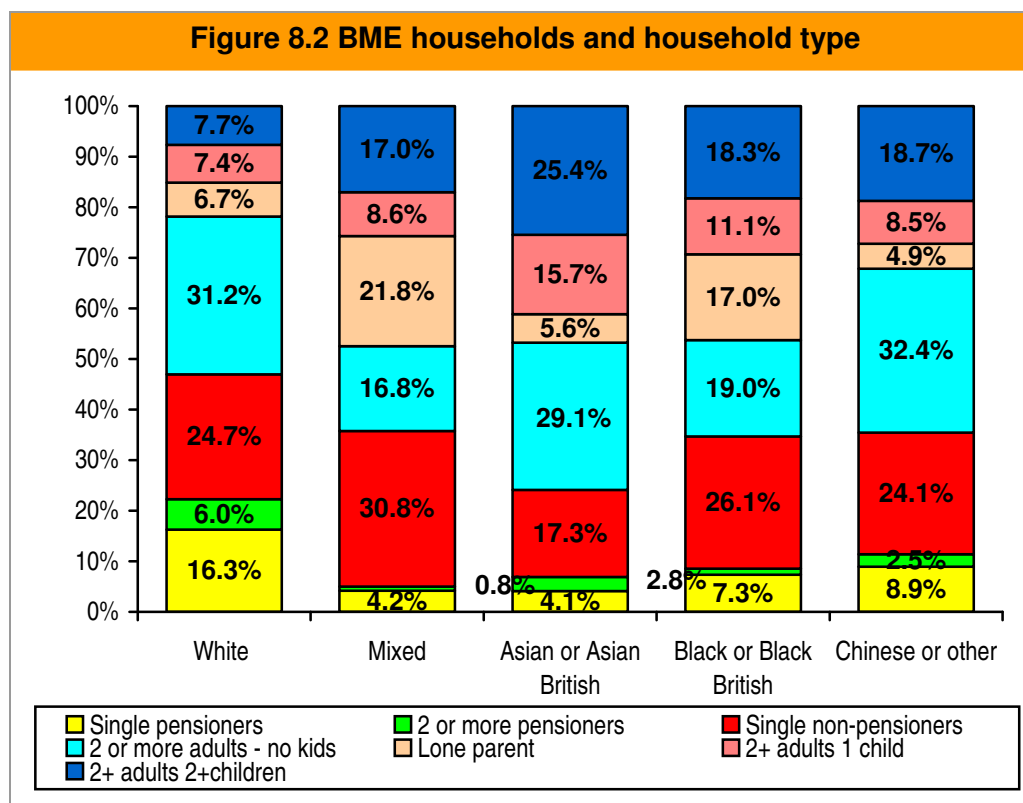
Household type and special needs

8.7   The table and figure below show household type by ethnic group. They show that White households have the largest proportion of pensioner households and the smallest proportion of households with children.

Table 8.4 BME households and household type								
	Household Type							
Ethnic group	Single Pensioner	2 or more pensioners	Single non-pensioner	2 or more adults, no children	Lone parent	2+ adults, 1 or more children	2+ adults, 2+ children	Total
White	26,976	9,932	40,988	51,819	11,081	12,359	12,747	165,902
Mixed	153	29	1,119	611	792	314	620	3,638
Asian or Asian British	449	300	1,880	3,171	612	1,713	2,770	10,895
Black or Black British	707	121	2,525	1,840	1,641	1,069	1,765	9,668
Chinese or other	294	81	793	1,068	162	281	617	3,296
TOTAL	28,579	10,463	47,305	58,509	14,288	15,736	18,519	193,399

Source: Fordham Research Manchester HNA 2007

Figure 8.2 BME households and household type

Source: Fordham Research Manchester HNA 2007

8.8   The table below shows that special needs households by ethnic group. It shows that Asian and White households are most likely to contain someone with special needs. Of all special needs households, 87.9% live in households headed by someone White.

Table 8.5 Ethnic groups and special needs					
	Special needs households				
Ethnic group	Special needs	No special needs	Number of h'holds	% of total h'holds with special needs	% of those with a special need
White	37,809	128,094	165,903	22.8%	87.9%
Mixed	499	3,140	3,639	13.7%	1.2%
Asian or Asian British	2,512	8,384	10,896	23.1%	5.8%
Black or Black British	1,749	7,919	9,668	18.1%	4.1%
Chinese or other	447	2,848	3,295	13.6%	1.0%
TOTAL	43,016	150,385	193,401	22.2%	100.0%

Source: Fordham Research Manchester HNA 2007

Geographical Location

8.9   The table below shows that BME households are widely distributed throughout Manchester neighbourhoods. The highest proportion of Asian households was found in Cheetham and Crumpsall and Levunshulme; the largest proportion of Black households was found in Ardwick, Rushholme and Hulme. Wythenshawe was found to be the least ethnically diverse area, with 99% of households headed by a White person.

Table 8.6 Ethnic group and neighbourhood					
	Ethnic Group				
Neighbourhood	White	Mixed	Asian or Asian British	Black or Black British	Chinese or other
Ardwick	62.8%	4.1%	8.9%	17.9%	6.2%
Baguley and Northenden	94.3%	1.1%	1.9%	2.3%	0.4%
Blackley	94.0%	1.3%	2.1%	2.1%	0.4%
Cheetham and Crumpsall	68.1%	4.5%	18.6%	5.6%	3.1%
Chorlton-cum-Hardy	93.5%	1.1%	2.8%	1.9%	0.7%
City Centre	88.3%	0.9%	3.2%	1.4%	6.2%
Didsbury	94.4%	0.4%	4.4%	0.3%	0.4%
East Manchester	89.1%	1.3%	0.3%	6.8%	2.6%
Fallowfield	79.9%	2.9%	10.6%	5.5%	1.1%
Gorton	87.8%	2.9%	2.0%	5.6%	1.7%
Harpurhey	92.0%	0.9%	1.8%	3.7%	1.7%
Hulme	75.0%	4.0%	2.0%	14.7%	4.2%
Levenshulme	71.2%	2.6%	18.0%	6.2%	2.1%
Moston	95.5%	0.3%	0.5%	2.7%	0.9%
Rusholme	70.3%	2.9%	9.3%	15.3%	2.2%
Withington	89.9%	1.9%	5.5%	2.4%	0.3%
Wythenshawe	98.9%	0.6%	0.0%	0.6%	0.0%
Total	85.8%	1.9%	5.6%	5.0%	1.7%

Source: Fordham Research Manchester HNA 2007

Income and savings levels

8.10   The table below shows average income and savings levels between the ethnic groups. The table shows that White households have higher incomes than Manchester average. BME households have lower than average incomes, particularly Black households. White households and Chinese or other households have the highest levels of savings.

Table 8.7 Income and savings levels of ethnic minority households		
Categories	Annual gross household income (including non-housing benefits)	Average household savings
White	£21,617	£12,585
Mixed	£17,173	£3,415
Asian or Asian British	£19,289	£6,551
Black or Black British	£14,456	£1,681
Chinese or other	£17,666	£10,309
Average	£20,977	£11,489

Source: Fordham Research Manchester HNA 2007

Unsuitable housing

8.11   The table below shows that BME households have higher levels of unsuitable housing, particularly Mixed households (unsuitable housing is defined in the Glossary). Of all the households living in unsuitable housing, 72.7% are White.

Table 8.8 Ethnic group and unsuitable housing levels					
	Unsuitable housing				
Ethnic group	In unsuitable housing	Not in unsuitable housing	Total number of h'holds	% of total h'holds in unsuitable housing	% of those in unsuitable housing
White	17,096	148,806	165,902	10.3%	72.7%
Mixed	1,034	2,605	3,639	28.4%	4.4%
Asian or Asian British	2,483	8,413	10,896	22.8%	10.6%
Black or Black British	2,282	7,385	9,667	23.6%	9.7%
Chinese or other	630	2,665	3,295	19.1%	2.7%
Total	23,525	169,874	194,000	12.1%	100.0%

Source: Fordham Research Manchester HNA 2007

Housing aspirations of BME households

8.12   The survey also collected information on the future aspirations and expectations of households seeking to move within the next two years. Households from all ethnic groups showed a generally higher self-assessed need to move than the white population, as well as a greater likelihood of moving.

8.13   Around half of households in the Black, Mixed and Other groups (45.3%, 51.9% and 45.2% respectively) felt they had both a need and likelihood of moving within the next five years, compared to around a quarter of households in the White group (25.5%).

Table 8.9 BME households and future moves – Need to move					
	Ethnicity				
	White	Mixed	Asian	Black	Chinese or other
Now	5.8%	18.2%	11.1%	11.9%	14.5%
Within a year	8.2%	16.1%	8.3%	13.0%	12.8%
1 - 2 years	5.0%	9.3%	6.8%	6.6%	8.3%
2 - 5 years	6.6%	8.2%	6.8%	13.7%	9.7%
No need	74.5%	48.1%	67.0%	54.7%	54.8%
Total (households)	165,902	3,638	10,897	9,668	3,294

Source: Fordham Research Manchester HNA 2007

Table 8.10 BME households and future moves – Likely to move					
	Ethnicity				
	White	Mixed	Asian	Black	Other
Now	5.0%	17.6%	9.6%	10.7%	14.5%
Within a year	11.7%	21.2%	11.7%	18.3%	12.8%
1 - 2 years	7.7%	7.6%	8.7%	6.8%	8.3%
2 - 5 years	12.0%	14.7%	10.5%	14.7%	9.7%
Not likely to move	63.7%	38.9%	59.4%	49.6%	54.8%
Total (households)	165,902	3,640	10,897	9,667	3,295

Source: Fordham Research Manchester HNA 2007

8.14   The housing preferences of BME households who stated they were likely or would need to move within the next two years (in terms of tenure, location and size) are presented in the table below and are compared with results for all non-BME households wanting to move during the same time period.

8.15   Preference by tenure varies significantly by ethnicity; while households in the Asian group showed similar preferences to the White group, the Black and Mixed groups of households showed a marked preference for social renting. More than half preferred social renting, compared to only 30.8% of White households and 30.0% of Asian households; they also showed a comparative lack of aspiration toward owner occupation (39.0%).

8.16   Given that these are aspirations there are a wide variety of interpretations that could be put on this; however the difference in tenure preference between Asian and Black households is striking, given their similar socio-economic position.

8.17   Ethnic minority groups – except 'Other' groups – tended to be more attached to Manchester than the general white population. 86.0% of Black households and 74.4% of Asian households planning to move preferred to stay in Manchester, compared to just under two thirds (66.3%) of the white households in the same situation.

8.18   Very few Black households showed an aspiration to move out of the region, at just 3.4% – unlike Asian households who, if they did want to move out of Manchester expressed more interest in destinations outside the immediate region. Households in the 'Other' category were far more likely than any other group to wish to move out of the Manchester area entirely (30.3%).

8.19   Aspirations in terms of size of dwelling also varied; the average preference for Mixed, Other and Asian groups was just over 3 bedrooms, while for White and Black groups it was around 2.7.

Table 8.11 Housing preferences of households seeking to move in the next two years					
	Ethnicity				
	White	Mixed	Asian	Black	Other
Tenure					
Owner Occupied	51.4%	37.4%	49.6%	39.0%	43.3%
Private Rented	16.9%	7.9%	20.4%	3.5%	24.3%
Social Rented	30.8%	54.6%	30.0%	57.2%	32.4%
Shared Ownership	1.0%	0.0%	0.0%	0.3%	0.0%
Location					
Manchester	66.3%	73.7%	74.4%	86.0%	59.5%
Surrounding Council	14.3%	13.0%	8.2%	10.6%	10.2%
Elsewhere	19.4%	13.3%	17.5%	3.4%	30.3%
Bedrooms					
Average	2.65	3.08	3.03	2.81	3.20

Source: Fordham Research Manchester HNA 2007

8.20   Reasons for moving can also be broken down by ethnicity. The table below shows the top five reasons that members of each ethnic group gave for wishing to move within the next two years. It is notable that 'Current home is too small' polled more highly among all ethnic groups (except 'Other') than among the White households. 'To move to a better environment', in contrast, polled more highly among White households than among any of the BME household groups, except 'Mixed'.

Table 8.12 Top 5 Reasons for moving by ethnicity		
	Reason	**Percentage**
White	1) To move to a better environment	61.1%
	2) Current home too small	61.1%
	3) To move to a safer area	53.5%
	4) To live closer to employment or other facilities	49.1%
	5) To move to cheaper accommodation	44.5%
Mixed	1) Current home too small	77.6%
	2) To move to a better environment	70.0%
	3) Addition to the family	52.4%
	4) To live closer to employment or other facilities	51.1%
	5) To move to cheaper accommodation	41.7%
Asian	1) Current home is too small	63.4%
	2) To move to a safer area	53.0%
	3) To move to a better environment	51.1%
	4) To move to cheaper accommodation	50.4%
	5) To be near family	38.2%
Black	1) Current home is too small	67.3%
	2) To move to a better environment	41.3%
	3) To move to a safer area	41.0%
	4) Addition to the family	36.0%
	5) To move to cheaper accommodation	28.0%
Other	1) Current home is too small	57.8%
	2) To move to a better environment	48.1%
	3) Addition to the family	40.3%
	4) To live closer to employment or other facilities	36.5%
	5) To move to a safer area	34.6%

Source: Fordham Research Manchester HNA 2007

Summary

8.21   Nearly 86% of households in the Manchester are headed by a White person. The next largest group is Asian (5.6% of households) followed by Black (5.0%).

8.22   Other findings include:

- BME households are likely to be larger than white households.
- Asian and White households are most likely to owner-occupy.
- White households have the largest proportion of pensioner households and the smallest proportion of households with children.
- Asian and White households are most likely to contain a special needs member
- White households have higher incomes than average; BME households have lower incomes than average
- BME households are more likely to reside in unsuitable housing

9. Overcrowding and under-occupation

Introduction

9.1 This chapter briefly studies the extent of overcrowding and under-occupation of households living in each individual tenure group. The standards used to check for overcrowding/under-occupation were as follows:

- **Overcrowding**: each household was assessed as to the number of bedrooms required. Any household without enough bedrooms was deemed to be over-crowded.
- **Under-occupation**: households with more than one spare bedroom are deemed to be under-occupied.

9.2 The overcrowding measure used in this report is more easily related to council policies, eg on lettings, than the 2001 Census definition of overcrowding. This is based on total number of rooms. The latter measure is not readily translated into a practical measure, since dwellings have a quite variable ratio of total rooms to number of bedrooms.

Overcrowding and under-occupation

9.3 The table below shows a comparison between the numbers of bedrooms in each home against the number of bedrooms required for all households.

Table 9.1 Overcrowding and under-occupation					
Number of bedrooms required	Number of bedrooms in home				
	1	2	3	4+	TOTAL
1 bedroom	11,751	35,917	50,404	12,743	110815
2 bedrooms	481	9,929	27,838	8,578	46826
3 bedrooms	0	1,927	17,049	7,179	26155
4+ bedrooms	12	141	3,606	5,847	9606
TOTAL	12,244	47,914	98,897	34,347	193402

Source: Fordham Research Manchester HNA 2007

KEY: ☐ Overcrowded households ☐ Under-occupied households

Note: The bottom two cells of the 4+ bedroom column contain some households that are either overcrowded or under-occupied – for example they may require three bedrooms but live in a five bedroom property or may require a five bedroom property but are currently occupying a four bedroom property.

9.4   The estimated number of overcrowded and under-occupied households is as follows:

- Overcrowded: 3.8% of households = 7,274 households
- Under-occupied: 39.1% of households = 75,699 households

Household characteristics

9.5   The figure below shows levels of overcrowding and under-occupation by various household characteristics. The figure shows some clear differences between different household groups.

9.6   In terms of tenure, the figure shows that owner-occupiers are most likely to be under-occupying dwellings and least likely to be overcrowded; this is particularly true for those with no mortgage. RSL households are least likely to be under-occupied; Council and private rented households are most likely to be overcrowded.

9.7   Household type analysis suggests that households with two or more adults and two or more children have the highest rates of overcrowding. Lone parent households display the lowest levels of under-occupation. Households containing two or more pensioners are most likely to be under-occupying.

9.8   By neighbourhood, Didsbury has the highest proportion of under-occupied dwellings (52.7%); and Rusholme the highest level of overcrowded dwellings (7.9%).

9.9   The data also shows that support needs households are more likely to under-occupy than non-support needs households; levels of overcrowding were similar for the two groups.

9.10   The age distribution confirms the household type analysis above (i.e. low overcrowding and high under-occupancy amongst pensioner households); though interestingly the data shows that overcrowding levels for households containing both older and non older persons and non older persons only are very similar.

9.11   By ethnic group, the data indicates that White households are less likely to be overcrowded and more likely to under-occupy than BME households.

Figure 9.1 Household characteristics and overcrowding/under-occupation

Source: Fordham Research Manchester HNA 2007

9.12   In addition to the above figure it is of use to consider the household types and tenure of those households under-occupying. This gives some indication of the scope for measures to reduce under-occupancy (particularly in the social rented sector). The table below shows this analysis.

Table 9.2 Under-occupation by household type and tenure						
	Tenure					
Household type	Owner-occupied (no mortgage)	Owner-occupied (with mortgage)	Council	RSL	Private rented	TOTAL
Single pensioner	8,396	869	4,218	2,383	1,013	16,879
2 or more pensioners	5,197	547	1,191	255	268	7,458
Single non-pensioner	3,097	9,675	4,957	1,913	3,081	22,723
2 or more adults, no children	4,778	9,121	2,228	1,241	4,958	22,326
Lone parent	44	258	480	350	44	1,176
2+ adults, 1 child	251	1,768	169	52	116	2,356
2+ adults, 2+ children	231	1,892	201	380	79	2,783
TOTAL	21,994	24,130	13,444	6,574	9,559	75,701

Source: Fordham Research Manchester HNA 2007

9.13   The table shows that there are a significant number of pensioner households under-occupying in the owner-occupied (no mortgage) sector. Of all under-occupying households in the social rented sector, 40.2% contained pensioners only and 8.2% contained children.

Income levels

9.14   The figure below shows the income levels of households who are overcrowded or under-occupied. The data shows that under-occupied households have the highest average household income (at £23,557). If these figures are adjusted depending on the number of persons in the households this trend is exacerbated. Overcrowded households have an average income per person of only £3,583; this figure rises to £13,527 for households who are under-occupying.

Table 9.3 Overcrowding/under-occupancy and income			
Overcrowded/under-occupied	Average gross annual income	Average number of persons in households	Average income per person
Overcrowded	£18,607	5.2	£3,583
Neither overcrowded nor under-occupied	£19,364	2.4	£8,062
Under-occupied	£23,557	1.7	£13,527
TOTAL	£20,977	2.2	£9,329

Source: Fordham Research Manchester HNA 2007

Moving intentions of under-occupying households

9.15   Finally this section looks at any moving intentions of overcrowded and under-occupied households. The table below shows the number and proportion of households in each group who need or expect to move home within the next two years.

9.16   The analysis suggests that overcrowded households are most likely to need/expect to move. In total an estimated 57.4% of overcrowded households need or expect to move within the next two years, this compares with only 38.5% of households who currently under-occupy their dwelling.

Table 9.4 Moving intentions of overcrowded and under-occupying households			
Overcrowded/under-occupied	Number need/expect to move	Total h'holds	% needing/ expecting to move
Overcrowded	4,214	7,274	57.9%
Neither overcrowded nor under-occupied	49,093	110,427	44.5%
Under-occupied	29,123	75,699	38.5%
TOTAL	82,430	193,400	42.6%

Source: Fordham Research Manchester HNA 2007

Summary

9.17   This brief chapter looked at overcrowding and under-occupation. The results suggest that 3.8% of all households are overcrowded and 39.1% under-occupy their dwelling. The owner-occupied (no mortgage) sector shows the highest levels of under-occupation; whilst the rented sector has the highest level of overcrowding.

9.18   Overcrowded households tend to have low incomes (per person) and are far more likely to state that they need or expect to move than other households.

10. Key worker households in Manchester

Introduction

10.1   The following analysis provides data for households in Manchester who fall into the broad key worker categories.

10.2   For the purposes of analysis key workers were defined as people working in any one of four categories. These were:

- Teaching and research professionals
- Health professionals
- Health and social welfare associate professionals
- Caring Personal Service Occupations

10.3   This is a more limited group than could be taken, as for example:

- Nurses and other NHS staff
- Teachers in schools and in further education and sixth form colleges
- Police officers
- Prison and probation service staff
- Social workers, and other support services
- Other local government
- Whole time junior fire officers and retained fire-fighters

10.4   The difficulty with the general topic of key workers is that it is quite hard to find the type of key worker that led to a national policy issue being made of the matter: people on relatively low pay where the housing market prices/rents may drive them away. Apart from inconveniencing the individuals concerned this might also weaken the economic base of the area. London was the original focus of this concern.

10.5   The large body of key worker studies has tended not to find many serious problems, though plenty of evidence of future possible problems. Since the issue became a political one, the entry of large numbers of new EC workers has complicated the matter, since they are in many cases prepared to do the key worker jobs for lower pay than would existing residents. In the same way 'key worker housing' has had an unhappy history: it has tended to be too expensive for anyone classified as a key worker and the programme has been dropped in many places.

10.6   In Manchester the relatively low prices and rents mean that there is in principle unlikely to be a real key worker problem. That does not mean that many people in the broad groups considered as key workers will not have trouble accessing suitable housing, certainly if that housing is to be owner occupied. Even though prices are low, they are still expensive on most local incomes. Hence it is worth considering the matter. The analysis has taken a more limited group than might be used; in view of the anticipated growth the knowledge industries in the city the categories of employment included in the Manchester key worker definition could be broadened in due course.

10.7   The nature of this study means that the key workers identified within the survey are those that are resident in the housing market area. The data, therefore, includes key workers resident in the housing market area who work outside its boundaries; and excludes key workers who work in Manchester but live outside. In total it is estimated that 20,459 households are headed by a key worker (head of household taken as survey respondent). These households are subject to further analysis in the sections below.

Outline of the results

10.8   It can be seen that key workers are much more likely to be mortgage holders than without, and slightly less likely than other households to be owner occupiers. They are much less likely to be social tenants but about as likely to be private tenants.

10.9   They are clearly not likely to be pensioners, but otherwise show a typical household's and house size profile. Pensioners may, of course, work but the evidence of this table is that in the key worker range of employment the proportion of pensioner key workers is very small: some 300 out of 20,000+ households overall.

Table 10.1 Key worker households characteristics in Manchester				
	Key worker household		Not key worker household	
Characteristic	Number of households	% of households	Number of households	% of households
Tenure				
Owner-occupied (no mortgage)	2,892	14.1%	32,584	18.8%
Owner-occupied (with mortgage)	10,007	48.9%	42,352	24.5%
Council	1,989	9.7%	37,819	21.9%
RSL	1,655	8.1%	27,620	16.0%
Private rented	3,916	19.1%	32,566	18.8%
Household composition				
Single pensioners	214	1.0%	28,365	16.4%
2 or more pensioners	94	0.5%	10,369	6.0%
Single non-pensioners	6,128	30.0%	41,177	23.8%
2 or more adults – no children	7,124	34.8%	51,385	29.7%
Lone parent	1,443	7.1%	12,845	7.4%
2+ adults 1 child	2,485	12.1%	13,251	7.7%
2+ adults 2+ children	2,970	14.5%	15,549	9.0%
Size of accommodation				
1 bedroom	2,416	11.8%	25,903	15.0%
2 bedrooms	5,492	26.8%	50,044	28.9%
3 bedrooms	9,548	46.7%	78,486	45.4%
4+ bedrooms	3,003	14.7%	18,507	10.7%
TOTAL	20,459	100.0%	172,940	100.0%

Source: Fordham Research Manchester HNA 2007

10.10   Some 35.9% of key worker households need or intend to move over the next 2 years, compared to 26.4% of non key worker households. They are much more likely to want to buy than the average household.

Table 10.2 Housing preferences of households seeking to move in the next two years				
	Key worker household		Not key worker household	
Housing preferences	Number of households	% of households	Number of households	% of households
Tenure				
Buy own home	5,041	68.7%	21,743	47.6%
Social rented	794	10.8%	7,422	16.2%
Private rented	1,400	19.1%	16,223	35.5%
Shared Ownership	107	1.5%	291	0.6%
TOTAL	7,342	100.0%	45,679	100.0%

Source: Fordham Research Manchester HNA 2007

Table 10.3 Income and savings levels of key worker households		
Category	Annual gross household income (including non-housing benefits)	Average household savings
All key worker household	£35,370	£16,656
All non-key worker (in employment)	£30,575	£12,915
All other households (no-one working)	£11,539	£9,477
All households	£20,991	£11,489

Source: Fordham Research Manchester HNA 2007

10.11 The reason for the much higher inclination of key workers to buy is that they have higher financial capacity as shown in Table 10.3. This does not accord with the traditional view of a key worker, but this is the problem with the definition. It does not really capture the group which is intended, if indeed that group exists in large numbers in a place like Manchester.

Table 10.4 Key worker households and ability to afford housing				
Category	All key worker households		Key workers moving in next two years	
	Number of households	% of households	Number of households	% of households
Social rent only	16,324	79.8%	5,413	73.7%
Afford intermediate housing	612	3.0%	302	4.1%
Afford market housing	3,522	17.2%	1,627	22.2%
Total	20,458	100.0%	7,342	100.0%

Source: Fordham Research Manchester HNA 2007

10.12 Overall, however, the key workers are slightly less able to afford market housing or intermediate housing, but the difference is not large.

Summary

10.13 The evidence does not suggest that key workers are a major issue for Manchester. There are no doubt households within this broad group who have housing problems, but there is not much evidence that it is a major issue as such. The general presumption, based on the relatively low prices and market rents in Manchester is borne out by the evidence.

11. Student Housing in Manchester

Introduction

11.1   Manchester contains two major universities and, as noted above, a very large private rented sector.

11.2   The survey identified 6,944 student households in the Manchester City area. These households are unusual as they record low household incomes currently but would expect to achieve better incomes upon graduation. This chapter therefore presents information on the housing situation of student households in Manchester before considering the housing aspirations and expectations of this group.

11.3   It will be appreciated that many students live in halls of residence and that many others live in all student households (where the many students in the dwelling count as one household). As a result, and apart from students at universities in Manchester and Salford who live outside the two cities, the numbers do not relate directly to the total numbers of students studying in the two cities.

Housing characteristics

11.4   The table below shows the current tenure of student households. The results are compared with non-student households. The table shows that as expected the vast majority (86.7%) of student households are living in the private rented sector. They constitute 16.5% of all households in this sector. There are a small number in owner-occupied accommodation, probably reflecting the increasing tendency for parents who can afford it, to buy the accommodation their child lives in as an investment.

11.5   Students in Manchester tend to live disproportionately in flats or apartments, 42.8% of students compared to 26.6% of the general population. They are less likely to live in semi-detached accommodation. However, there is no large difference in the proportion living in detached houses between students and the general population; this could perhaps be explained by house sharing arrangements.

Table 11.1 Tenure of student households				
	Student household		Not Student household	
Tenure	Number of households	% of group	Number of households	% of group
Owner-occupied (no mortgage)	281	4.0%	35,194	18.9%
Owner-occupied (with mortgage)	209	3.0%	52,150	28.0%
Council	164	2.4%	39,644	21.3%
RSL	268	3.9%	29,007	15.6%
Private rented	6,022	86.7%	30,460	16.3%
TOTAL	6,944	100.0%	186,455	100.0%

Source: Fordham Research Manchester HNA 2007

Table 11.2 Type of accommodation student households resides in				
	Student household		Not Student household	
Accommodation type	Number of households	% of households	Number of households	% of households
Detached	407	5.9%	8,036	4.3%
Semi-detached	1,133	16.3%	61,337	32.9%
Terraced	2,433	35.0%	67,443	36.2%
Flat/maisonette	2,971	42.8%	49,639	26.6%
TOTAL	6,944	100.0%	186,455	100.0%

Source: Fordham Research Manchester HNA 2007

11.6 The number of persons in each household disaggregated by student and non-student households is shown in the table below. It can be observed that 44.9% of student households contain four or more people compared with 17.6% of non-student households in the City. This would be anticipated given the greater propensity of students to share accommodation.

11.7 Students in Manchester show an anomalous geographical distribution – 83.4% live in just two sub-areas, Central Manchester and South Manchester. Both of these are south of the city centre, as is the main University campus. A smaller number (14.7%) live in the city centre, but they are almost entirely absent from North or East Manchester or Wythenshawe in the far south of the council area. The small size of the city centre means that despite containing only 14.7% of the student households in Manchester, it is the sub-area where students make up the largest proportion of households as a whole, at 12.2%. Central Manchester's households are 6.8% student ones.

Table 11.3 Student households and household size				
Number of persons in household	Student household		Not Student household	
	Number of households	% of households	Number of households	% of households
One	1,549	22.3%	74,336	39.9%
Two	1,180	17.0%	52,754	28.3%
Three	1,099	15.8%	26,547	14.2%
Four	1,079	15.5%	19,064	10.2%
Five	1,096	15.8%	9,062	4.9%
Six or more	942	13.6%	4,692	2.5%
TOTAL	6,945	100.0%	186,455	100.0%

Source: Fordham Research Manchester HNA 2007

Table 11.4 Location of student households				
Area	Student household		Not Student household	
	Number of households	% of households	Number of households	% of households
Central Manchester	2,880	41.5%	39,270	21.1%
Manchester City Centre	1,022	14.7%	7,384	4.0%
East Manchester	0	0.0%	17,684	9.5%
North Manchester	88	1.3%	39,493	21.2%
South Manchester	2,909	41.9%	52,391	28.1%
Wythenshawe SRF	45	0.6%	30,234	16.2%
TOTAL	6,944	100.0%	186,456	100.0%

Source: Fordham Research Manchester HNA 2007

11.8 The following tables present the moving intentions of student households, important when assessing the longer-term impact on the local housing market of the group. 67.6% of student households stated an intention to move within the next two years. The table below shows the preferred and expected tenure of the 4,693 student households intending to move in the next two years.

11.9 The survey shows that the majority of student households both would prefer and expect to live in the private rented sector in their next home, although 19% of those expecting private rented accommodation would have preferred something else. This high level of preference and expectation of using the private rented sector might be expected given that a large, although unknown, proportion of these moves will occur before leaving university.

11.10 The discrepancy between the preferred (21.7%) and expected (6.2%) levels of owner-occupation suggests that student households, including some of those leaving university, perceive the cost of owner-occupation too great to be affordable.

Table 11.5 Student households and tenure of future accommodation				
	Preferred		Expected	
Tenure	Number of h'holds	% of h'holds	Number of h'holds	% of h'holds
Owner-occupation	1,019	21.7%	293	6.2%
Private Rented	3,438	73.3%	4,252	90.6%
Social Rented	236	5.0%	148	3.2%
Shared Ownership	0	0.0%	0	0.0%
TOTAL	4,693	100.0%	4,693	100.0%

Source: Fordham Research Manchester HNA 2007

11.11 It is also possible to consider the intended destination of the student households moving in the next two years, as is presented in the table below. This suggests that a majority of students currently wish to remain within Manchester (66.0%), although it should be remembered that many of these will be continuing to study at university after the move and would therefore of course remain in the city. Of those not seeking to remain in Manchester, 88.8% will seek to go further a field than the immediate area.

11.12 The number of students expecting to live in Manchester is slightly lower than the number who wish to live in Manchester, suggesting that around 14% of those wishing to stay within Manchester think expect to face an obstacle that might prevent them from doing so.

Table 11.6 student households and location of next accommodation				
	Preferred		Expected	
Location	Number of h'holds	% of h'holds	Number of h'holds	% of h'holds
Manchester Council Area	3,099	66.0%	2,680	57.1%
Surrounding Council Area	176	3.8%	357	7.6%
Elsewhere	1,417	30.2%	1,656	35.3%
Total	4,692	100.0%	4,693	100.0%

Source: Fordham Research Manchester HNA 2007

Summary

11.13 Just under 7,000 student households were identified through the primary survey. This understates the total number of students in Manchester very considerably. Large numbers of students live in halls of residence and are unlikely to be caught by the survey. But the main reason is that heads of student households will often contain up to 6 other students within the dwelling. Allowing for this suggests that up to 17,000 students are represented in the survey data.

11.14 Twice as many students live in flats/maisonettes compared to the rest of the population, and 87% of them are private renters. The remainder are spread across the other tenures. The main focus of student residence among the six sub-markets is Central (42% of all the students, and 21% of the City's remaining population), South (also with 42% of all the student households but with 28% of the remaining population and the City Centre (15% of all student households and only 4% of the remaining population).

11.15 Tenure preferences among students mirror the rest of the population in that many more of them aspire to owner occupation than expect it (22% compared with 6%). Two thirds of students said that they hoped their next home would be in the City, but 10% less than that (some 57%) said that they expected it. Surrounding council areas and 'elsewhere' were more or less equally the gainers from 'expected' future location.

12. Targets for Affordable Housing

Introduction

12.1   This chapter examines the results in terms of the affordable housing implications. The context for this is the findings of the housing needs analysis, that Manchester shows an Affordable Housing Index of 7: this is obtained as shown in para 6.21 above, by dividing the number of thousands of households in the City into the annual requirement calculated from the model.

Affordable housing target

12.2   There is a significant level of housing need in Manchester. The Index number of 7 would suggest a target in the range of 30% in the current evolution of affordable housing target setting.

12.3   However this is a technical proposal based on the analysis of the housing need. There are other factors to be taken into account in setting the target, such as the regeneration agenda, and these are matters which the City will want to consider in coming to a view about the level of target chosen.

12.4   Such a target is set on a City wide basis simply on the foundation of a substantial level of housing need. However detailed examination of the submarkets may suggest that in some cases it is not helpful to the overall sustainability of the submarket to add further affordable housing. In such cases it may be useful to add intermediate housing, or in some instance no affordable housing at all, but perhaps low cost market housing instead, to encourage greater equity ownership.

The proportions of social and intermediate housing

12.5   PPS3 now formally requires this distinction to be made. There are major differences in the ranges of affordability involved. A practical problem is that most existing intermediate housing products, (such as shared ownership) are typically at the very top of the range, which may not help many households in need. For this reason Fordham's recommend that Manchester City Council explore a full range of affordable housing options to meet these diverse needs.

12.6   The evidence in Manchester is that half of the affordable housing should be intermediate (as shown by Table 6.4). This is a surprisingly high fraction for intermediate housing nationally in analyses such as this. It contrasts sharply with Salford, where only 11% of the housing need could be met by intermediate housing. It reflects generally quite low financial capacity but also, and unlike Salford, that many of those in housing need have above minimum levels of financial capacity and can afford something more than social rented housing.

12.7   On the basis of the evidence, therefore, the target could usefully be set at 30% and should be split:

- •   15% for social rented housing
- •   15% for intermediate housing

12.8   The main problem with intermediate housing is not the need for it, but the capacity of any organisation to provide it. The matter will require scrutiny, as there is a strong temptation (RSLs not excepted) to provide housing that is at or above the market entry level. Such housing, whether it is readily filled or not, may fail to provide an initial step in the housing ladder. Hence it will be especially important in Manchester to monitor the price at which intermediate housing is provided.

12.9   In order to conform to Government policy all affordable housing should be cheaper than market entry to rent or buy. However, the differential between rents in the social rented and private rented sectors in Manchester is small; more work needs to be done to define what is usefully affordable in the Manchester context, in particular by comparing owner occupation entry level by similar size and location.

Submarket affordable housing requirements

12.10   As commented above, any percentage target is best set for the City as a whole. However there may well be reasons to vary it among sites, if not systematically between submarkets, for reasons such as housing mix, sustainability and viability. That is a matter for policy debate.

12.11   This conclusion applies at the city scale and to the submarkets generally. However any target requires discussion as to how it should be applied in particular cases, such as with very large new developments, where the aim is to produce best level of improvement to each local community. That is a matter for subsequent debate.

Summary

12.12 The policy suggestion emerging from this analysis is a 30% target across the City. This is a maximum justifiable by the evidence and is not a policy direction. The political process may decide on a lower target, and that is perfectly appropriate: external consultants can only suggest what is possible, and it is for the processes of the local authority to decide what target to set in practice.

12.13 Of this target, about half could on the evidence be set as intermediate housing. The price of this housing should be carefully checked against suitably updated) cost data to ensure that it actually is affordable.

12.14 On the basis of housing need alone, there is no good reason to vary this target among submarket areas. The target (whether 30% or any other) could apply generally.

Glossary

[This Glossary aims to define terms used in the report. Where there is an existing definition (e.g. in Government Guidance) references is made to it. Otherwise the terms are defined simply in the way used in the report]

Affordability

A measure of whether households can access and sustain the cost of private sector housing. There are two main types of affordability measure: mortgage and rental. Mortgage affordability assesses whether households would be eligible for a mortgage; rental affordability measures whether a household can afford private rental. Mortgage affordability is based on conditions set by mortgage lenders – using standard lending multipliers (2.9 times joint income or 3.5 times single income (whichever the higher)). Rental affordability is defined as the rent being less than a proportion of a household's gross income (in this case 25% of gross income).

Affordable housing

Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should be at a cost which is below the costs of housing typically available in the open market and be available at a sub-market price in perpetuity (although there are some exceptions to this such as the Right-to-Acquire). [There is an ambiguity in PPS3: Housing, where 'intermediate housing' is defined as being below market entry to rent, while 'affordable housing' is defined to be below the threshold to buy (normally much higher than the private rental one). But in principle the Guidance defines affordable housing as below the market threshold, and rationally speaking, that includes the private rented as well as purchase sectors].

Annual need

The combination of the net future need plus an allowance to deal progressively with part of the net current need.

Average

The term 'average' when used in this report is taken to be a mean value unless otherwise stated.

Balanced Housing Market model

A model developed by Fordham Research which examines the supply and demand for different types and sizes of housing across different areas and for specific groups.

Bedroom standard

The bedroom standard is that used by the General Household Survey, and is calculated as follows: a separate bedroom is allocated to each co-habiting couple, any other person aged 21 or over, each pair of young persons aged 10-20 of the same sex, and each pair of children under 10 (regardless of sex). Unpaired young persons aged 10-20 are paired with a child under 10 of the same sex or, if possible, allocated a separate bedroom. Any remaining unpaired children under 10 are also allocated a separate bedroom. The calculated standard for the household is then compared with the actual number of bedrooms available for its sole use to indicate deficiencies or excesses. Bedrooms include bed-sitters, box rooms and bedrooms which are identified as such by respondents even though they may not be in use as such.

Concealed household

A household that currently lives within another household but has a preference to live independently and is unable to afford appropriate market housing.

Current need

Households whose current housing circumstances at a point in time fall below accepted minimum standards. This would include households living in overcrowded conditions, in unfit or seriously defective housing, families sharing, and homeless people living in temporary accommodation or sharing with others.

Demand

This refers to market demand. In principle anyone who has any financial capacity at all can 'demand' something, in other words want to acquire it and be prepared to pay for it. The question is whether they can pay enough actually to obtain it. Thus many households who are unable fully to afford market housing to buy do aspire to buy it. The word 'demand' is therefore used in two senses in this report:

> 'demand' when used in the general text refers to the ordinary understand of 'wanting' something that has a market price

> 'demand' when associated with numbers (as in the Balancing Housing Markets model) refers to expressed demand: the numbers of people who can actually afford the type of housing in question

In relation to (expressed) demand mention should be made of the private rented sector where typically there are not only households who can afford to rent at market prices, but also others who are unable to access affordable housing but who are able to access the private rented sector due to the subsidy of Housing Benefit. Such households do not have a demand in the sense used here, as they can only access the private rented sector with a subsidy.

Disaggregation

Breaking a numerical assessment of housing need and supply down, either in terms of size and/or type of housing unit, or in terms of geographical sub-areas within the District.

Financial capacity

This is defined as household income+savings+equity (the value of the property owned by owner occupiers, typically the family home, net of mortgage. This provides an indication, when put on a capital basis, of the amount which the household could afford to pay for housing. Since equity is now a substantial part of the overall financial capacity of the large fraction of owner occupiers it is essential to use this measure rather than the old price/income ratio to measure the activity of a housing market.

Forecast

Either of housing needs or requirements is a prediction of numbers which would arise in future years based on a model of the determinants of those numbers and assumptions about (a) the behaviour of households and the market and (b) how the key determinants are likely to change. It involves understanding relationships and predicting behaviour in response to preferences and economic conditions.

Grossing-up

Converting the numbers of actual responses in a social survey to an estimate of the number for the whole population. This normally involves dividing the expected number in a group by the number of responses in the survey.

Headship rates

Measures the proportion of individuals in the population, in a particular age/sex/marital status group, who head a household. Projected headship rates are applied to projected populations to produce projected numbers of households.

Household

One person living alone or a group of people who have the address as their only or main residence and who either share one meal a day or share a living room.

Household formation

The process whereby individuals in the population form separate households. 'Gross' or 'new' household formation refers to households which form over a period of time, conventionally one year. This is equal to the number of households existing at the end of the year which did not exist as separate households at the beginning of the year (not counting 'successor' households, when the former head of household dies or departs).

(A) household living within another household

Is a household living as part of another household of which they are neither the head or the partner of the head.

Households sharing

Are households (including single people) who live in non-self-contained accommodation but do not share meals or a living room (e.g. 5 adults sharing a house like this constitute 5 one-person households).

Housing demand

The quantity of housing that households are willing and able to buy or rent.

Housing Market Area

The geographical area in which a substantial majority of the employed population both live and work, and where most of those changing home without changing employment choose to stay. In the local context the Council areas of Breckland, North Norfolk and North Norfolk have been designed as a housing market area, although sub-markets exist within this boundary.

Housing need

Housing need is defined as the number of households who lack their own housing or who live in unsuitable housing and who cannot afford to meet their housing needs in the market.

Housing Register

A database of all individuals or households who have applied to a local authority or RSL for a social tenancy or access to some other form of affordable housing. Housing Registers, often called Waiting Lists, may include not only people with general needs but people with support needs or requiring access because of special circumstances, including homelessness.

Housing size

Measured in terms of the number of bedrooms, habitable rooms or floorspace. This guidance uses the number of bedrooms.

Housing type

Refers to the type of dwelling, for example, flat, house, specialist accommodation.

Income

Income means gross household income unless otherwise qualified

Intermediate Housing

PPS3 defines intermediate housing as 'housing at prices and rents above those of social rent but below market prices or rents and which meet the criteria set out above. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent.'

Lending multiplier

The number of times a household's gross annual income a mortgage lender will normally be willing to lend. The most common multipliers quoted are 3.5 times income for a one-income household and 2.9 times total income for dual income households.

Lower quartile

The value below which one quarter of the cases falls. In relation to house prices, it means the price of the house that is one-quarter of the way up the ranking from the cheapest to the most expensive.

Market housing/low cost market housing

This is defined by CLG as anything not affordable. In the Housing Gaps Figure: anything above market entry. CLG has not defined 'low cost market' other than that it falls within the market range. Since this is very wide, it is not very helpful. The most useful kind of low cost market would be that which falls into the rent/buy gap on the Housing Gaps Figure. Shared ownership would provide a partial equity solution for those unable to afford second hand entry level purchase, for example.

Mean

The mean is the most common form of average used. It is calculated by dividing the sum of a distribution by the number of incidents in the distribution.

Median

The median is an alternative way of calculating the average. It is the middle value of the distribution when the distribution is sorted in ascending or descending order.

Migration

The movement of people between geographical areas primarily defined in this context as local authority Districts. The rate of migration is usually measured as an annual number of households, living in the District at a point in time, who are not resident in that District one year earlier.

Net need

The difference between need and the expected supply of available affordable housing units (e.g. from the re-letting of existing social rented dwellings).

Newly arising need

New households which are expected to form over a period of time and are likely to require some form of assistance to gain suitable housing together with other existing households whose circumstances change over the period so as to place them in a situation of need (e.g. households losing accommodation because of loss of income, relationship breakdown, eviction, or some other emergency).

Non-self-contained accommodation

Where households share a kitchen, bathroom or toilet with another household, or they share a hall or staircase that is needed to get from one part of their accommodation to another.

Overcrowding

An overcrowded dwelling is one which is below the bedroom standard. (See 'Bedroom Standard' above).

Primary data

Information that is collected from a bespoke data collection exercise (e.g. surveys, focus groups or interviews) and analysed to produce a new set of findings.

Potential households

Adult individuals, couples or lone parent families living as part of other households of which they are neither the head nor the partner of the head and who need to live in their own separate accommodation, and/or are intending to move to separate accommodation rather than continuing to live with their 'host' household.

Projection

Either of housing needs or requirements is a calculation of numbers expected in some future year or years based on the extrapolation of existing conditions and assumptions. For example, household projections calculate the number and composition of households expected at some future date(s) given the projected number of residents, broken down by age, sex and marital status, and an extrapolation of recent trends in the propensity of different groups to form separate households.

Random sample

A sample in which each member of the population has an equal chance of selection.

Relets

Social rented housing units which are vacated during a period and become potentially available for letting to new tenants.

Rounding error

Totals in tables may differ by small amounts (typically one) due to the fact that fractions have been added together differently. Thus a table total may say 2011, and if the individual cell figures are added the total may come to 2012. This is quite normal and is a result of the computer additions made. Figures should never be taken to be absolutely accurate. No such state exists. The figures in this document are robust estimates not absolutely precise ones. The usual practice is to use the stated total (in the above case 201a) rather than the figure of 2012 to which the individual figures sum. That is because the total will have resulted from a rounding <u>after</u> all the fractions are taken fully into account.

Sample survey

Collects information from a known proportion of a population, normally selected at random, in order to estimate the characteristics of the population as a whole.

Sampling frame

The complete list of addresses or other population units within the survey area which are the subject of the survey.

Secondary data

Existing information that someone else has collected. Data from administrative systems and some research projects are made available for others to summarise and analyse for their own purposes (e.g. Census, national surveys).

Shared equity schemes

Provide housing that is available part to buy (usually at market value) and part to rent.

SHMA (Strategic Housing Market Assessment)

SHMA drives from government guidance suggesting that the 'evidence base' required for the good planning of an area should be the product of a process rather than a technical exercise.

Social rented housing

PPS3 defines social rented housing as 'rented housing owned by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime, the proposals set out in the Three Year review of Rent Restructuring (July 2004) were implemented in policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Housing Corporation as a condition of grant'

Special Needs

Relating to people who have specific needs: such as those associated with a disability.

Stratified sample

A sample where the population or area is divided into a number of separate sub-sectors ('strata') according to known characteristics based, for example, on sub-areas and applying a different sampling fraction to each sub-sector.

Specialised housing

Refers to specially designed housing (such as mobility or wheelchair accommodation, hostels or group homes) or housing specifically designated for particular groups (such as retirement housing).

Under-occupation

An under-occupied dwelling is one which exceeds the bedroom standard by two or more bedrooms.

Unsuitably housed households

All circumstances where households are living in housing which is in some way unsuitable, whether because of its size, type, design, location, condition or cost. Households can have more than one reason for being in unsuitable housing, and so care should be taken in looking at the figures: a total figure is presented for households with one or more unsuitability reason, and also totals for the numbers with each reason

Definitions

ABI - Annual Business Inquiry
BME - Black and Minority Ethnic
CBL - Choice Based Lettings
CORE - The Continuous Recording System (Housing association and local authority lettings/new tenants)
DETR - Department of the Environment, Transport and the Regions
GIS - Geographical Information Systems
HMO - Households in Multiple Occupation
HSSA - The Housing Strategy Statistical Appendix
IMD - Indices of Multiple Deprivation
LA - Local Authority
LCHO - Low Cost Home Ownership
LDF - Local Development Framework
NeSS - Neighbourhood Statistics Service
NHSCR - National Health Service Central Register
NOMIS - National On-line Manpower Information System
NROSH - National Register of Social Housing
ODPM - Office of the Deputy Prime Minister
ONS - Office for National Statistics
PPS - Planning Policy Statement
RSL - Registered Social Landlord
RSR - Regulatory and Statistical Return (Housing Corporation)
RTB - Right to Buy
SEH - Survey of English Housing
TTWA - Travel to Work Area