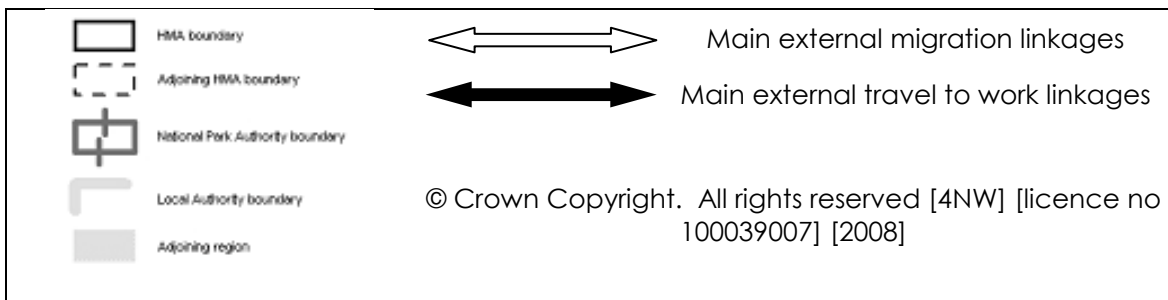
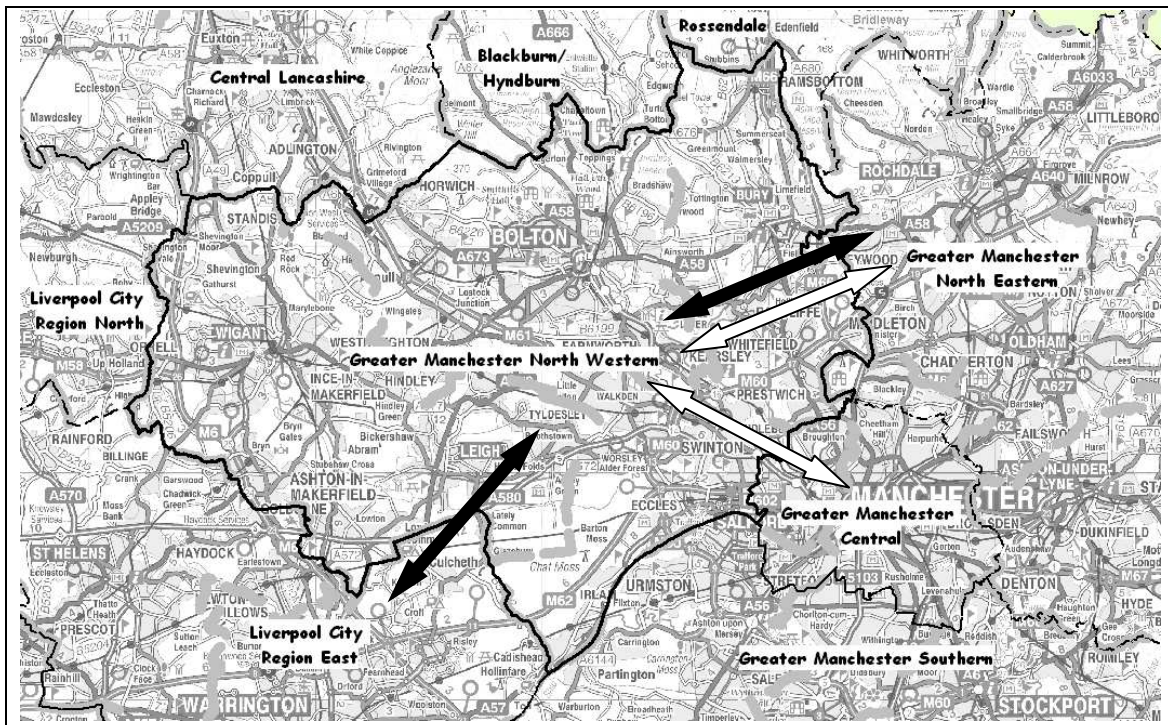


Greater Manchester North Western

Definition

The Greater Manchester North Western housing market area includes the western part of Salford local authority and the local authorities of Bolton, Bury and Wigan. Map 1 shows the boundaries of the area in detail.

Map 1 Greater Manchester North Western housing market area



Background

This housing market area includes the western sector of the Manchester conurbation making up most of the Borough of Salford together with a number of free-standing towns such as Bury, Bolton and Wigan. The former County Borough of Salford is an integral part of the conurbation, but further westwards and northwards linkages become less strong although still significant.

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The Borough of Salford, formed in 1974, includes the towns of Swinton, Walkden and Eccles to the west. Salford itself became a major industrial town and inland port during the eighteenth and nineteenth centuries, with textile manufacture and weaving. The Salford Quays were the terminus of the Manchester Ship Canal. Industrial activity declined during the twentieth century and Salford has struggled to emulate the success of Manchester in restructuring its economy. Projects such as the regeneration of Salford Quays and the spread of growth in the conurbation core across the Irwell have begun to have an impact, but Salford still contains some of the most socially deprived areas in the country.

Bolton developed during the nineteenth century as another Lancashire mill town focusing on textile manufacture and cotton spinning, foundries and engineering, much of the latter connected with the textile industries. Since the decline of these industries, Bolton's economy has diversified into service activities, including data processing. The incorporation of smaller settlements and rural areas to the north and west of the town in 1974 provided a stimulus to growth in this direction, particularly around Horwich and Middlebrook along the line of the M61 motorway, but major challenges remain in relation to the older urban areas. Bolton has strong links with Manchester, but the 10-mile separation from the conurbation centre and increasing links northwards to Central Lancashire are also significant.

To the west of Bolton, Wigan is 17 miles from central Manchester and although a part of Greater Manchester has an even more significantly independent feel. During the Industrial Revolution, Wigan grew as a mill town and coal mining district; like many other Lancashire towns, the latter part of the twentieth century saw a period of decline and restructuring.

To the east of Bolton, Bury is much closer to central Manchester (6 miles) and, particularly in the south of the Borough, has the feel of a commuting settlement. It stands out from the other settlements within this housing market area as having higher property values. Like Bolton and Wigan, Bury developed in the nineteenth century as a textile manufacturing town, and experienced the problems associated with its subsequent decline. However, its proximity to Manchester has enabled Bury to develop its commuting function more effectively.

The current housing market

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Overall, there has been population growth in the Greater Manchester Western housing market area. In 1986 there were 893,700 people; the population subsequently peaked at 902,800 in 1992, fell to a low of 890,100 in 2001, then rose to 898,100 in 2006. In 1986 there were 342,500 households; this figure had risen by over 43,000 to 385,900 in 2006, with household size decreasing from 2.6 to 2.3. From 1991 there has been net out-migration from the housing market area, with only two years (2001-2003) showing in-migration; after this, however, the net out-migration trend returned and continued into 2006. Natural population change from 1991 has been positive and has accelerated from 2002.

The age structure of the population in 2005 was similar to that of the region. Slightly more were aged 0-5, slightly fewer 16-29 and slightly more 30-44. The proportion in the 45-64 age group was similar to the regional average, and slightly fewer people were aged over 65. The ethnic diversity of the housing market area in 2005 was also very close to that of the region, with 92.9% of the population being of white background.

Likewise, household composition in 2004 did not vary significantly from that of the region. There were slightly more couples, and slightly fewer lone parents, one person households and multi-person households.

The proportion of people of working age in the housing market area in 2007 was 61.3%, compared with 59.9% for the region as a whole, but the rate of economic activity was only fractionally above the regional average, as was the level of unemployment. In general, employment by occupation did not differ much from the regional average. There were slightly more managers and senior officials, and slightly fewer professionals. Marginally more people were working in skilled trade occupations and more were employed as process plant and machine operatives.

The workforce was less well qualified than the regional average across all qualification levels, and there were more people without any qualifications.

Median gross weekly full-time incomes in 2007 were £423, less than the regional average of £433. Median earnings for all workers (full and part-time) were £362, ranking 9th in the region.

In terms of deprivation, the housing market area ranks 7th in terms of its overall score out of 27 housing market areas, where 27 is the least

deprived. However, no domain making up this overall score stands out as being particularly high or low when compared to the region.

Compared with the regional average there is a relatively high proportion of social rented dwellings (21% in 2007 compared with 19% for the region and 18% for England as a whole) and a relatively low proportion of private sector housing. The proportion of social rented housing has declined from 24% in 2001. Only 9% of dwellings were privately rented in 2001. Owner occupation, at 71%, was above the national and regional averages. Data is not available on the impact of subsequent increases in buy to let provision in the area.

In 2006 there were just over 400,000 dwellings in the housing market area, an increase of about 6,500 since 2001. This represented a notional shortage of dwellings of 681 units, after a period of surplus the early 2000s. The overall vacancy rate in the dwelling stock in 2006 was 3.7% compared with 4.2% for the region as a whole. The vacancy rate in the social rented sector was much lower than that in private sector housing.

The average annual level of dwelling completions over the 2000-2006 period was 2,274, the highest level in the region but below the annual average level of household growth in this period of around 2,600.

The profile of dwellings by type in the housing market area shows a relatively high proportion of semi-detached houses and a relatively low proportion of detached houses and purpose-built flats. The proportion of terraced properties is similar to that of the regional average.

The average dwelling price in the housing market area in 2006 was £133,000 and the median price £118,000. The average dwelling price was about 89% of the equivalent regional figure. The lower quartile threshold price in 2006 was £87,000, less than the regional equivalent of £91,000. Over the 2000-2006 period, prices in the housing market area increased by 129%, a higher rate than for the region as a whole (117%). The highest rises occurred in the 2002-2004 period.

Despite low prices, the affordability position within the housing market area has deteriorated, with the ratio of lower quartile house price to lower quartile earnings increasing from 3.80 to 7.41 over the 2002-2006 period. The level of demand for social rented housing expressed through the housing register increased substantially from 16,920 to 38,740 between 2001 and 2006; turnover during this period fell from 14% to 9%.

The number of people on the housing register represented about 45% of the stock in 2006 compared with 18% in 2001.

The future housing market

Over the period 2004-2032, the population of the housing market area is projected to rise by 59,100 to 953,400, an increase of 6.6%. Over the same period, the number of households is projected to grow by 80,783 to 459,316, an increase of 21% or on average 2,885 households per annum. This rate of household growth is lower than the regional average. These are of course trend projections which may be influenced by policy or economic change. The higher rate reflects a region-wide decline in household size but also the ageing structure of the housing market area's population and anticipated high levels of growth in older single person households.

The population is projected to age; by 2032, 21% are projected to be aged 65 or more compared with 15% in 2006. Those aged 50-64 are projected to increase slightly as a proportion of the population, but all other age groups are expected to decrease as a proportion. In terms of household composition, 80% of growth is anticipated to be in the form of single person households, taking them to the regional average of 40%. Couples are expected to remain the largest household group, at 46% of all households, marginally above the regional average of 45%.

Housing requirements

The table below summarises forecast housing requirements for the housing market area. On the basis of the demographic and employment scenarios, annual household growth is projected to range between 2,898 and 3,604. This creates an overall (affordable and market) annual dwelling requirement of between 2,990 and 3,719 units.

The annual quota to meet the backlog of affordable housing need over a five-year period is 5,209. The annual requirement from newly forming households is 3,962 and the annual level of need arising from the existing population is 5,305. Total affordable need is 14,477 units per annum.

The estimated annual supply of affordable housing is 9,328. As a result there is a shortfall of 5,149 affordable units per annum, 28% of which is estimated to be needed in the form of intermediate housing.

The level of affordable housing required is greater than the overall required supply across all tenures. However, there is additional affordable

supply of 4,244 units available from low cost market supply and from the private rented sector. This leaves an annual requirement of 905 affordable units from new supply.

Conclusion

The Greater Manchester North Western housing market area shares many of the characteristics of the Greater Manchester North Eastern housing market area. This is particularly true for the history of economic development and its subsequent impact on tenure and housing choices. During the 1980s and 1990s, the area benefited from population decentralisation from the urban core of Manchester and Salford. This was particularly evident at the western fringe of the housing market area, which has been attractive to suburban development.

In future the area is projected to grow at around the regional average; a key issue here will be the spatial location of development. Bolton and Wigan have experienced a decentralisation from the older urban cores, and this process has led to large spatial and economic inequalities being evident within the housing market area. A balanced portfolio of development sites will be needed to ensure that patterns of segregation do not become exacerbated in future.

GM North West

	A. Demographic trend scenario	B. Higher migration scenario
2032 Population	953,400	991,536
2032 Working age population	584,155	622,291
2032 Households	459,316	477,689
2032 Employment	533,190	533,807
Household growth 2006-2032	75,339	93,712
Average household growth per annum	2,898	3,604
Annual household growth and dwelling requirement		
Multiplier for vacancies (%)	3.09	3.09
Multiplier for second homes (%)	0.08	0.08
Overall annual dwelling requirement	2,990	3,719
Annual affordable housing requirements		
Backlog of households in need	30,143	
% needing affordable housing	86.41	
Number needing affordable housing	26,046	
(A) Backlog households in affordable need	5,209	
Newly forming households	6,595	
% needing affordable housing	60.08	
(B) Newly forming households in affordable need	3,962	
Existing households coming into need	13,534	
% needing affordable housing	39.20	
(C) Existing households in affordable need	5,305	
Gross annual affordable housing requirement	14,477	
Breakdown of gross affordable requirement	Number	Percentage
Social rented requirement (gross)	10,429	72
Intermediate requirement (gross)	4,048	28
Annual affordable supply		

Notes

Outputs of the model used to derive overall dwelling requirements. See Chapter 5 of the main report for more details and assumptions used.

Growth rate varies over 2006-2032 period (See Chapter 5 of main report)

Standard multiplier of 3% for all HMAs

Variable multiplier based on 2001 Census data

Table 5.6 shows this data for all housing market areas

Data applies to both scenarios. Table 6.2 shows this data for all housing market areas

Annual quota of backlog need assuming need is met over five years

Sum of (A) (B) and (C)

Assumes all unable to purchase at 75% of lower quartile threshold must rent

Assumes all able to purchase at 76-99% or more of lower quartile threshold require intermediate housing. Table 6.4 shows this data for all housing market areas

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(D) Affordable housing released by meeting backlog need	1,100	
(E) Social rented housing relets	8,228	
Annual affordable supply	9,328	
Net annual affordable housing requirement		
Gross annual affordable requirement less annual affordable supply	5,149	
Affordable requirement from new supply		
Net affordable housing requirement	5,149	
(F) Potential low cost market supply	1,194	
(G) Private rented sector supply	3,050	
Affordable requirement from new supply	905	
Annual market housing requirement		
	A. Demographic trend scenario	B. Higher migration scenario
Total market dwelling requirement	2,085	2,814
Dwelling size requirements		
<i>Affordable housing</i>		
1 bedroom	208	208
2 bedroom	344	344
3 bedroom	308	308
4 or more bedrooms	45	45
<i>Market housing</i>		
1 bedroom	250	338
2 bedroom	771	1,041
3 bedroom	959	1,294
4 or more bedrooms	104	141

Table 6.3 shows this data for all housing market areas

Sum of (D) and (E)

Table 6.3 shows this data for all housing market areas

Sum of (A) (B) and (C) minus sum of (D) and (E)

Table 6.8 shows this data for all housing market areas

Gross social rented requirement minus affordable supply (zero if supply exceeds requirement)

(F) 25% of below lower quartile supply

(G) Share of new affordable private sector lettings, based on size of private rented sector, and ratio of average private sector rent in each housing market area to the rent which a household unable to buy at the lower quartile price threshold could afford (assuming 25% of income devoted to rent).

Net annual affordable housing requirement less potential low cost market supply and private rented supply. Constrained where necessary to a minimum of 10% of overall new supply under Scenario A and a maximum of 60% of overall new supply

Overall annual dwelling requirement minus annual affordable requirement from new supply. Table 6.8 shows this data for all housing market areas

Derived by dividing annual net affordable need as follows: 1 bedroom (23%), 2 bedroom (38%), three bedroom (34%), 4 bedroom (5%)

Derived by dividing annual market housing requirement as follows: 1 bedroom (12%), 2 bedroom (37%), three bedroom (46%), 4 bedroom (5%)

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Private rented sector supply indicators	
Annual supply of new tenancies	14,139
Supply as % all moving in last year	46
Average annual rent (new lettings) (£)	5,555
Rent as % average income of newly forming households	23.03
Ratio of private rented sector to housing association rents	1.37

Based on 2001 share of private rented sector housing in region

Table 4.9 shows this data for all housing market areas