

Manchester, Gorton Parliamentary Constituency

This is the second bulletin of 2016 produced by Northern Housing Consortium (NHC) providing analysis of housing-related data for the Parliamentary Constituencies in the North of England. The report provides analysis of the impacts of welfare reform and the housing market in the constituency.

We have used the following symbols to indicate your performance against the relevant regional or national statistics.



Above average



Reference point



Below average

Private rented sector



Valuation Office Agency data shows that in Manchester LA area there were 4,740 private rents between 1st October 2015 and 30th September 2016. This is out of a total of 17,460 in Greater Manchester (21.8%).



Figure 1 below shows the average private rent for different property sizes and the corresponding Local Housing Allowance (LHA) rate for the Central Greater Manchester Broad Rental Market Area (BRMA). It shows that average rents outstrip the LHA rate and can range from £87.46 for shared accommodation to over £290 for larger properties.



DCLG data shows that in Manchester, there were a total of 22,831 properties in the local authority area with a Housing Health and Social Care Rating category 1 hazard. Of these, all were in the private sector.



It is estimated that the cost of removing these category 1 hazards from private sector properties would run to £403.2m. In 2013/14, 139 private properties were made free of category 1 hazards as a direct result of Manchester Council.

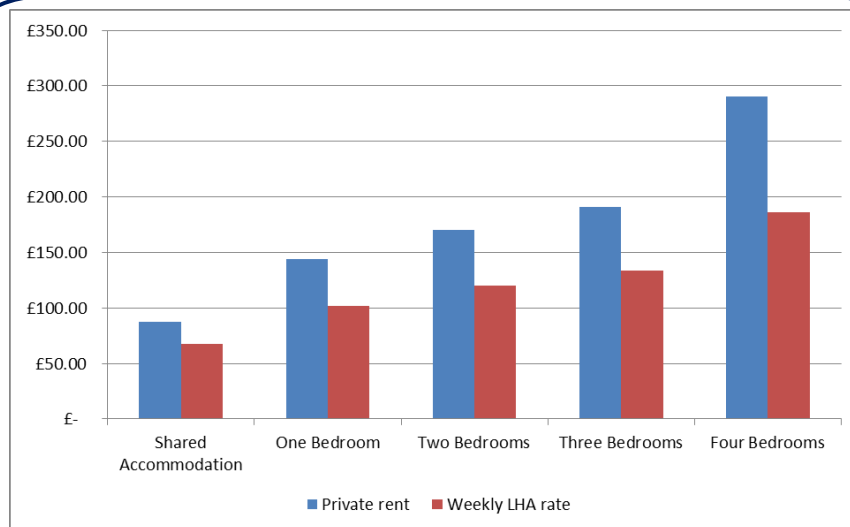


Figure 1: Private rent and LHA rate

LHA and Supported Housing



As Figure 2 below shows, LHA rates for the Central Greater Manchester Broad Market Rental Area (BMRA) ranges from £67.20 for shared accommodation to £186.47 for four bedroom accommodation.



LHA awarded to single people aged below 35 will be restricted to the shared accommodation rate. This is to encourage single people younger than 35 years old to share accommodation which will in turn lead to empty properties elsewhere. Using the average supported rent as a benchmark, this leaves this cohort £13.61 short on their rent.



Furthermore, the Statistical Data Return (SDR) shows that there are 4,133 housing association-owned supported units in Manchester owned by large housing associations with an average net weekly rent being £80.81. This is well above the weekly LHA rate for shared accommodation of £67.20. Therefore, where private rents are cheaper, LHA may not cover supported accommodation costs but will in more expensive areas.



This is causing concern for housing providers with reports that new supported schemes are being put on hold until there is more certainty over how local authorities will administer the fund to top up the cost of supported housing from Government.



Large housing associations own 47,190 units in Manchester. Introducing a regulatory fee of £5 per property to large associations would equate to a cost of £235,950. Furthermore, using average rents and a 52 week rent year, these associations also face a £2m fall in rental income in the first year of the 1% rent reduction for stock in Manchester alone.

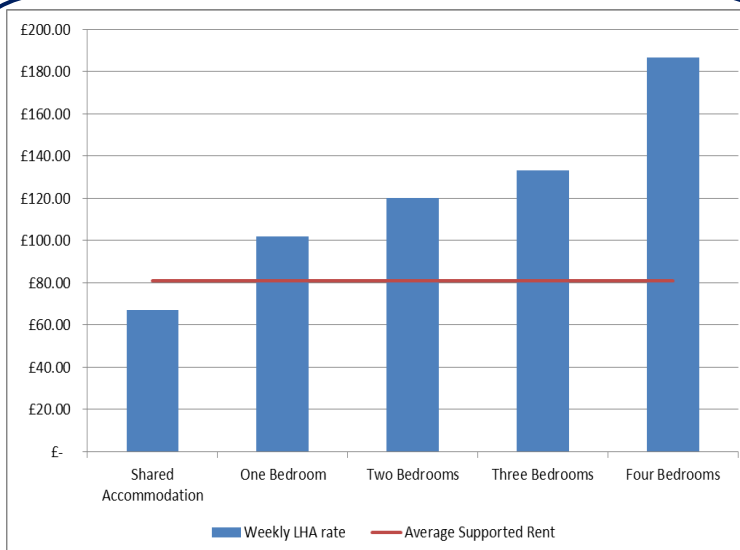


Figure 2: Average weekly supported rent and LHA rate

If you have any queries regarding the content of the APPG briefings, please contact:
Barry Turnbull, Policy Services Officer, 0191 5661030 or barry.turnbull@northern-consortium.org.uk