

Stockport

Housing Needs Assessment

2015

Stockport Metropolitan Borough Council

Final Report
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Executive Summary

Introduction

The 2015 Stockport Housing Needs Assessment (HNA) provides the latest available evidence to help to shape the future planning and housing policies of the area. The study will help inform the production of the Council's Local Plan and Housing Strategy. This research provides an up-to-date analysis of the social, economic, housing and demographic situation across the area.

The 2015 HNA has comprised:

- A major Household Survey which was completed by 2,244 households, representing a 15.0% response rate;
- An online survey of stakeholders;
- Interviews with estate and letting agents; and
- A review of existing (secondary) data.

The findings from the study provide an up-to-date, robust and defensible evidence base for policy development which supports Government's National Planning Policy Framework (NPPF) and National Planning Practice Guidance (NPPG) requirements.

Housing market context

Housing Market Area

An analysis of 2011 Census migration data suggests that 62.5% of moving households originated from within Stockport and 53.9% of employees live and work within the Borough. Former Government guidance suggested that housing markets are self-contained if at least 70% of moves take place within the area.

Stockport can be described as a broadly self-contained housing market on the basis of migration and part of a wider functional 'Manchester' strategic housing market area. The 2015 Household Survey found that over 70% of households planning to move intend to stay in the Borough.

House prices

Between 2001 and 2010, median prices in Stockport were consistently lower than those for the North West region, which have tracked lower than those for England as a whole. However, there was a sharp rise in median prices in Stockport in 2011, at which point they rose above the regional median price. Overall, median prices have increased from £73,000 in 2000 to £170,750 in 2014, an increase of 133.9%.

During 2014, median prices across Stockport were £170,750 and lower quartile prices were £124,950.

In terms of relative affordability, Stockport is moderately unaffordable, with a lower quartile house price to income ratio of 6.5, i.e. lower quartile house prices are 6.5x

lower quartile gross earnings. This compares with the regional average of 5.2. Stockport is the sixth least affordable district out of 39 districts in the North West.

Dwelling stock

Across Stockport there are a total of 126,760 dwellings¹ and a total of 123,085 households². Overall, the 2015 Household Survey shows that:

- 77.7% of properties are houses, 15.2% are flats/maisonettes, 6.6% are bungalows and 0.5% are other property types (e.g. caravans);
- 9.7% have one bedroom/studio, 26.5% have two bedrooms, 43.7% have three bedrooms and 20.2% have four or more bedrooms;
- 16.2% of properties were built before 1919, a further 25.9% were built between 1919 and 1944, 24.9% between 1945 and 1964, 21.8% between 1965 and 1984, 8.9% between 1985 and 2004 and 2.3% have been built since 2005; and
- 73.3% of properties are owner-occupied, 13.5% are rented from a social landlord, 12.3% are private rented/tied accommodation and 1.0% are intermediate tenure.

Around 2.9% of dwellings are vacant which compares with a national rate of 2.6%

Overall, 80.3% of household survey respondents were satisfied with the state of repair of their dwellings, 11.6% were neither satisfied or dissatisfied and 7% were dissatisfied. Levels of dissatisfaction were highest amongst private renters, at 15.9%. In terms of property type and age, dissatisfaction was highest amongst respondents living in terraced properties (15.5%) and maisonettes (12.8%) and amongst residents in properties built pre-1919 (13.0%).

The delivery of new build housing (all tenures) slowed significantly for several years during the economic recession but since 2012/13 there has been an increase in dwelling completions.

Demographic drivers

The population of Stockport is estimated to be 287,400 in 2015³ and this is projected to increase by 9.0% to 313,200 by 2037⁴. Over the next few decades, there will be a marked increase in the number and proportion of residents aged 65 and over which is expected to increase by 43.6% from 56,700 in 2015 to 81,400 in 2037.

Economic drivers

Across Stockport, 25.6% of households receive less than £13,000 per annum, 30.3% receive between £13,000 and £26,000 per annum and 44.0% receive at least £26,000 per annum.

In terms of travel to work, the 2011 Census indicates that 53.9% live and work in Stockport, a further 20.0% work in Manchester, 4.5% in Trafford, 3.4% in Tameside and 5.2% elsewhere in Greater Manchester. 1.1% work in Warrington/Halton, 7.1%

¹ 2014 CLG Dwelling Stock estimates

² 2015 Council Tax data

³ ONS 2012-based population projections

⁴ ONS 2012-based population projections

in Cheshire East/West and 1.2% elsewhere in the North West. 0.8% work in High Peak, 0.2% elsewhere in the East Midlands, 0.7% in Yorkshire and the Humber and 1.9% elsewhere in the UK.

Affordable housing

Affordable housing need is defined as *‘the quantity of housing required for households who are unable to access suitable housing without financial assistance’*. A key element of the study is to explore the scale of housing need and the extent to which additional affordable housing is needed.

Affordable housing is defined as either social/affordable rented or intermediate housing which is provided and made available to eligible households (i.e. those who lack their own housing or live in unsuitable housing) who cannot afford to meet their needs through the market. Intermediate affordable housing is housing at prices and rents above those of social rents, but below market prices or rents.

The highest proportions of this stock tenure are located within the Brinnington (64.4%) and Town Centre and Hillgate (60.0%) sub-areas.

The scale of affordable requirements has been assessed by taking into account the annual need from existing and newly-forming households within each sub-area and comparing this with the supply of affordable (social/affordable rent and intermediate tenure dwellings). The overall gross need for affordable housing is 1,696 dwellings each year. However, there is capacity of around 765 affordable dwellings each year, which results in an overall net imbalance of 931 affordable dwellings each year. In terms of the size of affordable housing required, the analysis indicates a need for a range of dwelling sizes, with 41% of need for smaller one and two bedroom general needs, 46.3% three or more bedroom general needs and 12.7% older person dwellings. It is therefore appropriate for the continued delivery of affordable housing to reflect underlying need.

In terms of the split between social/affordable rented and intermediate tenure products, the Household Survey identified tenure preferences of existing and newly-forming households. This suggests a tenure split of 61% affordable (social) rented and 39% intermediate tenure. Analysis reveals that around 45.5% all households in need can afford an intermediate affordable house at around the £80,000 level or below and 32.8% could afford up to £140,000.

Analysis of property type preferences suggests that, primarily, delivery of houses is a priority (with 52% stating an expectation of moving to a house), followed by flats (32.1%) and bungalows (15.9%).

In terms of key messages for the HNA in respect of affordable housing, stakeholders identified the following:

- The need for support services to assist stakeholders with their work particularly with issues outside of housing such as social work, health care and policing estates;
- A greater focus should be placed on RP partners who are keen to develop in Stockport; and
- The need for a standard proportion of affordable housing provision to be applied across the Borough to all sites, irrespective of ownership.

Table ES1 Net annual affordable housing imbalance by township, property size and designation 2014/15 to 2018/19

Sub-area	General Needs		Older Person	Total
	1/2 Bed	3+ Bed	1/2 Bed	
Bramhall, Cheadle Hulme (South) and Woodford	26	72	20	119
Bredbury, Lower Brinnington, Woodley (West)	7	4	13	23
Brinnington	-144	-16	9	-151
Cheadle, Cheadle Heath, Edgeley, Shaw Heath, Adswood, Davenport (West)	159	13	36	208
Gatley, Heald Green and Cheadle Hulme (North)	134	-7	23	149
Hazel Grove, Davenport (East), Heavily, Offerton (West)	45	134	-14	166
Heaton Chapel (North East), Heaton Norris (East), Reddish, Lancashire Hill	150	132	-4	278
Heaton Mersey, Heaton Norris (West), Heaton Moor	9	16	23	48
Town Centre and Hillgate	-20	-1	-1	-22
Woodley (East), Greave, Romiley, Marple, High Lane, Mellor, Torkington, Offerton (East)	18	79	16	114
Total	382	431	118	931

Private Rented Sector

The private rented sector accommodates around 12.3% (15,155) of households across Stockport. Two thirds (66.7%) of private rented properties are houses, 29% are flats/maisonettes, 2% are bungalows and 2.3% are other property types.

34.3% of privately renting households receive less than £13,000 gross per year, 41.2% receive between £13,000 and £26,000 per year and 24.4% receive at least £26,000 per year, indicating that the private rented sector tends to accommodate lower income households.

In terms of key strategic messages about the sector to be identified in the HNA, stakeholders identified the following:

- Professionally managed, institutionally funded PRS needs to be encouraged; and
- The private rented sector should form part of the affordable housing offer/option.

There would appear to be some scope within the existing market for further private rented growth especially where this tenure may be used in part to accommodate local housing need. However, the image of the sector remains far from positive and so particular focus and policy assistance is recommended to assist and support landlords and tenants alike moving forward.

General Market demand

Households intending to move in the open market were asked what type and size of property they would like and expect to move to. This could then be compared with the current stock profile to identify any mismatches between availability and aspirations/expectation (Table ES2). This analysis would suggest that on the basis of household aspirations (likes), demand for the delivery of three and four-plus bedroom detached houses is highest. There is a desire for three bedroom semi-detached houses, but a much greater stock of this type of dwelling. By contrast, the aspiration for bungalows is much greater than the current stock. Development more reflective of household expectation would result in an increased emphasis on developing larger detached family houses along with smaller bungalows.

Future development should focus on delivering to address identified mismatches and reflect household aspirations.

Table ES2 Open market dwelling stock and preferences

Dwelling type/size summary	% Profile of new dwelling stock based on:		
	Current stock	Like	Expect
House 1/2 Beds	17.5	9.9	16.2
House 3 Beds	45.0	36.0	43.1
House 4 or more Beds	22.4	28.9	15.9
Bungalow	6.5	18.1	15.1
Flat	8.0	5.2	8.0
Other	0.5	1.9	1.7
Total	100.0	100.0	100.0
Base	104645	22278	19311

Stakeholder views

Stakeholders provided a valuable insight into In terms of the key messages for the HNA in respect of new housing provision in Stockport, respondents made the following points;

- A greater focus to be placed on sustainability, accessibility and affordability;
- Continued investment into local infrastructure;
- A need to focus on a more market led approach providing sites for development that will most benefit the Borough;
- A review of land availability which should involve developers and housing providers to ensure market demands and needs are being met;
- A need for more affordable housing with the emphasis on the ageing population; and
- An improved supply of good quality houses

Executive housing

Although it is difficult to define executive housing, distinctive features include:

- High property values linked to desirable locations, with high incomes/ equity required to support the purchase; and
- High quality construction including exterior and interior fittings.

This HNA has sought to investigate the requirements for executive housing through a review of existing provision, stakeholder discussions and analysis of Household Survey evidence. Overall, in Stockport, executive housing provision will have a role in response to the need for diversification and expansion of the sub-regional economy and in contributing towards achieving wider population and economic growth objectives for the Region. Stakeholders highlighted a need for additional executive housing in Stockport. Higher income households planning to move had strongest aspirations towards detached houses with three or four bedrooms.

Older people and general support requirements

The majority of older people (67.4%) want to stay in their own homes with help and support when needed. For most this is an informed and appropriate choice where current and future housing needs can be addressed through in situ solutions (including adaptations). However, there is some notable concern regarding a lack of choice within the market especially for owner occupiers who are unable to find suitable downsizing properties and options. Whilst this concern falls outside of the strict definition of housing need, the impact and influence of this potential lack of fluidity within the market has repercussions upon the overall operation of the housing market and the ability of households to trade up into properties released by older people.

Around a quarter (24.7%) would consider buying a property on the open market. Sheltered accommodation is an attractive option, especially for rent (18.6%) or purchase (15.0%). In addition, 13.7% would consider renting Extra Care accommodation and 10.8% would consider buying Extra Care housing. This evidence suggests a need to continue to diversify the range of older persons' housing provision. Additionally, providing a wider range of older persons' accommodation has the potential to free-up larger family accommodation.

Around 6.2% of all households in need are older people (65+ years). Whilst this proportion may seem low it is reflective of the high levels of owner occupation amongst older people and therefore the ability under the assessment model to meet their own housing needs in situ or through the sale / release of equity.

Across all households, particularly noted is the need for assistance with the repair and maintenance of the home (23.7% of all households) and help with gardening (20.4%). In terms of adaptations, most frequently mentioned were a need for more insulation (10.5%) and double glazing (10.2%).

Specialist housing provision

A range of accommodation for people with additional needs is provided by Registered Providers in Stockport. Accommodation is particularly available for older people with support needs, along with accommodation for young people at risk, offenders/people at risk of offending and people with learning disabilities and mental health issues.

Stakeholder working with a range of groups identified:

- An increase in older people demand focused around Extra Care and dementia schemes, with stakeholders identifying elderly provision and particularly extra care as the biggest housing stock shortages for independent living;
- A need for easily adaptable properties in accessible locations;
- Increasing demand from vulnerable groups.

1. Introduction

Background and objectives

- 1.1 A comprehensive Housing Needs Assessment (HNA) for Stockport Metropolitan Borough Council (the Council) has been commissioned to provide an up-to-date evidence base to inform the development of the Council's Local Plan and other strategies.
- 1.2 The HNA supports the requirements of the National Planning Policy Framework (NPPF) and the February 2014 National Planning Policy Guidance (NPPG). A separate study is being prepared to establish the Objectively Assessed Housing Need for Stockport Borough. This HNA includes a review of the Housing Market Area definition, housing market drivers, housing need and affordable housing requirements. Collectively the overall evidence base will satisfy the requirements of NPPF and NPPG.

National Planning Policy Framework (NPPF) requirements

- 1.3 The NPPF provides the planning policy context for this HNA. The key sections of the NPPF which need to be taken into account in the HNA are now summarised. It is assumed that material in the HNA will inform a Strategic Housing Market Assessment.
- 1.4 Paragraph 159 of the NPPF states that Local Planning Authorities should have a clear understanding of housing needs in their area and they should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where Housing Market Areas cross administrative boundaries. The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period that:
 - Meets household and population projections, taking account of migration and demographic change;
 - Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to families with children, older people, people with disabilities, service families and people wishing to build their own homes); and
 - Caters for housing demand and the scale of housing supply necessary to meet this demand.
- 1.5 NPPG (para 8) states that housing needs should be assessed in relation to the relevant functional area i.e. Housing Market Area and this may identify smaller sub-markets with specific features and it may be appropriate to investigate these specifically in order to create a detailed picture of local need. It is also important to recognise that there are 'market segments' i.e. not all housing types have the same appeal to different occupants.
- 1.6 Paragraph 47 of the NPPF makes it clear that local planning authorities should *"use their evidence base to ensure that their Local Plan meets the full objectively assessed needs for market and affordable housing"*. The SHMA

will provide robust evidence to help the Council *"plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community"* and should *"identify the size, type tenure and range of housing that is required in particular locations, reflecting local demand"* (NPPF para 50).

- 1.7 NPPF para 173 also states that that in order to ensure both viability and the deliverability of development, careful attention to viability and costs in plan-making and decision-taking is required.
- 1.8 Moreover, the NPPF and the Localism Act both introduced the Duty to Co-operate as a replacement for Regional Spatial Strategy. Section 110 of the Localism Act requires local authorities to co-operate with other local authorities in maximising the effectiveness with which strategic matters within development plan documents are prepared. The provision of housing development is a strategic priority and the Council will have to ensure that they are legally compliant with the Localism Act at Examination. The Duty to Co-operate applies to all local planning authorities, working with neighbouring authorities and other bodies, including Local Enterprise Partnerships, on strategic priorities. It also means collaborating on the evidence critical to understanding the needs of your area, and the wider economic and Housing Market Areas, including through the preparation of a Strategic Housing Market Assessment.

Definitions

- 1.9 NPPG defines need for housing as *"the scale and mix of housing and the range of tenures that is likely to be needed in the housing market area over the plan period – [and] should cater for the housing demand of the area and identify the scale of housing supply necessary to meet that demand"*⁵.
- 1.10 For the purposes of this study, the term housing need refers to *"the housing that households are willing and able to buy or rent, either from their own resources or with assistance from the state"*.
- 1.11 Definitions relating to affordable housing have been revised in the National Planning Policy Framework (March 2012):
 - **Affordable Housing:** Social Rented, Affordable Rented and Intermediate Housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.
 - **Social Rented** housing is owned by local authorities and private Registered Providers (as defined in Section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as

⁵ The approach to assessing need Para 003 [ID: 2a-003-20140306], NPPG, March 2014.

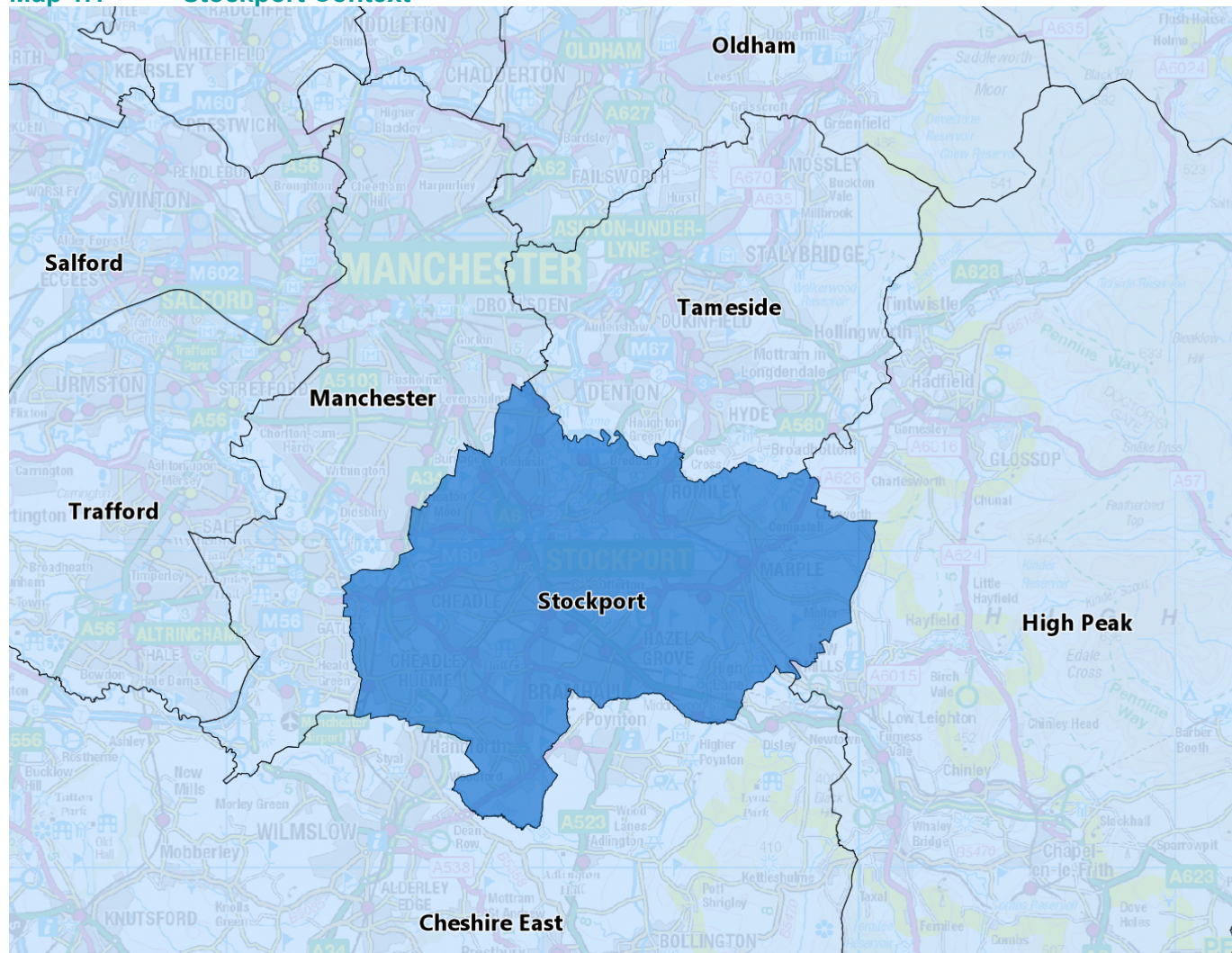
agreed with the local authority or with the Homes and Communities Agency.

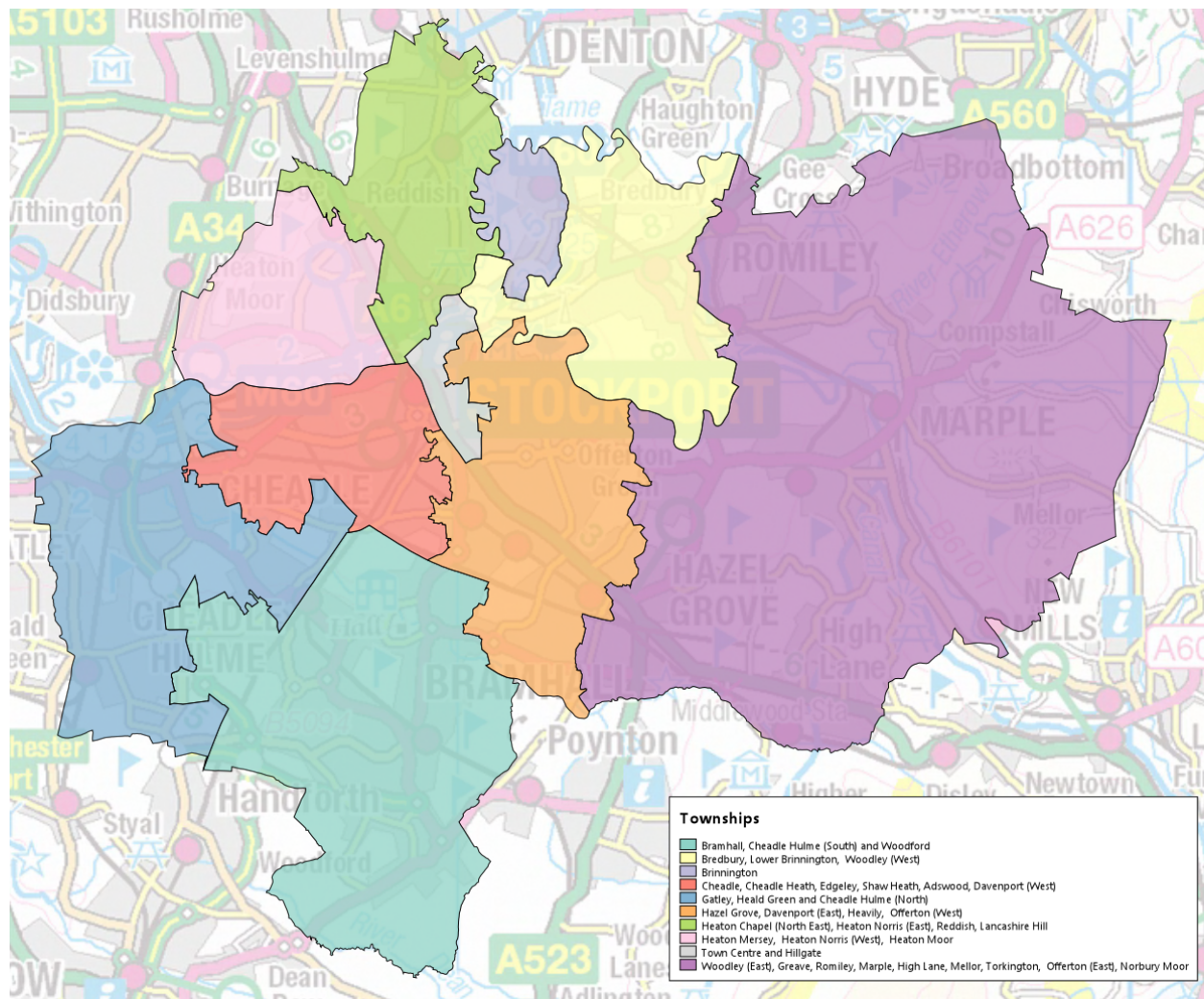
- **Affordable Rented** housing is let by local authorities or private Registered Providers of social housing to households who are eligible for Social Rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).
- **Intermediate Housing** is homes for sale and rent provided at a cost above Social Rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and Intermediate Rent, but not Affordable Rented housing. Homes that do not meet the above definition of Affordable Housing, such as “*low cost market*” housing, may not be considered as Affordable Housing for planning.

Geography

1.12 Map 1.1 illustrates the geographical context of Stockport Metropolitan Borough and its neighbouring authorities. Household survey data is available down to postcode level and for the purposes of this report, data has been presented for ten sub-areas as illustrated in Map 1.2 and listed below:

- Bramhall, Cheadle Hulme (South) and Woodford;
- Bredbury, Lower Brinnington, Woodley (West);
- Brinnington;
- Cheadle, Cheadle Heath, Edgeley, Shaw Heath, Adswold, Davenport (West);
- Gatley, Heald Green and Cheadle Hulme (North);
- Hazel Grove, Davenport (East), Heavily, Offerton (West);
- Heaton Chapel (North East), Heaton Norris (East), Reddish, Lancashire Hill;
- Heaton Mersey, Heaton Norris (West), Heaton Moor;
- Town Centre and Hillgate; and
- Woodley (East), Greave, Romiley, Marple, High Lane, Mellor, Torkington and Offerton (East).

Map 1.1 Stockport Context

Map 1.2 Stockport sub-areas

Research methodology

- 1.13 To deliver the 2015 HNA, a multi-method approach was adopted, which comprised:
- A sample survey of households across the Stockport Metropolitan Borough Council area. A total of 15,000 households were contacted and 2,244 questionnaires were returned and used in data analysis. This represents a 15.0% response rate overall and the total number of questionnaires returned was well in excess of the 1,500 specified in former Government HNA guidance (2007);
 - An online questionnaire of key stakeholders including Local Authority representatives, Registered Providers and Developers;
 - Interviews with estate and letting agents operating within the Borough; and
 - A review of relevant secondary data including the 2011 Census, house price trends, CORE lettings data and CLG Statistics.
- 1.14 Further information on the research methodology is presented at Appendix A.

Presentation of data

- 1.15 Data presented in this report is based on the 2015 Household Survey carried out as part of the Housing Needs Assessment unless otherwise stated.
- 1.16 It is important to note that survey responses have been weighted to correct for response bias and then grossed up to reflect the total number of households and this process is explained in Appendix A. The 2,244 responses are therefore weighted and grossed up to 123,085 occupied dwellings. All survey information presented in this report is for weighted and grossed responses which are rounded up where appropriate.

Report structure

- 1.17 The Stockport 2015 HNA report is structured as follows:
- **Chapter 2** reviews the national and regional policy context within which the research needs to be positioned;
 - **Chapter 3** considers the definition of the Housing Market Area;
 - **Chapter 4** reviews the current housing market and provides a detailed analysis of the main tenures;
 - **Chapter 5** presents a comprehensive review of the key housing market drivers, past trends in housing delivery and a suggested future development profile;
 - **Chapter 6** considers current households in need, affordable housing requirements and a consideration of household groups with particular housing requirements; and
 - **Chapter 7** concludes the report with a summary of findings and a consideration of strategic issues.

1.18 The report includes a substantial technical appendix, which provides detailed material that underpins the core outputs of the HNA. The technical appendix material includes:

- General methodology (Appendix A);
- Housing need (Appendix B); and
- Monitoring and updating (Appendix C).

2. Policy and strategic review

Introduction

- 2.1 The previous five years have seen a radical and sustained programme of reform of welfare, housing, and planning policy, set within the context of national austerity. Under the coalition Government these reforms championed localism and decentralisation, and economic growth. Core cross-cutting themes that ran through the coalition Government's strategic policy context included:
- Deficit reduction;
 - Economic growth;
 - Carbon reduction and tackling climate change; and
 - Empowering people and communities.
- 2.2 It is unlikely that these themes will change significantly following the election in May of a majority Conservative Government; indeed deficit reduction and economic growth were central planks of the Conservative Party election manifesto, which have been reiterated through the July 2015 budget.

New Government Agenda

- 2.3 On 27th May 2015 the Queen's speech was presented to Parliament and gave an overview of the new Government's proposed legislation and policies for the coming year. In terms of housing the following forthcoming legislation will be of relevance:
- Housing Bill;
 - Full Employment and Welfare Benefits Bill;
 - Immigration Bill; and
 - Cities and Government Devolution Bill.

Housing Bill

- 2.4 The proposed Housing Bill will include measures to:
- Extend the Right to Buy to housing association tenants. Tenants will have to have held a tenancy for at least three years and discounts of up to £78,000 will be available outside London;
 - Require local authorities to sell their most valuable homes when these become vacant. The proceeds of these sales will fund the extension of the Right to Buy scheme to housing association tenants, they will also provide resources to build more affordable housing in a local authority's area;
 - Provide the statutory framework necessary to deliver Starter Homes (new build homes exclusively for first time buyers under 40, available at 20% discount on market value);

- Require local authorities to provide assistance to custom and self-builders to help them identify suitable development plots;
- Introduce a statutory register of brownfield land; and
- Simplify and speed up the neighbourhood planning system.

Full Employment and Welfare Benefits Bill

2.5 The Full Employment and Welfare Benefits Bill will propose:

- Removing the automatic entitlement to housing benefit from 18-21 year olds;⁶
- Extending the freeze on working age benefits for two more years beyond 2016/17; and
- Reducing the overall benefit cap from £26,000 to £23,000.

Immigration Bill

- 2.6 The proposed Immigration Bill will seek to control immigration and will include measure to make it easier to evict illegal immigrants. The Bill will also seek to extend the requirement (currently being piloted in the West Midlands) for private sector landlords to check the immigration status of prospective tenants. The policy will also apply to housing associations, although tenants nominated by local authorities will already have been checked by their nominating council. It is anticipated that hostels, care homes and student accommodation would be exempt.
- 2.7 The Prime Minister has also announced plans to introduce a new mandatory licencing scheme⁷ to 'crack down' on unscrupulous landlords housing illegal migrants in overcrowded housing. It is not clear whether this new mandatory licencing scheme would cover solely the migration status of tenants, and whether it would just apply to Houses in Multiple Occupation.

Cities and Local Government Devolution Bill

- 2.8 This Bill will be central to the Government's devolution plans for England, and is seen as central to facilitating its vision of a 'Northern Powerhouse'. The Bill will devolve power to cities with elected metro mayors. It will provide the legislative framework to deliver the Greater Manchester deal and other similar agreements elsewhere.

The Budget July 2015

- 2.9 On 8th July 2015 the Government delivered its first budget, which outlines its proposed cuts to welfare spending. A number of measures will impact upon

⁶ The Conservative Party Manifesto previously suggested withdrawing housing benefit from under 21s in receipt of Job Seekers' Allowance.

⁷ <https://www.gov.uk/government/speeches/pm-speech-on-immigration>

housing, especially in relation to residents in receipt of welfare payments. The proposed changes include:

- A reduction in the overall benefit cap to £20,000 outside London for a working age household with children (£23,000 in London);
- From April 2016 Local Housing Allowance and Housing Benefit will be frozen for four years along with working and child tax credits and other benefits such as Job Seekers Allowance (JSA), Employment and Support Allowance (ESA), child benefit and income support;
- The Universal Credit (UC) work allowance⁸ will be abolished for non-disabled, childless households. For all other households (whose claims include housing costs) it will be reduced to £192 per month;
- The income threshold for tax credits will be reduced from April 2016 to £74.04 per week. The taper rate will also increase from 41% to 48% so for every pound a claimant earns over £74.04 their tax credits will fall by 48p;
- 18 to 21 year olds will not automatically be entitled to the housing costs element of UC from April 2017 (exceptions include parents whose children live with them, vulnerable groups, and people previously living independently and working for six months);
- From April 2017 under a new Youth obligation, 18 to 21 year olds will be expected to participate in a support programme at the start of their claim and apply for an apprenticeship, traineeship, or go onto a work placement after six months;
- From April 2017 those in the work-related activity group of ESA will only be paid the equivalent of JSA;
- The child element of tax credits and UC will be limited to two children in most instances. This will affect new claimants and those having a third child after April 2017;
- From April 2017 the family element in tax credits, the first child premium in UC, and the family premium in housing benefit will be abolished;
- From April 2017, claimants of UC, including lone parents, will be expected to prepare to return to work when their youngest child turns two and look for work when they turn three; and
- From April 2018 payments under the support for mortgage interest scheme will become repayable either upon sale of the property or when the claimant returns to work.

2.10 In addition to these welfare cuts the budget set out plans for social landlords to reduce their rents by 1% per annum for the next four years, rather than increasing them by CPI +1% as had previously been anticipated. By 2020/21 the Government aims to reduce social housing rents by an average of 12%, which it sees as the sector's contribution to reducing the housing benefit bill.

2.11 Social housing tenants earning more than £30,000 per annum (£40,000 in London) will be expected to pay a market rent for their property. The extra

⁸ The amount a claimant can earn before their UC award is reduced.

revenue raised through this will be paid by local authorities directly to the Exchequer to assist in deficit reduction, whilst housing associations will be expected to reinvest the revenue to build more homes.

- 2.12 A review of 'lifetime tenancies' was also announced, with a view to limiting their use to ensure 'best use' of social housing stock.
- 2.13 Support for home ownership measures was also reiterated with measures such as the extension of the right to buy to housing association tenants and the introduction of help to buy ISAs (which will be available to savers by the end of 2015).
- 2.14 Other measures that could have an impact on housing include:
- The introduction of a new national living wage for those aged 25 and over, which will rise to £9 per hour by 2020;
 - Tax relief for buy to let landlords is to be limited to the basic rate of income tax;
 - A fund of £3million to help fund innovative solutions to domestic violence;
 - Devolution of further powers to the Greater Manchester combined authority, including planning and a new land commission with more city deals following in other areas of the Country; and
 - Inheritance tax thresholds will be increased allowing people to pass on properties worth up to £1million to their children and grandchildren.
- 2.15 Overall the planned welfare cuts will impact significantly upon low income households. Whilst reductions in social rent may help to limit the housing benefit bill, they will also have an impact on providers and their future investment capacity and plans.

The Productivity Plan

- 2.16 On 10th July 2015 the Government announced its plan to '*fix the foundations of the British economy*'.⁹ 'Fixing the Foundations: Creating a more prosperous nation' is seen by the Government as a comprehensive plan to reverse the Country's long-term productivity problem over the course of this Parliament. As part of the plan to deliver a 'dynamic economy' flexible and fair markets are seen as central. To achieve these the plan proposes:
- Planning freedoms, more houses to buy;
 - A higher pay, lower welfare society including the introduction of the national living wage; and
 - More people with a chance to work and progress, including doubling the entitlement to free childcare to 30 hours a week for working parents of three and four year olds.

⁹ <https://www.gov.uk/government/news/productivity-plan-launched>

Planning freedoms

- 2.17 In terms of the planning freedoms this includes:
- Introducing housing zones to give automatic planning permission on brownfield sites;
 - Taking action against councils that are not making land available for housing; and
 - Removing the need for planning permission for upward extensions (up to the height of the adjoining building) in London.
- 2.18 The productivity plan sees the Government taking action to ensure that local authorities have local plans in place by a set date, which is to be confirmed before the summer recess. League tables will be published showing the progress of authorities in terms of meeting their local plan, with information about housing and employment targets. Where progress is not made on producing a local plan the Secretary of State will intervene and arrange for plans to be written in consultation with local people.
- 2.19 The Government is to bring forward proposals to *‘significantly streamline the length and process of local plans.’*¹⁰ The plan also states that proposals to improve co-operation between local authorities will be brought in and that where authorities cannot meet their housing need in full, they should co-operate with other authorities to do so. Strengthened guidance around the Duty to Co-operate is therefore proposed for key housing and planning issues.
- 2.20 The plan states that the Government will be working with elected mayors to use new powers in the Devolution Bill to *‘use development corporations to deliver higher-density development in designated areas. ... and consider how policy can support [this]... [it] will also consider how national policy and guidance can ensure that unneeded commercial land can be released for housing.’*¹¹
- 2.21 The plan proposes legislating to grant automatic permission in principle on brownfield sites registered as sustainable for housing. This will give a ‘zonal’ system on brownfield sites, which the Government anticipates will reduce delay and provide certainty for development on these sites. Legislation is already planned to introduce reforms to the compulsory purchase regime to enable more brownfield land to be brought forward for development, and the plan makes a commitment that the first round of reforms will be introduced through legislation in this session of Parliament. Proposals to further modernise the compulsory purchase system will be introduced in autumn.
- 2.22 The plan also commits the Government to legislating to allow major infrastructure projects with a housing element to apply through the Nationally Significant Infrastructure Regime (NSIP).
- 2.23 The Government is also proposing to *‘tighten the planning performance regime’* which would see local authorities taking 50% or fewer decisions on time being at *‘risk of designation’*¹². It is also proposing that the performance regime be extended to minor applications. A fast track certificate process for

¹⁰ Fixing the Foundations: Creating a more prosperous nation Para 9.11

¹¹ Fixing the Foundations: Creating a more prosperous nation Para 9.12

¹² Fixing the Foundations: Creating a more prosperous nation Para 9.17

minor applications is also proposed for establishing the principle of development for minor development proposals, as well as *'significantly tightening the planning guarantee for minor applications.'*¹³

- 2.24 The existing commitment to reduce net regulation on housebuilders is reiterated within the plan; and the Government does not intend to zero carbon the Allowable Solutions carbon offsetting scheme, or the proposed 2016 increase in on-site energy efficiency standards.
- 2.25 A dispute resolution mechanism for Section 106 agreements is proposed within the plan to *'speed up negotiations and allow housing starts to proceed more quickly.'*¹⁴
- 2.26 The Government's commitment to delivering 200,000 Starter Homes by 2020 (at 20% discount) is reiterated within the plan, and proposals will be brought forward to help deliver this, including:
- *'Requiring local authorities to plan proactively for the delivery of Starter Homes;*
 - *Extending the current exception site policy, and strengthening the presumption in favour of Starter Home developments, starting with unviable or underused brownfield land for retail, leisure and institutional uses;*
 - *Enabling communities to allocate land for Starter Home developments, including through neighbourhood plans;*
 - *Bringing forward proposals to ensure every reasonably sized housing site includes a proportion of Starter Homes;*
 - *Implementing regulations to exempt these developments from the Community Infrastructure Levy, and re-affirming through planning policy that section 106 contributions for other affordable housing, and tariff-style general infrastructure funds, will not be sought for them; and*
 - *Putting in place new arrangements to monitor their delivery.'*¹⁵

National Housing Strategy

- 2.27 The National Housing Strategy for England, Laying the Foundations: A Housing Strategy for England, was published in 2011 under the previous Administration; it currently remains in place. The Strategy set out ideas on the then Government's preferred shape of housing provision, which centre on 'the primacy of home ownership; social housing as welfare; and an increasing role for the private rented sector.'¹⁶
- 2.28 The Strategy presented both existing initiatives and policies, and introduced a series of other interventions and approaches, along the following themes:
- Increasing supply, more homes, stable growth;

¹³ Fixing the Foundations: Creating a more prosperous nation Para 9.17

¹⁴ Fixing the Foundations: Creating a more prosperous nation Para 9.17

¹⁵ Fixing the Foundations: Creating a more prosperous nation Para 9.23

¹⁶ Chartered Institute of Housing *Summary Laying the Foundations: A Housing Strategy for England* November 2011

- Social and affordable housing reform;
 - A thriving private rented sector;
 - A strategy for empty homes;
 - Quality of housing experience and support; and
 - Quality, sustainability and design.
- 2.29 Whilst these themes provide a useful overall framework for housing practitioners, the subsequent focus for strategic housing policy has centred on the four policies for housing, which currently appear to have been retained by the new Conservative administration, these are now looked at in turn.

Policy focus for housing

- 2.30 The Department for Communities and Local Government states that:
- ‘The government is helping local councils and developers work with local communities to plan and build better places to live for everyone. This includes building affordable housing, improving the quality of rented housing, helping more people to buy a home, and providing housing support for vulnerable people.’¹⁷*
- 2.31 Thus the policy focus for the new Government is centred upon:
- Building affordable housing;
 - Improving the quality of rented housing;
 - Helping more people to buy a home; and
 - And providing housing support for vulnerable people.

Building affordable housing

- 2.32 Increasing housing supply has been a central priority for successive governments. The impact of the global credit crunch on the housing market has been significant, with falling numbers of completions and significant issues linked to accessing investment for both development and mortgage finance.
- 2.33 The previous Government wanted investors, developers and local councils to increase the overall supply of housing both in terms of new build properties and ‘repurposed’ empty homes. To help increase housing supply the previous Government tried to:
- Remove ‘unnecessary and complex’ regulations (planning reform);
 - Provide finance for projects that cannot otherwise proceed; and
 - Provide assistance to home buyers who cannot afford to buy a home due to a lack of deposit (Help to Buy and Right to Buy).

¹⁷ <https://www.gov.uk/government/topics/housing>

- 2.34 Whilst the DCLG's stated policy focus is now '*building affordable* housing' it is assumed that the desire to increase overall housing supply remains unchanged under the new Government.

Planning reform

- 2.35 The coalition Government perceived Planning as acting as a brake on the delivery of new housing supply. To this end a fundamental review of planning policy resulted in the introduction of the National Planning Policy Framework in March 2012. As part of its commitment to economic growth, localism and decentralisation, the previous Government used the Framework to streamline all existing national policy documents into one short Policy Framework.
- 2.36 The Framework stresses the need for councils to work with communities and businesses to seek opportunities for sustainable growth to rebuild the economy; helping to deliver the homes, jobs, and infrastructure needed for a growing population whilst protecting the environment. A presumption in favour of sustainable development means that proposals should be approved promptly unless they compromise the twelve sustainable development principles set out in the Framework.
- 2.37 The Framework identifies three dimensions to sustainable development: economic, social and environmental. These three dimensions (or roles) are seen as mutually dependent. The Framework also introduced new definitions of affordable housing covering social rented housing, affordable rented housing and intermediate housing. In addition, in March 2014 the National Planning Policy Guidance was published on-line as a web-based tool replacing all previous planning guidance.
- 2.38 In November 2014 the coalition Government introduced new affordable housing thresholds. The objective of this change is to reduce the planning burden on small developers and increase housing delivery on small sites. Local Planning Authorities (LPAs) cannot require affordable homes to be built on sites of five dwellings or less. On sites of six to ten homes LPAs can now only request a payment in lieu of onsite provision of affordable housing (a commuted sum). This commuted sum must then be used by the LPA to fund the provision of affordable housing on a site(s) elsewhere. On sites larger than ten dwellings, LPAs are still able to require a developer to build a proportion of affordable housing, as long as there is a proven need, and it is financially viable to do so.

Financial incentives

- 2.39 Prior to May 2015 the previous Government introduced a range of approaches and incentives to encourage new development, these included:
- The new homes bonus;
 - The affordable rent model;
 - The Get Britain Building programme;
 - The Builders Finance Fund;
 - Housing zones to unlock development on brownfield sites; and

- Measures to increase supply through custom build, including the Right to Build (including 11 Right to Build vanguard authorities), the Affordable Housing Guarantee Programme to enable community groups and registered providers to build affordable self-build homes, and a serviced plot repayable loan fund.
- 2.40 In addition to this, in the past, measures aimed at increasing the supply of rented homes (such as the Build to Rent Fund) and those to help people access home ownership (Home Buy and Starter Homes) are also seen as contributing to the Government's overall commitment to increase housing supply.
- 2.41 In March 2015 the coalition Government launched a new national Starter Homes exception site planning policy *'to make it easier for developers to gain planning permission for a new generation of Starter Homes on under-used commercial and industrial land.'*¹⁸ Sites where these homes are to be delivered will be exempt from affordable housing requirements. The Starter Homes¹⁹ are to be made available to young first time buyers at a 20% discount on open market value. The Government is also seeking for Starter Homes to be exempt from CIL.
- 2.42 To increase the supply of affordable rented homes the Government introduced the affordable rent model²⁰, aimed at giving providers greater flexibility on rents and use of assets, whilst at the same time providing affordable housing for people in need. In July 2014 the Homes and Communities Agency announced the Affordable Homes Programme for 2015 to 2018, which aims to invest £1.7 billion in new affordable housing to deliver 165,000 new homes by March 2018.
- 2.43 In addition to the affordable rent model, the Affordable Homes Guarantee scheme was launched in 2013 to support the building of new affordable homes. The scheme offers a guarantee to providers on debt that they raise to deliver additional new build affordable homes. The guarantee aims to help reduce the borrowing costs of providers thus enabling them to provide more homes. As part of the 2013 budget £450 million was announced to support the delivery of up to 30,000 homes in this way.

Improving the quality of rented housing

- 2.44 Whilst the stated aim of the new Government is *'improving the quality of rented housing'* a raft of measures were introduced under the previous Administration aimed at increasing both the quality and quantity of housing available in both the private and social rented sectors. These are now looked at in turn.

Social rented housing

- 2.45 Since 2010 a series of social housing reforms were introduced including:

¹⁸ <https://www.gov.uk/government/speeches/housing-and-planning>

¹⁹ The Queen's Speech proposed that the delivery framework for Starter Homes be set out in the forthcoming Housing Bill.

²⁰ Allows Registered Providers to charge no more than 80% of local market rent for affordable housing.

- The option of flexible tenancies for local authority tenants with a minimum five year fixed term;
 - Reforms to social housing allocations;
 - Measure to tackle overcrowding;
 - The introduction of a national home swap programme for social housing tenants;
 - Discharge of homeless duty to private rented accommodation; and
 - Self-financing arrangements for council housing.
- 2.46 Alongside social housing reform sit reforms to the welfare system, which, with changes to benefit, eligibility and entitlement, impact significantly on housing supply and demand. The Welfare Reform Act received Royal Assent on 8th March 2012; it introduced Universal Credit as well as changes to housing benefit and other welfare benefits. The Act also introduced a new ‘personal independence payment’ to replace the existing disability living allowance.
- 2.47 In addition, the Welfare Reform Act gave the Government powers to implement housing benefit reforms outlined in the June 2010 Budget and the October 2010 Comprehensive Spending Review, including:
- Introducing a size criteria to the calculation of housing benefit for social sector tenants;
 - Up-rating future Local Housing Allowance rates in line with Consumer Price Index rather than actual rents; and
 - Introducing household benefit caps of £500 per week for couples and £350 per week for single claimants.
- 2.48 Proposals within the pending Full Employment and Welfare Benefits Bill aimed at reducing entitlement and freezing benefits are also likely to impact upon social housing providers and their tenants.

Private rented housing

- 2.49 The private rented sector has grown significantly in recent years; it now houses 16.5% of all households in England²¹. The Government sees the private rented sector as playing a vital role in meeting housing needs and supporting economic growth; it wants to see a ‘bigger and better’ private rented sector and believes that increasing the supply of private rented homes will make rents in the sector more affordable.
- 2.50 To help grow capacity in this sector the previous Government invested £1 billion in the Build to Rent Fund, to provide equity finance for purpose-built private rented housing, alongside a £10 billion debt guarantee scheme to support the provision of these homes.

²¹<https://www.gov.uk/government/publications/2010-to-2015-government-policy-rented-housing-sector/2010-to-2015-government-policy-rented-housing-sector>

- 2.51 In a policy paper ‘*2010 to 2015 government policy: rented housing sector*’ (7th May 2015) the Government identifies proposals to ensure that tenants receive proper protection from their landlord, including:
- Raising standards on the condition of private rented properties;
 - Protecting tenants from hidden agency fees; and
 - Improving access to longer-term more family friendly tenancies.²²
- 2.52 The paper also advises on the development of a model tenancy agreement and measures to ensure that all letting and property management agents are members of an approved redress scheme. In addition, £4.1 million has been allocated to 23 local authority areas to tackle rogue landlords, and £2.6 million to tackle ‘beds in sheds.’
- 2.53 The Government has also set up a Private Rented Sector Taskforce to improve the quality and choice of rented housing available to tenants nationally. The Taskforce is made up of developers, investors, and housing management bodies.

Helping more people to buy a home

- 2.54 The primacy of home ownership remains central to the Government’s housing policy approach. A number of measures were introduced under the previous Administration to help those currently unable to access home ownership to buy a home of their own.
- 2.55 Current home ownership initiatives include:
- Starter Homes scheme, from 2nd March 2015 new rules enable developers to reduce the sale price of these ‘starter’ homes by 20% thus enabling first time buyers to access owner occupation. The cost of providing the 20% discount on market value is to be met in lieu of delivering affordable housing on these sites. The scheme is seen as operating when developers bring forward unusable or surplus commercial or industrial land for housing. These sites will be exempt from affordable housing requirements in return for the provision of starter homes offered to people under 40 at a 20% discount on open market value;
 - Help to Buy, which enables people to buy a home worth up to £600,000 with a 5% deposit. There are three types of Help to Buy product:
 - An equity loan, where the Government lends up to 20% of the value of a new-build home;
 - Mortgage guarantee that enables lenders to offer potential purchasers 80% to 95% mortgages. This runs until 2016; and
 - NewBuy, aimed at assisting potential purchasers with at least a 5% deposit to buy a new-build home.
 - Right to Buy, where maximum discounts have been increased to £77,000 outside London and £102,700 within London. The maximum cash discount

²² <https://www.gov.uk/government/publications/2010-to-2015-government-policy-rented-housing-sector/2010-to-2015-government-policy-rented-housing-sector>

will now increase annually in line with the Consumer Price Index. The maximum percentage discount on houses has been increased to 70%, bringing it in line with the maximum discount available on flats.

- The extension of the Right to Buy to housing association tenants is a flagship policy of the new Government and will form part of the proposed Housing Bill legislation for Parliament to consider. Whilst the detail of this extended form of Right to Buy with housing associations is not yet fully understood, key features are likely to include:
 - All tenants (except bankrupts) will be eligible for up to £77,900 discount;
 - A portable discount similar to the Tenants Incentive Scheme which will apply to all housing (including sheltered) impacting on neighbourhood viability;
 - A two year 1 for 1 replacement *target* from homes built or brought back into use;
 - The ability for associations with stock outside the Borough to recycle those receipts away from the Borough;
 - Understanding how this will impact associations' 4000 general needs and 1800 supported housing units will have an important impact on tenures and future supply. RTBs often eventually enter the private rented sector. Also, the impact of wider changes such as the CPI minus 1% rent settlement and other welfare changes will have a significant impact on housing associations' capacity to deliver new homes/engage in S106 developments at previously projected rates.
- In the March 2015 budget the Government announced the introduction of a new Help to Buy ISA for first time buyers. For every £200 saved the Government will contribute an additional £50, up to a maximum of £3,000 on savings of £12,000, at the point at which the purchaser buys their first home. The bonus is per person, so couples buying together will receive a maximum £6,000. The property purchased must be valued at £450,000 or less in London and £250,000 or less in the rest of the Country. The scheme will run for four years starting from Autumn 2015 and will cost up to £230 million in its first year.

Providing housing support for vulnerable people

- 2.56 To date, older people have been the predominant focus of this policy due to almost one third of all homes being occupied by older people, and an increasing number of households headed by someone aged 65 or over²³. There are pressing demographic and economic reasons why addressing housing issues for older people is important.
- 2.57 Increasing numbers of people being defined as homeless, and rising levels of rough sleeping in places such as London, also mean that addressing homelessness was seen as a priority by the previous Government.

²³<https://www.gov.uk/government/publications/2010-to-2015-government-policy-housing-for-older-and-vulnerable-people/2010-to-2015-government-policy-housing-for-older-and-vulnerable-people>

- 2.58 As a result the coalition Government agreed to provide the following housing support to older people and to people with a disability:
- Support to those wishing to stay in their own home via the Disabled Facilities Grant, Home Improvement Agencies and Handyperson services;
 - Ensure that advice is available through FirstStop's²⁴ national service; and
 - Strengthen choice for those wanting specialist housing through the Care and Support Specialised Housing Fund²⁵ (see para 2.67) .
- 2.59 On the 14th May 2014 the Care Act received Royal Assent; the Act came into effect in April 2015. The Act replaces existing pieces of legislation and aims to:
- Provide a single, modern framework for the planning, funding and provision of care and support making people's entitlement to care clearer;
 - Promote a preventative approach with services built around an individual's wellbeing;
 - Give carers a right to assessment for support;
 - Promote the integration of health and social care; and
 - Place Safeguarding Adult Boards on a statutory basis.²⁶
- 2.60 In terms of safeguarding vulnerable adults, housing has a strong role to play alongside social services, health, the police and other agencies. The Act set out a new safeguarding power, and places a duty on local authorities to respond to safeguarding concerns by making enquiries as necessary to decide on whether, and what, action is needed.
- 2.61 The Act also includes various proposals to support integrated working, including a duty of cooperation and partnership between police, health and local authorities.
- 2.62 From the April 1st 2013 Health and Wellbeing Boards, which include Directors of Public Health, became statutory committees of local authorities. They are responsible for encouraging integrated working on health and wellbeing issues, including development of Joint Health and Wellbeing Strategies, and Joint Strategic Needs Assessments.
- 2.63 The March 2015 Budget proposed exploring the impact of improved housing on whether this helps people with care needs stay in their homes for longer, potentially saving the NHS money.

Older people

- 2.64 In addition to Disabled Facilities Grants and Supporting People programmes the following has been undertaken to help older people live at home longer:

²⁴ FirstStop is a free, independent, national information and advice service for older people, their family and carers funded by the Department for Communities and Local Government.

²⁵ Care and support specialised housing programme is a resource administered by the Homes and Communities Agency

²⁶ Chartered Institute of Housing member briefing on the Care Act 2014

- Research was undertaken into Lifetime Neighbourhoods²⁷ (December 2011);
 - Home Improvement Agencies are in place to help private tenants and home owners, advising on potential improvements and adaptations to their home;
 - Handypersons schemes;
 - FirstStop, free and independent national information and advice service; and
 - The Housing Learning and Improvement Network knowledge hub.
- 2.65 In January 2012 the Government announced a new deal for older people to help them continue living independently, this included £51 million for Home Improvement Agencies to provide:
- Housing advice, including help to move to more suitable accommodation if needed;
 - Handyperson services, including small home repairs, home safety and security adaptations;
 - Energy efficiency advice; and
 - Arranging for adaptations and home repairs.²⁸
- 2.66 An additional £20 million for Disabled Facilities Grants was also announced at the same time.
- 2.67 Launched in October 2012, the previous Government saw the Care and Support Specialised Housing Fund (CASSH), as part of the '*biggest reform of the care and support system in 60 years*'.²⁹ As a result of the Care Act, the focus on wellbeing and independent living has seen a shift from intervention to prevention, with suitable housing being seen as a vital part of wellbeing. The CASSH fund was designed to stimulate the market in specialised housing provision, and the £300 million capital grant fund aimed to provide up to 9,000 specialist new homes for older people to move into. The Government identified that '*Phase 1 of the Care and Support Specialised Housing Fund is already showing success in meeting the need for affordable specialised housing for older people and disabled adults. The Homes and Communities Agency (HCA) and the Greater London Authority have allocated funds for over 4,000 specialised homes to be built as part of Phase 1.*'³⁰
- 2.68 Phase 2 of CASSH was launched in February 2015 with a view to delivering more specialist housing for people living with mental health conditions and learning difficulties, as part of the then Government's 'Closing the Gap'³¹ commitments. Specialist housing developers and providers were invited to bid for £155 million to develop accommodation for adults needing support to live independently as a result of old age or disability; priority within the programme

²⁷ Mark Bevan and Karen Croucher for DCLG, Lifetime Neighbourhoods, December 2011

²⁸ www.communities.gov.uk

²⁹ HCA and DOH Care and Support Specialised Housing Fund: Phase 2 Bidding Prospectus Feb 2015 page 2

³⁰ HCA and DOH Care and Support Specialised Housing Fund: Phase 2 Bidding Prospectus Feb 2015 page 2

³¹ DOH 'Closing the Gap: Priorities for essential change in mental health' Feb 2014

was given to applications for people with learning disabilities or mental health issues.

Homelessness

- 2.69 In August 2012 the Government published its Homelessness Strategy, 'Making every contact count: A joint approach to preventing homelessness'. The Strategy focuses on prevention and aims to *'make sure that every contact local agencies make with vulnerable people and families really counts.'*³²
- 2.70 The report identifies ten local challenges that need to be addressed by local authorities, these are:
- Adopt a corporate commitment to prevent homelessness which has buy-in across all local authority services;
 - Actively work in partnership with voluntary sector and other local partners to address support, education, employment and training needs;
 - Offer a Housing Options prevention service, including written advice to all clients;
 - Adopt a *no second night out* model or an effective local alternative;
 - Have housing pathways agreed, or in development, with each key partner and client group, which include appropriate accommodation and support;
 - Develop a suitable private rented sector offer for all client groups, including advice and support to all clients and landlords;
 - Actively engage in preventing mortgage repossessions including through the Mortgage Rescue Scheme;
 - Have a Homelessness Strategy which sets out a proactive approach to preventing homelessness and is reviewed annually so that it is responsive to emerging needs;
 - Not place any young person aged 16 or 17 in Bed and Breakfast accommodation; and
 - Not place any families in Bed and Breakfast accommodation unless in an emergency, and then for no longer than six weeks.³³
- 2.71 In the March 2015 Budget the coalition Government announced that it will consider options to support long term investment in private rented accommodation for homeless families.

National housing reviews

- 2.72 Over the past year a number of housing reviews were undertaken to assess the current housing situation and recommend ways in which it can be addressed.

³² DCLG Making every contact count Aug 2012 page 3

³³ DCLG Making every contact count Aug 2012 page 4

- 2.73 In October 2014 the **Lyons Housing Review** was published. The review was commissioned by the Labour Party and identified that:
- Insufficient land is being brought forward for new housing and that communities are not able to take responsibility for the homes required, or are using planning powers reactively; and
 - The capacity to build more housing has reduced significantly as it has become concentrated in the hands of a small number of volume house builders, whilst the number of smaller builders has reduced.
- 2.74 Overall the report recommended that the delivery of new homes be increased to 200,000 per annum by 2020. It also recommended that capital investment should be made in housing and that housing should be a priority for the new Government post May 2015.
- 2.75 In the 2013 Autumn Statement the Government announced a review of the role of local authorities' in increasing housing supply. The review culminated in the **Elphicke-House Report**, which was published on 27th January 2015. The review considered what local authorities (irrespective of whether they are stock holding or not) can do to help meet housing need in their areas.
- 2.76 The report recommended that local authorities become housing delivery enablers in their areas, to proactively assess and lead on facilitating new housing development in their areas. To enhance the role of authorities as delivery enablers, the report recommends:
- That there is community leadership and strategic clarity: that Government and local authorities do more to encourage community involvement on planning and development decisions in their area;
 - Creating housing opportunity:
 - That Government and local authorities work together to make sure that housing market assessments are clearer, and easier for communities to understand;
 - That Government should increase building outside the HRA by reducing bureaucracy and increasing the number of homes local authorities can fund in this way; and
 - That Government consider whether there is any flexibility for additional borrowing and Right to Buy sales receipts to assist with one for one replacement of properties sold under the Right to Buy.
 - Business leadership: that more support is provided for small and medium sized builders, and that more help and advice is available;
 - Managing housing supply:
 - There should be transparency of ownership of all public land and assets;
 - Authorities should have the power to dispose of larger sites within their area that are publicly owned;
 - Authorities should be more proactive in identifying small sites suitable for custom build and small builders; and

- Authorities should ensure that development on land with planning permission is progressed quickly.
 - Shaping a stronger housing finance market:
 - The Government with the Local Government Association should establish a Housing Finance Institute (HFI) to advise and assist local authorities on the financial vehicles and options available to fund development. The HFI could also engage with developers and investors and advise them how to work with local authorities;
 - Authorities should consider setting up a housing delivery organisation and explore opportunities for accessing private finance to expand their offer beyond social rent; and
 - Investment in housing and social infrastructure should be considered by local government pension funds.
- 2.77 Post-election it is not clear how far the Government will act upon all of these insights or recommendations, however, an inaugural summit of the new Housing and Finance Institute (HFI) took place in June 2015. The HFI is supported by the Treasury and aims to help accelerate council house building, focussing on the 'business readiness' of councils. The HFI aims to provide advice and assistance to local authorities and businesses through promoting new finance models and development opportunities, and access to its services will be via membership.

Local strategic priorities

- 2.78 The Manchester City Region is at the forefront of devolution in England. In November 2014 the Greater Manchester Combined Authority (GMCA) signed the ground-breaking devolution agreement with Government. The Agreement included commitments to strengthen governance arrangements to support the transfer of significant powers and responsibilities.

Greater Manchester Combined Authority

- 2.79 The ten authorities in Greater Manchester are the first in the country to develop a statutory Combined Authority which will co-ordinate key economic development, regeneration and transport functions. The Greater Manchester Combined Authority (GMCA) was established on the 1 April 2011.
- 2.80 The Association of Greater Manchester Authorities (AGMA) continue to act as the voice of the ten local authorities of Greater Manchester but as part of a much stronger partnership with GMCA.
- 2.81 The governance arrangements have been developed in order to boost economic performance and help deliver a brighter future for Greater Manchester and the North West so that by 2020, the Manchester city region will have pioneered a new model for sustainable economic growth based

around a more connected, talented and greener city region where the prosperity secured is enjoyed by the many and not the few³⁴.

Greater Manchester Local Enterprise Partnership

- 2.82 The Greater Manchester Local Enterprise Partnership (GMLEP) is at the heart of the sub region's partnership working between local government, business, statutory, voluntary and community sectors. The GMLEP has the following collective priorities:
- Reform: worklessness and skills;
 - Supporting business;
 - Creating conditions for growth; and
 - Public sector reform.
- 2.83 Stimulating and reshaping the housing market is seen as key to creating the right conditions for growth in Greater Manchester.

The Greater Manchester Growth and Reform Plan

- 2.84 The Authority and the LEP have developed a Growth and Reform Plan, which aims for Greater Manchester to become a financially self-sustaining city region.
- 2.85 The Plan, produced by Greater Manchester Local Enterprise Partnership and Greater Manchester Combined Authority, has been published as part of discussions with the government over the area's Growth Deal and outlines proposals for a new "place-based" partnership with Government, to drive reform of the way that local services are delivered and to better align local and central growth programmes.
- 2.86 The Plan also seeks a £400 million share of the Local Growth Fund to support the region's transport and infrastructure requirements, to build business support and help provide the skills which employers need and to fill gaps in the region's Life Science and graphene sectors.³⁵
- 2.87 In February 2015 the GMCA and NHS England announced plans for the future of health and social care in Greater Manchester, with an agreement to bring together health and social care budgets to the sum of £6 billion. The agreement builds upon the devolution settlement and is a significant step towards full devolution of public spending to the Authority.

Greater Manchester Strategic planning and housing priorities

- 2.88 GMCA's Planning and Housing Commission has the following vision for Greater Manchester:

³⁴ <http://www.agma.gov.uk/>

³⁵ <http://www.agma.gov.uk/gmca/gm-growth-reform-plan/index.html>

‘Our vision for 2020 is to secure long-term economic growth and enable the city region to fulfil its economic potential, whilst ensuring that our residents are able to contribute to and share in that prosperity.’³⁶

- 2.89 The Planning and Housing Commission has responsibility for driving delivery of:
- Revitalising town centres;
 - Creating spaces and places that will nurture success;
 - Stimulating and reshaping housing markets; and
 - Creating a plan for growth and infrastructure.
- 2.90 In terms of housing the Commission identifies the decline in housing completions since the market peak in 2007 as a significant issue, with new supply figures running currently at about 3,000 per annum as opposed to the 9,000 to 10,000 needed. Key barriers to provision are identified as being the inaccessibility of mortgage finance, and consequent difficulty in accessing funding for development. Each year that development rates fall below those required increases pressure on existing supply. The Greater Manchester Combined Authority (GMCA) is consequently committed to delivering 9,200 new homes per annum by 2015, and retrofitting 25,000 per annum.³⁷ These priorities feed into the overarching Greater Manchester Strategy.
- 2.91 Since January 2014 The Combined Authority has been working on a spatial framework to identify future housing and land requirements. This work has resulted in a recognition of the need to work together to produce a statutory joint Development Plan Document to manage the supply of land in Greater Manchester over the next 20 years. Within this Plan each of the ten Greater Manchester authorities will identify and make available land to deliver ambitious strategic priorities. The Plan will link to the ten Councils’ own individual Local Plans. A consultation exercise has been undertaken to gather views on the evidence gathered to date. During the course of 2015 options for the draft GMCA DPD will be developed with consultation on these proposed for 2016 prior to publication in 2017.
- 2.92 Each of the city region’s planning authorities is developing their core strategies in the context of the former North West Regional Spatial Strategy. The North West Plan Policy L4 sets out housing requirements for each of the AGMA authorities, these are summarised in Table 2.1.

Table 2.1 Distribution of Regional Housing Provision 2003-2021

	Total Housing Provision 2003 – 2021 (Net of clearance replacement)	Annual Average rates of Housing Provision (Net of Clearance replacement)	Indicative target proportion of housing provision to use brownfield land & buildings
Manchester	63,000	3,500	At least 90%
Salford	28,800	1,600	At least 90%

³⁶ www.agma.gov.uk/what_we_do/planning_housing_commission/index.html

³⁷ www.agma.gov.uk/what_we_do/planning_housing_commission?our-priorities/index.html

Oldham	5200	289	At least 80%
Rochdale	7200	400	At least 80%
Tameside	13500	750	At least 80%
Stockport	8100	450	At least 80%
Trafford	10400	578	At least 80%
Congleton	5400	300	At least 80%
Macclesfield	7200	400	At least 80%
Bolton	10400	578	At least 80%
Bury	90000	500	At least 80%
Wigan	17600	978	At least 80%

The Greater Manchester Strategy 2013-2020

- 2.93 The Greater Manchester Strategy, Stronger Together, is the sustainable community strategy for the city region. The Strategy envisages that by 2020 Greater Manchester ‘will have pioneered a new model for sustainable economic growth based around a more connected, talented and greener city region, where all our residents are able to contribute to and benefit from sustained prosperity and a good quality of life.’³⁸
- 2.94 To achieve this the Strategy sets out a programme of ‘vigorous collective action based on reforming public services and driving sustainable economic growth to deliver prosperity for all.’³⁹
- 2.95 The Strategy is to guide the work of the GMCA and GMLEP going forward. In terms of stimulating and reshaping the housing market the Strategy identifies the low rate of completions, and lack of accessibility to mortgage and development finance as key barriers that need to be overcome. The following commitments are made:
- ‘We will continue to innovative ways to offer existing and potential residents a place to live that meets or exceeds their expectations, and which they can afford. We will also promote housing growth through three inter-related programmes: creating new development models; tackling financial barriers; and easing the development process.’⁴⁰*

Stockport Housing Strategy

- 2.96 The Council’s Housing Strategy, *A Good Place to Live: Stockport’s Housing Strategy 2010-2015* was approved by the Council in April 2010.
- 2.97 The objectives of the strategy are to ensure that everyone has a place to live in Stockport:
- That they choose to live in;
 - That is in good condition;

³⁸ www.agma.gov.uk/gmca/gms_2013/index.html

³⁹ www.agma.gov.uk/gmca/gms_2013/index.html

⁴⁰ Greater Manchester Strategy 2013-2020 Stronger Together page 16

- That they feel safe in;
- That contributes towards keeping them healthy;
- That achieves as low a carbon footprint as possible;
- That they can afford to live in;
- In which they feel part of the community;
- In which people get appropriate support to be able to live independently, successfully, if they are vulnerable; and
- Where they can access the amenities they need.

2.98 The Council's Strategic Priority Objectives fall into three categories;

- Quantity:
 - To meet the need and aspirations for accommodation, deliver choice and facilitate economic growth; and
 - To provide more affordable housing.
- Quality:
 - To improve the condition of housing in the Borough;
 - To facilitate regeneration, improvement and investment in targeted neighbourhoods; and
 - To provide more sustainable housing.
- People:
 - To provide accommodation choice and to help to match the need and aspirations of residents to the housing offer;
 - To ensure that equality and diversity is integral to all service delivery;
 - To ensure that community engagement is integral to all service delivery; and
 - To ensure that social inclusion is integral to all service delivery.

Stockport Local Plan

2.99 The Council's Core Strategy was adopted on 17th March 2011 and its development management policies have been applied to all applications received since 1st April 2011. The following policies relate to housing:

- CS 2 Housing Provision;
- CS 3 Mix of housing provision; and
- CS 4 Distribution of housing.

2.100 The focus of these policies is on delivering *'a net additional 7,200 homes over the 15 year period from 2011 to 2026. Land for new housing will be released in an orderly and managed way based on the averages in the following trajectory:*

- *450 new homes per annum between 2011 and 2013;*

- 495 new homes per annum between 2013 and 2023; and
- 450 new homes per annum between 2023 and 2026.

*The level of provision between 2013 and 2023 equates to a 10% increase on Stockport's current annual requirement, for a ten year period.*⁴¹

- 2.101 The Strategy seeks to deliver ‘a mix of housing, in terms of tenure, price, type and size ...to meet the requirements of new forming households, first time buyers, families with children, disabled people and older people. New development should contribute to the creation of more mixed, balanced communities by providing affordable housing in areas with high property prices and by increasing owner occupation in areas of predominantly social rented housing. The overall strategic affordable housing target is 50% of total provision. The Council will aim to achieve this challenging target with the assistance of Stockport Homes and developments by other affordable housing providers delivering up to 100% affordable housing; by maximising opportunities offered by Council owned land, by releasing additional land for housing, and through developer contributions. The target will remain in place until it can no longer be justified by housing need and a shortage of affordable housing.’⁴²
- 2.102 In terms of the distribution of housing, the Core Strategy prioritises sites that will help facilitate the regeneration of Stockport and Manchester City Centre. The policy proposes the following spatial priorities for the distribution of housing:
- The Central Housing Area containing up to 50% of provision, including up to 2,000 dwellings in the Town Centre areas;
 - Neighbourhood Renewal Priority Areas and the pedestrian catchment areas of District and Large Local Centres, containing at least 35% of provision; and
 - Other accessible locations, containing up to 15% of provision⁴³.
- 2.103 The Core Strategy’s housing policies contribute to the delivery of the Council’s following priorities from the Sustainable Community Strategy: *The Stockport Strategy 2020*:
- A thriving Stockport:
 - A vibrant Town Centre that is well used by residents; and
 - Transform the Town Centre and M60 corridor by making it a priority for development.
 - A safer, stronger Stockport:
 - Support a diverse population and create cohesive communities.
 - A healthy Stockport:
 - Maximise opportunities for adults with a disability and support independent living;

⁴¹ Stockport MBC LDF Core Strategy DPD March 2011 para 3.84

⁴² Stockport MBC LDF Core Strategy DPD March 2011 para 3.95 and 3.96

⁴³ Stockport MBC LDF Core Strategy DPD March 2011 para 3.104

- Remove barriers which prevent older people living independent lives; and
- Address health inequalities between affluent and priority neighbourhoods.
- A greener Stockport:
 - Strike an appropriate balance between development and protection.

Concluding comments

- 2.104 The main purpose of this chapter has been to consider the general national policy and strategic context within which this research needs to be positioned. A new policy framework for housing and planning has emerged and the Council is reshaping both its strategic housing and planning policies locally and sub-regionally as a result.
- 2.105 The economic downturn, reduced public expenditure, planning, social housing and welfare reform have had an impact in Stockport. It is important to understand fully how these changes have effected need and demand for housing locally, so that sound priorities to aid sustainable growth can be developed within the Council's emerging Local Plan and Housing Strategy. Evidence from the research findings will help the Council to address demographic issues linked to household growth and an aging population. It will also enable more effective planning for affordable housing delivery, in particular by identifying those areas where affordable housing is most in need, and ascertaining the capacity of residents to access affordable home ownership solutions.
- 2.106 Whilst the importance of having robust and up-to-date information to help shape decision making at local authority level is evermore essential, this HNA evidence base also enables the Council to engage in an informed way with the wider strategic agenda across Greater Manchester to secure the best investment outcomes for Stockport. In a challenging economic climate, this HNA also provides the GMCA, GMLEP and the Council with an excellent range of material to inform policy debate, shape the Local Plan and Greater Manchester Plan, and influence future strategic responses and priorities.

3. Defining the Housing Market Area

Introduction

- 3.1 NPPG (para 8) states that housing needs should be assessed in relation to the relevant functional area i.e. Housing Market Area and this may identify smaller sub-markets with specific features and it may be appropriate to investigate these specifically in order to create a detailed picture of local need. It is also important to recognise that there are 'market segments' i.e. not all housing types have the same appeal to different occupants.
- 3.2 NPPG defines a Housing Market Area as *“a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. It might be the case that housing market areas overlap”*.⁴⁴
- 3.3 NPPG comments that Housing Market Areas can be broadly defined by using three different sources of information as follows:
- House prices and rates of change in house prices;
 - Household migration and search patterns;
 - Contextual data (for example travel to work area boundaries, retail and school catchment areas).
- 3.4 Former CLG guidance⁴⁵ suggested that a housing market is self-contained if upwards of 70% of moves (migration and travel to work) take place within a defined area. However the Guidance cautions that:
- HMAs are inherently difficult to define. They are a geographic representation of people's choices and preferences on the location of their home, accounting for live and work patterns. They can be defined at varying geographical scales from the national scale to sub-regional scale, down to local and settlement specific scales.
 - HMAs are not definitive. As well as a spatial hierarchy of different markets and sub-markets, they will inevitably overlap.
- 3.5 Stockport is located within Greater Manchester in the North West of England. The resident population of Stockport Metropolitan Borough is 286,755⁴⁶. The Borough is located within the south east of Greater Manchester, bound to the east by High Peak (Derbyshire) and to the south by the Macclesfield area of Cheshire East. Stockport is located adjacent to Manchester (to the west) and Tameside (to the north) local authority areas. Stockport is the main population centre, with surrounding suburbs including the Heatons (Moor, Mersey, Chapel and Norris), Woodford, Bramhall, Hazel Grove, Edgeley, Adswold, Shaw Heath and Brinnington.
- 3.6 In establishing the extent to which Stockport is a Housing Market Area; house price, migration, travel to work and contextual data have been assembled.

⁴⁴ National Planning Practice Guidance paragraph 10

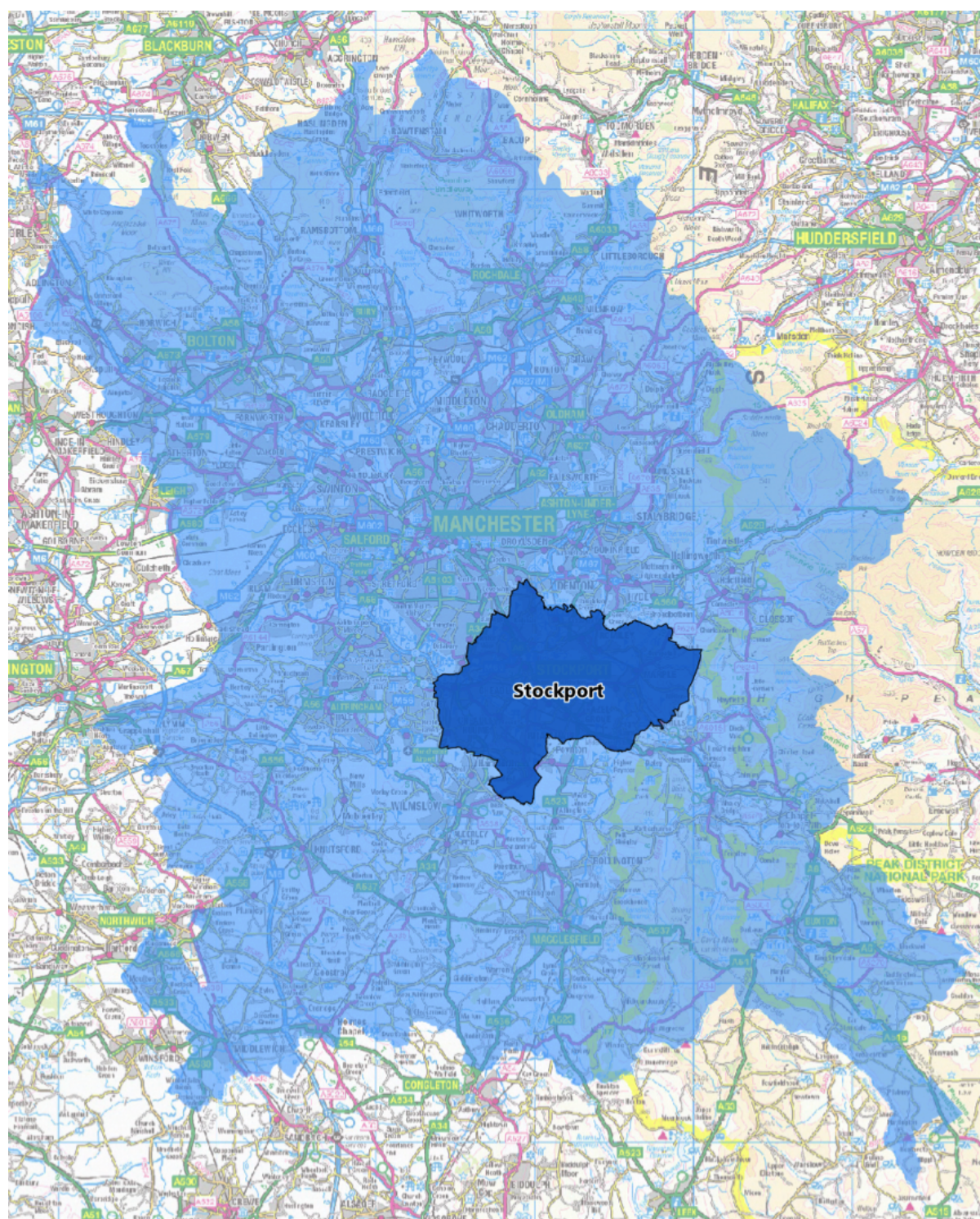
⁴⁵ DCLG Identifying Sub-Regional Housing Market Areas Advice Note, 2007

⁴⁶ 2011 Census

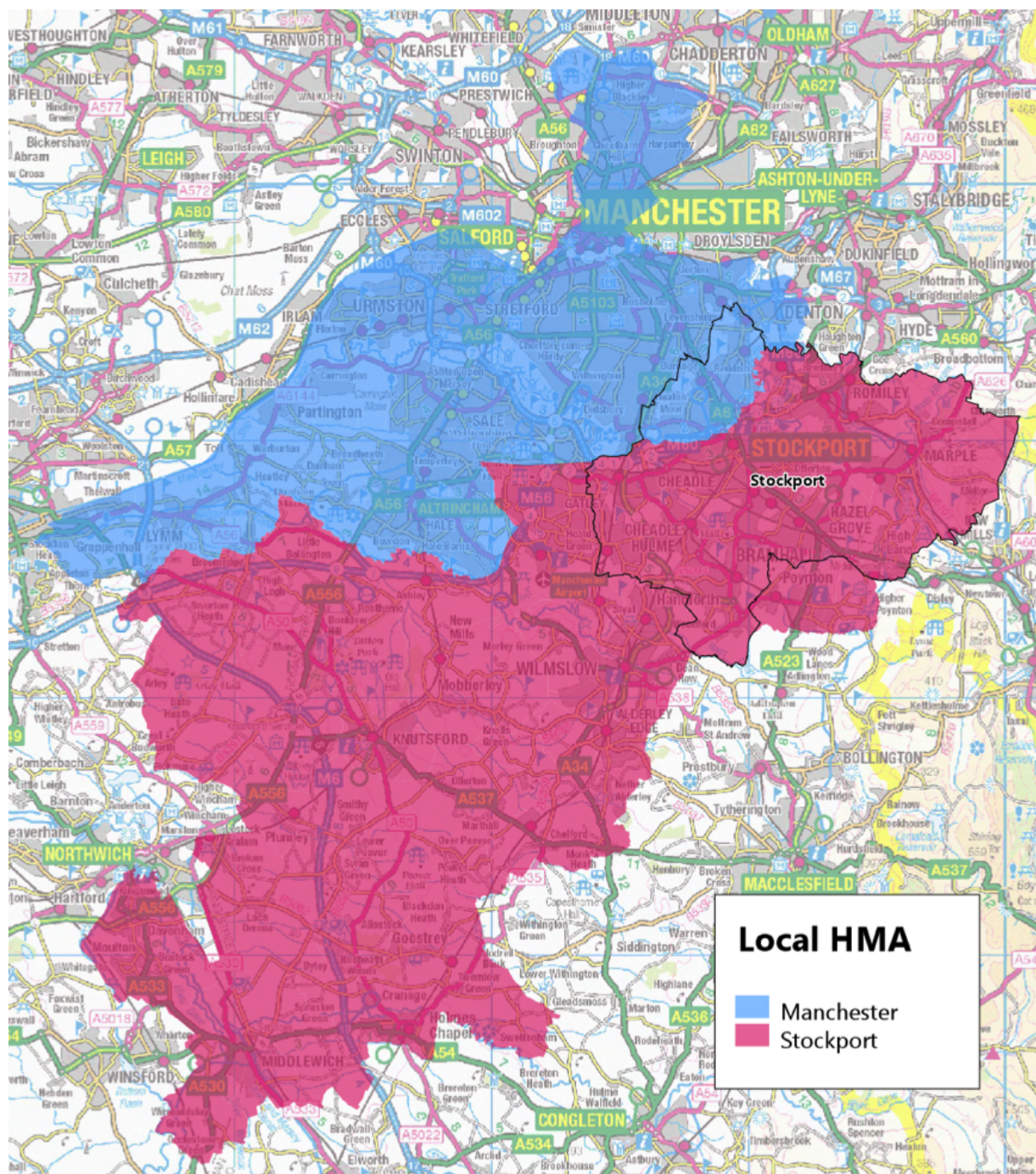
Additionally, reference is made to work carried out by the National Housing and Planning Advisory Unit in 2010 which defined Housing Market Areas as part of a national study.

The Geography of Housing Market Areas

- 3.7 In 2010, the DCLG published the Geography of Housing Market areas which was commissioned by the National Housing and Planning Advice Unit (NHPAU). This national study was undertaken by a multi-university team and sought to construct a consistent geography of Housing Market Areas for England. This research viewed housing markets as a layered system characterised as:
- Strategic framework Housing Market Areas defined by long distance commuting flows and the long-term spatial framework within which housing markets operate (based on 77.5% commuting self-containment)
 - Local Housing Market Areas defined by migration patterns (based on 50% migration self-containment); and
 - Sub-markets defined in terms of neighbourhood and/or house type price premiums.
- 3.8 This work therefore suggests that there are two principal 'layers' of housing markets: wider strategic functional housing markets which tend to be multi-district and smaller local Housing Market Areas. The research produced the first theoretically-based and rigorously-defended Housing Market Area boundaries for England, drawing upon commuting, migration and house price data.
- 3.9 The key outputs from the research were sets of 'gold standard' strategic and local Housing Market Area definitions. They were termed 'gold standard' because their boundaries are defined to the maximum possible level, being based on ward-level migration and commuting data from the 2001 census. A set of single tier HMAs were also devised based on a 72.5% commuting and 55% migration self-containment. 'Silver standard' outputs have also been prepared which are based on local authority boundaries.
- 3.10 The 'gold standard' analysis suggests that Stockport is located within the wider functional Manchester strategic framework HMA which includes Greater Manchester authorities and extends into Cheshire, Lancashire and Derbyshire (Map 3.1). Local Housing Market Area analysis identifies a Stockport local Housing Market Area which extends into Cheshire East; and a Manchester local Housing Market Area which extends into Stockport (Map 3.2).

Map 3.1 Strategic housing market areas

Source: NHPAU Geography of Housing Market Areas

Map 3.2 Local housing market areas

Source: NHPAU Geography of Housing Market Areas

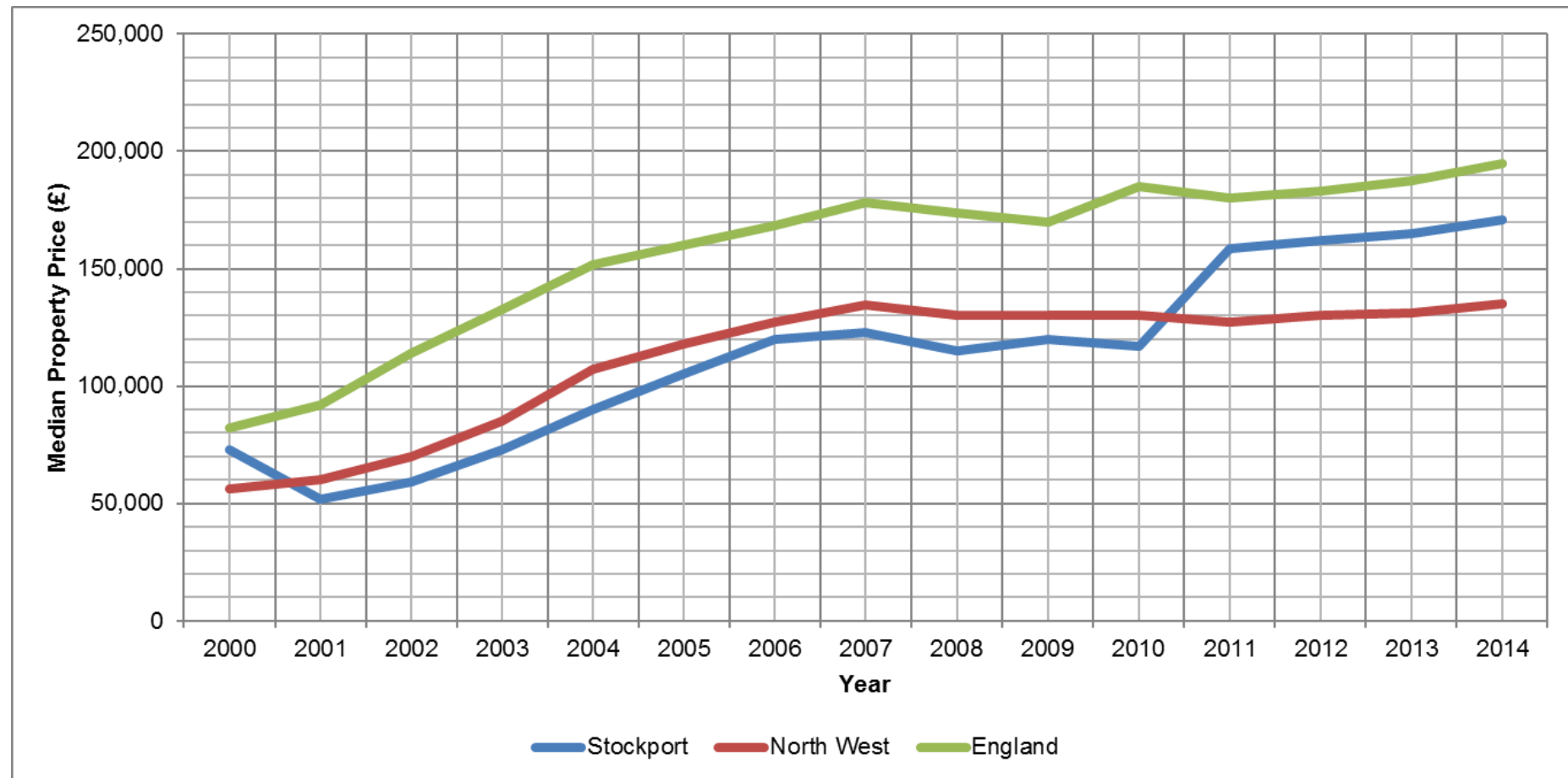
House prices and rates of change in house prices

- 3.11 Figure 3.1 shows how house prices across the area have changed over the period 2000 to 2014.
- 3.12 Between 2001 and 2010, median prices in Stockport were consistently lower than those for the North West region, which have tracked lower than those for England as a whole. However, there was a sharp rise in median prices in Stockport in 2011, at which point they rose above the regional median price. Overall, median prices have increased from £73,000 in 2000 to £170,750 in 2014, an increase of 133.9%. Prices increased dramatically between 2010 (£117,000) and 2011 (£158,500) and have continued to rise since, albeit at a slower rate.
- 3.13 During 2014, median prices across Stockport were £170,750 and lower quartile prices were £124,950. The distribution of lower quartile house prices during 2014 is illustrated in Map 3.3 and indicates relatively lower prices in Brinnington and Town Centre and Hillgate sub-areas and relatively higher prices in Bramhall, Cheadle Hulme (South) and Woodford; Heaton Mersey, Heaton Norris (West) and Heaton Moor; and Gatley, Heald Green and Cheadle Hulme (North) sub-areas.
- 3.14 Table 3.1 summarises lower quartile, median and upper quartile prices by sub-area during 2014 based on Land Registry address-level data.

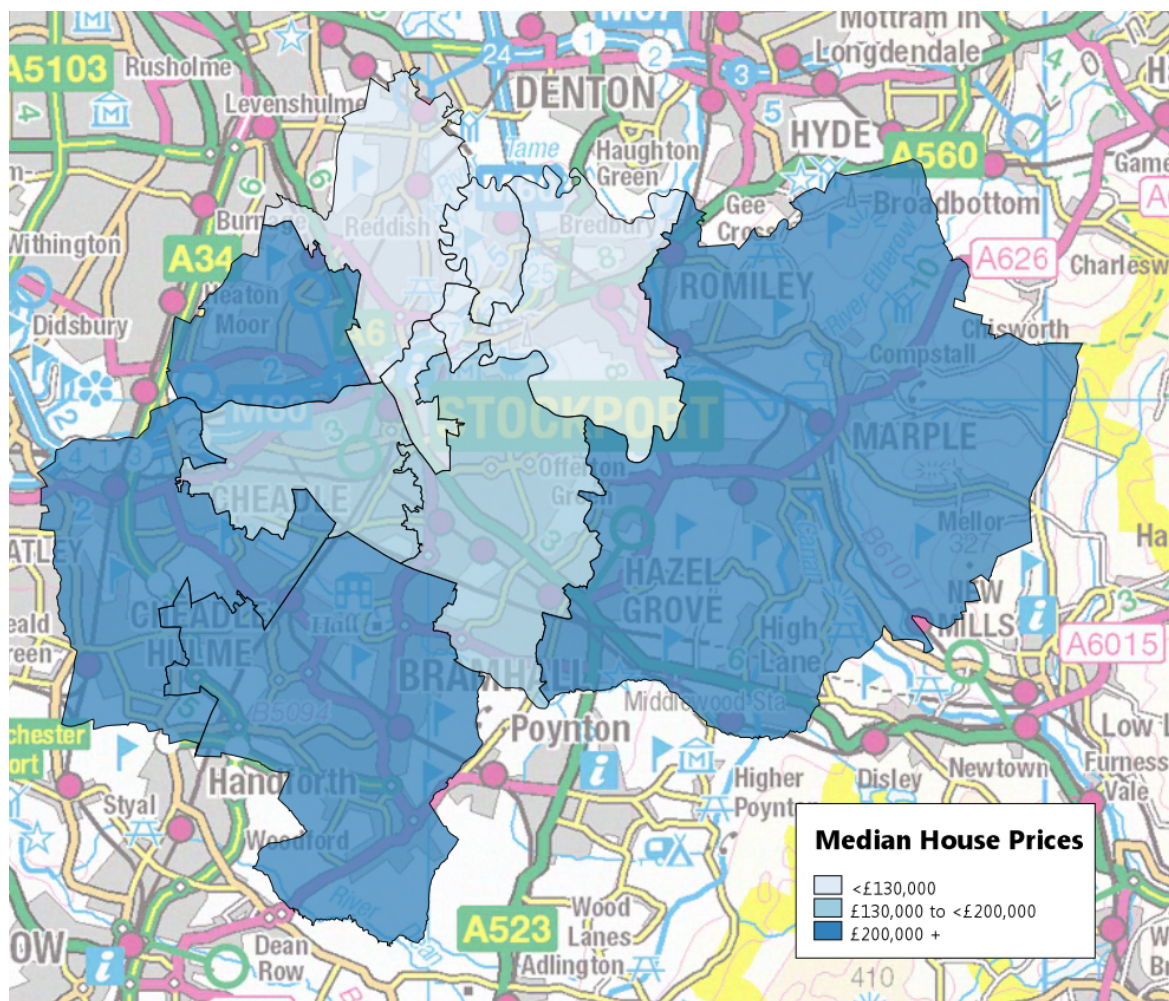
Table 3.1 House prices in Stockport by sub-area during 2014

Sub-Area	Price (£)			Base
	Lower Quartile (25%)	Median (%)	Upper Quartile (£)	
Bramhall, Cheadle Hulme (South) and Woodford	204,750	280,000	653,000	632
Bredbury, Lower Brinnington, Woodley (West)	105,000	124,995	240,000	285
Brinnington	69,000	75,500	120,000	36
Cheadle, Cheadle Heath, Edgeley, Shaw Heath, Adswood, Davenport (West)	111,000	130,000	235,000	535
Gatley, Heald Green and Cheadle Hulme (North)	160,000	205,000	395,000	595
Hazel Grove, Davenport (East), Heavily, Offerton (West)	118,995	144,000	305,000	778
Heaton Chapel (North East), Heaton Norris (East), Reddish, Lancashire Hill	103,500	122,500	245,000	518
Heaton Mersey, Heaton Norris (West), Heaton Moor	166,000	220,000	485,000	456
Town Centre and Hillgate	69,500	88,500	139,950	16
Woodley (East), Greave, Romiley, Marple, High Lane, Mellor, Torkington, Offerton (East),	158,000	206,500	415,000	755
Stockport Total	£124,950	£170,750	£425,000	4,612

Source: Land Registry Price Paid Data 1 Jan 2014 to 31 Dec 2014

Figure 3.1 Median house price trends 2000 to 2014: Stockport, the North West and England

Source: DCLG; Land Registry

Map 3.3 Median house prices 2014 by sub-area

Source: Land Registry House Price Data 1 Jan 2014 to 31 Dec 2014

Relative affordability

- 3.15 The relative affordability of open market dwellings in Stockport is compared with the other Local Authorities in the North West in Table 3.2. Table 3.2 presents lower quartile house prices, lower quartile gross earnings of full-time workers and a ratio of lower quartile earnings to house prices.
- 3.16 In terms of relative affordability, Stockport is moderately unaffordable, with a lower quartile house price to income ratio of 6.5, i.e. lower quartile house prices are 6.5x lower quartile gross earnings. This compares with the regional average of 5.2. Stockport is the sixth least affordable district out of 39 districts in the North West.

Table 3.2 Relative affordability of lower quartile (LQ) prices by District (residence based)

District	Lower Quartile House Price	LQ Gross Earnings per week	Annual Gross Earnings	LQ Income to House Price ratio
Eden	£131,500	£308.50	£16,042	8.2
South Lakeland	£147,000	£345.20	£17,950	8.2
Trafford	£150,000	£383.10	£19,921	7.5
Cheshire West and Chester	£124,950	£361.20	£18,782	6.7
Fylde	£124,950	£365.90	£19,027	6.6
Stockport	£124,950	£367.50	£19,110	6.5
Ribble Valley	£137,180	£404.60	£21,039	6.5
Cheshire East	£125,000	£379.20	£19,718	6.3
West Lancashire	£120,000	£365.80	£19,022	6.3
Chorley	£114,000	£351.30	£18,268	6.2
South Ribble	£115,000	£368.00	£19,136	6.0
Sefton	£110,000	£354.50	£18,434	6.0
Lancaster	£105,000	£338.40	£17,597	6.0
Wyre	£105,000	£345.00	£17,940	5.9
Warrington	£109,950	£369.70	£19,224	5.7
Wirral	£102,000	£366.30	£19,048	5.4
North West	£95,000	£352.10	£18,309	5.2
Bury	£98,000	£367.10	£19,089	5.1
Manchester	£94,952	£357.50	£18,590	5.1
Allerdale	£95,500	£360.90	£18,767	5.1
Tameside	£85,000	£325.50	£16,926	5.0
Preston	£85,000	£333.90	£17,363	4.9
Blackpool	£75,500	£298.00	£15,496	4.9
Carlisle	£85,875	£349.40	£18,169	4.7
Salford	£84,000	£344.20	£17,898	4.7
Knowsley	£80,000	£337.00	£17,524	4.6
Rossendale	£77,000	£324.50	£16,874	4.6
Oldham	£80,000	£341.00	£17,732	4.5
Bolton	£78,000	£333.10	£17,321	4.5
Wigan	£82,000	£353.20	£18,366	4.5
Rochdale	£80,000	£345.40	£17,961	4.5
Halton	£82,000	£357.70	£18,600	4.4
St. Helens	£78,750	£347.30	£18,060	4.4
Blackburn with Darwen	£68,000	£325.40	£16,921	4.0
Liverpool	£74,000	£356.70	£18,548	4.0
Barrow-in-Furness	£73,500	£359.00	£18,668	3.9
Pendle	£59,950	£321.00	£16,692	3.6
Hyndburn	£56,000	£319.70	£16,624	3.4
Copeland	£75,000	£435.50	£22,646	3.3
Burnley	£47,000	£335.20	£17,430	2.7

Sources: Land Registry Price Paid 2014; Annual Survey of Hours and Earnings 2014

3.17 Similarly, in terms of relative affordability based on median prices, Stockport is sixth least affordable out of 39 districts in the North West, with a median income to house price ratio of 6.3, as illustrated on Table 3.3.

Table 3.3 Relative affordability of median prices by District (residence base)

District	Median House Price	Median Gross Income per week	Annual Gross Income	Median Income to House Price ratio
Eden	£175,000	£409.60	£21,299	8.2
South Lakeland	£200,000	£493.50	£25,662	7.8
Trafford	£205,000	£568.60	£29,567	6.9
Ribble Valley	£184,500	£532.50	£27,690	6.7
Cheshire East	£180,000	£541.80	£28,174	6.4
Stockport	£170,750	£520.10	£27,045	6.3
West Lancashire	£160,000	£500.00	£26,000	6.2
Cheshire West and Chester	£165,000	£526.60	£27,383	6.0
Chorley	£150,000	£490.00	£25,480	5.9
Warrington	£156,000	£518.40	£26,957	5.8
South Ribble	£144,995	£486.90	£25,319	5.7
Fylde	£168,000	£578.00	£30,056	5.6
Sefton	£145,000	£499.00	£25,948	5.6
Manchester	£132,100	£467.90	£24,331	5.4
Carlisle	£124,000	£439.50	£22,854	5.4
Lancaster	£135,000	£482.40	£25,085	5.4
Allerdale	£143,000	£511.00	£26,572	5.4
Wirral	£139,000	£497.80	£25,886	5.4
North West	£135,000	£484.60	£25,199	5.4
Wyre	£135,000	£484.90	£25,215	5.4
Preston	£120,000	£448.80	£23,338	5.1
Tameside	£115,000	£431.80	£22,454	5.1
Bury	£131,350	£496.10	£25,797	5.1
Rossendale	£114,000	£432.00	£22,464	5.1
Halton	£120,000	£458.50	£23,842	5.0
Bolton	£113,750	£444.10	£23,093	4.9
Blackpool	£99,000	£386.90	£20,119	4.9
St. Helens	£120,000	£473.70	£24,632	4.9
Oldham	£115,000	£455.00	£23,660	4.9
Salford	£117,000	£465.80	£24,222	4.8
Rochdale	£117,000	£468.10	£24,341	4.8
Wigan	£116,500	£481.90	£25,059	4.6
Knowsley	£109,995	£463.60	£24,107	4.6
Liverpool	£115,000	£493.40	£25,657	4.5
Blackburn with Darwen	£97,500	£454.10	£23,613	4.1
Barrow-in-Furness	£105,000	£517.90	£26,931	3.9
Hyndburn	£85,000	£425.00	£22,100	3.8
Pendle	£90,000	£460.80	£23,962	3.8
Burnley	£80,000	£439.90	£22,875	3.5
Copeland	£112,750	£719.20	£37,398	3.0

Source: Land Registry price paid data 1 Jan 2013 to 31 Dec 2014

Household migration and search patterns

3.18 Data reported in the 2011 Census suggests that 62.5% of households who moved in the year preceding the Census originated from within Stockport and on

the basis of a 70% self-containment threshold Stockport can be described as broadly self-contained. Table 3.4 summarises the origins of households based on 2011 Census data. Of the 21,699 households moving in Stockport; 37.5% originated from outside of Stockport with 11.3% from Manchester, 8.9% from elsewhere in Greater Manchester, 4.5% from Cheshire, Warrington and Halton, 2.0% from the elsewhere the North West, 1.2% from High Peak, 0.5% from elsewhere in the East Midlands, 2.2% from Yorkshire and the Humber and 6.8% from elsewhere in the UK.

Table 3.4 **Origin of moving households**

Origin of moving household	Number	%
Stockport	13,567	62.5
Manchester	2,457	11.3
Tameside	798	3.7
Trafford	401	1.8
Elsewhere Greater Manchester	741	3.4
Warrington/Halton	74	0.3
Cheshire East/West	904	4.2
Elsewhere NW	430	2.0
High Peak	250	1.2
Elsewhere East Midlands	119	0.5
Yorkshire and the Humber	483	2.2
Elsewhere UK	1,475	6.8
Total	21,699	100.0

Source: 2011 Census

- 3.19 Data from the Household Survey indicated that around 29,998 households had moved home in the preceding five years. Of these households, 63.2% originated within Stockport and 36.8% originated from outside the area as summarised in Table 3.5.

Table 3.5 Summary of household moves in preceding 5 years

Current place of residence	Origin												Total	Base
	Within Stockport	Manchester	Salford	Trafford	Tameside	Rochdale	Bury	Bolton	Cheshire	Derbyshire	Elsewhere North West	Elsewhere UK		
Bramhall, Cheadle Hulme (South) and Woodford	67.2	8.7	0.0	0.0	0.0	0.0	0.0	0.0	7.0	0.0	2.5	10.7	3.7	100.0
Bredbury, Lower Brinnington, Woodley (West)	68.6	7.2	2.9	0.0	1.4	0.0	1.4	8.5	7.2	0.0	0.0	2.9	0.0	100.0
Brinnington	70.8	6.1	0.0	3.7	0.0	3.7	8.1	0.0	0.0	0.0	0.0	7.5	0.0	100.0
Cheadle, Cheadle Heath, Edgeley, Shaw Heath, Adswold, Davenport (West)	60.8	19.0	3.7	0.0	0.0	0.0	0.0	0.0	5.4	0.0	1.2	9.9	0.0	100.0
Gatley, Heald Green and Cheadle Hulme (North)	50.1	19.7	0.0	2.1	0.0	0.0	2.4	2.4	3.4	3.4	11.0	4.7	0.9	100.0
Hazel Grove, Davenport (East), Heavily, Offerton (West)	67.4	8.8	0.0	3.9	0.0	0.0	0.0	0.0	6.4	1.0	5.6	6.9	0.0	100.0
Heaton Chapel (North East), Heaton Norris (East), Reddish, Lancashire Hill	68.0	17.0	0.0	2.3	2.3	0.0	2.3	0.0	0.9	0.0	2.3	0.9	4.2	100.0
Heaton Mersey, Heaton Norris (West), Heaton Moor	53.2	19.2	2.3	4.9	0.0	0.0	3.6	1.4	3.1	0.0	0.0	11.1	1.3	100.0
Town Centre and Hillgate	83.2	7.2	0.0	0.0	1.4	1.4	0.0	0.0	2.2	0.0	1.4	3.3	0.0	100.0
Woodley (East), Greave, Romiley, Marple, High Lane, Mellor, Torkington, Offerton (East)	61.5	6.5	2.1	4.2	5.6	0.0	2.1	0.0	8.0	0.0	0.0	10.1	0.0	100.0
Stockport Total	63.2	12.7	1.2	2.4	1.3	0.2	1.6	0.8	4.9	0.5	2.7	7.2	1.2	100.0

Source: 2015 Household Survey

3.20 Table 3.5 also summarises the origins of households moving to a property within Stockport by sub-area. This shows that in the Town Centre and Hillgate sub-area over 80% of households moved from within Stockport and in the Brinnington sub-area between 70% and 80% of households moved from within Stockport. In a further six sub-areas, 60-70% of households moved from within Stockport. In two sub-areas (Gatley, Heald Green and Cheadle Hulme North and Heaton Mersey, Heaton Norris West and Heaton Moor) just over 50% of households moved from within the Borough, but high levels of in-migration from Manchester was experienced.

Characteristics of in-migrant households

3.21 The Household Survey identified around 11,040 households who had moved into Stockport in the preceding five years. Information relating to in-migrant households includes:

- A majority (71.0%) moved into a house, particularly semi-detached (35.1%), terraced (20.6%) and detached (15.3%); a further 23.4% moved into a flat/apartment, 5.0% to a bungalow and 0.7% to other property types. Overall 22.4% moved into semi-detached houses with three bedrooms and 14.6% into two bedroom flats;
- 42.3% moved into smaller properties with one or two bedrooms; 57.7% moved into properties with three bedrooms or more;
- 58.2% moved into owner occupied properties; 33.6% into private renting and 8.2% moved into affordable (social rented/intermediate tenure) dwellings;
- Overall, 16.9% of in-migrant households moved to Woodley (East), Greave, Romiley, Marple, High Lane, Mellor, Torkington and Offerton (East) sub-area, 13.9% moved to Cheadle, Cheadle Heath, Edgeley, Shaw Heath, Adswold and Davenport (West) sub-area, 13.9% into Hazel Grove, Davenport (East), Heavily and Offerton (West) sub-area and 13.7% into Gatley, Heald Green and Cheadle Hulme (North) sub-area;
- Couples (under 65 with no children) accounted for 32.0% of in-migrant households; 29.6% were couples with children; 20.0% were singles under 65; 11.1% were older singles and couples; 3.6% were lone parents and 3.5% were other types of household;
- 49.8% of in-migrant Household Reference People (Heads of Household) were aged 16-39, a further 31.8% were aged 40-59 and 18.4% were aged 60 or over;
- The majority of Heads of Household of in-migrant households were in employment (79.8%) with a further 12.7% retired, 2.7% permanently sick/disabled and 1.5% looking after the home – 1.8% were unemployed and 0.9% were a full-time carer or volunteer;
- 14.8% of households had an annual income of less than £13,000, 21.9% had an income of between £13,000 and £26,000 per annum and 63.2% had an income of at least £26,000 per annum;

- 29.8% of in-migrant Heads of Household in employment worked in Stockport and 67.2% worked outside the Borough,
- The three main reasons for moving were ‘to be closer to work/new job’ (16.7%), ‘wanted a larger property or one that was better in some way’ (15.6%) and ‘wanted to buy’ (13.5%).

3.22 In summary, the 2015 Household Survey found that around 36.8% of households moving in the past five years originated from outside Stockport Metropolitan Borough. Of this number, 12.7% originated from Manchester City Council area, 2.4% from Trafford, 1.6% from Bury, 1.3% from Tameside, 1.2% from Salford, 0.8% from Bolton and 0.2% from Rochdale. 4.9% originated from Cheshire, 0.5% from Derbyshire, 2.7% from elsewhere in the North West, 7.2% from elsewhere in the UK and 1.2% from outside the UK. Most moved into the private housing sector, with around 58.2% moving into owner occupation and 33.6% into private renting. Moving to be closer to work/new job and to get a larger or better property were key migration drivers. 81.6% of in-migrant households had a Household Reference Person aged under 60 and 18.4% were aged 60 and over; overall 79.8% were in employment and 63.2% had an income (of Household Reference Person and partner) of at least £26,000 per annum.

Residential mobility within Stockport

- 3.23 The Household Survey identified that the vast majority (63.2%) of households moving within the preceding five years had moved within Stockport Metropolitan Borough (around 18,958 households).
- 3.24 Households moving within Stockport were doing so for a variety of reasons. Those most frequently reported important reasons from all of those selected were wanting a larger or better property (24.8%), wanting to buy (8.8%) and could not afford the rent/mortgage (7.4%).
- 3.25 Table 3.6 reviews the tenure choices of households moving within Stockport. Owner-occupiers (85.6%) and those in affordable accommodation (82.1%) are most likely to remain in the same tenure, while less than half (46.8%) of those in private rented remain in private rented properties. Respondents who had previously lived with family and friends (i.e. newly forming households) tended to move into all major tenures: private renting (36.1%), owner occupation (32.7%), and social renting (31.2%).

Table 3.6 Residential mobility – movement between different tenures

Current Tenure	Previous Tenure					Total
	Owned	Social/Affordable Rented	Private Rented	Previously living with family/friends	Other	
Owned	85.6	11.3	26.0	32.7	0.0	50.7
Social/Affordable	3.7	82.1	27.2	31.2	100.0	22.8
Private Rented	10.6	6.6	46.8	36.1	0.0	26.5
Total	100.0	100.0	100.0	100.0	100.0	100.0
Base	8056	1545	7181	1879	181	18842

Source: 2015 Household Survey

- 3.26 Table 3.7 considers the profile of dwellings being moved into by households moving within Stockport Metropolitan Borough. Households are moving into a variety of dwelling types and sizes, most notably to: two (31.1%) and three (41.7%) bedroom dwellings; semi-detached houses (32.4%), flats/apartments (24.9%), terraced houses (19.9%) and detached house (14.6%).

Table 3.7 Residential mobility – profile of properties moved into by type and size						
No. Bedrooms	Property type (%)					Total
	Detached house	Semi-detached house/town house	Terraced house	Bungalow	Flat/ Apartment	
One	0.0	0.0	0.0	2.6	13.5	16.1
Two	0.0	6.0	10.4	3.6	11.0	31.1
Three	10.1	22.0	8.0	1.3	0.3	41.7
Four	3.5	3.5	1.3	0.7	0.0	9.1
Five or more	1.0	0.9	0.2	0.0	0.0	2.0
Total	14.6	32.4	19.9	8.2	24.9	100.0
<i>Base (valid responses)</i>		18956				

Source: 2015 Household Survey

Households planning to move

- 3.27 Around 26,580 households plan to move in the next five years. Table 3.8 summarises the moving intentions of households based on the first preference they stated. Overall, 73.5% of households intend on remaining in Stockport and 26.5% intend to move out.
- 3.28 Of the 26.5% of households planning to move out, 2.0% were planning to move to Manchester, 1.2% to Bolton, Bury, Trafford or Tameside, 8.4% to Cheshire or Derbyshire, 3.2% to elsewhere in the North West and 11.6% elsewhere in the UK or abroad.
- 3.29 The main reasons why households plan to move out of the Stockport Metropolitan Borough area were wanting a larger/better property (25.8%), needing a smaller property (16.0%) and to move to a better neighbourhood/more pleasant area (13.7%).

Table 3.8 First choice destination of households planning to move in next five years

Destination	% stating as first preference
Within Stockport	
Bramhall, Cheadle Hulme (South) and Woodford	21.5
Gatley, Heald Green and Cheadle Hulme (North)	5.7
Cheadle, Cheadle Heath, Edgeley, Shaw Heath, Adswood, Davenport (West)	7.5
Heaton Mersey, Heaton Norris (West), Heaton Moor	10.8
Heaton Chapel (North East), Heaton Norris (East), Reddish, Lancashire Hill	5.2
Brinnington	0.7
Bredbury, Lower Brinnington, Woodley (West)	3.3
Woodley (East), Greave, Romiley, Marple, High Lane, Mellor, Torkington, Offerton (East)	8.6
Hazel Grove, Davenport (East), Heavily, Offerton (West)	9.3
Town Centre and Hillgate	0.9
Outside Stockport	
Manchester	2.0
Trafford	0.3
Tameside	0.2
Bury	0.3
Bolton	0.4
Cheshire or Derbyshire	8.4
Elsewhere in the North West	3.3
Elsewhere in the UK	11.6
Total	100

Source: 2015 Household Survey

Travel to work trends

3.30 The 2011 Census provides an analysis of travel to work patterns and the extent to which residents in Stockport travel to other areas together with details of how many people commute into the Borough. The 2011 Census identified the travel to work patterns of 175,866 individuals and of these:

- 68,916 lived and worked in Stockport Metropolitan Borough (including 13,641 who work at home);
- 48,002 commuted into Stockport for work but lived outside the Borough; and
- 58,948 lived in Stockport but commuted out of the Borough for work.

3.31 In addition, the 2011 Census also reports 139 residents working on offshore installations, 9,811 with no fixed place of work and 164 working outside the UK.

3.32 Using a base of 127,864 economically active residents in Stockport, 53.9% live and work in Stockport, a further 20.0% work in Manchester, 4.5% in Trafford, 3.4% in Tameside and 5.2% elsewhere in Greater Manchester. 1.1% work in Warrington/Halton, 7.1% in Cheshire East/West and 1.2% elsewhere in the

North West. 0.8% work in High Peak, 0.2% elsewhere in the East Midlands, 0.7% in Yorkshire and the Humber and 1.9% elsewhere in the UK.

- 3.33 On the basis of workplace and economic activity, Stockport is not a self-contained Market Area and there are strong functional linkages with Manchester City, Greater Manchester and Cheshire.

National Housing and Planning Advisory Unit (NHPAU) research

- 3.34 The National Housing and Planning Advisory Unit (NHPAU) research suggests that there are at two main 'layers' of housing markets: wider functional housing markets which tend to be multi-district; and smaller local Housing Market Areas. Stockport is positioned within a wider functional 'Manchester' strategic Housing Market Area which extends across Greater Manchester and also includes High Peak (Derbyshire), Rossendale (Lancashire) and Cheshire East.

Concluding comments

- 3.35 The purpose of this chapter has been to consider the general housing market context of Stockport and its inter-relationships with other areas. By reviewing house prices, migration and travel to work patterns, a picture of the market dynamics of Stockport Metropolitan Borough emerges.
- 3.36 The Department of Communities and Local Government (CLG) suggests that a housing market is self-contained if upwards of 70% of moves (migration and travel to work) take place within a defined area. An analysis of 2011 Census migration data suggests that 62.5% of households move within Stockport and 53.9% of residents in employment work within the Borough.
- 3.37 Stockport can be described as a broadly self-contained housing market on the basis of migration and part of a wider functional 'Manchester' strategic Housing Market Area. The 2015 Household Survey found that over 70% of households planning to move intend to stay in the Borough.

4. Understanding the current housing market position in Stockport

Introduction

- 4.1 The purpose of this chapter is to explore the housing market dynamics of Stockport focusing on the current stock profile, condition and tenure characteristics. This includes a detailed analysis of the major tenures: owner occupation, the private rented sector and affordable accommodation.

Estimates of current dwellings in terms of size, type, condition, tenure

- 4.2 This study assumes a total of 126,760 dwellings in Stockport Metropolitan Borough of which around 2.9% are vacant, resulting in a total of 123,085 households living in dwellings (Table 4.1). This compares with vacancy rates of 2.6% across England⁴⁷.

Sub-area	Total Dwellings	Total Households	Total Vacant	%vacant
Bramhall, Cheadle Hulme (South) and Woodford		15,260		
Bredbury, Lower Brinnington, Woodley (West)		8,252		
Brinnington		3,192		
Cheadle, Cheadle Heath, Edgeley, Shaw Heath, Adswold, Davenport (West)		14,527		
Gatley, Heald Green and Cheadle Hulme (North)		14,348		
Hazel Grove, Davenport (East), Heavily, Offerton (West)		19,818		
Heaton Chapel (North East), Heaton Norris (East), Reddish, Lancashire Hill		14,991		
Heaton Mersey, Heaton Norris (West), Heaton Moor		10,441		
Town Centre and Hillgate		1,676		
Woodley (East), Greave, Romiley, Marple, High Lane, Mellor, Torkington, Offerton (East)		20,580		
Stockport Total	126,760	123,085	3675	2.9%

Source: 2014 Council Tax

Property size and type

- 4.3 Table 4.2 reviews the profile of occupied dwelling stock by size and type across Stockport. Overall, the vast majority (77.7%) of properties are houses, 15.3% are flats/apartments and maisonettes, 6.6% are bungalows and 0.5% are other

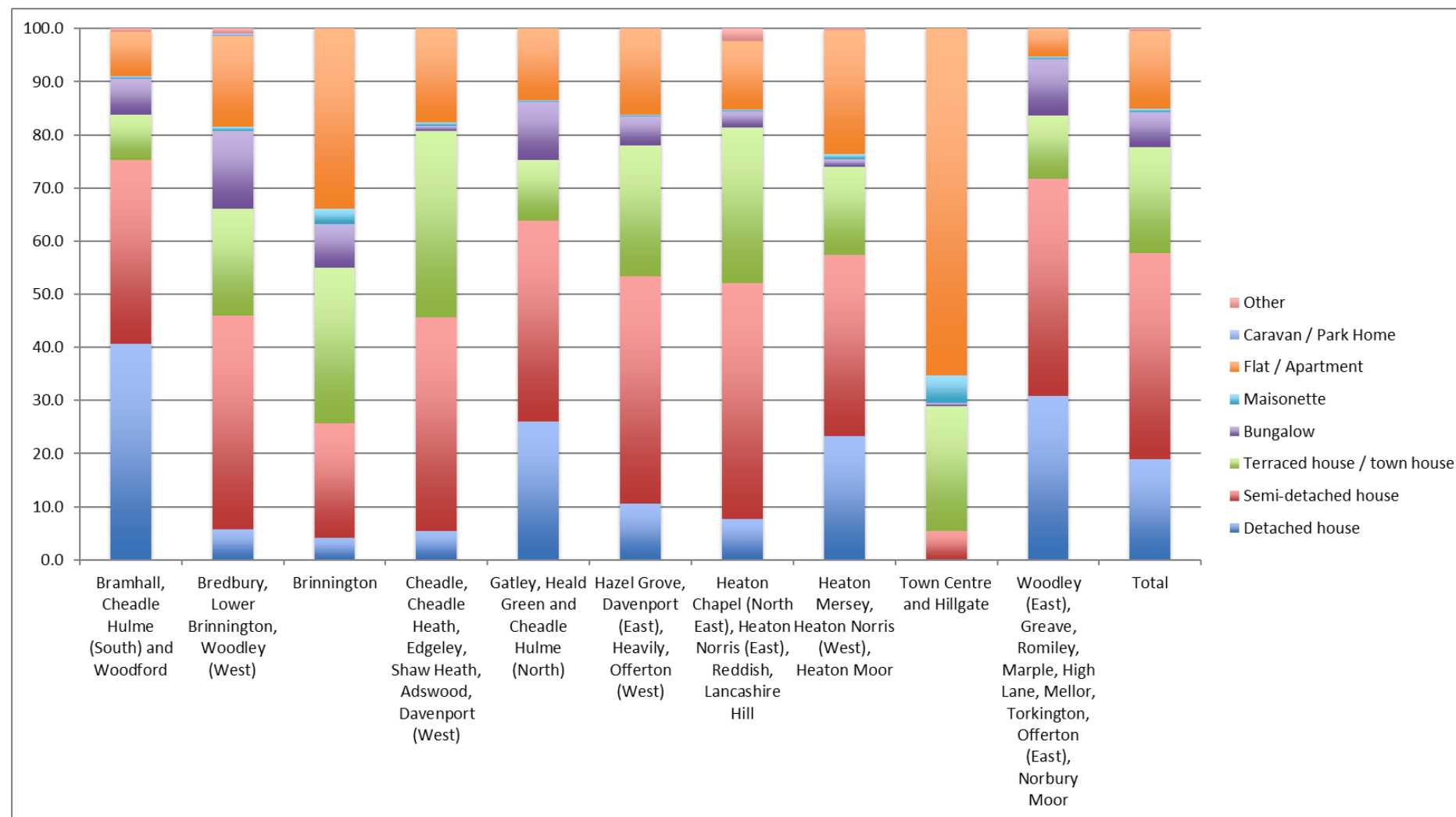
⁴⁷ 2014 CLG Dwelling and Vacancy data

types of property including park homes/caravans. Of all occupied properties, 9.7% have one bedroom/bedsit, 26.4% have two bedrooms, 43.8% have three bedrooms and 20.2% have four or more bedrooms. How property type varies by sub-area is illustrated in Figure 4.1 and variations in number of bedrooms by sub-area in Figure 4.2.

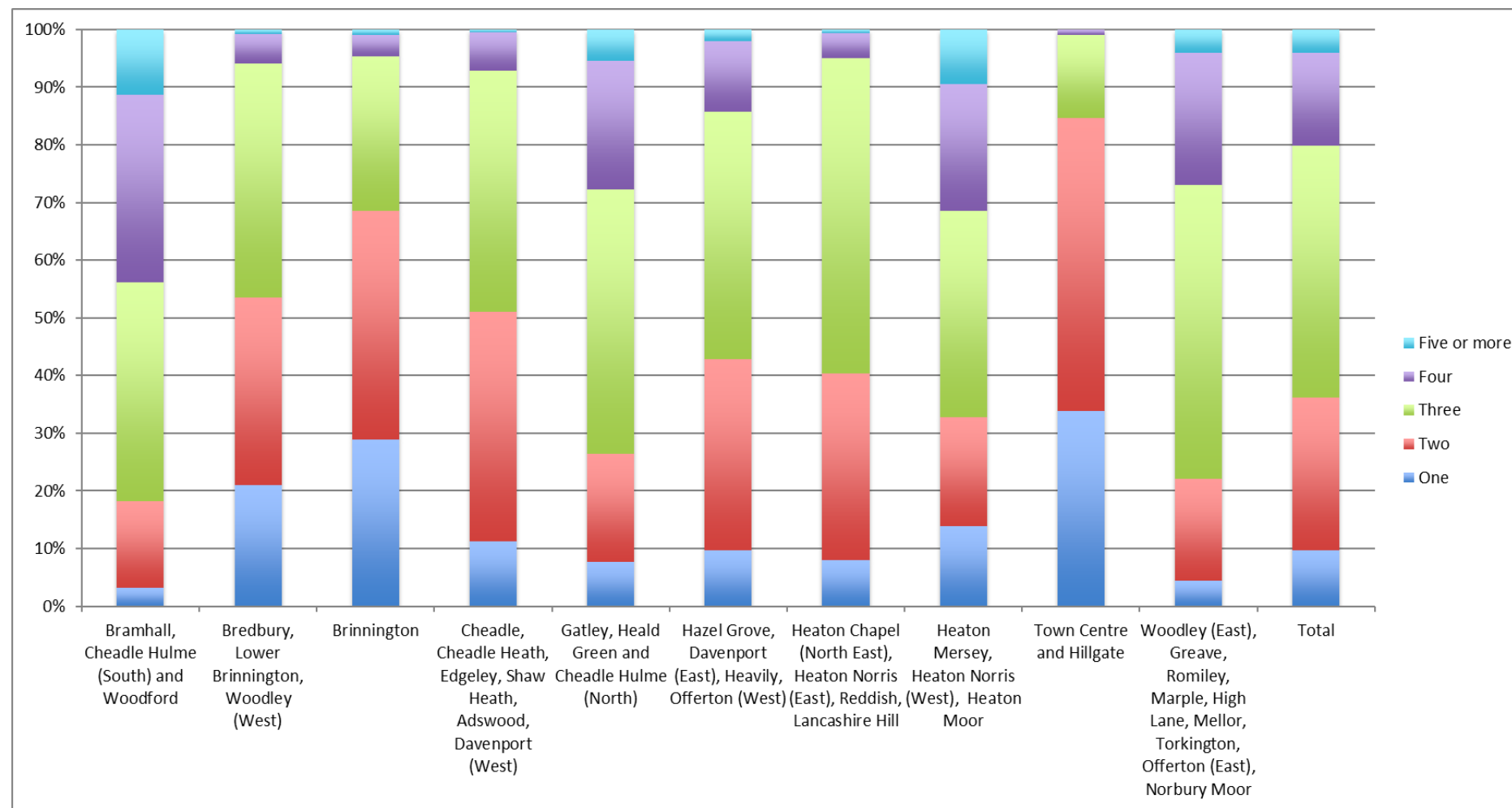
- 4.4 Notable sub-area variations include the relatively higher proportion of detached properties in Bramhall, Cheadle Hulme (South) and Woodford; high proportions of terraced houses in Cheadle, Cheadle Heath, Edgeley, Shaw Heath, Adswold and Davenport (West); and higher proportions of larger properties with four or more bedrooms in Bramhall, Cheadle Hulme (South) and Woodford.

Table 4.2 Property type and size of occupied dwellings across Stockport							
Property Type	No. Bedrooms (Table %)					Total	Base (Valid response)
	One/bedsit	Two	Three	Four	Five or more		
Detached house	0.0	0.5	7.5	8.6	2.4	19.0	23141
Semi-detached house	0.0	5.7	26.1	5.5	1.4	38.8	47267
Terraced house / town house	0.2	10.5	7.5	1.6	0.2	19.9	24305
Bungalow	1.0	3.1	2.1	0.4	0.0	6.6	8084
Maisonette	0.2	0.3	0.1	0.0	0.0	0.6	697
Flat / apartment	8.3	6.0	0.2	0.1	0.0	14.7	17876
Caravan / Park Home	0.0	0.0	0.0	0.0	0.0	0.0	45
Other	0.0	0.3	0.1	0.0	0.0	0.5	552
Total	9.7	26.4	43.8	16.1	4.1	100.0	121967
<i>Base (Valid response)</i>	11826	32186	53363	19632	4960	121967	

Source: 2015 Household Survey

Figure 4.1 Property type by sub-area

Source: 2015 Household Survey

Figure 4.2 Property size by sub-area

Source: 2015 Household Survey

Property condition

- 4.5 The 2015 Household Survey reviewed the extent to which households were satisfied with the state of repair of their dwellings. Overall 80.3% of respondents expressed satisfaction (37.0% were very satisfied and 43.3% were satisfied); 11.6% were neither satisfied nor dissatisfied; a total of 7.0% expressed degrees of dissatisfaction, of whom 6.0% were dissatisfied and 1.1% were very dissatisfied (1.1% non-response). Table 4.3 explores how the level of dissatisfaction varied by dwelling tenure, age and type.
- 4.6 Data indicates that households in Cheadle, Cheadle Heath, Edgeley, Shaw Heath, Adswood and Davenport (West) (11.8%) and Heaton Chapel (North East), Heaton Norris (East), Reddish and Lancashire Hill (11.3%) were more likely to express dissatisfaction. Levels of dissatisfaction were highest amongst private renters, at 15.9%.
- 4.7 In terms of property type and age, dissatisfaction was highest amongst respondents living in terraced properties (15.5%) and maisonettes (12.8%) and amongst residents in properties built pre-1919 (13.0%).

Table 4.3 Dissatisfaction with state of repair by sub-area, property tenure, age and type

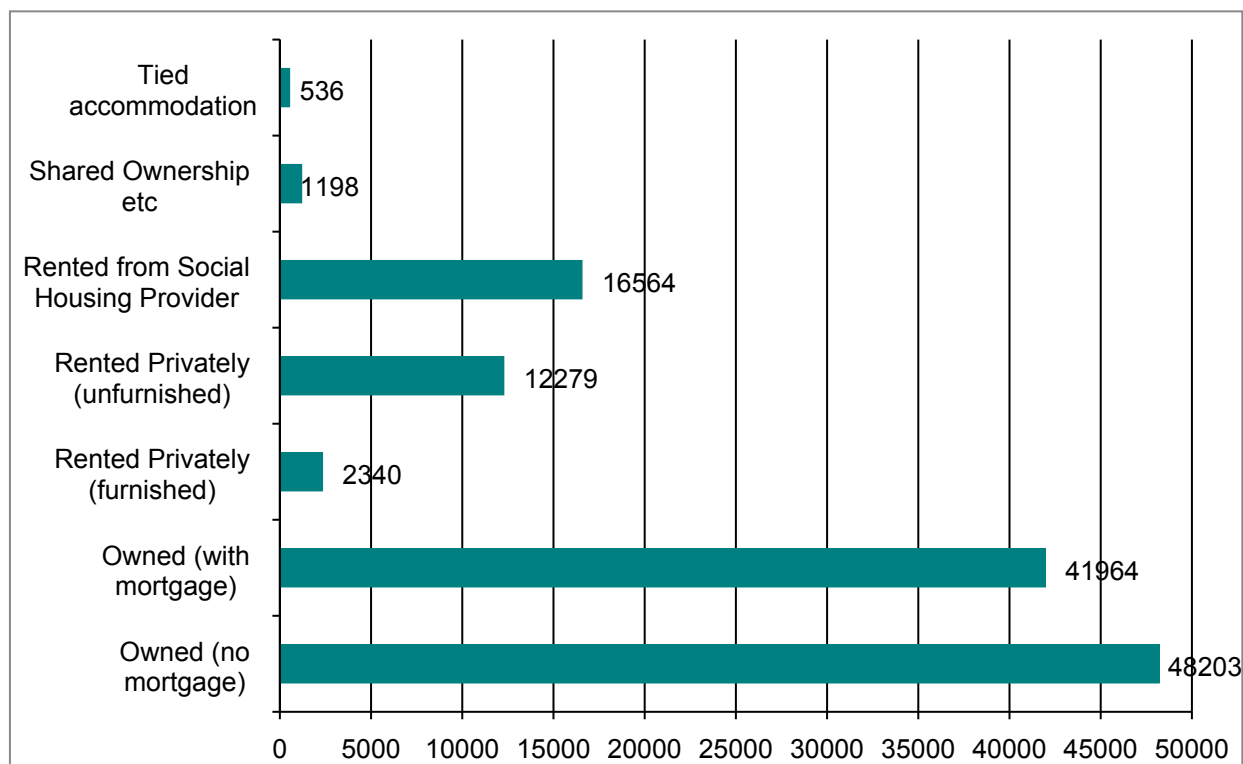
Sub Area	No. Dissatisfied	% Dissatisfied	Base
Bramhall, Cheadle Hulme (South) and Woodford	325	2.1	15260
Bredbury, Lower Brinnington, Woodley (West)	809	9.8	8252
Brinnington	311	9.7	3192
Cheadle, Cheadle Heath, Edgeley, Shaw Heath, Adswood, Davenport (West)	1711	11.8	14527
Gatley, Heald Green and Cheadle Hulme (North)	1055	7.4	14348
Hazel Grove, Davenport (East), Heavily, Offerton (West)	1403	7.1	19818
Heaton Chapel (North East), Heaton Norris (East), Reddish and Lancashire Hill	1698	11.3	14991
Heaton Mersey, Heaton Norris (West), Heaton Moor	784	7.5	10441
Town Centre and Hillgate	114	6.8	1676
Woodley (East), Greave, Romiley, Marple, High Lane, Mellor, Torkington, Offerton(East)	460	2.2	20580
Total	8670	7.0	123085
Tenure	No. Dissatisfied	% Dissatisfied	Base
Owner Occupier	4648	5.2	90167
Private	2404	15.9	15157
Affordable	1617	9.1	17762
Total	8670	7.0	123085
Property Type	No. Dissatisfied	% Dissatisfied	Base
Detached house	568	2.5	23141
Semi-detached house	2853	6.0	47390
Terraced house / town house	3759	15.5	24304
Bungalow	120	1.5	8082
Maisonette	89	12.8	698
Flat / Apartment	1151	6.4	17875
Other	0	0.0	598
Total	8540	7.0	122088
Property Age	No. Dissatisfied	% Dissatisfied	Base
Pre 1919	2460	13.0	18862
1919 to 1944	1922	6.4	30114
1945 to 1964	2002	6.9	28928
1965 to 1984	899	3.5	25354
1985 to 2004	69	0.7	10303
2005 onwards	56	2.1	2615
Total	7408	6.4	116177

Source: 2015 Household Survey

Property tenure

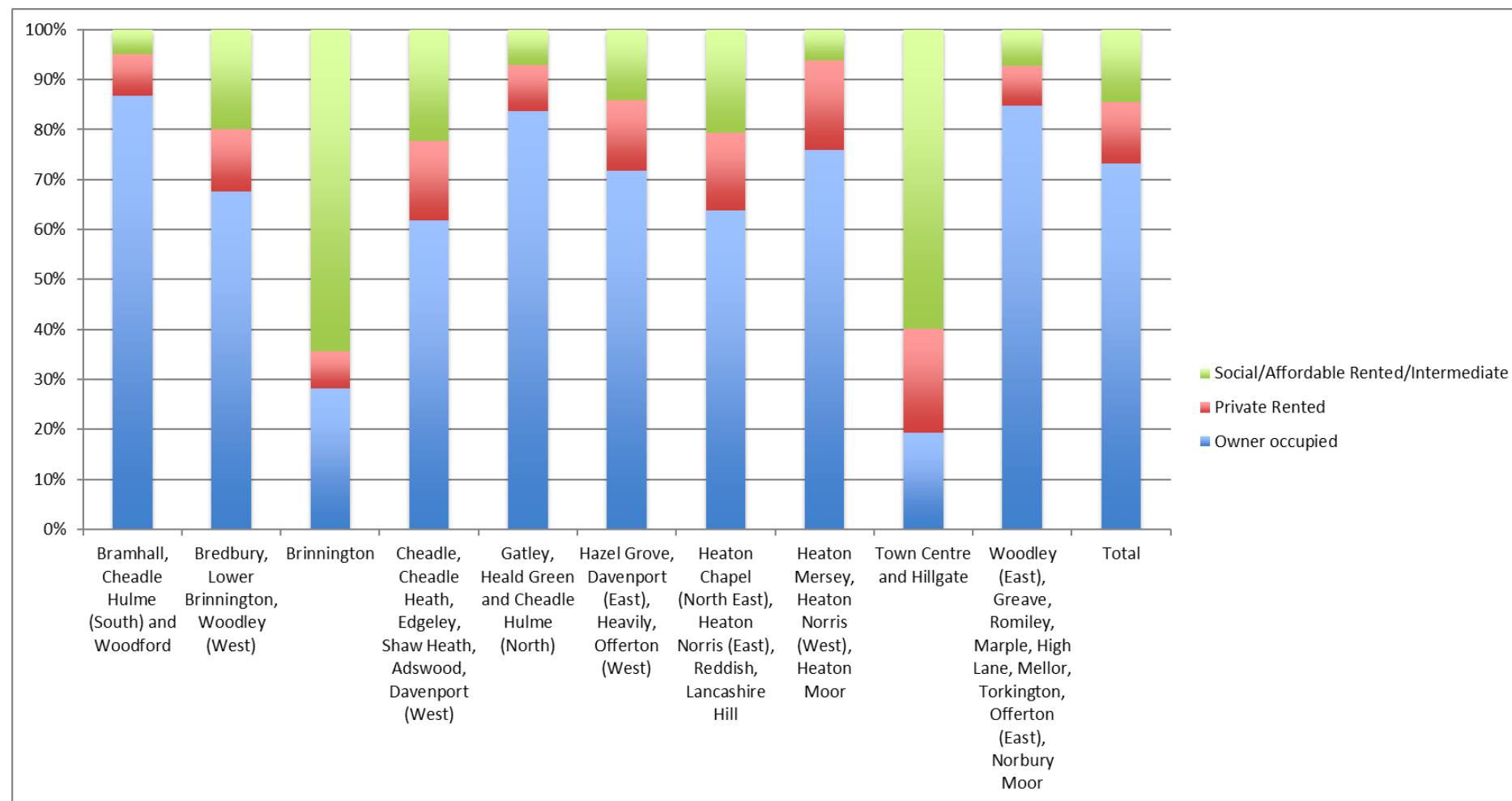
- 4.8 The tenure profile of the Stockport area is summarised in Figure 4.3. Variations in broad tenure groups by sub-area are summarised in Figure 4.4. Overall, based on survey evidence, 73.3% of occupied dwellings are owner-occupied, 12.3% are private rented (including tied accommodation), 13.5% are rented from a social housing provider and 1.0% are intermediate tenure dwellings.

Figure 4.3 Stockport Metropolitan Borough: tenure profile of occupied dwellings



Source: 2015 Household Survey

- 4.9 Tenure profile varies across Stockport (Figure 4.4). The proportion of owner occupied dwellings is highest in Bramhall, Cheadle Hulme (South) and Woodford (86.8%) and Woodley (East), Greave, Romiley, Marple, High Lane, Mellor, Torkington and Offerton (East) (84.7%); private renting in Town Centre and Hillgate (20.8%) and Heaton Mersey, Heaton Norris (West) and Heaton Moor (18.0%); and affordable housing in Brinnington (64.4%) and Town Centre and Hillgate (60.0%).

Figure 4.4 Stockport tenure profile by sub-area

Source: 2015 Household Survey

Market Overview

- 4.10 arc⁴ approached six estate agents in Stockport Metropolitan Borough and the following four agents agreed to participate in face to face interviews:
- The Carrington Partnership,
 - Bridgfords,
 - Edward Mellor, and
 - Ian Tongue.
- 4.11 The agents were asked a series of questions to develop an understanding of the current housing market within the Stockport area.
- 4.12 The last year has seen positive trends in both the rental and sales markets within Stockport. Agents identified that the last year had been particularly positive for the rental market which was described as *'consistently strong'*. Agents believe that an increase in sales had been driven by a growth in confidence in the overall housing market. Nevertheless, agents did indicate that despite the growth, the sales market was *'still a little patchy'* and operating in *'fits and starts'*. Despite this, the overall housing market was described as *'generally good'* and more active than in recent years. Agents felt that this suggested positive trends throughout the housing market as a whole and were optimistic that the market would continue to recover.
- 4.13 Housing sales have remained fairly consistent over the last year, however demand from first time buyers increased at the beginning of the year. Agents believed this was due to many lenders offering 95% mortgages allowing many to get on to the property ladder but demand from this demographic has now slowed down.
- 4.14 Rental demand within the area remains high. Agents identified that location played a big part and for properties that were in desirable locations, people *'couldn't fill out the application forms fast enough'* and described competition for rental properties in the area as *'very high'*.
- 4.15 All agents identified that the area was very price sensitive despite high levels of demand and that any properties unable to sell were usually as a result of over ambitious pricing. Agents claimed that national averages can often make sellers unrealistic about the value of their own property whilst the presence of the internet is thought to have made buyers much more conscious of price.
- 4.16 Agents recognized that obtaining deposits is still a challenge and many either cannot afford or do not want the commitment of a property due to bad experiences during the property crash. Despite this, many families are keen to get their children into the schools in the area. As a result, many will now rent properties to ensure they are within the school catchment areas whilst saving for a deposit or looking for the right home. Agents stated it was not uncommon for families who were moving back into the rental market to move into a rented property before their own home has sold. This is largely driven by high demand for rental properties and a fear of *'missing out'* on properties as well as ensuring their child is able to enter the new school year in their preferred area.
- 4.17 The types of properties in demand are described as mixed. The area boasts a varied demographic who are seeking a range of different properties at a range of

- price brackets. Agents felt this was a positive trend across the market. They felt that the varied demand had ensured additional pressure was not placed on one particular section of the market and had allowed the housing market to be consistently active thus contributing to recovery throughout the last year.
- 4.18 Demand at the lower end of the market is still high. Many agents indicated that this might pose a challenge for the area as most stated they did not support DSS applications due to bad experiences in the past. Furthermore, many mortgage agreements will now not allow landlords to let properties to benefit recipients or asylum seekers.
- 4.19 Many people now stay in rented accommodation for longer. Agents believed this was partly down to a change in attitude towards rental properties whilst others believed it was simply because they had no other option. The last few years have seen a number of homeowners move back into rented properties in order to free up the equity in their homes whilst elderly homeowners often sell their properties and move into smaller rented accommodation.
- 4.20 Properties for the elderly and family homes were highlighted as areas of future investment within Stockport. Family homes perform well on both the rental and sales market and agents predict that this will continue. Agents raised concerns that there is a limited stock of family homes in the desirable areas of Marple Bridge and Bramhall with properties rarely becoming available and when they do, they present challenges towards affordability.
- 4.21 The current demographic in Stockport is largely localized with many people who seeking property having strong ties to the area and local communities. This allows them a good understanding of the geographic make up of the area with agents recognizing that most people have specific views on their preferred areas. However, the last few years have seen an increase in demand from 'non locals' who are becoming increasingly attracted to the area due to the 'value for money' it offers when compared with the surrounding areas – most noticeably Manchester and Cheshire.
- 4.22 The presence of good schools, transportation links and local infrastructure is believed to contribute to the area's desirability and popularity amongst families. All agents suggested that the local amenities, excellent views and value for money were also a real draw to the area.

Owner-occupied sector

- 4.23 73.3% (90,167) of households across Stockport are owner-occupiers. 39.2% of all households (48,203) own outright and 34.1% of all households (41,964) have a mortgage.
- 4.24 The Household Survey provides the following information on owner occupied stock:
- Most owner-occupied properties are houses, with 45.2% semi-detached, 24.1% detached and 18.8% terraced; a further 7.3% are bungalows, 4.4% flats/maisonettes and 0.2% other property types;
 - 51.0% of properties have three bedrooms, 25.9% have four or more bedrooms, 21.2% have two bedrooms and 1.8% have one bedroom;

- Around 17.0% of owner-occupied stock was built pre-1919, 52.7% was built between 1919 and 1964; 21.7% was built between 1965 and 1984 and 8.6% has been built since 1985;
 - 85.1% of owner-occupier households are satisfied or very satisfied with the state of repair in their accommodation, 9.6% are neither satisfied nor dissatisfied and 5.2% expressed degrees of dissatisfaction.
- 4.25 Over the period 2000 to 2014, lower quartile and median house prices across Stockport have increased dramatically as summarised in Table 4.4.
- 4.26 It is interesting to note that in 2000, a household income of £14,121 was required for a lower quartile price to be affordable; by 2014 this had increased to £35,700. In comparison, an income of £20,857 was required for a median priced property to be affordable in 2000 compared with £48,786 in 2014.

Table 4.4 Lower Quartile and median price and income required to be affordable

Stockport	House Price (£)		Income to be affordable*	
	2000	2014	2000	2014
Lower Quartile	49,425	124,950	14,121	35,700
Median	73,000	170,750	20,857	48,786

Source: DCLG / Land Registry

*Assuming a 3.5x income multiple

- 4.27 A range of socio-economic and demographic information on residents has been obtained from the Household Survey. Some interesting observations relating to owner-occupiers include:
- In terms of household type, 30.0% of owner occupiers are older (60 or over) singles and couples, 19.9% are couples with children under 18, 17.5% are couples (under 60 with no children), 14.7% are parents with adult children, 12.6% are singles (under 60), 2.7% are lone parents with children under 18 and 2.4% are other household types;
 - 60.4% of Household Reference People (Heads of Household) living in owner occupied dwellings are in employment and a further 34.1% are wholly retired from work. The proportion retired is considerably higher for outright owners (60.3%);
 - 16.2% of owner occupied households receive less than £13,000 gross per year, 29.2% receive between £13,000 and £26,000 per year and 54.6% receive at least £26,000 per year; and
 - In terms of length of residency, 40.8% of owner occupiers have lived in the same property for 20 years or more (and the figure is 61.3% for outright owners).

Estate agent views on the owner occupied sector

- 4.28 All agents advised that the sales market in Stockport has picked up over the last year and felt that this was in line with the gradual economic recovery. Agents recognized that sales performance since the start of the year highlighted positive trends within the market as a whole and showed that confidence was returning.
- 4.29 Family homes tend to perform best in the area, however due to the high rental demand, the market continues to remain popular amongst investors. Agents believe that investors will often focus on the lower end of the market due to the demand levels and rental yields this presents for them. Concerns were raised towards rogue landlords who are now aiming to capitalize on the high demand from benefit dependent tenants. They were concerned that unsuitable properties were being let and landlords were not meeting the standards required.
- 4.30 The consensus amongst agents is that demand in the area remains strong however, the housing market in Stockport is very price sensitive. Agents believe that the presence of the Internet has made some sellers unrealistic about the market values. Agents believed another reason buyers were often unrealistic about the value of their properties was that National Averages were not a reflection of the area. On the positive side, agents did indicate that despite not receiving the housing price increases suggested by the National Averages, Stockport was also not as badly affected when housing prices dropped during the housing crash as some other areas. They argued that this offered homeowners in the area a slightly more stable housing market when compared with National Averages and may have contributed to the continued sale of property during the economic downturn.
- 4.31 Agents believed the housing crash has made many people more cautious and savvy in their attitude towards investments in property. Surveyor reports can often put people off a property even if what is reported is normal and agents felt this was simply a reflection of the hesitation still present. They also highlighted that schools and local amenities were key considerations for family buyers. Elderly people like smaller properties closer to the town centre as this allows them to remain independent whilst agents felt they saw the newer properties as *'less maintenance'*.
- 4.32 The most desirable area for homes reflects the demand within the rental market. Families and first time buyers are always looking for properties in areas such as Bramhall due to the reputation and image, excellent schooling and good transportation links offered here. For the elderly, properties within walking distance of the town centre were most sought after.
- 4.33 All agents recognised that the properties in highest demand were 3 bed family homes with parking and gardens. Families are most active within the market and those looking for property in the area are mixed; some are locals with a good level of market and geographical knowledge whilst others will seek property here due to the perceived value for money offered when compared with other areas. Interestingly, agents stated that families looking to buy properties often seek new builds whereas renters prefer the older style properties. They believe this was often due to the fact they felt more secure buying a new build whilst others indicated it may be due to the incentive schemes usually offered with new build developments.

- 4.34 The first time buyer market has slowly picked up when compared with 3-5 years ago however, still remains a problem. Demand for homes amongst this demographic is good but many consider themselves 'stuck' in rented accommodation due to the challenges they face in obtaining mortgages. First time buyers who are able to purchase properties are now considerably older than they would have been 5 years ago. Agents believed this was simply because it took them significantly longer to save for deposits as many pay for rented accommodation until they are able to buy. Agents felt that support for this demographic is essential and 'help to buy' schemes have worked well in the past however, more need to be offered as demand in the area for these products is strong.
- 4.35 New build properties in the area are considered very desirable amongst all demographics and agents usually receive a lot of interest in any new build properties that come on to the market. Agents highlighted that most developments will sell off plan because demand is so high. They suggested that this might be linked to the changing demands of first time buyers who are now much older and more inclined to buy a house rather than a flat as they view this as a step up the ladder. Modern new build properties with 3+ bedrooms, gardens and parking are in highest demand for families. First time buyers are usually more attracted to 2 bed semi/detached properties whilst the elderly prefer 1 bed flats. Investors tends to seek terraced properties that may need some work however, agents indicated that most tend to be of a good standard. Modern flats are also popular amongst investors.
- 4.36 Property prices in the area vary between £40,000 - £400,000+. Properties located in or near the Bramhall area command the highest sales values and tend to sell very quickly. A typical 3-bed semi detached property will usually sell within a matter of months however more desirable properties are currently selling much quicker. Terraced houses usually located closer to the town centre are valued at around £60,000 and continue to be popular amongst investors due to the rental yields they offer.
- 4.37 Agents strongly believed that for some the 'value for money' on offer in the more desirable parts of Stockport made it significantly more desirable when compared to the surrounding areas of Manchester and Wilmslow for example. However, agents were concerned that high demand often pushed house prices up and resulted in affordability issues. Furthermore, not all areas are seen as desirable and selling property here can prove more challenging for agents.
- 4.38 Good family homes with 3+ bed rooms can sell within a matter of months and agents recognized that as the market has picked up, offers are becoming more in line with asking prices which they deem as a positive trend.
- 4.39 arc⁴ has identified the current market offering in Stockport and can summarize this as follows:
- 4.40 The Market
- Demand for housing in the area is mixed however, family homes are the highest in demand;
 - The rental market performs the strongest in the area and demand for rental property is consistently high;

- The sales market has picked up over recent years and confidence within the market is believed to be growing;
- Demand at the lower end of the market remains consistent and is attracting an increasing number of 'rogue landlords' which agents describe as a 'worrying trend';
- The first time buyer market has improved in recent years yet concerns are present that this demographic are at risk of becoming 'trapped' in the rental market as they still struggle to obtain mortgages;
- 3 bed family homes with gardens and parking are the highest in demand;
- The area has a strong investor market due to the high rental yields available; and
- The elderly market is active in the area with many choosing to downsize or move into low maintenance rental accommodation.

Stakeholder views on new housing provision

- 4.41 The key stakeholders who responded to the online survey were only aware of limited numbers of new housing provision across Stockport if any at all. Many expressed concerns that the current level of development fell way below what would be needed to suitably cater to demand. The new development was highlighted as being in specific areas of the Borough including Heaton Moor, Offerton and Hazel Grove. Socio-economic conditions and other barriers to development were offered as the main reasons why the take up rate of housing sites in secondary locations within the Borough remained low.
- 4.42 Stakeholders believe that the demand for new housing provision is very high within in the area. The consensus was that all types were in vast demand however, 2 to 5 bedroom family homes were highlighted as generally receiving the highest overall demand.
- 4.43 Limited responses were made about the main barriers to development as most stated that they "*didn't know*" what these barriers would be. The stakeholders who responded identified the main barriers as restrictions with planning and planning policies and the market attractiveness of an area.
- 4.44 Stakeholders were asked what locations of the Borough should be prioritised for housing growth. Most respondents highlighted that new housing is needed all over Stockport however, a range of more specific views were also provided to support this:
- A focus should be placed on development within the South to South West to take advantage of the infrastructure present in these localities;
 - Accessible locations should be prioritised such as town centres, district and local centres that are close to public transport links. However, new build locations should also consider the impact on infrastructure and consider how sustainable this is;
 - New housing provision should be built In the high value areas to balance the large proportion of housing in lower value areas; and

- Development should be focused around the areas of highest demand aimed at attracting skilled workers, securing inward investment and supporting employment growth.
- 4.45 The general view was that demand for new housing came from a mixed demographic and many felt that this had changed over time. Demand was identified as coming from households currently living within Stockport as well as increasing levels of in-migration particularly to the South of the Borough. The feedback indicates that Stockport is predicted to become even more popular due to the development at Airport City and because of HS2. Stakeholders predict that this will accelerate demand for housing within the area over the course of the Local Plan and beyond.
- 4.46 Asked to identify what types of housing they thought should be built, the general view was that a broad range of new housing is required in Stockport to meet a spectrum of needs and demands including:
- Family homes offering between 2 and 5 bedrooms;
 - Older persons housing; and
 - Affordable homes for first time buyers and those looking to downsize.
- 4.47 Stakeholders made no reference to the need for specialist housing and felt that little preference should be placed on the development of new flats and apartments. The overall view was that demand for these properties within the area was low.
- 4.48 Stakeholders' views predicted that demand for new build dwellings will continue to rise year on year and most felt that demand would remain positive in the short and medium term. They identified the factors likely to increase demand as:
- The introduction of "Right to Buy";
 - Easier access to mortgages;
 - Steady interest rates;
 - Increases to birth rates; and
 - Increasing inward migration rates.
- 4.49 When asked what they believed were the main barriers to development, the feedback noted; a lack of suitable land, ongoing limitations and challenges in obtaining planning consent and viability.
- 4.50 No stakeholders were involved in developing any new build housing within the area and most were not holding any land at present. Those that were, held mainly Brown and some Greenfield land.
- 4.51 Despite this, all respondents were interested in developing in this area. When asked why, the feedback included:
- A good relationship with, and ties to, the area including good local authority support;
 - Previous experience developing schemes locally;
 - A good knowledge and understanding of the area;

- High levels of demand for new housing; and
 - Increasing demand from people wishing to move to the area that is presenting excellent long term investment opportunities.
- 4.52 In relation to Black and Minority Ethnic (BAME) households, very little feedback was given in terms of demand levels and market trends.
- 4.53 In terms of the key messages for the HNA in respect of new housing provision in Stockport, respondents made the following points;
- A greater focus to be placed on sustainability, accessibility and affordability;
 - Continued investment into local infrastructure;
 - A need to focus on a more market led approach providing sites for development that will most benefit the Borough;
 - A review of land availability which should involve developers and housing providers to ensure market demands and needs are being met;
 - A need for more affordable housing with the emphasis on the ageing population; and
 - An improved supply of good quality houses.

Private rented sector

- 4.54 Nationally, the private rented sector has established itself as an important dimension of the housing market to complement owner occupation and social renting. The sector plays a major role in facilitating labour mobility. The sector is diverse in terms of the range of households it accommodates and the types of properties available. A report 'The Modern Private Rented Sector'⁴⁸ provides a useful overview of the sector. Drawing upon 2001 census data, it suggests that the private rented sector has five key roles:
- A traditional housing role for people who have lived in the private rented sector for many years;
 - Easy access housing for the young and mobile;
 - Providing accommodation tied to employment;
 - A residual role for those who are unable to access owner occupation or social renting;
 - An alternative to social rented housing (for instance those wanting to move to a different area but unable to do so through their social housing provider).
- 4.55 Given the range of roles of the private rented sector, there is a considerable diversity in the characteristics of private renting tenants. Evidence from the 2001 census (Rhodes, 2006) indicates that households living in private rented accommodation:
- tend to have younger Heads of Household;

⁴⁸ 'The Modern Private Rented Sector' David Rhodes, 2006 University of York with CIH/JRF

- are ethnically diverse;
- singles, lone parents and other multi-adult households are over-represented compared with other tenures;
- people in professional and higher technical occupations are over-represented compared with other tenures;
- are more likely to be highly mobile geographically and turnover rates are high; and
- are more likely to accommodate international migrants.

4.56 The report 'The Private Rented Sector: its contribution and potential'⁴⁹ identified that the private rented sector is complex and distinct sub-markets include:

- Young professionals;
- Students, whose needs are increasingly being met by larger, branded, institutional landlords;
- The housing benefit market, where landlord and tenant behaviour is largely framed by housing benefit administration;
- Slum rentals at the very bottom of the PRS, where landlords accommodate often vulnerable households in extremely poor quality property;
- Tied housing, which is a diminishing sub-sector nationally but still has an important role in some rural locations;
- High-income renters, often in corporate lettings;
- Immigrants whose most immediate option is private renting;
- Asylum seekers, housed through contractual agreements with government agencies;
- Temporary accommodation, financed through specific subsidy from the Department for Work and Pensions; and
- Regulated tenancies, which are a dwindling portion of the market.

4.57 The report concludes that the PRS needs to become a flexible, well-functioning element of the housing market. To this end, its recommendations include:

- More policy to encourage a better understanding of managed rented housing and mandatory regulation of managing agents to ensure better quality management standards and Registered Providers should be encouraged to enter this market place;
- Initiatives to 'grow' the business of letting, encouraging smaller, good landlords to expand their portfolios and view this as a business;
- Equalising rental choice so low-income households can make a real choice between a social or private let and see both as being equally desirable;

⁴⁹ The Private Rented Sector: its contribution and potential' Julie Rugg and David Rhodes, Centre for Housing Policy The University of York 2008

- Light-touch licensing and effective redress to encourage local authorities to target the very worst landlords and a permit/licence would be required by all landlords that would be revoked if the landlord did not meet statutory requirements on housing management and quality.
- 4.58 The private rented sector accommodates around 12.3% (15,155) of households across Stockport. Of these households, 12,279 rent unfurnished properties, 2,340 rent furnished accommodation and 536 rent with their job (tied accommodation). Table 4.5 summarises the number of private rented dwellings by sub-area and indicates that 18.3% of all private rented dwellings are in Hazel Grove, Davenport (East), Heavily and Offerton (West), 15.5% in Heaton Chapel (North East), Heaton Norris (East), Reddish and Lancashire Hill and 15.3% in Cheadle, Cheadle Heath, Edgeley, Shaw Heath, Adswold and Davenport (West).

Table 4.5 Profile of private rented sector in Stockport

Sub Area	Tenure						Total	
	Rented Privately (furnished)		Rented Privately (unfurnished)		Tied accommodation			
	Count	% of PRS	Count	% of PRS	Count	% of PRS	Count	% of PRS
Bramhall, Cheadle Hulme (South) and Woodford	331	2.2	944	6.2	0	0.0	1275	8.4
Bredbury, Lower Brinnington, Woodley (West)	194	1.3	760	5.0	67	0.4	1021	6.7
Brinnington	38	0.3	100	0.7	100	0.7	238	1.6
Cheadle, Cheadle Heath, Edgeley, Shaw Heath, Adswold, Davenport (West)	143	0.9	2027	13.4	143	0.9	2313	15.3
Gatley, Heald Green and Cheadle Hulme (North)	502	3.3	800	5.3	26	0.2	1328	8.8
Hazel Grove, Davenport (East), Heavily, Offerton (West)	211	1.4	2564	16.9	0	0.0	2775	18.3
Heaton Chapel (North East), Heaton Norris (East), Reddish and Lancashire Hill	356	2.3	1988	13.1	0	0.0	2344	15.5
Heaton Mersey, Heaton Norris (West), Heaton Moor	469	3.1	1247	8.2	161	1.1	1877	12.4
Town Centre and Hillgate	96	0.6	213	1.4	39	0.3	348	2.3
Woodley (East), Greave, Romiley, Marple, High Lane, Mellor, Torkington, Offerton(East)	0	0.0	1636	10.8	0	0.0	1636	10.8
Stockport Total	2340	15.4	12279	81.0	536	3.5	15155	100.0

Source: 2015 Household Survey

- 4.59 Most private rented properties (66.7%) are houses (of which 31.8% are terraced, 27.7% are semi-detached and 7.2% are detached); a further 29.0% are flats/maisonettes, 2.0% are bungalows and 2.3% are other property types. 17.6% of privately rented properties have one bedroom/bedsit, 47.2% have two bedrooms, 28.6% have three bedrooms and 6.6% have four or more bedrooms.
- 4.60 The characteristics of tenants are diverse and in particular the private rented sector accommodates couples (no children) (21.0%), singles under 60 (19.9%), couples with children under 18 (17.2%), lone parents with children under 18 (15.2%), older singles and couples (12.1%), other household types (8.4%) and parents with adult children (6.0%).
- 4.61 31.7% of private renting households have lived in their accommodation for less than two years.
- 4.62 In terms of income, 34.3% of privately renting households receive less than £13,000 gross per year, 41.2% receive between £13,000 and £26,000 per year and 24.4% receive at least £26,000 per year, indicating that the private rented sector tends to accommodate lower income households.
- 4.63 70.5% of Household Reference People (Heads of Household) living in private rented accommodation are employed, 9.6% are wholly retired from work, 8.0% are carers or looking after the home, 6.4% are permanently sick/disabled and 1.7% are unemployed.

Estate and letting agent views on the private rented sector

- 4.64 Agents recognized that the performance of the rental market within Stockport has always been fairly strong but indicated demand had increased over the last two years. Many claimed this was down to a change in perception of the rental market combined with a more mobile workforce resulting in an increase in people commuting to the surrounding areas for work. All agents recognized that the market is fast paced and those seeking property must act quickly if they see a property that is of interest.
- 4.65 Agents defined the rental market as in highest demand amongst professional couples, small families and some elderly. However, all agents were keen to stress that the demographic seeking property in Stockport is much more mixed than it has been previously. Agents believe that socio-economic factors and a change in family dynamics has affected demand within the rental market, particularly an increase in marriage breakdowns.
- 4.66 The area has seen a growing trend in elderly people seeking rental properties. Agents believed they felt this offered them more security when it comes to maintenance of a property whilst still allowing them their independence. Agents stated that the elderly tenants usually prefer to pay six months' rent up front and rarely move around once they are settled in one property.
- 4.67 Agents believe the rental market is consistently strong throughout the year however, suggested many socio-economic and cultural factors now affect trends within the market. Agents indicated that after Christmas and during the school summer holidays demand for rental property increases. They explained that during the summer months many people that live in flats or apartments begin to look for properties with gardens or those who wish to get their children

into schools begin to move. Equally, after Christmas is typically busy as many people who begin looking for properties have had relationship break downs over the festive period.

- 4.68 The change in perception of the rental market across the country has further triggered a significant boost to the market. Agents believe that caution within the sales market has led many families to seek a rental property whilst they wait for the right property to buy whereas others no longer view homeownership as necessary or as a sound investment.
- 4.69 Agents felt that renters are now savvier and more demanding of the rental market than in previous years. Many believe that due to people staying in properties longer, they are much more concerned about the aesthetic nature of a property than they have been previously. Families are often drawn to the older, traditional properties such as cottages and town houses whereas young professionals, couples and young families are more drawn to modern, new builds. Agents believed that families seek older rental properties as they offer a character that makes the property feel more 'lived in' and 'homely' than a new build.
- 4.70 All agents indicated that most tenancies are a minimum of 6-12 months. They recognized that demand for longer tenancies is increasing and that many people now stay in rented accommodation for between one and three years. Some use this time to save for deposits whilst others have decided to rent in order to accommodate their growing family whilst they cannot afford to buy a bigger property due to the current economic climate. Elderly tenants do not tend to want to move around and if they are happy with their property, tend to stay in it.
- 4.71 Bramhall, Hazel Grove, Great Moor and Caverley are considered the most desirable areas overall whilst Marple is in high demand from families. Agents stated that high demand in these areas is typically due to the good quality properties, excellent local schools and the image/status of these areas. Rent levels tend to be much higher in these areas than in other postcodes yet agents said that families are happy to pay these rents to allow them to live in these areas, as most would not be able to afford to buy.
- 4.72 Agents noted that in areas where family demand is higher such as Marple and Stalybridge, rental properties are less frequently available. They felt this was because many families stay in the same property long term and noted this is usually to allow their children to attend the local schools.
- 4.73 A change in perception of the rental market has boosted its popularity with families. Agents felt that many families now prefer the freedom of not being tied into a property long term. They argued this gave them an element of safety due to the economic instability experienced over the last few years.
- 4.74 Modern or new build developments are typically most attractive amongst young professionals who will now seek two bedroom houses with gardens and parking over flats or apartments. Agents noted that this is because many move to Stockport after becoming bored of 'city centre living'. Many will opt for a house to take advantage of being able to get more for their money than is available in Manchester City Centre. Despite this, agents strongly felt that most would

rather buy a property than rent but difficulty in obtaining mortgages has left many stuck in the rental market.

- 4.75 Three bedroom semi-detached properties are most desirable amongst families who also expect gardens and parking. Proximity to schools and amenities were indicated as the factors that most affect a property's desirability. However, all agents identified that people are willing to be fairly flexible with their requirements if the property is in a desirable area as competition for these properties is so high.
- 4.76 Elderly tenants usually seek one or two bedroom ground floor flats/apartments or bungalows with neutral décor and low maintenance.
- 4.77 Unfurnished properties are in most demand however, agents highlighted that white goods are often required. Many of the more modern properties will offer furnished options but landlords are usually willing to be flexible at the request of tenants.
- 4.78 Agents highlighted that stricter legislation for landlords regarding furnishing homes had put many people off as it usually left them having to replace furniture after a tenant has moved out. Equally, agents also believe the changing demographic of the rented sector means that previous homeowners who were downsizing already have furniture and seek to create a 'familiar' feel to their property with a personal touch. Young professionals appear to be investing the money they would have previously used for a deposit in furniture, enabling them to furnish their own properties when they have saved up their deposits. Agents indicated that the increased length of tenancies and tenants wishing to create a sense of 'home' is also driving the increased demand for unfurnished properties. Those that relocate to the area require furnished properties.
- 4.79 The rental market is "fast paced" in the area and it is very common for properties to receive a number of applications. Desirable properties will let on average within a week of coming on to the market. Most properties take no longer than one month to rent and any delays are usually as a result of admin hold-ups.
- 4.80 The average market rental values include:
- One or two bedroom flat/apartment: £425;
 - Two bedroom terraced house (no parking or garden): £325;
 - Three bedroom semi-detached house (with parking and garden): £475 - £550; and
 - Four or more bedroom house - £550 +.
- 4.81 Landlords are typically investors seeking two or three bedroom terraced houses in need of general cosmetic work. Generally, investor profiles are mixed. Some come from outside the area but agents highlighted that local investors tend to take on bigger projects or hold larger portfolios. They felt that properties in the area presented a great investment opportunity as they offer excellent yields and usually require little to no renovation prior to moving in tenants and demand is consistently high.

- 4.82 Agents noted a rise in ‘accidental landlords’ and felt that this has become a significant trend over recent years due to many homeowners being unable to sell their own properties. The agents may have then advised renting out properties as a temporary measure until the homeowner market improves.
- 4.83 Concerns were raised by agents that many people were at risk of becoming ‘trapped’ in the rental market. They believed that cultural changes amongst the younger generations who are now thought to hold a positive image of rental properties combined with a lack of finances could create problems in the future if people do not wish to, or cannot afford to, buy property.
- 4.84 All agents felt that renters are now much more astute than they were previously. Many believe that because they are staying in properties longer, they are much more concerned about the aesthetic nature of the property than they have been previously and are far more aware of their rights. Agents recognized that the standard of properties on offer in Stockport tends to be good quality however, did highlight that ex-council properties were often viewed as undesirable due to the quality and the perception of the areas in which they were located.
- 4.85 Despite this, the fast paced nature of the market means those seeking property must act quickly if they see a property that is of interest. Most properties receive several applications and landlords tend to operate on a first come first served basis. Thorough checks are carried out on all tenants and this can often affect the application process.

Stakeholder views on the private rented sector

- 4.86 Stakeholders were asked to comment on a number of different issues within the private rented sector in Stockport. The overall feedback for this section was very limited with most respondents highlighting they had limited knowledge of the sector.
- 4.87 Stakeholders were asked their view on the size of the private rented sector in Stockport; most indicated that they “*didn’t know*” and the one response received suggested it was too small.
- 4.88 The PRS stock in the local market was described as “*high in price*” which most felt was leading to issues with affordability within the area. One stakeholder indicated that there was a lack of institutional investor backed PRS and felt that the market was dominated by landlords who owned a number of properties.
- 4.89 The feedback indicates that the PRS market is not focused towards one area of the Borough and the type of properties in demand is mixed. Concerns were raised that there were issues with stock condition locally, particularly in older terraced properties.
- 4.90 Limited feedback was given by respondents around the types of properties in demand within the area however, one highlighted that families are typically attracted to this market. The general focus of the private rented sector is now more mixed and broadly spread across the Borough than ever before. There was also an acknowledgement of the increased demand for higher-value rental properties which stakeholders felt was a reflection of the changing demographic that are now attracted to the area.

- 4.91 Demand for rental properties comes from a varied and mixed demographic including young families, single people, families, those on low incomes and first time buyers. However, no feedback was given around on the demand present from ethnic minority groups.
- 4.92 The areas of highest demand were identified as locations closest to the town centre and any areas near popular schools and/or major employers such as the airport and the hospital. Properties located here cater to the demands of contract workers and remain a popular choice within this market. Feedback about the role of buy-to-let within the local market was very limited however; of the feedback obtained, activity in this sector was described as being “low level”.
- 4.93 When asked about the impact of changes in the economy and welfare on the sector, the overall view was that more people are looking for private rented accommodation, as they cannot afford a mortgage due to increased house prices. In addition, one respondent felt that welfare change has impacted on certain properties only. Stakeholders also highlighted that welfare reforms had led to more movement between tenures - most noticeably people moving from larger affordable homes. Another respondent agreed, quoting issues with affordability and the quality of homes available within the private rented sector as the key reasons stated by those who move.
- 4.94 In terms of key strategic messages about the sector to be identified in the HNA, stakeholders identified the following:
- Professionally managed, institutionally funded PRS needs to be encouraged; and
 - The private rented sector should form part of the affordable housing offer/option.

Affordable sector

- 4.95 There are around 17,762 households who live in an affordable (social rented or shared ownership) property across Stockport, accounting for 14.4% of all occupied dwellings.
- 4.96 Flats/apartments and maisonettes account for 59.1% of occupied affordable dwelling stock; 33.3% are houses and 7.1% are bungalows. Affordable dwellings tend to have one (42.5%), two (35.5%) or three (19.4%) bedrooms, with a further 2.5% having four or more bedrooms.
- 4.97 31.0% of households living in affordable dwellings are singles under 60, 29.0% are older singles and couples, 10.2% are lone parents with children under 18, 9.5% are couples with children under 18, 8.8% are couples/lone parents with adult children, 8.5% are couples with no children and 3.2% are other household types.
- 4.98 35.1% of Household Reference People living in affordable housing are in employment. A further 30.7% are wholly retired from work, 20.9% are permanently sick/disabled, 7.5% look after the home/are caring for someone and 5.8% are unemployed.

- 4.99 Incomes are generally low, with 71.8% receiving an income of less than £13,000 gross per year and 35.6% receiving less than £7,800 gross per year.

Stakeholder views on affordable housing

- 4.100 Few stakeholders commented on whether the Decent Homes Standard had been met within the Borough's affordable housing stock. Of those who did, all respondents said that this had been met. The stakeholder survey included a range of affordable housing providers from across the Borough offering a mix of one and two bedroom flats, two to four bedroom homes and retirement schemes and bungalows.
- 4.101 The most popular stock type was categorised as smaller units and family homes. The feedback highlighted that the higher turnover smaller units are generally popular in most areas. Bredbury and Bredbury Green were noted as areas most linked with these types of properties and one stakeholder added *"viability is often a challenge in the low value areas such as Brinnington"*. Family homes receive consistent demand and the most popular areas for this type of property were noted as Bramhall, Heald Green, Cheadle and Marple.
- 4.102 The characteristics of those moving in and out of stakeholder housing stock were described as mixed and one stakeholder added that this usually depended on the type of scheme on offer. Further feedback suggested that both working and unemployed people were moving in and out of the housing stock and many who returned to the area would often do so due to existing local connections such as employment opportunities and/or family ties. Affordability was highlighted as the key reason given by those who move.
- 4.103 Respondents felt that anti-social behaviour was a problem within the sector although some felt that this was only a minor issue and was visible because of a higher proportion of *"un-kempt properties"*. The general view was that anti-social behaviour is focused around single people rather than families and is most common in blocks of flats.
- 4.104 The overall level of customer satisfaction amongst stakeholders was high and continually improving the level of customer satisfaction achieved was a key priority for stakeholders.
- 4.105 The provision of larger family homes was identified as the priority for new affordable housing development in Stockport. Limited feedback was given around the presence of housing related Black, Asian and Minority Ethnic (BAME) issues within the area however, of the feedback obtained, the consensus was that this was generally not a problem. One stakeholder said that demand from their BAME clients had increased and applicants access stock in the same way as other ethnic groups. They went on to add that if the demand from BAME groups continues to increase, community cohesion may become an issue as some areas are less tolerant of BAME groups than others.
- 4.106 Most stakeholders stated that they were currently developing affordable housing within Stockport. This included properties offering; affordable rent, intermediate rent/sale, shared ownership or affordable home ownership. They noted that these types of properties are typically most popular amongst a range

of purchasers including; young families, single people, young couples, adults without children and older people.

4.107 In terms of key messages for the HNA in respect of affordable housing, stakeholders identified the following:

- The need for support services to assist stakeholders with their work particularly with issues outside of housing such as social work, health care and policing estates;
- A greater focus should be placed on RP partners who are keen to develop in Stockport; and
- The need for a standard proportion of affordable housing provision to be applied across the Borough to all sites, irrespective of ownership.

Self-build

4.108 The NPPF (para 021 Reference ID 2a-021-20150326) states that the Government wants to enable more people to build their own homes and wants to make this form of housing a mainstream housing option

4.109 The household survey identified 281 households who would be interested in self-build (although only around one-third (94) expected to move to a self-build property). Households considering self-build:

- Were all currently owner-occupiers;
- Were single adults under 65 (57.1%) or couples with no children under 65 (42.9%)
- Three-quarters (74.4%) had an annual income of between £18,200 and £39,000 and 25.6% had an income of £49,400 or more;
- Wanted to move to a larger property or one that was better in some way;
- Wanted to move to a range of property sizes (50% two bedroom, 32.6% three bedroom and 17.3% four bedroom) but all expected to move to a two (82.7%) or three (17.3%) bedroom property.

Executive housing

4.110 Although it is difficult to define executive housing, distinctive features include:

- High property values linked to desirable locations, with high incomes/ equity required to support the purchase; and
- High quality construction including exterior and interior fittings.

4.111 This HNA has sought to investigate the requirements for executive housing through a review of existing provision, stakeholder discussions and analysis of Household Survey evidence. Overall, in Stockport, executive housing provision will have a role in response to the need for diversification and expansion of the sub-regional economy and in contributing towards achieving wider population and economic growth objectives for the Region.

- 4.112 Stakeholders highlighted a need for additional executive housing in Stockport.
- 4.113 The Household Survey can be used to explore the housing options being considered by higher income groups (with a weekly income of at least £950). Although the executive housing market is a niche market, reviewing the housing aspirations of high income groups is an appropriate way of investigating the potential demand for executive housing.
- 4.114 The Household Survey identifies 18,825 households with an income of at least £49,400 per annum (£950 each week). Of these households, 4,358 are intending to move in the next five years. Of this group of high income households, a majority (66.1%) stated a first preference location within Stockport (particularly the Bramhall, Cheadle Hulme (South) and Woodford sub-area, mentioned by 32.9% of respondents). A further 2.9% stated Manchester, 12.5% Cheshire or Derbyshire, 1.8% elsewhere in the North West and 16.7% elsewhere in the UK.
- 4.115 In terms of dwelling preferences, likes and expectations are summarised in Table 4.6. This indicates strongest aspiration towards detached houses with three or four bedrooms; this is broadly in line with what households expect to move to, although significantly more expect to move into three-bedroom semi-detached properties that would choose to.

Table 4.6 High income household dwelling aspirations and expectations

Like/Aspiration

No. Beds	Property type (Table %)						Total
	Detached house	Semi-detached house	Terraced house	Flat	Bungalow	Other	
Two	0.8%		3.1%	1.5%	2.6%	1.7%	9.7%
Three	35.4%	5.3%	2.3%	0.0%	5.6%	0.0%	48.6%
Four	30.5%	2.5%	1.6%	0.0%	0.0%	0.0%	34.6%
Five or more	7.1%		0.0%	0.0%	0.0%	0.0%	7.1%
Total	73.8%	7.8%	7.0%	1.5%	8.2%	1.7%	100.0%

Expectation

No. Beds	Property type (Table %)						Total
	Detached house	Semi-detached house	Terraced house	Flat	Bungalow	Other	
Two	0.9%		2.6%	3.0%	2.7%	1.8%	11.0%
Three	27.7%	22.9%	5.1%	0.0%	0.7%	0.0%	56.5%
Four	20.7%	4.8%	0.0%	0.0%	0.9%	0.0%	26.4%
Five or more	4.5%	1.5%	0.0%	0.0%	0.0%	0.0%	6.0%
Total	53.8%	29.2%	7.7%	3.0%	4.3%	1.8%	100.0%

Base: 4,358 households with an income of more than £950 planning to move in next 5 years

Source: 2015 Household Survey

Concluding comments

- 4.116 The purpose of this chapter has been to explore the current housing market dynamics affecting and influencing the housing market within Stockport. This chapter has provided detail on the current profile of dwellings by type, tenure and size along with property condition and property prices.
- 4.117 The majority of properties in Stockport are houses (77.7%), 15.2% are flats/apartments/maisonettes and 6.6% are bungalows. Consequently, 63.9% of existing properties contain three or more bedrooms.
- 4.118 A significant proportion of all dwellings located within the Bramhall, Cheadle Hulme (South) and Woodford and Woodley (East), Greave, Romiley, Marple, High Lane, Mellor, Torkington and Offerton (East) sub areas are large detached dwellings. Analysis of house price data for this property type in these particular locations shows that they are the highest across the Borough. Market demand is therefore likely to be most acute for this form of large detached family dwelling.
- 4.119 The tenure profile reveals that 14.4% of the housing stock is affordable accommodation. The highest proportions of this stock tenure are located within the Brinnington (64.4%) and Town Centre and Hillgate (60.0%) sub-areas.
- 4.120 The highest level of dissatisfaction with current property was recorded within the Cheadle, Cheadle Heath, Edgeley, Shaw Heath, Adswood and Davenport (West) sub-area where around 11.8% were dissatisfied or unhappy with their accommodation. Dissatisfaction rates were greatest within the private rented sector, and in particular for terraced houses and maisonettes.
- 4.121 Around 73.3% of all households own their own home. In terms of house prices, there was a period of rapid inflation between 2001 and 2006. House prices remained fairly static during the following years, before a significant increase was experienced in 2010-2011. More modest levels of growth have been seen since 2011.
- 4.122 12.3% of all households rent privately. There would appear to be some scope within the existing market for further private rented growth especially where this tenure may be used in part to accommodate local housing need. However, the image of the sector remains far from positive and so particular focus and policy assistance is recommended to assist and support landlords and tenants alike moving forward

5. Understanding the future housing market in Stockport

Introduction

- 5.1 In order to understand the future housing need and demands for housing, Local Planning Authorities are required to consider a range of data sources and information which identifies how key drivers of the local market and underlying trends will impact upon the structure of households and population over a fifteen year period and beyond.
- 5.2 This Chapter assesses the primary market drivers in Stockport Metropolitan Borough, namely population growth and structure; economic change; and housing stock and aspirations.

Key market drivers

- 5.3 Essentially, there are three key primary drivers influencing the current (and future) housing market: demographic; economic and dwelling stock characteristics, as summarised in Table 5.1.

Table 5.1 Primary market drivers		
Primary Driver	Attributes	Impact on overall demand through:
Demography	Changing no. of households, household structure, ethnicity	Natural Change
Economy	Jobs, income, activity rates, unemployment	Economic migration
Housing stock and aspirations	Quality vs. aspirations, relative prices, accessibility, development programmes	Residential migration

Source: arc4

Demography

- 5.4 The following demographic drivers will continue to underpin the housing market in Stockport Metropolitan Borough:
- An increasing population, with ONS 2012-based population projections (Table 5.2) indicating an increase of 9.0% from 287,400 in 2015 to 313,200 by 2037;
 - Over the period 2014 to 2037, the number of residents aged under 65 increase 0.5% from 230,700 in 2015 to 231,800 in 2037. The number aged 65 will increase by 43.6% from 56,700 in 2015 to 81,400 in 2037;
 - The 2015 Household Survey indicates that the following range of household groups currently live in Stockport: couples with younger children (18.1%);

couples (under 65 with no children) (16.7%); singles under 65 (16.2%); singles aged 65 or over (13.4%); couples 65 or over (14.2%); couples with adult children (9.2%); lone parents (5.3%); lone parents with adult children (3.6%); and other household types (3.3%).

Table 5.2 Projected population change, 2014 to 2037

Age Group	2014	2021	2037	Change 2014-37
0-14	51,200	54,300	53,000	3.5
15-39	82,400	82,300	84,300	2.3
40-64	97,100	97,400	94,500	-2.7
65+	56,700	61,800	81,400	43.6
TOTAL	287,400	295,800	313,200	9.0
% aged 65+	19.7	20.9	26.0	
% aged 75+	8.9	9.0	9.1	

Source: ONS 2012-based population projections

Economy

5.5 The following economic drivers underpin the operation of the housing market in Stockport:

- 58.2% of Household Reference People are economically active and are in employment according to the 2015 Household Survey; a further 30.6% are retired; 4.9% are permanently sick/disabled; 3.7% are either looking after the home or provide full-time care; 1.9% are unemployed and available for work; and 0.6% are in full-time education/training;
- 53.9% of residents in employment work in Stockport. A further 20.0% work in Manchester, 13.2% work elsewhere in Greater Manchester, 8.1% work in Cheshire, Warrington or Halton, 1.2% work elsewhere in the North West, 0.8% work in High Peak, 0.2% work elsewhere in the East Midlands and 2.6% work elsewhere in the UK;
- According to the Office for National Statistics (ONS) Annual Survey of Hours and Earnings, lower quartile earnings in 2014 across Stockport were £19,110 each year which compares with £18,309 for the North West region and £19,396 for England. Median incomes were £27,045, compared with a regional median of £25,199 and a national median of £27,227.
- There is considerable income polarisation across Stockport, with 25.6% of households receiving less than £13,000 per annum, 30.3% receiving between £13,000 and £26,000 per annum and 44.0% receiving at least £26,000 per annum.

Housing stock

5.6 In terms of dwelling stock, the 2015 Household Survey reports that, across the Stockport area:

- 77.7% of properties are houses, 15.2% are flats/maisonettes, 6.6% are bungalows and 0.5% are other property types (e.g. caravans);
- 9.7% have one bedroom/studio, 26.5% have two bedrooms, 43.7% have three bedrooms and 20.2% have four or more bedrooms;
- 16.2% of properties were built before 1919, a further 25.9% were built between 1919 and 1944, 24.9% between 1945 and 1964, 21.8% between 1965 and 1984, 8.9% between 1985 and 2004 and 2.3% have been built since 2005;
- 73.3% of properties are owner-occupied, 13.5% are rented from a social landlord, 12.3% are private rented/tied accommodation and 1.0% are intermediate tenure;
- There is a particularly strong aspiration for houses with three or more bedrooms.

Stakeholder views on key market drivers

- 5.7 Stakeholders were asked to identify what they perceive to be the main drivers of housing demand in Stockport. Respondents acknowledged that housing demand varies significantly across the District. The main drivers included:
- Population increase particularly focused around an ageing population;
 - Good local schools and good transportation links;
 - An increasing emphasis on local connections e.g people wanting to live close to family members and relatives located within the Borough;
 - Affordability and aspirational home ownership; and
 - Economic growth, need and opportunity.
- 5.8 The general characteristics of households driving demand in the area were considered to be very mixed. Respondents identified that the area attracts a very mixed demographic including young working professionals, families, single people, the elderly, small families and those seeking executive homes in the more affluent areas of the Borough. Demand within the area is therefore mixed and includes social and affordable housing, older persons housing and family homes.
- 5.9 Stakeholders were asked to identify what they felt to be the current weaknesses of the housing market in Stockport. The following responses were offered:
- A lack of housing stock;
 - A shortage of suitable land on which to develop and the value of land that is suitable;
 - The accessibility of some areas due to the poor transportation links present, thus leaving them very undesirable locations when compared with other areas of the Borough;
 - A lack of affordable housing across the Borough particularly for first time buyers; and

- Insufficient opportunities to develop new properties in the higher value areas of the Borough.
- 5.10 Stakeholders were asked their views on house price trends and the impact they expect economic changes will have on housing markets in the future. Respondents all agreed that house prices within the area are rising and most felt this was an area of concern. The general feeling was that the lack of supply and shortage of new builds available within the area is the reason for the rise in house prices. They felt that this has led to prices being artificially driven up within the area and as a result this is thought to be creating problems in terms of affordability.
- 5.11 Stakeholders were asked to rank a range of priorities as high, medium or low, their responses are summarised in Table 5.3.

Table 5.3 Ranking of priorities by stakeholders

Proposed priorities	Low	Medium	High
Building homes to buy on the open market (8)	0%	25%	75%
Building affordable homes to rent (8)	12.5%	37.5%	50%
Building affordable homes to buy (shared ownership, shared equity) (9)	0%	33.33%	66.67%
Building executive homes (8)	37.5%	12.5%	50%
Building properties designed for older people (7)	0%	14.29%	85.71%
Building properties designed for people with specialist needs (6)	0%	50%	33.33%
Improving the quality of existing stock (7)	28.57%	42.86%	14.29%

- 5.12 Overall, building properties designed for older people was identified by stakeholders as the highest priority by 85.7% of respondents. The remaining 14.3% ranked it as a medium priority and no stakeholders ranked it as a low priority. Building homes to buy on the open market (75.0%) and building affordable homes to buy (66.7%) were also both ranked as high priorities by the majority of stakeholders. Opinion was more divided on building affordable homes to rent and building executive homes which were both ranked as high by 50% of respondents however 37.5% ranked the need for more affordable homes to rent as a medium priority and 12.5% felt this was a low priority. In terms of executive homes, the remaining respondents highlighted it as a low (37.5%) or medium (12.5%) priority.
- 5.13 Building properties designed for those with specialist needs was a medium to high priority for over 83.0% of respondents. Improving the quality of existing

stock was generally viewed as a medium priority by 42.9% of respondents however, 28.6% felt this was a low priority and the remaining 14.3% indicated that this was a medium priority. This suggests that the opinion on this issue is very mixed.

5.14 Stakeholders gave a range of reasons for these priorities that included:

- Demographic change, particularly population growth and an ageing population;
- A chronic shortage of new build housing in recent years, but especially in relation to affordable, older persons and vulnerable people's housing;
- A need for new open market housing within the area as demand is viewed as high yet supply is not catering to this and stakeholders felt that this would offer a significant boost to economic growth; and
- To ensure the Borough is adequately prepared for an ageing population.

5.15 Asked what other key housing priorities there are in the Stockport Council area, stakeholders mentioned; a severe lack of land within the Borough as a key priority. Stakeholders indicated that the amount of suitable land for the development of new homes is very limited and as a result, they felt that this was inflating the local housing market. One stakeholder suggested that institutionally backed market rent offers were a key housing opportunity for Stockport. However, another was keen to stress that the sustainability of the area in terms of transport and local infrastructure should be monitored alongside any planned housing growth. They felt that managing any pressure that may be placed on an area is an essential feature when ensuring that growth is manageable and sustainable.

Past trends in housing delivery

5.16 Over the 13 years 2002/03 to 2014/15 there has been an overall average of 239 dwelling completions per year (Table 5.4). There has been considerable variation during this period, however. A building rate of 303 dwellings per annum was experienced during 2002/03-2008/09. The following three years (2009/10, 2010/11 and 2011/12) saw a significant fall in dwelling completion numbers, with an annual average of 70 dwellings per year. The three year period 2012/13-2014/15 has seen an increased rate of housebuilding, averaging 260 dwelling completions per annum.

Table 5.4 Dwelling completions 2002/03 to 2014/15			
Year	Private	Affordable	Total
2006/07	767	0	767
2007/08	647	71	717
2008/09	317	128	445
2009/10	181	48	229
2010/11	136	87	223
2011/12	180	79	259
2012/13	278	64	342
2013/14	275	143	418
2014/15	324	269	593
9-Year Total	3,105	889	3,993
9-Year Annual average	345	98	443

Source: Stockport Council

Suggested future development profile of market dwellings

5.17 The current stock of open market dwellings is summarised in Table 5.5. Table 5.6 then suggests an annual range of dwellings to be built to reflect the current stock profile, household aspirations and expectations.

Table 5.5 Open market dwelling stock and preferences			
Dwelling type/size	Dwelling stock, likes and expectations		
	Current Private Stock %	Like %	Expect %
Detached house/cottage 1-2 Beds	0.6	2.4	1.6
Detached house/cottage 3 Beds	8.7	21.0	12.0
Detached house/cottage 4 or more Beds	12.4	23.7	11.3
Semi-detached house/cottage 1-2 Beds	5.9	3.9	5.4
Semi-detached house/cottage with 3 Beds	28.6	12.7	25.5
Semi-detached house/cottage 4 or more Beds	8.1	4.2	3.9
Terraced house/cottage 1-2 Beds	11.0	3.6	9.1
Terraced house/cottage 3 Beds	7.7	2.3	5.6
Terraced house/cottage 4+ Beds	2.0	1.1	0.7
Bungalow 1-2 Beds	3.6	10.1	9.8
Bungalow 3+ Beds	2.9	8.0	5.2
Flat/Apartment 1 Bed	3.6	0.4	3.3
Flat/Apartment 2 Beds	4.0	4.5	4.3
Flat/Apartment 3+ Beds	0.4	0.3	0.4
Other 1-2 Beds	0.4	1.2	1.7
Other 3 Beds	0.1	0.4	0.0
Other 4+ Beds	0.0	0.2	0.0
Total	100.0	100.0	100.0
Base	104645	22278	19311

Source: 2015 Household Survey

Table 5.6 Open market dwelling stock and preferences

Dwelling type/size summary	% Profile of new dwelling stock based on:		
	Current stock	Like	Expect
House 1/2 Beds	17.5	9.9	16.2
House 3 Beds	45.0	36.0	43.1
House 4 or more Beds	22.4	28.9	15.9
Bungalow	6.5	18.1	15.1
Flat	8.0	5.2	8.0
Other	0.5	1.9	1.7
Total	100.0	100.0	100.0
Base	104645	22278	19311

Source: 2015 Household Survey

- 5.18 This analysis would suggest that on the basis of household aspirations (likes), demand for the delivery of three and four-plus bedroom detached houses is highest. There is a desire for three bedroom semi-detached houses, but a much greater stock of this type of dwelling. By contrast, the aspiration for bungalows is much greater than the current stock. Development more reflective of household expectation would result in an increased emphasis on developing larger detached family houses along with smaller bungalows.
- 5.19 Table 5.7 considers the current dwelling stock profile of open market dwellings by sub-area and then the extent to which this varies from the stock profile based on the aspirations and expectations of households planning to move (using sub-area level data). Where cells are colour-coded: a green spot indicates that the current proportion of dwelling stock is greater than the aspiration/expectation for that dwelling stock; a red spot indicates that the proportion of dwelling stock is lower than the aspiration/expectation. Therefore a red spot suggests there is a lack of that particular type of dwelling type and size in that sub-area.

Table 5.7a Comparison between current dwelling stock and market aspirations

Dwelling stock relative to aspirations													
Dwelling type	Sub-area												
	Bramhall, Cheadle Hulme (South) and Woodford	Bredbury, Lower Brinnington, Woodley (West)	Brinnington	Cheadle, Cheadle Heath, Edgeley, Shaw Heath, Adswold, Davenport (West)	Gatley, Heald Green and Cheadle Hulme (North)	Hazel Grove, Davenport (East), Heavily, Offerton (West)	Heaton Chapel (North East), Heaton Norris (East), Reddish, Lancashire Hill	Heaton Mersey, Heaton Norris (West), Heaton Moor	Town Centre and Hillgate	Woodley (East), Greave, Romiley, Marple, High Lane, Mellor, Torkington, Offerton (East), Norbury Moor	Total		
Detached house/cottage 1-3 B	● -13.2	● -19.5	● -20.8	● -18.3	● -12.1	● -17.2	● -16.0	● -12.7	● -23.4	● -7.9	● -14.1		
Detached house/cottage 4 or n	● 6.0	● -20.4	● -14.6	● -21.8	● -7.2	● -17.6	● -21.4	● -9.6	● -23.7	● -6.0	● -11.3		
Semi-detached house/cottage	● -1.9	● 11.4	● 7.5	● 6.9	● -0.9	● 5.1	● 3.9	● -1.0	● -2.7	● -1.7	● 2.0		
Semi-detached house/cottage	● 9.5	● 17.1	● 3.0	● 16.7	● 12.7	● 19.7	● 26.5	● 6.1	● -4.3	● 18.5	● 15.9		
Semi-detached house/cottage	● 6.9	● -0.8	● -1.5	● -0.5	● 5.6	● 3.5	● -0.2	● 10.1	● -4.2	● 5.1	● 3.9		
Terraced house/cottage 1-2 Be	● -1.4	● 10.4	● 12.1	● 24.9	● 0.1	● 10.2	● 13.6	● 2.4	● 35.6	● 2.8	● 7.4		
Terraced house/cottage 3+ Be	● 3.5	● 4.7	● 27.1	● 11.4	● 3.2	● 8.3	● 9.8	● 8.3	● 2.5	● 1.8	● 6.3		
Bungalow	● -10.9	● -3.5	● -14.7	● -17.5	● -6.3	● -11.8	● -17.1	● -16.5	● -18.1	● -8.3	● -11.5		
Flat	● 2.6	● 1.8	● 3.8	● 0.0	● 6.7	● 1.7	● -0.1	● 14.5	● 40.1	● -2.5	● 2.8		
Other	● -1.2	● -1.2	● -1.9	● -1.9	● -1.9	● -1.9	● 1.1	● -1.6	● -1.9	● -1.9	● -1.4		
	●	Insufficient dwellings available relative to aspiration											
	●	Sufficient dwellings available relative to aspiration											

Table 5.7b Comparison between current dwelling stock and market expectations

Dwelling stock relative to expectations												
Dwelling type	Sub-area											
	Bramhall, Cheadle Hulme (South) and Woodford	Bredbury, Lower Brinnington, Woodley (West)	Brinnington	Cheadle, Cheadle Heath, Edgeley, Shaw Heath, Adswode, Davenport (West)	Gatley, Heald Green and Cheadle Hulme (North)	Hazel Grove, Davenport (East), Heavily, Offerton (West)	Heaton Chapel (North East), Heaton Norris (East), Reddish, Lancashire Hill	Heaton Mersey, Heaton Norris (West), Heaton Moor	Town Centre and Hillgate	Woodley (East), Greave, Romiley, Marple, High Lane, Mellor, Torkington, Offerton (East), Norbury Moor	Total	
Detached house/cottage 1-3 B	● -3.4	● -9.7	● -11.1	● -8.5	● -2.4	● -7.5	● -6.3	● -3.0	● -13.7	● 1.9	● -4.4	
Detached house/cottage 4 or n	● 18.3	● -8.1	● -2.3	● -9.5	● 5.1	● -5.3	● -9.1	● 2.7	● -11.3	● 6.3	● 1.0	
Semi-detached house/cottage	● -3.4	● 9.9	● 5.9	● 5.4	● -2.4	● 3.6	● 2.4	● -2.5	● -4.2	● -3.2	● 0.5	
Semi-detached house/cottage	● -3.3	● 4.4	● -9.8	● 3.9	● -0.1	● 6.9	● 13.7	● -6.7	● -17.1	● 5.7	● 3.1	
Semi-detached house/cottage	● 7.1	● -0.6	● -1.3	● -0.2	● 5.8	● 3.7	● 0.1	● 10.4	● -3.9	● 5.4	● 4.2	
Terraced house/cottage 1-2 Be	● -6.9	● 4.9	● 6.6	● 19.4	● -5.3	● 4.7	● 8.1	● -3.1	● 30.1	● -2.7	● 1.9	
Terraced house/cottage 3+ Be	● 0.7	● 1.8	● 24.2	● 8.5	● 0.4	● 5.5	● 7.0	● 5.4	● -0.3	● -1.1	● 3.4	
Bungalow	● -7.9	● -0.5	● -11.7	● -14.5	● -3.3	● -8.8	● -14.1	● -13.5	● -15.1	● -5.3	● -8.5	
Flat	● -0.2	● -1.0	● 1.0	● -2.8	● 3.9	● -1.1	● -2.9	● 11.7	● 37.3	● -5.3	● 0.0	
Other	● -1.0	● -1.0	● -1.7	● -1.7	● -1.7	● -1.7	● 1.3	● -1.5	● -1.7	● -1.7	● -1.2	
	●	Insufficient dwellings available relative to aspiration										
	●	Sufficient dwellings available relative to aspiration										

Source: 2015 Household Survey

Concluding comments

- 5.20 The purpose of this chapter has been to explore how key drivers of the local market and underlying trends impact upon the structure of households and population moving forward.
- 5.21 This chapter has therefore considered the following three key primary drivers influencing the current and future housing market:
- Demographic information;
 - Economic information; and
 - Dwelling stock information.
- 5.22 In line with Government 2012-based population projections, Stockport Metropolitan Borough is forecast to see population growth of 9.0% over the period 2015 to 2037. Within this forecast there will be significant growth (43.6%) in older age groups (65+ years).
- 5.23 The rate of employment in Stockport is around 58.2% and 30.6% of households are wholly retired from work (2015 Household Survey). There is however a noticeable degree of polarisation within earnings, with 25.6% of all households receiving less than £13,000 per annum and 44.0% receiving more than £26,000 per annum.
- 5.24 Median incomes in Stockport are just below the national average, but above the regional average.
- 5.25 The delivery of new build housing (all tenures) slowed significantly for several years during the economic recession but since 2012/13 there has been an increase in dwelling completions.

6. Housing need

Introduction

- 6.1 This Chapter considers housing need and affordable housing requirements within Stockport Metropolitan Borough.
- 6.2 Primary and secondary data sources have been used to assess existing housing need across all households in the Borough. There is also a full analysis of how housing need varies by sub-area (spatially), tenure and household type.
- 6.3 The affordable housing requirements arising are set out, including a suggested tenure split (between social/affordable rented and intermediate/shared ownership) and a consideration of existing and newly-forming households' property type preferences.
- 6.4 The needs of particular groups are considered in more depth: families, older people, people with special needs and Black, Asian and Minority Ethnic Groups (BAME).

Current households in need

- 6.5 A robust and defensible assessment of housing need is essential for the development of affordable housing policies. Housing need can be defined as:
'The quantity of housing required for households who are unable to access suitable housing without financial assistance'.
- 6.6 The 2015 Household Survey and a range of secondary data provide the robust and transparent evidence base required to assess housing need across the Stockport Metropolitan Borough area. This is presented in detail at Appendix B of this report and follows CLG modelling guidance.
- 6.7 Across Stockport there are 12,529 existing households in need which represents 10.2% of all households. Reasons for housing need are summarised in Table 6.1.

Table 6.1 Housing need in Stockport		
Category	Factor	Stockport Total
Homeless households or with insecure tenure	N1 Under notice, real threat of notice or lease coming to an end	1166
	N2 Too expensive, and in receipt of housing benefit or in arrears due to expense	1823
Mismatch of housing need and dwellings	N3 Overcrowded according to the 'bedroom standard' model	3180
	N4 Too difficult to maintain	2800
	N5 Couples, people with children and single adults over 25 sharing a kitchen, bathroom or WC with another household	2496
	N6 Household containing people with mobility impairment or other special needs living in unsuitable accommodation	2644
Dwelling amenities and condition	N7 Lacks a bathroom, kitchen or inside WC and household does not have resource to make fit	304
	N8 Subject to major disrepair or unfitness and household does not have resource to make fit	932
Social needs	N9 Harassment or threats of harassment from neighbours or others living in the vicinity which cannot be resolved except through a move	673
Total no. households in need (with one or more housing needs)		12,529
Total Households		123,085
% households in need		10.2%

Note: A household may have more than one housing need.

Source: 2015 Household Survey

Table 6.2 summarises overall housing need (before further analysis to test the extent to which households can afford open market provision to offset their need) by sub-area and the extent to which housing need varies across Stockport. The proportion of households in need is highest in Heaton Chapel (North East), Heaton Norris (East), Reddish and Lancashire Hill (15.2%) and in Town Centre and Hillgate (14.8%). Housing need is lowest in Bredbury, Lower Brinnington and Woodley (West) (6.5%) and in Woodley (East), Greave, Romiley, Marple, High Lane, Mellor, Torkington and Offerton (East) (7.2%).

Table 6.2 Households in need by sub-area

Sub-area	No. H'holds in need	% H'holds in need	Total no. households
Bramhall, Cheadle Hulme (South) and Woodford	1297	8.5	15260
Bredbury, Lower Brinnington, Woodley (West)	538	6.5	8252
Brinnington	345	10.8	3192
Cheadle, Cheadle Heath, Edgeley, Shaw Heath, Adswold, Davenport (West)	1915	13.2	14527
Gatley, Heald Green and Cheadle Hulme (North)	1665	11.6	14348
Hazel Grove, Davenport (East), Heavily, Offerton (West)	1911	9.6	19818
Heaton Chapel (North East), Heaton Norris (East), Reddish and Lancashire Hill	2273	15.2	14991
Heaton Mersey, Heaton Norris (West), Heaton Moor	857	8.2	10441
Town Centre and Hillgate	248	14.8	1676
Woodley (East), Greave, Romiley, Marple, High Lane, Mellor, Torkington, Offerton(East)	1480	7.2	20580
Stockport Total (All households in need)	12529	10.2%	123085

Source: 2015 Household Survey

6.8 Tables 6.3 and 6.4 demonstrate how the proportion of households in housing need varies by tenure and household type for Stockport. Private renters are more likely to be in housing need, at almost one-quarter of households; along with couples with 3 or more children, lone parents and other types of household. Parents (couples and lone parents) with adult children living at home are also more likely to be in housing need. The research identifies around 15,790 households with adult children living with parent(s), which provides a broad indication of the scale of hidden housing need. Of these, 2,589 were categorised as being in housing need (16.4%)

Table 6.3 Housing need by tenure

Tenure	No. H'holds in need	% H'holds in need	Total no. households
Owner Occupier	6501	7.2	90167
Private Rented	3623	23.9	15157
Affordable	2404	13.5	17762
Total (All households in need)	12529	10.2%	123085

Source: 2015 Household Survey

Table 6.4 Housing need by household type

Household Type	No. H'holds in need	% H'holds in need	Total no. households
Single Adult (under 65)	1816	9.1	19888
Single Adult (65 or over)	983	5.9	16531
Couple only (both under 65)	1246	6.1	20490
Couple only (one or both over 65)	1131	6.5	17530
Couple with 1 or 2 child(ren) under 18	1528	8.2	18655
Couple with 3 or more children under 18	841	23.3	3604
Couple with child(ren) aged 18+	1328	11.7	11356
Lone parent with 1 or 2 child(ren) under 18	1000	17.3	5772
Lone parent with 3 or more children under 18	156	20.7	754
Lone parent with child(ren) aged 18+	1261	28.4	4434
Other type of household	1238	30.6	4040
Total	12529	10.2%	123054

Source: 2015 Household Survey

Affordable housing requirements

- 6.9 A detailed analysis of the following factors determines overall affordable housing requirements:
- Households currently in housing which is unsuitable for their use and who are unable to afford to buy or rent in the market (backlog need);
 - New households forming who cannot afford to buy or rent in the market;
 - Existing households expected to fall into need;
 - The supply of affordable housing through social renting and intermediate tenure stock.
- 6.10 The needs assessment model advocated by the DCLG has been used and detailed analysis of each stage of the model is presented at Appendix B.
- 6.11 In addition to establishing the overall affordable housing requirements, analysis considers the supply/demand variations by township, property designation (i.e. general needs and older person) and property size (number of bedrooms). Analysis provides a gross figure (absolute shortfalls in affordable provision) and a net figure (which takes into account supply of existing affordable accommodation). Modelling suggests an annual gross imbalance of 1,696 dwellings and after taking account of affordable supply an annual net imbalance of 931 affordable dwellings across Stockport as shown in Table 6.5.
- 6.12 Analysis is based on the next five years and in the absence of any updated information this should be extrapolated forward to the Local Plan period.

Table 6.5 Net annual affordable housing imbalance by sub-area, property size and designation 2014/15 to 2018/19

Township	General Needs		Older Person	TOTAL
	1/2 Bed	3+ Bed	1+ Bed	
Bramhall, Cheadle Hulme (South) and Woodford	26	72	20	119
Bredbury, Lower Brinnington, Woodley (West)	7	4	13	23
Brinnington	-144	-16	9	-151
Cheadle, Cheadle Heath, Edgeley, Shaw Heath, Adswold, Davenport (West)	159	13	36	208
Gatley, Heald Green and Cheadle Hulme (North)	134	-7	23	149
Hazel Grove, Davenport (East), Heavily, Offerton (West)	45	134	-14	166
Heaton Chapel (North East), Heaton Norris (East), Reddish, Lancashire Hill	150	132	-4	278
Heaton Mersey, Heaton Norris (West), Heaton Moor	9	16	23	48
Town Centre and Hillgate	-20	-1	-1	-22
Woodley (East), Greave, Romiley, Marple, High Lane, Mellor, Torkington, Offerton (East)	18	79	16	114
Total	382	431	118	931

Sources: 2015 Household Survey; RP CORE Lettings and Sales

Tenure split

- 6.13 In terms of the split between social rented and intermediate tenure products, the Household Survey identified tenure preferences of existing and newly-forming households and also the extent to which intermediate tenure products could be afforded.
- 6.14 Table 6.6 indicates that existing households in need mainly considered social/affordable renting as a preferred tenure option but newly-forming households had a stronger preference for intermediate tenure options.

Table 6.6 Tenure preferences of existing households in need and newly-forming households requiring affordable housing

Tenure	Existing households in need (%)	Newly-forming households (%)	Total (%)
Social/Affordable Rented	70.0	40.8	60.8
Intermediate	30.0	59.2	39.2
Total	100	100	100
<i>Base (annual requirement)</i>	1158	538	1696

Source: 2015 Household Survey

- 6.15 Overall, analysis would suggest a tenure split of 61% affordable rent and 39% intermediate tenure based on household preferences.

Property type preferences

- 6.16 Analysis of property type preferences (Table 6.7) suggests that a range of dwellings are required, with 52% preferring houses, 32.1% flats and 15.9% bungalows.

Table 6.7 Property type preferences			
Type preferences	Existing (%)	Newly-forming (%)	Total (%)
House	45.2	66.6	52.0
Flat	34.1	27.8	32.1
Bungalow	20.6	5.6	15.9
Total	100.0	100.0	100.0
Base	1158	538	1696

Based on expectations of existing households in need and what newly-formed households have moved to in the past 5 years

Source: 2015 Household Survey

Estimates of household groups who have particular housing requirements

Introduction

- 6.17 There are a range of household groups who have particular housing requirements and this chapter focuses on the needs of families, older people and people requiring specialist support.

Families

- 6.18 Families (that is couples and lone parents with children) account for around 23.4% of households across Stockport. A further 12.8% are couples and lone parents with adult children (aged 18 or over) living with them. The analysis assumes therefore a total of 36.2% of households who are families (including those with adult children still living at home). The current dwelling profile and market aspirations of families are summarised in Table 6.8. This suggests a particular aspiration for houses with four or more bedrooms (46.0% of families), but they are typically expecting to move to houses with three bedrooms (50.2%).

Table 6.8 Property type preferences – Families			
Dwelling type	Current dwelling	Like	Expect
Detached house/cottage 1-2 Beds	0.1%	0.9%	0.0%
Detached house/cottage 3 Beds	8.6%	18.5%	9.6%
Detached house/cottage 4 or more Beds	14.7%	37.2%	15.3%
Semi-detached house/cottage 1-2 Beds	2.9%	3.3%	4.1%
Semi-detached house/cottage with 3 Beds	33.9%	14.6%	31.7%
Semi-detached house/cottage 4 or more Beds	15.0%	6.5%	7.0%
Terraced house/cottage 1-2 Beds	8.2%	1.6%	11.9%
Terraced house/cottage 3 Beds	9.4%	1.8%	8.9%
Terraced house/cottage 4+ Beds	3.3%	2.3%	1.5%
Bungalow 1-2 Beds	0.8%	5.3%	4.8%
Bungalow 3+ Beds	1.0%	5.3%	2.5%
Flat/Apartment 1 Bed	0.5%	0.0%	1.1%
Flat/Apartment 2 Beds	1.1%	2.6%	0.7%
Flat/Apartment 3+ Beds	0.2%	0.0%	0.8%
Other 3 Bed	0.2%	0.0%	0.0%
Total	100.0%	100.0%	100.0%
<i>Base (Valid responses)</i>	<i>39419</i>	<i>10445</i>	<i>8718</i>
SUMMARY			
Houses 1/2 Bed	11.2%	5.8%	16.0%
Houses 3 Bed	51.9%	34.9%	50.2%
Houses 4+ Bed	33.0%	46.0%	23.8%
Bungalow	1.8%	10.6%	7.3%
Flat	1.8%	2.6%	2.6%
Other	0.2%	0.0%	0.0%
Total	100.0%	100.0%	100.0%
<i>Base (Valid responses)</i>	<i>39419</i>	<i>10445</i>	<i>8718</i>

- 6.19 In terms of housing need (refer back to Table 6.4), compared with the overall proportion of households in need of 10.2%, 13.7% of all families are in housing need. Overall, 12.2% of families with children under 18 are in housing need and 16.4% of families with adult children living at home are in housing need. The proportion of households in need is highest amongst lone parents with adult children living at home (28.4%) and couples with three or more children under 18 (23.3%). Couples with one or two children under 18 and couples with adult children living at home are less likely to be in housing need, at 8.2% and 11.7% respectively.
- 6.20 Modelling of affordable housing requirements suggests that a range of affordable dwellings are required including two and three bedroom dwellings which will help to address the needs of families.

Older people

- 6.21 A major strategic challenge for the Council is to ensure a range of appropriate housing provision, adaptation and support for the area's older population. The number of people across Stockport area aged 65 or over is projected to increase from 56,700 in 2015 to 81,400 by 2037 (43.6% increase).
- 6.22 The majority of older people (67.4%) want to stay in their own homes with help and support when needed (Table 6.9) and around a quarter (24.7%) would consider buying a property on the open market. Sheltered accommodation is an attractive option, with rent (18.6%) or purchase (15.0%) being considered more favourably than shared ownership (part buy/rent). A similar trend is seen towards Extra Care housing; 13.7% would consider renting and 10.8% buying Extra Care accommodation. 16.1% would consider renting from a housing association compared to only 6.8% who would consider renting from a private landlord. This evidence suggests a need to continue to diversify the range of older persons' housing provision. Additionally, providing a wider range of older persons' accommodation has the potential to free-up larger family accommodation.

Table 6.9 Older persons' housing options	
Housing option	% would consider
Continue to live in current home with support when needed	67.4%
Buying a property on the open market	24.7%
Rent a property from a private landlord	6.8%
Rent from HA	16.1%
Sheltered accommodation - To Rent	18.6%
Sheltered accommodation - To Buy	15.0%
Sheltered accommodation - Part Rent/Buy	8.3%
Extra care housing - To Rent	13.7%
Extra care housing - To Buy	10.8%
Extra care housing - Part Rent/Buy	5.7%
Residential care home	5.9%
Co-housing	11.8%
<i>Base (total households responding)</i>	33237

- 6.23 The range of assistance required from all households including older person households is explored in Table 6.10. Particularly noted by older people (65+ years) is the need for help with gardening (43.5% stated this help is needed either now or in the next five years), help with the repair and maintenance of the home (37.4%) and help with cleaning the home (36.2%).

Table 6.10 Type of assistance required either now or in next 5 years by age group

Assistance required	Age group (% of households)		
	Under 65 years	65+ years	Total
Help with repair and maintenance of home	18.3	37.4	23.7
Help with gardening	11.4	43.5	20.4
Help with cleaning home	8.0	36.2	15.9
Help with other practical tasks	6.0	27.0	11.9
Help with personal care	6.4	16.0	9.1
Want company / friendship	6.5	10.6	7.6
<i>Base (All households)</i>	<i>88373</i>	<i>34712</i>	<i>123085</i>

Source: 2015 Household Survey

6.24 In terms of adaptations (Table 5.11), most frequently mentioned by older people were adaptations to bathroom (14.3%), internal handrails (10.2%) and a downstairs toilet (9.1%). Resources for aids and adaptations remain tight, particularly for households in the private sector. Alternative sources of funding, such as equity loans, should be considered to finance remedial measures required by older person households.

Table 6.11 Adaptations required either now or in next 5 years by age group

Adaptation required	Age group (% of households)		
	Under 65 years	65+ years	Total
Better heating	11.7	7.5	10.5
More insulation	12.1	5.4	10.2
Double glazing	10.5	6.0	9.3
Adaptations to Bathroom	5.1	14.3	7.6
Increase the size of property	9.0	2.4	7.1
Security alarm	6.3	7.1	6.5
Internal handrails	4.3	10.2	6.0
Downstairs WC	2.4	9.1	4.3
Stair lift / vertical lift	2.5	7.9	4.0
External handrails	2.7	6.8	3.8
Adaptations to kitchen	3.5	4.2	3.7
Community alarm service	1.5	8.3	3.5
Wheelchair adaptations	1.9	4.0	2.5
Improvements to access	2.0	3.4	2.4
Room for a carer	1.8	2.6	2.0
Lever door handles	1.0	1.4	1.1
<i>Base (All households)</i>	<i>88373</i>	<i>34712</i>	<i>123085</i>

Source: 2015 Household Survey

Older person dwelling size preferences

- 6.25 The household survey identified 3,053 older person households who expect to move in the next 5 years. Of these, 37.7% stated a preference to downsize i.e. they would have fewer bedrooms in their future property than their current one, 48.7% would like to have the same number of bedrooms and 13.6% would like to have more bedrooms than they currently have.
- 6.26 Table 6.12 summarises the range of dwelling types which older person households planning to move would like and expect to move to. The majority would like and expect to move to a bungalow, followed by houses and then flats.

Table 6.12 Dwelling type preferences of older person households planning to move in the next 5 years

Dwelling type	Like (%)	Expect (%)
House	28.0	21.4
Flat	13.0	14.1
Bungalow/Older people's housing/supported	58.3	62.3
Other	0.7	2.2
Total	100.0	100.0
<i>Base (Valid responses)</i>	3211	2359

Source: 2015 household survey

General support requirements

- 6.27 The 2015 Household Survey provided evidence of the need for particular adaptations across all households. Particularly noted across all households is a need for more insulation (10.5%) and double glazing (10.2%) (Table 6.11).
- 6.28 Overall, 6.6% of all properties across Stockport had been adapted or purpose built for a person with a long-term illness, health problem or disability. 7.7% of households said they required care or support to enable them to stay in their current home. 63.7% of households stated that there was sufficient space for a carer to stay overnight if this was needed – across the affordable (social) rented sector this fell to 31.6%.
- 6.29 The Household Survey also provides information on the need for other forms of assistance (Table 6.10), highlighting the particular need for help with repair and maintenance of the home (23.7% of all households) and help with gardening (20.4%).

Specialist support requirements

- 6.30 Table 6.13 summarises the type of client groups who require care/support and were accommodated in social rented housing across Stockport area over the three year period 2010/11 to 2012/13. Data indicates that a range of groups are

accommodated in RP specialist provision, most notably older people with support.

Table 6.13 Client groups accommodated in social rented sector in Stockport 2010/11 to 2012/13

Client group	Number
People with physical or sensory disabilities	4
People with learning disabilities	26
People with mental health problems	20
Offenders and people at risk of offending	71
Older people with support needs	508
Single homeless people with support needs	20
Homeless families with support needs	1
Young people at risk	80
Missing	1
Total	732

Source: Supported CORE lettings data

Stakeholder views on specialist housing provision

- 6.31 The online survey found that stakeholders working in this area were working with a range of groups including those with special needs, victims of domestic violence and the elderly. Asked what changes providers are seeing in their client groups, the following were mentioned:
- An increase in older people demand focused around Extra Care and dementia schemes; and
 - Increasing demand from vulnerable groups.
- 6.32 Some respondents felt that there had been an increase in demand for support services over the past three years. This demand was focused around (but not limited to) a range of groups who have been affected by welfare reform issues, older people who had extra care and dementia needs and those suffering from mental health issues.
- 6.33 Stakeholders identified elderly provision and particularly extra care as the biggest housing stock shortages for independent living. Smaller independent units, bungalows, retirement schemes, homes for life and extra care schemes are the types of housing stakeholders felt should be built to meet the requirements of older people.
- 6.34 Easily adaptable properties in accessible locations were noted as the types of properties that should be built to cater to the requirements of people with additional needs however, a lack of finances and waiting lists that are not being properly managed were raised as the current challenges faced by stakeholders around physical adaptations of property.

- 6.35 Very limited feedback was given by stakeholders about the affect government grants has had on housing provision. Of the feedback obtained, revenue support for customers was highlighted as the biggest challenge for schemes.
- 6.36 The biggest barriers to the delivery of specialist housing in Stockport were identified as the lack of land availability and the viability of this land and challenges with planning policy and permissions.
- 6.37 In terms of key messages for the HNA in respect of specialist housing provision in Stockport, respondents made the following points:
- More Extra Care, dementia schemes and support services are needed within the area alongside; and
 - More support for vulnerable groups.

Homeless households

- 6.38 Homelessness statistics for 2014/15⁵⁰ indicate that a total of 335 decisions were made on households declaring themselves as homeless across Stockport (Table 6.14). Of these households, 146 were classified as homeless and in priority need. Over the five years 2010/11 to 2014/15, an annual average of 410 decisions were made across Stockport and an average of 123 households each year were declared as homeless and in priority need.

Table 6.14 Homeless decisions and acceptances 2010/11 to 2014/15

Year	Decisions made	Accepted as homeless
2010/11	331	113
2011/12	375	94
2012/13	457	134
2013/14	550	130
2014/15	335	146
Total	2048	617
5-Year Annual Average	409.6	123.4

Source: CLG Homelessness Statistics

Households previously homeless

- 6.39 The Household Survey identified 820 households who had been previously homeless or living in temporary accommodation and had moved to their present accommodation in the past five years.
- 6.40 Table 6.15 presents a range of information relating to the characteristics of previously homeless households and the dwelling choices that they have made. Almost half (49.4%) of households previously homeless have moved into social rented or affordable accommodation and 41.3% have moved into the private rented sector. They have moved into predominantly two bedroom dwellings,

⁵⁰ CLG Homeless Statistics [Table 627: Local Authorities' action under the homelessness provisions of the 1985 and 1996 Housing Acts, by sub-area](#)

with 18.9% moving to bedsits or one bedroom dwellings and 5.6% moving into three plus bedroom dwellings.

- 6.41 The incomes of previously homeless households are generally low with 55.2% receiving less than £200 each week and 7.1% receiving between £200 and £300 each week. 44.5% are singles under 65, 15.3% are singles 65+ and 12.8% are couples with one or two children.

Table 6.15 Characteristics of households previously homeless

Household Type	%	Property Type	%
Single Adult (under 65)	44.5	House	43.2
Single Adult (65 or over)	15.3	Flat	35.2
Couple with 1 or 2 child(ren) under 18	12.8	Other	21.6
Other type of household	27.3		
Total	100.0	Total	100.0
Current tenure	%	Origin	%
Owner Occupied	9.3	Within Stockport	45.2
Private Rented	41.3	Refused/unknown	54.8
Social Rented/Affordable	49.4		
Total	100.0	Total	100.0
Current income (Gross weekly)	%	Property size	%
Under £200	55.2	0/1 Bed	18.9
£200 to <£300	7.1	2 Beds	75.5
£300+	37.7	3 or more Beds	5.6
Total	100.0	Total	100.0

Base: 820 households previously homeless

Source: 2015 Household Survey

Black, Asian and Minority Ethnic households (BAME)

- 6.42 The 2015 Household Survey indicates that 93% of Household Reference People describe themselves as 'White British' and 7% describe themselves as having other ethnicities. Of these, 1.3% are White Central/Eastern European, 1.1% White Irish and 0.9% are other White groups. A further 1.9% are Asian/Asian British, 0.6% have a mixed ethnicity, 0.4% are Black/Black British and 0.8% are other ethnicities.
- 6.43 The most ethnically diverse sub-areas are the Heaton Chapel area (12.3% of Household Reference People have an ethnicity other than White British), Cheadle area (9.9%) and Heaton Mersey area (9.8%).
- 6.44 Information on BAME households based on the 2015 Household Survey includes:
- 21.9% live in the Heaton Chapel area, 16.9% live in the Cheadle area and 13.6% live in the Gatley area;
 - 56.8% are owner occupiers, 30.5% rent privately and 12.7% live in affordable housing (social rented or intermediate tenures);

- 23.7% had a gross income of less than £300 each week, 31.7% received between £300 and £500 each week and 44.6% received more than £500 each week;
 - 1,455 BAME households were in some form of housing need (17.9%); with overcrowding and sharing of facilities being the key reasons; and
 - 10.9% were dissatisfied with the state of repair of their homes.
- 6.45 The 2011 Census identified 56 people with Gypsy and Traveller ethnicity living in 18 households. The 2014 Gypsy and Traveller Accommodation Assessment identified a need for 5 Travelling Showperson plots over the period 2014/15 to 2018/19, no shortfall for Gypsy and Traveller pitches and a need for 9 transit pitches accommodating up to 18 caravans.

Summary

- 6.46 This Chapter and the associated Appendices provides a clear definition of housing need and affordable housing required, along with a step-by-step explanation of the housing needs assessment model.
- 6.47 Analysis has identified a total of 12,529 households in housing need, representing 10.2% of all households across Stockport Metropolitan Borough. Assessment reveals that there is an annual imbalance of 931 affordable dwellings across Stockport Metropolitan Borough.
- 6.48 Overall, analysis would suggest a tenure split of 61% social/affordable rented and 39% intermediate tenure.
- 6.49 In terms of the size of affordable housing required, the analysis indicates a need for a range of dwelling sizes, with 41% of need for smaller one and two bedroom general needs, 46.3% three or more bedroom general needs and 12.7% older person dwellings. Key findings
- 6.50 In terms of intermediate affordable housing for sale the analysis reveals that around 45.5% all households in need can afford an intermediate affordable house at around the £80,000 level or below and 32.8% could afford up to £140,000.
- 6.51 Around 6.2% of all households in need are older people (65+ years). Whilst this proportion may seem low it is reflective of the high levels of owner occupation amongst older people and therefore the ability under the assessment model to meet their own housing needs in situ or through the sale / release of equity.
- 6.52 It is also evident that the vast majority of older people wish to stay within their existing homes. For most this is an informed and appropriate choice where current and future housing needs can be addressed through in situ solutions (including adaptations). However, there is some notable concern regarding a lack of choice within the market especially for owner occupiers who are unable to find suitable downsizing properties and options.
- 6.53 Whilst this concern falls outside of the strict definition of housing need, the impact and influence of this potential lack of fluidity within the market has repercussions upon the overall operation of the housing market and the ability of households to trade up into properties released by older people.

- 6.54 For those older person households wishing to remain in their own homes but requiring adaptations the most frequently mentioned are bathroom adaptations and internal handrails. Similarly, the need for domiciliary assistance is weighted towards gardening, general repairs and maintenance and household cleaning.

7. Conclusion: policy and strategic issues

- 7.1 This document has been prepared to equip the Council and their partners with robust, defensible and transparent information to help inform strategic decision-making and the formulation of appropriate housing and planning policies. The work also takes account of the new National Planning Policy Framework which came into effect in March 2012 and National Planning Practice Guidance February 2014.
- 7.2 The HNA will help the Council plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community. Specifically, the HNA identifies the size, type and tenure of housing required by sub-area by considering current market demand relative to supply; and also identifies a continued affordable housing imbalance across Stockport Metropolitan Borough.
- 7.3 This concluding chapter summarises key messages from the research findings, structured around a commentary on the current and future housing markets; the interactions of Stockport with other areas; and relates findings to key local strategic issues.

The Housing Market Area

- 7.4 An analysis of 2011 Census migration data suggests that 62.5% of moving households originated from within Stockport and 53.9% of employees live and work within the Borough. Former Government guidance suggested that housing markets are self-contained if at least 70% of moves take place within the area.
- 7.5 Stockport can be described as a broadly self-contained housing market on the basis of migration and part of a wider functional ‘Manchester’ strategic Housing Market Area. The 2015 Household Survey found that over 70% of households planning to move intend to stay in the Borough.

The current housing market

- 7.6 This study provides up to date information on the housing stock in the Council area and how the stock profile varies by market area is presented in data tabulations accompanying this report.
- 7.7 Across Stockport there are a total of 126,760⁵¹ dwellings and a total of 123,085 households⁵². Overall, the 2015 Household Survey shows that:
- 77.7% of properties are houses, 15.2% are flats/maisonettes, 6.6% are bungalows and 0.5% are other property types (e.g. caravans);
 - 9.7% have one bedroom/studio, 26.5% have two bedrooms, 43.7% have three bedrooms and 20.2% have four or more bedrooms;

⁵¹ 2014 CLG Dwelling Stock data

⁵² 2015 Council Tax data

- 16.2% of properties were built before 1919, a further 25.9% were built between 1919 and 1944, 24.9% between 1945 and 1964, 21.8% between 1965 and 1984, 8.9% between 1985 and 2004 and 2.3% have been built since 2005; and
- 73.3% of properties are owner-occupied, 13.5% are rented from a social landlord, 12.3% are private rented/tied accommodation and 1.0% are intermediate tenure.

Housing markets and mobility

- 7.8 A range of material has been gathered to help identify market drivers and the characteristics of the Stockport Housing Market Area and linkages with other areas.
- 7.9 An analysis of household mobility using survey data suggests that of households moving in the past five years, 63.2% originated in Stockport and 36.8% moved into the Borough. 12.7% originated from Manchester City Council area, 2.4% from Trafford, 1.6% from Bury, 1.3% from Tameside, 1.2% from Salford, 0.8% from Bolton and 0.2% from Rochdale. 4.9% originated from Cheshire, 0.5% from Derbyshire, 2.7% from elsewhere in the North West, 7.2% from elsewhere in the UK and 1.2% from outside the UK. Moving to be closer to work/new job and to get a larger or better property were key migration drivers. 81.6% of in-migrant households had a Household Reference Person aged under 60 and 18.4% were aged 60 and over; overall 79.8% were in employment and 63.2% had an income (of Household Reference Person and partner) of at least £26,000 per annum.

Future housing market

- 7.10 Data relating to future housing numbers and the Objectively Assessed Need for Housing has been explored in detail in this research.
- 7.11 The population of Stockport is estimated to be 287,400 in 2015⁵³ and this is projected to increase by 9.0% to 313,200 by 2037⁵⁴. Over the next few decades, there will be a marked increase in the number and proportion of residents aged 65 and over which is expected to increase by 43.6% from 56,700 in 2015 to 81,400 in 2037.

⁵³ ONS 2012-based population projections

⁵⁴ ONS 2012-based population projections

Housing need and demand

Delivering new housing

- 7.12 Households intending to move in the open market were asked what type and size of property they would like and expect to move to. This could then be compared with the current stock profile to identify any mismatches between availability and aspirations/expectation. Of households moving, most would like to move to a house (74.8%), 18.1% would like to move to a bungalow and 5.2% to a flat. This compares with 75.2% who expect to move to a house, 15.1% to a bungalow and 8.0% a flat. A much higher proportion would like to move to a detached house (47.1%) but only 24.9% expect to. In contrast, higher proportions expect to move to a semi-detached house (34.8%) than would like to (20.8%).
- 7.13 Future development should focus on delivering to address identified mismatches and reflect household aspirations.
- 7.14 The scale of affordable requirements has been assessed by taking into account the annual need from existing and newly-forming households within each sub-area and comparing this with the supply of affordable (social/affordable rent and intermediate tenure dwellings). The overall gross need for affordable housing is 1,696 dwellings each year. However, there is capacity of around 765 affordable dwellings each year, which results in an overall net imbalance of 931 affordable dwellings each year. In terms of the size of affordable housing required, the analysis indicates a need for a range of dwelling sizes, with 41% of need for smaller one and two bedroom general needs, 46.3% three or more bedroom general needs and 12.7% older person dwellings. It is therefore appropriate for the continued delivery of affordable housing to reflect underlying need.
- 7.15 A tenure split of 61% affordable (social) rented and 39% intermediate tenure is suggested.
- 7.16 In summary, key drivers in determining the tenure and type of future development include:
- The need to continue development to satisfy household aspirations, in particular the development of three and four bedroom detached houses, three bedroom semi-detached houses and bungalows;
 - Developing an increasing range of housing and support products for older people;
 - Delivering additional affordable housing to help offset the identified net shortfalls; and diversifying the range of affordable options by developing intermediate tenure dwellings and products; and
 - The economic viability of delivering affordable housing on sites across Stockport.

Improving the quality of existing stock

- 7.17 Strategic challenges include reducing the level of vacant dwellings and improving the quality of existing dwellings through better energy efficiency and modernisation.

Vacant stock

- 7.18 There are an estimated 3,675 (2.9%) vacant properties across Stockport and these are mainly in the private sector. Properties can be empty for a variety of reasons which include: the properties are too difficult to repair or are in the process of being repaired; they are in the process of being sold; they have been bought for capital investment; or they are in probate.
- 7.19 The Council should continue to consider identifying the reasons why properties are empty and identify mechanisms for bringing them back into use. Mechanisms could include:
- Financial/professional help for repairs and improvements in the form of equity loans; grant aid for renovation and subsequent leasing to a Housing Association for a fixed term; a professional service to manage repairs or full renovation; and
 - Assistance with letting management or the sale of a property.

Satisfaction and repair

- 7.20 Although the vast majority of households (80.3%) are satisfied with the condition of their dwellings, 7.0% of households were dissatisfied or very dissatisfied. Levels of dissatisfaction were highest amongst private renters, terraced houses and maisonettes and properties built pre-1919.
- 7.21 Improving the energy efficiency of dwellings and modernisation of stock is an important driver to improving the quality of existing stock and extends beyond those households expressing dissatisfaction. Given the need to reduce energy consumption, improve thermal comfort and future proof households from spikes in energy prices, retrofitting stock with improved insulation, heating systems and solar panels is likely to become a significant strategic issue.

The ageing population and addressing the needs of vulnerable people

- 7.22 A key challenge for the Council is to ensure a greater diversity of support services are made available to older people wanting to stay in their own home and develop funding mechanisms to achieve this. Particularly noted is the need for help with gardening, repair and maintenance of the home and cleaning.
- 7.23 Additionally, the range of housing options available to older people needs to be diversified, for instance through the development of open market housing marketed at older people and the development of sheltered housing, Extra Care accommodation and co-housing.

NPPF requirements

- 7.24 Paragraph 159 of the NPPF states that Local Planning Authorities should have a clear understanding of housing needs in their area and they should:
- Prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where Housing Market Areas cross administrative boundaries. The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period that:
 - Meets household and population projections, taking account of migration and demographic change;
 - Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and
 - Caters for housing demand and the scale of housing supply necessary to meet this demand.
- 7.25 The material in this HNA provides an evidence base to inform strategic decision making and has:
- evidenced the scale of affordable housing need and the specific affordable requirements necessary to offset the imbalance between supply and need;
 - reviewed market demand and the range of dwellings required to satisfy household expectations and aspirations; and
 - reflected upon the needs of different groups of the population, in particular older people and those requiring specialist support requirements.

Final comments

- 7.26 Appropriate housing and planning policies have a fundamental role to play in the delivery of thriving, inclusive and sustainable areas. These policies need to be underpinned with high quality data. This study has provided a wealth of up-to-date social, economic, demographic and housing data for Stockport Metropolitan Borough.
- 7.27 This research has reflected upon the housing market attributes of Stockport and interactions with other areas. The report signposts future strategic challenges which include the ongoing delivery of new market and affordable housing to address need and support economic growth; diversifying the range of affordable tenures available to local residents; improving the condition and energy efficiency of existing stock; and addressing the requirements of older people and vulnerable groups.

Introduction to Technical Appendices

- Technical Appendix A: Research methodology
- Technical Appendix B: Housing need
- Technical Appendix C: Monitoring and updating

Technical Appendix A: Research Methodology

Overall approach

- A.1 A multi-method approach was adopted in order to prepare a robust and credible Housing Needs Assessment for Stockport Metropolitan Borough Council:
- A sample survey of households across the Stockport Metropolitan Borough Council area. A total of 15,000 households were contacted and 2,244 questionnaires were returned and used in data analysis. This represents a 15.0% response rate overall and the total number of questionnaires returned was well in excess of the 1,500 specified in former Government HNA guidance (2007);
 - An online questionnaire of key stakeholders including Local Authority representatives, Registered Providers and Developers;
 - Interviews with estate and letting agents operating within the Borough; and
 - A review of relevant secondary data including the 2011 Census, house price trends, CORE lettings data and CLG Statistics.

Baseline dwelling stock information and survey sample errors

- A.2 Table A1 summarises total dwelling stock and the number of households contacted by survey area, achieved response rates and sample errors.

Sub-Area	Total Households	Total contacted	Achieved Response	Overall Response Rate	Sample error +/-
Bramhall, Cheadle Hulme (South) and Woodford	15,260	1500	291	19.4%	5.7%
Bredbury, Lower Brinnington, Woodley (West)	8,252	1500	199	13.3%	6.9%
Brinnington	3,192	1500	93	6.2%	10.0%
Cheadle, Cheadle Heath, Edgeley, Shaw Heath, Adswold, Davenport (West)	14,527	1500	210	14.0%	6.7%
Gatley, Heald Green and Cheadle Hulme (North)	14,348	1500	268	17.9%	5.9%
Hazel Grove, Davenport (East), Heavily, Offerton (West)	19,818	1500	240	16.0%	6.3%
Heaton Chapel (North East), Heaton Norris (East), Reddish, Lancashire Hill	14,991	1500	189	12.6%	7.1%
Heaton Mersey, Heaton Norris (West), Heaton Moor	10,441	1500	298	19.9%	5.6%
Town Centre and Hillgate	1,676	1500	175	11.7%	7.0%
Woodley (East), Greave, Romiley, Marple, High Lane, Mellor, Torkington, Offerton (East)	20,580	1500	281	18.7%	5.8%
Stockport Total	123,085	15000	2244	15.0%	2.0%

Source: Council Tax Data 2015;

1. Sample error is based on the 95% confidence interval which is the industry standard to establish result accuracy.

Weighting and grossing

- A.3 In order to proceed with data analysis, it is critical that survey data is weighted to take into account non-response bias and grossed up to reflect the total number of households. Weighting for each survey area was based on:
- **tenure** (the proportion of affordable (social rented and intermediate tenure) and open market dwellings based on 2011 Census data;
 - **age of household reference person** based on the proportions of household reference people aged under 65 and 65 or over living in affordable and open market provision derived from the 2011 Census.
- A.4 Ultimately, the survey element of the assessment is sufficiently statistically robust to undertake detailed analysis and underpin core outputs of the study down to the survey areas presented in Table A1. Furthermore, the survey findings are enhanced and corroborated through analysis of secondary data and stakeholder consultation.

List of stakeholders interviewed as part of the HNA process

A.5 An online survey and telephone/face to face interviews were carried out with a range of stakeholders drawn from:

- Local Authorities;
- Registered Providers; and
- Developers.

Technical Appendix B: Housing need calculations

Summary of contents

Stage 1: Current housing need (gross backlog)

- Step 1.1 Homeless households and those in temporary accommodation
- Step 1.2 Overcrowding and concealed households
- Step 1.3 Other groups
- Step 1.4 Total current housing need (gross)

Stage 2: Future housing need (gross annual estimate)

- Step 2.1 New household formation (gross per year)
- Step 2.2 Proportion of new households unable to buy or rent in the market
- Step 2.3 Existing households falling in to need
- Step 2.4 Total newly-arising housing need (gross per year)

Stage 3: Affordable housing supply

- Step 3.1 Affordable dwellings occupied by households in need
- Step 3.2 Surplus stock
- Step 3.3 Committed supply of new affordable housing
- Step 3.4 Units to be taken out of management
- Step 3.5 Total affordable housing stock available
- Step 3.6 Total supply of social re-lets (net)
- Step 3.7 Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels
- Step 3.8 Annual supply of affordable housing

Stage 4: Estimate of annual housing need

- Step 4.1 Total backlog need
- Step 4.2 Quota to reduce over 5 years (2)
- Step 4.3 Annual backlog reduction
- Step 4.4 Newly-arising need
- Step 4.5 Total annual affordable need
- Step 4.6 Annual social rented capacity
- Step 4.7 Net Annual Shortfall

Introduction

- B.1 A working definition of housing need is *‘the quantity of housing required for households who are unable to access suitable housing without financial assistance’*. The 2015 Household Survey and secondary data provide a robust range of information to quantify housing need in Stockport and the extent to which additional affordable housing is required.
- B.2 Housing needs analysis and affordable housing modelling has been prepared in accordance with CLG guidance at sub-area and Borough level. In summary, the model reviews in a step-wise process:
- Stage 1: Current housing need (gross backlog)
 - Stage 2: Future housing need
 - Stage 3: Affordable housing supply
 - Stage 4: Estimate of annual housing need
- B.3 Table B1 summarises the different steps taken in assessing housing need and evidencing the extent to which there is a surplus or shortfall in affordable housing across Stockport. Please note that in Stage 1, Step 1.4 reports the total number of households in need and avoids double counting as in some cases households have more than one housing need. Table B2 summarises the data by sub-area.

Table B1 CLG Needs Assessment Summary for Stockport

Step	Stage and Step description	Calculation	Stockport Total
Stage1: CURRENT NEED			
1.1	Homeless households and those in temporary accommodation	Annual requirement	1,166
1.2	Overcrowding and concealed households	Current need	3,181
1.3	Other groups	Current need	8,976
1.4	Total current housing need (gross)	Total no. of households with one or more needs	12,529
1.4A	TOTAL cannot afford open market (buying or renting)	Total (65.4%)	8194
Stage 2: FUTURE NEED			
2.1	New household formation (Gross per year)	Based on past 5 yr trends	957
2.2	Number of new households requiring affordable housing	50.9% cannot afford overall	487
2.3	Existing households falling into need	Annual requirement	51
2.4	TOTAL newly-arising housing need (gross each year)	2.2 + 2.3	538
Stage 3: AFFORDABLE HOUSING SUPPLY			
3.1	Affordable dwellings occupied by households in need	(based on 1.4)	2,404
3.2	Surplus stock	Vacancy rate <2% so no surplus stock assumed	0
3.3	Committed supply of new affordable units	Annual	See comments at para B.26.
3.4	Units to be taken out of management	None assumed	0
3.5	Total affordable housing stock available	3.1+3.2+3.3-3.4	2,404
3.6	Annual supply of social re-lets (net)	Annual Supply (3yr ave)	718
3.7	Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels	Annual Supply (3yr ave)	47
3.8	Annual supply of affordable housing	3.6+3.7	765
Stage 4: ESTIMATE OF ANNUAL HOUSING NEED			
4.1	Total backlog need	1.4A-3.5	5,790
4.2	Quota to reduce over 1 year		20%
4.3	Annual backlog reduction	Annual requirement	1158
4.4	Newly-arising need	2.4	538
4.5	Total annual affordable need	4.3+4.4	1696
4.6	Annual social rented capacity	3.8	765
4.7	NET ANNUAL IMBALANCE (4.5-4.6)	NET	931

Source 2015 Household Survey; RP Core Lettings and Sales data

Table B2 CLG Needs Assessment by Township

Step	Stage and Step description	Calculation	Sub-Area										
		Total households>>	Bramhall etc.	Bredbury etc.	Brinnington	Cheadle etc.	Gatley etc.	Hazel Grove etc.	Heaton Chapel	Heaton Mersey	Town Centre and	Woodley etc.	Total
			15260	8252	3192	14527	14348	19818	14991	10441	1676	20580	123085
Stage1: CURRENT NEED													
1.1	Homeless households and those in temporary accommodation	Current need	110	0	29	170	199	211	178	62	34	173	1166
1.2	Overcrowding and concealed households	Current need	332	97	75	451	604	669	578	272	60	43	3181
1.3	Other groups	Current need	966	441	242	1465	894	1243	1695	585	182	1263	8976
1.4	Total current housing need (gross)	Total no. of housholds with one or more needs	1297	538	345	1915	1665	1911	2273	857	248	1480	12529
	A. % cannot afford open market (buying or renting)	%	41.2%	77.7%	78.9%	82.2%	62.9%	68.7%	81.7%	23.6%	65.1%	55.0%	65.4%
	A. TOTAL cannot afford open market (buying or renting)	Number	534	418	272	1574	1047	1313	1857	202	161	814	8194
Stage 2: FUTURE NEED													
2.1	New household formation (Gross per year)	Based on past 5 yr household formation rate	117	93	42	193	48	102	154	52	54	103	957
2.2	Number of new households requiring affordable housing	% Based on actual affordability of housholds forming	24.0%	10.5%	100.0%	49.8%	100.0%	80.0%	68.1%	49.3%	53.0%	22.0%	50.9%
		Number	28	10	42	96	48	81	105	26	29	23	487
2.3	Existing households falling into need	Annual requirement	1	10	1	13	3	6	10	1	2	4	51
2.4	Total newly-arising housing need (gross each year)	2.2 + 2.3	29	20	44	109	51	87	115	26	31	26	538
Stage 3: AFFORDABLE HOUSING SUPPLY													
3.1	Affordable dwellings occupied by households in need	(based on 1.4)	0	0	200	621	442	316	560	0	152	113	2404
3.2	Surplus stock	Vacancy rate <2% so no surplus stock assumed	0	0	0	0	0	0	0	0	0	0	0
3.3	Committed supply of new affordable units	See comment at para B.26											
3.4	Units to be taken out of management	None assumed	0	0	0	0	0	0	0	0	0	0	0
3.5	Total affordable housing stock available	3.1+3.2+3.3-3.4	0	0	200	621	442	316	560	0	152	113	2404
3.6	Annual supply of social re-lets (net)	Annual Supply	15	77	208	88	18	113	93	11	51	43	718
3.7	Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels	Annual Supply	2	3	1	4	5	8	2	8	3	10	47
3.8	Annual supply of affordable housing	3.6+3.7	18	80	209	92	23	121	96	19	54	53	765
Stage 4: ESTIMATE OF ANNUAL HOUSING NEED													
4.1	Total backlog need	1.4A-3.5	534	418	72	953	605	997	1297	202	9	701	5790
4.2	Quota to reduce over 5 years (20%)		20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
4.3	Annual backlog reduction	Annual requirement	107	84	14	191	121	199	259	40	2	140	1158
4.4	Newly-arising need	2.4	29	20	44	109	51	87	115	26	31	26	538
4.5	Total annual affordable need	4.3+4.4	136	103	58	300	172	287	374	67	32	166	1696
4.6	Annual affordable capacity	3.8	18	80	209	92	23	121	96	19	54	53	765
4.7 Net annual shortfall		4.5-4.6 NET	119	23	-151	208	149	166	278	48	-22	113	931

Stage 1: Current need

- B.4 A working definition of housing need is *'the quantity of housing required for households who are unable to access suitable housing without financial assistance'*. The HNA Guidance suggests types of housing that should be considered unsuitable, as summarised in Table B3.

Table B3 Summary of current housing need across Stockport Metropolitan Borough		
Category	Factor	Stockport Total
Homeless households or with insecure tenure	N1 Under notice, real threat of notice or lease coming to an end	1166
	N2 Too expensive, and in receipt of housing benefit or in arrears due to expense	1823
Mismatch of housing need and dwellings	N3 Overcrowded according to the 'bedroom standard' model	3181
	N4 Too difficult to maintain	2800
	N5 Couples, people with children and single adults over 25 sharing a kitchen, bathroom or WC with another household	2496
	N6 Household containing people with mobility impairment or other special needs living in unsuitable accommodation	2644
Dwelling amenities and condition	N7 Lacks a bathroom, kitchen or inside WC and household does not have resource to make fit	304
	N8 Subject to major disrepair or unfitness and household does not have resource to make fit	932
Social needs	N9 Harassment or threats of harassment from neighbours or others living in the vicinity which cannot be resolved except through a move	673
Total no. households in need (with one or more housing need)		12,529
Total Households		123,085
% households in need		10.2%

Note: A household may have more than one housing need.

Source: 2015 Household Survey

Step 1.1 Homeless households and those in temporary accommodation

- B.5 CLG HNA guidance suggests that information on homeless households and those in priority need who are currently housed in temporary accommodation should be considered in needs modelling. The scale of need from these types of household can be derived from several sources.

- B.6 Homelessness statistics for 2014/15⁵⁵ indicate that a total of 335 decisions were made on households declaring themselves as homeless across Stockport (Table B4). Of these households, 146 were classified as homeless and in priority need. Over the five years 2010/11 to 2014/15, an annual average of 410 decisions were made across Stockport and an average of 123 households each year were declared as homeless and in priority need.

Table B4 Homeless decisions and acceptances 2010/11 to 2014/15		
Year	Decisions made	Accepted as homeless
2010/11	331	113
2011/12	375	94
2012/13	457	134
2013/14	550	130
2014/15	335	146
Total	2048	617
5-Year Annual Average	409.6	123.4

Source: CLG Homelessness Statistics

- B.7 The Household Survey identified a total of 1,166 households who were either under threat of homelessness or were living in temporary accommodation across Stockport. This figure has been used in needs assessment modelling and covers a wider range of households than just those presenting themselves as homeless to the Council.

Step 1.2 Overcrowding and concealed households

- B.8 The extent to which households are overcrowded is measured using the 'bedroom standard'. This allocates a standard number of bedrooms to each household in accordance with its age/sex/marital status composition. A separate bedroom is allocated to each married couple, any other person aged 21 or over, each pair of adolescents aged 10-20 of the same sex and each pair of children under 10. Any unpaired person aged 10-20 is paired if possible with a child under 10 of the same sex, or, if that is not possible, is given a separate bedroom, as is any unpaired child under 10. This standard is then compared with the actual number of bedrooms (including bedsits) available for the sole use of the household.
- B.9 Analysis identifies 3,181 households who are currently living in overcrowded accommodation or are concealed households and are intending on moving in the next five years.

⁵⁵ CLG Homeless Statistics [Table 627: Local Authorities' action under the homelessness provisions of the 1985 and 1996 Housing Acts, by sub-area](#)

Step 1.3 Other groups

- B.10 Table B3 identified 8,976 households who were in housing need for other reasons including the property is too expensive, difficult to maintain, household containing people with mobility impairment/special need, lacking amenities, disrepair and harassment.
- B.11 A total of 12,529 households across Stockport were identified to be experiencing one or more of these needs factors and intending to move in the next five years. This figure is taken as the five year backlog of need from other groups.

Step 1.4 Total current housing need summary

- B.12 Having established the scale of need in Steps 1.1, 1.2 and 1.3, total current housing need from existing households across Stockport before any analysis of the ability of households to afford open market solutions is 12,529.
- B.13 The extent to which these households could afford open market prices is then considered. An 'affordability threshold' of households is calculated which takes into account household income, equity and savings. The household income component of the affordability threshold is based on 3.5 x gross annual income of the respondent and partner (if applicable).
- B.14 The affordability threshold was then tested against lower quartile property prices and the cost of privately renting. Lower quartile prices at sub-area level for 2014 were derived using Land Registry address-level data (Table B5).

Table B5 Lower quartile house prices by sub-area (Jan 2013 to June 2014)	
Sub-area	Lower quartile price (£)
Bramhall, Cheadle Hulme (South) and Woodford	£204,750
Bredbury, Lower Brinnington, Woodley (West)	£105,000
Brinnington	£69,000
Cheadle, Cheadle Heath, Edgeley, Shaw Heath, Adswold, Davenport (West)	£111,000
Gatley, Heald Green and Cheadle Hulme (North)	£160,000
Hazel Grove, Davenport (East), Heavily, Offerton (West)	£118,995
Heaton Chapel (North East), Heaton Norris (East), Reddish and Lancashire Hill	£103,500
Heaton Mersey, Heaton Norris (West), Heaton Moor	£166,000
Town Centre and Hillgate	£69,500
Woodley (East), Greave, Romiley, Marple, High Lane, Mellor, Torkington, Offerton(East),	£158,000
Stockport Total	£124,950

- B.15 Information on private sector rents was based on lettings reported by Zoopla during 2014 (Table B6). The cost of letting a property according to the number of bedrooms required by a household was factored into affordability testing.

Table B6 Lower Quartile private rental prices 2014 by township and number of bedrooms

Township	No. Beds		
	1	2	3
Bramhall, Cheadle Hulme (South) and Woodford	£477	£624	£776
Bredbury, Lower Brinnington, Woodley (West)	£451	£524	£596
Brinnington	£433	£550	£585
Cheadle, Cheadle Heath, Edgeley, Shaw Heath, Adswold, Davenport (West)	£425	£550	£650
Gatley, Heald Green and Cheadle Hulme (North)	£477	£594	£750
Hazel Grove, Davenport (East), Heavily, Offerton (West)	£399	£550	£644
Heaton Chapel (North East), Heaton Norris (East), Reddish, Lancashire Hill	£399	£524	£611
Heaton Mersey, Heaton Norris (West), Heaton Moor	£451	£576	£793
Town Centre and Hillgate	£399	£494	£366
Woodley (East), Greave, Romiley, Marple, High Lane, Mellor, Torkington, Offerton (East)	£451	£576	£693

Source: Zoopla

- B.16 Using evidence from the Household Survey, the extent to which households identified in Steps 1.1, 1.2 and 1.3 could afford open market prices has been assessed. Overall, 65.4% or 8,194 existing households in need wanted to move to offset their need and could not afford open market solutions.

Step 2.1 New household formation (gross per year)

- B.17 The housing needs survey identifies a total of 4,784 households who have formed in the past 5 years or 957 each year. This is equivalent to 0.78% of all households and compares with a national formation rate of 1.74% based on the latest three year average national rate reported in the English Housing Survey over the period 2010/11 to 2012/13.

Step 2.2 New households unable to buy or rent in the open market

- B.18 Analysis of lower quartile market prices relative to the income/savings of households who have formed in the past five years suggests that 50.9% could not afford lower quartile house prices or private sector rents.
- B.19 Therefore, the total number of newly-forming households who could not afford open market prices or rents across Stockport is calculated to be 487 each year.

Step 2.3 Existing households expected to fall into need

- B.20 An estimate of the number of existing households falling into need each year has been established by drawing upon the RP lettings data. This suggests that over the three year period 2010/11, 2011/12 and 2012/13, an annual average of 51

households moved into the social rented sector because they had fallen into housing need and were homeless.

Step 2.4 Total newly arising housing need (gross per year)

- B.21 Total newly arising need is calculated to be 538 households each year across Stockport.

Stage 3: Affordable housing supply

- B.22 The CLG model reviews the supply of affordable units, taking into account how many households in need are already in affordable accommodation, stock surpluses, committed supply of new affordable dwellings and dwellings being taken out of management (for instance pending demolition or being used for decanting).

Step 3.1 Affordable dwellings occupied by households in need

- B.23 This is an important consideration in establishing the net levels of housing need as the movement of these households within affordable housing will have a nil effect in terms of housing need⁵⁶.
- B.24 A total of 2,404 households are current occupiers of affordable housing in need. Although the movement of these households within affordable housing will have a nil effect in terms of housing need (i.e. they already live in affordable housing), the types of property they would 'free up' if they moved is considered in modelling.

Step 3.2 Surplus stock

- B.25 A proportion of vacant properties are needed to allow households to move within housing stock. Across the social rented sector, this proportion is generally recognised as being 2%. Stock above this proportion is usually assumed to be surplus stock. Modelling assumes no surplus social rented stock across Stockport.

Step 3.3 Committed supply of new affordable units

- B.26 CORE lettings data over the period 2010/11 to 2012/13 reports a total of 34 new affordable dwellings have become available for letting. The latest data from the Council regarding future supply indicates a total of 340 affordable dwellings either under construction or not started as at April 2014. Assuming a total net affordable supply of 340 dwellings would reduce the overall imbalance from 931 to 863. However, as the precise size and designation of potential new affordable

⁵⁶ Strategic Housing Market Assessment Guidance (CLG, August 2007)

dwelling is not known, it is recommended that the imbalance is stated as 931 but this would be reduced through the delivery of new affordable housing.

Step 3.4 Units to be taken out of management

- B.27 The model assumes there will be no social rented units taken out of management over the next five years.

Step 3.5 Total affordable housing stock available

- B.28 It is assumed that there are 2,404 social (affordable) rented dwellings available over the five year period arising from households moving within the stock.

Step 3.6 Annual supply of social re-lets

- B.29 The CLG model considers the annual supply of social re-lets. Address-level RP CORE lettings data has been analysed for the three years 2010/11, 2011/12 and 2012/13. This information can be used to accurately assess the likely capacity of the social rented sector by location, size of property and designation (whether the property is general needs or older person). For the purposes of analysis, it is important to focus on the ability of households requiring affordable housing to access it. Therefore, the annual supply figures derived from CORE lettings data and used in modelling:
- **Exclude** those moving into accommodation from outside Stockport and households moving within the social rented stock; and
 - **Include** households who moved from within Stockport into social renting from another tenure; newly-forming households originating in Stockport and moving in social renting; and households moving from specialist/supporting housing from within Stockport into affordable housing.
- B.30 Analysis suggests that there is an annual average of 718 social rented dwellings let to new tenants i.e. households originating in Stockport who either moved into social renting from another tenure, were newly-forming households, or who moved from supported/specialist accommodation.
- B.31 Modelling therefore assumes an annual capacity of 718 dwellings for new tenants across Stockport. Table B7 illustrates how the annual capacity figure is broken down by sub-area, designation (general needs and older person) and property size. It should be noted that the supply of affordable dwellings may be reduced through the Government's promotion and encouragement of tenants to buy their properties.

Step 3.7 Annual supply of intermediate re-lets/sales

- B.32 Table B8 presents a summary of the average supply of intermediate tenure dwellings which have either been sold or relet over the three year period 2010/11, 2011/12 and 2012/13 as recorded in CORE Sales data.

Table B7 Annual social rented re-lets by sub-area

Designation	No. of bedrooms	Township										
		Bramhall etc.	Bredbury etc.	Brinnington	Cheadle etc.	Gatley etc.	Hazel Grove etc.	Heaton Chapel etc.	Heaton Mersey etc.	Town Centre and Hillgate	Woodley etc.	Total
Under65	1	7	41	116	40	10	57	45	5	37	20	378
	2	7	27	81	30	6	39	33	4	13	17	257
	3	1	8	11	14	2	13	14	1	1	6	71
	4	0	0	0	1	0	1	0	0	0	0	3
	5											
	6	0	0	0	0	0	0	0	0	0	0	0
	7											
65 and over	1	0	1	0	2	0	2	1	0	0	1	7
	2	0	0	0	0	0	1	0	0	0	0	2
	3	0	0	0	0	0	0	0	0	0	0	0
	4	0	0	0	0	0	0	0	0	0	0	0
	5											
	6	0	0	0	0	0	0	0	0	0	0	0
	7											
Total		15	77	208	88	18	113	93	11	51	43	718

Source: RP CORE data annual average 2010/11, 2011/12 and 2012/13

Table B8 Intermediate tenure sales/relets

Designation	No. of bedrooms	Township										
		Bramhall etc.	Bredbury etc.	Brinnington	Cheadle etc.	Gatley etc.	Hazel Grove etc.	Heaton Chapel etc.	Heaton Mersey etc.	Town Centre and Hillgate	Woodley etc.	Total
Under65	1	0	0	0	0	1	1	0	0	0	0	2
	2	0	2	0	3	0	4	1	8	3	4	26
	3	0	0	1	0	1	0	0	0	0	3	4
	4											
	5											
	6											
	7											
65 and over	1	0	0	0	0	2	2	0	0	0	1	5
	2	1	1	0	1	1	2	1	0	0	2	9
	3	0	0	0	0	0	0	0	0	0	0	0
	4											
	5											
	6											
	7											
Total		2	3	1	4	5	8	2	8	3	10	47

Source: RP CORE Sales data annual average 2010/11, 2011/12 and 2012/13

Summary of Stage 3

- B.33 Overall, the model assumes an existing affordable supply of 2,404 and an annual supply of 718 social (affordable) lettings and an annual supply of 47 intermediate tenure lettings/sales.

Stage 4: Estimate of annual housing need

Overview

- B.34 Analysis has carefully considered how housing need is arising within Stockport by identifying existing households in need (and who cannot afford market solutions), newly-forming households in need and existing households likely to fall into need.
- B.35 This has been reconciled with the supply of affordable dwellings which considers location, size and designation (i.e. for general needs or older person). Based on the CLG modelling process, analysis suggests that there is an overall annual net imbalance of 931 dwellings.
- B.36 For critical stages of the needs assessment model (Step 1.1, Step 1.4, Step 2.4 and Step 3.8), information is broken down by township, designation (general needs and older) and property size. This goes beyond the requirement of the HNA guidance but allows a detailed assessment of the overall housing requirements of households in need and provides clear affordable requirement information. In turn, this can help identify where there are shortfalls and sufficient capacity of affordable housing, and help to shape policy responses.
- B.37 Stage 4 brings together the individual components of the needs assessment to establish the total net annual shortfall.

Step 4.1 Total backlog need

- B.38 Step 4.1 is the total backlog need which is derived from the number of households in Step 1.4A minus total affordable housing stock available (Step 3.5). The total backlog need is 5,790.

Steps 4.2 to 4.6

- B.39 Step 4.2 is a quota to reduce the total backlog need, which is assumed to be 20% each year (which is a standard modelling assumption suggested by the CLG guidance).
- B.40 Step 4.3 is the annual backlog reduction based on Step 4.2 (1,158 each year).
- B.41 Step 4.4 is a summary of newly-arising need from both newly forming households and existing households falling into need (538 each year).
- B.42 Step 4.5 is the total annual affordable need based on Steps 4.3 and 4.4 (1,696 each year).

- B.43 Step 4.6 is the annual social rented/intermediate tenure capacity based on Step 3.8 (765 each year).

Total net imbalance

- B.44 Table B9 summarises the overall annual net affordable housing requirements for Stockport by sub-area, designation (general needs and older person) and property size.

Table B9 Net annual affordable housing imbalance by sub-area, property size and designation 2014/15 to 2018/19

Net				
Sub-area	General Needs		Older Person	Total
	1/2 Bed	3+ Bed	1/2 Bed	
Bramhall, Cheadle Hulme (South) and Woodford	26	72	20	119
Bredbury, Lower Brinnington, Woodley (West)	7	4	13	23
Brinnington	-144	-16	9	-151
Cheadle, Cheadle Heath, Edgeley, Shaw Heath, Adswold, Davenport (West)	159	13	36	208
Gatley, Heald Green and Cheadle Hulme (North)	134	-7	23	149
Hazel Grove, Davenport (East), Heavily, Offerton (West)	45	134	-14	166
Heaton Chapel (North East), Heaton Norris (East), Reddish, Lancashire Hill	150	132	-4	278
Heaton Mersey, Heaton Norris (West), Heaton Moor	9	16	23	48
Town Centre and Hillgate	-20	-1	-1	-22
Woodley (East), Greave, Romiley, Marple, High Lane, Mellor, Torkington, Offerton (East)	18	79	16	114
Total	382	431	118	931

Sources: 2015 Household Survey; RSL CORE Lettings and Sales

Tenure and dwelling type profile of affordable dwellings

- B.45 Affordable housing includes social rented, affordable rented and intermediate tenure dwellings. New affordable development by Registered Providers will be affordable rented (with rents of up to 80% of open market rent) and in order to recommend an appropriate split between social rented and intermediate tenure, the stated preferences of households and the relative affordability of intermediate tenure products is now reviewed.

Household preferences

- B.46 Households were asked to state tenure preferences. Table B10 summarises the preferences of both existing households in need and newly forming households

by tenure. Overall, this gives a tenure split of 61% social/affordable rented and 39% intermediate tenure across Stockport.

Table B10 Affordable tenure preferences

Tenure	Existing households in need (%)	Newly-forming households (%)	Total (%)
Social/Affordable Rented	70.0	40.8	60.8
Intermediate	30.0	59.2	39.2
Total	100	100	100
<i>Base (annual requirement)</i>	1158	538	1696

Source: 2015 Household Survey

B.47 An analysis of the ability of existing households in need and newly-forming households to afford intermediate tenure is summarised in Table B11. Analysis suggests that intermediate tenure options remain affordable to households in need and newly-forming households, with 45.5% able to afford a property priced at up to £80,000, 41.3% a property priced at up to £100,000 and 34.6% a property priced at up to £120,000

Table B11 Ability of existing households in need and newly-forming households requiring affordable housing to afford intermediate tenure dwellings

Price	% could afford		
	Existing households in need	Newly-forming households	Total
up to £80,000	42.8	51.2	45.5
up to £100,000	37.5	49.6	41.3
up to £120,000	32.7	38.8	34.6
up to £140,000	30.7	37.4	32.8
<i>Base</i>	1158	538	1696

Source: 2015 Household Survey

B.48 There is potential scope for an intermediate tenure market in Stockport Metropolitan Borough. The final proportion of intermediate tenure dwellings to be delivered needs to be reconciled with the economic viability of delivering affordable housing on sites; the appetite of the HCA to fund intermediate tenure dwellings; and the ability of households to secure mortgages.

Dwelling type

B.49 Table B12 considers the range of affordable property types households would consider, based on the aspirations of existing households in need and newly-forming households requiring affordable accommodation. Analysis of property type preferences suggests that, primarily, delivery of houses is a priority (with

52% stating an expectation of moving to a house), followed by flats (32.1%) and bungalows (15.9%).

Table B12 Property type preferences			
Type preferences	Existing (%)	Newly-forming (%)	Total (%)
House	45.2	66.6	52.0
Flat	34.1	27.8	32.1
Bungalow	20.6	5.6	15.9
Total	100.0	100.0	100.0
<i>Base</i>	1158	538	1696

Based on expectations of existing households in need and what newly-formed households have moved to in the past 5 years

Source: 2015 Household Survey

Technical Appendix C: Monitoring and updating

A framework for updating the housing needs model and assessment of affordable housing requirements

Introduction

- C.1 Having invested considerable resources in obtaining an excellent range of primary and secondary data, it is vital that this information be used to the maximum effect and updated on a regular basis. The purpose of this appendix is to establish a framework for updating the housing needs model and affordable housing requirements. In addition, it recommends the regular monitoring and review of housing market activity and regular reflections on the wider strategic context.

Updating of baseline housing needs and affordable housing requirements

- C.2 A baseline assessment of housing need across Stockport has been derived from the Household Survey. This information should be taken as a baseline from which annual reviews of key aspects of the model proceed. It is recommended that the baseline information has a shelf-life of three to five years (with a recommended refresh of household information after 2018/19 through primary surveying).
- C.3 Key elements of the needs assessment model can be readily updated on an annual basis to reflect:
- changes in house prices and rental costs;
 - capacity of the social rented sector;
 - availability of intermediate tenure housing.

Changes in house prices and rental costs

- C.4 It is recommended that the annual purchase of address-level house prices to complement the existing dataset continues. This will result in an annual refresh of house price data by survey area and provide an indication of changing lower quartile prices. In turn, these can be applied to **Step 1.4** of the needs assessment model which considers the extent to which households in need can afford open market prices. As part of this analysis, updated information on private rented sector rents needs to be secured. Several websites can provide a snapshot of private rents and help inform this element of the update.
- C.5 Lower quartile prices and private sector rents should also be compared with the income profile of newly-forming households at **Step 2.2** of the needs assessment model.

Capacity of the social rented sector

- C.6 The capacity of the social rented sector needs to be reviewed annually using RP CORE lettings data (**Step 3.6**).
- C.7 A dataset has been prepared for RSL CORE data for 2010/11, 2011/12 and 2012/13 as part of this research. This includes some additional variables identifying the characteristics of households (by designation i.e. under 65 or over 65) and previous housing circumstances (from out of area, previously social renter, previously other tenure and from supported/specialist accommodation). The capacity of the social rented sector is based on the number of lettings to households from within the Local Authority Borough who were previously living in (non social rented or intermediate) tenure.

Availability of intermediate tenure housing

- C.8 CORE Sales data can identify the availability of intermediate tenure housing (**Step 3.7**). Data has been assembled for 2010/11, 2011/12 and 2012/13.

Annual adjustments to affordable requirements

- C.9 Datasets can be provided from which annual reviews of affordable requirements can proceed. This will point to any adjustment in net requirements by survey area, designation and property size.

Updating of contextual information

- C.10 This report has presented a range of contextual information relating to the economy, demography (including population projections and migration) and dwelling stock. This information should be updated where possible and in particular progression with economic growth and diversification should be carefully monitored.

Reflections on the general strategic context and emerging issues

- C.11 As part of its strategic housing function, all LAs need to understand the general strategic housing market context and respond to emerging issues. Given the dynamic nature of housing markets, the Central and Local Government policy agenda and bidding for resources, any update of housing needs must be positioned within a wider strategic context.
- C.12 Ongoing stakeholder consultation and engagement with local communities is also vital to maintain up-to-date intelligence on housing market issues.

Concluding comments

- C.13 It is vital that mechanisms are in place to derive robust, credible and defensible estimates of housing need and affordable requirements across Stockport. We

believe that this study provides a robust evidence base which has the capacity to be updated.

- C.14 Having established a baseline position on affordable housing and advice on open market provision to reflect aspirations, it is essential that housing market activity is regularly monitored. This is highly relevant given current housing market uncertainty. A range of methods have been suggested to ensure that housing need and affordability modelling is revised on an annual basis. Annual reviews should also take into account the changing strategic context and impact on housing market activity.