

Understanding the impact of the recession on  
AGMA's housing growth ambitions

**Research report for the Planning &  
Housing Commission**

Final Report October 2010

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# 1 Executive Summary

- 1.1 This research study has been undertaken to inform the development of the Greater Manchester Spatial Framework (GMSF). It will form part of the evidence base for the GMSF, providing an understanding of the impact of the recession on AGMA's housing growth objectives and an assessment of short, medium and long-term opportunities to maximise housing growth in Greater Manchester.
- 1.2 The impact of the recession on the housing market nationally has been well documented and the 10 local authorities in Greater Manchester have been monitoring the impacts at a local scale, particularly in relation to completion rates; what this research seeks to add is to quantify some of these impacts and to consider the cumulative impact at the Greater Manchester scale. In the context of relative uncertainty over when and to what extent the housing market will recover to conditions seen pre-recession the research identifies trends in the GM housing supply, highlighting opportunities in the short to medium term to respond to the market downturn.
- 1.3 The research draws primarily on information provided by the ten local authorities in Greater Manchester and a number of interviews with developers operating within the North West of England. It provides an analysis of recent housing market trends, including completion rates and average rents and gives a snap shot of how the recession has impacted on the housing supply across Greater Manchester.
- 1.4 The following headline findings of the research illustrate the significant impact that the recession has had on the housing market and therefore on GM's housing growth ambitions:
- There has been a significant reduction in completions across GM from 2007/2008 to 2009/2010; a decrease of 45% between 2007/08 to 2009/10;
  - Almost one third of units under construction that were assessed as part of the study have stalled or slowed;
  - In terms of housing supply, 5% of units included in the assessment have seen a decrease in no. of units to be delivered and 4% of sites are likely to be delivered over an extended timescale. Although these percentages seem relatively low, these statistics represent the *known* changes; consultation with local authority officers and developers suggest that the impact will be far greater than these statistics imply;
  - One fifth of sites included in the assessment have been identified as adversely effected by market conditions;
  - Developers are using risk averse business models, restricting the level and type of development coming forward; there is a trend for reduced densities, fewer apartments and fewer three storey homes with a return to traditional 3 and 4 bed properties.
- 1.5 The research identifies a number of challenging issues but also several opportunities regarding the delivery of housing growth in Greater Manchester going forward:
- The current policy approach focuses housing growth at the conurbation core and in key regeneration areas, based on objectives relating to regeneration, sustainability and connectivity. There was no evidence found as part of the consultation process with local authorities to suggest that a shift in this long term policy approach is desirable or would significantly increase completion rates. Only the conurbation core and inner regeneration areas have the land assets available to accommodate the scale of growth aspired to and this research did not find evidence that other areas are better able (or that policy makers in those areas wish) to deliver higher housing numbers, particularly in light of the impact of the recession on the apartment market.
  - This policy focus has meant that the conurbation core<sup>1</sup> has maintained higher rates of completions than elsewhere in GM, although this area has also received high levels of public

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<sup>1</sup> Conurbation core refers to the Regional Centre and Inner Areas as defined in the North West of England Plan (RSS).

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sector investment; a continuation of this policy focus at the core and in existing key regeneration locations will require a robust process of prioritisation to maximise the return on investment.

- A short-term shift in the current policy approach, to encourage development in areas of high demand (not requiring public subsidy) could increase completion rates. However the new 'localism' agenda may be a barrier to this approach and land availability in such areas may be limiting; only the core has the land assets available to accommodate the scale of growth aspired to in the long-term.
- The private rental market is strong; rents have increase in many authority areas between 2009 and 2010. Growth opportunities should be maximised but caution applied as developers are currently viewing entry into the rental market as a short term opportunity and the market may be vulnerable if / when mortgage lending is relaxed.
- The research identified a requirement for the public sector to play an important role in enabling delivery; development of delivery models, close engagement with developers and use of public sector land assets were all raised in consultation as key opportunities to enable delivery in the short-term.

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## 2 Introduction

### 2.1 The Greater Manchester Spatial Framework (GMSF)

2.1.1 The GM Spatial Framework is currently under development and will be the spatial expression of the Greater Manchester Strategy, which identifies those strategic priorities critical to the continuing success of the city region.

2.1.2 The purpose of the GM Spatial Framework is to:

- provide a framework for collaboration for partners;
- provide a coherent set of spatial priorities for delivery and investment;
- support Local Development Frameworks (especially Core Strategies); and
- provide confidence that we have the land to deliver our growth strategy and thus fulfil the City Region's full potential as the engine of growth in the North.

2.1.3 This research study was undertaken to inform the development of the Greater Manchester Spatial Framework by providing AGMA with an understanding of the likely impact of the recession on AGMA's housing growth objectives to inform the development of a short and long-term sub-regional response to that market downturn.

**The research seeks to address three questions:**

- 1. To what extent has the recession impacted on AGMA's ambitions for housing growth?**
- 2. Which areas are best placed to deliver new dwellings in the short to medium-term?**
- 3. What should the short, medium and long-term policy response take into account to maximise housing growth?**

### 2.2 The Current Policy Approach in GM

2.2.1 Until recently GM was required by the Regional Spatial Strategy (RSS) to make provision for just under 10,000 new homes a year. This was a figure which GM supported as it was in line with our own aspirations, underpinned by the Greater Manchester Forecasting Model (GMFM). Through emerging development plans across the 10 districts there are proposals to provide in excess of 200,000 new homes in GM by 2026. The planned distribution of new housing is not evenly spread and reflects the policy priority to repopulate the core of the conurbation<sup>2</sup> and reconnect neighbourhoods in inner areas to the economic opportunities nearby; these inner areas include the Housing Market Renewal (HMR) Pathfinder Areas.

2.2.2 Greater Manchester has two of the four HMR Pathfinder Areas in the North West, the Manchester Salford and Oldham Rochdale Pathfinders. The policy approach in these areas is one of comprehensive regeneration as part of a broader course of action to regenerate local communities, reduce health inequalities, improve the sustainability and resource efficiency of the housing stock and its local environmental quality and increase numbers of and access to local jobs and services. In line with these priorities housing development in Greater Manchester outside of

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<sup>2</sup> The conurbation core refers to the Regional Centre and surrounding inner areas as defined in RSS: the Regional Centre, comprising Manchester City Centre and Central Park to the east, the Higher Education Precinct and Central Manchester Hospitals to the south and Salford University, Salford Quays, Trafford Wharfside and Pomona Docks to the west. The inner areas surrounding the Regional Centre comprise of North Manchester, East Manchester and Central Manchester regeneration areas, Trafford Park, North Trafford and Central Salford.

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the inner core has been required to be complementary to the regeneration of the core to ensure that the Regional Centre continues to develop as the primary economic driver and to ensure that development is focused on regenerating existing housing areas that suffer from high levels of deprivation<sup>3</sup>.

- 2.2.3 Although the revocation of RSS has removed district level targets for housing growth it has not removed the need to increase the supply of new homes throughout GM. Population and household projections indicate that internally generated demographic demand will be the main driver of growth throughout the conurbation. This reflects the increasing longevity of the population and the continuing trend for the formation of smaller households. We also need to consider the needs of those economically active people we want to attract to the region, or once they are here give them a range of housing options to enable them to fulfil their aspirations in a variety of locations across the city region.
- 2.2.4 Districts are reviewing the implications of changes in the national policy position, the radically changed economic circumstances, the impact on the housing market and the recently published household projections. These projections are still healthy but indicate that the scale of growth will be less than previously envisaged. This study will be used to inform a wider programme of research to review and recommend options for the delivery of housing renewal and growth across GM in light of significantly changed economic and housing market conditions. An important part of AGMA's response will be the second Local Investment Plan, currently under development jointly by AGMA and the HCA. The first Local Investment Plan for Greater Manchester was agreed in December 2009 and set out a programme of HCA investment up to end March 2011. We are working now on developing a clear, agreed statement of priorities for investment and other interventions to create quality homes and neighbourhoods across Greater Manchester, to cover the Spending Review period ahead. More information on how this research will contribute to AGMA's response is included in the concluding chapter.

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<sup>3</sup> Paragraph 7.18 North West Regional Plan (RSS)

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## 3 Research Context

### 3.1 Current Housing Market Conditions

- 3.1.1 The downturn in the UK housing market was principally triggered by the realisation in August 2007 of the scale of the bad debt that banks had accumulated. The banking crisis that followed caused financial institutions to be much more cautious in their lending to one another due to the increased risk of a failure to repay. For mortgage lending this meant a tightening of lending criteria; multiples of income that a mortgage is offered on have been reduced and a greater proportion of the value of the home is now required as a deposit. This has particularly affected first-time buyers, who have less access to capital. Declines in buyer loans began at the onset of the recession in 2007, and the most significant annual decline in first-time buyer loans in England was between 2007 and 2008 when home loans fell from 357,000 to just 194,000<sup>4</sup>.
- 3.1.2 The decline in buyer loans did begin to slow through 2008 and there were signs of a recovery reported as large monthly house price increases were seen in late 2009. These increases were however out of step with economic performance and commentators suggest that these increases were driven by trends such as high proportions of sales to cash buyers, demand outstripping supply and the upcoming end of the stamp duty holiday. The latest figures suggest that the sales market is still very weak. Gross mortgage lending declined to an estimated £11.4 billion in August 2010; this was down 14% from £13.3 billion in July 2010 and down 6% from 12.1 billion in August 2009. Loans to first time buyers also remain in decline, the first time buyers' share of the total market was 34% in July 2010; the lowest proportion since the credit crunch began in August 2007.<sup>5</sup>
- 3.1.3 Commentators have suggested that large parts of the UK housing market remain relatively inactive due to lack of access to finance and low buyer confidence and market surveys are also showing a clear shift in the balance of supply and demand with more properties coming onto the market and fewer buyers which will reduce the pressure on house prices. The greatest pressure remains on those households with little or no equity as availability and terms of finance are unlikely to improve for the foreseeable future. Hometrack are forecasting that changes to the regulatory framework for lending are set to lock in higher costs to lenders and borrowers for what is deemed higher risk borrowing; taking its toll further on the lower end of the housing market. With concerns about access to finance affecting both householders and developers, the depth and longevity of the recession's impact on housing markets remain uncertain.

#### The GM Housing Market

- 3.1.4 The past 10 years have seen extraordinary changes in the Greater Manchester housing market. Population has grown and is expected to rise further and household size is projected to fall. Although trends have recently slowed there have been high increases in the number of those of working age largely due to economic migrants. Such factors have led to significant increases in housing demand. This demand has found it more difficult to manifest itself into home ownership since the beginning of the recession. As a result, data from the Land Registry shows that from a peak of £158,381 in quarter 3 2007, average prices within Greater Manchester fell to a low of £135,944 in quarter 1 2009, before recovering slightly to £142,284 in quarter 2<sup>6</sup>. Prices continued to recover and by quarter 4 2009 average house prices in Greater Manchester stood at £152,348 due in part to the end of the stamp duty holiday. However, markets have shown continued

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<sup>4</sup> The Council of Mortgage Lenders

<sup>5</sup> The Council of Mortgage Lenders

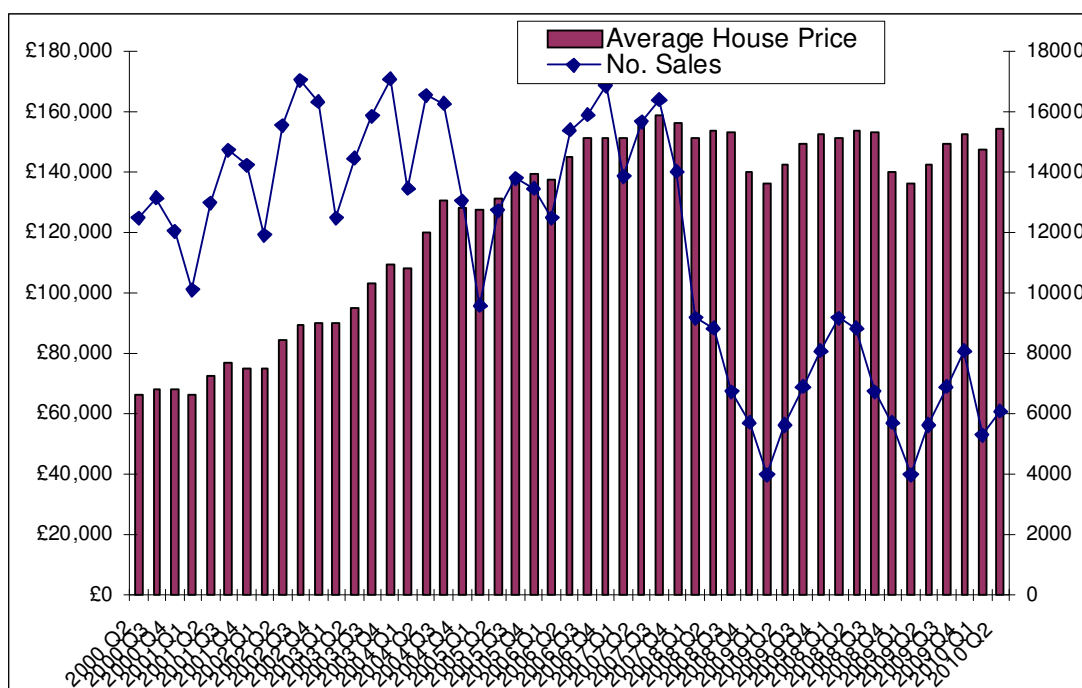
<sup>6</sup> HM Land Registry



volatility, as prices decreased once again in Quarter 1 of 2010 to £147,593 but in the last recorded quarter (quarter 2 2010) increased to £154,311.

3.1.5 The number of sales reached their lowest point between January and March 2009 with 3,985, compared to 9,144 in the same quarter for 2008. Sales have increased consistently since that point, apart from a dip in quarter 1 2010, which is likely to reflect seasonal variations in sales. Figure 1 illustrates the lag between the decline in property sales and the decline in property prices. The fall in the volume of transactions has been more striking than the fall in prices. Indeed, the collapse in sales turnover is the key feature of housing market change in the last three years. In GM between 2007 and 2009 house sales fell by almost 60%, higher than the regional average (58%) and national average (51%).

**Figure 1: Quarterly house prices and sales in Greater Manchester 2000 to 2010**



Source: Land Registry House Price Paid data

3.1.6 The lack of sales reflects a stagnant market and a stand off between buyers and sellers. Demand is still evident but restrictions on lending and changes in lending criteria mean banks are lending only to the low risk – high end of the market. Pressure has increased further by reductions in available properties in the social rented sector and the recession has meant that the market is less able and less willing to respond leading to increased pressure on the private rented sector. The private rented sector is therefore currently very strong in Greater Manchester, and is considered in further detail in Section 5 of this report, illustrated by maps of the average change in rent between 2009 and 2010.

3.1.7 In terms of house type it is flats that have suffered the most since the peak in the housing market in quarter 3 of 2007. The greatest decreases in the average price of flats occurred throughout 2008 in line with a sharp decline in the average price of new build properties. Although there was some rise in prices of flats in the first half of 2009 prices declined to £114,831 in Quarter 1 of 2010, although have since risen again in Quarter 2 2010 to £136,082. These latest statistics from the Land Registry clearly reflect the fragility of the market for all housing types and it is difficult to draw out any clear trends or predictions. As well as the decline in sales and prices, as highlighted in the

update of the GMSHMA<sup>7</sup>, there has also been a significant decrease in housing completions throughout Greater Manchester. The highest annual decrease of 45% was seen between 2007/08 to 2008/09; a decrease from 13,645 to 7,468 in actual terms. Housing completions data to 2010 for GM is mapped in Section 5 of this report.

- 3.1.8 With regard to affordability the reductions in house prices have been counterbalanced by the tightening of lending criteria; houses are therefore not more affordable despite the significant falls in house prices. Figure 2 below illustrates the affordability ratio for the 10 GM authorities based on 2010 average income and 1st quarter 2010 house price data.

**Figure 2: Household affordability in Greater Manchester**

Local Authority	Mean Household income (£) 2010	House Prices (1st Quarter 2010)	Affordability Ratio (Income to House Price)
Bolton	£32,918	£129,386	3.9
Bury	£35,748	£137,050	3.8
Manchester	£29,278	£130,923	4.5
Oldham	£31,680	£122,989	3.9
Rochdale	£31,413	£118,061	3.8
Salford	£31,343	£131,393	4.2
Stockport	£37,709	£190,406	5.0
Tameside	£32,324	£120,638	3.7
Trafford	£39,548	£271,063	6.9
Wigan	£32,789	£124,000	3.8
<b>Greater Manchester</b>	<b>£33,092</b>	<b>£147,593</b>	4.5

Source: Land Registry Data

- 3.1.9 Affordability ratios (income to house price ratios) show that on average the least affordable houses within GM are in Trafford with house prices being almost 7 times greater than income. Tameside provides the most affordable properties at 3.7 times that of income. In general the southern part of the conurbation contains the least affordable housing with many postcodes experiencing house prices over 9 times that of the average household income for that postcode. Affordability and current first time buyer profiles are also considered in more detail in Section 5 of this report.

<sup>7</sup>GM Strategic Housing Market Assessment: [http://www.agma.gov.uk/cms\\_media/files/update\\_of\\_the\\_gm\\_shma\\_may\\_2010.pdf](http://www.agma.gov.uk/cms_media/files/update_of_the_gm_shma_may_2010.pdf)

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## 4 Research Methodology

The study has been undertaken in four stages:

1. A review of housing land supply using district Strategic Housing Land Availability Assessments (and planning pipeline data where appropriate) to understand how the recession has affected the timescales for housing delivery and any changes to the number and type of units under development and likely to be brought forward in the future;
2. Interviews with local authority officers (primarily involving planning officers, but also economic development, regeneration and housing colleagues in some instances) to review the information held in SHLAAs and to enable the study to draw on local knowledge to provide a qualitative understanding of changes in local housing markets;
3. Analysis of contextual data illustrating recent housing trends (including housing completion rates and rental values) to give an overview of changes seen in the GM housing market and the scale of the impact of the recession;
4. Interviews with developers to provide an understanding of the issues affecting their development proposals and where possible, to understand where they consider the current and future market demand is / will be.

### 4.1 Site Selection and Sampling

4.1.1 The first stage, a review of housing land supply, used SHLAA and planning pipeline data to identify sites. A sampling methodology was used to reduce the list of sites for assessment from a total of 5069, as it was not feasible to assess the impact of the recession on such a large number of sites. That not all sites included in the local authority SHLAAs were included in the assessment is important in defining the scope of the research. For example, one of the aims of the research was to consider which areas are best placed to deliver new dwellings in the short to medium term; the research sought to identify trends and opportunities only rather than to rank or prioritise individual housing locations or sites.

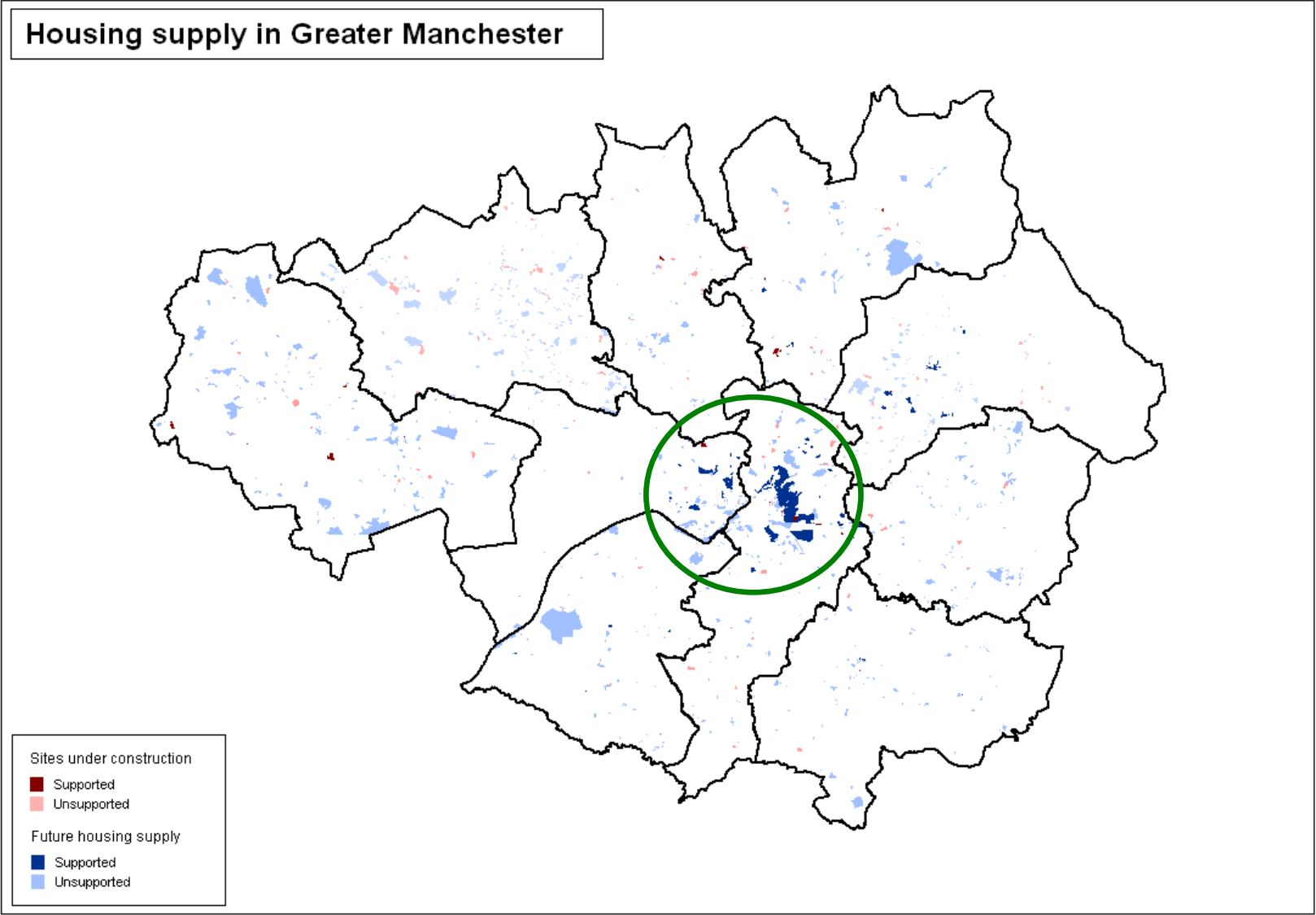
4.1.2 The sampling methodology allowed the study to focus on those sites likely to bring forward the greatest number of units and all sites that have public sector support. It was considered to be important to include all sites with public support due to the imminent reduction in public sector funding and the possible implications on housing delivery. Thresholds were therefore used to include:

- sites over 0.4 hectares in size; and / or
- sites set to deliver 50 units or above and / or
- sites with public sector support

The application of these thresholds allowed for the assessment of 27% of sites identified in SHLAAs (1,366 sites of a potential 5,069) but this assessment encompassed 77% of deliverable units (164,235 units of a potential 214,086), thereby focusing the research on those sites most likely to enable AGMA to achieve its housing growth ambitions.

Map 1 below shows the distribution of the sites included in the assessment across Greater Manchester. The focus of housing land supply at the conurbation core can clearly be determined.

Map 1: Housing land supply in Greater Manchester



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## 4.2 Site Assessment

- 4.2.1 The research consciously sought to address a difficult question and although the review of housing land supply used SHLAA databases and planning pipeline data to identify sites there was not a readily available data source which the research could draw on to assess the impacts of the recession on this supply. A pro forma was therefore designed to draw out as much information as possible to address the research aims and interviews were held with local authority officers to provide qualitative evidence<sup>8</sup>.
- 4.2.2 The lack of a standard source of information on the impact of market changes on development sites and variations in the amount and type of information held across the 10 authorities did present a challenge in collating consistent information at a Greater Manchester scale. The study therefore depended on an open dialogue and input from local authority officers to make an assessment of the impact of the recession on housing growth ambitions. As a result the findings presented in the following chapter on housing supply, necessarily draw on subjective evidence recorded through consultation. Although in some instances anecdotal in nature, the views of consultees are nonetheless considered to be a valuable source of information. The research methodology and, specifically the site assessment process, was considered to be the optimum approach with limited resources available.

## 4.3 Developer Consultation

- 4.3.1 The following developers were consulted through informal interviews to inform the research:
- Wiggett Homes Ltd
  - Bramall Construction
  - Seddon Homes
  - DTZ
  - Countryside Properties
  - Taylor Wimpey
  - Urban Splash
  - Keepmoat
- 4.3.2 The following topics were raised in discussion with each developer:
- Current Activity:**
- Geographical areas of operation
  - Activity in GM
  - Difficulties in current market
  - Response to changing market conditions
- Proposed Activity:**
- Geographical areas for future activity
  - Future activity in GM
  - Timescales for future developments
  - Land values and non-residential uses
- General Market Trends:**
- Housing delivery - type / density / scale
  - Build for sale / build for rent
  - Public sector support / land assets
  - Future opportunities / constraints
  - Changing policy context

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<sup>8</sup> See appendix 2 for the pro forma template

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## 5 Findings

The findings of the research are set out below in relation to the first two research questions posed at the beginning of the study:

1. To what extent has the recession impacted on AGMA's ambitions for housing growth?
2. Which areas are best placed to deliver new dwellings in the short to medium-term?

The third research question – what should the short, medium and long-term policy response take into account to maximise housing growth? – is addressed in Section 6 of this report.

### 5.1 To what extent has the recession impacted on AGMA's ambitions for housing growth?

#### Housing completions in Greater Manchester

- 5.1.1 Recent housing completion statistics give a clear indication of the of the impact that the recession has had on the housing market in Greater Manchester; the number of completions across all ten districts has declined dramatically and the distribution of completions across the ten authorities reveals how the market conditions are having differing impacts across the 10 authority areas. The series of maps on the following pages illustrate the number and spatial distribution of housing completions across Greater Manchester from 2005/06 to 2009/10<sup>9</sup>.
- 5.1.2 Over the period 2005/06 to 2007/08 the maps clearly demonstrate an increase in the number of completions across GM, with a noticeable concentration of development at the conurbation core. Completion rates are significantly higher in this area, with some central wards delivering over 500 units per year (Ordsall saw 1,296 completions during this financial year), compared to less than 100 in almost all other wards.
- 5.1.3 The maps then show a marked decrease in completions between the years 2007/2008 and 2008/2009, reflecting figures in the recent update of the Greater Manchester Strategic Market Assessment; '...during 2008/9 there was a significant decrease of over 45% in the number of housing completions across Greater Manchester'. This represents in actual terms a decrease from 13,645 in 2007/8 to a completion figure of 7,468 in 2008/9.<sup>10</sup> Although completions fall throughout Greater Manchester in 2008/2009 the conurbation core maintains higher levels of completions than elsewhere, indicating that the city centre market and Manchester and Salford Market Renewal Pathfinder area are leading delivery of current housing growth.
- 5.1.4 The final map showing completions for 2009/2010 shows that completion levels have further declined since 2008/2009 with a similar pattern maintained with the highest level of completions focused at the conurbation core. However, no ward level completion rate exceeds 500 units in 2009/10 indicating the extent of the impact of the recession on completion rates. For example, City Centre completions fall to 176 in 2009/10 from a 2006/07 high of 902. The greatest number of completions occurs in wards of the Manchester Salford Pathfinder area with the highest number of completions occurring in Ordsall (380), Bradford (378), Ardwick (285) and Ancoats & Clayton (281).
- 5.1.5 This pattern indicates that the Manchester Salford Market Renewal Pathfinder area is leading the delivery of the housing growth that continues despite the recession, although it should be

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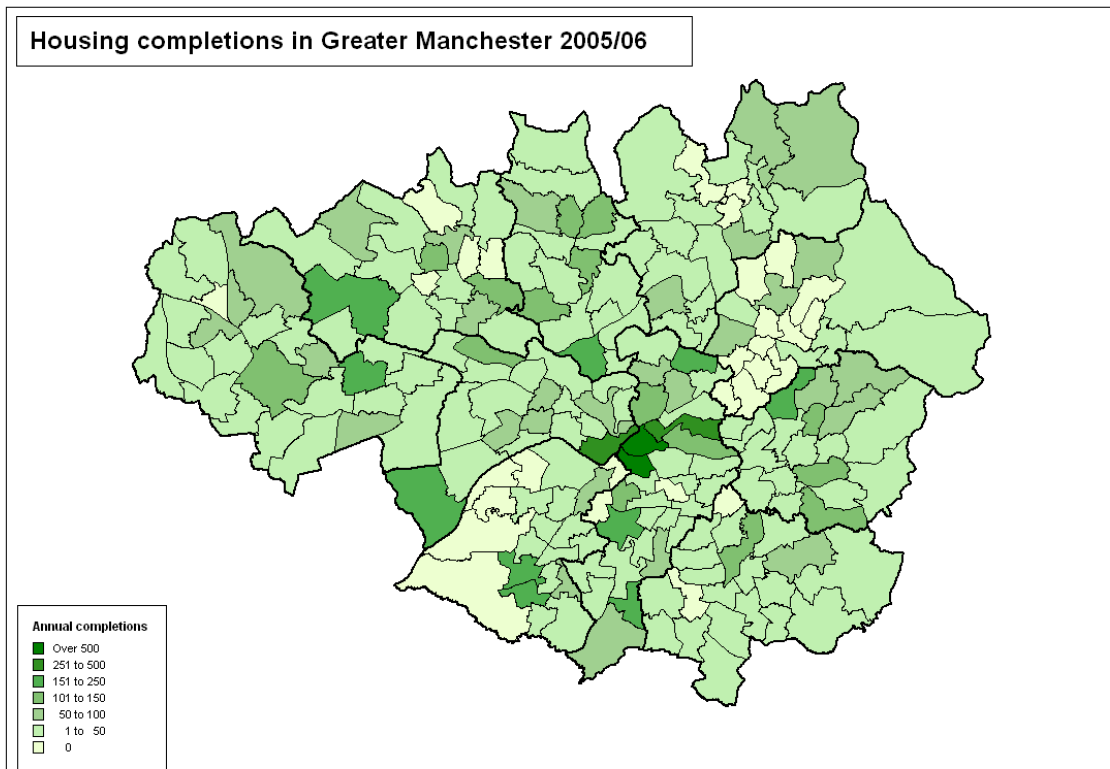
<sup>9</sup> Source: Local Authority Data

<sup>10</sup> Source: Updated Greater Manchester Strategic Housing Market Assessment, AGMA, May 2010.

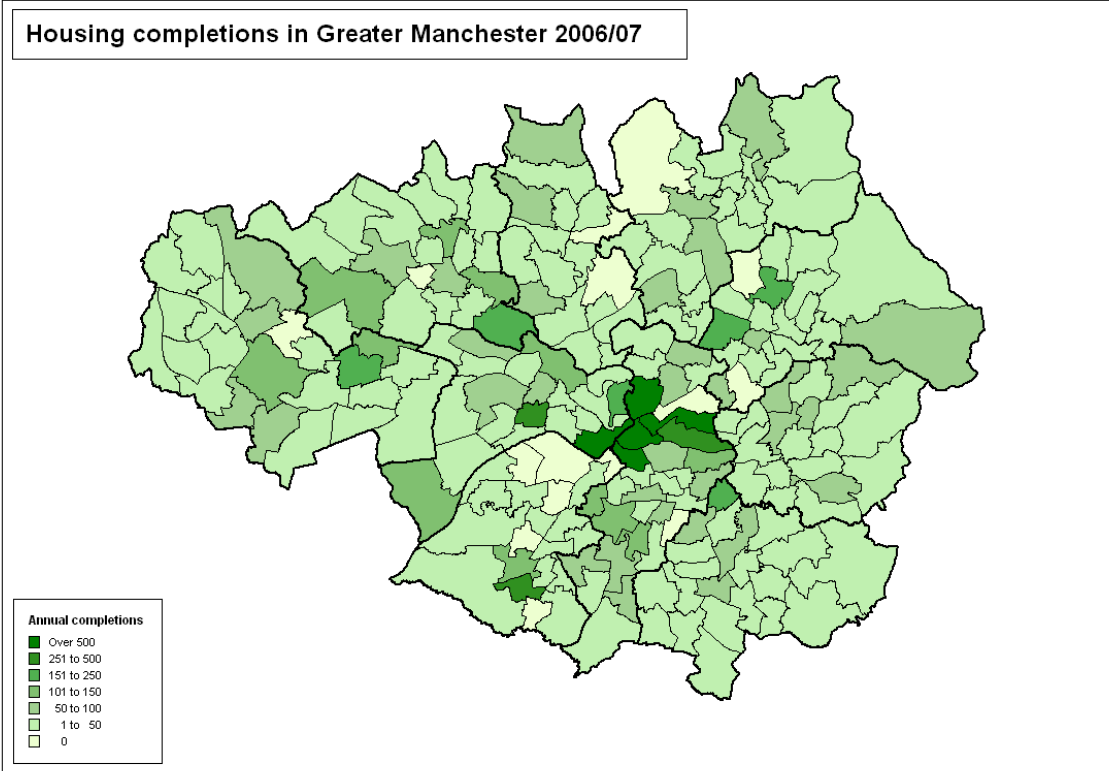
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emphasised that such levels of growth have been maintained in part by the amount of public sector investment awarded to these areas. The ability of these potentially more fragile markets to withstand the impact of the recession in the light of significantly reduced public funding allocations remains to be seen, although the significant investment to date to reclaim large areas of land for development may position the Pathfinder areas well to maximise development opportunities following recovery of the housing market.

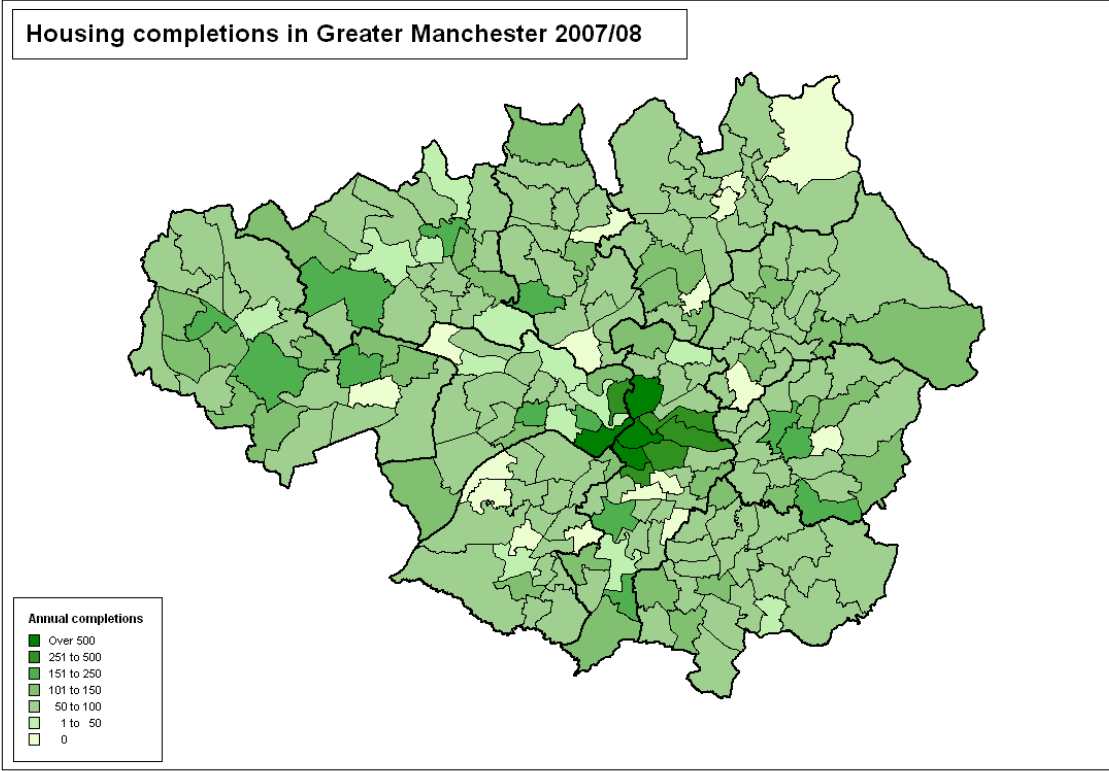
**Map 2: Housing completions at ward level, 2005/06**



**Map 3: Housing completions at ward level, 2006/07**

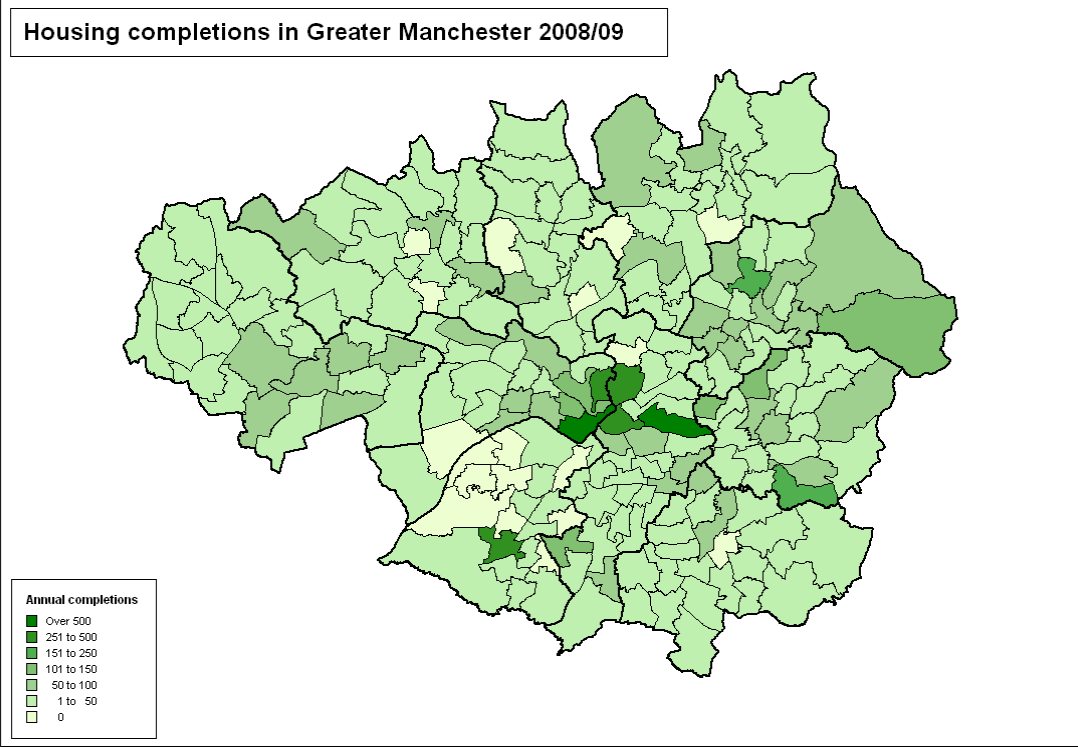


**Map 4: Housing completions at ward level, 2007/08**

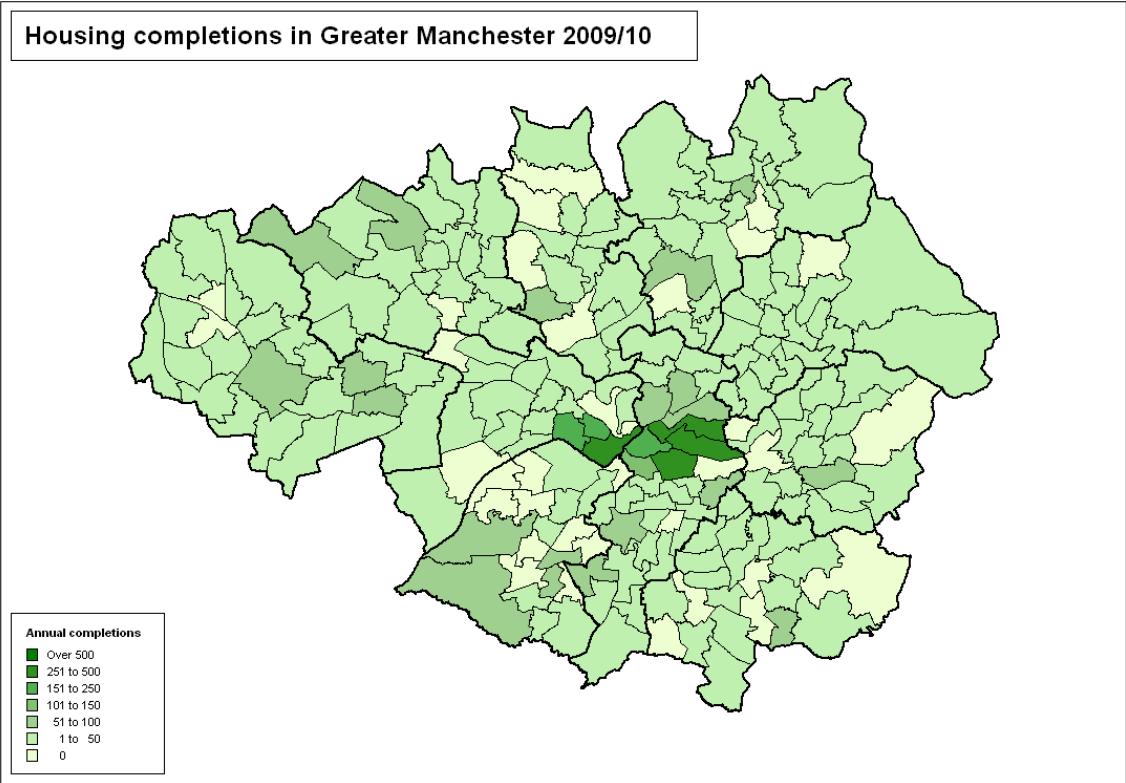




**Map 5: Housing completions at ward level, 2008/09**

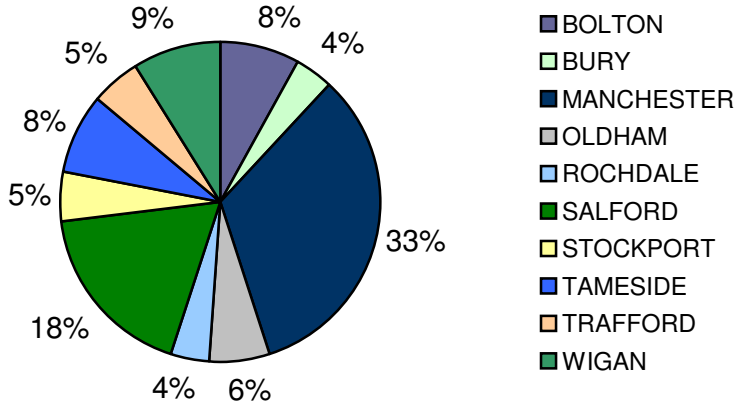


**Map 6: Housing completions at ward level, 2009/10**



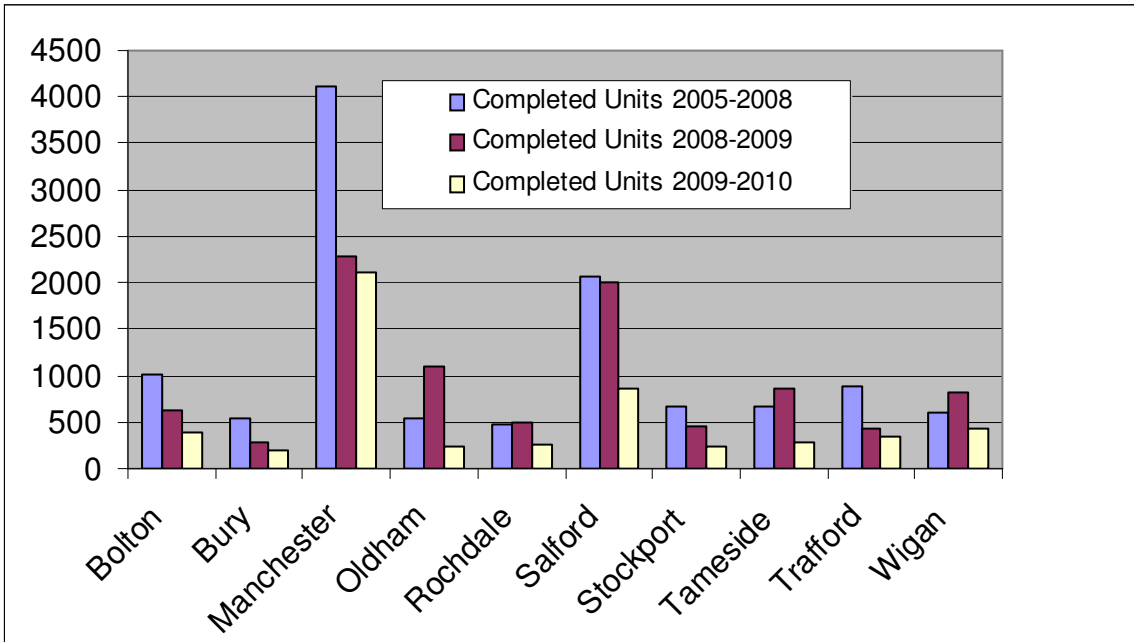
5.1.6 Figure 3 below shows the proportional contribution that each of the ten districts makes to the combined total of completions for Greater Manchester. Figure 4 illustrates the distribution of housing completions across Greater Manchester using an annual average of net completions between 2002/08 and total completions for years 2008/2009 and 2009/10.<sup>11</sup>

**Figure 3: % Contribution to the combined total completions for GM 2005 to 2010**



Source: Local Authority Data

**Figure 4: Average net completion rate in Greater Manchester between 2005 & 2010**



Source: Local Authority Data

5.1.7 Over 50% of completions between 2005 and 2010 are in Manchester and Salford, as indicated by Figure 3. Between 2005 and 2008 Manchester provided an average of over 4000 units annually, Salford provided an average of over 2,000 units and all other districts an average of less than

<sup>11</sup> The net completions figures are total completions with deductions for demolitions and losses from change of use - Source: Local Authority Data

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1,000 units between 2005 and 2008.<sup>12</sup> In 2008-2009 completions do decline throughout the conurbation but Manchester and Salford continue to deliver the highest levels of completions. Manchester sees the most notable decline in the year 2008-2009. By contrast Salford maintains high levels of completions in year 2008-2009, not seeing a decline until 2009-2010. Despite the decline seen in completion rates in years 2008-2009 and 2009-2010 the pattern remains the same with Manchester and Salford accounting for a high proportion of completions throughout the conurbation both pre and post the market downturn, as the policy approach adopted by AGMA would suggest.

- 5.1.8 All authorities have seen a decline in completions from the average completion rate achieved between the years 2005 and 2008. However, for a number of authorities, the decline did not begin until later in the recession period; the year 2009-2010 rather than 2008/09; Oldham, Rochdale, Tameside and Wigan saw an increase in average completion rates between 2008-2009 before a decline in 2009-2010.
- 5.1.9 The challenge for AGMA going forward will be to maintain completion rates in the short term and increase them in the longer term to meet Greater Manchester's ambitions for growth. Interviews with both local authority officers and a range of developers suggest a pessimistic outlook for the next twelve months. There were clear indications from developers that they are actively looking for new opportunities within Greater Manchester and are investing resources in developing new products and delivery models but the majority of interviewees referred to the requirement for partnership arrangements between developers and local authorities or RSLs to make development viable. Interviewees also cited the banks continued reluctance to lend, political uncertainty and public sector funding cuts as significant constraints or risks to delivery in the short term. Local authority officers did suggest that there has been some recent improvement in the housing market with an increase in developer enquiries but this trickle of interest has not yet been reflected in an increase in planning applications. Several authorities suggested that developers are buying land in preparation for a market upturn but are not yet sufficiently confident to begin development of that land.

### Trends in the Greater Manchester rental market

- 5.1.10 As set out in Section 3 of this report housing land values and property prices have reduced throughout Greater Manchester since 2007/2008, but, conversely, rental values have increased in many areas. The series of maps on the following pages show the average rent for 2-bedroom properties and for all property sizes at ward level and the annual change in rent (increase/decrease) between 2008/9 and 2009/10.<sup>13</sup> The highest rental values for 2-bedroom properties are at the conurbation core and in South Manchester, reflecting high demand in these locations, and the high quality rental offer in these areas, particularly in the Regional Centre. The average monthly rent for a 2-bedroom property in City Centre ward was £926 in 2009/10. Rents were also high in Ordsall (£715) and Ancoats & Clayton (£714) reflecting demand for apartments on the city centre fringe. Average rents across all property types are similarly high in these areas and also at the edge of the conurbation, where there are a greater number of larger properties for rent.
- 5.1.11 Of most significance however are increases in rental values in the previous 12 month period. In Trafford and Bury, for example, the average rent of a 2-bedroom property has increased in almost all wards for which data is available. Average rental values across all property types have increased significantly in large parts of Tameside, in Inner Salford, South Manchester and on the border of Bolton and Wigan. This trend supports the view that the struggling owner occupied market is contributing to the strength of the rental market as potential first time buyers are

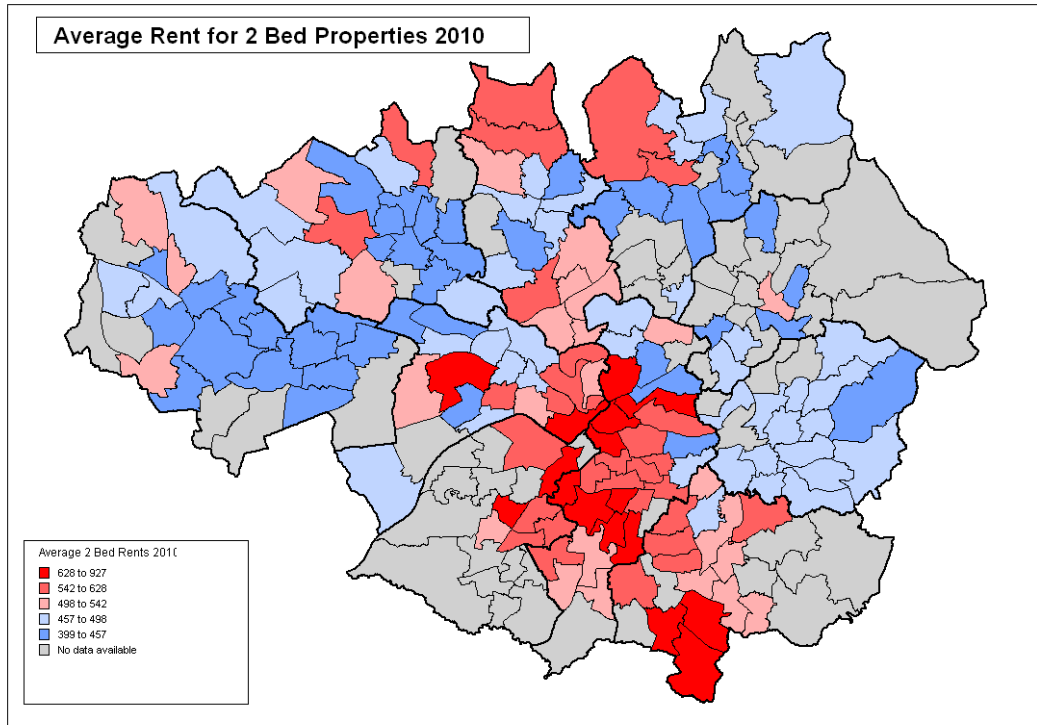
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<sup>12</sup> It is important to note that figures 3 and 4 use net completions; net completions have been used to illustrate the additional housing being provided across the conurbation to meet the needs of a growing population. The use of net totals does not reflect the regeneration priorities / achievements in the Housing Market Renewal areas, particularly in the Oldham Rochdale Pathfinder, where net total is lowered by high levels of clearance and replacement of homes.

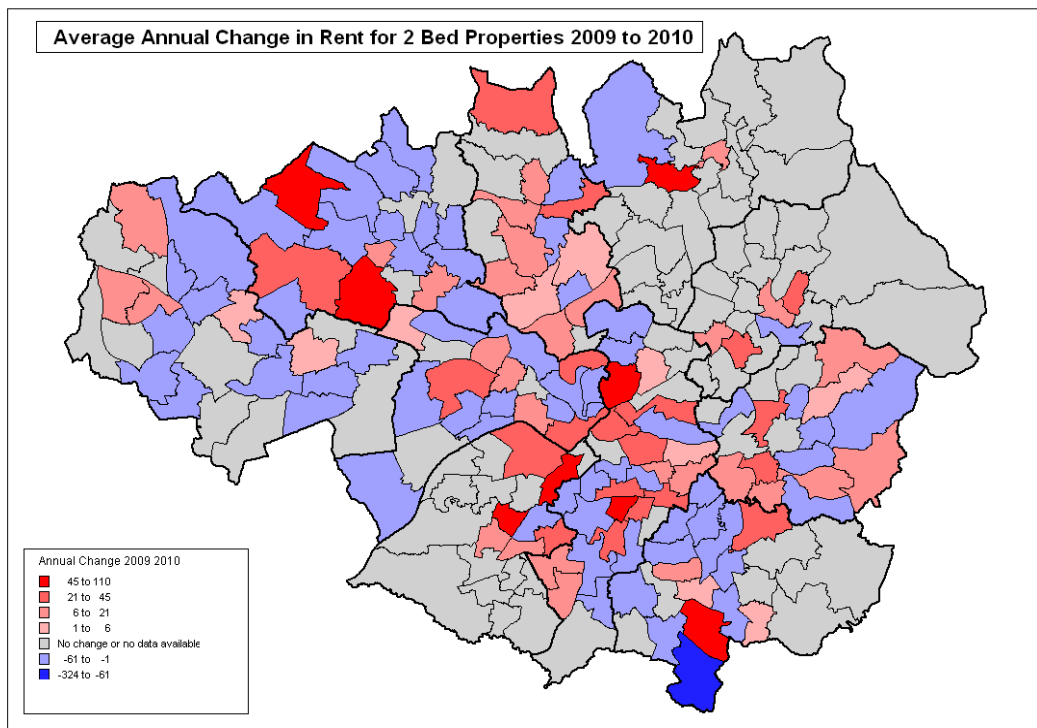
<sup>13</sup> Wards where data is available for less than 10 rental properties have been excluded from the analysis.

experiencing difficulties gaining access to finance and are therefore opting, or indeed face no other choice but to rent.

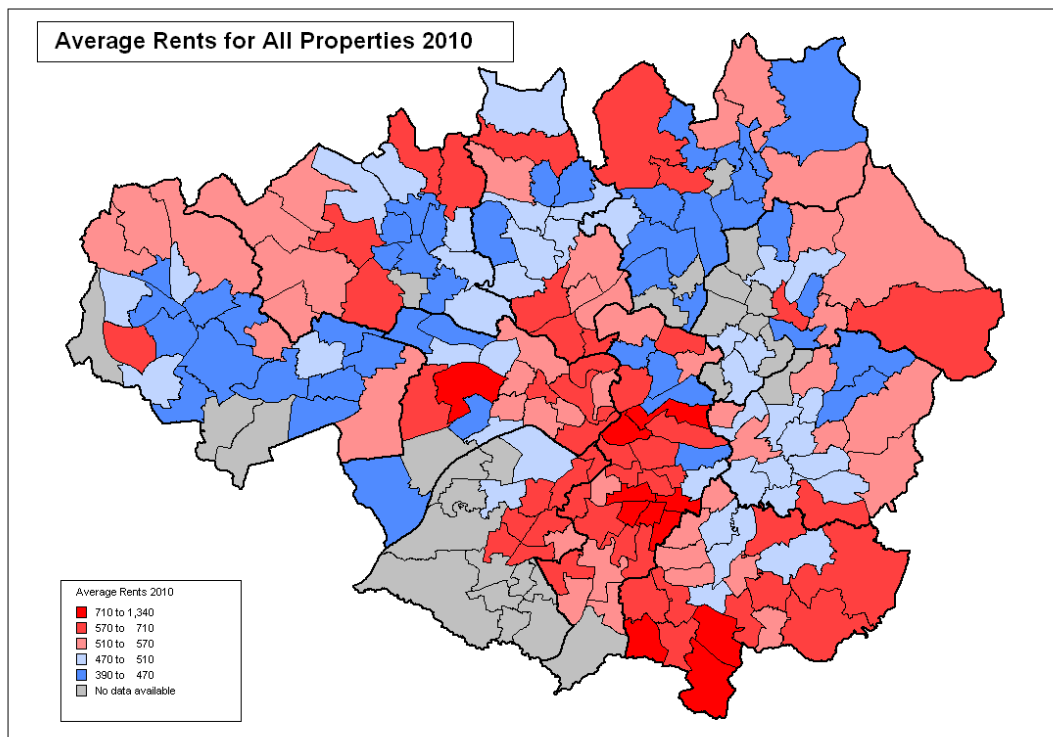
**Map 7: Average rental values for 2-bedroom properties (2009/10)**



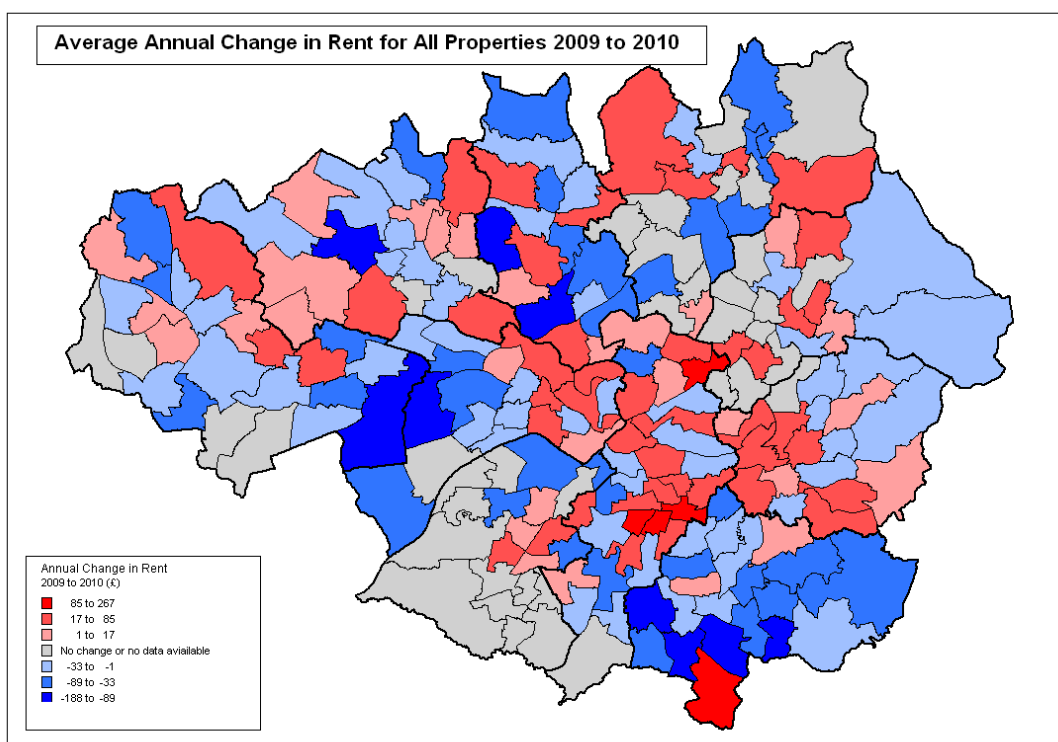
**Map 8: Change in average rental values for 2-bedroom properties (2008/09 to 2009/10)**



**Map 9: Average rental values for all property sizes (2009/10)**



**Map 10: Change in average rental values for all property sizes (2008/09 to 2009/10)**



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- 5.1.12 The strength of the private rented sector potentially presents an opportunity for developers in Greater Manchester. Several local authority officers identified schemes that developers had decided to rent for a period of up to 5 years in locations where demand for purchase has fallen, with the intention of selling when the market recovers. This trend was confirmed in discussion with developers. One developer was actively looking for partners for build-to-rent schemes, although in general the majority of developers consulted considered short-term rental as a last resort in locations with very low buyer demand, rather than a viable business model for new developments in the longer term. A number of developers stated that their business model is to recycle cash in short term investment cycles and that the preference would be for a reduced number of schemes for sale rather than to enter the rental market. One of the major concerns with the rental market is ensuring high quality management; one developer interviewed has started to manage its own buildings as a higher proportion of its developments are being let rather than sold.
- 5.1.13 Models such as rent-to-buy have been considered nationally as a short-term solution to issues facing the first-time buyer market. Such models offer the option to rent in the short term and to buy at a later date (often after 5 years). Developer opinions on these models were mixed; concerns were raised over the associated risks. Developers are locked into such agreements for a number of years and are reliant on the property increasing in value and the ability of the purchaser to access finance at the point of sale. Concern was also raised over the sustainability of the rental market at current levels, if the sales market recovers. It was noted however that there may be an opportunity at the higher end of the market where an equity share scheme could take into account the long term earning potential of a buyer to enable them to trade up within the housing market. One developer who has an integrated construction resource did indicate that they could make an intermediate rental scheme work by reducing the construction costs to around £55 per square foot.

#### **To what extent are identified housing sites being taken forward as planned?**

- 5.1.14 One of the primary objectives of the research study was to understand the impact that the recession has had on the future housing land supply of Greater Manchester. As detailed in the methodology (Section 4) this intelligence has primarily been gathered through an assessment of housing sites identified in the ten local authority Strategic Housing Land Availability Assessments and through supplementary planning pipeline data where necessary. Local authority planning officers were asked to review the information held on each site included in the assessment to identify those sites on which development had stalled or slowed, where the number, density and type of units has changed in the light of the recession, details of any re-submissions or renegotiations of Section 106 Agreements and any details of the primary reasons for such changes.
- 5.1.15 It should be emphasised that it is not possible to definitively quantify such changes at a GM level. It is not, for example, possible to state conclusively that “previously X units were to be delivered on sites across GM but that that figure has now reduced to Y”, or that “Z% of sites currently under development have stalled”, as planning officers stressed that there may be changes to development proposals that they are not aware of and which cannot therefore be accounted for in this study. However, the intelligence gathered does provide an approximate indication of the scale of the impact and an understanding of how development proposals have altered in light of the recession and provides evidenced examples of such changes.

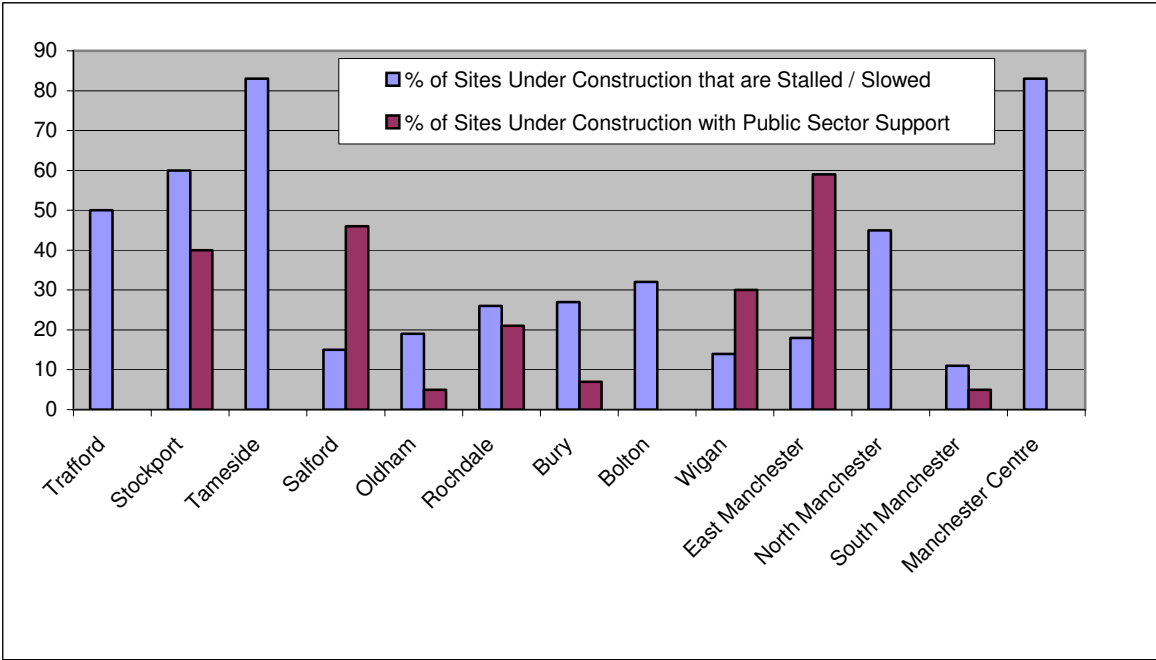
#### **Stalled sites**

- 5.1.16 Approximately one third of development sites under construction within our assessment were *known* to have stalled or slowed since the onset of the recession; there were 52 sites identified as stalled or slowed out of a total of 184 under construction. Reasons for development stalling or slowing include developers and/or land owners going into administration, sale of development sites after construction has commenced and later phases of developments not going forward due to early phases not selling.

5.1.17 The differing impact across Greater Manchester can be seen in Figure 5 below, which illustrates the percentage of sites under construction in our assessment that are known to have slowed or stalled in each authority area (Manchester is broken down into North, South, East and Central). The areas seeing the highest percentage of stalled or slowed sites are Manchester Centre, Tameside, Stockport, North Manchester and Trafford. The graph also shows the percentage of sites under construction that have public sector support. With the exception of Stockport the areas experiencing the highest percentage of stalled or slowed sites under construction do not have any sites under construction with public sector support therefore suggesting that where there is public sector support (such as Salford, East Manchester and Rochdale) sites under construction are being sustained by this funding.<sup>14</sup>

5.1.18 The graph identifies that in Stockport and Rochdale, despite a significant percentage of sites under construction receiving public sector support, a high proportion of sites are still stalled or slowing. It is important to note that this assessment only includes a sample of sites, including the larger capacity sites only (those over 0.4ha and or delivering 50 plus units), and many local authority officers suggested that it is the larger sites that have suffered the most from stalled or slowed construction. Also, some areas, including Stockport, had very few sites under construction included in the assessment (between 4 and 28).

**Figure 5: Sites and units stalled under construction**



5.1.19 Sites stalling under construction is a clear indicator of the adverse impact that the recession has had on the housing market in Greater Manchester. However sites under construction represent only a small percentage of the over all housing land supply included in the assessment (less than 15%). Of the sites in the assessment that are not under construction (the remaining future housing land supply) the research found a number of indications that there is uncertainty over short term delivery on some of these sites.

<sup>14</sup> The assessment did not take into account the number of units on a site that have stalled or slowed or the level of public sector funding received.

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### **Sites on which there has been a reduction in the number of units to be delivered**

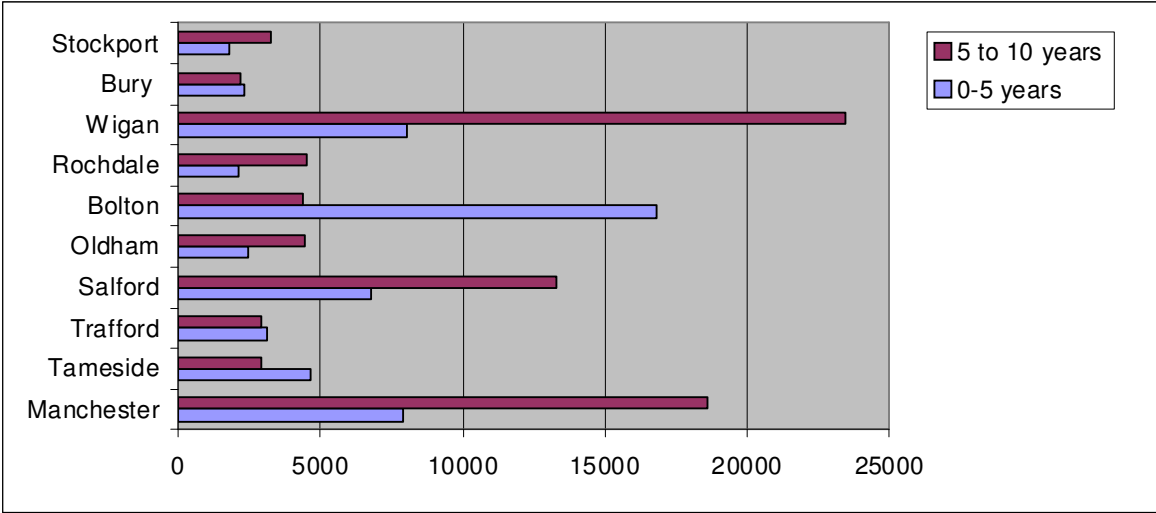
- 5.1.20 Of the sites assessed (including both sites under construction and future housing supply sites) 5% are *known* to have seen a decrease in the number of units to be delivered due to current housing market conditions. In most cases these are sites where the SHLAA figures have been re-calculated based on lower densities or a new application has been submitted with a reduced number of units.
- 5.1.21 5% is a relatively low figure, suggesting a high level of confidence in the number of units forecast for delivery in the GM housing supply. However it is important to note that for a significant number of sites authorities were unable to make this assessment because either no re-assessment had yet been undertaken on capacity forecast in the SHLAA, or few altered or new planning applications had been received for housing development sites. Therefore the actual number of sites likely to see a reduction in number of units may be much higher than 5%. Where a decrease in the number of units for delivery was identified the average percentage decrease in number of units to be delivered is 30%, suggesting that where number of units to be delivered is known to have fallen, the decrease is significant and will therefore have an impact on completion rates going forward.
- 5.1.22 Where a reduction was recorded the primary reasons given were the removal of apartment units from schemes (in some cases resulting in the replacement of apartment blocks with lower density housing) and a recalculation of capacity on sites with “overly optimistic” yields.

### **Extended time periods for delivery**

- 5.1.23 The sites within the assessment are forecast to be delivered either within 0 to 5 years, 5 to 10 years or as a phased development (starting in either 0 to 5 or 5 to 10 years). Local authority planning officers were asked to make a judgement, in the context of current housing market conditions, as to whether the sites within the assessment remain likely to be delivered in the specified time band.
- 5.1.24 Of the sites assessed 3% were identified as likely to be delivered in a later time band or will be phased over a longer time scale. This low proportion again suggests a high level confidence in the supply, however, as with the assessment of sites where the number of units is likely to decline, some authorities were also unable to make an assessment of whether delivery periods are likely to change due to a lack of information.
- 5.1.25 Based on discussions with local authority planning officers however it is reasonable to assume that of the remaining 97% of sites many others are likely to be delayed. Officers suggested that although sites may still be delivered within the specified time band, delivery could be delayed within that time band and in some cases the assessment was very difficult to make as time bands themselves shift year on year (i.e. each new financial year becomes Year 1, meaning that delivery within 0-5 years technically remains feasible).
- 5.1.26 Where delivery periods have been extended the reasons given related to developers going into administration, expired planning permissions (unusual before the recession), and longer phasing of delivery due to low demand for the properties under construction.
- 5.1.27 Extending timescales is likely to have a significant impact on delivery rates in the short term (0 to 5 years). The impact on delivery may differ across the 10 local authorities depending on the distribution of supply between 0 to 5 and 5 to 10 year time bands. The officers consulted in authorities where a significant proportion of the supply is forecast for delivery in the medium term to long term suggested that extending timescales would not have a significant impact on their delivery rates, the assumption being that the market will have recovered in 5 years. The distribution of units for delivery between the two time bands 0 to 5 and 5 to 10 years is different for each authority; the graph below indicates the breakdown across the 10 authorities.



**Figure 6: Delivery timescales: number of units forecast for delivery 0-5 and 5-10 years**



Source: LA SHLAA data (all sites)

**Market constraints**

- 5.1.28 Sites where current market conditions are considered to be a constraint to delivery were identified through the site assessment process and through consultation with local authority officers. 20% of the sites included in this study fell into this category. Sites identified as constrained by current market conditions included those sites that officers considered difficult to market, where demand for housing on sites was low, where there was deemed to be an oversupply of a particular housing type (usually apartments), where unrealistic expectations regarding land values made development unviable and where Section 106 requirements made profitable development difficult. It also included sites where officers thought timescales were likely to increase or that the number of units for delivery was likely to decrease but they were unable to quantify these changes.
- 5.1.29 Map 11 below gives a spatial illustration of the possible impacts of the recession on housing land supply across Greater Manchester. The map illustrates those sites in the assessment identified as adversely affected by current market conditions. The map indicates that a large number of sites across the conurbation are either known to have been, or are thought likely to be, affected by the recession; this is a conservative estimate as many authorities were unable to provide information on all of their sites within the assessment. It is also important to note that a number of sites *not* identified as adversely affected by current market conditions, particularly at the conurbation core, will require public sector support to bring forward (as shown in Map 1). Should this public sector support prove to be unavailable the proportion of sites adversely affected is likely to be significantly higher.
- 5.1.30 Map 11 indicates the scale of the challenge going forward in Greater Manchester as it shows a clear concentration of sites negatively affected by the recession at the conurbation core, although it should be noted that this is in large part due to the higher number of development sites in that area. The research suggests that all authorities throughout Greater Manchester are experiencing similar problems with regard to market demand. Whilst housing development in all local authorities has been affected by the recession, the *nature* of the impact varies between local authorities, influenced by local market conditions. For example, in Trafford and Stockport officers suggested that whilst larger developments have been more difficult to bring forward there remains demand for smaller infill developments of high quality housing in higher value areas. Both Pathfinder areas have retained the support of developers for larger schemes, although as noted above, this is in large part due to the availability of public sector support to make such schemes viable. Officers from both Stockport and Bolton noted that housing developments in the town centre had been particularly severely affected.

5.1.31 Map 12 uses the same information as Map 11 but distinguishes between the short term supply (0 to 5 year) and longer term supply (5 to 10 year). The map illustrates that the adverse impacts of the recession being seen on housing land supply across Greater Manchester is particularly severe with regard to the short term housing supply. A high proportion of the sites identified as adversely affected by current market conditions are in this 0 to 5 year supply and many of those in the 0 to 5 year supply that aren't identified as adversely affected will require public subsidy to bring them forward (as shown in Map 1).

**Housing type and density**

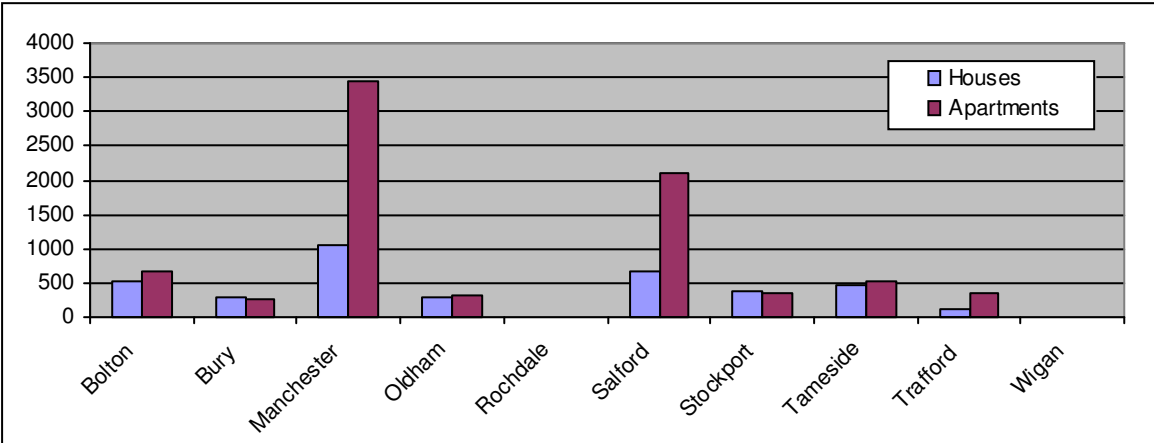
5.1.32 The research also analysed the extent to which proposals regarding the type and density of housing to be developed have changed. The site assessment process revealed that there have been very few resubmissions; there have been some submissions to extend permissions but in general local authorities felt it was too early to identify changes to housing type and density through resubmissions.

5.1.33 Interviews with both the local authorities and developers did identify clear trends towards reduced densities, fewer apartments and three storey houses and a return to development of traditional three and four bed family homes. These changes were on the whole attributed to developers struggling to access finance on apartment schemes, as banks remain unwilling to lend for apartment and three storey housing developments rather, than changes in buyer demand. Generally speaking, the decline in the apartment market and the trend towards traditional family housing could have a significant effect on growth proposals across Greater Manchester and challenges the current policy preference towards high density development.

5.1.34 Greater Manchester has been reliant on the apartment market to deliver the levels of housing growth aspired to. In 2007/08, when completion rates were at their highest, 68% of units delivered in Greater Manchester were apartments<sup>15</sup>. Figure 7 below shows that the apartment market is, unsurprisingly, heavily focused in Manchester and Salford at the conurbation core, but apartments also outnumbered housing development in Bolton, Oldham, Tameside and Trafford.

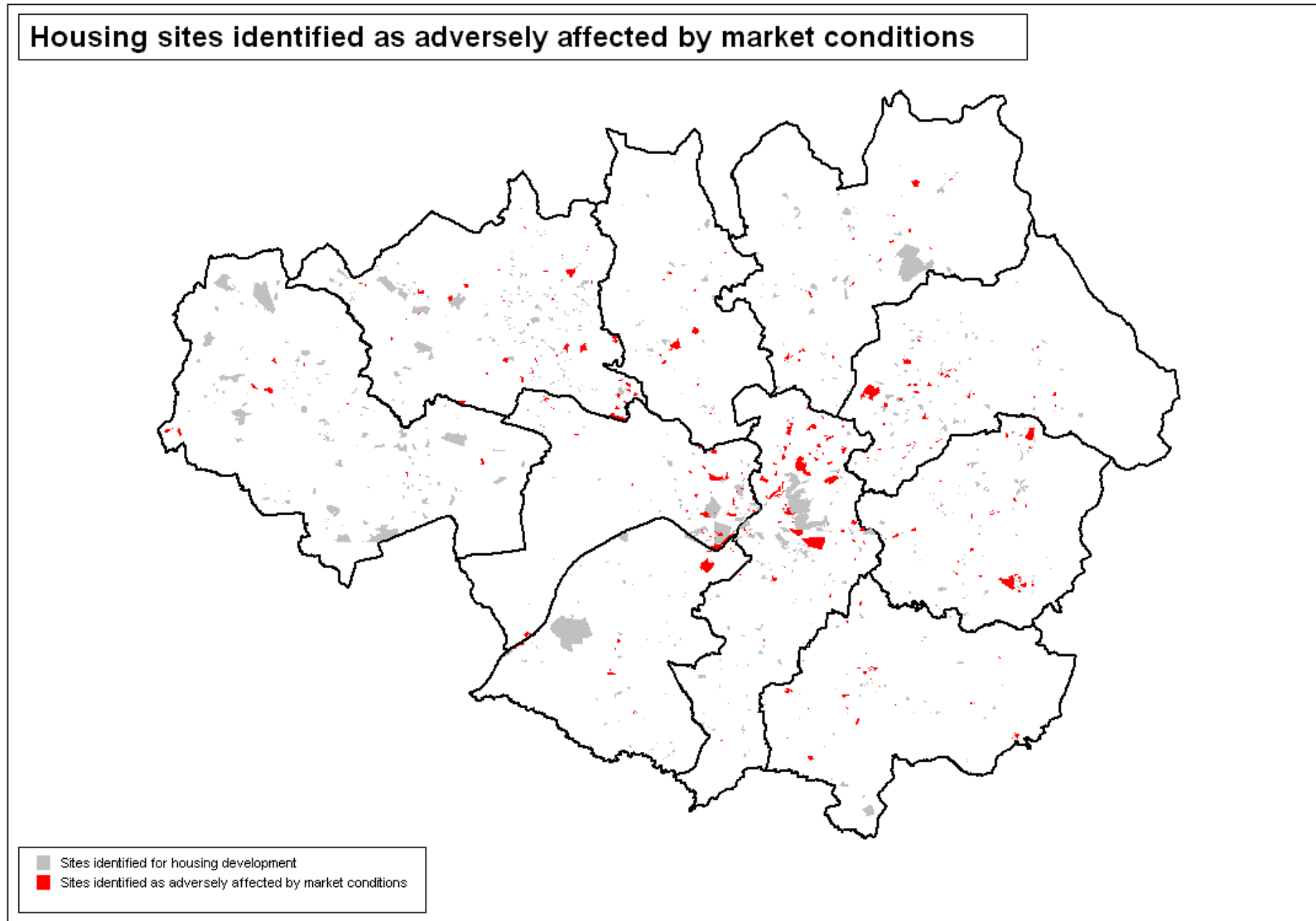
5.1.35 Despite the current contraction of the apartment market there was a general optimism from both developers and local authorities that in some locations the apartment market will return once lending increases. This applied particularly to the conurbation core and also in Trafford and Tameside. In other locations however, such as Bolton, Oldham and Stockport suggested that they do not predict to see a return in market demand for apartments at least in the short to medium term.

**Figure 7: Completions of houses and apartments in 2007/08** (Source: Local Authority Planning Departments)

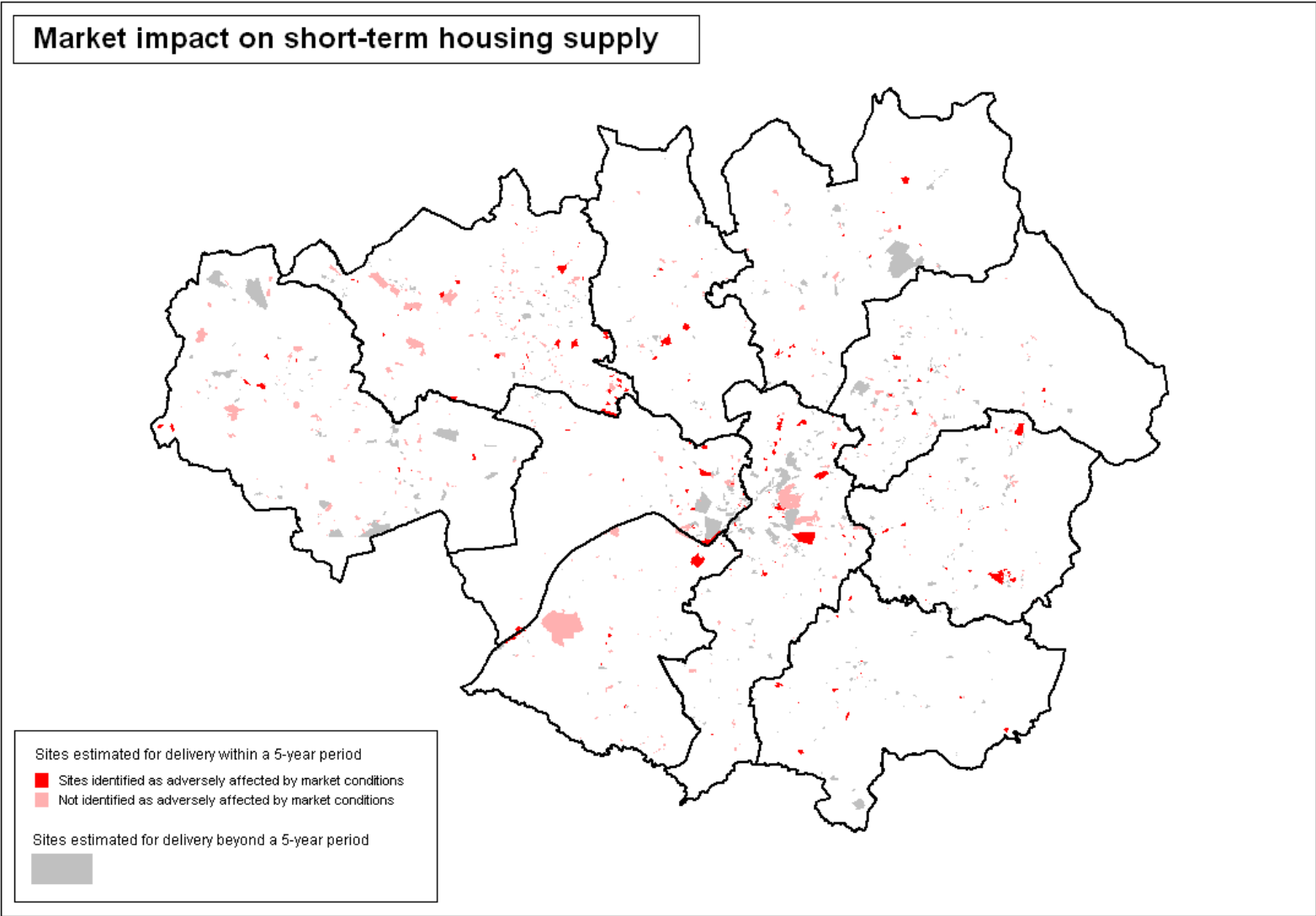


<sup>15</sup> This figure excludes data for Rochdale and Wigan, where development numbers by property type is unavailable from source used.

Map 11: Sites adversely affected by current market conditions (0 to 10 year supply)



Map 12: Sites adversely affected by current market conditions (0 to 5 year supply)



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## What are the identified barriers to housing delivery in the short / medium term?

5.1.36 The following were identified as barriers to housing delivery, both through the site assessment process and through interviews with local authority officers and developers.

### Affordability

5.1.37 The contraction of the first time buyer market and therefore issues of affordability were cited by both developers and local authority officers as one of the most significant constraints to development in the short to medium term. Both local authority officers and developers identified that there is buyer demand but that a high proportion of potential purchasers are unable to secure the necessary finance. Figure 8 below shows that the average property price paid by first time buyers has increased by nearly 10% in the last 5 years. However, most illustrative of the issues facing first time buyers today is the increased gap between the value of the property and the amount available to borrow; first time buyers are now typically required to provide a deposit of 25% of the value of the property, which, at an average of £35,615 is beyond the reach of many prospective purchasers. Figure 8 also includes the average age of a first time buyer; the average age has not increase in the last 5 years according to this data from the Council of Mortgage Lenders (CML). However an average of 80% of these buyers are receiving assistance with regards to a deposit. Alternative statistics from the CML suggest that the current average age for a buyer not receiving assistance is 37<sup>16</sup>.

**Figure 8: Typical first time buyer profiles over the past 25 years**

First time buyer (UK)	Today	5 years ago	10 years ago	15 years ago	20 years ago	25 years ago
Average age	29	29	30	28	28	27
Average house price	£142,457	£129,918	£65,061	£38,701	£46,777	£26,422
Average borrowing (LTV)	75%	90%	90%	95%	95%	95%
Average deposit	£35,615	£12,992	£6,406	£1,935	£2,339	£1,321
House price to earnings ratio	4.6	4.8	2.9	2.2	3.4	2.9

Source: CML and Nationwide: figures released August 2010

### High land value expectations and land availability

5.1.38 The majority of developers consulted indicated that they are seeking new sites for development, despite the current market conditions, but also suggested that many of the sites available are currently being offered at inflated prices due to unrealistic expectations of land owners and financial institutions. Several developers considered both local authorities and private land owners to be responsible for inflated asking prices; suggesting that local authorities are seeking high receipts for land assets to help prop up capital programmes. A preference for land owners to hold on to land until the value increases was also a major issue identified, limiting the availability of land and therefore stalling development. It was, however, also noted by a number of developers that recent internal job cuts have limited their capacity to identify and research new land.

5.1.39 In addition to developers, several local authority officers also identified unrealistic land value expectations as a constraint to delivery, identifying examples where development has stalled as landowners are waiting for land values to recover. In general however, there was optimism from local authority officers that greater realism regarding land values is emerging.

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<sup>16</sup> <http://www.cml.org.uk/cml/publications/newsandviews/45/152>

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5.1.40 With regard to the availability and purchase of new sites, several of the developers interviewed are continuing to buy land where it is reasonable value. However in many cases, recent acquisitions are smaller sites than pre-recession; it was suggested that there are few opportunities for larger, phased developments with developers currently preferring sites of around 5 acres. It was suggested by a number of developers that in some locations the value of poor quality land is in some cases zero, so a transfer or partnership agreement is required to enable development to commence, rather than a standard purchase. This sort of transaction is complex and was cited as a constraint to development.

5.1.41 Despite low land values in some areas there is little evidence from this research to suggest that developers are selling residential land for commercial uses. However, of the housing sites assessed there were some sites that officers consider are *currently* not viable for housing development and may be more appropriate for commercial uses. Many of these sites are in town centres where the decline in the apartment market has left vacant sites which are not considered suitable for other types of housing.

#### **Risk Averse Business Models**

5.1.42 Financial institutions and developers are currently risk averse; banks are restricting lending to developers and developer business models are dictating the type and scale of schemes that can be brought forward in the current market. It was clear from several of the interviews with developers that although stable and in a healthy financial position after a period of restructuring they are currently risk averse and capital for land purchases is limited. There were some developers interviewed that are not currently in the market for buying land and others that are buying land to build up their land bank; those that are buying land for development in the short-term are only considering sites that can be turned around in a reasonable timescale to allow re-investment of capital.

#### **Government funding cuts**

5.1.43 The majority of both developers and local authority officers interviewed recognised that public sector funding has been sustaining completions in many locations throughout Greater Manchester and acting as a catalyst for continued development during the recession, particularly in lower value, regeneration markets. Developers raised concerns about the private sector's ability to fill this void if funding is withdrawn, particularly in light of the banks reluctance to lend.

5.1.44 Concerns were raised regarding the potential for public sector redundancies to further reduce demand in the buyer market and the potential loss of existing delivery partners; stability of existing partners was considered to be an important factor in successful delivery and it was suggested that funding cuts, particularly in Pathfinder areas could undermine these long-standing partnerships.

#### **Local authority partnership working**

5.1.45 Partnership working was seen as both a potential opportunity and constraint by a number of the developers consulted. In practical terms, developers identified a "disconnect" between the planning and housing services offered by some local authorities, with poor communication between departments and a lack of agreement on housing priorities for that authority area making it difficult to bring development forward. In addition, as land values in some locations are so low development agreements are required in replacement of traditional transactions which can overcomplicate the development process. Decisions need to be made quickly on priorities for development and it is important that local authorities can be responsive where market-led opportunities arise.

5.1.46 On the other hand, both developers and local authority officers identified partnership arrangements at a sub-regional level as a potential opportunity if such arrangements can be managed effectively and increases in bureaucracy avoided. In a time of limited public sector resources, it was felt that agreement of strategic priorities at Greater Manchester level could help to ensure that those resources are invested effectively.

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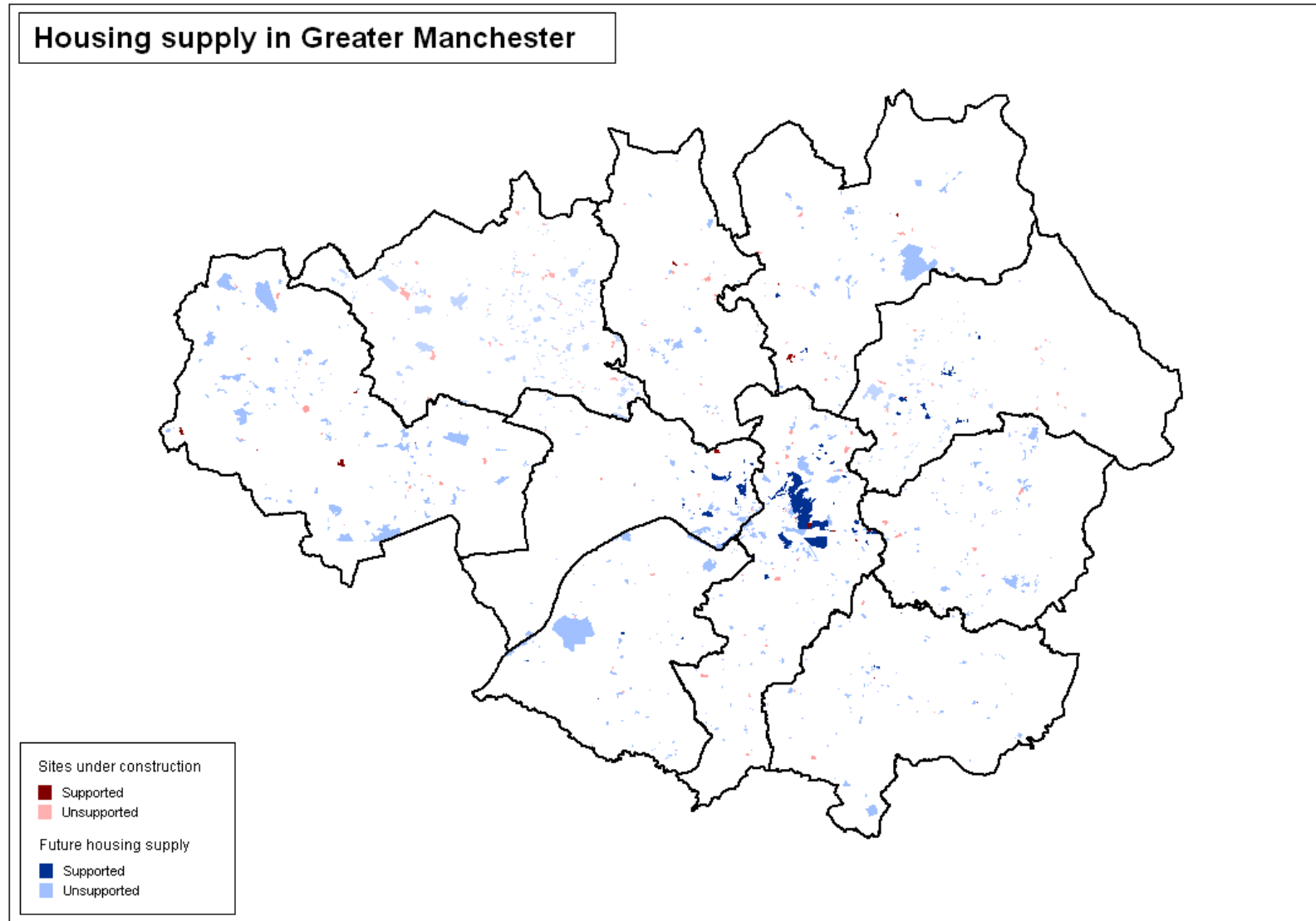
### **Affordable housing requirements**

- 5.1.47 Developers did not identify affordable housing requirements as a specific constraint to delivery. However, several local authority officers suggested that a reduction in the requirement for affordable housing on some schemes was likely to make the development more viable in the short term and therefore negotiations on some sites had commenced. There is however a risk that a developer will not start on site until market conditions improve, even if Section 106 agreements are revised and the affordable housing contribution reduced. Therefore the reduction of affordable housing requirements to encourage development would need to be considered on a site by site basis.

### **To what extent does there remain confidence that allocated public sector funding will continue to be available?**

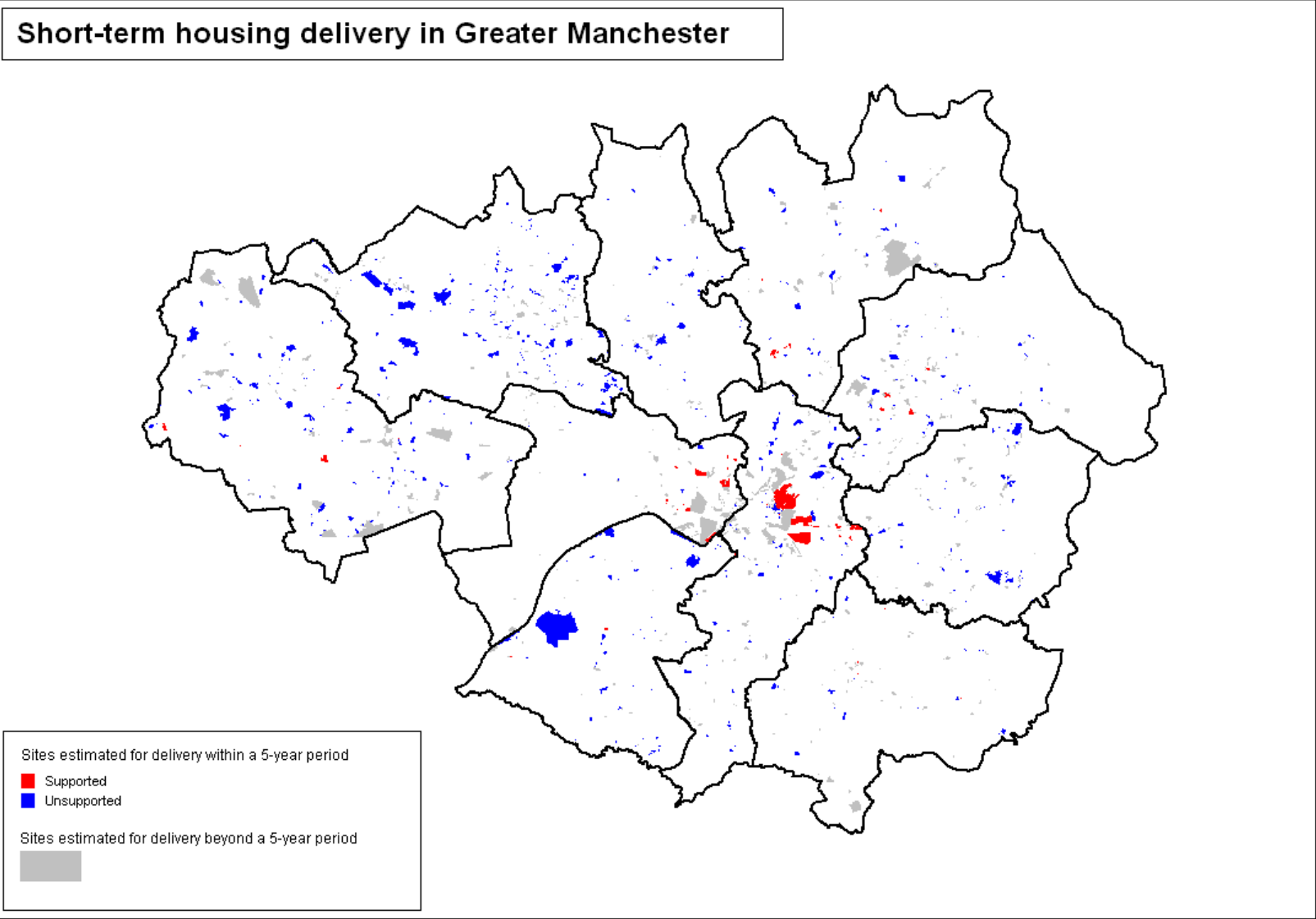
- 5.1.48 Map 13 below shows the distribution of sites included within the assessment that have public sector support (including the split between those under construction and those that are future supply). Map 14 shows the distribution of sites with public sector support in the short term supply (0 to 5 years). This information was provided by local authority officers and it is important to note that there may be sites in receipt of funding that officers were unaware of, which will not be identified on these maps. It is also important to bear in mind that the type and level of public sector support varies significantly between sites.
- 5.1.49 As expected given the spatial focus of growth and regeneration objectives, map 13 indicates a clear concentration of supported sites in Market Renewal pathfinder areas, including both sites under construction and future supply. Map 14 highlights that a high proportion of this supply requiring public sector support is forecast for delivery in the short-term (0 to 5 years).
- 5.1.50 The site assessment process sought views on the extent to which confidence remains that expected funding allocations will continue to be available. Confidence that public sector funding will remain available on sites where either construction has started or an agreement is in place was high throughout Stockport, Salford and Wigan. On sites that have either been earmarked for funding but have yet to receive formal confirmation, authorities are less confident or were unable to make this judgement. Several authorities did not have any (or very few) supported sites within the assessment including Bury and Bolton. Others were unable to provide a response to questions regarding confidence levels relating to public funding.
- 5.1.51 The future role of public sector funding was raised by both local authority officers and developers through the interview process. Officers were generally of the view that public sector funding has been critical to supporting housing completion rates and delivery of regeneration priorities to date and that significant reductions in public sector funding poses a real risk to the successful delivery of housing growth, particularly in more challenging areas. In a period of reduced public sector funding, many felt that the focus should be on prioritising investment to ensure that the limited funding that is available is used effectively to achieve “critical mass”. Identifying new, creative ways to use public sector assets was also identified as a priority, although no one was able to identify the “silver bullet” required to kick start the market.
- 5.1.52 Developer opinions on whether the public sector has a role to play in supporting the market included the view that large amounts of funding has been used to acquire sites which are now not delivering development and that a major risk of public sector input is that the product and the market are not always well matched; if the product isn't right for the market the development will fail. Developers were concerned that public sector-led developments were not always delivered quickly enough to respond to market opportunities and that in some cases regeneration schemes were attempting to change the market (in many cases unsuccessfully) rather than simply responding to existing market demand. There was however wide recognition from developers that completions are currently being sustained by public sector investment.

Map 13: Housing land supply in Greater Manchester (0 to 10 years)





Map 14: Housing land supply in Greater Manchester (0 to 5 years)



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## Summary

To what extent has the recession impacted on Greater Manchester's Ambitions for Growth?

- There has been a significant reduction in completions across GM from 2007/2008 to 2009/2010; a decrease of 45% between 2007 and 2009;
- The private rental market is strong, rents have increased in many authority areas between 2009 and 2010;
- Approximately 1/3 of sites included in the assessment of housing supply have stalled or slowed under construction, a total of 28%;
- In terms of housing supply, 5% of units in the assessment have seen a decrease in no. of units to be delivered and 4% are likely to be delivered over an extended timescale (these are known changes, consultation suggested that the impacts will be far greater than these statistics imply).
- 20% of sites in the assessment of housing supply have been identified as adversely effected by market conditions.
- Developers are using risk averse business models, restricting the level and type of development coming forward; there is a trend for reduced densities, fewer apartments and fewer three storey homes with a return to traditional 3 and 4 bed properties.
- Uncertainty in future of public sector funding is a concern for local authorities and growth ambitions in GM.

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## 5.2 Which areas in GM are best placed to deliver new dwellings in the short to medium-term?

5.2.1 The previous section focused on the impact of the recession on current housing delivery in Greater Manchester and on future housing land supply. The effects identified are largely negative; there has been a significant decline in housing completions and officers are forecasting constraints linked to market conditions on a high proportion of sites. However, despite market conditions, AGMA continues to require significant increases in net housing to meet forecast household growth, so this research also sought views on the areas that are best placed to deliver new dwellings in the short to medium term and possible models to aid delivery.

5.2.2 Despite a significant decline in completions across Greater Manchester there are sites that remain under construction and completions are continuing to come through, albeit more slowly than prior to the recession. This section examines general trends in where these units are being delivered and, perhaps crucially given future funding constraints, where these are being delivered without public subsidy.

### **Areas where market demand remains**

5.2.3 Unsurprisingly, the areas in which development has continued without public subsidy are higher value, low risk areas, targeting purchasers with equity in their existing property that wish to trade up. Many of these higher value development opportunities are relatively small infill developments. Some authorities also identified specific areas that they predict will be areas for growth led by the market; for example, officers in Trafford cited the Ship Canal Corridor and Carrington. In some authorities niche markets were identified, such as Asian housing markets in Oldham and Rochdale. Cleared sites that are ready for development immediately were also considered an opportunity if marketed effectively; officers in Rochdale and Oldham, for example, suggested that there are a large number of sites that are cleared and on which no further land remediation is required.

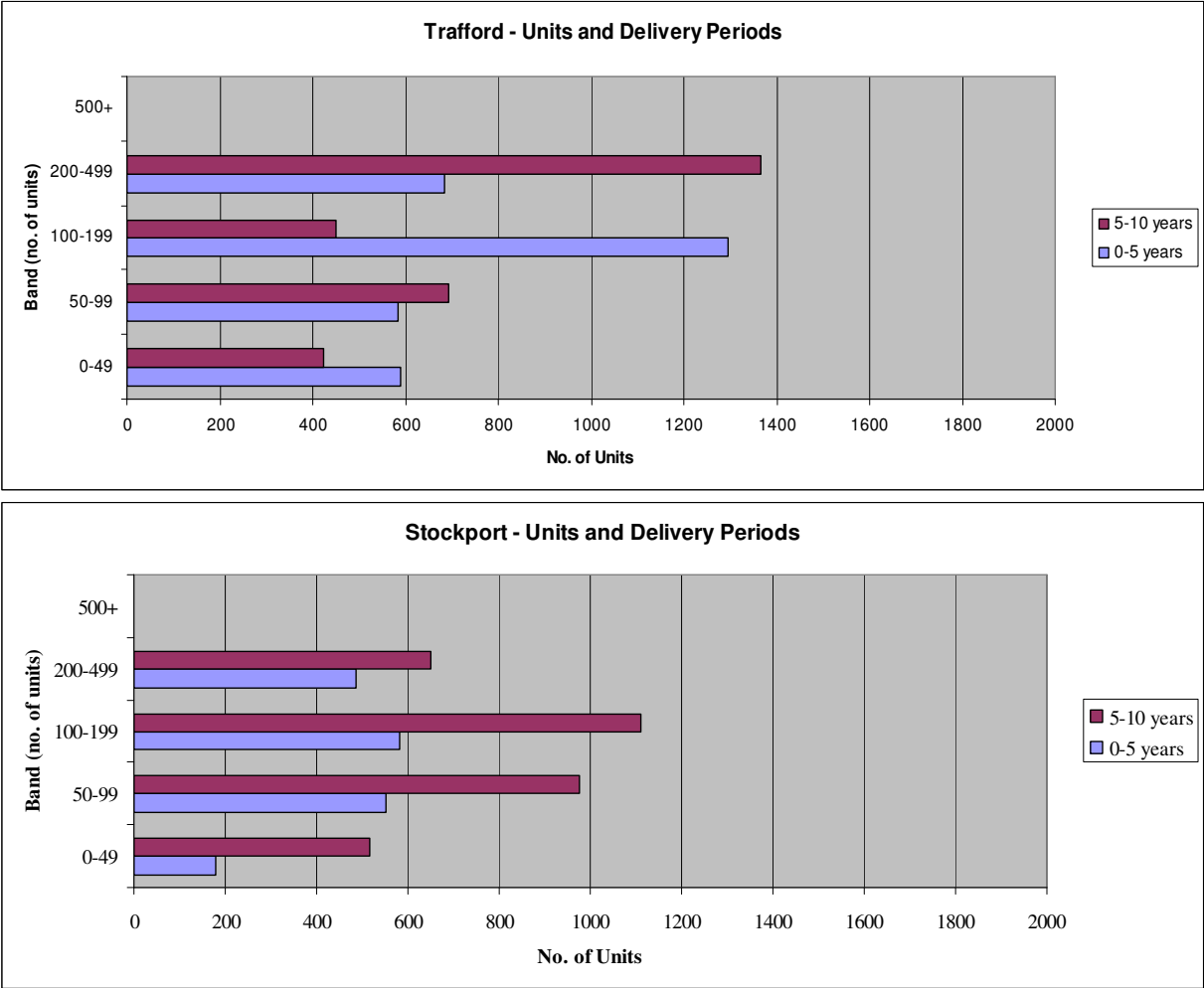
5.2.4 In areas that have received high levels of public subsidy to date (primarily the Pathfinder areas) many local authority officers were not confident that housing developments would be delivered in the short to medium term if levels of public subsidy are not sustained. This view was strengthened by some developer suggestions that they are currently only in the market for sites with low land remediation costs and reasonable confidence in the buyer market. However, it should also be emphasised that despite the challenges facing the delivery of housing growth at the conurbation core and in primary regeneration areas there was no indication through discussion with local authorities to suggest that there is a strong desire to bring forward high levels of housing development in alternative locations. In fact, the decline of the apartment market would make delivery of a significant number of new housing units challenging in any location within GM, and beyond.

### **Delivery forecasts**

5.2.5 An understanding of housing supply and associated delivery timescales across the 10 local authorities in Greater Manchester is important when looking at future opportunities. The local authority projections for housing delivery differ across the time bands (0 to 5 and 5 to 10 years as illustrated in Figure 6) but they also differ in terms of when they expect larger sites to be delivered. This could be particularly significant for AGMA's growth ambitions in the short to medium term as the majority of interviewees, both local authority officers and developers, suggested that smaller sites and phased developments currently present the most attractive or realistic opportunities. As an example, the two graphs below compare forecast housing delivery periods in Trafford and Stockport; the majority of larger sites (those delivering between 200 and 499 units) are forecast for delivery in Trafford in the period 5 to 10 years whereas in Stockport delivery of these large sites was forecast to be more evenly spread across the 2 time bands.

5.2.6 Further analysis of the distribution of supply across the 10 authorities and the alignment of this supply with market demand may be helpful in identifying short to medium term opportunities for delivery. The breakdown of the supply for all districts is included at Appendix 3.

**Figure 9: Phasing of housing delivery in Trafford and Stockport**



Source: Local Authority SHLAA data

**Public sector land assets**

5.2.7 The use of public land to enable development in the short to medium term was identified as a potential opportunity by both local authority officers and developers, although it was emphasised that the quality of and market demand for such sites is mixed. A number of developers saw land values as the key to delivery as it is currently the only flexible parameter; developers and sub contractors in some cases claim to already be working at zero percent profit. Several examples of land bought at reduced values were referenced in consultation with developers. By contrast however one developer felt that good quality publicly owned land is in short supply and that use of public land to deliver housing development will therefore have a limited role to play in the medium to long term.

5.2.8 Examples were given by local authority officers of development models where public land assets had been used to enable development. The examples allowed authorities to take an equity stake in the development, the benefit being to reduce the front end costs to the developer. For example,

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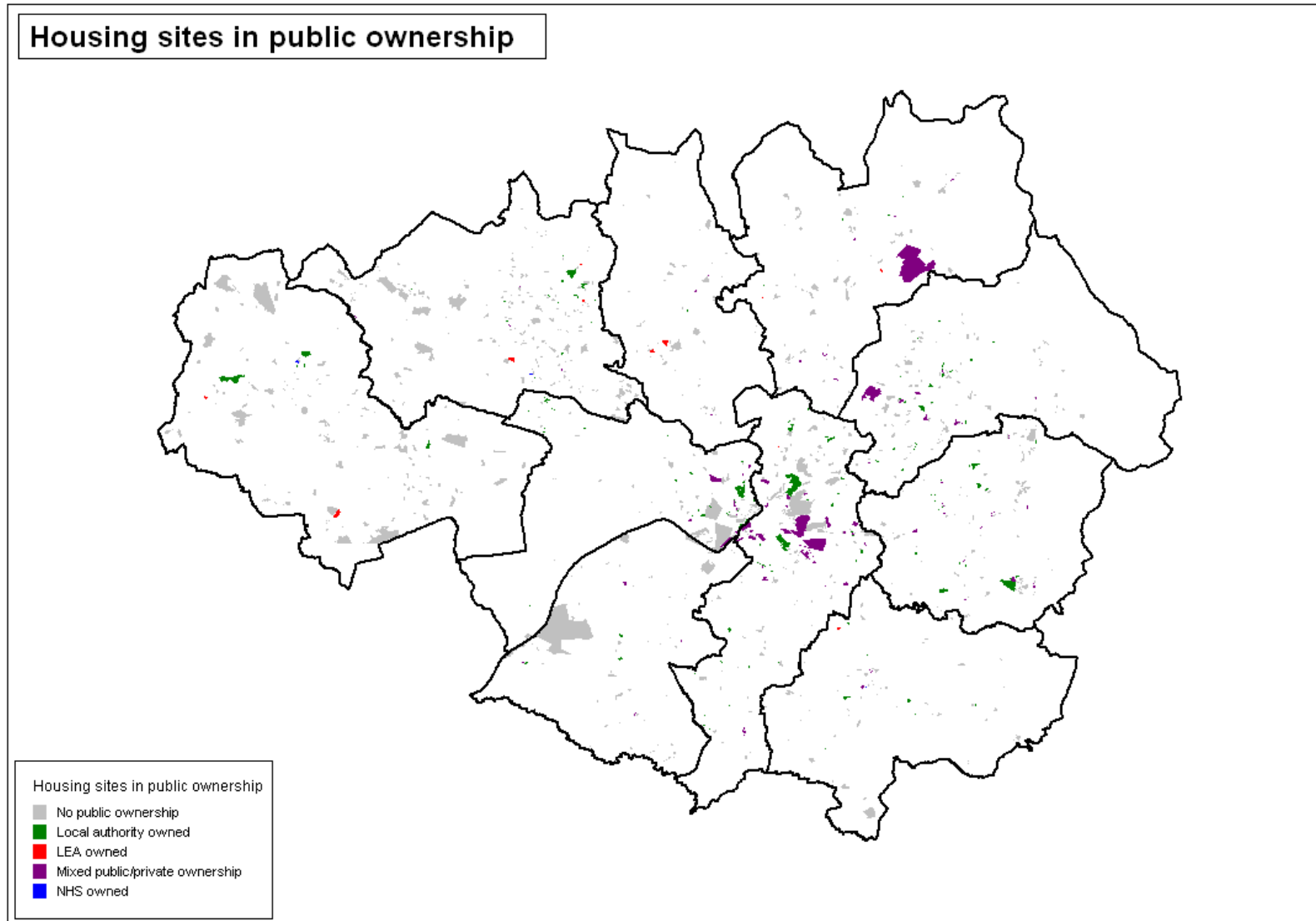
Wigan MBC highlighted that they are considering the remediation of poor quality sites in North Leigh and supply of the land for free in return for an equity stake to encourage developer interest. A further example given was a partnership in Manchester with Redrow where a similar approach is already underway. It is important to note however that some authorities did raise concerns about the location and quality of land on offer within their authority area acting as a constraint and that the complexity of bringing sites in mixed ownership forward could also be drawback.

- 5.2.9 The map on the following page gives an indication of the level of public ownership of the housing land supply across Greater Manchester (sites included in our assessment only). It should be emphasised that in some cases the ownership of land was unknown so not all public sector land assets will be reflected. Whilst there a large number of sites are in public ownership, further work is required to determine the quality of such sites and the attractiveness to the market.

#### **New development models**

- 5.2.10 Other than the use of public land as a means to encourage development few examples of new delivery models were given by local authority officers; work to identify ways to encourage development has been underway for some time and there is no “silver bullet”. Developers did however discuss how the recession has led them to change their business models and consider the development of new products.
- 5.2.11 Developers are reducing risk wherever possible, largely by seeking to identify buyers prior to developing homes. This has led developers to work in partnerships with RSLs and to deliver homes for the affordable housing market, where equity stakes act as an incentive to purchase and go some way to addressing issues in relation to access to mortgage finance. Other developers have shifted the balance between their contracting and development work streams, where relevant, shifting the balance towards contracting work. One developer referred to a current development where land to accommodate 20 homes had been purchased with the intention to put the infrastructure in place and then sell the plots individually with a view to taking on the development contract and designing the homes in partnership with the buyer (these are high value homes).
- 5.2.12 Developers were keen to point out that development of new products in order to reduce build costs and deliver high numbers has always been a priority but that in current market conditions the demand for such products has increased. New products that are in development included a low specification model of an affordable house; this product is aimed primarily at RSLs. The houses are built to a lower specification than most affordable homes but maintain good space standards; the model does meet the quality requirements of housing associations and can therefore be used on developments with grant funding. The model has been applied to 2 and 3 bedroom homes and bungalows, cutting costs by using a single architect, keeping specification low and avoiding future maintenance liabilities in the design. The product needs to be delivered in a quantity over 15 units to remain viable and delivers units at a 30% reduction on the costs of delivering a standard affordable home.
- 5.2.13 A change in the balance of housing type was cited as a new approach for some developers that were previously reliant on high-density apartment schemes. Designs have been altered to re-balance the ratio of houses to apartments on some schemes. Modular development was also given as an example of how housing products are being adapted to deliver higher numbers of homes at lower cost whilst maintaining quality.

Map 15: Land for housing development in public ownership (Source: Local Authorities)



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### **The changing policy context**

- 5.2.14 The extent to which the “localism” agenda may present an opportunity for development was raised by a number of local authority officers and developers. In summary, views on this agenda were mixed and it was felt too early to say what the potential impact of policy changes might be. “Localism” has yet to be defined. In relation to regeneration, where community buy-in is critical, it was felt by some that it could provide a significant opportunity, to further engage residents. In more prosperous areas however the suggestion was that development is likely to be hindered by local resistance to any significant levels of housing growth. There was some concern that AGMA’s housing ambitions were ambitious even when the market was strong and public subsidy was available; if funding is cut in more challenging regeneration areas and resident opposition prevents development in areas where market demand has remained strong it is unclear where delivery of new stock will occur.

### **Developer engagement**

- 5.2.15 A very positive finding of the research was the willingness of developers to engage. All developers consulted were keen to participate in the research and discuss the issues raised. Most were very open about the issues that they had encountered and their plans for taking development forward in future. Many are already actively involved with or suggested a desire to work in partnership with the public sector to identify development opportunities and new models for delivery in the short to medium term and it is suggested that the dialogue that this research has opened could be further developed in relation to the proposed policy response to the issues identified. Pathfinder authorities have developed strong working relationships with developers and these could also be built on.

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## Summary

Which areas in Greater Manchester are best placed to deliver new dwellings in the short to medium term?

- Completions remain high at the conurbation core but are currently supported by high levels of public subsidy;
- Developer demand is largely focussed in higher value areas where buyer demand remains strong;
- Smaller, phased developments seem to offer the most realistic opportunities for development in the short term;
- Cleared and remediated sites in public ownership may help to encourage development and provide an opportunity to increase completion rates in the short-term;
- There is no indication that there is the desire or ability to accommodate high levels of housing development outside the conurbation core;
- Potential new delivery models include the use of public sector land assets and new products are in development, particularly by developers;
- Opinion is divided on whether the new localism agenda will enable or restrict development.



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## 6 Policy Implications

### 6.1 What should the short, medium and long-term policy response take into account to maximise housing growth?

- 6.1.1 The study has confirmed that housing delivery across Greater Manchester has been adversely affected by the recession and that AGMA faces a significant challenge to deliver its growth ambitions as set out in the now defunct Regional Spatial Strategy. Completions have fallen across Greater Manchester since 2007/08 and neither local authority officers nor developers are optimistic that the market will improve in the short to medium term, largely due to a lack of access to finance for both developers and purchasers. Public sector investment has underpinned much of the development in regeneration areas and the prospect of significantly reduced funding allocations will make development in potentially more vulnerable and higher risk markets more difficult.
- 6.1.2 Although not optimistic in the short term local authority officers and developers seem to currently be proceeding on the assumption that we will see a return to market conditions similar to those experienced before the market crash. There is general optimism that in the long term we will see a relaxation of lending and that the buyer market will regain strength. Developers banking land, landowners not selling due to low land values and little sign of negotiation or submission on planning applications would support this view that developers are expecting more favourable market conditions to return. Some commentators have suggested that such optimism is misplaced and that what we are experiencing is a fundamental shift away from home buying to long term private rental, much like the model in other European countries. However, as yet there is little evidence to either confirm or disprove these assertions.
- 6.1.3 The situation in Greater Manchester is clearly not unique and local authorities and developers are facing similar issues throughout the country and beyond. In the context of national and international market trends the impact that AGMA can make will be limited. However, this study has identified a number of potential opportunities to be explored further and the research points to some specific policy approaches that AGMA should consider in the development of a policy response to address these challenges.

#### **A review of the current policy approach**

- 6.1.4 The current policy approach focuses housing growth at the conurbation core and in key regeneration areas, based on objectives relating to regeneration, sustainability and connectivity. There was no evidence found through this research to suggest that a shift in this long term policy approach is desirable or would significantly increase completion rates. The research has identified that there is a large amount of land available for housing development; local authorities have evidence of a future land supply sufficient to meet the growth aspirations for Greater Manchester to at least to 2026 based on this current policy approach. Furthermore, only the conurbation core and inner regeneration areas have the land assets available to accommodate the scale of growth and the place-shaping approach aspired to. This research did not find evidence that other areas are better able (or that policy makers in those areas wish) to deliver higher housing numbers, particularly in light of the impact of the recession on the apartment market.
- 6.1.5 Despite the large amount of land available to accommodate future supply there is however a concern over delivery in the short term on a large number of sites included in this assessment. The research findings therefore point to a need to address short term delivery issues rather than support a shift in the long-term policy approach to housing delivery in Greater Manchester. The suggestion through consultation (with both the private and public sector) is that a 'continue as you are' approach in the short term will not ensure that new dwellings are delivered. The research identified a number of approaches to enable delivery of housing developments in the short term;

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these include the prioritisation of public sector resources to maximise the return on investment, encouraging development in areas of high developer demand and maximising the potential of the buoyant private rental market.

**Encouragement of development in areas of high developer demand**

- 6.1.6 In order to maximise completions in the short-term encouragement of development in areas that traditionally experience higher levels of developer demand could be considered. This may involve relaxation of restrictive policies to maximise completions in areas where public subsidy is not required. This research did identify continued developer interest / activity and latent buyer demand in some markets; developer demand in high value areas remains strong, which would support this policy approach. However, in general, consultation with local authorities suggested that such sites within the *existing supply* are few in number and small in scale.
- 6.1.7 The prioritisation of housing development at the core and in key regeneration areas has necessarily restricted development in areas that the market would naturally be drawn to; planning policy to the south of the conurbation in particular has restricted such development. This research did not seek to identify specific sites or areas where developer demand exists outside of those sites included in the housing supply assessment; however, consultation with both developers and local authorities confirmed that there are perceived to be areas of high market demand that are currently restricted by policies favouring central sites. A relaxation of such policy to encourage development of larger, high quality family homes (low risk housing types and high return developments) where demand for such homes exists could potentially help Greater Manchester to improve completion rates in the short term. However this would be at the expense of the longer term regeneration, sustainability and connectivity objectives. It is also important to note that Greater Manchester is heavily restricted by Greenbelt and it is not yet clear to what extent the 'localism' agenda would restrict development in high value areas.
- 6.1.8 Encouragement of development in areas of high developer demand could involve the use of public sector resources (land and / or funding) to enable development; for example by reducing the upfront costs to developers that are struggling to access capital due to bank lending restrictions. Use of public sector funding to unlock delivery in such areas, in a climate of reduced resources, would need to be carefully considered however; central to this process is the need for a general consensus on whether, in the short term, to continue to maintain a focus on long term policy aspirations of housing delivery in key regeneration areas or whether to prioritise development in those areas where the market is currently more buoyant. Further work, as part of the LIP2 process is required to determine the desired approach.

**Prioritisation of limited public sector funding**

- 6.1.9 In the short term, a robust process of prioritisation is required in order to maximise the benefit of limited public sector resources. The effect of significant cuts in levels of public sector investment subsidy remains to be seen and markets are likely to be more vulnerable going forward. It is therefore critical that this process of prioritisation determines which schemes offer the greatest potential in terms of growth and value for money. Depending on the desired short term policy approach, as considered above, regeneration objectives and aligned investment such as investment in town centres and transport infrastructure should also be central to this process of prioritisation. If regeneration and implementation of the 'place-shaping' approach, currently supported by AGMA, do remain the short-term policy approach, the findings of this research would suggest that that a continued focus of investment in existing key regeneration areas; the Manchester and Salford and Oldham and Rochdale Pathfinder areas, offer opportunities to build on significant amounts of public sector funding that has already been invested. Consultation with local authority officers throughout this research process would suggest that the pathfinder areas offer an opportunity through the advantage of assembled sites and the strong delivery partnerships that already exist. A holistic approach to housing development, (considering aligned investment in prioritisation decisions) adds significant value to regeneration activity and continues to offer potential in ensuring the maximum benefit is achieved from housing investment decisions.

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### **The private rented market**

- 6.1.10 The private rental market is currently strong in many areas in Greater Manchester with average rents increasing across most house types and geographies. The market is particularly strong at the conurbation core; the average rent for a 2 bed city centre apartment is £851, well above of the city average for Manchester (£659) and Salford (£640). The quality of accommodation on offer and management standards have traditionally been an issue in this sector but it appears that demand is increasing, particularly in relation to the rental offer at the higher end of the market. This potentially offers an opportunity for AGMA to engage with institutional investors in the rental market to both bring development forward and to improve the management of that accommodation once complete.
- 6.1.11 The strength of the rental market can in part be linked to the failing buyer market and in particular to the difficulties that first time buyers are facing with regard to access to finance. It is therefore not yet clear whether the private rental market will continue to grow long term; we may be seeing a long term shift from home ownership to the private rental market or the rental market may begin to contract if mortgage lending relaxes. Consultation with a number of developers that have entered the rental market in response to the market downturn identified that the majority of developers entering the private rented sector see this as a short-term measure to minimise losses due to a fall in property values and will seek to exit the market once sales values improve. Few developers that we consulted considered the private rented market as a long-term investment opportunity. If the opportunity to respond to increasing demand in the private rental market is to be maximised developers may need to be encouraged to consider a longer-term change to business models.

### **New investment models and public sector land assets**

- 6.1.12 The research has identified a need to develop new investment models to deliver housing growth in the short to medium term. A Review Group has been established, tasked with considering new models for housing development to inform the LIP2 process. This group have drawn on case studies to identify new models including:
- making use of land assets in joint ventures and asset-backed vehicles;
  - the use of new or particular products, investment;
  - and other funding and revenue supported products to assist purchase.

The GM Housing Strategy and LIP2 will be able to draw on this evidence base to identify future delivery models. As public sector land assets are integral to some of these new delivery models an improved understanding of the scale and quality of publicly owned land is required. Development of a portfolio of land at Greater Manchester level may offer the potential to identify opportunities for housing delivery; if well connected public land can be identified for housing development these sites could play a critical role in future development plans.

### **Engage developers**

- 6.1.13 There was a genuine desire from developers to engage with local authorities and most recognised the value of engagement at a strategic AGMA level. Developers are themselves exploring new investment models and it is suggested that building on the dialogue opened through further engagement would enable AGMA to test potential policy responses under development.

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## Summary

What should the short, medium and long-term policy response take into account to maximise housing growth?

- The current policy approach to deliver growth at the conurbation core and in key regeneration areas supports regeneration, connectivity and sustainability aspirations of the conurbation; a desire to change the long-term policy approach has not been identified through this research.
- GM local authorities have evidence of a future land supply sufficient to meet the growth aspirations for Greater Manchester to at least to 2026 based on the current policy approach; the research does not therefore identify a need to alter the long term policy approach.
- Short term delivery issues have been identified; a high number of sites in the assessment of the housing land supply have been adversely affected by the recession.
- Encouragement of development in areas that traditionally experience higher levels of developer demand could be considered to increase housing delivery in the short term however this may be at the expense of longer term policy objectives.
- In the short term a robust process of prioritisation will be required in order to maximise the benefit of limited public sector resources.
- The private rental sector market is currently strong in GM and offers an opportunity to bring forward development in the short term.
- Engagement of developers and development of new investment and delivery models will be essential to enable housing growth in the short term. The use of public sector land assets could offer a key opportunity.

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## 7 Concluding Comments

This research has been undertaken in partnership with and on behalf of the 10 local authorities in Greater Manchester. The research will form part of the evidence base for the GMSF by providing an understanding of the impacts of the recession on AGMA's housing growth objectives. The research consciously addressed a difficult question and the policy implications of the findings (the adverse effects of the recession) are potentially challenging. The study highlights areas for further action including accelerated development of / identification of new delivery models and a need to identify priorities to enable short term delivery.

### 7.1 Further Research

- 7.1.1 In the light of the findings of this research and following the abolition of RSS it is suggested that the ten AGMA local authorities collectively review housing growth targets. The targets set out in RSS are still likely to represent future housing requirements based on household growth projections with some degree of accuracy. However, current market conditions will make it very difficult to bring forward sufficient new housing to meet such projections in the short to medium term. There is some concern that unrealistic housing targets may make it more difficult for local authorities to influence what comes forward and where. Consideration of a range of projections and scenarios may lead AGMA to suggest revised targets or to suggest a continue with the targets set out in RSS; it is understood that some local authorities have reviewed their housing growth targets and have taken a decision to continue with the RSS targets based on housing need. If this is the case across all ten authorities, the collective review will allow authorities to continue with the confidence that they have the evidence base in place to support such targets.
- 7.1.2 This study has highlighted the importance of work to identify new development models to encourage housing growth in Greater Manchester and identified that the use of public land assets will be integral to this approach. This study has identified that a significant amount of land across Greater Manchester is in public sector ownership but provides little information on the quality and desirability of this land and it is suggested that, if it is decided to pursue the establishment of Local Asset Based Vehicles or similar models, further research is required to inform the development of a portfolio of good quality, attractive assets.

### 7.2 Way Forward – GMSF and LIP2

- 7.2.1 As detailed in the research introduction this study will form part of the evidence base produced through a wider programme of research to review and recommend options for the delivery of housing renewal and growth across GM in light of significantly changed economic and housing market conditions. This evidence base will inform the development of the GMSF, which will identify those strategic spatial priorities critical to the continuing success of the city region.
- 7.2.2 An important part of AGMA's response will be the second Local Investment Plan, currently under development jointly by AGMA and the HCA. The first Local Investment Plan for Greater Manchester was agreed in December 2009 and set out a programme of HCA investment up to end March 2011. We are working now on developing a clear, agreed statement of priorities for investment and other interventions to create quality homes and neighbourhoods across Greater Manchester, to cover the Spending Review period ahead.
- 7.2.3 While the role of HCA evolves to reflect the new Government's policies, it is important that the local authorities and our local partners and communities can help to shape HCA's activity to ensure that its work supports delivery of our common commitment to creating quality places and delivering housing growth. The GM Strategy and GM Spatial Framework will inform the development of LIP2, which will also seek to integrate and respond to the key local strategies and priorities while acknowledging national objectives of Government and HCA, and the priorities of other partners and stakeholders.

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## 9 Appendices

## Appendix 1 – Matrix of research questions

Research Aim	Research Question	Assessment	Source of Information				
			Analysis of LA Interviews / Proforma	Developer Interviews	Request From DC	SHLAA Databases	Existing Datasets
1. To what extent has the recession impacted on AGMA's ambitions for housing growth?	What are the recent levels of housing completions across GM and no. of units	1 Analysis of housing completions 2003 - 2009					
		2 Analysis of units completed 2003 - 2009					
	What trends can be seen in housing land values across GM?	3 Analysis of GM land value data					
	What trends can be seen in rental stats across GM?	4 Analysis of GM rental data					
	Are there trends identified relating to changes in no. of units likely to be delivered?	5 Review changes in no. of units to be delivered on sites within district SHLAAs and Pipeline data					
	Are there trends identified relating to changes in housing densities / type?	6 Review changes to housing densities / type on sites within SHLAAs and Pipeline data					
	To what extent are applications being re-submitted and how do the re-submissions differ from the original application?	7 Review resubmissions for housing developments and how these have changed from original submissions					
		9 Review the extent to which Section 106 agreements have been renegotiated and how they have changed					
	To what extent have housing sites under construction stalled on site and what are the reasons they have stalled?	10 Identify sites within SHLAAs and Pipeline data that are currently stalled in construction					
		11 Consider the number of stalled sites across GM within the SHLAAs and Pipeline data					
		12 Identify the primary reasons for sites stalling across GM					
	To what extent are housing sites planned for development being taken forward?	13 Consider the extent to which unsupported sites in district SHLAAs / Pipeline data are still proposed to be taken forward in the specified timescale					
		14 Consider the extent to which supported sites in district SHLAAs / Pipeline data are still proposed to be taken forward in the specified timescale					
	Are sites that are not likely to come forward in the short / medium term likely to be delivered at a later stage?	15 If timescales for delivery have changed consider how these have changed					
		16 Of the sites in the SHLAAs and Pipeline data where timescales have increased consider how public funding could enable development on sites					
	What are the identified barriers to housing delivery in the short / medium term?	17 What are the identified barriers to delivery of development both on sites in the SHLAA / Pipeline data and generally in GM?					
	To what extent does there remain confidence that allocated funding will be available?	18 Of the sites in the SHLAA and Pipeline data what type of funding has been secured and does there remain confidence in its availability?					



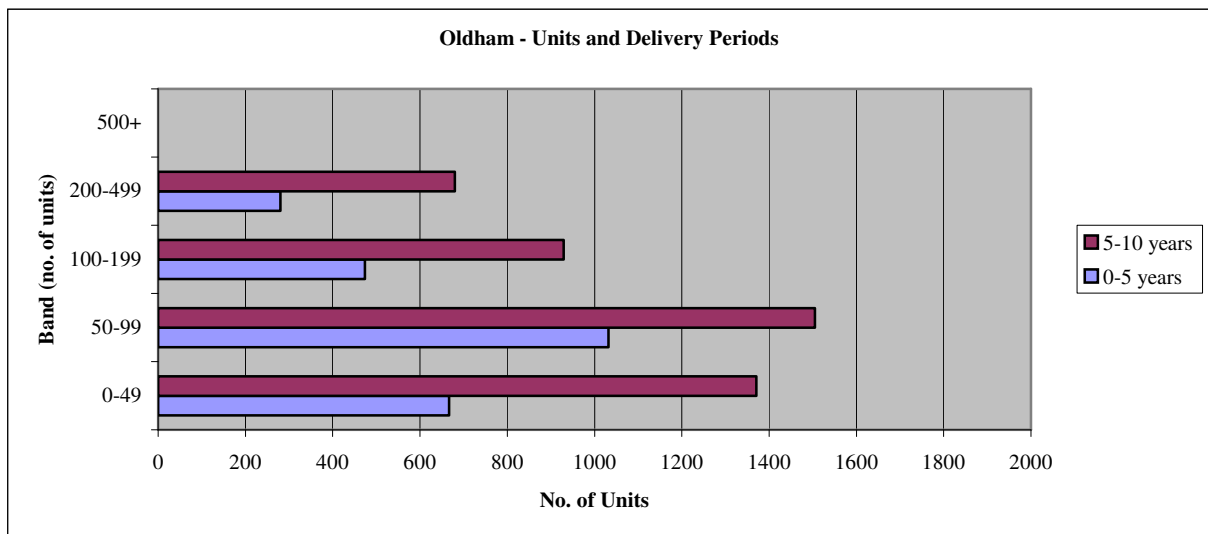
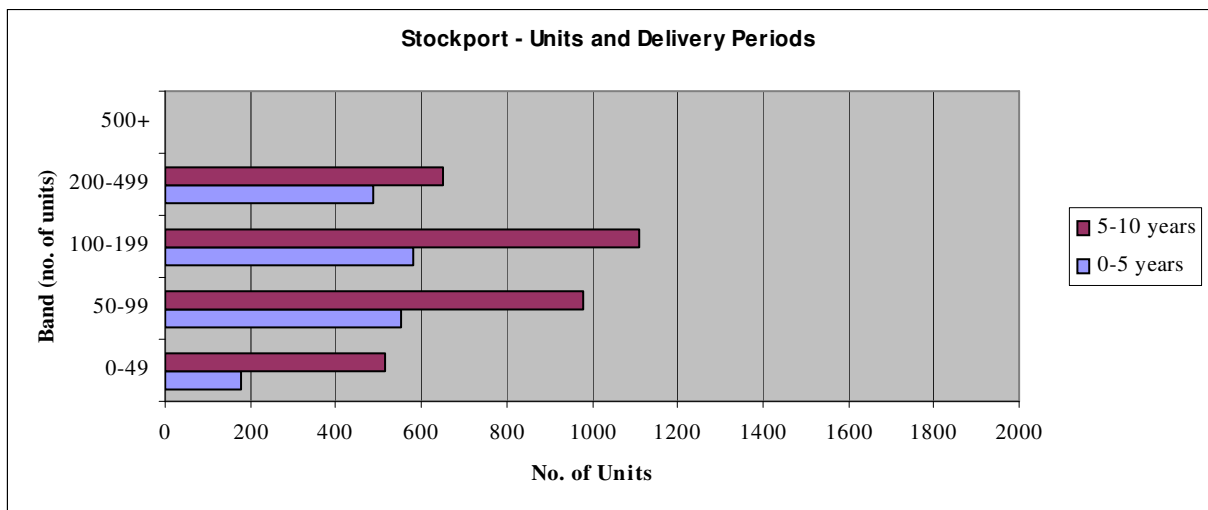
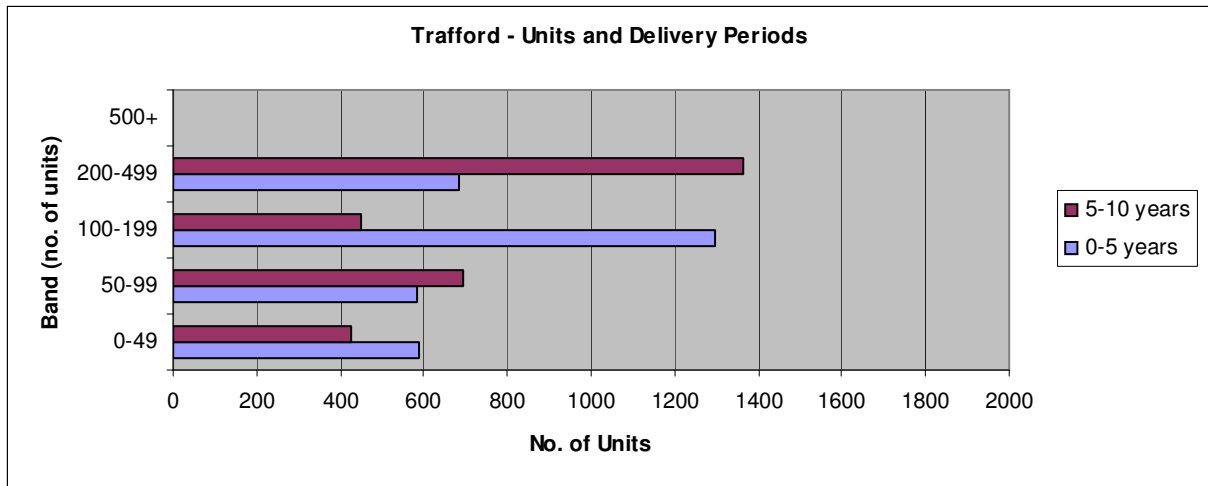
Research Aim	Research Question	Assessment	Source of Information					
			Analysis of LA Interviews / Proforma	Developer Interviews	Request From DC	SHLAA Databases	Existing Datasets	
2. Which areas within GM are best placed to deliver new dwellings in the short to medium-term?	What type, size, scale, density and in which locations does there remain a market demand for?	19	Of the sites in the SHLAAs / Pipeline data what trends can be identified in sites still likely to be delivered in the specified timescale, consider type, size, scale and density.					
		20	Consider developer opinions on type, size scale and density of development that there remain current opportunities for					
	Which locations have seen recent delivery of un supported housing developments?	21	Of recent housing completions across GM (2003-2009) where are these located?					
	Which areas are seeing housing sites stall / a lack of confidence in the market and where are these located across GM?	22	Where are the sites stalled in construction located what are the reasons identified and are opportunities for public support identified?					
		23	If there are supported sites where there is lack of confidence that funding will remain available, where are these located?					
3. What should the short, medium and long-term policy response take into account to maximise housing growth throughout the sub-region?	What are the short / medium / long-term opportunities to maximise delivery of new dwellings throughout the GM?	24	What proportion of the sites in the SHLAA / Pipeline data are in public ownership?					
		25	Where are GM's public land assets located?					
		26	Consider any suggested opportunities for public intervention identified throughout the interviews / assessment process					

**Appendix 2 – Pro-forma used for assessment of future housing land supply**

			1	2		3	4	5	6	7	8	9						
Group	Site Reference	Site Address	Is the site stalled in construction? (Stalled sites are where construction has stopped or slowed, this includes phased developments where later phases have been postponed).	If the site is stalled in construction state primary reason (Stalled sites are where construction has stopped or slowed, this includes phased developments where later phases have been postponed).		If known, please indicate when this site is likely to come back?	No. of units to be delivered as included in the SHLAA / Pipeline Data	No. of units now expected to be delivered (taking into account current market conditions)	If no. of units to be delivered has changed please state primary reason	Timescale for delivery as included in the SHLAA/ Pipeline Data	Delivery timescale now expected (taking into account current market conditions)	What are the current constraints to delivery on this site? (Please select as many as required)						
												Contamination	Access	Flood Risk	Section 106 Agreement	Market Demand	Land Owner with High Land Value Expectations	Other
1 Unsupported Sites Over 200			N/A	N/A	N/A	N/A				5 to 10 years								
			N/A	N/A	N/A	N/A												
			N/A	N/A	N/A	N/A												
			N/A	N/A	N/A	N/A												
2 Unsupported Sites Under 200			N/A	N/A	N/A	N/A												
			N/A	N/A	N/A	N/A												
			N/A	N/A	N/A	N/A												
			N/A	N/A	N/A	N/A												
3 Sites Under Construction																		
4 Supported Sites Over 200 Units			N/A	N/A	N/A	N/A												
			N/A	N/A	N/A	N/A												
			N/A	N/A	N/A	N/A												
			N/A	N/A	N/A	N/A												
5 Supported Sites Under 200 Units			N/A	N/A	N/A	N/A												
			N/A	N/A	N/A	N/A												
			N/A	N/A	N/A	N/A												
			N/A	N/A	N/A	N/A												



**Appendix 3 – Housing land supply: timescales for delivery<sup>17</sup>**



<sup>17</sup> Note that X axis differs on these graphs due to differences in supply therefore not all graphs are directly comparable.

