GREATER MANCHESTER SPATIAL FRAMEWORK

DRAFT TOPIC PAPER 3

CREATING QUALITY PLACES TO MEET THE NEEDS OF A COMPETITIVE CITY REGION.

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INTRODUCTION

One of the key objectives of GMS is to enable everywhere in Greater Manchester to play its part in securing a long term sustainable future for residents, businesses and visitors. Making all of our places more successful is essential to the delivery of all of the GMS strategic priorities; our deprived areas need to improve physically as well as economically and socially; we need to be able to connect people sustainably to opportunities; a hiqh quality housing, education and cultural offer is critical to our ability to attract and retain high value workers and businesses to the area; we need to address the carbon emissions of existing stock and minimise contribution of new development well planned places which facilitate walking and cycling are safer, healthier and valued.

Currently the quality of too many of our neighbourhoods is poor and too many of our residents cannot afford to live in places they would like to. There are a number of reasons for this, including low income levels, areas of poor quality and homogenous house types which offer little choice and negative perceptions regarding crime levels, educational attainment and service provision.

The GM Housing Strategy identifies three key themes which relate to quality, quantity and people. The aim is to achieve a significant improvement in the residential quality of our neighbourhoods as part of a wider place making agenda. This will lead to an increase in choice for people coming to the city region for work, and to meet the needs of our increasing population.

We are looking to deliver this primarily by co-ordinating the opportunities presented by our ambitious growth proposals with our complementary proposals for investment in public transport, health education and service improvement to positively shape and influence our existing neighbourhoods and create new sustainable communities.

THE ROLE OF THE GMSF

There are many housing and regeneration strategies in place across GM and it is not intended that this framework duplicates or supersedes this work . The biggest priority for the GMS, and the area where we can add greatest value, is to radically **improve the quality of our neighbourhoods** so that we can offer choice at all levels of the market, to meet aspirations of a growing, healthier, wealthier population and attract and retain people.

A critical element of 'place making' is the housing offer. The city region is committed to delivering a significant increase in new housing over the next 20 years. This is an imperative to order to meet demand from demographic changes, support the forecast growth in the economy and the continuing and to enable new supply to **positively influence and shape** the quality of existing neighbourhoods

Building new houses in isolation however will not deliver our key objective to increase the number of **neighbourhoods where people choose to live**; it is one determinant among several. Other key factors which make places attractive and sustainable are the quality and diversity of the existing stock; success of education provision; quality of the environment and public realm; proximity to services and facilities which meet needs and aspirations and access to transport networks which facilitate movement easily and safely between locations people wish to visit, especially between home, work and school.

The role of the GMSF is to facilitate decision making which maximises the impact of investment across all of the thematic areas which contribute to successful neighbourhoods.

We are also committed to reduce the carbon contribution of the built environment, in both existing and new development. Housing is a major component of the built environment and we must harness the opportunities that new development offer to achieve the highest standards of construction and integrate new and existing development to **deliver maximum carbon savings**.

The focus for the GMSF is :

- Scale and locations for housing growth
- Delivery of housing growth
- Reducing the environmental impact of housing

THE CASE FOR GROWTH.

Greater Manchester is recognised as the economic engine of the north and longer term economic and household/population projections indicate that we need to plan for significant growth.

Until recently GM was required by the Regional Spatial Strategy 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. Through emerging development plans across the 10 districts there are proposals to provide in excess of **200,000** new homes GM.

The planned distribution of new housing is not evenly spread and reflects the policy priority to repopulate the core of the conurbation and reconnect these neighbourhoods to the economic opportunities nearby. Manchester and Salford currently account for over half of GM's proposed supply.

Sufficient land to accommodate planned levels of growth to 2026 has been identified and we have a significant planning pipeline of extant permissions. However this is heavily dependent upon high density development, particularly but not exclusively at the core of the conurbation. Inability to deliver at higher densities will have implications for the number of units GM can deliver as lower density schemes require more land.

The revocation of RSS removes the district level targets for housing but not the need to increase the supply of new homes. Population and household projections indicate that internally generated demographic demand will be the main driver of growth. This reflects the increasing longevity of the population and the continuing trend for the formation of smaller households.

However economic forecasts and our aspirations demand that we also 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.

Affordability is an issue across GM, as a result of rising house prices and scarcity of supply in some areas, low resident income levels in others. More recently the restrictions on the availability of mortgage finance and reduced loan to value rates have been a further significant barrier to many first time buyers entering the market, particularly in key regeneration areas such as those covered by the two Housing Market Renewal Pathfinders. There is no single solution to this problem, however increasing supply across the city region, with a focus on improving the mix and type of housing is the most effective response at the city region level.

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 are still healthy but indicate that the scale of growth will be less than previously envisaged.

Changing the mix and tenure

It is likely that nationally the levels of owner occupation have peaked, and whilst GM lags behind the UK, in the short to medium term the private rented sector is likely to play a more significant role as recognised by the GMS.

There has been a significant growth in the size of the private rented sector (PRS) in recent years, both nationally and locally. This growth has been as a consequence of a number of factors; rising property prices and constraints on mortgage finance taking the price of many homes out of the reach of prospective purchasers, particularly first time buyers; deregulation of tenancy protection making it easier for landlords to gain possession; property investors making better returns on capital growth than other investments; growth in Buy to Let mortgage products; and in some areas high rental returns.

The private rented sector is not homogenous; there are a number of key segments, ranging from the high end of the market catering for company lets and mobile professionals to lower cost accommodation catering for students, migrants and in some cases benefit claimants.

Within Greater Manchester as elsewhere growth in the private rented sector has occurred both in newly built accommodation and within existing stock as homeowners have chosen to rent out their properties rather than sell in a depressed market.

Growth has been particularly concentrated in the Regional Centre where demand has been greatest with a relatively mobile population being keen to access accommodation close to workplaces and social and cultural facilities. According to the Treasury the PRS has been responsible for a large proportion of new build supply nationally representing around 20% of the new homes purchased in 2007-8. Current indications are that there is strong demand for private rented accommodation in Greater Manchester, particularly in the Regional Centre

We anticipate that private rented sector will become an increasingly important component of a sustainable mixed housing market and are committed to exploring new delivery models that offer the prospect of increasing investment in high quality private rented accommodation as part of the response to the current market downturn.

ISSUES FOR THE SPATIAL FRAMEWORK

(i) Locations for Growth

It is essential that all districts within the city region deliver the housing growth they have committed to, as all places have a role to play in uplifting the quality of neighbourhoods and meeting increasing demand for housing.

We will actively work with the development industry to provide market housing for economically active households in locations where there will be no need for public subsidy; there is access to reliable public transport; we can maximise carbon savings and new development can support services and other facilities.

Whilst new development is important, the existing stock will continue to provide the majority of supply over the next 20 years. The ability of new development to influence and change the composition of existing neighbourhoods is limited unless it is of such a scale that it achieves a critical mass and changes the perception of neighbourhoods, for example Hulme or New Islington within Manchester. Improving the quality, range and choice of the city region’s existing stock will therefore be essential if we are to meet rising demand and the raised aspirations of residents.

For Greater Manchester **priorities for growth cannot be readily separated from priorities for renewal** as it is our large scale regeneration areas which have both the capacity to deliver new development on a large scale alongside complementary funding to provide essential improvements in those elements which influence where people want to live.

We are committed to continuing the pioneering long term approach to transforming neighbourhoods in our Housing Market Renewal Areas whilst at the same time seeking opportunities to adopt similar long term co-ordinated regeneration action in selected neighbourhoods elsewhere where targeted investment will have the greatest impact in addressing market demand and /or deprivation and inequality.

(ii) Delivery of housing growth.

The impact of the recession on the longer term delivery of housing growth, high density in particular, is as yet unknown. It is critical to the city region's growth aspirations that policy continues to support the core of the conurbation as the main focus for growth and renewal and that new forms of investment/development models are focused on bringing about high(er) density development in appropriate locations in the Regional Centre, along its fringes and in our town centres.

Demographic projections indicate that there will be a continuing demand for high quality smaller units. However it is essential that proposals coming forward explore alternative products to the apartment model prevalent over recent years to meet the needs of economically active households traditionally lost to the city region.

We are concerned that short term responses to the current economic circumstances could lead to pressure to release land in more peripheral locations, thus lessening our ability to deliver on shared objectives.

Research currently underway will help us to identify those locations and the type of development which have the most potential to come forward in the short, medium and long term. Priority will be given to supporting proposals that are well located in relation to planned and existing community facilities, to employment opportunities and to public transport facilities. This will underpin a robust housing trajectory for the city region and help us to focus investment more effectively.

It is likely however that the planned development will take longer to materialise, and may comprise different products that those originally envisaged, however the approach to focus development at the core is one we are strongly committed to continuing.

Stimulating market demand.

We are working in partnership with developers and homebuilders to explore new mechanisms to deliver new homes where appropriate seeking to use publicly owned assets in ways that incentivise new construction and home ownership.

Priorities for this work should be new models for higher density development and incentivising the private rented sector to provide a quality product that responds to market demand.

(iii) Reducing the environmental impact of the built environment

Carbon emissions from housing account for approximately 34% of GM's overall total. Accelerating carbon abatement in the domestic sector alone could result in reduced emissions of 1.7 million tonnes per annum. Whilst new development traditionally forms a small element of the overall building stock the scale of growth planned in GM is more significant than most other UK cities – giving us the opportunity to lead the way in low carbon developments. The public sector, through planning and regulatory processes exerts considerable influence over the nature and form of development and we need to optimise the design and performance of all new development coming forward in the city region.

From 2016 (residential) and 2019 (commercial) new development is required to be zero carbon. We are looking to deliver this in three ways; through careful location of development particularly in relation to public transport provision, achieving the highest levels of sustainability in new buildings and the provision of low carbon energy by on/off site renewable energy supply.

Notwithstanding the level of new development proposed in GM the opportunity for the most substantial savings lie within the housing stock already in place.

Work is underway to develop a capital delivery programme to pioneer approaches in tackling the challenging issues presented by the existing housing stock. Greater Manchester aspires to become a world leader in this field through delivering interventions at volume and the programme will encompass; hard-to-treat properties, micro-generation technologies and innovative and effective financing products. At completion, this work programme seeks to have delivered a range of projects aimed at existing housing, resulting in low carbon households at scale.

CONCLUSION

Improving the quality of our neighbourhoods and the quality of life for our residents is a priority across GM. Addressing housing need, bringing homes up to a decent standard and negotiating mix of housing schemes are all important functions but are best dealt with at the local level.

It is suggested that the GMSF should concentrate on three major issues

- **Scale and location of growth**

- **Delivery of growth proposals**

- **Reducing the environmental impact of the domestic stock**

Do you agree that these are the issues that should be addressed at a sub regional level?

If not what would you like the GMSF to address?