

Wigan's Changing Housing Markets

Community Protection Department

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Section 1: Background

Government have in recent years encouraged Councils to develop strategies for all housing within their area rather than just concentrating on its own stock. They have also recommended that this be done in a partnership approach, stressing community involvement.

In essence Wigan's housing strategies have historically identified the local market as featuring

- low house prices
- low demand for socially rented properties
- plentiful supply of older affordable housing
- many properties in poor condition (evidenced by stock condition surveys)
- insufficient choice of different types of housing in many areas.

Given this background of a weak housing market the Council have concentrated on trying to strengthen the overall housing market by:

- reducing the supply of unpopular housing by demolition (public and private)
- by improving the quality of housing (public and private)
- working with residents to solve many of the drivers of decline via environmental works, tackling security / neighbourhood issues etc
- building new homes (predominately detached housing that was previously underrepresented in the borough).
- linking with wider regeneration strategies

This work has made significant progress as evidenced by the improvement in housing conditions and the avoidance of some of the more extreme difficulties of market collapse experienced by so many of our neighbouring authorities. Indeed this work has been recognised by:

- Consistent performance of “well above average” and fit for purpose rating for the Housing Strategy
- Beacon Council status for Neighbourhood Renewal and Housing Renewal
- High Inspection ratings and the award of additional resources for Wigan and Leigh Housing.

However over the past year or so a number of different issues have arisen which suggest that changes are needed in our strategic approach.

Firstly it would appear that our housing situation is changing with:-

- rapid rise in house prices
- increases in both the demand for social housing and in homelessness
- growing recognition of the variation in the performance of the housing markets within the different parts of the borough

This position has been evidenced by the Housing Needs Survey (2003), by our monitoring of the housing market over the past 18 months and by increasing concerns expressed by the Housing Partnership over affordability and accessibility issues.

A second reason for change is due to a number of recent developments at a national level driving forward a new approach to housing policy development. This is illustrated by the ODPM Housing Market Assessment Manual (2004), the Sustainable Communities' Plan (2003), the CPA (Assessment for District Councils) and the Housing Inspectorate Key Lines for Inquiry for Housing Strategy.

All these documents stress the need for better understanding of housing demand and supply with an emphasis on understanding local housing markets. From this understanding long term programmes aimed at targeting interventions around the need to locally balance the demand and the supply of housing and to create mixed and sustainable communities should be developed. This aim effectively looks to housing and associated development to help meet the economic, social and environmental needs of present and future generations. It therefore widens the scope of traditional housing strategies that previously focused on stock condition and area improvement. Now the expectation would be:

- to identify areas where the demand for housing is weak
- to intervene to prevent any prospect of market collapse and strengthen the market
- where markets are too strong and property is unaffordable to intervene to ensure a supply of affordable housing is available.

To try to ensure these wider aims are met a whole series of wider national and regional changes are being introduced. This is illustrated by the development of a regional strategy and investment priorities for the region which determine local housing resources. There is also a recognition that most housing markets don't correspond to administrative boundaries and there should be an increasing emphasis on cross-authority working. These trends are shown by the development of sub-regional strategy development and increased cross-authority working.

The importance of Planning within these wider proposals also cannot be underestimated at both a local sub regional and regional level. For example the new Planning Bill and the reform of the planning system will have a significant impact on the way local authorities assess housing. New local development plans and regional spatial strategies arising from these proposals are expected to be much more closely aligned and informed by up-to-date and robust housing market analysis. Equally the ODPM consultation paper on 'a Proposed Change to Planning Policy Guidance

(PPG3) Note 3 Housing (2003) put forward a number of proposals, highlighting the role of local authorities in assessing local housing needs. The proposals also focus on the creation of mixed and sustainable communities, with emphasis on identifying and addressing affordability issues and providing the right type, size and mix of housing. Consideration to the 'condition of, and market for, the existing housing stock and the need to provide wider housing opportunity and choice' is also raised within the document.

The recent Barker review of housing supply looking at the issues underlying the lack of supply and responsiveness of housing in the UK reported in March 2004. It puts forward a wide range of recommendations suggesting further restructuring of the planning system and policy frameworks. For instance, the report proposes the merger of Regional Planning bodies and Regional Housing Boards into single regional planning and housing bodies (RHPB) supported by a new Regional Planning Executive. It is proposed that the new RHPBs will be responsible for managing regional housing markets, delivering the region's affordability target and advising on the distribution of resources for social and sub-market housing and preparing the regional spatial strategies. The report suggests that decisions about the scale and distribution of housing numbers should be informed by sub-regional and local housing assessments (which should include analysis of house price growth and affordability, as well as local housing need.)

Overall, the report's recommendations should also lead to further wide-ranging changes to PPG3 and the way that development and social and environmental infrastructure is funded at a local level. The need for an improved system that is better and faster at responding to housing need, affordability and demand across all sectors, is likely to remain a key driver behind current and future policy changes.

Section 2: Aims / Methodology

Aims

To try to respond to this changing background, this study looks at both how the Wigan housing market fits within its sub region context and with its neighbours and how it operates at a localised level within the different townships of Wigan borough. It develops an understanding of the local housing market, as well as looking at future opportunities to ensure markets will provide the right accommodation for people's future needs.

The study's overall purpose is therefore to:

- ◆ To develop an understanding of the strengths and weaknesses of local housing markets and determining which policy interventions will be most helpful.
- ◆ To inform and guide regional, sub-regional and local housing strategies by looking at future trends in local housing markets, including their impact on other neighbouring markets and identifying future risks and opportunities that may present themselves.
- ◆ To develop priorities for intervention within Wigan's housing market, designed to make best use of resources and to maintain stable and sustainable communities in accordance with the Government's Communities' Plan

Methodology

To try to achieve these aims the study provides a step by step approach which starts at trying to understand the local housing market and finishes by making recommendations on future strategy development. The approach has been developed locally although it has taken extensive notice of emerging best practice including the ODPM Housing Market Assessment Manual, Improving Housing Needs and Market Assessments (LGA) and in particular Housing Markets Preparing for Change - Cumbria (Impact Hsg + Hsg Corp).

The study starts by:

- ◆ Looking at the regional, sub-regional and local context for the housing market.
- ◆ It then provides information on the nature of the local housing markets down to township level. This seeks to show how Wigan's market interfaces with the surrounding markets, how it operates within the borough and finally it then goes on to classify the different localised housing markets into two broad types within the borough.
- ◆ Each of these housing market types is described setting out the specific challenges and opportunities presented, before identifying the key market drivers. These are the key social and economic factors that determine how local markets behave.
- ◆ A risk assessment exercise and scenario planning exercise are then carried out which look at the impact of possible change and the interaction between the different markets.

- ◆ A comparison between Wigan's housing market with an ideal balanced and sustainable market picture is then carried out.
- ◆ Finally from this it then develops some principles of intervention appropriate to each of the different markets identified in Wigan and then provides some priority actions.

Work Undertaken

The study would not have been possible without the extensive information that is available on Wigan's housing market.

Key information sources include the Housing Need Study (2003), the Supply/Demand Analysis (2003), the existing Housing Strategy, Land Registry House Price Data, Housing Partnership Conference discussions, Stock Condition Survey information, demographic data and information on Housing Demand.

Specific work undertaken for this study involved:

Mapping of the housing stock in each township by tenure, size and type.

Creating housing market profiles down to township level.

Drawing up data on the characteristics of weak and strong housing markets.

Scenario planning on future threats/opportunities

Identifying possible interventions.

Discussions have taken place within the Housing Partnership about the research findings. Indeed the reports conclusions and recommendations were discussed and developed within the workshop sessions at the Partnership Conference in November.

Section 3 Strategic Context

National Context

In February 2003 the Office of the Deputy Prime Minister produced the document, 'Sustainable Communities: Building for the future'. The chapter, 'Sustainable communities in the North West' sets out the challenges for the region. It states that 'there are still areas of acute deprivation where demand for housing has collapsed. In others, demand for housing continues to outstrip supply, leading to rising house prices and shortages of affordable housing. We need a step change in our approach to tackle these problems. We need to work together to build sustainable communities in which people want to live.'

The region's housing, economic and planning strategies should work together to deliver the aims of the communities plan:

- To create sustainable communities in which people want to live and:
 - Are economically active;
 - Have decent homes at prices people can afford;
 - Safeguard the countryside;
 - Enjoy well-designed, accessible and pleasant living and working environment
 - Are effectively and fairly governed with a strong sense of community.

Regional Housing Strategy

The NW Regional Housing Strategy sets out 4 main strategic priorities which seeks to achieve these broad aims:

- Urban Renaissance and Dealing with Changing Demand. In particular focusing on areas that previous interventions have tried but failed to arrest decline.
- Providing affordable homes to maintain balanced communities
- Delivering decent homes in thriving neighbourhoods.
- Meeting needs for specialist and supported housing

Regional Planning Guidance

Regional planning guidance (RPG) of March 2003 informs that the region's core development principles embrace:

- Economy in the use of land and buildings;
- Enhancing the quality of life;
- Quality in new development;
- Promoting sustainable economic growth, competitiveness and social inclusion.

The Regional Economic Strategy

The regional economic strategy for 2003 identifies the following objectives:

- Business development
- Regeneration
- Skills and employment
- Image

The strategy further observes that:

‘the quality of the built environment in many areas is a cause for concern and a deterrent to investment and jobs.’

‘The quality of the housing stock in the region remains a major concern. In some areas the amount of older unsatisfactory housing for which there is no demand threatens any economic recovery.’

Moving Forward – The Northern Way

This initiative promotes a vision for the north by 2025 as being a vibrant city region with growth being encouraged in a corridor stretching from Merseyside to Hull and up to the North-East. It attempts to use economic regeneration to drive forward improvements in employment, housing and transport. In doing so it calls for the greater alignment of regional strategies. In housing terms it particularly calls for higher rates of housing stock renewal, targets for affordable housing, and for regional plans to be sensitive to housing market needs.

Regional Developments

In terms of regional developments that also contribute to this sustainable communities future the following are worthy of note:

- The NW Regional Assembly is to develop a Regional Spatial Strategy that will attempt to develop complementary regional strategies.
- There is likely to be a merger between the Regional Housing and Planning arrangements thus housing investment decisions will be more integrated with regional planning considerations.

Sub Regional Developments

In addition to the above developments at a Greater Manchester level efforts are being made with AGMA to develop complementary sub-regional strategies and arrangements which will feed into the already described regional approaches. Indeed the recently published “Sharing the Vision : A Strategy for Greater Manchester “ sets out eight themes :-

- Promoting a Dynamic Economy
- Enhancing a Regional Centre
- Promoting Culture, Sport and Tourism

- Promoting Connectivity
- Raising Education & Skill levels
- Creating Sustainable Communities
- Reducing Crime
- Improving Health Services

Within the Sustainable Communities aim housing is given a prominent role and four issues are set out :-

- Lack of an housing overview in GM
- Tackling low demand
- Improving housing quality
- Creating a better living environment

Local Context

There are three critical existing strategy documents that strongly influence housing developments locally namely the local Community Plan, the Housing Strategy and the Unitary Plan

Wigan's Community Plan

The Community Plan for Wigan was developed through the Wigan Borough Partnership and it has eight key goals each driven by a thematic Partnership

- Good standard of living
- Similar chances of staying healthy
- High aspiration, education & skills
- Strong modern local economy
- Easy travel without a car
- Decent home in a safe clean neighbourhood
- Environmentally friendly
- Exciting, diverse and inclusive mixture of leisure / culture

The Community Plan is currently being reviewed, but a key future theme is expected to revolve around a good quality of life that is affordable

Housing Strategy

The local Housing Strategy is linked to the above with its overall aim being to “To ensure people have accommodation to an affordable and decent home of choice in a good neighbourhood”. It seeks to achieve this within 3 themes

- People / Place
- Neighbourhood Renewal
- Quality Homes

Within each of these themes a SMART action plan is in place measuring progress against set targets. The recent review of performance concluded that most of these targets are being met.

Unitary Plan

This is currently at the Revised Deposit stage and sets out a framework for the provision of new housing that takes account of:-

- Regional Planning Guidance on the number of new housing needed in Wigan
- Requirement for the use of brownfield sites
- Introduces the issue of affordable homes

The Unitary Plan also provides a framework that strongly influences the future housing market in terms of its guidance on transport, economic and environmental issues

Regional Housing Picture

Due to a series of reports by CURS (University of Birmingham) the level of information about the regional housing market is now significantly better than the past. Some key issues are :-

- Low demand has been a key issue in the region, both in terms of parts of the socially rented sector and within the private sector.
- House price increases in the region have failed to match those of the rest of the country (1996-2003)
- Levels of the greatest increase over the period 1996-2003 were in attractive areas such as Macclesfield (115% increase), with less attractive areas such as Burnley rising by smaller amounts (20%). Wigan's prices rose by 69% over the same period which is below the regional average (83%).
- Lower valued stock is concentrated within the older industrial areas. Wigan is within these areas but compared with East Lancashire our issues are more localised.
- Over the period of 1996-2002 the price increases for detached and semi-detached housing outstripped older terraced housing. However since 2003 the rate of price increase for terraced housing even in unpopular locations has massively increased . This pattern of increased demand has been repeated over the same period for socially rented accommodation and homelessness.
- CURS speculate that these latest price increases for previously unpopular housing has been partly driven by the buoyant market but has also been driven by a boom in speculative buy to let investors and conclude that this has driven prices beyond sustainable levels.

Section 4: Nature of Wigan's Housing Market

What is a Housing Market?

As already mentioned a key element of the Government's approach to housing is to develop regional and sub regional approaches to housing problems and for strategies recognising actual geographical markets rather than administrative boundaries to be produced.

Whilst government is increasingly concentrating on identifying these geographical housing markets, the reality is that this concept is ill defined and no housing markets can be totally distinct and self contained. Indeed all interact to some degree with neighbouring, regional and national markets and are also the result of wider economic, transport and social forces and of the types of housing locally available. It would also be fair to say that research on the nature of geographical housing markets is not well developed. However from the studies that are available they all accept that a "hierarchy" of markets exist with local markets being influenced by wider sub-regional and regional forces. It is also true that even when core local markets exist they also have peripheral areas of influence and therefore affect a wider area than their immediate focus.

The overall conclusion to this is that it is hard to be precise about housing markets and especially about their areas of influence. However in terms of identifying distinct housing markets and their boundaries a definition is available. This comes from within the ODPM publication "The Housing Market Assessment Manual". It defines a distinct regional market by its degree of self-containment ie the extent to which people moving house move within the area. The document suggests those areas with a figure of 70% self-containment should be regarded as a distinct market. Within the recent Pieda study of sub-regional housing markets of the South East a definition of 70% after discounting non-voluntary moves was used. In contrast the LGA document "Improving housing needs and market assessments" defines a housing market in a similar way but sets the definition of a distinct market at the lower level of 50% of moves.

Extent of Wigan's Housing Market

The key question is how does Wigan compare with this analysis. This being vitally important to understanding the nature of its housing market and whether a localised study such as this is useful or should try to extend its analysis further in liaison with neighbouring boroughs. Figure 1 shows the results from the Needs Survey of the previous locations of residents who have moved over the past 5 years.

Figure 1 Previous Location (if moved in last 5 years)
Source Housing Needs Survey 2003

Township	Previous locations	
	Within Township	Within Borough
Ashton / Bryn	52%	76%
Atherton	63%	81%
Golborne / Lowton	42%	72%
Hindley / Platt Bridge / Abram	37%	79%

Township	Previous locations	
Leigh	58%	84%
Orrell / Billinge / Winstanley	37%	71%
Standish / Aspull / Shevington	41%	71%
Tyldesley / Astley	41%	63%
Wigan	42%	81%
Borough Average		76%

This shows that even by the strict ODPM definition almost all the borough is a distinct housing market, with only Tyldesley falling below the required 70% of moves. Indeed using the LGA definition it could be argued that Leigh, Atherton and Ashton / Bryn are all distinct housing markets even at township level. Whilst we have no comparable figures within the NW Region, the recent Pidea study of over 90 councils in the south of England didn't find a single example above Wigan's borough average. Further data from the census confirms this picture highlighting the low level of residential mobility in the borough. (average household in Wigan moving every 11 years compared with the regional average of 8 years)

Whilst this shows that the Wigan Borough is a distinct housing market and has strong township based markets that underpin this, it would be wrong not to look at the outside influences on this market. To provide this wider picture, information from our Needs Survey has been combined with information from the CURS report, (2003) from the census and government statistics. From these sources it appears that our peripheral townships are the ones most influenced by outside markets. For example the areas to the west and south of the borough interact to some degree with St Helens and they also attract more mobile households linked to regional job opportunities. The extreme east of the borough is influenced by the Salford / Manchester and Bolton housing market. Whilst this suggests limited interaction between the Wigan and the rest of its Travel to Work area (St Helens) and other neighbouring housing markets, it would be wrong to conclude that there is no further need for additional information. This is because even this limited interaction is important and clearly Wigan's economy and therefore its housing market is dependent on the regional picture. We are particularly interested in the apparent contradiction of Wigan's economy being increasingly integrated with the rest of the NW and yet it's housing market remaining distinct.

Figure 2 Intra – Regional Net Migration 2000 – 01 Source CURS

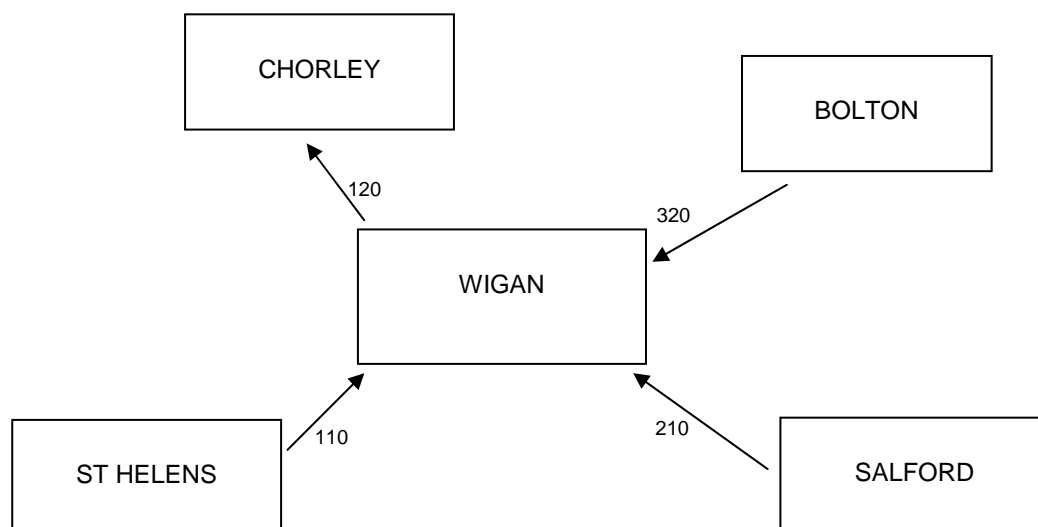
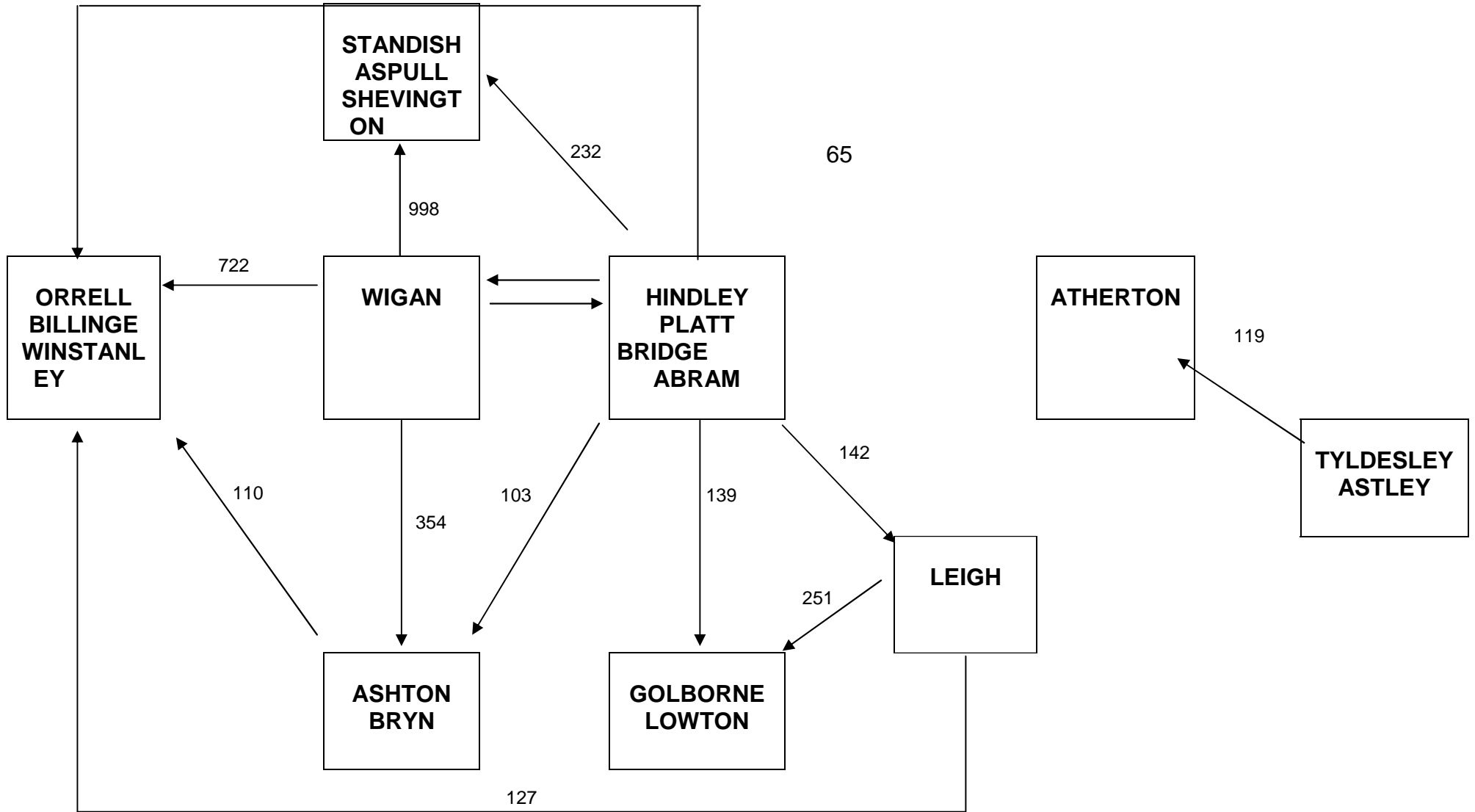


Figure 3 Anticipated Net Migration Between Townships (2003/08)



Recent migration information complements this analysis with the census showing relatively low numbers of households (2%) moving into the borough each year and very similar numbers moving out. Latest ODPM information for 2002/03 shows a very similar picture with continued low migration, but with a minor net inflow of people. This continues to emphasize the enclosed nature of Wigan's housing market.

Township Markets

Also important in understanding the Wigan housing market is the movement between the borough townships. Figure 3 sets out the anticipated future household flows between townships as predicted by the Needs Survey. Whilst levels of movement are relatively modest they do show the attractiveness of the peripheral areas of the borough with projected household flows generally moving from the older main population centres of Wigan, Hindley / Platt Bridge / Abram and Leigh to these areas. This clearly has implications for all areas as it implies that the past population loss for the more central townships will continue into the future and that peripheral areas will continue to grow.

Figure 3 also illustrates linkages or otherwise between townships which help map out the more localised housing markets. For example major household flows exist between Wigan, Standish, Orrell and Hindley suggesting some integration of the local markets. However in other adjacent townships such as Hindley and Atherton no significant links exist suggesting a clear housing market boundary. Both these have implications on the state of the housing markets within the different townships and help explain the variation in the performance of the township housing markets.

This overall analysis shows that Wigan's housing market is distinctive. Whilst it is certainly influenced by its regional context and very important links in terms of the economy and transport exist, its housing interactions with Greater Manchester or indeed any other conurbation's is relatively limited. Whilst more information is needed to explain this position and to explore whether regional changes could modify this in the future, the overwhelming evidence from this study is that much stronger links within housing exist within Wigan itself than from outside.

Current State of the Housing Market

House prices in Wigan like the rest of the country have risen over the last few years. These increases reflect the state of the economy, the level of interest rates and the demand for housing. In overall terms prices have increased from £54,000 in 2000 to £108,000 in 2004, with the largest increases starting late in 2002, running through 2003 and into early 2004. The rate of increase slowed dramatically in the second half of 2004. In terms of the market activity 2002 saw levels of sales hit their peak, with a reduction of activity of around 10% in 2004.

Figure 4 Wigan's House Prices (£000s)

	Quarter 3 2000	Quarter 3 2001	Quarter 3 2002	Quarter 3 2003	Quarter 3 2004
Detached	95	112	128	156	189
Semi-detached	52	57	66	88	109
Terraced	35	42	42	56	75
Average	54	62	66	86	108

Despite these large increases Wigan's house prices continue to be well below the Regional and Greater Manchester average levels. (-24%) Indeed Wigan's house price inflation has barely kept up with our surrounding boroughs.

Figure 5 Township Variation

Township	Access Price (Dec 2004)+	Required Household Income
Ashton / Bryn	£70,000	£22,000
Atherton	£60,000	£19,000
Golborne / Lowton	£85,000	£27,000
Hindley / Platt Bridge / Abram	£55,000	£17,000
Leigh	£60,000	£19,000
Orrell / Billinge / Winstanley	£75,000	£24,000
Standish / Aspull / Shevington	£85,000	£27,000
Tyldesley	£75,000	£24,000
Wigan	£60,000	£19,000

+ Access Price is an approximate value of the lowest priced 2 bedroom housing in reasonable condition.

These increased prices have clearly had an effect on how first time buyers can enter owner-occupation. Of critical importance within this area is not average prices, but access prices. This measure represents the cheapest reasonable accommodation for buyers. Clearly prices will vary by township but at April 2003 the Housing Needs Survey reported that the cheapest accessible housing was within the Hindley/Abram township, with properties available for £29,500 meaning that a household income of £10,000 could access the market. By November 2004 this access level had risen to £55,000 requiring an income of nearly £17,000. According to the DCA Needs Survey in April 2003 home ownership was within the reach of some 70% of newly forming households in the borough. Given higher house prices, higher interest rates and only modest household income growth, this figure is now estimated at being below 45%. Significant variations by township also exist and this is developed later in the report.

This picture of greater difficulty in accessing accommodation is confirmed by the increase in demand for socially rented accommodation. Wigan and Leigh Housing report increases in demand for accommodation from all areas of the borough and for the first time in many years shortages of accommodation are occurring. This trend is

also shown by the major increase in homelessness with a rise of 45% over the last two years. There is a very close correlation between the rate of house price inflation in the borough and in the rising homelessness totals.

Township Variations

In the analysis of Wigan's housing market it is also clearly important to assess how the housing markets within each township are functioning. This is especially important in Wigan due to the often discrete township identities.

To extend knowledge of township housing markets three basic approaches have been undertaken. The first uses a detailed analysis of township key indicators, the second uses an analysis based on the LGA "Improving housing needs and market assessments" methodology that measures housing shortages / surpluses and finally township profiles outlining the features of the different communities have been developed.

The first approach using key market indicators is an attempt to compare township markets with a series of factors which are known to be associated with particular types of housing market. Thus it is known from research that weaker, more vulnerable markets are associated with low prices, high levels of socially rented housing and/or concentrations of older terraced housing and people feeling at risk from crime/anti-social behaviour etc

Stronger and more popular markets are associated with higher prices and a more varied supply of housing etc.

Figure 6 Key market Indicators:- Weak Housing Market

Key Market Indicators: - Weaker / Vulnerable Housing Market

	Ashton	Atherton	Golborne	Hindley	Leigh	Orrell	Standish	Tyldesley	Wigan
Low House Prices	X	✓	X	✓	✓	X	X	X	✓
High Level Socially Rented Property	X	✓	X	X	✓	X	X	X	✓
High Proportion of Terraced	X	X	X	X	✓	X	X	X	✓
Low Income Levels	X	✓	✓	✓	✓	X	X	X	✓
High Proportion of Older Housing	X	X	X	X	✓	X	X	X	✓
High fear of crime / anti social behaviour	X	✓	X	✓	✓	X	X	✓	✓
CURS risk of market failure identified (higher level)	X	X	X	✓	X	X	X	X	✓

Key Market Indicators – Strong / Popular Housing Market

	Ashton	Atherton	Golborne	Hindley	Leigh	Orrell	Standish	Tyldesley	Wigan
High House Prices	✓	X	✓	X	X	✓	✓	✓	X
High Income Levels	-	X	-	X	X	✓	✓	✓	X
High Proportion of Detached Housing	✓	X	✓	X	X	✓	✓	✓	X
Low Levels of Socially Rented Property / Affordable Accommodation	✓	X	-	-	X	✓	✓	✓	X

Figure 6 provides the key findings of this market indicator analysis with Appendix 2 providing the full detail. It shows the very wide market variations by township, with Standish/Aspull/ Shevington, Tyldesley/Astley and Orrell/Billinge/Winstanley having average house prices well above both the borough and the regional average. However, Hindley/Abram, Atherton, Wigan and Leigh are well below the regional average. Of particular significance is the variation in the prices of similar terraced property by township, with prices ranging from £92,000 in Standish and Golborne to £56,000 in Hindley/Abram. (Q2 2004). Wide variations also occur within income levels, type of housing and in the fear of crime/anti-social behaviour. For example Atherton's housing stock consists of 34% social housing whilst Orrell's only has 6%. Also the Housing Needs Survey recorded 57% of households in Leigh living in fear of crime/anti-social behaviour and yet in Standish it was only 26%. Even greater variation occurs at a locality level with almost the whole of the Ince Ward being identified by CURS as being vulnerable to future change and yet in many other wards no areas are identified.

When these indicators are analysed they identify two distinct housing market types. The weaker housing markets being Atherton, Hindley / Platt Bridge / Abram, Leigh and Wigan (60% of households) and the stronger markets operating in Ashton / Bryn, Golborne / Lowton, Orrell / Billinge / Winstanley, Standish / Aspull / Shevington and Tyldesley / Astley (40% of households). This in many ways reflects the intra-borough township patterns found in Figure 3. In essence it describes a doughnut type effect, with the weaker / vulnerable markets in the central older areas and stronger / popular markets in the peripheral areas. In many ways this position is not surprising as it shows a very similar picture to a range of other indicators including the government indices of deprivation, the PCT health study, Wigan's neighbourhood renewal strategy and the Community Safety Partnership Crime Audits.

To extend this analysis further, a methodology based on the LGA "Improving housing needs and market assessments" was adopted, using data derived from the Housing Needs Survey. This is set out in Appendix 3 and shows on a township basis the anticipated demand for affordable and private housing against the existing supply over the period 2003 to 2008.

To provide a clear view of the relative position of each township the balance between supply and demand has been expressed as a ratio, with a figure of one showing a predicted ideal balance between future supply and demand. A figure of over one predicts a surplus of property with a figure below one reflecting a shortfall. The LGA approach looks at a ratio of less than 0.5 or over 2 as a particularly significant problem and Figure 7 below provides these details.

Figure 7 : Significant Shortages of Affordable Housing

- Orrell / Billinge / Winstanley (0.3)
- Standish / Aspull / Shevington (0.4)
- Ashton / Bryn (0.4)
- Golborne / Lowton (0.5)
- Tyldesley / Astley (0.5)

This shows that using the LGA definition five areas have significant shortages of affordable housing, with one township (Orrell / Billinge / Winstanley) providing for less than $\frac{1}{3}$ of the anticipated affordable housing requirements. No area had a significant surplus of affordable accommodation.

In terms of private housing the analysis shows.

– Standish / Aspull / Shevington (0.5)

It should be noted that these results are indicative only as this analysis describes a position that ignores the new development that will occur in each area over the five years. Also changes in market conditions and the economy will affect the situation. Despite this it avoids the problem of relying on past trend data and it begins to quantify the scale of the problems involved and is useful in developing priorities for action. It is also interesting that the results (with the exception of Tyldesley) support the findings of the earlier key indicator analysis and the broad division of a two speed local housing market.

The township profiles have been developed for each area and these are enclosed within the appendices (Appendix 4). They provide a more local focus, provide more detailed information and will help in the development of future intervention strategies.

Section 5 Housing Market Classification

Whilst remembering that in overall terms Wigan's housing market is weak in comparison with both its sub region and its region, the previous analysis showed a clear variation in the performance of the various township housing markets within the borough. Indeed it is possible to identify two distinct types of market operating within the borough. These are described below with their key features outlined and the different drivers that help cause this variation. This idealised analysis is then used as a key tool in understanding the markets and developing interventions.

Weak / Vulnerable Markets

This housing market type is dominant in the Wigan, Leigh, Atherton and Hindley /Abram townships.

Characteristics

- Housing stock dominated by older smaller houses. These are often pre 1919 terraced homes or large socially rented housing estates.
- Has lower numbers of higher-value properties especially newer detached housing.
- Cost of owner-occupation is low compared with borough and regional average.
- Relatively old and geographically immobile population.
- Higher than average private landlord activity.
- Depending on the history of the settlement there are likely to be pockets of more affluent housing, but these will be restricted in size and are often linked with the stronger housing market areas.

Weaknesses

- Buyers of older cheaper housing tend to be poorer households who might not be able to maintain their home in the longer term.
- Older poorer stock might be at risk especially if similar new homes are developed nearby.
- Better off households from within the borough or outside are less likely to be attracted due to shortages of higher value homes and the relative lack of local services because disposable incomes are low.
- Existing more prosperous households may move elsewhere either due to a lack of housing opportunities locally or to move to an area perceived to have better services.
- Low cost owner occupation may reduce the demand for social housing within the area.

- Sometimes a general problem of an over-supply in social housing / poorer older housing may develop especially where unpopular property types exist. In extreme cases this can lead to a downward spiral as people choose more attractive neighbourhoods and areas are drawn into a pattern of low demand, high turnover and high levels of anti-social behaviour.
- Weak demand for ex-right to buy and certain older terraced properties combined with relatively low values may make it difficult for owners to maintain these properties. This can often attract the “poorer” private landlords.

Strengths

- Good opportunities for first time buyers to enter owner-occupation.
- Limited development may protect the older less attractive housing stock.
- Core areas of housing may have sustainable established communities, which able to support stable services.
- Depending on geographical position the area might be able to attract households from neighbouring high value market.

Strong High Value Markets

This housing type is dominant in the Ashton /Bryn , Golborne / Lowton, Tyldesley / Astley, Standish/Shevington/Aspull and Orrell / Winstanley / Billinge townships

Characteristics

- Tend to have a relatively even distribution of different types of homes from terraced to detached which are in keeping with current household demands. Proportion of new detached housing will generally be above average.
- High prices for property compared with average prices for Wigan and the region.
- Competition for housing stock high for all sectors.
- Prices for first homes very high compared with other townships and local wages.
- Tends to attract new residents from elsewhere in the borough and also from outside the borough.
- Tends to be relatively accessible to other parts of the region.
- Generally has small cores of older or less attractive housing (often associated with the industrial history of many of these settlements)

Strengths

- Even smaller or less attractive properties have a relatively high value and tend to attract investment. This extends the life of the housing stock and improves the overall environment.

- High value housing markets are associated with good local services and schools. Service based local economy is also strong.
- The incidence of crime and anti-social behaviour is perceived as being low.
- Demand for housing is high and sought after therefore the number of empty properties is low.
- Overall desirability of these areas is high and this is generally strengthening over time.

Weaknesses/Risks

- First-time buyers are likely to find buying a home difficult. Other options such as renting are also difficult and thus new households may be forced to live with parents or move to a neighbouring township.
- Whilst weakening over time some townships have a wide difference between those living within the older industrial core of the settlements and those within the newer housing areas.
- Steps between the rungs in the housing market tend to be wide. Thus to progress up the housing ladder a significant increase in earnings is needed.
- High value sought after markets may have an absolute shortage of homes. This is very likely within the rented sector but can occur within the owner-occupied sector.
- People living in these areas in low paid employment may not be able to live near their work as the quantity of affordable housing diminishes

Housing Market Drivers

Within the study of our housing markets it is clear that there is a strong relationship between the townships/settlement characteristics in terms of housing stock, transport and social/economic features and the sources of housing demand. It is therefore necessary to explore further the issue of housing demand within this relationship.

The model of housing demand in Figure 8 illustrates this issue:

Figure 8 Model of Housing Demand

Source of demand	Key factors/sensitivities
<p>Local</p> <ul style="list-style-type: none"> • Households working in lower-paid jobs in local businesses. • Those with family and community ties. • Older, long-term residents, possibly in social housing or older property. 	<p>Influenced by</p> <ul style="list-style-type: none"> • Housing market factors – for example, available housing demand and expectations. • Local economic factors – for example, employment and wage levels.
<p>Regional</p> <ul style="list-style-type: none"> • Higher-paid regional commuters • Households moving out of urban centres for lifestyle reasons • Buy to let investors 	<p>Influenced by</p> <ul style="list-style-type: none"> • Regional economic factors • Settlement characteristics • Geography • Transport and infrastructure • Social factors – schools, health • Environment and location • Housing market factors
<p>National</p> <ul style="list-style-type: none"> • Job-movers (key workers; higher-paid managerial and professional workers; down-shifters) • Higher-paid national commuters • Second home buyers • Buy to let investors • Households seeking a retirement home 	<p>Influenced by</p> <ul style="list-style-type: none"> • National economic factors • Settlement characteristics • Environment and location • Housing market factors

This recognises that whilst there may be distinct local housing markets, in reality a hierarchy of housing markets exist within the community. These range down from a national, to a regional, a sub regional and even very localised markets where crossing a road may be sufficient to move into a different market.

This housing market demand model enables the influence of these national, regional and sub-regional markets/trends to be seen. This process of assessing the source of demand has been carried out for each of the two market types in the borough.

Strong High Value Markets

	Key Issues
<p>Local</p> <ul style="list-style-type: none"> • Strong local demand from within the township. This includes high and low income groups. • Strong local demand from townships elsewhere in the borough and from surrounding boroughs. • Emerging demand from older long-term residents <p>Regional / National</p> <ul style="list-style-type: none"> • Attractive for higher paid regional commuters due to neighbourhood and transport links. • Job moves (higher paid management and professional) • Buy to let investors • Households seeking retirement home (related to job moves and regional commuters). 	<p>Settlement Characteristics</p> <ul style="list-style-type: none"> • Generally semi-rural/open space • Generally good range of services <p>Social Factors</p> <ul style="list-style-type: none"> • Generally successful schools. • Lower incidence of crime/anti-social behaviour • Trend to commuting <p>Housing Market Factors</p> <ul style="list-style-type: none"> • Keen demand for property highly competitive and high priced • High levels of investment • Good range of housing • Shortage of affordable housing <p>Economic Factors</p> <ul style="list-style-type: none"> • Higher disposal incomes • Linkage with regional job market • House price differentials between north/south <p>Transport</p> <ul style="list-style-type: none"> • Good links to motorway network/ regional centres • Good railway links

Weak Lower Value Market

Source of Demand	Key Issues
<p>Local</p> <ul style="list-style-type: none"> • Demand for social housing from less affluent local residents. • First time buyers from within township • First time buyers from surrounding areas priced out of neighbouring areas. • Existing residents with strong local ties eg family or work. 	<p>Settlement Characteristics</p> <ul style="list-style-type: none"> • Generally urban in nature with an older than average housing stock. • Restricted range of property types available. <p>Social Factors</p> <ul style="list-style-type: none"> • Stable populations with loyalty to townships • Ageing profile <p>Lack of geographic mobility Social deprivation levels high</p>

Source of Demand	Key Issues
<p>Local</p> <p>Regional/National</p> <ul style="list-style-type: none"> • Traditionally very limited regional / national demand • Recently some demand from less affluent foreign migrants (ex asylum seeker). • Also some interest in the buy to let market and in the more attractive parts of these townships (some evidence of property speculation) 	<p>Settlement Characteristics</p> <p>Housing Market Factors</p> <ul style="list-style-type: none"> • Little high value housing • Market dominated by lower valued housing eg terraced • Demand and prices have recently increased partly due to ripple effect from rapid rises in neighbouring markets and by a more prosperous local economy. However, some of the increases may be unsustainable in the longer run <p>Economic Factors</p> <ul style="list-style-type: none"> • Currently employment opportunities exist in Wigan • Tends to be low income employment <p>Transport/Infrastructure</p> <ul style="list-style-type: none"> • Reasonable train access to most areas (except Leigh) • Variable access within the borough due to traffic congestion. • Opportunities for regional commuting less attractive than other parts of the borough.

This approach emphasises the variation in the different sources of housing demand between areas and the key factors that help determine this. In particular it illustrates how restricted the demand for housing in the weaker markets is so restricted.

Section 6 Key Learning Points on Wigan's Housing Market

This section summarises the learning from our analysis of Wigan's housing market

Extent of Wigan's Housing Market

The evidence shows that the vast bulk of the Wigan Borough is a distinct housing market. Thus whilst its economy and therefore the health of its housing market depends on wider sub-regional and regional linkages, there is much stronger housing interaction occurring within the borough than with its neighbours. This position is not surprisingly less pronounced in the more peripheral townships. However, with the exception of Tyldesley levels of self-containment are all in excess of 70% moves (overall figure 76%) which is the recognised benchmark for a distinct housing market.

Despite this Wigan's market is not a single entity and is influenced by outside pressures. Also and perhaps more importantly it consists at a local level of a whole series of sometimes quite distinct local markets. For example Atherton has a very large proportion of intra-township moves but appears to have few housing markets links with the adjacent Hindley/Abram or Leigh township. In contrast Hindley/Abram has significant housing market links to the adjacent Wigan township. Thus in housing terms, whilst the Wigan market is influenced by other markets, it clearly forms its own distinct market which is separate from either of the Manchester or Liverpool city regions.

Affordability Concerns

For the first time affordability concerns have emerged across the whole borough over the past 12 – 18 months. This is currently a real issue with the recent house price increases having serious implications for local first time buyers in all townships. This is compounded by only modest local income levels. The key question to this position is whether this is the result of imbalances in the local market (ie long term shortages of low priced property or due to high levels of new people wanting to live in the borough) or is it due to the current point in the national housing market cycle?

Whilst recent price increases at the lower end of the market may suggest a shortage of lower priced properties, this report is inclined to say that this widespread affordability problem is mainly due to national trends in the housing market. This judgement is based on two factors. Firstly even with the increases in local prices Wigan is still relatively more affordable than many other areas. This is still true even after taking account of local income levels. For example using a government approved formula, in 2003 (latest position available) Wigan's ratio house price / earnings ratio was 3:6. This was lower (and therefore better) than the GM average of 3.9 and the regional average of 4.1. To put the issue in perspective popular areas such as with Stockport have a ratio of 5:7 and areas in the south of England have ratios approaching 8. Also whilst the proportion of new households able to afford to buy a property has dramatically fallen over the last eighteen months it is still estimated to be significantly higher than the regional or national average.

Secondly, the majority of demand/household movement within the Wigan housing market is from within the borough with relatively low levels of interaction from outside. This would tend to suggest that over time the local market will revert to one where prices will be in balance with local prosperity and income levels. Indeed regional evidence suggests that recent local buy to let activity fuelled by speculation may have been instrumental in raising prices at lower end of the market to higher levels than expected. As inflationary pressures within the housing market ease and the demand diminishes, this will reduce the pressure on the market further. Whilst this readjustment will take time to have effect, housing will over the next few years become more affordable again.

Nature of Wigan's Housing Market

From the observation and analysis of the Wigan Borough housing market, this study finds its underlying nature is one of weakness. This is despite the variations in the market and in the recent price increases.

It makes this conclusion based on the following evidence

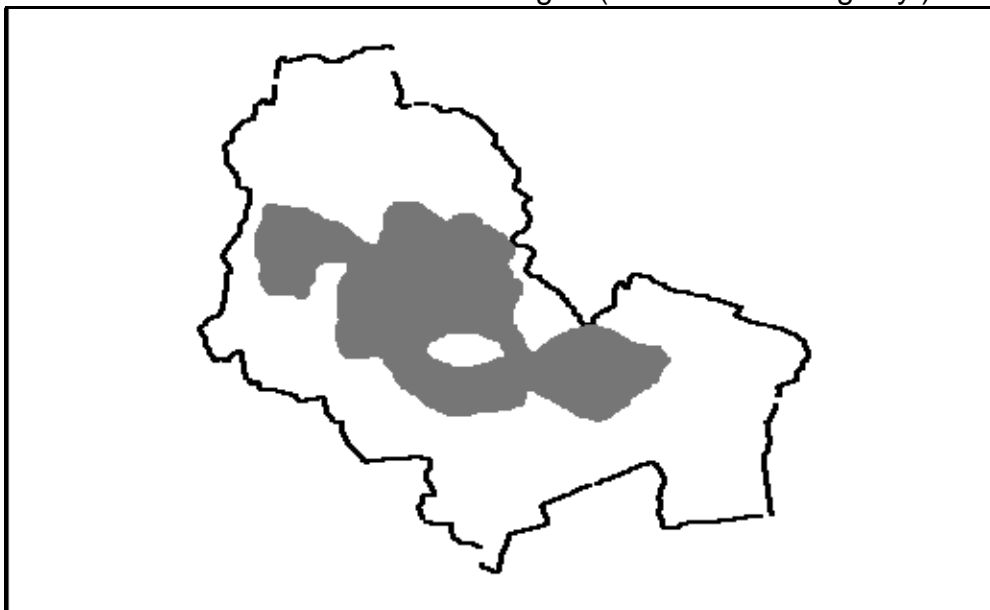
- The CURS study of 1992 found that Wigan had a significantly higher proportion (41%) of its housing stock as being vulnerable to future market change than the regional average. The more recent CURS update (1994) also concluded that Wigan was within an area of relatively low prices and which also concluded that despite the recent regional price increases the fundamental problem in most parts of the North West remained one of market weakness.
- Houseprices in Wigan are generally low in comparison with its neighbours both in absolute terms and relative to local incomes. Indeed only a concentrated area in East Lancashire and isolated authorities such as Oldham and Barrow have lower average prices for terraced properties than Wigan.
- This study seems to show that one of the main reasons for this weak market is that housing demand is relatively limited in Wigan. Whilst high proportions of people who already live in the borough continue to do so, the demand for housing from adjacent areas, from regional commuters and from regional/ national migration is relatively low. Indeed without the high degree of loyalty to the area from the existing population Wigan's housing market would be extremely vulnerable. A good manifestation of these issues can be seen in Wigan's lower than average houseprices and good affordability despite its housing stock being in better condition than many of its neighbours.

Township / Area Variations

However, this uniform picture of Wigan's housing market suffering from modest problems of market weakness is misleading. This is because major variations exist at township level and within the often more segmented local housing markets. Thus the older core areas of Wigan, Leigh, Atherton and Hindley/Abram (covering 60% of the population) display strong symptoms of market weakness. They suffer from declining and often older populations, major concerns over community safety /

environmental issues, from housing demand that is often confined to the locality and whose current housing tends to be older, in worse condition and lacking in variety. The key issue here is that there is sufficient available housing but that this fails to match current demand in terms of its quality, suitability and in its neighbourhood setting. Clearly some areas suffer from these traits more than others, with Figure 9 showing the areas with the lowest average prices for terraced housing. Whilst this picture tends to slightly underestimate issues within the social housing sector, it corresponds with the CURS analysis that attempted to identify areas vulnerable to future change and the ODPM Index of Deprivation. Thus it represents the areas that need to be invested in to prevent further deterioration. Indeed given the detailed data from areas such as community safety an even greater concentration on smaller areas would probably be possible.

Fig. 9 – Lowest Terraced House Prices in Wigan (2004 – Land Registry)



In contrast the township areas Standish/Aspull/Shevington, Ashton/Bryn, Orrell/Billinge/Winstanley, Golborne/Lowton and Tyldesley/Astley have stronger housing markets. This is evidenced by their rising and more affluent populations, they also find it easier to attract homebuyers from elsewhere and whose housing stock provides the popular types of housing. However due to this higher demand and to cost/income disparities, some of these areas suffer shortages of affordable accommodation. This trend is tending to increase over time as right to buy continually erodes the socially rented stock. The analysis earlier in this study showed access prices to be highest in the Standish and Golborne townships.

The study finds this growing imbalance between the different parts of the borough as being the largest single housing market problem currently faced. Whilst affordability in certain areas of the borough has become a problem the main danger faced and the most difficult to solve remains that of declining communities in a weak housing market.

Key Observations on the Wigan Housing Market

Besides these comments on the current housing market, this study has highlighted a number of clear observations and trends which need to be taken account of within any future strategy.

Role of Past Development

The detailed township profiles show how important the role played by location and the historical development of the settlement is. This determines how successfully a township can adapt to changing patterns of housing demand and in the local economy. This can be illustrated by comparing the Hindley/Abram township with Standish. Both are small market settlements approximately 3 – 4 miles from the centre of Wigan. Whilst both are older in origin they essentially expanded in Victorian times as industrial settlements largely based on the mining industry. Therefore until the 1930s they would have been fairly similar. However, over the last 70 years major differences have occurred in the growth of the settlements. For example Standish has expanded into fairly pleasant countryside and most property built since the 1930s has consisted of larger housing for owner occupation. Social housing built up to the 1970s, has been dwarfed by this private development. This process has accelerated in recent years, encouraged by land release policies and the close proximity of the M6. As a result, a mix of housing has been created with a relatively affluent population and is now a location of choice. This in turn reinforces local services and schools making it even more attractive.

Parts of the Hindley/Abram township in contrast has taken a different development path, with large numbers of smaller housing being developed and greater numbers of social housing. As a result there are fewer higher income households and a relatively low supply of housing that might attract such households. Hindley is also less accessible to the regional motorway network.

Therefore, it could be argued that the very nature of the housing stock in a settlement can act as an obstacle to positive market change. It can effectively lock negative factors in place that makes regeneration very difficult. The conclusion is a simple one, in order to make some communities sustainable, it is necessary (along with a wide range of other actions) to change or modify the nature of the housing stock.

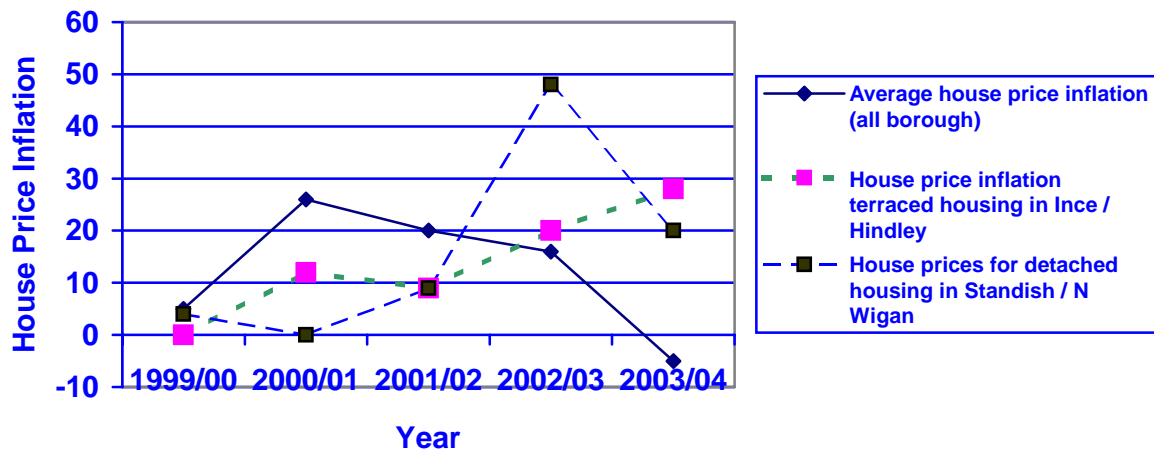
Importance of Local Variations

The study also confirms the existence of sharply differentiated local housing markets within small geographical areas which sometimes makes assumptions about adjacent areas being linked misleading. Examples of this are illustrated by the lack of movement between certain townships and by observing significant variations within the township areas themselves. Therefore, understanding at a local level is needed.

Nature of Change in the Market

However, even all these different housing sub-markets don't exist in isolation and changes in one area generally have an impact in other neighbouring ones. For example, higher value markets tend to be linked to and more influenced by national and regional factors. Therefore the demand for homes in for example Standish depends to a greater degree on such issues as the national and regional economy and the growing acceptance of long distance commuting. Therefore in a strongly rising national housing market existing high value local markets tend to be first to respond. Rising prices then ripple out to less desirable lower value settlements. This has occurred in Wigan with the chart below contrasting house price inflation within the high priced Standish/North Wigan area for detached housing and the price of terraced property in Ince/Hindley which has traditionally been the lowest priced property.

Figure 10 – Selected House Price Inflation 1999 - 2004



This shows that the peak price rise for detached houses in Standish/N Wigan was in 2000/01 and for terraced property in Ince/Hindley it was in 2002/03. This is caused by the tendency for high house prices in one area to force up values in nearby areas and involves households priced out of their preferred market seeking the newest equivalent elsewhere. Some compromise occurs within this process in the type of home, location, transport and schools, but eventually this excess demand reaches the less popular areas.

Evidence from elsewhere would suggest that this process of selecting the most acceptable equivalent to the most sought after settlements is one of the key factors in the regeneration of areas.

The main influences in this process are:-

- the choice of housing available
- the attractiveness of areas ie semi-rural preferred
- local retail facilities
- the predominance of either socially rented or large areas of terraced housing in poor condition and

- the performance of schools

For many, schools are the key pre-condition for attracting new households to particular areas. There is no doubt that this is the case. However, it could also be argued that the housing market itself plays a part in the early stages of improving local education. Thus if a better balance of house types is achieved locally, this will generally mean a greater mix of children from different backgrounds attending schools.

State of the Rental Market

Further observations of the local housing market involve people's reactions to the recently rising housing market. Thus private landlord activity has recently increased, since relatively cheap properties in a strongly rising market are attractive because they offer the chance of high capital appreciation. This, combined with a high demand for rental accommodation, means that very powerful stimulators to this market have been in place. In some ways this cycle has reinforced price trends at the lower end of the market.

The rising market has also strongly affected the socially rented housing market in two key ways. Firstly, the overall demand for socially rented properties and the levels of homelessness have both risen sharply. This is caused by households being priced out of the owner-occupied market. The second effect has been to help drive the major increase in the number of right-to-buy sales as people realise that it provides both an affordable entrance to owner-occupation and it also increases the financial gains involved.

A question that arises from this picture is whether the currently rising market for socially rented properties be sustained? In reality this will partly depend on economic factors. However, looking from a housing market point of view, the answer is that as property becomes gradually more affordable again, people will again tend to look to purchase rather than rent. This being based on the strong evidence that owner-occupation is generally people's first preference. However, due to the right-to-buy eroding the stock of socially rented properties, it is unlikely that we shall return to the time when a major surplus of social housing existed. Indeed looking at the Housing Needs Survey results we may even face a small overall shortage.

Section 7 - Risks and Opportunities

Introduction

In classifying Wigan’s housing markets into two broad types, we have identified some specific strengths and weaknesses for each. The study has also considered both the current profile of demand, and the social, economic and environmental reasons which underpin it. We have also concluded that the ability of a settlement to adapt to modern needs and expectations depends to a large extent on its inherited form. In some cases, this historic development pattern imposes severe social and economic constraints, and hinders positive change, in others it is the foundation of prosperity.

Before looking at interventions to help modify this position, some attempt needs to be made on how the different settlements are likely to react in the future to possible changes. To do this we have developed a scenario based risk assessment of how the market might change to various possible future events. By identifying these scenarios and estimating their probability and impact, we can ensure that future interventions will take these into account.

Figure 11 Risk Analysis

Issue	Risk/Possibility			Impact			Possible Effects
	High	Med	Low	High	Med	Low	
National	High	Med	Low	High	Med	Low	
Moderate interest rate rises/variation.	✓					✓	A moderate interest rate would have little effect on the market.
Major increase in interest rates.			✓	✓			A major increase in interest rate would reduce demand for private housing and increase the demand for socially rented property.
Stagnation of house prices.	✓					✓	Due to the rapid increase in prices the stagnation of prices is now likely. This would mean it would be harder to sell property and move. If significant numbers postpone moves it will merely dampen the local housing market.
Price Crash		✓		✓			Properties most at risk would be less desirable properties and first time buyers with high borrowings. This would affect the weaker markets in a major way.
Reduction in public housing investment		✓			✓		Less funding for housing intervention. This would affect the weaker housing market.
Public funding to private developers		✓				✓	May allow greater intervention on weaker markets

Issue	Risk/Possibility			Impact			Possible Effects
	High	Med	Low	High	Med	Low	
Regional							
Fewer jobs in manufacturing	✓				✓		Would reduce demand for housing in weaker markets unless complemented by growth of jobs elsewhere.
More dynamic regional development associated with Manchester/ Liverpool		✓			✓		Would increase demand for housing with largest effect on stronger markets
Slow down in regional development.			✓		✓		Would reduce demand for housing. Its effect would depend on the slow down. If confined to regional growth centres effect mainly on stronger markets
Improved public transport links to Manchester.			✓			✓	Would increase demand for housing as access to employment improved.
Completion of the A5225 road linking Orrell/Leigh		✓		✓			Would have a beneficial effect on the housing market. Would benefit the weaker markets as they are currently less accessible to regional commuters.
Successful Wigan Town Centre Development	✓					✓	Would have beneficial effect on housing market by creating service employment. Would benefit the weaker markets most.
Reduction in strategic rail services			✓			✓	Would reduce Wigan's attractiveness. It would weaken the stronger housing markets.
Continued increases in cheap flights to Europe.	✓					✓	Would continue the trend of ownership of property abroad and the encouragement of developing smaller properties in affluent areas.
Reduction in buy-to-let activity in the private sector.	✓				✓		Would reduce housing demand in the weaker markets
Successful completion of leisure / cultural plans for Leigh Sports Village / Wigan Pier	✓				✓		Would strengthen the image of Wigan and therefore its overall housing market.
Successful completion of the Wigan hub investment development sites.		✓			✓		Would strengthen Wigan's economy and therefore its housing market.

Section 8 Case for Intervention

One of its prime aims of this report is “To develop priorities for intervention within Wigan’s housing market designed to make best use of resources and to maintain stable and sustainable communities in accordance with the Government’s Communities Plan”. This section discusses whether such interventions are necessary in Wigan by firstly setting out the characteristics of such communities and then comparing this with the evidence from this study.

The term “balanced housing market” is central to the government’s housing and sustainable communities agenda and it broadly means that the housing market is working efficiently within an area. Recent studies have suggested that there is no single definition to this term that meets all housing markets. This is because each type of market requires different approaches depending on its drivers and on future prospects of change. However, the following objectives are commonly sought.

Figure 12 - Characteristics of an efficient balanced housing market
(From Housing Markets Preparing for Change:- Housing Corporation)

- People on a range of incomes can find a suitable home. The social mix will, to some extent, depend on the local economy and travel to work patterns, but a broad range of house types in well graduated price bands ensures a viable community.
- Those who need to live in a location rather than choose to live there are not unduly disadvantaged.
- The housing stock does not concentrate deprivation in particular areas and house types.
- Settlements with low value and fragmented markets may have the potential to attract above average earners and should provide housing which those households are likely to buy including high value homes. There is clear evidence that the spending power of higher earners has a positive effect on local services.
- People in work on average local incomes should be able to afford to buy or at least have an equity share at the lower end of the market.
- Growing families in small homes at the lower end of the market should have the opportunity to trade up to a larger home which is still affordable to them.

Comparison between an Efficient Balanced Housing Market and the Wigan Borough Housing Market

To develop a case for market intervention a comparison has been carried out between the local housing market and the ideal characteristics of a balanced market. This analysis is shown in Figure 13 below.

Figure 13

Comparison between Wigan’s Housing Market and that of an efficient balanced market

Characteristic of a balanced market	How Wigan compares to this position	Key gap
People on a range of incomes can find a suitable home. The social mix will to some extent depend on the local economy and travel to work patterns but a broad range of house types in well graduated price bands ensures a variable community.	Wigan has a wide range available both in terms of its condition and type. Its price bands tend to be relatively narrow and property is generally relatively affordable. A key issue in Wigan is the geographical variation within the borough with some areas lacking the required broad range of house types. Given the relative population immobility relating to township based markets this is a significant issue	<ol style="list-style-type: none"> 1 Lack of diversity of housing within some of the older established urban areas. 2 Some shortages of affordable housing in certain fringe localities. 3 Lack of specialist accommodation for those with special needs.
Those who need to live in a location rather than choose to live there are not unduly disadvantaged.	In most parts of the borough affordable housing is available to those who need to live within a given locality. However, in certain peripheral communities this is not the case and due to the right to buy etc the situation is becoming more difficult.	<ol style="list-style-type: none"> 1 Lack of affordable housing in certain fringe localities.
The housing stock doesn’t concentrate deprivation in particular areas and house types	Due to past development the central parts of the borough do contain the vast majority of the socially rented and cheaper older terraced housing. Thus the housing stock does concentrate deprivation.	<ol style="list-style-type: none"> 1 Lack of diversity of housing within some of the older established urban areas.
Settlements with low value and fragmented markets may have the potential to attract above average earners	Wigan’s older more established urban areas lack the diversity to attract above average households. Indeed evidence	<ol style="list-style-type: none"> 1 Lack of diversity of housing within some of the older established urban areas.

Characteristic of a balanced market	How Wigan compares to this position	Key gap
and should provide housing which those households are likely to buy including high value homes. There is clear evidence that the spending power of higher earners has a positive effect on local services.	exists that current occupiers leave these areas when waiting to buy a larger home. Thus there is significant scope to try to encourage development of larger/more expensive homes within these areas.	<p>2 Need to create diversity by identifying redevelopment opportunities within these areas along with new development sites.</p> <p>3 Need to improve the environment, quality, image and transport facilities in these areas.</p>
People in work on average local incomes should be able to afford to buy or at least have an equity share at the lower end of the market.	Within most of the Wigan borough people on average local incomes can afford to buy a property at the lower end of the market. The only exceptions to this are in the more popular areas.	1 Lack of affordable and accessible housing in certain popular fringe areas.
Growing families in small homes at the lower end of the market should have the opportunity to trade up to a larger home which is still affordable to them.	Given Wigan's relatively narrow price bands and the availability of social rented housing it should be possible for most growing families to trade up to a larger home. However, two problems occur. Firstly in many localities the larger homes for sale are not available due to the lack of diversity in the stock and secondly in popular areas the price bands between the different types of property are wide.	<p>1 Lack of larger homes within many older more established urban areas.</p> <p>2 Price gap in certain areas.</p>

The analysis shows that the case for intervening in Wigan's housing market can be justified on 3 fundamental grounds.

Firstly, the most urgent and primary reason for intervention is to strengthen the local housing market and to reverse the decline of the older housing market areas. Underlying this concern is the recognition that without intervention many weaker areas are likely to see relative house prices drop, demand diminish and social disadvantage become more concentrated. Such trends in some other adjacent boroughs have caused the collapse of local housing markets with all the associated problems and expense involved. Whilst Wigan's problems have not reached such levels, within certain localities such situations could occur in the future if positive action is not taken. In particular action needs to focus on creating sustainable communities within these areas by increasing housing quality and choice, improving the environment and tackling social issues such as crime and anti-social behaviour.

The second reason for intervention is to intervene to try to ensure that a better balance of affordable housing is available within the more affluent areas. This needs to be done appropriately and any measures need to ensure that they are complementary to the main aim of strengthening the market within the weaker areas of the borough.

Besides this prime reason for intervention in the housing market, the study also highlighted the need for action across a number of issues on a borough-wide basis. This included the need to expand provision for vulnerable people, to take account of the ageing population and to recognise the changing household structure and future demands for smaller accommodation. Finally to also explore the key role community safety fear plays in people's housing aspirations/choices.

Section 9 Principles of Intervention

The development of detailed proposals to tackle this agenda is outside the scope of this report and clearly needs to be developed with close consultation with stakeholders and residents. However, the report does develop the following key intervention principles and it follows this up within the next section by putting forward some priorities for intervention.

- Interventions should recognise that owner-occupation is a key aspiration for most households. Therefore care should be taken not to impose a socially rented solution. Clearly, social housing will have a major role especially within areas with affordability problems, but in other areas it may in the longer term reinforce disadvantage.
- Interventions need to be realistic and based on the regional economy but taking account of wider housing market influences such as transport improvements etc. Public sector funding should be viewed as encouraging and levering in private development.
- Wherever possible interventions in markets need to be positive in nature. Therefore, for example, restrictions in development in higher value markets need to be set against the need to reduce congestion etc. It must be always remembered that if moves “threaten” people’s view of their neighbourhood Wigan’s housing market is not isolated and people can and do move elsewhere, out of the borough
- Recognition needs to be made of the fact that real success within this intervention strategy partly depends on new government policy and legislation. Clearest example of this would be within the extent of intervention within the planning system.
- Finally such interventions would work best in a partnership approach with all stakeholders.

Principles of Intervention in Weaker Housing Markets

- Protect and maintain areas of existing older terraced or areas of social housing which have a viable future. This may involve improving standards inside the dwelling but critically also there outside appearance.
- Actively look to expand housing choice within areas by encouraging development that would attract/retain higher income households.
- Actively look to prevent further housing development that replicates the current housing profile and which could undermine the existing markets.
- To look to take account of and advantage of wider measures that could help diversify the local housing market eg transport improvements.

- To look at the visual and environmental aspects of regeneration. Making settlements more appealing by stressing the design quality of developments and by enhancing the appearance of areas through the external appearance of older housing and by environmental improvements to surrounding areas.
- To be more ready to intervene where housing is unlikely to have a viable future and look to actively re-develop clearance sites
- To take into account the authority wide issues of providing accommodation for vulnerable people, older people and creating smaller properties within development opportunities.
- To recognise the key importance of community safety issues within these weaker housing markets and forging a closer liaison between the housing and community safety agenda.
- Finally, and perhaps most importantly, to develop geographically sensitive strategies that recognise that the need of areas are different. For example within some of the most deprived areas, relatively high intervention strategies often stressing non housing issues might be most appropriate. On the other hand, an area of perhaps older housing, whose issues relate to lack of housing choice will require different more limited more housing focused interventions.

Principles of Interventions in Stronger Housing Markets

- Development of new housing should take into account the need for affordable housing and should take advantage of 106 Agreements.
- Development should be geared to ensuring it produces housing that is needed by the township and takes account of the authority wide agenda eg need for smaller houses. Particular attention needs to be taken to avoid undermining adjacent housing markets by providing homes/type readily available close by.
- Whilst it will need to vary depending on location the development of smaller houses and bungalows with smaller numbers of flats is preferred to ones producing concentrations of either large houses or flats. This provides for a more sustainable future.
- The term 'affordable housing' needs to be defined and made clear. Whilst no prescribed balance is advocated it should be a combination of socially rented and sustainable low cost home ownership properties.
- Consideration should be given to ways of increasing the provision of affordable housing within an area by better utilisation of the existing stock. This could be via re-purchase of ex right-to-buys, empty homes strategies and encouragement of private partners to buy poor quality property to let.

These intervention principles partly reflect current housing activity and some are entirely new. Within the work on weaker housing markets, much is already being done and the following are key parts of the existing strategy

- Investment within existing older terraced housing
- Investment within existing social housing
- Recognition of areas in decline and the importance of visual and environmental aspects of regeneration.
- Varied intervention strategies depending on the area eg Renewal Areas, Area based initiatives, etc.
- Importance of community safety issues in neighbourhood issues.
- Need for more property for vulnerable people and to reassess housing provision for older people.

However not all the required intervention policies are in place and the following need to be considered.

- Actively expanding choice within weaker housing markets.
- Actively preventing new housing development that could undermine existing market
- Whilst some clearance takes place little evidence of major consideration of a greater need for clearance.

It should be noted that meaningful implementation of the above ideas will depend on the flexibility allowed within the proposed new planning guidance, details of the new Housing Act and future resources.

In terms of intervening in the stronger markets our current policies are less well developed as affordability concerns have only recently emerged. However an affordable housing element has been introduced within the UDP for implementation in the future. However the following issues do need to be reviewed

- Type of affordable housing policies to be introduced in the UDP
- Actively managing new housing development to better reflect local needs.

- Preventing over-development in popular areas that may threaten the housing market of weaker adjacent markets

Again progress on a number of the above depends on new planning guidance / legislation, whilst any step which affects new development will need a robust evidence base if it is to withstand challenge and be successful.

Section 10 Priorities for Action

The priorities for action are listed below. The key long-term aim is to use a limited amount of public monies to kick start the housing market restructuring on the assumption that the private sector will continue and will reinforce the process. However what is needed are interventions aimed at the overall needs of the market, preferring solutions that are cost effective and sustainable in the long term to ones which are quick fixes.

Priority 1

To undertake a revision of the current Housing Strategy with consultation completed, costed and ready for implementation by the summer of 2005. This review of the housing strategy is necessary for 2 reasons. Firstly due to the rapidly changing circumstances within the housing market and secondly to acknowledge the importance of local housing markets and to direct interventions to create balanced sustainable communities.

Priority 2

This review should embrace the principles of effective interventions within weaker housing markets set out within this document. In particular it should not lose sight of the fact that the main local housing problem is that of trying to strengthen the weaker housing markets. Whilst this is the focus of the existing strategy and considerable progress has been made in this area, these current policies need to be looked at and extended to ensure a clear focus on strengthening local markets and creating sustainable communities. Particular attention needs to be given to diversifying and increasing the choice of housing within the weak markets and to look to address residents' concerns about the local environment and community within these areas.

The application of these principles will mean that a geographically sensitive housing strategy will result that will effectively concentrate attention of those areas where particular market problems occur. One of its principal aims will be to reverse the long-term trend within Wigan of a weak, declining housing market within the central townships.

Priority 3

Given the recent emergence of affordability problems within some of the peripheral townships and the growing problem of accessing affordable housing in these areas it is felt that interventions aimed at reversing this trend are needed. Work should be undertaken to ensure that Supplementary Planning Guidance is issued to activate an affordable housing policy.

Given recent and anticipated changes within the planning system (in particular PPG3) this work should also explore wider policies that could enhance our aim of balanced housing markets and sustainable communities. This would provide policies, which were geographically sensitive and seek to:

- influence land release sequences;
- influence the type of housing developed; and

- proactively create opportunities for development in priority areas.

Priority 4

Besides the variation within the performance of township housing markets evidence is clear that there are three specific areas which need greater attention on a borough-wide basis.

These relate to housing policies for older people, for vulnerable people and on the equality / diversity agenda. It is proposed that the following response is made:

- That as part of the work within the Corporate Innovation Forum that an older person's delivery strategy to address the current and future growth in elderly households and their care and support needs to be completed. This study should provide an initial report by February 2005 so as to feed into the wider housing strategy review. It would enable it to feed into the Supporting People Strategy timetable.
- Wide evidence exists that highlights shortages of accommodation for vulnerable groups including homelessness, those with drug/alcohol problems, those with mental health problems, young people and ex offenders. It is proposed that these issues feed into the new Supporting People strategy that is to be published in April, the Homelessness Strategy and then included within the revised Housing Strategy next summer.
- As regards equality and diversity, the Housing Needs Survey found that Wigan's BME population is relatively low, diverse and whose housing conditions/needs are similar to the rest of the population. In these circumstances it is suggested that the bulk of our attention is placed on ensuring that discrimination doesn't take place across the BME and other vulnerable groups and that fair access to housing is provided. This will be done via Wigan and Leigh Housing and within the Council's Diversity Strategy including the Diversity Impact Assessment being carried out on individual services.

Priority 5

Both the Housing Needs Survey and the discussions within the Housing Partnership stresses the links between unpopular housing and the "crime and grime agenda". It is recommended that specific attention is given to exploring how in particular the problems and perceptions of anti-social behaviour and crime can be overcome. This would need to be joint work by the Housing and Community Safety Partnership with recommendations being incorporated within the revised Housing Strategy.

Appendix 1

House prices in Wigan

Overall Prices (Land Registry)

	Detached	Semi- Detached	Terraced	Overall
July - Sept 2000	£95,000	£52,000	£35,000	£54,000
July - Sept 2001	£112,000	£57,000	£42,000	£62,000
July - Sept 2002	£128,000	£66,000	£42,000	£66,000
July - Sept 2003	£156,000	£88,000	£56,000	£86,000
July - Sept 2004	£189,000	£109,000	£75,000	£108,000

Regional / County Overall prices

	Gtr Manchester	NW Region
July - Sept 2000	£68,000	£71,000
July - Sept 2001	£77,000	£80,000
July - Sept 2002	£89,000	£92,000
July - Sept 2003	£103,000	£108,000
July - Sept 2004	£130,000	£134,000

Access Prices by Township

Township	Access Price (Dec 2004)+	Required Household Income
Ashton / Bryn	£70,000	£22,000
Atherton	£60,000	£19,000
Golborne / Lowton	£85,000	£26,000
Hindley / Platt Bridge / Abram	£55,000	£17,000
Leigh	£60,000	£19,000
Orrell / Billinge / Winstanley	£75,000	£23,000
Standish / Aspull / Shevington	£85,000	£26,000
Tyldesley	£75,000	£23,000
Wigan	£60,000	£19,000

+ Access Price is an approximate value of the lowest priced 2-bedroom housing in reasonable condition.

Township Average (Q2 2004)

Township	Detached		Semi-detached		Terraced		Average
Ashton/Bryn	£153,000	(19%)	£138,000	(41%)	£71,000	(37%)	£116,000
Atherton	£142,000	(24%)	£100,000	(35%)	£66,000	(40%)	£96,000
Golborne/Lowton	£172,000	(35%)	£107,000	(39%)	£92,000	(25%)	£122,000
Leigh	£182,000	(12%)	£104,000	(37%)	70,000	(46%)	£98,000
Hindley/Platt Bridge/Abram	£145,000	(27%)	£96,000	(33%)	£56,000	(37%)	£95,000
Orrell/Billinge/ Winstanley	£192,000	(33%)	£112,000	(42%)	£80,000	(22%)	£132,000
Standish/Aspull/ Shevington	£190,000	(38%)	£111,000	(38%)	£92,000	(20%)	£138,000
Tyldesley	£207,000	(28%)	£118,000	(40%)	£78,000	(29%)	£131,000
Wigan	£179,000	(17%)	£93,000	(42%)	£71,000	(39%)	£99,000

Appendix 2

Township	Property price 2 nd Qt 2004	Level of Socially Rented Property	Proportion of Terraced Housing	Proportion of Detached Housing	Income levels		Proportion of Older Housing (pre 1919)	Feel at risk from / fear of crime / ASB	Risk of Market Failure (Higher Level) CURS Report
					Below 10,000	Above 40,000			
Ashton/Bryn	£116,000	17%	24%	19%	24%	12%	17%	43%	No
Atherton	£96,000	34%	21%	8%	31%	7%	18%	52%	No
Golborne	£122,000	20%	22%	16%	32%	12%	21%	44%	No
Hindley/ Platt Bridge / Abram	£94,000	20%	25%	10%	27%	9%	18%	56%	Yes
Leigh	£98,000	27%	46%	35%	36%	9%	32%	57%	No
Orrell/ Billinge/ Winstanley	£132,000	6%	7%	19%	16%	18%	7%	41%	No
Standish/Aspull /Shevington	£138,000	12%	11%	31%	22%	22%	11%	26%	No
Tyldesley/ Astley	£131,000	16%	10%	19%	15%	19%	9%	52%	No
Wigan	£99,000	29%	44%	6%	37%	6%	33%	56%	Yes
Borough average	£104,000	22%	29%	17%	26%	12%	28%	48%	
Regional average	£126,000	20%	36%	15%			26%		

Appendix 3

Analysis of Housing Market pressure (2003/08)
(From DCA work on Supply : Demand – Housing Needs Survey)

Ashton/Bryn

	Total (balance of demand/supply)	Ratio (ratio of demand/supply)
Affordable Housing	- 930	0.4
Private Stock	- 242	0.7

Note Shortages mainly relate to smaller houses in the private sector with a spread of needs within affordable housing.

Atherton

	Total	Ratio
Affordable Housing	+372	1.2
Private Stock	-168	0.7

Note Range of property needed in private sector. Within affordable housing shortfall of houses and shortfall of houses and bungalows masked by oversupply of flats.

Golborne/Lowton

	Total	Ratio
Affordable Housing	-655	0.5
Private Stock	+69	1.1

Note Shortfall of 3 bed houses in private sector. Range of property needed within affordable housing sector.

Hindley/Platt Bridge/Abram

	Total	Ratio
Affordable Housing	-239	0.9
Private Stock	+313	1.4

Note Major surpluses of houses in private sector mask shortages of bungalows/flats. Within affordable housing shortfalls of housing/bungalows masked by oversupply of flats.

Leigh

	Total	Ratio
Affordable Housing	-342	0.9
Private Stock	-51	1.0

Note Surplus of houses in private sector and shortages of bungalows/flats. Shortages of bungalows in affordable housing.

Orrell/Billinge/Winstanley

	Total	Ratio
Affordable Housing	-743	0.3
Private Stock	-687	0.6

Note Major shortfalls in all categories in both sectors.

Shevington/Standish/Aspull

	Total	Ratio
Affordable Housing	-862	0.4
Private Sector	-1058	0.5

Note Major shortfalls in houses/bungalows in both sectors.

Tyldesley/Astley

	Total	Ratio
Affordable Housing	-743	0.5
Private Sector	-485	1.9

Note Shortfalls in affordable housing in all categories. Private sector result probably misleading +

+ see Note

Wigan

	Total	Ratio
Affordable Housing	+443	1.1
Private Sector	+644	1.2

Note

Technical Explanations

- 1) Figures relate to predictions based on Housing Needs Survey (2003). Due to subsequent house prices increases totals for affordable housing will be an underestimate.
- 2) Total figures provide actual estimates with the ratio providing a view on the relative relationship of demand / supply.

eg supply 500 demand 1000 ratio = 0.5
supply 1000 demand 500 ratio = 2.0

- 3) The above definition of Affordable homes is based on socially rented stock levels (RSL & WALH) compared with current demand and from new households who cannot afford to enter owner-occupation. Reflects lack of intermediate housing market in Wigan.

Particular Issues

To highlight particular issues the best guide is the ratio figure. Ratio figure is used in the following way.

Ratio	< 0.5	major pressure on stock due to excess demand
	$0.5 < 1.0$	some pressure on stock due to excess demand
	$1 < 2.0$	some low demand problems may occur
	> 2.0	major low demand problems likely

Appendix 4 Township Housing Market Profile

Ashton/Bryn Township

Background Information

The Ashton/Bryn township lies in the south west of the borough and consists of Ashton and Bryn. The township has an industrial heritage but has seen significant housing development in more recent times, helped by excellent motorway links.

Number of Households 9200

Earnings Profile Below £10,000 – 24%
Above £40,000 – 12%

Housing Information

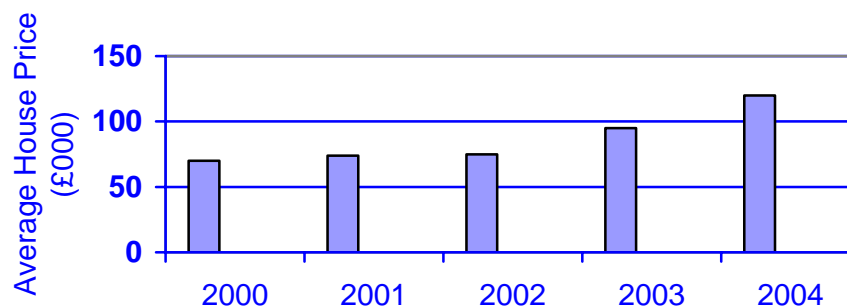
Tenure	Owner Occupation (with mortgage)	43%
	Owner Occupation (without mortgage)	37%
	Private Rented	3%
	Council Rented	16%
	Housing Association Rented	1%

Type of Housing	Detached	17%
	Semi-detached	42%
	Terraced	20%
	Bungalow	16%
	Flat/maisonette	15%

Age of Housing	Built before 1919	17%
	Built after 1982	17%

House Prices (Q2 2004)	Detached	£153,000
	Semi-detached	£138,000
	Terraced	£71,000
	Average Price	£116,000

House Price Trends



Key points

- Generally house prices in the township are high with relatively high levels of owner-occupation.
- The area benefits from higher than average incomes and employment.
- The housing age profile is relatively young with high levels of satisfaction from residents.
- The township has seen in migration in recent years attracted by the housing stock, local services and good accessibility.

Atherton Township

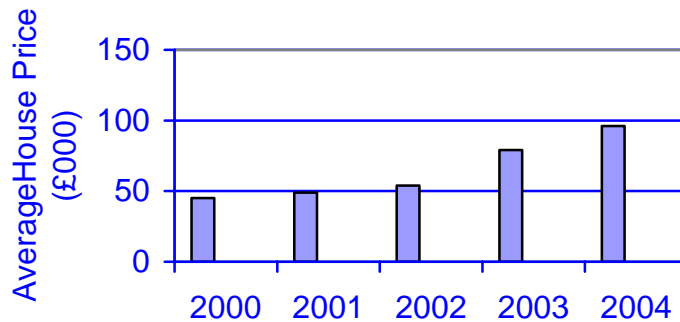
The Atherton township lies on the north east boundary of the borough. The township grew rapidly in Victorian times but has seen the steady development of housing for rent and owner-occupation since the First World War. It has a high proportion of flats in comparison with other areas and still has a high level of socially rented housing.

Number of households	8,000	
Earnings profile	Below £10,000	3%
	Above £40,000	7%

Housing Information

Tenure	Owner Occupation (with mortgage)	35%
	Owner Occupation (without mortgage)	30%
	Private Rented	1%
	Council rented	31%
	Housing Association rented	3%
Type of housing	Detached	8%
	Semi-detached	42%
	Terraced	24%
	Bungalow	12%
	Flat/Maisonette	14%
Age of Housing	Built before 1919	18%
	Built after 1982	7%
House Prices (Q2 2004)	Detached	£142,000
	Semi-detached	£100,000
	Terraced	£66,000
	Average price	£96,000

House Price Trends



Key Points

- Generally house prices in the township are low reflecting the relatively low incomes in the area.
- The population is older than the borough average and is extremely loyal to the township with the highest levels of moves within the township itself within the borough.
- Whilst there is relatively high resident satisfaction with their homes, concerns are expressed about anti-social behaviour and crime and the local environment.
- The local housing market is focused on Atherton itself with some links to Leigh and Tyldesley. However, few links exist with the adjacent Hindley/Platt Bridge/Abram township.

Golborne/Lowton Township

Background Information

The township's main settlements are Golborne and Lowton and are to the south of the borough. Golborne has an industrial background and has a significant number of older properties. However, major development of the township since the Second World War has helped transform much of its character. It benefits from good accessibility.

Number of households	9,100	
Earnings profile	Below £10,000	32%
	Above £40,000	12%

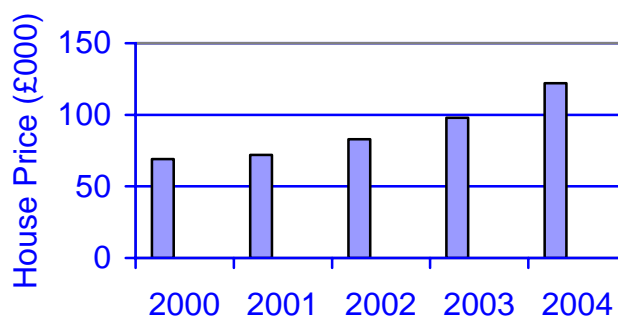
Population on housing benefit.

Housing Information

Tenure	Owner Occupation (with mortgage)	43%
	Owner Occupation (without mortgage)	31%
	Private rented	6%
	Council rented	14%
	Housing Association rented	6%

Type of housing	Detached	16%
	Semi-detached	32%
	Terraced	22%
	Bungalow	19%
	Flat/Maisonette	11%
Age of Housing	Built before 1919	21%
	Built after 1982	15%
House Prices (Q2 2004)	Detached	£172,000
	Semi-detached	£107,000
	Terraced	£92,000
	Average price	£122,000

House Price Trends



Key Points

- Golborne/Lowton has a diverse character with significant numbers of old property and yet a high proportion built since 1982.
- It also has a significant proportion of residents on low income and yet has higher than average properties on higher income.
- Whilst its house prices are relatively high the housing market is fragmented.
- The township has had an influx of residents from outside the borough in recent years and it seems to be developing into a commuter settlement benefiting from its semi-rural position with good motorway links.

Hindley/Abram Township

Background Information

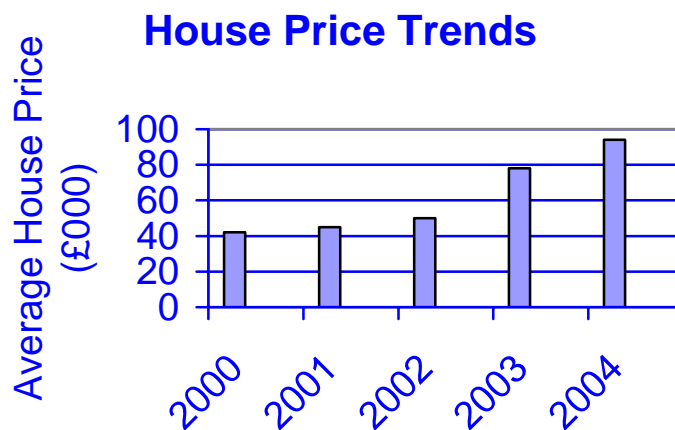
Hindley/Abram township lies between the two main centres of Wigan and Leigh. Its main settlements are Hindley, Abram and Platt Bridge. These settlements grew rapidly in Victorian times reflecting the industrial nature of the area. Considerable development has taken place since then both in terms of social housing estates and owner-occupation. Recent developments have included the development of larger detached properties. Development has taken place around the existing transport infrastructure making accessibility an issue.

Number of households	13,800	
Earnings profile	Below £10,000	29%
	Above £40,000	9%

Age Profile

Housing Information

Tenure	Owner Occupation (with mortgage)	40%
	Owner Occupation (without mortgage)	36%
	Private rented	4%
	Council rented	18%
	Housing Association rented	2%
Type of housing	Detached	10%
	Semi-detached	44%
	Terraced	24%
	Bungalow	16%
	Flat/Maisonette	6%
Age of Housing	Built before 1919	18%
	Built after 1982	14%
House Prices (Q2 2004)	Detached	£145,000
	Semi-detached	£96,000
	Terraced	£56,000
	Average price	£94,000



Key Points

- Generally house price in the townships are low. However, the market is fragmented with some areas less popular than others.
- Parts of the township were identified as being at risk from changing housing markets within a regional study. This centred on the Platt Bridge area.

- Population of the township is relatively static with a high proportion (62%) having lived at their present address over 11 years. Planned moves are also low. In each case family reasons are cited as the main reasons for not moving, thus suggesting strong local ties. However, if residents move they are more likely to move out of the township than in most other areas of the borough.
- Key dissatisfaction lies with anti-social behaviour/crime, but in comparison with other areas there is dissatisfaction with the local environment.

Leigh Township

Background Information

The Leigh township is the second largest town in the borough. It expanded rapidly in Victorian times reflecting the industrial nature of the area, although significant development of socially rented and owner occupied housing has taken place over the years. Development has taken place around the existing transport, infrastructure making accessibility an issue.

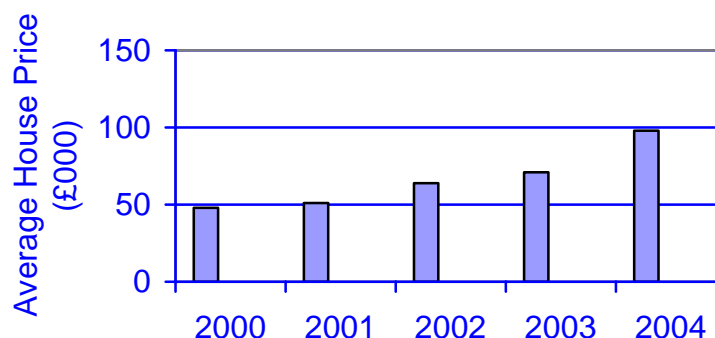
Number of households	19,000	
Earnings profile	Below £10,000	36%
	Above £40,000	9%

Population on housing benefit.

Housing Information

Tenure	Owner Occupation (with mortgage)	40%
	Owner Occupation (without mortgage)	28%
	Private rented	4%
	Council rented	21%
	Housing Association rented	7%
Type of housing	Detached	4%
	Semi-detached	32%
	Terraced	46%
	Bungalow	8%
	Flat/Maisonette	10%
Age of Housing	Built before 1919	30%
	Built after 1982	8%
House Prices (Q2 2004)	Detached	£181,000
	Semi-detached	£104,000
	Terraced	£70,000
	Average price	£98,000

House Price Trends



Key Points

- Generally house prices in the township are low. However the market is fragmented with some areas less popular than others. Income levels are also low.
- The housing stock is relatively old and relatively high dissatisfaction with the adequacy of the accommodation occur.
- The population is relatively static with low levels of future moves planned.
- There is major dissatisfaction with anti-social behaviour and crime.

Orrell Township

Background Information

The Orrell/Winstanley township lies on the western boundary of the borough. Its main settlements are Orrell, Billinge and Winstanley although development is scattered and there are few defined centres. Most of the development of the area has been since the Second World War and has benefited from its attractive setting and its excellent links to the M6.

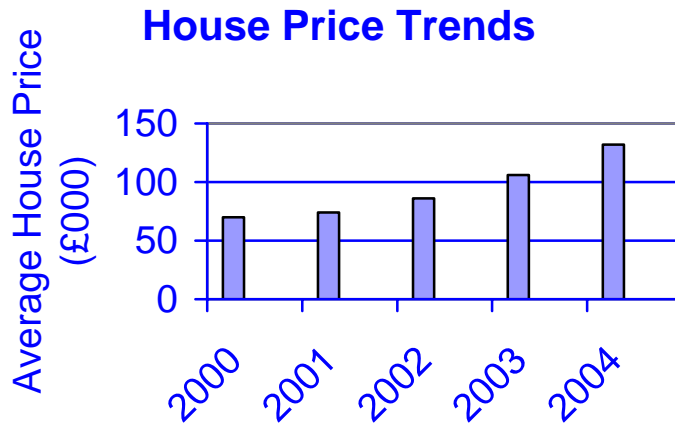
Number of households	8,400	
Earnings profile	Below £10,000	16%
	Above £40,000	18%

Population on housing benefit.

Housing Information

Tenure	Owner Occupation (with mortgage)	57%
	Owner Occupation (without mortgage)	35%
	Private rented	2%
	Council rented	6%
	Housing Association rented	0%
Type of housing	Detached	19%
	Semi-detached	57%

	Terraced	8%
	Bungalow	14%
	Flat/Maisonette	2%
Age of Housing	Built before 1919	7%
	Built after 1982	17%
House Prices (Q2 2004)	Detached	£192,000
	Semi-detached	£112,000
	Terraced	£80,000
	Average price	£132,000



Key Points

- The township has very high levels of owner-occupation and has the lowest proportion of socially rented accommodation in the borough. However, significant numbers of socially rented housing lies near to parts of the township with Wigan.
- The prices of housing are high and income levels are higher than the borough average.
- The housing age profile is relatively young with high levels of satisfaction from residents.
- The township is a popular choice for housing with significant numbers of residents from other parts of the borough considering moving there.
- Given its accessibility and popularity the township is more connected with the regional housing market attracting commuters and in-migrants to Wigan.

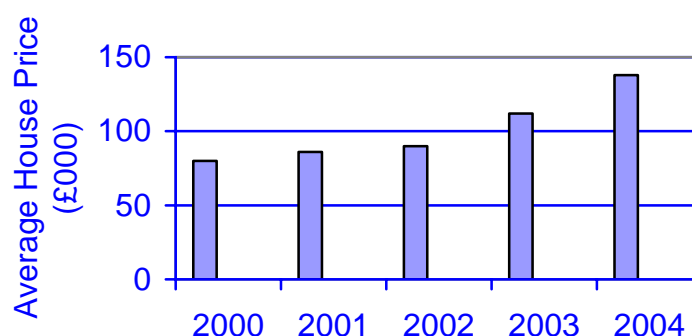
Standish/Shevington/Aspull Township

Background Information

The Standish/Shevington/Aspull township lies to the north of the centre of Wigan. Its main settlements are Standish, Shevington and Aspull. Again the legacy of an industrial past explains the development of terraced properties in the area but in more recent times the development of larger owner-occupied properties encouraged by land release policies, pleasant countryside and accessibility to the motorway network has changed to character of the area. Some of this development has taken place around existing transport infrastructure causing localised congestion.

Number of households	11,000	
Earnings profile	Below £10,000	22%
	Above £40,000	22%
Housing Information		
Tenure	Owner Occupation (with mortgage)	49%
	Owner Occupation (without mortgage)	36%
	Private rented	3%
	Council rented	11%
	Housing Association rented	1%
Type of housing	Detached	31%
	Semi-detached	35%
	Terraced	11%
	Bungalow	18%
	Flat/Maisonette	5%
Age of Housing	Built before 1919	11%
	Built after 1982	20%
House Prices (Q2 2004)	Detached	£190,000
	Semi-detached	£111,000
	Terraced	£92,000
	Average price	£138,000

House Price Trends



Key Points

- Generally house prices in the township are the highest in the Wigan Borough and are above regional averages.
- The township is popular choice for housing with significant numbers of residents in other parts of the borough considering to move there.
- Given its accessibility and popularity this township is more connected with the regional housing market attracting commuters and in migrants to Wigan.

- Residents have high satisfaction levels with where they live and have high satisfaction with services.
- Whilst having high income levels Standish does have a higher than expected level of residents on low incomes. This is partly explained by the age profile of the township with a much older profile than the borough average.
- Relatively low levels of access exist for affordable housing.

Tyldesley/Astley Township

Background Information

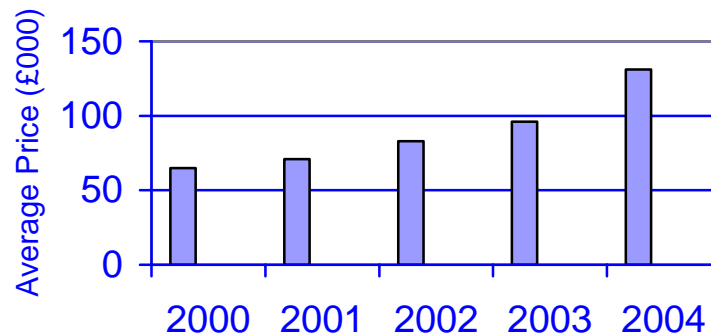
The Tyldesley/Astley township lies to the eastern boundary of the borough. Its main settlements are Tyldesley and Astley. Again the origins of the township are industrial with older housing lying in the centre of the settlement. However, much development has taken place in recent years which means that the township has the youngest housing stock in the borough.

Number of households	9,600	
Earnings profile	Below £10,000	16%
	Above £40,000	19%

Housing Information

Tenure	Owner Occupation (with mortgage)	50%
	Owner Occupation (without mortgage)	31%
	Private rented	2%
	Council rented	15%
	Housing Association rented	2%
Type of housing	Detached	19%
	Semi-detached	57%
	Terraced	10%
	Bungalow	12%
	Flat/Maisonette	2%
Age of Housing	Built before 1919	9%
	Built after 1982	20%
House Prices (Q2 2004)	Detached	£207,000
	Semi-detached	£118,000
	Terraced	£78,000
	Average price	£131,000

House Price Trends



Key Points

- Township profile denoted by high levels of owner-occupation combined with a young housing stock.
- Generally house prices in the township are high reflecting the higher than average income levels and lower unemployment rates.
- The township has had a significant influx from outside the borough in recent years mainly from the adjacent boroughs of Salford and Tyldesley.
- The township is less integrated within the wider borough housing market than any other area. Whilst it has links with the adjacent Atherton township, it has few links with the Leigh township or other parts of the borough.

Wigan Township

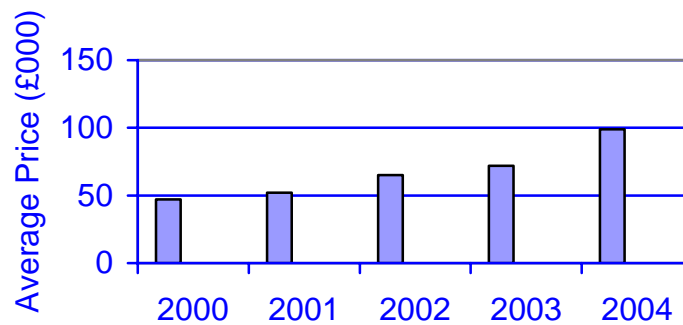
Background Information

The Wigan North and Wigan South township covers the town of Wigan and Ince. Whilst of older origin Wigan and Ince grew rapidly in Victorian times in response to industrialisation. Whilst considerable development has taken place subsequently and major housing clearance programmes were undertaken in the 1960s it still has a relatively old housing stock.

Number of households	38,800	
Earnings profile	Below £10,000	37%
	Above £40,000	6%
Housing Information		
Tenure	Owner Occupation (with mortgage)	38%
	Owner Occupation (without mortgage)	25%
	Private rented	8%
	Council rented	26%
	Housing Association rented	3%
Type of housing	Detached	6%
	Semi-detached	32%

	Terraced	44%
	Bungalow	5%
	Flat/Maisonette	13%
Age of Housing	Built before 1919	33%
	Built after 1982	5%
House Prices (Q2 2004)	Detached	£179,000
	Semi-detached	£94,000
	Terraced	£71,000
	Average price	£99,000

House Price Trends



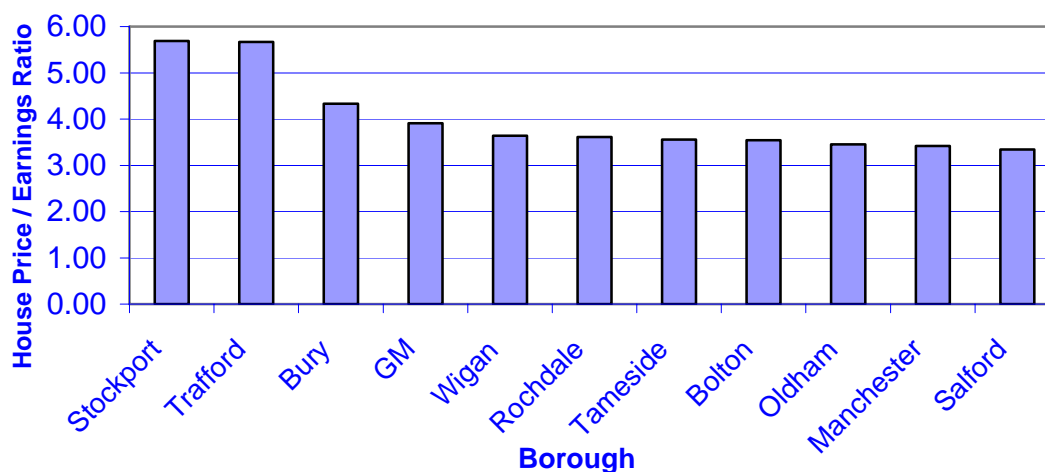
Key Points

- Generally house prices in Wigan are low. However, the market is highly fragmented with some areas extremely popular and others less so.
- The township is the most deprived in terms of income in the borough and the age of the housing stock is relatively old.
- Parts of the township were identified as being at risk from changing housing markets within the CURS study. This centred within the social housing areas and, to a lesser extent, within the private housing areas in Ince.
- The population is less stable than average with concerns about the condition of the current housing and about anti-social behaviour/crime.

Appendix 5 Affordability Index in Greater Manchester

2003 Average	Q 1 House Price	Weekly Pay	Annual Pay	House Price/ Earnings Ratio
Stockport	£127,099	£429.33	£22,325.16	5.69
Trafford	£160,475	£544.31	£28,304.12	5.67
Bury	£90,057	£400.11	£20,805.72	4.33
G M	£89,472	£440.10	£22,885.20	3.91
Wigan	£75,668	£399.31	£20,764.12	3.64
Rochdale	£75,390	£402.13	£20,910.76	3.61
Tameside	£72,903	£393.59	£20,466.68	3.56
Bolton	£73,038	£396.77	£20,632.04	3.54
Oldham	£69,588	£387.79	£20,165.08	3.45
Manchester	£84,078	£472.24	£24,556.48	3.42
Salford	£73,823	£424.60	£22,079.20	3.34

House Price/ Earnings Ratio



Appendix 6 Characteristics of the Wigan Housing Market compared with the region and others

Housing Stock

Type	Wigan	North West
Terraced	29%	36%
Semi-detached	46%	36%
Detached	17%	15%
Flats	8%	18%

Age

Pre 1919	28%	26%
1919 – 64	27%	40%
1964 onwards	45%	34%

Tenure

Owner-occupation	73%	69%
Socially rented	22%	20%
Privately rented	5%	11%

Vacancy rate

Wigan	3.5%	North West	4.5%
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Stock Condition (unfitness)

Wigan (2000)	5%	North West (2001)	8.5%
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Housing Market Issues

Spread of house prices (2003)	Wigan	North West
Under £50k	28%	24%
£51k – £100k	48%	38%
£101k - £200k	22%	30%
£200k +	2%	9%

Average price of a terraced home (Q3 2004) for neighbours and sub-regional partners.

North West	£85,000
Trafford	£149,000
Stockport	£118,000
Warrington	£110,000
Chorley	£107,000
West Lancs	£96,000
Bury	£91,000
Tameside	£85,000
Manchester	£81,000
St Helens	£81,000
Salford	£81,000
Bolton	£78,000
Wigan	£75,000
Rochdale	£74,000
Oldham	£68,000

Type	Wigan	North West
Affordability index (2003)	3.6	4.1
Vulnerability of housing markets (CURS)	41%	36%