

Wigan Council Housing Strategy



Wigan Housing Market Update

Issue 5 January 2011



July 2010 – September 2010

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1) Housing Market Overview

The average price of a residential property in Wigan has again increased in the quarter to the end of September. The average price of a home in September was £137,970, and increase of 3.0% on the previous quarter and 7% annually. The higher value properties in the market have experienced the most growth. The top 10% valued properties have increased by 9.7% over the year, whilst upper quartile prices have increased by 6.1% over the quarter. Lower quartile valued properties have had the slowest growth overall both annually (3.5%) and in the quarter (0%).

Whilst house prices in the current quarter have increased again, there are signs that house price growth is beginning to flatten. The next Housing Market Update will perhaps show this more clearly, as the data sets are refreshed and updated. Overall activity in the market continues to remain at low levels and since May, monthly property counts from both Hometrack and the Land Registry have been falling. The property count for the Hometrack data is at its lowest since February 2009. The Land Registry data recorded just over 300 sales in September in the borough. Whilst this figure will change as more sales are registered, the previous September there were 667 sales.

The Office of Budgetary Responsibility (OFB) in its Economic and Fiscal Outlook for November reported that the economy had recovered more strongly than they had expected in their June forecast. Despite the stronger than expected recovery the OFB have also said that it expects the overall recovery will be slower than the recoveries following the recessions in the 1970s, 1980s and 1990s. Despite economic growth there is still uncertainty around the economy and this will have an impact on how the housing market

has been functioning. Fears of a “double dip” recession have rescinded in some quarters in light of the recent economic data, however the overall effects of cuts in public spending and employment, alongside the announcements in the recent Comprehensive Spending Review are yet to be fully felt. Furthermore in the New Year, the rate of VAT is set to rise to 20%. Whilst this may not have a direct effect on the overall housing market, rising commodity prices, inflation (both CPI and RPI) remaining high along with income levels not rising at the same rate, consumer demand may weaken and these sentiments may be transposed into the already depressed housing market in terms of activity.

The mortgage markets continue to remain challenging. Lending is significantly below the levels at the peak of the “boom” years in 2006 and 2007. In 2009, total lending was down by over 60% compared to the peak of lending in 2007. In the current year, based on trends, mortgage lending is likely to be slightly lower again, with gross mortgage lending similar to the levels experienced in the late 1990s. The overall lack of mortgage availability is perhaps the major reason for the lack of activity in the current market. This is particularly so for the first time buyer, who without a significant deposit will struggle to enter homeownership.

Despite the low levels of activity in the market, suppressed demand and increased supply has also presented opportunities for property investors and private landlords. The Housing Strategy team have been consulting with stakeholders in relation to work in regard to housing delivery in the borough and the return of investor / private landlord activity in the market has featured in feedback. This is supported in some way with the CML data on buy to let mortgage. In the third quarter this year, lending through Buy to Let mortgages increased by 8% in volume and 12% in value on the previous quarter. This was the second consecutive quarterly increase recorded. Annually, compared to the third quarter of 2009, buy to let lending volumes increased by 14% and perhaps most significantly in value by 33%. This highlights the importance of the private rented sector in meeting peoples housing requirements, particularly in times of economic uncertainty and in a time when mortgages for homeowners are more difficult to access.

Overall the local housing market is characterised by house prices that seem to flattening. The effects of the government spending cuts are yet to be realised on the wider economy. The overall macroeconomic position of inflation above target levels, incomes not rising in line with inflation, the forthcoming increases in VAT and the continued restricted supply of mortgage finance would indicate that the housing market is likely to remain suppressed in the foreseeable future.

2) House Prices

2.1 Overall

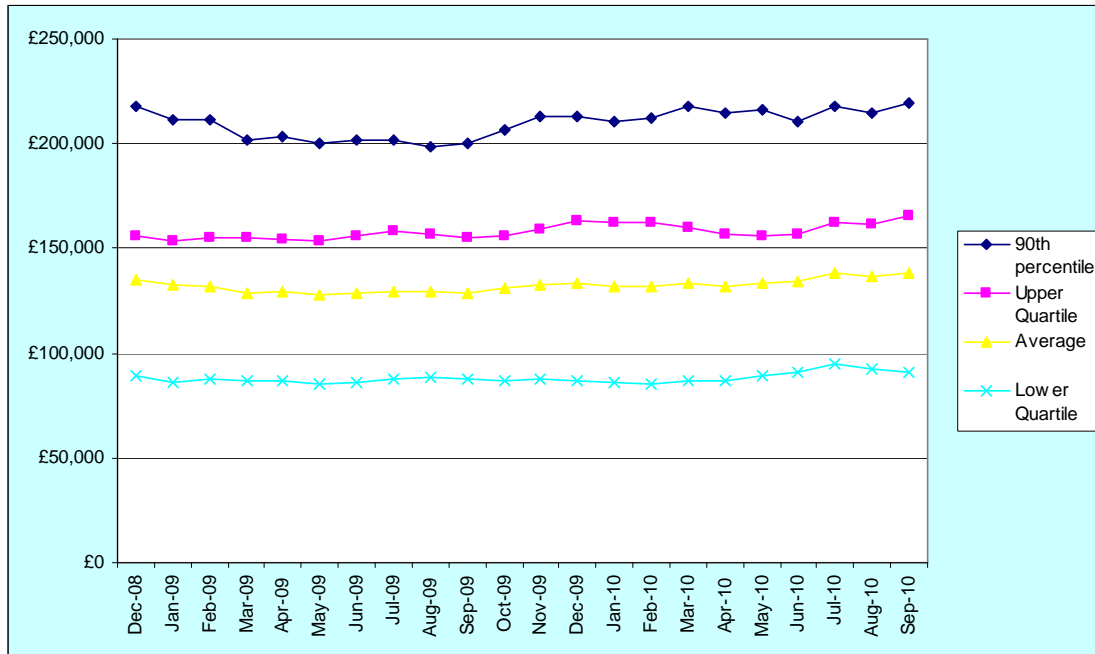
The average price of a residential property in Wigan borough during September 2010 was £137,970 based on sales and valuations used in the Hometrack Automated Valuation model. Average prices have increased by 7.0% since September 2009. The last housing market update saw housing prices rising by 7.5% over the quarter between March and June, this quarter the rise is 3.4%. The 7.5% quarterly rise reported in the last housing market update following the update of Hometrack's sales and valuations data actually shows that the rise was minimal (0.34%) in this period. It can be expected that the 3.4% rise in this quarter may also reduce as the Hometrack data is refreshed. This slower growth in house prices reflects how the other key housing market indices are performing. Most of the indices are reporting annual price growth, but now with smaller or even negative rises in the last quarter (figure 2.13). This may reflect a slowing down in the housing market, and in future updates we may see this clearer at a local level as house price data is refreshed.

Property counts in both the Hometrack data set and Land Registry figures show that housing market activity has declined in recent months, and they remain at a low level overall.

All property types have shown small decreases in average prices in the last quarter based on the sales and valuations data from Hometrack (figure 2.3a, 2.3b and 2.3c). Annually, detached properties average prices increased by 9.4%, the largest increase in all the property types. Flats continue to experience the largest falls reducing by 7.7% in the quarter and by 16.1% annually. With the flats data, it needs to be noted, that there are low numbers within the data set which may not give a true reflection of the overall market in this property type however it may signal weak demand for this property type in Wigan.

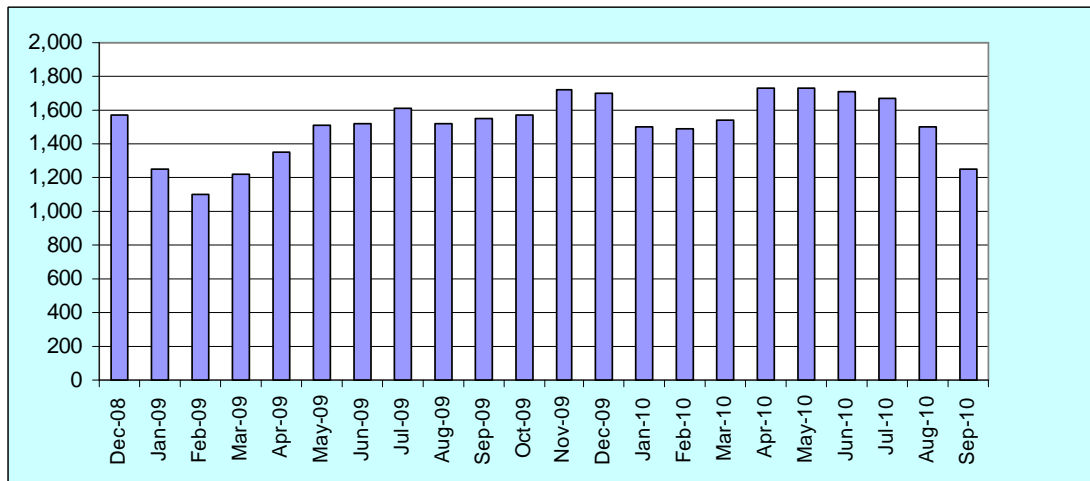
Figure 2.5a shows how Wigan's housing market compares with its neighbouring authorities. At September 2010 Wigan has the lowest average values compared with its neighbours (£137,970). St Helens (£139,268) and Bolton (£140,504) have the next lowest average values. Warrington (£205,516) and Chorley (£191,969) have the highest prices. In the previous update West Lancs has the second highest average house prices, however in this quarter and over the half year average prices have fallen significantly. Salford has seen average prices increase the most between June and September, rising by 7.4% from £136,923 to £147,040. Salford also recorded the largest annual increase (14.5%).

Figure 2.1a Wigan House Prices – all properties based on sales and valuations



Please note data is based on 3 months sales and valuations data
Source: Hometrack

Figure 2.1b Property count of sales and valuations

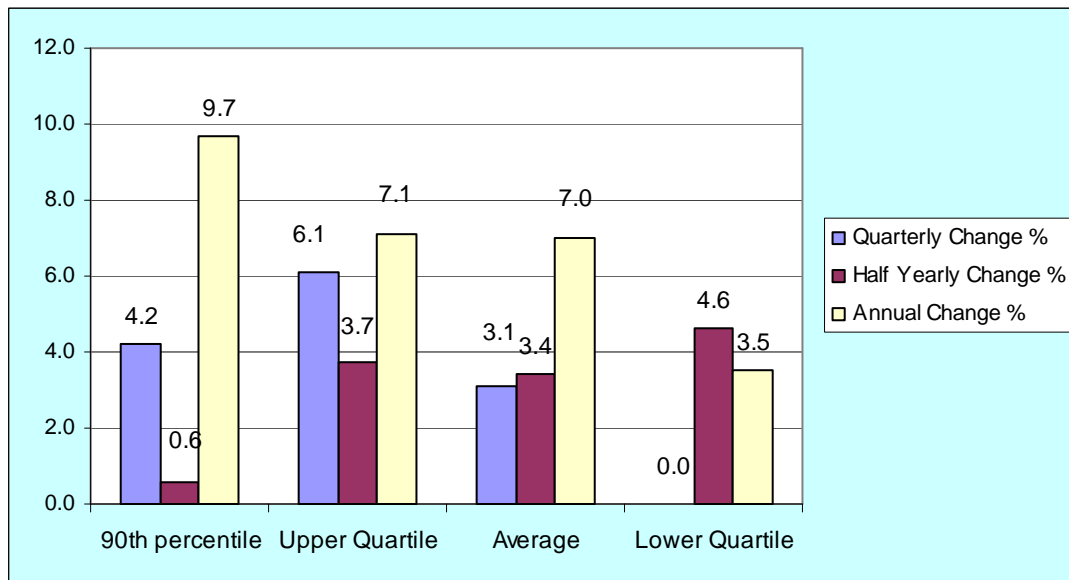


Please note data is based on 3 months sales and valuations data
Source: Hometrack

Figure 2.1c House Price Tables- sales and valuations

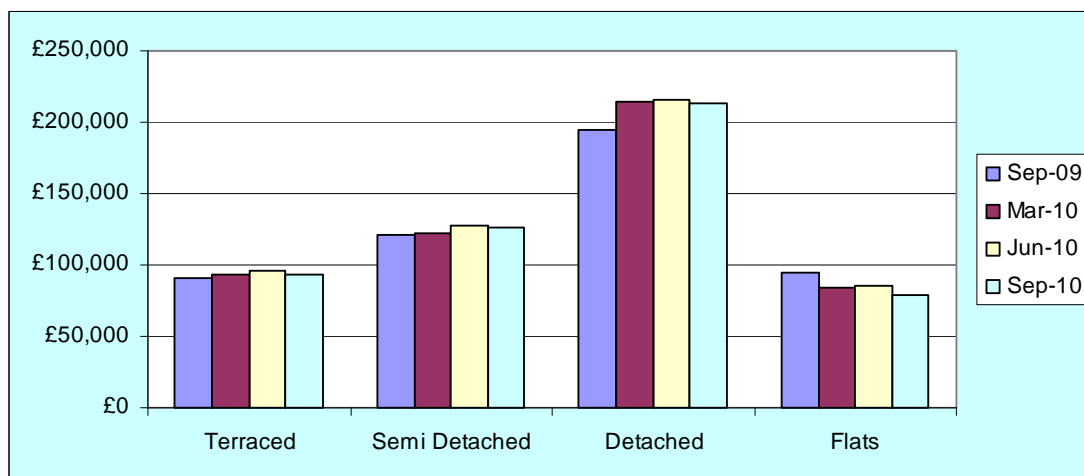
	90th percentile	Upper Quartile	Average	Lower Quartile	Property Count
Sep-09	£200,000	£155,000	£128,967	£87,916	1,555
Mar-10	£218,166	£160,000	£133,382	£87,000	1,536
Jun-10	£210,498	£156,416	£133,847	£91,000	1,714
Sep-10	£219,416	£165,983	£137,970	£91,016	1,248
Quarterly Change %	4.2	6.1	3.1	0.0	-27.2
Half Yearly Change %	0.6	3.7	3.4	4.6	-18.8
Annual Change %	9.7	7.1	7.0	3.5	-19.7

Figure 2.2 House price changes



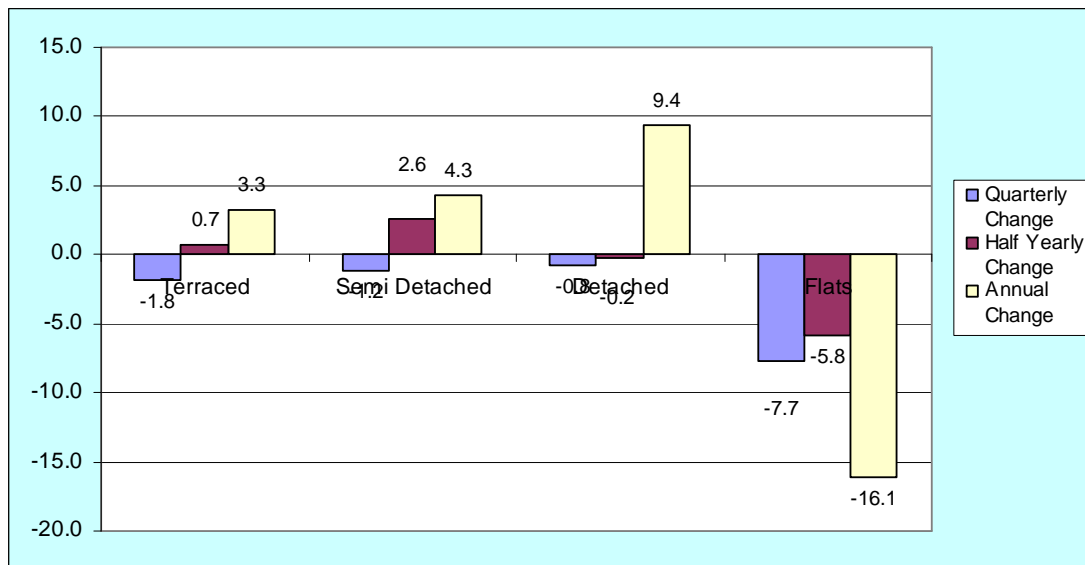
Please note values are based on 3 months sales and valuations.
Source Hometrack

Figure 2.3a Average House Prices by type – based on sales and valuations



Please note values are based on 3 months sales and valuations.
Source Hometrack

Figure 2.3b Wigan average house price changes by property type



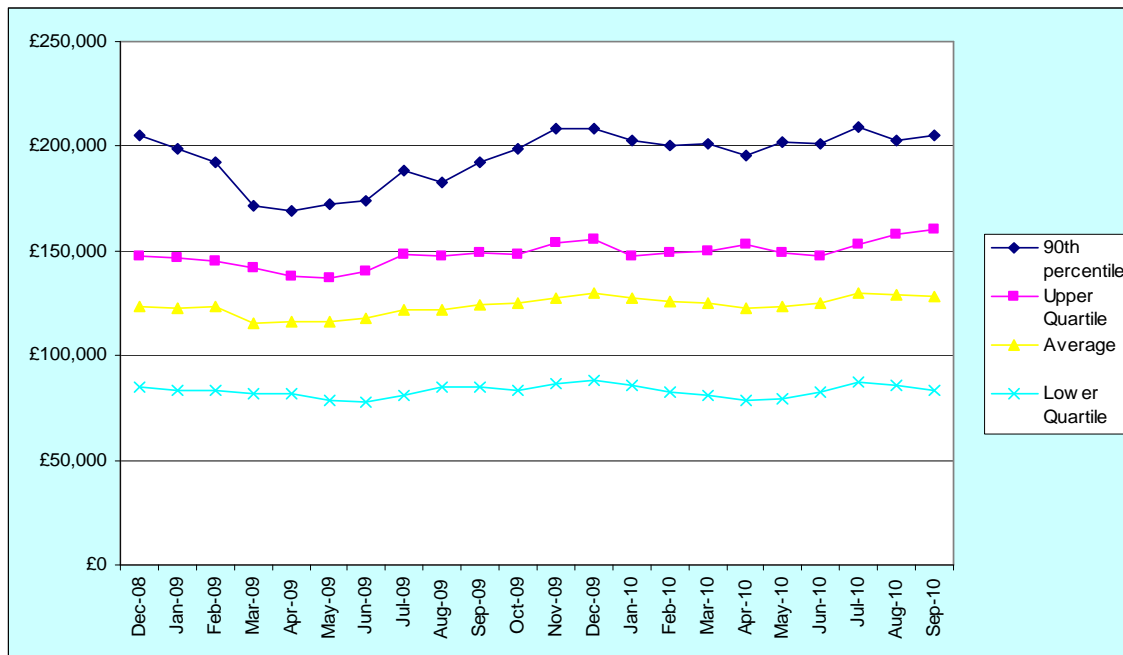
Please note values are based on 3 months sales and valuations.
Source Hometrack

Figure 2.3c House price changes by property type changes

	Terraced	Semi Detached	Detached	Flats
Sep-09	£90,860	£120,756	£195,275	£94,635
Mar-10	£93,178	£122,734	£214,065	£84,311
Jun-10	£95,560	£127,382	£215,418	£86,015
Sep-10	£93,845	£125,897	£213,638	£79,432
Quarterly Change	-1.8	-1.2	-0.8	-7.7
Half Yearly Change	0.7	2.6	-0.2	-5.8
Annual Change	3.3	4.3	9.4	-16.1

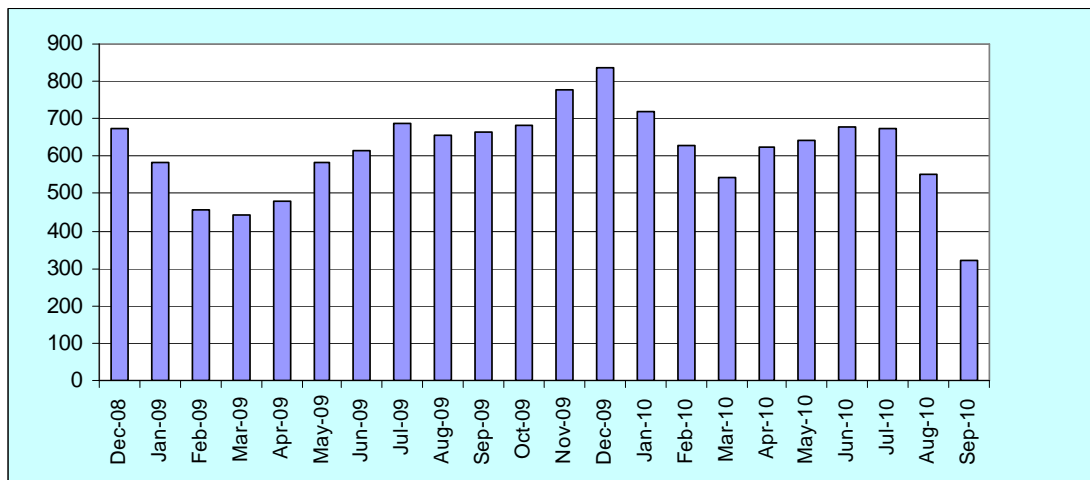
Please note values are based on 3 months sales and valuations.
Source Hometrack

Figure 2.4a Wigan House Prices – based on sales only



Source: Land Registry from Hometrack

Figure 2.4b Property count of sales only



Source: Land Registry from Hometrack

Please note – caution is needed when looking at the most recent sales count data for the Land Registry. There can be a time delay between when a sale is made and when it enters the data set. The property counts for the most recent periods will change as sales are registered.

Figure 2.4c House Price Tables- sales only

	90th percentile	Upper Quartile	Average	Lower Quartile	Property Count
Sep-09	£192,331	£148,998	£124,055	£85,150	667
Mar-10	£200,833	£150,000	£125,151	£80,666	542
Jun-10	£201,078	£147,662	£125,065	£82,666	677
Sep-10	£205,000	£160,500	£128,488	£83,575	320
Quarterly Change %	2.0	8.7	2.7	1.1	-52.7
Half Yearly Change %	2.1	7.0	2.7	3.6	-41.0
Annual Change %	6.6	7.7	3.6	-1.8	-52.0

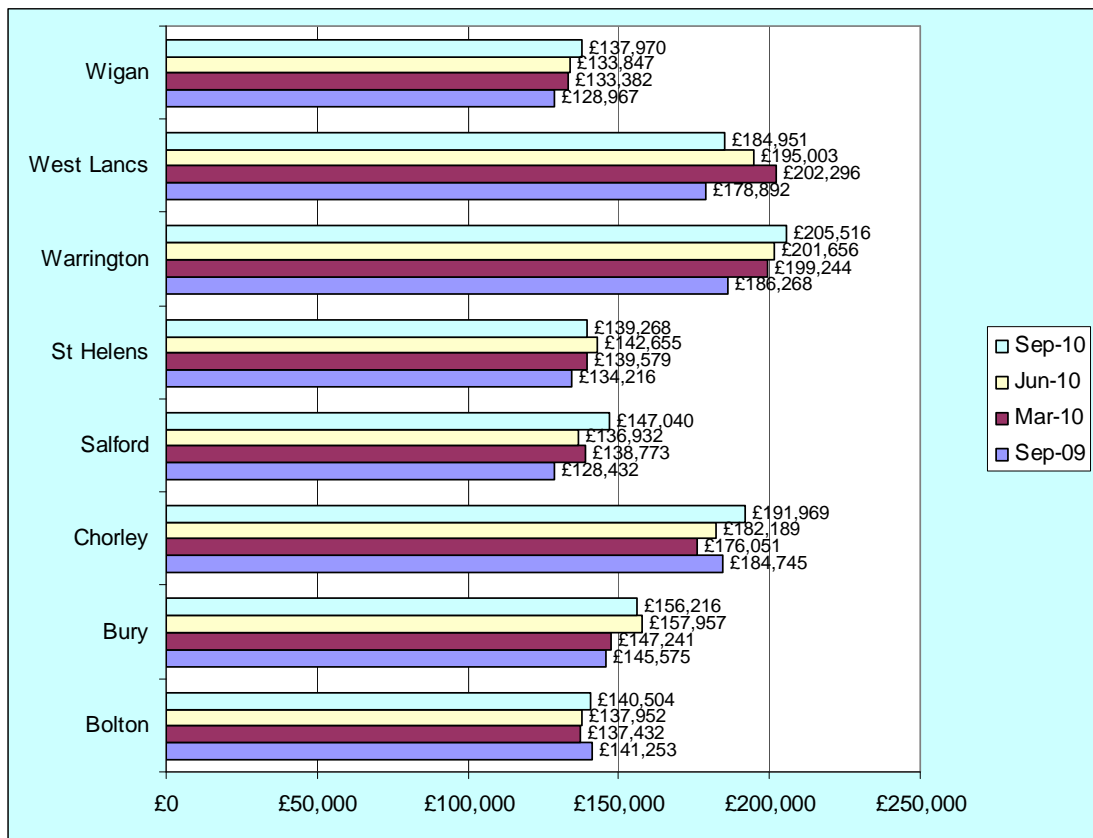
Source: Land Registry from Hometrack

2.4d Average house prices by property type based on sales only

	Terraced	Semi Detached	Detached	Flats
Sep-09	£90,519	£116,168	£191,895	£105,016
Mar-10	£94,402	£114,575	£206,861	£86,348
Jun-10	£91,861	£121,660	£207,654	£84,095
Sep-10	£88,834	£122,458	£211,646	£82,636
Quarterly Change	-3.3	0.7	1.9	-1.7
Half Yearly Change	-5.9	6.9	2.3	-4.3
Annual Change	-1.9	5.4	10.3	-21.3

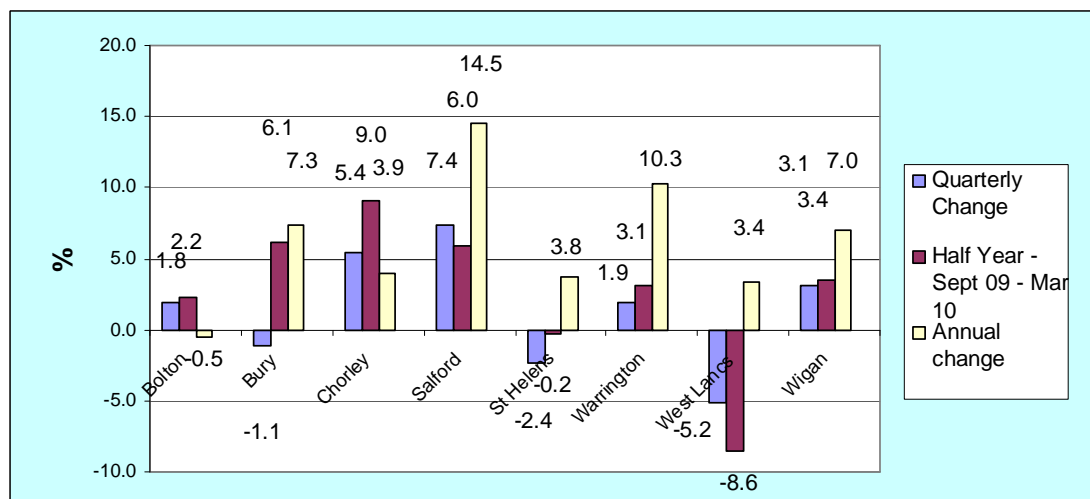
Source: Land Registry from Hometrack

Figure 2.5a Average Prices compared to neighbouring authorities



Please note values are based on 3 months sales and valuations.
Source Hometrack

Figure 2.5b Changes in house prices compared with neighbouring authorities



2.2 Wigan's Housing Market

Figure 2.6 and 2.7 show maps detailing house prices and annual house price changes across Wigan wards at September 2010. Figure 2.8 provides a table of the data within the maps. Please note that the house price data is derived from 6 months sales and valuations data from Hometrack. In the previous section when looking at data for the whole borough this is derived from 3 months sales and valuations, and so there is a variation on the average sales figure quoted in section 2.1.

In this update, we have introduced data on private rent levels across the borough using the property website, Nestoria. We are unable to provide this data at a ward level, as with the house price data from Hometrack, but we have been able to derive data at area levels that broadly reflect the housing market areas in Wigan. Data on private rents can be found in figure 2.9. Some caution is needed with the data in that some of the individual property data used to calculate average rents may cover more than one once – for example properties in Pemberton also include some in Orrell.

Standish remains the highest value house price area in the borough, with an average house price of £187,905. House prices in Standish have increased by 2.8% over the year. As identified in the last update, Standish remains a stable market in terms of value, with average prices normally around £180,000 to £190,000. Other high value areas include the Orrell and Winstanley Township, Shevington, Aspull, Wigan Central and Lowton East.

The Golborne and Lowton township has experienced high levels of price growth between September 2009 and September 2010. Average prices in the Lowton East ward have increased by 13% and Golborne and Lowton West by 16.3%. The Golborne and Lowton West ward experienced the highest price growth across the borough. Other wards showing high levels of growth also included Astley (10.1%), Wigan Central (10.6%) and Bryn (10.2%).

The Leigh West ward remains having the lowest average house prices in the borough (£78,575) then followed by Ince (£81,121). These wards have also seen prices fall over the year (Leigh West -3.1% and Ince -4.6%). The only other wards to see larger reductions in average prices were Pemberton (-13.7%), Abram (-6.4%), Worsley Mesnes (-3.5%) and Orrell (-5.9%).

The Pemberton ward saw the largest average price reduction over the year from £122,051 to £105,362- a decline of almost 14%

The data in figure 2.9 shows private rent levels across Wigan borough. This data is taken from the property website Nestoria. The data is based on a month to month basis and in this issue of the Wigan Housing Market Update it relates to September and October 2010. In the next update we will aim to ensure the end month matches that of the update edition.

In general, when examining the data, which shows average monthly rental values by number of bedrooms in the property, variation in terms across the

areas is not as great as with the house prices. However when looking at the average rental prices in the 4 bedroom range, areas of high rent levels often correlate with the high value house price areas. These include Aspull, Standish and Orrell. Pemberton also stands out as a high value area in terms of the 4 bed rental levels, however this is likely to be due to properties within the data set also being include properties in the Orrell area.

Figure 2.6 House Prices by ward (based on sales and valuations)

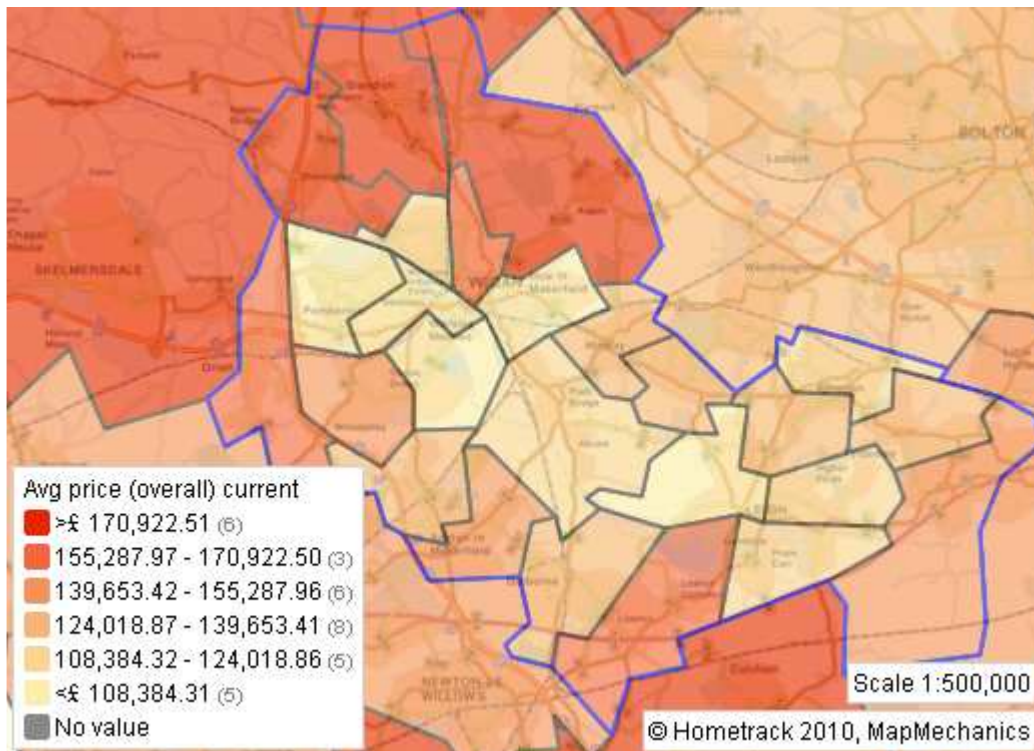


Figure 2.7 House Price Changes by ward (based on sales and valuations)

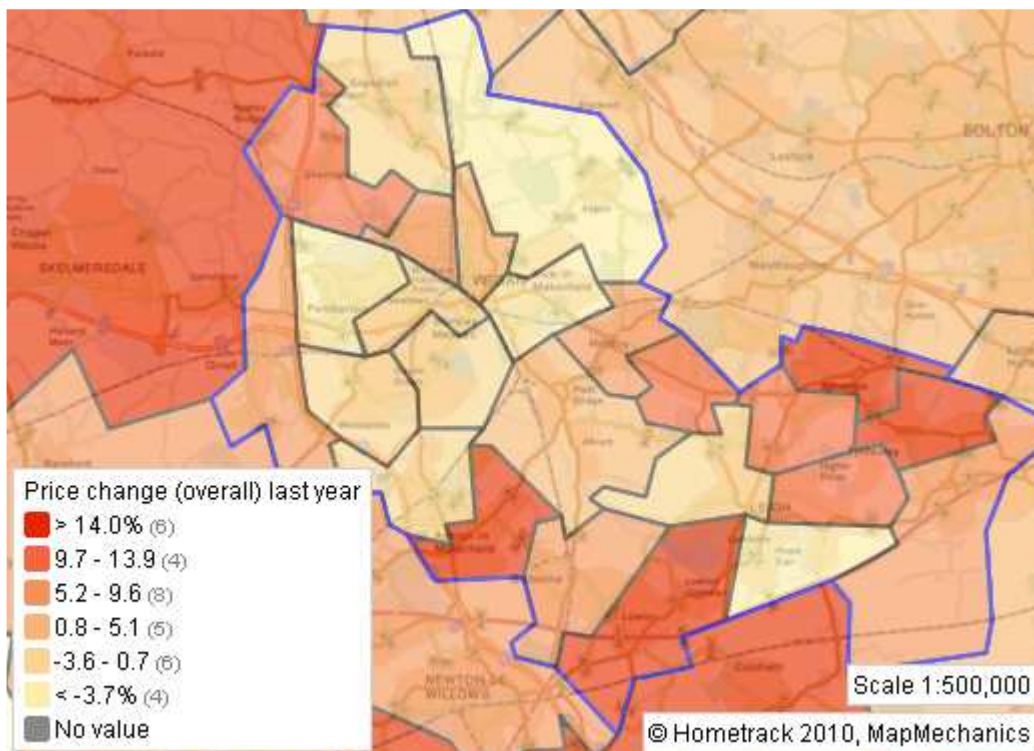


Figure 2.8 House Prices by Township / Ward based on sales and valuations –Data tables

Township	Ward	Sep-09		Sep-10		% Price Change	% Property Change
		Average	Properties	Average	Properties		
Atherton	Atherton	£106,027	109	£113,379	113	6.9	3.7
	Atherleigh 023	£125,400	89	£134,121	79	7.0	-11.2
Leigh	Leigh West	£81,121	119	£78,575	87	-3.1	-26.9
	Leigh East	£121,629	166	£122,719	146	0.9	-12.0
	Leigh South	£135,442	112	£142,677	110	5.3	-1.8
	Atherleigh 027	£89,027	60	£97,985	43	10.1	-28.3
Astley and Tyldsley	Astley	£138,534	199	£145,898	238	5.3	19.6
	Tyldsley	£116,582	168	£125,481	174	7.6	3.6
Golborne and Lowton	Golborne and Lowton West	£119,642	126	£139,134	114	16.3	-9.5
	Lowton East	£142,276	111	£160,812	132	13.0	18.9
Hindley, Abram, Platt Bridge & Bickershaw	Hindley	£116,692	110	£126,635	116	8.5	5.5
	Hindley Green	£130,690	104	£137,611	90	5.3	-13.5
	Abram	£115,748	156	£108,360	119	-6.4	-23.7
Wigan North	Wigan Central	£144,997	96	£160,382	93	10.6	-3.1
	Wigan West	£109,907	125	£117,569	107	7.0	-14.4
	Ince	£85,018	65	£81,121	59	-4.6	-9.2
Wigan South	Douglas	£96,725	117	£96,194	99	-0.5	-15.4
	Pemberton	£122,051	86	£105,362	79	-13.7	-8.1
	Worsley Mesnes	£105,509	94	£101,815	74	-3.5	-21.3
Orrell & Winstanley	Orrell	£173,783	136	£163,519	105	-5.9	-22.8
	Winstanley	£158,152	127	£160,951	141	1.8	11.0
Shevington, Standish & Aspull	Aspull, New Springs & Whelley	£160,301	140	£173,283	120	8.1	-14.3
	Standish	£182,792	133	£187,905	131	2.8	-1.5
	Shevington	£155,443	116	£169,736	88	9.2	-24.1
Ashton & Bryn	Ashton	£128,769	129	£139,711	147	8.5	14.0
	Bryn	£121,978	129	£134,383	149	10.2	15.5
Wigan		£128,809	3,122	£135,584	2,953	5.3	-5.4

Source: Hometrack

Please note values and property counts are based on 6 months sales and valuations

Figure 2.9 Private Rent Levels in Wigan Borough

Area	Type	Sep-10	Oct-10	%	Area	Type	Sep-10	Oct-10	%
Atherton	1B	£372	£387	4	Orrell	1B	£383	£374	-2.3
	2B	£428	£442	3.3		2B	£537	£550	2.4
	3B	£532	£535	0.6		3B	£547	£538	-1.6
	4B	£736	£711	-3.4		4B	£850	£901	6
Leigh	1B	£362	£366	1.1	Winstanley	1B	£368	£371	0.8
	2B	£416	£420	1		2B	£464	£458	-1.3
	3B	£508	£532	4.7		3B	£527	£542	2.8
	4B	£722	£707	-2.1		4B	£860	£844	-1.9
Tyldesley	1B	£357	£347	-2.8	Whelley	1B	£355	£364	2.5
	2B	£460	£466	1.3		2B	£462	£458	-0.9
	3B	£582	£566	-2.7		3B	£518	£511	-1.4
	4B	£788	£848	7.6		4B	N/A	£891	N/A
Golborne	1B	£382	£381	-0.3	Pemberton	1B	£372	£370	-0.5
	2B	£470	£453	-3.6		2B	£465	£563	-0.4
	3B	£542	£550	1.5		3B	£510	£529	3.7
	4B	N/A	N/A			4B	£885	£891	0.7
Lowton	1B	£335	£337	0.6	Worsley Mesnes	1B	£368	£368	0
	2B	£450	£439	-2.4		2B	£456	£445	-2.4
	3B	£548	£594	8.4		3B	£504	£517	2.6
	4B	£873	£858	-1.7		4B	£790	£762	-3.5
Hindley	1B	£345	£356	3.2	Aspull	1B	£330	£336	1.8
	2B	£424	£423	-0.2		2B	£448	£452	0.9
	3B	£511	£496	-2.9		3B	£531	£513	-3.4
	4B	£725	£722	-0.4		4B	£1,174	£1,181	0.6
Platt Bridge	1B	£355	£353	-0.6	Standish	1B	£361	£370	2.5
	2B	£424	£429	1.2		2B	£528	£534	1.1
	3B	£514	£497	-3.3		3B	£587	£586	-0.2
	4B	£727	£720	-1		4B	£1,088	£1,011	-7.1
Swinley	1B	£361	£360	-0.3	Shevington	1B	£390	£377	-7.1
	2B	£516	£516	0		2B	£492	£504	2.4
	3B	£522	£527	1		3B	£547	£538	-1.6
	4B	£710	£703	-1		4B	£915	£917	0.2
Ince	1B	£368	£367	-0.3	Ashton	1B	£447	£437	-2.2
	2B	£423	£424	-0.2		2B	£482	£481	-0.2
	3B	£519	£508	-2.1		3B	£534	£538	0.7
	4B	£727	£714	-1.8		4B	£791	£720	-9
				Bryn	1B	£450	£450	0	
					2B	£462	£464	0.4	
					3B	£529	£548	3.6	
					4B	£631	£718	13.8	

Source Nestoria

2.3 Housing Market Indicators

Figure 2.13 House price indexes at September 2010

	Average Price	Quarterly Change	Annual Change
Halifax			
United Kingdom	£166,035	-0.9%	2.6%
North West	£122,181	-1.3%	-5.0%
Nationwide			
United Kingdom	£167,354	-1.0%	4.5%
North West	£140,217	-0.7%	-2.0%
Greater Manchester	£165,984	-1.0%	7%
CLG House Price Index			
United Kingdom	£211,815	0.5%	6.1%
North West	£153,350	1%	1.2%
Hometrack			
Wigan	£137,970	3.1%	7%

3) Affordability

The increase in property values over the year, whilst showing signs of slowing down in the last quarter, have made housing less affordable when compared to local incomes.

Figure 3.1 uses Hometrack's automated valuation model against the CACI income distribution for the borough and the property value that can be afforded by either a first time buyer or existing owner occupiers based on current mortgage lending. As the diagonal line rises it shows the value of the property that can be afforded in relation to the CACI income distribution. The horizontal line shows the lower quartile values of the different property types. As with the previous Housing Market Update households with incomes of less than £15,000 per year are effectively priced out of the market, with households earning between £15,000 to £20,000 facing difficulties.

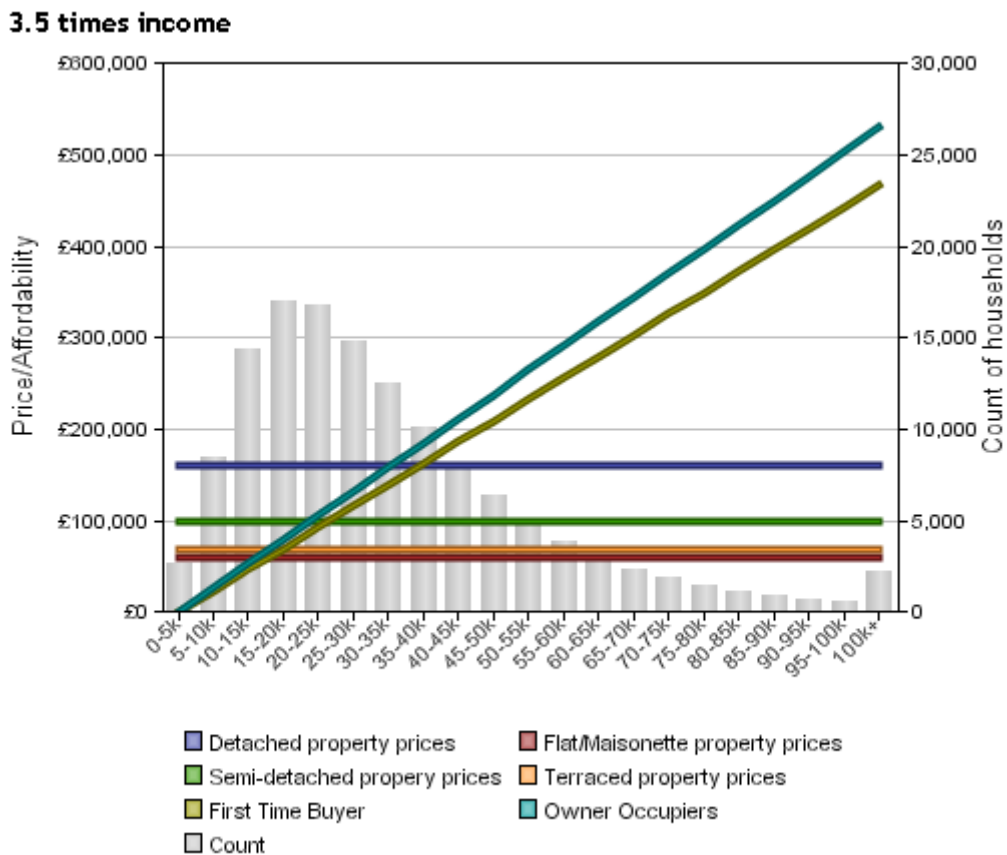
Figure 3.2 shows affordability based on a range of income scenarios in the current housing market. The figures relating to the ASHE earnings again highlight the difficulties of entering home ownership for single households. The ratio for a lower quartile income earnings is 7.9 to the current lower quartile house price as at September. Even with a mean average earnings, the ratio in regards to lower quartile house prices is 4.1. Affordability ratios over 3.5 indicate that there are affordability issues within a housing market area.

Figure 3.3 shows the affordability across the borough in relation to lower quartile CACI household incomes and lower quartile housing. The outlying areas show the greatest affordability pressures and these are recognised as high value, however affordability is an issue in areas with lower house prices.

In terms of wider aspects relating to affordability, the Council of Mortgage lenders reported an increase in activity in the mortgage market between July and September. The number of home loans increased by 13% in volume and 17% in value compared to the previous quarter. Compared to the same quarter the previous year there was an increase in the volume of mortgage lending by 1% and 9% in value. However on a month by month basis comparing August and September the mortgage market was flat.

Mortgage lending for first time buyers remains a significant challenge. Whilst the number of loans to first time buyers increased by 8% in both volume and value on the previous quarter, the number of loans to first time buyers had reduced by 5% on the same period the previous year. Mortgage lending to first time buyers in September was down by 6% in terms of the number of loans and by 4% in terms of value compared to the same period last year. Between August and September 2010 the number of loans to first time buyers had increased by 4% whilst there was no change in the value granted. The average loan to value in September was 76% compared to 75% for the same period the previous year, but there has been an increase in the average income multiple from 3.15 in September 2009 to 3.26 a year later.

Figure 3.1 – Housing Affordability based on mortgage lending 3.5 times income.



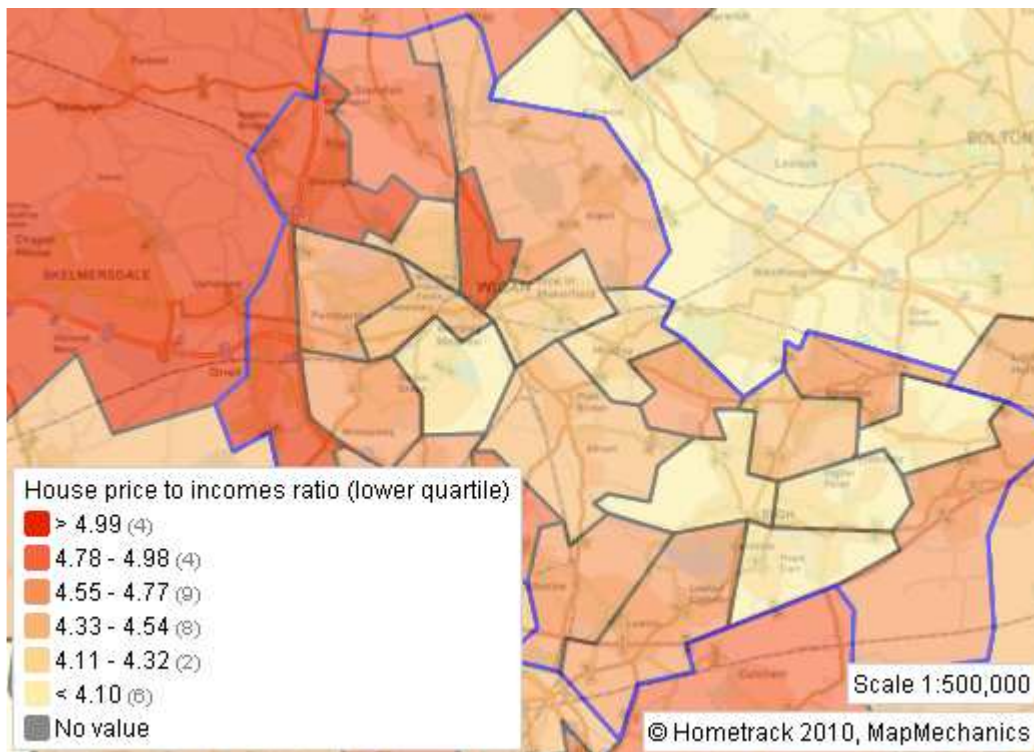
Note: This chart shows the number of households in different household income bands in the area (bars) compared to the lower quartile price for different property types in the same area (horizontal lines). The diagonal lines rising left to right show the value of property that can be afforded at different income multiples by a first time buyer and former owner occupier. The affordability calculations are based on a multiple of the average household income adjusted by the average loan to value for the different types of buyer.

Figure 3.2 Affordability Tables

	90th percentile	Upper quartile	Average	Lower Quartile
House Prices	£219,416	£165,983	£137,970	£91,016
Median Average Earnings (ASHE 2010)	£19,433	£19,433	£19,433	£19,433
Ratio	11.3	8.5	7.1	4.7
Mean Average Earnings (ASHE 2010)	£22,464	£22,464	£22,464	£22,464
Ratio	9.8	7.4	6.1	4.1
Lower Quartile Earnings (ASHE 2010)	£12,345	£11,515	£11,515	£11,515
Ratio	17.8	14.4	12.0	7.9
Mean Average Household Incomes (CACI 2010)	£32,789	£32,789	£32,789	£32,789
Ratio	6.7	5.1	4.2	2.8
Median Average Household Incomes (CACI 2010)	£26,239	£26,239	£26,239	£26,239
Ratio	8.4	6.3	5.3	3.5
Lower Quartile Household Incomes (CACI 2010)	£15,188	£15,188	£15,188	£15,188
Ratio	14.4	10.9	9.1	6.0

ASHE = Annual Survey of Hours and Earning provided by National Statistics
CACI = is a company that provides information across all industry sectors.

Figure 3.3 House Price to income ratio by ward (CACI)



4) Cross Tenure Affordability

Figure 4.1- Weekly Cost

	1 bed property	2 bed property	3 bed property
Renting (Council)	£51.17	£57.79	£62.64
Renting (Housing Association)	£62.00	£74.00	£76.00
Renting (Intermediate)	£60.00	£78.00	£91.00
Renting (Private)	£75.00	£97.00	£114.00
Buying a lower quartile resale	£53.00	£69.00	£106.00
Buying an average resale	£66.00	£88.00	£137.00
Buying 40% share through HomeBuy	£45.00	£65.00	£95.00
Buying a lower quartile new build	N/A	£121.00	£142.00
Buying an average new build	N/A	£121.00	£161.00

Source: Hometrack, RSR, Wigan and Leigh Housing

Note

The chart compares the weekly cost of property by size across different tenures. The

cost of renting from a Housing Association is based on the RSR data from the Housing Corporation in England, Housing Cymru in Wales and the Scottish Housing Regulator in Scotland.

The weekly cost of Intermediate Rent represents 80% of the median rent for advertised private properties in the local area.

The weekly cost of private renting is the median rent for advertised properties in the local area. However this can vary widely depending on the type and location of property.

Where data is shown for the cost of buying with a mortgage, the figure is based on the capital and interest cost of servicing a mortgage for 85% of the median value of a property in the area, based on a 25 year mortgage term and the average prevailing mortgage rate.

The weekly cost of buying a 40% New Build HomeBuy is derived from median house prices and do not include ground rent or service charges. RSL rents are assumed at 2.75% and mortgages payments are derived from average building society rates. Loan-to-value is assumed at 85% in all cases i.e. it is assumed that the buyer has made a 15% deposit on the portion of the property they have bought.

A "New build" sale or valuation is one that takes place where the property was sold or valued in the same year it was built.

5) Housing Market Pressures – Court Activity

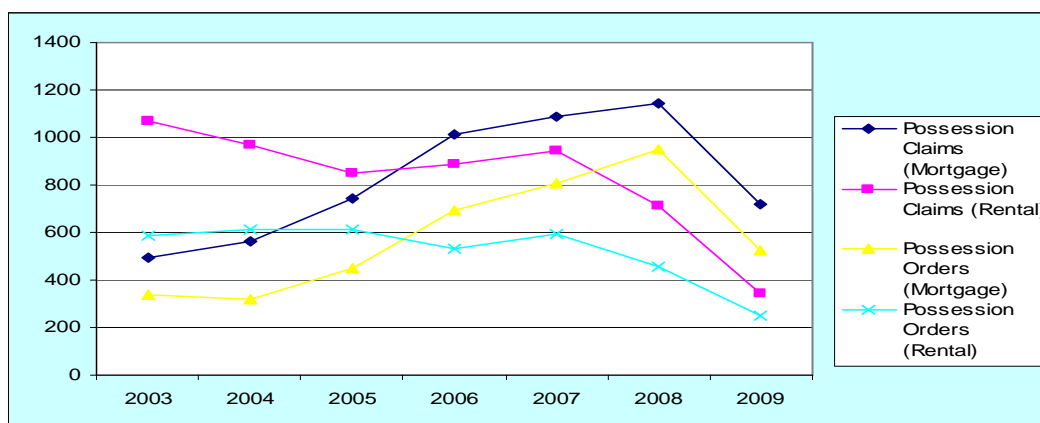
Note: This section shows court activity against households in the Wigan local authority area. Also with the possession statistics from the Ministry of Justice and their definition of quarters over the year, quarter 1 commenced in January.

Figure 5.1 are the annual trends relating to residential possession activity and has been published in previous Housing Market Updates. In the next issue this will be updated to include the annual possession activity over 2010.

Possession activity against owner occupiers continues to reduce when compared to the same quarter the previous year and also when comparing the position over four quarters with the same four quarterly period of the previous year. In Wigan possession claims are down by 14% on same quarter the last year and by 20% over the same cumulative period the previous year. Mortgage possession claims that lead to orders reduced by 6% compared to the same quarter last year and by 25% over four quarters when compared to the same period in the previous year. Even though mortgage possession claims leading to orders have reduced, the claims per 1000 have increased to 1.23 in quarter 3 compared to 0.77 in quarter 2. Whilst possession action against owner occupiers has reduced, we must remember the unique conditions in terms of the historically low interest rates. The low interest rates have acted as protective buffer for households who may have struggled to keep up with mortgage repayments should interest rates have been higher. The indication is that the Bank of England interest rate will remain at a low level for the next year or so until there is sufficient improvement in the economy, however the Council of Mortgage lenders have warned that mortgage arrears and possessions are set to rise in the coming year.

Wigan continues to perform well in terms of landlord possession action against tenants. Whilst there are no major reductions in terms of year on year comparison, when comparing Wigan to neighbouring authorities and those across Greater Manchester, Wigan has the lowest rates of activity in terms of per 1000 households. For possession claims this quarter, there were 0.85 claims per 1000 households and for claims leading to orders this was 0.62. This may reflect the small private rented in the borough when compared to areas such as Manchester which had 3.65 claims per 1000 households and 2.08 for claims leading to orders.

Figure 5.1 Residential Possession Activity in Wigan Borough



5.2 Action against owner occupiers

Figure 5.2 Mortgage Claims Wigan LA - Quarter 3 2010 and Quarter 4 2009 – Quarter 3 2010

	----- 2010 Q3 -----			----- 2009 Q4 - 2010 Q3 -----		
	Total	% Change in total since 2009 Q3	Per 1,000 households	Total	% Change in total since 2008 Q4 - 2009 Q3	Per 1,000 households
WIGAN	170	-14%	1.31	625	-20%	4.81
Bolton	140	-12%	1.26	490	-27%	4.41
Bury	120	32%	1.56	370	-19%	4.81
Manchester	210	-31%	1.07	825	-39%	4.19
Oldham	120	-19%	1.33	440	-27%	4.89
Rochdale	125	9%	1.47	400	-26%	4.71
Salford	120	-27%	1.24	440	-37%	4.54
Stockport	100	-33%	0.82	405	-31%	3.32
Tameside	135	-11%	1.45	480	-21%	5.16
Trafford	75	0%	0.82	290	-11%	3.15
GREATER MANCHESTER	1,310	-16%	1.20	4,765	-28%	4.36
Chorley	40	-16%	0.91	155	-24%	3.52
St. Helens	95	-7%	1.27	315	-18%	4.20
Warrington UA	85	-31%	1.05	340	-22%	4.20
West Lancashire	95	-7%	1.27	185	-24%	4.02
NORTH WEST	3,210	-17%	1.10	11,925	-26%	4.07
ENGLAND	18,935	-18%	0.88	70,435	-24%	3.27
ENGLAND AND WALES	20,384	-18%	0.89	75,792	-24%	3.32

Source: Ministry of Justice November 2010

Figure 5.3 Mortgage Possession Claims leading to orders made Wigan LA - Quarter 3 2010 and Quarter 4 2009 to Quarter 3 2010

	----- 2010 Q3 -----			----- 2009 Q4 - 2010 Q3 -----		
	Total	% Change in total since 2009 Q3	Per 1,000 households	Total	% Change in total since 2008 Q4 - 2009 Q3	Per 1,000 households
WIGAN	160	-6%	1.23	480	-25%	3.69
Bolton	100	-42%	0.90	390	-39%	3.51
Bury	75	-23%	0.97	250	-43%	3.25
Manchester	185	-40%	0.94	640	-46%	3.25
Oldham	105	-27%	1.17	365	-33%	4.06
Rochdale	100	-22%	1.18	320	-39%	3.76
Salford	90	-35%	0.93	375	-37%	3.87
Stockport	80	-36%	0.66	340	-26%	2.79
Tameside	110	-14%	1.18	385	-22%	4.14
Trafford	50	-16%	0.54	220	-19%	2.39
GREATER MANCHESTER	1,050	-28%	0.96	3,755	-35%	3.44
Chorley	35	-6%	0.80	130	-23%	2.95
St. Helens	80	-24%	1.07	235	-28%	3.13
Warrington UA	65	-34%	0.80	260	-25%	3.21
West Lancashire	30	-46%	0.65	140	-33%	3.04
NORTH WEST	2,525	-29%	0.86	9,285	-32%	3.17
ENGLAND	14,325	-27%	0.67	54,565	-30%	2.54
ENGLAND AND WALES	15,411	-27%	0.68	58,618	-30%	2.57

Source: Ministry of Justice November 2010

5.3 Action against tenants by landlords

Figure 5.4 Landlord possession claims - Quarter 3 2010 and Quarter 4 09 to Q3 2010

	----- 2010 Q3 -----			----- 2009 Q4 - 2010 Q3 -----		
	Total	% Change in total since 2009 Q3	Per 1,000 households	Total	% Change in total since 2008 Q4 - 2009 Q3	Per 1,000 househo lds
WIGAN	110	0.33	0.85	375	-0.07	2.88
Bolton	135	0.04	1.22	550	8%	4.95
Bury	85	-0.17	1.10	330	-26%	4.29
Manchester	720	0.05	3.65	2,445	-15%	12.41
Oldham	160	0.16	1.78	535	-23%	5.94
Rochdale	140	0.14	1.65	540	-12%	6.35
Salford	245	-0.17	2.53	920	-5%	9.48
Stockport	215	0.05	1.76	825	17%	6.76
Tameside	195	-0.18	2.10	785	-8%	8.44
Trafford	100	-0.32	1.09	400	-25%	4.35
GREATER MANCHESTER	2,110	-0.02	1.93	7,705	-10%	7.05
Chorley	65	0.22	1.48	235	-6%	5.34
St. Helens	85	-0.16	1.13	335	-19%	4.47
Warrington UA	80	0.34	0.99	275	5%	3.40
West Lancashire	80	-0.16	1.74	275	-27%	5.98
NORTH WEST	4,280	-0.06	1.46	16,245	-13%	5.54
ENGLAND	32,975	0.01	1.53	127,465	-4%	5.92
ENGLAND AND WALES	34,602	0.01	1.52	133,936	-4%	5.87

Source: Ministry of Justice November 2010

Figure 5.5 Landlord Possession Claims leading to orders made Q3 2009 and Q4 2009 to Q3 2010

	----- 2010 Q3 -----			----- 2009 Q4 - 2010 Q3 -----		
	Total	% Change in total since 2009 Q3	Per 1,000 households	Total	% Change in total since 2008 Q4 - 2009 Q3	Per 1,000 households
WIGAN	80	8%	0.62	275	-3%	2.12
Bolton	120	49%	1.08	415	20%	3.74
Bury	50	-36%	0.65	225	-35%	2.92
Manchester	410	-3%	2.08	1,515	-5%	7.69
Oldham	145	35%	1.61	405	-22%	4.50
Rochdale	130	7%	1.53	445	-17%	5.24
Salford	135	-38%	1.39	610	-4%	6.29
Stockport	140	-9%	1.15	520	7%	4.26
Tameside	155	-7%	1.67	555	-10%	5.97
Trafford	65	-42%	0.71	280	-23%	3.04
GREATER MANCHESTER	1,420	-7%	1.30	5,245	-8%	4.80
Chorley	45	-2%	1.02	175	-6%	3.98
St. Helens	50	-25%	0.67	260	-18%	3.47
Warrington UA	60	74%	0.74	225	5%	2.78
West Lancashire	35	-38%	0.76	155	-21%	3.37
NORTH WEST	2,825	-11%	0.96	11,290	-11%	3.85
ENGLAND	22,025	-2%	1.02	85,770	-5%	3.99
ENGLAND AND WALES	23,214	-2%	1.02	90,362	-5%	3.96

Source: Ministry of Justice November 2010

6 Empty Properties

Figure 6.1 Empty Properties

Quarter	1/10/09	1/1/10	1/4/10	1/7/10	1/10/10
Private Sector Homes Stock	116,139	116,273	116,393	116,495	116,607
Empty Private Sector Homes	5234	5176	5080	4970	4894
%	4.51	4.45	4.36	4.27	4.20
Empty Private Sector Homes Over 6 Months	3248	3149	3139	3083	3034
%	2.8	2.71	2.70	2.65	2.6

Source: Council Tax Register
Data includes RSL homes

7 Economic Indicators

Figure 7.1 Key Economic Indicators (as at 14/12/10)

Bank of England Base Rate	0.5%
Consumer Price Index Inflation	3.3%
Government CPI target	2.0%
Retail Price Index Inflation	4.7%
Halifax Base Mortgage Rate	3.5%
1 year LIBOR	0.78656%

8 Feedback and Contact Details

The Housing Strategy team regularly monitor the local, regional and sub regional housing markets and its is the aim of this quarterly bulletin is to keep stakeholders aware of developments in the local housing market. If you have any comments on the update or suggestions please contact Stuart Ratcliffe at Housing Strategy by e-mail at S.Ratcliffe@wigan.gov.uk or by the contact details below.

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