

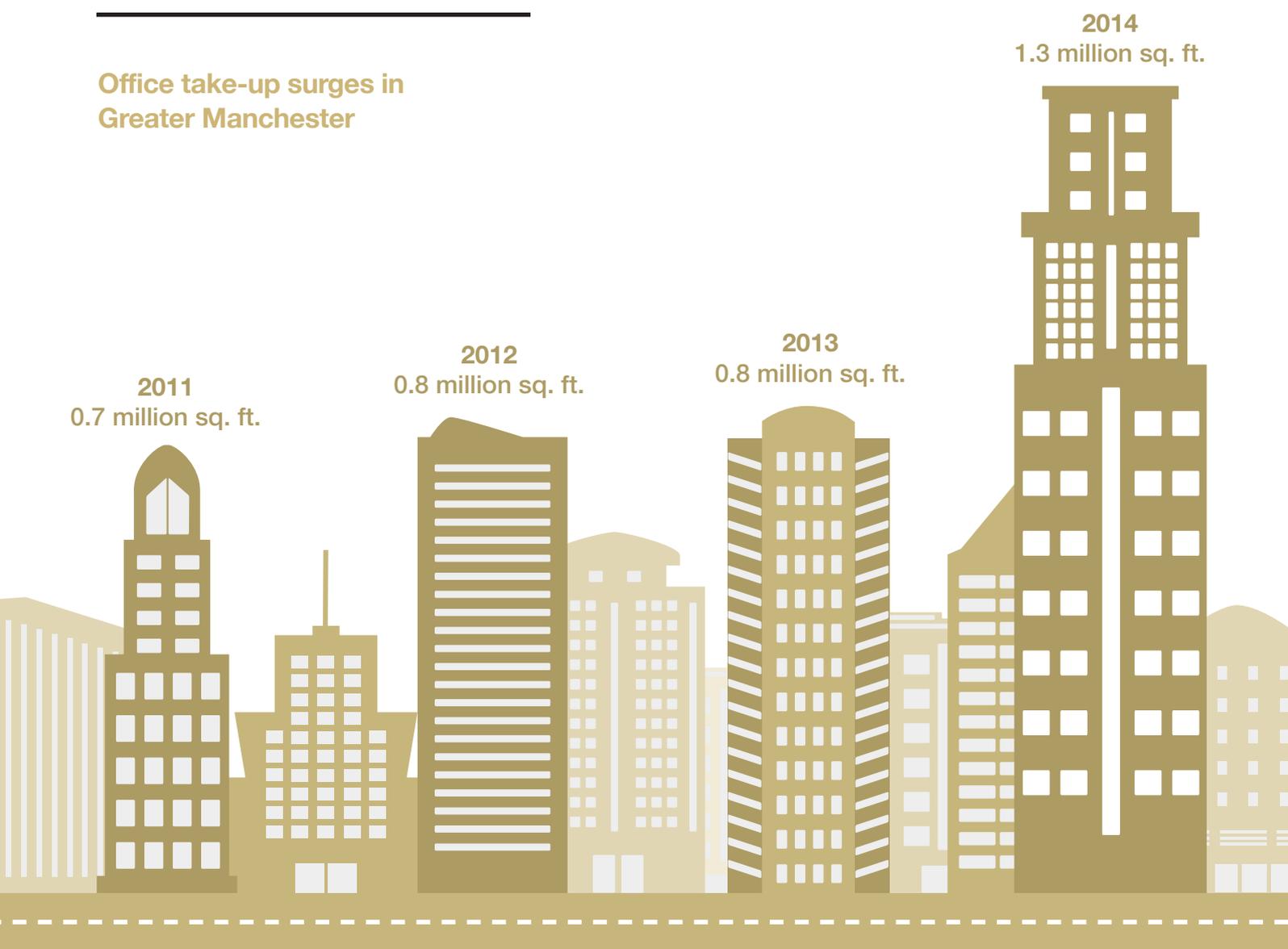
# Manchester Monitor

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March 2015

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Office take-up surges in Greater Manchester



**Continued decrease in unemployment**  
**Strong performance of the commercial property market**  
**Housing market shows annual rise in house prices**  
**Number of airport passengers increases**  
**Assault attendances reach record low**

[www.neweconomymanchester.com](http://www.neweconomymanchester.com)  
[research@neweconomymanchester.com](mailto:research@neweconomymanchester.com)

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# Monitor Focus

## GM economy continues to grow

New figures released by the Office for National Statistics (ONS) show that Greater Manchester (GM) was the Local Enterprise Partnership (LEP) area with the highest growth in nominal GVA in 2013. The data show that GM experienced a growth of 4.6% (£2.5 billion) in 2013, the highest growth rate of all LEPs in England; exceeding both London's GVA growth rate of 4.0% and 4.3% in Birmingham. In 2013, GVA in GM was recorded as £56.3 billion, rising from £39.5 billion in 2003, representing an increase of £16.8 billion (42.5%) over the decade.

In their latest assessments of the office and industrial property markets, DTZ, CBRE and Cushman & Wakefield all respectively explain that occupier and investor demand for prime office and industrial space in GM increased throughout 2014. For example, annual office take-up in 2014 was 1.3 million sq. ft., 67.8% higher than 2013, or a rise of 550,000 sq. ft.

The labour market indicators reveal a varied picture. The latest figures show that 36,115 people were claiming Jobseeker's Allowance (JSA) in GM in January 2015, down by 45.5% (29,607) on a yearly basis. A further 13,370 people in GM were claiming Universal Credit (UC) in January 2015, of which 9,120 (or 68.2%) were unemployed and in the absence of UC would have probably been claiming JSA. This provides a combined JSA/UC total of 45,235 for January 2015, an increase of approximately 4.9% on the number in December 2014 (43,117). It should be noted that this coincided with temporary jobs during the Christmas period coming to an end, a trend that has consistently been evident in GM over the last few years. On an annual basis, JSA/UC claimant numbers in GM have declined by 32.5% (falling from 67,024 in January 2014). Nationally, the majority of commentators still consider the labour market to be seeing healthy improvement, with the latest figures signifying increased job creation following some moderation in the final months of 2014.

In regard to the visitor economy, Manchester Airport handled approximately 1.43 million passengers in December 2014, 98,245 (7.4%) higher than 12 months previously. The 2014 figures show that passenger numbers at Manchester Airport were virtually at the 22 million mark, a figure not reached since the onset of the recession. Data for January 2015 should confirm that the 22 million benchmark has now been surpassed on a rolling 12 month basis. The average hotel occupancy rate in GM as a whole in January was 67.6%. January is conventionally a quiet month; however major events saw hotel occupancy surpassing 90% on certain dates – including when Manchester United and Manchester City played at home. In summary, the data demonstrates the continued strength of GM's visitor economy.

The most recent data from the Land Registry show that the average house in GM cost £108,409 in January 2015, an increase of 4.1% (£4,293) from this time last year, though lower than the growth seen in England & Wales of 6.7% (£11,261), where prices reached £179,492.

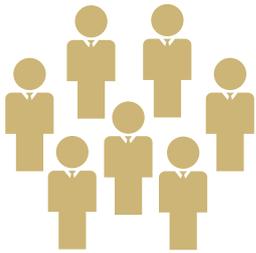
Finally, analysis of crime data from GM's hospitals has revealed a year-on-year decline of 8.3% in the number of people being treated for assault-related injuries. In actual terms, this is the lowest rolling figure since records began five years ago.

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# Monitor Dashboard

## Jobseeker's Allowance (JSA) & Universal Credit\* claimants

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↓  
**32.5%**  
since last year

## Airport Passengers

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↑  
**7.4%**  
since December 2013

## Office Take-up

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↑  
**67.8%**  
since last year

## GM Hotel Occupancy

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**67.6%**  
in January 2015

## House Prices

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↑  
**4.1%**  
since January 2014

## Hospital Attendances involving Violent Crime

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↓  
**8.3%**  
since December 2013

\*not in employment

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# People Monitor

## Continued decline in unemployment

The latest figures show that 36,115 people were claiming Jobseeker's Allowance (JSA) in Greater Manchester (GM) in January 2015, down by 45.5% (29,607) on a yearly basis.

### JSA Claimants

Around 2.1% of the resident working age population (including the economically inactive) in GM were claiming JSA in January, marginally above the rate recorded for Great Britain of 2.0%. Of the 36,115 people in GM claiming JSA in January, 6,465 were young people (those aged 16-24).

### Universal Credit

Data derived from the Department for Work and Pensions (DWP) show that there were 13,370 people in GM claiming Universal Credit (UC) in January 2015, of which 9,120 (or 68.2%) were unemployed. These people are not included in JSA claimant count statistics; therefore focusing only on JSA figures does not give a wholly representative view on the current level of unemployment.

It is likely that these claimants would be receiving JSA in the absence of UC, meaning the 9,120 people claiming UC (and who are out of work) need to be added to the JSA figure in order to establish the number of people claiming unemployment-related benefits. This provides a combined JSA/UC total of 45,235 in January 2015, an increase of approximately 4.9% on the number in December (43,117).

On an annual basis, JSA/UC claimant numbers in GM have declined by 32.5% (down from 67,024 in January 2014). This is lower than the 45.5% decline for JSA claimants, although it still signifies a substantial reduction over 12 months and highlights the ongoing economic recovery.

The national picture is that employment continued to rise and unemployment continued to fall. These changes continue the general trend of movement since late 2011/early 2012. The UK unemployment rate for October to December 2014 was 5.7%, down from 7.2% for a year earlier. In GM, the latest available data from the Annual Population Survey to September 2014 reveal that the unemployment rate is 8.0%. This further demonstrates the disparity between the number of unemployment-related benefit claimants and the actual level of unemployment.

### Underemployment

There are many studies which analyse unemployment; however fewer focus on the phenomenon of underemployment. The Bell and Blanchflower underemployment statistics published by the Work Foundation last month usefully highlight this area of enquiry. The underemployment rate is calculated by adding to the unemployment count a full-time equivalent of the net number of hours for which workers who are currently working fewer hours than they would like to work are employed (Johnes, 2015).

The figures for the third quarter of 2014 demonstrate that, as unemployment has fallen, so too has the underemployment measure. While the gap between the two rates was higher than 2% in the first quarter of 2013, it has now decreased to slightly under 1.5% (Q3 2014 underemployment rate was 7.4%, unemployment rate was 6.0%). In short, the gap between unemployment and underemployment rates is getting smaller. Therefore, Johnes (2015) suggests that the "labour market is returning to normality, but slowly; the unutilised supply of labour is still markedly greater than the relatively low rate of unemployment might suggest".

### Vacancies Data

There were just over 16,000 job vacancies in GM in January 2015. The highest proportion of vacancies in January were in professional occupations – 5,900 jobs (36.7%). Associate professional & technical roles (21.3%, or 4,400) was the second largest occupation group, followed by administrative and secretarial occupations (10.7%, or 1,700).

The most common skills required by vacancies in GM in January related to strong ICT skills, specifically programming, development, engineering, databases and data warehousing; and business skills including knowledge of processes and planning.



**Jobseeker's Allowance & Universal Credit\* Claimants in January 2015**

**45,235**

Decreased by 32.5% year-on-year



**Number of Job Vacancies in Greater Manchester in January 2015**

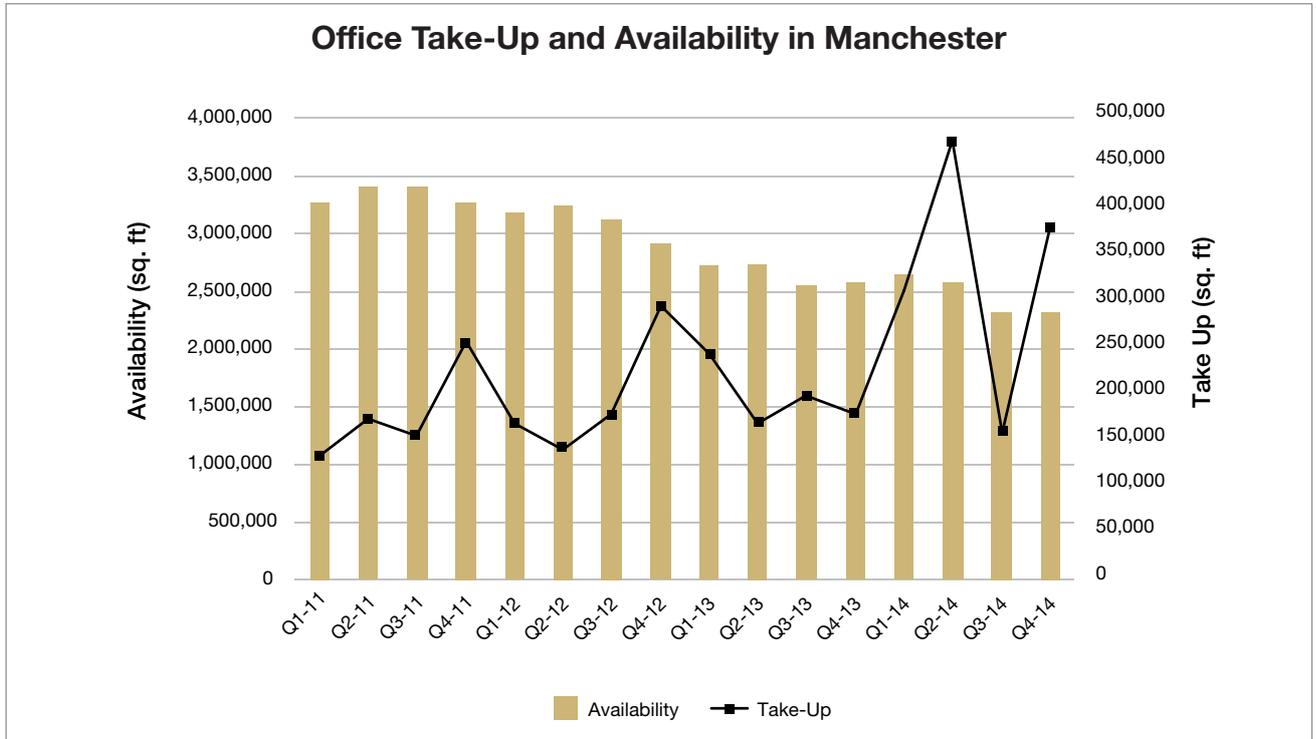
**16,000**

\*not in employment

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<sup>1</sup> Johnes, G. (2015) 'The latest underemployment statistics from Bell Blanchflower'. Lancaster: The Work Foundation [online]. Available from: <http://www.theworkfoundation.com/blog/2462/The-latest-underemployment-statistics-from-Bell-Blanchflower>.

# Business Monitor



## Strong performance of the commercial property market

In their latest assessments of the office and industrial property markets, DTZ, CBRE and Cushman & Wakefield all respectively explain that occupier and investor appetite for prime office and industrial space increased throughout 2014, supported by good economic growth. The latest data from DTZ highlight that office take-up in Greater Manchester was more than 1.3million sq. ft. in 2014 – up from around 800,000 sq. ft. in 2013, while prime rents rose to £32.00 sq. ft.

### Office Market

DTZ Research’s Property Times data conveys how the GM office market is performing well, and the 1.3 million take-up figure for offices in 2014 represents an increase of almost 550,000 sq. ft. (67.8%) compared with 2013. The level of prime office rent also increased throughout 2014, from £30.00 sq. ft. in Q1 to £32.00 sq. ft. in Q2, an increase of £2.00 sq. ft. (6.7%), and remaining at that level since. Similarly, the increasing level of prime rent is also reported by CBRE’s Marketview and Cushman & Wakefield’s Marketbeat Office Snapshot, although they suggest a slightly lower prime office rent of £31.00 sq. ft. There has been a corresponding decline in prime office yields according to Cushman & Wakefield falling from 5.75% in the first half of 2014 to 5.25% in the second half of the year. CBRE suggest that there has been a slightly greater decline in prime yields over the same period, falling to 5.0%. Overall, these indicators suggest that sentiment in the office market is positive and that demand for space is increasing. Indeed, office take-up continues to be much stronger and prime office rents higher in GM than other major UK cities including Birmingham, Bristol, Cardiff, Edinburgh, Glasgow and Leeds.

### Industrial Market

According to Cushman & Wakefield’s Marketbeat Industrial Snapshot prime industrial rents have remained constant throughout 2014 at £5.75 sq. ft. Meanwhile, prime industrial yields have steadily declined from 6.00% in the first March quarter of 2014, to 5.75% in the third September quarter and fell to 5.50% in the final December quarter of 2014. It is suggested the “lack of prime stock and strong investor demand has seen yields come under pressure”.

### Highest GVA growth for GM in 2013

The Office for National Statistics (ONS) released data on economic output i.e. GVA (nominal gross value added) for each English local enterprise partnership (LEP) for 2013 on 19 February 2015. This showed that GM experienced a nominal GVA growth of 4.6% in 2013, the highest growth rate of all LEPs in England; surpassing both London’s growth rate of 4.0% and 4.3% in Birmingham. In 2013, GVA in GM was recorded as £56.3 billion rising from £39.5 billion in 2003- representing an increase of £16.8 billion (42.5%) over the decade.

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# Place Monitor

## Further increase in airport passenger numbers

The latest Civil Aviation data show that growth in passenger numbers is continuing at Manchester Airport, while hotel occupancy in the city centre was boosted by hosting a number of key events in January.

### Airport Passenger Numbers

Manchester Airport handled around 1.43 million passengers in December 2014, 98,245 (7.4%) higher than 12 months previously. The annual growth was higher than experienced at Heathrow (2.4%), while Stansted (18.4%), Birmingham (8.6%) and Gatwick (8.0%) experienced higher year-on-year rises in passenger figures.

The full year figures for 2014 show Manchester's total annual number of passengers grew by 6.0% on 2013, representing 1.2million additional people.

The 2014 figures show that passenger numbers at Manchester Airport were virtually at the 22 million mark, a figure not reached since the onset of the recession. Data for January 2015 should confirm that the 22 million benchmark has now been surpassed on a rolling 12 month basis.

Growth in passenger numbers in 2015 is expected to be supported by the introduction of a number of new routes, as well as increased frequencies on existing routes. Recent developments include the following:

- Barcelona-based airline Vueling will be providing a new service to Barcelona from June 2015.
- Iraqi Airways will be introducing the first direct services between the Airport and Iraq from March. The routes will serve Erbil, the largest and capital city of the Kurdistan region, and Sulaymaniyah, in Southern Kurdistan.

### Hotel Occupancy

The average hotel occupancy rate in Manchester city centre was recorded at 66.8% in January 2015. Changes have recently been made to the sample size for the data, in order to incorporate a larger number of hotels, which means annual change is not currently possible to analyse.

Weekend occupancy in the city centre reached 70.9% in January, and the weekday average occupancy in the city centre was 65.8%.

For GM as a whole, average occupancy rates in January were 67.6%.

Key dates for hotel occupancy in the city centre during January were:

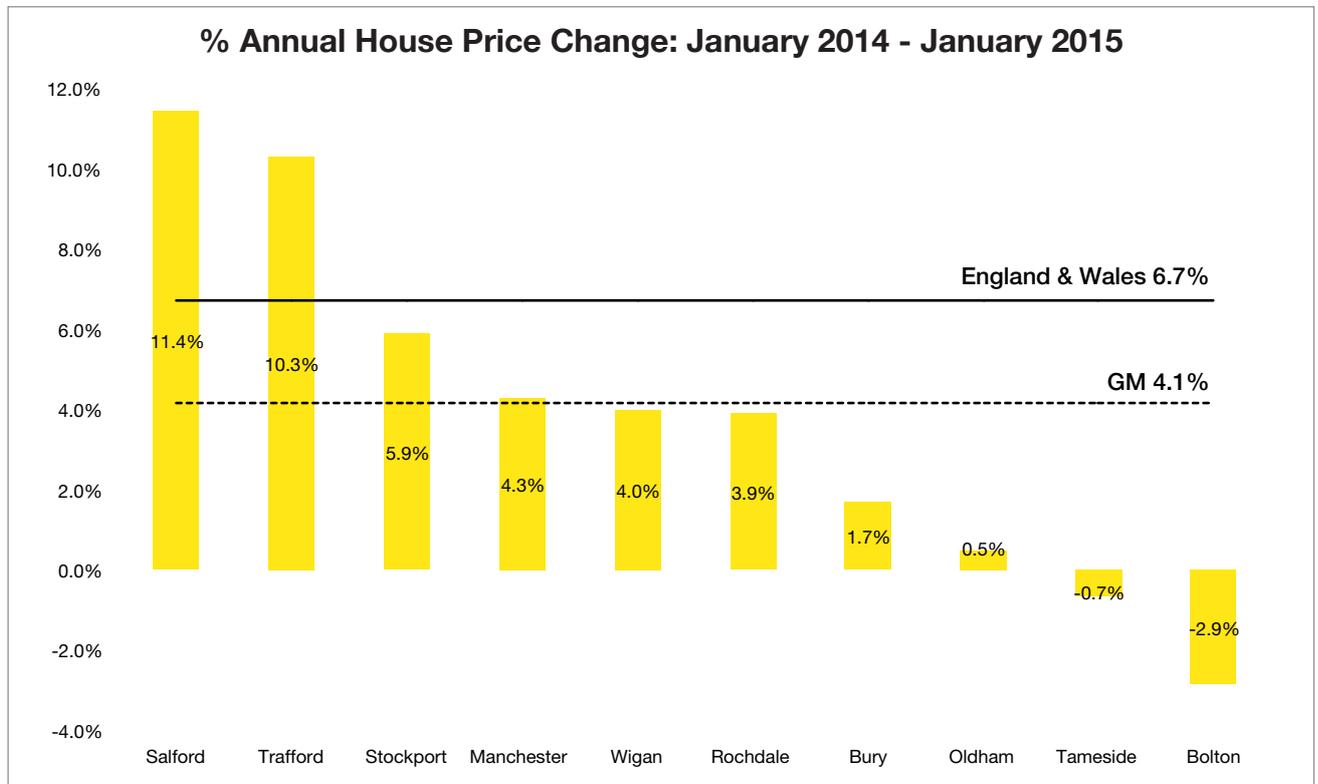
- 31 January – occupancy of 97% was achieved when Manchester United played in the Premier League at Old Trafford, Manchester Arena hosted Peter Kay's Phoenix Nights and The Lowry hosted the auditions for Britain's Got Talent.
- 21 January – 94% occupancy was recorded when Queen and Adam Lambert performed at Manchester Arena and when the Manchester Beer and Cider Festival opened at the National Cycling Centre.
- 24 January – 94% occupancy was also recorded when Manchester City played in the FA Cup at the Etihad Stadium, the National Cycling Centre hosted the final day of the Manchester Beer & Cider Festival and Manchester Arena hosted the Strictly Come Dancing Live 2015 tour.

Looking ahead to 2015, supply is set to grow by almost 800 rooms to include; Hotel Football, Hotel Gotham, Inside by Melia, King Street Townhouse and Motel One Piccadilly. Therefore, the occupancy rates will be tracking the impact of the increased stock against demand levels throughout 2015.



IMPORTANT NOTE: The source of the hotel occupancy data referenced in this newsletter is STR Global Ltd. Republication or other reuse of this data without the express written permission of STR Global is strictly prohibited.

# Housing Monitor



## GM housing market shows year-on-year growth

The latest data from the Land Registry shows that the average house in GM cost £108,409 in January 2015, an increase of 4.1% (£4,293) from this time last year, though lower than the growth seen in England & Wales of 6.7% (£11,261), to reach £179,492.

### House Prices

Month-on-month, property prices in England & Wales grew 1.3% (£2,265) in January 2015, to reach £179,492. House prices in GM saw a month-on-month increase of 0.3% (£367) in January 2015 to £108,409. London remains the strongest performer in terms of house price growth. The average house price in Greater London stands at £458,283, up by 12.0% (£49,207) over the same period last year.

On a yearly basis, GM average house prices increased by 4.1% (£4,293). The Land Registry data show that house prices in the North West increased month-on-month in January (by 2.6%, or £2,838) and also increased on an annual basis (3.7%, £4,091).

At a GM local authority level, all but two districts saw house prices rise between January 2014 and January 2015: Salford (11.4%, £9,748), Trafford (10.3%, £18,656), Stockport (5.5%, £8,515), Manchester (4.3%, £4,034), Wigan (4.0%, £3,592), Rochdale (3.9%, £3,373), Bury (1.7%, £1,868) and Oldham (0.5%, £371), while house prices saw a modest decrease in Tameside (down by 0.7%, or £626) and a slightly higher fall

in Bolton (down by 2.9%, or £2,592).

Overall, the house price data are positive for GM, although price changes remain uneven across the conurbation.

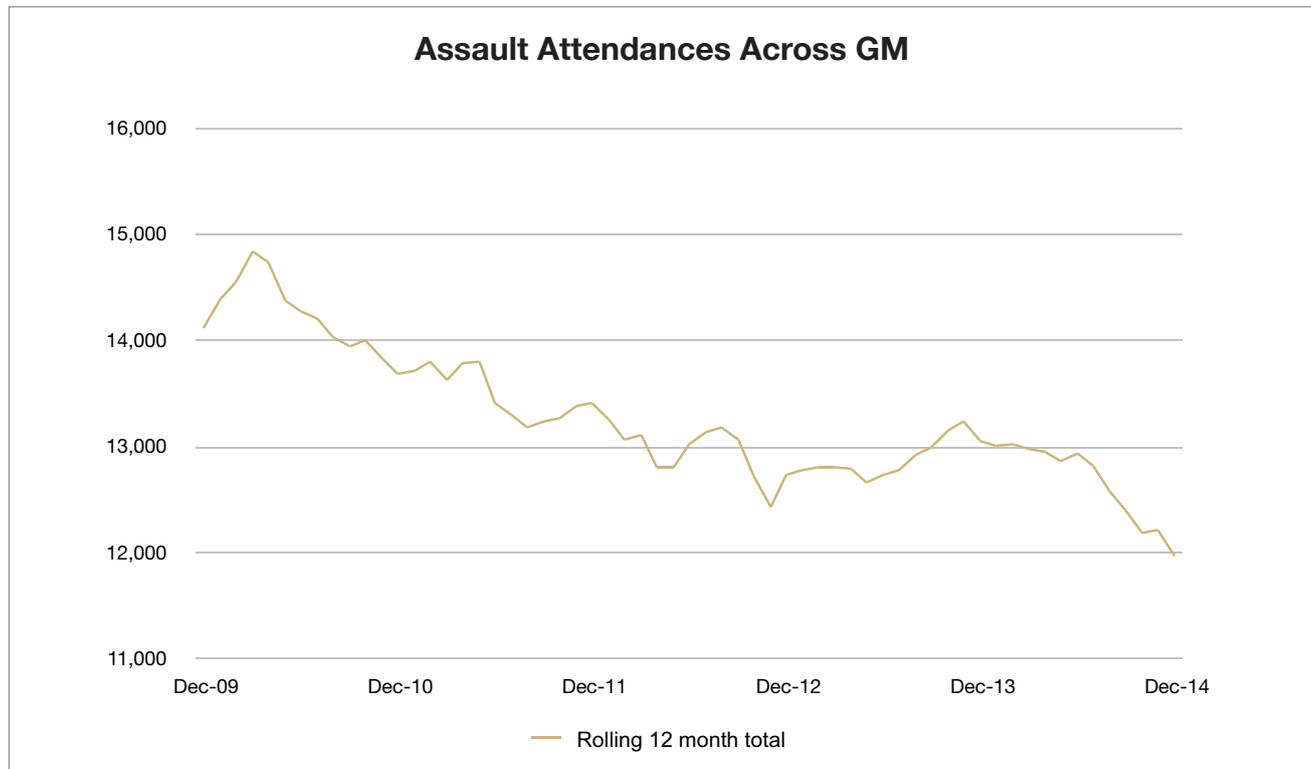
### House sales

Land Registry house sales data reveal that there were 2,761 properties sold in GM in November 2014, a yearly decrease of 14.0% (450). This compared favourably to the proportional decline in the North West (17.9%, 1,631) and nationally (18.7%, 15,619).

### Mortgage Approvals

Mortgage lending across the UK continued to decline in January, according to data from the Council of Mortgage Lenders (CML). Homeowners borrowed £14.3 billion last month - an 11% decrease on the same month in 2014, and the lowest figure since April 2013. However, January is usually a slow month for the market, and the CML figures are not seasonally adjusted. Thus, the CML still anticipates lending to grow by 9% throughout 2015.

# Crime Monitor



## Assault Attendances' Historical Low

The latest figures in relation to assault attendances at each of GM's eight hospital trusts' local emergency departments show the lowest figures since records began, alongside a record fall on the previous year.

### Assaults Data

Baseline data for the 12 months ending December 2014 show that 11,969 people were treated for assault-related injuries in GM hospitals, a decrease of 8.3% on the figures from the previous year. In actual terms, this is the lowest rolling figure since records began five years ago.

Key reductions at GM hospitals include Salford (19% reduction in the last six months), Trafford (15%) and Wythenshawe (14%).

The home addresses of assault attendees remain relatively static, with around 7% of attendees coming from outside GM, and 18% coming from the local authority area of Manchester (although this figure is falling). However, increases have been seen in the number of Rochdale, Oldham and Bolton residents attending.

With regards to age, the number of attendees in the 30-44 year age group continues to grow, and is now at a record peak of 28.7% of all attendees. Conversely, the number of attendees in the 0-14 age group has declined to a record low of 569.

### Crime Volumes

Figures for the year ending January 2015 show that there were 195,665 reported crimes in GM.

Victim-based crimes (stealing, criminal damage & arson, violence and sexual offences) saw 176,475 cases recorded over the same period, representing a 9% increase on the same period last year.

### GM Fire & Rescue Service Data

There were 1,448 deliberate primary fires (those where owned property is involved) to the end of January 2015, which represents a reduction of 7.7% on the same period last year.

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# **new economy**

**New Economy  
Churchgate House  
56 Oxford Street  
Manchester M1 6EU**

**T: +44 (0)161 237 4446  
research@neweconomymanchester.com  
www.neweconomymanchester.com**

A company limited by guarantee registered in England no. 5678007.  
Registered Office MPSL, PO Box 532, Manchester Town Hall, M60 2LA