

One Bed Supporting Memo for Ancoats Dispensary, Old Mill Street, Manchester.

April 2021



Introduction

Ancoats Dispensary is a façade retention development that will deliver 39 apartments for Affordable Rent (capped at 80% of market rent). The 39 apartments will deliver a mix of 25 x 1 bed apartments and 14 x 2 bed apartments that comply with Manchester’s space standards.

This Note sets out the case for the proportion of 1 bed units being delivered.

Demand

Great Places is a partner registered provider with Manchester City Council, and as such do not hold their own data on waiting lists for affordable homes. We are committed to the Manchester Choice Based Lettings scheme and derive our intelligence based on the number of bids received on a property and the allocations made. The latest data evidences that for every 1 bed property that is advertised for affordable rent there are on average 303 applications, with one property attracting over 1000 applications, demonstrating a huge demand for this property type within the city and evidence that there are insufficient levels in the existing market.

There are currently 6,271 applicants on the Housing Register waiting for a 1 bed property. Comparatively, there are 4,537 on the register waiting for a 2 bed, 2,948 for a 3 bed and 937 for a 4 bed. The lack of supply means that nearly all 1 bed homes are being allocated to those residents in Band 1 & 2 and in highest housing need. Rental demand based on the last 447 properties Great Places have let in Manchester in the last 2 years shows the average wait time for a 1 or 2 bed as 12-24 months.

With recent rental price growth in the market beginning to stretch affordability for many and the potential for this affordability issue to be exacerbated by the economic pressures resulting from Covid-19, it is anticipated that there will be an ever growing demand for affordable housing within the city centre of Manchester.

In addition to Great Place’s large stock holding within the New Islington area; Great Places is also the lead RP in Greater Manchester’s Housing First initiative. The greatest demand for re-housing applicants is for 1 beds due to the fact the applicants are single people who often don’t have a family structure and often have complex needs that require them to live alone. By building these apartments we will be increasing the supply of 1 beds to meet this clear demand across our portfolio.

Great Places do not have the ability to offer shared accommodation in 2 bed properties due to the complexities involved in the tenancy agreements and do not believe this is the correct approach for single people or couples who don’t know each other, and as such strongly advocate for single bedroom properties.

It is the intention however that while some of the 1 bed properties on offer will be made available to residents who are identified as being in great need by the Council, those who work part/full time in the city but have low income jobs and can’t afford the ever increasing market rents of the city centre will also be a priority for allocation.

Need

Great Places has a strong stockholding in Manchester with 2,220 properties within our ownership within 5 miles of the development site. Of these, 403 are 1 bed homes from which 358 are currently provided for some form of rent. However nearly half of these properties are specialist or supported accommodation, leaving 210 properties for general needs accommodation. Once properties outside of Manchester are excluded, there are only 152 one bed properties available.

Turnover of our 1 bed properties is low and as identified above the demand for 1 beds is exceedingly high so we do not believe there will be any difficulties in identifying customers for these properties.

Great Places, as one of the original partners in the New Islington regeneration owns and manages a significant amount of stock within a 1 mile radius of these proposed sites. Over the past decade of managing this stock, we have gained a strong and detailed understanding of the area's demographics. It is becoming increasingly apparent that the regeneration work being undertaken by other partners is creating an incredibly desirable place to live, but with that is generating a price tag that many long term residents and those who have grown up in the area can no longer afford. The provision of good quality 1 bed apartments for rent ensures that the areas remains a well-balanced community of residents from different socio-economic backgrounds. It also allows those on a lower income who work in the city centre and may struggle with the ever increasing costs of commuting to live close to their place of work and achieve savings on cost of living due to this proximity which allows them to be thriving, successful members of the community. In addition, the value of having affordable homes, with easy access to the different parts of the city with residents using the walking/cycling/public transport routes contributes to the Manchester zero carbon agenda.

Viability

Due to the current derelict state of the building and the cost attached to preserving as much of the original Grade II listed building as possible, focusing on the Old Mill Street and Lampwick Lane facades which are the most viable in terms of retention; the mix of units has also had to be influenced by the viability of the scheme. A minimum of 39 units is required for the scheme to become remotely viable as demonstrated by the Viability Assessment submitted with the application.

The 39 units has been achieved by extending the building by 4 metres to the rear. This is the maximum the building can be extended to the rear, within the red line boundary of the site. Without this extension to the rear, the scheme would need to be taken up 7 stories to achieve the same amount of units. The increased number of 1 beds has assisted us in achieving the 39 units. If there was an increased amount of 2 bed apartments required, this would require a greater footprint and would therefore require us to increase the height of the building further, negatively impacting on the prominence of the tower on the building.

Due to the front façade including stepped back sections and trying to retain the heritage significance of the crucifix form of the building, the shape of the building has also lent itself to largely 1 beds being delivered within the front section of the building due to the space constraints provided by the existing facades and balancing the need to comply with Nationally Described Space Standards.

Conclusion

The mix has been reviewed and supported by Housing Strategy at Manchester City Council. Due to the challenges attached to constructing the scheme and the associated cost, the mix of units has been influenced by viability in order to enable us to achieve the minimum requirement of 39 units. The layout of the historic facades and replicating the crucifix form within the new development has also influenced the mix to have a larger amount of 1 bed properties.

However the Choice Based Lettings data provided by Manchester City Council evidences the high level of demand for 1 beds within the city centre, with currently 6,271 applicants on the Housing Register waiting for a 1 bed property and the average wait time for a 1 being 12-24 months. It is therefore considered this scheme will

contribute towards meeting the high demand for working households to access affordable rental properties in this location.

Great Places Housing Association
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