



Lesson 3 reading – The relationship between state-led gentrification and inequality

In pursuit of property-led regeneration, Manchester City Council has allowed increasing numbers of developments to not include affordable housing.	The population of the City of Manchester is around 550,000 people, while the population of Greater Manchester is around 2.8 million.	In 2022, the figures for Manchester residents in temporary accommodation stood at around 3,000 households.
Manchester City Council has allowed increasing numbers of developers to not pay Section 106 payments when their developments do not include sufficient affordable housing to meet council targets.	In 2022, Manchester was shown to have the highest number of households assessed as 'homeless' in the UK, at 17.8 households per thousand.	If Manchester City Council's target of 20% of all homes being affordable had been kept to, there would have been around 9,000 more affordable homes in Manchester by 2023 than there were.
Between 2012 and 2020, there was a significant increase in build-to-rent developments in Manchester's urban core. Of around 45,000 properties built in this period in and around the city centre, less than 5% were affordable/social housing.	Manchester has had the second highest number of build-to-rent developments in the UK, behind only London. As a proportion of the population, Manchester has seen the fastest growth in build to rent.	In summer 2023, research showed that rents in Manchester had risen by 10% since the previous year.
In 2021, Manchester Life received £10.1 million in rent payments, much of which went to holding companies registered in offshore low-tax destinations. Manchester Life paid just £4,000 corporation tax on this rental income.	Some parts of Manchester, especially south-central Manchester near Hulme, have seen significant growth in Purpose-Built Student Accommodation (PBSA). PBSA offers significant yields to investors, often over 10%.	Global flows of financial investment, including from pension funds, have been driving the growth of build-to-rent developments in Manchester. Since 2012, 41.5% of these developments have involved overseas investment.
When the 163 council-rented homes on the Cardroom Estate in Ancoats were demolished, they were replaced by only 37 social-rented homes, alongside a larger amount of much more expensive privately owned and rented property.	Rents in Manchester are increasing at an extremely rapid rate. Research in 2023 showed that they had increased by 20% in just one year, and that this had been about the same figure the year before as well.	Some social housing providers have sold affordable homes to the private sector. For example, Jigsaw, a social housing provider, sold 40 properties between 2015 and 2018. Once this happens, the price of these properties rises significantly.
In 2019, 98,989 households were on the social housing waiting list in Greater Manchester, a growth of 98% since 1997.	As of 2024, town houses in Ancoats were for sale at £750,000, and apartments in buildings like Engels House in the same area begin at a rental cost of £1,100 per month.	In 2019, Manchester Life issued Section 21(6A) Eviction Notices to tenants in its Smith's Yard building in Ancoats, threatening them with no-fault eviction unless they agreed to a rent increase of 5%.

According to data from the housing charity Shelter from 2023, Manchester has the third-highest rate of per capita homelessness in the UK, with 7,407 people experiencing homelessness.	In 2023–24, rough sleeping in Manchester increased by 26% from the year before.	Manchester's Housing Strategy (2022–23) lists inequality as a problem. Its aims include to build 10,000 affordable homes by 2032, and to 'end homelessness.'
In 1982, the council owned over 57% of land in Manchester. This is now increasingly being leased to the private sector for long periods, and at seemingly low rates, for the construction of housing developments that have limited, or even no, affordable homes.	Increasing numbers of Manchester homes are being sold to the private rented sector. For example, around the Whitworth Park area of Moss Side almost all homes sold since 2011 have gone to private rent, especially to student lettings and those using short-term rental platforms such as Airbnb.	Manchester's average rent price in 2024 was £1,257 per month. This had increased by 11.7% since 2023. This is significantly higher than the average rent for the north-west of England, which is £861 per month.
Manchester City Council stands to receive significant council tax payments from the new housing that is being constructed. One study suggested that 25,000 new city-centre apartments would bring the council almost £31 million per year.	In 2018, it was reported that none of the 14,667 new homes that had been given planning permission by Manchester City Council would meet the government's definition of affordable housing. At the time, property in Manchester was selling three times as fast as that in London.	Local government support helped the build-to-rent sector to grow. For example, 67.7% of Greater Manchester Combined Authority's Housing Investment Fund was loaned to build-to-rent developers, supporting construction of 4,483 housing units, and almost 75% of Manchester Life developments to 2023 were build-to-rent.
Home ownership rates have fallen in Manchester as the proportion of people renting has risen. In 2023, 61% of Manchester's population rented their home. This is significantly higher than London, where just under half the population rent. This figure is also higher than other comparable cities. For example, in Glasgow 55% of the population are renters.	Manchester's city core property boom has brought vast amounts of investment into the city. Overseas investors such as ADUG and the Far East Consortium have been attracted by the supportive policy environment created by local and national government, as well as the potential financial returns on their investments.	Data from the End Child Poverty Coalition in 2023 indicated that 44.7% of all children in Manchester live in poverty. Using Index of Multiple Deprivation data, Manchester ranks as the sixth most deprived local authority in England.
There is increasing evidence that the profitability of property-led regeneration in Manchester's urban core is seeing the model spread both to parts of Manchester outside the core such as Collyhurst, and to other towns in Greater Manchester, where rents are now also rising.	Working-class communities in Manchester's core perceive the changes as a threat and appear to be being displaced from the centre as rents rise. One resident told writer Isaac Rose that they felt their Hulme neighbourhood was becoming a 'community of ghosts' (Rose, 2024, p. 266).	The built environment of Manchester's core has rapidly transformed. Previously quite low-rise, the city is now home to many high-rise, high-density towers. For example, Deansgate Square (formerly Owen Street), has four towers, the tallest of which stands at 201 m. With 67 storeys, it is the second tallest tower in the UK.