

VALE of GLAMORGAN



BRO MORGANNWG

The Vale of Glamorgan

# Local Housing Market Assessment 2019



## Executive Summary

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This Local Housing Market Assessment (LHMA) uses the Welsh Government's approved methodology to conduct a periodic review and assessment of the housing market within the Vale of Glamorgan, fulfilling the Council's statutory duties, as set out under Section 8 of the Housing Act 1985.

This LHMA assesses the housing market in the Vale of Glamorgan; considering all geographical areas, at ward level and/or by major settlements. A range of information sources are used to feed into the assessment, including household projections, homelessness data, house prices, rental prices, household incomes, the Homes4U social housing register, Aspire2Own low cost home ownership database, social housing stock turnover and projected housing supply data.

In assessing the housing market, the LHMA calculates the net need for affordable housing, including social rented housing, intermediate rented housing and low-cost home ownership housing products, over the coming five years.

The headline annual need for affordable housing in the Vale of Glamorgan from 2019 to 2024 is: **890 units per annum**, comprising:

- 799 units of social rented accommodation
- 70 units of intermediate rented housing
- 21 units of low-cost home ownership

It should be noted at this point that an LHMA does not provide a definitive target figure for affordable housing. The assessment should be considered an art and not a science, as the data is only correct at the time the calculation is conducted (between September and December 2019) and should only be used as a periodic review of the housing market.

In addition, whilst it is necessary to provide a net affordable housing figure across all property types, affordable tenures and areas, this figure in itself is highly misleading as it distorts differences in submarket areas, tenures and property types required. In particular, the need for social rented accommodation is masked by accommodation which is either considered to be surplus or has a relatively high turnover rate, due to the nature of the LHMA calculation.

Consequently, even if the headline gross social housing need of 890 was delivered every year in the Vale of Glamorgan, this would by no means meet the actual need present in many of the housing market areas. Hence, more consideration should be given to the specific need identified by property type and size within each housing market area as summarised within the assessment.

The LHMA informs the Local Development Plan and provides evidence for the need for affordable housing in the Vale of Glamorgan. Operationally, it also provides a tool to negotiate affordable housing provision on planning applications, allocate Social Housing Grant and inform strategic housing priorities at the local level.

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# 1 Introduction

## 1.1 LHMA 2015 - 2019

### Previous Local Housing Market Assessment

The Local Housing Market Assessment (LHMA) 2017 provided an up to date picture of the housing market information in the Vale of Glamorgan, this has now been reviewed to give an updated view as at 2019. The methodology for the LHMA is discussed in the next section, but it should be noted at this point that an LHMA does not provide a definitive target figure for affordable housing. The assessment should be considered an art and not a science, as the data is only correct at the time the calculation is conducted and should only be used as a periodic review of the housing market.

Figure 1 Map of Vale





## 1.2 ASSESSMENT AND METHODOLOGY

### Overview of Assessment and Methodology

The updated LHMA 2019 in common with previous LHMA's assesses the housing market in the Vale of Glamorgan; considering all geographical areas, at ward level, an overview of population statistics, and a quantitative assessment of housing need.

The housing market includes a range of tenures which vary in cost, both between the tenure types and from area to area. The tenures range from home ownership, private rented and intermediate housing to social rented accommodation.

Historically, only households in need of social rented accommodation have been considered to be in housing need. However, the on-going economic climate with increasing housing costs putting pressure on household incomes has resulted in many households being unable to afford their housing and living costs, leading to households being squeezed out of the home ownership and private rented sectors and being left in need of alternative forms of affordable housing. These alternative forms of affordable accommodation include properties available for intermediate rent and low-cost home ownership.

For the purposes of the LHMA, affordable housing is defined as: 'housing provided to those whose needs are not being met by the market' and should: -

- Meet the needs of eligible households, including availability at a low enough cost for them to afford, determined regarding local incomes and local house prices.
- Include provision for the home to remain affordable for future eligible households (affordable in perpetuity), or if a home ceases to be affordable or stair-casing to full ownership takes place, any subsidy should generally be recycled to provide replacement affordable housing.
- Include social rented housing, intermediate rented housing and low-cost home ownership opportunities.

Social rented housing is that provided by local authorities and registered social landlords.

Intermediate housing is that where prices or rents are above those of social rent but below market housing prices or rents. Affordable housing differs to market housing, which is classed

as private housing for sale or rent where the price is set in the open market and their occupation is not subject to control by the Local Planning Authority.

In assessing the housing market, the LHMA specifically estimates the need for affordable housing, including social rented housing, intermediate rented housing and low-cost home ownership products, over the coming years. This process can be explained using the bathtub analogy, which was originally conceptualised by Bramley et al as illustrated in figure 2.

**Figure 2 Bathtub**



In common with the previous LHMA, this update considers housing data and need across 12 housing market areas in the Vale of Glamorgan; outside of Barry and Penarth and Llandough these areas are coterminous with the ward boundaries. Primarily Barry, and Penarth and Llandough combined are considered standalone areas which are made up of eight and five separate wards respectively as in figure 3.

**Figure 3 Market Areas by Ward**

<b>LHMA Housing Market Areas</b>		
Barry	Llantwit Major	St Athan
Cowbridge	Penarth and Llandough	St Brides Major
Dinas Powys	Peterston-Super-Ely	Sully
Llandow/Ewenny	Rhose	Wenvoe

## 2 Household Projections and changes from 2017

### 2.1 PROJECTED GROWTH AT WARD LEVEL

#### New households

The LHMA in 2015 used the 2011 Census data and the local authority household projections as published by Welsh Government (WG) in 2008. In 2017 the revised projections published by WG in 2014 were used which estimated that the number of households in the Vale of Glamorgan would have grown to 56,757 by 2022. WG issued updated household projections on the 21<sup>st</sup> October 2019 for the 2018-based household projection. However, on the 22<sup>nd</sup> May 2020, the ONS released a notice highlighting an error in the 2018-based projections, and the 2018-based projections were withdrawn until ONS corrected the error. Therefore the 2019 LHMA was produced using the 2014 projections which predict the number of households in the Vale of Glamorgan will increase to 57,240 by 2024, see figure 4.

Figure 4 Welsh Government Population Projection Figures

Overall Change	2019	2020	2021	2022	2023	2024	Change
1 person	17988	18251	18497	18779	19054	19303	1314
2 person (no children)	17593	17647	17685	17723	17752	17789	196
2 person (1 adult, 1 child)	2044	2057	2071	2087	2103	2116	73
3 person (no children)	3584	3569	3555	3534	3516	3498	-86
3 person (2 adult, 1 child)	3911	3905	3903	3899	3896	3894	-18
3 person (1 adult, 2 children)	1084	1079	1073	1070	1063	1054	-30
4 person (no children)	1267	1270	1275	1275	1277	1282	15
4 person (2+ adult, 1+ children)	5256	5237	5223	5205	5187	5168	-88
4 person (1 adult, 3 children)	382	384	386	388	389	388	7
5+ person (no children)	256	259	263	265	268	272	16
5+ person (2+ adult, 1+ children)	2497	2467	2439	2409	2380	2352	-145
5+ person (1 adult, 4 children)	126	125	125	125	124	123	-3
<b>Total</b>	<b>55989</b>	<b>56251</b>	<b>56494</b>	<b>56757</b>	<b>57009</b>	<b>57240</b>	<b>1251</b>

One limitation with the WG household projections is that they are only available at local authority level. It is thus necessary to estimate how this growth will be accommodated across the Vale of Glamorgan.

The projected increase in households has been disaggregated to sub local authority level using the household data % from the Census 2011 to proportion the overall population increase by ward as shown in figure 5.

**Figure 5 Annual Growth by Census Proportions**

	<b>Census All Households</b>	<b>Census Household Area Proportions</b>	<b>Total Growth</b>	<b>Annual Growth</b>
<b>Barry</b>	22167	41%	518.29	103.66
<b>Cowbridge</b>	2715	5%	63.48	12.70
<b>Dinas Powys</b>	3333	6%	77.93	15.59
<b>Llandow / Ewenny</b>	1024	2%	23.94	4.79
<b>Llantwit Major</b>	4365	8%	102.06	20.41
<b>Penarth &amp; Llandough</b>	10475	20%	244.92	48.98
<b>Peterson</b>	913	2%	21.35	4.27
<b>Rhose</b>	2811	5%	65.72	13.14
<b>St Athan</b>	1446	3%	33.81	6.76
<b>St Bride's Major</b>	1134	2%	26.51	5.30
<b>Sully</b>	2025	4%	47.35	9.47
<b>Wenvoe</b>	1097	2%	25.65	5.13
<b>Total</b>	<b>53505</b>	<b>100%</b>	<b>1251.00</b>	<b>250.20</b>

Clearly there remain two main areas of household growth, Barry which is seeing the largest increase, followed by Penarth and Llandough. This is unsurprising as these are the two largest settlements in the Vale; both are located within commuting distance of Cardiff and accessible on main public transport routes. Outside of these settlements, Llantwit Major, Dinas Powys, Rhose and Cowbridge are also key areas of household growth.

### **Housing Need Calculation**

Prior to 2015 the previous Housing Needs Assessments analysed the housing market of the Vale of Glamorgan as a whole. However, a fundamental aspect of the bi-annual LHMA's completed since 2015 is to calculate the net housing need for 'affordable housing' across different housing market areas within the county.

Housing need generally refers to households lacking their own housing or living in housing which is inadequate or unsuitable, who are unlikely to be able to meet their needs in the local housing market because they have insufficient income to satisfy their needs by accessing suitable market housing without assistance.

Local authorities have a statutory obligation to 'secure accommodation for eligible, unintentionally homeless households in priority need', although non-priority households who are homeless or reside in unsuitable housing are also entitled to apply for affordable housing. As explained at the start of this assessment, this does not only include households in need of social housing, but also the growing number in need of intermediate rented housing or low-cost home ownership.

For clarity, the definitions of affordable, social and intermediate housing are provided in figure 6 below:

### Figure 6 Affordable Housing Defined

**Affordable Housing**

Housing provided to those whose needs are not met by the open market. Affordable housing should:

- Meet the needs of eligible households, including availability at low enough cost for them to afford, determined with regard to local incomes and local house prices; and
- Include provision for the home to remain affordable for future eligible households, or if a home ceases to be affordable or stair casing to full ownership takes place, any subsidy should generally be recycled to provide replacement affordable housing.

This breaks down into two sub-categories:

- 1. Social Rented Housing**  
Housing provided by local authorities and registered social landlords where rent levels have regard to the assembly government's guideline rents and benchmark rents.
- 2. Intermediate housing**  
Housing where prices or rents are above those of social rented housing but below market housing prices or rents. This can include equity sharing schemes. Intermediate housing differs from low cost market housing, which the assembly government does not consider to be affordable housing for the purpose of the land use planning system.

In order to estimate the levels of housing need, various elements and components relating to household circumstances, market conditions and housing supply have been analysed. This data

has helped to provide an insight into way the local housing market is working, based on the current knowledge and understanding.

It is important to emphasise that even the most robust data cannot provide the 'answer' alone and that it must be subject to necessary interpretation and comprehension. Indeed, it is fundamental to consider all the evidence, make clear any assumptions where applicable, and allow for alternate scenarios.

The process helps to give a view on the extent to which the housing market is failing to meet the needs of a percentage of local households and the scale of intervention required (i.e. the type and size of affordable housing needed in different areas).

Further clarity of methodology is provided at each stage of the housing need calculation for transparency, although as previously mentioned, the process can be explained by utilising an updated version of the bathtub analogy as in figure 2.

## 2.2 NEWLY ARISING NEED FROM NEW HOUSEHOLDS

### Newly forming households in need of Social Rented Housing

As explained in section 2.1 the latest Welsh Government household projections show that **1251** additional households will form in the Vale of Glamorgan over the next five years, an average of **250 per year**. These household projections are used for the purposes of the LHMA in order to be consistent with the methodology used in the Local Development Plan.



The 250 households per annum deemed to be in need of social housing are subject to stringent allocation criteria. Therefore, although the Welsh Government output already provides projected household compositions, a more thorough assessment was required to convert these household types into property types. The existing Homes4U (common housing waiting list) Allocation Policy, as in figure 7 was utilised to determine the number of bedrooms suitable for each household category.



**Figure 7 Homes4U Allocations Policy**

<b>Accommodation Size</b>	<b>Applicants</b>	<b>Household Projections Applied</b>
One Bedroom	<ul style="list-style-type: none"> <li>▪ Couple</li> <li>▪ Single person</li> </ul>	<ul style="list-style-type: none"> <li>▪ 1 person</li> <li>▪ 2 persons (no children)</li> </ul>
Two Bedroom	<ul style="list-style-type: none"> <li>▪ Co-tenant</li> <li>▪ Single parent or couple with 1 child</li> <li>▪ Single parent or couple with 2 children of the same sex both aged under 16</li> <li>▪ Single parent or couple with 2 children of the opposite sex both aged under 10</li> </ul>	<ul style="list-style-type: none"> <li>▪ 2 persons (1 adult, 1 child)</li> <li>▪ 3 persons (no children)</li> <li>▪ 3 persons (2 adults 1 child)</li> </ul>
Three Bedroom	<ul style="list-style-type: none"> <li>▪ Single parent or couple with 2 children of the same sex where one is, or both are aged 16 or over</li> <li>▪ Single parent or couple with two children of the opposite sex</li> <li>▪ Single parent or couple with 2 children where one is, or both are aged 10 or over</li> <li>▪ Single parent or couple with three children (if two are able to share a room being under 16 and the same sex or under 10 and the opposite sex)</li> <li>▪ Single parent or couple with four children (if all children are able to share rooms)</li> </ul>	<ul style="list-style-type: none"> <li>▪ 3 persons (1 adult, 2 children)</li> <li>▪ 4 persons (no children)</li> <li>▪ 4 persons (2+ adults, 1+ children)</li> </ul>
Four Bedroom	<ul style="list-style-type: none"> <li>▪ Single parent or couple with three children (if none are able to share a room)</li> <li>▪ Single parent or couple with four children (all other)</li> </ul>	<ul style="list-style-type: none"> <li>▪ 4 persons (1 adult, 3 children)</li> <li>▪ 5 + person (no children)</li> </ul>
Five Bedroom and Larger	<p>As above, then one additional bedroom for each:</p> <ul style="list-style-type: none"> <li>▪ Person or couple living as part of the household</li> <li>▪ Two children under 16 of same gender</li> <li>▪ Two children under 10 regardless of gender</li> </ul>	<ul style="list-style-type: none"> <li>▪ 5+ person (2+ adults, 1+ children)</li> <li>▪ 5+ person (1 adult, 4+ children)</li> </ul>

## Newly forming households in need of Low-Cost Home Ownership

The first consideration was the amount that first time buyers would need to borrow to purchase a home on the open market income.

Entry level house prices in each area were obtained from Hometrack and are shown in figure 8.

**Figure 8 Entry Level House Prices by Ward**

<b>Area</b>	<b>Entry Level House Price</b>
Barry	£135,513.00
Cowbridge	£252,000.00
Dinas Powys	£157,167.00
Llandow/Ewenny	£182,764.00
Llantwit Major	£150,038.00
Penarth& Llandough	£216,415.00
Peterston	£196,667.00
Rhose	£155,247.00
St Athan	£98,854.00
St Bride's Major	£246,498.00
Sully	£195,457.00
Wenvoe	£165,000.00

The ratio of 3.5 times income was considered as a good benchmark in the past, is a simplification of the sophisticated assessments which lenders conduct on potential borrowers. These days it is more common for lenders to assess a wide range of factors such as income, expenditure, family makeup, lifestyle and job security to allow them to make an informed decision as to a borrower's likelihood of being able to meet the mortgage repayments. These complex assessments cannot be replicated in a study of this type so despite its limitations, the 3.5 times multiplier remains a pragmatic means of estimating market affordability and has been used in this assessment. This is coupled with the assumption that each newly forming household will have a deposit when required.

CACI Paycheck data was used to estimate the potential income differentials amongst the newly arising households within each ward by analysing the span of income across each area in the Vale of Glamorgan (i.e. the percentage of those earning within different £5,000 income bands). The 3.5 times multiplier was then applied to calculate the proportion able to afford a mortgage for an entry level (two bedroom) property within each area.

This exercise revealed that out of the **250** households due to form each year from 2019-24, **90** households are likely to be able to obtain a mortgage or meet their needs in the private market depending on availability of deposit and mortgage criteria. The remainder are unlikely to be able to meet their needs in the market and thus will need an alternative form of affordable housing. Using the same exercise as above on a 30% discounted entry level (two bedroom) house price in each area, it is estimated that **42** of the remaining **160** newly forming households per annum could potentially meet their housing needs through Low Cost Home Ownership (LCHO).

Property types for low cost home ownership housing are not governed by size criteria allocations and are instead based on affordability of the sale price.

### **Newly forming households in need of Intermediate Rent**

Conventionally the remaining **118** households would have been judged to need social rented accommodation. However, there are still a proportion of newly forming households estimated as having moderate incomes that are just priced out of the LCHO market. The scope for an intermediate rental product was therefore firstly considered. WG guidance suggests that such housing rental costs 'should equate to no more than approximately 30% of gross income' inclusive of any service charges. Furthermore, 80% of mean market rent is generally considered to be the basis for setting an intermediate rental value. Households were thus assessed using these criteria in each area and a total of **46** households per annum were deemed to need this product, leaving **72** per year in need of social rented housing.

This analysis is based purely on the potential rent that each household can afford rather than availability in the private rental market. It is important to consider whether there is scope within the housing market for an intermediate rental product, the target should be approximately 80% of mean market rents, whilst being at or below Local Housing Allowance rates and above benchmark rents.

Local Housing Allowance Rates are low across the Vale of Glamorgan, even when considered in the areas with the lowest rental values, so the introduction of an intermediate product priced at 80% of market rent would in most areas exceed LHA. Conversely, in one area of the Vale 80% of market rent is lower than the average benchmark social rent and so again would not be possible. This combination of factors presents little scope in the housing market for delivery of a standard intermediate rental product. However, the need for intermediate rent (irrespective of market conditions) is presented separately in case alternative models arise in the market throughout the LHMA period.

Property types for intermediate and low-cost homeownership housing are not governed by size criteria allocations used for social rented and are instead based on sale or rental price affordability

### Total Annual Newly Arising Need by Tenure

Successively the total estimated newly arising need for all tenures of affordable housing is shown in figure 9 below; disaggregated by property size and housing market area. This represents the newly arising **annual need** to be addressed over the assessment period, rounded off.

**Figure 9 Annual Arising Need by Tenure**

	Total Growth	Able to Access market	% Scope for LCHO	Number in need of LCHO	% Scope for Intermediate Rent	Number in need of Intermediate Rent	% Scope for Social Rent	Number in need of Social Rent
<b>Barry</b>	103.66	41.26	0.17	17.22	0.10	10.56	0.33	34.62
<b>Cowbridge</b>	12.70	3.07	0.18	2.35	0.35	4.42	0.23	2.86
<b>Dinas Powys</b>	15.59	4.02	0.15	2.31	0.37	5.75	0.22	3.50
<b>Llandow/Ewenny</b>	4.79	1.47	0.22	1.06	0.35	1.66	0.13	0.60
<b>Llantwit Major</b>	20.41	10.15	0.17	3.43	0.09	1.91	0.24	4.92
<b>Penarth&amp; Llandough</b>	48.98	10.95	0.19	9.32	0.29	13.99	0.30	14.72
<b>Peterston</b>	4.27	2.73	0.13	0.56	0.00	0.00	0.23	0.98
<b>Rhose</b>	13.14	6.57	0.15	1.93	0.16	2.11	0.19	2.54
<b>St Athan</b>	6.76	3.55	0.09	0.62	0.10	0.69	0.28	1.91
<b>St Bride's Major</b>	5.30	1.66	0.17	0.91	0.37	1.96	0.15	0.78
<b>Sully</b>	9.47	3.08	0.18	1.72	0.23	2.17	0.26	2.50
<b>Wenvoe</b>	5.13	1.53	0.17	0.85	0.22	1.12	0.32	1.63
<b>TOTAL</b>	250.20	<b>90.04</b>		<b>42.26</b>		<b>46.34</b>		<b>71.56</b>
<b>TOTAL (Rounded Off)</b>	<b>250</b>	<b>90</b>	<b>0</b>	<b>42</b>	<b>0</b>	<b>46</b>	<b>0</b>	<b>72</b>

### 2.3 NEWLY ARISING NEED FROM EXISTING HOUSEHOLDS

Another element of newly arising need stems from existing households 'falling' into this category each year. This essentially includes those households that were previously housed satisfactorily but encountered some form of difficulty or hardship (financial or personal).



The WG suggests that recent trends are most useful to estimate the number of affected households that will come forward each year of the LHMA period. To help understand the extent to which households have fallen behind on their mortgages or rent in the Vale of Glamorgan, the Ministry of Justice provide data on county court mortgage and landlord possession actions.

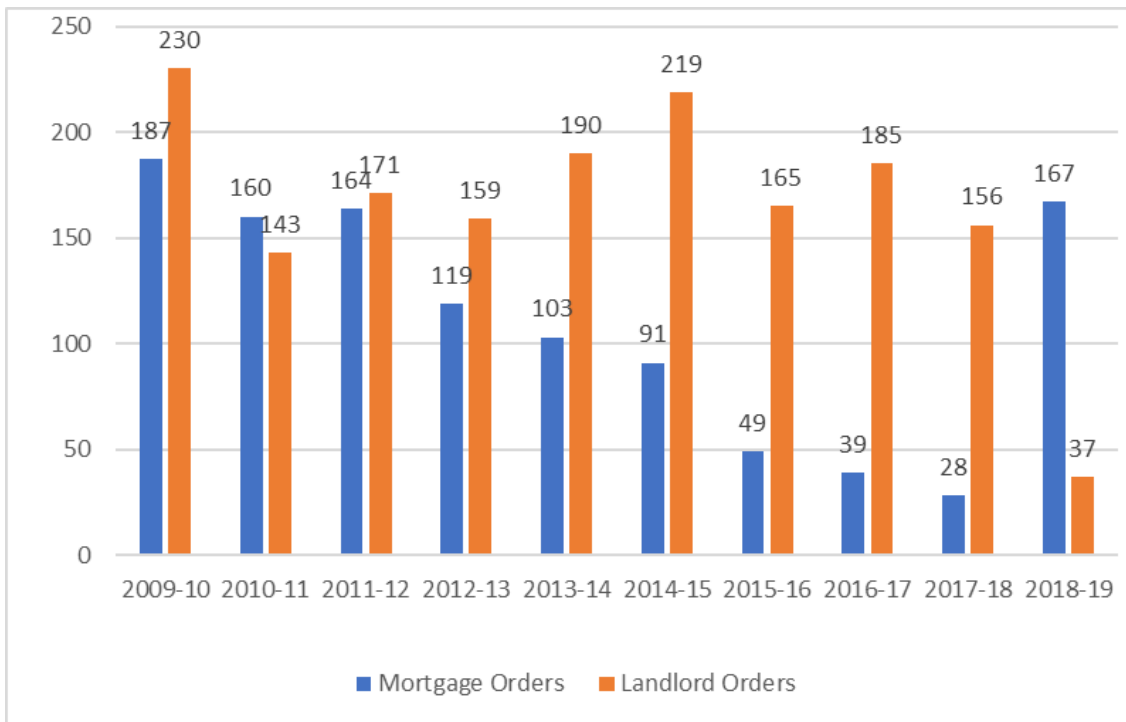
A mortgage or landlord possession action starts when a mortgage lender or landlord completes and submits a claim to the courts to repossess a property. The most common reason for repossession is arrears of mortgage or rent. The court process of repossessing a property broadly follows four stages:

1. A claim for a mortgage or landlord possession being issued by a mortgage lender or a landlord;
2. An order being made by the County Court. This can either be an outright order that the property is to be recovered by a specific date, or a suspended order that is suspended as long as the defendant complies with conditions specified in the order;
3. If the defendant fails to leave the property by the date given in the order or does not meet the terms of a suspended order, the order may be enforced by a warrant of possession. This authorises the county court bailiff to evict the defendant from the property. The bailiff then arranges a date to execute the eviction; and,
4. Repossession by a County Court bailiff. Repossessions may occur without county court bailiffs carrying out the repossession through less formal procedures, so the total number of repossessions is greater than the number of repossessions carried out by county court bailiffs. Total figures for mortgage repossession are also included.

The chart in figure 10 displays the headline statistics for the Vale of Glamorgan. It is important to emphasise that these are court caseload figures for each year irrespective of when the original claim was issued. Therefore, the bars do not represent in-year case progression. In totality, 2008-09 saw the highest number of mortgage and landlord orders

issued (497); this has since fallen which may reflect the emphasis on homelessness prevention in the Housing [Wales] Act 2014 as following intervention some households will resolve their housing difficulties.

**Figure 10 Repossession Caseload Data for Vale of Glamorgan**



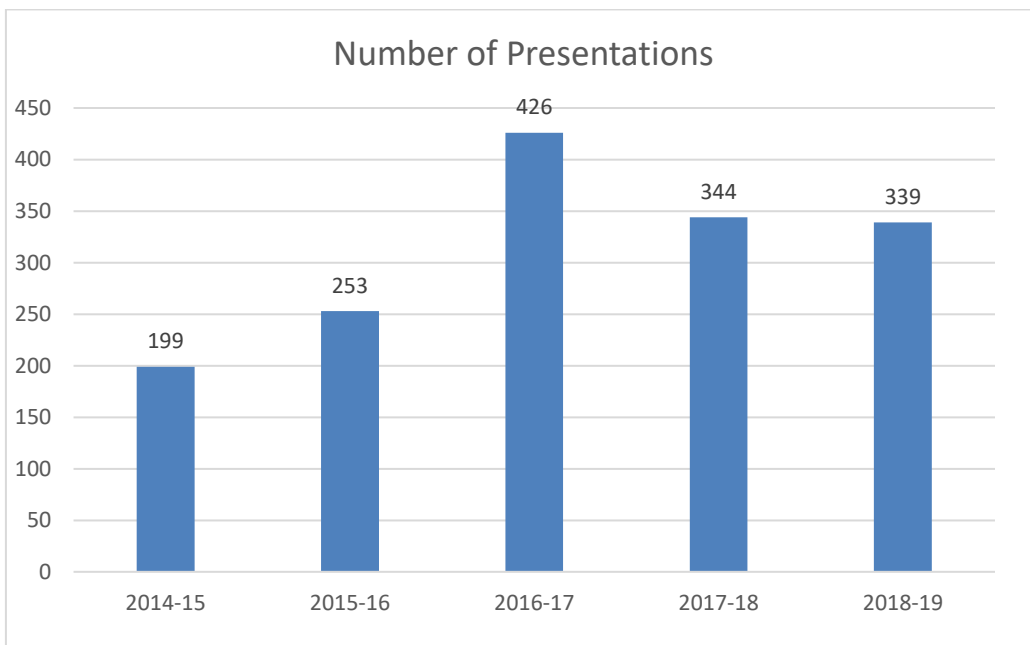
Local court repossession figures for home owners are not available for the Vale of Glamorgan, although the Ministry of Justice (MOJ) analysis of national trends shows that the numbers of claims progressing to order, warrant and repossession fell following the introduction of the Mortgage Pre-Action Protocol in November 2008, although there has been a slight increase in number for the year 2018-19.

Whilst MOJ data helps to provide an overview of the number of households affected by mortgage and landlord repossessions, it has limitations and provides no information on the type of household types who fall into homelessness via this route. In terms of estimating need it is therefore more accurate to analyse the type of homelessness presentations made to the local authority over the same period as the MOJ data and project the number forward over the LHMA period.

### Homelessness presentations

The chart in figure 11 shows the annual number of homeless presentations in the Vale of Glamorgan. In the past the number of mortgage and landlord orders issued was higher than the number of homelessness presentations made to the local authority. Since 2016 however homeless presentations have consistently exceeded the number of mortgage and landlord orders issued. This is likely to be due to more households presenting themselves as homeless due to the impacts of the recession and welfare reform. So, whilst the number of mortgage repossessions appearing in court has reduced, the number of households presenting with financial difficulties to the local authority has not reduced significantly.

Figure 11 Homelessness Presentations



To provide an estimate of the level of presentations that will be made to the local authority each year of the LHMA period an average has been taken of the presentations over the five-year period considered above. As such, it is expected that there will be an annual average of **312** household presentations made each year to the local authority. It should be noted that following implementation of the Housing [Wales] Act 2014 there has been an increase in the numbers presenting. For clarification, this figure includes all households presenting to the Council as

homeless or potentially homeless, both priority and non-priority homelessness cases, as the latter are still in need of suitable affordable housing and are included in the Homes4U data.

The number of cases accepted as unintentionally homeless however is much lower and is shown in figure 12. The average of accepted cases for the last 5 years of **153.6** has been used in the calculations.

**Figure 12 Homelessness Applications Accepted as Unintentional**

Average From Homelessness Presentations							
Beds	2014/15	2015/16	2016/17	2017/18	2018/19	Average	Average %
<b>1 Bed</b>	120	106	45	88	71	86	55.99%
<b>2 Bed</b>	79	53	24	24	34	42.8	27.87%
<b>3 Bed</b>	30	29	10	12	11	18.4	11.98%
<b>4 Bed</b>	6	11	7	6	2	6.4	4.16%
	<b>235</b>	<b>199</b>	<b>86</b>	<b>130</b>	<b>118</b>	<b>153.6</b>	<b>100.00%</b>

It is also fundamental to consider the type of households that are likely to fall into housing need over the LHMA period. Analysis of the September 2019 figures shows that the vast majority of housing applicants considered to be homeless or potentially homeless have been in need of one-bedroom properties (60%), with a smaller proportions needing two bedroom (29%), three bedroom (9%) and four bedroom properties (2%). The demand for small properties is perhaps no surprise with the projected number of single persons, couples with no children and single parents growing, and also the option available prior to the removal of the Spare Room Subsidy for households to be allocated a property larger than they required if there was a surplus of larger housing stock available.

The annual need for each property size, arising from people who are accepted as unintentionally homeless and to whom the council has a duty, is translated to ward level using homeless application trends.



The percentage of each property size required is disaggregated to ward level, using the proportion of households residing in each ward as in figure 13.

**Figure 13 Accepted Homelessness Cases by Ward and Household Type**

Ward	Census - All Households	Census Household Area Proportions	Prop applied to average	1 Bed	2 Bed	3 Bed	4 Bed
Barry	22167.00	0.41	63.64	35.63	17.74	7.62	2.65
Cowbridge	2715.00	0.05	7.79	4.36	2.17	0.93	0.32
Dinas Powys	3333.00	0.06	9.57	5.36	2.67	1.15	0.40
Llandow/Ewenny	1024.00	0.02	2.94	1.65	0.82	0.35	0.12
Llantwit Major	4365.00	0.08	12.53	7.02	3.49	1.50	0.52
Penarth& Llandough	10475.00	0.20	30.07	16.84	8.38	3.60	1.25
Peterston	913.00	0.02	2.62	1.47	0.73	0.31	0.11
Rhoose	2811.00	0.05	8.07	4.52	2.25	0.97	0.34
St Athan	1446.00	0.03	4.15	2.32	1.16	0.50	0.17
St Bride's Major	1134.00	0.02	3.26	1.82	0.91	0.39	0.14
Sully	2025.00	0.04	5.81	3.25	1.62	0.70	0.24
Wenvoe	1097.00	0.02	3.15	1.76	0.88	0.38	0.13
<b>Total</b>	<b>53505.00</b>	<b>1.00</b>	<b>153.60</b>	<b>86.00</b>	<b>42.81</b>	<b>18.40</b>	<b>6.39</b>
<b>Total (Rounded off)</b>	<b>84843</b>	<b>159%</b>	<b>154</b>	<b>86</b>	<b>43</b>	<b>18</b>	<b>6</b>

The legislative changes introduced from April 2015 changed the way the local authorities are required to treat people who present as homeless, with a greater emphasis on preventing homelessness and relieving it in the cases where it cannot be prevented.

## 2.4 BACKLOG OF NEED FOR AFFORDABLE HOUSING

The backlog of need for affordable housing can be generically defined as, ‘the current number of households who are in housing need and unable to meet their needs in the market’. Traditionally, these only included households waiting for social rented accommodation, captured by analysing households registered with Homes4U (the common housing waiting list).



Whilst this source is still useful, it is no longer the only data source that forms the backlog of housing need. As previously explained, an increasing proportion of households are ‘squeezed’ out of the current housing market and are left in need of an alternative form of affordable accommodation, such as intermediate rented or low-cost home ownership. The Council operates Aspire2Own, a register for those first-time buyers in a financially stable position, yet still unable to purchase a home outright without assistance. This source of data is used with Homes4U to assess the total backlog of housing need in the Vale of Glamorgan.

### 3.3.1 Backlog of need for Social Rented Housing

Homes4U was established in the Vale of Glamorgan in 2003, so has been in operation for 17 years. The principal aim of Homes4U is to offer service users a single point of contact for applying for social housing within the Vale of Glamorgan. The Council operate the common housing waiting list on behalf of the Council’s landlord service and the four housing associations with stock in the county:

- Hafod Housing Association
- Newydd Housing Association
- United Welsh Housing Association
- Wales and West Housing Association

All households and individuals in need of social housing in the Vale of Glamorgan are registered with Homes4U and no separate registers are held by the individual social landlords. Re-registration of applicants is conducted on a rolling basis, on average every 18 months, and a complete re-registration of applicants was last carried out in January 2017. This provides a single principal source of data to measure the backlog of housing need for social rented properties in the Vale of Glamorgan. Homes4U provides useful information on household characteristics, sizes, property types required and first choice areas. Applicants can choose the properties they wish to

be considered for by 'bidding' on them when they are advertised. This means that applicants can choose any areas they would consider moving to. However, on the Homes4U application form they are asked to select their first choice area purely for statistical purposes. This selection is not related to the housing application in any other way and therefore ensures that it is not fettered by availability of accommodation.

Before proceeding with the analysis, it is imperative to outline three caveats that are integral to understanding the social housing backlog. Firstly, in order to enable an analysis of Homes4U, a snapshot of households waiting on the Register was taken on 30<sup>th</sup> September 2019 (a total of 5986 households were registered at this time); disaggregated by the first-choice area, property size (number of bedrooms) and property type (general needs, adapted or sheltered housing) selected by each applicant. Homes4U data also captured all those homeless households deemed to be in priority need and to whom the local authority has a statutory duty to assist, together with non-priority homelessness cases in housing need. The data is only correct on the day of the snapshot; there are new registrations every week and the number of households registered continues to increase until a re-registration process takes place. The backlog of social housing used in the LHMA is likely to be an underestimation as people register daily so information on the need for social housing should always be supplemented by 'live' waiting list data.

Secondly, although housing registers provide a good estimation of existing households in need, they can also include a proportion of households who are not in need. Prior to being accepted onto the register applications are assessed according to the Homes4U Policy and then banded according to their level of housing need as in figure 14. However, there are few restrictions in terms of income or affordability, as it is recognised that in the Vale of Glamorgan house prices and rental levels can differ significantly and so setting a maximum income level would exclude people in more expensive areas. For example, a household with connections to the rural Vale (i.e. family support, employment, children in local schools) may not be able to afford to rent privately or buy a home there, whereas they would be able to in a cheaper or more urban location. Whilst the household may consider moving areas to be able to afford to buy/rent, it is also recognised that there are benefits to households being able to remain in the communities they grew up in, work in and have connections to, so in order to ensure that the social housing backlog is an accurate snapshot as possible, each household's income was subject to a secondary analysis compared to house prices and market rents.

*Thirdly*, applicants waiting for adapted or accessible accommodation were scrutinised in accordance with national guidance in order to separate applicants in need of minor adaptations from those in need of significant adaptations and purpose-built properties. Applicants in need of significant adaptations and purpose-built properties were identified by their 'Accessible Home' banding which is based on a medical and / or occupational therapy assessment.

**Figure 14 Allocation Banding Priorities**

BAND / PRIORITY LEVEL	
<p><u>Gold</u></p> <p>Priority Band 1</p> <p>Priority Group</p>	<p>The applicant/s</p> <ul style="list-style-type: none"> <li>▪ has/have been accepted as statutorily homeless by the Council and issued a Priority Card.</li> <li>▪ live in private rented accommodation that is subject to a Prohibition Order, and recovery of the premises is required in order to comply with the Order as defined by Section 33 Housing Act 2004.</li> <li>▪ Has/have been assessed by the HOMES4U Lettings Panel and awarded a medical priority for rehousing.</li> <li>▪ is/are the tenant/s of a participating landlord and under-occupying their current accommodation (in line with the Homes4U Matrix)</li> <li>▪ is/are the tenant/s of a participating landlord and must transfer under an approved re-designation or regeneration programme.</li> <li>▪ current accommodation is overcrowded as defined by the Housing Act 1985 and where a Category 1 hazard has been identified under the provisions of the Housing Act 2004.</li> <li>▪ Is/are a licensee of a Supported Housing Project and require move on accommodation</li> </ul>
<p><u>Silver</u></p> <p>Property Band 2</p> <p>Urgent Group</p>	<p>The applicant/s</p> <ul style="list-style-type: none"> <li>▪ is/are lodging with friends and family and sharing facilities in your current home.</li> <li>▪ do not live with their family (spouse/partner and children) and want to live with them.</li> <li>▪ is/are a Key Worker/s who has/have been offered a full-time job in the Vale of Glamorgan and need accommodation under a recognised key worker scheme.</li> <li>▪ is/are un-intentionally homeless but have been determined as not in 'priority need'.</li> <li>▪ is/are un-intentionally homeless and not owed a duty by the Local Authority.</li> <li>▪ has/have a child under 10 and live in a flat above ground floor level (without a lift).</li> <li>▪ need to move closer to receive essential support/care services or to assist their family with day-to-day living.</li> <li>▪ relationship with their spouse/partner has broken down and they want to live separately.</li> <li>▪ is/are overcrowded by at least one bedroom in their current accommodation.</li> <li>▪ is/are threatened with homelessness.</li> <li>▪ is/ are roofless.</li> </ul>
<p><u>Bronze</u></p> <p>Priority Band 3</p>	<ul style="list-style-type: none"> <li>▪ All other Applicants that are tenants of the Council or Registered Social Landlord and live in accommodation that is sufficient for their needs.</li> <li>▪ All other applicants with no apparent housing need or not covered by any other category as outlined above.</li> </ul>

Figure 15 shows the **gross** backlog of need taken from the Home4U waiting list for social rented housing to be addressed **each year** of the LHMA period. (5986 divided by 5 = 1197) As is

evident, most households on the Homes4U require general needs accommodation with either one or two bedrooms

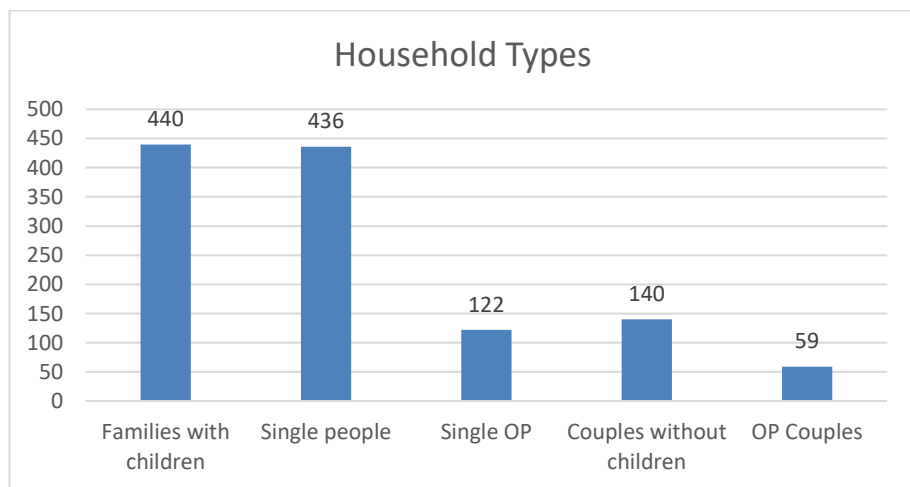
**Figure 15 Backlog of Need for Social Rent from Homes4U Waiting List**

Bedrooms	Accessible Housing					General Housing					Older Persons			
	1.00	2.00	3.00	4.00	0.00	1.00	2.00	3.00	4.00	0.00	1.00	2.00	0.00	
<b>Barry</b>	9.60	5.00	2.40	1.00	18.00	352.20	187.60	73.20	19.00	632.00	19.80	5.60	25.40	<b>675.40</b>
<b>Cowbridge ward</b>	0.20	0.20	0.80	0.00	1.20	25.80	18.40	6.60	1.20	52.00	1.00	0.40	1.40	<b>54.60</b>
<b>Dinas Powys ward</b>	1.20	0.60	0.00	0.20	2.00	24.00	18.60	6.60	1.80	51.00	2.60	0.80	3.40	<b>56.40</b>
<b>Llandow/Ewenny ward</b>	0.00	0.00	0.00	0.00	0.00	2.40	2.60	0.40	0.40	5.80	0.00	0.00	0.00	<b>5.80</b>
<b>Llantwit Major ward</b>	0.60	0.40	0.20	0.40	1.60	31.60	22.60	11.60	3.20	69.00	3.20	1.60	4.80	<b>75.40</b>
<b>Penarth &amp; Llandough</b>	3.40	0.80	1.20	0.20	5.60	90.80	59.80	20.40	4.60	175.60	5.20	1.80	7.00	<b>188.20</b>
<b>Peterston-S-Ely ward</b>	0.00	0.00	0.00	0.00	0.00	3.40	2.00	1.60	0.60	7.60	0.40	0.20	0.60	<b>8.20</b>
<b>Rhose ward</b>	0.00	0.20	0.00	0.20	0.40	17.60	17.00	5.60	1.00	41.20	1.20	0.00	1.20	<b>42.80</b>
<b>St Athan ward</b>	0.20	0.20	0.00	0.00	0.40	9.60	9.80	4.40	1.20	25.00	1.00	0.20	1.20	<b>26.60</b>
<b>St Brides Major ward</b>	0.00	0.20	0.00	0.00	0.20	6.00	3.60	1.20	0.40	11.20	0.00	0.00	0.00	<b>11.40</b>
<b>Sully Ward</b>	0.20	0.00	0.00	0.00	0.20	5.60	2.80	0.80	0.20	9.40	0.20	0.00	0.20	<b>9.80</b>
<b>Wenvoe ward</b>	0.40	0.20	0.40	0.00	1.00	18.00	16.20	5.20	1.80	41.20	0.20	0.20	0.40	<b>42.60</b>
<b>(blank)</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>Total</b>	15.80	7.80	5.00	2.00	30.60	587.00	361.00	137.60	35.40	1121.00	34.80	10.80	45.60	<b>1197.20</b>
<b>TOTAL (Rounded off)</b>	<b>16</b>	<b>8</b>	<b>5</b>	<b>2</b>	<b>31</b>	<b>587</b>	<b>361</b>	<b>138</b>	<b>35</b>	<b>1121</b>	<b>35</b>	<b>11</b>	<b>46</b>	<b>1197</b>

It is possible to provide some further context to the nature of the 1197 applicants registered with Homes4U in terms of the household composition, income and level of housing need. However, it is not possible to provide this analysis for those on the Aspire2Own register deemed unable to afford either LCHO or IR as we do not collect this information at present.

The chart in figure 16 shows most of the 1197 households registered with Homes4U are families with children 37% followed by single people 36%. The minority of applicants are single older people (10%), couples without children (12%) and older couples (5%).

**Figure 15 Applicants by Household Type based on annual number**

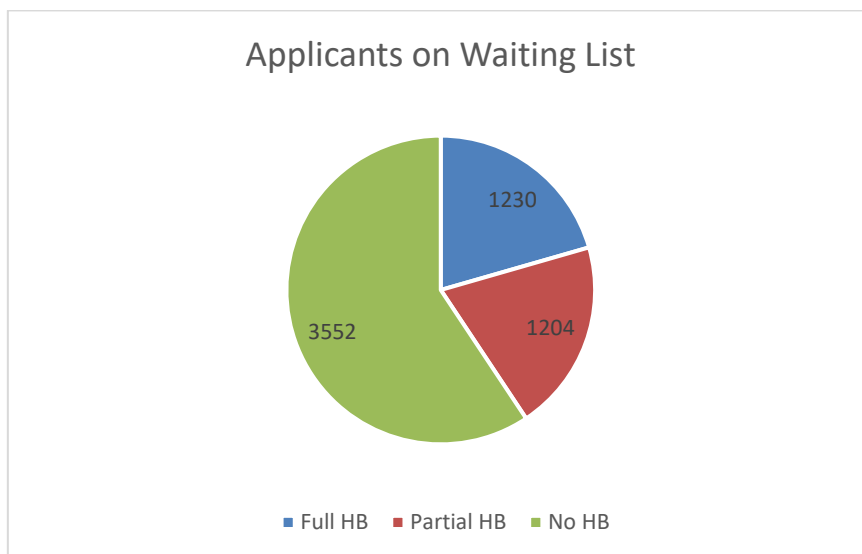


The household income of the 5986 Homes4U applicants has also been analysed and income levels and sources varies significantly.

There are 2502 people on the waiting list with no earned income, the majority being single people of all ages, with or without children. Of the 58% of Homes4U applicants who have an earned income from employment; most of these households (36%) earn between £100 and £199 per week, followed by 21% of households earning £200 – £299 per week. A minority of households earn £400 - £499 per week (8%) and £500+ per week (6.5%). It should be recognised that households on what may appear to be a 'good' household income may still not be able to afford to rent privately in their local area, for example households in the most expensive rural communities, or they may not be able to afford or access a home suitable for their needs, for example an adapted or accessible home.

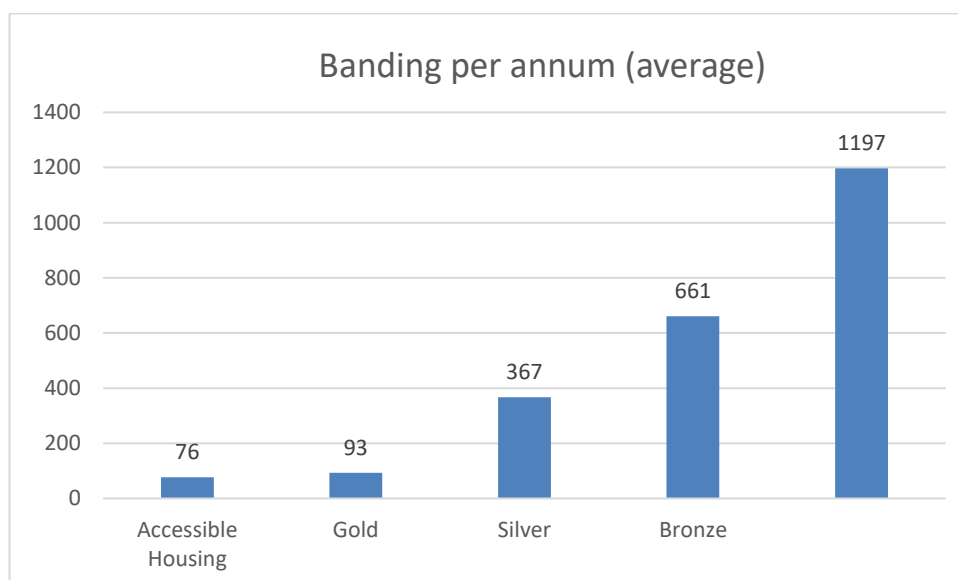
Further to the information relating to income. The information in figure 17 provides information about households in receipt of Housing Benefit in 2019. The number of applicants on the Homes4U list in receipt of housing benefit has dropped again to 40% from 43% in 2017 and 65.5% in 2015 and is most likely due to the applicants having no home of their own on which to claim housing benefit. Of those claiming housing benefit half are receiving partial housing benefit reflecting the need of those in employment and on low income who are receiving help with their rent.

**Figure 17 Applicants on Homes4U and Housing Benefit**



Each Homes4U Applicant is given a banding based on their housing circumstances and level of housing need. An illustration of applicant’s bandings at the time of the snapshot taken for the purposes of the LHMA in September 2019 and broken down on an annual basis is shown in figure 18: -

**Figure 18 Applicants in each band**





An explanation of the banding system can be found in figure 14. Broadly speaking, most applicants are in the lowest level of housing need, with the number of applicants then reducing as the severity of housing need increases.

**6%** of applicants have an Accessible Homes banding; this banding is for households where a member is disabled, has mobility issues or a chronic illness and may need a property which is accessible or adapted to meet their needs. This includes a small number of people with a very high priority as they are awaiting release from hospital to a suitable home.

**8%** of households have a Gold banding; this is the highest priority banding and for households with the highest level of housing need. Within this banding there are separate categories defined by the type of housing need, including those who are statutory homeless or adversely affected by the bedroom tax and under-occupying their home so needing to down-size to avoid rent arrears.

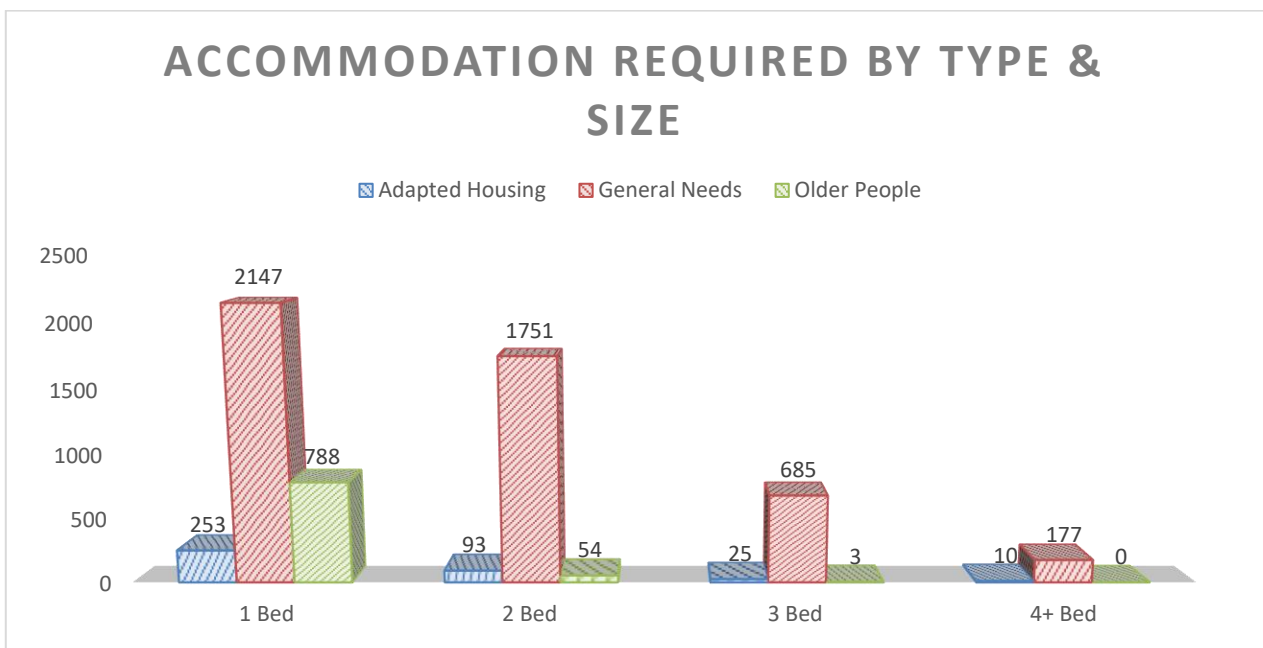
**31%** of households have a Silver banding; this banding is for households in an urgent housing need. Within this banding the three categories with the highest number of applicants are those who: are sharing facilities, non-statutory homeless and over-occupying; lacking at least one bedroom.

**55%** of households have a Bronze banding; this banding is for households who are currently living in accommodation suitable for their needs or in no apparent housing need. Within this banding the three categories with the highest number of applicants are those who are in low housing need and those registered because they will at some point need to move on from supported accommodation, but who are not currently ready to live independently.

More than half of the total number of applicants on the waiting list of 5986 deemed to be in need of social rented housing, require one-bedroom accommodation; this is closely followed by those in need of two bedroom properties, although there is also a significant need for larger general needs accommodation, see figure 19.

There is also a significant need for older person’s accommodation, most of which is for one-bedroom properties. As older people are currently exempt from the housing benefit restrictions on spare rooms, they will be eligible for 2-bedroom accommodation which is generally the preferred option. Accommodation for older people has changed over recent years and traditional types of accommodation such as bedsits are now unpopular.

**Figure 19 Applicants by Bedroom Size and Type of Housing**



### 3.3.2 Backlog of need for Low Cost Home Ownership

The Aspire2Own register has been operating in the Vale of Glamorgan for over nine years. Registered households are simply expressing an interest in low cost home ownership and wish to be kept informed of housing opportunities when they are available. There is no restriction on the households who can register and often people will register for the future while they save for a deposit. Applicants are not subject to the same allocation criteria for different property sizes as that used for social rented. Basic information is held on each applicant including area preferences, income, employment details and current living arrangements.

A snapshot of the Aspire2Own register was taken on 30<sup>th</sup> September 2019, to enable an analysis of householder preferences and affordability at that point in time, there were **560** applicants on

the register. The register tends to be supply led and more households register when there is a lot of activity on the development front.

An initial analysis of the 560 applicants registered with Aspire2Own looked at whether each registered household would be able to afford LCHO or would be better suited to intermediate rent. The 3.5 times income multiplier was used to assess each household's capacity to borrow based on their current income levels. This was compared to the income needed to afford a 30% discounted entry level (two bedroom) average house price as per the table in figure 20.

**Figure 20 Income needed to enter housing market by Ward**

	<b>Entry Level House Price</b>	<b>Income Required for Mortgage</b>	<b>Income Required for 70% Mortgage</b>
<b>Barry</b>	£135,513	£38,718	£27,103
<b>Cowbridge</b>	£252,000	£72,000	£50,400
<b>Dinas Powys</b>	£157,167	£44,905	£31,433
<b>Llandow / Ewenny</b>	£182,764	£52,218	£36,553
<b>Llantwit Major</b>	£150,038	£42,868	£30,008
<b>Penarth &amp; Llandough</b>	£216,415	£61,833	£43,283
<b>Peterson</b>	£196,667	£56,191	£39,333
<b>Rhose</b>	£155,247	£44,356	£31,049
<b>St Athan</b>	£98,854	£28,244	£19,771
<b>St Bride's Major</b>	£246,498	£70,428	£49,300
<b>Sully</b>	£195,457	£55,845	£39,091
<b>Wenvoe</b>	£165,000	£47,143	£33,000

This exercise revealed that **217** households (**43** per year) needed and could afford an LCHO product based on their current circumstances. This was further analysed into the wards of first choice as in figure 21.

**Figure 21 LCHO Areas of Choice**

First Area of Choice	Household Size								Total
	1	2	3	4	5	6	7	8	
<b>Barry</b>	5	8	6	3	1	0	0	0	23
<b>Cowbridge</b>	0	2	0	0	0	0	0	0	2
<b>Dinas Powys</b>	0	3	1	1	0	0	0	0	5
<b>Llandow / Ewenny</b>	0	0	0	0	0	0	0	0	0
<b>Llantwit Major</b>	1	1	1	1	1	0	0	0	5
<b>Penarth &amp; Llandough</b>	0	1	1	1	1	0	0	0	4
<b>Peterson</b>	0	0	0	0	0	0	0	0	0
<b>Rhose</b>	0	1	0	0	0	0	0	0	1
<b>St Athan</b>	0	1	0	0	0	0	0	0	1
<b>St Bride's Major</b>	0	0	0	0	0	0	0	0	0
<b>Sully</b>	0	0	0	0	0	0	0	0	0
<b>Wenvoe</b>	1	1	0	0	0	0	0	0	2

### 3.3.3 Backlog of need for Intermediate Rent

There are a number of households in the remaining **343** on the Aspire2Own register who are estimated as having moderate incomes and are just priced out of the LCHO market.

The scope for an intermediate rental product has been considered, using guidance issued by WG, and a total of **113** households were deemed to need this product. This figure includes people who are unable to afford to buy now, but who aspire to home ownership and are saving for a deposit. The Welsh Government has developed a new Rent First model of low cost home ownership, which will help people caught in the situation of paying high private rents and struggling to have any surplus income to save for a deposit. This was introduced from April 2019 along with a new low cost home ownership product, we have yet to see properties under these two schemes developed in the Vale.

Weekly rent levels for both entry level and intermediate rent are shown in figure 22, alongside the income needed to be able to afford intermediate rent, based on the guidelines that no more than 30% of a household's income should be spent on rent or mortgage outgoings.

**Figure 22 Entry level Intermediate Rent by Ward**

	Weekly Entry Level Rent	Weekly Intermediate Rent	Annual Intermediate Rent	Income Required for Intermediate Rent
<b>Barry</b>	£141	£113	£5866	£19,552
<b>Cowbridge</b>	£147	£118	£6115	£20,384
<b>Dinas Powys</b>	£164	£131	£6822	£22,741
<b>Llandow / Ewenny</b>	£162	£130	£6739	£22,464
<b>Llantwit Major</b>	£131	£105	£5450	£18,165
<b>Penarth &amp; Llandough</b>	£164	£131	£6822	£22,741
<b>Peterson</b>	£150	£120	£6240	£20,800
<b>Rhose</b>	£146	£117	£6074	£20,245
<b>St Athan</b>	£114	£91	£4742	£15,808
<b>St Bride's Major</b>	£204	£163	£8486	£28,288
<b>Sully</b>	£167	£134	£6947	£23,157
<b>Wenvoe</b>	£161	£129	£6698	£22,325

Using the above guidelines **113 (23 per year)** households were identified as being able to afford intermediate rent, shown below by ward in figure 23:-

**Figure 23 Areas of Choice Intermediate Rent**

First Area of Choice	Household Size							Total
	1	2	3	4	5	6	7	
<b>Barry</b>	4	3	3	1	0	0	0	11
<b>Cowbridge</b>	0	1	0	0	0	0	0	1
<b>Dinas Powys</b>	1	0	0	0	0	0	0	1
<b>Llandow / Ewenny</b>	0	0	0	0	0	0	0	0
<b>Llantwit Major</b>	1	1	1	1	1	1	0	6
<b>Penarth &amp; Llandough</b>	0	0	1	1	0	0	0	2
<b>Peterson</b>	0	0	0	0	0	0	0	0
<b>Rhose</b>	1	1	0	0	0	0	0	2

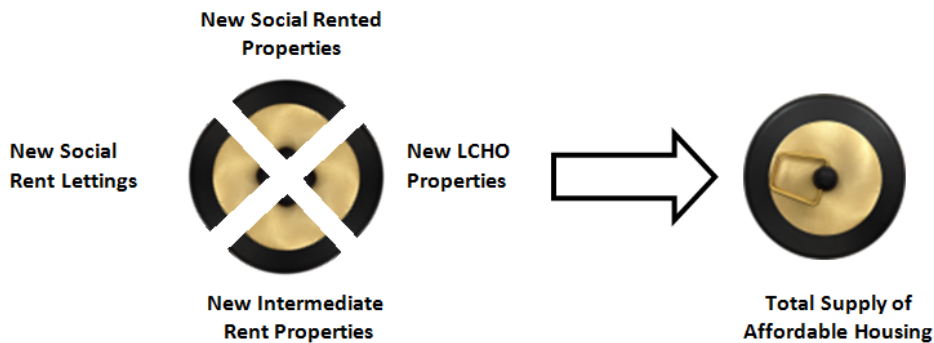
The remaining households whilst being registered with Aspire2Own and thus aspiring to home ownership are unable to afford a low-cost home ownership or intermediate rented product. Therefore, these households are considered to need social rented housing at least in the short term. There are 230 on the Aspire2Own register (46 per year.) who are in this category, and we

have not included them with the general waiting list figures, as we believe they are already on the Homes4U waiting list and to include them would be double counting.

### 3 Affordable Housing Supply

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Figure 24 Bath Plug



To counterbalance the gross housing need already outlined, the supply of affordable units expected to come forward over the next five years also has to be considered. This is possible by conducting a trend-based analysis of annual lettings within the existing social housing stock and forecasting the quantity of new affordable housing planned to be built and/or acquired over the LHMA period (including LCHO and intermediate rental properties as well as social rented units). This combined supply of affordable housing units from the three tenures effectively forms the plughole from the bath analogy as shown in figure 24.

#### 3.1 PROJECTED SOCIAL RENTED LETS

The first consideration is therefore the anticipated number of social lets from existing properties that will come forward each year of the LHMA period, 'this can be calculated on the basis of past trends' and 'generally the average number of re-lets over the last three years should be taken as the predicted annual level'. Consequently, the total number of social lets over this period were obtained for Council owned social housing and the four local housing association. Information was collected on the type of property, size and location. These trends were converted into an annual average to provide an anticipated level of lettings per annum over the next five years.

In the three years 2016-17, 2017-2018 and 2018-19 the average number of relets was 489, disaggregated to ward and property type/size as in figure 25

**Figure 25 Annual Re-lets of Social Rented Properties by size, type and ward**

COMMITTED SUPPLY	ACCESSIBLE HOUSING				GENERAL NEEDS				OLDER PERSONS			TOTAL
	Ward	1.00	2.00	3.00	4+	1.00	2.00	3.00	4+	1.00	2.00	
Barry	15.00	6.33	5.67	1.67	47.67	81.33	63.33	4.67	60.00	5.67	1.67	293.00
Cowbridge	0.00	0.33	0.00	0.00	1.33	2.00	1.33	0.00	6.67	0.33	0.00	12.00
Dinas Powys	0.33	1.33	0.33	0.00	3.67	10.00	3.67	0.67	5.33	3.33	0.00	28.67
Llandow/Ewenny	0.00	0.00	0.00	0.00	0.67	1.67	2.67	0.00	0.00	0.00	0.00	5.00
Llantwit Major	0.67	1.00	0.33	0.33	0.33	3.67	9.00	1.33	4.33	0.67	0.00	21.67
Penarth & Llandough	2.67	2.00	0.67	1.00	4.00	19.00	9.00	1.33	19.33	0.67	0.00	59.67
Peterston	0.00	0.00	0.00	0.00	0.00	0.00	0.33	0.00	0.00	0.33	0.00	0.67
Rhose	0.67	0.33	0.00	0.00	6.67	11.00	2.00	0.00	2.33	0.00	0.00	23.00
St Athan	0.00	0.00	0.00	0.00	0.33	1.67	4.00	0.00	0.33	0.67	0.00	7.00
St Brides Major	1.67	0.00	0.33	0.00	8.67	6.33	0.67	0.00	0.00	0.00	0.00	17.67
Sully	0.00	0.33	0.00	0.00	0.00	2.33	0.00	0.00	0.33	0.00	0.00	3.00
Wenvoe	1.67	2.00	0.00	0.00	8.00	5.67	0.33	0.33	0.00	0.00	0.00	18.00
Total	22.67	13.67	7.33	3.00	81.33	144.67	96.33	8.33	98.67	11.67	1.67	<b>489.33</b>
<b>TOTAL (Rounded off)</b>	<b>23</b>	<b>14</b>	<b>7</b>	<b>3</b>	<b>81</b>	<b>145</b>	<b>96</b>	<b>8</b>	<b>99</b>	<b>12</b>	<b>2</b>	<b>489</b>

### 3.2 COMMITTED SUPPLY OF NEW AFFORDABLE HOUSING

The anticipated quantity of affordable housing (for social rent, intermediate rent and LCHO) ‘already planned to be built (and/or acquired) over the time period of the Assessment’ is an important consideration to offset gross housing need.

In 2017 it was estimated that **152** units of affordable housing would be completed each year, however in 2017-18 **223** units were developed, only **104** units in 2018-19 and **286** units were developed in 2019/20.

A variety of potential sources have been analysed to identify the existing committed supply of affordable housing at December 2019. These include:

- Sites granted planning permission subject to s106 for affordable housing that had already started on site and/or were due to be completed over the LHMA period.
- Sites that were allocated Social Housing Grant [SHG] or Recycled Capital Grant and were scheduled for completion in the next five years; as identified in the Programme Delivery Plan.
- Sites that were being developed by housing associations using other courses of public subsidy (e.g. the Welsh Government’s Housing Finance Grant) or via private finance.
- Existing private market units that were due to be acquired through the Welsh Housing Partnership and re-utilised as intermediate rental properties.



Only schemes that are highly likely to be delivered over the five years of the assessment were included. Two years on, in updating the committed supply we have accounted for two factors: first the accelerated delivery of private sector candidate sites in the Local Development Plan and secondly, new SHG schemes planned for the end of the period having netted off abortive SHG schemes. The committed supply of new affordable homes for social rent is shown in figure 26

**Figure 26 Annual Committed Supply of New Build properties for Social Rent**

Ward/Bedrooms	Accessible Housing				General Needs				Older Persons			Total
	1	2	3	4+	1	2	3	4+	1	2	3	
Barry	0.00	0.00	0.00	0.00	14.66	29.33	14.66	0.00	0.00	0.00	0.00	58.65
Cowbridge	0.00	0.00	0.00	0.00	1.55	9.49	6.21	0.00	0.00	0.00	0.00	17.26
Dinas Powys	0.00	0.00	0.00	0.00	1.58	8.53	5.69	0.00	0.00	0.00	0.00	15.80
Llandow/Ewenny	0.00	0.00	0.00	0.00	0.13	1.30	1.17	0.00	0.00	0.00	0.00	2.60
Llantwit Major	0.00	0.00	0.00	0.00	1.12	4.31	3.19	0.00	0.00	0.00	0.00	8.61
Penarth & Llandough	0.00	0.00	0.00	0.00	0.69	1.43	0.69	0.00	0.00	0.00	0.00	2.80
Peterston	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rhose	0.00	0.00	0.00	0.00	0.56	3.04	2.02	0.00	0.00	0.00	0.00	5.62
St Athan	0.00	0.00	0.00	0.00	0.35	1.74	1.08	0.00	0.00	0.00	0.00	3.16
St Bride's Major	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sully	0.00	0.00	0.00	0.00	1.62	7.28	1.62	0.67	0.00	0.00	0.00	11.20
Wenvoe	0.00	0.00	0.00	0.00	1.40	4.81	2.53	0.00	0.00	0.00	0.00	8.74
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>23.66</b>	<b>71.25</b>	<b>38.87</b>	<b>0.67</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>134.45</b>
<b>Total (Rounded off)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>71</b>	<b>39</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>134</b>

### 3.3 TOTAL UNITS OF AFFORDABLE HOUSING FOR SOCIAL RENT

In order to reach a figure for the number of units of affordable housing expected to be delivered for social rent, the committed supply of social rented housing going forward has been added to the average re-lets to give the estimated number of affordable homes for rent that will be provided. The total is shown in figure 27.

**Figure 27 Combined New Build and Re-lets for Social Rented Properties**

LETS AND COMMITTED SUPPLY	ACCESSIBLE HOUSING				GENERAL NEEDS HOUSING				OLDER PERSONS				TOTAL
	1.00	2.00	3.00	4+	1.00	2.00	3.00	4+	1.00	2.00	3.00	4+	
Barry	15.00	6.33	5.67	1.67	62.33	110.66	78.00	4.67	60.00	5.67	1.67	0.00	351.65
Cowbridge	0.00	0.33	0.00	0.00	2.89	11.49	7.55	0.00	6.67	0.33	0.00	0.00	29.26
Dinas Powys	0.33	1.33	0.33	0.00	5.25	18.53	9.36	0.67	5.33	3.33	0.00	0.00	44.47
Llandow/Ewenny	0.00	0.00	0.00	0.00	0.80	2.97	3.84	0.00	0.00	0.00	0.00	0.00	7.60
Llantwit Major	0.67	1.00	0.33	0.33	1.45	7.97	12.19	1.33	4.33	0.67	0.00	0.00	30.28
Penarth & Llandough	2.67	2.00	0.67	1.00	4.69	20.43	9.69	1.33	19.33	0.67	0.00	0.00	62.47
Peterston	0.00	0.00	0.00	0.00	0.00	0.00	0.33	0.00	0.00	0.33	0.00	0.00	0.67
Rhose	0.67	0.33	0.00	0.00	7.23	14.04	4.02	0.00	2.33	0.00	0.00	0.00	28.62
St Athan	0.00	0.00	0.00	0.00	0.68	3.41	5.08	0.00	0.33	0.67	0.00	0.00	10.16
St Brides Major	1.67	0.00	0.33	0.00	8.67	6.33	0.67	0.00	0.00	0.00	0.00	0.00	17.67
Sully	0.00	0.33	0.00	0.00	1.62	9.61	1.62	0.67	0.33	0.00	0.00	0.00	14.20
Wenvoe	1.67	2.00	0.00	0.00	9.40	10.47	2.87	0.33	0.00	0.00	0.00	0.00	26.74
<b>TOTAL</b>	<b>22.67</b>	<b>13.67</b>	<b>7.33</b>	<b>3.00</b>	<b>105.00</b>	<b>215.92</b>	<b>135.20</b>	<b>9.01</b>	<b>98.67</b>	<b>11.67</b>	<b>1.67</b>	<b>0.00</b>	<b>623.79</b>
<b>Rounded off</b>	<b>23</b>	<b>14</b>	<b>7</b>	<b>3</b>	<b>105</b>	<b>216</b>	<b>135</b>	<b>9</b>	<b>99</b>	<b>12</b>	<b>2</b>	<b>0</b>	<b>624</b>

### 3.4 UNITS OF AFFORDABLE HOUSING FOR LOW COST HOMEOWNERSHIP

The committed supply for low cost home ownership by ward is shown in figure 28 and is purely the number of new builds expected; turnover has not been factored into as this type of housing, as Low-Cost Home Ownership (LCHO) is relatively new and has not become available for re sale very often. Going forward a review of the Aspire2Own scheme may identify different needs of homeowners in relation to the size of their home and if turnover increases in future years this would have to be taken account of.

**Figure 28 Committed Supply of Low-Cost Home Ownership New Build Properties**

WARDS	LCHO 2 Bed	LCHO 3 Bed
Barry	7.42	2.82
Cowbridge	4.42	1.84
Dinas Powys	4.49	1.87
Llandow/Ewenny	0.00	0.00
Llantwit Major	1.97	0.55
Penarth & Llandough	0.00	0.00
Peterston	0.00	0.00
Rhose	0.99	0.37
St Athan	0.00	0.00
St Brides Major	0.00	0.00
Sully	1.31	0.68
Wenvoe	23.25	12.06
TOTAL	43.84	20.19
<b>TOTAL (Rounded off)</b>	<b>44</b>	<b>20</b>

### 3.5 TOTAL UNITS OF AFFORDABLE HOUSING FOR INTERMEDIATE RENT

Due to the need identified, work will be done with planning colleagues to determine if the Supplementary Planning Guidance (SPG) for affordable housing requires review and if an intermediate rental product is required in addition to the Rent to Own product being introduced by Welsh Government.

## 4 Net Need for Affordable Housing

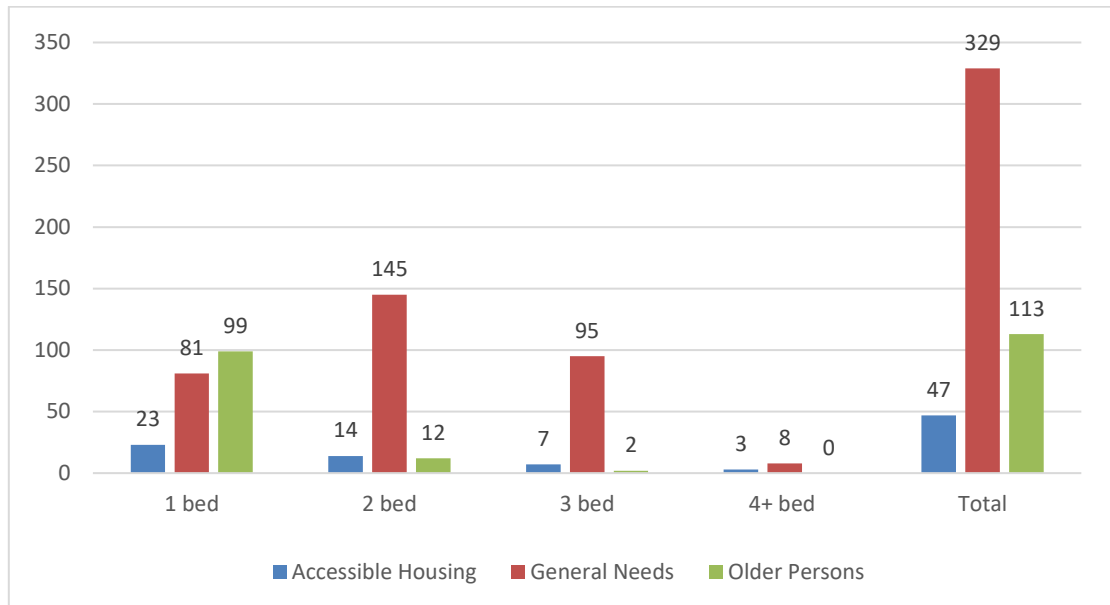
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To calculate the net need for affordable housing per annum, the total backlog (water within the bath) must be added to the annual newly arising need (coming through the shower head for intermediate products and taps for social rented products). The anticipated annual supply (emptying through the plug hole) must then be subtracted from this figure to estimate the annual supply of affordable housing.

However, one further issue relates to turnover. Essentially, social rented units differ to intermediate rent and low-cost home ownership products, as they re-let relatively frequently, and it would be inaccurate to assume that they will only be occupied once over the LHMA period. It is thus necessary to consider the rate at which properties re-emerge as re-lets, and this effects areas where there is an overall deficit and surplus of social housing (hence headline housing need can decrease or increase following a turnover assessment). Current levels of turnover were therefore calculated and factored into the calculations.

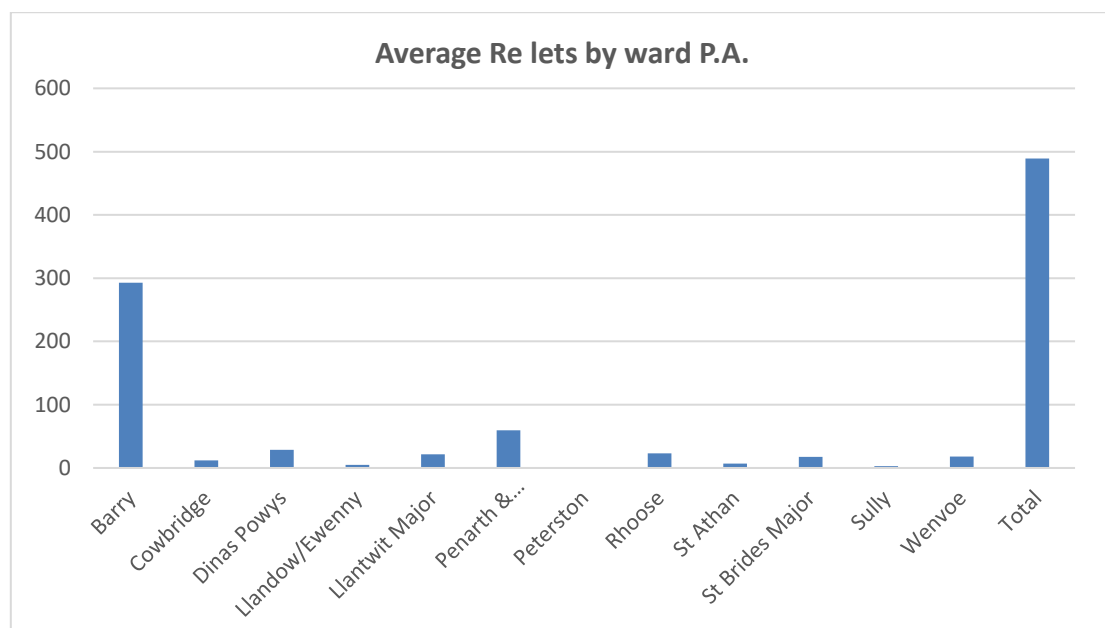
Average turnover is integrally related to property size (number of bedrooms) and area. As an average across the Vale of Glamorgan, smaller properties become re-available at a higher rate than larger homes, figure 29. In terms of area, those areas with higher rates of turnover tend to be those with higher levels of social housing stock. A few of the very high turnover rates (e.g. four-bedroom properties in Peterson-Super-Ely) are due to very low stock levels and an equally small number of re-lets, rather than genuine levels of high turnover.

**Figure 29 Average Annual Turnover of Social Rented Properties by Number of Bedrooms and Property Type**



Turnover by areas can be seen in Figure 30, and this shows the highest turnover is in the wards of Barry and Penarth & Llandough which mirrors the demand.

**Figure 30 Average Annual Turnover of General Needs Rented Properties by Area**



## 4.1 BATH TUB ANALOGY

With the calculation for turnover factored in, the headline need for affordable housing calculation is shown below in figure 31 utilising the bathtub analogy.

**Figure 31 Headline Need for Affordable Housing**



## TOTAL NEED FOR AFFORDABLE HOUSING 2019 - 890

The headline annual net need for affordable housing in the Vale of Glamorgan is **890 units per annum** for the period of the Local Housing Market Assessment, from 2019-24

**Figure 32 Headline annual need for affordable housing by tenure**

	Social Rent	Low Cost Home Ownership	Intermediate Rent	Total
Newly Arising Need	71.56	42	46.34	159.9
Existing falling into need	153.60	0	0	153.6
Backlog	1197.20	43.4	23.4	1264
<b>Sub Total</b>	<b>1422.36</b>	<b>85.4</b>	<b>69.74</b>	<b>1577.50</b>
Supply	623.79	64.03	0	687.82
<b>Net Annual Need</b>	<b>799</b>	<b>21</b>	<b>70</b>	<b>890</b>

It should be reiterated at this point that this is not a definitive target figure for affordable housing; it is an indication of need. It should also be noted that again the assessment should be considered an art and not a science, as the data is only correct at the time the calculation is conducted. In comparison the previous affordable housing need was: -

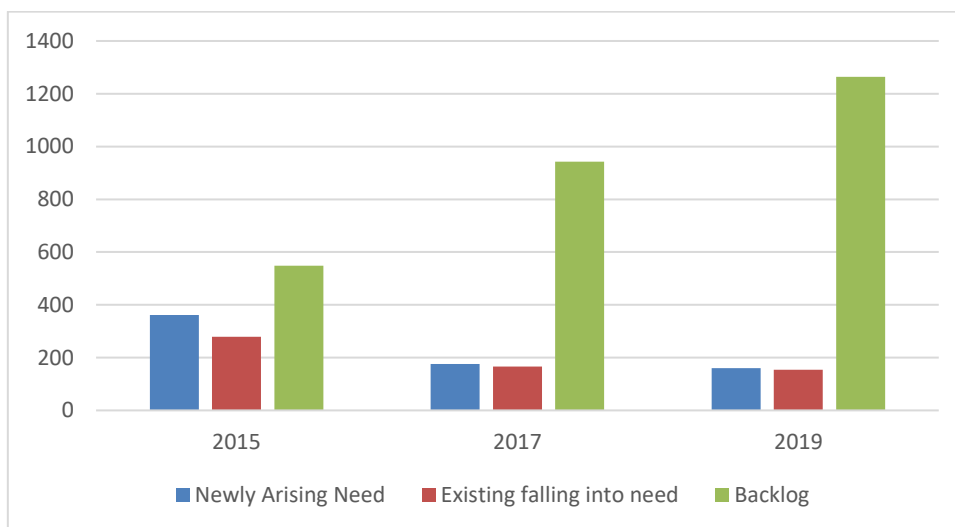
**Figure 33 Previous Annual Need for Affordable Housing**

Year	Social Rent	Low Cost Home Ownership	Intermediate Rent	Total
2017	479	-51	97	525
2019	799	21	70	890

The charts in figures 33 and 34 show that when comparing the data for there has been a large increase in the annual need for affordable housing in 2019. In 2017 there were 3882 on the Homes4U list by 2019 this had increased to 5986.

Figure 34 is a summary chart showing different needs between 2015 and 2019, it can be noted that newly arising need fell in 2017, this was due to the changed household projections by Welsh Government. The number of households falling into need also dropped following the emphasis now placed on homelessness prevention.

**Figure 34 Summary of Need**



## 5 Conclusion

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The Local Housing Market Assessment has utilised the Welsh Government's approved methodology to assess the housing market within the Vale of Glamorgan from 2019-2024 to determine the need for Affordable Housing. It replaces the 2017 Assessment with a refreshed analysis of numerous data sources.

### 5.1 HEADLINE HOUSING NEED

Whilst this Assessment analysed the housing market of the Vale of Glamorgan as a whole, a fundamental aspect of any LHMA is to calculate the net housing need across the administrative area. Estimates of shortfalls or surpluses of affordable housing in different areas are crucial inputs into the local housing and planning framework.

This Assessment identified an annual need for **890 Affordable Housing Units**, comprising 799 social rented units, 21 units of low-cost home ownership and 70 units of intermediate housing.

Whilst it is necessary to provide a net affordable housing figure across all property types, affordable tenures and areas, this figure is highly misleading as it distorts local differences. For example, housing which is surplus or has a relatively high turnover rate masks the gross need for affordable housing in the Vale. Consequently, even if the headline net social housing need was delivered every year in the Vale of Glamorgan, this would by no means meet the actual need present in many of the housing market areas. Hence, more attention should be paid to the type of housing needed and characteristics identified within each localised market area to enable effective strategic planning.

### 5.2 GENERAL NEEDS SOCIAL RENT

The need for general needs social rented accommodation remains at its highest in the Barry and Penarth and Llandough housing market areas, followed by the urban settlements along the south of the county boundary. There are also pockets of moderate need in the rural north; especially around principal settlements. What is most notable is that all areas demonstrate a deficit of general needs social housing of some level.

In terms of the properties needed, the trend continues to be for smaller units, one- and two-bedroom properties, across all areas of the Vale of Glamorgan.

This demand should also be balanced with larger properties as there remains a gross need for three- and four-bedroom properties. A mix of properties also ensures the development of mixed, balanced communities and good community cohesion.

### **5.3 INTERMEDIATE RENT AND LOW COST HOME OWNERSHIP**

There is a net need for intermediate rented housing of **70** units per year in the Vale of Glamorgan. The need for low cost home ownership is currently **21** per annum.

Implementation of an intermediate rent model has historically been hampered by the significant gap between Local Housing Allowance and low market rent levels in most areas. However, consideration will be given to how a model of intermediate rent can be developed in the Vale of Glamorgan to meet the identified need.

It is anticipated that the 'Rent to Own' scheme may assist with meeting the demand for intermediate rented products and low cost home ownership, helping those who are currently struggling to save for a deposit due to the high level of rents in the private sector.

### **5.4 PURPOSE BUILT ADAPTED SOCIAL RENT**

To determine the net need for adapted and accessible social rented accommodation, applicants waiting for adapted accommodation are identified by the Homes4U bandings: AH1, AH2 and AH3.

The majority of purpose built adapted accommodation will be built by social landlords and not by market developers. This is due to the space requirements needed for these properties and the relatively high cost of developing such accommodation.

Securing new accessible and adapted social rented accommodation is likely to be through the development of suitably adapted ground floor accommodation. In addition, on affordable housing developments led by social landlords, efforts are made to include a minimum of two accessible homes to meet the needs of a household with higher needs



## 5.5 KEY POLICY CONSIDERATION AND AREAS FOR DEVELOPMENT

### 5.5.1 Affordable Housing Products

#### Low Cost Home Ownership (LCHO)

The Aspire2Own scheme in the Vale of Glamorgan is a partnership with Registered Social Landlords, operating in the county, to offer first time buyers the opportunity to purchase properties at 70% of the open market value.

This LHMA has analysed house prices and household income levels to assess the demand for a low cost home ownership product based on the 70/30% equity share model and it is evident that there is considerable demand for the product, however it is very often hidden and the need is only identified when developments receive planning permission. More work therefore needs to take place in rural communities in order to raise the profile of the LCHO product and to encourage first time buyers with a connection to the area to register.

#### 5.5.2 Need for Smaller Units

Much of the need for affordable housing consists of smaller one- and two-bedroom units for social rent across many parts the Vale of Glamorgan. There can sometimes be a misconception that this need has merely been created by the removal of the Spare Room Subsidy and that delivery of such units is a short term, reactive response to this policy change. However, this need reflects societal trends in household composition and the high prevalence of single person households and households comprising of couples with no children.

In some location's developments of solely one and two bedroom properties should be considered or clusters of smaller units among market housing. When flats are provided to meet the demand, walk up flats are preferable to blocks with communal spaces. Walk up flats minimise management issues, whilst maximising tenancy sustainability.

When possible two-bedroom properties should be provided in the form of houses as two-bedroom flats are not suitable to meet the needs of couples with young children and single people and couples without children may be unable to under-occupy such properties without paying a subsidy.

### 5.5.3 Older Persons Accommodation

There is an ageing population in the Vale of Glamorgan and a quarter of people are projected to be 65 or over by 2021.

The Cardiff and Vale Regional Partnership Board Commissioned Housing LIN completed an Assessment of Older Person's Housing and Accommodation including with Care and Care Ready with the report published in 2018. The main aim of the assessment was to provide a comprehensive understanding of the nature of current housing and accommodation provision for older people – including both social and private sector housing;

- Identify the requirements and aspirations of older people in later life specifically in relation to housing and accommodation;
- Identify the need for older people's housing and accommodation, including different types of housing such as extra care housing, sheltered and retirement housing;
- Set out a specification of the types of housing and accommodation that would meet the identified needs and requirements of older people.

The main findings of the report were:

- Demographic change is significant: the 75+ population is expected to increase by 62% in Cardiff and 71% in Vale of Glamorgan by 2035.
- The most prevalent type of older people's housing is sheltered housing (625 units) in the social rented sector. The current private retirement housing provision (204 units) also provides some mix of housing choices for different equity and income groups. There is very limited extra care housing/housing with care provision in the Vale of Glamorgan (42 units) when compared with the prevalence of residential care beds (464 beds).
- The research also highlighted a number of challenges regarding current housing in relation to a low proportion being wheelchair accessible and approximately 50% of older people schemes having a lift across Cardiff and Vale of Glamorgan.

- Vale of Glamorgan: estimated overall future need for older people’s housing and accommodation to 2035 is as outlined below:

Type	Current Provision	2035	Net Need
Older people’s housing (units)	829	1415	586
Housing with care <sup>5</sup> (units)	42	400	358
Residential care (beds)	464	464	0
Nursing care (beds)	462	788	326

In order to identify future requirements, Housing LIN modelled the provision of accommodation on the basis that the preferred approach by the Council would be to increase the number of extra care housing units as a direct alternative to the use of additional residential care beds. Similarly it was also assumed that partners would wish to increase the supply of Housing our Aging Population Panel for Innovation (HAPPI) inspired 'care ready' contemporary sheltered / retirement housing for older people which is suitable for ageing at home e.g. accessible living space, accessible kitchens and bathrooms to allow domiciliary care to be provided without necessitating a move to residential care. Based on these assumptions, it is forecast that by 2035 the Vale of Glamorgan will require an additional 586 additional older person housing units, 358 housing with care units and 326 additional nursing care beds.

A Strategy for Older Persons Housing for the Vale of Glamorgan is currently under development and will consider the results of the LHMA and both the data and recommendations contained within the Assessment of Older Person’s Housing and Accommodation including with Care and Care Ready report.

#### 5.5.4 Private Rented Sector

Work continues to develop to maximise the housing opportunities in the Private Rented Sector. Support is delivered to both tenants and landlords across the Vale of Glamorgan, which has been acknowledged as best practice in the sector. A very well attended Local Landlord Forum is established, facilitated by the Council’s Housing Solutions Service. There is also a significant focus on the Empty Homes initiatives. A new Empty Homes Strategy has recently been

developed and there is excellent ongoing joined up working taking place in the Authority to further increase the housing options for those in need.

#### **5.5.5 Help to Buy Wales**

This is a scheme developed and run by Welsh Government, providing a further avenue for first time buyers, with a limited deposit, to buy a new home directly from house builders on new developments. As more new estates have been built in recent years, take up of this product in the Vale of Glamorgan has increased correspondingly. Latest information from Stats Wales shows that up to 23<sup>rd</sup> January 2020, 921 households had used Welsh Government's Help to Buy scheme to purchase a home in the Vale of Glamorgan, with the majority of these purchasers having income levels between £20,001 and £30,000.