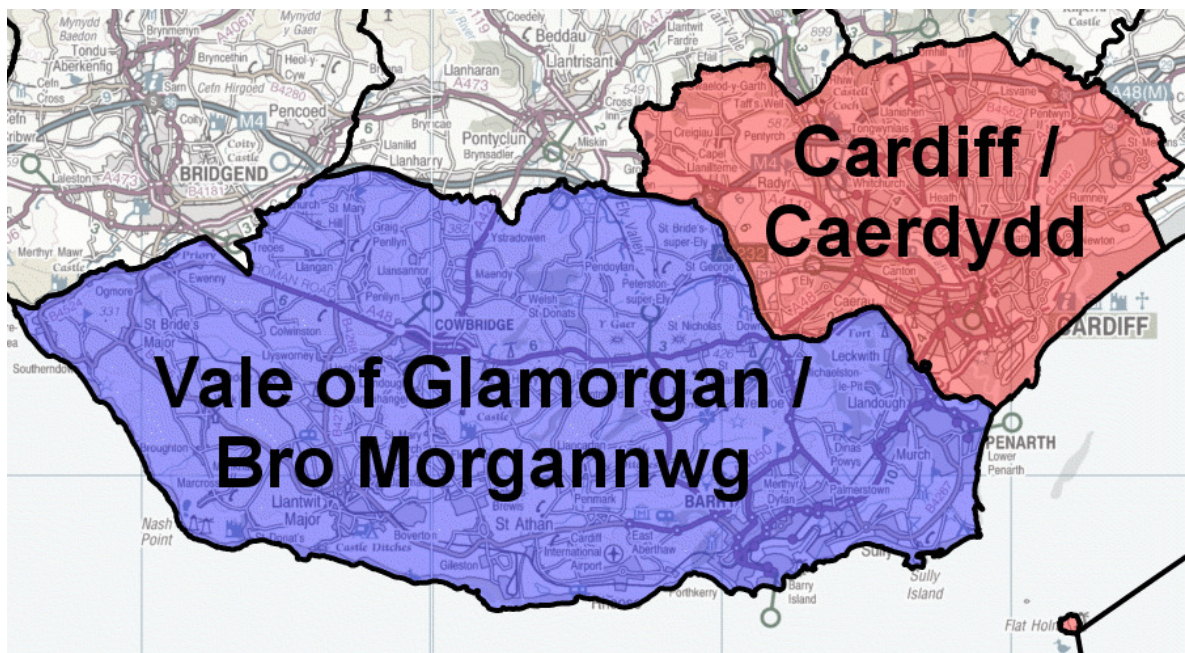




# Cardiff and Vale of Glamorgan



## Joint Report on the combined Local Housing Market Assessment

September 2008



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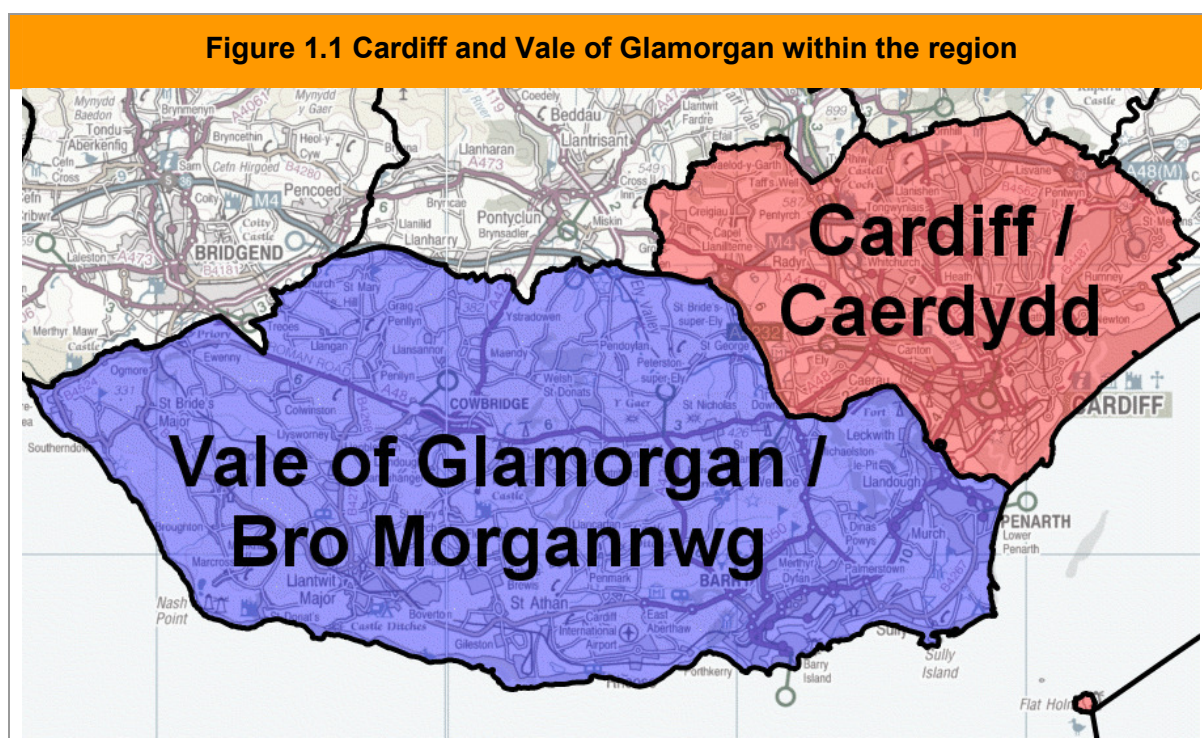
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# 1. Introduction

## The purpose of this report

- 1.1 This report provides a summary of some of the key outputs produced as part of the parallel Local Housing Market Assessments (LHMA) conducted for Cardiff and Vale of Glamorgan.
- 1.2 The two neighbouring authorities were identified as being closely linked in terms of population flows and market characteristics. It was therefore considered appropriate to conduct the LHMA in each area at the same time to provide a greater understanding of their links.
- 1.3 The following map provides a broad context, showing the location of the authorities of Cardiff and Vale of Glamorgan:



Source: Cardiff and Vale of Glamorgan LHMA 2007

- 1.4 This report provides an overview of the housing market across these two areas, focusing particularly on the links between the two County Boroughs. Further detail on the housing market in the two County Boroughs and an explanation of the methodology used to obtain the outputs presented in this report can be found in the accompanying individual LHMA reports for Cardiff and Vale of Glamorgan.

## **The Cardiff and Vale of Glamorgan LHMAs**

- 1.5 The LHMAs for Cardiff and Vale of Glamorgan were produced in accordance with the Guidance on this topic published by the Welsh Assembly Government (WAG) in March 2006. They are the first LHMA in each authority to have been conducted since the Guidance was published and therefore contain more detail on the whole housing market as a result of following the new approach. The process of studying the housing market has also been altered as a result of the new Guidance and the LHMAs have involved consultation with a range of stakeholders throughout the production of the reports.
- 1.6 The purpose of the LHMAs is to enable a better understanding of the local housing market, the key drivers of local housing demand and supply and the level of housing need within each authority. The LHMAs form a key part of a thorough research strategy to provide robust evidence to inform the development of local authority housing and planning documents including housing strategies and local development plans. The LHMAs present a range of recommendations on the most appropriate approach for each Council to achieve the type of housing required in both Cardiff and Vale of Glamorgan which will help determine future planning policy.
- 1.7 The LHMAs use a range of data sources to complete the analysis of the housing market including stakeholder interviews, secondary data and a primary household survey conducted with local residents.

## **Report structure**

- 1.8 The following chapter of this joint report considers the characteristics of the resident population and the housing market in Cardiff and Vale of Glamorgan. Chapter three examines the extent of the connections between the two housing markets, by analysing migration and travel to work flows.
- 1.9 Chapter 4 summarises the extent of housing need in each authority and Chapter 5 identifies the imbalances that will exist across the housing market in the two authorities in the short to medium term.
- 1.10 Chapter 6 focuses on the situation of particular groups of households across both Cardiff and Vale of Glamorgan. Finally, Chapter 7 summarises the main policy implications for both authorities.

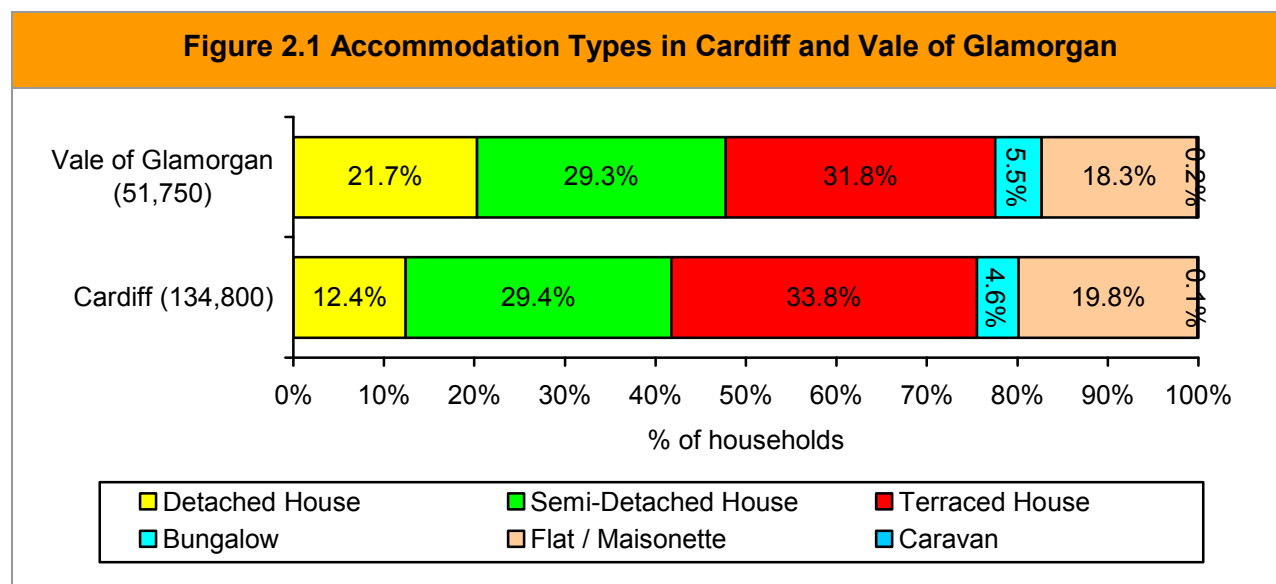
## 2. Background

### Introduction

- 2.1 This chapter analyses similarities and differences in the stock profile, demographic composition and socio-economic situation of the two authorities using a combination of primary and secondary data.
- 2.2 The chapter also describes the housing market in Cardiff and Vale of Glamorgan and identifies the cost of different types of accommodation across the two areas.

### Stock profile

- 2.3 Cardiff is by far the larger authority in terms of population of the two considered in this study, with an estimated 134,800 households in 2007, compared to just 51,750 in Vale of Glamorgan.
- 2.4 As can be seen below, the accommodation types available in the two County Boroughs differ significantly. Cardiff, as might be expected for a city, contains far fewer detached dwellings, at only 12.4%, and higher proportion of terraced and flatted accommodation instead.

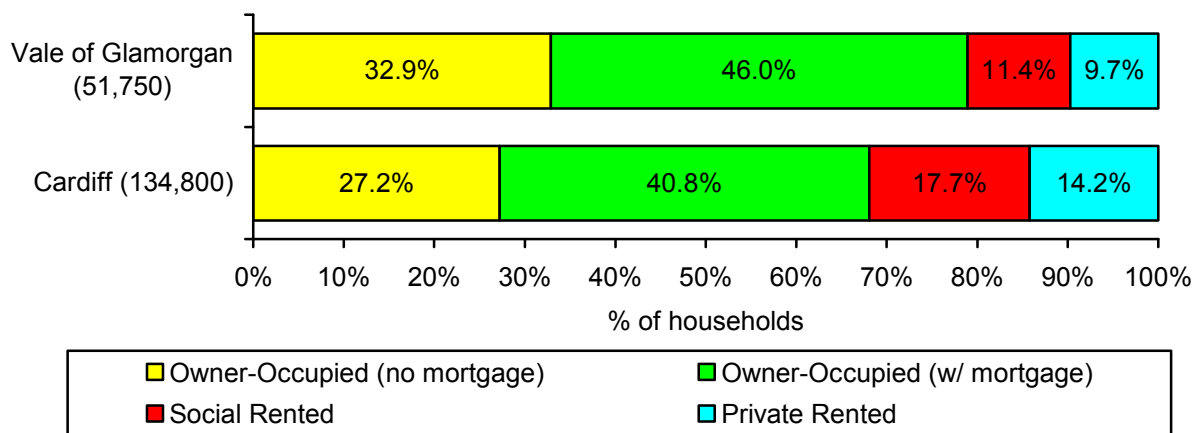


Source: Cardiff and Vale of Glamorgan LHMA 2007

- 2.5 The figure below shows tenure type. While owner-occupation is the predominant tenure in both areas, it is much more so in Vale of Glamorgan, where more than three quarters (78.9%) of households own their residence.



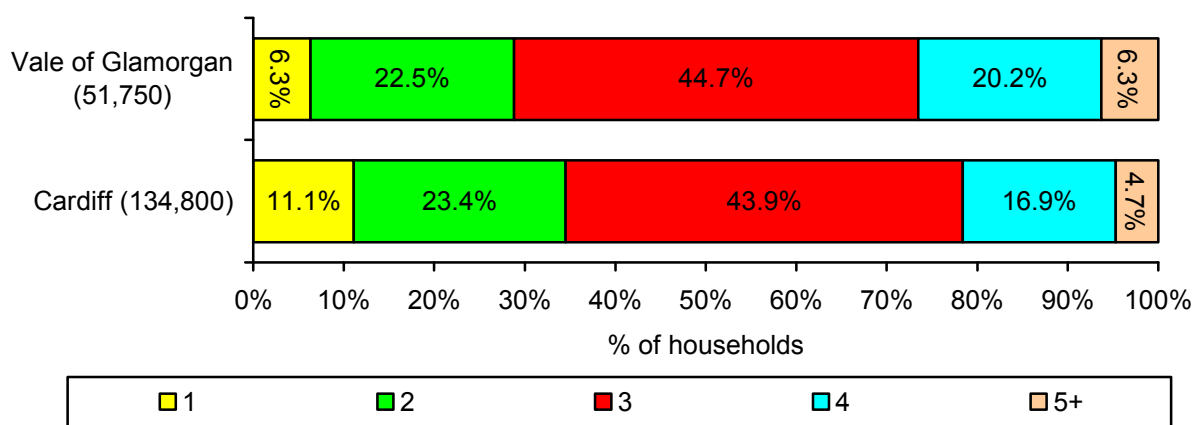
**Figure 2.2 Tenure of Households in Cardiff and Vale of Glamorgan**



Source: Cardiff and Vale of Glamorgan LHMA 2007

- 2.6 Dwellings in Vale of Glamorgan are larger than those in Cardiff, at an average of 3.0 bedrooms per household compared to 2.8. This trend is particularly noticeable at the extremes; one bedroom households make up 11.1% of the total Cardiff stock, compared to 6.3% in Vale of Glamorgan.

**Figure 2.3 Dwelling Sizes in Cardiff and Vale of Glamorgan**

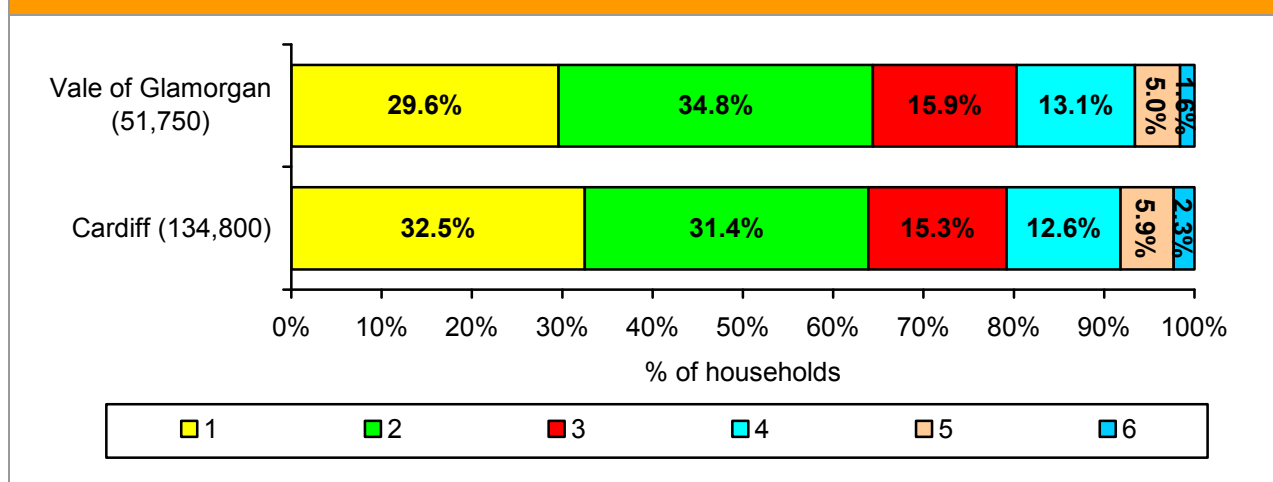


Source: Cardiff and Vale of Glamorgan LHMA 2007

## Demographic composition

- 2.7 Although dwelling sizes are smaller in Cardiff, the average number of people living in each household is almost the same in both Cardiff (2.36) and Vale of Glamorgan (2.35). However, the distribution of household sizes is different, with more very small and very large households found in Cardiff.



**Figure 2.4 Household Sizes in Cardiff and Vale of Glamorgan**

Source: Cardiff and Vale of Glamorgan LHMA 2007

- 2.8 The distribution of household types may explain some of these differences. Single non-pensioner households are likely to account for many of the additional small households in Cardiff, making up 17.6% of all households in the city compared to just 13.6% in Vale of Glamorgan.
- 2.9 The total proportions of pensioner-only households (24.1%) and families with children (21.2%) in Cardiff are both less than those in Vale of Glamorgan, where 27.8% of households contain only pensioners, and 22.7% contain children. This indicates the appeal of city life in Cardiff to younger people, and the appeal of the quieter rural areas of Vale of Glamorgan to those bringing up children and people who have retired.

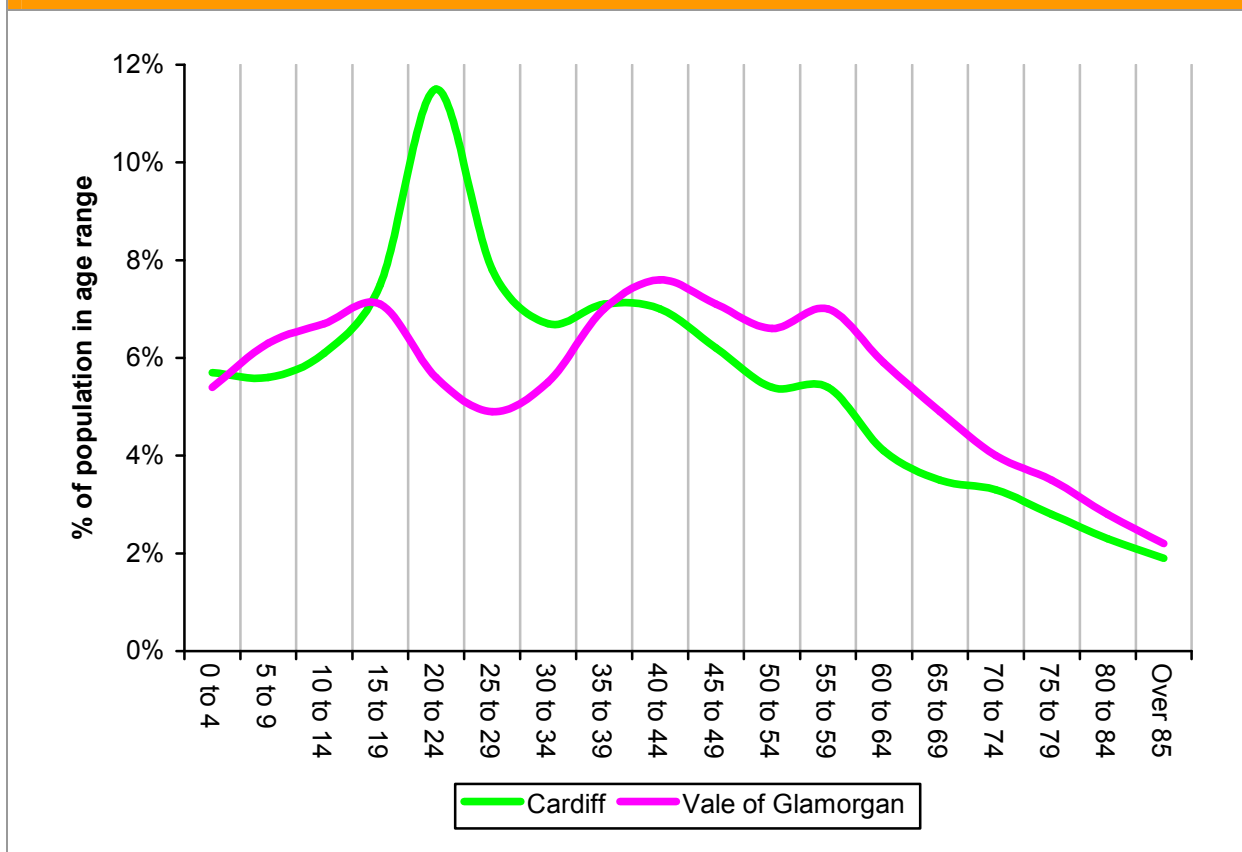
**Table 2.1 Household Types in Cardiff and Vale of Glamorgan**

	Cardiff		Vale of Glamorgan		Total	
Single Pensioner	20,119	14.9%	8,259	16.0%	28,378	15.2%
2+ Pensioners	12,388	9.2%	6,126	11.8%	18,514	9.9%
Single Non-Pensioner	23,714	17.6%	7,038	13.6%	30,752	16.5%
2+ Adults, No Children	43,230	32.1%	16,278	31.5%	59,508	31.9%
Lone Parent	6,780	5.0%	2,311	4.5%	9,091	4.9%
2+ Adults, 1 Child	13,420	10.0%	5,419	10.5%	18,839	10.1%
2+ Adults, 2+ Children	15,148	11.2%	6,319	12.2%	21,467	11.5%
Total	134,800	100.0%	51,750	100.0%	186,550	100.0%

Source: Cardiff and Vale of Glamorgan LHMA 2007

- 2.10 Further confirmation of this can be obtained from the population estimates for the two County Boroughs for mid-2006, which reveal strongly contrasting age profiles for the two areas. Cardiff has a strong peak in population distribution between the ages of 20 and 29, whereas Vale of Glamorgan has a greater proportion of its population in all other age ranges, particularly late middle age and early retirement.

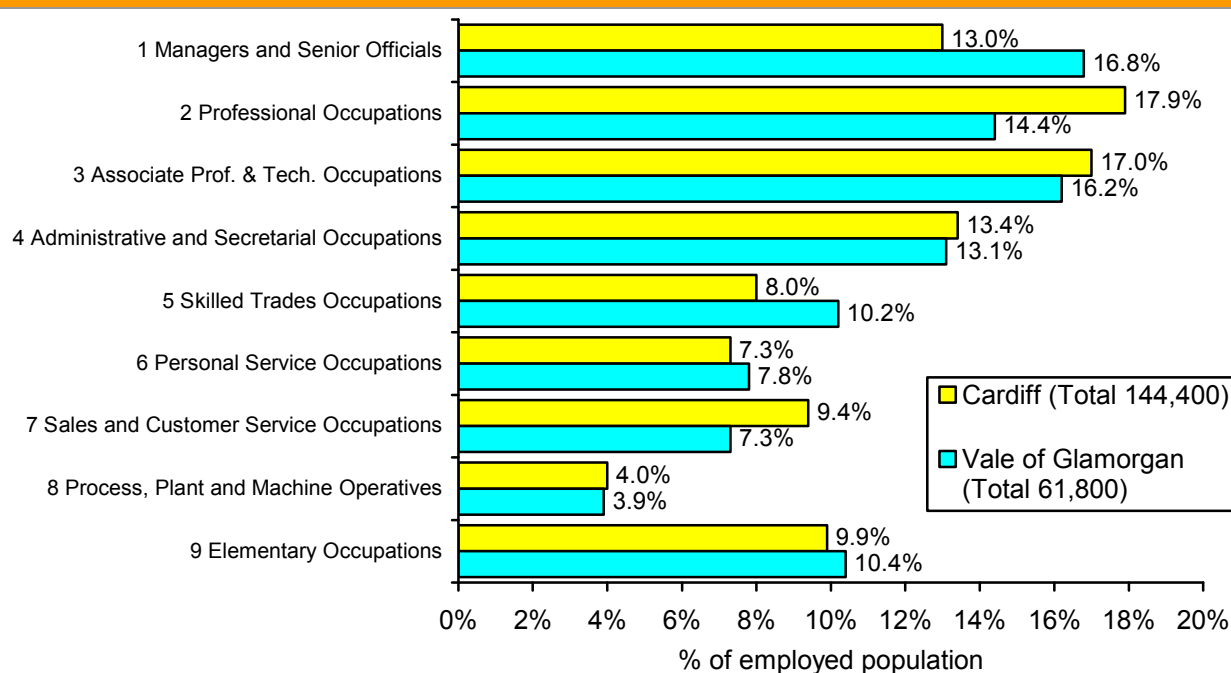
**Figure 2.5 Population Age Profiles for Cardiff and Vale of Glamorgan**



Source: National Statistics Mid-Year Population Estimates, 2006

## Socio-economic situation

- 2.11 Cardiff and Vale of Glamorgan have differing employment and socio-economic profiles, as might be expected given Cardiff's status as a major city.
- 2.12 In Vale of Glamorgan there are comparatively high proportions of the resident population working in Senior Managerial and Skilled Trades occupations, while the areas of relative concentration in Cardiff are in Professional and Sales and Customer Service occupations.
- 2.13 Overall, however, the differences are not great, although the larger proportion of senior managers in Vale of Glamorgan hints at commuting out of the County Borough, which will be investigated in the next chapter of this report.

**Figure 2.6 Proportions of Employed Resident Population in Occupational Categories**

Source: ONS Annual Population Survey 2007

2.14 In Vale of Glamorgan, unemployment is reported to be 4.8%, well below the Cardiff figure of 6.0% in 2007, as determined from the Annual Population Survey. The comparable figure for Wales as a whole is 5.4%.

2.15 Vale of Glamorgan also generally has lower proportions of the working age population than Cardiff in the key groups receiving benefits.

**Table 2.2 Key Benefit Claimants in Cardiff and Vale of Glamorgan**

	Cardiff		Vale of Glamorgan	
	number	%	number	%
Job Seekers	4,510	2.2%	1,430	1.9%
Incapacity Benefit	17,810	8.6%	5,840	7.9%
Lone Parents	5,040	2.4%	1,400	1.9%
Carers	2,120	1.0%	800	1.1%
Disabled	2,120	1.0%	830	1.1%
Other Income-Related Benefits	940	0.5%	330	0.4%
Bereaved	500	0.2%	250	0.3%

Source: DWP Benefit Claimants May 2007

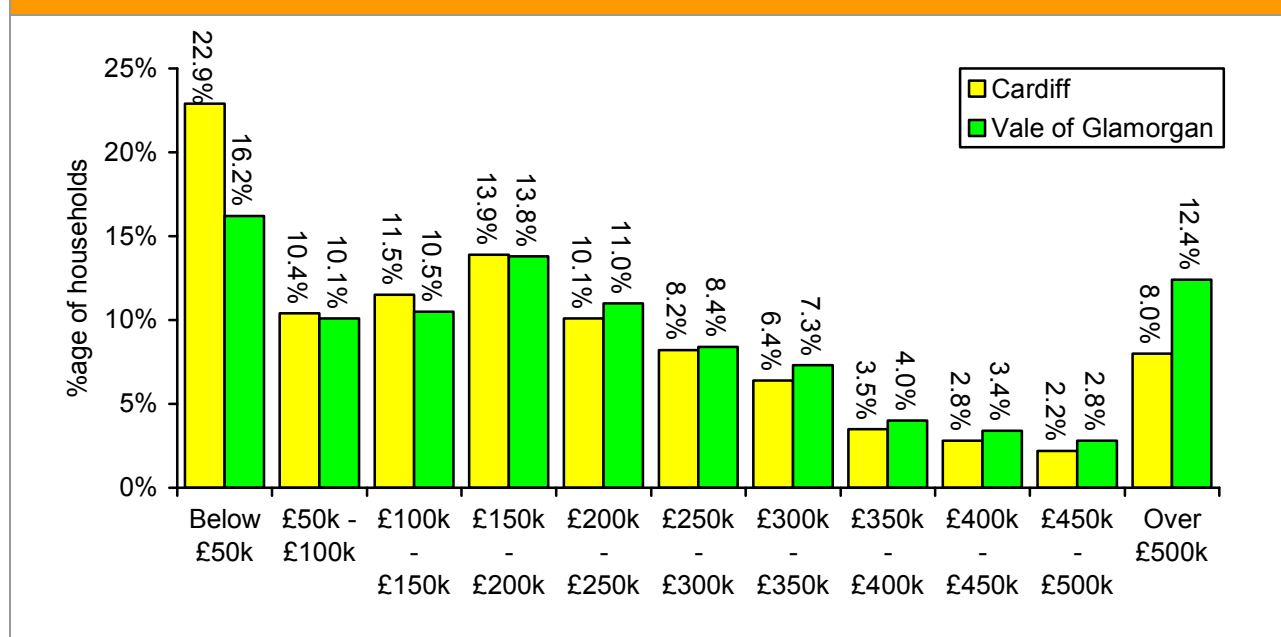
## Financial situation

- 2.16 The table below summarises the average financial situation of households in Cardiff and Vale of Glamorgan. Levels of income are only modestly higher in Vale of Glamorgan; however, together with higher levels of savings and equity this translates into a 22% higher financial capacity. Financial capacity is a measure of the ability to buy property, equal to three times income plus savings and equity.
- 2.17 It is clear that the average given here represents households with a wide range of financial capacities; the data indicates that there are significant numbers of households in both County Boroughs with a financial capacity of less than £50,000. In Cardiff in particular, almost a quarter of households fall into this category.

Table 2.3 Financial capacity of households		
	Cardiff	Vale of Glamorgan
Mean Income	£28,411	£29,920
Mean Savings	£20,975	£28,616
Mean Equity	£103,129	£136,811
<b>Mean Financial Capacity</b>	<b>£209,339</b>	<b>£255,186</b>
<b>Median Financial Capacity</b>	<b>£171,638</b>	<b>£197,955</b>
% with financial capacity below £50,000	23.4%	16.4%

Source: Cardiff and Vale of Glamorgan LHMA 2007

- 2.18 Given this level of inequality, it is worth further examining the distribution of financial capacity among households in each County Borough, by dividing the households into £50,000 bands as shown in the chart below.
- 2.19 It is clear that Cardiff has more households in all financial capacity groups below £150,000, and fewer in every group above this. The contrast is particularly clear for the group with the highest financial capacity; Vale of Glamorgan contains 55% more households with a financial capacity of over £500,000.

**Figure 2.7 Distribution of Financial Capacities of Households**

Source: Cardiff and Vale of Glamorgan LHMA 2007

## Cost of housing

- 2.20 The Land Registry contains data on all property sales in England and Wales and provides the most comprehensive secondary source of owner-occupied prices at a local authority level. The overall average price of dwelling recorded in the fourth Quarter of 2006 by the Land Registry was slightly higher in Vale of Glamorgan than in Cardiff.
- 2.21 However, this conceals the fact that prices for individual types of houses in Vale of Glamorgan were in fact lower, other than for flats and maisonettes. The driver for the higher average price in Vale of Glamorgan, this suggests, is not that like-for-like property prices are higher than in Cardiff, but that the properties available in Vale of Glamorgan are generally larger and therefore more expensive.
- 2.22 As can be seen, 28.4% of sales in Vale of Glamorgan are of more expensive detached properties, compared to just 13.8% in Cardiff, where almost 20% of sales are of the cheapest housing types, flats or maisonettes.

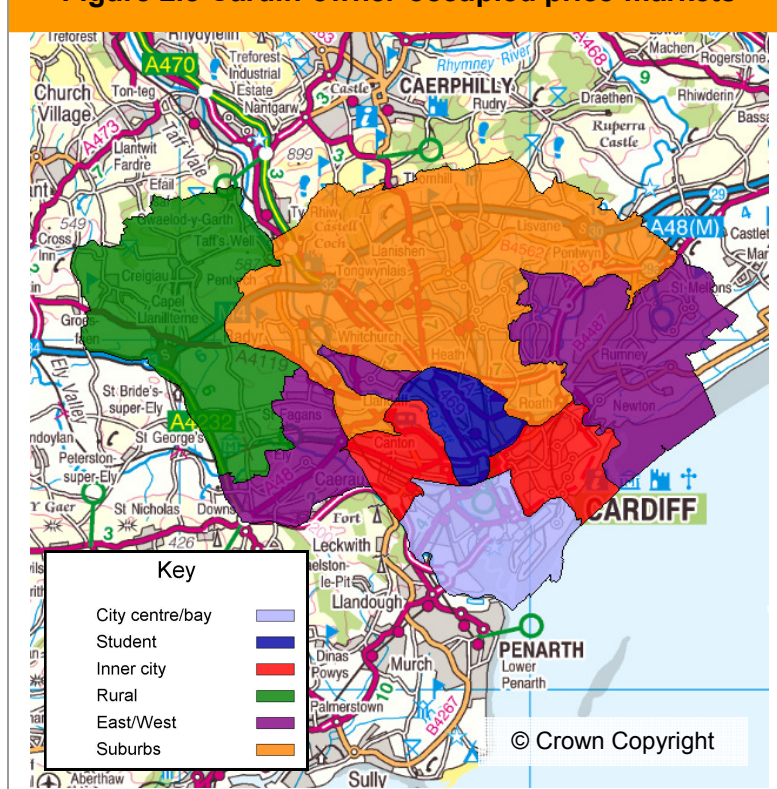
**Table 2.4 Land Registry average prices and sales (4th quarter 2006)**

Dwelling type	Cardiff		Vale of Glamorgan	
	Average price	% of sales	Average price	% of sales
Detached	£298,237	13.8%	£287,400	28.4%
Semi-detached	£188,027	25.0%	£181,039	28.2%
Terraced	£156,954	41.3%	£139,752	36.1%
Flat/maisonette	£146,589	19.9%	£152,989	7.3%
All dwellings	£182,122	100.0%	£194,303	100.0%

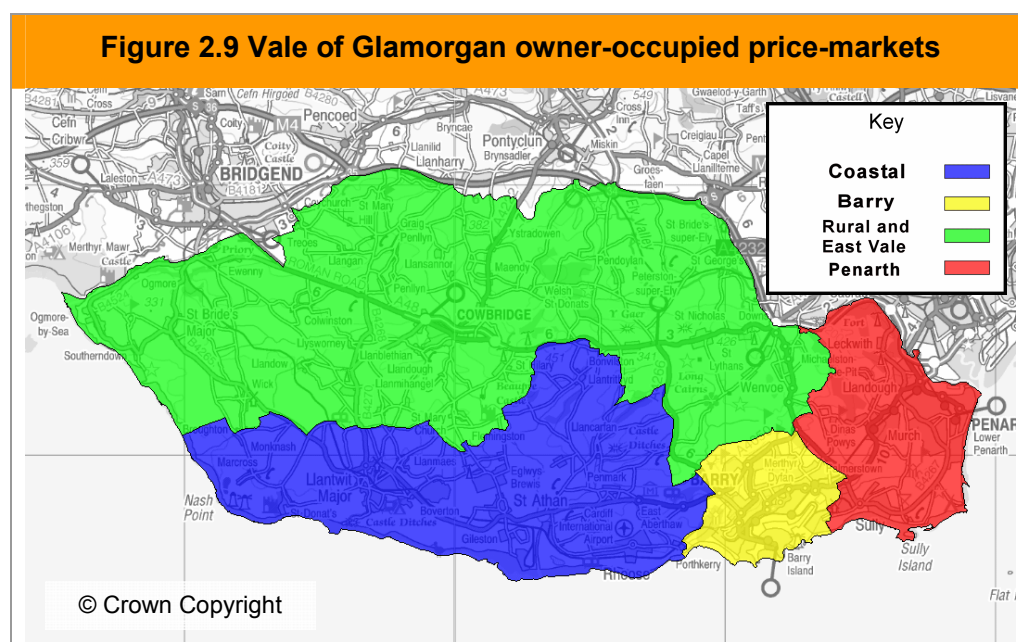
Source: Land Registry 2006

2.23 There are variations in house prices within both Vale of Glamorgan and Cardiff County Boroughs, which were measured by the study for the areas below.

**Figure 2.8 Cardiff owner-occupied price-markets**



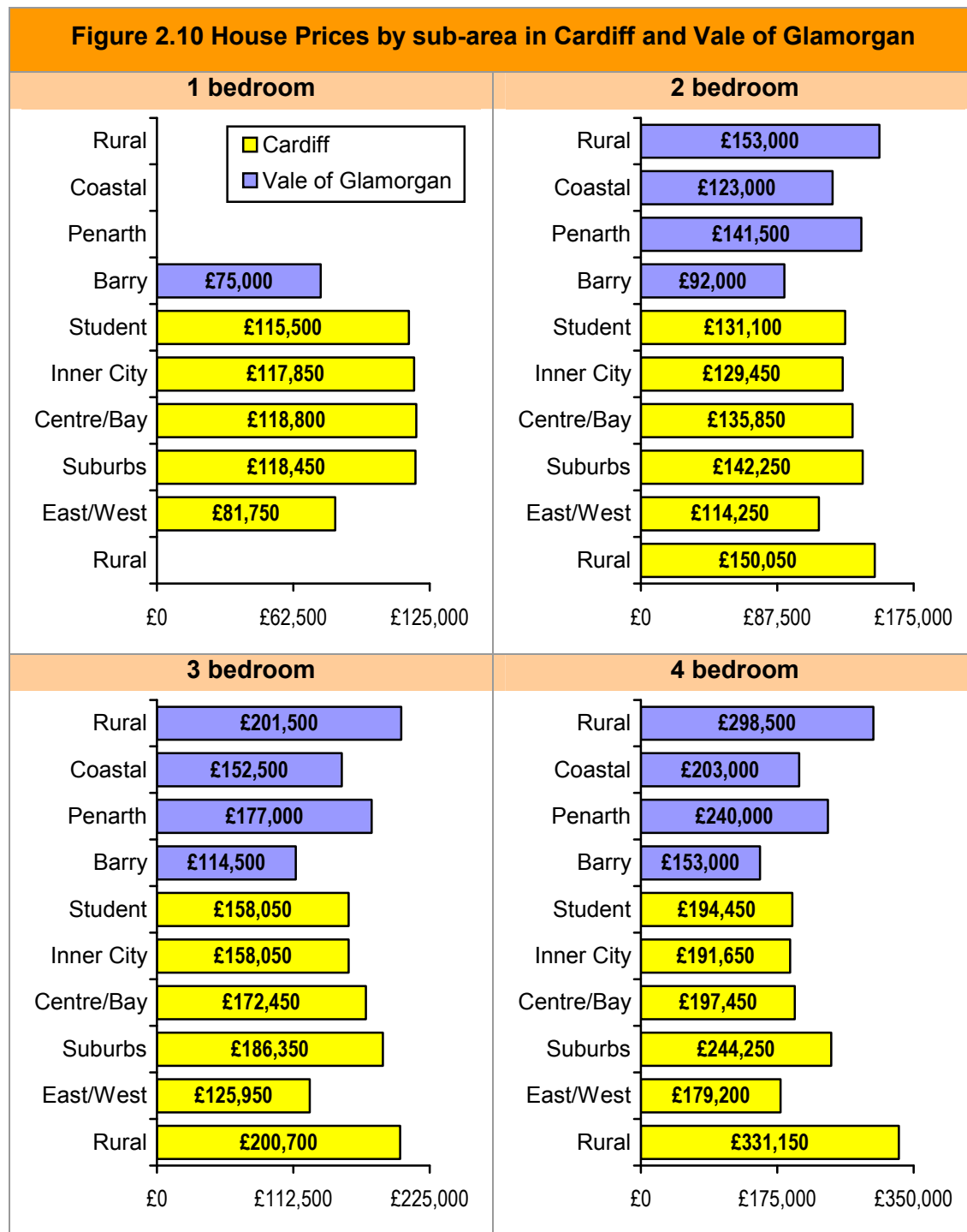
Source: Cardiff and Vale of Glamorgan LHMA 2007



Source: Cardiff and Vale of Glamorgan LHMA 2007

- 2.24 Entry level house prices were determined for each sub-area through a survey of prices charged by estate agents in the area, the results of which are shown in the charts below.





Source: Cardiff and Vale of Glamorgan LHMA 2007

2.25 In both Cardiff and Vale of Glamorgan, the rural areas were the most expensive, and very similar in price in both authorities. These were followed by the Cardiff suburbs and Penarth, whose similarities in price perhaps should not be surprising given Penarth's location immediately adjacent to Cardiff. The lowest prices across the study area were found in Barry, in Vale of Glamorgan, followed by the East/West sub-area of Cardiff.

- 2.26 Entry level prices for the private rental market did not vary greatly either within or between the two County Boroughs. Prices were slightly higher in the northern and rural parts of Cardiff County Borough than in the southern parts, however.

**Table 2.5 Entry Level Rental Prices in Cardiff and Vale of Glamorgan**

	Cardiff South	Cardiff North and Rural	Vale of Glamorgan
1 bed	£90	£97	£92
2 bed	£115	£121	£115
3 bed	£143	£156	£140
4 bed	£182	£206	£189

Source: Cardiff and Vale of Glamorgan LHMA 2007

- 2.27 Social rents in Cardiff were slightly lower than those in Vale of Glamorgan for smaller properties, but higher for larger properties.

**Table 2.6 Social Rents in Cardiff and Vale of Glamorgan**

	Cardiff	Vale of Glamorgan
1 bed	£50	£55
2 bed	£56	£57
3 bed	£63	£59
4 bed	£73	£61

Source: Welsh Housing Statistics 2007



## 3. Connections

### Introduction

- 3.1 This chapter will present data from both the Census and the household survey conducted as part of the LHMA in each area, to examine the extent and nature of flows of people between the two authorities. This will help establish how well the housing markets of the two authorities are connected.
- 3.2 Initially the chapter will examine the number and type of people moving between the Cardiff and Vale of Glamorgan, before analysing the nature of the travel-to-work flows between the two authorities.

### Migration flows

- 3.3 The survey carried out for the LHMA asked respondents to detail any moves between properties taking place in the last two years. It found strong links between Cardiff and Vale of Glamorgan in this area.
- 3.4 As many as 41.5% of all movers into Vale of Glamorgan from outside the authority in the two year period had come from Cardiff, while 11.0% of all movers into Cardiff had come from Vale of Glamorgan.

**Table 3.1 Moves into Cardiff and Vale of Glamorgan by previous residence**

	Moves into Cardiff	Moves into Vale of Glamorgan	Total Moves
Cardiff	22,416	1,467	23,883
Vale of Glamorgan	851	5,703	6,554
Other Surrounding Council	944	438	1,382
Elsewhere in Wales	1,812	370	2,182
Elsewhere in the UK	3,256	1,124	4,380
Abroad	893	135	1,028
Total	30,172	9,237	39,409

Source: Cardiff and Vale of Glamorgan LHMA 2007

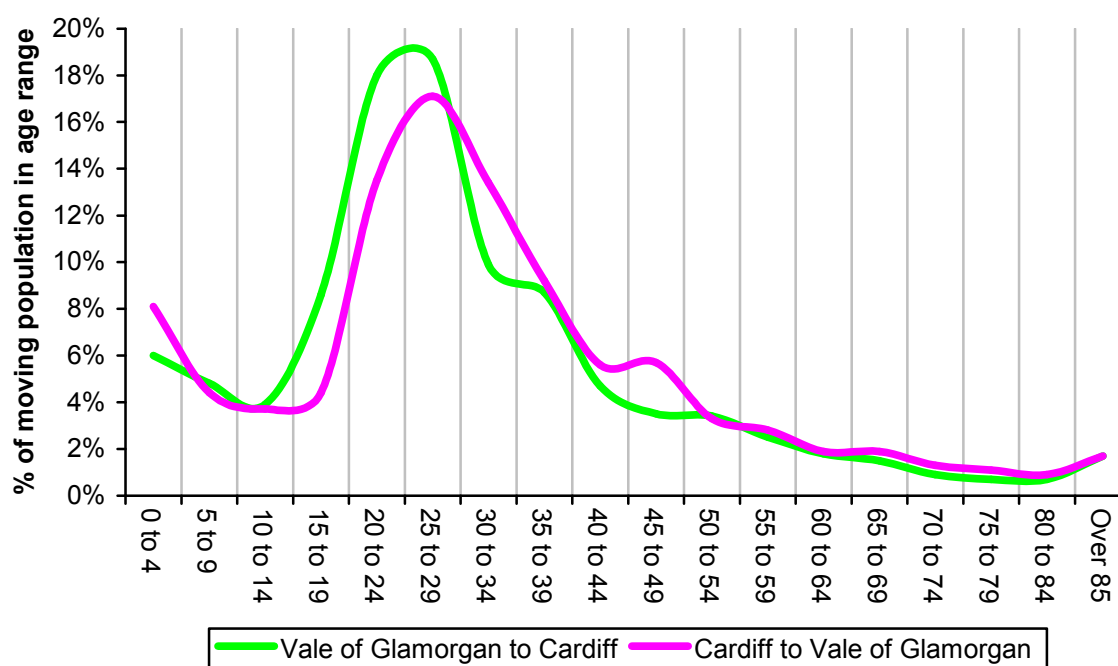
- 3.5 The group moving from Vale of Glamorgan to Cardiff was too small for further analysis (based on a sample size of 27). However, some information can be provided about those moving from Cardiff to Vale of Glamorgan, compared to others moving into and within the County Borough.

**Table 3.2 Movers into Vale of Glamorgan by previous residence**

	Moved within Vale of Glamorgan	Moved from Cardiff	Moved from any other location
Average Income	£26,467	£37,866	£34,367
Average Financial Capacity	£156,740	£199,654	£227,654
Average Household Size	2.48	2.29	2.45
Average (current) Dwelling Size	2.71	2.83	2.75
% working in Cardiff	39%	61%	41%

Source: Cardiff and Vale of Glamorgan LHMA 2007

- 3.6 The 2001 Census also recorded a significant flow of people between the two authorities, with a total flow of 2,468 people, again predominantly moving toward Vale of Glamorgan (resulting in a net flow of 538 per year at the time). Due to the 100% sample created by the Census, it is possible to break down these movers by age for both moves into Cardiff and moves into Vale of Glamorgan.
- 3.7 The chart below indicates while those moving house tend disproportionately to be in their 20s and 30s, there were significant differences in the types of household flowing in each direction.
- 3.8 The flow into Vale of Glamorgan shows an increased proportion of middle aged adults, aged 30-45, and small children aged under five. This would suggest a particular appeal to young families. The reverse flow, into Cardiff, shows a substantially elevated proportion of 15-30 year olds, indicating the city's strong appeal to young people.

**Figure 3.1 Population Age Profile of movers between Cardiff and Vale of Glamorgan**

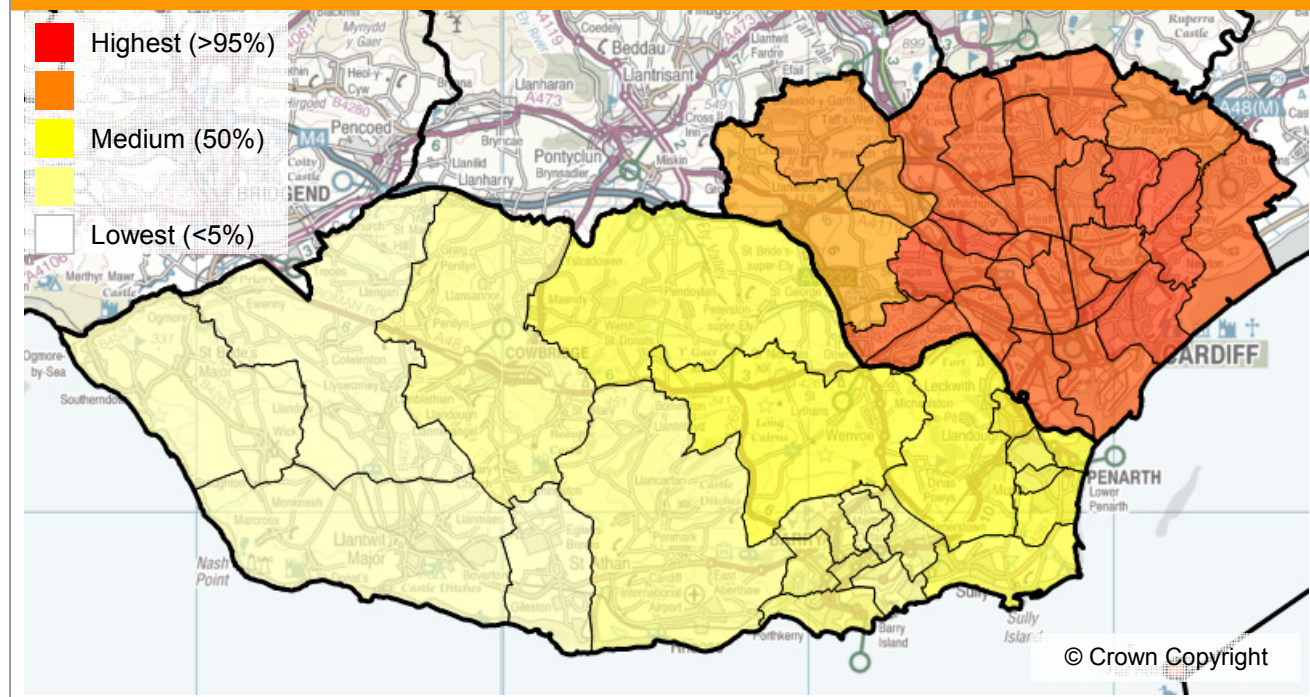
Source: Census 2001

### Travel to work flows

- 3.9 The maps below show the level of commuting by ward to employment within each County Borough. As shown, there is a strong, but directional, link in terms of commuting between Cardiff and Vale of Glamorgan.
- 3.10 The first map shows that in parts of Vale of Glamorgan, particularly around Penarth, about half of the working population commute to jobs in Cardiff. This falls to a minimum of around 15% in the Llantwit Major area. In contrast, virtually all residents of most parts of Cardiff County Borough work within the authority, with the exception of the rural north west, where a large number (although still a minority) commute to other areas.
- 3.11 The second map demonstrates that very few Cardiff residents commute into Vale of Glamorgan to work, and also that in many parts of Vale of Glamorgan. Only about 50% of the working population are working in the County Borough itself. The exception is the south-western coastal area, particularly St. Athan, where there is significant local employment.

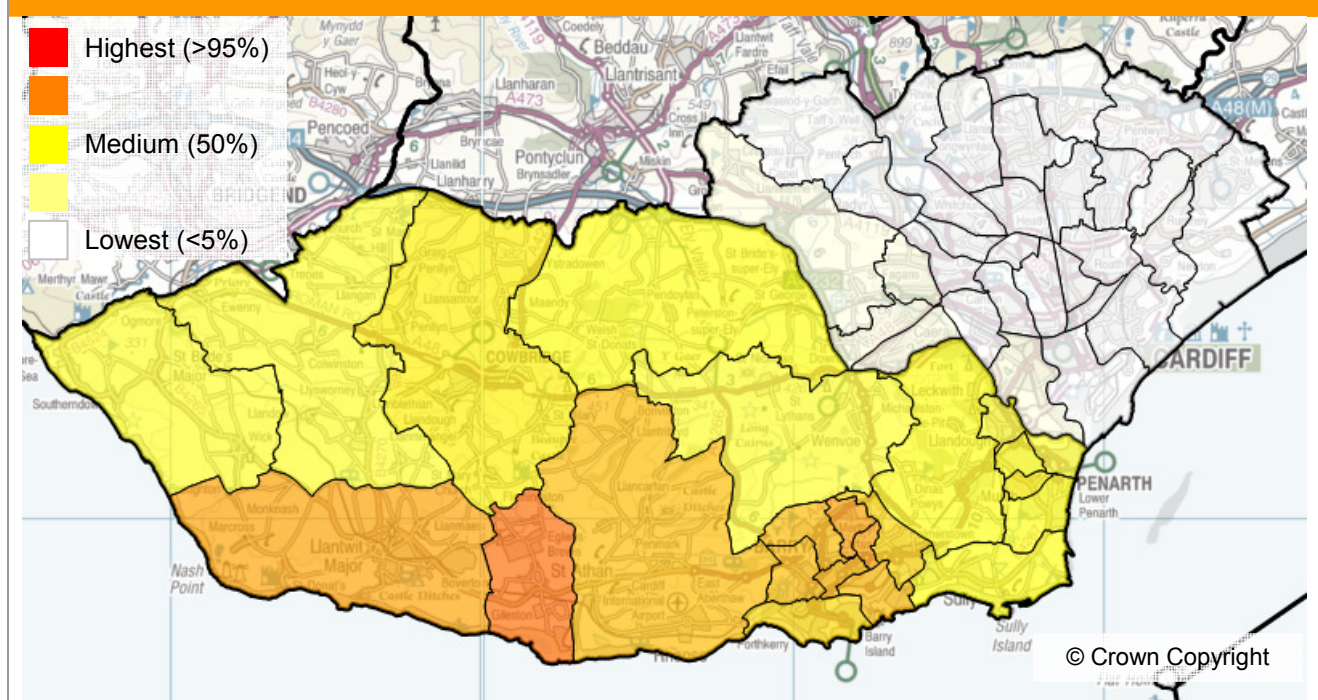
- 3.12 The strong difference in colour on the maps across the county boundaries does not indicate a step change in commuting patterns across the border; this effect is due to the significant proportion of residents in any area who either work in the immediate area or work from home. In a map showing those working in Cardiff, for example, the figures for any ward within Cardiff County Borough will include those working from or very close to home.

**Figure 3.2 Proportion of Employed Residents working in Cardiff County Borough**



Source: Census 2001



**Figure 3.3 Proportion of Employed Residents working in Vale of Glamorgan County Borough**

Source: Census 2001

- 3.13 Survey data, measured for working heads of households, supports this view; it shows that less than 25% of those living in Cardiff commute to other areas, whereas fewer than 50% of those in Vale of Glamorgan actually work in the County Borough, with 69% of commuters heading into Cardiff.

**Table 3.3 Commuting Flows: Cardiff and Vale of Glamorgan, Heads of Households**

Workplace	Cardiff Residents		Vale of Glamorgan Residents	
Cardiff	55,710	76.7%	10,688	38.4%
Vale of Glamorgan	3,551	4.9%	12,371	44.5%
Other nearby council	7,102	9.8%	2,602	9.3%
Elsewhere in Wales	3,660	5.0%	1,152	4.1%
Elsewhere in the UK	2,167	3.0%	953	3.4%
Other	460	0.6%	63	0.2%
Total	72,650	100.0%	27,829	100.0%

Source: Cardiff and Vale of Glamorgan LHMA 2007

- 3.14 There are significant socio-economic differences between locally employed and commuting households, as shown in the tables below. Commuters generally have higher incomes, and are particularly unlikely to have a total financial capacity of less than £50,000. They also tend to live in larger houses, which are more likely to be privately owned, and have a higher level of under-occupation.

**Table 3.4 Characteristics of households by location of employment, Vale of Glamorgan**

	Employed in Cardiff	Employed in Vale of Glamorgan	Employed Elsewhere
Average Income	£42,954	£33,614	£53,150
Average Financial Capacity	£279,685	£239,774	£276,649
% with Financial Capacity < £50k	5.7%	11.8%	1.5%
Average (current) Dwelling Size	3.18	3.09	3.47
% owner-occupied	88.5%	81.0%	92.4%
% under-occupied	44.5%	39.6%	54.7%

Source: Cardiff and Vale of Glamorgan LHMA 2007

**Table 3.5 Characteristics of households by location of employment, Cardiff**

	Employed in Cardiff	Employed in Vale of Glamorgan	Employed Elsewhere
Average Income	£37,257	£41,686	£47,409
Average Financial Capacity	£230,240	£246,881	£279,525
% with Financial Capacity < £50k	12.0%	3.0%	3.0%
Average (current) Dwelling Size	2.89	3.09	3.05
% owner-occupied	75.2%	90.4%	86.5%
% under-occupied	33.3%	30.9%	42.4%

Source: Cardiff and Vale of Glamorgan LHMA 2007

## 4. Extent of housing need

### Introduction

- 4.1 The LHMA Guidance lists 21 steps that must be undertaken to calculate an annual shortfall or surplus of affordable accommodation to meet housing need. The individual LHMA reports detail the calculations used to derive each of these steps. This chapter provides a brief summary of the overall annual figures produced as the final output of the model.

### Level of housing need

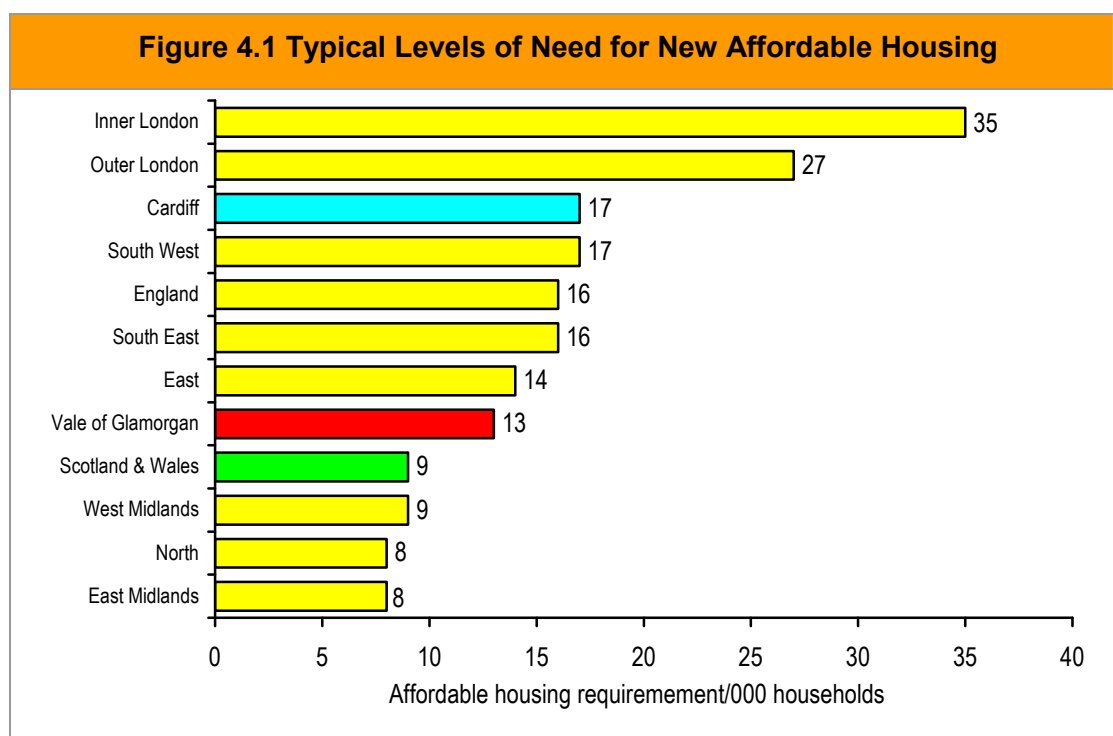
- 4.2 The table and chart below summarise the level of housing need in the two County Boroughs studied, as determined by the WAG model from the survey carried out for the LHMA. As can be seen, Cardiff has a much greater annual net need in terms of units, more than three times that of Vale of Glamorgan. In total the annual net need for the two authorities amounted to approximately 2,825 units, of which 318 units were expected to be used each year to meet the backlog of existing need over a five year period.

**Table 4.1 Summary of Affordable Housing Model Outputs**

	Cardiff	Vale of Glamorgan	Overall
Total current need	4,254	1,460	5,714
Annual requirement of units to reduce current need	168	150	318
Total newly arising housing need	3,472	1,043	4,515
Annual supply of affordable housing	1,467	541	2,008
<b>Overall net shortfall (or surplus)</b>	<b>2,173</b>	<b>652</b>	<b>2,825</b>
<b>Fordham Research Affordable Housing Index</b>	<b>17</b>	<b>13</b>	<b>15</b>

Source: Cardiff and Vale of Glamorgan LHMA 2007

- 4.3 However, once the smaller size of Vale of Glamorgan is taken into account through the Fordham Research Affordable Housing Index, the disparity is less great. This figure suggests that housing need is around 30% higher in Cardiff than in the Vale of Glamorgan, although both are above the average of nine found in previous studies carried out in Wales & Scotland.



Source: Fordham Research 2007

## 5. Future housing market

### Introduction

- 5.1 This chapter uses a modelling exercise, the Balancing Housing Markets model (BHM), to identify imbalances that will exist across the housing market in the two authorities in the short to medium-term. It compares the likely future demand of housing against the likely future supply of housing using information derived from the main household survey and secondary data sources. A full explanation of the methodology used may be found in the main Cardiff and Vale of Glamorgan LHMA reports.

### BHM output for Cardiff

- 5.2 The table below presents the net housing demand results produced from the BHM analysis in Cardiff. Overall, across all tenures there is an apparent shortfall of 1,897 dwellings per annum (excess demand over supply).

Table 5.1 Balancing Housing Markets results: Cardiff					
Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	168	120	234	172	695
Private rented	-48	424	102	183	660
Intermediate	118	112	60	0	291
Social rented	110	-304	373	73	251
TOTAL	348	352	769	428	1,897

Source: Cardiff and Vale of Glamorgan LHMA 2007

- 5.3 The summarised results for each tenure are discussed below:

#### *Owner-occupation*

- 5.4 In the owner-occupied sector there is an apparent shortfall of 695 units per annum (37% of the overall shortfall). The greatest shortfall is for three bedroom homes although shortages of one, two and four bedroom homes are also shown.

#### *Private rented sector*

- 5.5 In the private rented sector there is an apparent shortfall of 660 units per annum (35% of the overall shortfall). The greatest shortfall is for two bedroom homes although a shortage is also recorded for three and four bedroom dwellings. The table suggests that there will be a small surplus of one bedroom private rented accommodation.

*Intermediate housing*

- 5.6 The requirement for intermediate housing makes up around 15% of the net shortfall of housing in Cardiff and there are shortages shown for one, two and three bedroom homes. The model finds only limited evidence of a future supply of intermediate housing from the current stock (around 15 units per annum) so it is largely the case that where a household has a demand or requirement for intermediate housing this will not be met through the current stock.

*Social rented housing*

- 5.7 The shortage of social rented housing makes up around 13% of the total shortfall of housing in Cardiff. Most of the net requirement for social rented housing is for three bedroom units although the results also suggest a shortage of one and four bedroom homes and a surplus of two bedroom accommodation.
- 5.8 The surplus recorded of two bedroom homes within the social rented sector will not present itself in reality but is a product of the model accounting for the demand for larger dwellings from family households currently resident in two bedroom social rented accommodation that would like to transfer within the sector. In reality the lack of availability within the social rented stock will prevent these transfers from being possible. The impact of these constraints can be seen by contrasting the aspirations of two bedroom social rented tenants with actual movement in the sector. Households indicated that there would be a supply of 1,141 two bedroom social rented properties; however the reality for 2007/08 was a supply of only 637 two bedroom homes. A similar trend can be seen for three and four bedroom social rented properties. The model however reflects the requirement for larger social rented dwellings from households currently resident in the tenure.

**BHM output for Vale of Glamorgan**

- 5.9 The table below presents the net housing demand results produced from the BHM analysis in Vale of Glamorgan. Overall, across all tenures there is an apparent shortfall of 572 dwellings per annum (excess demand over supply).

**Table 5.2 Balancing Housing Markets results: Vale of Glamorgan**

Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	61	16	-47	89	119
Private rented	135	-5	-7	27	150
Intermediate	34	40	21	13	108
Social rented	-33	64	145	18	195
<b>TOTAL</b>	<b>197</b>	<b>115</b>	<b>112</b>	<b>148</b>	<b>572</b>

Source: Cardiff and Vale of Glamorgan LHMA 2007

5.10 The summarised results for each tenure are discussed below:

#### *Owner-occupation*

5.11 In the owner-occupied sector there is an apparent shortfall of 119 units per annum (21% of the overall shortfall). The greatest shortfall is for four bedroom homes although shortages of one and two bedroom homes are also shown. The model identifies a small surplus of three bedroom accommodation. This reflects the fact that the majority of the existing owner-occupied stock in Vale of Glamorgan is three bedroom dwellings, so whilst some 44.6% of the total demand within the tenure is for three bedroom homes, the supply of this accommodation size is projected to be slightly greater, creating a small net surplus.

#### *Private rented sector*

5.12 In the private rented sector there is an apparent shortfall of 150 units per annum (26% of the overall shortfall). The greatest shortfall is for one bedroom homes although a shortage is also recorded for four bedroom homes. A very small surplus of two and three bedroom homes is also recorded.

#### *Intermediate housing*

5.13 The requirement for intermediate housing makes up around 19% of the net shortfall of housing in the County Borough and there are shortages shown for all sizes of accommodation. The main shortfalls are for one and two bedroom homes. The model finds only limited evidence of a future supply of intermediate housing from the current stock (around 18 units per annum) so it is largely the case that where a household has a demand or requirement for intermediate housing this will not be met through the current stock.

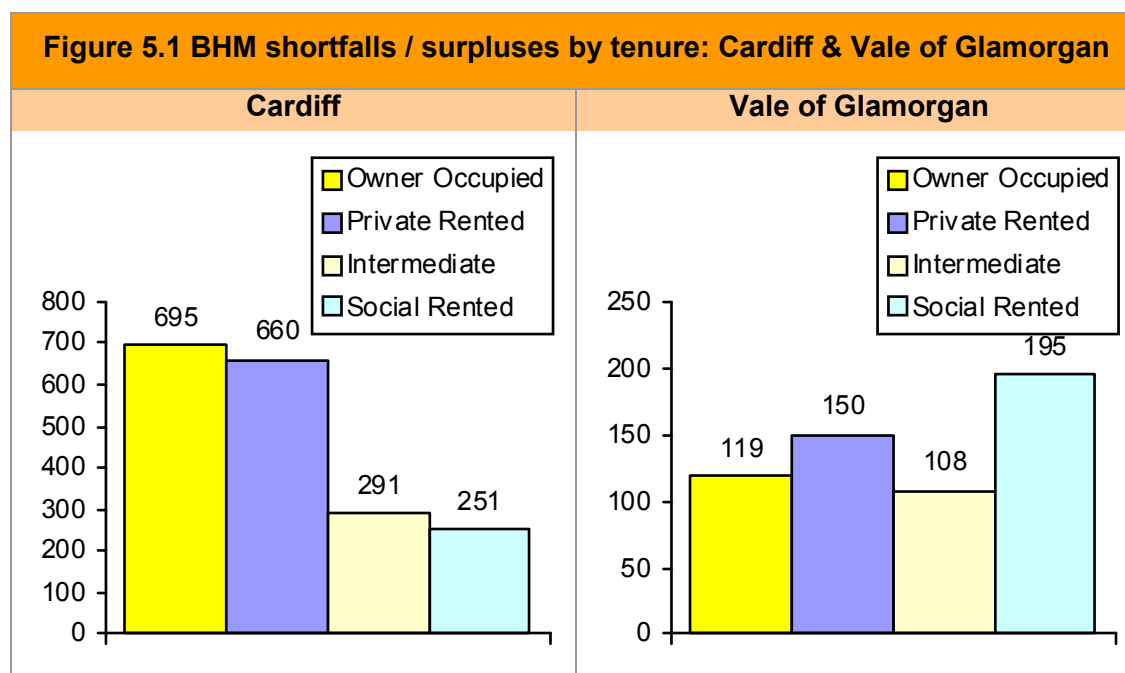
#### *Social rented housing*

5.14 The shortage of social rented housing makes up around 34% of the total shortfall of housing in the County Borough. Most of the net requirement for social rented housing is for three bedroom units although the results also suggest a shortage of two and four bedroom dwellings. The table also suggests there will be a small surplus of one bedroom social rented accommodation.

### **A comparison between the areas**

5.15 The figure below compares the tenure of dwellings required in each authority according to the BHM results. The figure shows that the greatest shortfalls are for owner-occupied accommodation in Cardiff and social rented dwellings in Vale of Glamorgan. Overall Cardiff records a larger potential demand for intermediate housing within the affordable sector than Vale of Glamorgan.





Source: Cardiff and Vale of Glamorgan LHMA 2007

## Combined requirement for the study area

5.16 The table below combines the outputs recorded for the individual authorities to present a profile of the type of accommodation required across the study area.

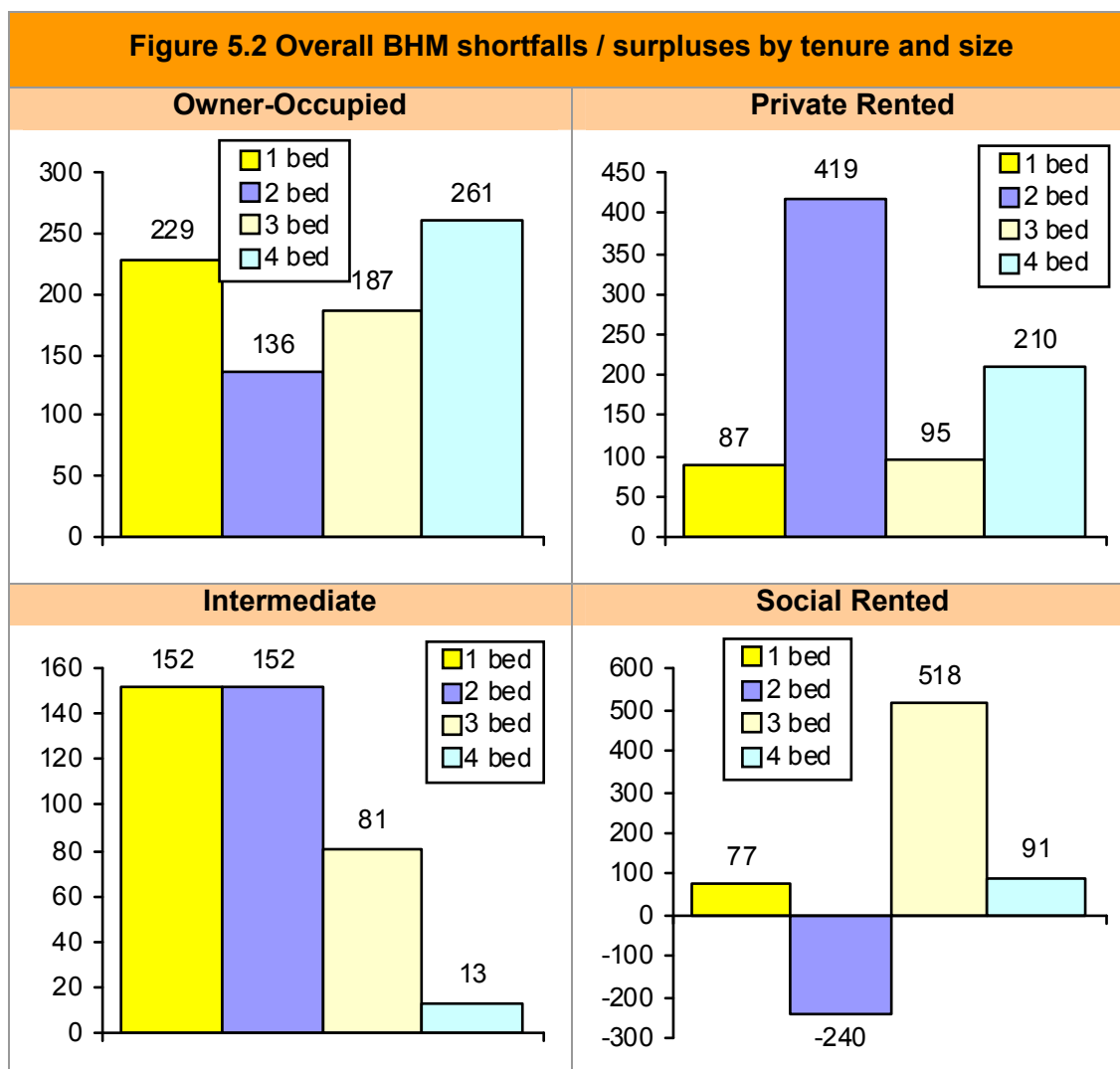
Table 5.3 Balancing Housing Markets results: Overall					
Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	229	136	187	261	814
Private rented	87	419	95	210	810
Intermediate	152	152	81	13	399
Social rented	77	-240	518	91	446
TOTAL	545	467	881	576	2,469

Source: Cardiff and Vale of Glamorgan LHMA 2007

5.17 The Balancing Housing Markets model identified an overall demand for 2,469 properties per annum in the combined Cardiff and Vale of Glamorgan area, with 77% of this demand within Cardiff, and 23% in Vale of Glamorgan.

5.18 Looking within each tenure for the whole of the Cardiff and Vale of Glamorgan area, as shown by the charts below, it is clear that the strongest demand for larger dwellings is in the social rented and owner-occupied sectors. The bulk of demand for smaller properties is seen in the private rented sector.

5.19 The intermediate sector is relatively small, but the majority of the demand here, as for the private rented sector, is for one and two bedroom properties.



Source: Cardiff and Vale of Glamorgan LHMA 2007



## 6. Particular groups

### Introduction

- 6.1 The individual LHMA reports profile the nature of groups of households that may be of particular interest to the Council. However, the sample size for some groups was too small for detailed analysis to be presented at the local authority level. This chapter will therefore present the situation of these groups across the study area (both Cardiff and Vale of Glamorgan) to enable more detail to be presented. The population of these groups in Cardiff and Vale of Glamorgan will also be presented.

### Rural households

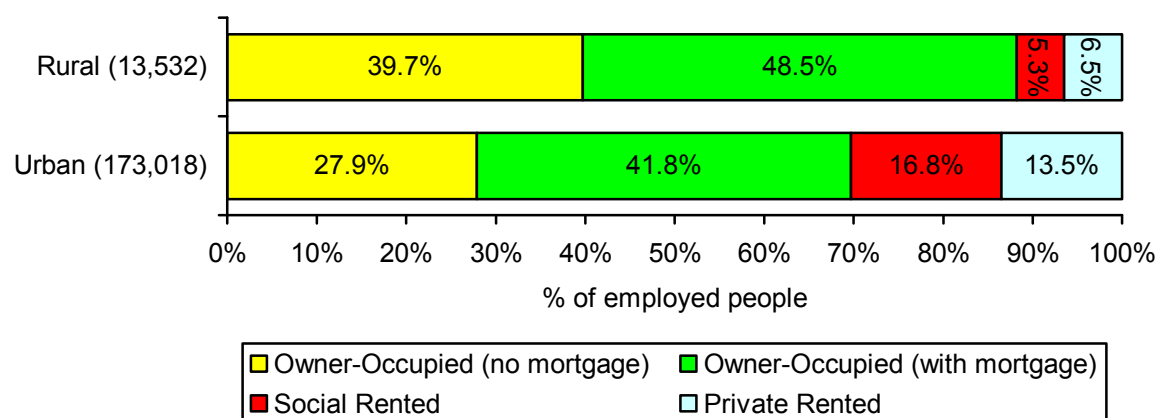
- 6.2 Vale of Glamorgan contains the majority (73.7%) of the rural households in the study area, which total 13,531. Rural households are in a very small minority in Cardiff, at only 2.6% of the population, compared to 19.3% in Vale of Glamorgan.

**Table 6.1 Urban and Rural Households in Cardiff and Vale of Glamorgan**

	Cardiff		Vale of Glamorgan		Total	
Rural	3,553	2.6%	9,978	19.3%	13,531	7.3%
Not Rural	131,246	97.4%	41,772	80.7%	173,018	92.7%
Total	134,799	100.0%	51,750	100.0%	186,549	100.0%

Source: Cardiff and Vale of Glamorgan LHMA 2007

- 6.3 Only a very small proportion of rural households across the study area live in rented accommodation, totalling 11.8%, with more owner-occupied households without mortgages found in rural areas instead.

**Figure 6.1 Tenure of rural and urban households**

Source: Cardiff and Vale of Glamorgan LHMA 2007

- 6.4 Rural households are, on average, slightly larger than those in urban areas, with an average of 2.52 compared to 2.35 persons per household.
- 6.5 Households in rural areas are substantially less likely to live in unsuitable housing (by the Welsh Guidance definition) than those in urban areas, with just 3.7% of rural households (totalling 504) in this situation, compared to 8.4% of urban households.
- 6.6 Rural households also have very high average incomes and a greater financial capacity to buy housing, as shown in the table below. However, 7.3% of rural households (983 in total) still have a financial capacity of less than £50,000.

**Table 6.2 Income and Financial Capacity: Urban and Rural Households**

	Average Income	Average Financial Capacity	Financial capacity under £50,000	
Urban Households	£27,873	£208,891	22.6%	39,081
Rural Households	£41,056	£390,390	7.3%	983

Source: Cardiff and Vale of Glamorgan LHMA 2007

## Support needs households

- 6.7 While Cardiff contains the majority (70.6%) of all households containing a member with a support need, the proportion of those with support needs within each County Borough is broadly similar, at 20-21%.

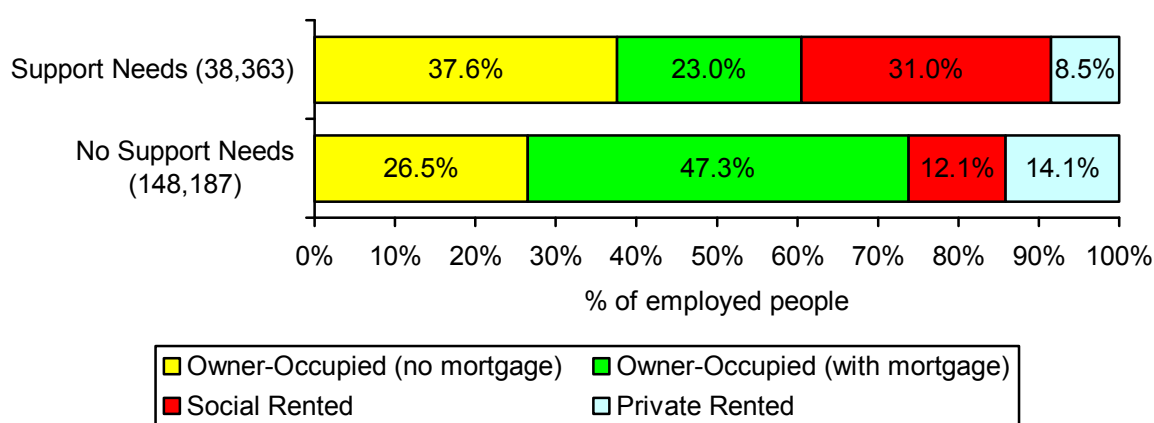
**Table 6.3 Households containing individuals with support needs in Cardiff and Vale of Glamorgan**

	Cardiff		Vale of Glamorgan		Total	
With Support Needs	27,090	20.1%	11,273	21.8%	38,363	20.6%
No Support Needs	107,710	79.9%	40,477	78.2%	148,187	79.4%
Total	134,800	100.0%	51,750	100.0%	186,550	100.0%

Source: Cardiff and Vale of Glamorgan LHMA 2007

- 6.8 It was estimated that of all households with support needs across the study area, 18.0% (6,911) contained more than one person with support needs, while 44.4% (17,030) contained at least one person with more than one support need.
- 6.9 Households containing people with support needs were much less likely to have a mortgage than other households; the largest group lived in owner-occupied housing without a mortgage, due to the number of older person households in this group, who are more likely to have completed their mortgages.
- 6.10 More significant is the concentration in social housing, with support needs households more than twice as likely (31.0% compared to 12.1%) to be living in social housing than those without support needs, and also making up 39.9% of all households in this tenure.

**Figure 6.2 Tenure of households containing a member with support needs**



Source: Cardiff and Vale of Glamorgan LHMA 2007

- 6.11 Households containing a member with support needs are generally smaller than average, at 2.14 persons per household, compared to 2.42 for other households.
- 6.12 Across the study area, households containing a member with support needs are more likely to be living in unsuitable housing, with 18.9% of such households (7,256 in total) in this situation compared to 5.3% of other households. As a result, households with support needs make up nearly half (48.1%) of all households in unsuitable housing.

- 6.13 In addition, support needs households have far lower incomes than average, as shown in the table below. This also carries through into a lesser financial capacity to buy housing, with an average of £168,175 compared to £236,005 for other households. 35.9% have a very low financial capacity of less than £50,000.

**Table 6.4 Income and Financial Capacity: Support Needs Households**

	Average Income	Average Financial Capacity	Financial capacity under £50,000	
Support Needs	£17,312	£168,175	35.9%	13,756
No Support Needs	£31,811	£236,005	17.8%	26,308

Source: Cardiff and Vale of Glamorgan LHMA 2007

## Key worker households

- 6.14 There are slightly more households containing key workers in Cardiff than in Vale of Glamorgan, at 14.8% of all households compared to 13.5%. Key worker households total 26,887 across the study area, 74.0% of which are found in Cardiff.

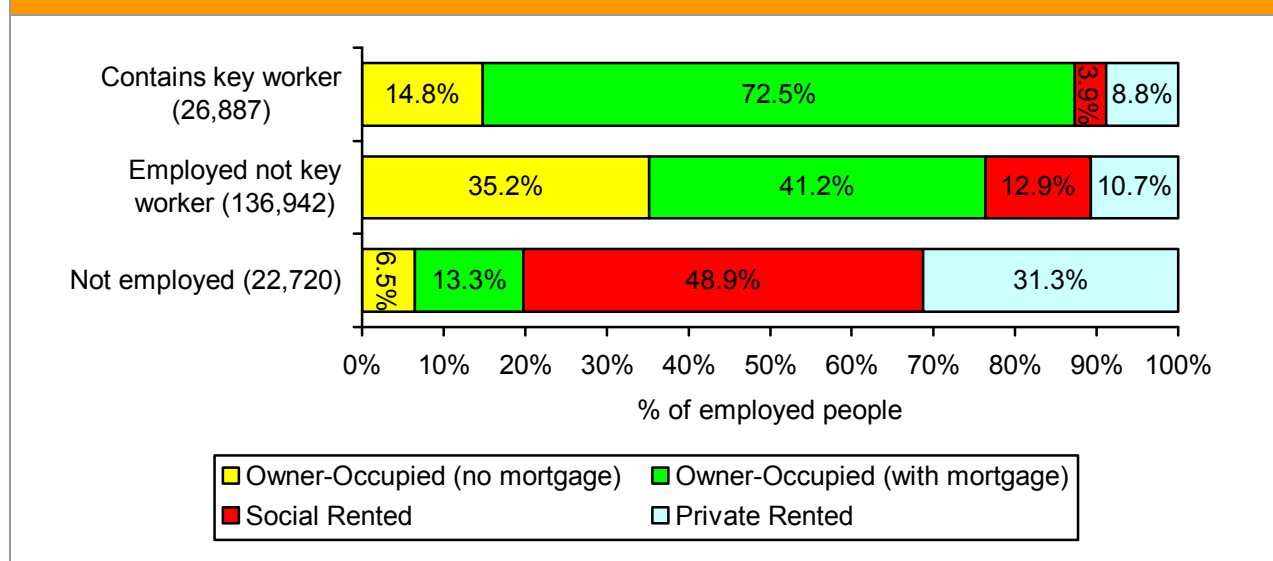
**Table 6.5 Households containing key workers in Cardiff and Vale of Glamorgan**

	Cardiff		Vale of Glamorgan		Total	
No Key Workers	114,911	85.2%	44,752	86.5%	159,663	85.6%
Containing Key Workers	19,889	14.8%	6,998	13.5%	26,887	14.4%
Total	134,800	100.0%	51,750	100.0%	186,550	100.0%

Source: Cardiff and Vale of Glamorgan LHMA 2007

- 6.15 Key workers in the study area show a significantly different tenure distribution to other types of household; nearly three quarters (72.5%) have a mortgage, compared to just 41.2% of those households without a key worker (excluding the unemployed or retired). Very few key worker households live in rented accommodation (12.7%), and even fewer in social rented accommodation (3.9%), filling just 3.5% of the social rented housing stock.



**Figure 6.3 Tenure of households containing key workers**

Source: Cardiff and Vale of Glamorgan LHMA 2007

- 6.16 Typically, key worker households are quite large, with an average of 2.90 persons per household, compared to 2.24 persons for non-key worker households in employment.
- 6.17 Key worker households are relatively unlikely to be living in unsuitable housing according to the Welsh Guidance definition, with just 3.9% (1,045 households) falling into this category, compared with 7.3% of other employed households, and 17.5% of households without an employed member.
- 6.18 This low proportion means that only 6.9% of unsuitable housing in the study area can be accounted for by key worker households, although they make up 14.4% of the total population.
- 6.19 Key worker households also have significantly more income and financial capacity than average to meet their housing needs, as shown in the table below. It is particularly noticeable that very few (only 4.7%) have a financial capacity of less than £50,000.

**Table 6.6 Income and Financial Capacity: Key Worker Households**

	Average Income	Average Financial Capacity	Financial capacity under £50,000	
Key worker	£47,003	£289,298	4.7%	1,258
Not key worker: employed	£28,487	£236,273	15.7%	21,553
Not employed	£9,385	£56,796	75.9%	17,253

Source: Cardiff and Vale of Glamorgan LHMA 2007

## Older person households

- 6.20 Households containing only older people are a greater proportion of the total in Vale of Glamorgan, at 27.8% compared to 24.1%, although the greater size of Cardiff means that despite this a large majority (69.3%) of such households in the study area are in Cardiff.

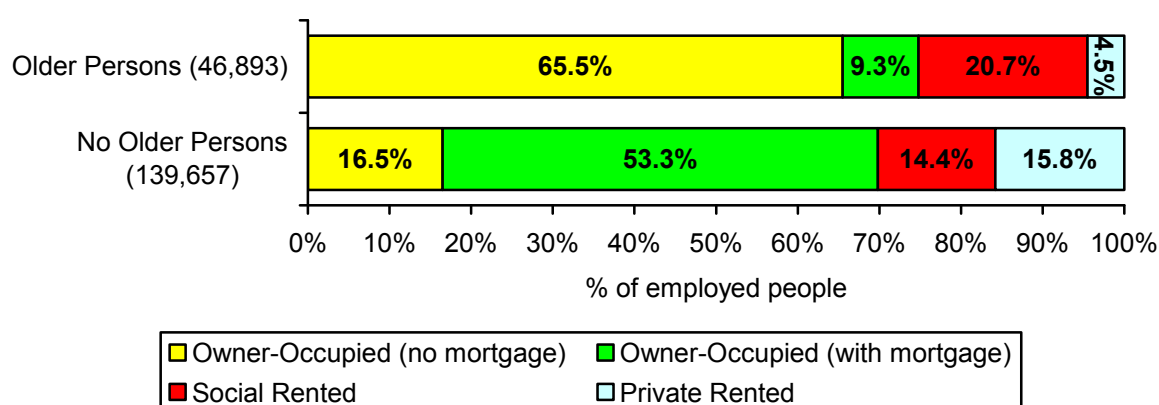
**Table 6.7 Households composed only of older persons in Cardiff and Vale of Glamorgan**

	Cardiff		Vale of Glamorgan		Total	
Containing older persons	32,507	24.1%	14,385	27.8%	46,893	25.1%
No older persons	102,293	75.9%	37,365	72.2%	139,657	74.9%
Total	134,800	100.0%	51,750	100.0%	186,550	100.0%

Source: Cardiff and Vale of Glamorgan LHMA 2007

- 6.21 Households containing older persons in the study area have a very different tenure distribution to other households, with more than half (65.5%) living in owner-occupied accommodation without a mortgage, in fact making up 57.2% of all households in this tenure. They are also more likely than average (20.7% compared to 14.4%) to live in social rented housing, and relatively unlikely to be in private rented housing.

**Figure 6.4 Tenure of households containing older persons**



Source: Cardiff and Vale of Glamorgan LHMA 2007

- 6.22 Older person households are much smaller than average, with a mean of just 1.41 persons per household, indicating a majority of single person households.
- 6.23 Only 6.3% (2,952) of older person households, as compared to 8.7% of other households, are living in unsuitable housing according to the results of the survey. However, their average level of income is very low, at just £15,379 per annum, as shown in the table below.

- 6.24 Despite this, greater levels of equity and savings among older households mean that their financial capacity to buy housing is on average higher, and the proportion with a very low financial capacity (below £50,000) is not significantly above average.

**Table 6.8 Income and Financial Capacity: Older Person Households**

	Average Income	Average Financial Capacity	Financial capacity under £50,000	
Older person only households	£15,379	£219,960	22.1%	10,342
Other households	£33,346	£228,300	21.3%	29,722

Source: Cardiff and Vale of Glamorgan LHMA 2007

## BME households

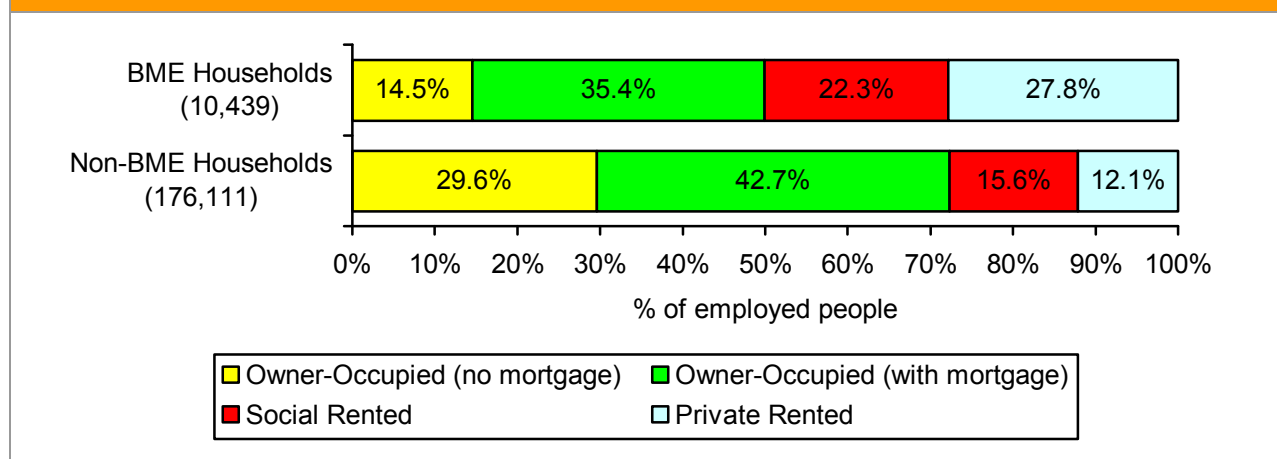
- 6.25 The Black and Minority Ethnic (BME) population of the study area, totalling 10,439 households, is found almost exclusively in Cardiff, with only 687 (6.6%) of the total living in Vale of Glamorgan, making up 1.3% of that area's total households. Within Cardiff, the BME households are split between Asian, Mixed/Other and Black groups, totalling 7.2% of Cardiff's households between them.

**Table 6.9 BME households in Cardiff and Vale of Glamorgan**

	Cardiff		Vale of Glamorgan		Total	
White	125,049	92.8%	51,062	98.7%	176,111	94.4%
Asian	3,851	2.9%	275	0.5%	4,127	2.2%
Black	2,275	1.7%	102	0.2%	2,377	1.3%
Mixed & Other	3,625	2.7%	310	0.6%	3,935	2.1%
Total	134,800	100.0%	51,750	100.0%	186,550	100.0%

Source: Cardiff and Vale of Glamorgan LHMA 2007

- 6.26 BME households in the study area tend to be more likely to live in rented accommodation than average, with just over half (50.1%) living in either a social rented or private rented dwelling. In particular, the proportion in private rented housing is more than double (27.8%) that of non-BME households (12.1%). Relatively few live in owner-occupied accommodation without a mortgage, at just 14.5% of the total.

**Figure 6.5 Tenure of BME households**

Source: Cardiff and Vale of Glamorgan LHMA 2007

- 6.27 BME households tend to be much larger than average, with a mean of 3.11 persons per household, compared to 2.32 persons for other groups.
- 6.28 BME households are significantly more likely than average to live in unsuitable housing, with 15.4% (1,609 households), as compared to 7.6% of other households, living in such housing.
- 6.29 In addition, the mean income of BME households is, despite their larger size, lower than average, as shown in the table below. The disparity in financial capacity is even greater, with nearly 40% of BME households having a financial capacity of less than £50,000. This indicates that BME households are likely to have particular problems meeting their housing needs.

**Table 6.10 Income and Financial Capacity: BME Households**

	Average Income	Average Financial Capacity	Financial capacity under £50,000	
BME Households	£23,047	£136,440	39.2%	4,092
Non-BME Households	£29,172	£227,132	20.4%	35,972

Source: Cardiff and Vale of Glamorgan LHMA 2007

## Families

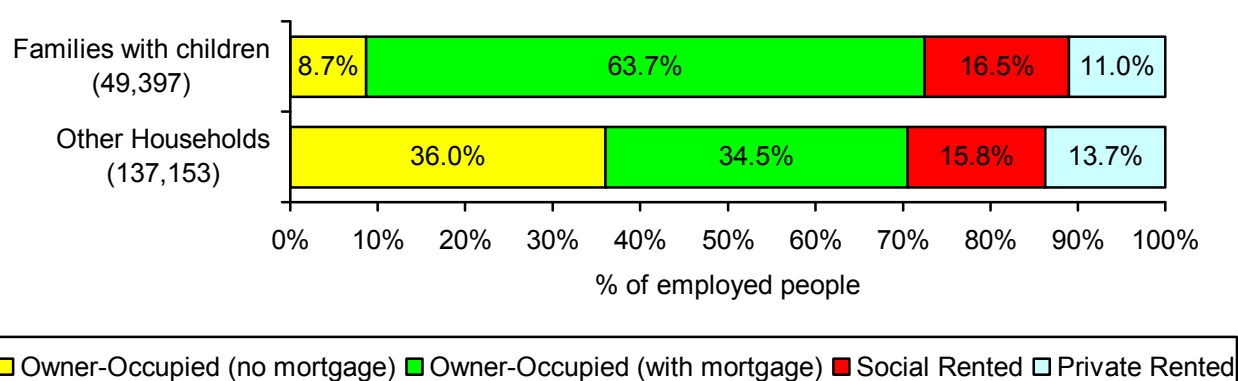
- 6.30 Families with children make up 26.5% of the households in the study area. The proportion is broadly similar for both Cardiff and Vale of Glamorgan, although slightly higher in the latter area.

**Table 6.11 Households containing families with children in Cardiff and Vale of Glamorgan**

	Cardiff		Vale of Glamorgan		Total	
Families with children	35,348	26.2%	14,049	27.1%	49,397	26.5%
Other households	99,452	73.8%	37,701	72.9%	137,153	73.5%
Total	134,800	100.0%	51,750	100.0%	186,550	100.0%

Source: Cardiff and Vale of Glamorgan LHMA 2007

- 6.31 Families with children in the study area are almost twice as likely to have a mortgage (63.7%) than other types of household (34.5%). They are highly unlikely to have paid off their mortgage entirely, with only 8.7% having done so. However, similar proportions to other households (27.5% in total) live in social rented or private rented accommodation.

**Figure 6.6 Tenure of families with children**

Source: Cardiff and Vale of Glamorgan LHMA 2007

- 6.32 Families are more likely to live in unsuitable housing than many other groups, with 11.7% (5,786 households) living in such housing compared to 6.8% of other households. As a result, households with children make up more than a quarter (28.4%) of all those in unsuitable housing.
- 6.33 Families with children do have a higher than average household income, which would at face value indicate a greater ability to solve unsuitable housing problems. However, due to a relative lack of savings and equity, this advantage does not translate to additional financial capacity to buy housing, and the proportion with very low financial capacities (below £50,000) is in fact slightly above average.

**Table 6.12 Income and Financial Capacity: Families with children**

	Average Income	Average Financial Capacity	Financial capacity under £50,000	
Families with children	£36,455	£224,085	22.5%	11,135
Other households	£26,083	£221,326	21.1%	28,929

Source: Cardiff and Vale of Glamorgan LHMA 2007



## 7. Policy implications

### Introduction

- 7.1 The individual LHMA reports list a range of policy recommendations alongside justification for them. This chapter will summarise the policy implications in each authority to enable comparisons to be made on how each authority may progress its housing and planning policies.

### Policy recommendations for Cardiff

- 7.2 The level of housing need in Cardiff would justify an affordable housing target of 45% dependent on site viability. Half of this target could be provided as intermediate housing, if the weekly cost target can be met. Since it is unlikely to be achieved a target of 20% of affordable housing as intermediate, in line with current policy, appears appropriate.
- 7.3 Analysis of survey data showed there is potential demand for 1,897 new dwellings per year in Cardiff.
- 7.4 The largest shortfall for market accommodation is for two bedroom homes, with a large shortfall of three and four bedroom accommodation also recorded. The largest shortfall for social rented property is for three bedroom dwellings.

### Policy recommendations for Vale of Glamorgan

- 7.5 The level of housing would justify an affordable housing target of 45% dependent on site viability. About a third (36%) of this target could be provided as intermediate housing, if the weekly cost target can be met. Since it probably cannot, the choice is between seeking all of it as social rented and making the intermediate part of the target into shared equity housing. It would still be worth seeking intermediate housing, since further options may be developed over the life of strategies based on this study.
- 7.6 Analysis of survey data showed there is potential demand for 572 new dwellings per year in Vale of Glamorgan.
- 7.7 The largest shortfall for market accommodation is for one bedroom homes, with a large shortfall of four bedroom accommodation also recorded. The largest shortfall for social rented property is for three bedroom dwellings.