



Bridgend County Borough Council



Local Housing Market Assessment 2021

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1. Introduction

1.1 National Policy Background

- 1.1.1 Section 8 of the Housing Act 1985 places a statutory duty on local authorities to assess the level of housing need in their area. This is vital for authorities to have a comprehensive understanding of the intricacies of their local housing market(s) and to provide a robust evidence base for effective strategic housing and planning services. Production of a Local Housing Market Assessment (LHMA) fulfils this duty, building upon the requirement to review housing needs through a more holistic review of the whole housing market.
- 1.1.2 The importance of LHMA's was underlined in the 2019 Independent Review of Affordable Housing Supply which stated that "the basis of good housing policy and decisions regarding affordable housing supply stems from the best possible data on housing need and demand". The Review placed significant emphasis on understanding exactly how many homes are needed, in which geographical areas and in what tenures. A robust LHMA is the key means of identifying this evidence at the local level.
- 1.1.3 Planning Policy Wales also stresses that LHMA's are to "form a fundamental part of the evidence base for development plans", that should be considered holistically with a range of other evidence "in order to identify an appropriate strategy for the delivery of housing in the plan area".

1.2 Local Policy Background

- 1.2.1 The corporate plan for the Bridgend local authority area was produced in 2018 and reviewed in 2019. It contains the vision of, "One council working together to improve lives". This Vision is to be delivered through the following key principles:
 - To support communities and people to create their own solutions and reduce dependency on the Council;
 - To focus diminishing resources on communities and individuals with the greatest need;
 - To use good information from service users and communities to inform its decisions;
 - To encourage and develop capacity amongst the third sector to identify and respond to local needs;
 - To not let uncertainty over the future of public services prevent meaningful and pragmatic collaboration with other public bodies;

- To work as one Council and discourage different parts of the organisation from developing multiple processes or unnecessarily different approaches; and
- To transform the organisation and many of its services to deliver financial budget reductions as well as improvements.

A well evidenced and up to date LHMA is key achieving of many of these principles, through providing a better understanding of the components of the housing market and pinpointing key gaps where intervention may be required.

1.2.2 The Replacement Local Development Plan (LDP) is currently being prepared. The Vision seeks to continue to transform the County Borough, resulting in the development of a safe, healthy and inclusive network of communities that connect more widely with the region to catalyse sustainable economic growth. The Replacement LDP policies are cross-cutting in their nature and cross-reference the goals and objectives of the Well-being of Future Generations (Wales) Act 2015 and Bridgend Local Well-being Plan. The LDP Vision will be delivered through four Strategic Objectives which seek to reflect updated national policy and legislation and address the issues facing the County Borough:

- To Create High Quality Sustainable Places (Placemaking)
- To Create Active, Healthy, Cohesive and Social Communities
- To Create Productive and Enterprising Places
- To Protect and Enhance Distinctive and Natural Places

1.2.3 The findings of this LHMA will form a key part of the evidence base for the Replacement LDP to deliver against these objectives. The LHMA will facilitate a detailed understanding of the nature and level of need for market and affordable housing in the County Borough, which can be used to inform the authority-wide target for affordable housing in the LDP, recognising that the Plan will not be the only source of affordable housing delivery. The settlement specific evidence outlined in this LHMA will also prove fundamental in identifying how planning contributions will help meet this target alongside other sources of affordable housing delivery. The data will inform the appropriate mix of dwellings for new developments, particularly the types of affordable housing (i.e. intermediate and social rented) in short supply.

1.3 Overview of Assessment and Methodology

1.3.1 This assessment was produced following the methodology set out by the Welsh Government in “Getting Started with your Local Housing Market Assessment – A Step by Step Guide” (2014) and the “Local Housing Market Assessment Guide” (2006).

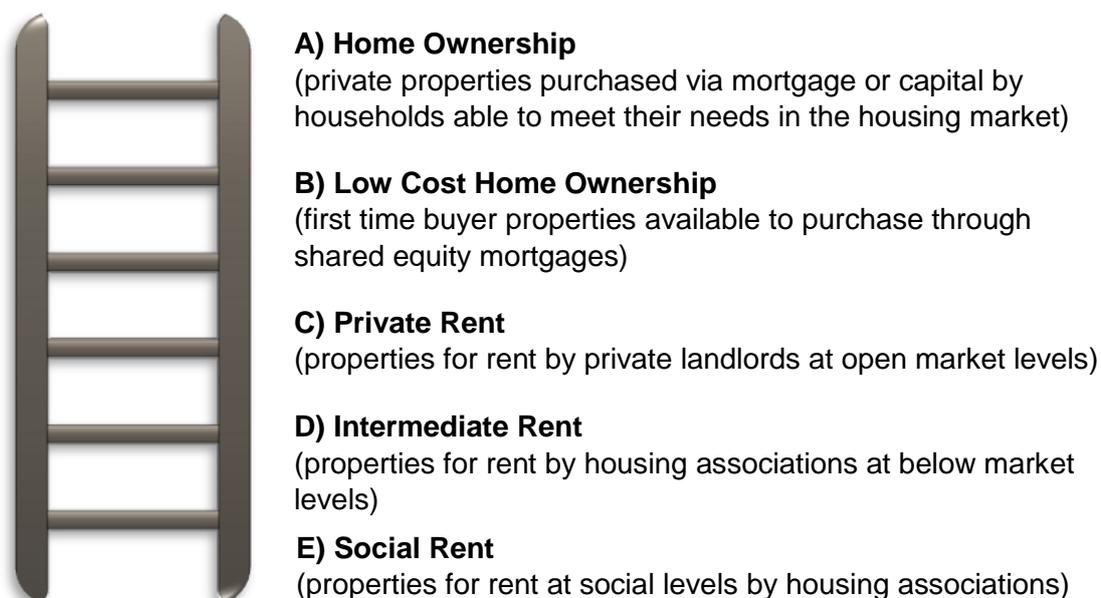
1.3.2 For the purposes of this assessment, the County Borough has been divided into eight housing market areas, which are summarised in Table 1 below for reference. These areas have been aggregated geographically based on the functional areas where people currently live and would be willing to move home, recognising that housing markets are not constrained by administrative boundaries. They are defined (statistically) by clusters of Middle Super Output Areas.

Table 1: Housing Market Areas

Area	Middle Super Output Areas
<p>Bridgend and Surrounding (including Brackla, Bryntirion, Laleston and Merthyr Mawr, Cefn Glas, Coity, Coychurch Lower, Litchard, Llangweydd and Brynhyfryd, Morfa, Newcastle, Oldcastle, Pendre and Pen-Y-Fai)</p>	<p>W02000228 W02000229 W02000230 W02000231 W02000232 W02000233 W02000234</p>
<p>Garw Valley (including Bettws, Blaengarw, Llangeinor and Pontycymmer)</p>	<p>W02000221</p>
<p>Llynfi Valley (including Caerau, Llangynwyd, Maesteg East and Maesteg West)</p>	<p>W02000218 W02000219 W02000222</p>
<p>Ogmore Valley (including Blackmill, Nant-Y-Moel and Ogmore Vale)</p>	<p>W02000220</p>
<p>Pencoed and Heol Y Cyw (including Felindre, Hendre and Penprysg)</p>	<p>W02000226</p>
<p>Porthcawl (including Newton, Nottage, Porthcawl East Central, Porthcawl West Central and Rest Bay)</p>	<p>W02000235 W02000236</p>
<p>Pyle, Kenfig and Cornelly (including Cefn Cribwr, Cornelly and Pyle)</p>	<p>W02000225 W02000227</p>
<p>Valleys Gateway (including Aberkenfig, Bryncethin, Bryncoch, Sarn and Ynysawdre)</p>	<p>W02000223 W02000224</p>

- 1.3.3 A number of key factors have been taken into account when defining these areas, including the broad price of housing (to consider ‘transferability’ within the market) and major transport links by road or rail (to take account of commuting patterns). Individual preferences of households may well centre on smaller geographical radii. However, planning for additional housing provision needs to be conducted at a scale suitable to consider the costs and benefits of increasing supply (i.e. land availability, broad viability, dwelling vacancy rates and potential impact on housing need deficits).
- 1.3.4 This LHMA assesses the various components of the housing market across each of these varied Areas. It firstly provides an overview of key tenure related statistics, then details socio-economic and demographic trends before assessing the quantitative level of housing need across each Housing Market Area.
- 1.3.5 The collective housing market encompasses a range of tenures as depicted in Figure 1 below, conventionally ranging from home ownership to private rented accommodation to social rented accommodation. Historically, it was only this latter category of households that were considered to be in housing need. However, escalating property prices, low wage inflation, higher deposits, and tighter lending criteria have collectively given rise to a sector of households that are not technically in need of social rented accommodation, yet are ‘squeezed out’ of home ownership and the private rented sector.

Figure 1: Housing Market Ladder



- 1.3.6 Such households are often in need of an alternative form of affordable housing, broadly categorised as intermediate housing, yet including both Low Cost

Home Ownership (LCHO) and properties for intermediate rent. These tenures include properties to purchase or rent where prices or rents are above social levels, yet below market levels, respectively. This LHMA has duly considered the gap for such products alongside market housing and social housing, acknowledging that households will move up or down the housing ladder unsystematically as their housing needs dictate.

- 1.3.7 For the purposes of this assessment, Affordable Housing is defined as housing “where there are secure mechanisms in place to ensure that it is accessible to those who cannot afford market housing, both on first occupation and for subsequent occupiers”. This includes social rented and intermediate housing but excludes private housing as the price and occupancy of the latter tenure is broadly set by the market and is not under the control of the Local Authority.
- 1.3.8 The quantitative assessment of housing need detailed further in this LHMA utilises Welsh Government Guidance to arrive at a net level by Housing Market Area. This calculation is enabled by considering the level of newly arising need balanced against the extant backlog of need and the forthcoming supply, adjusted to take account of turnover in the social rented sector. However, as Welsh Government Guidance (2006) quite rightly states, “levels of unmet need are unlikely to be reduced to zero given that people’s housing circumstances change, and there will always be households falling in and out of housing need”. This LHMA therefore takes a snapshot of housing need and outlines the extent to which this quota can be met over the next five years, with additional consideration given to remaining housing need over the LDP period (up to 2033).
- 1.3.9 This LHMA replaces the last Assessment (2019/20) in forming part of the evidence base for the Corporate Plan, Local Wellbeing Plan and Replacement LDP. Operationally, it provides a tool to inform the Replacement LDP’s affordable housing requirement, justify affordable housing provision on planning applications, allocate Social Housing Grant and inform strategic housing priorities at the local level.

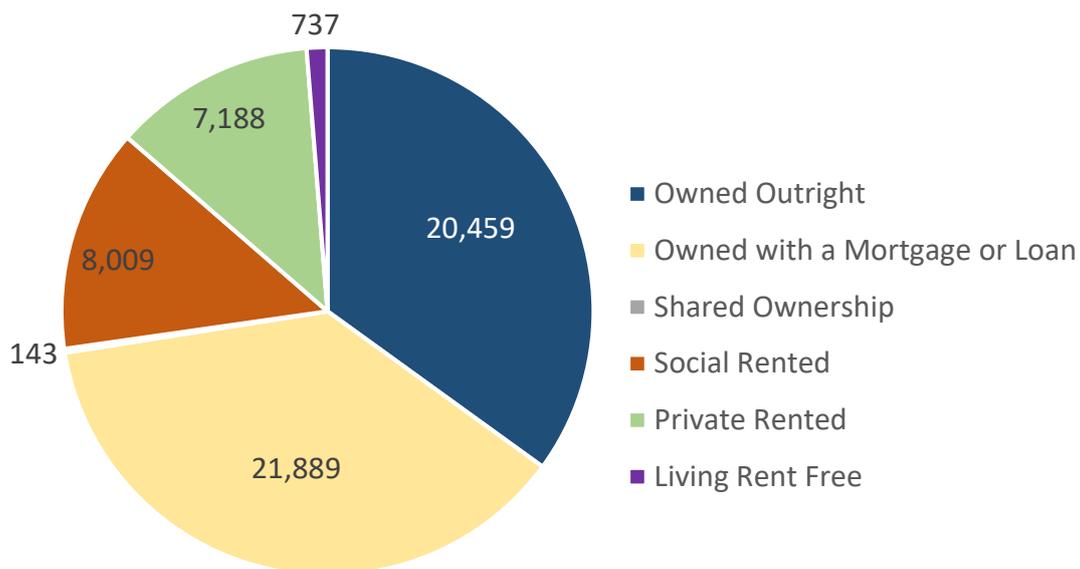
2. Housing Market Analysis by Tenure

2.1 Overview

2.1.1 Bridgend County Borough covers an area of 98.5 square miles with an estimated population of 147,049 comprising 62,814 households (WG mid-year estimates 2019). This section discusses the housing market in Bridgend covering the full plethora of tenures.

2.1.2 Owner occupation is the predominant tenure in the local authority area. At the time of the 2011 Census, 72% of households reported that they owned their home either outright or with a mortgage or loan. This is a slight decrease from the 2001 Census, yet the biggest change was in the proportion of households reportedly living in the private rented sector, which increased from 6% in 2001 to 11% in 2011. The potential reasons for this significant change are discussed in more detail below.

Figure 2: Tenure Indicated by Households, Bridgend County Borough



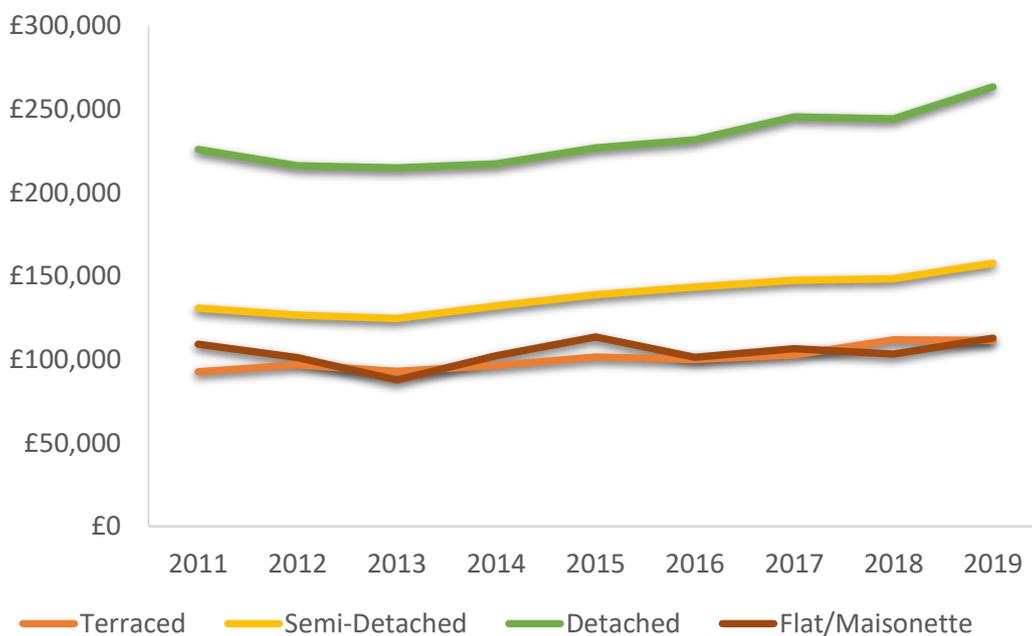
Data Source: 2011 Census

2.2 Owner Occupied Market Sector

2.2.1 Hometrack combines data on property sales with data from mortgage valuations to give a comprehensive overview of housing market activity. The benefit of this approach is that data is even available for areas where there may have been relatively few property sales.

2.2.2 As shown in Figure 3, the average price of all property types has increased over the last 8 years. The lowest increase has been within the flat and maisonette market, which has only witnessed a 3% increase in average prices between 2011 and 2019. This compares to a 20% increase for terraced houses and a 21% increase for semi-detached properties over the same period. This is in part due to the relatively low number of flats that come onto the market – in February 2019, Hometrack showed data for 66 flats compared to 470 terraced properties. New build flats also usually attract a significantly higher price than converted flats.

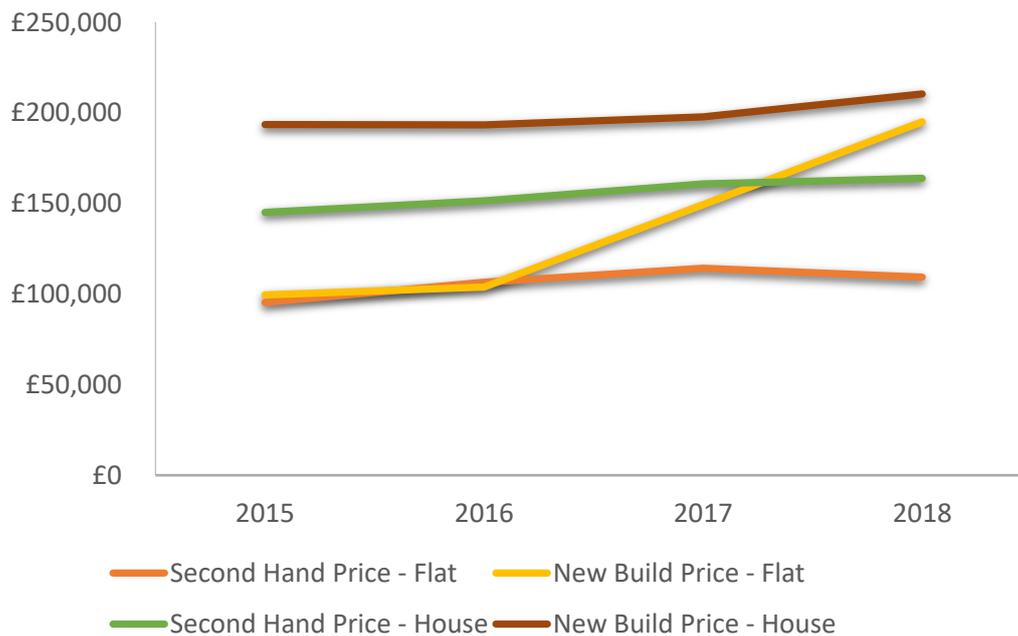
Figure 3: Average Property Prices 2011-19, Bridgend County Borough



Data Source: Hometrack

2.2.3 New build properties in general tend to attract a premium. This is to be expected as there is always a premium to pay for living somewhere that no other household has, with new fixtures and fittings, lower maintenance for the foreseeable future and usually off street parking (which may not always be available with older properties). Large new build developments can cause the average price property price in an area to appear to rise, which is particularly the case in areas where property prices are low. The new premium for flats and houses across the County Borough is displayed in Figure 4 overleaf.

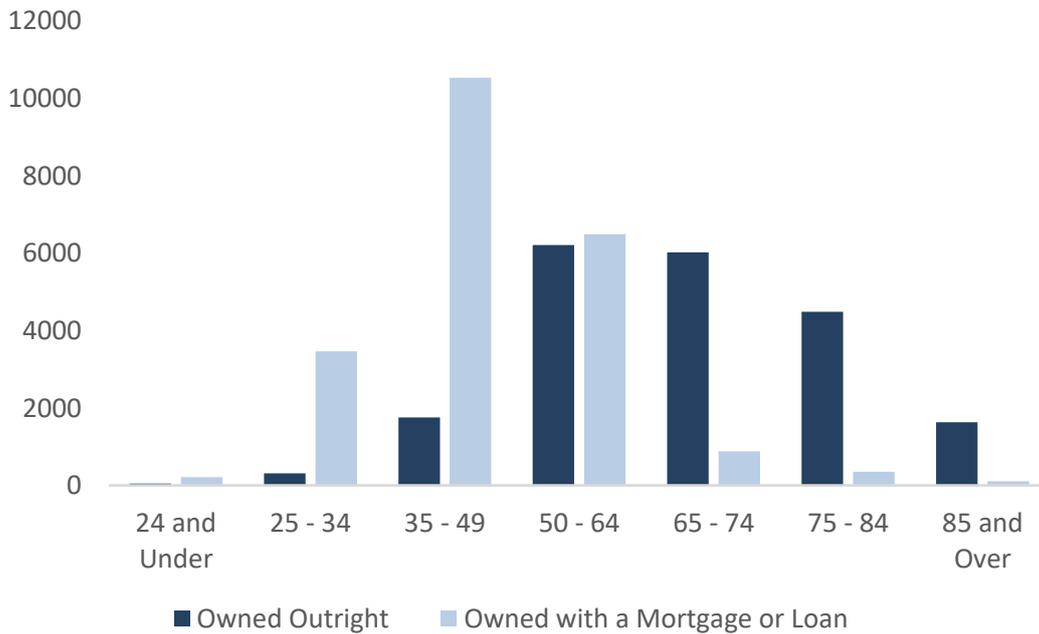
Figure 4: New Build Premium 2015-19, Bridgend County Borough



Data Source: Hometrack

- 2.2.4 The data on flat sales should be treated with caution as it's based on a small sample size, although there has been a consistent 30% new build premium for houses in recent years. This is an important consideration in terms of affordability for new build properties compared to existing properties.
- 2.2.5 Levels of home ownership remained fairly stable between the 2 censuses; 77% of households reportedly owned their own home at the point of the 2001 Census compared to 72% in 2011, yet the make-up of owner occupiers changed. The number of households who stated they owned their home with a mortgage or loan dropped from 22,911 to 21,889 from 2001 to 2011. Over the same time period, the number of reported households who owned their home outright increased from 18,038 to 20,459.
- 2.2.6 This phenomenon is indicative of the continuing difficulties younger households face in accessing home ownership. It also raises potential considerations about the support older owner occupiers may need. The 2011 Census reported 6,115 households headed by someone aged 75 or over in the County Borough that live in accommodation that they own outright (refer to Figure 5). It may be that many of these households are asset rich, yet cash poor and could struggle to maintain and or heat their homes to an appropriate standard.

Figure 5: Age of Owner Occupiers, 2011, Bridgend County Borough



Data Source: 2011 Census

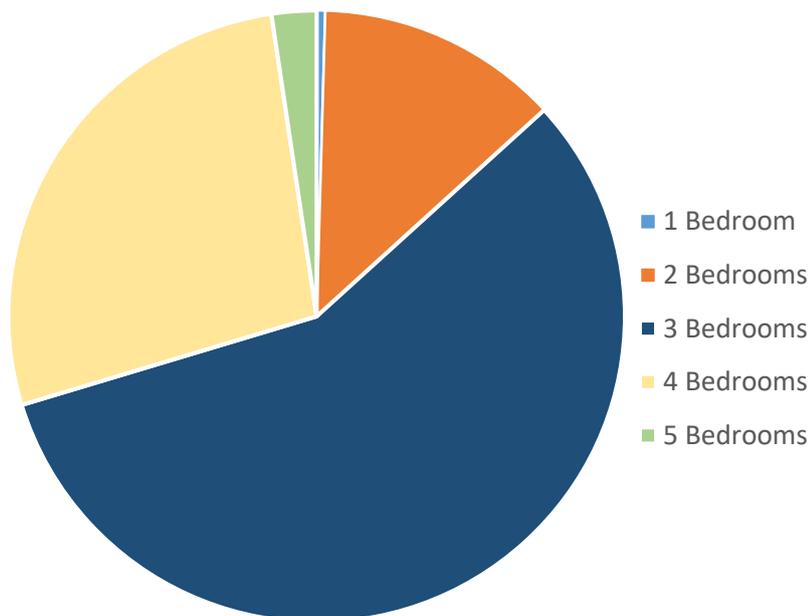
2.3 Help to Buy Wales

2.3.1 Help to Buy Wales is a Welsh Government funded scheme that assists households to purchase a new build property. Providing such households are able to raise a 5% deposit, the Welsh Government will provide a shared equity loan of 20% with the purchaser obtaining a mortgage for the remaining 75% of the purchase price. After 5 years the purchaser begins paying interest on the shared equity loan. The loan is repayable on the sale of the property or after 25 years.

2.3.2 Since its introduction in 2014, there have been 1,072 purchases made using Help to Buy Wales in Bridgend County Borough (up to and including the 2019/20 financial year), of which 797 were first time buyer sales. In order to provide context, there were 10,480 sales using Help to Buy Wales across the whole country over the same time period. When Help to Buy Wales was first introduced, house builders operating in the area reported that three main changes had started to take place; an increase in sales *per se*, a reduction in part-exchange transactions, and, perhaps most fundamentally, a resurgence in construction of larger, more expensive house types. All three of these changes have indeed become increasingly apparent since the advent of the scheme.

2.3.3 As shown in Figure 6, most households using Help to Buy in Bridgend County Borough purchased a property with at least 3 bedrooms. More households also purchased a property with five bedrooms than with 1 bedroom. Clearly, house builders have responded to the policy by building larger house types, although it is questionable as to how far this phenomenon is catering for and/or fuelling demand. On the one hand, smaller properties (notably 2 bedroom houses) are now becoming increasingly uncommon on new build sites meaning choice at this end of the market is more limited than it once was. However, on the other, many households also reportedly prefer to purchase a home they can grow into, considering possible additions to the family in the short to medium term. Whilst financial conditions rendered it more difficult to upsize in the years during and post the recession, the introduction of Help to Buy Wales has made it far more possible for households to cater for such aspirations. Nevertheless, choice in the housing market fundamental consideration as is longer term affordability.

Figure 6: Number of Bedrooms in Properties Purchased through Using Help to Buy Wales in Bridgend (up to and including 2019/20)

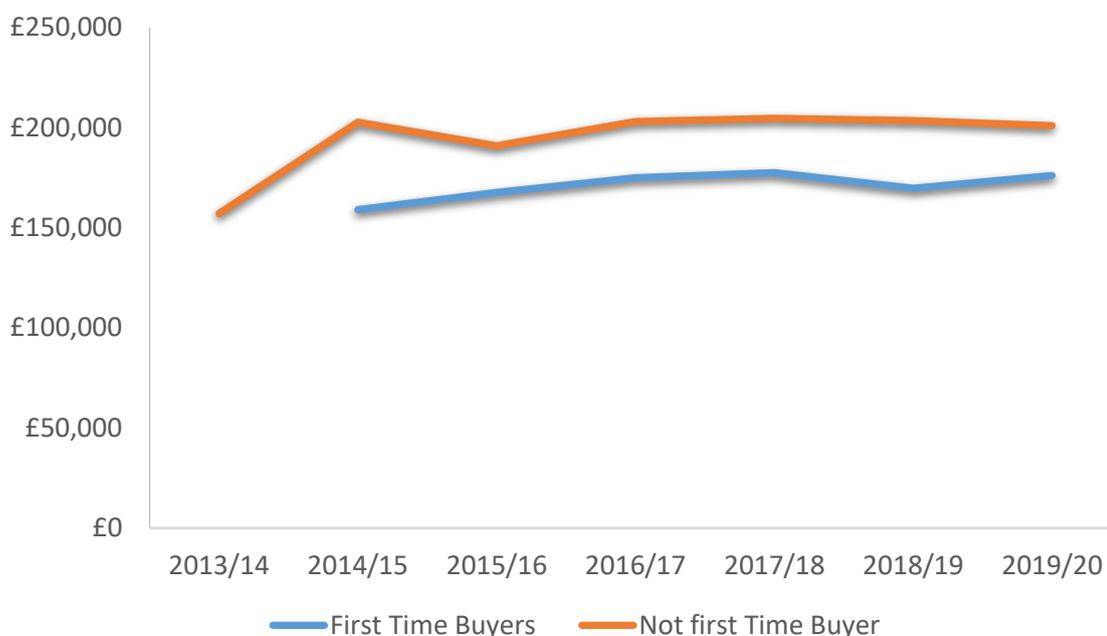


Data Source: Stats Wales

2.3.4 Under Help to Buy Wales purchasers are able to provide more than a 5% deposit if they are willing and able to. The majority of households using Help to Buy Wales in Bridgend (70%) only raised a 5% deposit. The average price paid for a property purchased using Help to Buy Wales has gradually risen from £157,098 in 2013/14 to £183,084 in 2019/20, although there are differences in

the average price paid by first time buyers and non-first time buyers as shown in Figure 7.

Figure 7: Average Price Paid for Properties through Help to Buy Wales, Bridgend County Borough



Data Source: Stats Wales

- 2.3.5 Overall, 59% of households purchasing a property using Help to Buy Wales in Bridgend had an annual income of between £20,000 and £40,000, a very small number (less than 1%) had an annual income of over £80,000. Whilst individual mortgage income multiplier data isn't available, and there will undoubtedly be exceptions at either end of the scale, this data does seem to indicate that the average household has borrowed close to their margins of affordability to secure a 75% mortgage. This may be feasible in the short term, yet could have implications after year five when the additional interest repayments commence and household circumstances may change.
- 2.3.6 Moreover, datasets on the number of purchasers who have paid off their equity loan are not available at the local level, yet the national total is only 9% of households, which suggest the County Borough level total will be similarly low. During the life of this LHMA period, the first households to use Help to Buy Wales will begin repaying their equity loan. It can be inferred, from the data above, that most households will have the maximum allowable mortgage under the scheme and the additional interest charges may present affordability issues for many of these households. This will need to be duly monitored as part of subsequent LHMA updates to determine the impact on future housing need.

2.4 Property Sale Trends

2.4.1 The average property price for Bridgend County Borough in 2019 was £171,516 based on sales and valuations or £166,223 based on Land Registry Price Paid data. However, this masks significant variations across the sub local authority Housing Market Areas as shown below.

Table 2: Average House Prices in Housing Market Areas based on Sales and Valuations, 2019

Housing Market Area	Average Property Price
Bridgend and Surrounding	£190,505
Garw Valley	£107,812
Llynfi Valley	£125,491
Ogmore Valley	£99,777
Pencoed and Heol-Y-Cyw	£195,112
Porthcawl	£273,945
Pyle, Kenfig and Cornelly	£140,470
Valleys Gateway	£140,924

Data Source: Hometrack

2.4.2 Table 2 depicts the average price (based on sales and valuations) by Housing Market Area. The lowest average property prices were in the Blaengarw and Caerau areas of the Garw and Llynfi Valleys, respectively, at under £90,000. The highest were found in Porthcawl, typically around £300,000. The figures above are based on sales and valuations. However, isolation of the sales data (i.e. the price households actually pay for the property) reveals key differences. Table 3 shows a larger gap between sales and valuation data compared to 'sales only' data within the north of the County Borough. This could indicate that properties are selling for a greater reduction on the asking price than in the South of the Borough. The Valleys Gateway indicates a slight anomaly, which is almost certainly due to the quantity of new build housing constructed within this environ in recent years. The gap between the two variables is also notable within Porthcawl (10%), which is a reflection of the sheer relative premium in property prices *per se*.

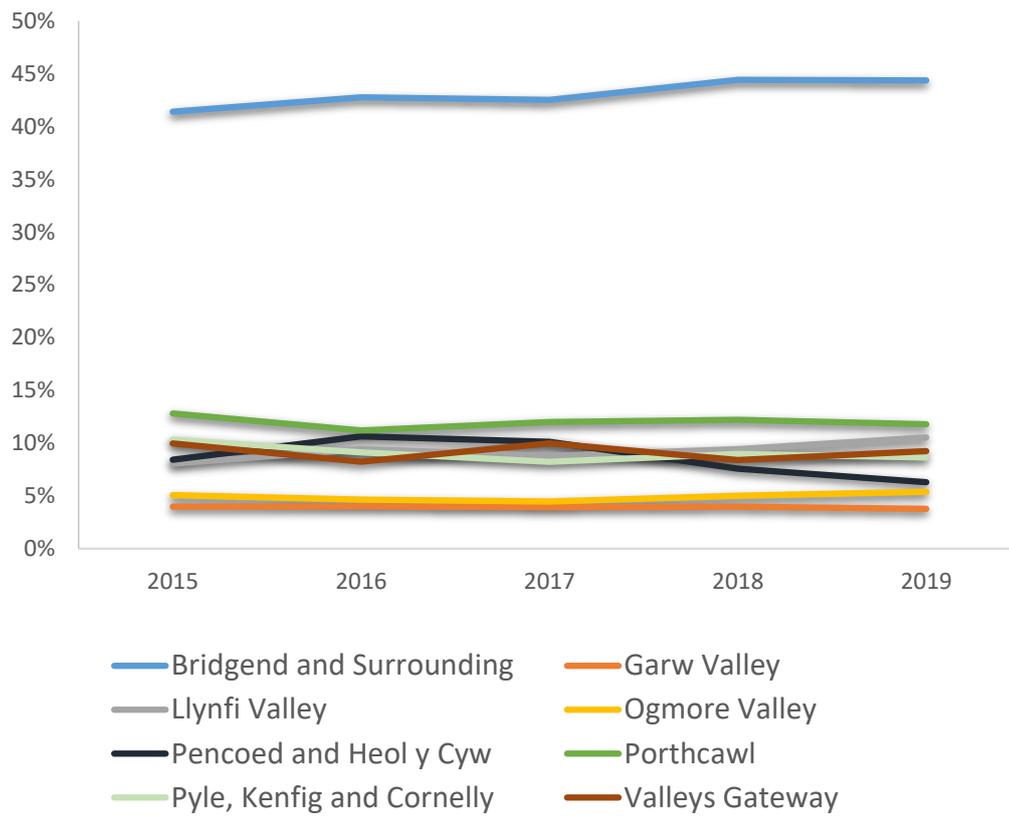
Table 3: Difference between Sales and Valuation Data, 2019

Housing Market Area	Average Property Price – Sales and Valuations	Average Property Price – Sales Only	Difference (Number)	Difference (%)
Bridgend and Surrounding	£190,505	£182,285	£8,220	4%
Garw Valley	£107,812	£98,548	£9,264	9%
Llynfi Valley	£125,491	£105,796	£19,695	16%
Ogmore Valley	£99,777	£91,285	£8,492	9%
Pencoed and Heol-Y-Cyw	£195,112	£192,386	£2,726	1%
Porthcawl	£273,945	£245,854	£28,091	10%
Pyle, Kenfig and Cornelly	£140,470	£139,830	£640	<1%
Valleys Gateway	£140,924	£143,490	-£2,566	-2%

Data Source: Hometrack and Land Registry Price Paid Data

2.4.3 However, average property prices alone do not indicate the numbers of properties available to buy. In the five years between 2015 and 2019, all Housing Market Areas witnessed an increase in the number of properties that sold, yet there were still significant differences across each vicinity. Areas with a relatively low turnover of stock for sale tended to be those areas where owner occupation was reportedly lower than average, and, the proportion of households in rented tenure (social or private) was relatively high. Figure 8 also shows how the vast majority of sales have occurred within Bridgend and Surrounding over this period, which is attributable to Bridgend's larger population, quantity of services and number of facilities relative to other parts of the County Borough.

Figure 8: Total Number of Property Sales per Annum

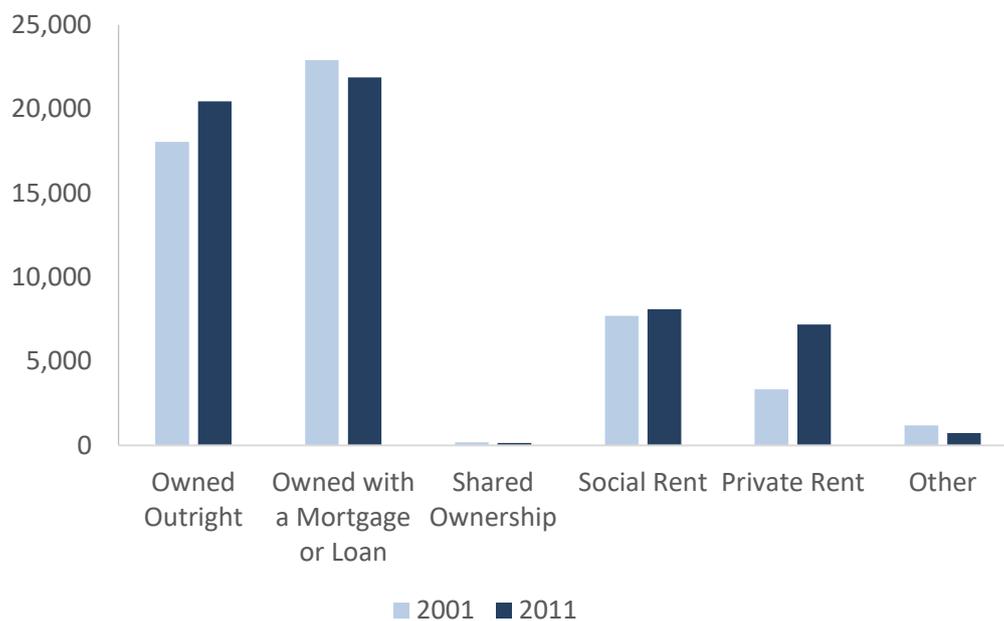


Data Source: Land Registry Price Paid Data

2.5 Private Rented Sector

2.5.1 Between the 2001 and 2011 Censuses, the number of reported households living in the rented sector more than doubled across the County Borough. Over the same time period, the number of households that owned their home decreased, but by a smaller margin than the reported increase in households residing within the private rented sector. As the numbers of households living in social housing has remained fairly stable over this period, it can be assumed that newly forming households are increasingly meeting their needs in the private rented sector. This trend may be set to continue in the future.

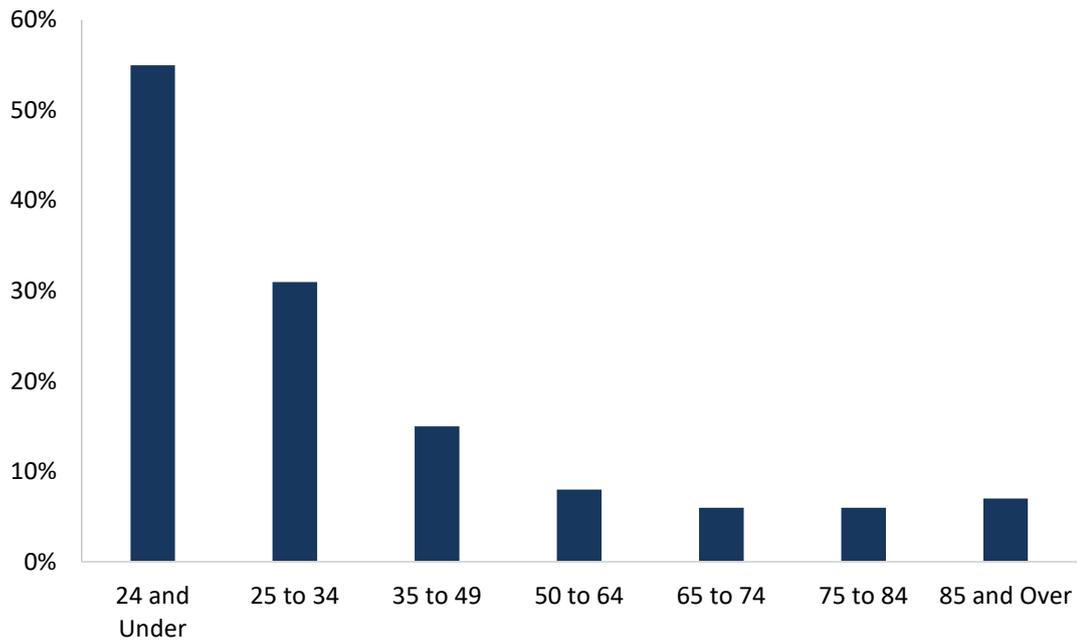
Figure 9: Households by Tenure, Bridgend County Borough



Data Source: 2001 and 2011 Census

2.5.2 As shown in Figure 10 overleaf, the number of households living in the private rented sector tends to decrease with age. Private renting is the most common tenure in the County Borough for households headed by someone aged 24 or under. After the financial crisis, regulators imposed much stricter affordability requirements on mortgage lenders. In practice this means that first time buyers are finding it harder to access mortgages and are having to save for much larger deposits. The minimum deposit a mortgage lenders generally require is 5%, with deposits of 20% being common amongst first time buyers. This would mean someone seeking to buy an average priced property in the Bridgend local authority area would need a deposit of between £8,300 and £33,000.

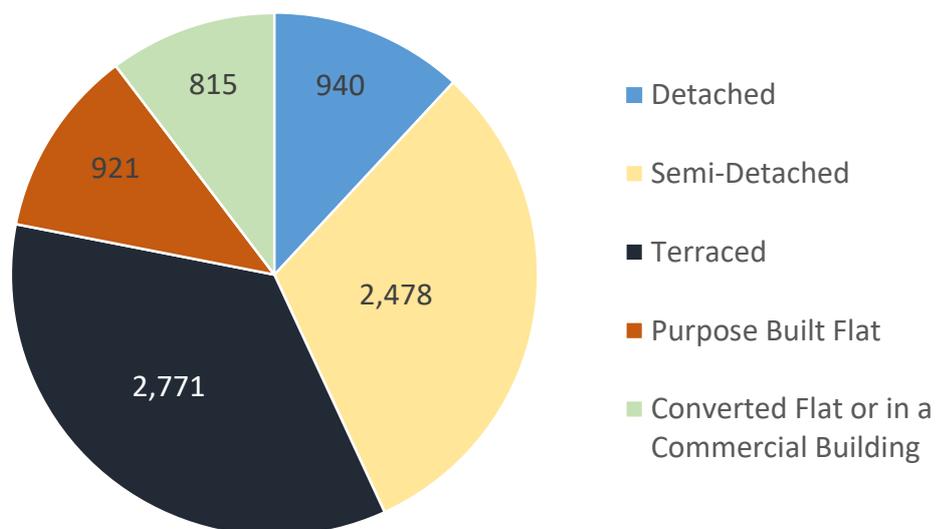
Figure 10: Households Living in the Private Rented Sector (%)



Data Source: 2011 Census

2.5.3 Based on Census data reported by households, 10% of the privately rented stock in Bridgend is made up of houses that have been converted into flats or form part of commercial premises compared to 2% of social rented properties and 1% of owner occupied properties. Despite this, terraced houses are by far the most common property type in the private rented sector in the County Borough as depicted in Figure 11.

Figure 11: Property Types Reported by Private Rented Sector Households



Data Source: 2011 Census

- 2.5.4 In addition to understanding the nature of properties occupied by households in the private rented sector, it is also important to understand how private rents vary across different areas. Existing data is however limited in this respect. For one, Welsh Government Rent Officers collect evidence of rents paid in the private rented sector based on information voluntarily provided by individual private landlords and letting agents. This represents a small sample of the market, including both new lettings and continuing lettings, with and without rental increases. The sample size is naturally limited, unevenly distributed and only enables broad averages to be generated. Indeed, this data is used to set the broad Local Housing Allowance Rate for the County Borough. However, this dataset is too general to capture the intricacies of the specific Housing Market Areas for the purposes of this LHMA.
- 2.5.5 In order to overcome this issue, Hometrack Market Analysis has been utilised to generate weekly rents at sub local authority level. This data does include advertised rents within the sample. Whilst advertised rents are not necessarily the same as achieved rents, this exercise does provide a more in-depth overview of the costs of accessing the private rented sector in different areas.
- 2.5.6 As shown in Table 4, average private rents in Bridgend range from £81 a week for a 1 bedroom property to £323 a week for a 4 bedroom property. Generally speaking, the lowest rents are found in the north of the County Borough and the highest rents are in the south. Notwithstanding the aforementioned differences between Hometrack data and Rent Officers data, the Local Housing Allowance Rate has also been included in Table 4 for purposes of comparison.

Table 4: Weekly Private Rents, Bridgend County Borough, 2020

Number of Bedrooms	Lowest Average Rent	Highest Average Rent	Local Housing Allowance Rate
1 Bedroom	£81	£144	£89.75
2 Bedroom	£103	£155	£109.32
3 Bedroom	£109	£196	£115.07
4 Bedroom	£144	£323	£156.26

Data Source: Hometrack

- 2.5.7 Table 5 overleaf analyses this issue further by comparing average weekly rents at ward level (sourced from Hometrack) to the Local Housing Allowance level. Cells highlighted in green indicate that the rent is at or below Local Housing Allowance rates. Whilst an allowance would need to be made for the (expected small) difference between advertised and achieved rents, there are quite a significant number of areas that appear unaffordable to households in receipt of housing related benefits that only cover the Local Housing Allowance.

Ward	1 Bed	2 Bed	3 Bed	4 Bed
Aberkenfig	81	126	146	
Bettws				
Blackmill	114		120	
Blaengarw		109	121	
Brackla	111	126	150	201
Bryncethin	114	138	141	167
Bryncoch	109	121	160	
Bryntirion, Laleston and Merthyr Mawr	121	134	155	213
Caerau	81	103	114	
Cefn Cribwr		109		
Cefn Glas		135	144	
Coity	144	150	172	206
Cornelly	115	129	150	
Coychurch Lower		147	178	
Felindre	103	130	143	183
Hendre		138	150	178
Litchard	103	138	172	219
Llangeinor		112	132	173
Llangewydd and Brynhyfryd		142	144	
Llangynwyd		114	129	
Maesteg East	91	103	126	
Maesteg West	91	109	134	
Morfa	109	129	150	
Nant-y-Moel	81	103	115	
Newcastle	112	144	159	144
Newton		153	195	216
Nottage	138	155	184	287

Ogmore Vale	88	103	126	
Oldcastle	103	126	156	
Pen-y-Fai			173	323
Pendre	96	138	150	
Penprysg	109	138	150	184
Pontcymmer	81	103	109	
Porthcawl East Central	126	134	176	201
Porthcawl West Central	120	144	160	207
Pyle	97	126	150	276
Rest Bay		155	196	270
Sarn			153	
Ynysawdre		126	138	

Data Source: Hometrack. NB A blank cell indicates that no data was available
(i.e. lack of sufficient private rented sector properties stock to generate an average weekly rent)

2.5.8 As of May 2018, there were 10,713 people in the Bridgend local authority area in receipt of Local Housing Allowance, of which, 4,239 were living in the private rented sector. The analysis above shows the potential impact of calculating Local Housing Allowance based on the lowest third of market rents. Even if a small element was subtracted to account for the difference between advertised and achieved rents, Local Housing Allowance falls considerably short of average rents in many areas. Geographically, this may mean that households entirely dependent on benefits to cover their housing costs may only be afford to rent privately in the north of the County Borough. This poses a challenge in terms of meeting reasonable area-based preferences and further signifies a large affordability gap in the south of the County Borough.

2.6 Social Rented Sector

2.6.1 Between the 2001 and 2011 Census, the number of households reporting that they lived in social housing remained fairly static, falling slightly from 14% in 2001 to 13% of all households in 2011. Despite stock transfer taking place in 2003 at the time of the 2011 census 2,332 households stated that they rented their home from the local authority. Hence, it is more accurate to use up to stock data from the Registered Social Landlords (RSLs) operating in the County Borough to analyse the local social housing stock profile.

2.6.2 Viewing the stock profile in isolation does not identify the availability of or demand for different property types in different areas, yet it is a fundamental starting point in understanding the local social rented sector. As shown in Table 6, the highest level of social rented accommodation is found within Bridgend and the surrounding areas, which is unsurprising given that this is the most densely populated part of the County Borough. Conversely, the lowest absolute stock totals are found in Pencoed, Porthcawl and the Ogmore Valley.

2.6.3 Around a fifth of the total social rented stock comprises one bedroom properties, which are mostly flats. There are very few larger properties, with just 2% having four bedrooms or more. These properties become available for re-letting very infrequently. Two and three bedroom homes are the most common social rented property type in the County Borough, yet this represents a mismatch with societal trends for smaller household sizes as will be discussed further in the following chapter.

Table 6: RSL Stock Overview, 2019, Bridgend County Borough

Housing Market Area	Total Social Rented Units	1 Bed	2 Beds	3 Beds	4 + Beds
Bridgend and Surrounding	3,018	771	1,145	1,050	52
Garw Valley	625	114	232	248	31
Llynfi Valley	1,217	276	275	654	12
Ogmore Valley	437	106	182	136	13
Pencoed and Heol-Y-Cyw	439	54	203	179	3
Porthcawl	400	222	111	67	0
Pyle, Kenfig and Cornelly	1,632	221	701	694	16
Valleys Gateway	927	135	524	262	6
Total	8,695	1899	3,373	3,290	133

Data Source: RSL Stock Data

2.6.4 This may go some way to explaining why households in social housing were more likely to be overcrowded than in any other tenure as recorded by the 2011 census (5% of households living in social housing were overcrowded compared to 1% of owner occupiers).

Table 7: Number of Households with 'Extra' Bedrooms

	2 Extra Bedrooms		1 Extra Bedroom	
	No.	%	No.	%
Owner Occupied	21,778	51%	14,809	35%
Social Rented	1,013	13%	2,904	36%
Private Rented	1,639	21%	3,348	42%

Data Source: 2011 Census

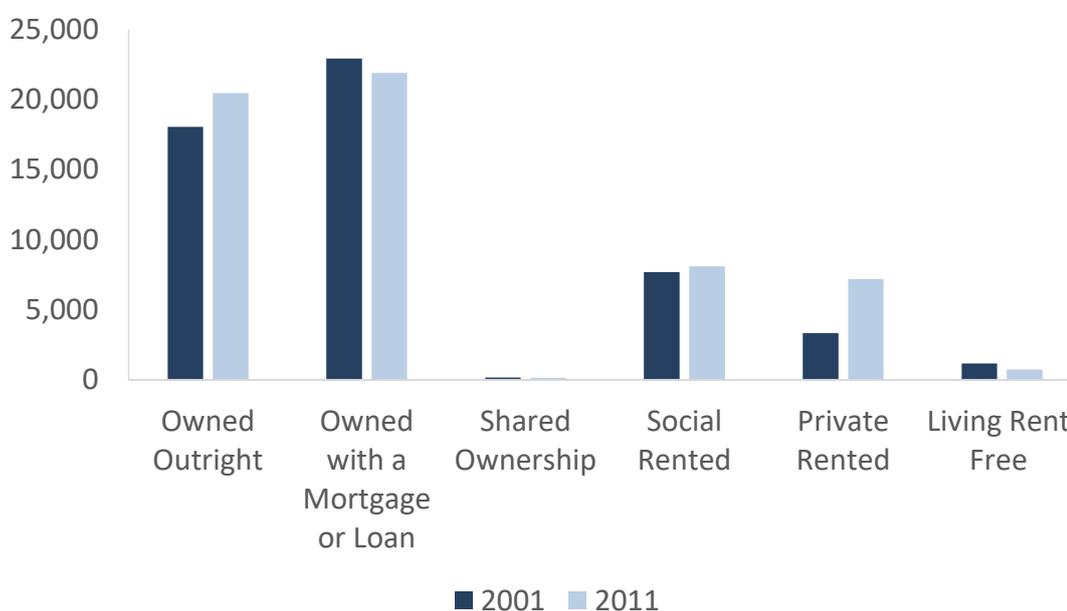
2.6.5 The Census was carried out prior to the Welfare Reform Act 2012, which removed the spare room subsidy in the social rented sector. This now means social housing tenants no longer receive additional housing benefit if they are deemed to have spare rooms. At the time of the 2011 Census, tenants in social housing were the least likely group to have a spare room (Table 7 refers). This phenomenon will have increased even further post implementation of the Welfare Reform Act 2012, which caused many households with spare rooms to seek to downsize. This does present a key issue in terms of housing need given that one bedroom properties are not particularly prevalent across the social housing stock and societal trends reveal a high prevalence of single person households, single parent households and households comprising of couples with no children.

3. Socio-Economic and Demographic Trends

3.1 Growth and Decline in the Market

3.1.1 Between the 2001 and 2011 Censuses, the number of households reportedly living in the Bridgend local authority area increased by 5,173 however the distribution of these households was not spread equally across the different tenure types. As shown in Figure 12, the largest change was in the proportion of households reportedly living in the private rented sector, which increased from 6% in 2001 to 11% in 2011. In addition, outright home ownership increased, whereas home ownership (with a mortgage or loan) decreased slightly.

Figure 12: Households by Tenure



Data Source: 2001 and 2011 Census

3.1.2 The change in tenure types is also not split equally across the various Housing Market Areas as shown in Table 8. Nearly all areas have seen a decline in the number of households that own their home with a mortgage or a loan. The exceptions are in the Ogmore and Garw Valley areas, where home ownership has remained relatively more stable. This is likely to be for two main reasons. Firstly, ageing households finishing mortgage repayments and, secondly, lower property prices rendering home ownership more affordable in these areas. However, given the length of time that has passed since the last Census, it is now important to consider more recent data including Mid-Year Household estimates and future household projections that will be used to inform the Replacement LDP.

Table 8: Household Reported Tenure Change 2001-2011

Housing Market Area	Owned Outright	Owned with Mortgage or Loan	Social Rented	Private Rented
Bridgend and Surrounding	1,305	-310	325	1,664
Garw Valley	18	28	-22	190
Llynfi Valley	113	-341	-61	628
Ogmore Valley	12	26	15	258
Pencoed and Heol-Y-Cyw	324	-132	-18	269
Porthcawl	193	-287	-36	407
Pyle, Kenfig Hill and North Cornelly	253	-1	152	505
Valleys Gateway	203	-5	52	353
Total	2,421	-1,022	407	4,274

Data Source: 2001 and 2011 Census

3.2 Past Dwelling Completions and Replacement LDP Direction

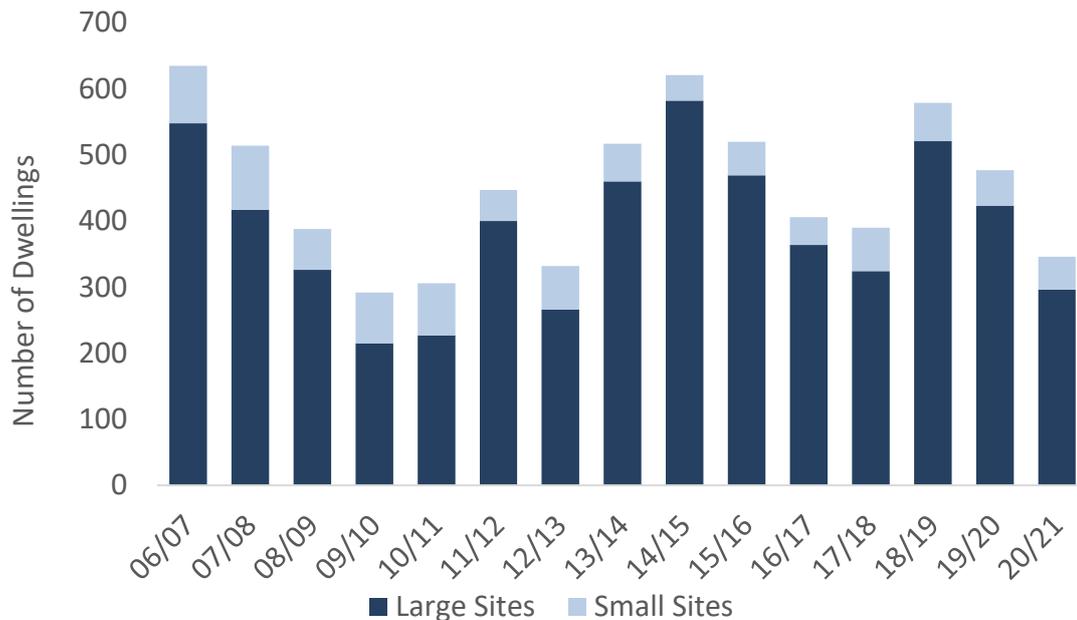
3.2.1 The high growth, regeneration-led Spatial Strategy that underpins the existing LDP has been broadly successful, especially in bringing forward a number of residential and mixed-use allocated sites (primarily on brownfield land) within the County Borough. The delivery of sites has been especially successful within the Strategic Regeneration Growth Areas of Bridgend and the Valleys Gateway. The implementation of the LDP Strategy has however been less successful in the Strategic Regeneration Growth Areas of Maesteg and the Llynfi Valley and Porthcawl. This has largely been attributed to land-ownership issues and assembly and viability issues, especially within the upper areas of the Llynfi Valley. In order to provide a useful benchmark against which to compare future projected growth, the annual number of dwelling completions over the whole existing LDP period (2006-2021) is illustrated in Figure 13 overleaf.

3.2.2 Clearly, completion rates over the existing LDP period have been a product of contextual influences, with evident troughs during the Great Recession¹. There was undoubtedly a rise in completions following adoption of the existing LDP in 2013, although this gradually levelled off to the 400 unit per annum mark in 2016/17 and 2017/2018 before rising again to 579 units in 2018/19. This recent peak is primarily attributable to several large strategic sites being built out, also influencing an upturn in completions towards the end of the plan period before a notable dip in 2020/21, which is attributable to the pandemic. On average, this

¹ A period of marked general decline observed in national economies globally that occurred between 2007 and 2009.

represents an annual average completion rate of 450 dwellings over the whole existing LDP period. Small site completions (sites of less than 10 units) have also been generally stable over the plan period, averaging at 62 dwellings per annum. Approximately 1,000 dwellings remain in the existing LDP land bank and will continue to be delivered during the early stages of the Replacement LDP.

Figure 13: Existing LDP Completions



Source: Local Data

3.2.3 This data has been considered alongside the latest demographic statistics and forecasts to justify a preferred strategic growth option to underpin the Replacement LDP. The Plan is based on a requirement of 7,575 dwellings (i.e. 505 per annum), which is derived from projecting forward positive socio-economic and demographic trends post the Great Recession (2013/14–2018/19). This represents a period of sustainable, economic growth, which the Replacement LDP seeks to continue. It will enable a balanced level of housing and employment provision that will achieve sustainable patterns of growth, minimise out-commuting, support existing settlements and maximise viable affordable housing delivery. Further information on this projection (and justification for its use to underpin the Replacement LDP) is available in the Strategic Growth Options Background Paper.

3.2.2 This dwelling requirements incorporates a 4.8 % household to dwelling conversion rate to allow for transactional empty properties and ‘churn’ in the market. The household growth estimated under this projection is primarily attributable to single person and two person households, with a notable

increase in working age households, particularly around the 35-44 age group. Most of the population growth is expected to be within the established settlements of Bridgend, Porthcawl, Pencoed and Pyle/Kenfig Hill/North Cornelly, where growth can be accommodated in a sustainable manner. There are also regeneration aspirations for the Valleys Settlements, which exhibit a number of brownfield development opportunities that are capable of accommodating significant sustainable growth, whilst boosting local economies.

- 3.2.3 Crucially, this household projection (in terms of both scale and geographic distribution) helps indicate the number of households expected to form over the life of this LHMA and pinpoints where this growth is likely to occur. A key aspect of this LHMA is to therefore calculate how many of these newly forming households are likely to be in need of affordable housing. The housing need calculation in Chapter 4 utilises a broad range of socio-economic data to estimate how many households are likely to be unable to meet their housing needs in the market. It then provides a tenure based analysis.

3.3 Empty Homes

- 3.3.1 For the purposes of this LHMA, an empty home is a residential property which has been unoccupied for 6 months or more. An empty property can be brought back into use by renting, selling, or auctioning it, or by the owners themselves moving in. Empty properties can attract crime, vandalism and anti-social behaviour, thereby contributing to a sense of deprivation in communities. Returning empty properties into beneficial residential use can not only combat these issues but also encourage other investment and ultimately help to meet housing need by increasing latent supply alongside new build.

Private Sector Empty Homes

- 3.3.2 As of June 2018, there were 1,225 private sector residential properties empty for six months or more across Bridgend County Borough, which equated to 2% of all residential properties in the area. This headline number has remained relatively consistent over the past several years, although masks both re-occupation of existing empty homes and additional homes becoming empty. For example, 32% have been empty for six to twelve months and these can largely be considered transactional, whilst also acknowledging that early intervention can help prevent them from becoming longer term empty homes. However, 42% of private residential sector properties have been empty for two or more years and these properties are more likely to have negative social, environmental and economic consequences and therefore need a particular focus.
- 3.3.3 There are issues with empty properties in nearly all markets, although nearly half are located in and around Maesteg, Porthcawl and Bridgend's Town Centres alone, attributable to the fact that these are the most populous towns in the County Borough. This suggests that it would be beneficial to focus on these areas in order to foster vibrant and viable town centres and support a

successful economy. Residing in close proximity to town centre amenities could also help make a property more desirable to sell or to rent and the property is therefore more likely to be brought back into use.

- 3.3.4 Whilst it is important to focus on areas that have the greatest number of empty properties *per se*, and which also have a greater potential of being brought back into use because of their location, it is arguably more important to focus on the relative proportion of empty homes in each Housing Market Area. Understanding the relative level of density of empty homes enables a clearer understanding of the impact on local communities. The highest relative clusters of empty homes were found in the Ogmore Valley (where 4.46% of private sector properties were empty), the Llynfi Valley (where 3.45% were empty) and the Garw Valley (where 3.16% were empty). Given the relatively lower property prices in these vicinities, it is likely that such properties are primarily empty due to low demand. In comparison, 1.7% of private sector properties are empty in Bridgend Town and 2.38% are empty in Porthcawl. Whilst proportions are generally lower in these areas, such properties tend to be empty for reasons other than low demand (i.e. inheritance, sentimentality and probate cases), thus rendering it more difficult to bring them back into to beneficial use. In either case, empty properties are present in nearly all markets, which represents not only a problem but a resource to help increase housing supply and regenerate communities.

Housing Association Empty Homes

- 3.3.5 As of 2018, there were 103 empty social rented properties across the County Borough. The majority had been empty for less than six months and were available for letting. 37 had been empty for more than six months, with only 6 available for letting. A certain level of voids is normal to allow for transfers and works on properties, although properties that have been vacant for significant periods are no longer actively contributing to housing supply. These latter 37 properties would fall into this category, although admittedly, this is only a minor proportion of the total stock, and it is clear that housing association voids are not a major contributor to the number of empty homes across the overall housing market.

3.4 Occupancy Ratings

- 3.4.1 The 2011 Census calculated occupancy ratings by subtracting the number of bedrooms a household requires from the number in their current accommodation. A minus figure indicated that they had too few bedrooms and a positive figure too many. It has already been demonstrated that social housing tenants were the least likely to be under occupying their property and that the majority of home owners had more bedrooms than they needed.

3.4.2 However, there were also some differences in occupation in the various Housing Market Areas. Households in the Garw Valley were most likely to be overcrowded as shown in Table 9.

Table 9: Occupancy Ratings

	Occupancy Rating of +2 or more	Occupancy Rating of +1	Occupancy Rating of 0	Occupancy Rating of -1 or less
Bridgend and Surrounding	43	35	19	2
Garw Valley	34	40	23	3
Llynfi Valley	41	37	19	2
Ogmore Valley	39	38	20	2
Pencoed and Heol Y Cyw	46	37	16	2
Porthcawl	48	32	18	2
Pyle, Kenfig and North Cornelly	38	36	23	2
Valleys Gateway	37	38	22	2

Source: Census 2011

3.4.3 Considering household composition further, lone parents with dependent children were twice as likely to be overcrowded as couples with children. Overall, 6% of lone parent households were overcrowded compared to 3% of couples with children. The household type most likely to be overcrowded was other households with dependent children with 24% being recorded as lacking at least one bedroom.

3.5 Household Income, Social Grade and Commuting Patterns

3.5.1 The Office for National Statistics (ONS) produces household income estimates at Middle Super Output Area (MSOA). These include statistics published in 2018 showing the average net household's income after housing costs for the 2015/16 financial year. As shown in Table 10, areas with the lowest incomes tend to have the highest percentage spends on housing costs. The very low spends on housing costs in Porthcawl can likely be accounted for by the number of people in this area that own their home outright.

Table 10: Average Income Estimates by Housing Market Area

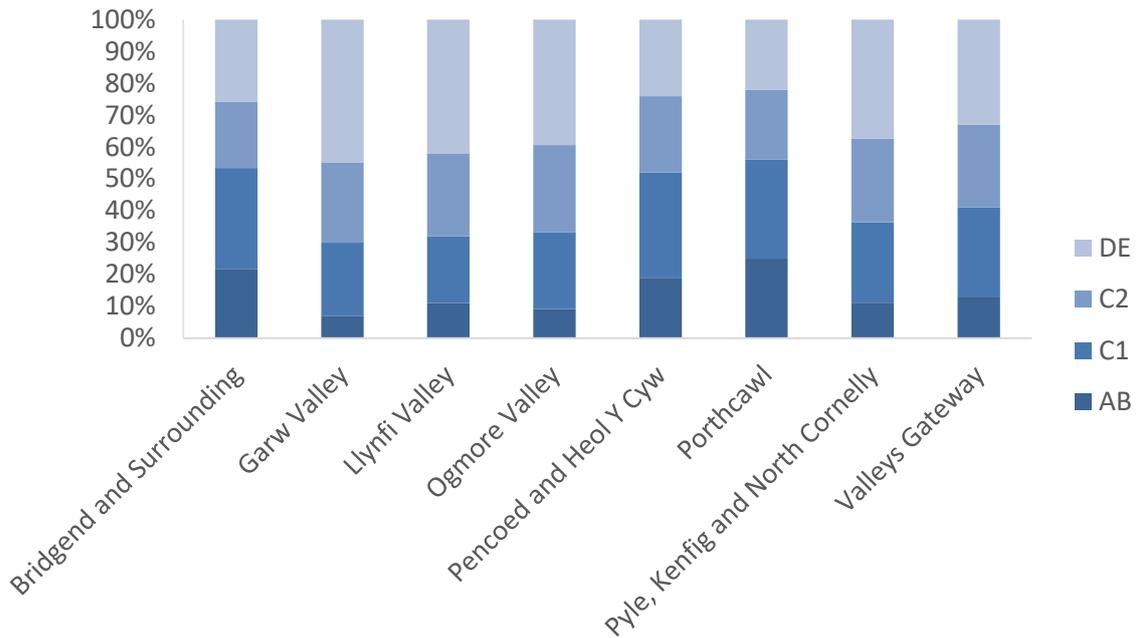
	Net Annual Income Before Housing Costs	Net Annual Income After Housing Costs	% Of Income Spent on Housing Costs
Bridgend and Surrounding	£23,700 - £28,800	£21,200 - £23,900	5% - 11%
Garw Valley	£23,800	£19,900	16%
Llynfi Valley	£24,100 - £25,300	£18,700 - £22,600	11% - 22%
Ogmore Valley	£23,700	£19,200	19%
Pencoed and Heol Y Cyw	£25,900	£24,200	7%
Porthcawl	£25,100 - £27,000	£24,300 - £26,800	1% - 3%
Pyle, Kenfig and North Cornelly	£23,600 - £24,000	£20,300 - £21,200	12% - 14%
Valleys Gateway	£25,000 - £25,500	£22,400 - £22,500	10% - 12%

Data Source: ONS

3.6 Social Grades, Household Composition and Ethnicity

- 3.6.1 In order to add further context, the Market Research and Marketing Industries use data from the Census to assign each household a social grade based on their household reference person. The grades range from AB – higher managerial, administrative, professional occupations to DE – semi skilled, unskilled and lowest grade occupations.
- 3.6.2 People in social grades AB make up the greatest proportion of the population in Bridgend and Surrounding and Porthcawl. The Garw Valley and the Llynfi Valley have the highest proportions of people in social grade DE (Figure 14). This correlates with the more up to date data on household incomes.

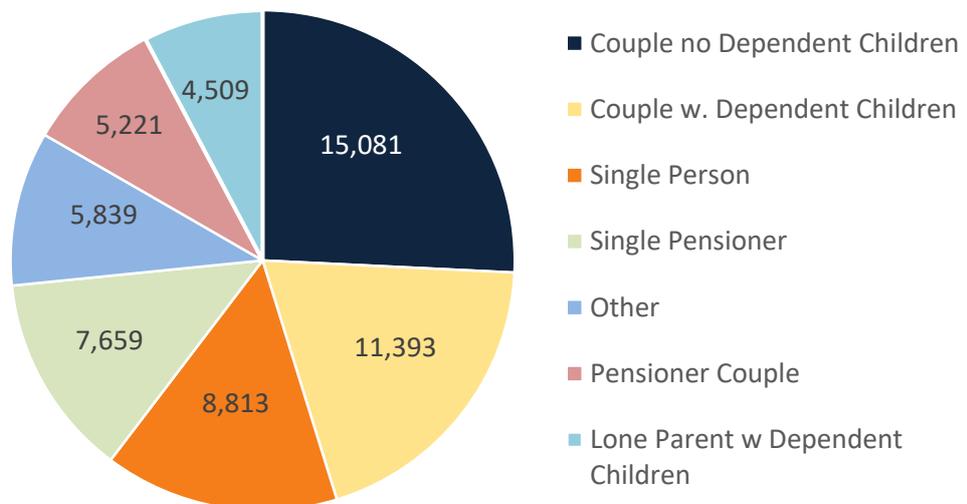
Figure 14: Social Grade of Household Reference Person



Data Source: Census 2011

3.6.3 At the time of the Census, the most common household type in the Bridgend County Borough was single family households with no dependent children followed by single family households with dependent children and then single people below the age of 65 (Figure 15 relates). This trend is projected to become increasingly apparent with both an ageing local population plus newly forming household increasingly comprising of single people, couples without children and lone parents with one child.

Figure 15: Household Types, Bridgend County Borough



Data Source: Census 2011

- 3.6.4 Porthcawl had the highest proportion of pensioner households in 2011, with single pensioners comprising 19% of the population in this area and pensioner couples accounting for a further 13%. Pyle, Kenfig Hill and Cornelly has the greatest proportion of single parent households with 10% of the households in this area being recorded as lone parents with dependent children.
- 3.6.5 At the time of the 2011 Census, 96% of people in Bridgend described themselves as White British (which includes Welsh, Scottish, Northern Irish and English). The next most common ethnic group was people identifying as White Polish but this still only accounted for less than 1% of the total population (Table 11).

Table 11: Self Ascribed Ethnic Group

Ethnic Group	Number	% of Population
White: English/Welsh/Scottish/Northern Irish/British	133,656	96.03
White: Polish	738	0.53
White: Irish	474	0.34
Asian/Asian British: Chinese	356	0.26
Mixed/multiple ethnic group: White and Black Caribbean	338	0.24
Asian/Asian British: Indian or British Indian	337	0.24
Asian/Asian British: Filipino	312	0.22
Mixed/multiple ethnic group: White and Asian	264	0.19
White: Any other ethnic group	239	0.17
White: Other Western European	213	0.15

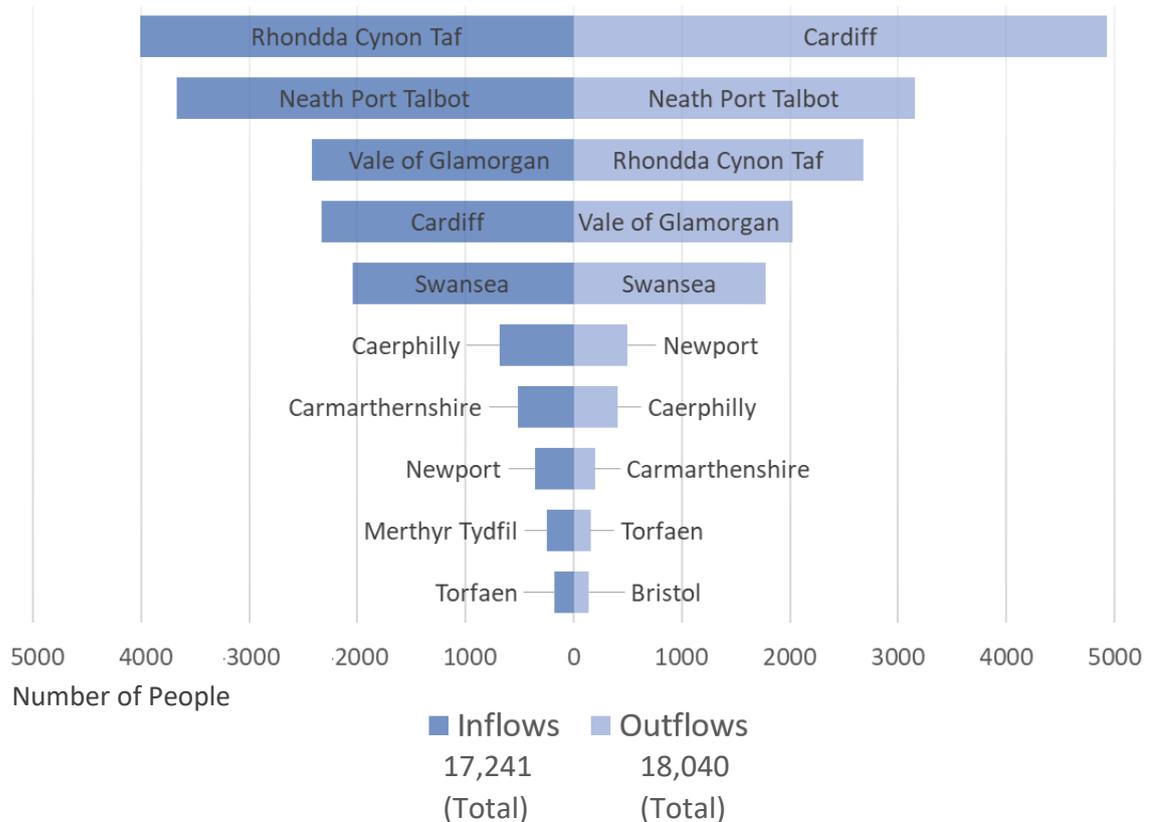
Data Source: 2011 Census

- 3.6.6 The north of the County Borough was the least ethnically diverse with 98% of people in the Garw Valley and Llynfi Valley identifying as White British. Bridgend and Surrounding had the largest ethnic minority population with 94% of people in this area identifying as White British. The largest ethnic group in this area in 2011 was Polish; accounting for just over 1% of the total population followed by Filipino and Chinese groups making up around 0.5% of the population each. 73% of the total Polish population, 58% of the Chinese population and 81% of the Filipino population in the County Borough live in Bridgend and the surrounding area.

3.7 Commuting Patterns

- 3.7.1 Due to its location on the M4 corridor, access to the main railway line to London and significant employment provision, Bridgend is a popular area to both live and work in. The 2011 Census found a fairly even balance between the number of people who commuted into Bridgend for work and the number of residents who worked elsewhere, resulting in a net change of -799 people.

Figure 15: Household Types, Bridgend County Borough



Data Source: 2011 Census

3.7.2 Cardiff was the most common workplace based out commuting destination for Bridgend residents in 2011, and this is likely to be due to Cardiff workers taking advantage of Bridgend’s more affordable property prices and strong transport links. Equally, 4,000 Bridgend workers commuted into the County Borough from neighbouring Rhondda Cynon Taf to work given the overlapping employment and housing markets. However, around a third of people both lived and worked in the Bridgend County Borough in 2011, which underlies its importance as a major employment area. A consistent supply of good quality, affordable housing is vital to ensure Bridgend is able to maintain this status in the future.

4. Housing Need Calculation

4.0 The Impacts of COVID-19

- 4.0.1 This LHMA has been formulated at a time of extraordinary social and economic upheaval. Following the political turbulence of Brexit, the global COVID-19 pandemic has resulted in an unprecedented interruption to the daily lives of all UK citizens. The UK government has implemented exceptional labour market interventions in an effort to mitigate the worst effects of the crisis, protecting incomes and providing a platform for economic recovery. However, UK GDP is forecast to decline substantially during 2020/21, with the last several quarters of negative growth placing the country officially 'in recession'. Inevitably, this has had a short-term impact on a host of variables normally considered by a LHMA, including household formation, migration, employment, incomes, house prices, mortgage availability, homelessness, housing waiting lists and the actual processes for accommodating households in need.
- 4.0.2 In March 2020, the Welsh Government published a strategy to 'bring in' those on the streets to protect their health and help prevent wider transmission. The initial phase of the response focused on ensuring everyone had accommodation where they could self-isolate, if necessary, and follow public health advice on basic hygiene, hand washing and social distancing. Additional guidance was then issued by the Minister for Housing and Local Government in April 2020. Local authorities were required to consider whether an applicant for housing was vulnerable as a result of the grave and exceptional risk to those who were homeless. The general expectation was that all homeless applicants would be provided with temporary accommodation regardless of priority need.
- 4.0.3 Locally, the pandemic incited a huge drive to provide health care services and accommodation for homeless people. This not only included rough sleepers, but also those at risk of being without a home, such as those 'sofa-surfing' with friends or family. In the six months from April 2020 to September 2020, Bridgend County Borough Council received nearly a thousand applications for housing assistance. This significant rise in homelessness applications was coupled with a corresponding increase in temporary accommodation provision. The Council put in place a number of new measures to help support homeless people and keep them safe during the outbreak of coronavirus. Effective partnership working with The Wallich, voluntary organisations, Pobl and other local housing associations has enabled provision of practical support and advice.
- 4.0.4 Due to the increase in need for temporary accommodation, four pods were set up and designed to help keep rough sleepers safe during the coronavirus outbreak. The pods have been placed in temporary locations near projects run by The Wallich and Pobl, offering 24/7 support for the individuals using them.

The pods are intended to ensure homeless people suffering from symptoms of the virus can self-isolate and comply with social distancing measures, with plenty of support close at hand. The pods, which contain a bed and toilet, were supplied by Amazing Grace Spaces. Other initiatives are also being utilised, including Floor Space (a Gwalia scheme that provides households with a safe, dry and warm place to sleep), Cornerstone House (The Wallich), and 18 properties leased from RSLs for use as temporary accommodation. The Council has also been providing furniture packs where properties are unfurnished.

- 4.0.5 Phase 2 of the Welsh Government's response (July 2020 to March 2021) focusses on a longer term approach to services and accommodation. This seeks to ensure the long-term resettlement of every person currently residing in a form of temporary accommodation in Wales and those who continue to present as homeless as lockdown measures are eased.
- 4.0.6 All of these factors have clearly had a huge impact on short-term housing need and local processes for accommodating households. However, undue reliance on the most recent trends derived from these local datasets would not produce a robust baseline to assess housing need over this LHMA period. Whatever the trajectory, economic recovery will not be uniform across housing markets, industry sectors and geographical areas. In line with previous economic recessions, it is likely that people on lower wages are going to be hardest hit by the economic impacts of a COVID-19-induced recession, with longer-lasting impacts upon economic inequalities and the geographical concentrations of income deprivation.
- 4.0.7 There is currently insufficient evidence to inform an assessment of the COVID-19 impact upon long term socio-economic and demographic trends, although this position will be monitored through successive LHMA's. Moreover, it is important to stress that housing need hasn't been 'created' by the pandemic. There was an extant backlog of households requiring housing assistance long before this period and there will always be a proportion of households unable to meet their needs in the housing market for a variety of inter-related reasons. These factors are considered in more detail within the housing need calculation below, which provides a conservative baseline assessment of housing need. This can and will be duly re-evaluated in light of social, economic and demographic changes that will result from the post-COVID-19 recovery.
- 4.0.8 Whilst planning for the future development of housing at such a moment presents a real challenge, the housing industry will be a critical component of the economic bounce-back and a key driver of the future growth and distribution of population. The Minister for Housing and Local Government has emphasised that the planning system remains at the heart of shaping Wales' future, ensuring

that the principles of sustainable development are not sacrificed in the pursuit of economic recovery at any cost.

4.1 Housing Need Calculation - Definitions

- 4.1.1 Hitherto, this assessment has analysed the housing market as a whole, although a key purpose of a LHMA is to calculate the number and type of households that are likely to be in housing need over the assessment period. Housing need is deemed by Welsh Government to generally “refer 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 without assistance.”
- 4.1.2 In order to estimate levels of housing need, various elements and components relating to household circumstances, market conditions and housing supply need to be built up and analysed systematically. This range of data helps to provide valuable insights into the operation of the local housing market, the extent to which it is failing to meet the needs of a certain proportion of local households and thus the scale and type of intervention required. Several factors have therefore been taken into consideration in order to estimate levels of housing need in accordance with Welsh Government Guidance. Put succinctly, the existing backlog of need for affordable housing is combined with existing households expected to ‘fall’ into need plus new households that will be unable to meet their need over the LHMA period. The expected supply of affordable housing likely to come forward is then deducted from this total to provide a level of unmet need over the life of the assessment, which is finally adjusted to take account of turnover in the social rented sector.
- 4.1.3 LHMA’s habitually calculate housing need estimates over a five year period based on the assumption that the existing backlog of need will be ‘cleared’ during those five years. Further calculations are then made to estimate the number of additional households unable to meet their housing needs over the same period. This LHMA has followed these conventions verbatim in accordance with Welsh Government Guidance. The Development Plans Manual (Edition 3) also requires the total level of need for affordable housing to be extrapolated over the Replacement LDP period (2018-2033). This has been enabled by assuming the existing backlog will indeed be cleared within five years, whilst continuing to assess levels of housing need stemming from newly arising households plus existing households ‘falling into need’ in the remaining years. In practice, levels of unmet need are unlikely to be reduced to zero given that people’s housing circumstances change, and there will always be households falling in and out of housing need. As such, it is wholly possible that a new backlog will have built up at the end of the five year period, especially with the potential ongoing impacts of COVID-19. However, rather than seeking

to arbitrarily estimate what the backlog may resemble at year 5, this position will be reviewed and updated through refreshed LHMA's.

4.1.4 For the purposes of this LHMA, affordable housing is defined (in accordance with Technical Advice Note 2) as housing provided to those whose housing needs are not met by the open market and "where there are secure mechanisms in place to ensure that it is accessible to those who cannot afford market housing, both on first occupation and for subsequent occupiers". 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.

4.1.5 Affordable housing can essentially be split into two broad categories, also defined in TAN 2:

- **Social Rented Housing** – provided by local authorities and registered social landlords where rent levels have regard to the Assembly Government's guideline rents and benchmark rents; and
- **Intermediate Housing** – where prices or rents are above those of social rented housing but below market housing prices or rents. Intermediate housing differs from low cost market housing, which the Assembly Government does not consider to be affordable for the purpose of the land use planning system.

4.1.6 As such intermediate products can include both LCHO and intermediate rent tenures providing there is a gap in the market for their introduction as usefully affordable products. With this overview in mind, each element of housing need will now be analysed in turn before arriving at the total housing need calculation.

4.2 Newly Arising Need from New Households

4.2.1 This initial strand of housing need is based on an assessment of the number of newly forming households that are unlikely to be able to afford market housing. Some will be able to afford intermediate housing, although intermediate products will not necessarily be feasible on all developments due to the level of rents and house prices in the local area. The remainder will be deemed to be in need of social housing as their income is unlikely to be sufficient to afford market housing or intermediate housing in their respective Housing Market Area.

Newly Forming Households in Need of Intermediate Housing

- 4.2.1 The first consideration is the amount that first time buyers would need to borrow to purchase a home on the open market. As per Welsh Government Guidance, an affordable market property is defined as one costing no more than 3.5 times a household's income. Indeed, this ratio has been considered a benchmark in many LHMA's. In the current market, it is far more common for lenders to assess a wide range of factors such as income expenditure, family makeup, lifestyle and job security when assessing a borrower's likelihood of being able to meet mortgage repayments. However, these complex assessments cannot be replicated in a study of this type. Therefore, despite its limitations, the 3.5 times multiplier remains a pragmatic means of estimating market affordability and has been maintained in this Assessment.
- 4.2.2 As households accessing market or intermediate housing are not governed by size criteria in the same way as those applying for social housing, it has been assumed that all newly forming households will require an 'entry level' terraced property as a minimum. The average price paid for terraced properties within each respective Housing Market Area has therefore been utilised as a geographic proxy for 'entry level' first time buyer properties across the County Borough. A household is deemed to be able to meet their needs in the market if this 'entry level' price is typically less than or equal to 3.5 times their income.
- 4.2.3 This is coupled with an additional assumption that each newly forming household will have access to a sufficient mortgage deposit. Again, this is a simplification of reality, as zero deposit mortgages are uncommon and most providers are currently requiring a 5% deposit as a minimum, or indeed, increasingly larger deposits in the months immediately following the pandemic, depending on the mortgage product. However, as this aspect of the assessment is concerned with households that have not yet formed, it is difficult to robustly predict the level of deposits or types of mortgages that may or may not be available going forward. Societal trends have nonetheless shown that newly forming households are most common at 30-44, are likely to have remained in the parental home for longer to save a deposit and also 'the bank of mum and dad' typically helps finance a growing proportion of mortgage deposits. It is thus felt that this is a justifiable assumption for a study of this nature.
- 4.2.4 Sequentially, CACI Paycheck data was used to estimate geographical income differentials amongst newly arising households across the County Borough. The 3.5 times multiplier was then applied to calculate the proportion of households able to afford a mortgage for an entry level property within each Housing Market Area. **This exercise revealed that 38% of the projected households due to form over this LHMA period are likely to be able to meet their needs in the private housing market without any assistance.** However, the remainder are unlikely to be able to meet their needs in the market and have thus been deemed in need of some form of affordable housing.

- 4.2.5 In order to gauge the impact of introducing an LCHO product, a range of scenarios were tested using a 30%-40% discounted entry level house price in each area. This was compared to the spectrum of borrowing potential (i.e. 3.5 times gross household income) to estimate the level of intervention required for newly forming households to access home ownership. Whilst a 30% discount produced a usefully affordable product in many parts of Bridgend County Borough, a 40% discount was required to produce a usefully affordable product in Porthcawl. This is due to the high house price to income ratios within this particular housing market, which can exceed 7-10 times first time buyer household incomes.
- 4.2.6 For those households still considered priced out of the market, the potential role of an intermediate rental (IR) product was then assessed. Welsh Government guidance defines IR as 20% less than the market rate and recommends that households should spend no more than 30% of their gross income on their rent. Further application of these assumptions demonstrated an insignificant gap to introduce an intermediate rental product across the County Borough. Hence, not all areas or developments will be able to sustain IR products due to small differentials between discounted market rents and social rents. This issue is even more prevalent in some Valleys based communities, where general market rents and social rents are often interchangeable. In practice, there may be isolated examples where an IR product can be introduced in the market, as there are often overlaps between newly forming households that can afford discounted market prices and those that can afford discounted market rents. **However, the majority of the intermediate housing need identified in this LHMA is likely to be most appropriately met through delivery of LCHO, subject to localised consideration on a site by site basis. This equates to 29% of newly forming households.**
- 4.2.7 It is important to emphasise that the LCHO affordability calculation is based on 70% of the price of properties that are currently coming onto the market (or 60% in Porthcawl). In areas with very little new build, or even particularly modern properties, this may mean that 60-70% of the existing average property price is different to what 60-70% of a new build property would be. On this basis it may well be that more households are potentially in need of LCHO products than this LHMA identifies. Further tenure disaggregation is therefore better conducted on a site by site basis utilising the latest information available at that time.

Newly Forming Households in Need of Social Housing

- 4.2.8 **The remaining 33% of newly forming households were assessed as being in need of social housing as they are unlikely to be able to afford to meet their needs in the market or through intermediate housing products.** An analysis of household sizes and dwelling requirements was conducted to identify the form of social housing provision needed, cross referencing bedroom size criteria. The majority of these households were deemed to be in need of 1 bedroom accommodation, which is unsurprising given the previously

mentioned societal trends and the increased likelihood of single person households and couples with no children.

- 4.2.9 The identified need for larger properties (i.e. with 4 bedrooms or more) is low in numeric terms, although these property types seldom become available for re-letting. This is discussed in more detail below, although failure to intervene in this gap in the market may result in a growing backlog for these property types as there are few extant opportunities to meet respective households' needs.

4.3 Newly Arising Need from Existing Households

- 4.3.1 In addition to newly forming households, another key element of housing need arises from existing households that are expected to 'fall' into housing need over the life of the LHMA period. This is usually due to a change in circumstances meaning they can no longer afford their current home or that it is no longer suitable. Welsh Government Guidance suggests that a trend-based analysis is most robust means of estimating the annual number of households that will be affected in this manner.
- 4.3.2 The number and type of past annual homelessness presentations have therefore been scrutinised to estimate how many households will continue to 'fall into need' each year of the LHMA period. A full local dataset for 2020 was not available at the time of conducting this LHMA, although given the abnormal COVID-19 laden impacts described at the start of this chapter, reliance on 2020 data would significantly skew past trends towards short-term policy changes in any case. It is therefore deemed most appropriate to focus on the preceding annual trends, acknowledging that these may well produce conservative estimates of households likely to 'fall' into housing need over this LHMA period. This position will be re-evaluated within future LHMAs to more accurately gauge the longer term impacts of COVID-19.
- 4.3.3 Table 12 overleaf represents an average of homelessness presentations by bedroom size required from 2016-2019. As with need identified from newly forming households, the majority of need in this category is for 1 bedroom accommodation. This is to be expected as a significant number of homeless households tend to be single people. There is however a smaller proportion of need for larger accommodation amongst existing households that 'fall' into need. This is unsurprising as health or family changes may necessitate a move to a larger, and therefore, less affordable property.

Table 12: Average Annual Homelessness Presentations 2016-19

Number of Bedrooms Required	Number of Households
1 Bedroom	114
2 Bedrooms	70
3 Bedrooms	33
4 Bedrooms	3

Data source: Local homelessness presentations

4.4 Backlog of Need for Affordable Housing

4.4.1 The backlog of need for affordable housing is calculated by analysing the households registered for re-housing on the Common Housing Register, which has been cleansed to ensure only households deemed to be in need of affordable housing are included. The Register provides a key source of data in this respect as it captures information on household characteristics, household sizes, property types needed and areas of choice.

Backlog of Need for Social Housing

4.4.2 A snapshot of the Register was taken in 2019, which encompassed just over 1,000 households. This has formed the basis for the backlog element of the housing need calculation within this LHMA and is still considered an accurate representation thereof. This approach avoids undue weight being applied to the shorter term trends caused by the pandemic, which have had an inevitable impact upon the composition and number of households on the housing register. One bedroom general needs properties proved to be the most common property type that registered households were in need of. There was, however, a small but significant need for larger properties.

4.4.3 As aforementioned, this LHMA assumes that the backlog will be cleared in five years (i.e. by just over 200 households per annum), although levels of housing need seldom reduce to zero in practice. This assessment does equally consider newly forming households and existing households that are likely to be in need of affordable housing over the LHMA period, yet it is acknowledged that a new backlog can still form over time. This will especially be the case if COVID-19 trends manifest themselves over a longer period, although this position will be re-evaluated through subsequent LHMA's.

4.4.4 Excluding sheltered housing applicants, the median age of someone on the Common Housing Register was 39. The mode (most commonly occurring) age was 28, the majority of which were assessed as being in need of a 1 bedroom property. According to the Office for National Statistics, the average age of first

time mothers in the UK in 2017 was 29 and in Bridgend 44% of women who had a baby during that year were aged 30 or over. It may well be that many of these households will only be in need of 1 bedroom accommodation for a relatively short period before their circumstances change, as such, a balanced supply of larger accommodation is important.

- 4.4.5 The age of people seeking to live in sheltered accommodation ranged from 53 to 95 with the median age being 77. Details on the health of applicants is not available on the waiting list but it is generally accepted that health rather than age is usually the driving factor for people seeking a move into sheltered accommodation. Moreover, over 200 people aged 60 or over were seeking rehousing outside of sheltered housing. This emphasises the importance of providing choice in the housing market for this demographic.
- 4.4.6 The trend of fewer older people seeking sheltered accommodation is one that is likely to continue. In 2017, 43 women living in Bridgend who were aged 40 or over gave birth; more than double the number of women under the age of 18 who gave birth. In Wales as a whole, the number of people aged 60 or over who were economically active increased by 39,300, or 32%, between 2010 and 2018. At the time of the last Census, 5,188 people aged 60 or over living in Bridgend were economically active. This equates to 15% of all the people aged 60 or over in the County Borough. In the future, it is likely that more working households will have children living at home for longer periods and this is something that needs to be considered when planning any new provision for older people.
- 4.4.7 Just over 160 households were assessed as being in need of an accessible property. There is a strong correlation between the need for an accessible property and older age. The average age of people seeking an accessible property was 58. Younger people were more likely to require complex adaptations, with over half of applicants requiring a through floor lift being under 60 and a similar proportion being permanent wheelchair users. Younger people were also more likely to need a larger property. All but one applicant seeking an accessible property with 3 bedrooms was aged under 60.

Backlog of Need for Intermediate Housing

- 4.4.8 Households on the Common Housing Register with an income from employment were assessed to determine if they could afford intermediate housing based on the latest house price and income data. As with newly arising need for intermediate housing, this total is a caveated estimate, as the related assumptions do not take account of a household's ability to access a mortgage or raise a deposit. Nonetheless, this affordability analysis identified that just over 100 households (from the identified backlog) could potentially have the means to access intermediate housing within their areas of choice. This is a small number in both absolute and relative terms, reflecting the fact that the backlog primarily comprises households in need for social housing in the first instance.

4.5 Supply of Affordable Housing

4.5.1 Before calculating the level of housing need, it is firstly important to offset the gross need with the forthcoming supply over the LHMA period, of which there are two main strands. The first is the expected number of lets per annum across the existing social housing stock. Welsh Government recommend conducting a trend based analysis of past lettings and then projecting the annual average forward. The second strand is the anticipated quantity of affordable housing already planned to be built (and/or acquired) over the time period of the assessment. A variety of potential sources have therefore been analysed to identify the existing committed supply of affordable housing.

Projected Social Housing Lets

4.5.2 On average, nearly 450 lettings of social rented accommodation are made in the local authority area each year (by all RSL partners combined). However, there is a mismatch between the sizes of properties being let and the sizes of properties needed. This mismatch is further compounded by geographical variations, as typically, fewer properties become available for re-let within the highest need areas. These intricacies are considered in depth as part of the holistic housing need calculation.

4.5.3 Moreover, analysis of lettings data shows that a significant number of households are re-housed in under a year. Taking a snapshot of the housing waiting list at a set point in time each year inevitably fails to capture this phenomenon and thus the calculation must be considered conservative.

Table 13: Average Annual Social Housing Lets 2016-19

Property Size	Number of Lets
1 Bedroom	160
2 Bedrooms	213
3 Bedrooms	70
4 Bedrooms	5

4.5.4 Whilst much of the identified need for social housing is for 1 bedroom properties, the mostly commonly let property type is for 2 bedroom properties (as shown in Table 13). On average just 5 four bedroom properties become available for letting each year. As previously stated, the backlog of need for larger properties tends to be relatively low, yet persistent as larger properties seldom become available for letting across the existing social housing stock. This issue will be exacerbated by new and existing households who will also be in need of four bedroom (and larger) properties over the same time period.

Committed Supply of Affordable Housing

4.5.5 The assessment anticipates that 70 new units of affordable housing will be delivered per annum over the next five years on average. This is based on a forecast of committed units already expected to come forward through Capital Grant Funding and s106 contributions. Additional commitments beyond this period are not forecast as there is no certainty around levels of funding, grants and other forthcoming contributions. Indeed, one of the purposes of a LHMA is to identify the gap for additional supply of affordable housing over the assessment period.

4.6 Net Need for Affordable Housing Per Annum

4.6.1 In order to calculate the net need for affordable housing per annum in accordance with Welsh Government Guidance, the total backlog was added to the annual newly arising need plus existing households falling into need. The combined anticipated annual supply was then subtracted from this figure to estimate the annual shortfall of affordable housing. However, social rented turnover must also be taken as it would be inaccurate to assume that such units will only be occupied once over the LHMA period. The rate at which social rented properties re-emerge as re-lets was therefore considered and applied to the final calculation by comparing stock numbers to average lets per annum.

4.6.2 The Development Plans Manual (Edition 3) requires the LHMA to “identify the total affordable housing need extrapolated over the plan period, spatial implications and the predominant tenure mix required” (para 5.32). Hence, this LHMA has identified an annual need for 451 affordable units during the conventional five year assessment period, based on the assumption that the existing backlog will be cleared during these five years. A further annual need of 288 affordable units has also been identified over the remaining 10 years of the LDP period, stemming from newly arising need from newly forming households plus existing households falling into need. This is detailed by Housing Market Area within Tables 14a and 14b, respectively.

Table 14a: Housing Need Calculation for Bridgend County Borough (Annual Need, First 5 Years of LHMA Period)

Housing Market Area	General Needs Social Rent				Accessible Social Rent				Sheltered Social Rent		Social Rent Need	Intermediate Need (primarily LCHO)	Total Need
	1 Bed	2 Bed	3 Bed	4 Bed	1 Bed	2 Bed	3 Bed	4 Bed	1 Bed	2 Bed			
Bridgend and Surrounding	55.77	4.63	7.25	4.87	1.95	0.94	0.64	0.49	0.00	0.02	76.56	67.61	144.17
Garw Valley	15.26	0.00	0.00	0.27	0.32	0.05	0.03	0.00	0.00	0.00	15.93	2.11	18.04
Llynfi Valley	27.68	0.00	0.00	0.65	0.58	0.20	0.29	0.00	0.00	0.00	29.40	6.80	36.20
Ogmore Valley	18.91	0.00	0.57	0.00	0.43	0.00	0.02	0.00	0.00	0.00	19.93	2.53	22.46
Pencoed and Heol y Cyw	18.94	0.00	0.00	0.32	0.38	0.12	0.11	0.06	0.00	0.00	19.93	14.79	34.72
Porthcawl	34.37	6.56	7.12	2.32	0.47	0.32	0.14	0.02	0.00	0.05	51.37	33.93	85.30
Pyle, Kenfig and Cornelly	33.27	0.00	0.00	2.42	1.20	0.58	0.43	0.12	0.00	0.06	38.08	27.92	66.00
Valleys Gateway	22.24	0.00	2.31	1.55	1.38	0.49	0.44	0.43	0.00	0.00	28.84	15.35	44.19
Total	226.44	11.19	17.25	12.4	6.71	2.70	2.10	1.12	0.00	0.13	280.04	171.04	451.08

Table 14b: Housing Need Calculation for Bridgend County Borough (Annual Need, Remaining 10 Years of LDP Period)

Housing Market Area	Social Rent*				Social Rent Need	Intermediate Need (primarily LCHO)	Total Need
	1 Bed	2 Bed	3 Bed	4 Bed			
Bridgend and Surrounding	43.66	4.53	6.64	1.68	56.51	62.78	119.29
Garw Valley	1.82	0.00	0.00	0.00	1.82	0.00	1.82
Llynfi Valley	5.20	0.00	0.00	0.09	5.29	4.05	9.34
Ogmore Valley	0.91	0.00	0.36	0.00	1.27	0.00	1.27
Pencoed and Heol y Cyw	12.65	0.00	0.00	0.00	12.65	14.12	26.77
Porthcawl	34.37	6.56	6.50	1.50	48.93	33.67	82.6
Pyle, Kenfig and Cornelly	16.06	0.00	0.00	0.59	16.65	20.96	37.61
Valleys Gateway	0.00	0.00	0.65	0.07	0.72	8.44	9.16
Total	114.67	11.09	14.15	3.93	143.84	144.02	287.86

* Further social rented tenure splits between general needs, accessible and sheltered have not been conducted beyond year 5 (due to increased ambiguity at this point) and will instead be re-assessed through future LHMA updates.

General Needs Social Rented Accommodation

- 4.6.3 The majority of identified need is for 1 bedroom accommodation, which reflects a number of inter-related factors. There are increasingly higher instances of single person households and couples with no children projected to form within the County Borough, a limited supply of sustainable 1 bedroom provision in high need areas and a mismatch with the existing dwelling stock. However, there is also a persistent shortfall of larger family homes, which is smaller in scale, yet compounded by the relatively low rate at which these properties turn over.
- 4.6.4 Households may also be in need of a 1 bedroom property for a relatively short period of time. As such, these properties may turn over quite frequently as long as there is an adequate supply of larger accommodation. Whilst there is clearly a significant need for 1 bedroom accommodation it is important to ensure the delivery of larger units is not overlooked and balanced communities are planned for. This will facilitate opportunities for sustainable tenant progression.
- 4.6.5 The greatest need for social rented accommodation is in the south of the County Borough. This is unsurprising as this is where property prices are the highest and affordability issues are most acute. There are also areas in the south of the County Borough with relatively low levels of existing affordable housing.
- 4.6.6 Whilst the need for additional social housing is lower in scale within the Valleys Housing Market Areas, there is a clear need to diversify the type of accommodation available. This LHMA evidences the need to instil sustainable clusters of smaller 1 bedroom properties within such communities to counter-balance the predominantly larger social rented stock already in existence.

Intermediate Accommodation

- 4.6.7 The LHMA has identified a significant annual need for intermediate accommodation. In practice, affordability does not necessarily mean that households will choose to access intermediate products. Some households will prefer to apply for social housing, whereas others may choose to enter into arrangements that would be considered unaffordable (for the purposes of this assessment) in order to access market housing. However, with a preponderance of larger property types on new build developments, it is important to maintain choice in the market and ensure smaller, affordable properties are available for newly forming households to move into. Otherwise, households may have no other option than to stretch themselves to the margins of affordability, be priced out of their areas of choice, have to relocate elsewhere and/or be unable to fulfil their reasonable preferences.
- 4.6.8 Whilst there is a significant identified need for intermediate housing, there is likely to be multi-tenure cross over (in terms of affordability) for products such as LCHO and IR. Therefore, the key consideration is whether a gap exists in the market to introduce such tenures. This is especially the case for intermediate rent, as there is generally an insignificant margin between market rent and social rent to introduce this product across the County Borough. It is

therefore envisaged that the majority of intermediate need identified by this LHMA will be delivered through provision of LCHO. However, this should be considered on a site by site basis to take account of need, constraints, and the local housing market in order to deliver a sustainable mix that is suitable for that specific site.

- 4.6.9 Generally speaking, 70% of market value produces a usefully affordable product in many parts of the County Borough. However, based on wider house price to income ratios, a 60% of market value intermediate product is typically required within Porthcawl in order to meet the needs of newly forming households.

Social Rented Accessible Accommodation

- 4.6.10 Whilst the identified need for social rented accessible accommodation is small, many of these households will have very specific needs that will be difficult to accommodate within the existing housing stock. As such, this element of identified need is very acute. When allocating an accessible property, consideration needs to be given to how a person's needs may change over time; they could need a carer in the future or space for extra adaptations to be made. As such it may be that the need for larger adapted units is greater than this assessment indicates. Further estimates of need for accessible accommodation have not been made post year 5 due to ambiguity. Therefore, the identified need for accessible accommodation should be considered conservative and will be subject to re-assessment in future LHMA's.

Social Rented Sheltered Accommodation

- 4.6.11 The Assessment shows only a small need for social rented sheltered accommodation within the first five years of the assessment. As aforementioned, the circumstances of older people have and will continue to change. Consideration needs to be given to how appropriate the current provision is for older people and whether it will be suitable in the future. Despite the low identified need it may be that there is potential for schemes to be developed that reflect the changing needs of older people. Practically speaking, this LHMA provides insufficient evidence to increase the supply of sheltered accommodation at present, although rebranding and refurbishment of complexes (where appropriate) can help improve the attractiveness of such facilities. It is also important to continue to diversify choice in the market for older people, especially as an increasing proportion of households in the County Borough are projected to move into the 60+ age bracket. New Extra Care schemes within Maesteg, Ynysawdre and Bridgend will help cater for the needs of households requiring varying levels of care and support. However, it is equally important to further diversify the market, with pursuit of more bungalows, level access flats and moderately priced later living schemes to enhance choice for older people, alongside existing sheltered housing provision.

Extrapolated Need over Replacement LDP Period

4.6.12 For ease of reference (and to overtly extrapolate the total affordable housing need over the Replacement LDP period), **this LHMA has calculated a total need for 5,134 affordable housing units from 2018-2033, comprising 2,839 social rented dwellings and 2,295 intermediate dwellings.** This total is derived from the annual need identified in Tables 14a and 14b. However, it is important to emphasise that this identified need should not be considered a delivery target or even the solution to the affordability issues within the County Borough. It instead indicates the scale of housing need within Bridgend County Borough, which the Council will seek to address through a range of market interventions as far as practically possible. Moreover, this headline level of housing need also distorts differences in the numerous housing market areas across Bridgend County Borough. There is undoubtedly a mismatch between the locations and types of many existing affordable units and the geographically laden housing needs of local households requiring housing assistance.

4.6.13 These extrapolated findings have further been simplified in Table 15 below, to illustrate the broad tenure split needed over the Replacement LDP period by HMA.

Table 15: Total Housing Need by Tenure, Replacement LDP Period (2018-33)

Housing Market Area	Social Rent Need	Intermediate Need (primarily LCHO)	Total Need
Bridgend and Surrounding	947.9	965.85	1913.75
Garw Valley	97.85	10.55	108.40
Llynfi Valley	199.9	74.5	274.40
Ogmore Valley	112.35	12.65	125.00
Pencoed and Heol y Cyw	226.15	215.15	441.30
Porthcawl	746.15	506.35	1252.50
Pyle, Kenfig and Cornelly	356.9	349.2	706.10
Valleys Gateway	151.4	161.15	312.55
Total	2838.60	2295.40	5134.00

4.6.14 These findings can be used to inform the Replacement LDP Spatial Strategy, ensuring that the spatial distribution of growth maximises potential to deliver affordable housing in high need areas. The findings can also be used to inform viability testing for the Replacement LDP, including plan-wide viability and site-specific appraisals. This will help determine the extent to which the LDP can viably contribute to the need identified for affordable housing across the County Borough over the plan period, alongside a range of other forms of affordable housing supply. These include, yet are not limited to, Social Housing Grant and other capital grant funding, Registered Social Landlord funded schemes, reconfiguration of stock, social lettings agencies, private sector leasing schemes and re-utilisation of empty homes.

5. Gypsies and Travellers

5.1 Overview

5.1.1 Part 3 of the Housing (Wales) Act 2014 places a statutory duty on local authorities to carry out Gypsy Traveller Accommodation Assessments (GTAAAs). Where an unmet need for pitches is identified local authorities are required to take steps to address this need. Gypsies and Travellers are defined within section 108 of the Housing (Wales) Act as:

a) persons of nomadic habit of life, whatever their race or origin, including:

(i) persons who, on the grounds of their own or their family's or dependent's education or health needs or old age, have ceased to travel temporarily or permanently, or

(ii) members of an organised group of travelling show people or circus people (whether or not travelling together as such), and

b) all other persons with a cultural tradition of nomadism or of living in a mobile home.

5.1.2 A refreshed GTAA for Bridgend County Borough was completed in 2020. This section contains a brief summary of its findings.

5.2 Gypsy and Traveller Demographics

5.2.1 At the time 2011 Census, 63 residents of the Bridgend local authority area identified themselves as Gypsies or Irish Travellers. It is likely that this is an underrepresentation of the true figure due to the below average response rate to the census amongst Gypsies and Travellers. Some people may also not wish to disclose their ethnicity and some Irish Travellers may identify as Irish.

5.2.2 Despite the relatively low numbers it is still possible to carry out some demographic analysis of the Gypsy and Irish Traveller community in Bridgend. Just over two thirds of Gypsies and Irish Travellers in Bridgend lived in bricks and mortar accommodation, as opposed to caravans. There are higher birth rates and lower life expectancies amongst the Gypsy and Irish Traveller community than the settled community.

5.3 Existing Sites

5.3.1 In total, there are 6 private residential sites in Bridgend County Borough with a total of 7 plots. There is no transit or local authority provision. Over the last 5 years the numbers of caravans on these authorised residential sites has remained fairly static. There were no unauthorised sites in Bridgend at the time of the Assessment and no identified need for transit provision.

5.4 Total Need for Pitches

- 5.4.1 Based upon the evidence presented in the Assessment, the estimated additional pitch provision needed for Gypsies and Travellers in Bridgend County Borough for the first 5 years of the GTAA plan period is for 5 pitches, and for the remainder of the new Local Plan period to 2033 is for a further 2 pitches. This gives a total need for the whole GTAA period of 7 pitches. This identified need should be seen as the projected amount of provision which is necessary to meet the statutory obligations towards identifiable needs of the population arising in the area. These figures are made up of a combination of doubled-up households; movement from bricks and mortar; and new household formation.

6. Conclusion and Key Policy Considerations

6.0.1 This LHMA has drawn upon a range of socioeconomic, demographic and property market data in order to provide detailed insights into the mechanics of the local housing markets. Welsh Government Guidance has been followed to identify the annual level of housing need across Bridgend County Borough in numeric and spatial terms. The type of need in different Housing Market Areas (e.g. tenure mix and house types) has also been calculated and extrapolated over the Replacement LDP period. This LHMA forms a core piece of baseline evidence to influence the scale, type and location of growth within the Replacement LDP. Operationally, it also provides a tool to justify affordable housing provision on planning applications, inform allocation of Social Housing Grant and highlight strategic housing priorities at the local level.

6.1 Headline Housing Need

6.1.1 The total affordable housing need extrapolated over the Replacement LDP period **equates to 5,134 affordable housing units from 2018-2033, comprising 2,839 social rented dwellings and 2,295 intermediate dwellings.** This is not a target for delivery, rather an indication of the scale of the unmet need in the County Borough.

6.2 Social Housing Delivery

6.2.1 A need for additional social rented accommodation was identified in all areas of the County Borough. In some areas, there is a large need identified for 1 bedroom accommodation. This reflects the mismatch between (predominantly larger) existing social rented accommodation and societal trends in household composition (with a prevalence of single person households and couples with no children). However, it is important to recognise the importance of providing some larger units as part of a sustainable dwelling mix. This is key to help create balanced communities, facilitate tenant progression and meet acute housing need that is unlikely to be able to be met elsewhere.

6.2.2 Whilst the need for additional social housing is lower in scale within the Valleys Housing Market Areas, there is a clear need to diversify the type of accommodation available. This LHMA evidences the need to instil sustainable clusters of smaller 1 bedroom properties within such communities to counter-balance the predominantly larger social rented stock already in existence.

6.3 Intermediate Housing Delivery

6.3.1 This LHMA found there to be an insignificant gap to introduce an intermediate rental product across the County Borough and the majority of the intermediate housing need identified in this LHMA is likely to be most appropriately met through delivery of LCHO. Whilst a 30% of market value discount was found to produce a usefully affordable LCHO product in many parts of Bridgend County Borough, a 40% discount was deemed necessary to produce a usefully affordable product in Porthcawl. This is due to the high house price to income

ratios within this particular housing market, which can exceed 7-10 times first time buyer household incomes.

- 6.3.2 In practice, there may be isolated examples where an intermediate rental product can be introduced in the market, as there are often overlaps between newly forming households that can afford discounted market prices and those that can afford discounted market rents. Further tenure disaggregation is therefore recommended on a site by site basis utilising the latest information available at the time.

6.4 Accessible and Older Persons' Accommodation

- 6.4.1 The assessment shows only a small need for accessible and older persons' accommodation for social rent. Nevertheless, this should not be overlooked as these groups can often be in acute housing need. Consideration also needs to be given to how well the current supply of housing for older people meets the changing needs and aspirations of this group and there is undoubtedly need to continue diversifying the market, including through provision of level access flats, bungalows, extra care schemes and moderately priced later living schemes.
- 6.4.2 Whilst there is no evidence to justify building new sheltered schemes at present, consideration should be given to rebranding and/or upgrading existing schemes as appropriate. This may include physical improvement works (i.e. updating bathrooms, fitting new kitchens and upgrading heating), publicity (i.e. rebranding, holding open days and publicising tenant testimonials) and diversification (i.e. converting schemes into community hubs, accommodating households with support needs and such like).

6.5 Private Rented Sector

- 6.5.1 With limited capital investment and the effects of welfare reform, it will prove challenging to meet housing need solely through new affordable housing provision. The private rented sector could be further utilised to help address the identified shortfall. The Council could consider developing further initiatives to work with local landlords to this end, including establishment of a social lettings agency and enhanced tenant referral schemes.

6.6 Diversify New House Building

- 6.6.1 Over the past several years, construction of larger, more expensive house types have become increasingly commonplace locally, fuelled primarily by the Help to Buy Wales Scheme. Whilst the scheme has undoubtedly helped a significant proportion of households meet their preferences, statistics show that many have borrowed close to their margins of affordability to secure a 75% mortgage. This may be feasible in the short term, yet could have implications after year five when the additional interest repayments commence and household circumstances may change. One further recommendation is thus for

a more balanced mix of dwellings on new build sites, to include smaller, more affordable market properties.

6.7 Meeting Housing Need

6.7.1 Levels of unmet need are unlikely to be reduced to zero given that people's housing circumstances change, and there will always be households falling in and out of housing need. This LHMA has therefore calculated a snapshot of housing need and outlines the extent to which this quota can be met over the assessment period. It is acknowledged that these estimates of need will vary considerably depending on a huge variety of inter-related factors, including market values, incomes, housing supply, interest rates and the broader economy. This latter point is particularly prevalent given the impacts of the pandemic. Indeed, the rate of future economic recovery will have a significant bearing on future housing need. However, this Assessment is based on the most recent data available at the time of writing. The level of affordable housing need identified can be used to inform the LDP's affordable housing target, subject to due consideration of development viability and recognition of the fact that s106 contributions will not be the only source of supply. A wide range of complementary strands of supply also need to be taken into account including future Social Housing Grant allocations, social lettings agencies, re-configuration of existing stock and re-utilisation of empty homes. Refreshed LHMA's will continue to monitor the level of housing need in the County Borough over the Replacement LDP Period.