

Meeting of:	CABINET
Date of Meeting:	12 MARCH 2024
Report Title:	LOCAL HOUSING MARKET ASSESSMENT 2024
Report Owner / Corporate Director:	CHIEF OFFICER – FINANCE, HOUSING AND CHANGE
Responsible Officer:	ADAM PROVOOST PRINCIPAL STRATEGIC PLANNING POLICY OFFICER
Policy Framework and Procedure Rules:	There is no impact on the policy framework or procedure rules.
Executive Summary:	This report seeks approval to adopt and submit the 2024 Local Housing Market Assessment to Welsh Government, which has been undertaken in accordance with the latest national guidance. This document will replace the 2021 Assessment and provides evidence to develop long-term views of housing need in order to inform strategic housing priorities. Submission will fulfill the Council’s statutory requirements.

1. Purpose of Report

- 1.1 The purpose of this report is to seek Cabinet approval of the statutory Local Housing Market Assessment (LHMA) 2024 for submission to Welsh Government.

2. Background

- 2.1 Section 8 of the Housing Act 1985 (as amended) places a statutory duty on local authorities to periodically assess the level of housing need in their area. Production of an LHMA falls under this duty, building upon the requirement to review housing needs through a more holistic review of the whole housing market.
- 2.2 A new methodology for the technical calculation of housing need across Wales became operational on 31st March 2022. Welsh Government clarified that this new LHMA tool and guidance is now to be used as the only basis of evidence for the calculation of housing need in Wales. Local authorities are required to rewrite LHMA's every five years and refresh that LHMA once during that five-year period under section 87 of the Local Government Act 2003.
- 2.3 This report has been prepared to fulfil Bridgend County Borough Council's statutory requirements and replace the 2021 LHMA that was based on previous Welsh Government guidance. The refreshed 2024 LHMA will enable a comprehensive

understanding of the local housing markets across the county borough and provide robust evidence to inform strategic housing and planning services.

3. Current situation/ proposal

- 3.1 The 2024 LHMA (attached as **Appendix 1**) has analysed household projections alongside key socio-economic, demographic and property market data in order to calculate housing need estimates for Bridgend County Borough. This process has provided detailed insights into the mechanics of the local housing markets to identify how housing need translates into different sizes, types and tenures of housing.
- 3.2 Gross market housing estimates account for just under half of the overall gross housing need estimate (with private rent accounting for 25% of total gross need and owner occupation accounting for 21%). Market housing need is ultimately highest within Bridgend and significant within the other main settlements of Porthcawl, Pencoed, the Llynfi Valley and Pyle, Kenfig and Cornelly. There is also a need to diversify the dwelling stock, enhance housing options and enable alternative forms of smaller-scale development in the Ogmore and Garw Valleys. Options such as co-operative housing, self-build and custom build opportunities can be explored to enable growth where conventional development economics prove more challenging.
- 3.3 Over the 15 year LHMA period, there is a total estimated net need for 2,834 affordable housing homes, comprising 1,548 social rented homes and 1,286 intermediate homes. 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, to be addressed through a range of market interventions as far as practically possible. These include, yet are not limited to, Social Housing Grant (SHG), alternative capital/revenue grants, planning contributions, Registered Social Landlord (RSL) funded schemes, reconfiguration of existing stock, social lettings agencies, private sector leasing schemes and re-utilisation of empty homes.
- 3.4 The net affordable housing need estimates are to be used as a broad spatial guide to strategically increase the supply of affordable housing within the county borough, although identification of suitable sites must accord with sustainable placemaking principles. The greatest need for affordable accommodation (social rent and intermediate) is in the south of the county borough. This is where property prices are the highest, affordability issues are most acute and levels of existing affordable housing are lowest relative to those in need. The housing markets of Bridgend, Porthcawl, Pencoed and Pyle, Kenfig and Cornelly all demonstrate significantly high net need for affordable housing. The Llynfi Valley is also a high need area, reflecting the fact that Maesteg is the second largest town in the county borough. While the need for additional social housing is lower in scale within the Ogmore and Garw Valleys, there is still a clear need to diversify the types of affordable accommodation available.

3.5 The majority of net social rented need identified is for one bedroom accommodation, yet there is still a persistent, albeit smaller scale need, for larger family homes in most areas. Dwelling mixes weighted towards one bedroom homes with a suitable mix of larger properties will help meet this need while facilitating opportunities for sustainable household progression. Two and three bedroom intermediate homes are also key to maintain choice in the market and ensure entry level affordable properties are available for newly forming households to move into.

3.6 Overall, the 2024 LHMA provides evidence to develop long-term views of housing need and demand to inform local to regional strategies. Operationally, it provides a tool to justify affordable housing provision on planning applications, support the local authority SHG Prospectus and inform strategic housing priorities.

4. Equality implications (including Socio-economic Duty and Welsh Language)

4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

5.1 The 2024 LHMA will provide robust evidence to enhance the supply of affordable housing. This is a key contributory factor to delivering Local Wellbeing Objective 7 'A County Borough where we support people to live healthy and happy lives'.

5.2 The report will also provide evidence to enhance strategic direction and contribute to the following goals within the Well-being of Future Generations (Wales) Act 2015:

- A prosperous Wales – Enabling households to meet their accommodation needs and reducing homelessness supports a prosperous Wales by supporting people to become financially stable and reducing cost to the public purse.
- A resilient Wales – provision of good quality market and affordable housing will increase the resilience of both individuals and communities.
- A Wales of cohesive communities – enabling well-connected, multi-tenure developments will foster sustainable, socially cohesive communities.

6. Climate Change Implications

6.1 There are no direct Climate Change implications from this report, although it will provide evidence to reduce the impact of housing on climate change and the

environment through provision of good quality market and affordable homes, grounded in sustainable placemaking principles.

7. Safeguarding and Corporate Parent Implications

7.1 There are no Safeguarding and Corporate Parent implications from this report.

8. Financial Implications

8.1 There are no financial implications arising from this report.

9. Recommendation

9.1 It is recommended that Cabinet approve the LHMA 2024 (Appendix 1) for submission to Welsh Government.

Background documents

None.