Local Housing Market Assessment 2024

Preface

A new methodology for the technical calculation of housing need across Wales became operational on 31st March 2022. Welsh Government published a new Local Housing Market Assessment (LHMA) tool and accompanying guidance, clarifying that it is now to be used as the only basis of evidence for the calculation of housing need in Wales. Henceforth, local authorities are required to **rewrite** their LHMAs every five years and **refresh** their LHMA once during that five-year period (between years two and three) using this new tool and guidance.

This report has been prepared to fulfil Bridgend County Borough Council's requirements and update the previous LHMA (2021) that was completed in accordance with previous Welsh Government guidance. This report represents a full five-yearly rewrite of the LHMA and includes an overview of the methodology, key data inputs and justified assumptions used to calculate housing need. A range of additional housing need estimates have also been produced using different Welsh Government household projections, recognising that each estimate is sensitive to the assumptions used. However, none of these estimates translate directly into a delivery target or represent the solution to the affordability issues within the county borough. They instead indicate a sliding scale of housing need across the locality and provide part of the evidence base to inform delivery targets.

Quality Assurance Statement

This LHMA has been prepared in partnership between the Local Planning Authority and Local Housing Authority following engagement with key stakeholders. The primary author has significant experience in preparing such assessments, developed previous national LHMA guidance/training and was a member of the technical working group that advised Welsh Government on the development of the latest LHMA Guidance and Tool.

This LHMA has been prepared in strict accordance with the latest (2022) Welsh Government Guidance. All data sources, geographical boundaries and assumptions have been clearly defined, explained and justified. The following steps have been taken to ensure production of a robust LHMA:

- Housing Market Areas (HMAs) have been defined using statistical geographies in accordance with Welsh Government Guidance and were informed by a Viability Stakeholder Group.
- The latest 2021 Census datasets have been analysed at Middle Super Output Area level to ensure geographical consistency with the defined HMAs.
- The latest suite of Welsh Government household projections together with the Replacement Local Development Plan (RLDP) projection have been utilised to provide upper and lower estimates of housing need.
- Any deviations from default assumptions in the LHMA Tool have been clearly explained and justified.
- Median average prices have been utilised wherever possible to avoid atypical values (at the extremities) unduly affecting averages.
- Common Housing Register data has been scrutinised and cleansed to ensure households have not been over, under or double counted.
- Data derived from samples have been based on sufficient numbers of records to ensure robustness and/or cross referenced with secondary data to ensure appropriateness.
- Outputs have been checked to ensure they are arithmetically correct.
- Outputted figures have been rounded to the nearest whole number, consistently. In some instances, statistical rounding has led to totals in tables not summing correctly. All affected tables have been caveated appropriately. This is common when calculating housing need and presenting statistical tables, although it does not undermine the robustness of the LHMA.
- All figures and tables have been labelled in full and consistently.

Contents

1. Introduction

1.1 National Policy Background

1.1.1 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. It is vital that authorities have a comprehensive understanding of their local housing market(s) and provide a robust evidence base for effective strategic housing and planning services. 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. Welsh Government expect local authorities to rewrite LHMAs every five years and refresh that LHMA once during that five-year period (between years two and three) under section 87 of the Local Government Act 2003 (as substituted by the Deregulation Act 2015).

1.1.2 The importance of LHMAs was underlined in the 2019 Independent Review of Affordable Housing Supply, which concluded "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 highlights that LHMAs 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" (WG, 2023, para. 4.2.6). The importance of understanding need for different types of affordable housing in relation to supply is also highlighted, with the LHMA being deemed critical to inform the appropriate mix of dwellings for new developments and "to support policies and decisions on planning applications" (WG, 2023, para. 4.2.7).

1.1.4 In addition, local authorities must carry out a homelessness review and develop a homelessness strategy every four years under sections 50, 51 and 52 of the Housing (Wales) Act 2014. The LHMA plays a fundamental role in informing this strategy which must include a review of the resources available to the local authority and other bodies associated with supporting people who are or may become homeless.

1.1.5 It is also essential for local authorities to consider their equality duties under the Equality Act 2010 (as amended by The Equality Act 2010 (Amendment) Regulations 2023) and the Welsh Public Sector Equality Duties.

1.2 Local Policy Background

<u>Delivering Together: Our Corporate Plan 2023-28</u>

1.2.1 The Corporate Plan for Bridgend County Borough sets out the Council's priorities and details how the Council we will work alongside local people and partners to provide services over the next five years. The Plan is framed around 7 Wellbeing Objectives, which aim to enable a County Borough…

1. where we protect our most vulnerable

2. with fair work, skilled, high-quality jobs and thriving towns

3. with thriving valleys communities

4. where we help people meet their potential

5. that is responding to the climate and nature emergency

6. where people feel valued, heard and part of their community

7. where we support people to live healthy and happy lives

1.2.2 A well evidenced and up to date LHMA provides robust evidence to inform delivery of many of these Objectives, by providing a better understanding of the components of the housing market and pinpointing key gaps where intervention may be required. Specifically, improving the supply of affordable housing is a key derivative of Wellbeing Objective 7, informed by the findings of the LHMA and delivered in partnership with Welsh Government, the private sector and Registered Social Landlords (RSLs).

<u>RLDP 2018-2033</u>

1.2.3 The RLDP is centred on a Vision that seeks continued development of a safe, healthy and inclusive network of communities that connect more widely with the region to catalyse sustainable economic growth. The 2021 LHMA formed a key part of the RLDP's evidence base to deliver against this Vision and derived aims and objectives. The scale and spatial distribution of housing need identified by the LHMA were key considerations in determining the overall level and location of housing in the RLDP. The Plan's contribution to affordable housing provision was also carefully analysed by considering the need identified in the LHMA alongside robust viability testing to ensure formulation of viable affordable housing policy thresholds and proportions. The overall affordable housing target specified within the RLDP has been determined by taking these inter-related components of evidence into account. This has informed development of a robust housing trajectory to illustrate the rate of housing delivery for both market and affordable housing over the plan period.

1.2.4 The 2024 LHMA will provide refreshed evidence to inform the appropriate mix of dwellings for new developments, particularly the types of affordable housing (i.e. intermediate and social rented) in short supply, thereby identifying how planning contributions will help meet the RLDP's affordable housing target. Other sources of affordable housing delivery will also prove key to addressing housing need identified in the LHMA. Indeed, it must be recognised that the need identified in the LHMA represents the scale of the affordability gap in the market and the RLDP itself is not the only affordable housing delivery mechanism to help address it. Complementary sources of supply include, although are not limited to, Social Housing Grant (SHG) and other capital/revenue grant funded schemes, RSL self-funded schemes, reconfiguration of existing stock, private sector leasing schemes, discharge of homelessness duties into the private rented sector and re-utilisation of empty properties. The 2024 LHMA will play a key role in informing and enabling delivery of affordable housing through all potential sources of supply.

Housing Support Programme Strategy and Action Plan 2022-26

1.2.5 The Housing Support Programme Strategy replaces the 'Strategy to Tackle Homelessness in Bridgend County Borough 2018-2022' and sets out strategic direction for delivering homelessness and housing related support services for 2022-2026. It includes the strategic requirements in Welsh Government's Housing Support Grant Guidance and the statutory requirements for a Homelessness Strategy set out in Part 2 of the Housing (Wales) Act 2014. This four year strategy (which will have a mid-point review, after 2 years) identifies key priorities for Bridgend County Borough Council and its partners, in the delivery of homelessness prevention and other housing related support services. It supports a transitional shift to a rapid rehousing plan to achieve settled, mainstream housing outcomes as quickly as possible. The Strategy recognises that homelessness presentations are increasing due to a number of factors. These not only include changes to people's income, the availability of affordable housing and the welfare benefits system, but also presentations from people with increasingly complex needs, including mental ill-health, substance misuse, and poverty of finance and opportunity.

1.2.6 The Council is determined to overcome these challenges. The Strategy is centred on a Vision *"To work in partnership with stakeholders to prevent homelessness, ensuring that where prevention is not possible, homelessness is rare, brief, and unrepeated. Those who access services will be given the support required to live as independently as possible."* In collaboration with local third sector organisations, the Council has utilised the Housing Support Grant (HSG) to commission key projects for people in need. This includes additional units of temporary accommodation, increased use of the Housing First/Rapid Rehousing Pathway and improved options for people who require housing related support.

3

Furthermore, the Council established supported lodgings for young people, direct access floor space as a year-round emergency accommodation option for street homeless people, a rapid supported accommodation service for care leavers and floating support projects.

1.2.7 The LHMA will further support delivery of the Strategy by developing the evidence base and identifying the scale of housing need across different HMAs. This evidence will help shape the provision of new-build accommodation and maximise the amount of SHG, supplementary grants and s106 contributions the Council is able to attract to tackle homelessness in partnership with RSLs and Welsh Government.

1.3 Governance and Consultation

1.3.1 Production of this LHMA has been undertaken through a collaborative approach with stakeholders. This is considered critical to develop a better understanding of all stakeholder pressures and priorities. An active and valued network of professionals (across social care, health, housing, and community groups) work cohesively to deliver housing and related services throughout the county borough. Smarter data collection and analysis across this network is key means of informing robust strategic planning, while enabling effective partnership working.

1.3.2 Regular collaborative meetings habitually take place to discuss housing related issues across the county borough (as considered and identified within the LHMA). These include the Housing Support Provider Forum, the Community Safety Partnership, Multi-Agency Public Protection Arrangements (MAPPA), Multi Agency Risk Assessment Conference (MARAC), the Homelessness Forum, the Regional Collaborative Group and other multi-agency meetings involving social care, education, private landlords, RSLs and Cwm Taf Morgannwg University Health Board (CTMUHB). The Local Housing Authority continuously develops relationships with these key groups and has used this network throughout the LHMA process. Specifically, data on housing stock, empty homes, rents, social lettings trends, committed supply and common housing register trends were sourced through these networks to inform the LHMA. This is considered vital to create a shared understanding of the barriers to good housing and to identify collaborative opportunities for improving access to local services and support, providing better outcomes, and enabling people to take greater control over their lives.

Housing Partner Stakeholder Questionnaire

1.3.3 In order to supplement these collaborative meetings for this LHMA, a questionnaire was distributed to a range of key stakeholders that have a good

understanding of the local housing market. These included local authority development officers, RSLs, lettings and estate agents, Shelter Cymru, housing managers, support providers, social care, refugee and resettlement managers. Additional feedback was gathered by asking respondents to rank each housing related priority as 'low', 'medium' or 'high'. A total of 21 replies were received as illustrated within Figure 1.

Figure 1: Stakeholder Ranking of Priorities
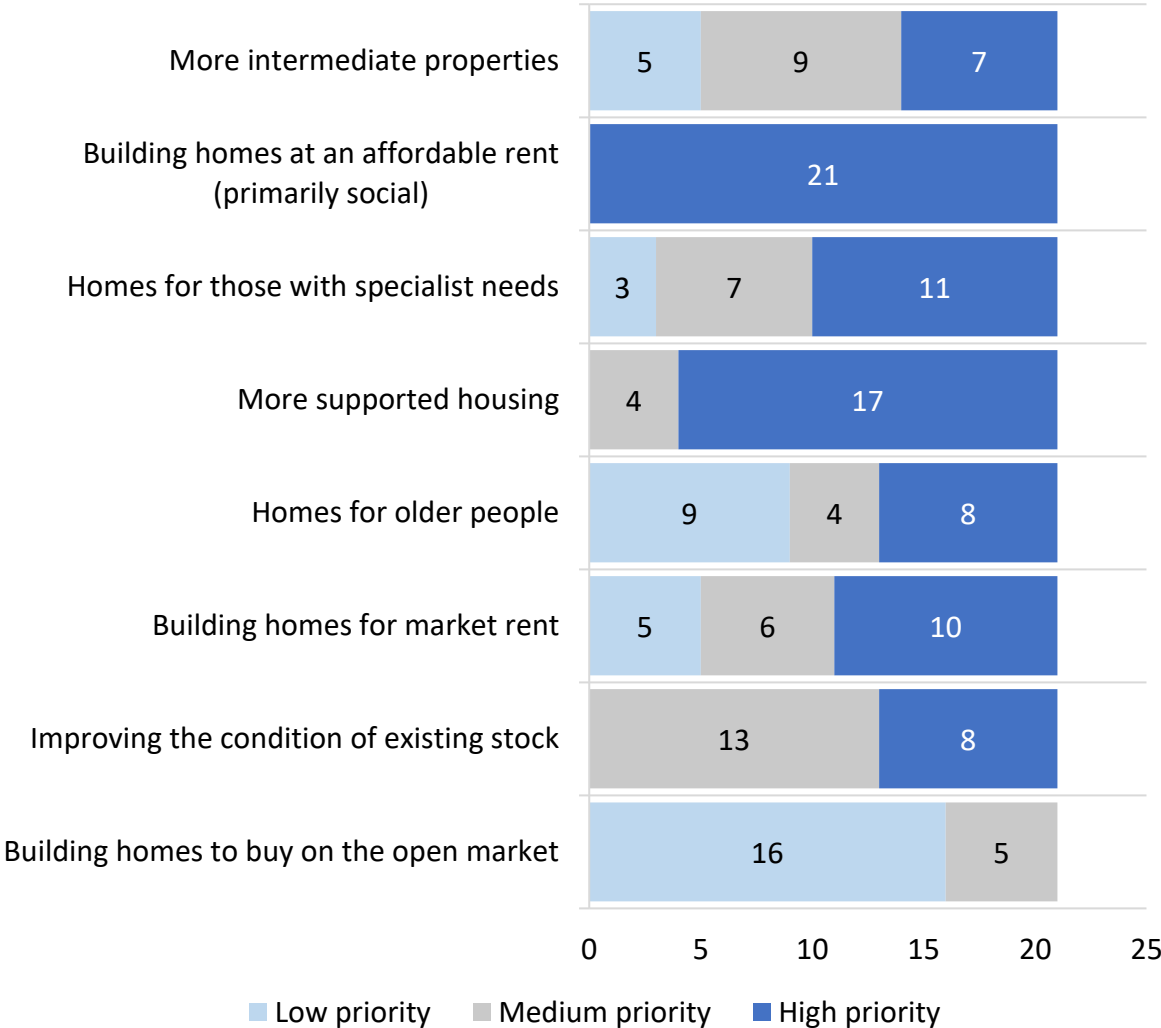
Data Source: Council Stakeholder Survey, 2023

1.3.4   Building homes at rent considered usefully affordable was ranked as the highest priority by stakeholders, with all respondents considering this a high priority. Social housing was the main type, although the role of the private rented sector was also duly acknowledged. This was deemed a priority to reduce homelessness and the time spent in temporary accommodation, relieve overcrowding, help reduce poverty amongst households living in the private

rented sector and to deliver appropriate housing for older people who currently live in unsuitable housing.

1.3.5   Intermediate housing was also ranked as important, with 76% of respondents placing this as a medium or high priority. This was mainly because of the need for lower deposits and lower monthly payments than available on the open market, coupled with the need for long-term security. Indeed, many respondents cited issues first time buyers face in saving for a deposit, dealing with high interest rates and low wage inflation, which renders home ownership an unaffordable option for many. Those who regarded some forms of intermediate accommodation (i.e. shared ownership) as a low priority noted the additional service charges and restrictions that may apply if the property is leasehold.

1.3.6   Improving the quality of existing stock was also deemed a priority, with all respondents ranking it medium or high. Feedback suggested that all households should have a decent, safe, and secure home.

1.3.7   Stakeholders highlighted a range of other priorities, including need for more supported and specialist housing, a lack of adapted properties and few larger properties. A shortage of affordable housing was a common theme, with stakeholders reporting that the recent ascent in rents and property prices, spiralling household costs and low wage inflation has acutely impacted the lowest income households, notably vulnerable families and individuals. This range of factors has resulted in households remaining in temporary accommodation for longer, which in turn, increases costs for the local authority.

Development and Viability Stakeholder Groups

1.3.8   Annual Housing Trajectory Stakeholder Group meetings have also been held to forecast the overall total and spatial distribution of housing provision due to be delivered across Bridgend County Borough over the RLDP period. The Group was initially formed in 2021 and includes an appropriate cross section of stakeholders, including volume and regional housebuilders, RSLs, planning agents, land agents, utility providers and CTMUHB. This Group informed the development of the RLDP's Housing Trajectory through site-specific phasing analysis of all sites with a planning permission or an allocation in the plan. Effective engagement and collaboration with this group equally informed the committed supply data used within the LHMA, providing certainty that the data and anticipated annual delivery rates have been subject to independent scrutiny and verification.

1.3.9   A Viability Stakeholder Group was also formed prior to Preferred Strategy Stage of the RLDP. This Group contained a similar range of stakeholders to the

Housing Trajectory Stakeholder Group, although was specifically formed to consider broad viability across the county borough's housing markets. This group identified the most appropriate local geographies to test broad development viability scenarios; ultimately determining that the HMAs outlined in Section 2 were most appropriate for this purpose. The group also specifically recommended adopting a consistent set of HMAs for development viability testing and LHMA purposes for consistency, which has intrinsically shaped this LHMA.

2. Overview of Assessment and Methodology

2.1 Methodology, inputs and assumptions

2.1.1 The additional housing needs estimates are determined using the Welsh Government LHMA Tool. This Tool uses a formulaic approach to allocate the additional housing need, formed from the existing unmet need and the newly arising need (change in the household projections over the LHMA period), to the different housing tenures. All existing unmet need is allocated to affordable housing and assumed to be covered during the first five years of the LHMA period. The newly arising need is allocated between market and affordable housing.

2.1.2 The LHMA Tool uses default data inputs for private rents (Rent Officers Wales), house prices (Land Registry Price Paid) and Welsh Government household projections (used to generate the newly arising need) by HMA. These default inputs have been bolstered by adding CACI Paycheck data (to provide household income percentile distributions), the RLDP household projection (to ensure consistency with the RLDP evidence base) existing unmet need (from the Common Housing Register), planned committed supply (from planning consents plus grant funded schemes expected to come forward) and turnover of existing stock (by taking an average of social lettings over a three-year period). The latter two data inputs are considered over the first five years of the LHMA period only and are fully allocated to affordable housing. This is because supply becomes less accurate to predict beyond the first five years of the LHMA period.

2.1.3 Several key assumptions are then applied to the data inputted in accordance with Welsh Government Guidance. This generates an income level above which households are deemed able to meet their needs in the market and a lower income level below which households are deemed to need social rented accommodation. An allowance is also made for households in need of intermediate tenures, which are those households not allocated to market housing or social rented accommodation (commonly referred to as 'the squeezed middle'). The LHMA Tool also forecasts how the data inputs may change over the first five years of the LHMA period.

2.1.4 The output tables from the LHMA Tool provide a range of LHMA additional housing need estimates. They are used to inform local housing requirements and form a key part of the evidence base for Development Plans, enable implementation of RLDP policies, inform local housing strategies and support the local authority SHG Prospectus. 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 locality. 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. Moreover, this headline level of housing need also distorts differences in the numerous HMAs 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.

2.2 HMAs

2.2.1 The settlement structure of the county borough still broadly reflects its agricultural and industrial heritage. Bridgend is the pivotal town, linking up with the three Valleys, the former port of Porthcawl and the growth areas around the Valleys Gateway, Pyle and Pencoed. These historically distinct areas effectively form the county borough's broad housing markets today. For the purposes of this assessment, the county borough has therefore been divided into eight HMAs. 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 (MSOAs), which are summarised in Table 1 and Map 1 overleaf for reference.

2.2.2 A number of key factors have been considered 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). This LHMA assesses the various components of the housing market across each of these varied HMAs. This represents a necessary degree of consistency and continuity with the previous LHMA (2021), which utilised the same HMAs.

Table 1: HMAs, Bridgend County Borough

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

Map 1: HMA Boundaries

©Crown Copyright and database right 2023. Ordnance Survey AC0000851951. Use of this data is subject to terms and conditions.

3. Overview of Housing Market and Socio-economic and Demographic Trends

3.1 Housing Market Analysis by Tenure

Geographical Size

3.1.1 Bridgend County Borough lies at the geographical heart of South Wales, equidistant between Cardiff and Swansea and covering an area of approximately 25,500 hectares. It is directly bordered by Neath Port Talbot County Borough to the west and north, Rhondda Cynon Taf County Borough to the north and north east, and the Vale of Glamorgan to the east. Bridgend owes its origins to its strategic location at the lowest bridging point on the River Ogmore, which led to its initial establishment as a market town that expanded when the coal mining industry flourished to the north. The local road and rail network was developed to provide access to communities from the rest of South Wales, taking advantage of the county borough's strategic location. Bridgend County Borough is in a unique position as the gateway to both the Swansea Bay Region and the Cardiff Capital Region. The pivotal position of Bridgend County Borough will prove key in driving forward collaborative, inter-regional strategic planning through the co-ordination of housing, economic growth and connectivity infrastructure.

Population - Age

3.1.2 The 2021 Census for England and Wales estimated that Bridgend County Borough's population size increased by 4.5%, from around 139,200 in 2011 to 145,500 in 2021. In relative terms, Bridgend's population growth was the third highest in Wales after Newport (9.5%) and Cardiff (4.7%), also exceeding the Welsh average as a whole (1.4%). In 2021, Bridgend ranked eighth for total population out of 22 local authority areas in Wales, moving up one place in a decade.

3.1.3 The age groups driving this population change are also important to consider. There has been an increase of 21.5% in people aged 65 years and over, an increase of 0.5% in people aged 15 to 64 years, and an increase of 2.6% in children aged under 15 years. Figure 2a provides further detail in this respect by depicting the change graphically across five-year age bands.

3.1.4 The growth in the 65+ age bands is highly apparent within Figure 2a. In fact, Bridgend was one of only eight local authority areas where the total number of people aged 65 years and over increased by 20% or more between 2011 and 2021. This compares with a 17.7% increase across Wales as a whole. Figure 2a also shows a large change (+26%) in people moving into the 55-59 age group,

who will in turn likely progress to retirement age during this LHMA period (i.e. by 2038/39).

Figure 2a: Population Change (%) by Age Group in Bridgend, 2011 to 2021
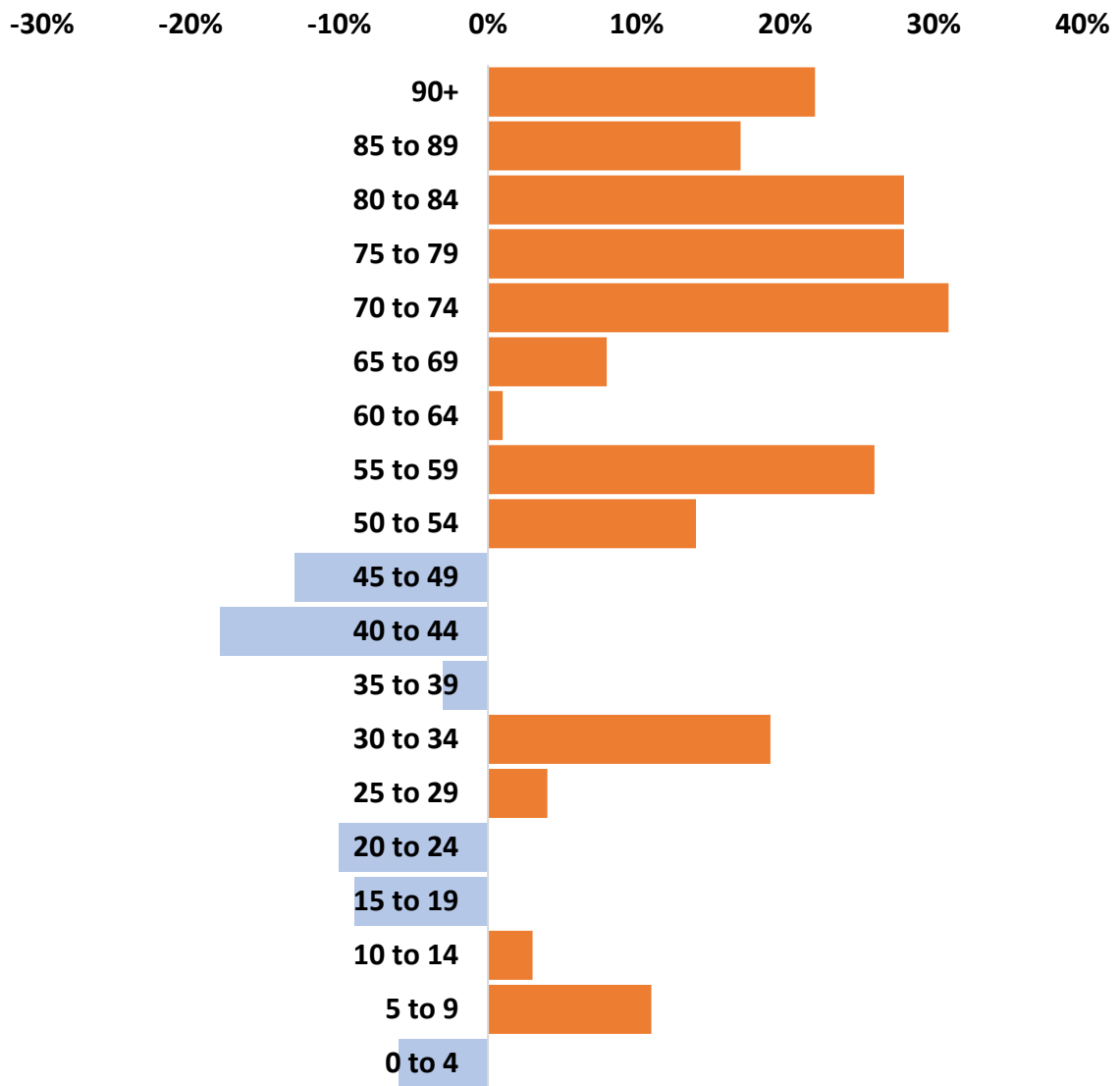
Data Source: Office for National Statistics – Census 2021

3.1.5 Figure 2a also shows a negative change in age groups 15 to 19 (-9%) and 20 to 24 (-10%), which can primarily be attributed to school leavers moving onto higher education elsewhere. More notable is the negative change in age groups 35 to 39 (-3%), 40 to 44 (-18%) and 45 to 49 (-13%) as this indicates a net number of established, working age households left the county borough between 2011 and 2021. There were 30,225 people aged 35 to 49 in the county borough in 2011 compared to an estimated 26,800 in 2021. The RLDP's evidence base already identified this latter trend and the growth strategy seeks to reverse this by

attracting and retaining established, economically active households within the county borough.

3.1.6 Indeed, Bridgend County Borough is one of only eight local authority areas in Wales that saw an increase in those aged under 15 years between Census counts (illustrated in Figure 2b). The population aged under 15 years increased most in Newport, rising by 10.2%, compared with an increase of 5.3% in Cardiff. Bridgend's growth in those aged under 15 was equally notable at 2.6%. In absolute terms, this means 16.7% of Bridgend County Borough's population was under 15 at the time of the 2021 Census (24,300 people). The RLDP's Growth Strategy therefore seeks to maintain this youthful population in future years of the Plan as a catalyst for economic growth and prosperity.

Figure 2b: Local Authorities That Have Seen an Increase in Those Aged Under 15 Years, 2011 to 2021
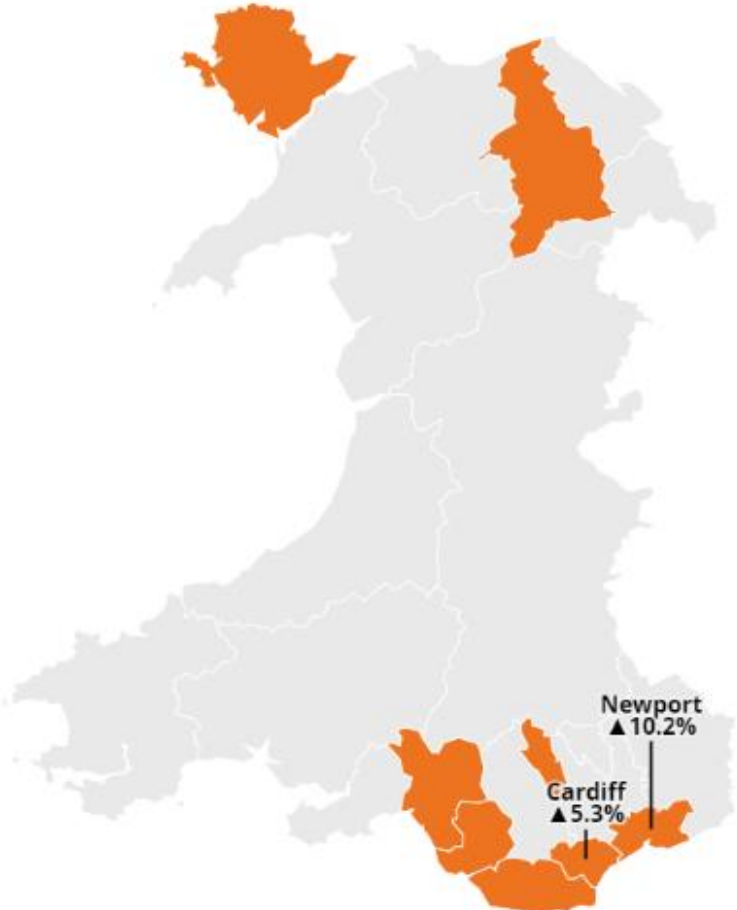
Source: Office for National Statistics – Census 2021

3.1.7 It is also fundamental to understand how population varies by HMA. Figures 3 and 4 provide a visual overview of the usual resident age profile in both absolute and relative terms, respectively. The settlement structure of the county borough still broadly reflects its agricultural and industrial heritage. Over a third of the total population therefore resides within the Bridgend and Surrounding HMA. The other most significantly populated HMAs are the Llynfi Valley (14% of the total population), Porthcawl (11%), Pyle, Kenfig and Cornelly (11%), the Valleys Gateway (9%) and Pencoed and Heol-y-Cyw (7%).

Figure 3: Age of Usual Residents by HMA (Total)
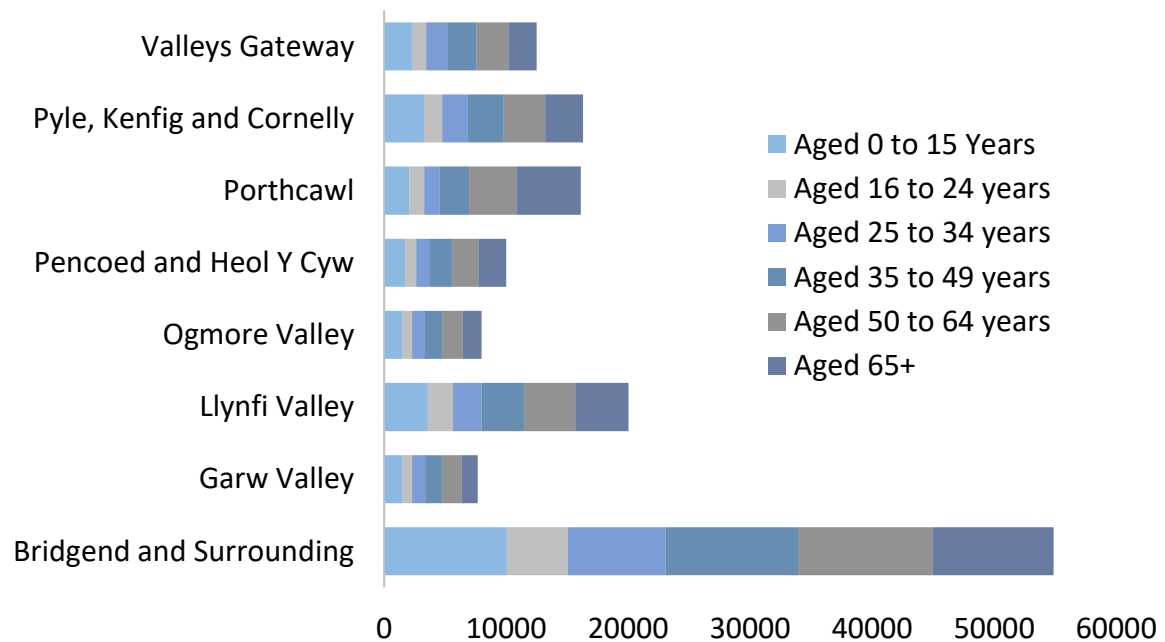
Data Source: 2021 Census

3.1.8 The overall estimated county borough age structure comprises 18% aged 0-15, 61% aged 16-64 and 21% aged 65 plus, which is broadly in line with the average structure for Wales as a whole. However, specific HMAs across the county borough differ from this average. Porthcawl in particular has a significant proportion of residents aged 65+ (33%) and, equally, a notably low proportion of residents aged 0-15 (13%) and 16-24 (8%). This age structure will have long-term socio-economic implications for the HMA without future demographic change, hence why the RLDP seeks to apportion residential-led growth to the settlement to positively counter-balance the locally ageing population. The other HMAs have a more evenly balanced age distribution, albeit there is still need to maintain and enhance the younger working age demographic to ensure future economic prosperity. Indeed, 50+ is the most common age demographic across all HMAs, ranging from 38% of residents in the Bridgend and Surrounding HMA to 57% of residents in Porthcawl.

Figure 4: Age of Usual Residents by HMA (Percentage)
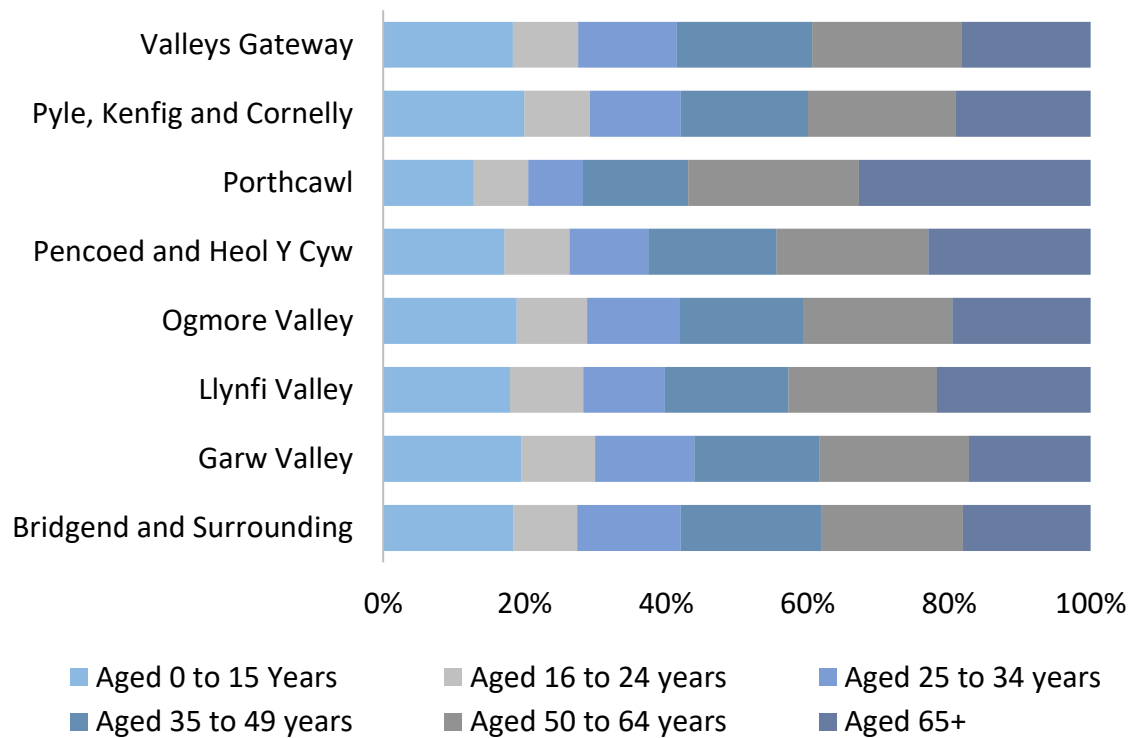
Data Source: 2021 Census

Population - Disability

3.1.9 The 2021 Census also provides estimates that classify households by the number of disabled people. People in a household who assessed their own day-to-day activities as limited by long-term physical or mental health conditions or illnesses are considered disabled. This definition of a disabled person meets the harmonised standard for measuring disability and is in line with the Equality Act (2010).

3.1.10 Figure 5 depicts the percentage of residents that considered themselves disabled and not disabled under the Equality Act by HMA. There is not an especially sizeable proportion of residents that stated their 'day-to-day activities were limited a lot' in any particular HMA, although 14% of Ogmore Valley and Garw Valley residents selected this category compared to 9% of residents within Bridgend and Surrounding. Conversely, the highest proportion of residents citing 'no long physical or mental health conditions' was found within Pencoed and Heol y Cyw (72% of all residents) and Bridgend (71%) compared to 68% in the Garw Valley. While this dataset does not indicate whether residents citing disabilities have any specific housing related needs, it does help to provide population-based context across the HMAs.

Figure 5: Age of Usual Residents by HMA (Percentage)

Legend:
- Day-to-day activities limited a lot (Disabled Under Equality Act)
- Day-to-day activities limited a little (Disabled Under Equality Act)
- Long term physical or mental health condition but day-to-day activities are not limited (Not Disabled Under Equality Act)
- No long term physical or mental health conditions (Not Disabled Under Equality Act)
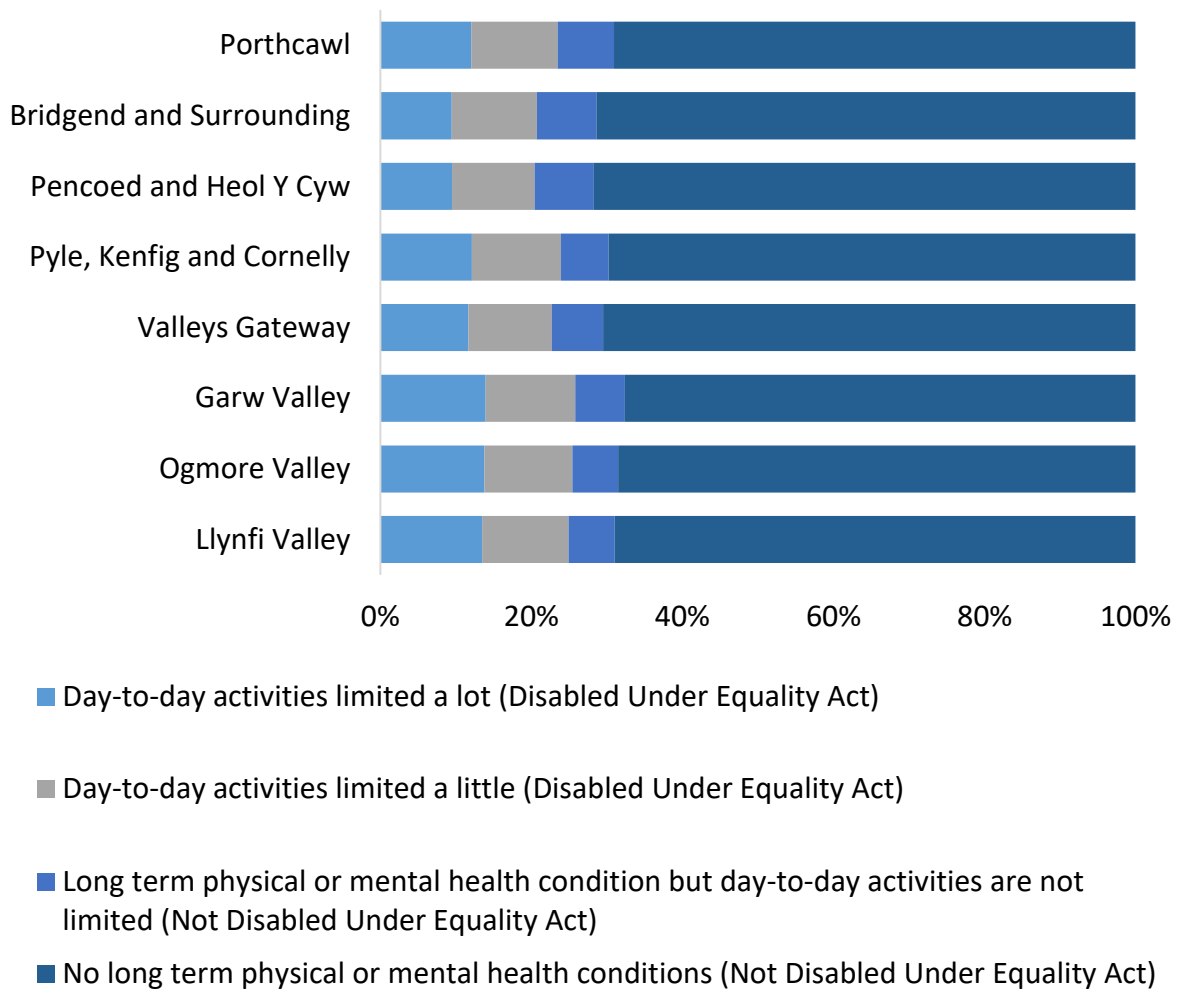
Data Source: 2021 Census

Population - Ethnicity

3.1.11 An additional Census 2021 dataset provides estimates that classify usual residents by their self-ascribed ethnic group. This could be based on culture, family background, identity or physical appearance. Figure 6 provides a high-level summary by HMA.

3.1.12 Evidently, there is not a particularly high concentration of Asian, Black, Mixed or Other ethnic groups in any HMA and the majority of residents described their ethnicity as White in all HMAs. However, Bridgend and Surrounding is the most diverse HMA, where 2.5% of residents described themselves as Asian (mainly Indian, Filipino and Chinese) and 1.7% as Mixed or Multiple Ethnic Groups (mainly White and Asian and White and Black Caribbean). The relatively higher level of diversity within Bridgend is most likely attributable to its size and function (as the county borough's principal town), with notable concentrations of services, facilities, employment opportunities and high accessibility to the wider regions.

Figure 6: Ethnic Group by HMA (Percentage)
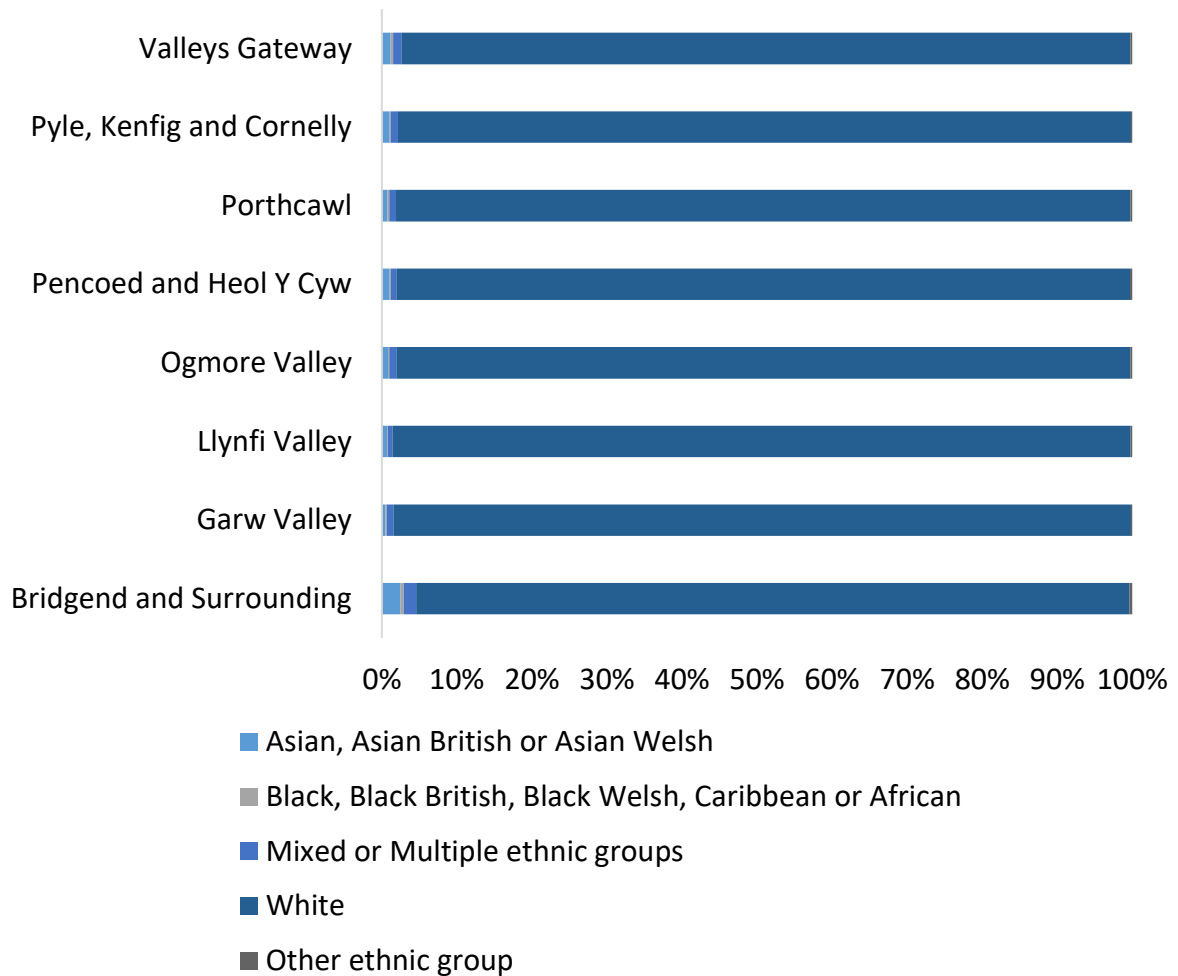
Data Source: 2021 Census

Number of Households

3.1.13   The 2021 Census also includes a household estimate (a household being defined as having at least one usual resident). The number of households across Wales increased from 1,302,676 in 2011 to 1,347,100 in 2021; a 3.4% increase. However, growth was not uniform across Wales, with three local authorities witnessing a decrease in household numbers (Gwynedd, Ceredigion and Blaenau Gwent). The local authorities that saw the highest increases were Newport (8.1% increase), the Vale of Glamorgan (7.5% increase) and Monmouthshire (7.0% increase). Bridgend also witnessed high proportionate household growth, with households increasing from 58,515 in 2011 to 62,360 in 2021; a 6.6% increase.

Analysis of Households by Tenure

3.1.14   At the time of the 2021 Census, owner occupation was by far the most common tenure within the county borough, accounting for 71% of all households; 38% of which owned their property outright and 33% owned their property through a mortgage or loan. Over 15% of all households resided within the private rented sector and a slightly smaller proportion of households (just under 14%) indicated that they live within the social rented sector. The overall tenure composition is depictured in Figure 7a.

Figure 7a: Tenure Indicated by Households, Bridgend County Borough
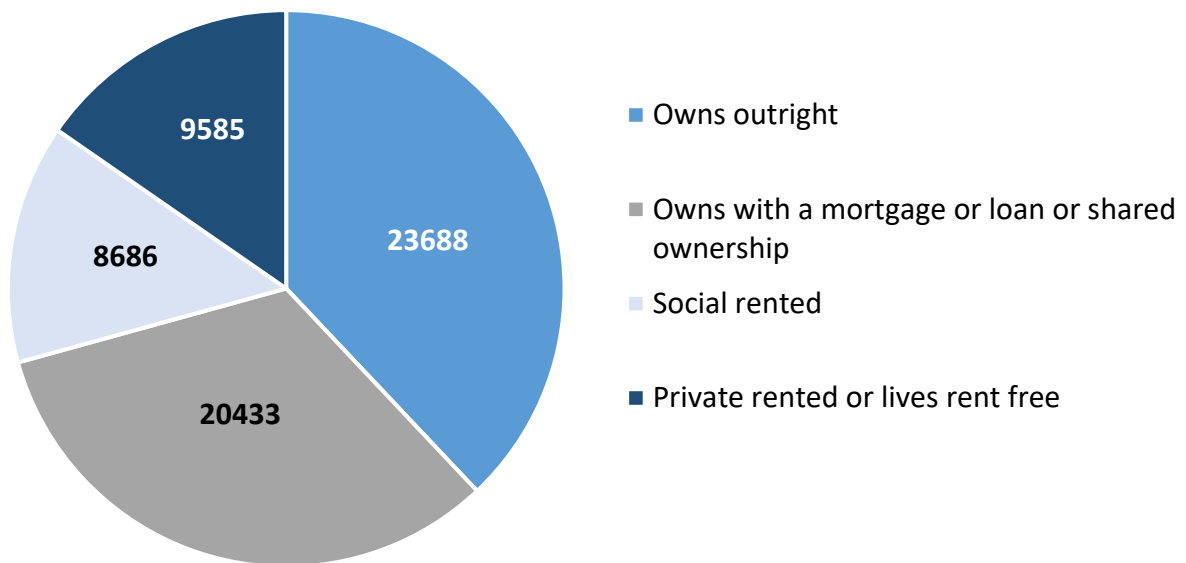
Data Source: 2021 Census

3.1.15   However, there are inevitably differences within each HMA as illustrated by figure 7b. Owner occupation (either outright or through a mortgage or loan) was notably higher than average in both Porthcawl (77% of all households) and Pencoed and Heol Y Cyw (77%) HMAs. Furthermore, over 49% of households owned their properties outright in Porthcawl, which correlates with the aforementioned high proportion of residents at or approaching retirement age in this HMA. Conversely, residents within Pyle, Kenfig and Cornelly cited the lowest proportion of home ownership in the county borough at 63% of all households (33% outright and 30% with a mortgage or loan). Households within the private rented sector ranged from 21% in the Ogmore Valley to 12% in Pencoed and Heol Y Cyw, whereas households within the social rented sector ranged from 22% in Pyle, Kenfig and Cornelly to 6% of all households in Porthcawl.

Figure 7b: Number of Households by Tenure and HMA, 2021 Census
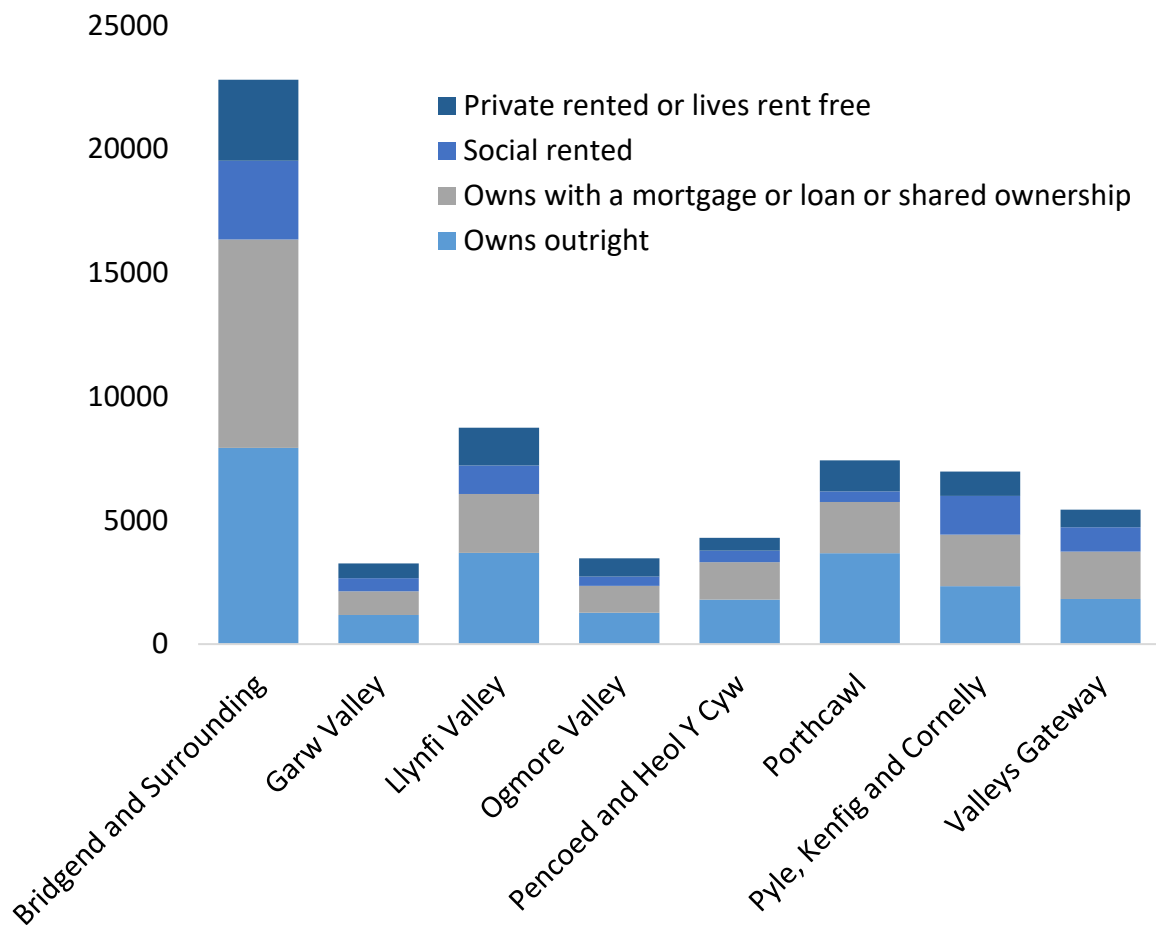
Data Source: 2021 Census

Owner Occupation – Property Price Trends

3.1.16 Land Registry Price Paid data has been scrutinised to determine the number of sales and the prices paid for all properties by age (new build or existing) and type (detached, semi-detached, terraced, flat or maisonette). Address level data has been aggregated to HMA level to provide a robust geographic overview of housing sales from 2015 to 2022. This illustrates the cost of entering and moving within the owner-occupation market for the purposes of this LHMA and how this has changed over time. Critically, the median price has been used in all cases to avoid atypical sales values (at the extremities) unduly affecting the average prices. The dataset does not include any valuations, which typically vary to the actual price paid (historically, valuations were not typically achieved, although offers were increasingly higher than valuations in the post pandemic housing market).

3.1.17 The median property price paid in Bridgend County Borough in 2022 was £190,000 based on sales only. This represents a notable rise of 9% since 2021, which is more than double the more gradual price increases of 2.5% to 3% per

annum witnessed from 2016 to 2019. After this point, the curve in Figure 8 clearly ascends more rapidly, which reflects the latent demand that accumulated during the pandemic and the related boom in property prices thereafter.

Figure 8: Median Price Paid for Properties in Bridgend County Borough
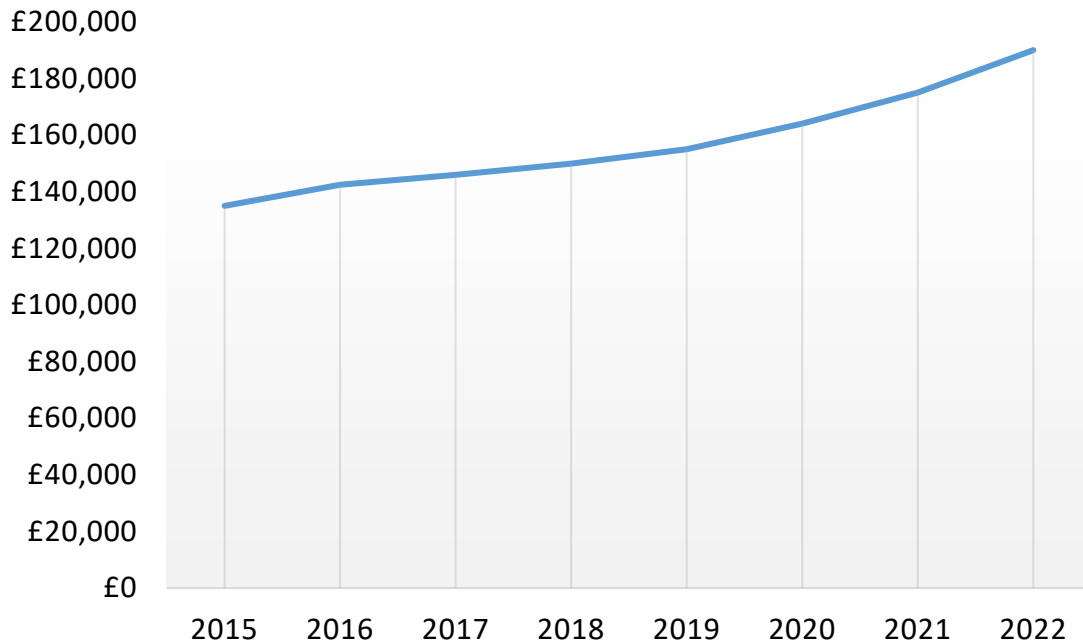
Data Source: HM Land Registry data © Crown copyright and database right 2021.
This data is licensed under the Open Government Licence v3.0.

3.1.18 Early indications suggest this rapid accent in property prices is unlikely to continue into the immediate future. In July 2023, the Principality Building Society reported that annual price rises across Wales are slowing, and "compared to the same period the previous year, the annual price rise is now under 1%, the largest slowdown in annual house price growth for almost a decade"[1]. How far this general trend will materialise in relation to prices paid for properties in Bridgend County Borough will be assessed as part of future LHMA updates. Moreover, Figure 8 masks significant variations across HMAs as shown in Table 1 overleaf. In 2022, the lowest median price was found within the Garw Valley, at £110,000, and the highest median price paid was within Porthcawl, at £315,000. Bridgend and Pencoed HMAs are higher mid-price areas, whereas Pyle, Kenfig and Cornelly and the Valleys Gateway are lower mid-price areas.

---

[1] https://principality.co.uk/en/about-us/Latest/20230717-House-prices-in-Wales-slow-as-interest-rates-continue-to-rise

Table 2: Median House Prices in HMAs based on Sales

HMA	Median Property Price (2022)
Bridgend and Surrounding	£214,000
Garw Valley	£110,000
Llynfi Valley	£118,000
Ogmore Valley	£121,000
Pencoed and Heol-Y-Cyw	£215,000
Porthcawl	£315,000
Pyle, Kenfig and Cornelly	£175,000
Valleys Gateway	£176,050

Data Source: HM Land Registry data © Crown copyright and database right 2021.
This data is licensed under the Open Government Licence v3.0.

3.1.19 Each HMA's position in the local market is relatively well entrenched as shown by the longer-term trends within Figure 9 overleaf. The three Valleys HMAs represent one end of the market and exhibit the lowest median prices paid for properties in the county borough. The Llynfi Valley has typically attracted a premium over the Garw (+15%) and Ogmore (+12%) Valleys since 2015; reflecting the fact it is the second largest town in the county borough. However, this premium has narrowed in the past two years and the 2022 median price in the Ogmore Valley (£121,000) actually exceeded the median price in the Llynfi Valley (£118,000) for the first time in the past seven years. There has been no large-scale new development to explain why prices are now increasingly interchangeable between the three Valleys HMAs from a supply-side perspective. However, it could be attributable to a demand-side change that reflects the cost of living crisis, residents choosing to purchase properties in more affordable areas and prices rising as a result. Indeed, in August 2023, Hometrack reported that "levels of market activity are holding up better in more affordable markets", which bucks the more general trend of housing market stagnation due to "higher mortgage rates and cost-of-living pressures with weaker demand, fewer sales and very low house price growth"[2].

3.1.20 At the other end of the market, Figure 9 clearly shows Porthcawl attracts the highest median property prices, which have typically been 40% higher than the median price for the whole county borough since 2015. However, this has widened

---

[2] https://www.hometrack.com/wp-content/uploads/2023/08/UK-House-Price-Index-Aug23-HT.pdf

further in recent years and median prices in Porthcawl were 56% and 66% higher than the country borough average in 2021 and 2022, respectively. This serves to demonstrate the level of disparity in house prices across the county borough and how much further post pandemic price hikes have impacted upon the Porthcawl HMA.

3.1.21 There have also been gradual changes in the mid-market areas. While Bridgend typically attracted a premium of 10% over Pencoed from 2015 to 2018, median prices between the two HMAs have been relatively interchangeable since 2019 and Pencoed actually attracted a small premium of 0.5% over Bridgend in 2022. Similarly, properties within the Valleys Gateway achieved a median price of around 9% more than those in Pyle, Kenfig and Cornelly prior to 2018, yet have become increasingly interchangeable ever since. This suggests establishment of an upper mid-market and lower mid-market within the county borough, respectively.

Figure 9: Median Price Paid for Properties by HMA, 2015-2022
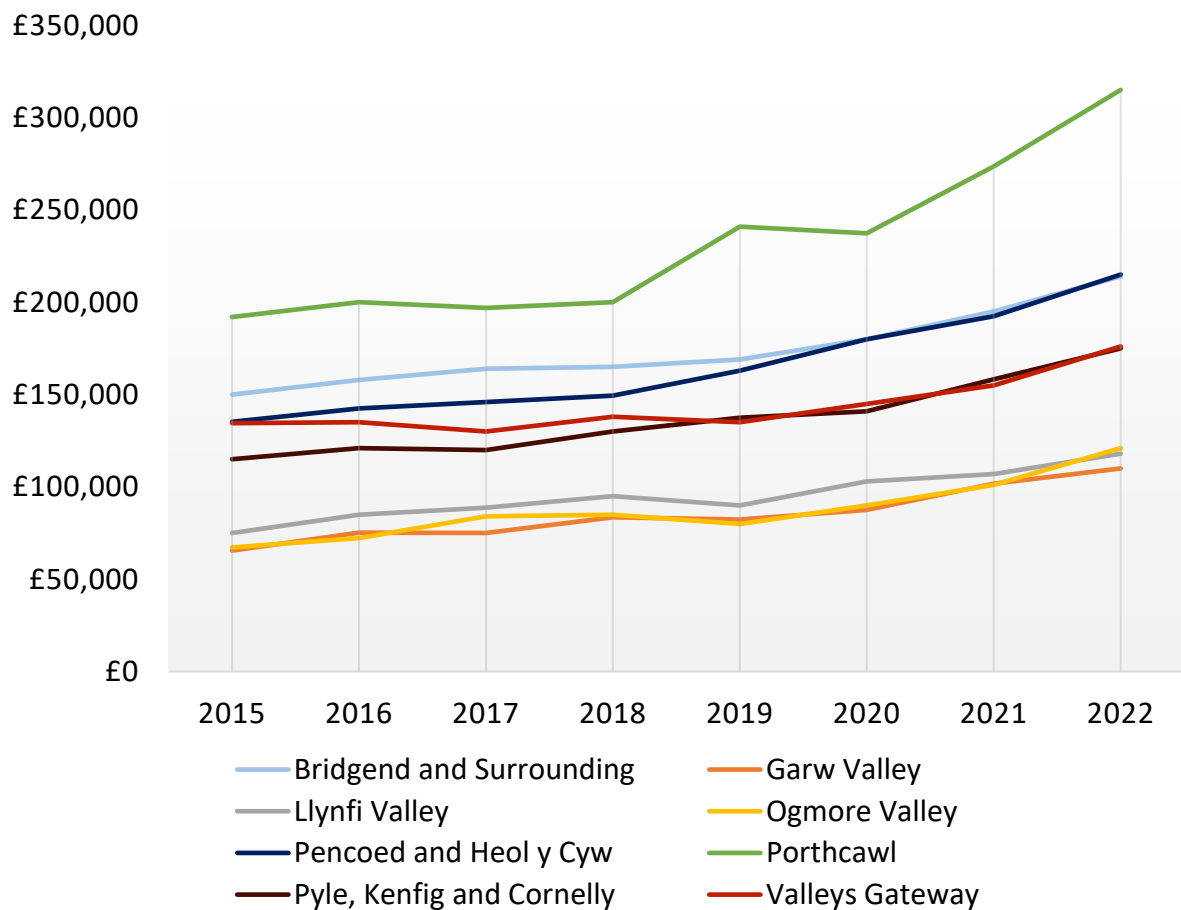
Data Source: HM Land Registry data © Crown copyright and database right 2021.
This data is licensed under the Open Government Licence v3.0.

<u>Owner Occupation – Sales (Volume) Trends</u>

3.1.22 Figure 10 further helps to contextualise the difference between HMAs by illustrating the number of sales and median prices achieved for different property types in 2022. There is a clear uplift in price between property types. In 2022, semi-detached properties typically sold for 20% more than terraced properties in the mid-market areas of Bridgend, Pencoed and Pyle, Kenfig and Cornelly. This premium was greater in Porthcawl (30%) and even more notable in the Valleys HMAs (over 40%). This latter trend is perhaps unsurprising given the dominance of the terraced housing market in Valleys HMAs and the relative scarcity of lower density semi-detached housing. Detached property sales were evidently fewer in number and attracted even larger premiums over semi-detached sales in all HMAs (ranging from 31% in Porthcawl to 82% in the Valleys Gateway).

Figure 10: Median Price Paid for Properties by Type, Volume and HMA, 2022

Data Source: HM Land Registry data © Crown copyright and database right 2021.
This data is licensed under the Open Government Licence v3.0.

3.1.23 Moreover, a greater number of semi-detached and detached properties sold in mid to higher priced areas and terraced property sales dominated the Valleys HMAs.

This phenomenon alone has an impact on the overall median price paid for properties in different HMAs. However, the type of property being sold is clearly not the only determinant of price. At the extremes, a median priced terraced property in the Garw Valley sold for £190,000 in 2022, compared to £225,000 for a terraced property in Porthcawl. This represents an 18% premium on what can be considered an 'entry level' property at a distance of less than 15 miles.

3.1.24 This latter factor is even more pronounced due to the minority of flat and maisonette sales, which contributed to a small proportion of the county borough's active housing market in 2022. The highest number of flats or maisonettes sold were in Porthcawl; accounting for 18% of all property sales in that HMA in 2022. However, with a median price of over £200,000, the question of affordability is poignant, as considered in the housing need calculation section of this LHMA. Flats and maisonettes contributed to a far smaller proportion of the total number of sales in other HMAs, typically 4-5% in mid-market areas and even lower percentages in Valleys HMAs, where there is a notable dearth of such properties across the stock.

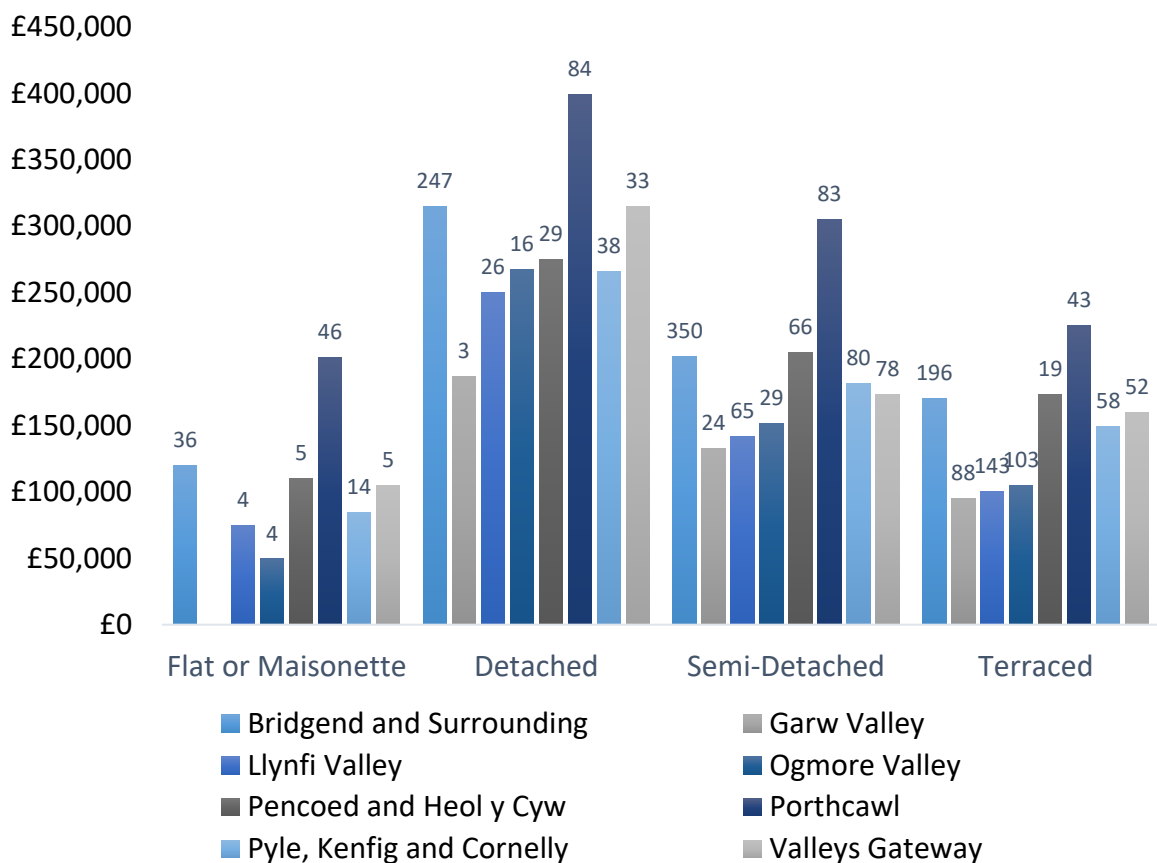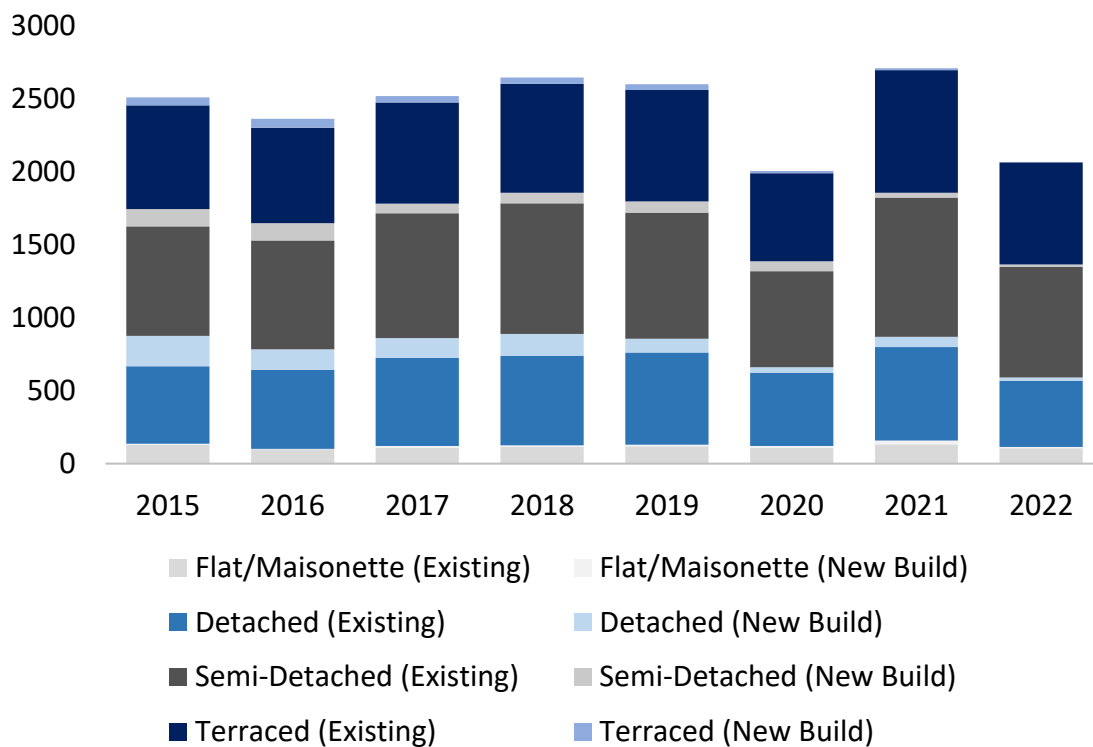**Figure 11: Volume of Property Sales by Type and Age, 2015-2022**

Data Source: HM Land Registry data © Crown copyright and database right 2021.
This data is licensed under the Open Government Licence v3.0.

24

3.1.25 Figure 11 provides a longer-term overview of property sales by type and age of property. The total number of property sales was relatively stable between 2015 and 2019; climbing gradually to just above 2,500 in 2019. The proportion of property types sold across the county borough was also relatively stable over this four-year period; at 29% detached, 36% semi-detached, 30% terraced and 5% flats and maisonettes.

3.1.26 New build sales typically accounted for 10-15% of all sales over this period; primarily through semi-detached and detached houses. This correlates with feedback from local house builders, who reported that the 3 bedroom semi-detached market was one of the strongest in the new build sector at the time and also that larger, more expensive house types became increasingly accessible to first time buyers through Help to Buy Wales. It is therefore no coincidence that there was a resurgence in the construction and sale of larger new build house types from 2015 to 2019. The impacts of the pandemic explain the drop in sales in 2020, followed by a post pandemic boom in 2021 and then a further slump in house sales in 2022 due to the onset of the cost-of-living crisis. The proportion of new build property sales recorded by Land Registry halved during those two years. Moving forward, the RLDP seeks to enable an appropriate mix of dwelling sizes and types on new build sites to meet local housing need and foster sustainable, balanced communities. A preponderance of new, larger dwelling types should be avoided and developments must seek to provide a suitable range of housing types to meet the needs of households in the county borough.

Private Rented Sector – Property Type

3.1.27 Over 15% of households within the county borough (nearly 10,000) stated that they resided within the private rented sector at the time of the 2021 Census. This implies that the sector was slightly larger than the social rented sector (just under 14%) in 2021; emphasising the significance of private rented accommodation in the context of the whole housing market.

3.1.28 Figure 12 overleaf illustrates the type of properties occupied in the local private rented sector by bedroom size at the time of the 2021 Census. There are however two caveats in this respect. Firstly, this data does not take any unoccupied properties (that had previously been rented privately) into account, although there are no guarantees that such dwellings would remain in the private rented sector in any case. Secondly, this dataset provides no indication of the availability of private rented sector accommodation, yet it does help to exemplify the type of private rented properties households were occupying in 2021.

3.1.29 Most households typically rented three bedroom dwellings in the majority of the private rented markets, particularly in Valleys HMAs. However, there were some

exceptions. Bridgend contained a similar number of households renting two bedroom dwellings (1,200) to three bedroom dwellings (1,400) within the private rented sector, as did the Valleys Gateway (300 dwellings of each size). Porthcawl was the only HMA that differed in this respect as households renting two bedroom dwellings (500) were most common within the private rented sector, albeit households renting three bedroom dwellings were still notable (400). Households renting one and four + bedroom dwellings were far less common in all housing markets and there was a notable dearth of households renting such dwellings in Valleys HMAs.

Figure 12: Households Renting Privately by Number of Bedrooms

■ 1 bed ■ 2 bed ■ 3 bed ■ 4+ bed
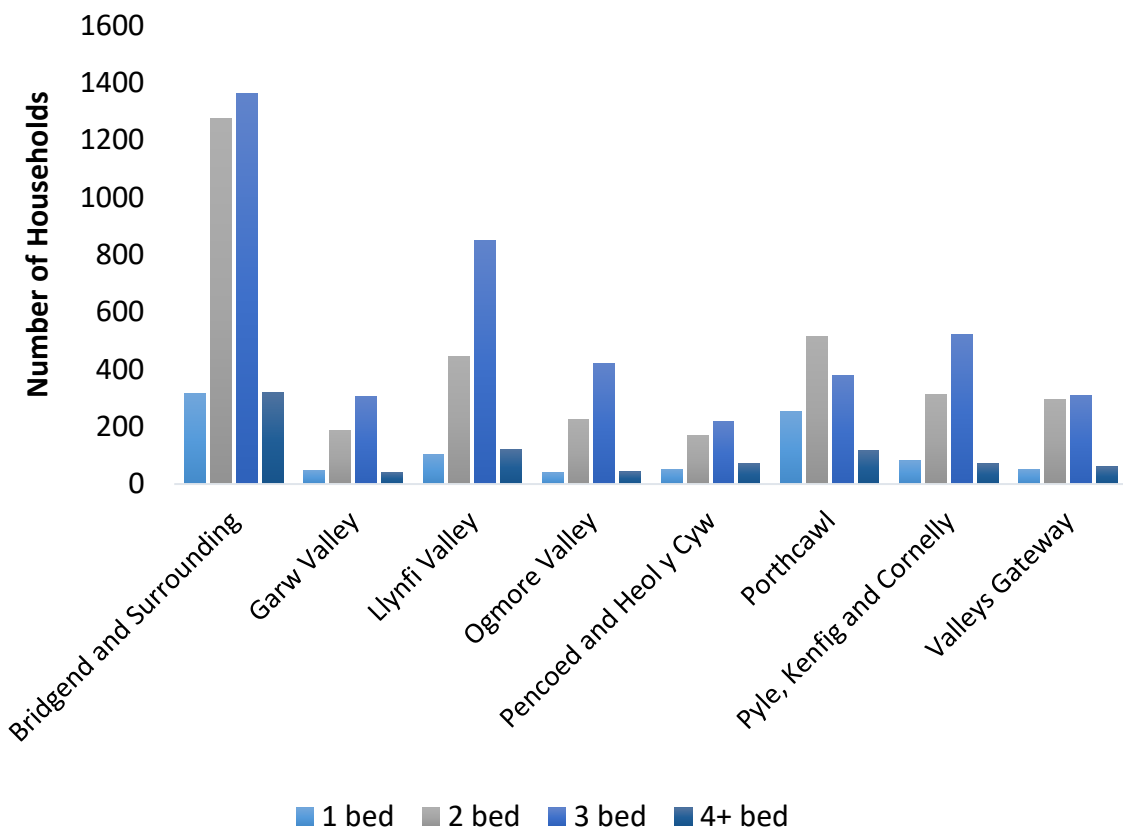
Data Source: 2021 Census

3.1.30 In order to further contextualise this dataset, Figure 13 illustrates the percentage of households residing within the private rented sector in each HMA and by property size. Although three bedroom dwellings were most common in absolute terms, Figure 13 shows that under 20% of households residing within three bedroom dwellings were private rented tenants in all HMAs. Conversely, whilst the number of households renting one bedroom dwellings was small, they typically accounted for a quarter of all households residing in one bedroom dwellings across each HMA. The highest proportions of households renting privately were

found within one bedroom dwellings in Porthcawl (39% of all households occupying this dwelling type), and 2 bedroom dwellings in Porthcawl (31%), the Ogmore Valley (29%) and Bridgend and Surrounding (27%). Households renting four bedroom dwellings privately were clearly not only scarce in absolute terms, but also relative terms. Even where the percentage was highest (in the Ogmore Valley), only 11% of households occupying four bedroom dwellings were renting privately.

Figure 13: Households Renting Privately by Number of Bedrooms (%)
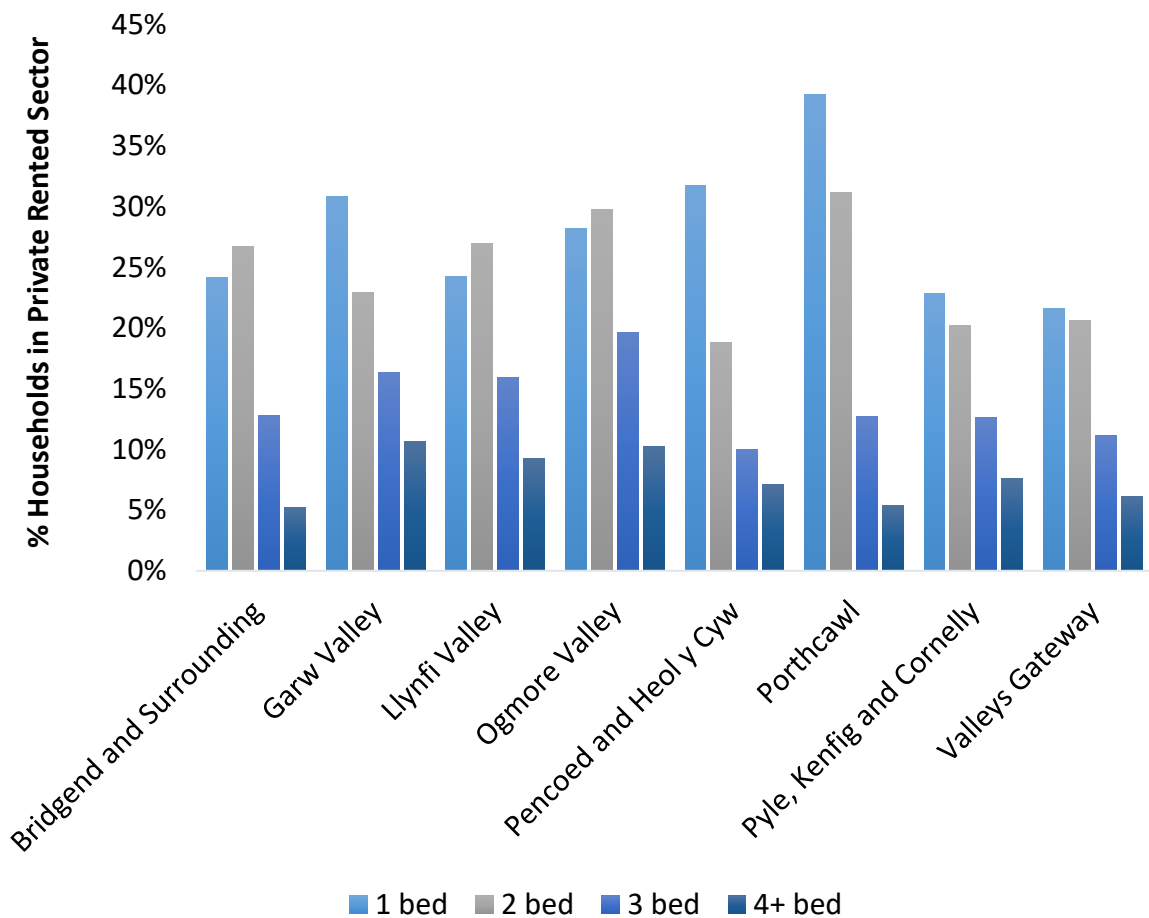
Data Source: 2021 Census

Private Rented Sector - Rents

3.1.31   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 and comprehensive records of private rents are unavailable in the same manner as for housing sales.

3.1.32 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 data is now being made available to Local Authorities for LHMA purposes. This represents a sample of the market (just over 15% of private rented properties in Bridgend County Borough compared to 2021 Census data), including both new lettings and continuing lettings, with and without rental increases. This exercise enables average rent percentiles to be generated as shown in Table 3 overleaf. As these percentiles are based on a sample of achieved rents (as opposed to advertised rents, which may not be achieved in practice), they do represent what existing households are paying to rent within the sector. However, the sample is likely to be weighted by the rents long-term tenants are paying. Such long-term rents may not have increased in line with wider market inflation if, for example, a landlord provides a rent-based incentive to retain a 'good tenant' and/or tenants have postponed moving to avoid paying 'new let premiums'. Indeed, Hometrack recently reported rents for new lets are up by an average of £2,772 per annum across the UK based on data over the last three years (September 2023). This reflects the fact that "landlords are seeking to maximise the rent for new tenancies to cover increased costs"[3], thereby compounding cost-of-living pressures for those seeking new tenancies in the private sector. The derived percentiles within Table 3 should therefore be considered a lower estimate of the true cost of entering the private rented sector, while acknowledging data available on private rents is limited and there are pros and cons to using alternative data sources.

3.1.33 Clearly, the bulk of the sample is based on two and three bedroom properties, which reflects the data from the 2021 Census as outlined in the previous section. Sample sizes for one bedroom properties were smaller across each HMA, although sufficient to generate percentile based averages. However, the number of four bedroom properties in the sample was much smaller in comparison, which is unsurprising given the relative dearth of such properties within the local private rented sector. The Rent Office advise utilising at least five records to generate robust averages and so, where necessary, samples have been bolstered with local private rent data held by the Council (sourced from Common Housing Register applications); comparable in that such records are also 'achieved' rents.

3.1.34 As shown in Table 3, private rents follow a similar pattern to house prices, with Porthcawl being the most expensive HMA. This is particularly notable in larger property sizes, with median three bedroom rents being 21% higher than in Bridgend and Surrounding and median four bedroom rents being 27% higher, respectively. When analysing house prices, Bridgend and Surrounding and Pencoed and Heol-Y-Cyw formed the 'upper-mid market' and the Valleys Gateway and Pyle, Kenfig Hill and Cornelly formed the 'lower-mid market'.

---

[3] https://www.hometrack.com/wp-content/uploads/2023/09/UK-rental-market-report-Sept-2023-HT.pptx.pdf

However, there is less of a pronounced distinction between these four HMAs in the private rented sector and there are variances across different property sizes. For instance, the sample showed that median private 1 bedroom rents were higher in Pyle, Kenfig and Cornelly (£550 per calendar month) than in both Bridgend and Surrounding and Pencoed and Heol-Y-Cyw HMAs (£490 per calendar month). This suggests the private rental market is more fluid than the home ownership market in the mid-priced areas, albeit there is still an approximate premium of £50 per calendar month to rent a 3 bedroom property in Bridgend compared to the other three aforementioned HMAs.

Table 3: Calendar Monthly Rents 2022/23, Bridgend County Borough and HMAs

HMA	Number of Rentals				Rents at the 30th Percentile Position				Rents at the 50th Percentile Position			
	1 Bed	2 Bed	3 Bed	4 Bed	1 Bed	2 Bed	3 Bed	4 Bed	1 Bed	2 Bed	3 Bed	4 Bed
Bridgend and Surrounding	46	235	216	33	£438	£525	£625	£787	£490	£575	£698	£825
Garw Valley	27	27	54	*5	£350	£445	£475	*£510	£350	£500	£520	*£550
Llynfi Valley	19	84	158	9	£379	£450	£477	£612	£400	£483	£548	£630
Ogmore Valley	6	39	57	*5	£380	£433	£474	*£556	£393	£450	£500	*£580
Pencoed and Heol-Y-Cyw	7	37	31	10	£462	£533	£625	£834	£490	£550	£650	£850
Porthcawl	21	40	29	*6	£500	£587	£750	*£975	£525	£625	£845	*£1,050
Pyle, Kenfig and Cornelly	12	49	49	*6	£508	£500	£600	*£658	£550	£525	£650	*£683
Valleys Gateway	10	45	43	8	£450	£500	£565	£687	£513	£525	£620	£850

Data Source: Rent Office Wales data

* Sample sizes have been increased by combining Rent Office data with local data sourced from the Common Housing Register

3.1.35 The three Valleys HMAs contain the most affordable private rents, although there is a small premium to rent in the Llynfi Valley compared to the Ogmore and Garw Valleys. Perhaps most significantly, and as illustrated in Figure 14, there is a very narrow gap between average private rents and average social rents within the Valleys HMAs.

Figure 14: Average Social Rents Compared to Average Market Rents
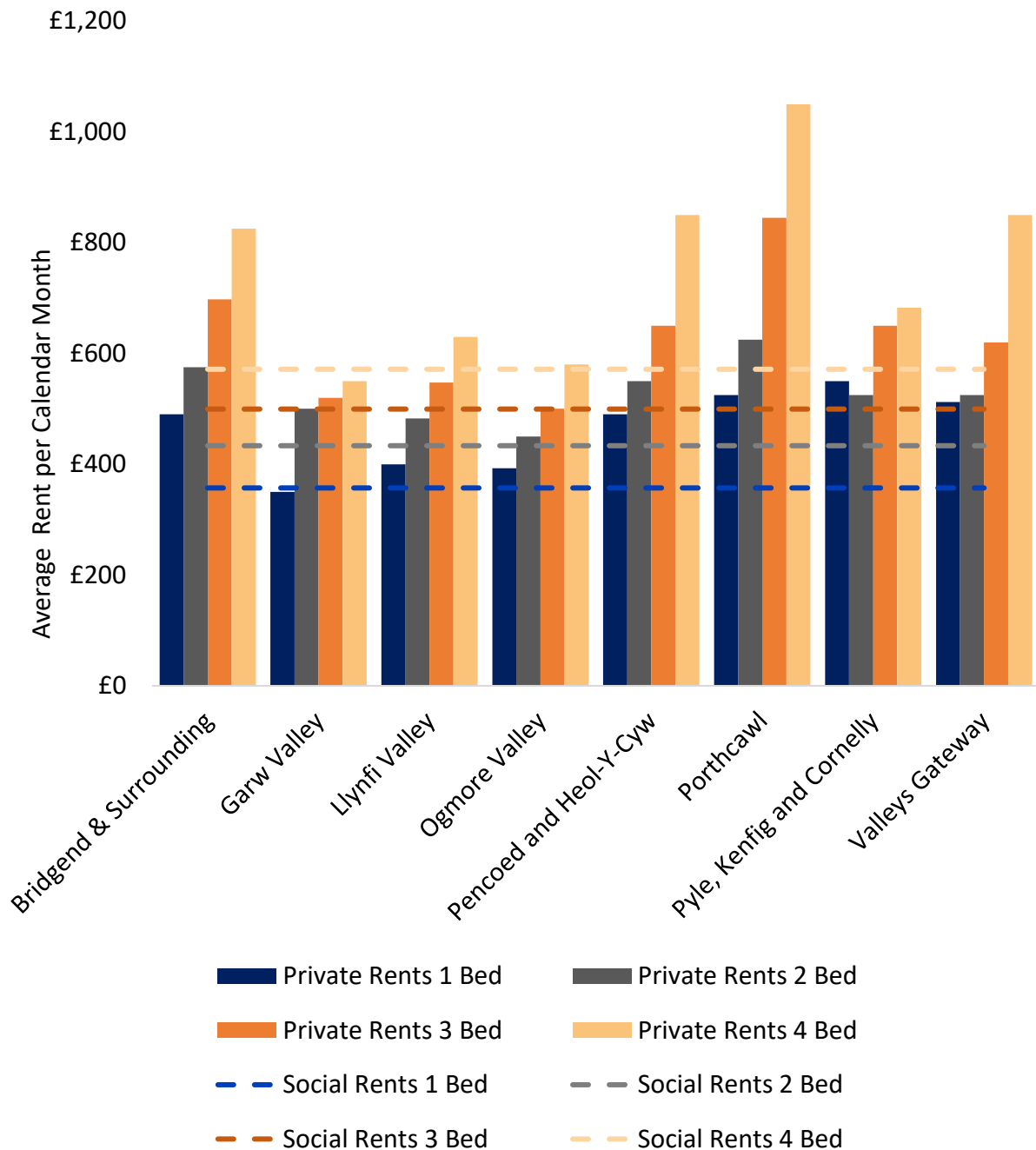
Data Source: Rent Office Wales and Stats Wales

3.1.36   This is particularly notable in the Garw Valley, where one and four bedroom private rents are slightly below social rents and three bedroom private rents are only 4% higher than social rents. Similarly, private rents are typically no more than 4% above social rents in the Ogmore Valley and typically no more than 11% above social rents in the Llynfi Valley. This is a unique characteristic of the Valleys HMAs and produces atypical market dynamics. For one, tenants can move interchangeably between private and social tenures due to comparative affordability, compounded further by the relative uniformity of the local dwelling stock. Turnover and sustainability of tenancies can be affected, with the formation of 'micro' housing markets due to a complex range of socio-economic and historical factors. Tenure can play less of a factor in the entrenchment of such micro housing markets than elsewhere in the county borough, especially when private and social rents are so interchangeable.

3.1.37   This issue also limits how far certain types of affordable housing can meet housing need in the Valleys HMAs from a supply side perspective. There is ultimately no gap to introduce a discounted rental product (i.e. intermediate rent) within the Garw and Ogmore Valleys as any discount on market rent would produce a product that is below social rent. Similarly, such a product can only be introduced within higher priced parts of the Llynfi Valley where a discounted market rent would still be above social rented and effectively meet housing need in the 'squeezed middle'. This is an important consideration when analysing the housing need outputs as a careful mix of intermediate and social dwellings will be necessary to deliver any identified housing need in these areas.

Social Rented Sector – Stock

3.1.38   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 of April 2023, locally operating RSLs reported there were 9,100 self-contained, social rented dwellings across the county borough, which equates to 13.8% of all dwellings (based on March 2022 dwelling stock estimates). Figure 15 provides a geographic breakdown of self-contained social rented stock by number of bedrooms and property type (NB. dwelling stock numbers vary to the previously documented household numbers as the two datasets are not comparable and collected through different means, at different time periods).

3.1.39   Overall, it is clear that there are more two and three bedroom homes than any other dwelling size; accounting for 40% and 36% of the social rented stock, respectively. This is strongly akin to the overall composition of the housing market, although there is a slight weighting towards flats rather than houses across the 2 bed social rented stock. There are, nevertheless, geographical variances. Three bedroom properties are far more common in the Llynfi Valley especially (49% of

all social rented dwellings) and one bedroom properties are the predominant dwelling size in Porthcawl (57% of all social rented dwellings). Four+ bedroom properties make up a small proportion of the overall social housing stock in all HMAs.

3.1.40   As also shown in Figure 15, the highest level of social rented accommodation is found within Bridgend and Surrounding (35% of the total), 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 Porthcawl (5%), Pencoed (5%), and the Ogmore (6%) and Garw (6%) Valleys.

Figure 15: Social Rented Dwelling Stock, Bridgend County Borough
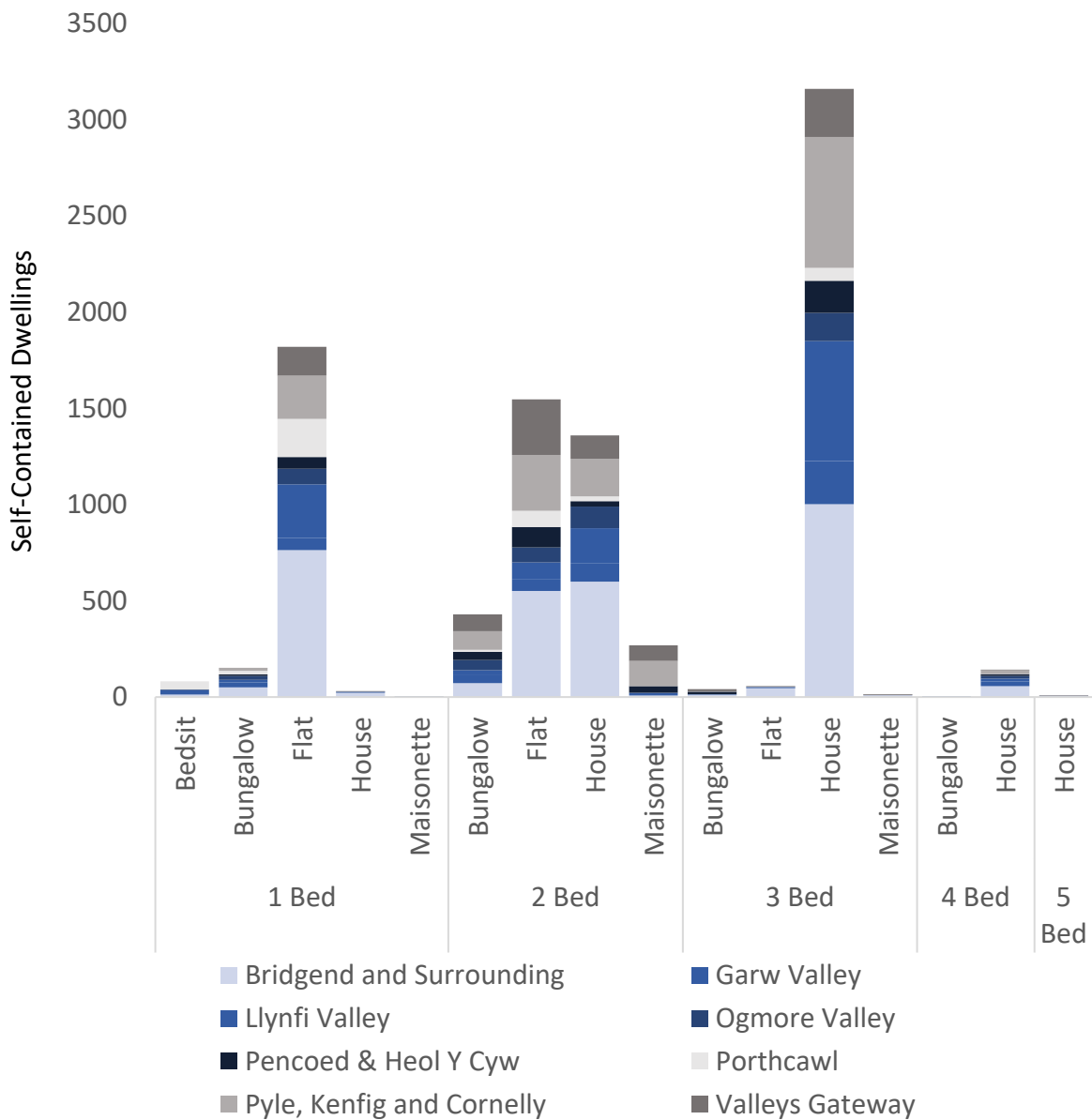
Data Source: RSL Stock Lists

Second Homes

3.1.41 It is also important to consider the level and proportion of second homes across the county borough to understand whether there are any implications for the supply of affordable housing and any impacts on the Welsh language. Welsh Government conducts the annual council tax dwellings survey; providing data on the number of dwellings eligible for full council tax, discounts and exemptions in each local authority for the next financial year, including second homes.

3.1.42 Figure 16 illustrates that the number of second homes in Bridgend County Borough has fluctuated over the last seven years, although the number has remained low in absolute terms, notwithstanding a minor spike in 2023/24. It is perhaps most helpful to consider this in relative terms. Based on council tax data, the total chargeable second homes as a percentage of all chargeable dwellings has remained at or below 0.1% in Bridgend County Borough compared to at or below 1.8% throughout Wales as a whole. Indeed, as shown in Figure 17, the proportion of second homes in Bridgend County Borough has been and remains significantly below the Welsh average in relative terms. This combined with the fact that there are no notable concentrations of Welsh speakers across the county borough signify that second homes do not pose any significant implications for Welsh speakers, the supply of affordable housing or otherwise.

Figure 16: Chargeable Council Tax Dwellings and Second Homes, Bridgend
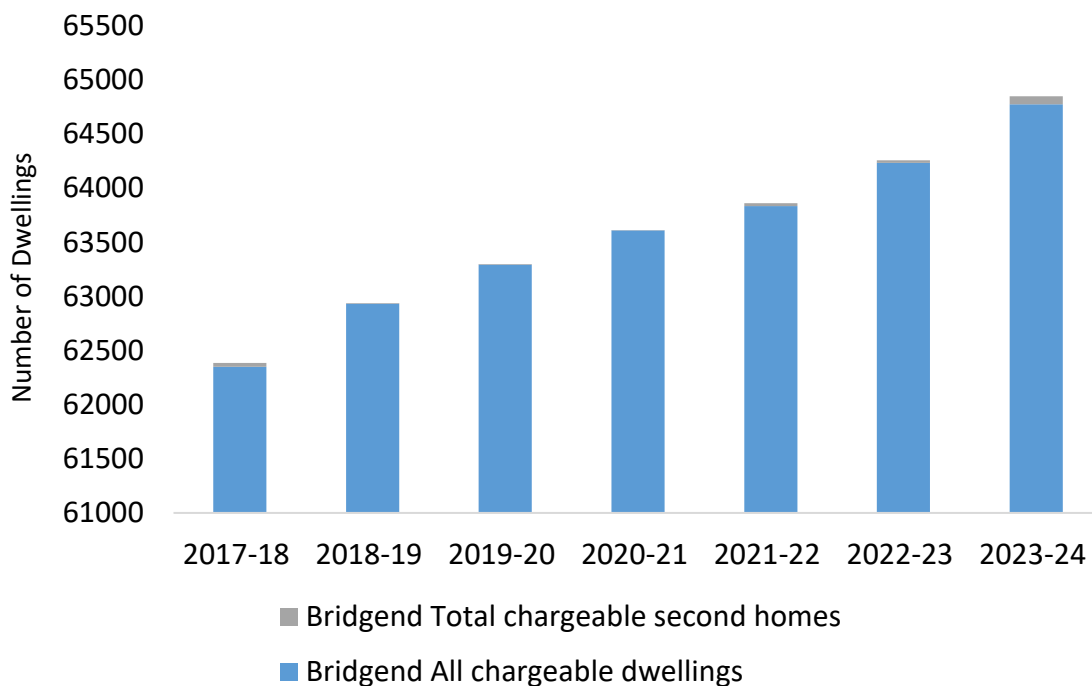
Data Source: Stats Wales

Figure 17: Second Homes as a Percentage of All Chargeable Dwellings
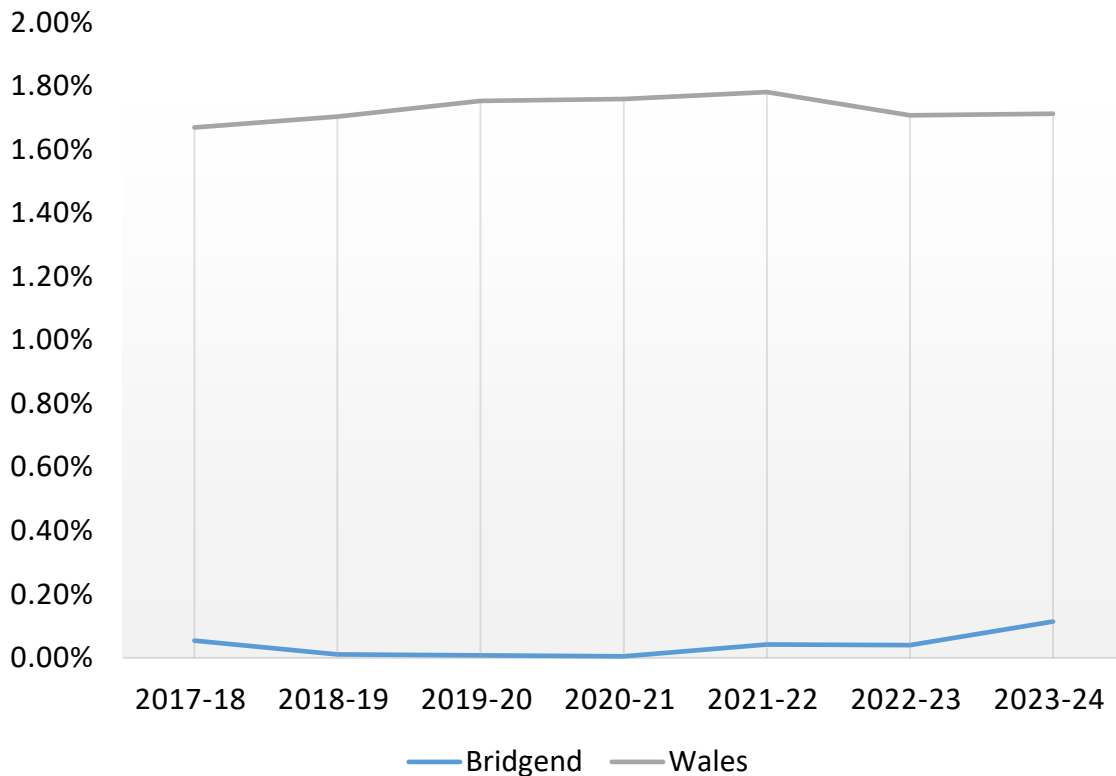
Data Source: Stats Wales

<u>Empty Homes</u>

3.1.43   It is acknowledged that local housing markets are fluid and there will always be residential properties becoming empty and others returning to occupation within any one period. Properties that are empty for less than six months do not typically require any intervention and are actually an important element of the housing market to facilitate 'churn'. However, properties that are vacant for longer periods are less likely to be transactional empty homes, are not actively contributing to meeting housing need and can illustrate a mismatch between supply and demand. Moreover, long-term empty homes can attract crime, vandalism and anti-social behaviour, thereby contributing to a sense of deprivation in communities. Returning empty homes to beneficial residential use can not only combat these issues but also meet housing need by increasing latent supply. Larger scale intervention can also encourage other complementary forms of investment, which can be necessary to combat wider instances of low demand within areas and ensure a long-term reduction in the overall number of long-term empty homes.

3.1.44 As shown in Figure 18a, the number of long-term empty homes (i.e. empty for six months or more) has remained relatively similar in scale within the county borough since 2017/18 and recent trends do not indicate a significant departure. There have been typically 1,100 empty homes within Bridgend County Borough each year over the past seven years, notwithstanding one notable dip to 950 in 2021/22, which is most likely attributable to pandemic related lockdowns and associated housing market inactivity. This number of empty homes equates to just under 2% of all dwellings. However, the successive snapshots within Figure 18a shouldn't be misinterpreted as a static group of 1,100 homes that have all remained continually empty over this period. The overall total is fluid, comprising properties continually being returned to use and then others becoming vacant in their place.

Figure 18a: Long-Term Empty Homes (6 Months+), Bridgend County Borough
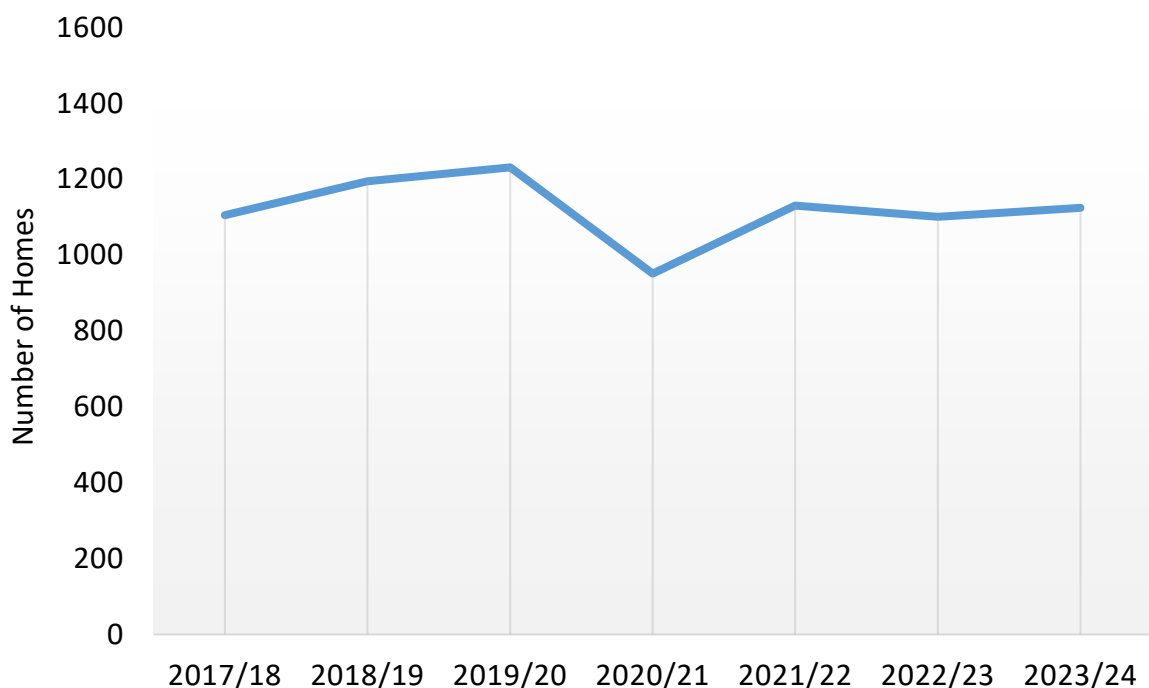
Data Source: Council Tax Records

3.1.45 Qualitative data is not held on property types, condition or why such properties are empty, although all homes are ultimately empty for a reason. Areas that contain persistently high numbers of empty homes, despite proactive attempts to return them to beneficial use, can be a key indicator of low market demand or signify broader socio-economic issues within a locality.

3.1.46 In order to contextualise these broader trends by area, Figure 18b provides a breakdown of long-term empty homes by HMA and tenure. This is based on an August 2023 snapshot to provide the latest data available. As well as providing the total number of long-term empty homes by HMA, Figure 18b also uses 2021 Census data to illustrate long-term empty homes as a percentage of all private and social rented homes for proportionate comparison.

Figure 18b: Long-Term Empty Homes (Total and Percentage by HMA and Sector)
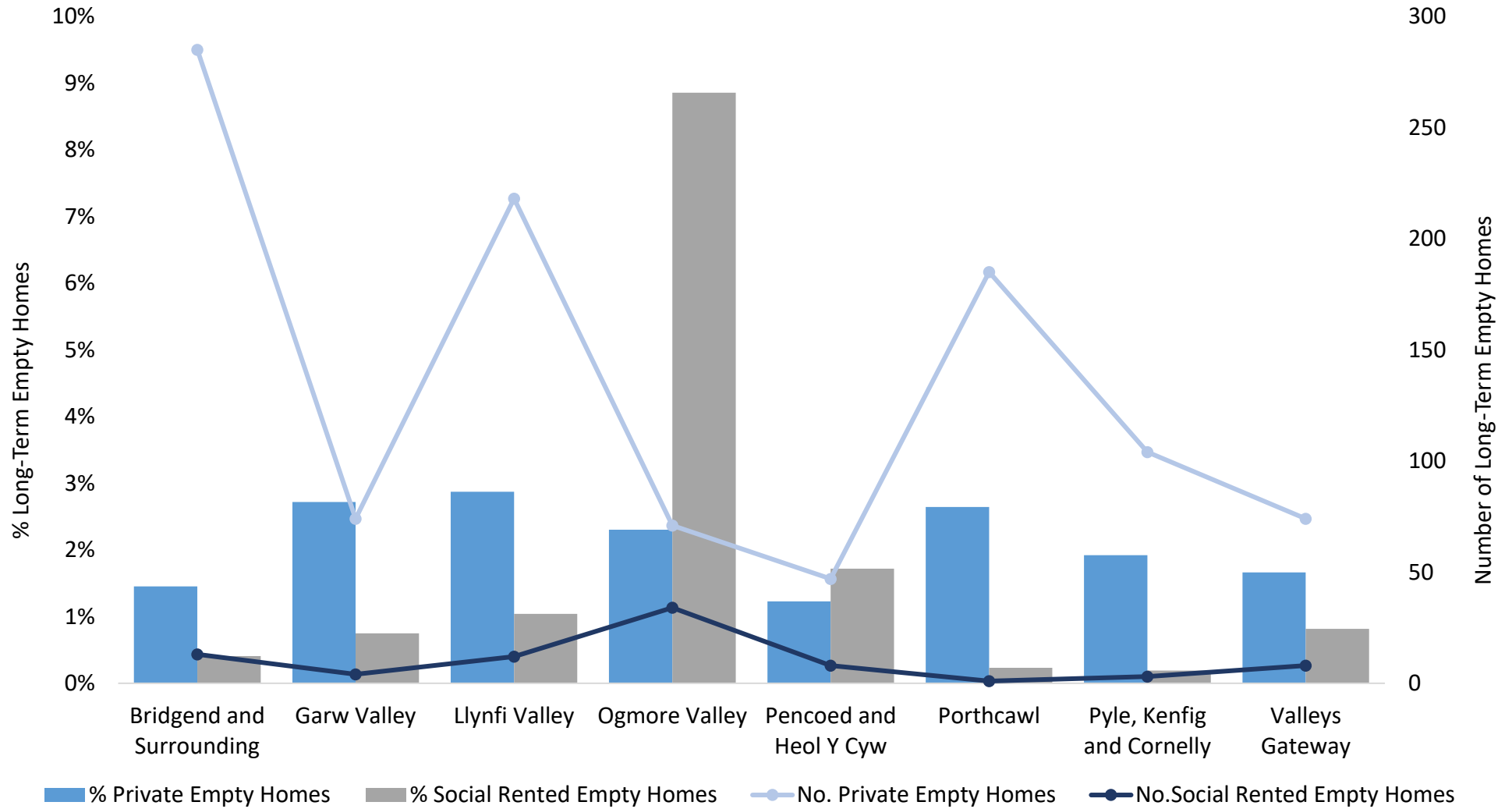
Data Source: Council Tax Records (August 2023 Snapshot)

Legend: % Private Empty Homes | % Social Rented Empty Homes | No. Private Empty Homes | No. Social Rented Empty Homes

X-axis categories: Bridgend and Surrounding, Garw Valley, Llynfi Valley, Ogmore Valley, Pencoed and Heol Y Cyw, Porthcawl, Pyle, Kenfig and Cornelly, Valleys Gateway

Left Y-axis: % Long-Term Empty Homes (0% to 10%)
Right Y-axis: Number of Long-Term Empty Homes (0 to 300)

3.1.47 Evidently, long-term empty homes are present in all markets, although to differing degrees. Bridgend and Surrounding contains the highest number of private empty homes in absolute terms (nearly 300), although this is to be expected with it being the largest settlement. Bridgend actually has one of the lowest percentages (1.45%) of private empty homes compared to all private homes within any HMA.

3.1.48 The three Valleys HMAs contain high proportions of private long-term empty homes, ranging from 2.3% of all private homes in the Ogmore Valley to 2.9% in the Llynfi Valley. As aforementioned, these areas are dominated by lower priced terraced housing and the proportion of empty homes is likely to be a broader reflection of too many similar property types in one geographical radius, compounded by low market values and therefore little financial incentive to invest. Equally, there is a mismatch between the principal dwelling types (i.e. larger, three bedroom homes) and the demographic make-up of newly forming households (i.e. smaller households, notably single people and couples without children). Market choice is therefore limited and there is a dearth of smaller properties in such areas, thereby further contributing to the lack of demand for larger homes.

3.1.49 Porthcawl also contains a high number of long-term private empty homes (nearly 200), which equates to 2.6% of all private homes. Previous analysis has demonstrated that Porthcawl exhibits some of the highest house prices and private rents in the whole county borough. It is therefore likely to conclude that homes remain empty in this area for reasons other than low demand (i.e. affordability, inheritance, sentimentality), which can render it difficult to return such properties to occupation. The same rationale applies to other mid-market areas that exhibit smaller proportions of private long-term empty homes.

3.1.50 Figure 18b also shows that there are few long-term empty homes within the social rented sector *per se*, with overall numbers in single figures across most HMAs. The one notable exception is the Ogmore Valley, which contained over 30 long-term empty social rented homes; 9% of the total social rented homes in the vicinity. However, these largely stem from one particular set of apartment blocks, which are classed as strategic voids. Letting allocations made from these dwellings do not form part of the turnover calculation within this LHMA as they no longer contribute to housing supply within the locality.

3.1.51 The Council is committed to tackling the blight of empty properties and adopts a proactive approach by working with owners to bring their empty properties back into use as detailed within the Empty Property Strategy (2019-23). In addition to using legislative powers including enforcement action, the Council provides owners with help and assistance to bring empty properties back into use, including empty homes grants and empty property loans.

3.2   Socio-Economic and Demographic Trends

<u>Household Trend Analysis by Tenure</u>

3.2.1   As aforementioned, owner occupation remains the predominant tenure in the local authority area. An additional 1,630 households stated that they owned their own home in 2021 compared to 2011, although this encompassed 3,229 additional 'outright' homeowners and 1,599 fewer households owning their properties with a mortgage or loan. While there has been reported growth in this sector overall, Figure 19 shows that both forms of home ownership combined reduced proportionately from 73% of all households in 2011 to 71% in 2021.

Figure 19: Tenure Indicated by Households, Bridgend County Borough

2011

7925, 13%

8099, 14%

20459, 35%

22032, 38%

2021

9585, 15%

8686, 14%

23688, 38%

20433, 33%

■ Owns outright
■ Owns with a mortgage or loan or shared ownership
■ Social rented
■ Private rented or lives rent free
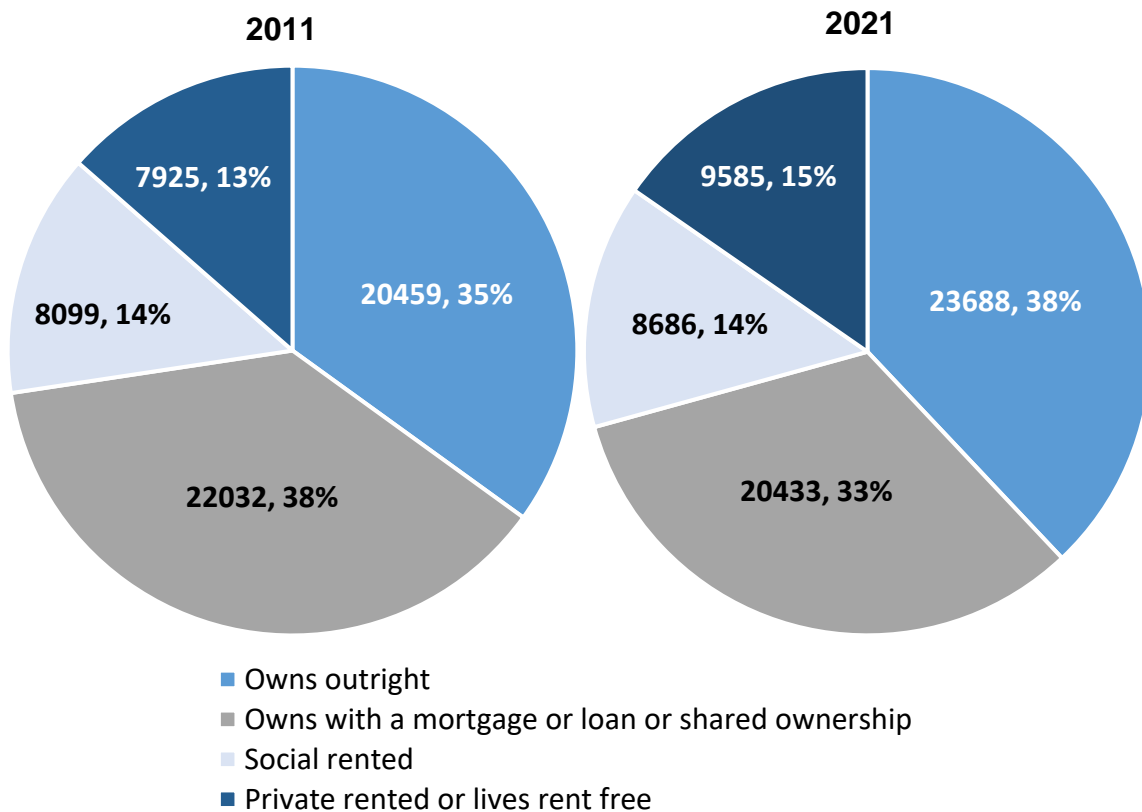
Data Source: 2011 and 2021 Census

3.2.2   Recent history has documented a significant change in the proportion of households reportedly living in the private rented sector (or rent free). This nearly doubled from 4,522 or 8% of all households in 2001 to 7,925 or 13% of all households in 2011. However, the change in households renting privately was not so pronounced from 2011 to 2021 as Figure 19 clearly demonstrates. There has nevertheless still been some growth in households reportedly renting privately,

with the number increasing in absolute (+1,660 households) and relative terms (13% of all households in 2011 compared to 15% in 2021). Indeed, with high property prices, large mortgage deposit requirements, the cost of living crisis and the lasting impacts of welfare reform, a growing proportion of households are likely to be renting in the local private sector for the foreseeable future. This tenure is now clearly a substantial component of the local housing market overall.

3.2.3   The number of households reporting that they resided in the social rented sector grew less significantly, by 587 households from 2011 to 2021, meaning the overall proportion of households renting from social landlords remained at 14%. In relative terms, the social rented sector was (marginally) the smallest sector in the overall housing market in 2021, albeit still broadly comparable in size to the private rented sector.

3.2.4   It is also important to understand how these changes have occurred at HMA level. Figure 20 overleaf provides a more detailed geographic breakdown of tenure change from 2011 to 2021. The change in households reporting that they owned their home outright increased in all HMAs, by 1% in the Ogmore Valley to 23% in the Valleys Gateway, although most HMAs typically witnessed a 14% increase in outright home ownership. Conversely, the proportion of households stating that they owned their homes with a mortgage or loan decreased in all areas (typically by 13%) apart from Bridgend, which saw a 4% increase. This could be most attributable to the new major housing development nearing completion at Parc Derwen, Bridgend at this time.

3.2.5   The change in households stating they rented in the social sector was somewhat more divergent at HMA level. The most significant proportionate changes were evident in Pencoed and Heol Y Cyw (+21%), Bridgend and Surrounding (+15%) and the Valleys Gateway (+15%), whereas there were notable declines in the Ogmore Valley (-14%) and Garw Valley (-12%). However, the percentage of households reporting that they rented privately increased in every HMA, by 13% in Pencoed and Heol Y Cyw to a significant 40% in the Ogmore Valley. As aforementioned, private rental and social rental values are often interchangeable in Valleys HMAs and this dataset suggests there has been significant migration between these two tenures in the Ogmore Valley and Garw Valleys particularly.

Figure 20: Tenure Indicated by Households, HMA

Legend:
- Owns Outright
- Owns with a mortgage or loan or shared ownership
- Social rented
- Private rented or lives rent free

X-axis categories (2011, 2021 for each):
Bridgend and Surrounding, Garw Valley, Llynfi Valley, Ogmore Valley, Pencoed and Heol Y Cyw, Porthcawl, Pyle, Kenfig and Cornelly, Valleys Gateway

Y-axis: Number of Households (0 to 25000)
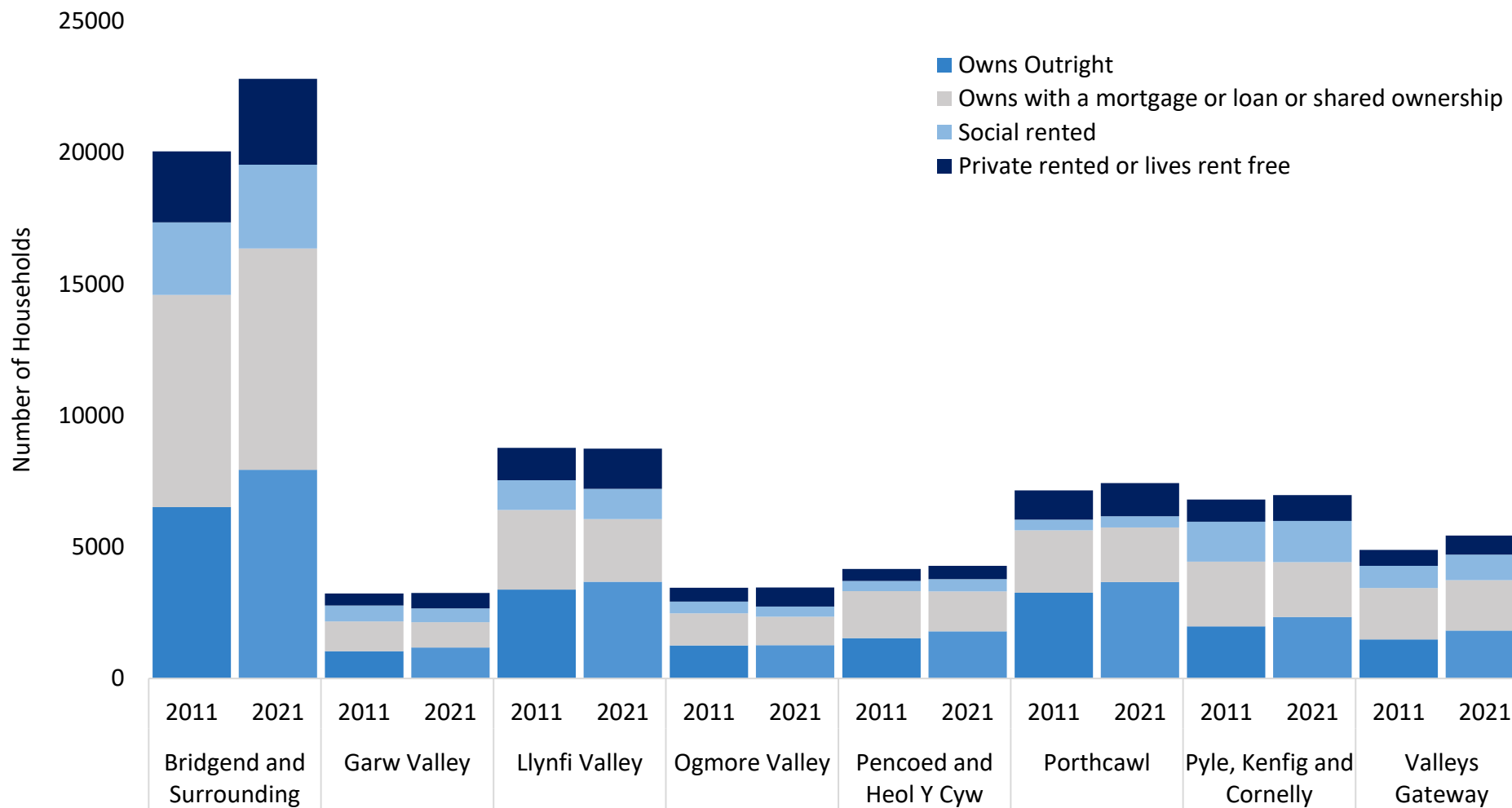
Data Source: 2011 and 2021 Census

<u>Household Composition</u>

3.2.6   Census datasets also classify households by the relationships between household members (household composition). Figure 21 illustrates the changing dynamics between household members from 2011 to 2021 at HMA level. Overall, the largest change was in single family couples of retirement age (an increase of 25% at county borough level). This change was significant in every HMA, reflective of the naturally ageing population, although most notably in the Valleys Gateway (+36%), Pencoed and Heol Y Cyw (+32%) and Pyle, Kenfig and Cornelly (+28%).

3.2.7   Lone parent families with non-dependent children also increased significantly over this period (by 23% at county borough level), notably in Pyle, Kenfig and Cornelly (+30%), Bridgend and Surrounding (+25%) and Pencoed and Heol Y Cyw (+25%). This is likely to be reflective of young adults remaining in the parental home for longer, which is often attributed to affordability issues, the need to save for a deposit and/or changing relationships between parents and children compared to previous generations. There is a close relationship between these HMAs and the designated Sustainable Growth Areas within the RLDP. The Plan seeks to increase the supply of housing within sustainable locations within these HMAs and enable the needs of such prospective newly forming households to be met over the RLDP period (2018-2033).

3.2.8   The increased prevalence of single person households is also illustrated by Figure 21, both including people of retirement age (+11% at county borough level from 2011 to 2021) and non-retirement age (+15%, respectively). Bridgend and Surrounding witnessed a particularly significant increase (+28%) in the proportion of non-retirement age single person households. This can be considered a dual reflection of societal trends (i.e. later marriages and increased prevalence of divorce / separation) coupled with the characteristics of Bridgend itself (i.e. the notable concentrations of services and facilities, employment opportunities and high accessibility to other parts of the regions).

Figure 21: Household Composition, HMA

Legend:
- Other household types
- Lone Parent Family: All children non-dependent
- Lone Parent Family: With dependent children
- Single Family: Married, Civil Partnership or Cohabiting Couple: All children non-dependent
- Single Family: Married, Civil Partnership or Cohabiting Couple: Dependent Children
- Single Family: Married, Civil Partnership or Cohabiting Couple: No Children
- Single Family: Married, Civil Partnership or Cohabiting Couple: All Retirement Age+
- One-person household: Other
- One-person household: Retirement Age+

Data Source: 2011 and 2021 Census
(NB. A retirement age of 65 was derived from the 2011 Census and a retirement age of 66 was derived from the 2021 Census)

<u>Occupancy Ratings (Bedrooms)</u>

3.2.9 In order to understand how far overcrowding is an issue within each HMA, Census datasets on occupancy ratings have been analysed to determine the level of over, under or 'ideal' occupation. This Census dataset includes a measure of occupancy based on the number of bedrooms in a household's accommodation compared to the ages of the household members and their relationships to each other[4]. The outputs have been grouped by HMA and illustrated within Figure 22.

3.2.10 The most common category was households with 2 or more bedrooms than required and this increased in every single HMA from 2011 to 2021. Overall levels of under occupation within this category were most notable within Porthcawl (48% of households in 2011 compared to 49% of households in 2021), which is likely a reflection of the high proportion of older person households that own their home outright. However, by 2021, over 40% of households within almost every other HMA were deemed to have 2 or more bedrooms than required; the only exception being the Garw Valley, at 36%.

3.2.11 Households with 1 more bedroom than required was the second most common category. While the proportion of such households did not increase as uniformly from 2011 to 2021, percentages still remained significant by 2021. Indeed, approximately 36% of households within most HMAs were deemed to contain a spare bedroom on average. Similar trends were also apparent for those households deemed to have an 'ideal' number of bedrooms and this typically accounted for 20% of all households within each HMA by 2021.

3.2.12 Over occupation does not therefore appear to be a significant issue in relative terms based on this dataset. Households deemed to have one fewer bedroom than required typically comprised a very small proportion of households within each HMA (1-3%). This situation either stayed broadly comparable or slightly improved from 2011 to 2021 (proportionately). Households over occupying by 2 or more bedrooms were deemed to be even fewer in number and proportion. Caution does have to be exercised when analysing this dataset as it was collected during the pandemic (i.e. when some households may have 'doubled up' for care reasons). However, trends do not suggest the scale of the issue has changed significantly from 2011 to 2021. The number of households over-occupying remain small, although persistent, and this issue is most likely to affect those on the margins of affordability. This could worsen in the short-term with the cost-of-living crisis and requires careful monitoring as part of future LHMA updates.

---

[4] An occupancy rating of: * -1 or less: implies a household's accommodation has fewer bedrooms than required (overcrowded) * +1 or more: implies a household's accommodation has more bedrooms than required (under-occupied) * 0: suggests a household's accommodation has an ideal number of bedrooms

Figure 22: Occupancy Rating (Bedrooms), HMA
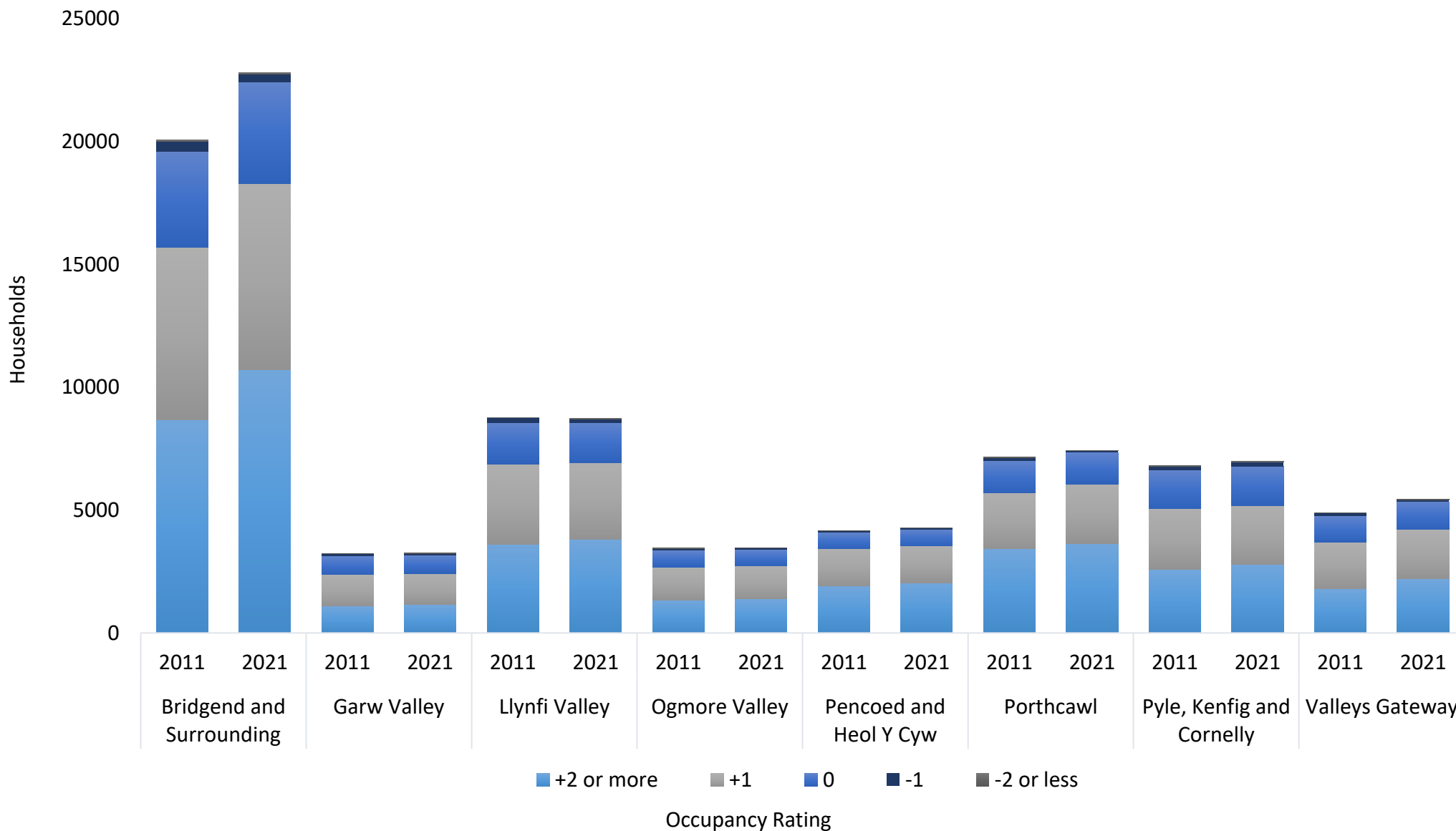
Data Source: 2011 and 2021 Census

<u>Household Income and Housing Costs (House Price to Gross Income Ratios)</u>

3.2.13 Household income data is relatively scarce at smaller geographies, although crucial to the production of a robust LHMA. In absence of open data, CACI Paycheck (2023) data has therefore been procured to address this data gap and to provide gross household income estimates from all sources including earnings, benefits and investments. This represents a snapshot at a point in time rather than a trend-based assessment of gross household income. Equally, while robust data on housing costs is also unavailable at smaller geographies, Price Paid data can be utilised to provide an overview of the outright cost of purchasing properties in different HMAs[5].

3.2.14 Analysing both data sources in tandem has enabled house price to gross household income ratios to be calculated for each HMA, which provides a helpful gauge of affordability and how it varies across the county borough. Analysis has been conducted on the lower quartile, median and upper quartile house prices and gross household incomes to provide the affordability ratios illustrated in Figure 23.

Figure 23: House Price to Gross Household Income Ratios
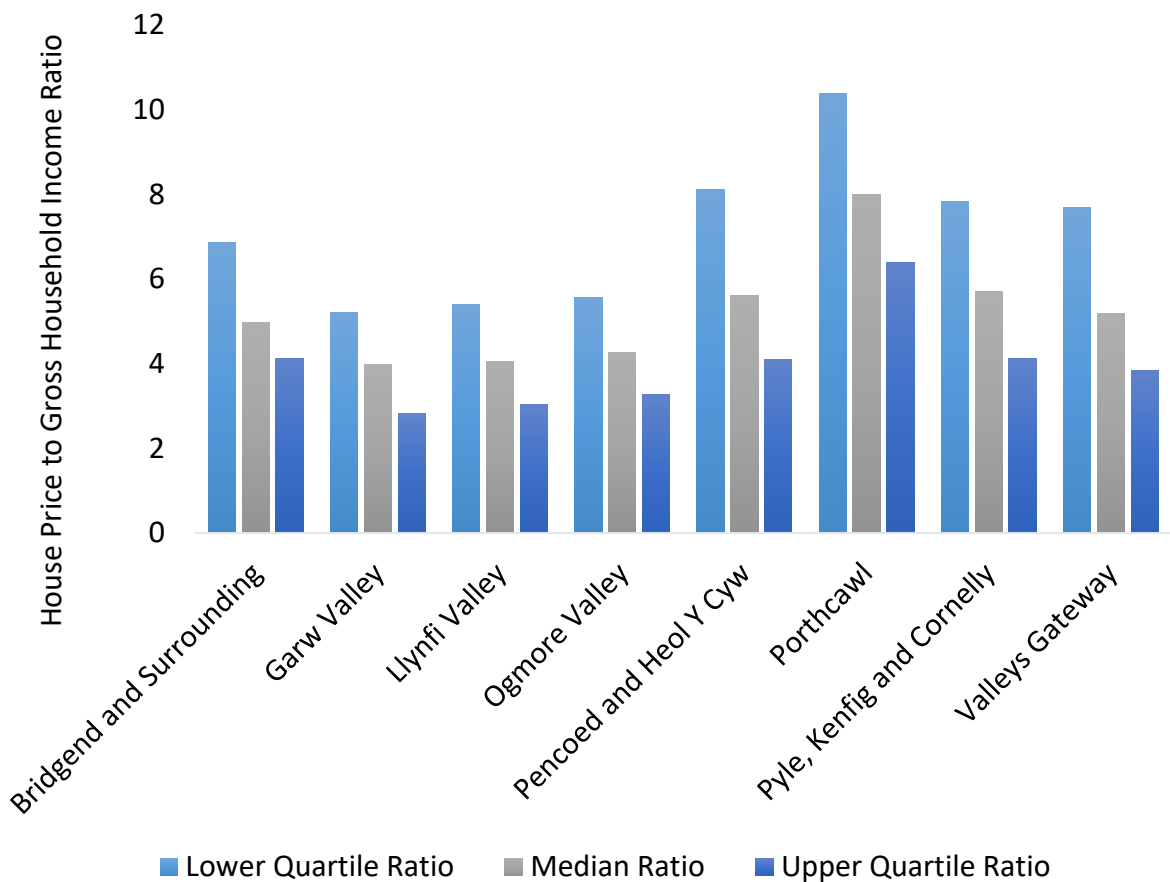
Data Source: Adapted from Land Registry Price Paid Data and CACI Paycheck Data

---

[5] CACI Paycheck has been sourced at MSOA level and aggregated up to HMA level

3.2.15 Original (2006) LHMA guidance suggested that a household is likely to be able to afford to purchase a home costing 3.5 times its gross income and this ratio has indeed be used as a longstanding benchmark in LHMAs. More recent data from UK finance has shown that the 2022 first time buyer property value to income ratio for Bridgend County Borough is 4.31, which represents an increase from the 2021 figure of 4.10. It is recognised that lenders conduct sophisticated assessments of potential borrowers in the current market. This will include analysis of 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, the 4.31 affordability ratio provides a pragmatic benchmark to estimate market affordability and helps to provide context to the ratios illustrated within Figure 23.

3.2.16 There are undoubtedly disparities between HMAs in terms of affordability at all quartiles. There are three distinct affordability bands when considering lower quartile house price to lower quartile gross household income ratios; 5 in the Valleys HMAs, 7-8 in the mid-market areas[6] and over 10 in Porthcawl. This broadly reflects the aforementioned house price analysis, although the level at which lower quartile house prices outstrip lower quartile incomes is significant even in the most affordable HMAs. Home ownership is likely to be out of reach for most lower quartile income households in most HMAs in the absence of significant deposits.

3.2.17 Median house price to median gross household income ratios are undoubtedly lower in each HMA. However, Valleys HMAs exhibit affordability ratios of 4, mid-market areas exhibit ratios of 5-6 and median house prices outstrip median gross household incomes by 8 times in Porthcawl. While median household incomes are higher in more expensive HMAs, they are not high enough to offset the respective premiums on house prices. Moreover, it is unlikely that a typical first-time buyer's household income will be akin to the median income for any given HMA. Home ownership (at median prices) may therefore be unachievable for many first-time buyers unless lower quartile priced houses are pursued, significant deposits are available and/or buyers consider properties in areas where affordability ratios are lowest (i.e. the Valleys HMAs). The potential to introduce intermediate affordable housing therefore appears to be most significant in the mid-market areas and Porthcawl, as assessed further via the housing need calculation. However, there will invariably be 'hot spots', which are best analysed at site level using specific prices and values.

3.2.18 There is less of a disparity between affordability ratios at the upper quartile, although the three notable bands remain. Upper quartile house prices to upper quartile gross household income ratios range from 3 in the Valleys HMAs to 4 in the mid-market HMAs to over 6 in Porthcawl. Therefore, while upper quartile

---

[6] Bridgend and Surrounding, Pencoed and Heol Y Cyw, Pyle Kenfig and Cornelly and the Valleys Gateway.

income households should typically be able to afford upper quartile properties in most HMAs, Porthcawl house prices still notably outstrip household incomes by a much greater degree at the top end of the market. This once again illustrates the affordability disparity across Bridgend County Borough's HMAs.

<u>Commuting Patterns</u>

3.2.19   Due to its location on the M4 corridor, access to the mainline railway to London and significant employment provision, Bridgend County Borough 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 flow calculation of -799 people (Figure 24).

Figure 24: Commuting Patterns, Bridgend County Borough, 2011
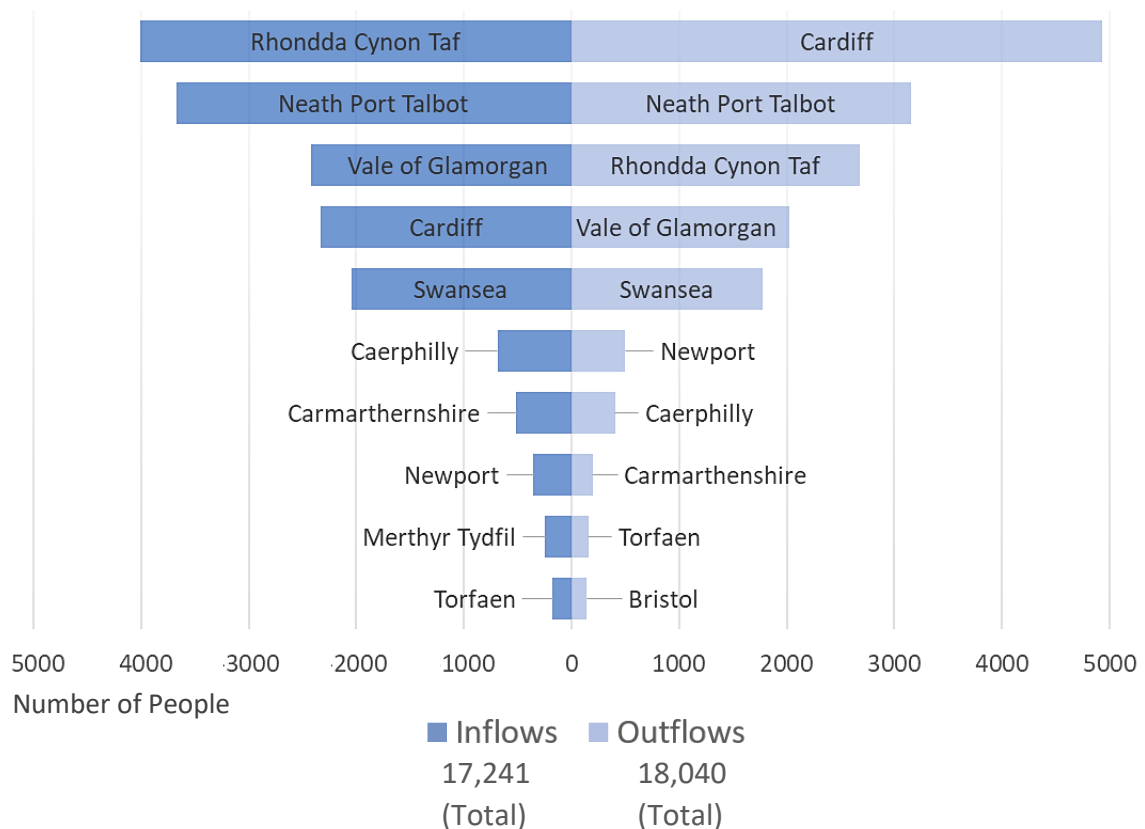
Data Source: 2011 Census

3.2.20   Cardiff was the most common workplace based out commuting destination for Bridgend residents in 2011, and this was likely to be due to Cardiff workers taking advantage of Bridgend's more affordable property prices and strong transport links. Equally, 4,000 workers commuted into Bridgend County Borough from neighbouring Rhondda Cynon Taf given the overlapping employment and housing markets. However, around a third of people both lived and worked in the Bridgend

County Borough in 2011, underlying its importance as a major, relatively self-contained employment area.

3.2.21 As the 2021 Census took place during the pandemic, it captured a snapshot of rapidly changing travel to work patterns and was significantly influenced by workers on furlough and those temporarily working from home full-time. Comparisons with the 2011 dataset should not therefore be made for these reasons and ONS cautions against using the 2021 data for planning purposes. Moreover, the legacy of homeworking is still in a process of flux for many occupations and longer-term travel to work patterns will take time to adjust accordingly. This LHMA does not therefore seek to make comparisons between 2011 and 2021 work flow and travel to work data.

Figure 25: Commuting Distances, Bridgend County Borough, 2021

Data Source: 2021 Census
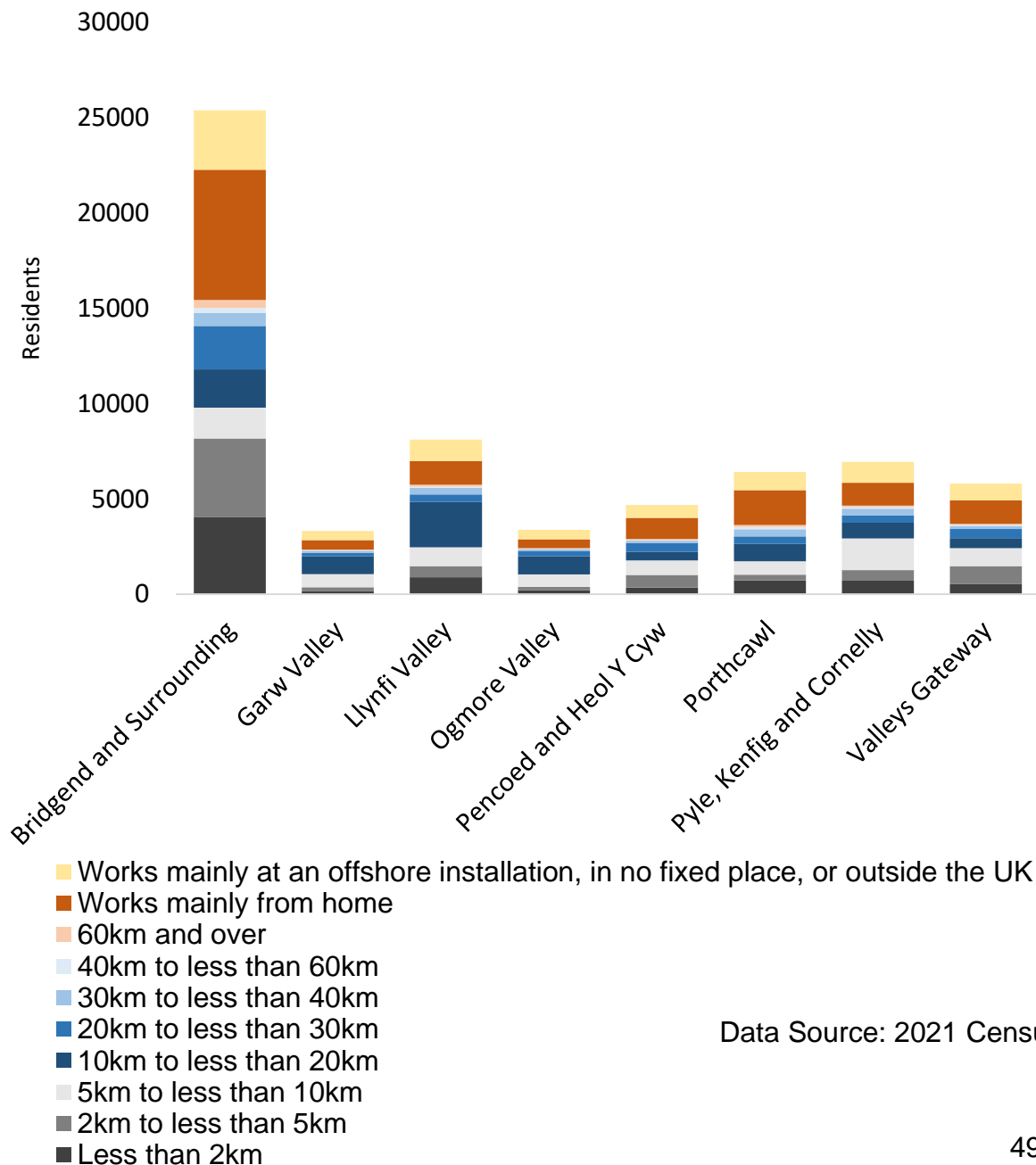
3.2.22 Nevertheless, and for completeness, Figure 25 illustrates the distance travelled to work captured by the 2021 Census. At county borough level, 23% of households stated they worked from home in 2021, although this varied from 14% of residents in the Ogmore Valley to 30% of residents within Bridgend and Surrounding. Bridgend also reported the highest proportion of workers travelling less than 2km (16%) and 2km to less than 5km (16%) to their place of employment. This is unsurprising as Bridgend is the largest HMA, with significant employers that would have still necessarily had to conduct face-to-face operations during the pandemic (i.e. the hospital, prison and essential services). The availability of such services and facilities within close proximity to homes is one of the key reasons why Bridgend is the primary focus of sustainable growth within the RLDP, with the aim of continuing to promote sustainable patterns of movement within the settlement.

3.2.23 Other HMAs contained a higher proportion of residents commuting from 5km to less than 10km, although percentages of residents commuting 20km or more were notably less common. However, it would be tenuous to place too much emphasis on this dataset as it is one of the most sensitive to the pandemic-related conditions during which it was collected.

Population - Ethnicity (Trends)

3.2.24 Further to the previous analysis on self-ascribed ethnic group, Figure 26 provides a trend-based overview to show the proportionate change across each HMA from 2011 to 2021. A direct detailed comparison between the 2011 and 2021 Census ethnicity datasets is not possible as the ethnic group categories are not identical and some changes were made in 2021. However, Figure 26 utilises the wider ethnicity groupings to enable a high-level comparative analysis over the decade.

3.2.25 While there was not a particularly notable change in self-ascribed ethnic group within any one HMA, the proportion of residents that described themselves as White decreased in every HMA, from -0.31% in the Ogmore Valley to -1.40% in Bridgend and Surrounding. There was a corresponding increase in other self-ascribed ethnic groups in most HMAs. The proportion of residents describing themselves as Asian, Asian British or Asian Welsh typically increased by 0.3% in all HMAs, with Bridgend recording the highest change in this ethnic group (+0.48%). Similarly, the proportion of residents describing themselves as Mixed or Multiple Ethnic Groups increased in every HMA, from +0.07% in Pencoed and Heol y Cyw to +0.7% in Bridgend and Surrounding.

3.2.26 These two datasets would therefore appear to indicate that the county borough has become slightly more diverse from 2011 to 2021, with Bridgend and Surrounding accounting for the majority of the change. These trends, particularly in relation to any corresponding impacts on housing need, will be duly monitored as part of future LHMA updates.

Figure 26: Ethnic Group by HMA (Percentage), 2011 and 2021

Legend: Asian, Asian British or Asian Welsh ■ Black, Black British, Black Welsh, Caribbean or African ■ Mixed or Multiple ethnic groups ■ White ■ Other ethnic group
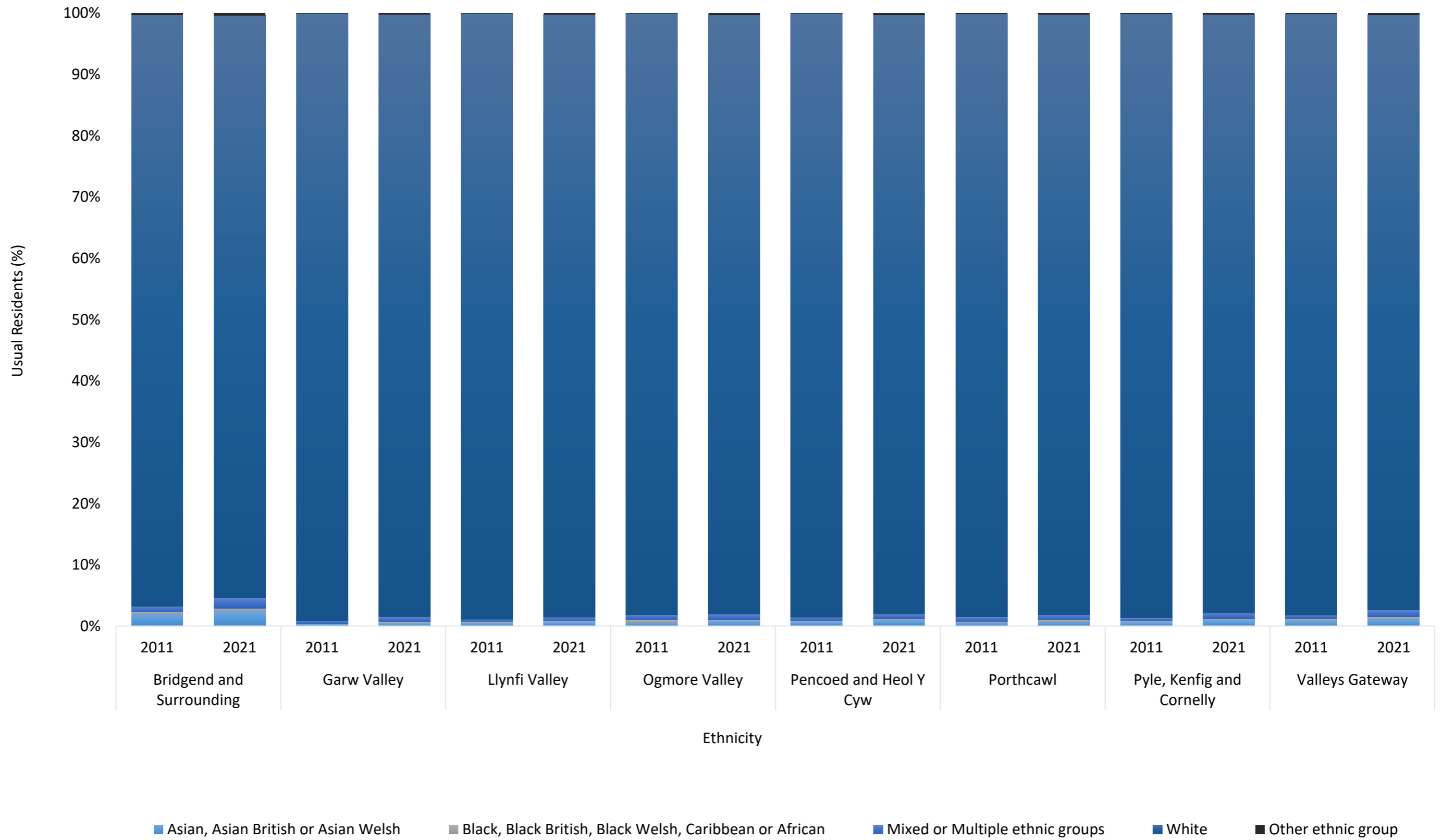
Data Source: 2011 and 2021 Census

<u>Population - Disability (Trends)</u>

3.2.27 Assessing trends in relation to disability is made difficult by the fact that the 2021 Census utilised slightly different definitions and categories to the 2011 Census. However, there are two comparable categories from each dataset; namely whether residents considered that their condition limited their daily activities 'a lot' or 'a little'. As this was a personal response based on each resident's own interpretation, it is considered appropriate for comparison. Proportions have been utilised within Figure 27 to enable a more equitable analysis.

3.2.28 Figure 27 does not show a significant change in the proportion of the usual resident population that stated they had a long-term health problem or disability that limits a person's day-to-day activities. There was actually a slight proportionate reduction across each HMA (by just over 2% on average) from 2011 to 2021 in those that stated their daily activities were limited 'a lot' by such a health condition.

3.2.29 Conversely, the proportion of usual residents that stated their daily activities were limited 'a little' by such a health condition fluctuated from +0.9% in Bridgend and Surrounding to -1.6% in Porthcawl over the same period. While, again, there was little change over the course of the two Census counts, the issue appeared to slightly improve in some HMAs and slightly worsen in others.

3.2.30 However, this is ultimately a subjective response and does not provide any indication as to whether there are any housing related needs as a result of each respondent's health condition. This can only be properly identified through a detailed housing application. These trends do nevertheless provide an indication that a persistent proportion of Bridgend County Borough's population find their daily activities are limited and the issue is similar in scale across all HMAs.

Figure 27: Disability by HMA (Percentage), 2011 and 2021
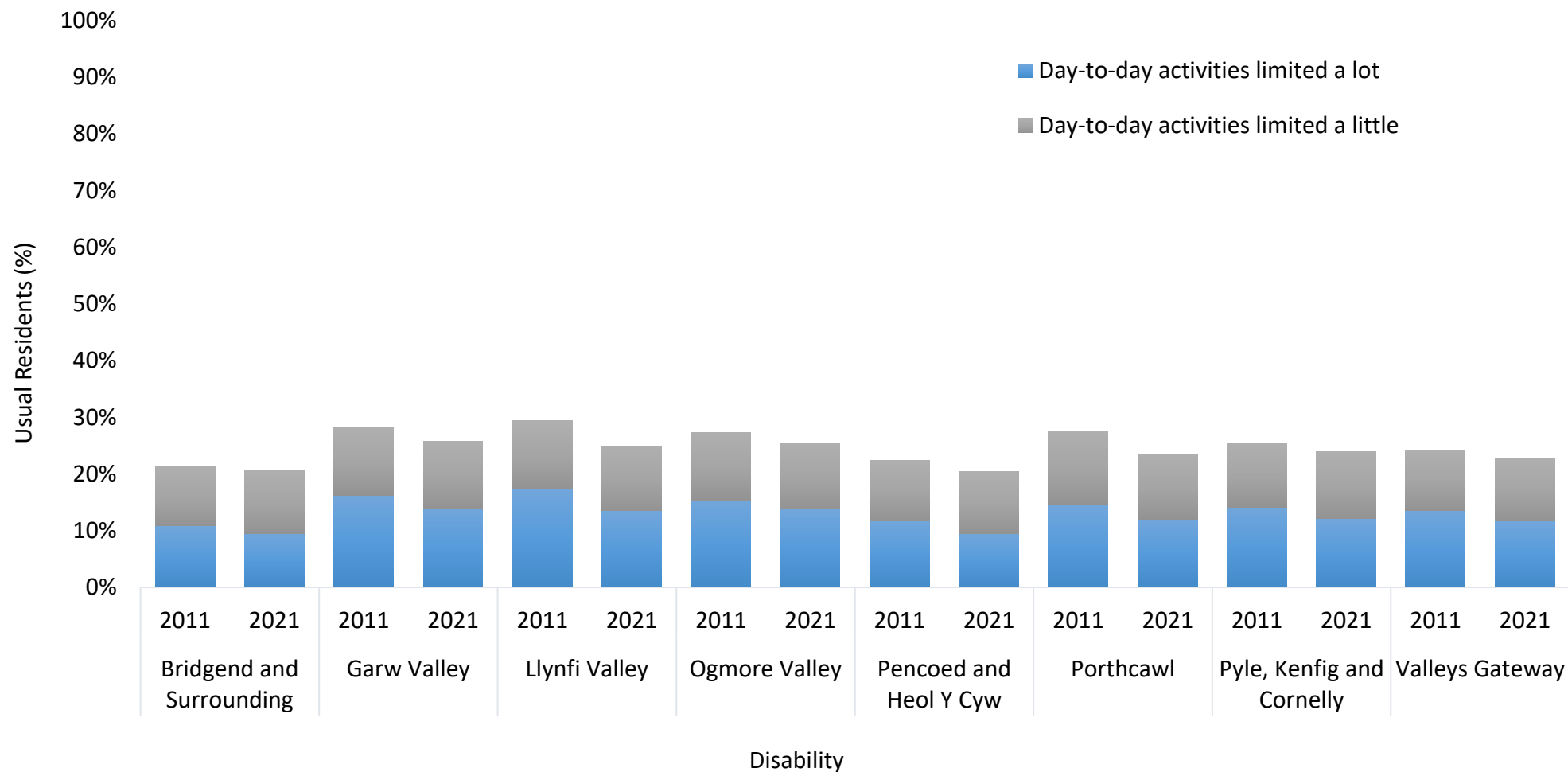
Data Source: 2011 and 2021 Census

3.3 Specific Housing Needs Requirements

3.3.1 Unlike the housing need calculation undertaken as part of this LHMA, this section is largely a qualitative overview of policies, strategies and data sources for specific housing related needs; drawing significantly on working knowledge from housing services. Some of the areas identified below are not considered pressing key issues within the county borough (i.e. student accommodation), whereas others are already pressing concerns set to intensify (notably temporary accommodation). This section is not intended to provide a quantitative assessment of properties needed for each category, rather an overview of current working pressures as a signpost to enhance strategic direction at the local level.

a) Accessible and adapted housing provision

Local policies/ strategies	Homelessness Strategy, Statement of Need, Housing Support Grant ("HSG") Programme Strategy, Disabled Facilities Grant ("DFG") Framework and Minor Works (adaptations), Housing Prospectus.
Property needs	Adaptations to existing stock (i.e. wet room, ground floor toilet or bedroom, ramped or level access to property) together with additional wheelchair accessible homes.
Suitable for	Households with limited mobility and/or dexterity, need for adaptations, wheelchair users.
Evidence including data sources	1. The current level of need (analytics) 2. Future demand forecasts 3. Stock data
External stakeholder consultation and engagement	Consultation includes a Housing Support Provider Forum and ongoing attendance at multi-agency meetings including Community Safety Partnership, MAPPA, MARAC, Regional Collaborative Groups.
Key Issues identified	Shortage of wheelchair accessible properties and need to adapt existing properties to meet the needs of older and disabled people.

b) Multi-generational and/or larger families requiring larger properties

Property needs	Larger properties – particularly for large families and multi-generational households.
Suitable for	Large families of different compositions.
Evidence including data sources	1) Stock data and affordable housing return (planned) 2) Future type and level of needs and provision required
External stakeholder consultation and engagement	RSLs were asked to provide information about their housing stock, including type, and size. This showed there were few larger properties across the county borough and these are known to turnover infrequently. Housing need evidence within this LHMA identifies a small, yet persistent need for larger family homes.
Key Issues identified	Limited availability of larger properties and low turnover of existing stock.

c) Non-permanent housing

Local policies/ strategies	Homelessness Strategy. Rapid Rehousing Transitional Plan. Housing Support Grant Annual Delivery Plan.
Property needs	Good quality temporary accommodation
Suitable for	Homeless households (permanent housing is the preferred choice but good quality temporary housing is considered where there is insufficient permanent housing to meet needs, or in an emergency).
Evidence including data sources	1) Current accommodation placements from datasets 2) Forecasting future type, level of needs, and availability.
External stakeholder consultation and engagement	Hafod, POBL, The Wallich, V2C, Llamau, United Welsh. Weekly meetings take place to consider how to make better use of available accommodation, procure emergency beds (e.g., PODS, Ty Ogwr) and utilise the private rented sector when necessary.
Key Issues identified	Dramatic increase in the need for temporary accommodation compounded by a shortfall in supply.

d) Housing, care and support needs

Local policies/ strategies	Homelessness Strategy, Statement of Need, Housing Support Grant Programme Strategy and Spend Plan, Disabled Facilities Grant Framework and Minor Works (adaptations).
Property needs	Floating support, housing related support services, extra care, supported housing, rapid rehousing, learning disabilities, mental health, temporary supported accommodation.
Suitable for	Temporary and permanent supported housing, homelessness, young people, vulnerable individuals, substance misuse, learning difficulties, mental health, domestic abuse.
Evidence including data sources	1) The current level of needs from internal datasets. 2) Current provision, stock levels and spending commitments 3) Census data
External stakeholder consultation and engagement	Multi-agency housing strategy delivery group, corporate and directorate business plans, RSLs, local support providers
Key Issues identified	Align housing support services for the key groups noted above alongside the need for temporary accommodation to enable effective 'move on' to permanent accommodation.

e) Locational needs for student accommodation

Property needs	No identified need.
Suitable for	N/A
Evidence including data sources	None - Census data not specific enough to identify university students. Housing register datasets has minimal household information on education type.

External stakeholder consultation and engagement	N/A
Key Issues Identified	Bridgend does not have a university or a large (higher education) student population requiring accommodation assistance.

f) Locational needs for people with physical or cultural needs

Local policies/ strategies	Social housing allocations policy
Property needs	The policy values the significance of offering applicants as much choice as possible regarding their rehousing options, both to recognise their individual wishes and needs and to build sustainable communities where people choose to live.
Suitable for	Religious or social spiritual practice, healthcare, relationships and community connections, emotional support.
Evidence including data sources	1) The current type of housing requested, the areas chosen and the reason for those options. 2) Planned and delivered housing units – including general needs, purchases, sheltered and extra care units. 3) Affordable housing returns – including new-build, purchase, conversions, and leasing. 4) Internal datasets
External stakeholder consultation and engagement	Local social landlords, housing applicants, tenants, other Council departments and services.
Key Issues identified	Data is often limited to why households refuse an offer or housing.

4.   Range of Additional Housing Need Estimates

4.1   Data Inputs and Key Assumptions

4.1.1   This section of the LHMA provides the completed summary tables from the LHMA tool to illustrate the calculated housing need estimates for Bridgend County Borough. There are four sets of estimates, based on the three varying Welsh Government household projections (principal, higher and lower) and the RLDP projection (extended over the LHMA period). For each set of estimates, there are four summary tables, as follows:

- First table: Estimated annual additional <u>affordable housing need</u> by HMA and tenure, net of planned supply and turnover of existing stock, over the first five years of the LHMA period.

- Second table: Estimated annual additional <u>total housing need</u> by HMA and tenure, gross need before any allowance for planned supply and turnover of existing stock, over the first five years of the LHMA period.

- Third table: Estimated annual additional <u>total housing need</u> by HMA and tenure over the remaining 10 years of the LHMA period. No allowance has been made for any planned supply and turnover of existing stock beyond year five as it becomes less accurate to predict.

- Fourth table: Estimated annual and total additional <u>affordable housing need</u> by HMA and tenure over the 15-year period of the LHMA. These estimates are a combination of those estimates from the first and third tables.

4.1.2   Table 4 below provides an overview of the data inputs and key assumptions used to calculate the housing need estimates. These are predominantly default inputs and assumptions as outlined in Welsh Government guidance, although some necessary deviations have been made as outlined below.

Table 4: Key Data Inputs and Assumptions (Housing Need Estimates)

Key Data Inputs	Key Issues
1. HMAs	HMAs have been robustly defined using MSOAs in accordance with Welsh Government Guidance. The same HMAs have been retained from the 2021 LHMA, which represents a necessary degree of continuity. The Viability Stakeholder Group also unanimously agreed that these HMAs are most appropriate to test development viability across the county borough, enabling synergies with wider policy development on housing need, viability and growth strategies.
2. Household data	All three Welsh Government Variant Household Projections have been utilised along with the projection used to underpin the RLDP for consistency (extended to cover the whole LHMA period). Growth percentages have been apportioned to HMAs based on existing commitments (schemes with planning consent) and proposed RLDP allocations. Household sizes have been apportioned to bedroom sizes based on the social rent allocation policy. This approach follows Welsh Government Guidance.
3. Rent data	Rent Office Wales data has been utilised to arrive at percentile rents. In four HMAs, Rent Office Wales sample sizes were too small to generate robust averages for four bedroom properties. Where necessary, samples have been bolstered with local private rent data held by the Council (sourced from Common Housing Register applications); comparable in that such records are also 'achieved' rents. This has overcome the issue and enabled percentiles to be generated across all property sizes in all HMAs.

Limitations with using Rent Office Wales data are recognised and detailed within this LHMA. Resultant percentiles are considered a lower estimate of the true cost of entering the private |

rented sector, while acknowledging data available on private rents is limited and there are pros and cons to using alternative data sources.

4.	Income data	CACI Paycheck data has been procured at MSOA level to enable income distribution analysis across the HMAs. This is considered the most robust household income distribution data available at sub-local authority level in absence of open data.
5.	House price paid data	Land Registry Price Paid Data has been utilised to enable median and alternative percentile house prices to be generated across the HMAs. As this dataset is based on the actual price paid for properties, it is not fettered by valuations and considered the most robust source of data on house prices. The median price has been used to avoid atypical sales values (at the extremities) unduly affecting the average prices.
6.	Existing unmet need	Common Housing Register data has been provided by the Council's Housing Solutions Team and duly scrutinised to arrive at a robust backlog of existing unmet need. Care has been taken to ensure households have not been over, under or double counted in accordance with Welsh Government Guidance.
7.	Existing stock and planned supply	Locally operating RSLs have been engaged with to ensure a robust overview of existing stock, further verified through Census data and Council records. Planned supply has been carefully analysed based on trend-based lettings, existing commitments (schemes with planning permission) and the SHG Programme, in accordance with Welsh Government Guidance.

Key Input Assumptions	Key Issues
1. Affordability criteria	Affordability criteria for market housing sets the minimum income for a household to be considered for market housing tenure. The default affordability assumption for market housing is where a median rent equates to no

more than 30% of household income. This was set by Welsh Government's technical working group for the national and regional housing need estimates published in 2020 and purposely followed the long-term assumption dating back to the previous LHMA Step-by-Step Guide published in 2014. This default assumption was therefore made on the basis of low and stable inflation, low and stable interest rates and relatively consistent cost of living expectations; assumptions that were trend based and expected to continue. However, consumer price inflation rose significantly in 2021, interest rates rose significantly in 2022, house prices and housing related costs have also increased against a backdrop of low wage inflation. The current cost of living crisis therefore provides a clear indication that a more conservative approach is necessary. A more appropriate affordability assumption for market housing has therefore been utilised in this LHMA; where median rent equates to no more than 25% of income.

2. First time buyer (FTB) assumptions	For each HMA, an appropriate percentile value has been selected at which FTBs would enter the market. Welsh Government's technical working group suggested a value between the 25th percentile and 40th percentile was considered appropriate. All first time buyer assumptions have been maintained within these parameters, ranging from the 25th percentile in Porthcawl (the least affordable part of the county borough) to the 40th percentile in the Valleys HMAs (the most affordable parts of the county borough). These assumptions have also been informed by considering house price to income ratios as detailed within this LHMA. Original (2006) LHMA guidance suggested that a household is likely to be able to afford to purchase a home costing 3.5 times its gross income and this ratio has indeed be used as a longstanding first time buyer benchmark in

LHMAs. More recent data from UK finance has shown that the 2022 first time buyer property value to income ratio for Bridgend County Borough is 4.31, which represents an increase from the 2021 figure of 4.10. It is recognised that lenders conduct sophisticated assessments on potential borrowers in the current market. This will include analysis of a wide range of factors including 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, the 4.31 affordability ratio provides a pragmatic, updated means of estimating market affordability and has been utilised within this LHMA calculation.

3. Percentage of households eligible for owner occupier tenure that decide to go on and buy	It is recognised that not every household allocated to owner occupied tenure will want to purchase a home. Welsh Government's technical working group considered an assumption in the range of 40% to 60% as reasonable. This LHMA has therefore utilised a conservative assumption of 50%.
	During analysis, alternative assumptions of 40% and 60% were run through the LHMA tool to gauge the impact. A 40% assumption resulted in a fifth less owner occupiers and a fifth more private renters, whereas a 60% assumption resulted in a fifth more owner occupiers and a fifth less private renters. This is unsurprising, although there is no evidence-base rationale to depart from using a conservative 50% assumption (refer to Calculations/Outputs Section below).
4. Five-year financial forecast for key variables – income, rent and house prices	Default assumptions (derived from the OBR financial forecast) have been used when estimating changes in rents, income and house prices over the first 5 years of the LHMA projection period. Based on the current socio-

economic position, an assumption of 'greater inequality'* has been utilised when estimating how the distribution of household income will change over the following 5 years. This will be duly monitored as part of future LHMA updates.

(*This assumes the income at the 10th percentile will be 1 percentage basis point lower than the median and 1 percentage basis point higher at the 90th percentile. The 1 percentage basis point reduces uniformly from these two extreme percentiles to no change at the median).

5. Calculation of intermediate housing (IR and LCHO)	The decision was made not to attempt to split intermediate housing by intermediate rent and LCHO within the tool. As demonstrated in the analysis, there is no gap to introduce intermediate rent in the Ogmore and Garw Valleys and only higher priced parts of the Llynfi Valley demonstrate a gap to introduce the tenure; a nuance that the tool does not capture.
	In practice, and even in less affordable areas, there is persistently an overlap between households who can afford intermediate rent and LCHO. The most appropriate tenure depends not only on household affordability, but also on local market conditions. The most appropriate intermediate tenures are best determined on a site by site basis, taking local housing market conditions into account. The LHMA will provide an indication of the scope to meet housing need within the 'squeezed middle', although the precise nature of any intermediate tenures to be delivered will require more specific, detailed consideration of local house prices, private rents, social rents and housing need. This is best considered outside of the tool.

Calculations / Outputs	Key Issues
1. Market housing need covering owner occupier and private rented sector	There is a relatively even split of owner occupation (ranging from 55 to 113 homes per annum depending on the variant) and private rented sector tenures (ranging from 65 to 132

homes per annum depending on variant) at county borough level.

Gross market housing need is highest in the key growth areas of Bridgend, Porthcawl, Pencoed and Pyle, Kenfig Hill and Cornelly. This is to be expected and accords with the designation of these localities as Sustainable Growth Areas within the RLDP.

2. Affordable housing need covering social rent and immediate housing	There is a fairly even split between social rented and intermediate tenures needed at county borough level. Net social rented accommodation need accounts for 55% of the total across all scenarios, compared to 45% intermediate tenures.
	However, this differs significantly by HMA. Intermediate need is highest in Bridgend and is approximately half of the total affordable housing need in this HMA across all scenarios, whereas it is notably lower in the Ogmore and Garw Valleys, where market affordability is less acute (and there is less of a gap to introduce such tenures).
	Total need for affordable housing is highest in the key growth areas of Bridgend, Porthcawl, the Llynfi Valley, Pencoed and Pyle, Kenfig Hill and Cornelly. This accords with the designation of these localities as Sustainable/Regeneration Growth Areas within the RLDP.
3. Scenario testing tables	Alternative percentages were tested for those households that are both eligible for owner occupation and decide to purchase a home. Assumptions of 40% and 60% were run through the LHMA tool to gauge the impact, although this only marginally altered the tenure split estimates between owner-occupation and private rent (by a fifth, respectively). In practice, there will always be an overlap between mid-bracket households who could choose to rent or purchase a property on the open market. Such choices will not always be dependent on affordability considerations and may also depend on factors such as temporary job relocation, relationship breakdown, property

choice and other personal preferences. A 50% assumption is considered the most pragmatic for the purposes of this high level calculation, while acknowledging preferences of households will vary in different areas and at different times over the LHMA period. There is no robust justification to proceed with a higher or lower assumption.

4. Five year outputs / 10 year outputs	Combined, market housing need equates to between a fifth to a third of total gross need for the first five years of the LHMA period (depending on the variant) and then over half of total gross need for the next ten years of the LHMA period. This proportionate hike in the latter ten years is to be expected as the model assumes the existing unmet need backlog will have been cleared at that point. As such, affordable housing need is proportionately lower in the latter ten years of the LHMA period. This naturally varies by HMA and variant.

5. LHMA Additional Housing Need Estimates

5.1   This LHMA has provided a range of housing need estimates based on the suite of Welsh Government variant household projections together with the RLDP projection. Each variant has been analysed through the LHMA tool and supplemented with a range of socio-economic, demographic and property market data in order to provide detailed insights into the mechanics of the local housing markets. This process has estimated how housing need translates into different sizes, types and tenures of housing to develop long-term views of need and demand, inform local strategies and identify appropriate housing mixes on new sites. Operationally, this LHMA provides a tool to justify affordable housing provision on planning applications, inform allocation of SHG and highlight strategic housing priorities at the local level.

5.2   This LHMA has been completed during the latter stages (although prior to adoption) of the RLDP (2018-2033). Welsh Government Guidance states, "where possible and appropriate as determined by the local authority, it is recommended that the projections utilised within LHMAs and Development Plans are consistent, although this will depend on publication timescales" (WG, 2022, p.19). For such purposes of consistency, the same projection used to underpin the RLDP has been extended to cover this LHMA period and forms the primary additional housing need estimate. A summary of the full outputs in Section 4 are provided in Tables 5-7 below for ease of reference.

Table 5: Annual Gross Housing Need Estimates, RLDP Projection

	First 5 Years	Remaining 10 Years
Owner Occupier	111	111
Private Rented Sector	129	129
Intermediate	116	72
Social Rent	408	97
Total Annual Need	**763**	**409**

*Figures may not sum to totals due to rounding

5.3   As detailed in Table 5, the additional housing need estimates are split into market housing (owner occupier and private rented sector) and affordable housing (social rent and intermediate housing needs). These are gross estimates only, meaning no account is taken of planned supply and turnover of existing stock. Analysing gross need in this manner enables a four tenure housing need estimate to be calculated. For ease of illustration, Table 6 extrapolates the annual need to provide a full 15-year overview of gross need by HMA.

Table 6: 15-Year Gross Housing Need Estimate, RLDP Projection

HMA	Affordable Housing		Market Housing		Total
	Social Rent	Inter-mediate	Owner Occupier	Private Rent	
Bridgend and Surrounding	1,029	453	547	683	**2,712**
Garw Valley	50	15	0	0	**65**
Llynfi Valley	316	171	225	157	**869**
Ogmore Valley	50	17	0	0	**67**
Pencoed and Heol y Cyw	271	151	238	329	**989**
Porthcawl	484	191	233	339	**1,248**
Pyle, Kenfig and Cornelly	527	201	276	285	**1,289**
Valleys Gateway	284	97	140	146	**667**
Total	**3,011**	**1,296**	**1,659**	**1,940**	**7,905**

*Figures may not sum to totals due to rounding

5.4 Need for additional affordable housing is best considered in 'net' terms, after having factored in planned supply and expected turnover of existing stock. The LHMA tool applies supply and turnover to the first five years of the LHMA period, although no further allowance is made for planned supply and turnover of existing stock for the remaining 10 years as it becomes less accurate to predict this beyond year 5. For simplicity, Table 7 illustrates the total 15-year net affordable housing need estimate by tenure, number of bedrooms and HMA.

Table 7: 15-Year Net Affordable Housing Need Estimate, RLDP Projection

HMA	Social Rent (Bedrooms)				Social Rent (Total)	**Inter-mediate	Total
	1	2	3	4			
Bridgend and Surrounding	233	58	39	27	356	453	**809**
Garw Valley	20	0	0	3	23	15	**38**
Llynfi Valley	130	21	14	12	177	171	**348**
Ogmore Valley	18	0	0	6	24	17	**41**
Pencoed and Heol y Cyw	99	28	19	7	152	151	**303**
Porthcawl	169	38	51	23	282	186	**468**
Pyle, Kenfig and Cornelly	277	38	26	18	359	201	**560**
Valleys Gateway	140	15	10	9	175	92	**266**
Total	**1,085**	**198**	**159**	**106**	**1,548**	**1,286**	**2,834**

* Figures may not sum to totals due to rounding
** Intermediate need primarily comprises 2 and 3 bedroom homes

5.5 **The net affordable housing need estimates detailed in Table 7 should be used as a broad spatial guide to strategically increase the supply of affordable housing within the county borough. However, it would be inaccurate to assume housing need can be met 'anywhere' within these broad HMAs. In identifying appropriate sites to meet the need, due consideration should be had to a range of placemaking principles within the immediate environ, including whether the site can connect to an active**

travel route and the proximity / ease of access to existing services, facilities, employment opportunities, education provision and public transport options. The identification of need within a broad HMA does not override the requirement to have regard to sustainable placemaking principles and the full suite of policies within the LDP when proposing sites for development. This is especially the case for any affordable housing exception sites that may be proposed outside of defined settlement boundaries; such proposals should meet an identified pressing need that cannot be accommodated within settlement boundaries and should not result in car-dependent, isolated clusters of affordable housing devoid of sustainable placemaking principles.

<u>Market Housing</u>

5.6   Market housing need estimates are shown as gross estimates only because no allowance is made for planned supply and turnover of existing stock. The gross estimates are slightly weighted towards the private rented sector over the 15-year LHMA period, although in practice, there will always be an affordability overlap between the two tenures. There are a wide range of factors, not only related to affordability, which determine the market tenures different households will reside within. This will vary by time period, HMA and property type. As such, the tenure splits should not be considered prescriptive.

5.7   Market housing estimates account for just under half of the overall housing need estimate (with private rent accounting for 25% of total gross need and owner occupation accounting for 21%). However, in practice, some households will choose to reside within market housing irrespective of the affordability assumptions utilised within this LHMA. It is not possible for a study of this type to capture the wide range of socioeconomic factors that will underpin each future household's decision to reside within a certain tenure.

5.8   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. While the estimates identify 'zero' need in the Ogmore and Garw Valleys, this should not be misinterpreted as a signal to prevent all development in these HMAs. There is still a need to diversify the dwelling stock within these areas and enhance housing options, despite constraints around viability, topography and land contamination. The RLDP recognises the importance of fostering sustainable communities within the Ogmore and Garw Valleys directly. It seeks to enable alternative forms of development to help deliver smaller-scale growth, such as (but not limited to) co-operative housing, self-build and custom build opportunities alongside other forms of development.

5.9 The majority of net social rented need identified is for one 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 one bedroom provision in high need areas and a mismatch with the existing dwelling stock. This is a long term trend and is likely to continue into the foreseeable future with later marriages, and higher instances of divorce, separation and widowhood. As such, it is important to increase the supply of smaller units in a sustainable manner. One bedroom walk-up flats with no communal spaces are often optimal in the social rented sector to assist with management, maximise dwelling integration within wider settings and provide tenants with their 'own front door'.

5.10 However, some households may only need a one bedroom property for a relatively short period of time as circumstances change. Such properties can therefore turnover fairly frequently and an over-concentration of one bedroom accommodation can result in an (unintended) unsettled community. While the significant need for one bedroom accommodation must be addressed, it is equally important to ensure the delivery of larger units is not overlooked and balanced communities are planned for. Indeed, there is also a persistent shortfall of larger family homes. While the latter need is smaller in scale, the shortfall is compounded by the relatively low rate at which these properties turnover. Dwelling mixes weighted towards one bedroom homes, yet still incorporating a suitable mix of larger properties will therefore facilitate opportunities for sustainable tenant progression.

5.11 Geographically speaking, 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. Many areas in the south of the county borough also contain relatively low levels of existing affordable housing. The HMAs of Bridgend, Porthcawl, Pencoed, the Valleys Gateway and Pyle, Kenfig and Cornelly all demonstrate significantly high net need for social housing.

5.12 However, the Llynfi Valley is also a high need area, which is unsurprising with Maesteg being 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 type of accommodation available. This LHMA evidences the need to instil sustainable clusters of smaller one bedroom properties within such communities to counter-balance the predominantly larger social rented stock already in existence.

<u>Intermediate Accommodation</u>

5.13 The identified net need for intermediate accommodation is slightly less significant than the need for social housing in absolute terms. However, it is still notable and most prevalent in southern housing markets, where private rents and house prices outstrip first time buyer incomes to a greater degree. 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, 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.

5.14 While 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 intermediate rent. Therefore, the key consideration is whether a gap exists in the market to introduce such tenures. In particular, there is generally an insignificant margin between market rent and social rent to introduce an intermediate rental product in all areas. This is especially the case in the Ogmore and Garw Valleys, where median market rents and social rents are interchangeable. However, the most appropriate type(s) of intermediate product(s) 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 produces usefully affordability products for the area.

5.15 Overall, 70% of market value produces a usefully affordable LCHO product in many parts of the County Borough. However, based on wider house price to income ratios (8-10 times), a 60% of market value LCHO product is typically required within Porthcawl in order to meet the needs of newly forming households.

<u>Extrapolated Need Over 15-Year LHMA Period</u>

5.16 For completeness (and to overtly extrapolate the total affordable housing need over the 15 year LHMA period), **this LHMA has calculated a total need for 2,834 affordable housing units, comprising 1,548 social rented dwellings and 1,286 intermediate dwellings.** 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. These include yet are not limited to SHG and other capital grant funding, planning contributions, RSL funded schemes, reconfiguration of stock, social lettings agencies, private sector leasing schemes and re-utilisation of empty homes.

<u>Differences Between Current and Previous LHMA</u>

5.17 Any LHMA is based on a snapshot at a point in time. It is therefore a gross over-simplification to directly compare the outputs from one LHMA with another. Welsh Government Guidance recognises this point and deems such an exercise inappropriate due to different underlying data and assumptions. With this caveat in mind, Table 8 provides an overview of the 2021 LHMA findings alongside the findings of this 2024 LHMA to illustrate how outputs differ between the two. Table 9 adds further context by illustrating how data inputs and key assumptions vary between the 2021 and 2024 LHMAs.

5.18 There is one further important consideration when viewing both sets of outputs 'at a glance'. Firstly, the 2021 LHMA followed the previous Welsh Government methodology, which is subtly different to the new LHMA tool and guidance. The previous methodology did not require a market housing estimate and was primarily geared towards an affordable housing calculation. Ultimately, therefore, the new methodology will produce different outputs to the previous guidance and some of the columns within Tables 8 and 9 cannot be completed for the previous LHMA (2021).

Table 8: Differences Between Additional Housing Need Estimates

Annual Additional Housing Need Estimates (First Five Years)	2024 LHMA	2021 LHMA
Total housing need estimate (gross)	763	N/A
Market housing	240	N/A
Affordable housing	523	N/A
Percentage split of additional housing need by market and affordable housing	Market: 31% Affordable: 69%	N/A
Annual planned supply and turnover of existing stock for affordable housing	446	518
Affordable housing need – net of planned supply and turnover of existing stock	229	451
Annual additional housing need estimate split by tenure:		
Owner occupier	111	N/A
Private rented sector	129	N/A
LCHO – net basis	27	171
Intermediate rent – net basis	87	
Social rent – net basis	115	280
One bedroom social rent	97	233
Two bedrooms social rent	1	14
Three bedrooms social rent	6	19
Four+ bedrooms social rent	11	14

Annual Additional Housing Need Estimates (First Five Years)	2024 LHMA	2021 LHMA
Market housing percentage split (gross basis):		
Owner occupier estimate	46%	N/A
Private rented sector estimate	54%	N/A
Affordable housing percentage split (net basis):		
LCHO	12%	38%
Intermediate rent	38%	
Social rent	50%	62%
Social housing need percentage split by number of bedrooms (net basis):		
1 bed	84%	83%
2 beds	1%	5%
3 beds	5%	7%
4+ beds	10%	5%

*Figures may not sum to totals due to rounding

Table 9: Analysis of Differences in Data Inputs and Key Assumptions

Data Input and Key Assumptions	Current LHMA	Previous LHMA
Number of HMAs and basis of defining HMAs (ward, MSOA, LSOA)	Eight	Eight
Selected household projection basis	RLDP projection (extended to cover LHMA period)	RLDP projection
Annual newly arising need	RLDP projection (extended to cover LHMA period)	RLDP projection
Rent data – state default or source used	Rent Office Data	Hometrack (Rent Office Data Previously Unavailable to Local Authorities)
House price paid data – state default or source used	Price Paid Data	Price Paid Data
Income data – state source used	CACI Paycheck	CACI Paycheck via Hometrack
Annual existing unmet housing need	Common Housing Register	Common Housing Register
Market housing affordability criteria	25%	N/A
Social rent affordability criteria	35%	N/A
Percentage of those considered appropriate for owner occupier that go onto buy	50%	N/A

Average FTB property price for the LA	£136,500	£110,821
FTB property value to income ratio for the LA	4.31	3.5
Five-year financial forecast – OBR or alternative source	Five-year financial forecast – OBR	N/A
Split of intermediate housing need – method 1, 2 or 3	1	N/A

Appendix 1: Output Summary Tables from LHMA Tool

Template for the annual additional housing need estimates using different household projections

FIRST 5 YEARS OF THE LHMA PERIOD

	Affordable housing		Market housing (newly arising need only)	Total
Estimated average annual additional housing need (gross need before planned supply and turnover of existing stock)	523	✛	240	763

Newly arising need	Existing unmet need
169	354

Less planned supply and turnover of existing stock

	Net affordable housing		Intermediate rent and LCHO	Social rent
Estimated annual average additional affordable housing need, net of planned supply and turnover of existing stock	229	of which	114	115

Basis of the household projections — **User Projections 1**

Detailed breakdown of the additional housing need estimates over the first 5 years of the LHMA period

LHMA Report Table 1: Estimated annual additional affordable housing need by HMA and tenure (net need, net of turnover of existing stock and planned supply)

The first table provides the additional affordable housing need estimates on the following basis:
*at HMA level
*by tenure (LCHO, intermediate rent and social rent)
*annual estimate for the first 5 years of the LHMA period
*the estimates have been reduced to allow for turnover of existing affordable stock and planned supply.

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
HMA	one bedroom	two bedrooms	three bedrooms	four+ bedrooms	Social rent (a) + (b) + (c)+ (d) = (e)	Intermediate rent	LCHO	Affordable Housing (h) = (e) + (f) + (g)
Additional housing need estimates by tenure	**97**	**1**	**6**	**11**	**115**	**87**	**27**	**229**
Bridgend and Surrounding	10	-	-	2	13	32	11	56
Garw Valley	4	-	-	1	5	-	3	8
Llynfi Valley	13	-	-	1	14	12	5	31
Ogmore Valley	4	-	-	1	5	-	3	8
Pencoed and Heol Y Cyw	2	-	-	-	2	10	1	14
Porthcawl	14	1	6	3	25	12	2	39
Pyle, Kenfig and Cornelly	31	-	-	2	33	13	2	48
Valleys Gateway	18	-	-	1	19	7	-	26
9	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-
11	-	-	-	-	-	-	-	-
12	-	-	-	-	-	-	-	-
13	-	-	-	-	-	-	-	-
14	-	-	-	-	-	-	-	-
15	-	-	-	-	-	-	-	-
16	-	-	-	-	-	-	-	-
17	-	-	-	-	-	-	-	-
18	-	-	-	-	-	-	-	-
19	-	-	-	-	-	-	-	-
20	-	-	-	-	-	-	-	-

LHMA Report Table 2: Estimated annual additional total housing need estimates by HMA and tenure (gross need, before turnover and supply)

The second table provides the additional total housing need estimates on the following basis:
*includes market and affordable housing
*at HMA level
*by tenure (owner occupier, private rented sector(PRS), LCHO, intermediate rent and social rent)
*annual estimate for the first 5 years of the LHMA period

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
HMA	Social rent	Intermediate rent and LCHO	Affordable Housing (c)= (a) + (b)	Owner occupier	Private rented sector	Market Housing (f) = (d) + (e)	Additional housing need (g) = (c)+ (f)
Additional housing need estimates by tenure	**408**	**116**	**523**	**111**	**129**	**240**	**763**
Bridgend and Surrounding	147	43	191	36	46	82	273
Garw Valley	10	3	13	-	-	-	13
Llynfi Valley	41	17	58	15	10	25	84
Ogmore Valley	10	3	13	-	-	-	13
Pencoed and Heol Y Cyw	26	11	37	16	22	38	75
Porthcawl	65	15	81	16	23	38	119
Pyle, Kenfig and Cornelly	66	15	81	18	19	37	119
Valleys Gateway	41	8	49	9	10	19	68
9	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
11	-	-	-	-	-	-	-
12	-	-	-	-	-	-	-
13	-	-	-	-	-	-	-
14	-	-	-	-	-	-	-
15	-	-	-	-	-	-	-
16	-	-	-	-	-	-	-
17	-	-	-	-	-	-	-

18	-	-	-	-	-	-	-
19	-	-	-	-	-	-	-
20	-	-	-	-	-	-	-

Detailed breakdown of the additional total housing need estimates over the remaining 10 years of the LHMA period

LHMA Report Table 3: Estimated annual additional housing need estimates by HMA and tenure for the remaining 10 years of the LHMA period

The third table provides the additional housing need estimates on the following basis:
*at HMA level
*by tenure (owner occupier, private rented sector(PRS), LCHO, intermediate rent and social rent)
*annual estimate for the remaining 10 years of the LHMA period
*the estimates are based solely on newly arising need (it is assumed any existing unmet need is met during the first 5 years)
*the affordable housing need estimates in should be combined with the affordable housing need in Table 1 to produce a 15-year estimate of affordable housing.
No further allowance has been made for supply at this point as it becomes less accurate to predict committed supply and turnover beyond year 5.

HMA	(a) Social rent	(b) Intermediate rent and LCHO	(c) Affordable Housing (c) = (a) + (b)	(d) Owner occupier	(e) Private rented sector	(f) Market Housing (f) = (d) + (e)	(g) Additional housing need (g) = (c)+ (f)
Additional housing need estimates by tenure	97	72	169	111	129	240	409
Bridgend and Surrounding	29	24	53	36	46	82	135
Garw Valley	-	-	-				
Llynfi Valley	11	9	20	15	10	25	45
Ogmore Valley	-	-	-				
Pencoed and Heol Y Cyw	14	9	24	16	22	38	61
Porthcawl	16	11	27	16	23	38	65
Pyle, Kenfig and Cornelly	19	13	32	18	19	37	70
Valleys Gateway	8	6	14	9	10	19	33
9	-	-	-				
10	-	-	-				
11	-	-	-				
12	-	-	-				
13	-	-	-				
14	-	-	-				
15	-	-	-				
16	-	-	-				
17	-	-	-				
18	-	-	-				
19	-	-	-				
20	-	-	-				

Headline 15-year Affordable Housing Need Estimate

Table 4: Estimated annual overall additional affordable housing need by HMA and tenure (net need) over the 15 years of the LHMA

Table 4 provides the additional affordable housing need estimates on the following basis:
*at HMA level
*by tenure (intermediate housing and social rent)
*annual estimate for the 15 years of the LHMA period
*the affordable housing need estimates are a combination of the additional estimates from table 1 (net estimates) and table 3.
(no further allowance has been made for supply and turnover of existing stock as it becomes less accurate to predict beyond year 5)

HMA	Average annual estimates			15-year estimates		
	(a) Social rent	(b) Intermediate rent and LCHO	(c) Affordable Housing (c) = (a) + (b)	Social rent	Intermediate rent and LCHO	Affordable Housing (c) = (a) + (b)
Additional housing need estimates by tenure	103	86	189	1,548	1,286	2,834
Bridgend and Surrounding	24	30	54	356	453	809
Garw Valley	2	1	3	23	15	38
Llynfi Valley	12	11	23	177	171	348
Ogmore Valley	2	1	3	24	17	41
Pencoed and Heol Y Cyw	10	10	20	152	151	303
Porthcawl	19	12	31	282	186	468
Pyle, Kenfig and Cornelly	24	13	37	359	201	560
Valleys Gateway	12	6	18	175	92	266
9	-	-	-	-	-	-
10	-	-	-	-	-	-
11	-	-	-	-	-	-
12	-	-	-	-	-	-
13	-	-	-	-	-	-
14	-	-	-	-	-	-
15	-	-	-	-	-	-
16	-	-	-	-	-	-
17	-	-	-	-	-	-
18	-	-	-	-	-	-
19	-	-	-	-	-	-
20	-	-	-	-	-	-

Data items / Key assumptions

	Basis	2022/23	2023/24	2024/25	2025/26	2026/27
Change in income growth	Default	2.33%	2.76%	2.84%	2.77%	3.58%
Change in house prices	Default	-1.12%	-5.67%	1.14%	3.43%	3.59%
Change in private rent prices	Default	5.04%	1.77%	1.67%	1.86%	2.49%
Change in income distribution growth	Greater Inequality	1.00%	1.00%	1.00%	1.00%	1.00%

Number of years to clear existing unmet need	5 years
Market housing affordability criteria	25%
Social rent affordability criteria	35%

Data item	Data Sources	Basis of the data
Income data by HMA	Paycheck	2022
House price paid data by HMA	Land Registry Data	Calendar year
Rent prices	Rent Officers Wales	Financial year
Household projection basis	User Projections 1	
Percentage of households considered for owner occupier tenure that go on to buy	50%	

HMA assumptions

HMA	FTB property price	FTB property value to income ratio	Min. income for intermediate rent	Max. income for intermediate rent
Bridgend and Surrounding	£ 170,079	4.3	£ 20,716	£ 32,150
Garw Valley	£ 87,808	4.3	£ 15,787	£ 23,939
Llynfi Valley	£ 96,114	4.3	£ 16,800	£ 26,200
Ogmore Valley	£ 92,950	4.3	£ 16,361	£ 24,012
Pencoed and Heol Y Cyw	£ 175,320	4.3	£ 21,491	£ 31,117
Porthcawl	£ 197,766	4.3	£ 22,767	£ 34,664
Pyle, Kenfig and Cornelly	£ 137,448	4.3	£ 19,762	£ 29,608
Valleys Gateway	£ 138,436	4.3	£ 19,463	£ 29,580
9		4.3		
10		4.3		
11		4.3		
12		4.3		
13		4.3		
14		4.3		
15		4.3		
16		4.3		
17		4.3		
18		4.3		
19		4.3		
20		4.3		

Average annual additional housing need estimates using the Welsh Government PRINCIPAL household projections

FIRST 5 YEARS OF THE LHMA PERIOD

	Affordable housing		Market housing (newly arising need only)		Total
Estimated average annual additional housing need (gross need before planned supply and turnover of existing stock)	489	✛	191	≡	679

	Newly arising need	Existing unmet need
	134	354

Less planned supply and turnover of existing stock

	Net affordable housing		Intermediate rent and LCHO		Social rent
Estimated annual average additional affordable housing need, net of planned supply and turnover of existing stock	200	of which	99	✛	101

Basis of the household projections — Principal

Detailed breakdown of the additional housing need estimates over the first 5 years of the LHMA period

LHMA Report Table 1: Estimated annual additional affordable housing need by HMA and tenure (net need, net of turnover of existing stock and planned supply)

The first table provides the additional affordable housing need estimates on the following basis:
*at HMA level
*by tenure (LCHO, intermediate rent and social rent)
*annual estimate for the first 5 years of the LHMA period
*the estimates have been reduced to allow for turnover of existing affordable stock and planned supply.

HMA	(a) one bedroom	(b) two bedrooms	(c) three bedrooms	(d) four+ bedrooms	(e) Social rent (a) + (b) + (c) + (d) = (e)	(f) Intermediate rent	(g) LCHO	(h) Affordable Housing (h) = (e) + (f) + (g)
Additional housing need estimates by tenure	85	1	6	10	101	72	27	200
Bridgend and Surrounding	7	-	-	2	9	27	11	47
Garw Valley	4	-	-	1	5	-	3	8
Llynfi Valley	11	-	-	1	12	11	5	27
Ogmore Valley	4	-	-	1	5	-	3	8
Pencoed and Heol Y Cyw	1	-	-	-	1	9	1	10
Porthcawl	12	1	6	3	22	10	2	34
Pyle, Kenfig and Cornelly	29	-	-	1	30	10	2	42
Valleys Gateway	17	-	-	1	18	6	-	24
9	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-
11	-	-	-	-	-	-	-	-
12	-	-	-	-	-	-	-	-
13	-	-	-	-	-	-	-	-
14	-	-	-	-	-	-	-	-
15	-	-	-	-	-	-	-	-
16	-	-	-	-	-	-	-	-
17	-	-	-	-	-	-	-	-
18	-	-	-	-	-	-	-	-
19	-	-	-	-	-	-	-	-
20	-	-	-	-	-	-	-	-

LHMA Report Table 2: Estimated annual additional total housing need estimates by HMA and tenure (gross need, before turnover and supply)

The second table provides the additional total housing need estimates on the following basis:
*includes market and affordable housing
*at HMA level
*by tenure (owner occupier, private rented sector(PRS), LCHO, intermediate rent and social rent)
*annual estimate for the first 5 years of the LHMA period

HMA	(a) Social rent	(b) Intermediate rent and LCHO	(c) Affordable Housing (c) = (a) + (b)	(d) Owner occupier	(e) Private rented sector	(f) Market Housing (f) = (d) + (e)	(g) Additional housing need (g) = (c) + (f)
Additional housing need estimates by tenure	388	101	489	88	103	191	679
Bridgend and Surrounding	141	38	180	29	36	65	245
Garw Valley	10	3	13	-	-	-	13
Llynfi Valley	39	15	54	12	8	20	75
Ogmore Valley	10	3	13	-	-	-	13
Pencoed and Heol Y Cyw	23	9	32	13	17	30	63
Porthcawl	62	13	75	12	18	30	105
Pyle, Kenfig and Cornelly	62	12	75	15	15	30	104
Valleys Gateway	39	7	46	7	8	15	61
9	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
11	-	-	-	-	-	-	-
12	-	-	-	-	-	-	-
13	-	-	-	-	-	-	-
14	-	-	-	-	-	-	-
15	-	-	-	-	-	-	-

16	-	-	-	-	-	-	-
17	-	-	-	-	-	-	-
18	-	-	-	-	-	-	-
19	-	-	-	-	-	-	-
20	-	-	-	-	-	-	-

Detailed breakdown of the additional total housing need estimates over the remaining 10 years of the LHMA period

LHMA Report Table 3: Estimated annual additional housing need estimates by HMA and tenure for the remaining 10 years of the LHMA period

The third table provides the additional housing need estimates on the following basis:
*at HMA level
*by tenure (owner occupier, private rented sector(PRS), LCHO, intermediate rent and social rent)
*annual estimate for the remaining 10 years of the LHMA period
*the estimates are based solely on newly arising need (it is assumed any existing unmet need is met during the first 5 years)
*the affordable housing need estimates in should be combined with the affordable housing need in Table 1 to produce a 15-year estimate of affordable housing.
No further allowance has been made for supply at this point as it becomes less accurate to predict committed supply and turnover beyond year 5.

HMA	(a) Social rent	(b) Intermediate rent and LCHO	(c) Affordable Housing (c) = (a) + (b)	(d) Owner occupier	(e) Private rented sector	(f) Market Housing (f) = (d) + (e)	(g) Additional housing need (g) = (c)+ (f)
Additional housing need estimates by tenure	77	57	134	88	103	191	325
Bridgend and Surrounding	23	19	42	29	36	65	107
Garw Valley	-	-	-				
Llynfi Valley	9	7	16	12	8	20	36
Ogmore Valley	-	-	-				
Pencoed and Heol Y Cyw	11	8	19	13	17	30	49
Porthcawl	13	9	22	12	18	30	52
Pyle, Kenfig and Cornelly	15	10	26	15	15	30	55
Valleys Gateway	6	5	11	7	8	15	26
9	-	-	-				
10	-	-	-				
11	-	-	-				
12	-	-	-				
13	-	-	-				
14	-	-	-				
15	-	-	-				
16	-	-	-				
17	-	-	-				
18	-	-	-				
19	-	-	-				
20	-	-	-				

Headline 15-year Affordable Housing Need Estimate

Table 4: Estimated annual overall additional affordable housing need by HMA and tenure (net need) over the 15 years of the LHMA

Table 4 provides the additional affordable housing need estimates on the following basis:
*at HMA level
*by tenure (intermediate housing and social rent)
*annual estimate for the 15 years of the LHMA period
*the affordable housing need estimates are a combination of the additional estimates from table 1 (net estimates) and table 3.
(no further allowance has been made for supply and turnover of existing stock as it becomes less accurate to predict beyond year 5)

HMA	Average annual estimates			15-year estimates		
	(a) Social rent	(b) Intermediate rent and LCHO	(c) Affordable Housing (c) = (a) + (b)	Social rent	Intermediate rent and LCHO	Affordable Housing (c) = (a) + (b)
Additional housing need estimates by tenure	85	71	156	1,278	1,066	2,343
Bridgend and Surrounding	18	25	44	276	380	656
Garw Valley	2	1	3	23	15	38
Llynfi Valley	10	10	19	147	145	292
Ogmore Valley	2	1	3	24	17	41
Pencoed and Heol Y Cyw	8	8	16	115	122	237
Porthcawl	16	10	26	233	151	384
Pyle, Kenfig and Cornelly	20	11	31	306	162	468
Valleys Gateway	10	5	15	153	74	227
9	-	-	-	-	-	-
10	-	-	-	-	-	-
11	-	-	-	-	-	-
12	-	-	-	-	-	-
13	-	-	-	-	-	-
14	-	-	-	-	-	-
15	-	-	-	-	-	-
16	-	-	-	-	-	-
17	-	-	-	-	-	-
18	-	-	-	-	-	-
19	-	-	-	-	-	-
20	-	-	-	-	-	-

Data items / Key assumptions

	Basis	2022/23	2023/24	2024/25	2025/26	2026/27
Change in income growth	Default	2.33%	2.76%	2.84%	2.77%	3.58%
Change in house prices	Default	-1.12%	-5.67%	1.14%	3.43%	3.59%
Change in private rent prices	Default	5.04%	1.77%	1.67%	1.86%	2.49%
Change in income distribution growth	Greater Ineq	1.00%	1.00%	1.00%	1.00%	1.00%

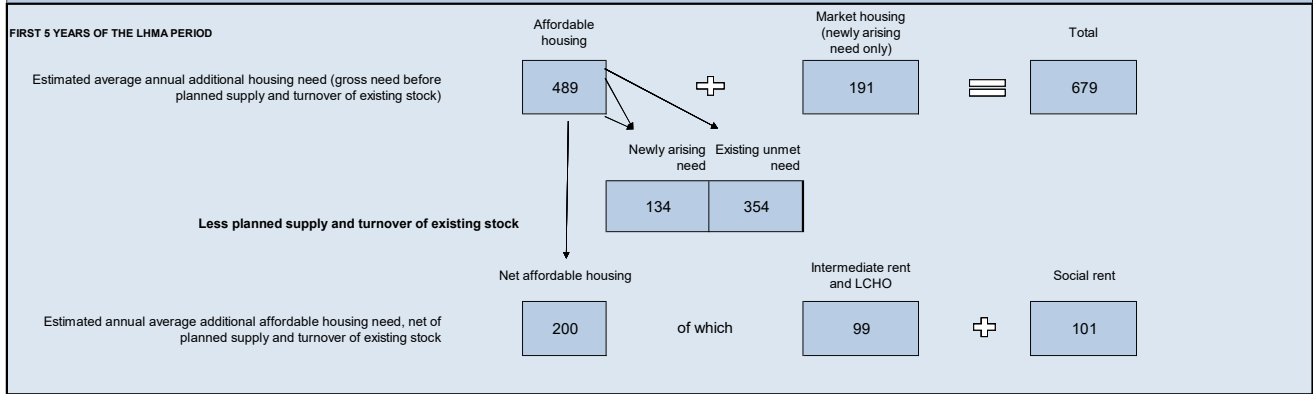|		
Number of years to clear existing unmet need	5 years	
Market housing affordability criteria	25%	
Social rent affordability criteria	35%	

Data item	Data Sources	Basis of the data
Income data by HMA	Paycheck	2022
House price paid data by HMA	Land Registry Data	Calendar year
Rent prices	Rent Officers Wales	Financial year
Household projection basis	Principal	

Percentage of households considered for owner occupier tenure that go on to buy	50%	

HMA assumptions

HMA	FTB property price	FTB property value to income ratio	Min. income for intermediate rent	Max. income for intermediate rent
Bridgend and Surrounding	£ 170,079	4.3	£ 20,716	£ 32,150
Garw Valley	£ 87,808	4.3	£ 15,787	£ 23,939
Llynfi Valley	£ 96,114	4.3	£ 16,800	£ 26,200
Ogmore Valley	£ 92,950	4.3	£ 16,361	£ 24,012
Pencoed and Heol Y Cyw	£ 175,320	4.3	£ 21,491	£ 31,117
Porthcawl	£ 197,766	4.3	£ 22,767	£ 34,664
Pyle, Kenfig and Cornelly	£ 137,448	4.3	£ 19,762	£ 29,608
Valleys Gateway	£ 138,436	4.3	£ 19,463	£ 29,580
9		4.3		
10		4.3		
11		4.3		
12		4.3		
13		4.3		
14		4.3		
15		4.3		
16		4.3		
17		4.3		
18		4.3		
19		4.3		
20		4.3		

Average annual additional housing need estimates using the Welsh Government HIGHER VARIANT household projections

FIRST 5 YEARS OF THE LHMA PERIOD

	Affordable housing		Market housing (newly arising need only)		Total
Estimated average annual additional housing need (gross need before planned supply and turnover of existing stock)	527	➕	245	=	772

	Newly arising need	Existing unmet need
	172	354

Less planned supply and turnover of existing stock

	Net affordable housing		Intermediate rent and LCHO		Social rent
Estimated annual average additional affordable housing need, net of planned supply and turnover of existing stock	232	of which	115	➕	117

Basis of the household projections: **Higher Variant**

Detailed breakdown of the additional housing need estimates over the first 5 years of the LHMA period

LHMA Report Table 1: Estimated annual additional affordable housing need by HMA and tenure (net need, net of turnover of existing stock and planned supply)

The first table provides the additional affordable housing need estimates on the following basis:
*at HMA level
*by tenure (LCHO, intermediate rent and social rent)
*annual estimate for the first 5 years of the LHMA period
*the estimates have been reduced to allow for turnover of existing affordable stock and planned supply.

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
HMA	one bedroom	two bedrooms	three bedrooms	four+ bedrooms	Social rent (a) + (b) + (c) + (d) = (e)	Intermediate rent	LCHO	Affordable Housing (h) = (e) + (f) + (g)
Additional housing need estimates by tenure	**98**	**1**	**6**	**11**	**117**	**88**	**27**	**232**
Bridgend and Surrounding	11	-	-	2	13	33	11	57
Garw Valley	4	-	-	1	5	-	3	8
Llynfi Valley	13	-	-	1	14	12	5	31
Ogmore Valley	4	-	-	1	5	-	3	8
Pencoed and Heol Y Cyw	3	-	-	-	3	11	1	14
Porthcawl	15	1	6	3	25	13	2	40
Pyle, Kenfig and Cornelly	32	-	-	2	33	13	2	48
Valleys Gateway	18	-	-	1	19	7	-	26
9	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-
11	-	-	-	-	-	-	-	-
12	-	-	-	-	-	-	-	-
13	-	-	-	-	-	-	-	-
14	-	-	-	-	-	-	-	-
15	-	-	-	-	-	-	-	-
16	-	-	-	-	-	-	-	-
17	-	-	-	-	-	-	-	-
18	-	-	-	-	-	-	-	-
19	-	-	-	-	-	-	-	-
20	-	-	-	-	-	-	-	-

LHMA Report Table 2: Estimated annual additional total housing need estimates by HMA and tenure (gross need, before turnover and supply)

The second table provides the additional total housing need estimates on the following basis:
*includes market and affordable housing
*at HMA level
*by tenure (owner occupier, private rented sector(PRS), LCHO, intermediate rent and social rent)
*annual estimate for the first 5 years of the LHMA period

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
HMA	Social rent	Intermediate rent and LCHO	Affordable Housing (c)= (a) + (b)	Owner occupier	Private rented sector	Market Housing (f) = (d) + (e)	Additional housing need (g) = (c)+ (f)
Additional housing need estimates by tenure	**410**	**117**	**527**	**113**	**132**	**245**	**772**
Bridgend and Surrounding	148	44	192	37	46	84	275
Garw Valley	10	3	13	-	-	-	13
Llynfi Valley	42	17	59	15	11	26	85
Ogmore Valley	10	3	13	-	-	-	13
Pencoed and Heol Y Cyw	26	11	38	16	22	39	76
Porthcawl	66	16	81	16	23	39	120
Pyle, Kenfig and Cornelly	67	15	82	19	19	38	120
Valleys Gateway	41	8	49	10	10	19	69
9	-	-	-	-	-	-	-

10	-	-	-	-	-	-	-
11	-	-	-	-	-	-	-
12	-	-	-	-	-	-	-
13	-	-	-	-	-	-	-
14	-	-	-	-	-	-	-
15	-	-	-	-	-	-	-
16	-	-	-	-	-	-	-
17	-	-	-	-	-	-	-
18	-	-	-	-	-	-	-
19	-	-	-	-	-	-	-
20	-	-	-	-	-	-	-

Detailed breakdown of the additional total housing need estimates over the remaining 10 years of the LHMA period

LHMA Report Table 3: Estimated annual additional housing need estimates by HMA and tenure for the remaining 10 years of the LHMA period

The third table provides the additional housing need estimates on the following basis:
*at HMA level
*by tenure (owner occupier, private rented sector(PRS), LCHO, intermediate rent and social rent)
*annual estimate for the remaining 10 years of the LHMA period
*the estimates are based solely on newly arising need (it is assumed any existing unmet need is met during the first 5 years)
*the affordable housing need estimates in should be combined with the affordable housing need in Table 1 to produce a 15-year estimate of affordable housing.
No further allowance has been made for supply at this point as it becomes less accurate to predict committed supply and turnover beyond year 5.

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
HMA	Social rent	Intermediate rent and LCHO	Affordable Housing	Owner occupier	Private rented sector	Market Housing	Additional housing need
			(c) = (a) + (b)			(f) = (d) + (e)	(g) = (c)+ (f)
Additional housing need estimates by tenure	**99**	**73**	**172**	**113**	**132**	**245**	**417**
Bridgend and Surrounding	30	24	54	37	46	84	138
Garw Valley	-	-	-				
Llynfi Valley	11	9	20	15	11	26	46
Ogmore Valley	-	-	-				
Pencoed and Heol Y Cyw	14	10	24	16	22	39	63
Porthcawl	16	12	28	16	23	39	67
Pyle, Kenfig and Cornelly	20	13	33	19	19	38	71
Valleys Gateway	8	6	14	10	10	19	33
9	-	-	-				
10	-	-	-				
11	-	-	-				
12	-	-	-				
13	-	-	-				
14	-	-	-				
15	-	-	-				
16	-	-	-				
17	-	-	-				
18	-	-	-				
19	-	-	-				
20	-	-	-				

Headline 15-year Affordable Housing Need Estimate

Table 4: Estimated annual overall additional affordable housing need by HMA and tenure (net need) over the 15 years of the LHMA

Table 4 provides the additional affordable housing need estimates on the following basis:
*at HMA level
*by tenure (intermediate housing and social rent)
*annual estimate for the 15 years of the LHMA period
*the affordable housing need estimates are a combination of the additional estimates from table 1 (net estimates) and table 3.
(no further allowance has been made for supply and turnover of existing stock as it becomes less accurate to predict beyond year 5)

	Average annual estimates			15-year estimates		
	(a)	(b)	(c)			
HMA	Social rent	Intermediate rent and LCHO	Affordable Housing	Social rent	Intermediate rent and LCHO	Affordable Housing
			(c) = (a) + (b)			(c) = (a) + (b)
Additional housing need estimates by tenure	**105**	**87**	**192**	**1,575**	**1,308**	**2,883**
Bridgend and Surrounding	24	31	55	364	460	824
Garw Valley	2	1	3	23	15	38
Llynfi Valley	12	12	24	180	174	354
Ogmore Valley	2	1	3	24	17	41
Pencoed and Heol Y Cyw	10	10	21	156	154	310
Porthcawl	19	13	32	287	190	476
Pyle, Kenfig and Cornelly	24	14	38	364	205	569
Valleys Gateway	12	6	18	177	93	270
9	-	-	-	-	-	-
10	-	-	-	-	-	-
11	-	-	-	-	-	-
12	-	-	-	-	-	-
13	-	-	-	-	-	-
14	-	-	-	-	-	-
15	-	-	-	-	-	-
16	-	-	-	-	-	-

17	-	-	-	-	-	-
18	-	-	-	-	-	-
19	-	-	-	-	-	-
20	-	-	-	-	-	-

Data items / Key assumptions

	Basis	2022/23	2023/24	2024/25	2025/26	2026/27
Change in income growth	Default	2.33%	2.76%	2.84%	2.77%	3.58%
Change in house prices	Default	-1.12%	-5.67%	1.14%	3.43%	3.59%
Change in private rent prices	Default	5.04%	1.77%	1.67%	1.86%	2.49%
Change in income distribution growth	Greater Inequ	1.00%	1.00%	1.00%	1.00%	1.00%

Number of years to clear existing unmet need	5 years
Market housing affordability criteria	25%
Social rent affordability criteria	35%

Data item	Data Sources	Basis of the data
Income data by HMA	Paycheck	2022
House price paid data by HMA	Land Registry Data	Calendar year
Rent prices	Rent Officers Wales	Financial year
Household projection basis	Higher Variant	

Percentage of households considered for owner occupier tenure that go on to buy	50%

HMA assumptions

HMA	FTB property price	FTB property value to income ratio	Min. income for intermediate rent	Max. income for intermediate rent
Bridgend and Surrounding	£ 170,079	4.3	£ 20,716	£ 32,150
Garw Valley	£ 87,808	4.3	£ 15,787	£ 23,939
Llynfi Valley	£ 96,114	4.3	£ 16,800	£ 26,200
Ogmore Valley	£ 92,950	4.3	£ 16,361	£ 24,012
Pencoed and Heol Y Cyw	£ 175,320	4.3	£ 21,491	£ 31,117
Porthcawl	£ 197,766	4.3	£ 22,767	£ 34,664
Pyle, Kenfig and Cornelly	£ 137,448	4.3	£ 19,762	£ 29,608
Valleys Gateway	£ 138,436	4.3	£ 19,463	£ 29,580
9		4.3		
10		4.3		
11		4.3		
12		4.3		
13		4.3		
14		4.3		
15		4.3		
16		4.3		
17		4.3		
18		4.3		
19		4.3		
20		4.3		

FIRST 5 YEARS OF THE LHMA PERIOD	Affordable housing		Market housing (newly arising need only)		Total
Estimated average annual additional housing need (gross need before planned supply and turnover of existing stock)	439	✛	120	⚌	558

	Newly arising need	Existing unmet need
	84	354

Less planned supply and turnover of existing stock

	Net affordable housing		Intermediate rent and LCHO		Social rent
Estimated annual average additional affordable housing need, net of planned supply and turnover of existing stock	160	of which	78	✛	82

Basis of the household projections	Lower Variant

Detailed breakdown of the additional housing need estimates over the first 5 years of the LHMA period

LHMA Report Table 1: Estimated annual additional affordable housing need by HMA and tenure (net need, net of turnover of existing stock and planned supply)

The first table provides the additional affordable housing need estimates on the following basis:
*at HMA level
*by tenure (LCHO, intermediate rent and social rent)
*annual estimate for the first 5 years of the LHMA period
*the estimates have been reduced to allow for turnover of existing affordable stock and planned supply.

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
HMA	one bedroom	two bedrooms	three bedrooms	four+ bedrooms	Social rent	Intermediate rent	LCHO	Affordable Housing
					(a) + (b) + (c) + (d) = (e)			(h) = (e) + (f) + (g)
Additional housing need estimates by tenure	**69**	**-**	**5**	**9**	**82**	**51**	**27**	**160**
Bridgend and Surrounding	1	-	-	1	3	20	11	34
Garw Valley	4	-	-	1	5	-	3	8
Llynfi Valley	9	-	-	1	10	8	5	23
Ogmore Valley	4	-	-	1	5	-	3	8
Pencoed and Heol Y Cyw	-	-	-	-	-	6	1	7
Porthcawl	9	-	5	3	17	7	2	26
Pyle, Kenfig and Cornelly	25	-	-	1	26	7	2	35
Valleys Gateway	16	-	-	1	17	4	-	20
9	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-
11	-	-	-	-	-	-	-	-
12	-	-	-	-	-	-	-	-
13	-	-	-	-	-	-	-	-
14	-	-	-	-	-	-	-	-
15	-	-	-	-	-	-	-	-
16	-	-	-	-	-	-	-	-
17	-	-	-	-	-	-	-	-
18	-	-	-	-	-	-	-	-
19	-	-	-	-	-	-	-	-
20	-	-	-	-	-	-	-	-

LHMA Report Table 2: Estimated annual additional total housing need estimates by HMA and tenure (gross need, before turnover and supply)

The second table provides the additional total housing need estimates on the following basis:
*includes market and affordable housing
*at HMA level
*by tenure (owner occupier, private rented sector(PRS), LCHO, intermediate rent and social rent)
*annual estimate for the first 5 years of the LHMA period

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
HMA	Social rent	Intermediate rent and LCHO	Affordable Housing	Owner occupier	Private rented sector	Market Housing	Additional housing need
			(c)= (a) + (b)			(f) = (d) + (e)	(g) = (c)+ (f)
Additional housing need estimates by tenure	**359**	**80**	**439**	**55**	**65**	**120**	**558**
Bridgend and Surrounding	133	31	164	18	23	41	205
Garw Valley	10	3	13	-	-	-	13
Llynfi Valley	36	13	49	7	5	13	61
Ogmore Valley	10	3	13	-	-	-	13
Pencoed and Heol Y Cyw	19	7	26	8	11	19	44
Porthcawl	57	10	67	8	11	19	86
Pyle, Kenfig and Cornelly	57	9	65	9	9	19	84
Valleys Gateway	37	5	42	5	5	10	52
9	-	-	-	-	-	-	-

10	-	-	-	-	-	-	-
11	-	-	-	-	-	-	-
12	-	-	-	-	-	-	-
13	-	-	-	-	-	-	-
14	-	-	-	-	-	-	-
15	-	-	-	-	-	-	-
16	-	-	-	-	-	-	-
17	-	-	-	-	-	-	-
18	-	-	-	-	-	-	-
19	-	-	-	-	-	-	-
20	-	-	-	-	-	-	-

Detailed breakdown of the additional total housing need estimates over the remaining 10 years of the LHMA period

LHMA Report Table 3: Estimated annual additional housing need estimates by HMA and tenure for the remaining 10 years of the LHMA period

The third table provides the additional housing need estimates on the following basis:
*at HMA level
*by tenure (owner occupier, private rented sector(PRS), LCHO, intermediate rent and social rent)
*annual estimate for the remaining 10 years of the LHMA period
*the estimates are based solely on newly arising need (it is assumed any existing unmet need is met during the first 5 years)
*the affordable housing need estimates in should be combined with the affordable housing need in Table 1 to produce a 15-year estimate of affordable housing.
No further allowance has been made for supply at this point as it becomes less accurate to predict committed supply and turnover beyond year 5.

HMA	(a) Social rent	(b) Intermediate rent and LCHO	(c) Affordable Housing (c) = (a) + (b)	(d) Owner occupier	(e) Private rented sector	(f) Market Housing (f) = (d) + (e)	(g) Additional housing need (g) = (c)+ (f)
Additional housing need estimates by tenure	**49**	**36**	**84**	**55**	**65**	**120**	**204**
Bridgend and Surrounding	15	12	26	18	23	41	67
Garw Valley	-	-	-				
Llynfi Valley	5	4	10	7	5	13	22
Ogmore Valley	-	-	-				
Pencoed and Heol Y Cyw	7	5	12	8	11	19	31
Porthcawl	8	6	14	8	11	19	33
Pyle, Kenfig and Cornelly	10	6	16	9	9	19	35
Valleys Gateway	4	3	7	5	5	10	16
9	-	-	-				
10	-	-	-				
11	-	-	-				
12	-	-	-				
13	-	-	-				
14	-	-	-				
15	-	-	-				
16	-	-	-				
17	-	-	-				
18	-	-	-				
19	-	-	-				
20	-	-	-				

Headline 15-year Affordable Housing Need Estimate

Table 4: Estimated annual overall additional affordable housing need by HMA and tenure (net need) over the 15 years of the LHMA

Table 4 provides the additional affordable housing need estimates on the following basis:
*at HMA level
*by tenure (intermediate housing and social rent)
*annual estimate for the 15 years of the LHMA period
*the affordable housing need estimates are a combination of the additional estimates from table 1 (net estimates) and table 3.
(no further allowance has been made for supply and turnover of existing stock as it becomes less accurate to predict beyond year 5)

HMA	Average annual estimates			15-year estimates		
	(a) Social rent	(b) Intermediate rent and LCHO	(c) Affordable Housing (c) = (a) + (b)	Social rent	Intermediate rent and LCHO	Affordable Housing (c) = (a) + (b)
Additional housing need estimates by tenure	**60**	**50**	**110**	**897**	**747**	**1,644**
Bridgend and Surrounding	11	18	29	160	275	435
Garw Valley	2	1	3	23	15	38
Llynfi Valley	7	7	14	104	106	210
Ogmore Valley	2	1	3	24	17	41
Pencoed and Heol Y Cyw	5	5	10	70	80	150
Porthcawl	11	7	18	164	100	264
Pyle, Kenfig and Cornelly	15	7	22	229	106	335
Valleys Gateway	8	3	11	122	48	170
9	-	-	-	-	-	-
10	-	-	-	-	-	-
11	-	-	-	-	-	-
12	-	-	-	-	-	-
13	-	-	-	-	-	-
14	-	-	-	-	-	-
15	-	-	-	-	-	-
16	-	-	-	-	-	-

17	-	-	-	-	-	-
18	-	-	-	-	-	-
19	-	-	-	-	-	-
20	-	-	-	-	-	-

Data items / Key assumptions

	Basis	2022/23	2023/24	2024/25	2025/26	2026/27
Change in income growth	Default	2.33%	2.76%	2.84%	2.77%	3.58%
Change in house prices	Default	-1.12%	-5.67%	1.14%	3.43%	3.59%
Change in private rent prices	Default	5.04%	1.77%	1.67%	1.86%	2.49%
Change in income distribution growth	Greater Inequ	1.00%	1.00%	1.00%	1.00%	1.00%

Number of years to clear existing unmet need	5 years
Market housing affordability criteria	25%
Social rent affordability criteria	35%

Data item	Data Sources	Basis of the data
Income data by HMA	Paycheck	2022
House price paid data by HMA	Land Registry Data	Calendar year
Rent prices	Rent Officers Wales	Financial year
Household projection basis	Lower Variant	

Percentage of households considered for owner occupier tenure that go on to buy	50%

HMA assumptions

HMA	FTB property price	FTB property value to income ratio	Min. income for intermediate rent	Max. income for intermediate rent
Bridgend and Surrounding	£ 170,079	4.3	£ 20,716	£ 32,150
Garw Valley	£ 87,808	4.3	£ 15,787	£ 23,939
Llynfi Valley	£ 96,114	4.3	£ 16,800	£ 26,200
Ogmore Valley	£ 92,950	4.3	£ 16,361	£ 24,012
Pencoed and Heol Y Cyw	£ 175,320	4.3	£ 21,491	£ 31,117
Porthcawl	£ 197,766	4.3	£ 22,767	£ 34,664
Pyle, Kenfig and Cornelly	£ 137,448	4.3	£ 19,762	£ 29,608
Valleys Gateway	£ 138,436	4.3	£ 19,463	£ 29,580
9		4.3		
10		4.3		
11		4.3		
12		4.3		
13		4.3		
14		4.3		
15		4.3		
16		4.3		
17		4.3		
18		4.3		
19		4.3		
20		4.3		