VALE OF GLAMORGAN

REPLACEMENT LOCAL DEVELOPMENT PLAN
2021 - 2036

DRAFT LOCAL HOUSING MARKET ASSESSMENT

SUMMARY NOTE OF FINDINGS

November 2023

BACKGROUND PAPER - BP10A

RLDP CDLN

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1. Introduction

1.1 This briefing note has been produced by the Vale of Glamorgan Council to provide commentary on the initial findings of the Draft Local Housing Market Assessment (LHMA, 2023), highlighting any considerations for the Preferred Strategy of its Replacement Local Development Plan 2021-2026 (RLDP).

2. Background

2.1 The Vale of Glamorgan LDP was adopted in June 2017 and covers the plan period 2011-2026. Following the adoption of the LDP, the Council is required to annually monitor the performance of the plan, and after 4 years undertake a review of the plan to consider whether there is a need to update or replace its LDP. In June 2021, the Council commenced its review of the adopted LDP, which concluded the need to produce a RLDP in view of recent changes to national policy that occurred since the plan's adoption. Work on the RLDP was formally commenced in May 2022.

2.2 In February 2022 the Council published an update Local Housing Market Assessment with a base date of 2021, the findings of which were considered by the Council in developing its draft Preferred Strategy for the RLDP.

2.3 In March 2022, a new methodology for the preparation of LHMAs was published by Welsh Government (WG). All future LHMAs must now be submitted to Welsh Government for approval, and local authorities are required to produce a new LHMA using the new methodology unless the plan had already reached Deposit Plan stage.

2.4 A new version (v2.0) of the LHMA tool was published on 30th June 2023, which updated the default data and included the new May 2022 electoral wards. However, in October 2023, Welsh Government wrote to Local Authorities to advise them that errors have been identified within the LHMA tool. Version 3 of the toolkit was subsequently issued on 27th October 2023.

2.5 The Council has undertaken the calculation part of the LHMA using **v3.0** of the tool as a means of calculating a draft estimate of housing need within the authority. **This is discussed in Section 4 and the Council intends to produce the full LHMA in due course which will be submitted to the Welsh Government for approval. The Council envisaged that the full LHMA will be approved by the Welsh Government in 2024 and form part of the evidence base for the RLDP Deposit Plan.**

3. Local Housing Market Assessment Trends

3.1 The RLDP will play a key role in addressing housing need within the authority through setting targets for on-site affordable housing provision and by ensuring new housing development incorporates a mix of market and affordable housing. In this respect LHMAs form a key part of the evidence base for the preparation of RLDPs to inform such policies and in the development of the spatial strategy for a local authority area.

3.2 The first LHMA for the Vale of Glamorgan was published in 2008, and the Council has regularly updated its evidence on affordable housing need within the Vale of Glamorgan, with reports published in 2010, 2015, 2017, 2019 and 2021. Whilst the approach and methodology of assessment has changed over this period, affordable housing need within the Vale of Glamorgan has broadly increased (Table 1). This is despite the increased delivery in affordable housing within the Vale of Glamorgan.

Table 1: Annual Affordable Housing Need by LHMA Study

LHMA	Annual Need
2008	541
2010	915
2015	559
2017	576
2019	890
2021	1,205

3.3 The Vale of Glamorgan LHMA (2021) identified an annual need for 1,205 affordable units (rounded) to address existing backlog and future need arising over the period 2021-2026, comprising of

- 915 units of social rented accommodation
- 211 units of intermediate rented housing
- 79 units of low-cost home ownership

3.4 In terms of the distribution of affordable housing need within the Vale, historical the need has been concentrated within the more populated areas within the Vale of Glamorgan, a trend that has continued.

3.5 The 2021 LHMA indicated that the existing backlog of need is most acute from people on the housing waiting list within Barry, Penarth/Llandough, Llantwit Major, Cowbridge, Dinas Powys, Rhoose, Wenvoe and St Athan although there are a significant number of people on the waiting list across all areas of the Vale. Much of the need for affordable housing consists of smaller one and two-bedroom units for social rent across many parts the Vale of Glamorgan, reflecting societal trends in household composition and the high prevalence of single person households and households comprising of couples with no children.

4. 2023 Local Housing Market Assessment

4.1 The latest Welsh Government (WG) LHMA methodology requires local authorities to project affordable housing need over 15-year period, replicating the lifetime of local development plans. These projections must be modelled using the Welsh Government 2018-based Principal household projections and the growth assumptions of the Preferred Strategy. It should be noted that the RLDP plan period extends from 2021-2036. However, the latest LHMA tool covers a slightly different time period 2023-2038.

4.2 The 2023 LHMA, in common with previous LHMAs, assesses the 13 Housing Market Areas (HMAs) present within the Vale of Glamorgan. These HMAs are defined as the functional areas where people currently live and would be willing to move home without changing jobs. The housing market areas includes a range of tenures which vary in cost, both between the tenure types and from area to area. The tenures range from home ownership, private rented and intermediate housing to social rented accommodation.

Table 2: Vale of Glamorgan LHMA Housing Market Areas		
Barry	Llantwit Major	St Athan
Cowbridge	Penarth and Llandough	St Brides Major
Dinas Powys	Peterston Super Ely	Sully
Llandow	Rhoose	Wenvoe
St Nicholas and Llancarfan		

Figure 1 Spatial Relationship of Housing Market Areas

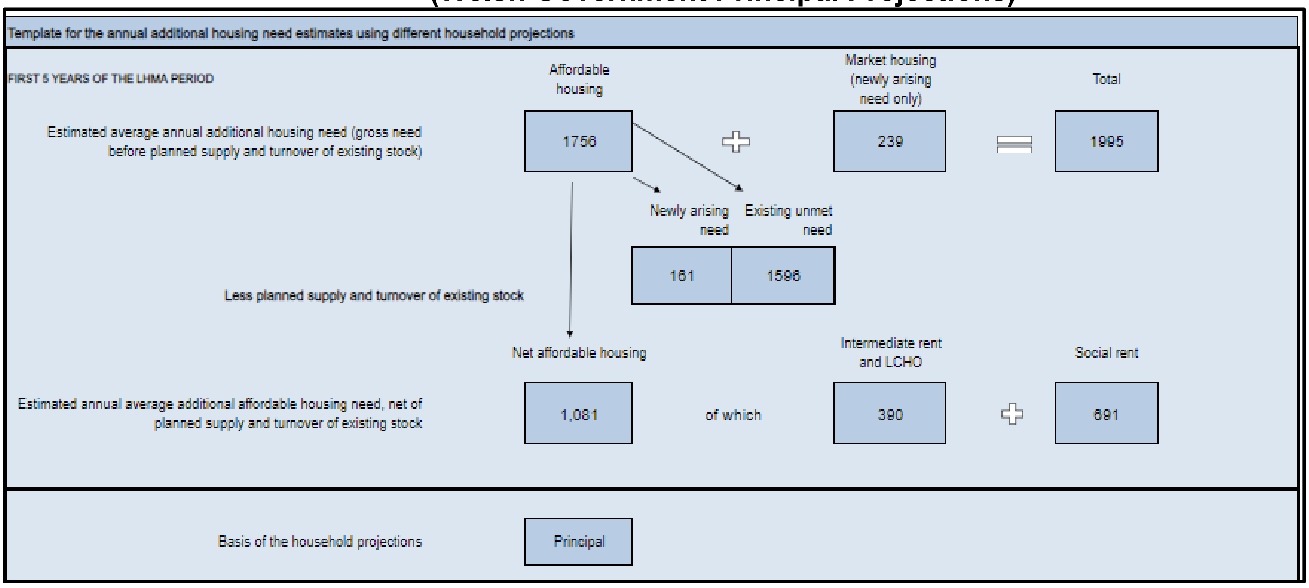
4.3 The summary findings for the Vale of Glamorgan Council LHMA 2023 are set out in the below tables and identifies the affordable housing need by tenure utilising the latest Welsh Government Principal Projections (Tables 3-5) followed by a comparison with the RLDP projections (Section 5).

WG 2018 Principal Projection model

4.4 Table 3 identifies the existing unmet affordable housing need and forecast additional need arising over the 5-year period 2023-2028 in the WG Principal Projections scenario. This indicates that an existing unmet (backlog) of 1,596 affordable homes, and an annual affordable housing need of 1,081 required once planned supply and turnover in existing affordable housing stock is accounted for.

4.5 The annual demand for affordable housing is largely within the social rented sector where 691 dwellings will be required annually, followed by low cost home ownership (LCHO) and intermediate rent requiring 390 dwellings per annum. Newly arising market housing need is estimated to be 239 dwellings per annum.

Table 3: Headline Need- First 5-year Affordable Housing Need by Tenure (Welsh Government Principal Projections)



4.6 Table 4 below provides a breakdown of the total annual affordable housing need by housing market area, indicating that the greatest need for affordable housing annually is within Barry (502 dwellings), Penarth/Llandough (179 dwellings), Llantwit Major (104 dwellings), Dinas Powys (82 dwellings) and Rhoose (48 dwellings). Additionally, the LHMA indicates that across all housing market areas that there exists a need for annual provision of affordable housing, reflecting trends highlighted within previous LHMAs for the Vale of Glamorgan.

Table 4: Estimated 5-year annual additional affordable housing need by Housing Market Area

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	**441**	**172**	**47**	**32**	**691**	**38**	**352**	**1,081**
Barry	238	72	16	16	342	19	141	502
Penarth/Llandough	58	37	16	6	117	6	56	179
Cowbridge	11	3	0	-	14	1	20	35
Dinas Powys	30	11	8	2	51	3	28	82
Llandow	2	2	-	0	4	0	2	7
Llantwit Major	39	24	-	2	65	-	39	104
Peterston Supe Ely	4	5	1	1	11	0	2	12
Rhoose	21	6	3	2	32	2	15	48
St Athan	11	-	-	1	12	1	7	20
St Brides Major	6	2	-	1	9	1	3	13
St Nicholas & Llancarfan	2	-	-	0	2	1	-	3
Sully	9	-	-	0	10	1	25	36
Wenvoe	10	9	3	2	23	1	15	39

4.7 Table 5 provides a summary of the annual affordable housing over the next 15 years (2023-2038) by housing market area to meet existing unmet need and future rising need over this period. The forecast takes into consideration existing and planned supply of affordable housing as well as turnover.

4.8 This forecasts a total affordable housing requirement of 7,011 dwellings consisting of 4,657 social rent and 2,355 LCHO and intermediate rent units. As with previous LHMAs, the table highlights a need for affordable housing across all housing market areas, with the highest areas again being Barry, Penarth/Llandough, Llantwit Major, Dinas Powys, Rhoose, Cowbridge and St Athan.

Table 5: Estimated Overall Additional Affordable Housing Need 2023-2038

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 in column (C) are a combination of the additional estimates from table 1 (net estimates) and table 3 (no further allowance has been made for su
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 (c) = (a) + (b)**	**Social rent**	**Intermediate rent and LCHO**	**Affordable Housing (c) = (a) + (b)**
Additional housing need estimates by tenure	**310**	**157**	**467**	**4,657**	**2,355**	**7,011**
Barry	143	67	210	2,148	1,006	3,154
Penarth/Llandough	53	25	78	795	374	1,169
Cowbridge	8	8	16	117	118	235
Dinas Powys	23	12	35	350	179	529
Llandow	2	1	3	35	17	52
Llantwit Major	32	12	44	479	183	662
Peterston Supe Ely	5	1	6	76	13	89
Rhoose	13	7	21	201	111	311
St Athan	6	4	10	92	61	153
St Brides Major	6	2	8	89	32	121
St Nicholas & Llancarfan	3	1	4	41	15	56
Sully	6	10	16	90	152	242
Wenvoe	10	6	16	144	93	237

5. Relationship Between the Preferred Strategy and the 2023 LHMA

5.1 The Welsh Government require local authorities to consider the relationship between the affordable housing need identified with its LHMA and the projected housing growth within its emerging RLDP. The LHMA toolkit makes provision for local authorities to model its RLDP housing growth against existing unmet and future arising affordable housing need assumptions as discussed in section 4.

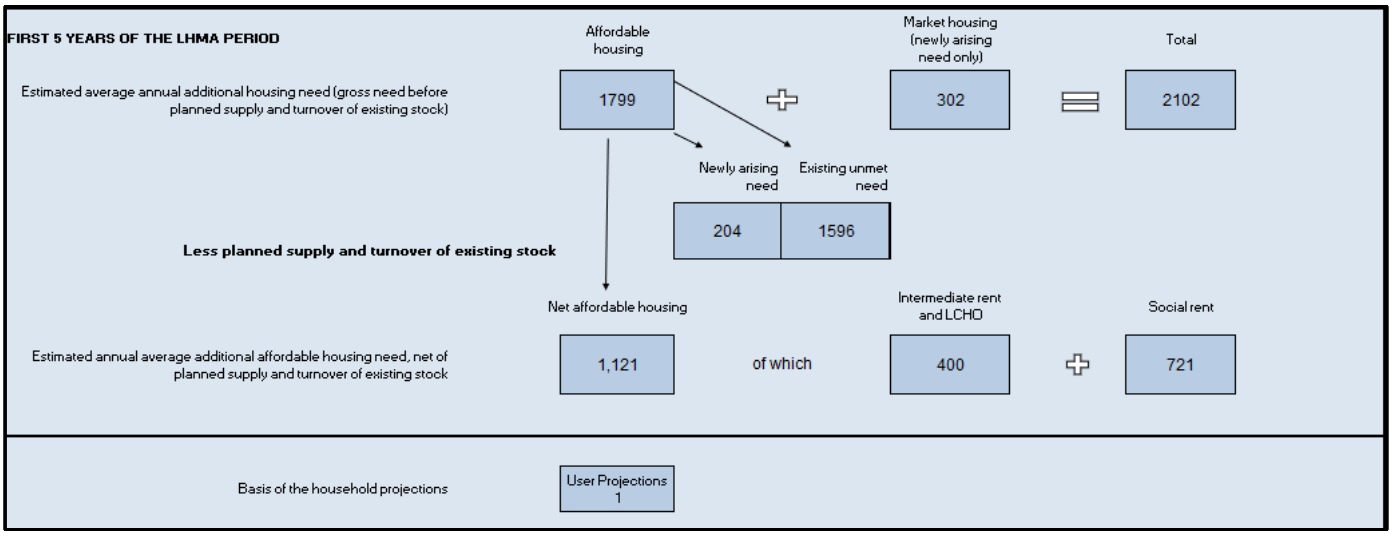
5.2 The Preferred Strategy for the RLDP identifies a housing requirement of 7,890 dwellings over the plan period or 526 per annum, and a household change of 12.8% compared to 431 dwellings per annum and a 10.6% household change under the Welsh Government Principal Projections. Table 6 below provides a comparison between the Welsh Government Principal Projections and the RLDP housing growth in terms of population and household growth assumptions.

Table 6: Comparison Population and Household Change under the RLDP Growth and Welsh Government Principal Projections

Scenario	Change 2021-2036				Average per year		
	Population change	Population change %	Households change	Households change %	Net migration	Dwellings	Employment
RLDP Housing Growth	13,154	9.7	7,587	12.8	1,009	526	325
Welsh Government Principal Projection 2018	9,787	7.3	6,214	10.6	851	431	243

5.3 Table 7 below provides a summary of the overall affordable housing need projected against the RLDP preferred growth option, which is based on a dwelling led 10 year past build rates scenario. Under the Preferred Strategy scenario, the projected annual affordable housing need for the first 5 years (2023-28) is 1,121 dwellings per annum, comprising 721 units per annum of social rent and 400 units of intermediate rent or LCHO.

Table 7: Headline Need- First 5-year Affordable Housing Need by Tenure (RLDP Housing Growth Led)



5.4 The spatial distribution of the affordable housing is provided in Table 8 below. As with the principal projection, the greatest areas of need are in Barry (519 dwellings per annum), Penarth/Llandough (186 dwellings), Llantwit Major (107 dwellings), Dinas Powys (85 dwellings) and Rhoose (50 dwellings). There is an overall housing need across all housing market areas.

Table 8: Estimated 5-year annual additional affordable housing need by Housing Market Area (RLDP Preferred Strategy Growth Option)

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	**457**	**182**	**50**	**33**	**721**	**48**	**352**	**1,121**
Barry	244	76	18	16	354	24	141	519
Penarth/Llandough	61	39	17	6	123	8	55	186
Cowbridge	11	4	0	-	15	2	20	37
Dinas Powys	31	12	9	2	54	3	28	85
Llandow	2	3	0	0	5	1	2	7
Llantwit Major	41	25	-	2	69	-	38	107
Peterston Supe Ely	5	5	1	1	11	0	2	13
Rhoose	21	6	3	2	33	2	15	50
St Athan	11	-	-	1	12	2	7	21
St Brides Major	7	2	-	1	10	1	3	14
St Nicholas & Llancarfan	2	-	-	0	3	1	-	4
Sully	10	-	-	0	10	2	25	37
Wenvoe	10	9	3	2	24	2	15	40
14	-	-	-	-	-	-	-	-
15								

5.5 The level of affordable housing need and spatial distribution over the 15-year period by housing market is summarised in Table 9. As with the WG principal projection, the forecast takes into consideration existing and planned supply of affordable housing, as well as turnover.

5.6 This forecasts a total affordable housing requirement of 7,643 dwellings of consisting of 5,126 social rent and 2,517 LCHO and Intermediate Rent units, with a need across all housing market areas, with the most acute need within Barry, Penarth/Llandough, Llantwit Major, Dinas Powys and Rhoose.

Table 9: Estimated Overall Additional Affordable Housing Need 2023-2038

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 in column (C) 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 (c) = (a) + (b)**	**Social rent**	**Intermediate rent and LCHO**	**Affordable Housing (c) = (a) + (b)**
Additional housing need estimates by tenure	**342**	**168**	**510**	**5,126**	**2,517**	**7,643**
Barry	155	73	227	2,323	1,090	3,412
Penarth/Llandough	59	27	85	879	399	1,279
Cowbridge	9	8	17	135	123	259
Dinas Powys	26	13	38	387	190	577
Llandow	3	1	4	40	19	59
Llantwit Major	36	12	48	538	177	715
Peterston Supe Ely	6	1	7	85	15	99
Rhoose	15	8	23	218	121	340
St Athan	7	5	11	103	68	172
St Brides Major	7	2	10	106	36	143
St Nicholas & Llancarfan	3	1	5	51	19	70
Sully	7	11	18	104	160	264
Wenvoe	10	7	17	156	99	255
14	-	-	-	-	-	-

6. Conclusions

6.1 The distribution of housing need has been a key consideration in determining the spatial strategy proposed in the Preferred Strategy. This is evidenced in the consideration of growth and spatial strategy options in chapter 6 of the Preferred Strategy and within the Spatial Options Background Paper. The emerging updated affordable housing evidence indicates that the spatial strategy will continue to direct growth to the areas of need previously identified.

6.2 The 2023 draft findings LHMA highlights that the highest unmet need for social rented units and LCHO units is in the Barry, with significant unmet need being identified in the Housing Market Areas of Penarth/Llandough, Llantwit Major, Dinas Powys, Cowbridge, Rhoose and St Athan. The LHMA also highlight that there is a generally an unmet need and forecast arising need across all housing market areas within the Vale of Glamorgan

6.3 The Preferred Strategy of the RLDP seeks to assist in addressing this need through the identification of a Strategic Growth Area within which housing growth within will be concentrated. This Strategic Growth Area and aligns with the areas of greatest housing need is contains the largest settlements within the Vale identifying Key housing allocations within Barry, Dinas Powys, Rhoose and St Athan, alongside existing housing commitments and adopted LDP housing sites located within Cowbridge, Penarth, Sully and Llandough. The RLDP therefore seeks to support the underlying principles of targeting development to these areas as areas with the highest existing unmet need.

6.4 In addition, the preferred strategy will enable the delivery of local needs affordable housing within rural settlements outside the growth area where these are offering a minimum 50% affordable housing and meet the identified needs of the area. This approach is supported by the LHMA which indicates a need for affordable housing with rural housing market areas. The evidence would support the approach to allow for small scale affordable housing led developments in the minor rural settlements and primary settlements outside of the strategic growth area.

6.5 Policy SP3 of the Preferred Strategy sets an initial target of 2,000 affordable homes to be delivered through the planning system (subject to amendment once detailed site viability assessment have been undertaken), as well as small scale affordable housing led sites in rural areas. A final target will be identified within the Deposit LDP.

6.6 The Council will also be considering further policy requirement to facilitate the delivery of affordable housing which will be included within the Deposit RLDP.

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