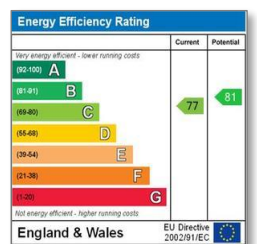




Mid and South West Wales Housing Assessment

Housing Market Evidence for: Mid and South West Wales 2019

October 2020



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Foreword

By the Planning and Housing Authorities of Mid and South West Wales

We, the undersigned Local Authorities and National Park Authorities of Mid and South West Wales, decided to collaborate to update our housing market assessments in 2018/19.

On the 31st of January 2019, we commissioned Opinion Research Services to produce this document; presenting robustly modelled data and a consistent evidence base on the housing market across the Mid and South West Wales Region.

We consider that this document, supplemented by appropriate assessments undertaken at the individual authority level, serves as a Local Housing Market Assessment (LHMA).

Brecon Beacons National Park Authority

Carmarthenshire County Council

Ceredigion County Council

Neath Port Talbot Council

Pembrokeshire Coast National Park Authority

Pembrokeshire County Council

Powys County Council

The City and County of Swansea

Mid and South West Wales

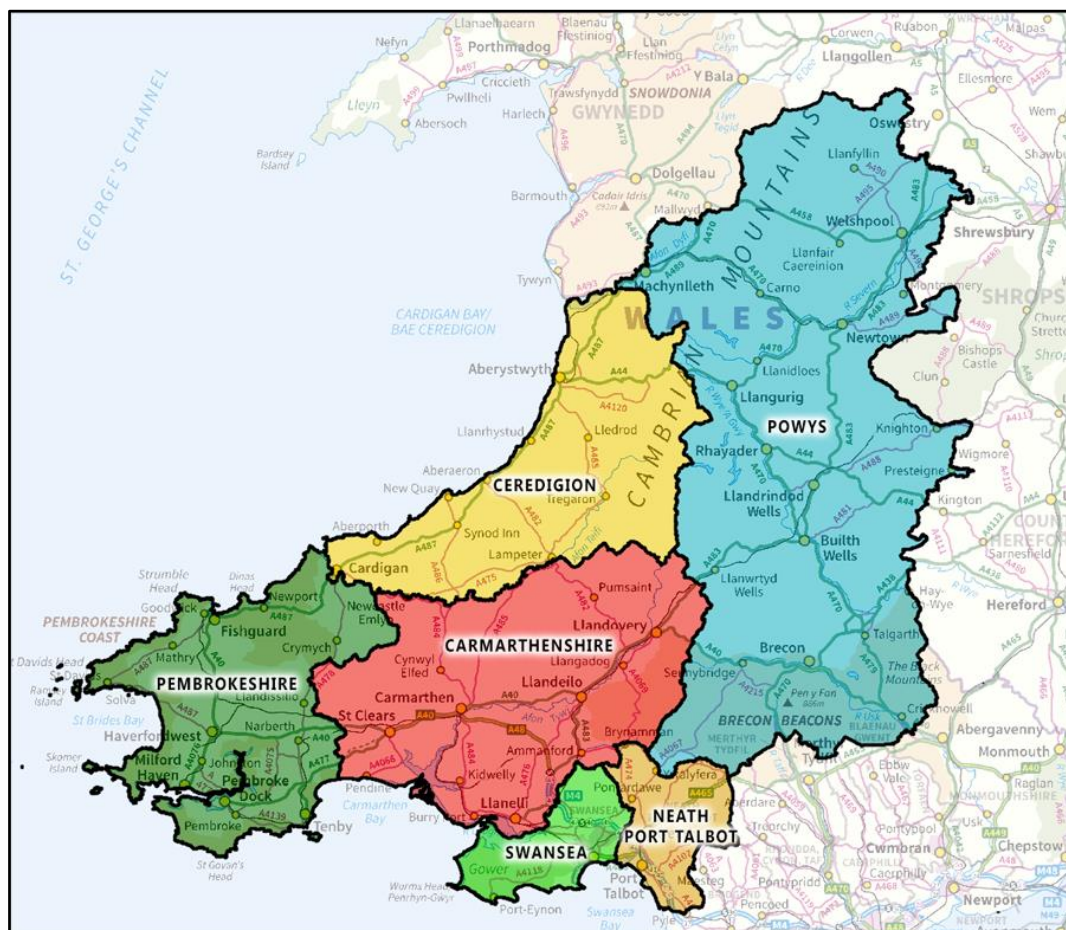
Housing Market Summary

Introduction

1. Local Authorities have a requirement to consider the housing accommodation needs of their localities under Section 8 of the Housing Act 1985. In order to fulfil this requirement, Welsh Local Authorities must formulate LHMA's (Local Housing Market Assessments), which review housing needs.
2. In 2013 the Minister for Housing and Regeneration wrote to every Local Authority in Wales to reaffirm that LHMA's should be considered a priority as part of a strong local strategic housing function. The Minister also set a specific requirement for LHMA's to be updated biennially, utilising section 87 of the Local Government Act 2003. This timetable of biennially refreshing LHMA's, and rewriting them every five years, was a recommendation of the WG-commissioned "Independent Review of Affordable Housing Supply", published in 2019.
3. LHMA's should consider the state of the whole housing market, including assessment of the need for affordable homes of different tenures (such as social rent, affordable rent, low cost home ownership, and specific local needs for affordable housing) and the differing needs of communities which should include the housing requirements of older people, students, people with disabilities, and local housing needs for market housing.
4. The assessments serve a number of purposes in each authority, including informing:
 - » The development and review of local development plans and local housing strategies;
 - » Decision-making in terms of negotiating the level, type and mix of affordable housing and other tenures;
 - » The provision of affordable homes of different tenures; and
 - » Housing issues that are relevant to the authority's duties under the Well-being of Future Generations (Wales) Act 2015.
5. The following local planning authorities in Mid and South West Wales decided to collaborate to update their housing market assessments in 2018/19:
 - » Brecon Beacons National Park Authority
 - » Carmarthenshire County Council;
 - » Ceredigion County Council;
 - » Neath Port Talbot Council;
 - » Pembrokeshire Coast National Park Authority;
 - » Pembrokeshire County Council;
 - » Powys County Council; and
 - » the City and County of Swansea.

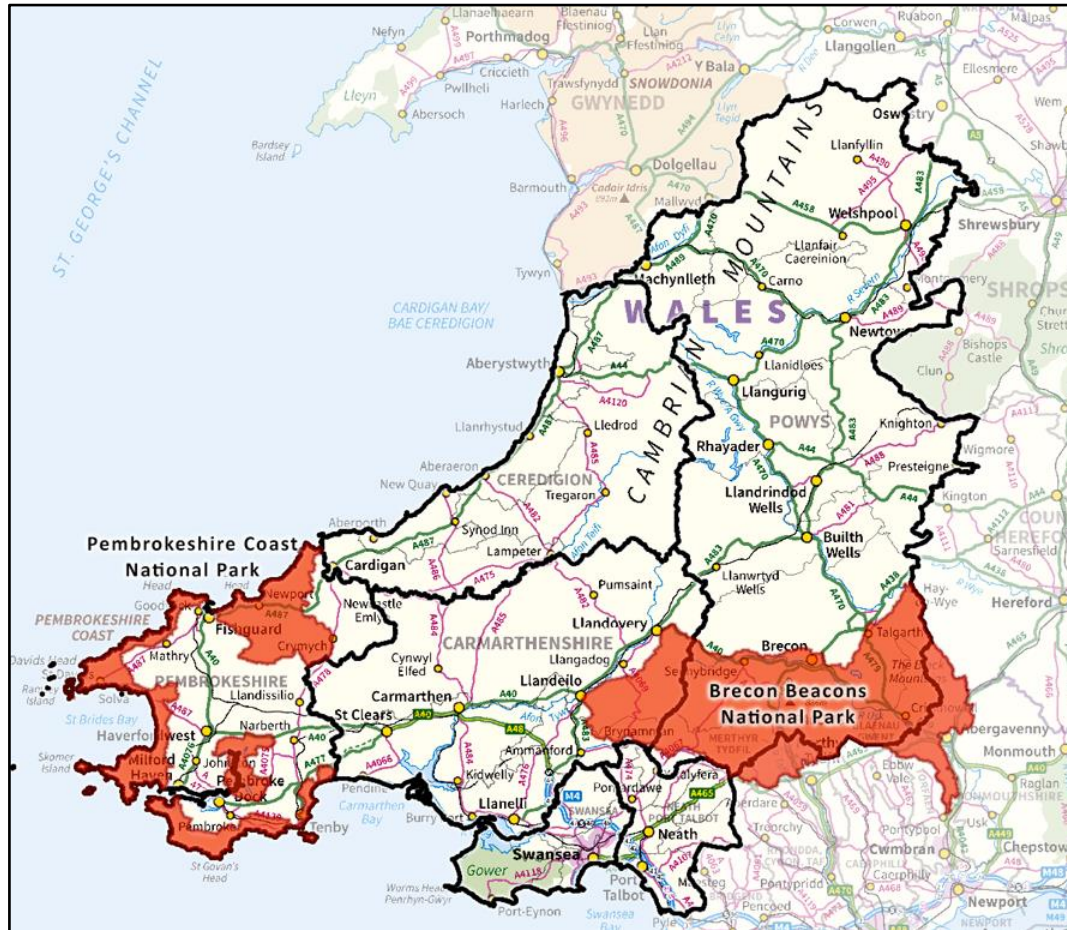
6. Opinion Research Services were commissioned by the above authorities to undertake a consistent cross-border assessment of housing needs. This regional study is a local authority level analysis for Mid and South West Wales.
7. A map of the local authorities included in this assessment is below (Figure 1).

Figure 1: Local Authorities in Mid and South West Wales



8. A map of the National Parks included in this assessment is below, together with local authority boundaries.

Figure 2: National Parks in Mid and South West Wales



9. It can be noted that the Pembrokeshire Coast National Park is entirely within the Pembrokeshire Local Authority boundary, whilst the Brecon Beacons National Park covers areas of Powys and Carmarthenshire, in addition to other areas of the park which fall outside of the Mid and South West Wales Region.
10. Since the national parks share common areas with local authorities in this report, data is presented separately for the parks to avoid double counting. Wherever aggregate regional data is presented, this data reflects the Mid and South West Wales Region only; and thereby excludes the areas of the Brecon Beacons National Park that are outside of the region.
11. For key output tables, data for local authorities that include areas within a national park are disaggregated into outside and inside the park in the next table following. When considering the data presented in these tables, the reader should be mindful that Carmarthenshire (which has areas within the Brecon Beacons National Park, see Figure 1 and Figure 2 above) utilises a significantly higher population projection than the Welsh Government principal used for the Brecon Beacons National Park. As a result, the housing need impact of Carmarthenshire's choice of higher projection is concentrated in the "Carmarthenshire Outside National Park" sub-division of the disaggregated tables, as this is calculated through subtraction of the Carmarthenshire sub-area of the National Park (based on the WG principal projection, as preferred by BBNP) from the overall need for Carmarthenshire (based on Carmarthenshire's aspirational preferred projection).

12. It can also be noted that certain datasets are not available at the national park level (e.g. income data). Wherever possible, such data has been robustly modelled from alternative data sources for the national parks. Where this was not possible, the national parks are absent from the table in question.

Population Trends and Projections

13. Population and household change are key drivers of demand for homes and these typically form the basis for the assessment of the need for new housing.
14. It can be noted that trends inform projections; and trends are not necessarily accurate predictors of the future, especially given that the 5-year period informing the most recent Welsh Government principal projections excludes a given portion of overall economic cycle (post-recession recovery). Although plans are based on demographic work undertaken, there are contextual reasons why a given authority may believe that future population/household growth will be higher, and therefore select an alternative projection. Brief descriptions of the sources of each local authority's chosen projection are in Figure 3 below:

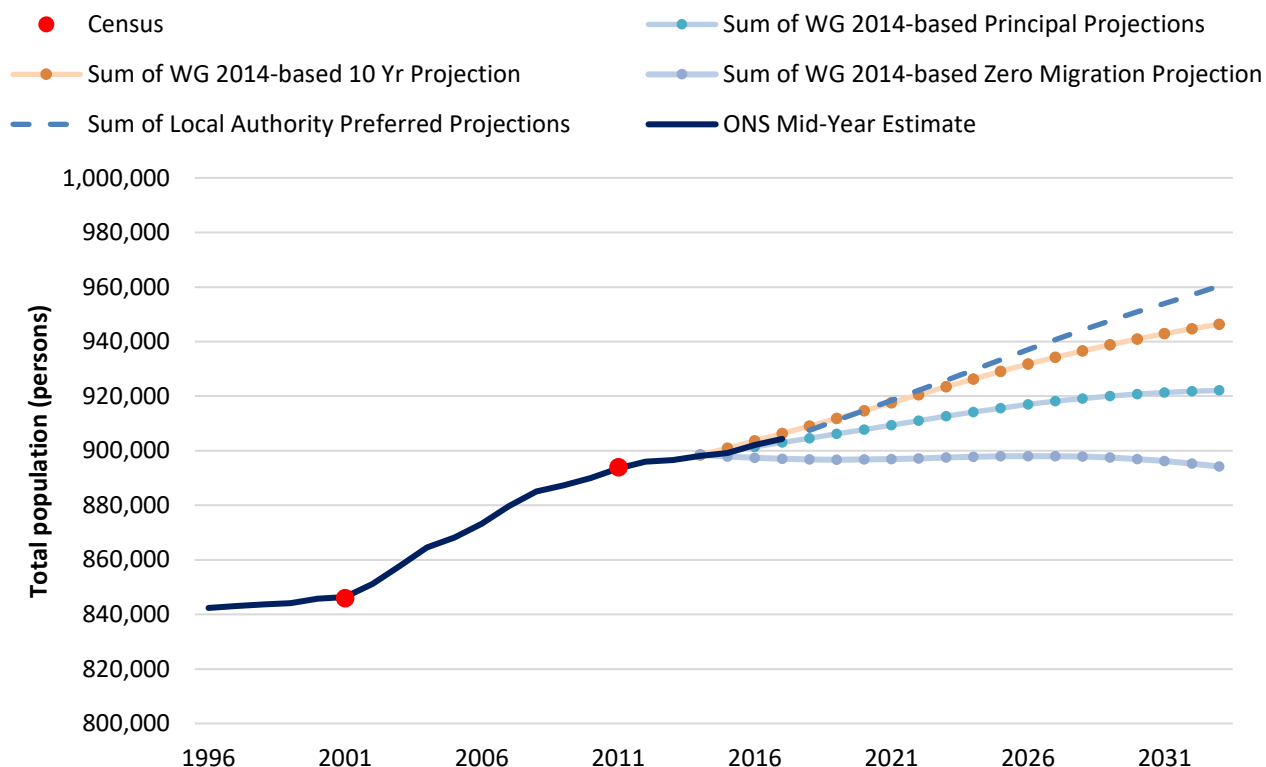
Figure 3: Mid and South West Wales: Summary of Unitary and Planning Authority Preferred Projections

Unitary/Planning Authority	Source of Chosen Projection
Brecon Beacons	Welsh Government 2014-based principal projection
Carmarthenshire	Edge Analytics PG Long Term variant (15-year migration trend based)
Ceredigion	Welsh Government 2014-based principal projection
Neath Port Talbot	Welsh Government 2014-based 10-year average migration variant
Pembrokeshire (outside national park)	Edge Analytics 425 dpa variation
Pembrokeshire (inside national park)	Edge Analytics 60 dpa variation
Powys	Welsh Government 2014-based principal projection
Swansea	Edge Analytics PG Long Term Scenario (14-year migration trend based)

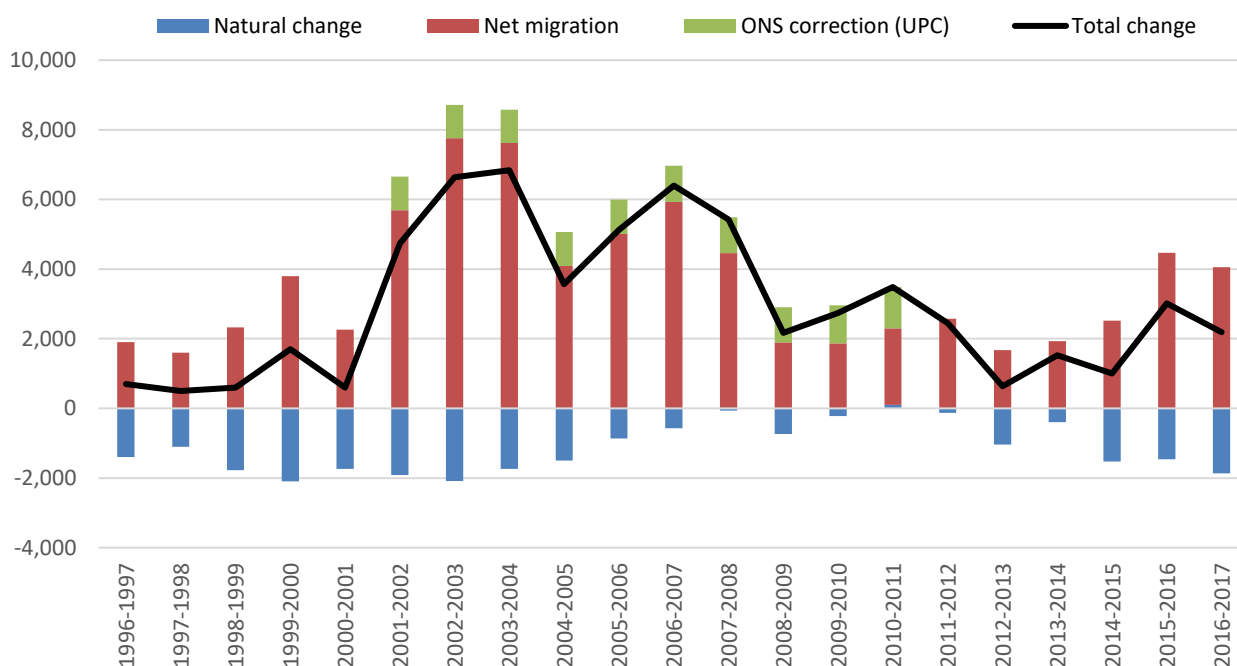
15. Population projections are based on past trends, and Figure 4 shows the ONS annual mid-year population estimates over the period since 1996 (which take account of data from the 2001 and 2011 Census), together with the Welsh Government Principal Projection, itself based on 5-year migration trends (2009-14), and the sum total of the local authorities preferred population projections. These different scenarios clearly show the impact that different migration assumptions can have on the future projections, as the sum of the preferred projections imply more than triple¹ the population growth of the Welsh Government 2014-based principal projection 2018-33.
16. Note that the "Sum of Local Authority Preferred Projections" line in Figure 4 excludes the Brecon Beacons National Park, to avoid double counting with Powys and Carmarthenshire.

¹ 52,888 persons versus 17,541

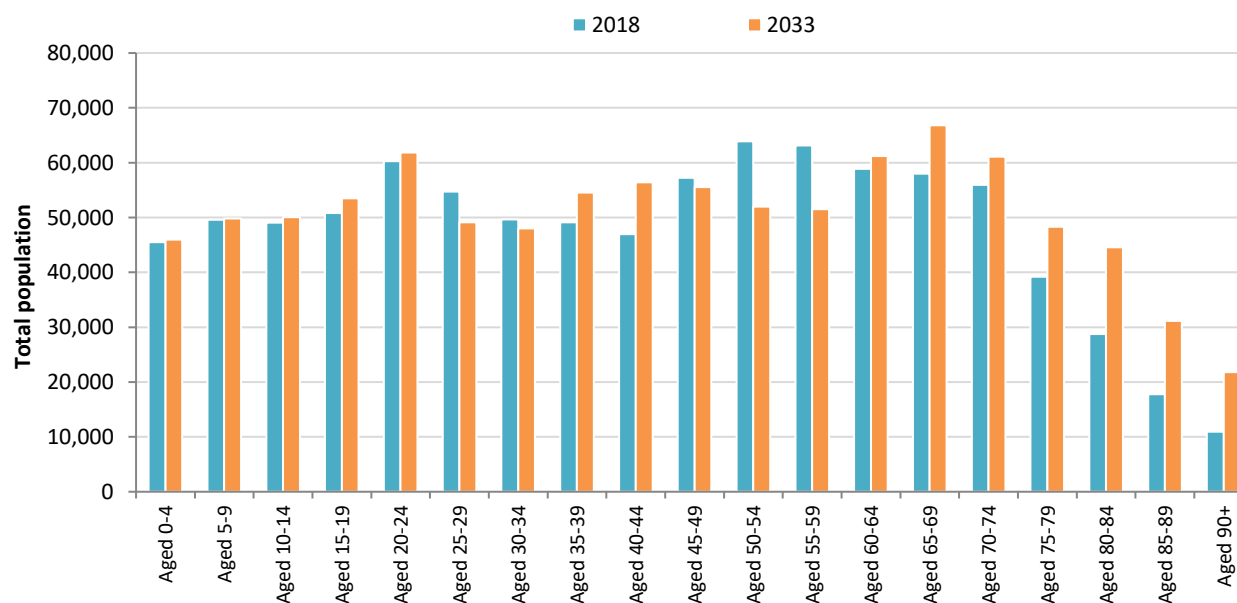
Figure 4: Mid and South West Wales: Aggregate Preferred Projections with 2014-based Population Projections, Census and MYE (Source: Census, ONS, Welsh Government, Mid and South West Wales local authorities)



17. Figure 5 shows the annual change in population together with the components of change, which are broadly classified into two categories:
 - » Natural change in the population (in terms of births and deaths); and
 - » Changes due to migration, both in terms of international migration and also moves within the UK.
18. Given that the population estimates in 2001 and 2011 are far more accurate and robust than the component of change data from year-to-year, the ONS factor in an “accountancy” adjustment to the components of change to correct the data and ensure that it reconciles with the more accurate estimates for the total population in the two Census years. Therefore, in addition to the known population flows, an element of “Unattributable Population Change” (UPC) is included in the figures.
19. Overall, the number of deaths has consistently exceeded the number of births each year in Mid and South West Wales (Figure 5); but there has been consistent growth in the population as a consequence of net inward migration. However, lower migration rates in more recent years have led to a slower growth in the overall population. In particular, the rate of growth sharply slowed in the years 2006-2010, and more recently has been rising again to 2017.

Figure 5: Mid and South West Wales: Components of Population Change (Source: ONS, Census, Welsh Government)

20. Figure 6 considers the age structure of the current and future population. This shows that the number of persons in most age groups under 65 are not expected to increase significantly over the 15-year period 2018-2033, whereas dramatic increases are projected for each group aged 65 or over. The overall number of persons aged 65 or over is projected to increase from 210,600 persons in 2018 to 273,800 persons in 2033; this represents an additional 63,700 older persons, a growth of 30%.

Figure 6: Mid and South West Wales: Projected Population by Age: Aggregated Preferred Population Projection (Source: Welsh Government, LA preferred projections)

21. Figure 7 shows the overall population estimates for each authority area together with the 5-year changes from 2002 to 2017 (Figure 8). The most dramatic increase in population has been in Swansea, accounting for 39% of the region's total population growth over the period. The population in Ceredigion has declined slightly overall, a reduction of approximately 2,400 persons, primarily due to a sharp increase in net migration out of the area since 2013.

Figure 7: Mid and South West Wales: Total Population Estimates 2002-2017 by Local Authority (Source: ONS Mid-Year Estimates. Note: Brecon Beacons and Pems Coast Park populations contain residents represented in other local authority totals)

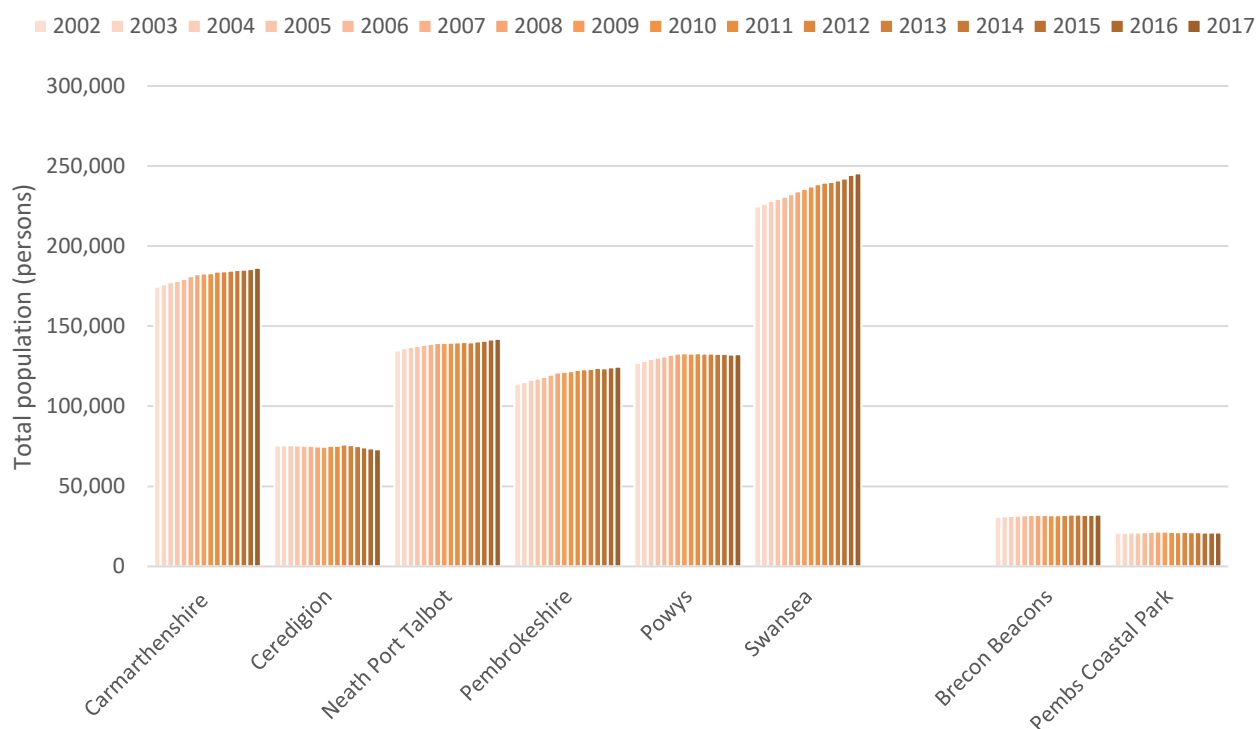
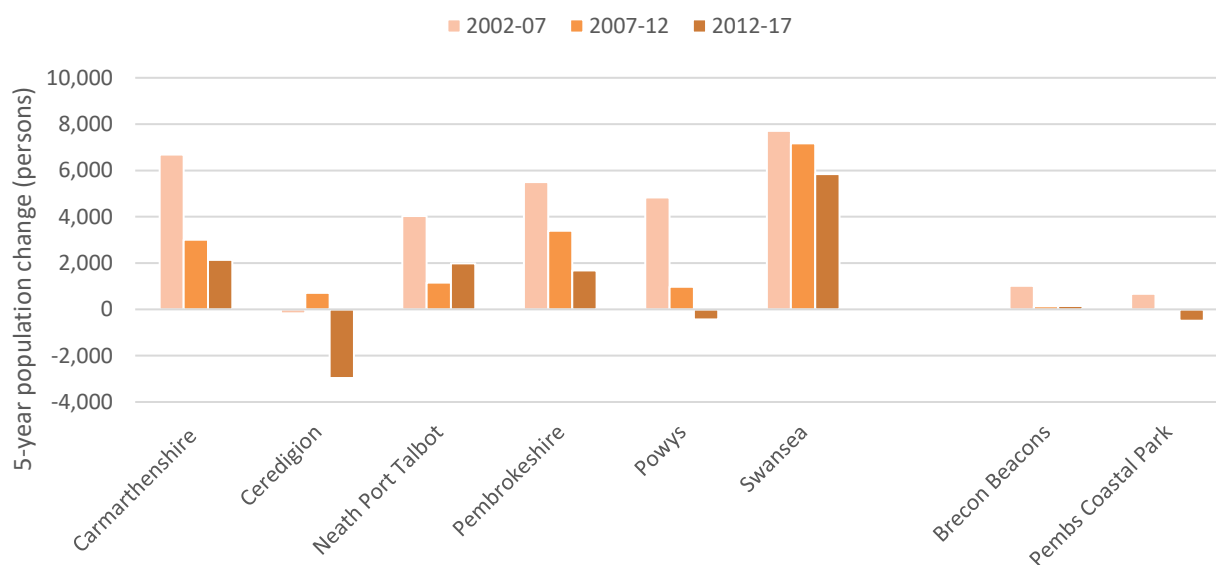
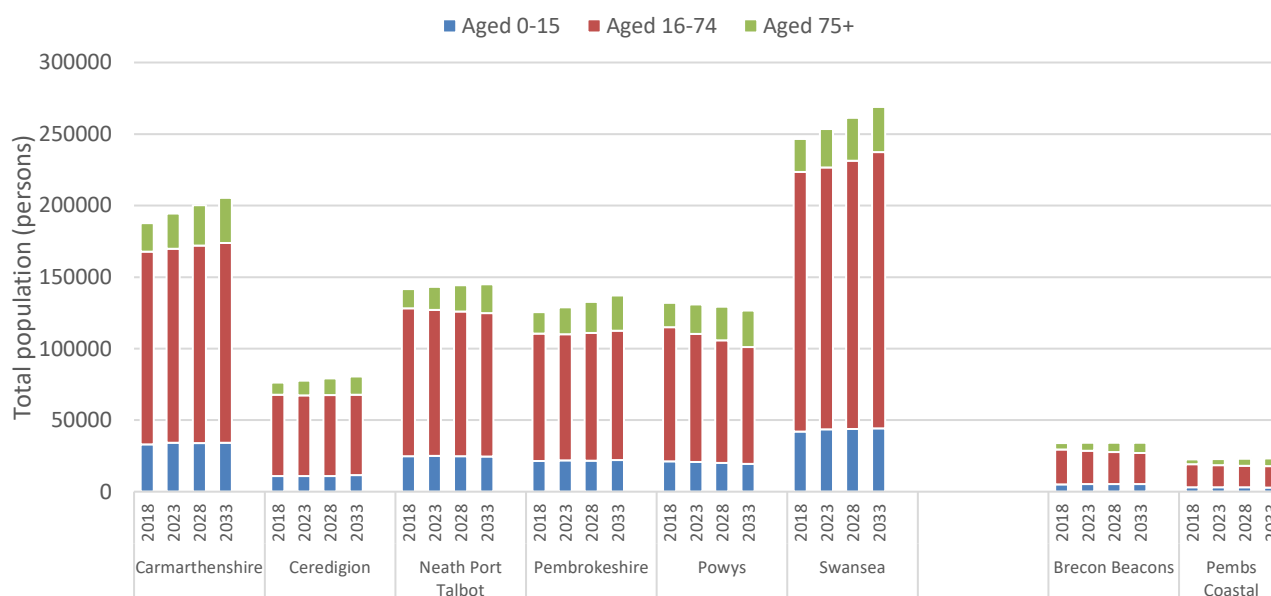


Figure 8: Mid and South West Wales: 5-Year Change in Population Estimates 2002-2017 by Local Authority (Source: ONS Mid-Year Estimates. Note: Brecon Beacons and Pems Coast Park populations contain residents represented in other local authority totals)



22. Figure 9 shows the projected age profile by local authority area and the national parks. The largest increase in the elderly population is projected to be in Carmarthenshire (an increase of almost 11,600 residents aged 75+), and to a comparable extent in Pembrokeshire (an increase of around 9,500). There are increases projected of over 2,000 persons aged under 15 in Swansea; with smaller decreases in the same age group in Powys and Neath Port Talbot.

Figure 9: Mid and South West Wales Local Authorities: Projected Population by Age (Source: Welsh Government, Local Authority Preferred Projections. Note: Brecon Beacons and Pembs Coast Park populations contain residents represented in other local authority totals)

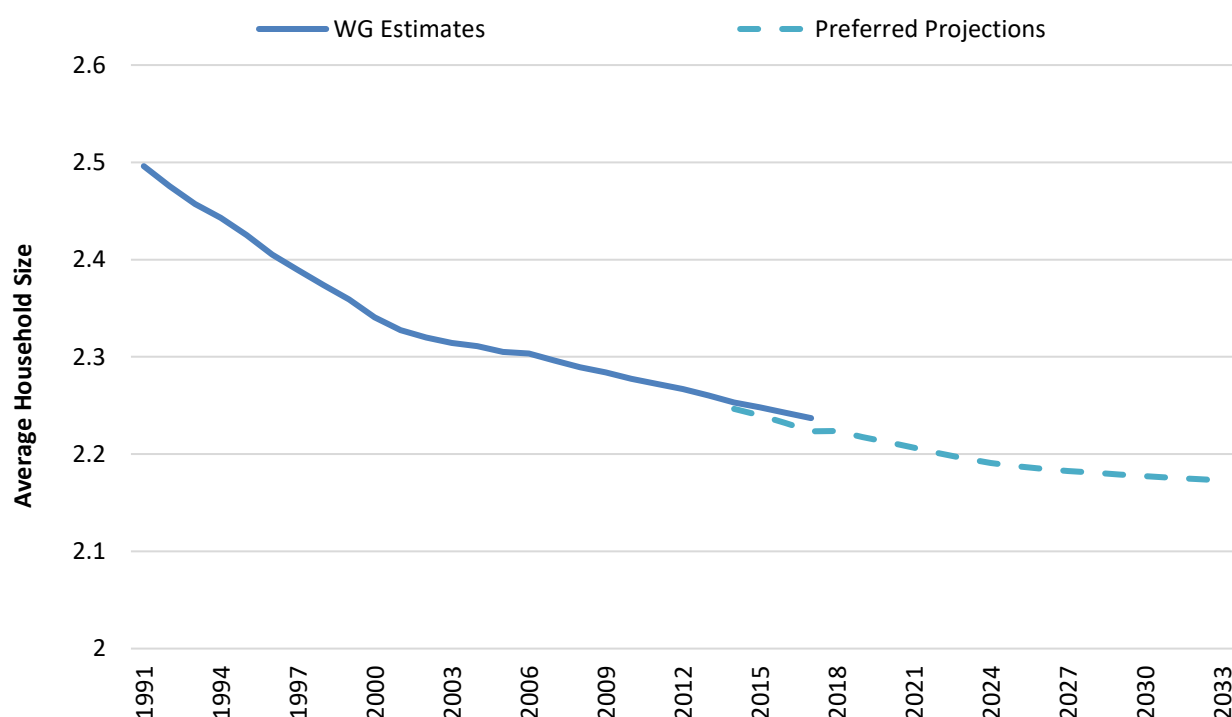


23. Much of the increase in the elderly population can be attributed to current residents aging (rather than through migration, as over 75s are considered statistically less likely to relocate), whereas the decrease in the younger population can be primarily attributed to outward migration (as the group are statistically less likely to be decreasing as a result of deaths).

Household Trends and Projections

24. Household projections are based on the population projections, taking account of changes to household characteristics which impact on the number of people in each household. These changes are reflected in variations to the average household size.
25. The average household size for Mid and South West Wales has consistently reduced over time, and the preferred household projections imply that this reduction will continue (Figure 10). Note that Figure 10 excludes the Brecon Beacons National Park, to avoid double counting with Powys and Carmarthenshire.

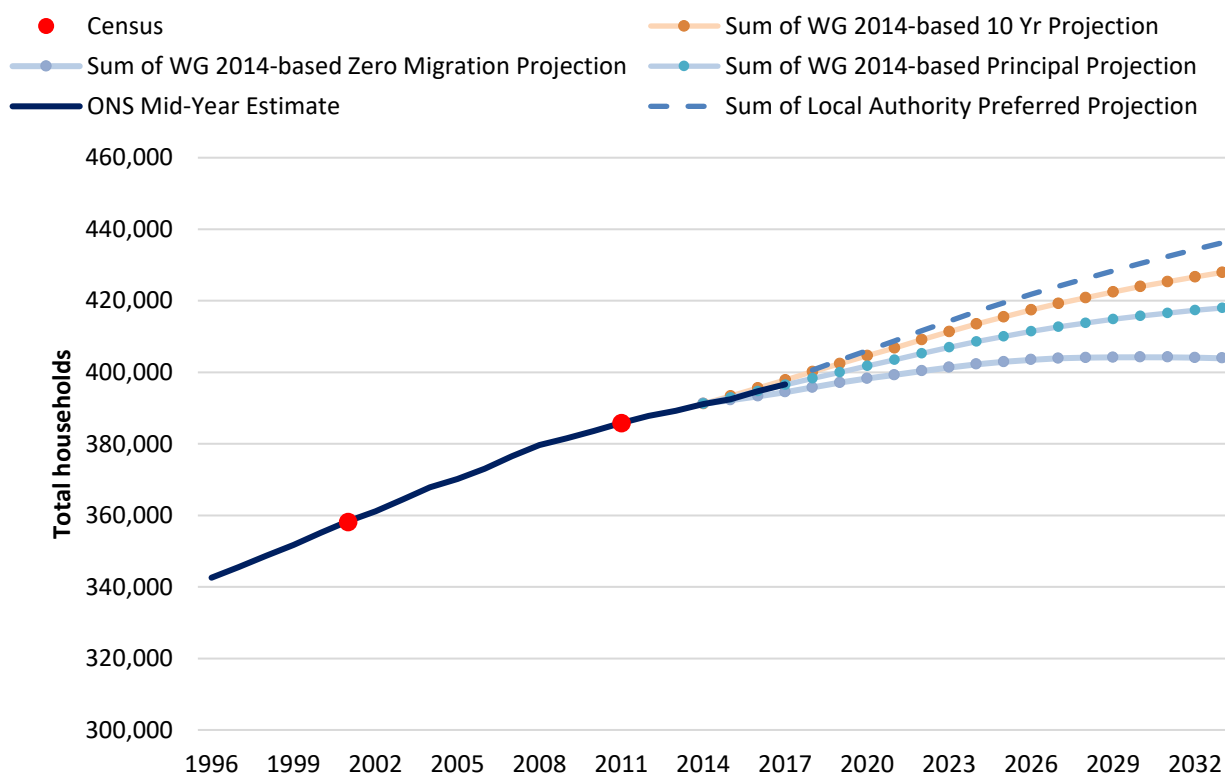
Figure 10: Mid and South West Wales: Average household size (Source: Welsh Government estimates and Local Authority Preferred Household Projections)



26. The trend shown in Figure 10 indicates that household sizes in Mid and South West Wales are getting smaller. A falling household size means that a given population will form into more households in the future.

27. The number of households into which the increasing population of Mid and South West Wales is projected to form is shown in Figure 11. Note that the “Sum of Local Authority Preferred Projection” line in Figure 11 excludes the Brecon Beacons National Park, to avoid double counting with Powys and Carmarthenshire.

Figure 11: Mid and South West Wales: Household Trends and Projections (Source: Welsh Government Estimates and Projections, Local Authority Preferred Household Projections, Census)



28. Figure 11 shows the number of households estimated by the Welsh Government/ONS (up to 2017) and the Mid and South West Wales aggregate preferred household projections up to 2033 (also see Figure 12). The projections suggest an increase in the number of households over the 15-year period 2018-2033 of almost 35,600 (Figure 12).

Figure 12: Mid and South West Wales: Projected Household Change 2018-2033 (Source: Mid and South West Wales Local Authorities' Preferred Household Projections)

	Total Households				Total change 2018-33
	2018	2023	2028	2033	
Preferred Projection	400,612	414,325	426,215	436,208	35,595

29. Figure 13 shows the outputs of the demographic modelling analysis undertaken for the housing assessment, which disaggregates the preferred household projection scenario into the individual local authorities.
30. Considering the households into which the population is projected to form, all local authorities apart from Powys show a net household increase. 42% of the total increase is projected to occur in Swansea, as a function of the previously noted increase in population.

Figure 13: Mid and South West Wales: Projected Household Change 2018-2033 by Local Authority (Source: Welsh Government, LA Preferred Projections, ORS Model.)

	Total Households				Total change 2018-33
	2018	2023	2028	2033	
Carmarthenshire	81,649	85,249	88,466	91,204	+9,555
Ceredigion	32,322	33,229	33,972	34,538	+2,216
Neath Port Talbot	61,753	62,868	63,809	64,395	+2,641
Pembrokeshire	55,697	57,869	60,041	62,213	+6,516
Powys	59,532	60,003	59,905	59,128	-404
Swansea	109,659	115,107	120,022	124,730	+15,071
TOTAL	400,612	414,325	426,215	436,208	35,595

Figure 14: National Park Disaggregation of Figure 13 - Projected Household Change 2018-2033 by Local Authority (Source: Welsh Government, LA Preferred Projections, ORS Model. Note: Brecon Beacons and Pembrokeshire Coast Park populations contain residents represented in other local authority totals.)

National Park Disaggregation	Total Households				Total change 2018-33
	2018	2023	2028	2033	
Pembrokeshire Inside National Park	10,517	10,737	10,957	11,177	+659
Pembrokeshire Outside Nat Park	45,179	47,132	49,084	51,036	+5,857
Carmarthenshire Inside National Park	676	843	967	1,030	+354
Carmarthenshire Outside National Park	80,973	84,406	87,499	90,174	+9,201
Powys Inside National Park	10,833	10,889	10,903	10,845	+12
Powys Outside National Park	48,699	49,114	49,002	48,283	-416
Total Brecon Beacons	15,178	15,496	15,651	15,629	+451

Housing Tenure

31. The study considered trends in tenure mix for Mid and South West Wales over the last thirty years and this shows some significant changes in the balance between owner occupiers and those renting (Figure 15, Figure 16 and Figure 17).
32. In the 1991 Census, students and schoolchildren were treated as usually resident at their 'home' or vacation address. In the 2001 Census students and schoolchildren in full-time education studying away from the family home were enumerated as resident at their term-time address. This contributed to a notable increase in the number of privately renting households in Swansea and Ceredigion between 1991 and 2001 (dashed lines in Figure 16 and Figure 17), as a result of the term-time renting student population being included in this group as of 2001.

Figure 15: Mid and South West Wales: Households by Tenure 1981-2011 (Source: UK Census of Population. Note: figures may not sum due to rounding.)

Tenure	Total Households				Net Change		
	1981	1991	2001	2011	1981-1991	1991-2001	2001-2011
Owner occupied	173,900	228,400	252,000	263,100	54,500	23,600	11,100
Private rent	29,900	26,100	43,200	60,000	-3,800	17,100	16,800
Social rent	84,900	66,600	62,900	62,800	-18,300	-3,700	-100
TOTAL	288,700	321,100	358,100	385,900	32,400	37,000	27,800
Owner occupied	60.24%	71.13%	70.37%	68.18%	10.89%	-0.76%	-2.19%
Private rent	10.36%	8.13%	12.06%	15.55%	-2.23%	3.94%	3.48%
Social rent	29.41%	20.74%	17.56%	16.27%	-8.67%	-3.18%	-1.29%

Figure 16: Mid and South West Wales: Number of Households by Tenure 1981-2011 (Source: UK Census of Population. Note: Dashed section denotes change in tenure definition.)

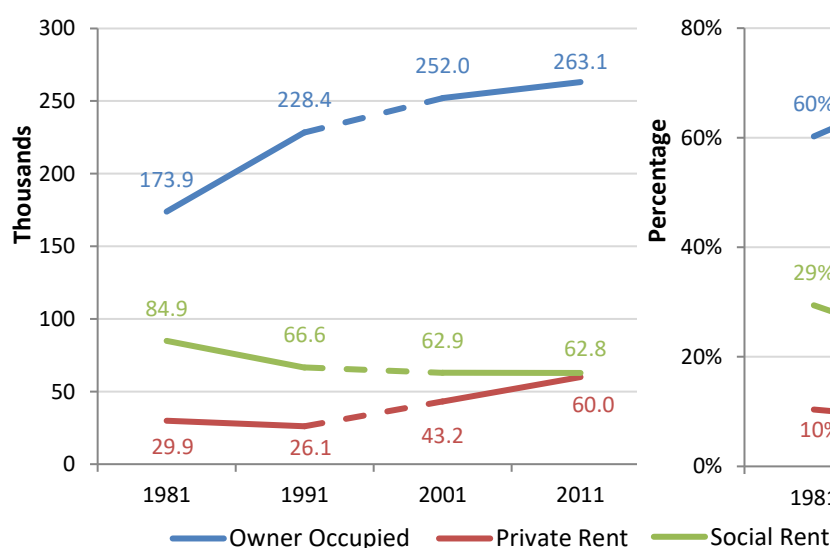
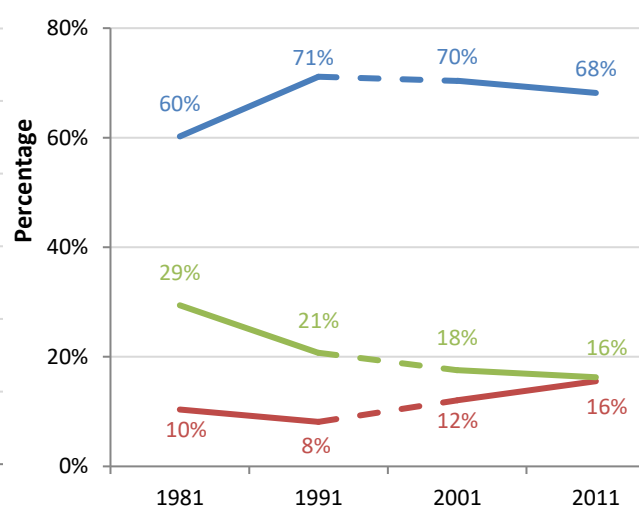


Figure 17: Mid and South West Wales: Percentage of Households by Tenure 1981-2011 (Source: UK Census of Population. Note: Dashed section denotes change in tenure definition.)

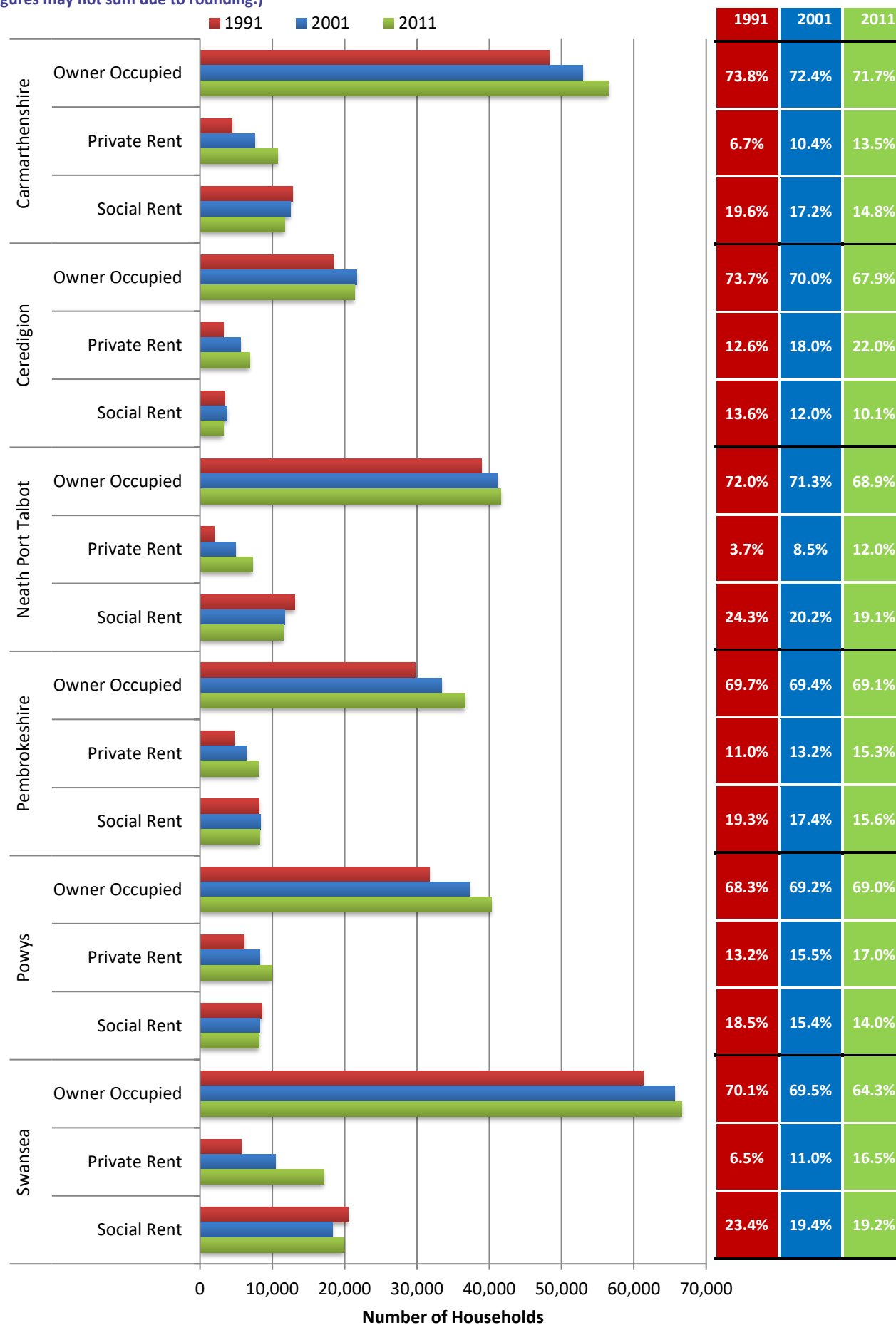


33. The tenure changes show:

- » From 1981-1991: the number of owner occupiers increased (from 173,900 to 228,400 households, a gain of 54,500). The number of social tenants reduced from 84,900 to 66,600 households (a loss of over 18,000) and the number of private tenants also reduced by almost 4,000. The reduction in social rent and corresponding increase in owner occupation over this period can be ascribed in part to the introduction of the right to buy scheme in 1980.
- » From 1991-2001: the number of owner occupiers continued to climb, increasing from 228,400 to 252,000 households, a gain of 23,600. This was alongside a growth of private tenants, increasing from 26,100 to 43,200 households, a gain of 17,100 (noting that a portion of this apparent growth is due to the reclassification of students, see paragraph 32). The number of social tenants reduced by 3,700.
- » From 2001-2011: the number of owner occupiers increased from 252,000 to 263,100 (an increase of 11,100 households) whilst the number of private tenants also increased (from 43,200 to 60,000 households, a gain of 16,800). The number of social tenants decreased by 100. It should be noted that the right to buy was abolished throughout Wales in 2019, and this is likely to lead to future increases in the social rented sector.

34. The change in relative tenure varies across Mid and South West Wales (Figure 18). In general, the largest proportional changes are in Swansea and Ceredigion, which reflects the increase in local student population, and the change in the manner of their recording between 1991 and 2001 (see paragraph 32).

Figure 18: Mid and South West Wales: Tenure by Local Authority (Source: Census 1991, Census 2001 and Census 2011. Note: figures may not sum due to rounding.)



Cost of Home Ownership

35. There is also some variance in house prices across Mid and South West Wales, as shown on the maps below, Figure 19 and Figure 20. House prices in the Crickhowell Border sub-area of Powys and the Gower sub-area of Swansea have house prices that are over 50% above the Mid and South West Wales average of £186,100². By contrast, prices are more than 50% below average in the Afan Valley sub-area of Neath Port Talbot. In all areas there has been a modest reduction in house prices in real terms over the last 10 years. The largest declines (over 20%) are in the Aberystwyth sub-area of Ceredigion, and the Neath Valley, Amman Valley, Pontardawe and Swansea Valley sub-areas of Neath Port Talbot. The largest increases (between 10 and 25%) were in the Afan Valley sub-area of Neath Port Talbot, and the Gower Fringe sub-area of Swansea.

Figure 19: Mid and South West Wales: sub-area House Prices Relative to M+SW Wales Average 2017-18 (Source: ONS House Price Data)

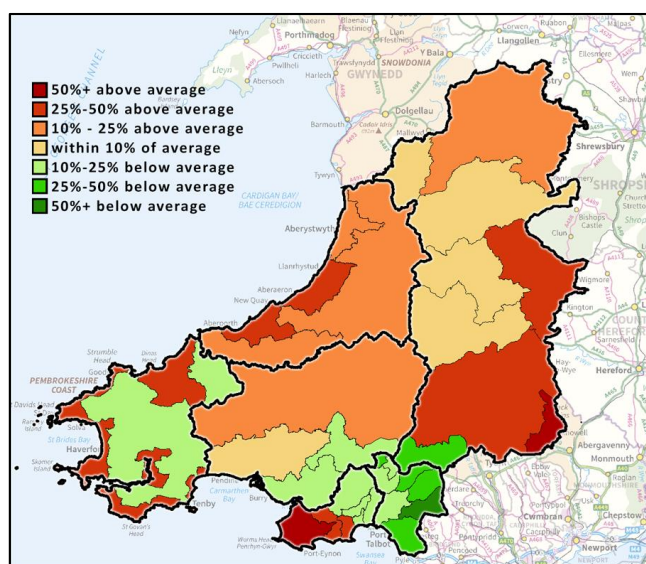
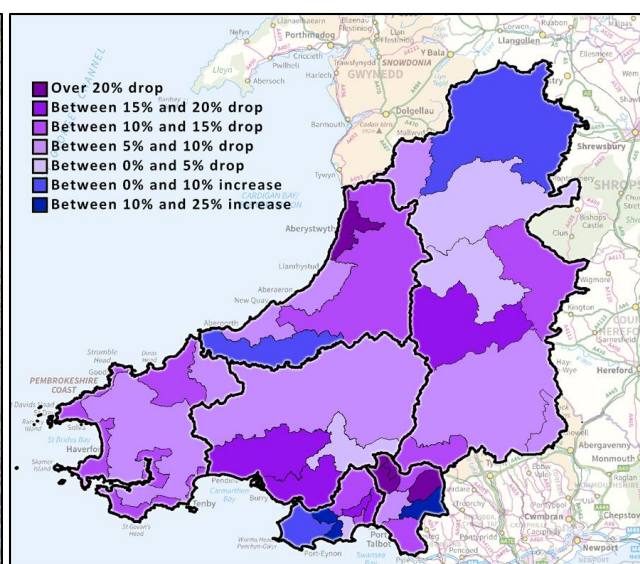


Figure 20: Mid and South West Wales: 10-year Change in sub-area House Prices 2008-2018 (Source: ONS House Price Data)



² This is a weighted value based on the number of transactions recorded by the land registry by sub-area 2017-18.

Assessing Housing Need

36. In 2006 Welsh Government published the detailed document “Welsh Assembly Government LHMA guidance” (Welsh Assembly Government 2006b). This outlined a methodology for ascertaining housing need which has since become known as “the bathtub model” after publication of “Getting Started With Your Local Housing Market Assessment: A Step by Step Guide” in November 2014. This document attempted to conceptually simplify the process by relating it to a bathtub, with newly arising need represented by water flowing from taps, water in the bath representing a backlog of need, and water flowing into the plughole as affordable housing supply. This methodology concentrated on the provision of affordable housing need. This will be referred to as the “Local Housing Market Assessment Model” (LHMA).
37. In November 2018, Welsh Government announced that it would be adapting the model developed by the Scottish Government to calculate housing need in the future, and since then has released regional data based on this model. This will be referred to below as the “Regional Model” (RM).
38. In August 2019, Welsh Government released the draft National Development framework. This sets out Welsh Government’s strategy for addressing key national priorities through the planning system, including estimates for additional homes needed in the Mid and South West Wales Region (WG National Development Framework 2020-2040 – Consultation draft Aug 2019, page 58):

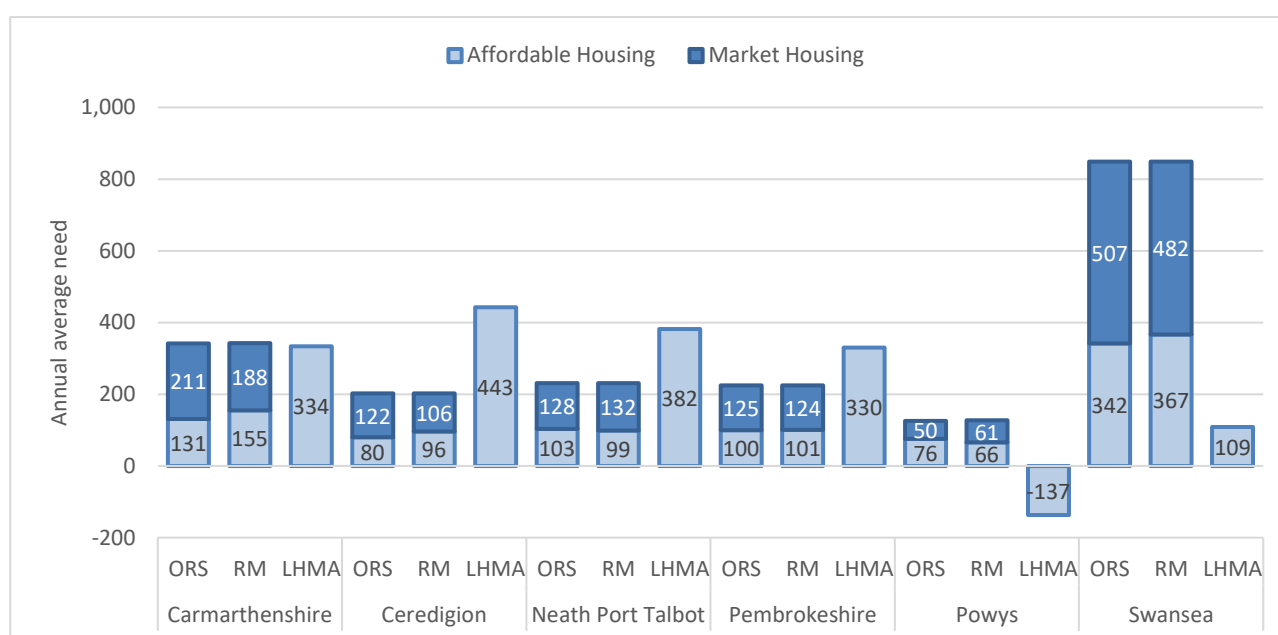
“Under the Welsh Government central estimates 23,400 additional homes are needed in the region until 2038 and over the initial five years (2018/19 to 2022/23) 44% of the additional homes needed should be affordable homes.

These estimates provide part of the evidence and context on which Housing Requirements for Strategic Development Plans can be based and should be considered at the regional scale.”

39. The ORS model is entirely comparable with these outputs, resulting in the same number of overall dwellings (when based on the same population/household projection, see below), and an affordable housing proportion of 42% 2018-33 (assuming all backlog met in first five years).
40. The ORS model is similar to the Regional Model; however, it differs primarily in that it takes a more nuanced approach to modelling income distributions by virtue of using housing benefit data from the Department of Work and Pensions alongside other data sources. This results in slightly different splits between market and affordable housing.
41. Housing benefit data from the Department for Work and Pensions (DWP) provides reliable, consistent and detailed information about the number of families that are unable to afford their housing costs in each local authority area. Data was published annually from 2001-02 to 2006-07 which identified the total number of claimants in receipt of housing benefit, and more in-depth information has been available since 2008-09 which includes more detailed information about claimants and the tenure of their home.

42. DWP data is supplemented by weighted data from custom census tables and other sources to establish the percentage of households in affordable housing and the private rented sector supported by housing benefit, by both household type and age group (e.g. the percentage of single person households aged 25-34 in receipt of housing benefit in the private rented sector or occupying affordable housing). These rates are then applied to each LPA's adopted household projections in stages to derive a robust estimate of the number of future households over the period that will fall into (and climb out of) affordable need.
43. A comparison of the outputs of all three models can be seen in Figure 21, illustrating the differences in market/affordable split in the Regional and ORS models, along with the comparable output from the bathtub model.
44. For ease of comparison, each bar in Figure 21 represents dwellings per annum based on the 5-year period 2018-23 as projected by the 2014 Welsh Government Principal Projection. Furthermore, for purposes of comparison only, the assumption is made that all outstanding backlog (see Figure 22) will be met in this 5-year period.
45. As a result of these simplifications for comparison purposes, it may be noted that the data in Figure 21 does not reflect the 2018-33 figures in the rest of this report, which incorporate the favoured projections of each Local Authority incorporating changes over a longer time frame, as set out in Figure 3. It may also be noted that the data in Figure 21 relates to annual household numbers, rather than dwelling numbers.

Figure 21: Mid and South West Wales: Household per annum comparison of models based on WG Principal Projection 2018-23, all backlog met in first five years (Source: WG, ORS)



46. The total number of dwellings required by the Regional Model and ORS Model are the same in each case due to their methodological similarities, with minor differences in the split between market and affordable housing need³. Both the Regional Model and ORS Model show significant differences with the Local Housing Market Assessment model, as a result of the LHMA's alternative methodology.

³ Note that "affordable housing need" reflects households that cannot afford to meet their needs in the market, i.e. cannot afford to buy or rent. This is separate from affordable housing demand, which incorporates affordable home ownership options which are often too expensive to be accessed by households in affordable housing need. This is discussed in detail in the section "Affordable Housing Need and Demand".

47. The LHMA “bathtub” model dealt entirely with affordable housing provision, hence the lack of dark blue sections to the LHMA bars in Figure 21. It should also be noted that a full calculation using the LHMA methodology is complex and requires more background information than was available (e.g. council held data, commercially available household income estimates at ward level) when collating Figure 21, therefore the LHMA bars should be considered indicative of the result of applying the full methodology.
48. The LHMA approach was very different to either the ORS or RM methodologies. For example, the supply input into the LHMA calculation was based on the number of relets within existing stock. This meant that a given property re-let three times in a year could then effectively account for the needs of three households. Due to this and other nuances, the methodology could give radically different answers to either the ORS or RM methodologies, as illustrated by the negative value for Powys, and the very high affordable needs it yields for Ceredigion, Neath Port Talbot and Pembrokeshire.
49. The assessment set out in the sections following is based on the ORS methodology applied consistently across all the local authorities comprising Mid and South West Wales; accommodating their preferred population projections in each case. Where such projections have been utilised, they in each case project an aspirationally higher overall population and thus household change than the Welsh Government principal projections (see para 15 and Figure 3). As a result, the overall regional total housing need derived in this document of 39,600 (rounded) dwellings over the period 2018-33 (an average of 2,640 dpa over the 15-year period) is meaningfully higher than the NDF’s 23,400 over the longer period 2018-38 (an average of 1,170 dpa over the 20-year period).

Existing Need (Backlog)

50. Certain types of household are not included within the projections. Homeless and concealed households increase the requirement for affordable homes, whilst overcrowded households in the private rented sector also require an affordable home. However, overcrowded households, if rehoused, will leave a market property for occupation by another household (Figure 22 and Figure 23).

Figure 22: Mid and South West Wales: Current Households Not Counted by the Household Projections (Source: StatsWales⁴, Census 2011. Note: figures may not sum due to rounding.)

	Concealed and Homeless Households	Overcrowded in market	Change in affordable households	Change in market households	Net Change to household projections
	(a)	(b)	c=(a)+(b)	(d)=(a)-(c)	(e)=(c)+(d)
Carmarthenshire	252	99	+351	-99	+252
Ceredigion	104	124	+228	-124	+104
Neath Port Talbot	201	51	+252	-51	+201
Pembrokeshire	140	91	+231	-91	+140
Powys	162	111	+271	-107	+164
Swansea	294	277	+571	-277	+294
TOTAL	1,153	753	+1,526	-371	+1,155

⁴ 2018-19 ending June 2019 - <https://statswales.gov.wales/Catalogue/Housing/Homelessness/Temporary-Accommodation/householdsaccommodatedtemporarily-by-accommodationtype-householdtype>

Figure 23: National Park Disaggregation of Figure 22 - Current Households Not Counted by the Household Projections (Source: StatsWales, Census 2011. Note: figures may not sum due to rounding. Brecon Beacons and Pembs Coast Park populations contain residents represented in other local authority totals.)

National Park Disaggregation	Concealed and Homeless Households	Overcrowded in market	Change in affordable households	Change in market households	Net Change to household projections
	(a)	(b)	c=(a)+(b)	(d)=(a)-(c)	(e)=(c)+(d)
Pembs Inside National Park	19	16	35	-16	+19
Pembs Outside Nat Park	121	75	196	-75	+121
Carms Inside National Park	0	1	1	-1	0
Carms Outside National Park	252	98	350	-98	+252
Powys Inside National Park	31	25	56	-25	+31
Powys Outside National Park	131	86	215	-82	+133
Total Brecon Beacons	41	29	70	-29	+41

51. Applying these modifications to the projected housing need results in the following market/affordable household split over the 2018-33 period (Figure 24 and Figure 25):

Figure 24: Mid and South West Wales: Housing Need by Tenure 2018-33 (Source: ORS model. Note: figures may not sum due to rounding. Negative numbers treated as zero in calculation of percentages)

	Households Requiring Market Housing				Households Requiring Affordable Housing				Total Net Change
	2018	2033	Net Change	% of Total	2018	2033	Net Change	% of Total	
Carmarthenshire	66,219	73,722	7,503	77%	15,430	17,734	2,304	23%	9,807
Ceredigion	27,492	29,152	1,659	72%	4,830	5,490	660	28%	2,319
Neath Port Talbot	46,396	48,259	1,863	66%	15,358	16,336	978	34%	2,841
Pembrokeshire	44,575	49,559	4,984	75%	11,121	12,794	1,672	25%	6,656
Powys	49,408	48,885	-520	-	10,124	10,404	280	100%	-240 (280)
Swansea	83,950	94,531	10,581	69%	25,708	30,492	4,784	31%	15,365
TOTAL	318,040	344,108	26,070	71%	82,571	93,250	10,678	29%	36,748

Figure 25: National Park Disaggregation of Figure 24 - Housing Need by Tenure 2018-33 (Source: ORS model. Note: figures may not sum due to rounding. Brecon Beacons and Pembs Coast Park populations contain residents represented in other local authority totals. Negative numbers treated as zero in calculation of percentages.)

National Park Disaggregation	Households Requiring Market Housing				Households Requiring Affordable Housing				Total Net Change
	2018	2033	Net Change	% of Total	2018	2033	Net Change	% of Total	
Pembs Inside National Park	9,005	9,538	533	79%	1,512	1,657	145	21%	678
Pembs Outside Nat Park	35,570	40,021	4,451	74%	9,609	11,136	1,527	26%	5,978
Carms Inside National Park	664	1,010	347	98%	12	20	7	2%	354
Carms Outside National Park	65,555	72,712	7,156	76%	15,418	17,714	2,297	24%	9,453
Powys Inside National Park	8,901	8,855	-46	-	1,932	2,021	90	100%	44 (90)
Powys Outside National Park	40,507	40,030	-474	-	8,192	8,383	190	100%	-284 (190)
Total Brecon Beacons	12,774	13,137	363	74%	2,404	2,533	128	26%	491

52. Given the above tenure split and the household sizes comprising these totals, the bedroom requirements of the households including this change can be derived (Figure 26 and Figure 27):

Figure 26: Mid and South West Wales: Changes in Bedroom Requirements by Tenure – Households 2018-33 (Source: Welsh Government, ORS Model. Note: figures may not sum due to rounding.)

	Households Requiring Housing				
	1-bedroom	2-bedroom	3-bedroom	4 + bedrooms	TOTAL
MARKET HOUSING					
Carmarthenshire	+270	+1,738	+4,125	+1,370	+7,503
Ceredigion	+137	+420	+682	+420	+1,659
Neath Port Talbot	+73	+524	+1,126	+141	+1,863
Pembrokeshire	+303	+1,405	+2,337	+938	+4,984
Powys	+77	+238	-311	-523	-520 (315)
Swansea	+909	+3,388	+4,883	+1,401	+10,581
TOTAL MARKET HOUSING	+1,769	+7,713	+12,842	+3,747	+26,070
AFFORDABLE HOUSING					
Carmarthenshire	+584	+960	+707	+53	+2,304
Ceredigion	+201	+257	+161	+42	+660
Neath Port Talbot	+364	+404	+198	+13	+978
Pembrokeshire	+548	+670	+404	+50	+1,672
Powys	+150	+188	-68	+11	+280 (349)
Swansea	+1,872	+1,915	+871	+126	+4,784
TOTAL AFFORDABLE HOUSING	+3,763	+4,358	+2,285	+272	+10,678

Figure 27: National Park Disaggregation of Figure 26 - Changes in Bedroom Requirements by Tenure – Households 2018-33
 (Source: Welsh Government, ORS Model. Note: figures may not sum due to rounding. Brecon Beacons and Pembrokeshire Coast Park populations contain residents represented in other local authority totals.)

National Park Disaggregation	Households Requiring Housing				
	1-bedroom	2-bedroom	3-bedroom	4 + bedrooms	TOTAL
MARKET HOUSING					
Pembrokeshire Inside National Park	+58	+195	+196	+85	+533
Pembrokeshire Outside Nat Park	+245	+1,211	+2,141	+854	+4,451
Carmarthenshire Inside National Park	+26	+76	+150	+95	+347
Carmarthenshire Outside National Park	+244	+1,662	+3,975	+1,275	+7,156
Powys Inside National Park	+8	+15	-8	-62	-46 (23)
Powys Outside National Park	+69	+223	-303	-461	-474 (292)
Total Brecon Beacons	+37	+123	+171	+33	+363
AFFORDABLE HOUSING					
Pembrokeshire Inside National Park	+73	+52	+17	+3	+145
Pembrokeshire Outside Nat Park	+476	+618	+387	+47	+1,527
Carmarthenshire Inside National Park	0	+3	+4	0	+7
Carmarthenshire Outside National Park	+584	+957	+703	+53	+2,297
Powys Inside National Park	+92	+38	-35	-5	+90 (130)
Powys Outside National Park	+102	+114	-21	-7	+190 (216)
Total Brecon Beacons	+117	+46	-30	-6	+128 (163)

53. At any given time, a certain percentage of dwellings in any given area are unoccupied, through being second homes, under renovation, recently vacated, long-term vacant etc. Census derived vacancy rates for each local authority area are as follows (Figure 28):

Figure 28: Mid and South West Wales: Census derived vacancy rates (Source: Census 2011.)

Local Authority	Vacancy Rate
Carmarthenshire	6.3%
Ceredigion	9.0%
Neath Port Talbot	5.7%
Pembrokeshire	12.5%
Powys	8.1%
Swansea	5.0%
Pembrokeshire National Park	27.7%
Brecon Beacons	8.7%

54. Through application of these rates⁵, the household need in Figure 26 can be converted into a number of dwellings. Note that the Brecon Beacons National Park vacancy rate was used to derive dwellings for the portion of households within the Brecon Beacons National Park, and the Pembrokeshire Coast National Park vacancy rate was used similarly for its residents. As a result, the total dwelling numbers for those authorities with areas within a national park are the result of the application of two vacancy rates: one for dwellings inside, and one for dwellings outside the national parks. The below (Figure 29 and Figure 30) reflects affordable dwellings required to meet affordable housing need only; and does not fully reflect total affordable demand (see section: Affordable Housing Need and Demand).

Figure 29: Mid and South West Wales: Changes in Bedroom Requirements by Tenure – Dwellings 2018-33 (Source: Welsh Government, ORS Model, Census. Numbers may not sum due to rounding. Note – %age calculation based on sum of positive components only, sums of positive components are in brackets.)

	Dwelling requirements					% Market/ Affordable per LA
	1- bedroom	2-bedroom	3-bedroom	4+ bedroom	TOTAL	
MARKET HOUSING						
Carmarthenshire	289	1,857	4,407	1,465	8,017	77%
Ceredigion	151	462	749	462	1,823	72%
Neath Port Talbot	77	556	1,194	150	1,976	66%
Pembrokeshire	360	1,654	2,718	1,094	5,824	75%
Powys	84	259	-338	-570	-566 (343)	48%
Swansea	957	3,566	5,140	1,475	11,138	69%
TOTAL MARKET HOUSING (Net)	1,918	8,354	14,208	4,644	29,124	72%
AFFORDABLE HOUSING						
Carmarthenshire	623	1,025	755	57	2,459	23%
Ceredigion	221	282	177	46	725	28%
Neath Port Talbot	386	428	210	14	1,037	34%
Pembrokeshire	645	778	466	58	1,946	25%
Powys	212	166	-61	-13	305 (378)	52%
Swansea	1,971	2,016	917	133	5,036	31%
TOTAL AFFORDABLE HOUSING (Net)	4,058	4,695	2,524	319	11,589	28%
TOTAL MARKET + AFFORDABLE						
Carmarthenshire	912	2,882	5,162	1,522	10,476	100%
Ceredigion	372	744	926	508	2,548	100%
Neath Port Talbot	463	984	1,404	164	3,013	100%
Pembrokeshire	1,005	2,432	3,184	1,152	7,770	100%
Powys	296	425	-399	-583	-261 (721)	100%
Swansea	2,928	5,582	6,057	1,608	16,174	100%
TOTAL HOUSING (Net)	5,976	13,049	16,732	4,963	40,713	100%

⁵ It may be noted that some LPAs have used alternative vacancy rates to inform their Local Development Plans. However, census-based vacancy rates have been used throughout this document for consistency and robustness.

Figure 30: National Park Disaggregation of Figure 29 - Changes in Bedroom Requirements by Tenure – Dwellings 2018-33
 (Source: Welsh Government, ORS Model, Census. Numbers may not sum due to rounding. Note – %age calculation based on sum of positive components only, sums of positive components are in brackets. Brecon Beacons and Pembs Coast Park populations contain residents represented in other local authority totals.)

National Park Disaggregation	Dwelling requirements					% by sub-area
	1-bedroom	2-bedroom	3-bedroom	4+ bedroom	TOTAL	
MARKET HOUSING						
Pembs Inside National Park	80	270	271	118	737	79%
Pembs Outside National Park	280	1,384	2,447	976	5,087	74%
Carms Inside National Park	28	83	164	104	380	98%
Carms Outside National Park	260	1,774	4,242	1,361	7,637	76%
Powys Inside National Park	9	16	-9	-68	-50 (25)	15%
Powys Outside National Park	75	243	-329	-502	-516 (318)	57%
Total Brecon Beacons	41	135	187	36	398	69%
AFFORDABLE HOUSING						
Pembs Inside National Park	101	72	24	4	201	21%
Pembs Outside National Park	544	706	442	54	1,745	26%
Carms Inside National Park	-	3	4	-	8	2%
Carms Outside National Park	623	1,021	750	57	2,451	24%
Powys Inside National Park	101	42	-38	-5	99 (142)	85%
Powys Outside National Park	111	124	-23	-8	207 (235)	43%
Total Brecon Beacons	128	50	-33	-7	140 (179)	31%
TOTAL MARKET + AFFORDABLE						
Pembs Inside National Park	181	342	295	122	938	100%
Pembs Outside National Park	824	2,090	2,889	1,030	6,832	100%
Carms Inside National Park	28	86	168	104	388	100%
Carms Outside National Park	883	2,795	4,992	1,418	10,088	100%
Powys Inside National Park	110	58	- 47	-73	48 (168)	100%
Powys Outside National Park	186	367	-352	-510	-309 (553)	100%
Total Brecon Beacons	169	185	154	29	537	100%

55. Considering Figure 29, it will be noted that certain areas have a seemingly negative overall housing need. This is a result of the underlying population projection indicating a decline in population in the area over the period 2018-33, a decline not wholly mitigated by the reduction of household size as is the case in some authorities. It may also be noted that high vacancy rates over 8% (Wales average is 6.0%) can indicate a prevalence of unoccupied properties such as holiday homes and similar.
56. However, this is a projection based on trends over the last 5 years, and as such the negative numbers should not be taken to indicate a need to actively reduce the numbers of properties of a given size (e.g. through demolition). It may be the case that policy intervention or other unforeseen factors in the future may lead to a different outcome than indicated by the projection: e.g. the surplus of dwellings of a given size and tenure may serve to reduce house prices and encourage inward migration, increasing the population.

57. Where there are negatives in larger properties but positives in smaller (i.e. 1 and 2-bed), the planning authority in question may choose to focus its planning on fulfilling that need with new development, or to supplement development through encouraging the repurposing of surplus larger properties.

Five-Year Periods

58. In March 2006, Welsh Government published “Local Housing Market Assessment Guide”, which details the methodology that authorities should use to establish need in their local housing markets. It contains a section on enumerating affordable need. This was subsequently supplemented by “Getting Started With Your Local Housing Market Assessment” in November 2014, which outlines a staged, quantitative approach to calculating housing need in detail. One key goal of this document was to introduce a consistency of approach across Wales.
59. The methodology as presented describes a five-year period, before being averaged out to annual figures. It implicitly assumes that any backlog of affordable need will be met within these five years. However, the 2006 guidance contains the following at paragraph 6.42:

6.42 In reality, levels of unmet need are unlikely to be reduced to zero given that people’s housing circumstances change, and there will always be households falling in and out of housing need. The quota should be based upon meeting need over a period of five years, or the relevant local development plan time period, whichever is the longer. It does not imply that any individual household has to wait for this period.

There may be merit in linking the quota to the remaining time period of the adopted housing policies or the likely time period of any forthcoming housing policies in development plans. It is not generally recommended to use a period of less than five years in which to meet all unmet current need. For the purposes of this assessment, it is necessary to decide the rate at which identified current need should be met. If a five-year period is used, this means that 20% of current unmet need should be addressed each year. However, this is a judgement which partnerships can make at the beginning of, or during, the assessment process.

Local Housing Market Assessment Guide – WAG 2006

60. The rate at which the current identified need (Figure 24) should be met is a judgement for the planning authority as part of their planning process. To assist in this judgement, the following tables sub-divide housing need over the 15 years of the plan period into three five-year periods (2018-23, 2023-28, 2028-33). In the first pair of table (Figure 31 – Local Authorities and Figure 32 – National Park disaggregation), the backlog present at the start of the period is spread over the full length of the plan. The second pair of tables (Figure 33 – Local Authorities and Figure 34 – National Park disaggregation) illustrates the impact of meeting the backlog of need over the first five years.
61. Note that although the backlog of need is in affordable housing, providing this housing will reduce the market housing requirement (see paragraph 50). As a result, the timetable for meeting the backlog of affordable need also impacts on the associated market requirement over each five-year period.

Figure 31: Mid and South West Wales: Housing need by tenure 2018-33 in five-year periods, backlog met over full 15 years
 (Source: ORS model. Note: figures may not sum due to rounding.)

Backlog Over 15 Years	Need for Market Dwellings							
	2018	Net Change 18-23	2023	Net Change 23-28	2028	Net Change 28-33	2033	Net Change 18-33
Carmarthenshire	70,690	3,050	73,740	2,711	76,451	2,256	78,707	8,017
Ceredigion	30,211	760	30,973	620	31,592	443	32,035	1,823
Neath Port Talbot	49,200	843	50,043	708	50,752	424	51,176	1,976
Pembrokeshire	53,106	1,933	55,040	1,946	56,985	1,945	58,931	5,824
Powys	53,826	353	54,179	-148	54,031	-774	53,257	-569
Swansea	88,368	4,086	92,455	3,651	96,106	3,401	99,506	11,138
TOTAL (Net)	345,403	11,026	356,430	9,487	365,918	7,695	373,612	28,208
Backlog Over 15 Years	Need for Affordable Dwellings							
	2018	Net Change 18-23	2023	Net Change 23-28	2028	Net Change 28-33	2033	Net Change 18-33
Carmarthenshire	16,522	887	17,409	816	18,225	758	18,983	2,461
Ceredigion	5,308	274	5,581	234	5,815	218	6,033	725
Neath Port Talbot	16,286	587	16,874	271	17,145	178	17,323	1,037
Pembrokeshire	13,073	658	13,731	645	14,376	643	15,019	1,946
Powys	11,016	220	11,236	101	11,337	-16	11,321	305
Swansea	27,061	1,752	28,813	1,625	30,438	1,659	32,097	5,036
TOTAL (Net)	89,266	4,378	93,644	3,693	97,337	3,439	100,776	11,510

Figure 32: National Park Disaggregation of Figure 31 - Housing need by tenure 2018-33 in five-year periods, backlog met over full 15 years (Source: ORS model. Note: figures may not sum due to rounding. Brecon Beacons and Pembrokeshire Coast Park populations contain residents represented in other local authority totals.)

Backlog Over 15 Years	Need for Market Dwellings							
	2018	Net Change 18-23	2023	Net Change 23-28	2028	Net Change 28-33	2033	Net Change 18-33
Pembrokeshire Inside National Park	12,455	248	12,703	246	12,949	243	13,192	737
Pembrokeshire Outside National Park	40,651	1,686	42,337	1,699	44,037	1,702	45,738	5,087
Carmarthen Inside National Park	727	179	906	134	1,039	67	1,106	379
Carmarthen Outside National Park	69,963	2,872	72,835	2,577	75,412	2,189	77,601	7,638
Powys Inside National Park	9,749	28	9,778	-9	9,769	-70	9,699	-50
Powys Outside National Park	44,077	324	44,402	-139	44,262	-704	43,558	-519
Total Brecon Beacons	13,991	294	14,285	139	14,424	-35	14,389	398
Backlog Over 15 Years	Need for Affordable Dwellings							
	2018	Net Change 18-23	2023	Net Change 23-28	2028	Net Change 28-33	2033	Net Change 18-33
Pembrokeshire Inside National Park	2,091	66	2,158	66	2,224	68	2,292	201
Pembrokeshire Outside National Park	10,982	592	11,574	578	12,152	575	12,727	1,745
Carmarthen Inside National Park	13	4	18	2	20	2	22	9
Carmarthen Outside National Park	16,455	882	17,336	813	18,149	756	18,905	2,450
Powys Inside National Park	2,116	45	2,161	35	2,196	18	2,214	97
Powys Outside National Park	8,914	175	9,089	66	9,156	-34	9,122	208
Total Brecon Beacons	2,633	69	2,702	46	2,748	26	2,774	141

Figure 33: Mid and South West Wales: Housing need by tenure 2018-33 in five-year periods, backlog met over initial five years
(Source: ORS model. Note: figures may not sum due to rounding.)

Backlog Over 5 Years	Need for Market Dwellings							
	2018	Net Change 18-23	2023	Net Change 23-28	2028	Net Change 28-33	2033	Net Change 18-33
Carmarthenshire	70,690	2,980	73,670	2,746	76,416	2,291	78,707	8,017
Ceredigion	30,211	670	30,881	666	31,547	488	32,035	1,823
Neath Port Talbot	49,200	807	50,006	726	50,734	442	51,176	1,976
Pembrokeshire	53,106	1,861	54,967	1,982	56,950	1,981	58,931	5,824
Powys	53,826	275	54,102	-110	53,992	-735	53,257	-569
Swansea	88,368	3,892	92,261	3,748	96,008	3,498	99,506	11,138
TOTAL (Net)	345,403	10,485	355,888	9,760	365,647	7,965	373,612	28,208
Backlog Over 5 Years	Need for Affordable Dwellings							
	2018	Net Change 18-23	2023	Net Change 23-28	2028	Net Change 28-33	2033	Net Change 18-33
Carmarthenshire	16,468	1,136	17,603	691	18,294	633	18,927	2,459
Ceredigion	5,308	441	5,748	151	5,899	134	6,033	725
Neath Port Talbot	16,286	587	16,874	271	17,145	178	17,323	1,037
Pembrokeshire	13,073	840	13,913	553	14,466	553	15,019	1,946
Powys	11,030	416	11,446	3	11,450	-114	11,335	305
Swansea	27,061	2,152	29,213	1,425	30,638	1,459	32,097	5,036
TOTAL (Net)	89,226	5,572	94,798	3,094	97,891	2,843	100,734	11,508

Figure 34: National Park Disaggregation of Figure 32 - Housing need by tenure 2018-33 in five-year periods, backlog met over initial five years (Source: ORS model. Note: figures may not sum due to rounding. Brecon Beacons and Pembs Coast Park populations contain residents represented in other local authority totals.)

Backlog Over 5 Years	Need for Market Dwellings							
	2018	Net Change 18-23	2023	Net Change 23-28	2028	Net Change 28-33	2033	Net Change 18-33
Pembs Inside National Park	12,455	232	12,687	254	12,942	250	13,192	737
Pembs Outside National Park	40,651	1,629	42,280	1,728	44,008	1,730	45,738	5,087
Carms Inside National Park	727	179	906	134	1,039	67	1,106	379
Carms Outside National Park	69,963	2,801	72,764	2,613	75,377	2,224	77,601	7,638
Powys Inside National Park	9,749	10	9,759	1	9,760	-61	9,699	-50
Powys Outside National Park	44,077	266	44,343	-111	44,232	-674	43,558	-519
Total Brecon Beacons	13,991	272	14,263	150	14,413	-24	14,389	398
Backlog Over 5 Years	Need for Affordable Dwellings							
	2018	Net Change 18-23	2023	Net Change 23-28	2028	Net Change 28-33	2033	Net Change 18-33
Pembs Inside National Park	2,091	98	2,189	50	2,239	53	2,292	201
Pembs Outside National Park	10,982	742	11,723	503	12,226	501	12,727	1,745
Carms Inside National Park	13	4	18	3	21	1	22	9
Carms Outside National Park	16,455	1,131	17,586	687	18,273	632	18,905	2,450
Powys Inside National Park	2,116	85	2,202	14	2,216	-2	2,214	97
Powys Outside National Park	8,914	331	9,245	-11	9,234	-112	9,122	208
Total Brecon Beacons	2,633	120	2,754	20	2,773	1	2,774	141

Intermediate Tenures

62. In 2006, Planning Policy Wales produced “Technical Advice Note 2: Planning and Affordable Housing. This discussed intermediate products, defining them in its glossary as follows:

***Intermediate housing** - where prices or rents are above those of social rented housing but below market housing prices or rents. This can include equity sharing schemes (for example Homebuy). Intermediate housing differs from low cost market housing, which the Assembly Government does not consider to be affordable housing for the purpose of the land use planning system.*

PPW TAN2 (2006) page 19

63. Welsh Government have approved several intermediate housing options for implementation by authorities. These include:
- » Shared Equity / Homebuy - a scheme that offers support to households by providing an equity loan, intended to help people who would otherwise need social housing. The loan can be repaid at any time, otherwise, when the property is sold, the sale price will be split according to the relevant percentages;
 - » Shared Ownership - Wales – a percentage share of a property is purchased, and rent is paid on the remaining share. The purchased percentage share will vary depending on property location, typically between 50-70% of a property, but can be as little as 25%;
 - » Discounted for Sale – The price is Open Market Value (OMV) discounted by a certain percentage, usually 30% below OMV. The purchaser only has to pay 70% of the property’s full value. The discounted percentage is applied to the OMV when sold and resold;
 - » Intermediate Rent - housing where the rent is above those of social rented housing but below market housing rents.
64. Each of these schemes have a variety of eligibility criteria (e.g. level of deposit, first time buyer status, housing benefit claimant status etc.) and modes of operation (interest on equity, size of loans etc.). Authorities can tailor the products provided to meet the needs of the locality⁶.
65. To assist in planning for intermediate products, income has been modelled for the net growth in households 2018-33 summarised in Figure 26. This income data can then be used to ascertain the projected ability of these households to meet the monthly cost of a given intermediate product. However, it should be noted that certain data is unavailable (e.g. levels of savings for deposit purposes) which means that scope for each product cannot be individually calculated. Rather, the following tables split market households and households in affordable need into groups dependent on their ability to meet typical monthly payments for a generic product.

⁶ The four options above meet the PPW TAN2 (2006) of affordable housing for the purpose of the land use planning system. However, there are other schemes extant, not in compliance with this definition, that nonetheless serve to make housing more affordable (i.e. forms of low-cost market housing, see quote above). These include: Rent First, Help to Buy and a recently announced Self Build scheme.

66. For modelling purposes: Intermediate rent is equivalent to 80% of market rent, and affordable home ownership corresponds to an example generic affordable home ownership product, in which the purchaser takes an 70% stake in the property, provides 5% of this 70% as a deposit, and the remaining 30% is an equity loan on a 1.75% interest basis from the 6th year onwards (note that this interest can be considered functionally equivalent for modelling purposes to rent paid on landlord-held equity in the case of shared ownership). The main mortgage is assumed to remain at a constant 4% over a 30-year term. This rate is typical of currently available affordable home ownership mortgage products.
67. The first group in Figure 35 are those in privately rented market housing (so can therefore afford more than intermediate rent by definition), with insufficient income to afford the example affordable home ownership product. To cater to the potential demand represented by this group, an alternative product would be required. To cater for the entirety of this group, an affordable home ownership product no more expensive than market rents would be necessary. Furthermore, an unknown portion of this group may prefer to rent rather than access affordable home ownership options.
68. The second group represents those in privately rented market housing who could afford to access the example affordable home ownership product; but would be unable to afford repayments on a standard market home. Although this group could afford the monthly cost of an affordable home ownership scheme, it is unclear what proportion would be able to provide sufficient deposit in the first instance. Furthermore, an unknown portion of this group may prefer to rent rather than access affordable home ownership options.
69. The third group are those in market rent that could afford to own in the market. The reason these households do not own may be varied, e.g. prefer to rent or insufficient deposit for purchase. Where there is insufficient deposit, a scheme such as Rent to Own Wales⁷ may be of interest to these households.
70. The fourth group constitute the remainder of those households projected to be able to purchase market properties.

⁷ Rent to Own Wales is a Welsh Government scheme to support buying a home for those who do not have sufficient funds for a mortgage deposit. A property is rented at market rent levels for five years, during which time a deposit is accrued, and the property can be purchased (if desired). If purchase takes place, 25% of the rent paid and 50% of any increase in property value are gifted towards the deposit.

Figure 35: Mid and South West Wales: Households projected to live in market properties subdivided by ability to access intermediate products. Affordable home ownership = 70% equity held, 5% (of the 70%) provided as deposit, 4% mortgage over 30 years with 1.75% interest on remaining 30% equity after first 5 years. (Source: ORS model. Note: figures may not sum due to rounding.)

MARKET 2018-33	Households Requiring Housing				
	1-bedroom	2-bedroom	3-bedroom	4+ bedroom	TOTAL
In Private Rent - Unable to afford "Affordable Home Ownership"					
Carmarthenshire	12	51	46	13	123
Ceredigion	16	24	21	8	69
Neath Port Talbot	21	21	14	1	58
Pembrokeshire	147	172	84	31	433
Powys	24	16	-19	-13	7 (40)
Swansea	216	143	86	66	510
TOTAL	436	426	232	106	1,201
In Private Rent but can afford "Affordable Home Ownership"					
Carmarthenshire	16	31	26	6	79
Ceredigion	15	13	8	3	40
Neath Port Talbot	5	12	5	1	23
Pembrokeshire	10	27	28	9	75
Powys	5	8	-8	-5	0 (13)
Swansea	75	76	35	22	209
TOTAL	128	168	95	34	425
In Private Rent and able to afford Market Home Ownership					
Carmarthenshire	127	265	261	49	702
Ceredigion	66	76	63	35	239
Neath Port Talbot	16	44	53	5	118
Pembrokeshire	20	98	72	13	202
Powys	19	26	-60	-32	-47 (45)
Swansea	279	626	360	208	1,474
TOTAL	527	1,135	748	279	2,688
Owned (with and without a mortgage)					
Carmarthenshire	115	1,390	3,792	1,302	6,599
Ceredigion	40	307	589	374	1,311
Neath Port Talbot	30	447	1,054	134	1,665
Pembrokeshire	126	1,108	2,153	886	4,273
Powys	29	189	-224	-473	-479 (218)
Swansea	339	2,543	4,402	1,105	8,388
TOTAL	679	5,984	11,767	3,328	21,757
TOTAL MARKET HOUSING	1,769	7,713	12,842	3,747	26,066

71. Figure 36 analyses those households projected to be in affordable housing need, based on similar income assumptions:
- » The first group are those that are projected to be unable to access any intermediate product;
 - » The second are those affordable households that are projected to have sufficient income to afford intermediate rent.

Figure 36: Mid and South West Wales: Households projected to live in affordable properties subdivided by ability to access intermediate products. (Source: ORS model, LA preferred Projections. Note: figures may not sum due to rounding.)

AFFORDABLE 2018-33	Households Requiring Housing				
	1-bedroom	2-bedroom	3-bedroom	4+ bedroom	TOTAL
Require Social housing (can't afford any intermediate product)					
Carmarthenshire	441	595	413	34	1,484
Ceredigion	158	167	98	27	449
Neath Port Talbot	276	249	115	9	649
Pembrokeshire	419	416	242	32	1,109
Powys	143	95	-32	-6	200 (238)
Swansea	1,502	1,236	515	84	3,336
TOTAL	2,938	2,758	1,351	179	7,227
Could afford Intermediate rent					
Carmarthenshire	143	364	293	19	819
Ceredigion	42	90	64	15	212
Neath Port Talbot	88	155	84	5	332
Pembrokeshire	130	254	163	17	564
Powys	52	58	-22	-3	83 (110)
Swansea	371	678	356	42	1,447
TOTAL	827	1,599	936	96	3,456
TOTAL AFFORDABLE	3,765	4,357	2,287	275	10,682

72. It is important to recognise that the existence of intermediate schemes does not necessarily mean that those eligible will access them. For example, some renting households that cannot afford market home ownership, but could afford affordable home ownership may be actively choosing to rent, and therefore may not be interested in an affordable home ownership product even if it were made available.
73. In the period 2014-19, less than 1,900 (Source: StatsWales⁸) help to buy completions occurred in Mid and South West Wales, of which approximately three-quarters were first-time buyers. If public awareness and trust of these schemes as an option were to increase, then it is likely that a larger proportion of eligible households would engage with them.

⁸ <https://statswales.gov.wales/Catalogue/Housing/Help-To-Buy/completedpurchases-by-la-date>

Affordable Housing Need and Demand

74. Within this document, the numbers of households projected to require affordable homes (summarised in Figure 24) has followed the definition of affordability given in Planning Policy Wales “Technical Advice Note 2” at paragraph 4.1:

4.1 The concept of affordability is generally defined as the ability of households or potential households to purchase or rent property that satisfies the needs of the household without subsidy (further guidance is provided in the Local Housing Market Assessment Guide). This could be based on an assessment of the ratio of household income or earnings to the price of property to buy or rent available in the open market in the required local housing market area. – Page 2

75. This definition means that a household can be considered in affordable housing need only if they cannot afford to buy or rent a suitable home in the market. However, there are households who can afford to rent a property on the open market (and are therefore not included in the definition of affordable housing need), who nonetheless cannot afford to buy a property (despite this being their aspiration), and would qualify for (and be able to afford) an intermediate affordable housing product to enable them to do so. This group are not in affordable housing need (since they can afford market rent); but represent a demand for intermediate products such as affordable home ownership.
76. At 5.1 (page 4) Technical Advice note 2 clearly states that intermediate products are considered affordable housing:

Affordable housing includes:

- *Social rented housing;*
- *Intermediate housing.*

77. Therefore, since intermediate products are considered affordable housing, and may not be affordable by those in affordable housing need, a distinction needs to be made between “affordable need” and “affordable demand”.
78. The Welsh Government produced “Local Housing Market Assessment Guide” (March 2006) makes clear the distinction between need and demand at 1.5:

1.5 In terms of defining ‘housing need’ and ‘demand’, this guide delineates ‘need’ as “households who are unable to access suitable housing without some financial assistance” and ‘demand’ as “the quantity of housing that households are willing and able to buy or rent” (see Appendix G for definitions). – Page 5

79. It goes on to provide the following definitions in Appendix G:

Housing demand is the quantity and type / quality of housing which households wish to buy or rent and are able to afford. It therefore takes account of preferences and ability to pay.

Housing need refers to households lacking their own housing or living in housing which is inadequate or unsuitable, who are unlikely to be able to meet their needs in the housing market without some assistance.

80. As such affordable housing demand would constitute affordable “*products which households wish to buy or rent and are able to afford.*” (subject to eligibility criteria); and could include the households represented in the second group of Figure 35, despite that group not meeting the definition of affordable need (by virtue of their being able to afford market rents).
81. Those in the first group of Figure 35 could also be considered to constitute affordable demand, however they would not be able to afford the example product discussed. This does not preclude authorities implementing different products which could meet this potential demand, given the range of schemes available as discussed in paragraph 63 above.
82. Disaggregating the first and second groups in Figure 35 from the overall market household growth summarised in Figure 24 results in the following Figure 37, which serves as an indication of potential affordable demand. Overall, there is projected to be a potential demand from 399 market households in the region for the products with similar monthly costs to the example product discussed above, and a maximal potential affordable demand from 1,523 market households for intermediate products with monthly costs beyond that of market rent. However, of that group, 1,124 would not be able to afford the example product. Provision of intermediate housing for this group would require a different, cheaper product; and accommodation of the entirety of this group would require a product with monthly costs no more than market rents.
83. There is a further potential demand from 3,456 affordable households for an intermediate product at or beyond 80% of market rents (e.g. intermediate rent).

Figure 37: Mid and South West Wales: Market and affordable household growth disaggregated into categories of potential affordable demand (Source: Figure 24 and Figure 35. Note: figures may not sum due to rounding. Numbers in brackets represent positive components only.)

	Households that can afford open market home ownership	Households forming Potential Affordable Demand 2018-33			
		Cannot afford market ownership, can afford example affordable ownership product	Cannot afford example affordable ownership product, can afford market rents	Households in affordable housing need 2018-33	
				Can afford Intermediate Rent	Require social housing, cannot afford intermediate rent
	Households not in affordable housing need 2018-33				
Carmarthenshire	7,301	79	123	819	1,484
Ceredigion	1,550	40	69	212	449
Neath Port Talbot	1,783	23	58	332	649
Pembrokeshire	4,475	75	433	564	1,109
Powys	-526 (263)	0 (13)	7 (40)	83 (110)	200 (238)
Swansea	9,862	209	510	1,447	3,336
TOTAL	24,445	426	1,200	3,456	7,227

84. As previously noted (para 68, para 72), the provision of affordable ownership products for households that could potentially take advantage of them does not necessarily guarantee that these households are willing to do so, so the above can be considered indicative of the upper end of a range.
85. National Park disaggregation of the above cannot be directly accomplished in the absence of robust income data by the individual sub-areas. However, if the assumption is made that the distribution of the above households between national park and non-national park areas of local authorities proportionally follows the disaggregation of market and affordable households previously presented in Figure 25, then the national park disaggregation of Figure 37 is possible (Figure 38):

Figure 38: Mid and South West Wales: National Park disaggregation of Figure 37 (Source: Figure 24 and Figure 36. Note: figures may not sum due to rounding. Numbers in brackets represent positive components only.)

		Households that can afford market home ownership	Households forming Potential Affordable Demand 2018-33			
			Cannot afford market ownership, can afford example affordable ownership product	Cannot afford example affordable ownership product, can afford market rents	Households in affordable housing need 2018-33	
					Can afford Intermediate Rent	Require social housing, cannot afford intermediate rent
		Households not in affordable housing need 2018-33				
Carms	Carms (Inside NP)	338	4	6	2	5
	Carms (Outside NP)	6,963	75	117	817	1,479
	Ceredigion	1,550	40	69	212	449
	Neath Port Talbot	1,783	23	58	332	649
Pembs	Pembs (Inside NP)	479	8	46	49	96
	Pembs (Outside NP)	3,996	67	387	515	1,013
Powys	Powys (Inside NP)	-47 (23)	0 (1)	1 (4)	27 (35)	64 (77)
	Powys (Outside NP)	-479 (240)	0 (12)	6 (36)	56 (75)	136 (162)
	Swansea	9,862	209	510	1,447	3,336
	TOTAL	24,445	426	1,200	3,456	7,227

86. This disaggregation allows for the application of the vacancy rates in Figure 28 to convert the above into dwelling numbers:

Figure 39: Mid and South West Wales: Market and affordable dwelling growth disaggregated into categories of potential affordable demand (Source: Figure 23, Figure 34, Census 2011, Figure 37. Note: figures may not sum due to rounding. Numbers in brackets represent positive components only.)

		Market Dwellings	Potential Demand for Affordable Dwellings 2018-33			
			Affordable home ownership	Dwellings for occupants who cannot afford example AHO product, e.g. market rent	Dwellings for Households in affordable housing need 2018-33	
					Intermediate Rent	Social Housing
		Dwellings for Households not in affordable housing need 2018-33				
Carms	Carms (Inside NP)	370	4	7	2	5
	Carms (Outside NP)	7,431	80	125	872	1,578
	Ceredigion	1,703	44	76	233	493
	Neath Port Talbot	1,891	24	62	352	688
Pembs	Pembs (Inside NP)	663	11	64	68	133
	Pembs (Outside NP)	4,567	77	442	588	1,158
Powys	Powys (Inside NP)	-51 (25)	0 (1)	1 (4)	29 (38)	70 (83)
	Powys (Outside NP)	-522 (261)	0 (13)	7 (40)	61 (81)	148 (176)
	Swansea	10,381	220	537	1,523	3,512
	TOTAL	26,433	460	1,321	3,729	7,786
	Carmarthenshire Total	7,801	84	132	874	1,583
	Pembrokeshire Total	5,230	88	506	656	1,291
	Powys Total	-573 (286)	0 (14)	8 (44)	90 (119)	218 (259)

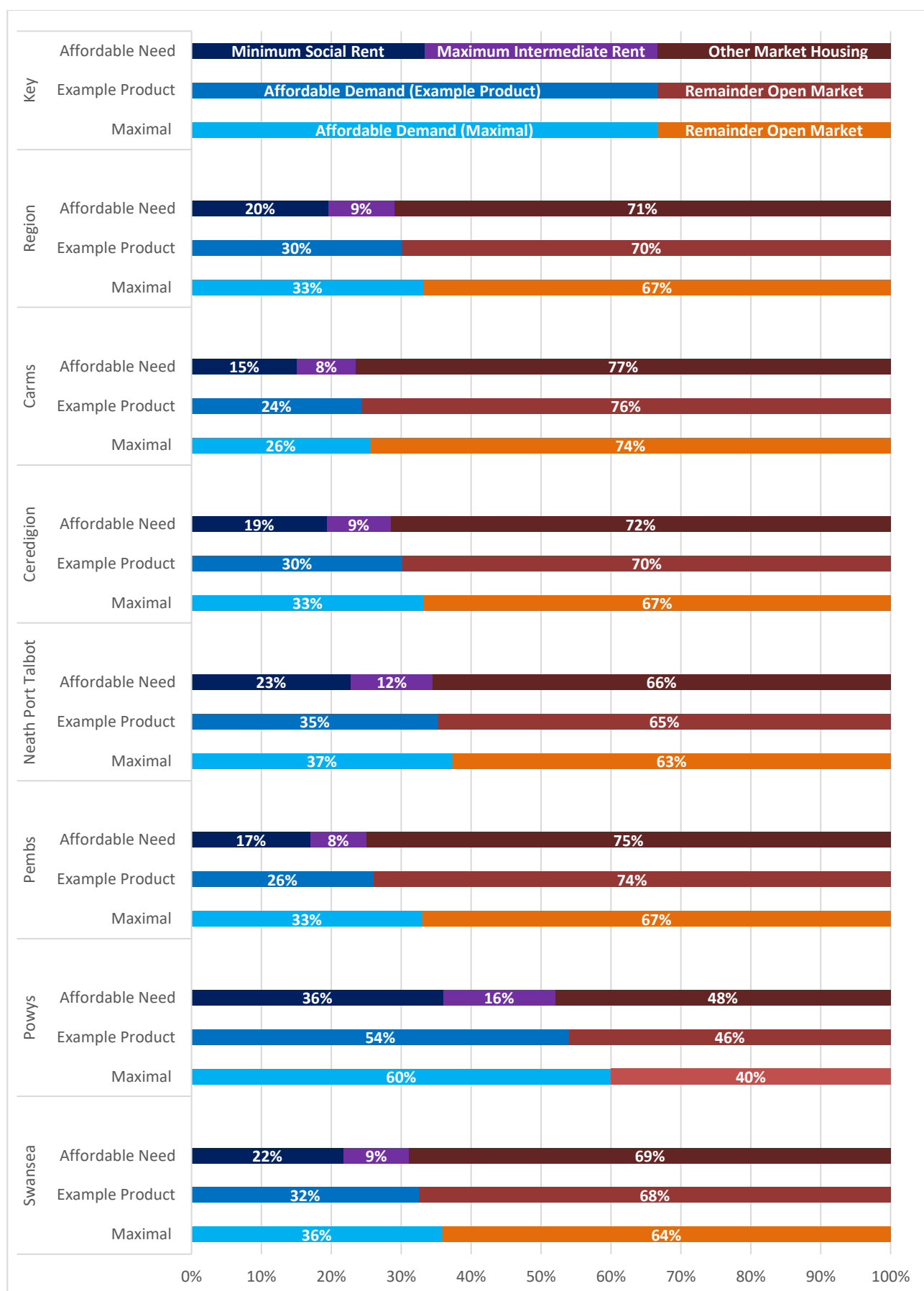
87. Of the dwellings enumerated above for those households not in affordable need, but that cannot afford to purchase a property on the open market, 74% (1,229 out of 1,659) of these dwellings would need to be priced at a level below the 70%/30% affordable ownership example product to be accessible to some of these households. For all of these households to be able to access affordable home ownership, a product would need to be introduced with monthly costs no more than market rents.
88. The analysis in Figure 39 takes no account of those that are choosing to rent (and would therefore not be interested in an affordable home ownership product even if offered), and as such represents the top end of a range. Figure 40 presents the above as percentages.

Figure 40: Mid and South West Wales: Market and affordable dwelling growth disaggregated into categories of potential affordable demand by percentage of total (Source: Figure 23, Figure 34, Census 2011, Figure 36. Note: figures may not sum due to rounding. Percentage calculations are based on positive components only.)

		Market Dwellings	Potential Demand for Affordable Dwellings 2018-33			
			Affordable home ownership	Dwellings for occupants who cannot afford example AHO product, e.g. market rent	Dwellings for Households in affordable housing need 2018-33	
					Intermediate Rent	Social Housing
Carms	Carms (Inside NP)	95%	1%	2%	1%	1%
	Carms (Outside NP)	74%	1%	1%	9%	16%
	Ceredigion	67%	2%	3%	9%	19%
	Neath Port Talbot	63%	1%	2%	12%	23%
Pembs	Pembs (Inside NP)	71%	1%	7%	7%	14%
	Pembs (Outside NP)	67%	1%	6%	9%	17%
Powys	Powys (Inside NP)	17%	>1%	3%	25%	55%
	Powys (Outside NP)	46%	2%	6%	14%	31%
	Swansea	64%	1%	3%	9%	22%
	TOTAL	67%	1%	3%	9%	20%
	Carmarthenshire Total	74%	1%	1%	8%	15%
	Pembrokeshire Total	67%	1%	7%	8%	17%
	Powys Total	40%	2%	6%	16%	36%

89. As Figure 40 represents the components of potential affordable demand; authorities can choose to reflect this demand in policy decisions, such as the amount of affordable housing developers should be required to provide, and in the setting of affordable housing targets in Development Plans. However, whilst the above may remain a key consideration, the setting of housing requirement targets in Development Plans can take into account a range of other local factors, including (but not limited to) a wider viability exercise.
90. Since affordable housing incorporates both social and intermediate tenures, the provision of affordable housing beyond the minimum required could both meet affordable needs and some portion of households who can meet their needs in the market (i.e. can afford market rents) but cannot afford market home ownership.
91. Using the regional totals as an example: the region would require a minimum of 29% of dwellings to be affordable to meet affordable needs (i.e. social, intermediate, or otherwise at prices below market rents). However, up to 9% of dwellings could be provided as intermediate rent (a portion of the 29%); and would remain accessible to households in affordable need. The remaining 20% (the remainder of the 29%) would be at social rent levels.
92. Provision of up to 4% of dwellings (1% + 3%) as affordable home ownership options could meet the potential affordable demand of those households that are not in affordable housing need; but are nonetheless unable to access market home ownership. This assumes a hypothetical product is made available which is no more expensive than market rents.

93. If the affordable home ownership product on offer were of a similar cost to the typical affordable home ownership products on offer currently (e.g. the example product used in the calculations), then up to 1% of dwellings could potentially be purchased by households that are able to afford the product in question, but are unable to purchase a dwelling on the open market.
94. Therefore, the total potential affordable demand across the region could be considered to be up to 33%, comprising:
- » 20% social housing;
 - » 9% intermediate rent;
 - » 3% an affordable homeownership product costing no more than market rents;
 - » 1% a shared equity/shared ownership product approximating the example product.
95. However, in the absence of affordable home ownership options that are more accessible than the 70%/30% example product previously discussed, affordable housing demand would instead be up to 30% (20%+9%+1%), as 3% of households are not in affordable need, and are projected to be unable to access the example product (e.g. this group may choose to occupy market rented properties until their financial circumstances change). The detailed analysis that follows (Figure 42 to Figure 47) is based on the future provision of products similar to those available at the time of writing (i.e. affordable demand of 30% regionally), and does not assume the future existence of a hypothetical product that can be afforded by all households not in affordable need (as would be necessary to increase demand to 33% regionally).
96. The range, accessibility and quantity of affordable products that should be provided, and therefore how much of the potential affordable demand should be met, is a policy decision for individual councils.
97. As previously noted, the provision of affordable ownership products for households that could afford to take advantage of them does not necessarily guarantee that these households are willing to do so, therefore the 33%/30% example above should be considered indicative of the upper end of a range. The minimum level of affordable housing provision in the region would be 29%, i.e. dwellings sufficient to meet the demand from households in affordable need.
98. Figure below illustrates this range for each local authority:
- » 1st bar represents the split required to meet affordable need with the maximum level of intermediate rent, and the minimum levels of social rent. No affordable home ownership option is included.
 - » 2nd bar represents the level of affordable demand if the affordable home ownership provision was of an equivalent cost to that of the example product, which is similar in cost to that provided in many local authorities currently. The affordable demand includes the social and intermediate rented dwellings from the first bar. This also assumes that those that can afford open market housing are ineligible for the affordable housing product, and that all households that are eligible for and can afford the product choose to access it.
 - » 3rd bar represents the level of affordable demand if an affordable home ownership product were provided that cost no more than market rents. This also assumes that those that can afford open market housing are ineligible for the affordable housing product, and that all households that are eligible for and can afford the product choose to access it.

Figure 41: Range of Affordable Housing Demand in Mid and West Wales. (Source: Figure 40)

99. The implied bedroom splits and components of total affordable demand can be established by application of the vacancy rates in Figure 28 to the households enumerated in Figure 35 and Figure 36. Aggregation of intermediate rent and affordable home ownership gives a total for intermediate housing, which can then be expressed as a percentage for each local authority (Figure 42 to Figure 47).
100. These figures represent total affordable demand assuming:
- » The affordable home ownership products that will be available 2018-33 are of a similar cost as those available currently (i.e. comparable to the example product)⁹;
 - » All those in affordable need that can afford intermediate rents occupy intermediate rented properties;
 - » All those that can afford open market purchase do so;
 - » All those that cannot afford open market purchase but can afford affordable home ownership choose to access the product.
101. This analysis meets the TAN2 definition of affordable demand (as quoted below para 7975) of “...demand is the quantity and type / quality of housing which households wish to buy or rent and are able to afford...”.

Figure 42: Carmarthenshire - Components of potential affordable demand 2018-33 by bedroom size. (Source: Figure 35, Figure 36, Census 2011. Note: figures may not sum due to rounding.)

Carmarthenshire	Other Market	Potential Demand for Affordable Dwellings 2018-33			Total
		Intermediate Dwellings		Social Rent	
		Affordable Home Ownership	Intermediate Rent		
1-bedroom	271	17	153	471	912
2-bedroom	1,823	33	389	635	2,880
3-bedroom	4,380	28	313	441	5,161
4+ bedroom	1,457	6	20	36	1,520
TOTAL	7,932	84	874	1,584	10,474
Intermediate Merged: Total	7,932	958		1,584	10,474
Intermediate Merged: %ages of Total	76%	9%		15%	100%
Affordable Demand: Social/Intermediate Split	-	38%		62%	-

⁹ The provision of more accessible (i.e. cheaper) products to households not in affordable need, could potentially increase demand further, up to the maximal levels shown in Figure 41.

Figure 43: Ceredigion - Components of potential affordable demand 2018-33 by bedroom size. (Source: Figure 34, Figure 35, Census 2011. Note: figures may not sum due to rounding.)

Ceredigion	Other Market	Potential Demand for Affordable Dwellings 2018-33			Total
		Intermediate Dwellings		Social Rent	
		Affordable Home Ownership	Intermediate Rent		
1-bedroom	134	16	46	174	370
2-bedroom	447	14	99	184	744
3-bedroom	740	9	70	108	926
4+ bedroom	458	3	16	30	508
TOTAL	1,779	44	233	493	2,549
Intermediate Merged: Total	1,779	277		493	2,549
Intermediate Merged: %ages of Total	70%	11%		19%	100%
Affordable Demand: Social/Intermediate Split	-	36%		64%	-

Figure 44: Neath Port Talbot - Components of potential affordable demand 2018-33 by bedroom size. (Source: Figure 34, Figure 35, Census 2011. Note: figures may not sum due to rounding.)

Neath Port Talbot	Other Market	Potential Demand for Affordable Dwellings 2018-33			Total
		Intermediate Dwellings		Social Rent	
		Affordable Home Ownership	Intermediate Rent		
1-bedroom	71	5	93	293	462
2-bedroom	543	13	164	264	984
3-bedroom	1,189	5	89	122	1,405
4+ bedroom	148	1	5	10	164
TOTAL	1,951	24	352	688	3,016
Intermediate Merged: Total	1,951	376		688	3,016
Intermediate Merged: %ages of Total	65%	12%		23%	100%
Affordable Demand: Social/Intermediate Split	-	35%		65%	-

Figure 45: Pembrokeshire - Components of potential affordable demand 2018-33 by bedroom size. (Source: Figure 34, Figure 35, Census 2011. Note: figures may not sum due to rounding.)

Pembrokeshire	Other Market	Potential Demand for Affordable Dwellings 2018-33			Total
		Intermediate Dwellings		Social Rent	
		Affordable Home Ownership	Intermediate Rent		
1-bedroom	342	12	151	488	993
2-bedroom	1,610	32	296	484	2,421
3-bedroom	2,697	33	190	282	3,201
4+ bedroom	1,087	11	20	37	1,154
TOTAL	5,735	87	656	1,291	7,771
Intermediate Merged: Total	5,735	744		1,291	7,771
Intermediate Merged: %ages of Total	74%	10%		17%	100%
Affordable Demand: Social/Intermediate Split	-	37%		63%	-

Figure 46: Powys - Components of potential affordable demand 2018-33 by bedroom size. (Source: Figure 34, Figure 35, Census 2011. Note: figures may not sum due to rounding. Percentage calculations are based on positive components only. Positive components are in brackets.)

Powys	Other Market	Potential Demand for Affordable Dwellings 2018-33			Total
		Intermediate Dwellings		Social Rent	
		Affordable Home Ownership	Intermediate Rent		
1-bedroom	78	5	57	156	296
2-bedroom	252	9	63	104	427
3-bedroom	-330	-9	-24	-35	-397
4+ bedroom	-564	-5	-3	-7	-579
TOTAL	-564 (330)	0 (14)	91 (120)	218 (260)	-255(723)
Intermediate Merged: Total	-564 (330)	91 (134)		218 (260)	-255(723)
Intermediate Merged: %ages of Total	46%	18%		36%	100%
Affordable Demand: Social/Intermediate Split	-	34%		66%	-

Figure 47: Swansea - Components of potential affordable demand 2018-33 by bedroom size. (Source: Figure 34, Figure 35, Census 2011. Note: figures may not sum due to rounding.)

Swansea	Other Market	Potential Demand for Affordable Dwellings 2018-33			Total
		Intermediate Dwellings		Social Rent	
		Affordable Home Ownership	Intermediate Rent		
1-bedroom	878	79	391	1,581	2,928
2-bedroom	3,486	80	714	1,301	5,581
3-bedroom	5,103	37	375	542	6,057
4+ bedroom	1,452	23	44	88	1,607
TOTAL	10,919	220	1,523	3,512	16,174
Intermediate Merged: Total	10,919	1,743		3,512	16,174
Intermediate Merged: %ages of Total	68%	11%		22%	100%
Affordable Demand: Social/Intermediate Split	-	33%		67%	-

- ¹⁰². The above tables enumerate the components of total housing (i.e. need and demand) for market, intermediate and social rented housing in Mid and West Wales based on a detailed objective analysis of the ability to afford of projected households in the 2018-33 housing market and represent robust evidence to inform the setting of affordable housing policy targets (see paragraph 89). In terms of the mix and size of dwellings, the tables provide evidence at a county and region wide level that can be used to inform the creation of sustainable balanced communities and should be used as a starting point for evidence, alongside the latest relevant local information such as the Council and Registered Social Landlord (RSL) waiting lists and any recently delivered affordable housing units within the area.

Housing needs of different groups

Considering the need for all types of housing

Housing for Older People

103. Britain's population is ageing, and people, as they age, can reasonably expect to live longer healthier lives than previous generations. Wales's older population is projected to grow to 982,000 by 2033¹⁰ for the over 60s, and from 292,000 (2018) to 400,000 by 2033 for the over 75s.
104. One key strategic issue to consider is how the forecast numbers of older people might translate into demand for specialist housing products, such as extra care or sheltered housing, and what the implications of any new supply (such as this) might have for existing provision.

Modelling Future Specialist Housing Need

105. The modelling of future specialist need for older people's housing products has been undertaken using the Housing Learning and Improvement Network (LIN)/SHOP prevalence rate model (Figure 48). This approach sets out the likely need for specialist products per 1,000 of forecast future population and is an accepted methodology endorsed by the Department of Health in England and the Welsh Government. Various types of specialist housing are considered, both to own and to rent.

Figure 48: Benchmark Figures for Specialist Older Person Housing (Source: Housing LIN/SHOP.)

Form of Provision	SHOP resource pack		
	Owned	Rented	TOTAL
Demand per 1,000 persons aged 75+			
Conventional Sheltered Housing to Rent	-	60	60
Extra care Housing (Assisted Living) ¹¹	30	15	45
Sheltered 'plus' or 'Enhanced' Sheltered ¹²	10	10	20
Housing-based Provision for Dementia	-	6	6
Leasehold Sheltered Housing (LSE) ¹³	120	-	120
TOTAL	160	91	251

¹⁰ <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/datasets/tablea25principalprojectionwalespopulationinagegroups>

¹¹ Extra care housing is primarily housing which has been designed, built or adapted to facilitate the care and support needs that its owners/tenants may have now or in the future, with access to care and support twenty-four hours a day either on site or by call.

¹² Provides residents with the independence of having their own front door and self-contained flat whilst also having access to some on-site support service. Most developments will have scheme manager and alarm systems in the property, there may also be some personal care and home help services that can be arranged by the management.

¹³ Leasehold Schemes for the Elderly (LSE) are purpose-built apartments, specifically designed to meet the needs of older people, and intended to provide the leaseholder with low-cost accommodation and an independent lifestyle.

106. Using these rates, population forecasts can be used to derive a gross need for future provision in five-year periods (Figure 49):

Figure 49: Mid and South West Wales: Modelled demand for specialist older person housing (Source Housing LIN/SHOP, preferred population projections. Note: figures may not sum due to rounding. Brecon Beacons and Pembrokeshire Coast populations contain residents represented in other local authority totals.)

	Carmar-thenshire	Ceredig-ion	Neath Port Talbot	Pembro-keshire	Powys	Swansea	TOTAL		Brecon Beacons	Pembs Coast
1) Population aged 75+										
2018	19,980	8,450	13,490	14,980	16,830	22,940	96,670		4,400	3,430
2023	24,580	10,280	15,940	18,660	20,560	26,910	116,930		5,510	4,230
2028	28,270	11,660	18,230	21,820	23,480	30,080	133,540		6,440	4,940
2033	31,570	12,620	20,150	24,520	25,530	31,460	145,850		7,130	5,510
2) Population aged 75+ 5 Year Changes										
2018-23	4,600	1,820	2,460	3,680	3,740	3,970	20,270		1,110	800
2023-28	3,680	1,380	2,290	3,160	2,920	3,170	16,590		930	710
2028-33	3,310	970	1,920	2,700	2,050	1,370	12,320		690	570
Change 2018-33	11,590	4,170	6,660	9,540	8,700	8,520	49,180		2,730	2,080
3) Population aged 75+: 5 Year Changes as percentage of Total Change 2018-33										
2018-23	40%	44%	37%	39%	43%	47%	41%		41%	41%
2023-28	32%	33%	34%	33%	34%	37%	34%		34%	34%
2028-33	29%	23%	29%	28%	24%	16%	25%		25%	25%
4) Additional Modelled Demand for Older Person Housing 2018-33										
Traditional sheltered	700	250	400	570	520	510	2,950		160	120
Extra care	Owned	350	130	200	290	260	1,480		80	60
	Rented	170	60	100	140	130	740		40	30
Sheltered 'plus' or 'Enhanced' Sheltered	Owned	120	40	70	100	90	490		30	20
	Rented	120	40	70	100	90	490		30	20
Dementia	70	30	40	60	50	50	300		20	10
Leasehold Sheltered Housing (LSE)	1,390	500	800	1,140	1,040	1,020	5,900		330	250
TOTAL	2,920	1,050	1,680	2,400	2,180	2,150	12,380		690	510
5) Application of 5-year percentage changes to Additional Modelled Demand for Older Person Housing 2018-33										
2018-23	1,160	460	620	930	940	1,000	5,100		280	210
2023-28	930	350	580	790	730	800	4,180		240	170
2028-33	830	240	480	680	510	350	3,100		170	130
TOTAL	2,920	1,050	1,680	2,400	2,180	2,150	12,380		690	510

¹⁰⁷. For clarity, the successive steps followed in the derivation of Figure 49 are as follows:

- » Section 1) Total projected growth in population aged 75+ in five-year periods, taken from LA preferred projections;
- » Section 2) Change in 75+ population over each five-year period in (1);
- » Section 3) The five-year changes in (2) represented as percentages of the total change in 75+ population over the 2018-33 period¹⁴;
- » Section 4) The total additional modelled demand for older person housing 2018-33 based on the application of the Housing LIN/SHOP demand benchmarks in Figure 48 to the total change in 75+ population 2018-33¹⁵;
- » Section 5) Application of the percentages in (3) to the total additional modelled demand 2018-33 in (4)¹⁶.

¹⁰⁸. The model identifies a gross need for 12,380 additional specialist homes for older people between 2018 and 2033. This total is split by planning authority and by 5-year band¹⁷ in Figure 49 above. However, current supply should also be evaluated to consider it in terms of its current condition, future life and investment requirements to establish if it remains viable.

¹⁰⁹. There may also be other un-assessed demand, unconsidered in the Housing LIN/SHOP model, from households who currently, or in the future, might require registered accommodation (care or nursing). For example, there is evidence to suggest that extra care can meet the needs of households currently living in such registered schemes.¹⁸ There is also the potential for demand from some households under the age of 75.

¹¹⁰. Further, it is important that the delivery of schemes for specialist older person housing is considered in partnership with other agencies, in particular those responsible for older person support needs and funding.

¹¹¹. It will also be important to consider other factors and constraints in the market:

- » **Demographics:** the changing health, longevity and aspirations of Older People mean people will live increasingly healthy longer lives and their future housing needs may be different from current or projected needs;
- » **New supply:** development viability of schemes, and the availability of revenue funding for care and support services, need to be carefully considered before commissioning any new scheme. It will also be important to determine the most appropriate types of specialist older person housing to be provided in the area;

¹⁴ e.g. 41% of the region's total increase in over 75s over the period 2018-33 is projected to occur in the first five years.

¹⁵ e.g. Sheltered = 60 per thousand [Figure 47]. Regional total change in 75+ = 49.18 thousand (from [2]). $60 \times 49.18 = 2,950$.

¹⁶ e.g. 41% of the additional modelled demand for the region 2018-33 is projected to occur in the first five years. 41% [from 3] of 12,380 [from 4] equals 5,100 regionally 2018-23).

¹⁷ Additional Modelled demand by 5-year band should be regarded as indicative due to rounding and potentially wide error margins at this level.

¹⁸ [http://www.housinglin.org.uk/library/Resources/Housing/Support materials/Other reports and guidance/HSU/Extra Care - The Financial Benefits.pdf](http://www.housinglin.org.uk/library/Resources/Housing/Support%20materials/Other%20reports%20and%20guidance/HSU/Extra%20Care%20-%20The%20Financial%20Benefits.pdf)

- » **Existing supply:** while there is considerable existing specialist supply, this may be either inappropriate for future households or may already be approaching the end of its life. Nevertheless, other forms of specialist older person housing may be more appropriate than conventional sheltered housing to rent when considering future needs;
- » **Other agencies:** any procurement of existing supply needs to be undertaken with other agencies who also plan for the future needs of Older People, particularly local authority Supporting People Teams and the Health Service; and
- » **National strategy and its implications for older people:** national strategy emphasises older people being able to remain in their own homes for as long as possible rather than specialist provision, so future need may, again, be overstated.

¹¹². Overall, the modelling of specialist housing for older people, and the demographic projection of an increasing older population, mean that there is potential demand for new and innovative specialist housing products in Mid and South West Wales.

Housing for People with Disabilities

113. Paragraph 4.2.11 of Planning Policy Wales (Edition 10, December 2018) identifies that local planning authorities should plan for households with specific needs. It states:

“Planning authorities should also identify where interventions may be required to deliver the housing supply, including for specific sites. There must be sufficient sites suitable for the full range of housing types to address the identified needs of communities, including the needs of older people and people with disabilities. In this respect, planning authorities should promote sustainable residential mixed tenure communities with ‘barrier free’ housing, for example built to Lifetime Homes standards to enable people to live independently and safely in their own homes for longer.” - Page 56

114. Therefore, Lifetime Homes standards are seen as the appropriate standard to meet disabled needs. Lifetime homes standards are incorporated into the Welsh Government Design Quality Requirements, which are the mandatory standard and guidance for new and rehabilitated housing in Wales using Welsh Government Subsidy.
115. Disabled Facilities Grants (DFG) are currently the main source by which existing properties can be converted in Wales (Wales Audit Office, 2018/Housing crisis paper). DFGs are normally provided by Councils and housing associations to adapt properties for individuals with health and/or mobility needs who are owner occupiers, or renting from a private landlord, housing association or council. Grants cover a range of works, ranging from major building works, major adaptations to the property and minor adaptations,
116. However, many existing dwellings are not suitable to be adapted or would require major works in order for them to be made fully suitable. As a result, adapting existing stock in Wales alone is unlikely to provide sufficient properties to meet the needs of a growing older population. Building of Lifetime Homes will therefore likely be a significant component in meeting the future housing requirements of those with disabled needs in Wales.
117. By projecting forward census prevalence data, supported by up-to-date information from the department of work and pensions, estimates of the numbers of households in 2018 with a long-term illness or disability that affects their housing needs can be modelled (Figure 50 and Figure 51):

Figure 50: Mid and South West Wales: Households with a long-term illness or disability that affects their housing needs (Source: ORS Housing Model, Census 2011, DWP¹⁹. Note: figures may not sum due to rounding. Brecon Beacons and Pembrokeshire Coast Park populations contain residents represented in other local authority totals.)

	Carmarthenshire	Ceredigion	Neath Port Talbot	Pembrokeshire	Powys	Swansea	TOTAL	Brecon Beacons NP	Pembrokeshire Coast NP
All Households 2018	81,649	32,322	61,753	55,697	59,532	109,659	400,612	15,178	10,517
Households with one or more persons with a limiting long-term illness or disability	33,539	12,114	27,859	23,426	20,721	44,036	161,695	5,331	4,316
Does not affect their housing need	23,113	8,294	19,284	16,097	14,078	30,262	111,128	3,628	2,995
Current home suitable for needs	8,703	3,200	7,090	6,105	5,578	11,414	42,090	1,430	1,104
Current home requires adaptation	885	321	756	629	548	1,198	4,337	141	114
Need to move to a more suitable home	838	298	729	595	518	1,163	4,141	133	104
Total households where a limiting long-term illness or disability affects their housing need in 2018:	10,426	3,820	8,575	7,329	6,644	13,774	50,568	1,704	1,321

Figure 51: Mid and South West Wales: Percentage of households with a long-term illness or disability that affects their housing needs (Source: ORS Housing Model, Census 2011, DWP. Note: figures may not sum due to rounding. Brecon Beacons and Pembrokeshire Coast Park populations contain residents represented in other local authority totals.)

	Carmarthenshire	Ceredigion	Neath Port Talbot	Pembrokeshire	Powys	Swansea	TOTAL	Brecon Beacons NP	Pembrokeshire Coast NP
%age of all Households with one or more persons with a limiting long-term illness or disability	41%	37%	45%	42%	35%	40%	40%	35%	41%
Does not affect their housing need	28%	26%	31%	29%	24%	28%	28%	24%	28%
Current home suitable for needs	11%	10%	11%	11%	9%	10%	11%	9%	10%
Current home requires adaptation	1%	1%	1%	1%	1%	1%	1%	1%	1%
Need to move to a more suitable home	1%	1%	1%	1%	1%	1%	1%	1%	1%
Total households where a limiting long-term illness or disability affects their housing need in 2018:	13%	12%	14%	13%	11%	13%	13%	11%	13%

¹⁹ DWP data in this section from: <https://stat-xplore.dwp.gov.uk/webapi/jsf/dataCatalogueExplorer.xhtml> – Data sets: Attendance Allowance (AA), Disability Living Allowance (DLA) and Personal Independence Payments (PIP)

118. Figure 50 identifies that there were around 162,000 households living in Mid and South West Wales in 2018 with one or more persons with a limiting long-term illness or disability. This included around 50,550 households in which health problems affected their housing needs, but the majority of these households (around 42,100) were already living in a suitable home. However, at the start of the period in 2018, it is estimated that there were around 4,400 households needed adaptations to their current home, and 4,100 households needed to move to a more suitable home due to a disability or another long-term health problem. These 4,100 households would represent an existing need for Lifetime Homes standard housing, however some of these households would require fully wheelchair adapted housing.
119. The identified need for around 4,100 adapted homes at the start of the period is based on households' current needs. However, the changing needs of occupants over time must also be considered, as the number of households with one or more persons with a limiting long-term illness or disability will increase as people age. Figure 52 (below) highlights that a further 21,500 households can be expected to contain members that develop health problems affecting their housing needs within 10 years. These households would also require adaptations to their current home or to move to a more suitable home.

Figure 52: Mid and South West Wales: Households with a long-term illness or disability with projection 2018-33 (Source: ORS Housing Model, Census 2011, DWP. Note: Figures may not sum due to rounding. Brecon Beacons and Pembs Coast Park populations contain residents represented in other local authority totals.)

	Carmarthenshire	Ceredigion	Neath Port Talbot	Pembrokeshire	Powys	Swansea	TOTAL		Brecon Beacons NP	Pembs Coast NP
Total households where a limiting long-term illness or disability affects their housing need in 2018 (Figure 50)	10,426	3,820	8,575	7,329	6,644	13,774	50,568		1,704	1,321
Existing households in 2018 likely to develop health problems that affect their housing need within 10 years	4,438	1,621	3,535	3,155	2,915	5,840	21,504		748	591
Additional households in 2033 projected to experience problems or likely to develop problems within 10 years	10,508	3,777	7,412	7,473	5,963	13,817	48,950		1,508	1,303
Total households in 2033 where illness or disability affects their housing need or will develop within 10 years	14,945	5,398	10,947	10,628	8,878	19,658	70,454		2,207	1,894

120. Further modelling of health needs (Figure 52) suggests that by 2033 there will be an additional 48,950 households either already experiencing health problems or likely to develop health problems within 10 years. Some of these will be new households, but many will be existing households resident in 2018 containing members whose health has deteriorated over the period to 2033.
121. Therefore, considering the needs of households resident at the start of the period together with the projected household growth and changing demographics (in particular the ageing population), there is

projected to be a total of 70,450 households either needing adaptations to their existing housing or suitable new housing to be provided. This is in addition to the 4,100 households needing to move and the 4,300 households needing adaptations based on their current health at the start of the period.

Figure 53: Mid and South West Wales: Households with a long-term illness or disability with projection 2018-33 and adaptable homes (Source: ORS Housing Model, Census 2011, DWP. Note: Figures may not sum due to rounding. Brecon Beacons and Pembrokeshire Coast Park populations contain residents represented in other local authority totals.)

	Carmarthenshire	Ceredigion	Neath Port Talbot	Pembrokeshire	Powys	Swansea	TOTAL		Brecon Beacons NP	Pembrokeshire Coast NP
Existing need in 2018										
Households where an existing illness or disability affects their housing need and need to move in 2018	838	298	729	595	518	1,163	4,141		133	104
Projected future need 2018-33										
Additional households in 2033 where illness or disability affects their housing need or will develop within 10 years	14,945	5,398	10,947	10,628	8,878	19,658	70,454		2,207	1,894
Maximum Need for adapted housing 2018-33 (households)	15,783	5,696	11,676	11,223	9,396	20,820	74,594		2,340	1,998
Less households in dwellings adaptable to wheelchair visitable standard	9,797	3,624	6,522	6,967	5,969	11,494	44,373		1,481	1,242
Minimum Need for adapted housing 2018-33 (households)	5,987	2,072	5,153	4,256	3,428	9,326	30,222		859	756

- ¹²². To provide Lifetime Homes for all of the identified need would require housing for up to 74,600²⁰ households to be provided (see Figure 53). However, not all households will want to move to new housing, as some will adapt their current homes and others will move to another dwelling in the existing stock. Discounting those households who live in homes adaptable to a wheelchair visitable standard as a proxy for the number of homes suitable for adaptation (in practice this will depend on how extensive those adaptations need to be), 30,200 will likely need to move to another dwelling.
- ¹²³. There is inevitably uncertainty about how many households will be able to meet their housing needs without moving and how many will move to existing homes rather than new housing, therefore these figures (30,200 to 74,600) can be considered a range.
- ¹²⁴. It is important to recognise that this would represent the combined need for both Lifetime Homes and fully wheelchair adapted housing; as households with a wheelchair user would be included within those households counted as having a health problem or disability that affects their housing need.

²⁰ It may be noted that these figures include the needs of both new and existing residents 2018-33, and therefore totals may be higher than the total dwelling requirement for new households summarised in Figure 29.

Housing for Wheelchair Users

125. Some households will inevitably be seeking a home that is already adapted appropriately for wheelchair living. On this basis, it is again important to consider the population projections and health demographics of the area, but with specific reference to households with wheelchair users.
126. Through combining the information on local rates with the national data, we can establish the proportion of households in mid and South West Wales likely to have a wheelchair user by the age of the household representative in both market housing and affordable housing. Figure 54 identifies the proportion of households in Mid and South West Wales with a wheelchair user currently living in market housing and affordable housing by age of household representative.

Figure 54: Mid and South West Wales: Percentage of households with a wheelchair user by type of housing and age of household representative (Source: ORS Housing model, DWP, Census 2011. Note: Brecon Beacons and Pembrokeshire Coast Park populations contain residents represented in other local authority totals.)

Housing Type	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Carmarthenshire								
Market housing	< 0.1%	0.4%	1.0%	1.6%	2.9%	3.8%	5.3%	7.3%
Affordable housing	0.3%	2.0%	3.0%	6.1%	6.0%	9.8%	11.3%	16.0%
Ceredigion								
Market housing	< 0.1%	0.5%	1.3%	2.1%	3.8%	4.8%	7.7%	16.4%
Affordable housing	0.3%	2.4%	3.8%	7.6%	7.3%	12.0%	15.6%	34.6%
Neath Port Talbot								
Market housing	< 0.1%	0.4%	1.0%	1.7%	3.1%	4.1%	5.9%	9.5%
Affordable housing	0.3%	2.1%	3.1%	6.3%	6.2%	10.4%	12.4%	20.5%
Pembrokeshire								
Market housing	< 0.1%	0.4%	1.1%	1.8%	3.1%	4.0%	5.8%	8.7%
Affordable housing	0.3%	2.1%	3.2%	6.5%	6.3%	10.4%	12.2%	18.9%
Powys								
Market housing	< 0.1%	0.4%	1.1%	1.7%	3.1%	3.9%	5.6%	7.9%
Affordable housing	0.3%	2.1%	3.2%	6.4%	6.2%	10.2%	11.8%	17.0%
Swansea								
Market housing	< 0.1%	0.4%	1.0%	1.6%	2.9%	3.7%	5.1%	6.7%
Affordable housing	0.3%	2.0%	2.9%	5.9%	5.9%	9.7%	11.0%	14.8%
Brecon Beacons NP								
Market housing	<0.1%	0.4%	1.1%	1.7%	3.1%	3.9%	5.5%	7.8%
Affordable housing	0.3%	2.1%	3.2%	6.4%	6.2%	10.1%	11.8%	16.9%
Pembrokeshire Coast NP								
Market housing	< 0.1%	0.4%	1.1%	1.8%	3.1%	4.0%	5.8%	8.7%
Affordable housing	0.3%	2.1%	3.2%	6.5%	6.3%	10.4%	12.2%	18.9%

127. Figure 55 shows the results of applying these rates to the population change 2018-33, identifying the net change in the number of households with a wheelchair user over the period. It is evident that the number of households likely to need wheelchair adapted housing in Mid and South West Wales is likely to increase by 1,410 over these 15 years.

Figure 55: Mid and South West Wales: Net change in the number of households with a wheelchair user by type of housing and 75 years of age threshold over the period 2018 to 2033 (Source: ORS Housing model, DWP, Census 2011. Note: Figures may not sum due to rounding. Brecon Beacons and Pembrokeshire Coast Park populations contain residents represented in other local authority totals.)

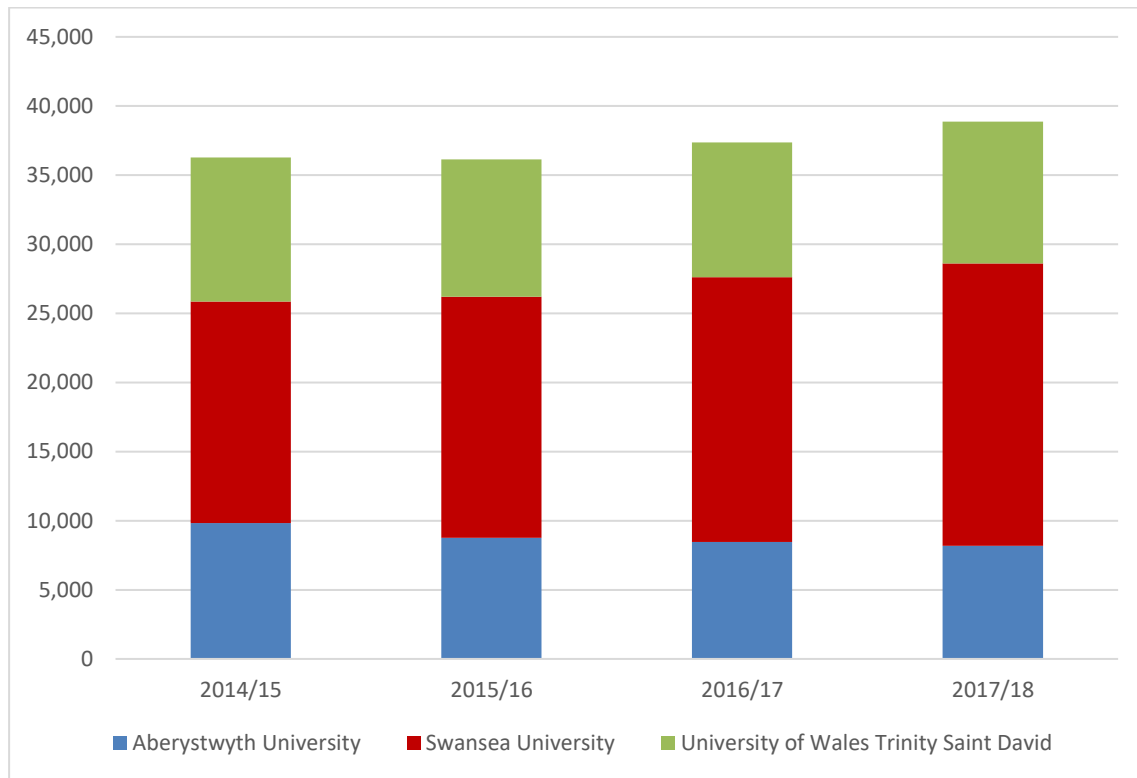
Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+			Overall change 2018-33
	2018	2033	Net change 2018-33	2018	2033	Net change 2018-33	
Carmarthenshire							
Market housing	1,190	1,320	130	680	760	80	210
Affordable housing	620	710	90	350	410	50	140
Ceredigion							
Market housing	660	700	40	550	590	30	70
Affordable housing	250	280	30	190	220	30	60
Neath Port Talbot							
Market housing	860	890	30	520	540	20	60
Affordable housing	670	710	40	320	340	20	60
Pembrokeshire							
Market housing	880	980	100	560	620	60	160
Affordable housing	490	560	70	220	250	30	110
Powys							
Market housing	970	960	-10	580	570	-10	-20
Affordable housing	430	450	10	270	270	10	20
Swansea							
Market housing	1,410	1,590	180	810	910	100	280
Affordable housing	1,030	1,230	190	390	460	70	260
Total	9,460	10,380	900	5,440	5,940	490	1,410
Brecon Beacons NP							
Market housing	190	190	10	110	110	0	10
Affordable housing	80	90	0	50	50	0	10
Pembrokeshire Coast NP							
Market housing	177	188	10	113	120	7	17
Affordable housing	67	73	6	30	33	3	9

128. However, it is important to recognise that much of the identified growth in households with wheelchair users (490 households, equivalent to 35%) are aged 75 or over, and it is likely that many of these households would also be identified as needing specialist housing for older persons. The earlier analysis identified a need for around 12,380 specialist older person housing units for households aged 75 or over in Mid and South West Wales. On this basis, it may be appropriate to adopt higher targets for specialist housing for older persons that is wheelchair accessible, and this could reduce the proportion of general needs housing that would need to meet the fully wheelchair adapted standard.

Students

- ¹²⁹. As of 2017/18, there were approximately 39,000 students studying in Mid and South West Wales, mainly enrolled at three Higher Education Providers (HEPs) (Figure 56):

Figure 56: Mid and South West Wales: Student numbers in Mid and South West Wales HEPs 2014-18 (Source: Higher Education Statistics Authority.)



- » Aberystwyth University had around 8,200 students in 2017/18. This number has declined somewhat over time, reducing from 9,800 in 2014.
 - » Swansea University had around 20,400 students enrolled in its two campuses (Singleton Park and Bay Campus) in 2017/18. This represents a growth of 4,400 (28%) from the 16,000 enrolled in 2014/15.
 - » University of Wales Trinity Saint David has several campuses in both Wales and England including Lampeter, Carmarthen, Swansea and London, with learning centres in Birmingham and Cardiff. Of the 10,300 students registered in 2017/18, a few hundred of these were based in Lampeter, with the majority of the remainder studying in Swansea. University of Wales Trinity Saint David student numbers have remained relatively constant, varying within 350 of 10,100 over the last four years.
- ¹³⁰. Many students in Lampeter live in University accommodation, and the remainder do not occupy a significant proportion of the Teifi Valley sub-area's private rented sector. The larger campuses in Aberystwyth and Swansea however have a meaningful impact on the local private rented housing market in some sub-areas (Figure 57 and Figure 58):

Figure 57: Council tax student exemptions in Swansea as a proportion of total households by sub-area (Source: Swansea Council.)

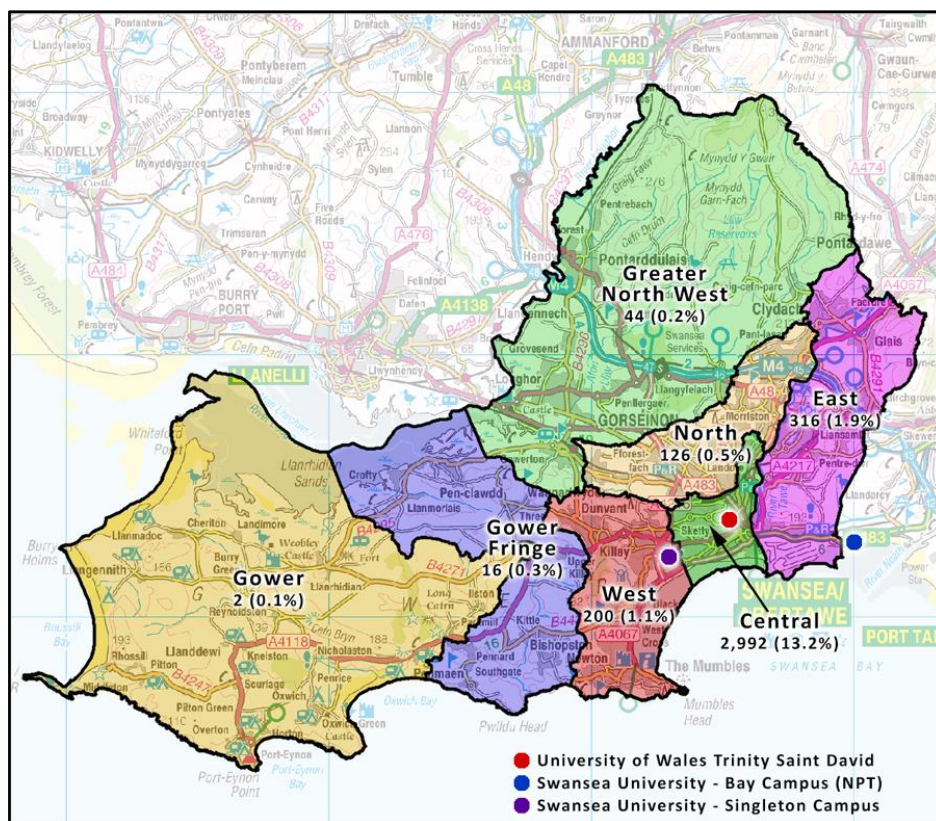
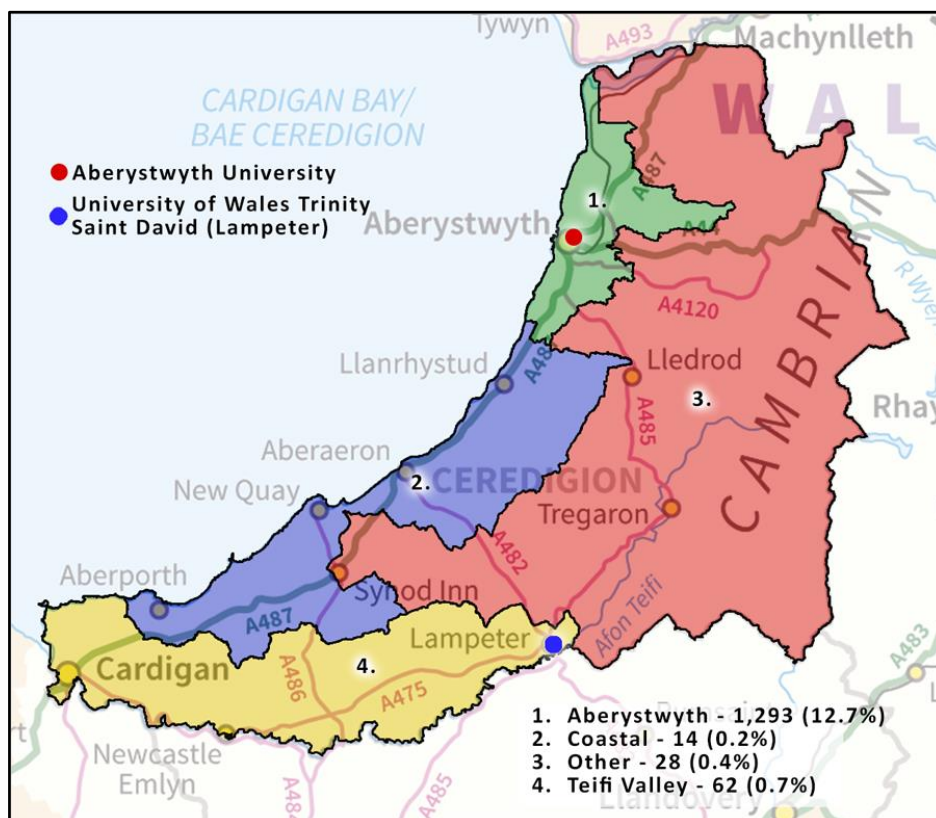


Figure 58: Council tax student exemptions in Ceredigion as a proportion of total households by sub-area (Source: Ceredigion Council.)



131. In Swansea, private rented sector properties occupied by students are principally in the Central sub-area, with almost 3,000 properties registered for council tax exemption as student dwellings. There are also 200 properties in the West sub-area, and more than 300 in East (of which 75% are located in the single ward of St. Thomas). Other parts of Swansea are not meaningfully affected by students, with student households making up less than 1% of the total households in the remaining sub-areas (Figure 57).
132. The Bay Campus of Swansea University is located across the boundary in the Neath sub-area of Neath Port Talbot, however data indicates that almost all student accommodation associated with the campus is located in Swansea. There is no indication at the time of writing that the Bay Campus meaningfully impacts the housing needs of Neath Port Talbot; as less than 0.5% of properties in the Neath sub-area are currently registered for council tax exemption as student dwellings. Future student-based development in the area may be kept under review.
133. In Ceredigion, private rented sector properties occupied by students are principally in the Aberystwyth sub-area, with almost 1,300 properties registered for council tax exemption as student dwellings as of 2018-19 (Source: Ceredigion Council). Other parts of Ceredigion are not meaningfully affected by students, with student households making up less than 1% of the total households in the remaining sub-areas (Figure 58).
134. Student growth/reduction in the private sector is inherently accounted for in the household projections. Any net increase/decrease in student numbers in the period 2018-33 is effectively treated as contributing to net migration (i.e. growth not due to births and deaths), and thus is projected forward across the plan period. As such, the assumption made is that higher education institutions will sustain the same rate of growth 2018-33 as was achieved in the prior decade.
135. The household projections do not assume any growth of students living in communal establishments after the base date of 2018, so any net increase in bedspaces provided in halls of residence (or other university accommodation) across the area would reduce the demand from student households. On this basis, local authorities will need to continue to count the supply of student bedspaces and consider the most appropriate way to do this as part of their overall housing monitoring.
136. When contacted, the Universities were unable to provide information on projected future student numbers or university accommodation bedspaces over the 2018-33 period.

Summary of Key Findings

137. There has been a consistent increase in owner occupation in two of the previous three intercensal decades (1981-91, 1991-01, 2001-11), although this proportionally decreased 2001-11. There has been a shift away from social rented housing to the private rented sector in the twenty years since 1991. The majority tenure is still owner occupation.
138. The population is projected to increase, and the age profile is likely to change with an increased number of older people (aged 65+) and a small increase in some younger age bands. As a result of this increasing population and the reducing average household size, the number of households is projected to increase.
139. There will likely be changes in the types of dwelling needed across all tenures, notably an increase in two and three-bedroom properties in market housing and one and two-bedroom properties in affordable tenures.
140. Overall projected dwelling requirements based on housing need for the period 2018-33 are summarised below in Figure 59 and Figure 60. It should nonetheless be noted that other factors will also need to be considered in the setting of housing requirements in future local plans (see paragraph 89).

Figure 59: Mid and South West Wales: Housing need by tenure 2018-33 (Source: ORS model. Note - Numbers may not sum due to rounding. %age calculation based on sum of positive components only, sums of positive components are in brackets.)

	Dwelling requirements			
	TOTAL	Percentage	TOTAL	Percentage
	MARKET		AFFORDABLE NEED	
Carmarthenshire	8,017	77%	2,459	23%
Ceredigion	1,823	72%	725	28%
Neath Port Talbot	1,976	66%	1,037	34%
Pembrokeshire	5,824	75%	1,946	25%
Powys	-566 (343)	48%	305 (378)	52%
Swansea	11,138	69%	5,036	31%
TOTAL (of Positives)	29,079	72%	11,589	28%

Figure 60: National Park Disaggregation of Figure 59 (Source – ORS Model. Note – Numbers may not sum due to rounding. %age calculation based on sum of positive components only, sums of positive components are in brackets. Brecon Beacons and Pembs Coast Park populations contain residents represented in other local authority totals.)

National Park Disaggregation	Dwelling requirements			
	TOTAL	Percentage	TOTAL	Percentage
MARKET HOUSING	MARKET		AFFORDABLE NEED	
Carms Inside National Park	380	98%	8	2%
Carms Outside National Park	7,637	76%	2,451	24%
Pembs Inside National Park	737	79%	201	21%
Pembs Outside National Park	5,087	74%	1,745	26%
Powys Inside National Park	-50 (30)	20%	99 (122)	80%
Powys Outside National Park	-516 (313)	55%	209 (257)	45%
Total Brecon Beacons	398	69%	140 (179)	31%

141. There is some scope for intermediate rent and affordable home ownership products across Mid and South West Wales. Meeting demand for intermediate products with monthly costs beyond that of market rents represents an increase in affordable housing provision, with a corresponding reduction in market.
142. Assuming that the accessibility of the offered affordable home ownership product(s) provided is similar to the example product used in the intermediate tenures section of this report, and that all that qualify take advantage of the scheme(s), then the resulting dwelling requirements are represented in Figure 61 below:

Figure 61: Summary of potential demand for intermediate tenures (Source – ORS Model. Note – Numbers may not sum due to rounding. %age calculation based on sum of positive components only, sums of positive components are in brackets.)

		Other Market Dwellings	Potential Demand for Affordable Dwellings 2018-33			Total	Percentage Splits	
			Intermediate Dwellings		Social Rent		Other Market %	Potential Affordable Demand %
			Affordable Home Ownership	Intermediate Rent				
Carms	Carms (Inside NP)	377	4	2	5	388	97%	3%
	Carms (Outside NP)	7,556	80	872	1,578	10,086	75%	25%
	Ceredigion	1,779	44	233	493	2,549	70%	30%
	Neath Port Talbot	1,953	24	352	688	3,017	65%	35%
Pembs	Pembs (Inside NP)	731	7	68	133	939	78%	22%
	Pembs (Outside NP)	5,035	50	588	1,158	6,831	74%	26%
Powys	Powys (Inside NP)	-50 (29)	0 (1)	29 (38)	70 (83)	49 (152)	15%	85%
	Powys (Outside NP)	-515 (301)	0 (13)	61 (81)	148 (176)	-306 (570)	50%	50%
	Swansea	10,918	220	1,523	3,512	16,173	68%	32%
	TOTAL	26,554	430	3,729	7,786	38,499	69%	31%
	Carms (Total)	7,932	84	874	1,584	10,474	76%	24%
	Pembs (Total)	5,767	57	656	1,291	7,771	74%	26%
	Powys (Total)	-564 (330)	0 (14)	91 (120)	218 (260)	-255 (723)	46%	54%

143. There is a significant projected need of 12,380 units of specialist older person housing 2018-33.
144. There are significant numbers of households projected to containing member(s) for whom an existing or future illness or disability does/will affect their housing need. The projection indicates a range of 30,200 to 74,500 such households.
145. There is a projected need for fully wheelchair adapted dwellings to accommodate approximately 1,400 households, however a proportion of these households may be occupying a specialist elderly housing provision.

Appendix 1

Local Population Characteristics

Figure 62: Mid and South West Wales: Census-based Demographic data (Source: Census 2011. Note: Brecon Beacons and Pembs Coast Park populations contain residents represented in other local authority totals. Figures may not sum due to rounding.)

Census 2011 data	Local Authority							
	Carmarthenshire	Ceredigion	Neath Port Talbot	Pembrokeshire	Powys	Swansea	Brecon Beacons	Pembs Coast
Households	78,829	31,562	60,393	53,122	58,345	103,497	14,579	10,277
Total Persons	183,777	75,922	139,812	122,439	132,976	239,023	33,344	22,644
Age range								
0-15	18.0%	14.8%	17.6%	18.0%	17.2%	17.3%	16.3%	15.1%
16-74	72.3%	75.6%	73.7%	71.9%	72.2%	74.0%	73.1%	72.5%
75+	9.7%	9.6%	8.7%	10.1%	10.5%	8.6%	10.6%	12.4%
Ethnicity								
White	98.1%	96.7%	98.1%	98.1%	98.4%	94.0%	97.0%	98.4%
Non-White	1.9%	3.3%	1.9%	1.9%	1.6%	6.0%	3.0%	1.6%
General health								
Bad or very bad health	8.1%	6.0%	10.2%	6.5%	5.7%	7.8%	6.1%	6.4%
Limiting long term illness	25.4%	21.1%	28.0%	22.5%	21.4%	23.3%	21.5%	22.8%
Household composition								
Single person (incl 65+)	30.2%	33.1%	30.2%	30.9%	31.5%	33.3%	31.3%	33%
Couple without children	18.0%	17.9%	16.8%	18.3%	19.6%	15.6%	19.0%	19.6%
Couple living with children	24.8%	21.5%	26.6%	23.6%	23.7%	23.4%	23.5%	20.0%
Lone parent	11.3%	7.9%	12.2%	11.0%	9.0%	11.7%	9.2%	9.1%
Aged 65+	25.0%	26.2%	22.9%	26.3%	27.3%	22.4%	27.7%	30.6%
Full time students	0.1%	2.8%	0.0%	0.0%	0.0%	1.7%	0.0%	0.0%
Household Occupancy								
Main residence %	93.7%	91.0%	94.3%	87.5%	91.9%	95.0%	91.3%	72.3%
No usual resident %	6.3%	9.0%	5.7%	12.5%	8.1%	5.0%	8.7%	27.7%

Figure 63: Mid and South West Wales: 2018-based Property Demographic and Affordability Data (Source VoA, ONS. Note – Data unavailable at NP level.)

	Local Authority					
	Carmarthen-shire	Ceredigion	Neath Port Talbot	Pembroke-shire	Powys	Swansea
Property Type						
Bungalow	17.3%	22.7%	7.5%	25.7%	17.8%	8.4%
Detached	25.6%	30.6%	14.7%	23.1%	32.8%	16.4%
Semi-detached	27.8%	16.6%	38.3%	18.5%	19.9%	29.1%
Terraced	21.2%	16.6%	28.1%	20.4%	20.4%	28.5%
Flat/Maisonette	8.1%	13.4%	11.4%	12.3%	9.1%	17.6%
Economic Status						
Employee	60.1%	51.8%	63.1%	58.1%	57.3%	59.6%
Self-employed	10.6%	14.9%	7.4%	13.9%	18.8%	7.6%
Looking for work	16.6%	14.8%	20.9%	24.8%	18.9%	19.1%
Retired from paid work	21.7%	15.8%	15.4%	19.5%	16.1%	10.3%
Looking after home	15.0%	10.5%	21.8%	25.7%	17.4%	19.1%
Long-term illness	32.3%	15.9%	37.4%	30.5%	22.1%	23.5%
Full time education	19.9%	47.8%	14.2%	13.5%	24.4%	37.0%
Qualifications (aged 16-64)						
NVQ4 And Above	35.5%	35.1%	29.2%	34.8%	35.3%	35.5%
NVQ3 And Above	52.8%	60.8%	48.5%	53.9%	56.1%	58.5%
NVQ2 And Above	73.7%	78.7%	72.2%	74.8%	73.9%	76.5%
NVQ1 And Above	85.4%	86.9%	84.7%	86.0%	85.4%	85.1%
Other Qualifications	6.0%	6.8%	4.4%	5.2%	8.1%	5.6%
No Qualifications	8.6%	6.3%	11.0%	8.8%	6.5%	9.4%
Median Affordability						
Average House Price	£136,000	£178,500	£115,000	£170,000	£180,000	£142,000
Avg Workplace-based Income	£25,500	£24,964	£31,987	£23,731	£24,048	£25,895
Affordability Ratio	5.33	7.15	3.60	7.16	7.49	5.48
Lower Quartile Affordability						
Average House Price	£100,000	£138,000	£82,000	£124,995	£130,000	£107,000
Avg Workplace-based Income	£19,935	£18,209	£20,617	£17,842	£18,648	£19,858
Affordability Ratio	5.02	7.58	3.98	7.01	6.97	5.39

Appendix 2

Stakeholder Engagement

As part of the necessary stakeholder engagement, the following organisations were contacted by each authority, with a request for any information or particular issues that they wished to be taken into consideration in the preparation of this evidence:

Mid and South West Wales

CIH Cymru;

Community Housing Cymru.

Brecon Beacons

Community Councils;

Local Ward Members;

All Authority Members.

Carmarthenshire

Pobl Group;

Family Housing Association (Wales) Ltd.;

Bro Myrddin Housing Association;

Wales and West Housing Association;

Ateb Group;

Coastal Housing Group.

Ceredigion

Instead of writing to the parties, the Ceredigion Strategic Housing Partnership instead chose to consider it at a meeting attended by stakeholders, in which results from the study were presented and attendees were invited to comment. The relevant extract of the meeting minutes is available on request. The event was attended by the following participants:

Cllr Dafydd Edwards (CHAIR)	Cabinet Member for Highways and Environmental Services together with Housing
Gaynor Toft	Corporate Manager – Housing, CCC
Llyr Edwards	Director of Property Services, Tai Ceredigion
Eleri Jenkins	Director of Housing & Support, Tai Ceredigion
Keith Henson	Rural Housing Enabler, Tai Ceredigion
Steve Jones	Chief Executive, Tai Ceredigion
Scott Lawrence	Opinion Research Services
Anjuli Davies	Planning Policy Officer, CCC
Caitlin Theodorou	Research and Performance Officer, CCC
Rob Starr	Performance and Research Manager, CCC
Glenda Bowen	Housing Manager, WWHA
Sian Howells	Director of New Business, MWWHA
Guy Evans	Chief Executive, Care Society
Cerys Purches-Phillips	Housing Strategy & Monitoring Officer, CCC
Carol Martin	Senior Homelessness Options & Strategy Officer, CCC
Llyr Hughes	Housing Options Manager, CCC

Neath Port Talbot

Tai Tarian;

Wales NHS;

Family Housing Association Wales;

Newydd Housing Association;

Linc Cymru;

Coastal Housing;

Pobl group;

The Home Builders Federation (HBF) [single communication on behalf of the region].

The HBF responded to the request with the following:

“There are a number of examples of LHMA’s which are very focused on affordable housing and give little or no regard to how the private sector both for sale and rent play a part in the housing market. This is an issue I have raised with WG in the past and they always say that the WG guidance does suggest that the private sector should be considered. The reason why this wider view of the housing market is important is that LHMA’s have been used to influence planning policies which apply to all forms of new housing not just affordable.”

Pembrokeshire

Members of Pembrokeshire’s Affordable Housing Working Group;

Cabinet Member for Housing;

Wales & West Housing Association;

Ateb (formerly Pembrokeshire Housing Association);

Director of Social Care & Housing.

Powys

All members of Powys county council;

Cllr James Evans;

PCC Head of Housing and Community Development;

PCC Housing and Housing Strategy Officers;

PCC Head of Commissioning;

PCC Regeneration Manager;

PCC Economic Development Officer;

Brecon Beacons National Park Planning Policy;

Care and Repair Powys;

Clwyd Alyn;

First Choice Housing Association;

Grwp Cynefin;

Gwalia;

Melin Homes;

Mid Wales Housing Association;

Newydd;

Pennaf;

Wales and West Housing Association;

Hughes Architects;

PAR Homes.

Swansea

Pobl Group;

Coastal Housing;

Family Housing Association Wales;

First Choice Housing Association;

Swansea University;

University of Wales Trinity St David's;

Swansea Private Sector Housing Landlord Forum;

The following representatives from the NHS: Chief Executive, Head of Public Health, Head of Primary Care, Assistant Director of Strategy & Partnerships, Planning and Partnerships Manager for Abertawe Bro Morgannwg University, Chair of Homeless and Vulnerable Groups Health Action Plans, Mental Health & Learning Disabilities Delivery Unit;

West Glamorgan Partnership;

Swansea Public Service Board;

Supporting People & Homelessness Forum Members (support & accommodation providers, such as Wallich, Crisis, SYSHP, Caer Las);

Supporting People Regional Collaborative Committee;

ADAPT (organisation to assist the disabled in finding suitably adapted accommodation);

Chinese In Wales;

Ethnic Minorities and Youth Support Team;

African Community Centre;

Swansea Bay Racial Equality Council;

Muslim Engagement & Development;

Race Council Cymru;

Welsh Refugee Council;

Shelter;

Citizens Advice Bureau;

Swansea Council for Voluntary Services;

Swansea Cabinet Member for Housing;

All Swansea Heads of Service;

Swansea Housing Managers;

Live Well Age well – Older Peoples Strategy;

Housebuilders contacted by Swansea

Barratt Homes;

Bellway Homes Limited (Wales);

Clews Homes;

Edenstone Homes;

Enzo Homes;

Liberty;

Morganstone Ltd.;

Persimmon Homes West Wales;

Redrow - South Wales Division;

Llanmoor Homes;

Agents contacted by Swansea

Alder King LLP;

Asbri Planning;

Barton Willmore;

CDN Planning (Wales) Ltd.;

Geraint John Planning;

Knight Frank;

Lichfields;

RPS Planning & Development;

WYG;

JCR Planning.

Appendix 3

Consultation Responses

Summary of Responses received to Consultation Drafts of the “Housing Market Evidence for: Mid and South West Wales 2019” with associated replies.²¹

Summary of responses received:

Response from	Comment	Reply
Welsh Government	<p>Thank you for the opportunity to comment on a final draft of the Mid and South West Wales Housing Market Assessment (LHMA). The Welsh Government is supportive of authorities working collaboratively across administrative boundaries to better utilise resources and make cost savings.</p> <p>The Development Plans Manual (DPM) (Edition 3) highlights the significance and importance of the LHMA to inform the plans strategy and growth levels. Table 14 in the Manual sets out the key outputs from the LHMA including the level of affordable housing need identified on an annual basis and extrapolated over the plan period and setting this need out spatially by area, ward or sub-area. The LHMA should also identify the tenure of housing need including social rent and intermediate and house type by bedroom.</p> <p>Your draft Housing Market Assessment sets out the level of market and affordable housing need for each authority area (in Figures 31-34) as well as the tenure split and house type by bedroom (in Figures 42-47). The Welsh Government supports the principle of this approach in line with requirements in the DPM.</p> <p>To assist, we have the following, more general, observations on the assessment:</p>	

²¹ Authority specific responses and replies can be found in accompanying sub-area reports (published separately, see foreword).

Response from	Comment	Reply
Welsh Government – cont	<p>The assessment predicates future housing need over the period 2018-2033 based on population and household change set out by each authority in their adopted / replacement LDP. The findings of the assessment relating to market and affordable housing need is set out in Figures 31-34. These figures would benefit from further clarification, especially for Powys with a need for - 569 market and 305 affordable dwellings up to 2033.</p> <p>The approach undertaken by ORS to identify Powys' and other authorities housing need would benefit from further explanation as we are unclear on the approach utilised in the assessment which seems to identify housing need as a proportion of the LDPs population and housing growth?</p>	<p>The overall negative numbers for Powys are as a result of the 2014-based household projections showing a reduction in the number of households in Powys 2018-33. The implications of negative change are discussed in paragraphs 55-57. Clarifications/justifications from authorities that have chosen to use alternative projections to WG-2014 are given in the accompanying sub-area reports, published separately. Market/affordable split is discussed below. - ORS</p> <p>Noted – para 42 has been added giving more detail on the working of the model, with a minor amendment to para 40 (addition of the words “alongside other data sources”). Contextual discussion of the alignment of results of the ORS model with the WG preferred methodology can be found in paragraphs 36-49.</p> <p>Additional para 42 reads:</p> <p>“42. DWP data is supplemented by weighted data from custom census tables and other sources to establish the percentage of households in affordable housing and the private rented sector supported by housing benefit, by both household type and age group (e.g. the percentage of single person households aged 25-34 in receipt of housing benefit in the private rented sector or occupying affordable housing). These rates are then applied to each LPA's adopted household projections in stages to derive a robust estimate of the number of future households over the period that will fall into (and climb out of) affordable need.” -ORS</p>

Response from	Comment	Reply
Welsh Government – cont	<p>This should be explained in the context of the Welsh Governments preferred methodology (guidance dated November 2014) and how it aligns to figures in the adopted plans.</p> <p>For example, Powys' LDP has an affordable housing need currently five times greater (at 1,530 units) than the level set out in the assessment (at 305 units) for just over 8-years remaining of the plan period (2018-2026). How is this difference explained and how can there be no need / a decline in the demand for market housing?</p>	<p>Meaningful comparison/alignment of LDP figures with those in the current document is difficult and potentially counterproductive given that the data informing the LDP figures had been superseded multiple times, (as has the data informing the underlying evidence) in some cases leading to radical differences (e.g. Powys – see below). – ORS</p> <p>To address the example given, the 1,530 affordable units figure in Powys is based on an LHMA update that cited 153 units per year (see para 3.3.18 of “Powys Local Development Plan 2011 –2026 Written Statement Adopted April 2018”). This figure was derived from the LHMA (Local Housing Market Assessment Update 2014 [pub 2015]).</p> <p>In the table at the bottom of page 2, the LHMA states a need for 153 affordable dwellings per year²², over the years 2011-2016. 2018-26 is not covered by the assessment, although the LDP assumes that the need will continue at the same level. This is informed by (amongst other things) committed supply 2012-14, existing social rented stock from Dec 2012 (table 38), social lets 2009-12 (para 7.2), backlog of social rented housing 2012 (table 34), 2011 based household projections (table 26) etc. This is all data that has been superseded multiple times.</p> <p>The affordable housing assessment informing the LDP is for the years 2011-2016 (whereas this document covers 2018-33) and is based on what is now outdated information, hence the need for this document to be commissioned.</p>

²² Note that this 153 per annum is specifically for the area of Powys that excludes BBNP, whereas the 305 units in the current study covers all of Powys. It is important to compare like with like to avoid confusion.

Response from	Comment	Reply
Welsh Government – cont		<p>The differences between this document and previous affordable housing evidence that informed LDPs can therefore be attributed to the vintage of the data utilised, and the alternative methodology (see discussion in paragraphs 36-49).</p> <p>Regarding market housing in Powys, the LDP utilises 2011 WG household projections to derive a projected household increase in Powys of 4,600 households 2011-26 (Table H1 of the LDP), which informs the overall dwelling target of 4,500 (ex BBNP), as set out in para 3.3.4. This is an annual average increase of 307 households. By contrast, the 2014 WG household projections show an annual reduction of 404 households 2018-33 (an average reduction of 27 per year, which is 109% lower than the 2011 based figure). Again, it can clearly be seen that the vintage of the data utilised is clearly the major reason for the differences in the previous studies and the current.</p> <p>This negative projection in Powys, along with the further reduction in market housing needed as a result of accommodating the backlog of concealed, homeless and overcrowded households (see figure 22), along with an increasing need for affordable housing (despite the overall reduction in households) wholly accounts for the reduced need for market housing in Powys.</p> <p>It is ORS' view that this kind of forensic analysis of the details of each LDP housing need figure (ultimately concluding in each case that the differences are due to the vintage of the data utilised and methodological considerations) is outside the scope of the current document, would be of limited utility to the reader, and may lead to unnecessary confusion. – ORS</p>

Response from	Comment	Reply
Welsh Government – cont		Changes in the evidence base will be fully considered in detail when the LDP is subject to review. – M+SWW LPAs
	The assessment converts households into dwellings by using the vacancy rates in Figure 28 and these rates have been used to calculate the level of housing need, tenure and type for each authority. Some of the vacancy rates are considerably higher than the levels set out in the DPM and it is not clear how they align to the rate applied in plans?	To ensure consistency and accuracy across the reports, the most recent census-based vacancy rate has been used (see figure 28 and surrounding text). However, it is noted in the report that councils may and do choose to select alternative rates in their plans (footnote 5) - ORS
	The DPM is clear that the LDP strategy and growth levels should be informed by the affordable housing need set out spatially in the LHMA by area, ward or sub-area. This work hasn't been undertaken in the assessment below local authority level and should be completed for each authority at the early stages of plan preparation.	Further sub-area analysis has been carried out in each authority to establish distribution of needs within each authority, as is mentioned in the foreword. These documents will be published separately. - ORS
	Figures in the draft LHMA have been forecast over the period 2018 to 2033 and this aligns with many of the replacement plan periods in Mid and South West Wales. However, for some authorities, such as Neath Port Talbot, their plan period falls outside the scope of the study (2020-2035). It is essential the LHMA covers the entire plan period and further updates / extrapolation will be necessary for some authorities.	Using the example of the Replacement LDP period for Neath Port Talbot, this is 2020-2035. Whilst part of this period falls outside the timeframe of the current study (2018-2033), as there is a requirement to update LHMAs every 2 years, additional work and updates will be undertaken during the preparation of the replacement plan to ensure the evidence base is fully aligned with the plan period. This will be the case for all LPAs. – M+SWW LPAs

Response from	Comment	Reply
HBF (Home Builders Federation)	Many thanks for consulting HBF on this document and please find comments below:	
	I note the document is effectively a joint document for the South West region so I am confused as to why at Figure 3 it identifies that a number of different 'Projection' calculation methods have been chosen.	Authorities chose either to utilise the 2014 WG household projections or an alternative projection where they deemed it appropriate. Where an alternative has been used, the justification for this choice can be found in the accompanying sub-area reports, to be published separately. - ORS
	Are there any plans to update the document with the latest [amended] 2018 WG household projections data?	There is no timeframe to update the document to reflect the release of the 2018 projections, however, LHMA's are required to be updated every 2 years and therefore there will be further work / updates undertaken in due course, which will take into account the newly released projections and other important changes, including emerging data on the impact of the COVID 19 pandemic. - M+SWW LPAs
	Para 49 states 'However, overcrowded households, if rehoused, will leave a market property for occupation by another household (Figure 22 and Figure 23).' this is not always the case as this presumes the whole household move to a larger property, whilst another alternative is that the household subdivide [e.g. older children living with parents, with parents staying in the property whilst children move to their own property].	Households that subdivide meet the definition of concealed, not overcrowded households, and are dealt with separately to overcrowded (see para 49 [now 50] and figures 22 and 23). - ORS
	Para 72 request more detailed commentary on the impact of Help to Buy is added and an assessment of what might happen when the scheme ends [currently 2021 with no current guarantee that a proposed further two year extension will be approved by WG], these time scales will have an impact in the next plan periods. Help to buy has had a major impact on the housing market in the last few years including the type and size of properties built, although used by nearly 80% first time buyers the most popular properties purchased have been 3 / 4 bed.	The report seeks to project forward household trends and analyse the types of tenure that households can afford (i.e. market/intermediate/social), primarily based on 2014 WG household projections (see above). Help to Buy was introduced in January 2014, and so its impact will not be reflected in these trend-based projections, and the data is unavailable to robustly model its impact at the local level moving forward.

Response from	Comment	Reply
HBF (Home Builders Federation) – cont		As such, it is outside the scope of the current document. Some analysis of the impact of Help-to-Buy can be found in WG document “Help to Buy –Wales Interim Evaluation” ²³ - ORS
	Para 82 it should be made clearer what the identified additional demand is?	Para 82 (now 83) does not refer to “additional” demand, rather it refers to “potential” demand. Potential demand is explained and enumerated throughout the section (e.g. para 68, 72, 84) - ORS
	Para 88 this should be reworded as it currently strongly suggests that the percentages in figure 40 should be used to set policy requirements in future plans, the fact that the reference to viability and other factors is in brackets is not a clear message of the wider viability exercise which needs to be undertaken to set affordable housing percentage requirements in an LDP.	<p>Noted – brackets removed and text of para 88 (now 89) changed to:</p> <p>“89. As Figure 40 represents the components of potential affordable demand; authorities can choose to reflect this demand in policy decisions, such as the amount of affordable housing developers should be required to provide, and in the setting of affordable housing targets in Development Plans. However, whilst the above may remain a key consideration, the setting of housing requirement targets in Development Plans can take into account a range of other local factors, including (but not limited to) a wider viability exercise.”– ORS</p> <p>Authorities across the South-West region have developed a regional viability assessment model that will be used to undertake viability assessments to inform LDPs. - M+SWW LAs</p>

²³ <https://gov.wales/sites/default/files/statistics-and-research/2018-12/160309-help-to-buy-wales-interim-en.pdf>

Response from	Comment	Reply
HBF (Home Builders Federation) - cont		Also added “see paragraph 89” to para 102 for the same reason, worded to avoid repetition (revisions to para 89 are discussed above). - ORS
	Para 138 Additional wording should be added to make it clear that these are not housing requirements that should automatically be used in LDPs. As stated in the Welsh Government Development Plan Manual 3 ‘The level of need will be a key consideration when determining the level of housing growth for a plan, in the context of deliverability.’ It is important to be clear that the LHMA is one of a number of considerations when setting the LDP’s housing requirement.	<p>Noted -have changed the word “required” in para 138 (now para 139) to “needed” to avoid confusion.</p> <p>In addition, the following has been added to para 139 (now para 140) for further clarity: “140. ... It should nonetheless be noted that other factors will also need to be considered in the setting of housing requirements in future local plans (see paragraph 89)”. - ORS</p>

Response from	Comment	Reply
POBL (Housing Association based in Swansea and Neath Port Talbot)	<p>RE: Mid and South West Wales Housing Assessment. Housing Market Evidence for: Mid and South West Wales – Consultation Document</p> <p>With reference to the above and further to the release of the consultation document, we welcome the opportunity to comment on the content of the publication. Pobl is a not for profit group of companies that helps people find great homes throughout East and West Wales. Our ambitions are to deliver 3,000 new homes by 2021 to help support the housing need identified in the areas we work within. To enable us to achieve these ambitious, it is critical that we are working within a proactive and flexible planning system which provides adequate housing allocations to enable the need to be met across all authorities.</p> <p>Summary</p> <p>This consultation response provides a detailed and comprehensive response to the consultation document. The key points of reference are detailed individually below:</p> <ul style="list-style-type: none">•The Requirement for all Welsh Local Authorities to Formulate LHMA's (Local Housing Market Assessments);• The Minister for Housing and Regeneration has reaffirmed that LHMA's should be considered a priority as part of a strong local strategic housing function. Furthermore the Minister has set a specific requirement for LHMA's to be updated biennially, utilising Section 87 of the Local Government Act 2003;• LHMA's should consider the state of the whole housing market, including assessment of the need for affordable homes of different tenures (such as social rent, affordable rent, low cost home ownership, and specific local needs for affordable housing) and the different needs of communities which should include the housing requirements of older people, students, people with disabilities, and local housing needs for market housing. The assessment serves a number of purposes in each authority, including informing:	Noted - ORS

Response from	Comment	Reply
POBL (Housing Association based in Swansea and Neath Port Talbot) – cont	<ul style="list-style-type: none">- The development and review of local development plans and local housing strategies;- Decision-making in terms of negotiating the level, type and mix of affordable housing and other tenures;- The provision of affordable homes of different tenures; and- Housing issues that are relevant to the authority's duties under the Well-being of Future Generations (Wales) Act 2015. <p>The Report</p> <p>With specific regard to the subject report, as a pre-cursor it is pertinent to note we support the collaborative approach that has been adopted. It is considered this will be a particularly important factor post Covid-19 where migration trends may change to that seen before. A detailed response to the individual key points is provided in the subheadings below:</p> <p>Development Plan Manual</p> <p>Whilst it is accepted that the report provides a collaborative overview of the housing requirements, the LDP Manual (Edition 3, March 2020) sets clear parameters for which individual authorities should work within when undertaking a Local Development Plan (LDP) Review. Therefore, we would request that individual authorities undertake LHMA reports individually to ensure a focussed approach to their requirements.</p> <p>The value of specific LHMA research is detailed in the LDP Manual, whereby it is noted that this will identify the specific level of housing need, both market and affordable, per annum, both numerically and spatially, as well as the type and need of the area. This is a core piece of baseline evidence influencing the scale, type and location of growth in a plan.</p>	

Response from	Comment	Reply
POBL (Housing Association based in Swansea and Neath Port Talbot) - cont	<p>The LHMA should identify the total affordable housing need extrapolated over the plan period, spatial implications and predominant tenure mix required. This should be clearly stated in the reasoned justification on any forthcoming local authority plan. The scale of affordable housing need will be a consideration when determining the overall level and location of housing in the plan, as well as the allocation of housing led sites where at least 50% of the homes are affordable, in line with the definition of TAN2. The sub-market areas identified in the LHMA should be spatially reflected in subsequent viability testing, thus ensuring clarity for policy formulation, spatial expression, and application. The evidence base should also be clear how the submarket areas reflected in the LHMA and viability work aligns with the settlement hierarchy and affordable housing policy targets in the plan.</p> <p>The spatial strategy should be informed by a range of supply and demand factors, explained later in this chapter. The spatial strategy will draw upon a number of key pieces of evidence, such as a settlement assessment, Local Housing Market Assessment (LHMA) and viability assessment, to make informed policy decisions on where to locate development. The strategy must be clearly communicated to all plan users, so it can be delivered in a positive manner.</p>	
	<p>Duty to Cooperate</p> <p>As detailed above, we support the collaborative nature of the report, this will provide a holistic approach to the delivery of housing and ensure migration trends can be factored into the Development Plan process. This raises a particular question as to whether individual local authorities when undertaking their Local Development Plan review, should have a duty of cooperate with surrounding local authorities. This is particularly important, where local authorities are unable to deliver their requisite housing need within their own authority boundaries, as there may therefore be a requirement for an adjoining authority to absorb part of the undersupply.</p>	<p>Duty to Cooperate is a matter for the LDP; and is outside of the scope of this report. - ORS</p> <p>The report has taken a regional approach to identify needs. How those needs are met in the form of land allocations and policy is a matter for Development Plans; and is outside of the scope of this needs assessment. - ORS</p> <p>In preparing this assessment, Strategic Housing Partnerships and key stakeholders have been consulted as part of the process. - M+SWW LPAs</p>

Response from	Comment	Reply
POBL (Housing Association based in Swansea and Neath Port Talbot) - cont	<p>Coronavirus Pandemic</p> <p>Whilst it is accepted and appreciated that the evidence provided and detailed in the report was collated in advance of the Coronavirus Pandemic, this will clearly be a factor to consider in any forthcoming Local Development Plan review. This is supported by the Letter from the Minister for Housing and Local Government (dated 7th of July 2020), whereby the following key points were raised.</p> <ul style="list-style-type: none"> - Local planning authorities must reflect on the impact of the pandemic on their areas and consider the consequences for LDPs under review or being implemented. Long held views and policies on matters including transportation, economic development, housing, regeneration, the role of town centres and the importance of green infrastructure have all been brought into focus recently. - LDPs are evidence based documents. As a result of the pandemic and resulting downturn in the economy much of the evidence on which LDPs are based is likely to be out of date. This is particularly the case for economic and social evidence covering areas such as the need for social and market housing, viability, economic forecasts and transport modelling. LDPs currently undergoing review, which have not yet been submitted to the Planning Inspectorate for examination, should undertake an assessment of the evidence base, strategy and policies in terms of sensitivity to the consequences of the pandemic. <p>Robust conclusions should be reached on the need for new evidence and any consequential changes to strategy and policy before progressing plan preparation.</p> <p>Therefore on the basis of the information set out above, it is considered that the initially proposed housing projections will need to be reconsidered to assess the economic impact the current Pandemic will have on the housing market. This will need to be considered with regard to a likely shift in migration trends in light of the Pandemic.</p>	<p>Regarding the pandemic, the assessment was undertaken in 2019 and utilises 2014 data, i.e. the document pre-dates the pandemic. Nonetheless, there are currently no robust demographic/migration projections that take account of the pandemic, and such data is not likely to be available for some years - ORS.</p> <p>On the 7th July 2020, Julie James, Minister for Housing and Local Government issued a letter regarding Planning and the post Covid-19 recovery. In this letter, the minister acknowledged that as LDPs are evidence based documents, the pandemic and potential economic downturn that will follow, will make some of the evidence base out of date.</p> <p>Therefore, any authorities that are currently reviewing or preparing a replacement LDP, are required to undertake an assessment of the strategy and evidence base to ensure that the plan is sensitive to the consequences of the pandemic, and should there be a need to update evidence or undertake new studies, extensions to Delivery Agreements will be required.</p> <p>Therefore, the impacts of the pandemic will be considered throughout the preparation of replacement plans and through the Examination in Public - M+SWW LPAs</p>

Response from	Comment	Reply
POBL (Housing Association based in Swansea and Neath Port Talbot) - cont	Furthermore, it is pertinent to note that due to a number of organisations utilising agile working moving forward, and the importance of outside space being highlighted by the Pandemic, it is anticipated there will be a migration shift with people moving from urban areas to more rural areas. This is evidenced from feedback received from rural agents, who have reported a significant increase in demand, with one particular agent reporting a 70% increase in enquiries.	<p>Given the unprecedented nature of the pandemic, there is no meaningful data we can draw on to amend migration patterns in a manner that would robustly model future migration preferences moving forward. Although certainly of interest, enquiries to rural agents do not constitute robust evidential data for modelling purposes. – ORS</p> <p>Please see the above response on how the impact of the pandemic will be taken into account by LPAs - M+SWW LPAs</p>
	<p>Summary</p> <p>Overall, as detailed above, we support the collaborative approach of the report and believe this should set a robust set of parameters for the individual authorities to support their base line assumptions. Although the key points of reference we would draw your attention to are as follows:</p> <ul style="list-style-type: none"> - To ensure individual authorities meet the housing requirements for all tenure types; - Ensure all Local Development Plans are underpinned by a robust evidence base, which sets out a clear spatial strategy providing homes where there is a specified need; - Consideration should be considered to a Duty to Cooperate between adjoining authorities, when undertaking a Local Development Plan review; and - Consideration should be given to the impact the current pandemic will have on the delivery of housing. <p>I trust the information set out above is clear, although if you have any queries please do not hesitate to let me know. We would also welcome the opportunity to be part of any further meetings or consultations on the subject matter.</p>	See responses above - ORS

Response from	Comment	Reply
Family Housing Association (Swansea-based RSL)	<p>Family Housing Association (FHA) welcomes the publication of the report and is grateful to be afforded the opportunity to comment as part of the consultation exercise.</p> <p>The report provides useful statistical evidence of affordable housing need across the region. FHA welcomes the commitment that the report will be supplemented by additional appropriate assessments that will be undertaken at the individual local authority level.</p> <p>FHA supports the production of LHMA's and the purposes they serve in:</p> <ul style="list-style-type: none">• The development and review of Local Development Plans and Local Housing Strategies;• Decision making in terms of negotiating the level, type and mix of affordable housing and other tenures;• The provision of affordable housing of different tenures; and• Housing issues that are relevant to Local Authority duties under the Well-Being of Future Generations (Wales) Act 2015. <p>FHA recognises that population and household change are key drivers for new homes and also that projections are not always accurate predictions of future population and /or household formation change. An overall trend in terms of smaller household size up to 2033 will put additional pressure on the supply of both market and affordable housing. It is particularly significant that 42% of the projected increase in households is projected to occur in Swansea. It will be down to individual Local Authorities to assess the projections for inclusion in their respective Local Development Plans which will then be considered in detail as part of the Plan's Examination in Public.</p> <p>With regard to assessing housing need, Figure 26 provides useful data in terms of housing need based on bedroom requirements. If this base data is modelled through the individual local authority LMHA's, it will provide useful information for RSL's in determining the mix of housing types as they seek to provide new housing opportunities.</p> <p>Figure 29 again provides useful data in terms of the numbers of affordable housing units required by size on a local authority split.</p>	Noted - ORS

Response from	Comment	Reply
Family Housing Association (Swansea-based RSL) - cont	In terms of tenure, whilst the information contained in the report is useful, it should also be noted that whilst intermediate rent “products” may be deemed affordable housing they may not be “affordable” for those in affordable housing need. FHA believes Local Authorities should carefully consider this aspect when negotiating the affordable housing requirements and types of tenure in their negotiations with developers as part of S106 Agreements.	<p>With regard to intermediate rent, we have attempted to model as robustly as possible those households in affordable need that can afford it, (and equally those that cannot see Figure 36) based on the standard definition of 80% of market rent. It is agreed that, as you suggest, “LAs should carefully consider this aspect”. - ORS</p> <p>The negotiation and delivery of intermediate rental products is the responsibility of individual LAs and is informed by their local situation and evidence base. – M+SWW LPAs</p>
	<p>It is noted that across all tenures of affordable housing the regional requirement for affordable housing could be up to 33%. Whilst it will be for individual Local Authorities to assess their affordable housing requirement percentages on new sites as part of their Local Development Plan preparation exercises, this figure provides a useful benchmark.</p> <p>In terms of affordable housing for different age groups the report provides useful data. With a generally ageing population the references to extra care or sheltered housing are considered to be important (a projected need of 12,380 between 2018-33) as is the housing need requirements for those with disabilities (30,200 – 74,800 persons with long term illness or disability between 2018 – 33 plus 1,400 adapted wheelchair accessible dwellings requirement). The data provided in the report in respect of this specialist housing requirement will assist RSL’s in planning their development programmes in terms of housing types.</p> <p>In conclusion, FHA welcomes the data and analysis provided in the report and looks forward to commenting on the individual LMHA’s which will be produced by the individual Local Authorities within the Mid and South West Wales Region.</p>	Noted

Response from	Comment	Reply
Geraint John Planning Ltd (Planning and Development Consultants)	Please find below our comments in relation to the Draft Mid and South West Wales Housing Assessment 2019 which, due to the tight timescale to review and respond to the document (even with the extension), means we have focused on the macro issue of how this Assessment may ultimately affect housing allocations in LDP2.	
	<p>The Mid and South West Wales Draft Housing Assessment as it currently stands is predicting, according to our understanding, a need for 29,079 market dwellings & 11,589 affordable dwellings for the period 2018-2033. This is a drop of 25,305 for market dwellings (-47%) and an increase of 1,998 of affordable dwellings (+21%) when compared with LDP1 figures (which are 54,384 market dwellings and 9,583 affordable dwellings).</p> <p>Only Carmarthenshire, Ceredigion & Pembrokeshire have begun work on LDP2 and their market housing numbers appear to be in line with those in the Housing Assessment (8,335 in the LDP for Carmarthenshire compared to 8,017 in the HMA; 2,437 (LDP) and 1,823 (HMA) for Ceredigion; and 6,800 (LDP) and 5,824 (HMA) for Pembrokeshire).</p>	<p>Firstly, the studies underpinning LDP1 were based on much older data (in some cases pre-census 2011), whereas the current study is based on the most up-to-date data (and methodological improvements) at the time of writing, therefore it should be expected that they will be different to LDP1 figures.</p> <p>Secondly, it is important to recognise that the figures in a local development plan are requirement figures, whereas the figures in the assessment are need figures. The fundamental difference is that need figures do not take into account constraint or aspiration, and as such the local plan figures may be very different to the projected need. Hence the purpose of the need figures is to inform local plans, rather than set targets.</p> <p>Calculating need is a trend-based process, rooted in the idea that demographic changes in the past will persist into the future. A requirement figure on the other hand can reflect an aspirational growth strategy, geographic or viability constraints, plans for future strategic infrastructure improvements, unmet need from other localities, future economic developments, or other similar local factors. As such, it is often the case that the need and requirement figure are different. - ORS</p>

Response from	Comment	Reply
Geraint John Planning Ltd (Planning and Development Consultants) -cont	By comparison addition, the latest household projections for Stats Wales (2018), released in August 2020 and amending those incorrectly issued in March 2020, indicate that every local authority apart from Ceredigion is projected to see an increase in the number of households between 2018 and 2033 - which is the period the HMA runs for. This correlates with the assumption in the HMA that the number of households is also due to increase as a result of smaller households, apart from Ceredigion which according to the HMA will also see an increase.	The 2018 household projections had not been released at the time of writing the assessment, and as such no account was taken of them, nor any discrepancy they may or may not present. The 2018 projections will be incorporated into any future revisions of the document. – ORS
	As such, how is this discrepancy between an increase in the number of households yet a decrease in the number of dwellings being addressed? There will be a need for more houses to be delivered, not less, in order to accommodate this shift in requirements.	The assessment is based on the adopted household projections of each LPA. Justification for the projections used by each LPA will, or will have been, provided by each LPA in the preparation of their Development Plan. As noted above, assessments are to be updated every 2 years and subsequent update studies will take into account changes in the evidence base. – M+SWW LPAs This is a matter for future LDPs/LHMAs, and is outside of the scope of this report - ORS
	Local Development Plans, by their very nature, are aspirational documents. They plan for growth, and we envisage that they should and need to continue to do so. There ought to be a greater emphasis on the potential number of dwellings that can be delivered during the plan period, as opposed to minimum need. Given the current economic climate (and need for growth) and the recently released population projections (which indicate a shift in household size), it is disappointing to see such low levels of housing being identified for each Local Authority area. If carried over and translated into LDP provision, this would be pessimistic and under providing for the evident need for growth. I trust the above will be taken into consideration before the final Mid and South West Wales Housing Assessment is finalised, as the impact of such a significant reduction in housing numbers will be long term and far reaching if they are incorporated into the LDP2 process - so much so that they will be detrimental to achieving the key planning principles set out in Planning Policy Wales 10 including the national sustainable placemaking outcomes.	This is a matter for future LDPs, and is outside of the scope of this report – ORS The assessment is based on the adopted household projections of each LPA. Justification for the projections used by each LPA will, or will have been, provided by each LPA in the preparation of their Development Plan. - M+SWW LPAs

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