

Local Housing Market Assessment (LHMA) 2017-2022 Executive Summary



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Executive Summary

It is vital that local authorities have a comprehensive understanding of their local housing market and a robust evidence base on which to make informed decisions about future housing provision in terms of both market and affordable housing delivery, number of bedrooms required and affordable housing tenure. To achieve this, all local authorities in Wales are required to carry out a Local Housing Market Assessment (LHMA). In May 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.

The principal finding of the assessment is that Conwy county needs more affordable housing and the current supply is failing to meet a growing demand. The market analysis indicates that 46% of first time buyers and newly forming households are priced out of the market, both to rent and to buy. Industry-accepted definitions of affordable housing costs suggest that spending more than 30% of household income on housing costs is unsustainable. The assessment indicates that 34% of new households could only afford social housing rents and only 12% are able to afford low cost home ownership (intermediate) schemes. Conwy County has the second lowest percentage of social housing stock in Wales, so many lower income households must nevertheless rely on the private sector.

Although privately owned properties are increasingly being made available for rent, demand remains very strong and rents are relatively high. 90 % of marketed properties are more expensive than the Local Housing Allowance for their size, and while LHA is frozen, rents are increasing. The cumulative impact of welfare reforms will continue to negatively impact low income households' ability to afford rent, and private landlords are increasingly wary of letting to benefit recipients. New minimum standards for energy efficiency mean that some privately rented homes, possibly the cheaper, poorer quality properties, will no longer be considered fit to let.

Overall the supply of new housing, and in particular, affordable housing, has not kept pace with demand. This assessment recommends that more affordable housing is required now than previously. The 2017 LHMA concludes that 1155 additional affordable homes are required between 2017 and 2022: 231 units per year. If we include 'committed supply' units which already have planning permission, or have been awarded capital grant funding but are not yet built, the total number of affordable units required is 1860. To meet demand, we need 372 new affordable homes to be built each year, for the next five years.

The LHMA has shown an increasing need for smaller house types. Conwy County's average household size is decreasing as the number of single person households increase, and average family sizes decrease. Therefore it is proposed that new residential developments consider an appropriate mix of housing types on new sites in order to cater for this change.