

Rhondda Cynon Taf Local
Housing Market Assessment
(LHMA) – 2023/28
Draft Findings January 2024



RHONDDA CYNON TAF



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Preface

This report document provides an overview of the Local Housing Market for Rhondda Cynon Taf (RCT). The data used in this report has been suggested by Welsh Government to provide a consistent report in respect to style and content, across all local authority areas in Wales.

This report will be used to inform areas of investment for social, intermediate and market housing, as well as the Council's Local Development Plan. The report will also highlight areas where there is a lack of data, which will allow local authorities and Welsh Government to investigate these data gaps, to provide the housing options and investment where needed for the people of Wales.

This report has been produced by Rhondda Cynon Taf's Housing Strategy Team, in conjunction with Welsh Government and other key stakeholders.

Local authorities are required to undertake an LHMA every five years and rewrite and **refresh** their LHMA once during that five-year period (between years two and three). Local authorities can refresh their LHMA's more frequently if required but these would not be reviewed nor signed off by Welsh Government.

The refresh of this report will be due in 2025 and will require a re-write in 2028.

Some figures in this assessment have been rounded to the nearest whole figure, therefore these figures may not sum exactly due to the rounding.

1.Executive Summary

This Local Housing Market Assessment has utilised the Welsh Government methodology to assess the housing market within Rhondda Cynon Taf over the next 5 years from 2022/2023-2027/2028, thus fulfilling the Council's statutory duties. A range of socio-economic, demographic and property market data was used to inform the Assessment to provide a detailed insight into the mechanics of the local residential markets. Both quantitative and qualitative evidence have been used in the creation of this assessment to ensure a balanced and well evidenced outcome.

The Assessment shows the following:

- There is a need for 745 affordable housing units per annum, comprising of 286 intermediate units and 459 social rented units.
- Greater Aberdare has the highest net need for affordable housing with 102 units needed per annum.
- One-bedroom units are the most sought-after size of dwelling in the social rented sector with, 409 units needed per annum.
- There is a wide range of differences in the private housing market across the County Borough; with property prices in Taf being relatively higher than across the rest of the locality.
- Discounted market housing (Low Cost Home Ownership) need currently sits at 229 units per annum.

It is important to emphasise that this headline need should not be considered an annual delivery target, it instead indicates the scale of housing market failure within RCT, which the Council will seek to address through a range of market interventions.

The housing need identified within this Assessment is best viewed at HMA level to ensure the needs for different types of housing in different markets are fully understood.

Whilst RCT has delivered more affordable housing than in any other LHMA period, the assessment shows that the overall affordable housing need has still increased, albeit slightly.

The data outputs from this LHMA will be used to inform the WG prospectus, this is a much less technical document and will be used to inform the development of affordable housing.

Rhondda Cynon Taf LHMA Report 2023/28

2. Introduction

2.1 National Policy Background

- **Section 8 of the Housing Act 1985** - Section 8 of the Housing Act 1985ⁱ places a statutory duty on local authorities to periodically assess the level of housing need in their area. It is vital that authorities have a comprehensive understanding of their local housing market(s) and provide a robust evidence base for effective strategic housing and planning services. Production of a Local Housing Market Assessment (LHMA) falls under this duty, building upon the requirement to review housing needs through a more holistic review of the whole housing market. Local authorities are expected to rewrite LHMA's every five years and refresh that LHMA once during that five-year period (between years two and three) utilising section 87 of the Local Government Act 2003.
- **Independent Review of Affordable Housing Supply** - The importance of LHMA's, and using the best possible data on housing need and demand to inform housing policy and decisions regarding affordable housing supply, was underlined in the 2019 Independent Review of Affordable Housing Supply. The Review placed significant emphasis on understanding exactly how many homes are needed, in which geographical areas and in what tenures. A robust LHMA is the key means of identifying this evidence at the local level.
- **Planning Policy Wales** - Planning Policy Wales also stresses that LHMA's form a fundamental part of the evidence base for development plans.
- **Housing (Wales) Act 2014** - In addition, local authorities must develop a homelessness strategy every four years under sections 50, 51 and 52 of the Housing (Wales) Act 2014. The LHMA plays a fundamental role in informing this strategy which must include a review of the resources available to the local authority and other bodies associated with supporting people who are or may become homeless.
- **Equality Act 2010** - It is essential also for local authorities to consider their equality duties under the Equality Act 2010 and the Welsh Public Sector Equality Duties.

2.3 Local Policy Background

RCT's Corporate Plan was published in 2020 "Making a Difference". The Council's vision is to make RCT the "the best place in Wales to live, work, and play, where people and business are independent, healthy and prosperous" The plan has three main priorities; **People, Places and Prosperity**, all in support of the Wellbeing of Future Generations (Wales) Act 2015.

Housing is the foundation of all three of the main priorities. Having a sustainable place to call home does not only put a roof over a person's head but it can also promote community engagement, better health, better engagement with education and support the local economy.

The Council's draft local housing strategy "**PROSPEROUS HOMES, PROSPEROUS LIVES 2024 – 2029 - A Housing Strategy for Rhondda Cynon Taf**" contributes to the priorities of the Corporate Plan. The Strategy sets out four key objectives;

- 1.To enable a functional housing market that meets the needs of our communities
- 2.To promote sustainable communities and create homes that are safe, warm and healthy by improving housing conditions and investing in community regeneration
- 3.To enable access to all types of suitable and affordable housing that meets the needs of residents
- 4.To create prosperous communities by ensuring residents have access to housing advice and support that meets their needs

A robust LHMA can be the starting point of implementing the above four objectives, providing a snapshot of the condition of the market currently and how its needs will develop.

The LHMA will inform planning decisions on applications made in accordance with the current Local Development Plan (LDP) (2006 -2021) and will also provide evidence for the current preparation of the Revised Local Development Plan (2022 – 2037) and future decisions made in accordance with it. The LHMA will provide the need data for housing that will be required to be supported by a level of infrastructure to cope with the demands of the housing market.

The LDP sets the framework for the development of affordable housing for RCT over its plan period. It is therefore important that Housing and Planning Policy

teams work together in the creation of both documents so that no need is left unidentified.

2.3 Governance and Consultation

A collaborative approach has been used to carry out the LHMA. The Council's Housing Strategy team has engaged with numerous stakeholders in the development of this document, both internally and externally.

Focus groups with RCT's Registered Social Landlord (RSL) partners have taken place in person and via Microsoft teams. Those involved have been Officers from development teams to housing managers to cover all aspects of each organisation.

There have been internal, in person and MS Teams meetings held with the Council's planning policy officers, as well as email communication to determine data points, as elements of the LHMA data will inform the LDP.

There has also been engagement with the University of South Wales Student's Union, Students, Tenants, Landlords, Letting agents and Local Residents in the Private Rental Sector (PRS), through forums and surveys.

3. Overview of Assessment and Methodology

3.2 Methodology, inputs and assumptions

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

By housing market area (HMA), the LHMA Tool provides default data inputs for rent, house price paid and household projections (used to generate the newly arising need) with local authorities providing the income percentile distributions, existing unmet need and the planned supply and turnover of existing stock. The latter two data inputs are considered over the first five years only of the LHMA period and are fully allocated to affordable housing. This is because it becomes less accurate to predict supply beyond the first five years of the LHMA period. A local authority can have up to 20 HMAs which are defined using wards, middle-layer super output areas (MSOAs) or lower-layer super output areas (LSOAs). Each HMA can have up to 40 wards, MSOAs or LSOAs.

The input data together with several assumptions is used to generate an income level above which households would be considered able to meet their needs in the market and a lower income level below which households are in need of social rent. The intermediate households are those not allocated to market housing or social rent. The LHMA Tool also forecasts how the data inputs may change over the first five years of the LHMA period.

The output tables from the LHMA Tool are used as the starting point for development plans to provide the range of LHMA additional housing need estimates.

3.2 Housing Market Areas (HMAs)

The HMAs have been defined geographically based on longstanding local knowledge and research into the natural, functional areas where people currently live and would be willing to move home. They are essentially based on clusters of wards in recognition of the fact that housing markets are not constrained by administrative boundaries. Several key factors have been considered when defining these areas, including the broad price of housing (to consider

'transferability' within the market) and major transport links by road or rail (to take account of commuting patterns).

Rhondda Cynon Taf is made up of 13 HMAs, 5 are in the Rhondda Valley, 3 are in the Cynon Valley and 5 that are in Taf Ely area as depicted in the image below:

Figure 1: HMAs of RCT



RCT's higher value rents and property purchase price HMA's are in the South of the borough, mainly in the Taf Ely area. This is because of the access to main highways through South Wales and geographically near Cardiff. The north of the borough (Cynon and Rhondda) has suffered in terms of infrastructure since the de-industrialisation. Homes were built to house families with little or no personal transport working locally.

Each HMA contains several different wards, that are represented by elected councillors. The below table shows which wards are in each HMA:

Figure 2: HMAs to Wards

HMA	Wards							
Upper Cynon Valley	Hirwaun	Penywaun	Rhigos					
Greater Aberdare	Aberaman	Aberdare East	Aberdare	Llwydcoed	Cwmbach			
Lower Cynon Valley	Abercynon	Mountain Ash	Penrhiwceiber					
Greater Pontypridd	Hopkinstown	Cilfynydd	Glyncoch	Graig	Pontypridd	Rhondda	Trallwn	Ynysybwll
Lower Rhondda Fach	Cymmer	Porth	Tylorstown	Trehafod	Ynyshir			
Upper Rhondda Fach	Ferndale	Maerdy	Tylorstown					
Upper Rhondda Fawr	Pentre	Treherbert	Treorchy					
Lower Rhondda Fawr	Clydach Vale	Llwynypia	Penygraig	Tonypanyd	Trealaw	Ystrad		
Tonyrefail & Gilfach Goch	Gilfach Goch	Tonyrefail West	Tonyrefail East	Tonyrefail				
South West Taf	Brynna	Llanharan	Llanharry	Pontyclun	Talbot Green			
Central Taf	Beddau	Church Village	Llantrisant	Llantwit Fardre	Tonteg	Tynant		
East of Pontypridd	Hawthorn	Rhydyfelin	Treforest					
Taffs Well	Taffs Well							

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

4.3 Housing Market Analysis by Tenure

RCT covers an area of the South Wales Valleys that is as far North as the Brecon Beacons and as far south as the outskirts of Cardiff. It comprises of a mix of urban, semi-suburban and rural communities situated in the mountains and lowland farmland.

RCT covers an area of 424 square Km with a population of 237,700, that has increased by 1.4% since 2011.

At the time of the most recent Census in 2021, the median age for the county borough was 41 years but the largest age group is 50-64 years, with 20.2% of the population making up this cohort.

12% of the population identifies as being disabled but it is worth mentioning that the 2021 Census data was collected during the COVID-19 pandemic, where people's general view of their health may have been influenced by status and activity limitations.

The highest percentage of people residing in RCT identify as Welsh only at 69.8% and British only being the second largest at 11.5%. 96.7% of people in RCT identify their ethnic group within the "White" category, whilst 1.5% identify their ethnic group within the "Asian, Asian British or Asian Welsh" category.

The percentage of people who identified their ethnic group within the "Black, Black British, Black Welsh, Caribbean or African" category decreased from 0.6% in 2011 to 0.4% in 2021.

As of 2020 there were a total of 106,316 households in RCT and the Census 2021 data shows the breakdown in tenure as the following:

- 68.3% own outright or with a mortgage
- 0.2% Shared ownership
- 13.7% Social rented
- 17.6% Private rented
- 0.1% Lives rent free

The number of private rented households has increased by 4% from 2011 to 2021, the percentage of owner occupiers has decreased by 2.7%, while the percentage of those socially renting has remained the same. The average cost of a property in RCT has increased by so much that it has now made the possibility of owning your own home on the open market impossible for some people, therefore there has been more of a reliance on the Private Rental Sector (PRS).

The median price for a property in RCT is £123,604, which represents a 29.2% increase from 2019 but a 1.1% decrease from 2021. As has been the case all over Wales in recent years, house prices have been affected by the COVID-19 pandemic and the increased inflation figures, causing the market to swell in 2019 but to narrowly reduce in more recent years as the market has slowed.

The highest median price in RCT resides in Southwest Taff at £217,543 (as at January 2024), and the lowest in Upper Rhondda Fach at £95,917. There are numerous causes for this disparity, such as closer links to the M4 and A470, the M4 being the main road through the Southeast and West of Wales. Southwest Taf is also geographically closer to the capital city of Wales, Cardiff.

In 2022 there were a total of 3,991 properties sold in RCT with the greatest number of sales being made in Greater Aberdare at 580. The lowest in the county borough was Taffs Well at 54.

The highest proportion of dwellings in RCT is terraced housing making up 51.10% percent of the 95,940, a legacy left after the industrialisation of the South Wales Valleys. Modern life has somewhat outgrown these types of houses and more dwellings with off road parking is now needed. Semi-detached and detached housing make up 25.27% and 14.67% respectively, with flats, converted units, other parts of a converted building, commercial, caravan or a temporary structure and unknown making up the rest.

The PRS has had a growing presence in the RCT’s local housing market, along with an increase in rental prices. Since 2016 the average median monthly rent in RCT has risen by 22%, in 2022 average median rent being £521.

Figure 3: Median Annual Rent per HMA

HMA	Median* Annual Rent
Upper Cynon Valley	£ 5,268.00
Greater Aberdare	£ 6,207.34
Lower Cynon Valley	£ 6,202.33
Greater Pontypridd	£ 7,582.44
Lower Rhondda Fach	£ 6,304.00
Upper Rhondda Fach	£ 5,262.83
Upper Rhondda Fawr	£ 5,521.98
Lower Rhondda Fawr	£ 6,140.68
Tonyrefail & Gilfach Goch	£ 6,557.08
South West Taf	£ 9,258.95
Central Taf	£ 8,417.92
East of Pontypridd	£ 7,800.00
Taffs Well	£ 9,940.00

Figure 3 shows the Median annual rent values per HMA (April 2022). The highest median annual rent is Taffs Well and the lowest is Upper Rhondda Fach.

As of April 2022, 2.5% of RCT's private housing stock was empty which equates to 2,676 empty homes.

Figure 4: Empty Properties per HMA

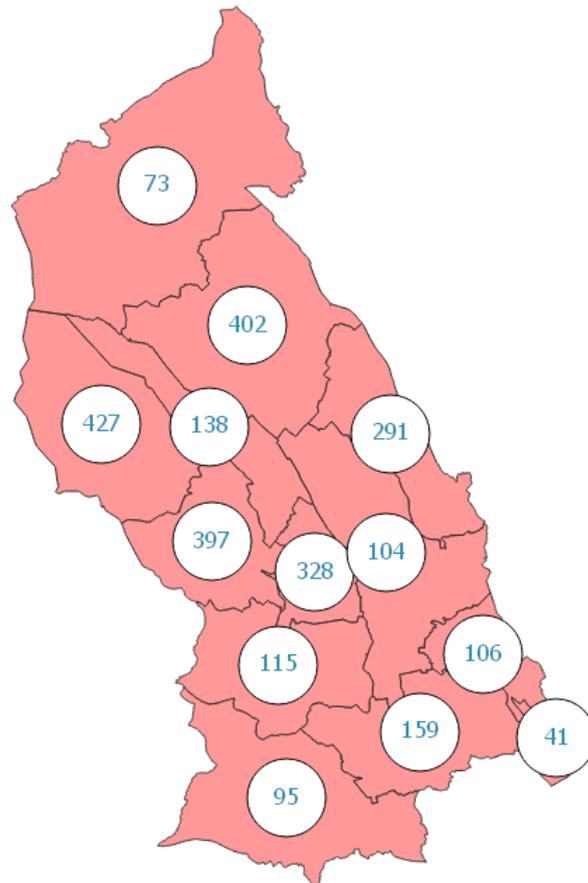


Figure 4 shows the number of empty homes per HMA (April 2022). The highest number of empty homes is in Upper Rhondda Fawr and the lowest in Taffs Well.

Although on the surface, empty properties within the local authority area present an opportunity to develop more social rent, this is not the case. As the nature of the empty property stock presents difficulties bringing them to Welsh Government's Housing Quality Standards. This issue combined with much of the stock being pre-1970s terraced housing, presents challenges in terms of value for money, as well as adding more stress to areas that have pre-1970's road networks, that result in congestion and parking issues.

4.3 Socio-Economic and Demographic Trends

According to the Census 2021 data, RCT has 58.74% of economically active households, with most active housing tenure being Owner Occupier. The pie charts below show the percentage split of economically active households by tenure.

Figure 5 shows that residents who are economically active primarily reside in the owner occupier tenure at 72%, followed by the PRS at 20% and lastly, social rented at 8%.

Figure 5: Economically Active by Tenure

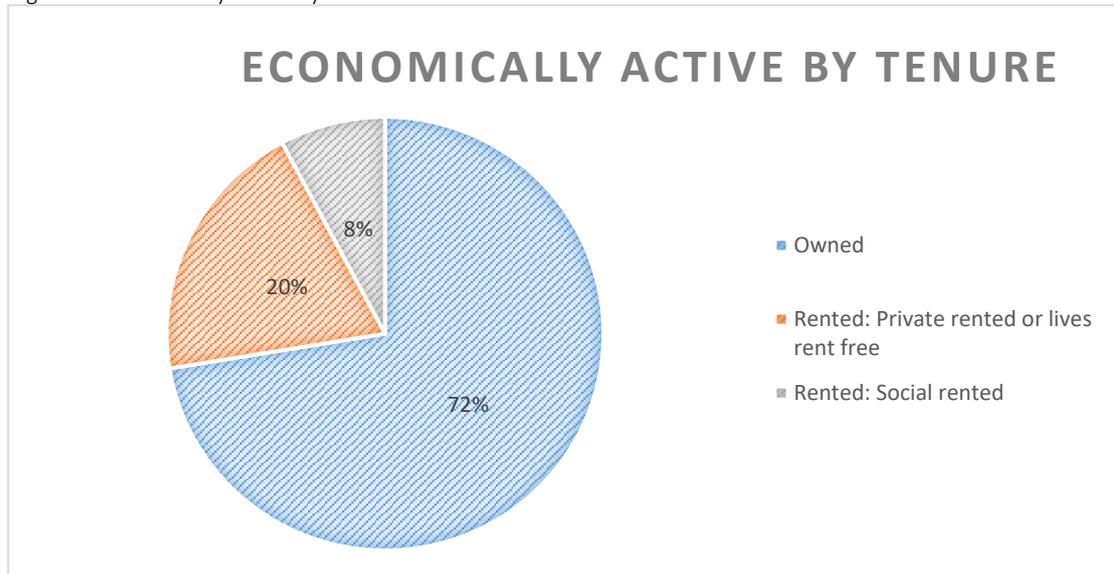
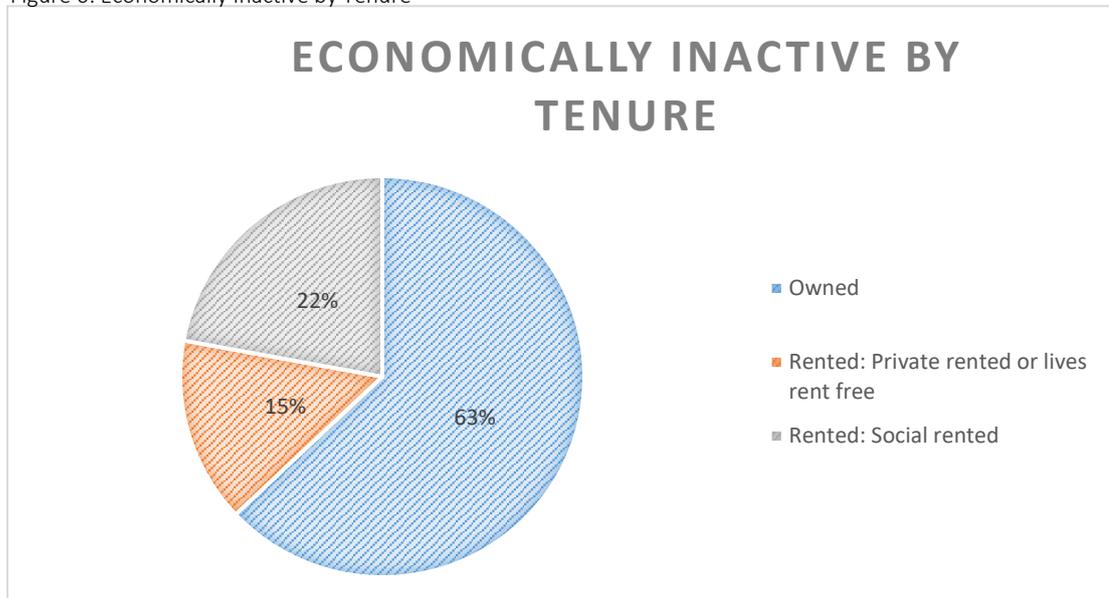


Figure 6 below shows that residents who are economically inactive primarily reside in the owner occupier tenure at 63%, followed by the social rent at 20% and lastly, PRS at 15%.

Figure 6: Economically Inactive by Tenure

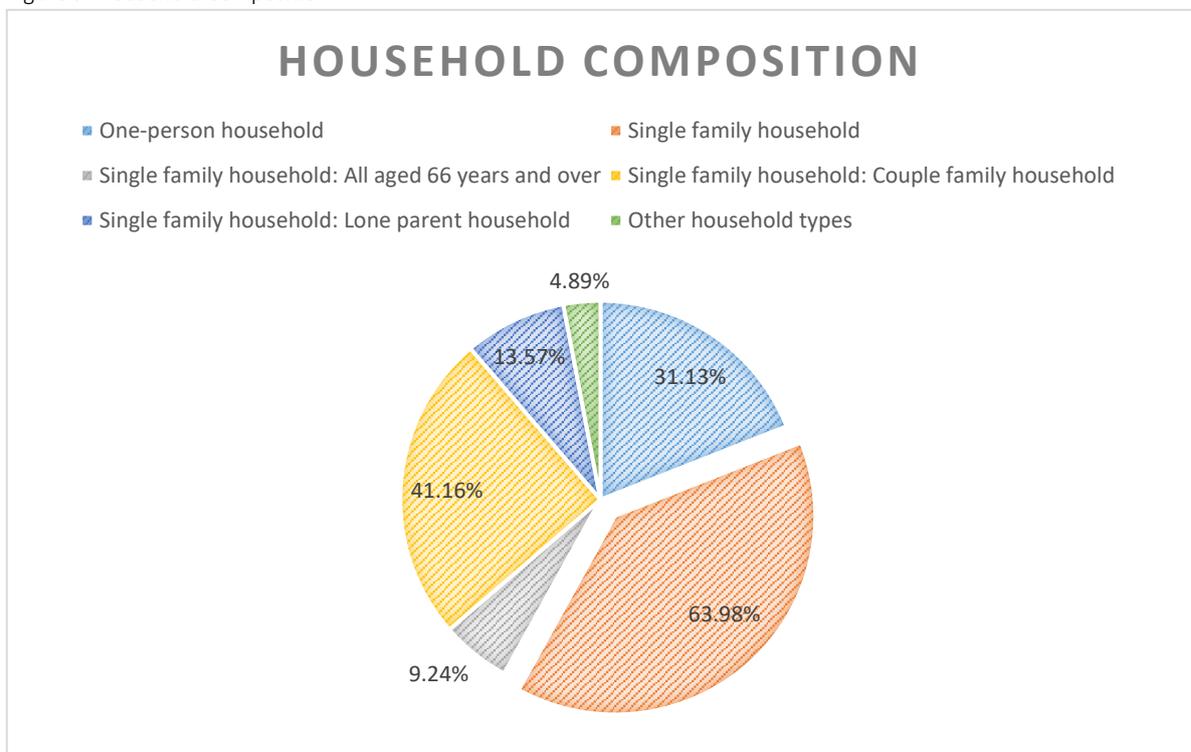


In 2022 the affordability ratio for a median income to purchase a property in RCT was 4.57, with the median house price being £136,000.00. This would require a household's income to be £29,727.00 to obtain and own their own home.

In the PRS the average annual median rent is £6,958.73, this represents a 23% portion of the average median household income in RCT. It is with these figures in mind that we can understand the reliance on the PRS in the first instance and the difficulties encountered when housed in the PRS to save enough for a deposit for any household to own their own home, whilst also paying the cost of living.

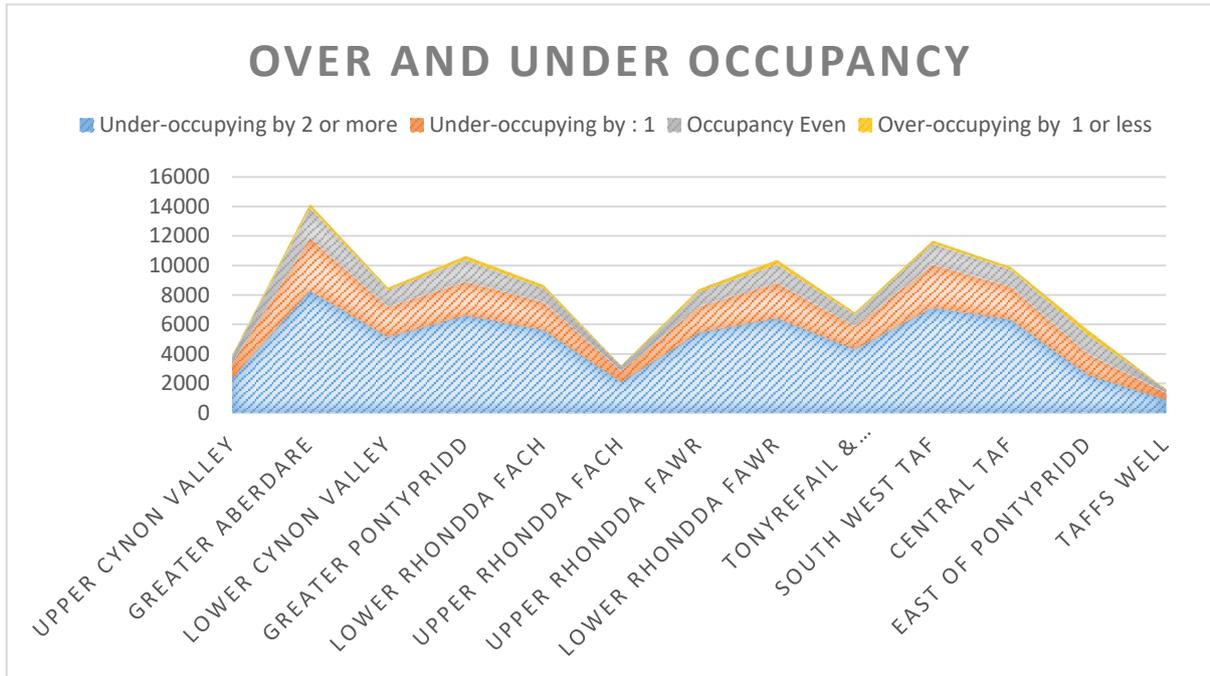
Figure 7 below shows that the vast majority of RCT's total households comprise of family households making up 63.98% of the total households in RCT.

Figure 7: Household Composition



The majority of households in RCT are under-occupying their homes, with 43,822 households under-occupying by 2 bedrooms or more. Figure 8 below shows that the HMA with the most people under-occupying their homes is Greater Aberdare.

Figure 8: Over & Under Occupancy



RCT has an ageing population and with that comes a rising level of residents that live with a disability. Figure 9 below shows that 32,785 (32%) households in RCT have one person living with a disability and 10,103 (9%) with two or more.

Figure 9: Households with Disabilities

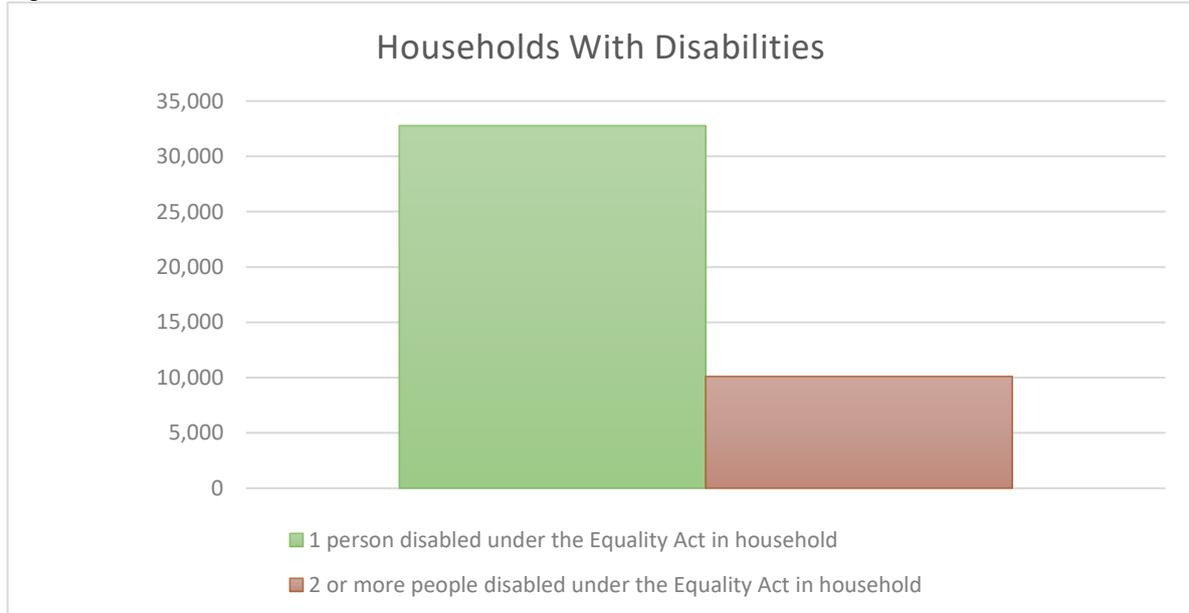
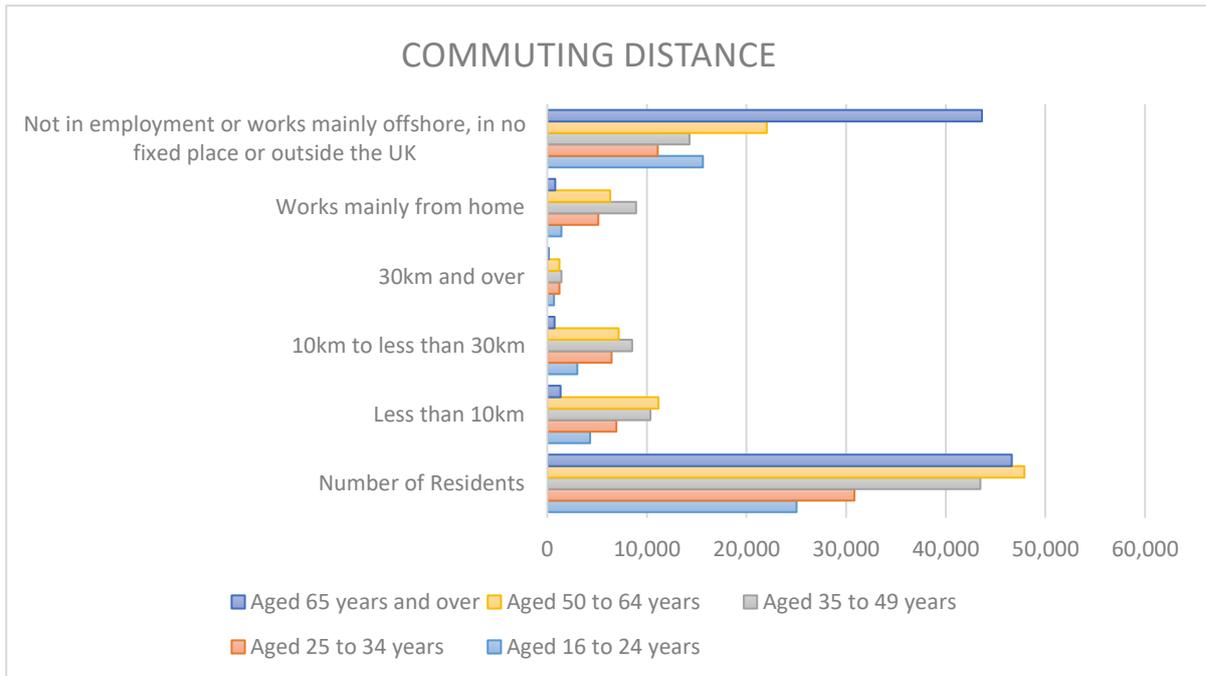


Figure 10 below shows that the majority of people working in RCT travel less than 10km to their place of work with most people unemployed in RCT being aged 50+. This has been an after effect of the Covid-19 pandemic, where even at a national level, this demographic has seen an increase in unemployment.

Figure 10: Commuting Distance



4.3 Specific Housing Needs Requirements

Apart from the general housing market there are specific housing needs for individuals that require exceptional provision. This section will outline the strategies and policies that are in place, by different council service areas, to deal with the demand of accommodation that is upon them.

The Council is aware that there may be areas within this section that do not have as a robust needs assessment as is set out in a LHMA but, there are key sections that are valuable in determining all housing need for all individuals that reside in RCT.

Where gaps in data are identified, this presents an opportunity to review and consider if there is a need to enhance a strategic focus in these areas.

a) Accessible and adapted housing provision	
Local policies/ strategies	Draft Allocation Policy 2024
Property needs (key section)	Accessible properties for people who require level access facilities ranging from shower rooms and wet rooms to rise and fall kitchens
Suitable for	People with limited mobility where general needs properties would cause day to day life limitations.
Evidence including data sources (key section)	Evidence has been collected from the Authority's Draft Allocation Scheme review where key stakeholders were consulted on how properties are allocated and what the barriers are in terms of supply.
External stakeholder consultation and engagement	Waiting list applicants, RSL lettings officers, housing register officers, housing officers and housing strategy officers.
Key Issues identified	<p>Applicants found that there wasn't enough detail to understand what level 2 adaptations had been installed at each property, and OT assessments are often not useful when determining need as they are often out of date.</p> <p>Housing professionals have said that there is not enough stock and evidence that is provided by applicants is not robust enough to determine actual need. There is also a lack of information held by RSLs to determine what stock is currently in commission to determine need.</p>

b) Multi-generational and/or larger families requiring larger properties	
Local policies/ strategies	Allocations Policy 2018
Property needs (key section)	Currently larger property needs are only calculated on a bedroom need basis and cultural needs are not considered.
Suitable for	Large families and multi-generational households.
Evidence including data sources (key section)	Common housing waiting lists and families that are housed in temporary accommodation.

External stakeholder consultation and engagement	Waiting list applicants, RSL lettings officers, housing register officers, housing officers and housing strategy officers.
Key Issues identified	Lack of the appropriate size stock in the county borough results in larger families often accepting smaller homes to ensure they are housed.

c) Non-permanent housing	
Local policies/ strategies	Housing Support Grant (HSG) Needs Assessment, HSG Strategy, Rapid Rehousing Action Plan.
Property needs (key section)	524 individuals, families and groups have been placed in temporary accommodation in 2020/2021 (as of the end of March). 40% of the 524 were placed in temporary accommodation multiple times, leading to a total of 852 placements in 2020/2021 (as of the end of March). 852 placements represent an increase of nearly 257 placements year-on-year, from 595 in 2019/20.
Suitable for	Nearly half of all cases were identified as having no apparent priority need. Households containing a vulnerable member due to 'mental illness/learning disability' represent the second largest group and physical disability represent the third largest group.
Evidence including data sources (key section)	<ol style="list-style-type: none"> 1) One bedroom accommodation is the highest need of housing across all tenures in RCT, however across all sectors there is a significant lack of single person and one bedroom accommodation. 2) Current TA is at capacity but frontline housing is working at identifying a site to cater for more units, the majority of which are 1 bedroom. 3) All data has been collected from the Council's HSG needs assessment 2023 and has provided a mix of qualitative and quantitative data.
External stakeholder consultation and engagement	Stakeholders such as the NHS and third sector organisations such as crisis were engaged in the HSG needs assessment.
Key Issues identified	Homelessness data is a data set that varies with the current social economic status of any Local Authority. Numbers have increased in recent times, mainly due to the Covid-19 Pandemic and the increasing cost of living that is affecting the most vulnerable in our society in the most part.

d) Housing, care and support needs	
Local policies/ strategies	My Home – My Life: Extra Care Strategy.

Property needs (key section)	Extra care contemporary sheltered housing, supported living for people with a learning disability and/or ASD, temporary supported housing.
Suitable for	People whose health conditions are at a point where they cannot be managed in their own homes.
Evidence including data sources (key section)	<ol style="list-style-type: none"> 1) Extra care is forecast to rise to demand of 300 units by 2026 while current supply is 40 units, therefore a shortfall of 260 of which the need has been taken from adult services waiting lists. 2) Population age changes over the next 10 years is a key driver in the increase in the demand.
External stakeholder consultation and engagement	Older residents, primary health and care support services, Welsh Government from a national policy point of view, The Housing Learning and Information network & Regional Partnership for Cwm Taf Health Board.
Key Issues identified	No identified strategic development partners, lack of overarching commissioning plans, no methodology for ensuring cost effectiveness and performance monitoring.

e) Locational needs for student accommodation Private Rented Sector	
Local policies/ strategies	Private Rented Sector Strategy.
Land needs (key section)	The University of South Wales Treforest Campus and surrounding area.
Evidence including data sources (key section)	<ol style="list-style-type: none"> 1) There is a total of 549 (3.02%) Houses in Multiple Occupation (HMO) in RCT. Historically HMOs in RCT have been the domain of students and this associated demand has seen the highest concentrations developed in the areas adjacent to the University of South Wales, predominantly in the Treforest ward or Greater Pontypridd HMA. 2) There has been a reduction in the number of students living in Treforest, which could be the result of the merger with Newport and Merthyr, one of the faculties being based in Cardiff
External stakeholder consultation and engagement	In creating the PRS strategy the University of South Wales, Local Authority Housing Strategy officers, landlords and local residents were all consulted.
Key Issues identified	The reduction in demand there down to the merging of Glamorgan University into the University of South Wales, and more specifically the spread of geographical location, will result in more students residing in Cardiff.

f) Locational needs for people with physical or cultural needs	
Local policies/ strategies	<p>Allocation Policy 2018 - Reasonable Preference category s167 (2) (e) – People who need to move to a particular locality within the local authority’s district where failure to meet need would cause hardship to themselves or to others.</p> <p>Reasonable Preference Categories s167 (2) (a), (b), (c) and (d) Applicants who need to move to be nearer to:</p> <ul style="list-style-type: none"> a. A child’s school (where the need to move to a school has been recommended by the Director of Education) b. A place of worship as there is no suitable place of worship where the applicant currently resides.
Property needs (key section)	Close proximity to places of worship and services.
Suitable for	People with Physical and Cultural needs
Evidence including data sources (key section)	Common housing register waiting list currently has 2 applications that meet the need identified.
External stakeholder consultation and engagement	Applicants to the common housing register waiting list and waiting list staff.
Key Issues identified	Due to the low demand of applicants on the register, the lack of demand means that it would not be cost effective to develop any interventions.

5. Range of additional housing need estimates

This section of the report presents the findings of the affordability analysis that has been produced using the Welsh Government LHMA tool.

Market Housing Need.

Welsh Government approved sources and have been put through the LHMA tool to create the below data output tables. The figures are based on WG's principal household projections.

Chart 3 shows that the greatest need for market housing in the first 5 years of the LHMA period is Greater Aberdare, with the largest proportion being in the owner occupier sector. This mirrors the situation borough wide, as is shown on the first bar of the chart.

Chart 3: Annual additional market housing need estimates split by tenure over the first 5 years of the LHMA period.

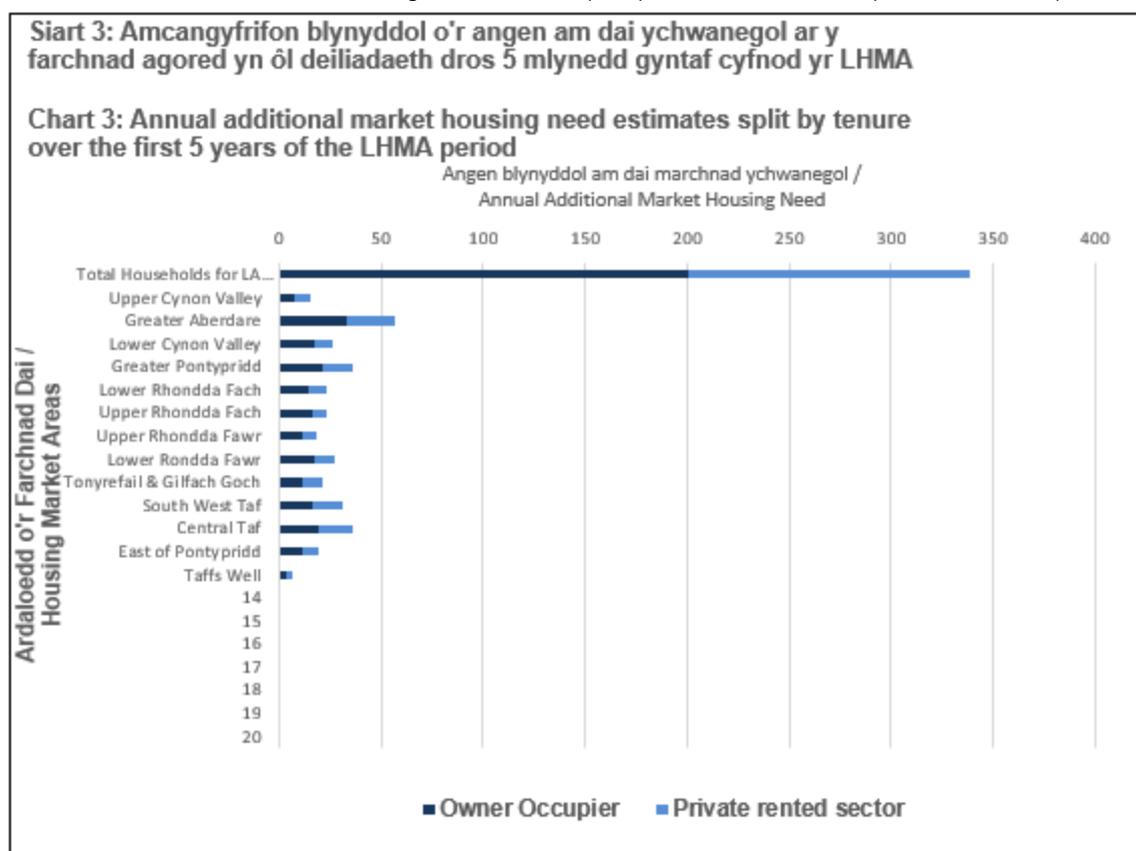


Figure 11 provides specific numbers for chart 3, it shows a summary of annual additional market housing need estimates (owner occupier and the private rented sector) over 2026/2027 – 2036/2037. The highest demand area for market housing in the first 5 years of the LHMA period is Greater Aberdare, followed by Pontypridd, with the least need located in Taffs Well.

Figure 11: First 5 Years Annual Need Across All Tenures

HMA	Owner Occupier	Private rented sector	Annual additional market housing need over the first 5 years of the LHMA period
Total Households for LA :Rhondda Cynon Taf	200	138	338
Upper Cynon Valley	7	8	15
Greater Aberdare	33	23	57
Lower Cynon Valley	18	8	26
Greater Pontypridd	21	14	36
Lower Rhondda Fach	15	8	23
Upper Rhondda Fach	16	8	24
Upper Rhondda Fawr	11	7	18
Lower Rhondda Fawr	17	10	27
Tonyrefail & Gilfach Goch	11	10	21
South West Taf	16	15	31
Central Taf	19	17	36
East of Pontypridd	12	8	20
Taffs Well	4	3	6

Chart 4 shows that the greatest need for market housing in the last 10 years of the LHMA period is Greater Aberdare, with the largest proportion being in the owner occupier sector. This mirrors the situation borough wide, as is shown on the first bar of the chart,

Chart 4: Annual additional market need estimates split by tenure over the last 10 years of the LHMA period.

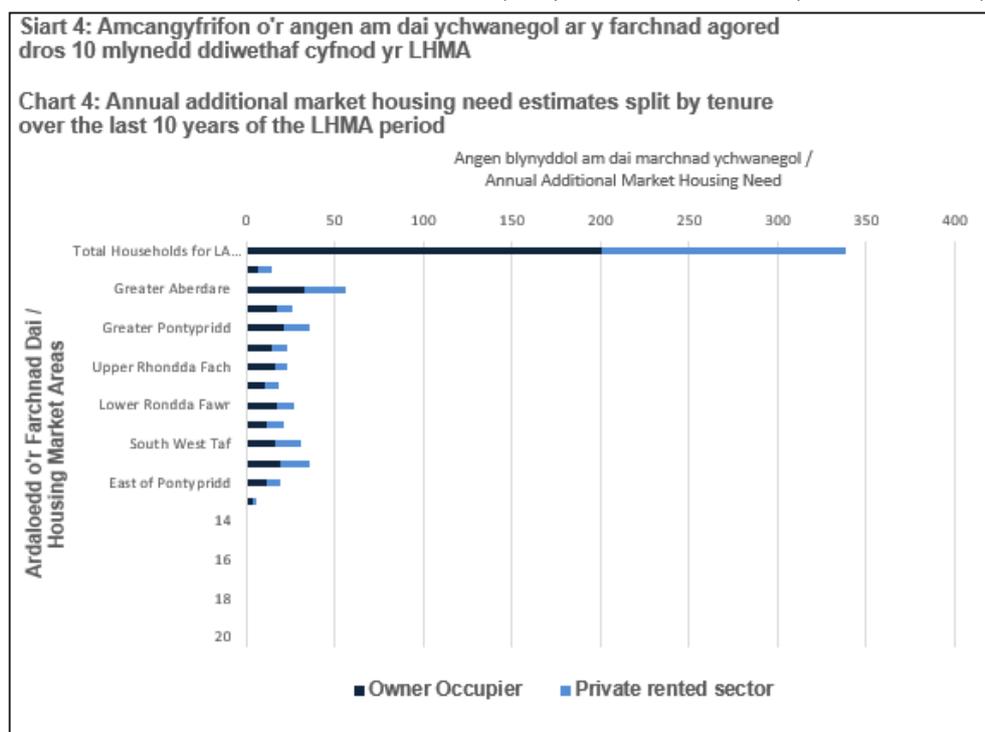


Figure 12 provides the specific numbers for chart 4, and shows a summary of annual additional market housing need estimates (owner occupier and the private rented sector) over 2026/2027 – 2036/2037. The highest demand area for market housing in the first 5 years of the LHMA period is Greater Aberdare, followed by Pontypridd, with the least need located in Taffs Well.

Figure 12: Last 10 Years Annual Need Across All Tenures

HMA	Owner Occupier	Private rented sector	Annual additional market housing need over the remaining 10 years of the LHMA period
Total Households for LA :Rhondda Cynon Taf	200	138	338
Upper Cynon Valley	7	8	15
Greater Aberdare	33	23	57
Lower Cynon Valley	18	8	26
Greater Pontypridd	21	14	36
Lower Rhondda Fach	15	8	23
Upper Rhondda Fach	16	8	24
Upper Rhondda Fawr	11	7	18
Lower Rondra Fawr	17	10	27
Tonyrefail & Gilfach Goch	11	10	21
South West Taf	16	15	31
Central Taf	19	17	36
East of Pontypridd	12	8	20
Taffs Well	4	3	6

Data Sources and Key assumptions

The tables below (Figures 13, 14 and 15) provide information on the data sources and key assumptions that have informed the above outputs for additional housing need estimates.

It is important that we evidence where the key data sources come and what data is assumed. Figure 13 below shows what the data or key assumption is, where the source of that data comes from, and the year in which the data relates to.

Figure 13: Data Items/Key Assumptions

Data items / Key assumptions	Data Sources	Basis of the data
Income data by HMA	Paycheck	2022
House price paid data by HMA	Land Registry Data	Calendar year increase
Assumed house price increases 2020-2023	WG House Price Index data	29.2%
Assumed house price increases 2021-2023	WG House Price Index data	9.5%
Assumed house price increases 2022-2023	WG House Price Index data	-1.1%
Rent prices	Rent Officers Wales	Calendar year
Household projection basis	Principal	
	Default or user	Selected %
Market housing affordability criteria	Default	30.00%
Social rent affordability criteria	Default	35.00%
Existing unmet need is spread equally over the first 5 years		
Percentage of households considered for owner occupier tenure that go on to buy		60.00%

To determine affordability in the housing market, it is a requirement to forecast income growth and how that compares to the cost of housing. Figure 14 illustrates how the labour and housing market is forecast to change from 2022 – 2027.

Figure 14: Income, House Price, Rent Price & Income Distribution Growth.

	Default or user	2022/23	2023/24	2024/25	2025/26	2026/27
Change in income growth	Default	2.33%	2.76%	2.84%	2.77%	3.58%
Change in house prices	Default	-1.12%	-5.67%	1.14%	3.43%	3.59%
Change in private rent prices	Default	5.04%	1.77%	1.67%	1.86%	2.49%
Change in income distribution growth	No change	0.00%	0.00%	0.00%	0.00%	0.00%

Figure 15 shows that the cheapest HMA to purchase a home for the first time is the Lower Cynon Valley at £79,107 and the most expensive is South West Taf at £168,101. This assessment has used the loan to value ratio of 4.1, that has been provided by WG.

Figure 15: FTB Price, Ratio with Max and Min Income for Intermediate Rent

HMA	FTB property price	FTB property value to income ratio	Min. income for intermediate rent	Max. income for intermediate rent
Upper Cynon Valley	£ 109,068	4.1	£ 13,339	£ 18,445
Greater Aberdare	£ 96,906	4.1	£ 16,400	£ 21,733
Lower Cynon Valley	£ 79,107	4.1	£ 17,133	£ 21,716
Greater Pontypridd	£ 115,693	4.1	£ 20,659	£ 26,548
Lower Rhondda Fach	£ 85,040	4.1	£ 16,343	£ 22,072
Upper Rhondda Fach	£ 66,252	4.1	£ 13,829	£ 18,426
Upper Rhondda Fawr	£ 82,073	4.1	£ 15,028	£ 19,334
Lower Rhondda Fawr	£ 84,051	4.1	£ 15,615	£ 21,500
Tonyrefail & Gilfach Goch	£ 115,599	4.1	£ 16,067	£ 22,958
South West Taf	£ 168,101	4.1	£ 25,919	£ 32,418
Central Taf	£ 154,876	4.1	£ 23,350	£ 29,473
East of Pontypridd	£ 115,693	4.1	£ 21,794	£ 27,310
Taffs Well	£ 158,213	4.1	£ 27,019	£ 34,802

Affordable Housing Need Estimates

Charts 5 and 6 show the annual average additional affordable housing estimates over the first 5 years and the remaining 10 for HMA.

As per the situation for open market housing, Greater Aberdare and Pontypridd are among the highest areas of need for affordable housing for the last 10 years of the LHMA period but Southwest and Central Taf are now the lead areas over the first 5 years.

Chart 5 below illustrates that the highest affordable housing need for the first 5 years of the LHMA, is for social rent across the borough with 4 HMAs needing over 100 or more units a year delivered to keep up with the need.

Chart 5: Annual additional affordable housing need split by tenure for the first 5 years.

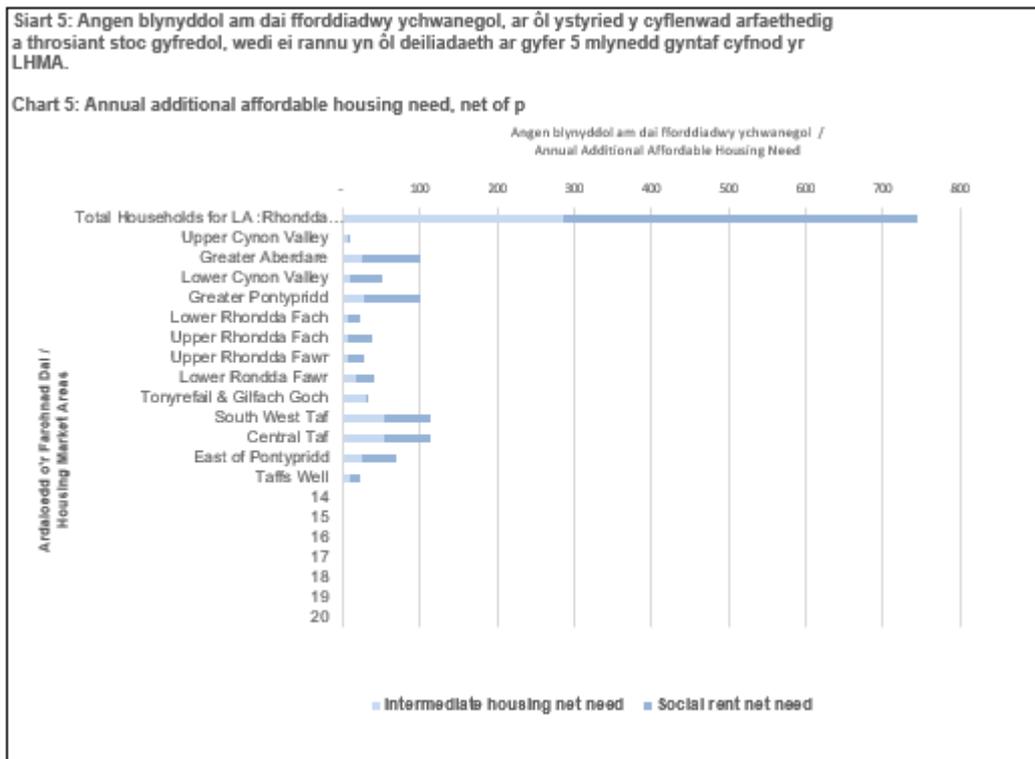


Chart 6 below illustrates that the highest affordable housing need for the last 10 years of the LHMA period is for social rent across the borough with Greater Aberdare and Greater Pontypridd requiring the most affordable housing.

Chart 6: Annual additional housing need split by tenure for the remaining 10 years of the LHMA period.

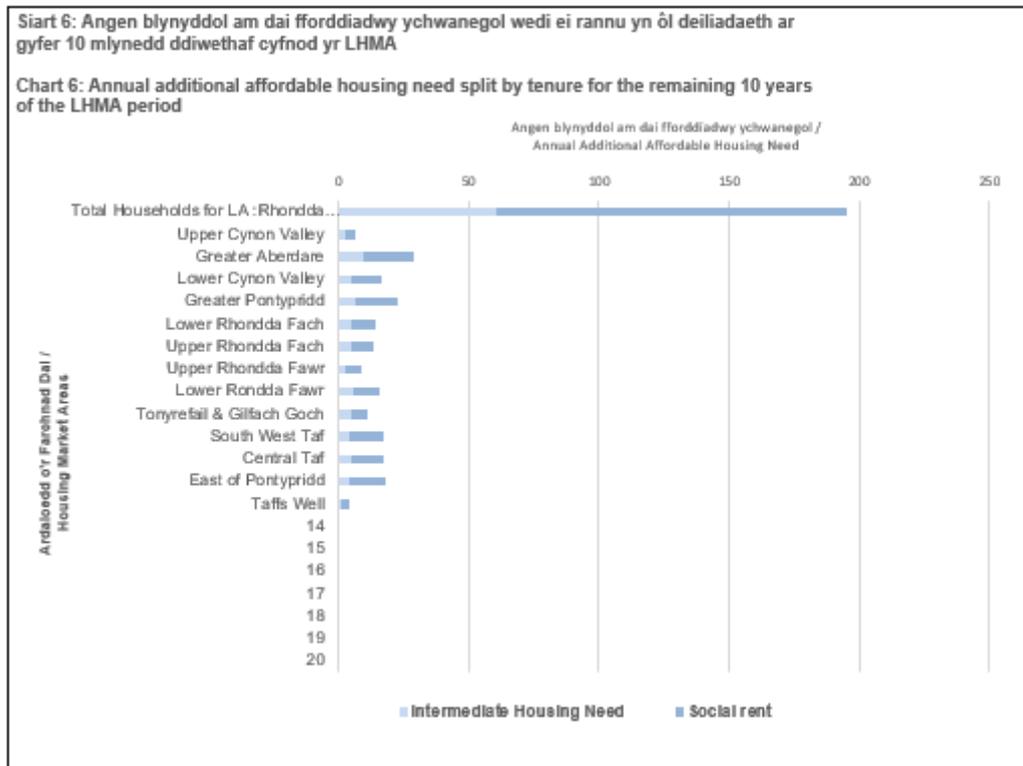


Figure 16 is a summary of additional annual (gross and net) affordable housing need estimates over the first 5 years of the LHMA 2022/23 – 2026/27.

Figure 16: Summary of additional annual (gross and net) affordable housing need estimates over the first 5 years of the LHMA 2022/23 – 2026/27.

HMAs	Intermediate rent		Low Cost Home Own		Social rent (existing unmet need)				Social rent (newly arising need)				Annual additional affordable housing need				Social Rents by Bedrooms				Intermediate rents		LCHO		Social rent - one bed		Social rent - two bed		Social rent - three bed		Social rent - four+ bed		Annual additional affordable housing				
	Existing unmet need	Newly arising need	Existing unmet need	Newly arising need	one bedroom	two bedrooms	three bedrooms	four+ bedrooms	one bedroom	two bedrooms	three bedrooms	four+ bedrooms	Affordable housing need	Intermediate rent element	LCHO element	social rent element	one bedroom	two bedrooms	three bedrooms	four+ bedrooms	Stock and supply	Net need	Stock and supply	Net need	Stock and supply	Net need	Stock and supply	Net need	Stock and supply	Net need	Stock and supply	Net need	Intermediate housing net need	Social rent net need	Affordable housing net need		
Total Households for LA :Rhondda Cynon Taf	-	61	229	-	0	325	218	118	33	83	34	11	6	1,119	61	229	829	409	252	129	39	-	61	3	225	169	239	146	120	70	67	8	32	286	459	745	
Upper Cynon Valley	-	2	3	-	0	9	10	6	2	2	1	0	0	36	2	3	30	11	11	6	2	-	2	-	3	10	1	12	-	12	-	2	1	6	2	8	
Greater Aberdare	-	10	18	-	0	56	32	20	5	12	5	2	1	159	10	18	132	68	37	22	6	-	10	-	17	17	50	29	7	9	12	1	5	26	76	102	
Lower Cynon Valley	-	5	6	-	0	25	19	11	2	7	3	1	1	80	5	6	69	32	22	12	3	-	5	-	6	11	22	11	11	7	5	0	2	10	40	51	
Greater Pontypridd	-	7	22	-	0	40	23	10	4	10	4	1	1	122	7	22	93	50	27	11	5	-	7	-	22	13	37	5	21	3	8	0	4	29	72	101	
Lower Rhondda Fach	-	5	3	-	0	21	15	9	1	6	2	1	0	65	5	3	57	27	18	10	2	-	5	-	3	21	6	15	3	6	4	0	1	8	14	23	
Upper Rhondda Fach	-	5	1	-	0	17	16	8	2	6	2	1	0	57	5	1	52	23	18	9	2	-	5	-	1	6	16	8	10	4	5	0	2	6	33	38	
Upper Rhondda Fawr	-	3	4	-	0	17	10	5	2	4	1	0	0	46	3	4	40	20	12	5	2	-	3	-	4	11	9	4	8	3	2	0	2	7	21	28	
Lower Rhondda Fawr	-	6	13	-	0	26	16	9	2	6	3	1	0	81	6	13	63	32	18	10	3	-	6	-	13	26	6	11	7	4	6	1	2	19	22	41	
Tonyrefail & Giffach Goch	-	4	26	-	0	19	13	9	2	4	2	1	0	79	4	26	49	23	15	9	2	-	4	-	26	22	1	28	-	11	-	3	-	30	1	32	
South West Taf	-	4	53	-	0	29	22	10	3	8	3	1	1	133	4	53	76	37	25	11	4	-	4	-	2	50	8	29	5	20	3	7	0	3	55	60	115
Central Taf	-	5	48	-	0	32	22	11	3	8	3	1	1	134	5	48	81	40	25	12	4	-	5	-	48	10	30	6	18	3	9	0	4	53	61	114	
East of Pontypridd	-	4	22	-	0	25	18	8	4	8	3	1	1	95	4	22	69	33	21	10	5	-	4	-	22	11	22	9	12	4	5	0	5	26	44	70	
Taffs Well	-	1	9	-	0	9	4	3	1	2	1	0	0	31	1	9	20	11	5	3	1	-	1	-	9	5	7	3	2	0	3	-	1	11	12	23	

The table represents the complete picture of housing need across RCT for affordable housing for the first 5 years of the LHMA period. It shows the current need for Intermediate rent, low-cost home ownership (LCHO) and social rent.

Key points taken from the table include:

- Total affordable housing needed per annum is 745 (net) units.
- Total intermediate units are 286 (net).
- Total social housing units are 459 (net).
- Greater Aberdare has the highest net need for affordable housing with 102 (net) units a year needing to be delivered to keep up with demand.
- One-bedroom units are the most sought-after size of dwelling in the social rented sector with, 239 (net) units needed per annum and Greater Aberdare needing 50 (21%) of the one-bedroom units.
- Discounted market housing (LCHO) need currently sits at 229 (gross) with a planned supply of 3.
- While there is no current provision for Intermediate rent in RCT, there could be a need to deliver 61 units per year.

Figure 17 below provides a summary of additional gross annual affordable housing need estimates over the remaining 10 years. It shows that the highest demand is for one- bedroom units in social rent and intermediate housing, with Greater Aberdare having the highest demand, this is consistent with the outputs previously shown in the assessment.

Figure 17: Summary of additional gross annual affordable housing need estimates over the remaining 10 years.

HMA	Intermediate Housing Need	one bedroom	two bedrooms	three bedrooms	four+ bedrooms	All Bedrooms	Annual additional affordable housing need
Total Households for LA :Rhondda Cynon Taf	61	83	34	11	6	134	195
Upper Cynon Valley	2	2	1	0	0	4	6
Greater Aberdare	10	12	5	2	1	19	29
Lower Cynon Valley	5	7	3	1	1	12	17
Greater Pontypridd	7	10	4	1	1	16	23
Lower Rhondda Fach	5	6	2	1	0	10	15
Upper Rhondda Fach	5	6	2	1	0	9	14
Upper Rhondda Fawr	3	4	1	0	0	6	9
Lower Rhondda Fawr	6	6	3	1	0	10	16
Tonyrefail & Giffach Goch	4	4	2	1	0	7	11
South West Taf	4	8	3	1	1	13	17
Central Taf	5	8	3	1	1	12	17
East of Pontypridd	4	8	3	1	1	14	18
Taffs Well	1	2	1	0	0	3	4

Housing Need by HMA

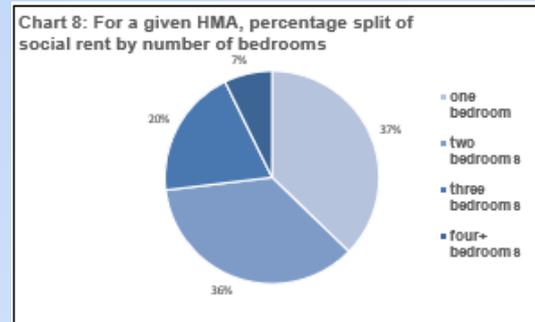
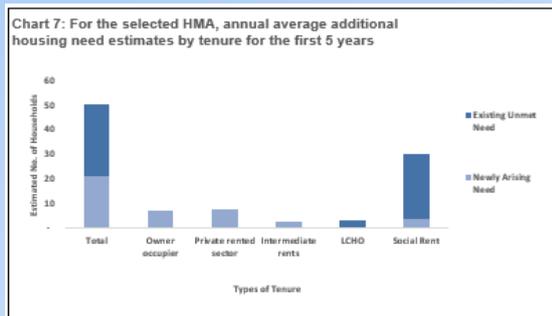
Each HMA has been separated to illustrate the need within that area. This will inform documents such as the Welsh Governments prospectus, that in turn, influences where Social Housing Grant (SHG) is allocated across the county borough.

Upper Cynon Valley has more need for social rent than any other tenure, requiring developments that are weighted towards one-bedroom units.

Figure 18: Upper Cynon Valley Need Estimates

Upper Cynon Valley		Average annual housing need estimates: 2022/23 to 2026/27			Average annual housing need estimates: 2026/27 to 2037/38	
		Newly Arising Need	Existing Unmet Need	Total	Newly Arising Need only	
Total		21	30	51	21	
5-way tenure	Owner occupier	7		7	7	
	Private rented sector	8		8	8	
	Intermediate rents	2	-	2	2	
	LCHO	-	3	3	-	
	Social Rent	4	26	30	4	

Average annual social rent need estimates split by number of bedrooms : 2022/23 to 2026/27					
	one bedroom	two bedrooms	three bedrooms	four+ bedrooms	all bedrooms
Newly arising need	2	1	0	0	4
Existing unmet need	9	10	6	2	26
Total	11	11	6	2	30
Percentage share of the total	37%	36%	20%	7%	100%



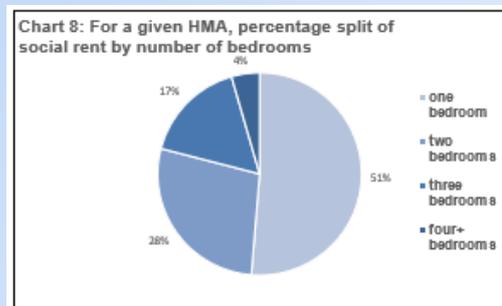
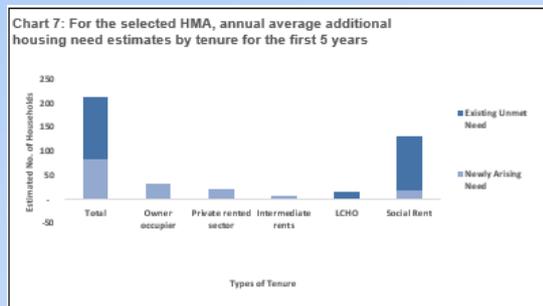
Greater Aberdare has more need for social rent than any other tenure, requiring developments that are weighted towards one-bedroom units.

Figure 19: Greater Aberdare Need Estimates

Greater Aberdare		Average annual housing need estimates: 2022/23 to 2026/27			Average annual housing need estimates: 2026/27 to 2037/38
		Newly Arising Need	Existing Unmet Need	Total	Newly Arising Need only
Total		85	131	216	85
5-way tenure	Owner occupier	33		33	33
	Private rented sector	23		23	23
	Intermediate rents	10	-	10	10
	LCHO	0	18	18	-
	Social Rent	19	113	132	19

Average annual social rent need estimates split by number of bedrooms : 2022/23 to 2026/27

	one bedroom	two bedrooms	three bedrooms	four+ bedrooms	all bedrooms
Newly arising need	12	5	2	1	19
Existing unmet need	56	32	20	5	113
Total	68	37	22	6	132
Percentage share of the total	51%	28%	17%	4%	100%



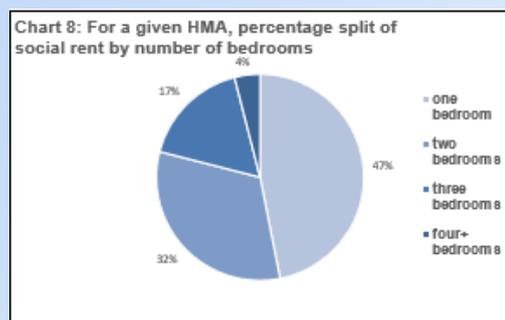
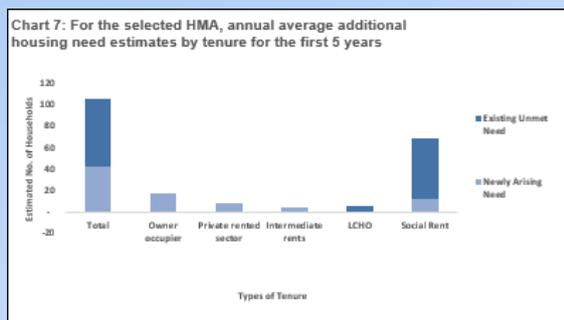
Lower Cynon Valley has more need for social rent than any other tenure, requiring developments that are weighted towards one-bedroom units.

Figure 19: Greater Aberdare Need Estimates

Lower Cynon Valley		Average annual housing need estimates: 2022/23 to 2026/27			Average annual housing need estimates: 2026/27 to 2037/38
		Newly Arising Need	Existing Unmet Need	Total	Newly Arising Need only
Total		43	63	106	43
5-way tenure	Owner occupier	18		18	18
	Private rented sector	8		8	8
	Intermediate rents	5	-	5	5
	LCHO	0	6	6	-
	Social Rent	12	57	69	12

Average annual social rent need estimates split by number of bedrooms : 2022/23 to 2026/27

	one bedroom	two bedrooms	three bedrooms	four+ bedrooms	all bedrooms
Newly arising need	7	3	1	1	12
Existing unmet need	25	19	11	2	57
Total	32	22	12	3	69
Percentage share of the total	47%	32%	17%	4%	100%

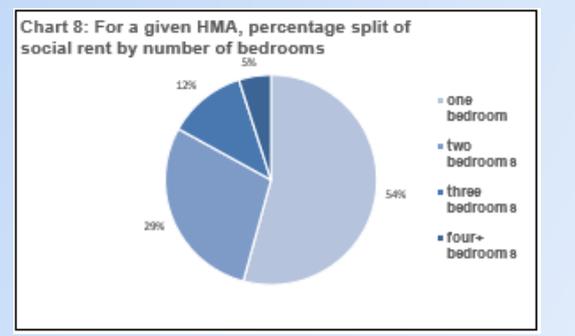
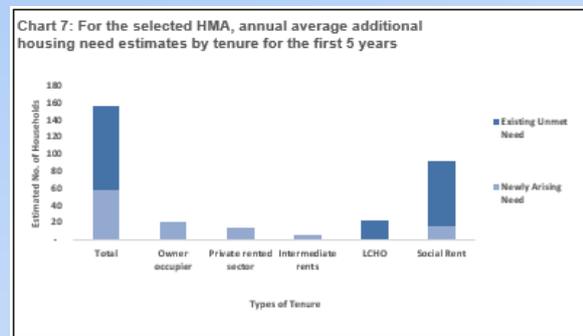


Greater Pontypridd has more need for social rent than any other tenure, requiring developments that are weighted towards one-bedroom units.

Figure 20: Greater Pontypridd Need Estimates

Greater Pontypridd		Average annual housing need estimates: 2022/23 to 2026/27			Average annual housing need estimates: 2026/27 to 2037/38	
		Newly Arising Need	Existing Unmet Need	Total	Newly Arising Need only	
Total		59	99	157	59	
5-way tenure	Owner occupier	21		21	21	
	Private rented sector	14		14	14	
	Intermediate rents	7	-	7	7	
	LCHO	-	22	22	-	
	Social Rent	16	76	93	16	

Average annual social rent need estimates split by number of bedrooms : 2022/23 to 2026/27					
	one bedroom	two bedrooms	three bedrooms	four+ bedrooms	all bedrooms
Newly arising need	10	4	1	1	16
Existing unmet need	40	23	10	4	76
Total	50	27	11	5	93
Percentage share of the total	54%	29%	12%	5%	100%
Percentage share of the total	48%	31%	18%	3%	100%

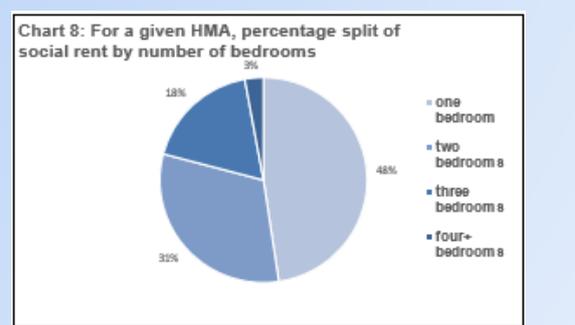
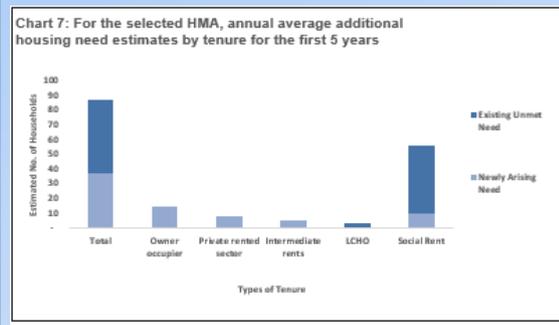


Lower Rhondda Fach has more need for social rent than any other tenure, requiring developments that are weighted towards one-bedroom units.

Figure 21: Lower Rhondda Fach Need Estimates

Lower Rhondda Fach		Average annual housing need estimates: 2022/23 to 2026/27			Average annual housing need estimates: 2026/27 to 2037/38	
		Newly Arising Need	Existing Unmet Need	Total	Newly Arising Need only	
Total		37	50	88	37	
5-way tenure	Owner occupier	15		15	15	
	Private rented sector	8		8	8	
	Intermediate rents	5	-	5	5	
	LCHO	-	3	3	-	
	Social Rent	10	47	57	10	

Average annual social rent need estimates split by number of bedrooms : 2022/23 to 2026/27					
	one bedroom	two bedrooms	three bedrooms	four+ bedrooms	all bedrooms
Newly arising need	6	2	1	0	10
Existing unmet need	21	15	9	1	47
Total	27	18	10	2	57
Percentage share of the total	48%	31%	18%	3%	100%

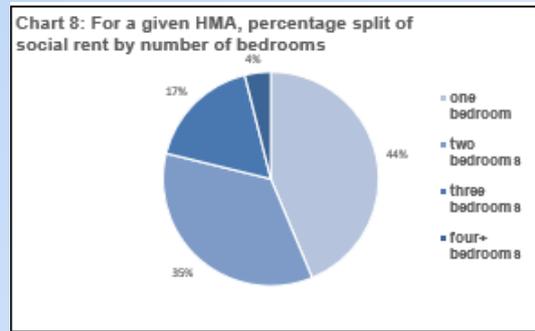
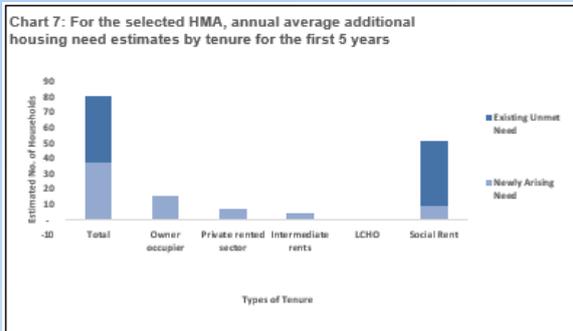


Upper Rhondda Fach has more need for social rent than any other tenure, requiring developments that are weighted towards one-bedroom units.

Figure 22: Upper Rhondda Fach Need Estimates

Upper Rhondda Fach		Average annual housing need estimates: 2022/23 to 2026/27			Average annual housing need estimates: 2026/27 to 2037/38	
		Newly Arising Need	Existing Unmet Need	Total	Newly Arising Need only	
Total		37	44	81	37	
5-way tenure	Owner occupier	16		16	16	
	Private rented sector	8		8	8	
	Intermediate rents	5	-	5	5	
	LCHO	0	1	1	-	
	Social Rent	9	43	52	9	

Average annual social rent need estimates split by number of bedrooms : 2022/23 to 2026/27					
	one bedroom	two bedrooms	three bedrooms	four+ bedrooms	all bedrooms
Newly arising need	6	2	1	0	9
Existing unmet need	17	16	8	2	43
Total	23	18	9	2	52
Percentage share of the total	44%	35%	17%	4%	100%

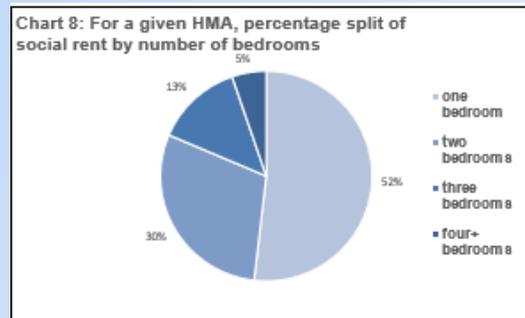
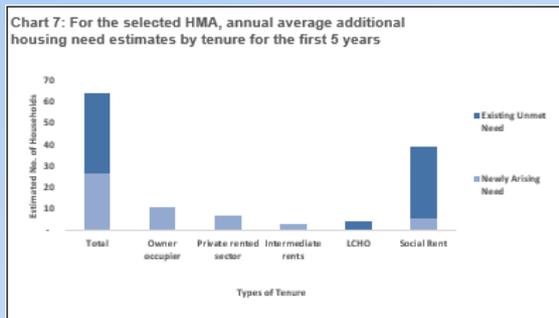


Upper Rhondda Fawr has more need for social rent than any other tenure, requiring developments that are weighted towards one-bedroom units.

Figure 23: Upper Rhondda Fawr Need Estimates

Upper Rhondda Fawr		Average annual housing need estimates: 2022/23 to 2026/27			Average annual housing need estimates: 2026/27 to 2037/38	
		Newly Arising Need	Existing Unmet Need	Total	Newly Arising Need only	
Total		27	38	64	27	
5-way tenure	Owner occupier	11		11	11	
	Private rented sector	7		7	7	
	Intermediate rents	3	-	3	3	
	LCHO	-	4	4	-	
	Social Rent	6	34	40	6	

Average annual social rent need estimates split by number of bedrooms : 2022/23 to 2026/27					
	one bedroom	two bedrooms	three bedrooms	four+ bedrooms	all bedrooms
Newly arising need	4	1	0	0	6
Existing unmet need	17	10	5	2	34
Total	20	12	5	2	40
Percentage share of the total	52%	30%	13%	5%	100%

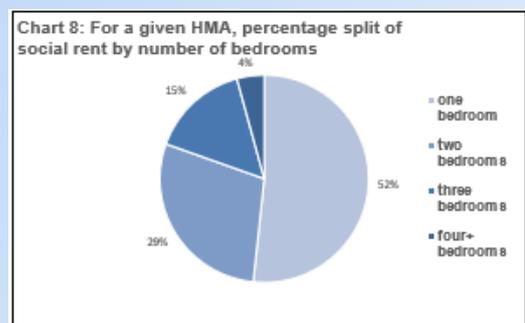
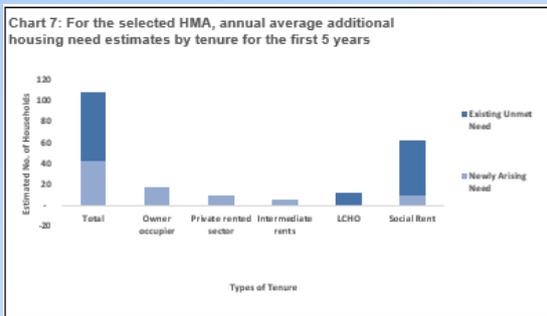


Lower Rhondda Fawr has more need for social rent than any other tenure, requiring developments that are weighted towards one-bedroom units.

Figure 24: Lower Rhondda Fawr Need Estimates

Lower Rhondda Fawr		Average annual housing need estimates: 2022/23 to 2026/27			Average annual housing need estimates: 2026/27 to 2037/38
		Newly Arising Need	Existing Unmet Need	Total	Newly Arising Need only
Total		43	66	108	43
5-way tenure	Owner occupier	17		17	17
	Private rented sector	10		10	10
	Intermediate rents	6	-	6	6
	LCHO	0	13	13	-
	Social Rent	10	53	63	10

Average annual social rent need estimates split by number of bedrooms : 2022/23 to 2026/27					
	one bedroom	two bedrooms	three bedrooms	four+ bedrooms	all bedrooms
Newly arising need	6	3	1	0	10
Existing unmet need	26	16	9	2	53
Total	32	18	10	3	63
Percentage share of the total	52%	29%	15%	4%	100%

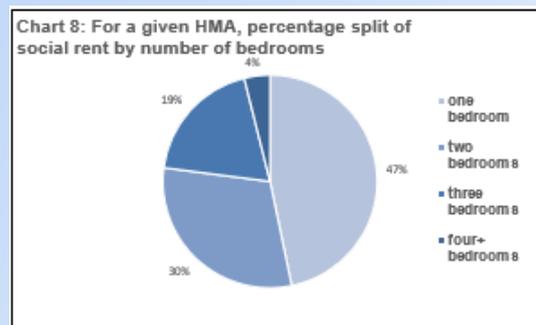
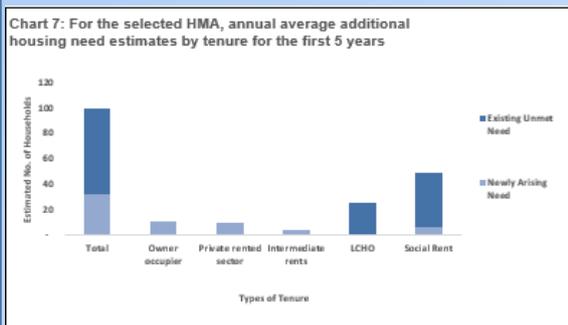


Tonyrefail & Gilfach Goch has more need for social rent than any other tenure, requiring developments that are weighted towards one-bedroom units.

Figure 25: Tonyrefail & Gilfach Goch Need Estimates

Tonyrefail & Gilfach Goch		Average annual housing need estimates: 2022/23 to 2026/27			Average annual housing need estimates: 2026/27 to 2037/38
		Newly Arising Need	Existing Unmet Need	Total	Newly Arising Need only
Total		32	68	100	32
5-way tenure	Owner occupier	11		11	11
	Private rented sector	10		10	10
	Intermediate rents	4	-	4	4
	LCHO	-	26	26	-
	Social Rent	7	42	49	7

Average annual social rent need estimates split by number of bedrooms : 2022/23 to 2026/27					
	one bedroom	two bedrooms	three bedrooms	four+ bedrooms	all bedrooms
Newly arising need	4	2	1	0	7
Existing unmet need	19	13	9	2	42
Total	23	15	9	2	49
Percentage share of the total	47%	30%	19%	4%	100%

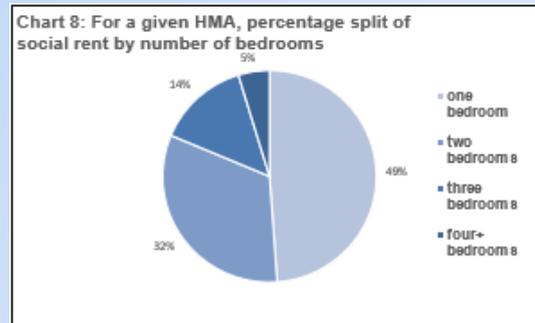
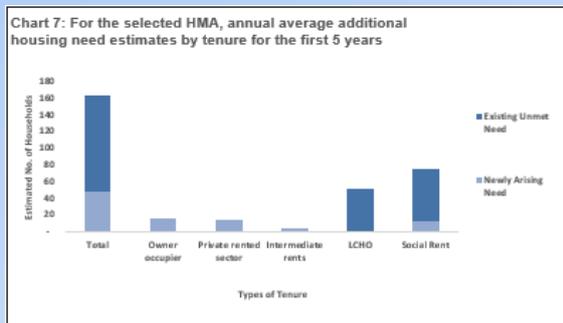


South West Taf has more need for social rent than any other tenure, requiring developments that are weighted towards one-bedroom units.

Figure 26: South West Taf Need Estimates

South West Taf		Average annual housing need estimates: 2022/23 to 2026/27			Average annual housing need estimates: 2026/27 to 2037/38	
		Newly Arising Need	Existing Unmet Need	Total	Newly Arising Need only	
Total		48	116	164	48	
5-way tenure	Owner occupier	16		16	16	
	Private rented sector	15		15	15	
	Intermediate rents	4		4	4	
	LCHO	-	53	53	-	
	Social Rent	13	63	76	13	

Average annual social rent need estimates split by number of bedrooms : 2022/23 to 2026/27					
	one bedroom	two bedrooms	three bedrooms	four+ bedrooms	all bedrooms
Newly arising need	8	3	1	1	13
Existing unmet need	29	22	10	3	63
Total	37	25	11	4	76
Percentage share of the total	49%	32%	14%	5%	100%

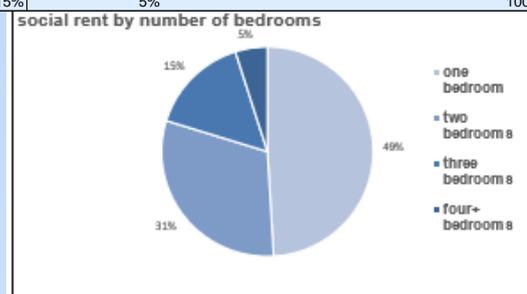
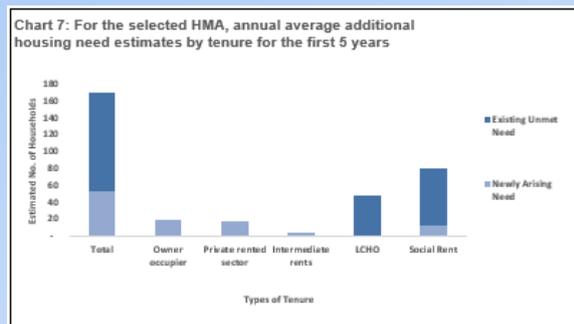


Central Taf has more need for social rent than any other tenure, requiring developments that are weighted towards one-bedroom units.

Figure 27: Central Taf Need Estimates

Central Taf		Average annual housing need estimates: 2022/23 to 2026/27			Average annual housing need estimates: 2026/27 to 2037/38	
		Newly Arising Need	Existing Unmet Need	Total	Newly Arising Need only	
Total		53	117	170	53	
5-way tenure	Owner occupier	19		19	19	
	Private rented sector	17		17	17	
	Intermediate rents	5		5	5	
	LCHO	-	48	48	-	
	Social Rent	12	69	81	12	

Average annual social rent need estimates split by number of bedrooms : 2022/23 to 2026/27					
	one bedroom	two bedrooms	three bedrooms	four+ bedrooms	all bedrooms
Newly arising need	8	3	1	1	12
Existing unmet need	32	22	11	3	69
Total	40	25	12	4	81
Percentage share of the total	49%	31%	15%	5%	100%

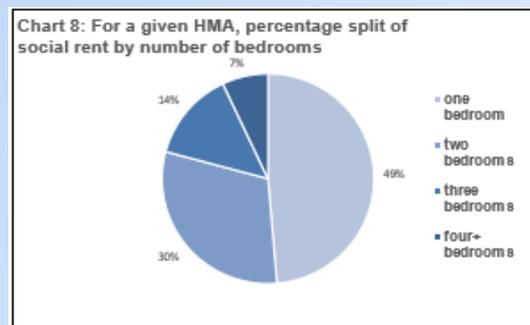
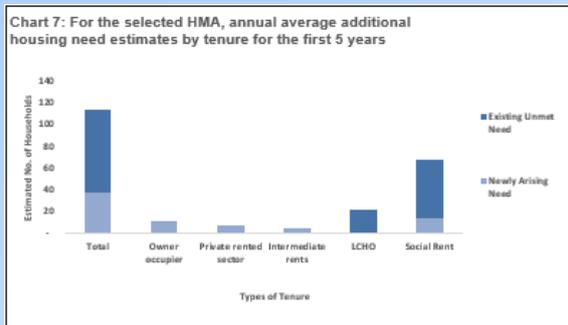


East of Pontypridd has more need for social rent than any other tenure, requiring developments that are weighted towards one-bedroom units.

Figure 28: East of Pontypridd Need Estimates

East of Pontypridd		Average annual housing need estimates: 2022/23 to 2026/27			Average annual housing need estimates: 2026/27 to 2037/38	
		Newly Arising Need	Existing Unmet Need	Total	Newly Arising Need only	
Total		37	77	115	37	
5-way tenure	Owner occupier	12		12	12	
	Private rented sector	8		8	8	
	Intermediate rents	4	-	4	4	
	LCHO	-	22	22	-	
	Social Rent	14	55	69	14	

Average annual social rent need estimates split by number of bedrooms : 2022/23 to 2026/27					
	one bedroom	two bedrooms	three bedrooms	four+ bedrooms	all bedrooms
Newly arising need	8	3	1	1	14
Existing unmet need	25	18	8	4	55
Total	33	21	10	5	69
Percentage share of the total	49%	30%	14%	7%	100%

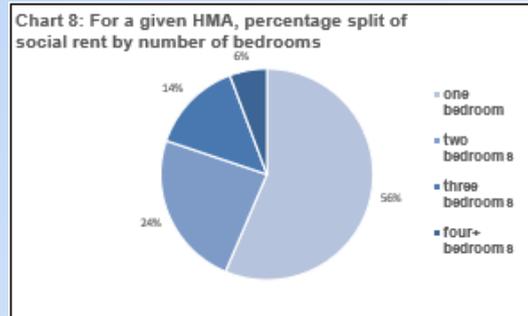
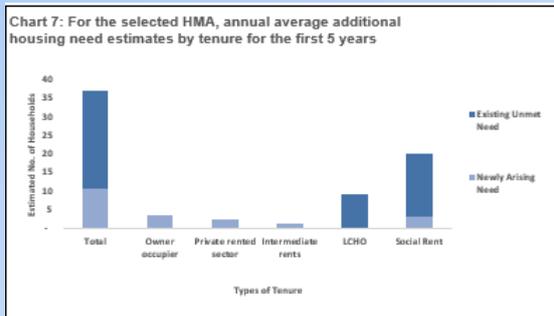


Taffs Well has more need for social rent than any other tenure, requiring developments that are weighted towards one-bedroom units.

Figure 29: Taffs Well Need Estimates

Taffs Well		Average annual housing need estimates: 2022/23 to 2026/27			Average annual housing need estimates: 2026/27 to 2037/38	
		Newly Arising Need	Existing Unmet Need	Total	Newly Arising Need only	
Total		11	26	37	11	
5-way tenure	Owner occupier	4		4	4	
	Private rented sector	3		3	3	
	Intermediate rents	1	-	1	1	
	LCHO	-	9	9	-	
	Social Rent	3	17	20	3	

Average annual social rent need estimates split by number of bedrooms : 2022/23 to 2026/27					
	one bedroom	two bedrooms	three bedrooms	four+ bedrooms	all bedrooms
Newly arising need	2	1	0	0	3
Existing unmet need	9	4	3	1	17
Total	11	5	3	1	20
Percentage share of the total	56%	24%	14%	6%	100%



Summary of Outputs

The following section will provide a summary of the above data outputs using Welsh Government's principal household projections, the higher variant, and the lower variant.

Principal Projections

The average additional housing need estimate diagram below (figure 30) provides a summary of need, per annum for open market housing and affordable housing, using WG Principal Projections. As has been consistent throughout the assessment, there is a greater need for affordable housing than any other tenure.

Over the first 5 years of the LHMA period, there is an evidenced need of 1,475 per annum homes across all tenures, of which 459 are social rent, 286 Low Cost Home Ownership and 338 market housing.

Figure 30: Average annual additional housing need estimates using Principal Household Projections

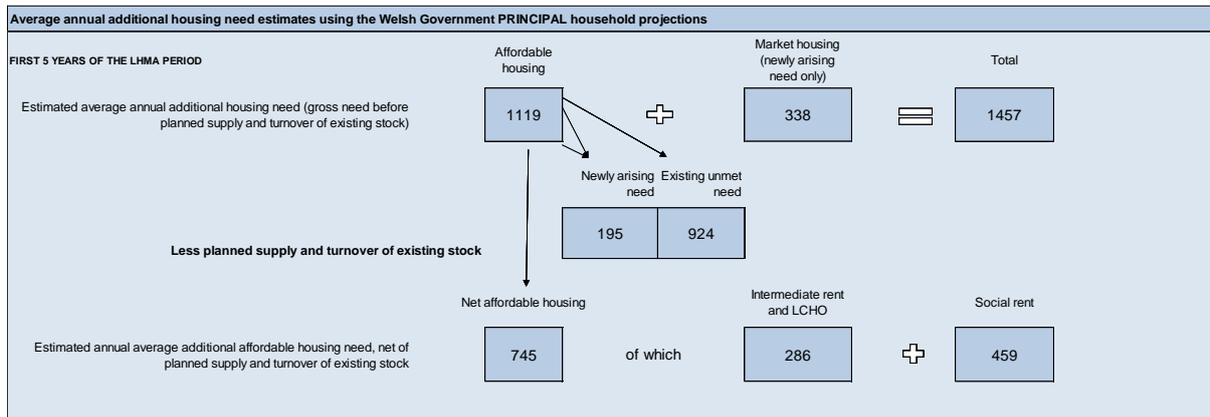


Figure 31 below provides a breakdown of net need for all tenures of housing and splits the social housing need into bedrooms per HMA, on an annual basis for the first 5 years of the LHMA period. One-bedroom being the greatest need across all HMAs, requiring 239 units per annum in the social rented sector.

Figure 31: Estimated annual additional affordable housing need by HMA and tenure (net need, net of turnover of existing stock and planned supply) using the Principal Projections.

Basis of the household projections Principal

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

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

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

HMA	(a) one bedroom	(b) two bedrooms	(c) three bedrooms	(d) four+ bedrooms	(e) Social rent (a) + (b) + (c) + (d) = (e)	(f) Intermediate rent	(g) LCHO	(h) Affordable Housing (h) = (e) + (f) + (g)
Additional housing need estimates by tenure	239	120	67	32	459	61	225	745
Upper Cynon Valley	1	-	-	1	2	2	3	8
Greater Aberdare	50	7	12	5	76	10	17	102
Lower Cynon Valley	22	11	5	2	40	5	6	51
Greater Pontypridd	37	21	8	4	72	7	22	101
Lower Rhondda Fach	6	3	4	1	14	5	3	23
Upper Rhondda Fach	16	10	5	2	33	5	1	38
Upper Rhondda Fawr	9	8	2	2	21	3	4	28
Lower Rhondda Fawr	6	7	6	2	22	6	13	41
Tonyrefail & Giltfach Goch	1	-	-	-	1	4	26	32
South West Taf	29	20	7	3	60	4	50	115
Central Taf	30	18	9	4	61	5	48	114
East of Pontypridd	22	12	5	5	44	4	22	70
Taffs Well	7	2	3	1	12	1	9	23

Figure 32 below provides an annual gross housing need, across all tenures of the final 10 years of the LHMA period. The table shows with no turnover or supply, the overall additional affordable housing need figure would need to be 1,119 units per year.

Figure 32: Estimated annual additional total housing need estimates by HMA and Tenure (gross need, before turnover and supply) using Principal Projections.

LHMA Report Table 2: Estimated annual additional total housing need estimates by HMA and tenure (gross need, before turnover and supply)							
The second table provides the additional total housing need estimates on the following basis:							
*includes market and affordable housing							
*at HMA level							
*by tenure (owner occupier, private rented sector(PRS), LCHO, intermediate rent and social rent)							
*annual estimate for the first 5 years of the LHMA period							
HMA	(a) Social rent	(b) Intermediate rent and LCHO	(c) Affordable Housing (c) = (a) + (b)	(d) Owner occupier	(e) Private rented sector	(f) Market Housing (f) = (d) + (e)	(g) Additional housing need (g) = (c) + (f)
Additional housing need estimates by tenure	829	289	1,119	200	138	338	1,457
Upper Cynon Valley	30	6	36	7	8	15	51
Greater Aberdare	132	28	159	33	23	57	216
Lower Cynon Valley	69	10	80	18	8	26	106
Greater Pontypridd	93	29	122	21	14	36	157
Lower Rhondda Fach	57	8	65	15	8	23	88
Upper Rhondda Fach	52	6	57	16	8	24	81
Upper Rhondda Fawr	40	7	46	11	7	18	64
Lower Rhondda Fawr	63	19	81	17	10	27	108
Tonyrefail & Giffach Goch	49	30	79	11	10	21	100
South West Taf	76	57	133	16	15	31	164
Central Taf	81	53	134	19	17	36	170
East of Pontypridd	69	26	95	12	8	20	115
Taffs Well	20	11	31	4	3	6	37

Figure 33 below provides the annual housing need, across all tenures of the final 10 years of the LHMA period and shows that there would need to be a further 533 dwellings, across all tenures per annum, with market housing being the highest need of 338 units. However, this would require a huge amount of affordable housing to be delivered in the first 5 years of the LHMA period.

Figure 33: Estimated annual additional total housing need estimates by HMA and Tenure (gross need, before turnover and supply) using Principal Projections for the remaining 10 years of the LHMA period.

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

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

The third table provides the additional housing need estimates on the following basis:

- *at HMA level
- *by tenure (owner occupier, private rented sector (PRS), LCHO, intermediate rent and social rent)
- *annual estimate for the remaining 10 years of the LHMA period
- *the estimates are based solely on newly arising need (it is assumed any existing unmet need is met during the first 5 years)
- *the affordable housing need estimates in should be combined with the affordable housing need in Table 1 to produce a 15-year estimate of affordable housing.

No further allowance has been made for supply at this point as it becomes less accurate to predict committed supply and turnover beyond year 5.

HMA	(a) Social rent	(b) Intermediate rent and LCHO	(c) Affordable Housing	(d) Owner occupier	(e) Private rented sector	(f) Market Housing	(g) Additional housing need
			(c) = (a) + (b)			(f) = (d) + (e)	(g) = (c) + (f)
Additional housing need estimates by tenure	134	61	195	200	138	338	533
Upper Cynon Valley	4	2	6	7	8	15	21
Greater Aberdare	19	10	29	33	23	57	85
Lower Cynon Valley	12	5	17	18	8	26	43
Greater Pontypridd	16	7	23	21	14	36	59
Lower Rhondda Fach	10	5	15	15	8	23	37
Upper Rhondda Fach	9	5	14	16	8	24	37
Upper Rhondda Fawr	6	3	9	11	7	18	27
Lower Rhondda Fawr	10	6	16	17	10	27	43
Tonyrefail & Giffach Goch	7	4	11	11	10	21	32
South West Taf	13	4	17	16	15	31	48
Central Taf	12	5	17	19	17	36	53
East of Pontypridd	14	4	18	12	8	20	37
Taffs Well	3	1	4	4	3	6	11

Figure 34 below illustrates the average annual need estimates by all tenures and compares them with the total 15-year estimates across the assessment period and shows that over the 15-year period, a total of 5,672 units would need to be delivered across all housing tenures. The majority of 3,635 being social rent and 2,037 intermediate housing.

Figure 34: Estimated annual overall additional affordable housing need by HMA and Tenure (net need) over the 15 years of the LHMA.

Headline 15-year Affordable Housing Need Estimate

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

Table 4 provides the additional affordable housing need estimates on the following basis:

*at HMA level

*by tenure (intermediate housing and social rent)

*annual estimate for the 15 years of the LHMA period

*the affordable housing need estimates are a combination of the additional estimates from table 1 (net estimates) and table 3.

(no further allowance has been made for supply and turnover of existing stock as it becomes less accurate to predict beyond year 5)

HMA	Average annual estimates			15-year estimates		
	(a)	(b)	(c)			
	Social rent	Intermediate rent and LCHO	Affordable Housing	Social rent	Intermediate rent and LCHO	Affordable Housing
			(c) = (a) + (b)			(c) = (a) + (b)
Additional housing need estimates by tenure	242	136	378	3,635	2,037	5,672
Upper Cynon Valley	3	4	7	48	54	102
Greater Aberdare	38	15	53	570	228	798
Lower Cynon Valley	21	7	28	320	98	418
Greater Pontypridd	35	14	49	521	211	732
Lower Rhondda Fach	11	6	17	167	90	258
Upper Rhondda Fach	17	5	22	254	75	329
Upper Rhondda Fawr	11	4	15	166	62	228
Lower Rhondda Fawr	14	10	24	209	152	361
Tonyrefail & Giffach Goch	5	13	18	72	196	268
South West Taf	28	21	50	427	318	745
Central Taf	29	21	49	429	314	742
East of Pontypridd	24	12	35	357	173	530
Taffs Well	6	4	11	95	66	160

As explained previously the following 3 tables provide information on the data sources and key assumptions that have informed the above outputs for additional housing need estimates.

It is important that we evidence where the key data sources come and what data is assumed. The table below shows what the data or key assumption is, where the source of that data comes from, and the year in which the data relates to.

To determine affordability in the housing market, it is a requirement to forecast income growth and ow that compares to the cost of housing. This table illustrates how the labour and housing market is forecast to change form 2022 – 2027

The cheapest HMA to purchase a home for the first time is the Lower Cynon Valley at £79,107 and the most expensive is South West Taf at £168,101. This assessment has used the loan to value ratio of 4.1, that has been provided by WG

Figure 35: Key assumptions used in all variant projections for the LHMA.

Data items / Key assumptions						
	Basis	2022/23	2023/24	2024/25	2025/26	2026/27
Change in income growth	Default	2.33%	2.76%	2.84%	2.77%	3.58%
Change in house prices	Default	-1.12%	-5.67%	1.14%	3.43%	3.59%
Change in private rent prices	Default	5.04%	1.77%	1.67%	1.86%	2.49%
Change in income distribution growth	No change	0.00%	0.00%	0.00%	0.00%	0.00%
Number of years to clear existing unmet need	5 years					
Market housing affordability criteria	30%					
Social rent affordability criteria	35%					
Data item	Data Sources	Basis of the data				
Income data by HMA	Paycheck	2022				
House price paid data by HMA	Land Registry Data	Calendar year				
Rent prices	Rent Officers Wales	Calendar year				
Household projection basis	Principal					
Percentage of households considered for owner occupier tenure that go on to buy	60%					
HMA assumptions						
HMA	FTB property price	FTB property value to income ratio	Min. income for intermediate rent	Max. income for intermediate rent		
Upper Cynon Valley	£ 109,068	4.1	£ 13,339	£ 18,445		
Greater Aberdare	£ 96,906	4.1	£ 16,400	£ 21,733		
Lower Cynon Valley	£ 79,107	4.1	£ 17,133	£ 21,716		
Greater Pontypridd	£ 115,693	4.1	£ 20,659	£ 26,548		
Lower Rhondda Fach	£ 85,040	4.1	£ 16,343	£ 22,072		
Upper Rhondda Fach	£ 66,252	4.1	£ 13,829	£ 18,426		
Upper Rhondda Fawr	£ 82,073	4.1	£ 15,028	£ 19,334		
Lower Rondra Fawr	£ 84,051	4.1	£ 15,615	£ 21,500		
Tonyrefail & Giffach Goch	£ 115,599	4.1	£ 16,067	£ 22,958		
South West Taf	£ 168,101	4.1	£ 25,919	£ 32,418		
Central Taf	£ 154,876	4.1	£ 23,350	£ 29,473		
East of Pontypridd	£ 115,693	4.1	£ 21,794	£ 27,310		
Taffs Well	£ 158,213	4.1	£ 27,019	£ 34,802		

Higher Variant

The average additional housing need estimate table below provides a summary of need, per annum for open market housing and affordable housing, using the **Higher Variant** of the WG Principal Projections and shows that a total of 1,607 units per annum would need to be delivered, with 434 being the total open market, 303 intermediate housing and 495 social housing.

Figure 36: Average annual additional housing need using the Higher variant household projections.

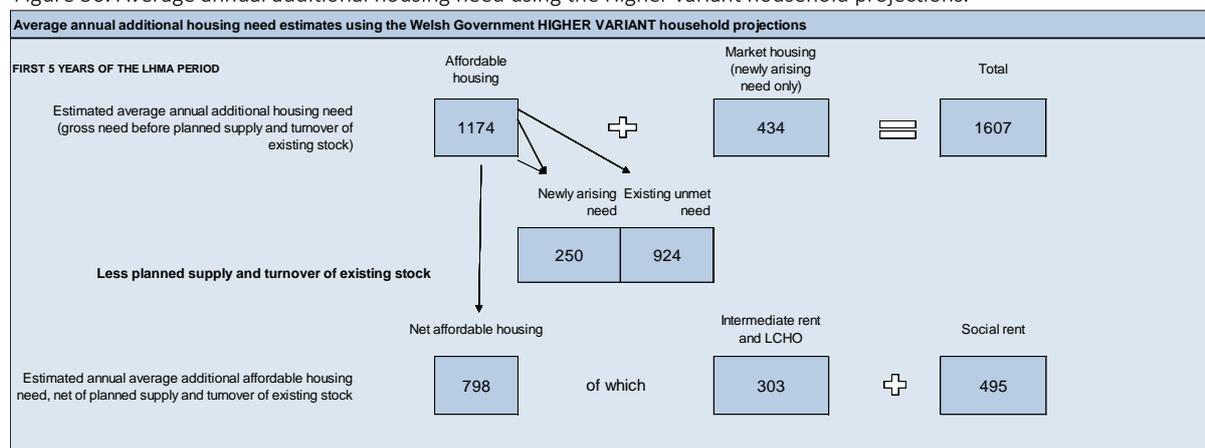


Figure 37 provides a breakdown of net need for all tenures of housing but splits the social housing need into bedrooms per HMA, on an annual basis for the first 5 years of the LHMA period. One-bedroom being the greatest need across all HMA s, requiring 263 units per annum in the social rented sector.

Figure 37: Estimated annual additional affordable housing need by HMA and tenure (net need, net turnover of existing stock and planned supply) using the Higher Variant Projections.

Basis of the household projections: Higher Variant

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

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

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

HMA	(a) one bedroom	(b) two bedrooms	(c) three bedrooms	(d) four+ bedrooms	(e) Social rent (a) + (b) + (c) + (d) = (e)	(f) Intermediate rent	(g) LCHO	(h) Affordable Housing (h) = (e) + (f) + (g)
Additional housing need estimates by tenure	263	129	70	34	495	78	225	798
Upper Cynon Valley	2	-	-	1	3	3	3	9
Greater Aberdare	54	9	13	6	81	12	17	110
Lower Cynon Valley	24	12	5	3	44	6	6	55
Greater Pontypridd	40	23	9	5	76	8	22	107
Lower Rhondda Fach	8	3	4	1	17	6	3	27
Upper Rhondda Fach	18	10	5	2	35	6	1	42
Upper Rhondda Fawr	10	8	3	2	23	3	4	31
Lower Rhondda Fawr	8	8	6	2	25	7	13	45
Tonyrefail & Gilfach Goch	3	-	-	-	3	6	26	34
South West Taf	32	20	8	4	63	6	50	120
Central Taf	32	19	9	4	65	6	48	119
East of Pontypridd	25	13	6	5	48	5	22	75
Taffs Well	7	2	3	1	13	2	9	24

Figure 38 provides an annual gross housing need, across all tenures of the final 10 years of the LHMA period. The table shows with no turnover or supply, the overall additional affordable housing need figure would need to be 1,607 units per year.

Figure 38: Estimated annual additional total housing need estimates by HMA and Tenure (gross need, before turnover and supply) using Higher Variant Projections.

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

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

HMA	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Social rent	Intermediate rent and LCHO	Affordable Housing	Owner occupier	Private rented sector	Market Housing	Additional housing need
			(c) = (a) + (b)			(f) = (d) + (e)	(g) = (c) + (f)
Additional housing need estimates by tenure	867	306	1,174	257	177	434	1,607
Upper Cynon Valley	31	7	38	9	10	19	57
Greater Aberdare	137	30	168	43	30	72	240
Lower Cynon Valley	73	12	84	23	11	33	118
Greater Pontypridd	97	31	128	27	18	46	174
Lower Rhondda Fach	59	10	69	19	10	29	98
Upper Rhondda Fach	54	7	61	21	10	30	92
Upper Rhondda Fawr	41	8	49	14	9	23	72
Lower Rhondda Fawr	66	20	86	22	12	34	120
Tonyrefail & Gilfach Goch	51	32	82	14	13	27	109
South West Taf	80	58	138	21	19	39	177
Central Taf	84	54	139	24	22	46	185
East of Pontypridd	73	27	100	15	10	25	125
Taffs Well	21	11	32	5	3	8	40

Figure 39 provides the annual housing need, across all tenures of the final 10 years of the LHMA period and shows that there would need to be a further 683 dwellings, across all tenures per annum, with market housing being the highest need of 434 units.

Figure 39: Estimated annual additional housing need estimates by HMA for the remaining 10 years of the LHMA period using the Higher Variant projections.

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

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

HMA	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Social rent	Intermediate rent and LCHO	Affordable Housing	Owner occupier	Private rented sector	Market Housing	Additional housing need
			(c) = (a) + (b)			(f) = (d) + (e)	(g) = (c) + (f)
Additional housing need estimates by tenure	172	78	250	257	177	434	683
Upper Cynon Valley	5	3	8	9	10	19	27
Greater Aberdare	25	12	37	43	30	72	109
Lower Cynon Valley	15	6	21	23	11	33	55
Greater Pontypridd	21	8	29	27	18	46	75
Lower Rhondda Fach	12	6	19	19	10	29	48
Upper Rhondda Fach	12	6	18	21	10	30	48
Upper Rhondda Fawr	8	3	11	14	9	23	34
Lower Rhondda Fawr	13	7	20	22	12	34	55
Tonyrefail & Gilfach Goch	8	6	14	14	13	27	41
South West Taf	16	6	22	21	19	39	62
Central Taf	16	6	22	24	22	46	68
East of Pontypridd	17	5	23	15	10	25	48
Taffs Well	4	2	6	5	3	8	14

Figure 40 illustrates the average annual need estimates by all tenures and compares them with the total 15-year estimates across the assessment period and shows that over the 15-year period, a total of 6,490 units would need to be delivered across all housing tenures. The majority of being 4,196 social rent and 2,294 intermediate housing.

Figure 40: Estimated annual overall additional affordable housing need by HMA and Tenure (net need) over the 15 years of the LHMA using the Higher Variant Projections

Headline 15-year Affordable Housing Need Estimate

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

Table 4 provides the additional affordable housing need estimates on the following basis:

*at HMA level

*by tenure (intermediate housing and social rent)

*annual estimate for the 15 years of the LHMA period

*the affordable housing need estimates are a combination of the additional estimates from table 1 (net estimates) and table 3.

(no further allowance has been made for supply and turnover of existing stock as it becomes less accurate to predict beyond year 5)

HMA	Average annual estimates			15-year estimates		
	(a)	(b)	(c)			
	Social rent	Intermediate rent and LCHO	Affordable Housing	Social rent	Intermediate rent and LCHO	Affordable Housing
			(c) = (a) + (b)			(c) = (a) + (b)
Additional housing need estimates by tenure	280	153	433	4,196	2,294	6,490
Upper Cynon Valley	4	4	8	62	65	127
Greater Aberdare	43	18	61	651	269	920
Lower Cynon Valley	25	8	33	371	117	488
Greater Pontypridd	39	16	55	590	239	829
Lower Rhondda Fach	14	7	21	207	111	319
Upper Rhondda Fach	19	6	26	292	94	387
Upper Rhondda Fawr	13	5	18	191	73	264
Lower Rhondda Fawr	17	12	29	251	176	428
Tonyrefail & Gilfach Goch	6	14	21	96	215	311
South West Taf	32	22	55	481	337	818
Central Taf	32	22	54	481	334	815
East of Pontypridd	28	13	40	414	191	605
Taffs Well	7	5	12	108	71	179

Figure 41 provides information on the data sources and key assumptions that have informed the above outputs for additional housing need estimates.

It is important that we evidence where the key data sources come and what data is assumed. The table below shows what the data or key assumption is, where the source of that data comes from, and the year in which the data relates to.

To determine affordability in the housing market, it is a requirement to forecast income growth and ow that compares to the cost of housing. This table illustrates how the labour and housing market is forecast to change form 2022 – 2027.

Figure 41: Key assumptions used in all variant projections for the LHMA.

Data items / Key assumptions						
	Basis	2022/23	2023/24	2024/25	2025/26	2026/27
Change in income growth	Default	2.33%	2.76%	2.84%	2.77%	3.58%
Change in house prices	Default	-1.12%	-5.67%	1.14%	3.43%	3.59%
Change in private rent prices	Default	5.04%	1.77%	1.67%	1.86%	2.49%
Change in income distribution growth	No change	0.00%	0.00%	0.00%	0.00%	0.00%
Number of years to clear existing unmet need	5 years					
Market housing affordability criteria	30%					
Social rent affordability criteria	35%					
Data item	Data Sources	Basis of the data				
Income data by HMA	Paycheck	2022				
House price paid data by HMA	Land Registry Data	Calendar year				
Rent prices	Rent Officers Wales	Calendar year				
Household projection basis	Higher Variant					
Percentage of households considered for owner occupier tenure that go on to buy	60%					
HMA assumptions						
HMA	FTB property price	FTB property value to income ratio	Min. income for intermediate rent	Max. income for intermediate rent		
Upper Cynon Valley	£ 109,068	4.1	£ 13,339	£ 18,445		
Greater Aberdare	£ 96,906	4.1	£ 16,400	£ 21,733		
Lower Cynon Valley	£ 79,107	4.1	£ 17,133	£ 21,716		
Greater Pontypridd	£ 115,693	4.1	£ 20,659	£ 26,548		
Lower Rhondda Fach	£ 85,040	4.1	£ 16,343	£ 22,072		
Upper Rhondda Fach	£ 66,252	4.1	£ 13,829	£ 18,426		
Upper Rhondda Fawr	£ 82,073	4.1	£ 15,028	£ 19,334		
Lower Rondda Fawr	£ 84,051	4.1	£ 15,615	£ 21,500		
Tonyrefail & Giffach Goch	£ 115,599	4.1	£ 16,067	£ 22,958		
South West Taf	£ 168,101	4.1	£ 25,919	£ 32,418		
Central Taf	£ 154,876	4.1	£ 23,350	£ 29,473		
East of Pontypridd	£ 115,693	4.1	£ 21,794	£ 27,310		
Taffs Well	£ 158,213	4.1	£ 27,019	£ 34,802		
	14	4.1				
	15	4.1				
	16	4.1				
	17	4.1				
	18	4.1				
	19	4.1				
	20	4.1				

The cheapest HMA to purchase a home using the higher variant for the first time is the Lower Cynon Valley at £79,107 and the most expensive is South West Taf at £168,101. This assessment has used the loan to value ratio of 4.1, that has been provided by WG. You will note that these figures will remain the same across the Principle, Lower and Higher variant of population projections.

Lower Variant

The average additional housing need estimate table below provides a summary of need, per annum for open market housing and affordable housing, using the **Lower Variant** of the WG Principal Projections and shows that a total of 1,255 units per annum would need to be delivered, with 210 being the total open market, 263 intermediate housing and 410 social housing.

Figure 42: Average annual additional housing need estimates using the Lower Variant Projections.

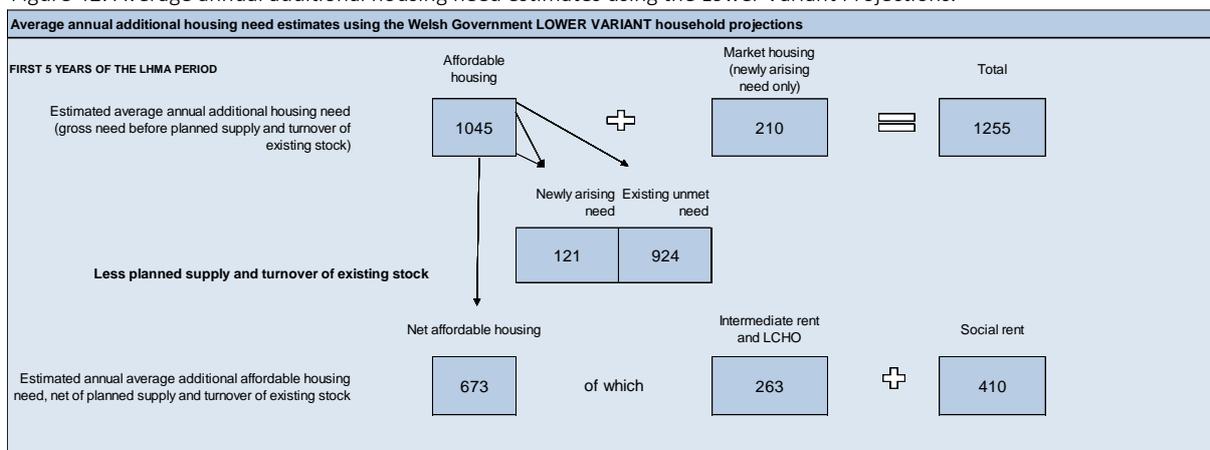


Figure 43 provides a breakdown of net need for all tenures of housing but splits the social housing need into bedrooms per HMA, on an annual basis for the first 5 years of the LHMA period. One-bedroom being the greatest need across all HMA s, requiring 208 units per annum in the social rented sector.

Figure 43: Estimated annual additional total housing need estimates by HMA and Tenure (gross need, before turnover and supply) using the Lower Variant Projections.

Basis of the household projections		Lower Variant						
Detailed breakdown of the additional housing need estimates over the first 5 years of the LHMA period								
LHMA Report Table 1: Estimated annual additional affordable housing need by HMA and tenure (net need, net of turnover of existing stock and planned supply)								
The first table provides the additional affordable housing need estimates on the following basis:								
*at HMA level								
*by tenure (LCHO, intermediate rent and social rent)								
*annual estimate for the first 5 years of the LHMA period								
*the estimates have been reduced to allow for turnover of existing affordable stock and planned supply.								
HMA	(a) one bedroom	(b) two bedrooms	(c) three bedrooms	(d) four+ bedrooms	(e) Social rent (a) + (b) + (c) + (d) = (e)	(f) Intermediate rent	(g) LCHO	(h) Affordable Housing (h) = (e) + (f) + (g)
Additional housing need estimates by tenure	208	108	64	30	410	38	225	673
Upper Cynon Valley	0	-	-	1	1	2	3	6
Greater Aberdare	46	6	12	5	68	6	17	91
Lower Cynon Valley	19	10	4	2	36	3	6	44
Greater Pontypridd	34	20	8	4	65	4	22	92
Lower Rhondda Fach	4	2	4	1	11	3	3	17
Upper Rhondda Fach	14	9	4	2	29	3	1	33
Upper Rhondda Fawr	8	7	2	2	19	2	4	25
Lower Rhondda Fawr	4	6	6	2	18	4	13	35
Tonyrefail & Gilfach Goch	-	-	-	-	-	3	26	29
South West Taf	26	18	7	3	55	3	50	108
Central Taf	27	17	9	3	57	3	48	108
East of Pontypridd	19	11	5	4	39	3	22	64
Taffs Well	6	2	2	1	11	1	9	21

Figure 44 provides an annual gross housing need, across all tenures of the first 5 years of the LHMA period. The table shows with no turnover or supply, the overall additional housing need figure would need to be 1,255 units per year.

Figure 44: Estimated annual additional total housing need estimates by HMA and Tenure (gross need, before turnover and supply) using the Higher Variant Projections.

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

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

HMA	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Social rent	Intermediate rent and LCHO	Affordable Housing	Owner occupier	Private rented sector	Market Housing	Additional housing need
			(c) = (a) + (b)			(f) = (d) + (e)	(g) = (c) + (f)
Additional housing need estimates by tenure	779	266	1,045	125	86	210	1,255
Upper Cynon Valley	29	5	34	4	5	9	43
Greater Aberdare	125	24	149	21	15	35	184
Lower Cynon Valley	65	9	73	11	5	16	90
Greater Pontypridd	86	27	113	13	9	22	135
Lower Rhondda Fach	53	6	59	9	5	14	73
Upper Rhondda Fach	48	4	52	10	5	15	67
Upper Rhondda Fawr	37	6	43	7	4	11	54
Lower Rhondda Fawr	59	16	75	11	6	17	92
Tonyrefail & Giffach Goch	47	29	75	7	6	13	88
South West Taf	71	55	127	10	9	19	146
Central Taf	76	51	127	12	11	22	150
East of Pontypridd	64	25	88	7	5	12	100
Taffs Well	19	10	29	2	2	4	33

Figure 45 provides the annual housing need, across all tenures of the final 10 years of the LHMA period and shows that there would need to be a further 332 dwellings, across all tenures per annum, with market housing being the highest need of 210 units. However, this would require a huge amount of affordable housing to be delivered in the first 5 years of the LHMA period.

Figure 45: Estimated annual additional housing need estimates by HMA for the remaining 10 years of the LHMA period using the Lower Variant Projections.

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

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

HMA	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Social rent	Intermediate rent and LCHO	Affordable Housing	Owner occupier	Private rented sector	Market Housing	Additional housing need
			(c) = (a) + (b)			(f) = (d) + (e)	(g) = (c) + (f)
Additional housing need estimates by tenure	83	38	121	125	86	210	332
Upper Cynon Valley	2	2	4	4	5	9	13
Greater Aberdare	12	6	18	21	15	35	53
Lower Cynon Valley	7	3	10	11	5	16	27
Greater Pontypridd	10	4	14	13	9	22	36
Lower Rhondda Fach	6	3	9	9	5	14	23
Upper Rhondda Fach	6	3	9	10	5	15	23
Upper Rhondda Fawr	4	2	5	7	4	11	17
Lower Rhondda Fawr	6	4	10	11	6	17	27
Tonyrefail & Giffach Goch	4	3	7	7	6	13	20
South West Taf	8	3	11	10	9	19	30
Central Taf	8	3	11	12	11	22	33
East of Pontypridd	8	3	11	7	5	12	23
Taffs Well	2	1	3	2	2	4	7

Figure 46 illustrates the average annual need estimates by all tenures and compares them with the total 15-year estimates across the assessment period and shows that over the 15-year period, a total of 4,575 units would need to be delivered across all housing tenures. The majority of 2,882 being social rent and 1,693 intermediate housing.

Figure 46: Estimated annual overall additional housing need by HMA and tenure (net need) over the 15 years of the LHMA using the Lower Variant Projections.

Headline 15-year Affordable Housing Need Estimate

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

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

HMA	Average annual estimates			15-year estimates		
	(a)	(b)	(c)			
	Social rent	Intermediate rent and LCHO	Affordable Housing	Social rent	Intermediate rent and LCHO	Affordable Housing
			(c) = (a) + (b)			(c) = (a) + (b)
Additional housing need estimates by tenure	192	113	305	2,882	1,693	4,575
Upper Cynon Valley	2	3	5	28	40	69
Greater Aberdare	31	12	42	462	174	635
Lower Cynon Valley	17	5	22	253	72	324
Greater Pontypridd	29	12	40	429	174	602
Lower Rhondda Fach	8	4	12	113	62	175
Upper Rhondda Fach	13	3	17	202	48	251
Upper Rhondda Fawr	9	3	12	133	46	179
Lower Rhondda Fawr	10	8	18	153	119	271
Tonyrefail & Gilfach Goch	3	11	14	41	171	211
South West Taf	24	20	43	355	293	648
Central Taf	24	19	43	359	286	645
East of Pontypridd	19	10	29	280	149	429
Taffs Well	5	4	9	76	59	135

The following 3 tables provide information on the data sources and key assumptions that have informed the above outputs for additional housing need estimates.

It is important that we evidence where the key data sources come and what data is assumed. The table below shows what the data or key assumption is, where the source of that data comes from, and the year in which the data relates to.

To determine affordability in the housing market, it is a requirement to forecast income growth and ow that compares to the cost of housing. This table illustrates how the labour and housing market is forecast to change form 2022 – 2027

The cheapest HMA to purchase a home using the higher variant for the first time is the Lower Cynon Valley at £79,107 and the most expensive is South West Taf at £168,101. This assessment has used the loan to value ratio of 4.1, that has been provided by WG. You will note that these figures will remain the same across the Principle, Lower and Higher variant of population projections.

Figure 47: Key assumptions used in all variant projections for the LHMA.

Data items / Key assumptions						
	Basis	2022/23	2023/24	2024/25	2025/26	2026/27
Change in income growth	Default	2.33%	2.76%	2.84%	2.77%	3.58%
Change in house prices	Default	-1.12%	-5.67%	1.14%	3.43%	3.59%
Change in private rent prices	Default	5.04%	1.77%	1.67%	1.86%	2.49%
Change in income distribution growth	No change	0.00%	0.00%	0.00%	0.00%	0.00%
Number of years to clear existing unmet need	5 years					
Market housing affordability criteria	30%					
Social rent affordability criteria	35%					
Data item	Data Sources	Basis of the data				
Income data by HMA	Paycheck	2022				
House price paid data by HMA	Land Registry Data	Calendar year				
Rent prices	Rent Officers Wales	Calendar year				
Household projection basis	Lower Variant					
Percentage of households considered for owner occupier tenure that go on to buy	60%					
HMA assumptions						
HMA	FTB property price	FTB property value to income ratio	Min. income for intermediate rent	Max. income for intermediate rent		
Upper Cynon Valley	£ 109,068	4.1	£ 13,339	£ 18,445		
Greater Aberdare	£ 96,906	4.1	£ 16,400	£ 21,733		
Lower Cynon Valley	£ 79,107	4.1	£ 17,133	£ 21,716		
Greater Pontypridd	£ 115,693	4.1	£ 20,659	£ 26,548		
Lower Rhondda Fach	£ 85,040	4.1	£ 16,343	£ 22,072		
Upper Rhondda Fach	£ 66,252	4.1	£ 13,829	£ 18,426		
Upper Rhondda Fawr	£ 82,073	4.1	£ 15,028	£ 19,334		
Lower Rhondda Fawr	£ 84,051	4.1	£ 15,615	£ 21,500		
Tonyrefail & Gilfach Goch	£ 115,599	4.1	£ 16,067	£ 22,958		
South West Taf	£ 168,101	4.1	£ 25,919	£ 32,418		
Central Taf	£ 154,876	4.1	£ 23,350	£ 29,473		
East of Pontypridd	£ 115,693	4.1	£ 21,794	£ 27,310		
Taffs Well	£ 158,213	4.1	£ 27,019	£ 34,802		

6.LHMA additional housing need estimates

RCT will adopt the principal household projection variant when deciding need for the local authority area as this will also mirror that which is proposed in the Preferred Strategy (January 2024) of the Revised Local Development Plan 2022 - 2037.

To note, there are elements of the new LHMA methodology and outputs that did not exist as part of the LHMA 2017 - 2023. Where this is the case, the table below will read “Unavailable”.

Figure 48: Comparisons of data outputs for additional housing need estimates for the current and previous LHMA.

Annual additional housing need estimates	Column index	Current LHMA	Previous LHMA
		Over the first five years of the LHMA period	
Total housing need estimate	(a)	1457	Unavailable
Market housing	(b)	338	Unavailable
Affordable housing	(c)	745	738
Percentage split of additional housing need by market and affordable housing	(b)/(a): (c)/(a)	24% 76%	Unavailable
Annual planned supply and turnover of existing stock for affordable housing	(e)	394	Unavailable
Affordable housing need – net of planned supply and turnover of existing stock	(f) =(c)-(e)	360	Unavailable
Annual additional housing need estimate split by tenure:			
Owner occupier	(g)	200	Unavailable
Private rented sector	(h)	138	Unavailable
LCHO – net basis	(i)	225	IR and LCHO combined
Intermediate rent – net basis	(j)	61	270
Social rent – net basis	(k)	459	468
One bedroom social rent	(l)	239	400
Two bedrooms social rent	(m)	120	38
Three bedrooms social rent	(n)	67	12

Four+ bedrooms social rent	(o)	32	10
Market housing percentage split: Owner occupier estimate Private rented sector estimate	(g)/(b) (h)/(b)	59% 41%	Unavailable Unavailable
Affordable housing need percentage split: LCHO Intermediate rent (IR) Social rent	(i)/(f) (j)/(f) (k)/(f)	30% 8% 62%	36% (LCHO & IR) 64%
Social housing need percentage split by number of bedrooms:			
1 bed	(l)/(k)	52%	85%
2 beds	(m)/(k)	26%	9%
3 beds	(n)/(k)	15%	3%
4+ beds	(o)/(k)	7%	2%

The comparison of data inputs and key assumptions, shows the different data sets used in each of the last 2 LHMA, to calculate housing need.

Figure 48: Comparisons of data input and key assumptions for the current and previous LHMA.

Data Input and Key assumptions	Current LHMA	Previous LHMA
	Over the first five years of the LHMA period	
Number of HMAs and basis of defining HMAs (ward, MSOA, LSOA)	12	12
Selected household projection basis	WG Principle 2023	WG Principle 2017
Annual newly arising need:		
Rent data – state default or source used	Default	Stats Wales 2016
House price paid data – state default or source used	Default	HM Land Registry 2017.
Income data – state source used	CACI Paycheck	Family Resources Survey, ONS 2016 & Census 2011.
Annual existing unmet housing need		
Market housing affordability criteria	30%	30%
Social rent affordability criteria	35%	
Percentage of those considered appropriate for owner occupier that go onto buy	60%	Unavailable
Average FTB property price for the LA	£110,052.00	Unavailable

FTB property value to income ratio for the LA	4.09	Unavailable
Five-year financial forecast – OBR or alternative source	OBR	Unavailable
Split of intermediate housing need – method 1, 2 or 3*	N/A	N/A

*RCT has no current intermediate housing in the local authority area, therefore there is no data held to reflect need.

As this is the first iteration of the new LHMA methodology that RCT have conducted, there are naturally data gaps identified in the LHMA 2017/22. However, the outline figures are worth commenting on.

The overall affordable housing need figure is very similar to the previous LHMA but this does not mean that there has been a reduction of housing need, that has resulted in slowing of numbers. RCT has delivered more affordable housing than in any other LHMA period and the overall affordable housing need has still increased, albeit slightly.

Moving forward, LHMA's that are produced in the future will be easier to compare data outputs, as the data inputs and assumptions will be the same as well as the recorded outputs. This will allow the council to get a better indication of the successes of interventions and affordable housing delivery between each LHMA period.

7. Quality assurance statement

All data used in this assessment has been taken from WG approved resources, and where the data has come from internal council systems, such as the Common Housing Register, there are robust operational practices in place, to ensure the data is up to date and accurate.

This LHMA has been approved by the council's Housing Strategy Team Manager, Head of Housing Strategy and Investment, and the Director of Prosperity and development.

As this assessment will also be used to inform the Revised Local Development Plan, the council's planning policy team have also approved the data outputs, in line with their preferred strategy.

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