

2nd Replacement
Caerphilly County Borough
Local Development Plan up to 2035

PS6 Local Housing Market Assessment

April 2018

Mae'r ddogfen hon ar gael yn Gymraeg, ac mewn
ieithoedd a fformatau eraill ar gais.

This document is available in Welsh, and in other
languages and formats on request.

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1.0 Legislative & Policy Context

1.1 Introduction

Local housing market assessments play an important part in the evidence base local authorities in Wales will use for preparing local development plans and local housing strategies. They also inform the production of programme development plans (social housing grant) submitted by local authorities to Welsh Government and aid negotiations on Section 106 agreements between local authorities and private sector developers (planning obligations based on that section of the *Town & Country Planning Act 1990*).

This is the local housing market assessment for Caerphilly county borough council (the Council), which has been produced in accordance with guidance issued by Welsh Government and the Welsh Local Government Association (2006 and 2014). It covers the period April 2018 – March 2020. A revised assessment will be issued by the Council in April 2020.

This local housing market assessment is structured into the following sections:

- Section 1 – provides an overview of the national and local context governing the production of local housing market assessments;
- Section 2 – provides an analysis of the housing market in the county borough by looking at demographic trends and the various tenures of housing;
- Section 3 – considers the methodology used for identifying the housing markets areas in existence in the county borough;
- Section 4 – analyses a range of sources to identify the level of newly arising housing need;
- Section 5 – analyses a range of sources to identify the level of existing households falling into housing need;
- Section 6 – analyses a range of sources to identify a backlog need for social and intermediate housing;
- Section 7 – analyses a range of sources to identify the supply of affordable housing through relets of social housing and new provision;
- Section 8 – brings together the information from sections 3-6 to identify the total net affordable housing requirement; and
- Section 9 – draws conclusions from the preceding sections.

1.2 National Policy Context

Local authorities have an important strategic housing role and statutory responsibilities in relation to the functioning of the housing market. For the purposes of the local housing market assessment, the following pieces of legislation and strategic documents are key:

Housing Act 1985

Section 8 of the *Housing Act 1985* requires local authorities to consider the housing need within their areas with respect to the provision of further housing accommodation. This local housing market assessment review provides a comprehensive understanding of the local housing market and a robust evidence base for effective strategic housing and planning services.

Housing (Wales) Act 2014

Part 3 of the *Housing (Wales) Act 2014* requires local authorities in Wales to carry out an assessment of the accommodation needs of Gypsies and Travellers within their area. This should be kept up-to-date every 5 years.

The Well-being of Future Generations (Wales) Act 2015

The *Well-being of Future Generations (Wales) Act 2015* seeks to improve the social, economic, environmental and cultural well-being of Wales in order to create a Wales that all want to live in, now and in the future. The Act sets out seven well-being goals:

1. A prosperous Wales;
2. A resilient Wales;
3. A healthier Wales;
4. A more equal Wales;
5. A Wales of cohesive communities;
6. A Wales of vibrant culture and thriving Welsh Language; and
7. A globally responsible Wales.

The provision of sufficient good quality housing for their needs, including affordable housing is a cross-cutting theme that will help deliver many of the well-being goals, including a more equal Wales, a Wales of cohesive communities, a prosperous Wales and a healthier Wales.

The Act also puts in place a sustainable development principle, which tells public bodies how to go about meeting their duty under the Act. There are 5 things that public bodies need to think about to show they have applied the principle:

1. Long term;
2. Prevention;
3. Integration;
4. Collaboration; and

5. Involvement.

The requirement to produce this assessment and the manner in which it has been undertaken clearly links to the principle.

National Housing Strategy (2010)

Welsh Government's approach to housing, as outlined in *Improving Lives & Communities – Homes in Wales*, is to:

- provide more housing of the right type and offer more choice;
- improve homes and communities, including the energy efficiency of new and existing homes; and
- improve housing-related services and support, particularly for vulnerable people and people from minority groups.

The strategy highlights that local authorities have a role in assessing the need for housing and planning where it should be built, but also identifies the role of housing associations and the private sector in delivering quality homes and supporting thousands of jobs in construction and related industries.

It identifies the key factors influencing the demand for housing, including an ageing population, an increase in single person households and economic factors affecting affordability. It highlights the priorities for the future, which includes the need to increase the number of affordable homes for purchase or rent in the right location.

Planning Policy Wales (Edition 9)

Planning Policy Wales (WG, 2016) sets out the land use planning policies of Welsh Government. It reinforces the approach as set out in the National Housing Strategy (WG, 2010), as well as setting out guidance on the role of local housing market assessments:

“Local authorities must understand their whole housing system so that they can develop evidence-based market and affordable housing policies in their local housing strategies and development plans. They should ensure that development plan policies are based on an up-to-date assessment of the full range of housing requirements across the plan area over the plan period. Local authority planning and housing staff should work in partnership with local stakeholders, including private house builders, to produce Local Housing Market Assessments (LHMAs). LHMAs must include monitoring so that responses to changing housing requirements can be reflected in updated development plans and housing strategies”.

The need for affordable housing is a material planning consideration, which must be taken into account in formulating development plan policies. Local housing market assessments provide the evidence base supporting policies to deliver affordable housing through the land use planning system.

Development plans must include an authority-wide target for affordable housing (expressed as numbers of homes) based on the local housing market assessment and identify the expected contributions that the policy approaches identified in the development plan will make to meet this target.

Technical Advice Note 2: Planning and Affordable Housing

Technical Advice Note 2 (WG, 2006), read in conjunction with Planning Policy Wales, provides practical guidance on delivering housing through the planning system. Paragraph 3.1 stresses the need to work collaboratively, including the requirement for housing and planning authorities to undertake local housing market assessments in participation with key stakeholders.

Technical Advice Note 2 defines affordable housing as:

“...housing where there are secure mechanisms in place to ensure that it is accessible to those who cannot afford market housing, both on first occupation and for subsequent occupiers. However, it is recognised that some schemes may provide for staircasing to full ownership and where this is the case there must be secure arrangements in place to ensure the recycling of capital receipts to provide replacement affordable housing. Affordable housing includes:

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

Local authorities should undertake local housing market assessments to establish the nature and level of housing requirements in their local housing market. They provide the joint evidence base for local housing strategies and development plans. A local housing market assessment should assess:

- the number of current and anticipated households by type;
- the current and anticipated household need and demand in terms of affordable and market housing and what this would mean in terms of net housing provision;
- how the distribution of need and demand varies across the plan area, for example between the urban and rural areas; and
- the particular accommodation needs of specific groups, such as homeless households, black and minority ethnic groups, first-time buyers, students, disabled people, older people and Gypsies and Travellers.

Local Housing Market Assessment Guide (2006)

The *Local Housing Market Assessment Guide* (WG, 2006) sets out how local authorities can assess the housing need and demand of their communities.

The guide acknowledges that local housing market assessments are a snapshot of the position at a particular time. The housing market in an area will always be in a state of flux, as will the precise boundaries of the local

housing market area. The guide, therefore, attempts to balance giving advice on a technical approach to assessing the number of households requiring additional housing with recognition of the practical constraints to achieving a definitive assessment of demand and need across the whole housing market.

The guide provides:

- a step-by-step approach to assessing housing demand and need by identifying the tools and techniques that can be used for assessment;
- identifies key data sources to encourage more consistency in approach and output;
- encouragement to authorities to work with adjoining authorities in assessing housing demand and need in terms of local housing markets;
- a consistent, standardised approach to assessment that could be used by those working at the regional, sub-regional and local level as part of the development of planning and housing policy; and
- a means of assessing the needs of those requiring affordable housing. This includes considering the needs of specific groups such as, homeless people, black and minority ethnic groups, Gypsies and Travellers, people with disabilities, older people, young people, key workers, students, asylum seekers, refugees and local people in rural areas.

Getting Started With Your Local Housing Market Assessment: A Step by Step Guide (Updated November 2014)

Welsh Government and the Welsh Local Government Association published a step-by-step guide for the preparation of local housing market assessments in 2014. This guide was intended to supplement but not replace the *Local Housing Market Assessment Guide (WG, 2006)*. It provides a starting point for a quantitative calculation of housing need and an assessment of the local housing market.

The guide aims to introduce a more consistent approach in undertaking local housing market assessments by encouraging local authorities to undertake these assessments in-house.

Ministerial Direction

In May 2013, the Welsh Government Minister for Housing & Regeneration wrote to all local authorities to reiterate the requirement for local housing market assessments to be produced and reviewed periodically on a two yearly basis. It identified that the outputs of local housing market assessments are used to inform local development plans.

1.3 Local Policy Context

Cardiff Capital Region City Deal

The Council is one of the ten local authorities in the Cardiff Capital Region that has signed a City Deal worth £1.2 billion, aimed at delivering 25,000 new jobs and leveraging additional private sector investment. The City Deal supports housing development and regeneration, with a commitment to an increase in house building to address critical house shortages.

The Cardiff Capital Region, in partnership with the Welsh Government, will commit to the creation of an integrated strategic development plan that incorporates housing and employment land-use with wider transport plans. The strategic plan will provide the underpinning blue-print for development across the city-region. Work has not formally commenced on a strategic development plan, but the local housing market assessment produced by each of the 10 local authorities would form part of the evidence base for affordable housing needs in the future.

Local Development Plan up to 2021 (adopted 2010)

The Council's Local Development Plan is the statutory framework for the development and use of land within the county borough up to 2021. One of the key objectives of a local development plan is to *“ensure an adequate and appropriate range of housing sites are available across the County Borough in the most suitable locations to meet the housing requirements of all sections of the population.”*

The 2007 local housing market assessment and subsequent annual updates formed part of the evidence base for the development of housing policies in the Local Development Plan, including policy *SP15 Affordable Housing Target* and policy *CW11 Affordable Housing Planning Obligation*. The latter recognises the ongoing importance of the latest local housing market assessment as part of the evidence for the negotiation of affordable housing through the planning system (Section 106 agreements), by identifying the level of need for particular types of housing.

The adopted plan will provide the Council's planning framework until it expires at the end of 2021 or until such time as it is superseded by a replacement plan.

Local Housing Strategy

The vision for housing in the county borough was contained within the Council's local housing strategy titled, *‘People, Property, Places: A Housing Strategy for Caerphilly County Borough (2008 – 2013)’*. This document made the case for delivering good quality affordable housing and was developed through extensive consultation with a range of stakeholders.

This local housing market assessment will provide the evidence base for the development of a new local housing strategy in 2018.

Local Housing Market Assessment 2007

In 2007 Fordham Research were commissioned to undertake a local housing market assessment in the county borough. Overall, the local housing market assessment identified an annual need figure of 516 units per annum. The study identified three housing market areas:

- South – net need of 417 units per annum;
- Middle – net need of 161 units per annum; and
- North – a surplus of 64 units per annum.

The study looked at the size requirements for social rented properties, where a need for 1 bedroom (51 units per annum), 2 bedroom (128 units per annum) and 4 bedroom (12 units per annum) units were identified. There was a surplus of 3 bedroom properties (45 per annum).

Local Housing Market Assessment Annual Updates 2008 to 2011

The Fordham local housing market assessment was updated on an annual basis from 2008 to 2011. The net need figure varied across this time period in light of increases to rent and changes to affordable housing supply. The latest update, completed for 2011/12, identified a need of 530 units per annum.

Local Housing Market Assessment 2015

Following the publication of *Getting Started With Your Local Housing Market Assessment: A Step by Step Guide* (WG & WLGA, 2014), the Council prepared its most recent local housing market assessment in-house following the prescribed guidance. The document, which was published in April 2015, identified a net need of 526 affordable dwellings per annum. This need was primarily identified to be social rent (469 units per annum), with a need for 16 intermediate rent products per annum and 40 low cost home-ownership units. The local housing market assessment identifies that the total requirement for social rented units has been artificially inflated by the fact that it was not possible to assess the backlog of need for intermediate housing as neither the Council nor the housing associations maintained a formal register of those people requiring affordable housing.

From a geographical perspective, the greatest need for social rented properties is in the Northern Connections Corridor (247 units per annum) and Caerphilly Basin (223 units per annum). Lower Islwyn has a net need of 84 units per annum. The Heads of the Valleys (which broadly equates to Fordham's 'North' area) continues to have a net surplus of affordable housing (85 units per annum).

In terms of the types of properties, in all areas there is a surplus of general needs 3 bedroom properties, but a need for 1 and 4 bedroom properties in all

areas. Two bedroom properties are needed in all areas apart from the Heads of the Valleys.

1.4 Overview of Assessment & Methodology

This assessment has been developed using Welsh Government's approved methodology, as detailed in the paragraphs above.

The information contained within the assessment been analysed geographically at three levels:

1. local authority;
2. housing market area (see section 2); and
3. ward.

The housing market areas, as identified in section 3, are:

1. Caerphilly Basin (CB);
2. Heads of the Valleys (HV);
3. Lower Islwyn (LI); and
4. Northern Connections Corridor (NCC).

The affordable housing requirement was assessed using the following tenures:

1. Social housing (general needs (GN), older persons' housing (OP) and accessible housing (AS));
2. Intermediate renting (IR); and
3. Low cost home-ownership (LCHO).

This assessment has analysed various components of the housing market at the three levels listed above. This has been achieved by providing an overview of socio-economic and demographic statistics relating to the housing market, by reviewing the qualitative local housing survey carried out in 2013 (see Appendix 1) and conducting a quantitative assessment of housing need (see sections 4 to 8).

Guidance on undertaking local housing surveys (Appendix A - WG, 2006) states that they generally only need to be repeated every five years. Being that the last local housing survey was undertaken within this time frame, a decision was taken not to undertake a survey for this assessment.

A range of datasets has been used to carry out this assessment. All sources are referenced and bibliography is provided towards the end of this report. The primary sources of data are:

- Hometrack (a subscription based housing intelligence solution);
- Office of National Statistics; and
- Stats Wales.

As part of the data analysis process, the information presented in the following paragraphs may have been rounded and, as a result, may not total exactly.

1.5 Stakeholder Engagement

The Council has collaborated with a range of local stakeholders that possess a good understanding of how the housing market functions across the county borough and region to produce this assessment. These stakeholders include representatives from private housebuilders / developers, lettings and estate agents and housing associations.

1.6 Assessing the Need for Affordable Housing

For the purposes of this assessment, housing is deemed by the *Local Housing Market Assessment Guide* (WG, 2006) (paragraphs 5.1-5.3) to be affordable:

“where there are secure mechanisms in place to ensure that it is accessible to those who cannot afford market housing, both on first occupation and for subsequent occupiers.”

This definition relates to social rented and intermediate housing, but excludes market housing, which is classed as:

“private housing for sale or rent where the price is set in the open market and their occupation is not subject to control by the local planning authority.”

Through the assessment of the local housing market as a whole, this assessment also identifies the need for affordable housing over the next five years.

1.7 Supporting People Commissioning Plan 2017-2020

The Supporting People programme delivers housing related support across Caerphilly to vulnerable people, this includes anyone 16 years of age or over who are struggling to keep their home, at risk of losing their job or need support to move or need help with their finances. This service is free to residents of Caerphilly and is provided irrespective of tenure. The Council has contracts with 34 providers for housing related support services that compliment other services provided by the Local Authority, Health and Probation.

Caerphilly Supporting People team works closely with the Caerphilly Homes; 5 staff are co-located within the Housing Advice team as well as geographical located staff on a number of estates across the borough, and specific services

for rough sleepers. Supporting People also fund a dedicated worker for the individuals placed in bed and breakfast accommodation.

Demand for housing related support services is increasing year-on year and in 2016/2017, 4,733 people were supported and in 2017/2018, 573. In 2016/2017, we took 1,831 new referrals for floating support and in 2017/2018, 2,219 new referrals. This is support for the most vulnerable people in our borough delivered within their home.

There are 1,969 units of supported accommodation across the borough including sheltered schemes for the elderly and specific accommodation staffed on a full-time or part-time basis for individuals experiencing poor mental health, with a learning disability, who are a vulnerable young person, are fleeing domestic abuse or are homeless, there are seldom voids across any of our supported accommodation.

The Supporting People team are working with the Housing Strategy team to ensure that all new developments consider the need for supported accommodation or provision for individuals who have moved on from supported accommodation. Primarily the need is for one bed properties due to the specific requirements of the service users currently being supported. Local lettings policies adopted by landlords along with housing debt related criteria in the common allocation policy has had a detrimental effect on securing accommodation for all vulnerable groups that the Supporting People team work with.

1.8 Gypsy Traveller Accommodation Assessment (2015)

Part 3 of the Housing (Wales) Act 2014 requires local authorities to undertake an assessment to ensure that the accommodation needs of Gypsies and Travellers living or travelling in their area are assessed and planned for. A Gypsy and Traveller Accommodation Assessment was undertaken by the Council in 2015. The assessment found there to be a nil requirement for a permanent or transit site provision in the borough. Further detail on the assessment can be found on the Council's website:

<http://www.caerphilly.gov.uk/My-Council/Strategies,-plans-and-policies/Housing/Gypsy-and-Traveller-Accommodation-Assessment> .

1.9 Equality & Diversity

The Council routinely collects equalities monitoring data from all new applicants wanting to join the common housing register. As part of the registration process applicants are asked to complete a series of equalities questions to identify their protected characteristics. This is a non-mandatory part of the form and completion is solely reliant upon applicants willing to provide this information.

When the common housing register was introduced in December 2016 approximately 3,500 applications from previous waiting lists were migrated over to create the single list. These applications contained only partial data as equalities monitoring had historically not been undertaken across all protected characteristics. As part of a re-registration exercise currently being undertaken, we expect to see a significant increase in the level of equalities data captured, subject to the willingness of applicants to provide this information.

Equalities data has been used as part of the analysis of housing needs set out in sections 3-7. However, this is only where we have sufficient information available to allow for meaningful analysis, e.g. age, gender and disability. We anticipate over the next few years that the level of equalities data collected will grow and that a more detailed equalities analysis can be presented in future assessments of the housing market.

1.10 Purpose of the Local Housing Market Assessment

This assessment replaces the previous assessment published by the Council in April 2015.

The primary purpose of the assessment is to provide an evidence base that will underpin the preparation of a replacement Local Development Plan and the production of a local housing strategy. It will also be used to inform the production of programme development plans (social housing grant) and aid negotiations with private sector house builders on Section 106 agreements (planning obligations).

2.0 Housing Market Analysis

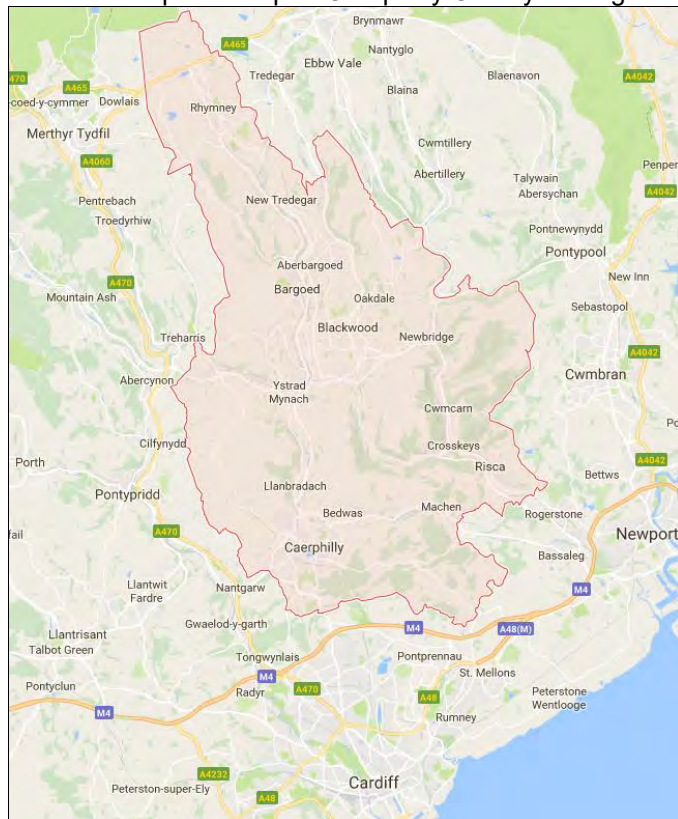
2.1 Introduction

This section sets out an overview of the key data relating to the housing market in Caerphilly county borough, focusing on a demographic profile and recent trends across the different tenures of housing.

There are significant differences in the housing market across the county borough, with regards to house prices, rental values and housing demand. The differences on a ward basis are explored in detail within section 3 – Defining Housing Markets.

The county borough is situated in the South Wales Valleys and is located to the north of Cardiff. It shares boundaries with a number of local authorities, including Blaenau Gwent, Cardiff, Merthyr Tydfil, Newport, Powys, Rhondda Cynon Taf and Torfaen.

Thematic Map 2.1: Map of Caerphilly County borough



Source: <https://www.google.co.uk/maps/place/Caerphilly+County+Borough>

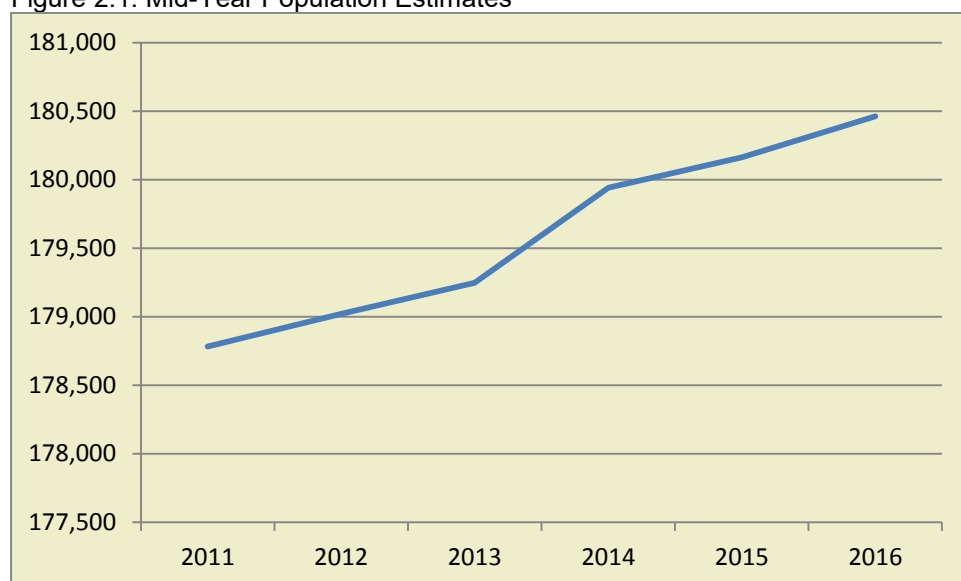
The area comprises a mix of urban areas, including the principal towns of Caerphilly, Bargoed, Blackwood, Risca and Ystrad Mynach, together within a number of smaller valleys settlements. Approximately 80% of the county borough is countryside, forming an important visual and recreational resource for both residents and visitors.

2.2 Demographic Profile

Welsh Government population estimates (accessed from Stats Wales) show Caerphilly as the 5th largest local authority in Wales with a population estimated to be 180,462 (2016).

The chart below shows an estimate of the number of people living in the county borough. It shows that since 2011 the population has increased by nearly 1%.

Figure 2.1: Mid-Year Population Estimates



Source: Stats Wales

Table 2.1 below provides an analysis of population change by component type in the county borough covering the period 2010-11 to 2015-16. It shows that from the beginning of 2010 until the end of 2016 the population increased by 1.33%, or on average 0.22% each year. Births during this period have decreased slightly (4.91%) and deaths increased slightly (2.15%). Net migration and other changes have decreased by 89.86% but still show a small net outward migration. In two of the three years there was net inward migration.

Table 2.1: Components of Population Change 2010-11 to 2015-2016

Year	Population at start of year	Natural change during period		Total Natural change during period	Net migration and other changes during period	Population at end of year	% Change
		Births during period	Deaths during period				
2010-2011	178,101	2,199	1,721	478	-203	178,782	0.38%
2011-2012	178,782	2,081	1,669	412	-172	179,022	0.13%
2012-2013	179,022	2,045	1,782	263	-38	179,247	0.13%
2013-2014	179,247	2,084	1,686	398	296	179,941	0.39%
2014-2015	179,941	2,058	1,859	199	24	180,164	0.12%
2015-2016	180,164	2,091	1,758	333	-35	180,462	0.17%

Source: Stats Wales

Table 2.2 below provides a breakdown of the estimated 2016 population by ward. It shows that the wards with the highest numbers of people living in them are Penyrheol (6.9%) and Bedwas, Trethomas & Machen (6%). The wards with the lowest numbers of people living in them are Gilfach (1%) and Pontlloyn (1%).

Table 2.2: Ward Level Mid-Year Population Estimates (2016)

Ward	Total	%
Aberbargoed	3,854	2.1%
Abercarn	5,500	3.0%
Aber Valley	6,829	3.8%
Argoed	2,825	1.6%
Bargoed	6,180	3.4%
Bedwas, Trethomas & Machen	10,793	6.0%
Blackwood	8,443	4.7%
Cefn Fforest	3,889	2.2%
Crosskeys	3,390	1.9%
Crumlin	5,971	3.3%
Darran Valley	2,501	1.4%
Gilfach	2,054	1.1%
Hengoed	5,678	3.1%
Llanbradach	4,247	2.4%
Maesycwmmwr	2,198	1.2%
Moriah	4,531	2.5%
Morgan Jones	7,320	4.1%
Nelson	4,656	2.6%
Newbridge	6,464	3.6%
New Tredegar	4,834	2.7%
Pengam	3,866	2.1%
Penmaen	5,416	3.0%
Penyrheol	12,495	6.9%
Pontllanfraith	8,589	4.8%
Pontlottyn	1,917	1.1%
Risca East	6,400	3.5%
Risca West	5,186	2.9%
St. Cattwg	7,727	4.3%
St. James	5,934	3.3%
St. Martins	8,651	4.8%
Twyn Carno	2,437	1.4%
Ynysddu	4,052	2.2%
Ystrad Mynach	5,635	3.1%
Total	180,462	

Source: Office of National Statistics

The age profile of Caerphilly compared to Wales shows a higher proportion of younger people and those of working age than the Wales average, and a lower proportion of people aged 65 and over.

Table 2.3: Age Profile of Caerphilly Residents

	Aged 0 to 15	Aged 16 to 64	Aged 65 plus
Caerphilly	18.9%	62.2%	18.8%
Wales	17.9%	61.7%	20.4%

Source: Stats Wales

Whilst the proportion of older people living in the county borough is lower than the rest of Wales, there has been a steady increase in the number of people in the Age 65+ category from 25,888 in 2001 to 34,006 in 2016, which is a proportional rise from 15.3% of the total population to 18.8% of the total population.

The 2016 household estimates indicate that there are 76,086 households in the county borough. As identified in the 2014 based household projections, the majority of households in Caerphilly in 2014 were two person households containing no children (31%), followed by single person households (27.6%). Many of these households will contain one or more older persons (aged 65+). The number of lone parent households, with one adult and one or more children equates to 8% of all households.

The 2014 based population projections indicate that, if past trends continue, the population aged 65 or over will increase to 37,785 by the end of the period covered by this assessment (2023). The 2014 population and household projections are trend based and only indicate what may happen if past trend based assumptions become true. They *"...do not make allowances for the effects of local or central government policies on future population levels and household composition, or for changes in the lifestyles of the population. That is, these local authority household projections are not policy-based forecasts; they indicate what is expected to happen if current trends continue."*

Notwithstanding the caution that should be applied to the use of these projections, if consideration is given to the projected household types anticipated by 2023 (the end of this assessment period), it will be noted that the proportion and number of smaller households (1 person and 2 person) are expected to increase, whereas the proportion of larger households are mostly projected to decline. This will have implications for the type of housing needed for the future, as it will theoretically mean that people would require smaller houses to meet their needs.

Table 2.4: Change in Household Types 2014 to 2022

Household Type	% in 2014	% in 2022	% Difference
1 person	27.6	28.8	1.3
2 person (No children)	31.0	31.3	0.3
2 person (1 adult, 1 child)	4.7	5.1	0.4
3 person (No children)	7.7	7.4	-0.3
3 person (2 adults, 1 child)	7.5	7.0	-0.5
3 person (1 adult, 2 children)	2.2	2.0	-0.1
4 person (No children)	2.5	2.6	0.1
4 person (2+ adults, 1+ children)	10.2	9.4	-0.8
4 person (1 adult, 3 children)	0.8	0.7	-0.1
5+ person (No children)	0.4	0.5	0.0
5+ person (2+ adults, 1+ children)	5.1	4.7	-0.4
5+ person (1 adult, 4+ children)	0.3	0.4	0.1

Source: Stats Wales

Welsh Government housing estimates indicate that there has been a decline in the average household size, from 2.43 people per dwelling in 2001 to 2.36 in 2016. This is projected to decrease further to 2.25 people per dwelling by 2039. However, Caerphilly still has one of the highest average household sizes in Wales. This is a result of a number of factors including the affordability of housing due to increased house prices and low incomes, which results in many non-dependent children living with parents as they are unable

to afford to move into their own accommodation and a lack of suitable housing stock to meet household needs.

Ethnicity

The 2011 Census identifies that 98.3% of residents are categorised as 'White,' with 0.65% classified as 'Mixed,' 0.75% as 'Asian', 0.14% as 'Black' and 0.11% as 'Other.' Research from the Policy Exchange (2016) showed that White British, Black Caribbean and Black African categories generally have a lower average household size (2.1-2.4 people per household) than Pakistani or Bangladeshi households (3.2-3.6 people per household). In areas with high numbers of Asian households, this may have an impact on the housing market with issues associated with over-crowding or unsuitable accommodation. The 2011 Census indicated that there are only a small percentage of Asian households living in the county borough and, consequently, this is unlikely to have a significant influence on future household requirements.

Gypsies and Travellers

The 2011 Census identified that there are a small number of residents who categorise themselves as 'Gypsy or Irish Traveller' – 31 in total, or 0.02% of the total population. It was considered that the majority of those identifying themselves as 'Gypsy or Irish Traveller' were living in bricks and mortar accommodation at the time of the Census and it was not possible to ascertain their intentions in terms of moving to alternative accommodation. The recent Gypsy and Traveller Accommodation Assessment (CCBC, 2015) considered a range of data sources and identified that there was no evidence to suggest that there was a requirement for either a permanent site or transit site to be provided within the county borough.

2.3 Housing Market

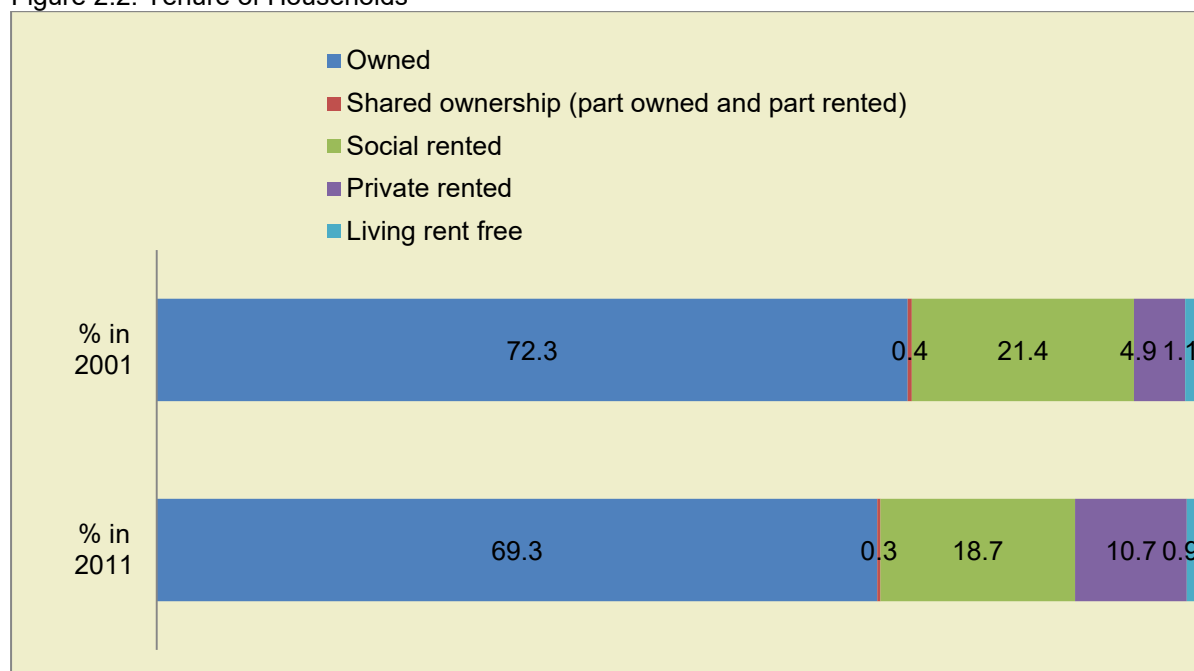
Tenure

At the time of the 2011 Census, there were 74,479 households in the county borough. As shown in Figure 2.2, the majority of households own their own home, either outright or with a mortgage. However, there was a small decrease in home ownership between 2001 and 2011 from 72.3% to 69.3%. This pattern reflects national trends and is linked to the affordability of housing and the ability to obtain a mortgage.

Shared ownership rates have remained consistently low, but there has been a significant increase in private rented households (from 4.9% to 10.7%), which is linked to the decline in ownership as the private rental market commonly serves those that are unable to get onto the housing ladder due to insufficient incomes or saving to access a mortgage. There was a small decline in the social rented market between the 2001 and 2011 Censuses, which may be

linked to a reduction in the social housing stock through Right to Buy and Right to Acquire sales.

Figure 2.2: Tenure of Households



Source: Census 2001 and 2011

Table 2.5 below provides a breakdown of tenure. It shows that home-ownership (with or without a mortgage and shared ownership) is the most popular form of tenure.

Table 2.5: Breakdown of Tenure

Tenure	Number	%
Owns outright	24,192	32.5%
Owns with a mortgage or loan	27,447	36.9%
Shared ownership	216	0.3%
Private rented - landlord or letting agency	7,182	9.6%
Private rented - employer	32	0.0%
Private rented - friend or relative	712	1.0%
Rented from Council (Local Authority)	10,464	14.1%
Other social rented	3,502	4.7%
Living rent free	674	0.9%
Other	73	0.1%
Total	74,494	

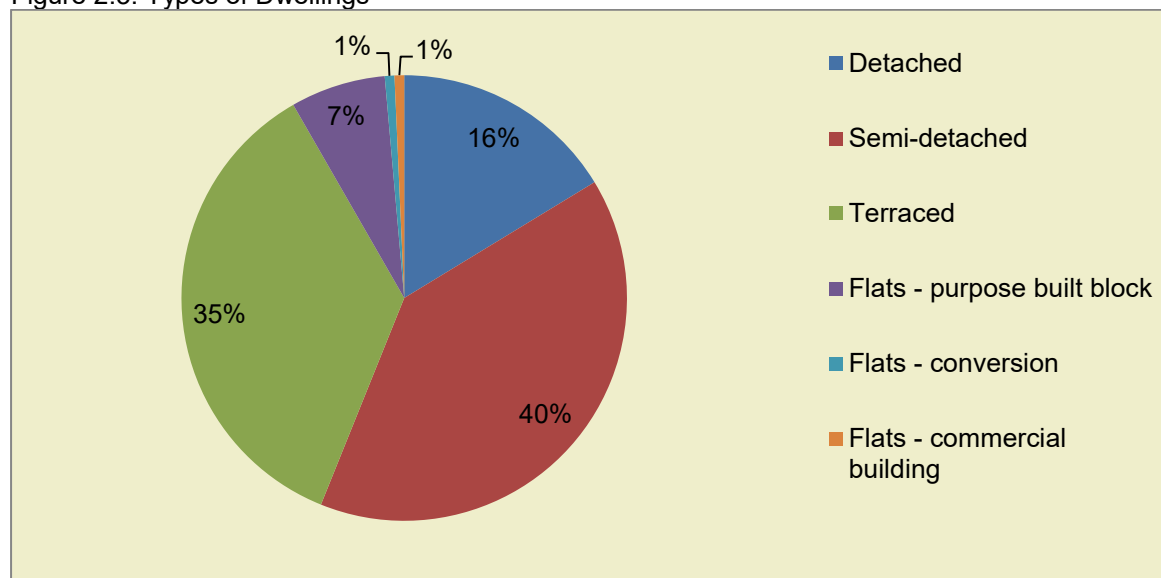
Source: Office of National Statistics

Types of property

As shown in Figure 2.3 below, the majority of properties in the county borough are semi-detached (40%) or terraced (35%), at proportions significantly higher than the Welsh average. There is a high proportion of pre-1900 terraced housing in the former mining communities, as is the case in other valleys authorities. There are also a number of large social housing estates comprising predominantly of 2 and 3 bedroom semi-detached properties,

which would account for a large proportion of the semi-detached housing stock. There are a much lower proportion of detached dwellings in the county borough when compared to the Welsh average (16.3% compared to 27.7% across Wales). The proportion of flats is also lower than the Welsh average.

Figure 2.3: Types of Dwellings



Source: 2011 Census [accessed from Hometrack]

There are significant variations across the county borough with the Heads of the Valleys having significantly higher levels of terraced housing (an average of 54.1%) than other parts of the county borough. This is due largely to the fact that the housing in this part of the county borough was built over a relatively short period of time to meet the massive demand for housing created by the industrial revolution and the topography of the Upper Valleys was suitable for terraced development. The lack of new build housing in the area over successive years has also resulted in a lack of diversity in the housing stock.

The highest proportion of detached houses are in the Northern Connections Corridor and Caerphilly Basin (at almost 20%), which reflects the amount of new build development experienced in these areas, which has served to diversify the housing stock.

Table 2.6: Property Types by Strategy Area

	HOV %	NCC %	LI %	CB %
Detached	9.1	19.7	9.2	19.6
Semi-detached	28.0	47.0	34.0	40.4
Terraced	54.1	27.4	45.3	30.6
Flats - purpose built block	6.9	4.7	9.2	8.3
Flats - conversion	1.0	0.6	1.2	0.5
Flats - commercial building	0.9	0.6	0.9	0.6
Mobile or temporary structure	0.0	0.0	0.1	0.1
In a shared dwelling	0.0	0.0	0.1	0.0

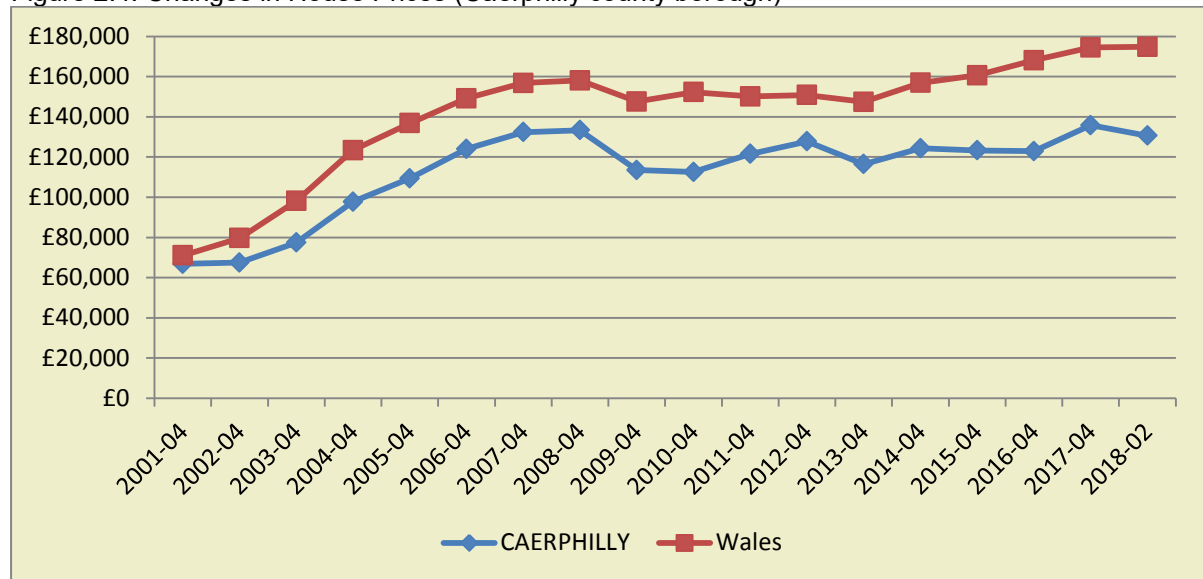
Source: 2011 Census [accessed from Hometrack]

Owner Occupation

Property Prices

Figure 2.4 below shows changes in average house prices in Caerphilly county borough between April 2001 and February 2018. In line with national trends, overall house prices increased significantly between 2001 and 2008 from £66,803 to £133,345. Following the economic downturn, house prices fell to £113,510 in April 2009 but prices have now risen to just below their 2008 peak, with a February 2018 average house price of £130,645.

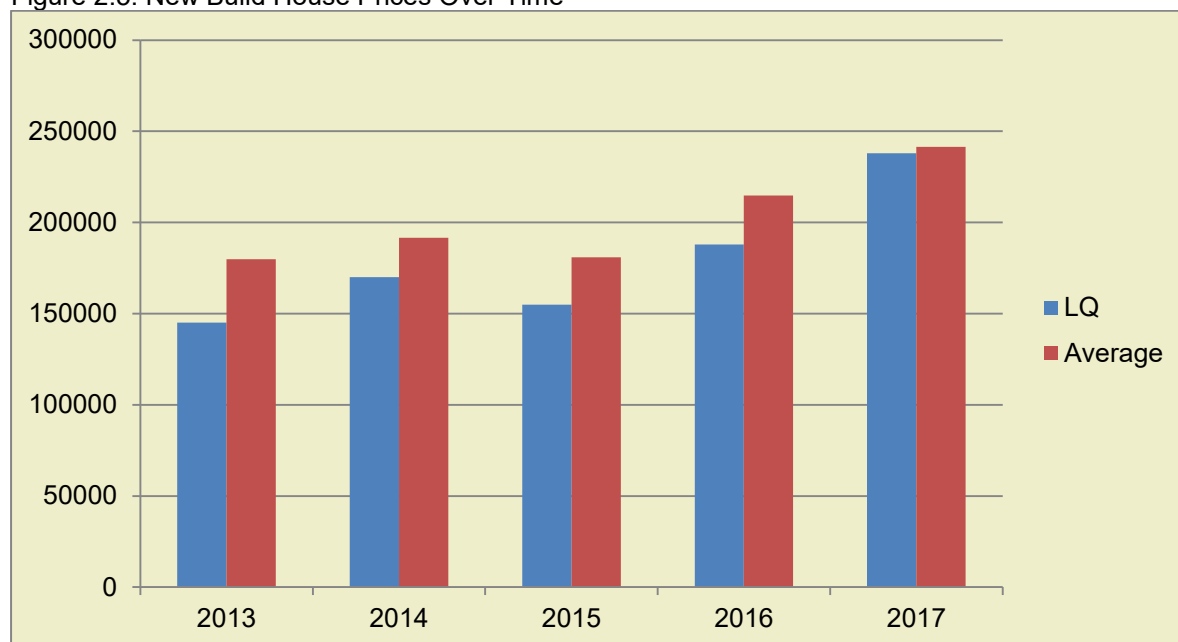
Figure 2.4: Changes in House Prices (Caerphilly county borough)



Source: Land Registry UK House price data

The price of new build housing has also increased over the past 4 years, as shown in Figure 2.5 below with the average price of a new build property rising from £179,313 in 2013 to £241,422 in 2017. Lower quartile prices, which would generally be smaller new build units have also risen by a similar amount.

Figure 2.5: New Build House Prices Over Time



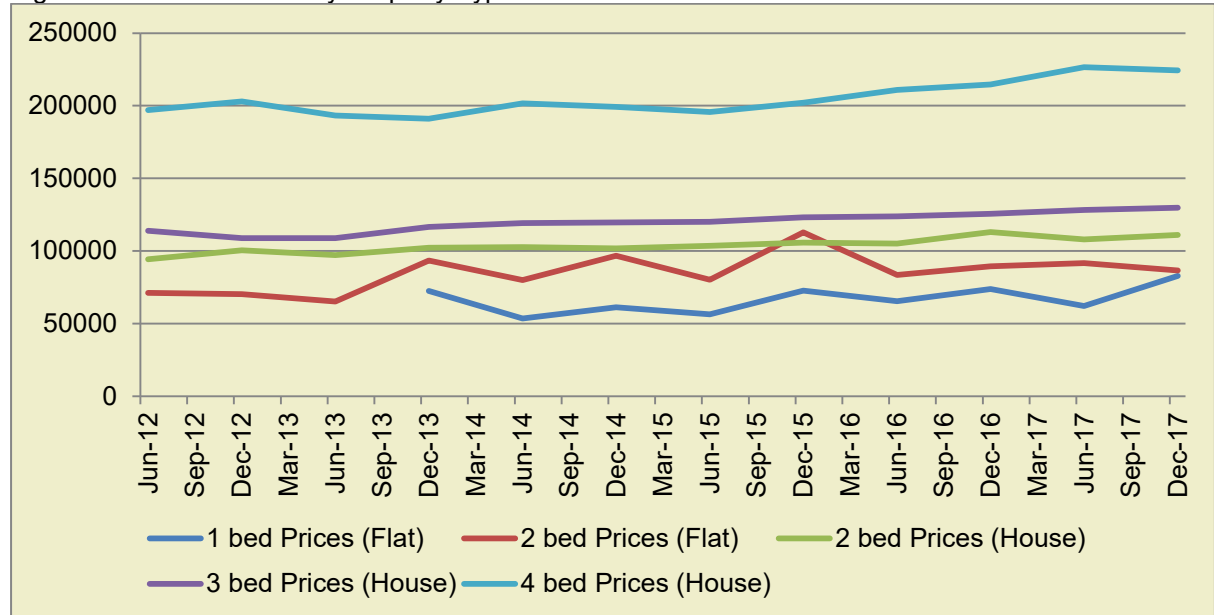
Source: Hometrack

There is a significant difference in house price depending on the number of bedrooms in a property. Figure 2.6 below identifies that four bedroom properties are significantly higher in value than three bedroom properties, with a value difference of approximately £95,000. The significant difference in values is due to the nature of the housing stock. Much of the four bedroom stock in the county borough has been built in the last 20 years in the higher value parts of the county borough and is therefore likely to command a high value. Three bedroom properties include a greater mix of housing in terms of age, type, location and size and the inclusion of lower value stock, including former Council dwellings and traditional terraced properties, will inevitably reduce the average house price.

There is little difference in price between 2 and 3 bedroom properties – a difference of only £10,000-20,000 in recent years. This again is due to the nature of the stock, with two and three bedroom traditional terraced properties in particular experiencing very little difference in value.

The prices for one and two bedroom flats have been variable over the time period, but this is due to the low levels of transactions for flats in each year.

Figure 2.6: House Prices by Property Type

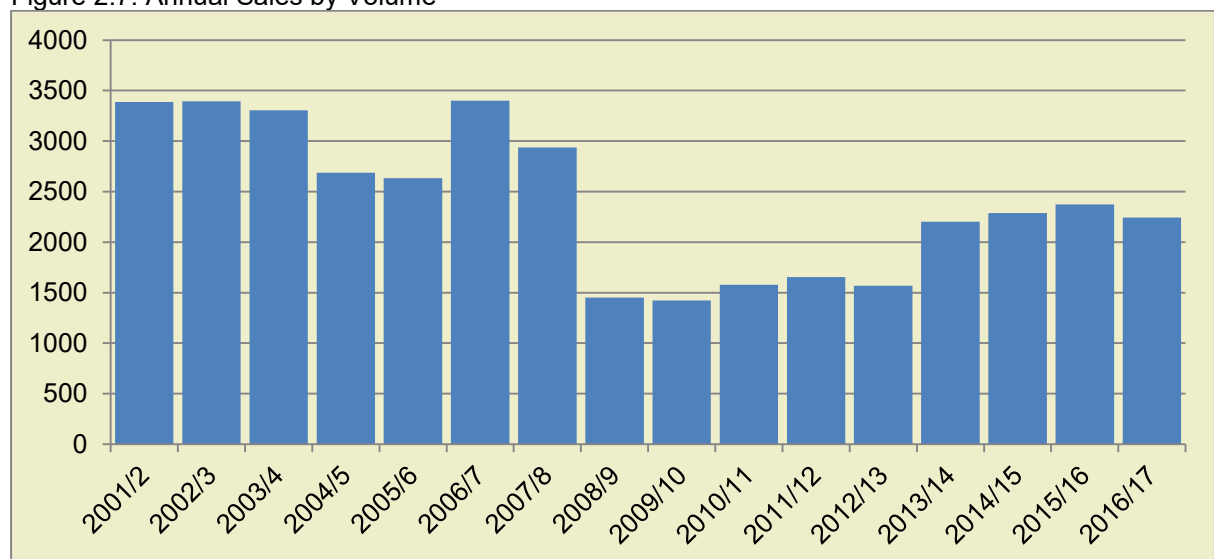


Source: Hometrack

Sales Volume

The number of sales per annum for the period 1st April to 31st March is recorded by the Land Registry. Property sales in the early 2000s in Caerphilly county borough exceeded 3,300. This figure stayed at over 2,600 units per annum being sold until the start of the financial crisis in 2008, where the number of housing sales dropped to below 1,500 units per annum. This figure remained low for several years and, although, there has been a steady increase since 2013/14, figures have not recovered to their pre-2008 levels. The pattern of sales by volume reflects the trends for house prices in Caerphilly, with a notable rise in house prices occurring as the market becomes more buoyant in terms of demand.

Figure 2.7: Annual Sales by Volume

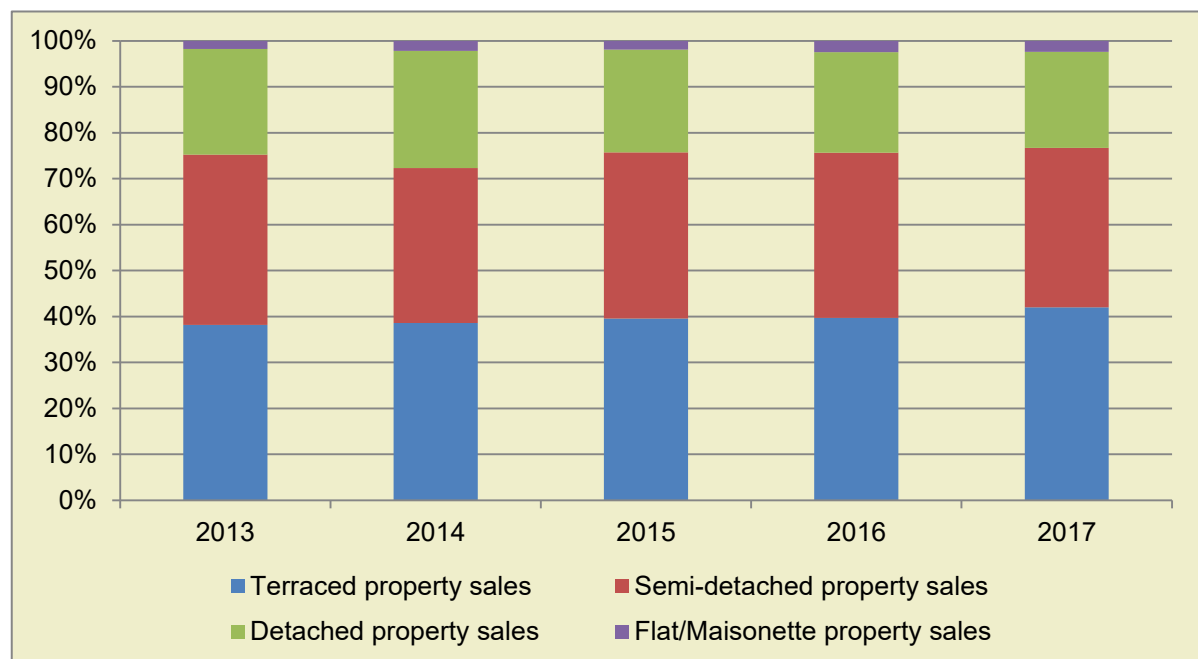


Source: Land Registry UK House price data

Over the last four years data accessed from Hometrack showed that the proportion of new build sales in the county borough equated to between 4% and 13% of total sales.

In terms of the type of properties that have been sold, terraced housing has consistently represented almost 40% of all sales in recent years, with 34-37% of other sales being semi-detached and between 22% and 25% of all sales being detached properties. The sale of flats makes up approximately 2% of all sales per annum. When compared to the profile of housing stock, as set out in Figure 2.8 below, there have been proportionately more detached houses being sold; they make up 16% of the stock, but represent up to 25% of the turnover. Similarly flats make up a total of 9% of the stock, but represent only 2% of the turnover. The turnover is reflective of the demand for certain properties, with detached dwellings being attractive to those requiring family homes. There is a limited demand for flats in the county borough, with much of the existing stock being in council or housing association ownership.

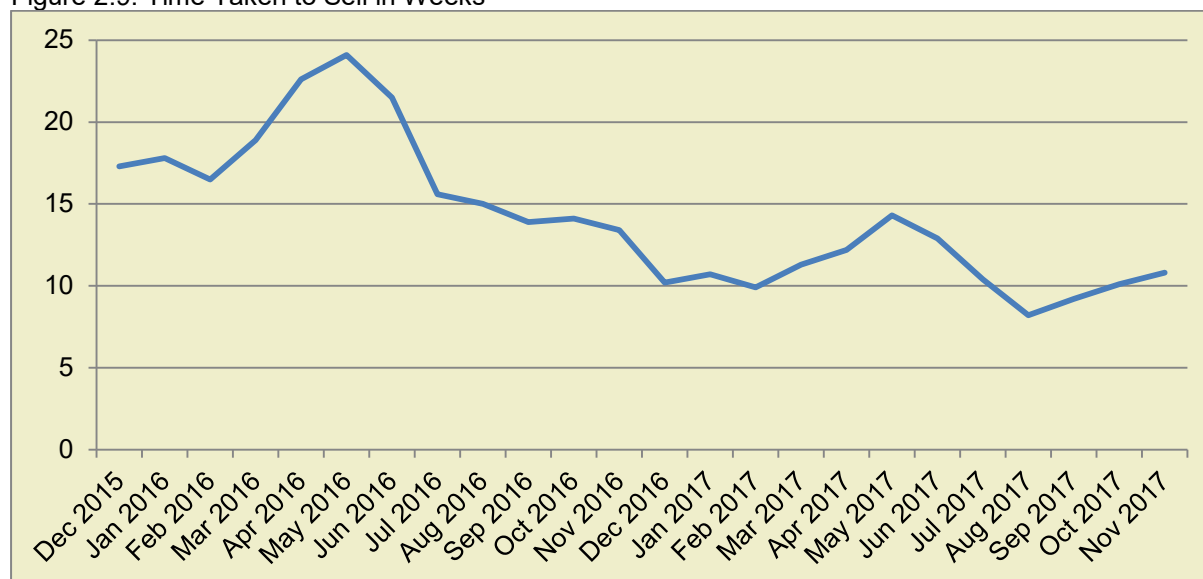
Figure 2.8: Percentage Sales by Property Type



Source: Hometrack

The time taken to sell a property is an indicator of how well the market is doing. Data is available from the last 2 years, which indicates that the average length of time 14 weeks, with a high of 24 weeks and a low of 8 weeks. This figure peaked in the summer of 2016, following the uncertainty caused by the Brexit vote, but has steadily reduced since. The latest data from November 2017 identifies that it is taking an average of 10.8 weeks to sell a property.

Figure 2.9: Time Taken to Sell in Weeks



Source: Hometrack

Another market indicator is the relationship between the actual sales price and the asking price. Data is available on Hometrack of the advertised asking price identified on Zoopla compared to the final sales price recorded on the Land Registry. This figure has primarily been between 94% and 96% in the past 2 years. This is similar to the asking price to sales figures in the other Valleys local authorities. In places with higher demand for housing, such as Cardiff and Monmouthshire, the percentage is higher.

First Time Buyers

Data from the Halifax bank (accessed from the Daily Telegraph) shows that the average age in the county borough for a first time buyer is 29, which is slightly lower than the UK average age of 30. The average age is broadly similar to neighbouring authorities of Merthyr Tydfil and Rhondda Cynon Taf, whereas Cardiff's average age is slightly higher at 30.

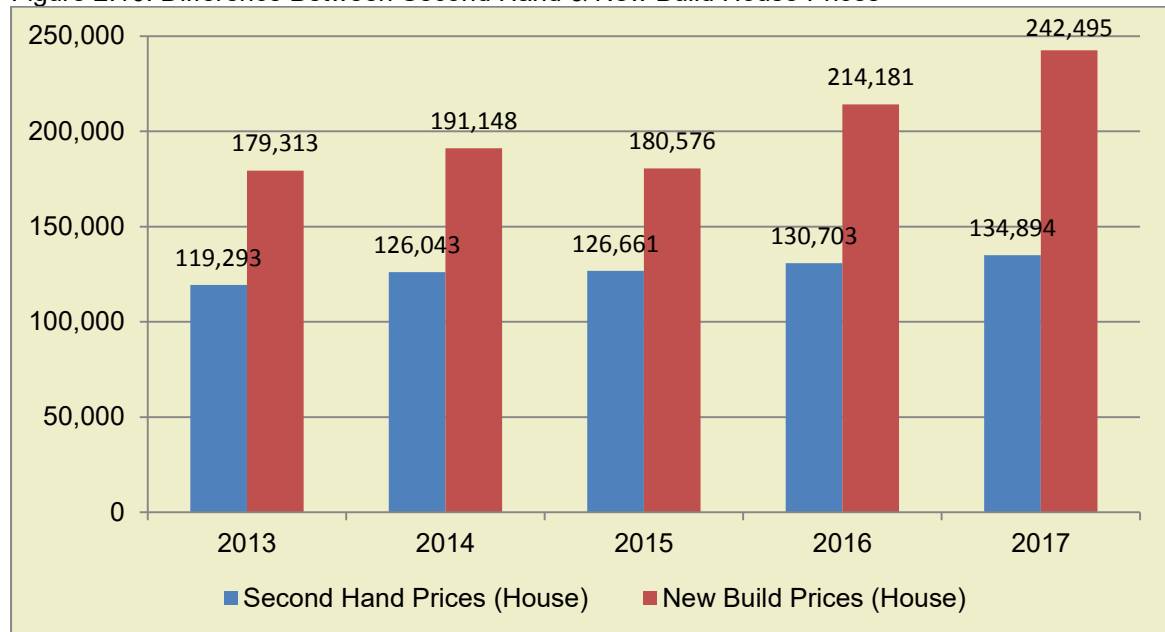
Help to Buy

Welsh Government's Help to Buy Wales scheme offers loans for buyers wanting to purchase a new build property up to £300,000. It is aimed at all home buyers (not just first time buyers) who would be able to repay a mortgage but do not have the deposit requirements. A shared equity loan of up to a maximum of 20% of the property purchase price is available. In addition, buyers are required to provide a 5% deposit and will then need to secure a mortgage to cover the remaining balance. Help to Buy data accessed from Stats Wales shows that (since the last update in January 2018) a total of 212 applications for assistance have been completed across the county borough since the introduction of the scheme in January 2014.

New Build Premium

The cost of purchasing a new build home is higher than that of a second home property of a similar size and specification; this is known as the new build premium. Data is available on the premiums for the last five years for both flats and houses. However, the data for flats is based on a very small sample of new build flats, due to the small number of flats built in the time period. It therefore presents a distorted picture and has been excluded from the Figure below. The new house price data is based on a large sample and is therefore a more accurate reflection.

Figure 2.10: Difference Between Second Hand & New Build House Prices



Source: Hometrack

As can be seen from the data in figure 2.10 above, there is a considerable difference in the average prices for second hand dwellings and new build dwellings. The percentage difference between second hand and new build dwellings has been between 43% and 72% higher in recent years. However, it should be noted that new build dwellings have been primarily constructed in the mid and southern parts of the county borough, where new build house prices that can be achieved are higher, whereas the data on the second hand market relates to the whole county borough and, therefore, the average would also reflect the lower house prices achieved in the Heads of the Valleys, reducing the average. Due to the low number of new build property transactions at a ward level, this data cannot be accurately considered on a more localised basis.

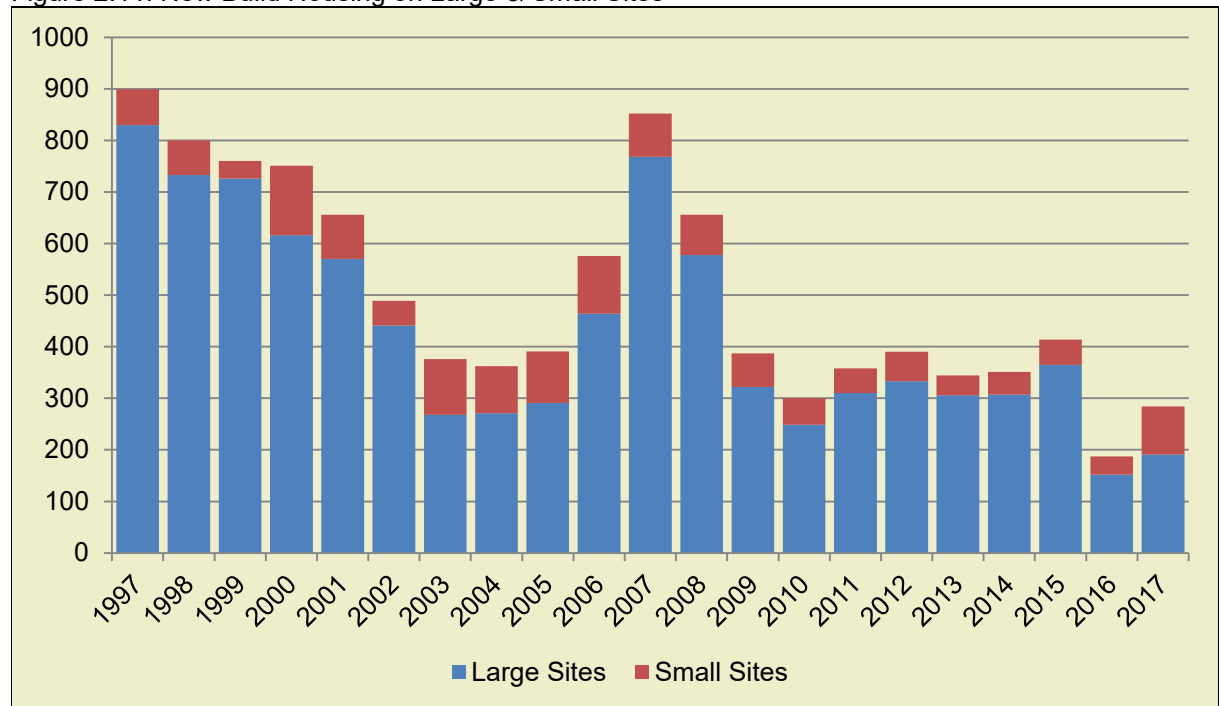
New Build Development

Figure 2.11 below shows the number of dwellings that have been developed in the county borough since 1997. It will be seen that there have been significant variations in completion rates, as housebuilding is strongly related to economic conditions. At times of boom, specifically in the mid-1990s and

mid-2000s, there have been significant numbers of units delivered on both large sites (10 or more dwellings) and small sites (less than 10 dwellings). Housebuilding rates have declined significantly at times of recession, most notably after the economic crash in 2008, as mortgages become more difficult to access and there is greater uncertainty over incomes.

Housebuilding rates are also influenced by the supply of sites for housing. The Local Development Plan (adopted 2010) makes provision for 8,625 dwellings over the 15 year plan period, equating to 575 dwellings per annum. Many of the sites that were allocated within the development plan have been built out earlier in the plan period. However, many of the allocated sites that have not yet been developed are those in less viable locations such as the Heads of the Valleys, or sites that have exceptional abnormal costs due to remediation requirements. The current period of austerity means that there is limited Welsh Government money available to bridge the viability gap in regeneration areas or where there are considerable constraints.

Figure 2.11: New Build Housing on Large & Small Sites



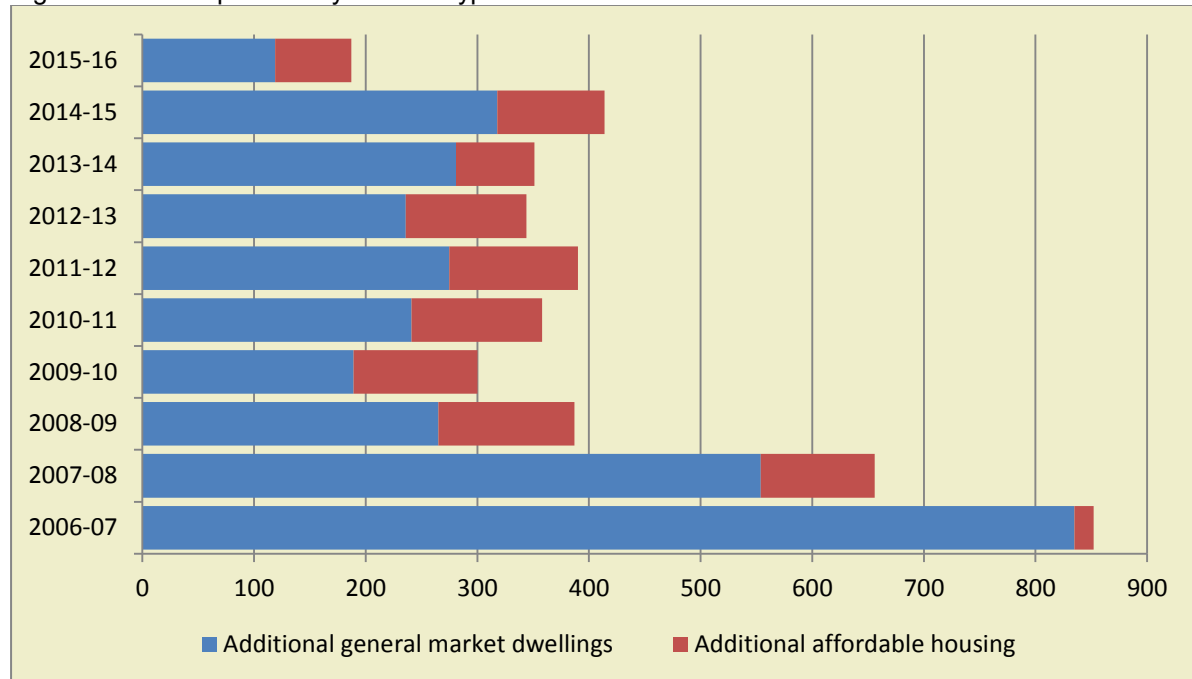
Source: CCBC (Joint Housing Land Availability Studies)

Whilst there is limited funding available to support the development of units in the private sector, grant funding has been available for the delivery of affordable housing schemes. As a result, a significant proportion of units delivered in recent years have been affordable. Most of these units have been delivered through housing association own build programmes; although, a small proportion of affordable units have been secured through Section 106 agreements.

Affordable housing completions included in the Joint Housing Land Availability Study are lower than the figures presented in figure 2.15 (affordable housing provision) as the Welsh Government return includes affordable housing

delivered through a range of mechanisms such as mortgage rescue, private sector leasing etc. not just new build affordable housing. There are also some minor differences in the dates of completions.

Figure 2.12: Completions by Market Type



Source: CCBC (Annual Monitoring Reports – Data records for mandatory indicator M2)

Empty Homes

The re-use of empty homes is a positive way of increasing the supply of housing as well as improving the amenity of an area. As of 1st April 2017, there were 980 properties in the private sector that had been empty for over six months. The Council is involved in the Houses into Homes scheme, which provides loans to bring empty homes back into beneficial use. The loans are interest free and are up to a value of £25,000 per property. Table 2.6 below shows that since 2010/11, a total of 281 empty homes have been brought back into use through intervention by the Council.

The Council has the power to utilise Empty Dwelling Management Orders to take management control of privately owned empty properties so that they can secure occupation of them and manage the property. This power has not been used to date.

Table 2.7: Empty Properties Returned to Occupation

Year	No. Of Empty Dwellings	Number Returned to Occupation	
2017/18	980	46	4.7%
2016/17	1,014	65	6.4%
2015/16	958	37	3.9%
2014/15	932	42	4.5%
2013/14	914	35	3.8%
2012/13	944	29	3.1%
2011/12	941	36	3.8%
2010/11	900	37	4.0%

Source: National Performance Indicator PSR004

Private Rented Sector

Rent Smart Wales was introduced by the Housing (Wales) Act 2014. The introduction of Rent Smart Wales will help to increase the Council's understanding of the make-up of private rented sector in the county borough. Information collected by Rent Smart Wales will be presented here in future assessments.

There have been significant changes in the private rental market across the county borough in recent years. In 2001, there were 3,402 households renting and by 2011 this figure had more than doubled to 7,995. Welsh Government dwelling stock estimates (Stats Wales) identify that there were 8,091 private rented dwellings in the county borough in 2015-16, which equates to about 10% of the total housing stock.

Based on 2011 Census, where data is available on tenure at a ward level, the highest proportion of households living in privately rented accommodation is in Ystrad Mynach, with 16.2%. This may be due in part to hospital employees renting accommodation near their place of work – Ysbyty Ystrad Far.

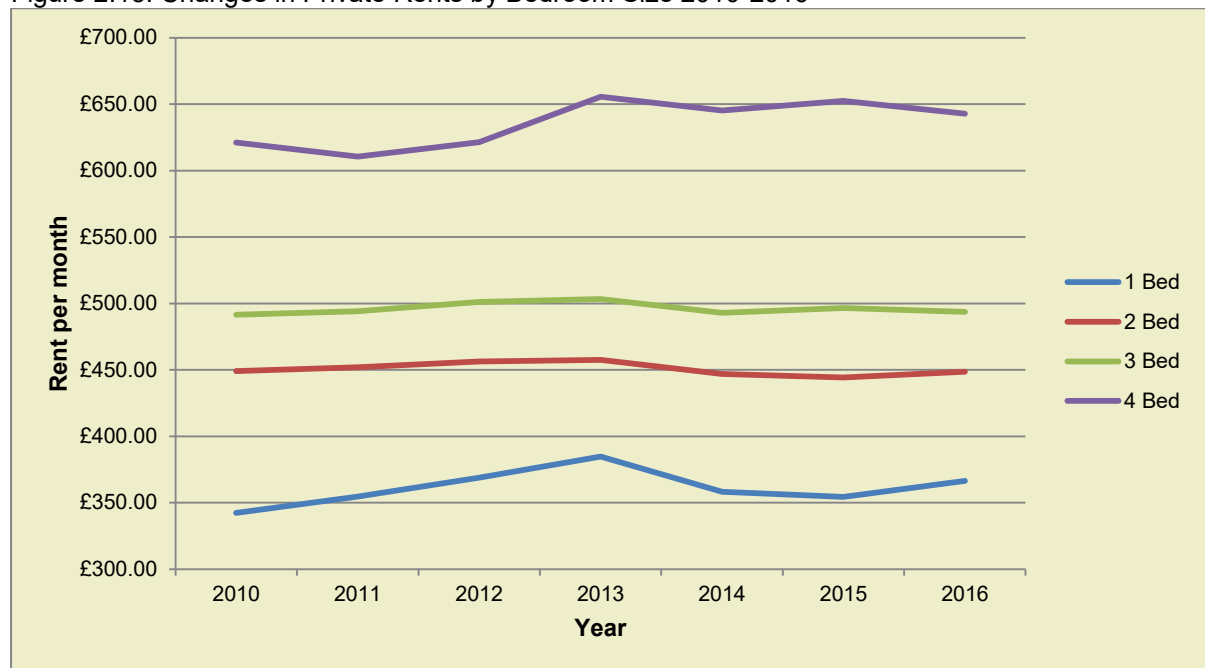
The areas with the lowest proportion of private rented stock are Twyn Carno, Cefn Fforest, Nelson and Moriah, at less than 8%. Twyn Carno, Cefn Fforest and Moriah are all areas with high proportions of social housing stock (over 34%) and with relatively low demand, which means that those in need may be able to address their housing requirements in the social rented sector rather than needing to rent privately. House prices are also comparatively low in these areas, particularly in the two Rhymney wards, which mean that those who can afford market housing may be able to purchase properties, rather than needing to rent.

Data is recorded by the Rent Officers Wales Lettings Information Database on average rents across the local authority area by bedroom size, although it is recognised that there will be variations across the county borough. The latest data indicates that a 1 bedroom property would on average cost £366 per month, a 2 bedroom would be £449, a 3 bedroom would be £494 and a 4 bedroom property would cost in the region of £643 to rent. Data is also available for the last year on the average rent for a room in a shared house, which is £261.

It should be noted that this data has been provided by individual private landlords and letting agents based on transaction data where rent has been paid. It excludes any cases where housing benefit was known to be in the payment.

Figure 2.13 below shows how these average values have changed over the last 6 years. It will be noted that there has been very little fluctuation in average rents for the two and three bedroom properties, but there has been a rise in rents for 4 bedroom properties. One bedroom properties did rise in price in the early part of the decade, but have dropped slightly in the last 3 years.

Figure 2.13: Changes in Private Rents by Bedroom Size 2010-2016



Source: Stats Wales

Local Housing Allowance

Tenants on low incomes renting in the private sector could receive help with their housing costs through the Local Housing Allowance. The amount of help is dependent upon the number of bedrooms that are required to meet household needs, rather than the size of the privately rented property a household is living in.

Local Housing Allowance rates are based on private market rents being paid by tenants in the Broad Rental Market Area and are reviewed every year on the 1st April. The rates from 2017 are:

Table 2.8: LHA Rates From 1 April 2017

	Weekly rate
Single room (in a shared property)	£51.50
1 bedroom	£73.64
2 bedrooms	£94.36
3 bedrooms	£103.56
4 bedrooms	£136.25

Source: CCBC, 2017

Unless an exemption applies, single person households where the person is under 35 years of age are only entitled to the single room rate. This restriction has caused affordability issues for the under 35s, which has been compounded by a lack of shared accommodation in the county borough.

Student Accommodation

There are two college sites in the county borough – Coleg Gwent Crosskeys Campus and Coleg Cymoedd in Ystrad Mynach, offering further and higher education courses. There is no purpose-built student accommodation for students within the county borough and 2011 Census data (accessed from Office of National Statistics) shows the vast majority of full time students aged 18 or over reside with their parents (70% overall). There are a small number of students living in ‘all student’ households – 257 households - less than 1% of all households that contain a student (schoolchild or full-time student aged 4 or over). These ‘all student’ households are spread across the county borough and there are no particular areas that would be classified as ‘student areas,’ which are generally categorised by concentrations of privately rented properties.

Social Rented Sector

Information accessed from Stats Wales shows that as of 1st April 2016, there were 14,748 social rented units in the county borough, comprising 10,852 units in Council ownership and 3,896 units in housing association ownership.

Social housing is available in all wards of the county borough. The number of units by ward range from only 133 units in St Martins, Caerphilly to 1,036 units in Penyrheol, Caerphilly. The wards with the highest numbers of social rented houses are primarily in the Upper Rhymney Valleys – the wards of Twyn Carno, Moriah, Aberbargoed and Pontlottyn all have over 25% of all stock in the social rented sector, as do the wards of Cefn Fforest and St James in Caerphilly, which includes the Lansbury Park estate.

Right to Buy & Right to Acquire

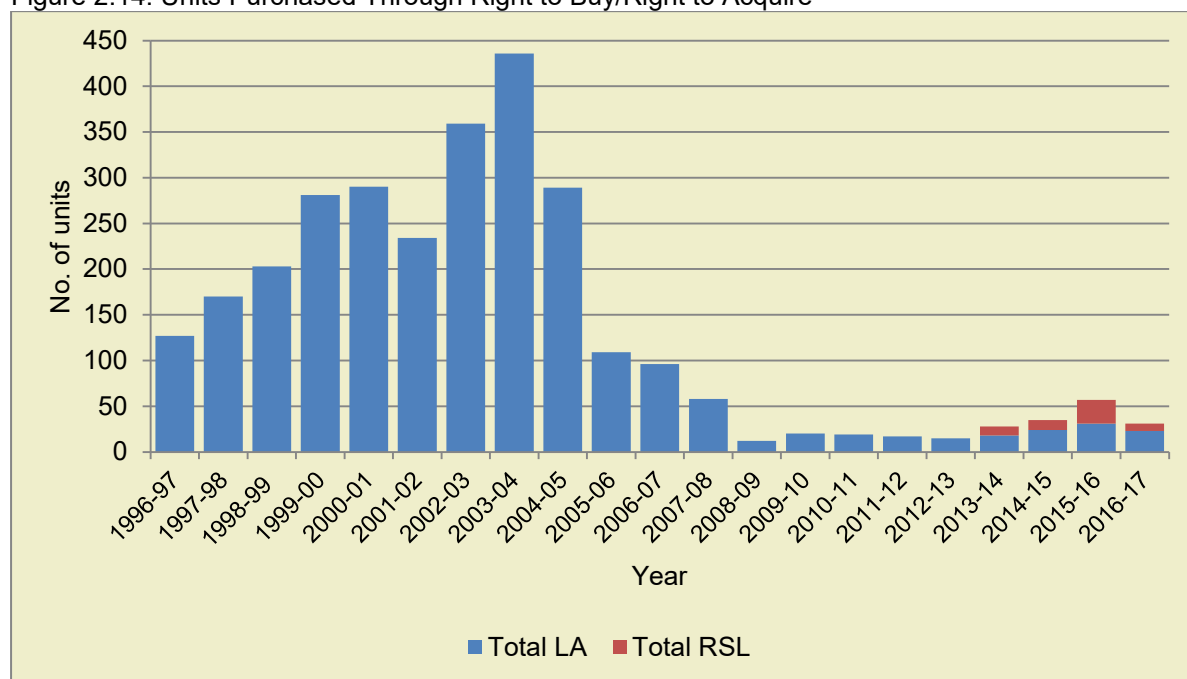
Tenants of social landlords have been able to purchase their council or housing association property at a discount providing that they meet the criteria. The Right to Buy was introduced in the *Housing Act 1980* and the Right to Acquire by the *Housing Act 1996*. Since their introduction, around

139,000 social rented dwellings have been sold across Wales (the equivalent of 43% of the housing stock in 1981).

Data is only available for Right to Buy and Right to Acquire sales since the formation of Caerphilly County Borough Council in 1996. Up to 2015-16, a total of 2,808 dwellings have been sold through Right to Buy and 47 dwellings through Right to Acquire, resulting in a significant decrease in the social housing stock available. The highest rates of sale through Right to Buy were in the early 2000s, but there has been a significant drop in sales since 2005-06 to less than 50 units a year. The Right to Acquire for RSL properties has only been utilised in the last three years.

In January 2018, Welsh Government received Royal Assent to abolish the Right to Buy and Associated Rights. As a result, from January 2019 the Right to Buy and the Right to Acquire will end for all council and housing association tenants. For new homes this right ended in March 2018. This move will help local authorities in Wales address housing needs for social rent in their area by preserving the social housing stock.

Figure 2.14: Units Purchased Through Right to Buy/Right to Acquire

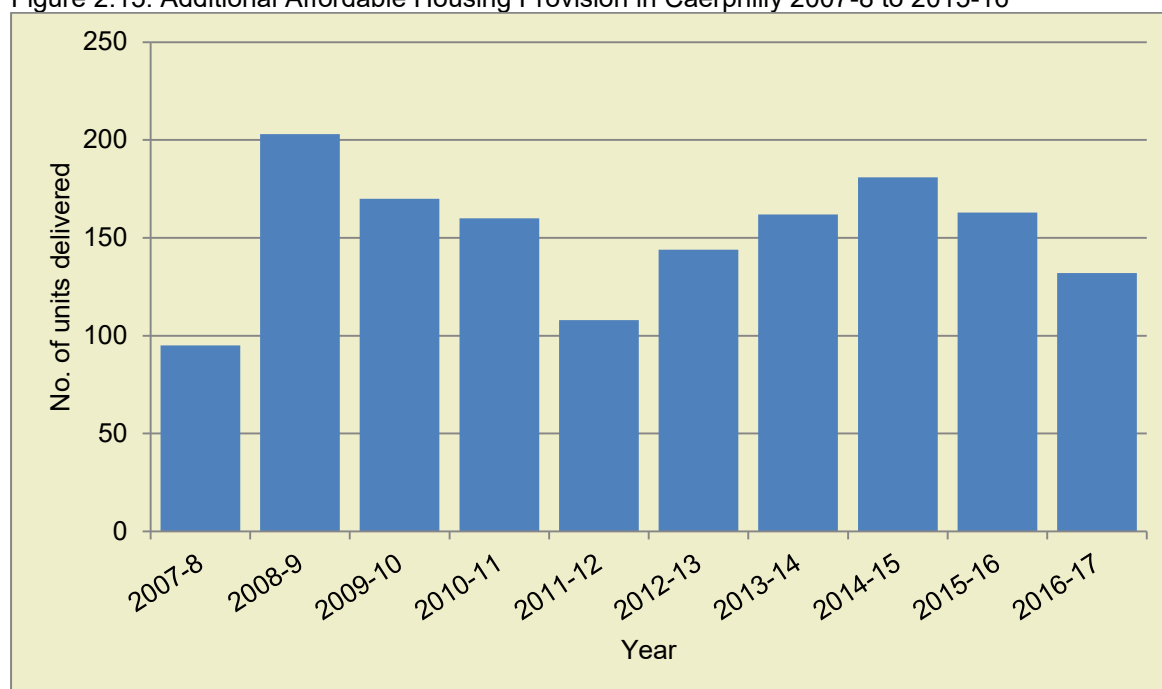


Source: Stats Wales

Affordable Housing Provision

Welsh Government compiles data on the number of additional affordable units provided each year through new build schemes or through the purchase, leasing or letting of existing units where the units were not previously affordable.

Figure 2.15: Additional Affordable Housing Provision in Caerphilly 2007-8 to 2015-16



Source: Stats Wales

The delivery of affordable housing has been consistently high over recent years, despite low numbers of units being delivered through the planning system via Section 106 agreements (planning obligations). As much of the funding for the delivery of affordable housing is through the Social Housing Grant programme and other funding schemes, high levels of delivery are linked to the amount of funding awarded each year to the Council.

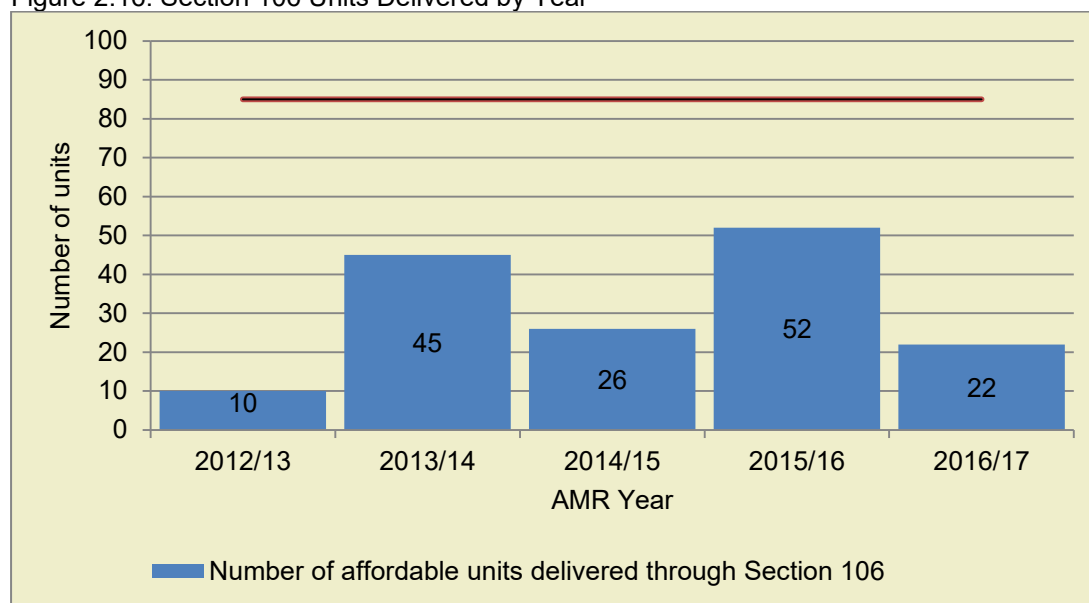
Table 2.9: Welsh Government Funding Awarded Per Annum

Financial Year	Total SHG
2008-09	£12,859,102
2009-10	£7,875,522
2010-11	£4,894,047
2011-12	£4,519,329
2012-13	£4,450,000
2013-14	£7,291,512
2014-15	£4,615,247
2015-16	£6,064,274
2016-17	£5,094,588
Total	£57,663,621

Source: CCBC

Figure 2.16 below shows the number of affordable units delivered by year as part of Section 106 agreements in the years since the Local Development Plan was adopted. It should be noted that the annual monitoring report uses information from the last published Joint Housing Land Availability Study (JHLAS), which relates to the previous year. Figure 2.16 also includes a comparison against the Affordable Housing Target set out in Local Development Plan Policy SP15 in annual terms, which equates to 85 units a year for the period between adoption and the end of the plan period. It will be noted that the actual number of units delivered through Section 106 agreements is significantly lower than the annual target.

Figure 2.16: Section 106 Units Delivered by Year



Source: Caerphilly Annual Monitoring Reports

When the loss of social housing units is compared to the number of new affordable housing units delivered, it will be noted that there has been a net gain in affordable housing units in recent years of at least 100 units in most of the years since 2008/9. Whilst this will help address existing need for affordable housing, the significant loss of social housing stock since the Right to Buy and Right to Acquire was introduced means that there still remains a significant backlog of people waiting to be rehoused. As of January 2018 there were 5,320 applications on the common housing register.

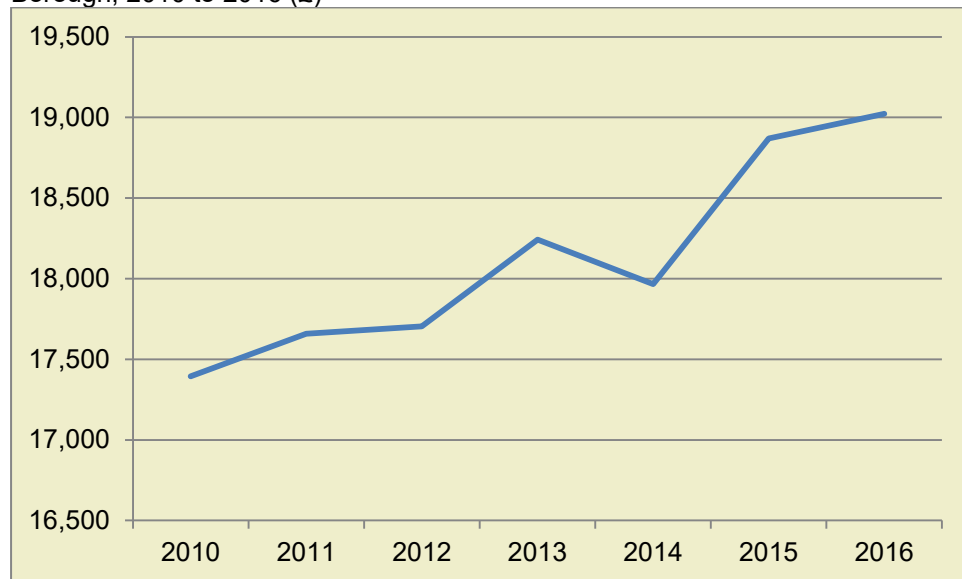
Affordability

The Annual Survey of Hours and Earnings (accessed from Stats Wales) provides information on the gross weekly pay of full time employees at local authority level. This survey indicates that the average median earnings in 2017 were £502 per week, which would equate to an annual salary of £26,104. There has been a steady increase in incomes over the last five years, rising from £450 in 2010. It is recognised that household incomes may be higher if a household has more than one member in employment.

Based on the current average house price of £127,228 (December 2017), the house price to earnings ratio is 4.9. Affordability at a local level will be considered on a ward by ward basis in section 3.

When assessing affordability it is important to note lower quartile indices, as invariably these are the households that may require some form of assistance to meet their housing needs. Figure 2.17 below shows lower quartile earnings in the county borough. Lower quartile figures are significantly lower than the median average earnings.

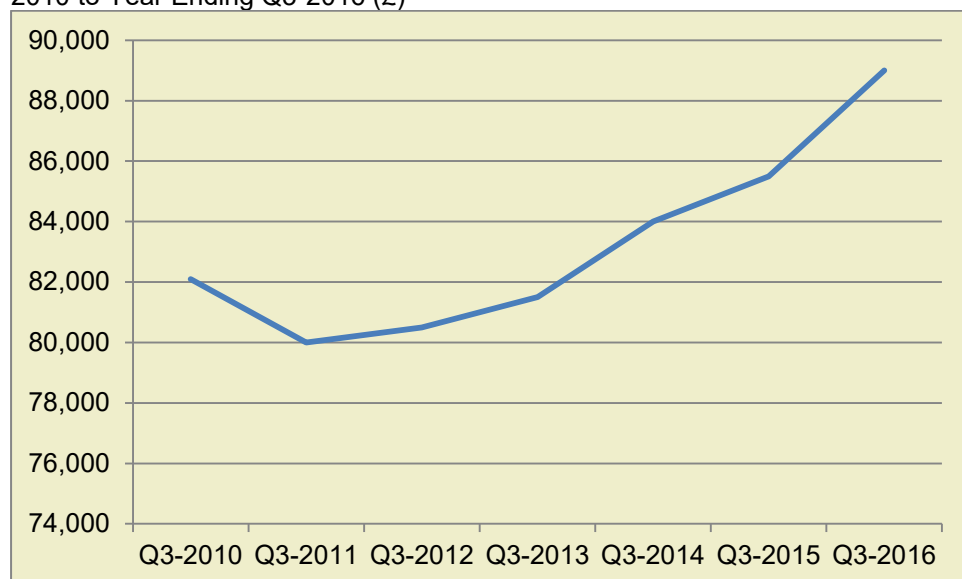
Figure 2.17: Lower Quartile Gross Annual Residence-Based Earnings for Caerphilly County Borough, 2010 to 2016 (£)



Source: Office of National Statistics

Figure 2.18 below shows lower quartile house prices in the county borough. Since a reduction in prices from 2010 to 2011, prices have steadily continued to increase.

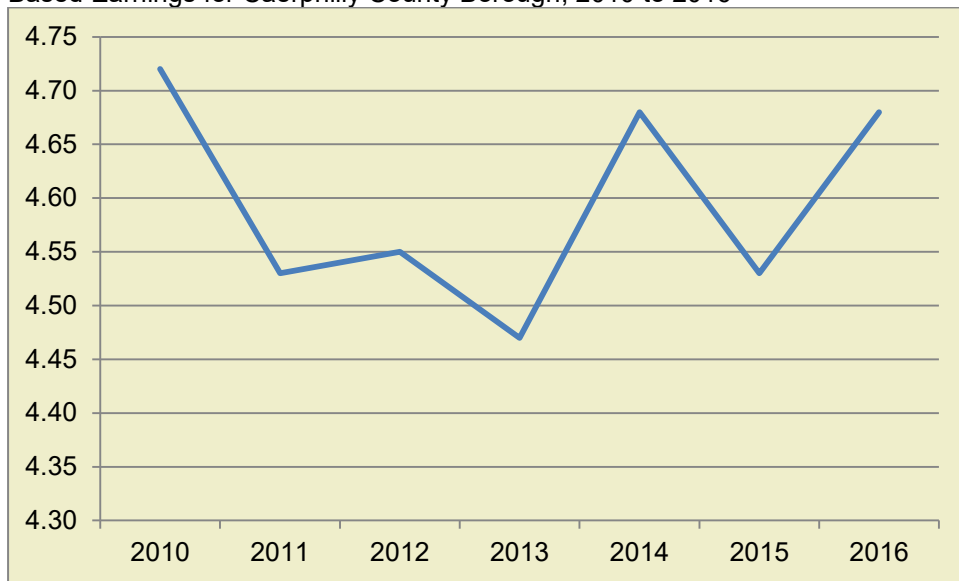
Figure 2.18: Lower Quartile House Price for Caerphilly County Borough, Year Ending Q3-2010 to Year Ending Q3-2016 (£)



Source: ONS

Figure 2.19 below shows the ratio of lower quartile house prices to lower quartile earnings in the county borough. At the end of 2016, house prices were 4.68 times greater than earnings. In 2010 the ratio was 4.72.

Figure 2.19: Ratio of Lower Quartile House Price to Lower Quartile Gross Annual Residence-Based Earnings for Caerphilly County Borough, 2010 to 2016



Source: Office of National Statistics

3.0 Defining Housing Markets

3.1 Introduction

Housing markets are defined in the *Local Housing Market Assessment Guide* (WG, 2006) as “*the area where the majority of households living or seeking to move in the private housing sector are willing to search for alternative accommodation*”. Alternatively, these are “*seen as the geographical area within which there are clear links between where people both live and work.*”

The *Local Housing Market Assessment Guide* (WG, 2006) indicates that as housing markets will always be in a state of flux, it is difficult to determine the precise boundaries of markets. Furthermore, housing markets extend beyond local authority boundaries and consideration should, therefore, be given to the functional market, which may operate across local authority boundaries. An assessment of housing demand and need in markets that extend across boundaries must be capable of disaggregation to the local authority level.

3.2 Determining Housing Market Boundaries

Local authorities should seek to identify precise spatial boundaries for their housing markets based on a number of factors including the following as listed in the *Local Housing Market Assessment Guide* (WG, 2006):

- Patterns of relocation within local areas by homeowners and tenants and the degree of self-containment;
- Travel to work patterns and analysis of the relationship between the place of work and the home;
- Areas of high and low housing demand; and
- Other information from previous studies (e.g. recent development plans, local plans and urban capacity studies and academic studies).

Other information for the Council includes the Local Development Plan, Affordable Housing Viability Study, Community Infrastructure Levy viability report, previous local housing market assessments and South East Wales Regional Housing Market Study, as well as newspaper readership data.

Exploring Methods for the Identification of Strategic Planning Areas (2015)

Cardiff University prepared a research report for Welsh Government as part of the evidence base for defining boundaries for ‘strategic planning areas’ in Wales, including one for the Cardiff Capital Region. The research considered a number of datasets based on economic, environmental and well-being factors. Data that would have a specific relevance to housing markets includes Median Gross Weekly Earnings (2014), Commuting Flows (2011), Median House Sale Price (2013), and Rental Market Areas (Rent Officers Wales). The report makes reference to housing market areas research undertaken by the Department of Communities and Local Government (CLG

2010). However, this report relates only to England, and whilst it is acknowledged that some housing market areas do span the borders between England and Wales, there is no detailed analysis of the Welsh housing markets.

The datasets relating to house prices and incomes have been updated since this research report was completed and the latest data is considered below.

Broad Rental Market Areas

Broad rental market areas are the geographical areas used to determine Local Housing Allowance rates. They were prepared by Rent Officers Wales and are set to define areas within which similar sizes of properties attract similar rents. The data as it relates to South East Wales is shown on the map below.

Thematic Map 3.1: Broad Rental Market Areas in SE Wales



Source: Rent Officers Wales (2014)

<http://datashare.is.ed.ac.uk/handle/10283/2615?show=full>

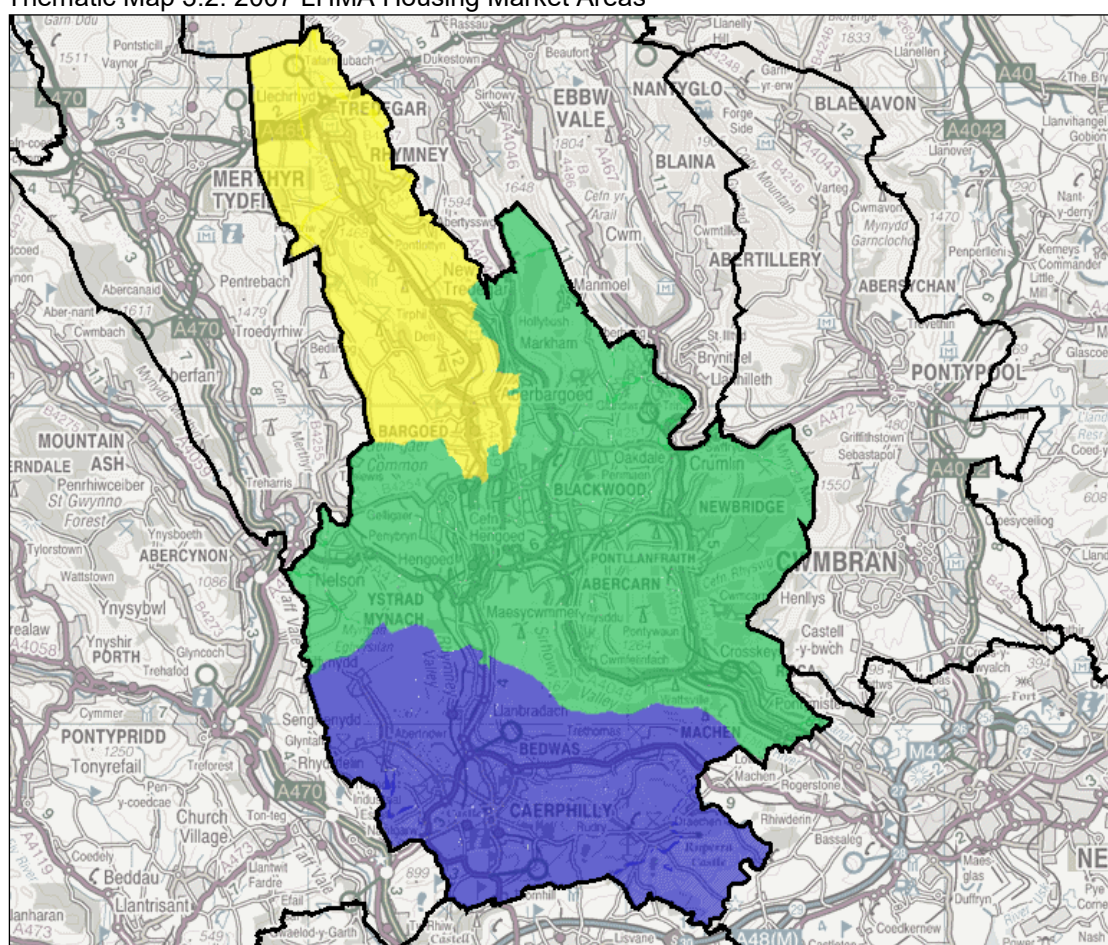
The map above shows that the broad rental market areas (grey line) as they relate to the county borough are co-terminus with the local authority boundaries, indicating a similarity in rent levels across the county borough.

Fordham Research Local Housing Market Assessment 2007

The 2007 Local Housing Market Assessment reviewed a range of data sources including interviews with stakeholders such as estate agents and letting agents and the South East Wales Regional Housing Market Study in order to define appropriate market areas. The local housing market assessment defined three sub-markets:

- 'South' – the Caerphilly Basin area (postcode CF83) with the highest house prices;
- 'Middle' – the Lower Islwyn area along with the Mid Valleys A472 corridor and the Upper Sirhowy Valley (postcodes CF82, NP11, NP12); and
- 'North' – the Upper Rhymney Valley (postcodes CF81, NP22, NP24).

Thematic Map 3.2: 2007 LHMA Housing Market Areas



Source: Caerphilly Local Housing Market Assessment (2007)

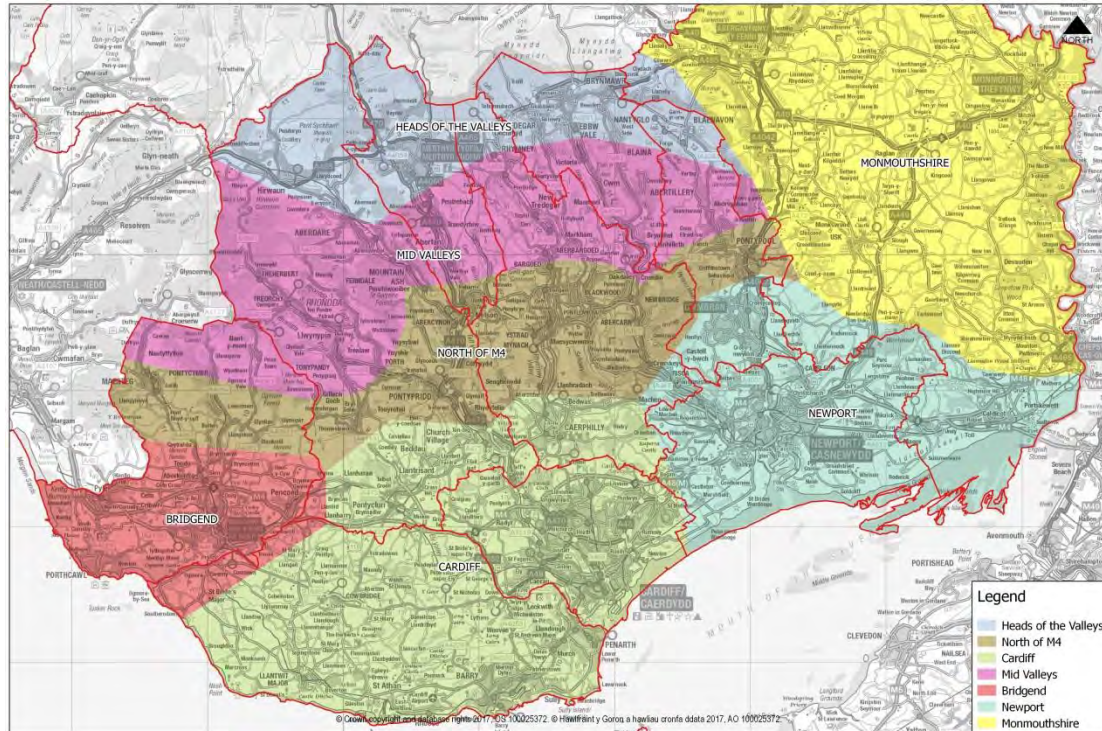
South East Wales Regional Housing Market Study (2005)

A study was undertaken for the South East Wales Regional Housing Forum in 2005 on the South East Wales Regional Housing Market. This study provides a comprehensive assessment of the sub-regional housing market identified five housing market areas operating within the county borough. These areas are:

- Heads of the Valleys (Rhymney area);
- Mid-Valleys (New Tredegar, Darran Valley, Argoed);
- North of M4 corridor (Aber Valley, Greater Bargoed, mid Valleys conurbation, Llanbradach, Lower Islwyn excluding Risca);
- Newport – Risca; and
- Cardiff – Caerphilly Basin (excluding Llanbradach and Aber Valley).

The boundaries of these market areas have been defined through quantitative and qualitative analysis undertaken as part of the study and are shown below.

Thematic Map 3.3: Defined Housing Market Areas (2005)



Source: South East Wales Regional Housing Market Study (2005)

Caerphilly County Borough Local Development Plan (Up to 2021)

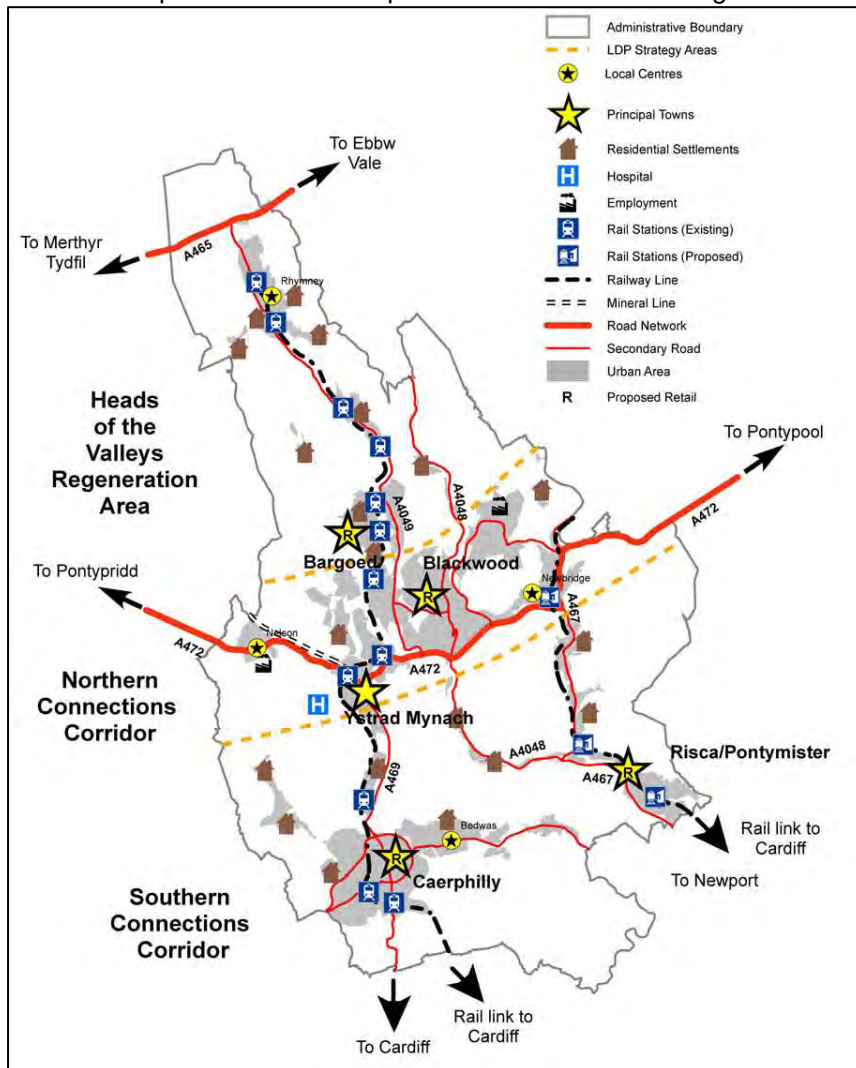
The Local Development Plan (adopted 2010) identifies three strategy areas for the county borough:

- Heads of the Valleys Regeneration Area (Upper Rhymney Valley and Upper Sirhowy Valley);
- Northern Connections Corridor (Mid Valleys conurbation); and
- Southern Connections Corridor (Caerphilly Basin and Lower Islwyn).

These strategy areas have been defined through a functional analysis of the county borough based on Community Plan (CCBC, 2004) areas having regard to the spatial areas identified within the Wales Spatial Plan (2004; updated 2008). The relationship between residential areas and the principal towns and local centres that provides functions and services to these areas is an important factor in determining how areas function. The housing market is one facet of the wider function of areas.

The strategy areas are identified in the map below:

Thematic Map 3.4: Local Development Plan Defined Housing Market Areas



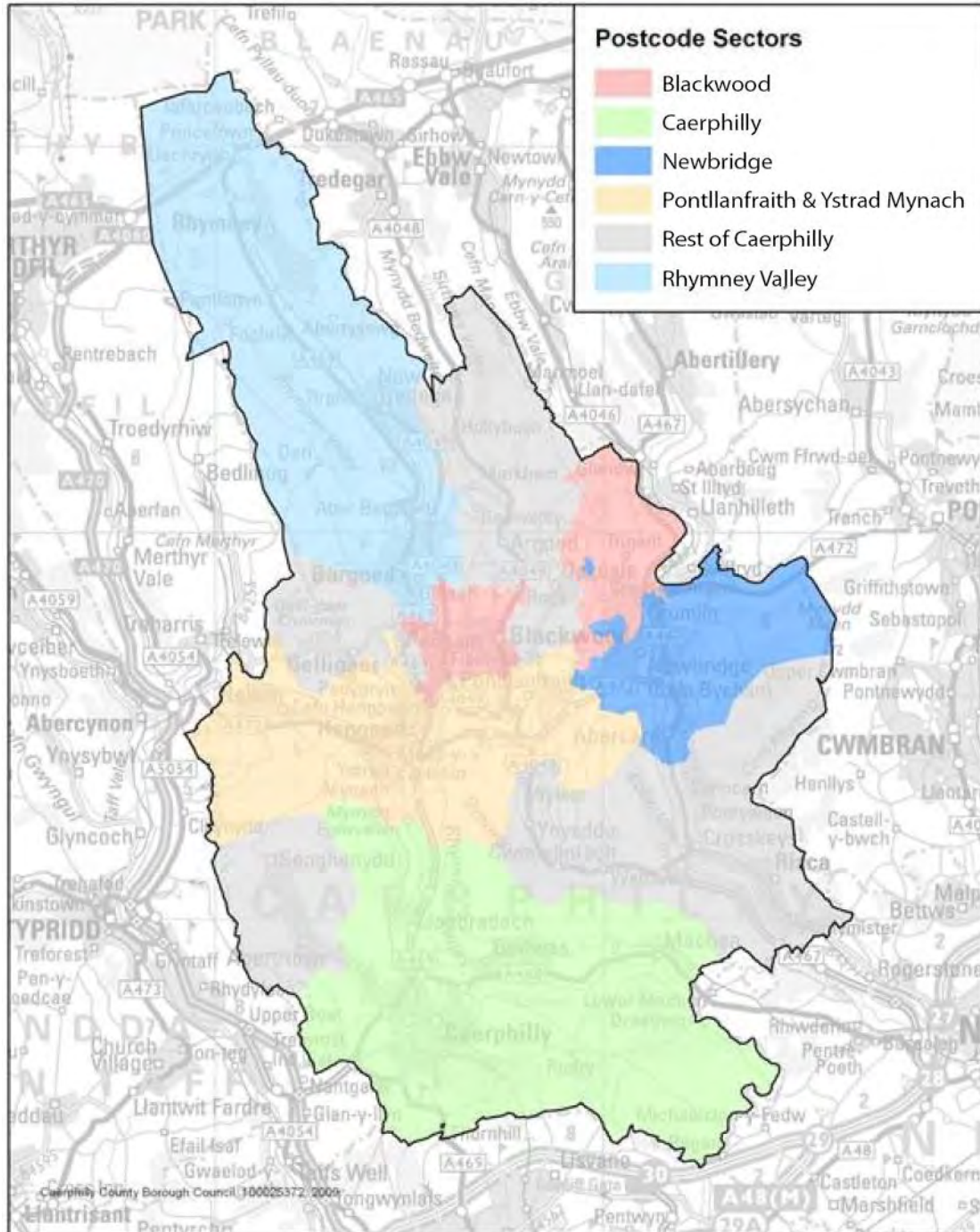
Source: Caerphilly County Borough Local Development Plan (2010)

Affordable Housing Viability Assessment (2009)

As part of the evidence base for setting affordable housing policies in the Local Development Plan, the Council carried out an exercise to assess the viability of area specific affordable housing targets. Six sub-markets were identified for testing based on an analysis of house prices by postcode area:

- Caerphilly (CF83 1, CF83 2, CF83 3, CF83 8);
- Blackwood (NP11 3, NP12 1, NP12 3);
- Pontllanfraith & Ystrad Mynach (NP12, CF82 7);
- Rest of Caerphilly (NP11 6, NP11 7, NP12 0, CF82 8, CF83 4);
- Newbridge (NP11 4, NP11 5); and
- Rhymney Valley (NP22 5, NP24 6, CF81 9).

Thematic Map 3.5: AVHA Defined Housing Market Areas



Source: AVHA (2009), CCBC

These areas are not necessarily co-incident with housing market assessment areas, which take account of more factors than only house prices, but can be viewed as ‘viability areas’. For the purposes of the affordable housing policies, there are four distinct zones – the highest viability area (Caerphilly Basin, excluding Aber Valley) where a 40% affordable housing target is in place, the Northern Connections Corridor (excluding Newbridge) where the target is 25%, Lower Islwyn, Aber Valley and Newbridge where 10% is the target and the Heads of the Valleys where there is no target.

Community Infrastructure Levy

The Council has adopted the Community Infrastructure Levy, which will assist in the delivery of the Council's land use objectives as set out in the Local Development Plan. The levy is a direct charge that is placed upon certain types of development on a per square metre basis, with the finance generated being used to secure the infrastructure that is required to support development in accordance with the Local Development Plan.

In order to inform the rates set the Council commissioned the District Valuer Services to undertake an economic viability study to serve as the evidence base to support policies. The study assessed a number of sample development sites across the county borough to consider the levels of levy that various development uses and locations might support. Current policy requirements including the affordable housing targets set out in the Local Development Plan were factored into the assessment.

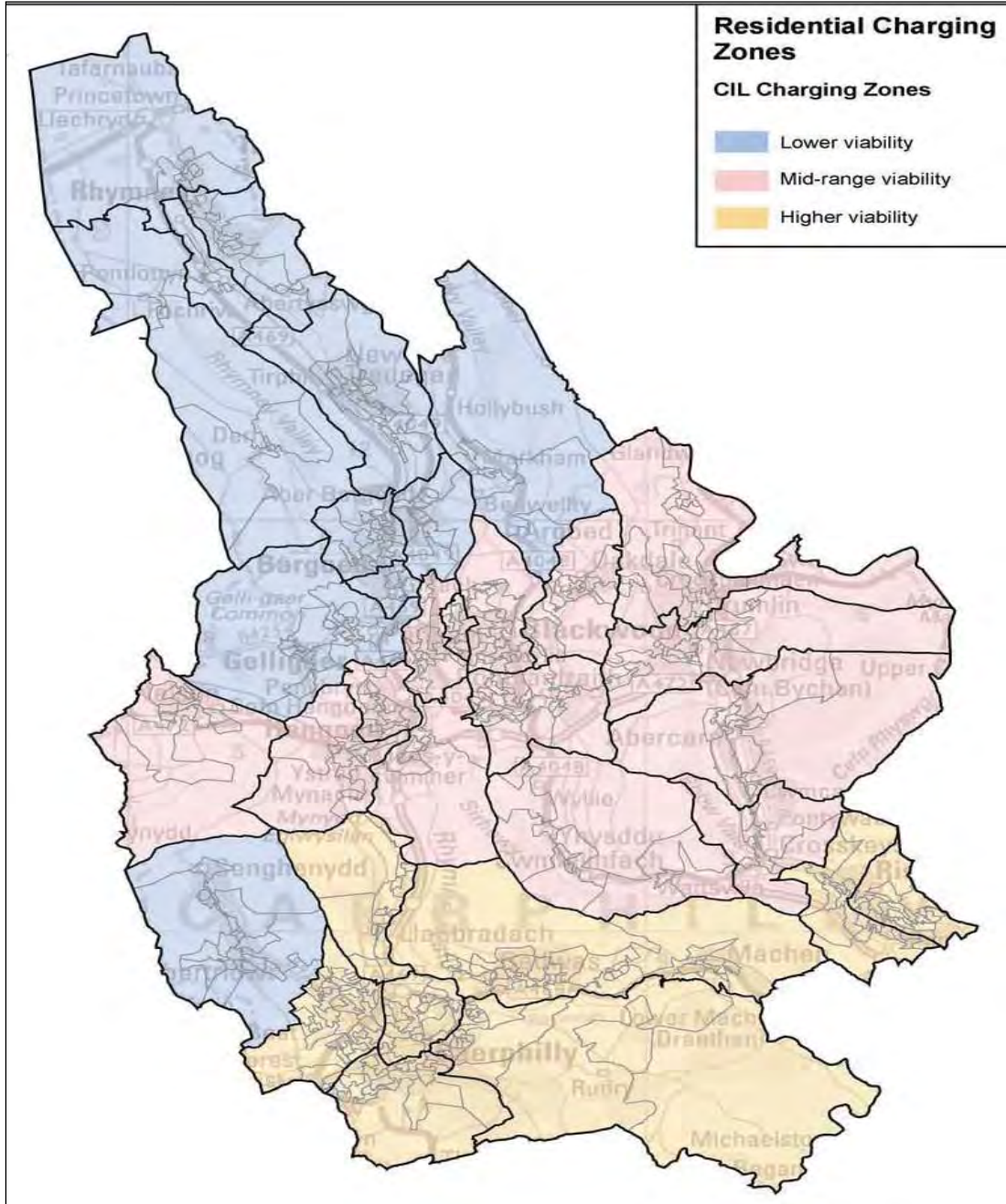
The study recognises that the housing markets vary across the county borough, highlighting stronger values in Caerphilly Basin and closer to the M4 corridor. It also recognises that the Ystrad Mynach, Pontllanfraith and Blackwood areas have lower property values than areas closer to the M4 corridor. In the Heads of the Valleys, property values are significantly lower than the mid and lower valleys.

Having analysed a number of sites, the District Valuer Services concluded that there were three distinct viability areas in the county borough, as shown on the map below:

- Higher Viability Area – Caerphilly Basin (excluding Aber Valley) plus Risca;
- Mid-Range Viability area – Northern Connections Corridor excluding St Cattwg but including the Lower Islwyn wards of Crosskeys, Abercarn and Ynysddu; and
- Lower Viability area – Upper Rhymney Valley, St Cattwg, Upper Sirhowy Valley, Aber Valley.

The viability areas defined in the study are broadly consistent with the findings of other viability work that has been carried out. Risca has been identified within a higher viability area. However, it should be noted that there is a lower affordable housing target in Risca (10%) than in the rest of the higher viability area (Caerphilly Basin) where the target is 40% and this has been factored into the assessment. If the affordable housing target in Risca had been higher in the Local Development Plan, this would conversely mean that the residual value available to demonstrate viability to deliver the levy would be lower. In simple value terms, therefore, Caerphilly Basin is not directly comparable to Risca. However, it does demonstrate that the Risca housing market is stronger than the rest of Lower Islwyn in terms of value.

Thematic Map 3.6: CIL Charging Zones



Source: DVS Economic Viability Study (2012)

Joint Industry Committee for Regional Media Research Newspaper Readership Report

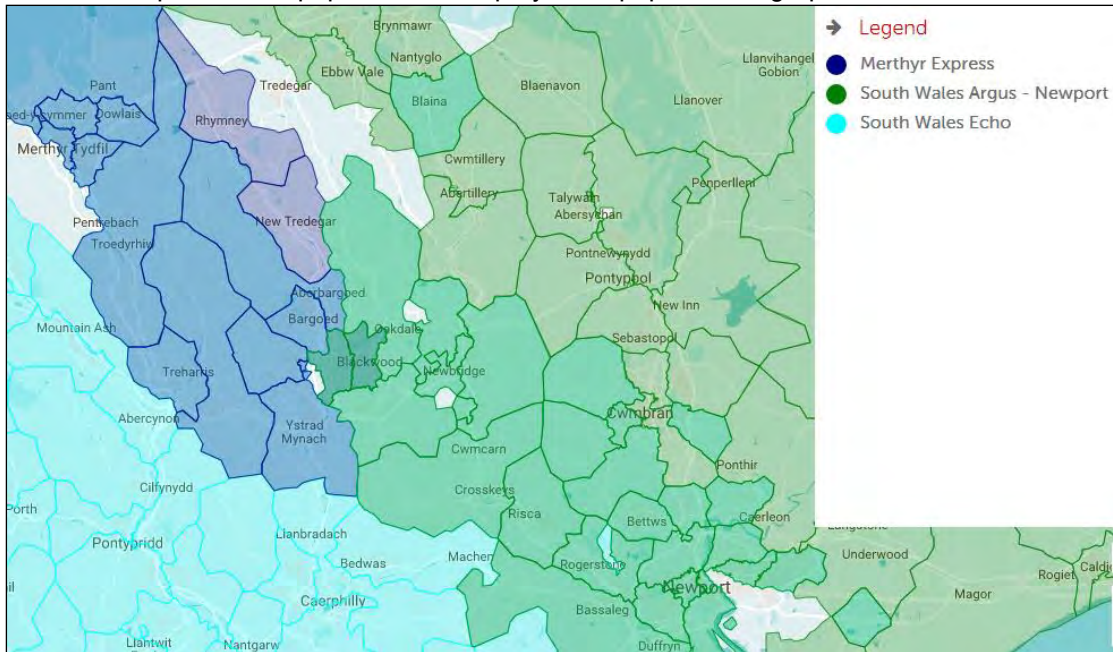
The *Local Housing Market Assessment Guide (WG, 2006)* identifies that newspaper readership can provide an insight into the housing market through the pattern of distribution, which may also give an indication of the geographical coverage of houses for sale. Data on Average Issue Readership by newspaper and geographical location is available from the Joint Industry Committee for Regional Media Research. Areas have been categorised on a postcode basis.

Table 3.1: Newspaper Readership by Newspaper & Geographical Location

Location	South Wales Echo		South Wales Argus		Merthyr Express	
	Adult AIR	AIR %	Adult AIR	AIR %	Adult AIR	AIR %
Bedlinog Nelson	281	2.5	0	0	2,310	19.4
Blackwood Newbridge	504	1.4	2,239	6.3	910	2.6
Caerphilly Bedwas	2,699	6.0	0	0	0	0
Rhymney	68	0.4	0	0	2,900	17.8
Risca	11	0.1	1,913	11.1	0	0
Ystrad Bargoed	724	2.4	194	0.6	3754	12.4

Source: Joint Industry Committee for Regional Media Research

Thematic Map 3.7: Newspaper Readership by Newspaper & Geographical Location



Source, The Joint Industry Committee for Regional Media Research (online)

There are two daily paid for area specific papers distributed in the county borough – the South Wales Echo and South Wales Argus, plus the Merthyr Express, which is a weekly paper.

The Cardiff-based Echo has the strongest readership in the Caerphilly Basin area, which could be used as an indicator of a relationship with the Cardiff market area. Although, there is a strong readership in the Ystrad Mynach, Bargoed and Nelson areas, less people read the Echo than read the Merthyr Express in these areas. It is likely, however, that there may be differences across the readership areas with those areas closest to Merthyr being more likely to choose the Express as their preferred paper. Rhymney also has a strong readership of the Express, which is not surprising given the proximity of the area to Merthyr.

There is a very strong readership rate of the Newport-based Argus in Risca, which could indicate that residents of Risca consider themselves part of the Newport area more so than Blackwood and Newbridge where the readership of the Argus is strong, but residents also read other papers.

Generally, however, newspaper readership of the two daily papers is overall very low (with the exception of Risca) with less than 10% of residents reading one of the daily paid newspapers. As a result, it is difficult to draw any meaningful conclusions based solely on this data. Therefore, it should only be used as contextual information to support other data sources.

Patterns of Relocation

A local housing survey was undertaken in 2013 to inform the 2015 local housing market assessment. The survey provided important data on past patterns of relocation and expected future moves (see Appendix 1). In accordance with guidance (Welsh Guidance, 2006) the previous survey data is still considered relevant with regards to patterns of relocation.

The 2015 local housing market assessment survey indicates that 531 households out of the 2,183 households that responded had moved within the last 5 years (24.3% of all households). Of these 45 households (8.5%) had moved to the county borough from elsewhere in the UK or abroad, 85 households (15.6%) had moved from another local authority area, with Newport and Cardiff generating the highest number of responses. 372 respondents (70.1%) had moved within the county borough and 31 households (5.8%) did not provide information on where they previously moved from.

Considering only the respondents that had moved within the county borough and provided geographical information on the town or village they had moved from, it is possible to undertake analysis as to how many household had moved within the same market area and how many had moved to a different part of the county borough. For the purposes of this analysis, the county borough has been divided into 4 market areas – Heads of the Valleys, Northern Connections Corridor, Lower Islwyn and Caerphilly Basin.

Table 3.2: Local Housing Survey Defined Housing Market Areas

Current Market Area	% of households who lived in this market area previously
Caerphilly Basin	90.9
Heads of the Valleys	86.5
Lower Islwyn	76.7
Northern Connections Corridor	75.4

Source: CCBC (LHMA 2015)

It is evident from the table above that where people have moved within the county borough, they have generally moved within the same geographical area, which helps to reinforce the validity of specific market areas in Caerphilly Basin and Heads of the Valleys. The percentage moving within the Lower Islwyn and Northern Connections Corridor areas are slightly lower, but the majority of households have stayed within the same area. These market areas are less geographically constrained and, therefore, movement across market areas is easier. It is difficult to draw clear boundaries, particularly in areas such as Abercarn and Newbridge where the two areas have strong geographical links.

The survey also asked respondents to identify whether they intended to move within the next 5 years and if they did, where they would like to move to and where they expected to move to. The analysis below focuses on where households expected to move as this is more grounded in reality than where households would 'like' to move.

Overall, 541 households expected to move in the next 5 years (24.8% of all respondents). Of these, 11.1% expected to move elsewhere in the UK/Abroad and a further 65 expected to move to a neighbouring local authority. 381 households expected to stay within the county borough and a further 35 households wanted to move but did not know where.

Only 189 of the 381 households that indicated they wished to stay in the county borough identified a geographical location as to which town or village they wanted to live in, but, as shown in the table below, the vast majority indicated that they wished to stay in the same market area they were already living in.

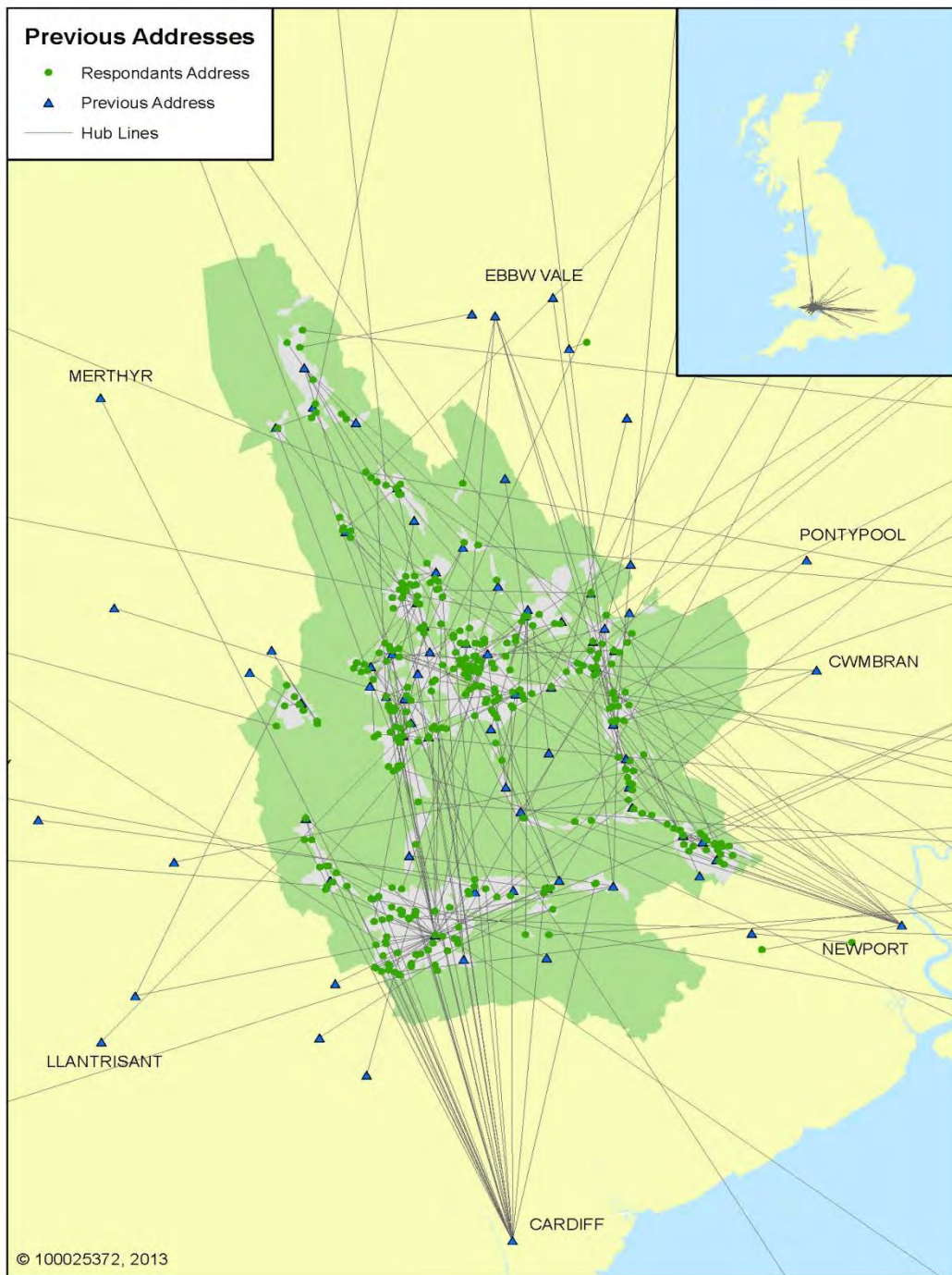
Table 3.3: Moving Intentions by Housing Market Area

Current Market Area	% of households who expected to stay in the same market area
Caerphilly Basin	92.6
Heads of the Valleys	77.8
Lower Islwyn	78.6
Northern Connections Corridor	85.0

Source: CCBC (LHMA 2015)

Going back to the original *Local Housing Market Assessment Guide* (WG, 2006) definition of a housing market, it is the “*the area where the majority of households living or seeking to move in the private housing sector are willing to search for alternative accommodation*”. It is evident, both in terms of past movements and expected future movements in the next 5 years, that the majority of households have or will move within the same market area and, therefore, the 4 market areas identified for analysis are realistic in terms of how the market is currently operating.

Thematic Map 3.8: Household Movement by Current and Previous Address



Source: CCBC (LHMA 2015)

Travel to Work Areas

A travel to work area is defined by the Office of National Statistics (2011) "...of the resident economically active population, at least 75% actually work in the area, and also, that of everyone working in the area, at least 75% actually live in the area." Their boundaries are non-overlapping and contiguous, and cover the whole of the UK.

The latest areas are based on 2011 Census data. They show that the county borough is broadly split into three areas – Cardiff, Merthyr Tydfil and Newport.

Thematic Map 3.9: Travel to Work Areas (2011)



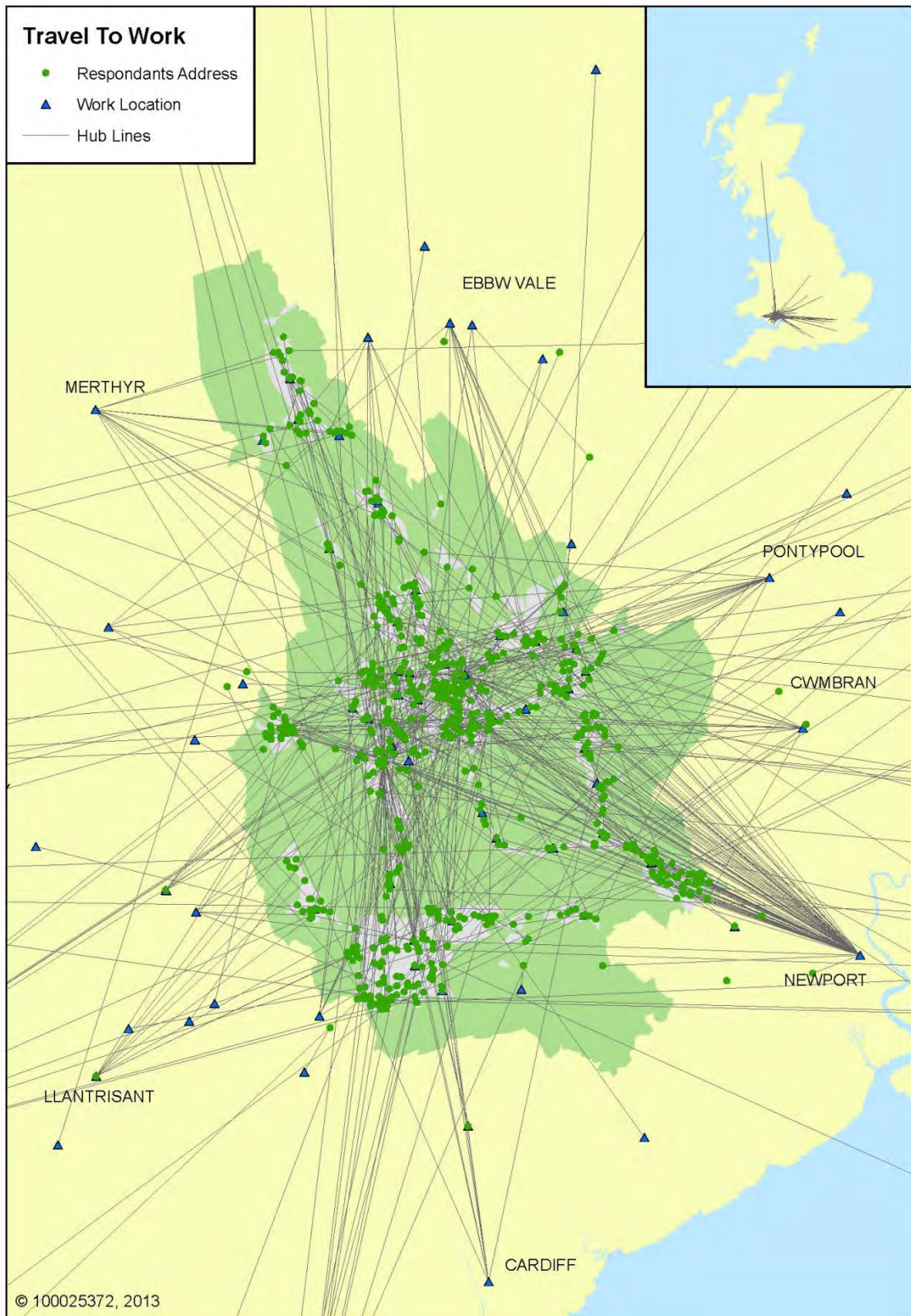
Source: Travel to Work Areas 2011 (Office of National Statistics)

<https://data.gov.uk/dataset/travel-to-work-areas-december-2011-map-in-the-united-kingdom1>

As expected, the Cardiff area covers the Rhymney Valley part of the county borough, whereas the Sirhowy and Lower Ebbw Valleys have greater connections with Newport. Rhymney is within the Merthyr Tydfil Travel to Work area.

The local housing survey (CCBC, 2013) provided information on the current place of work for those in employment which can be assessed against where people live to determine if the primary survey data shows the same patterns for the travel to work areas.

Thematic Map 3.10: Travel to Work Locations



Source: CCBC, 2013

As can be seen from the map, results from the local housing survey (CCBC, 2013) show varied travel to work patterns across the county borough and into other local authorities. There is a clear travel to work pattern between Newport as a work destination and the Lower Islwyn and Mid Valleys area. There are also strong links to Cardiff from Caerphilly Basin and the rest of the Rhymney Valley. Strong cross-valley links to Pontypool and Cwmbran can also be seen, but due to the variety of employment destinations identified from the survey, it is difficult to make clear conclusions on where the boundaries for travel to work areas should be drawn.

Survey of New-Build Housing (2017)

In order to supplement the local housing survey (CCBC, 2013), a survey has been undertaken specifically for occupiers of new build housing estates. The purpose of the survey was to ascertain:

- Where people have moved from to live on the specific new-build housing site;
- What the primary reason for moving was (i.e. site location, employment, financial, personal circumstances);
- Whether they have moved to a specific site due to a lack of a diverse range of housing stock elsewhere;
- Where people are employed in relation to the identified housing site; and
- The types of households that are buying new build dwellings.

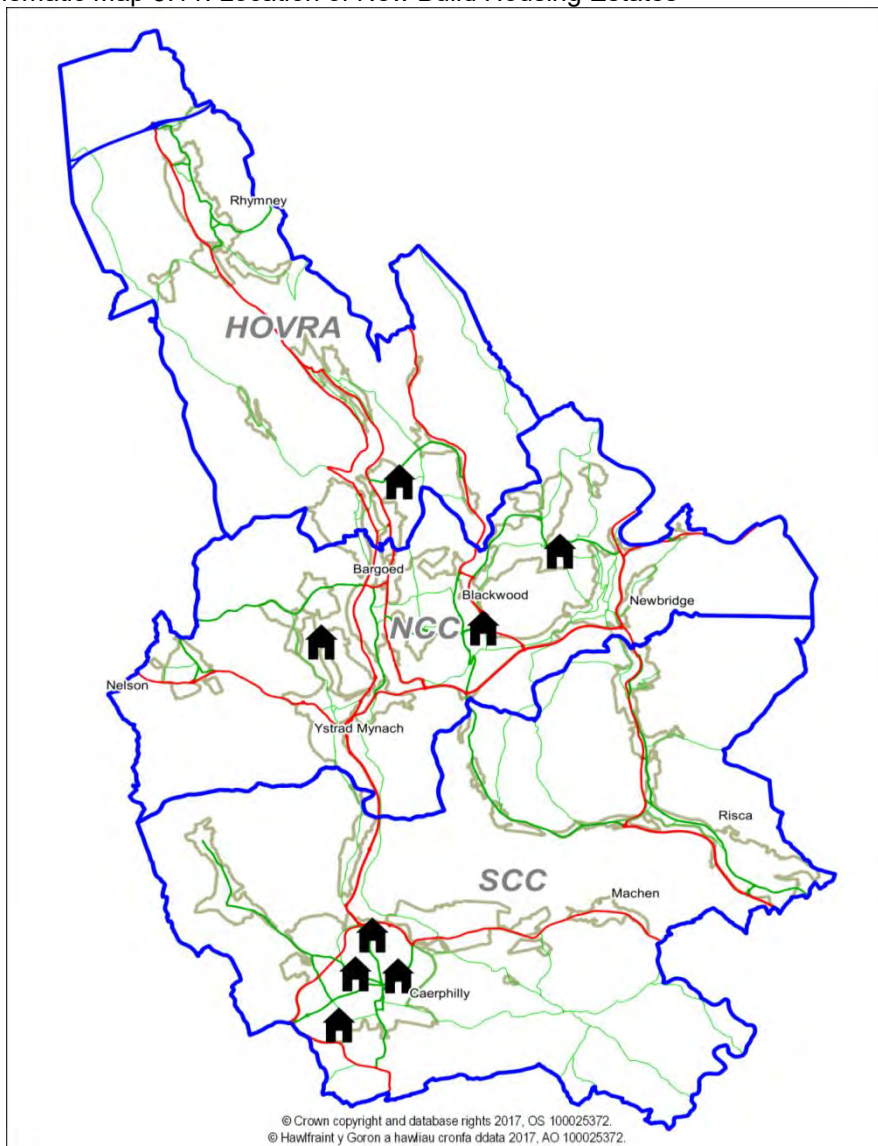
A total of 460 surveys were sent out to residents of 8 housing estates across the three strategy areas in the county borough. The map below shows the location of the sites. In total, 107 questionnaires were returned, equating to a response rate of 23%.

The results of the survey were as follows:

- The majority of households in the Heads of the Valleys originated from the county borough. Previous household surveys had indicated that the Heads of the Valleys was a self-contained market with few people moving into it from outside the area. However, this survey showed for the first time that people were prepared to move north from the Northern Connections Corridor due to the type and size of properties that were available.
- A significant proportion of respondents from new dwellings in the Heads of the Valleys worked in neighbouring local authorities area, with only a small proportion employed in Cardiff.
- New housing in the Northern Connections Corridor is also primarily catering for local residents – over half lived in the strategy area previously. The location of the new build property and the property itself were the primary reasons for people buying a house in this area. Over 80% of people were able to move to their preferred location.

- Only a third of people who responded from the Northern Connections Corridor work in the county borough, with a third employed in Cardiff and another third in neighbouring local authorities.
- In the Southern Connections Corridor, new housing also caters primarily for a local market, with approximately half of residents originating from the local area or wider county borough. There were, however, clear links with Cardiff with approximately one third of people having moved from Cardiff to Caerphilly. A quarter of people would have preferred to move to another area, primarily Cardiff, but there were no suitable properties or house prices were too expensive.
- Almost half of people living on new build estates in the Southern Connections Corridor were travelling to Cardiff for work.

Thematic Map 3.11: Location of New Build Housing Estates



Source: CCBC (2017)

Areas with similar house prices

As shown in the table below, those wards with the lowest average house prices are concentrated in the Heads of the Valleys area. These are predominantly areas with the higher than average concentrations of terraced housing. The only area in the south of the county borough with low house prices is the Aber Valley as it shares similar characteristics to the north with high levels of terraced housing and, due to the topography of the area, settlements that are geographically more isolated than other parts of the county borough.

Generally, house prices in Caerphilly Basin (with the exception of Aber Valley) are the highest, although, the average is also high in certain wards in the Northern Connections Corridor (Penmaen and Maesycwmmmer), particularly in areas that had experienced new housing development and have a wider variety of property types.

The data indicates that, despite being closer to the M4 Corridor, house prices in Lower Islwyn (Risca East, Risca West, Ynysddu, Abercarn and Crosskeys) are actually lower in general than many of the wards on the A472 corridor. This may be influenced by the higher proportion of terraced dwellings in Lower Islwyn compared to the Mid Valleys and less new build development in this area.

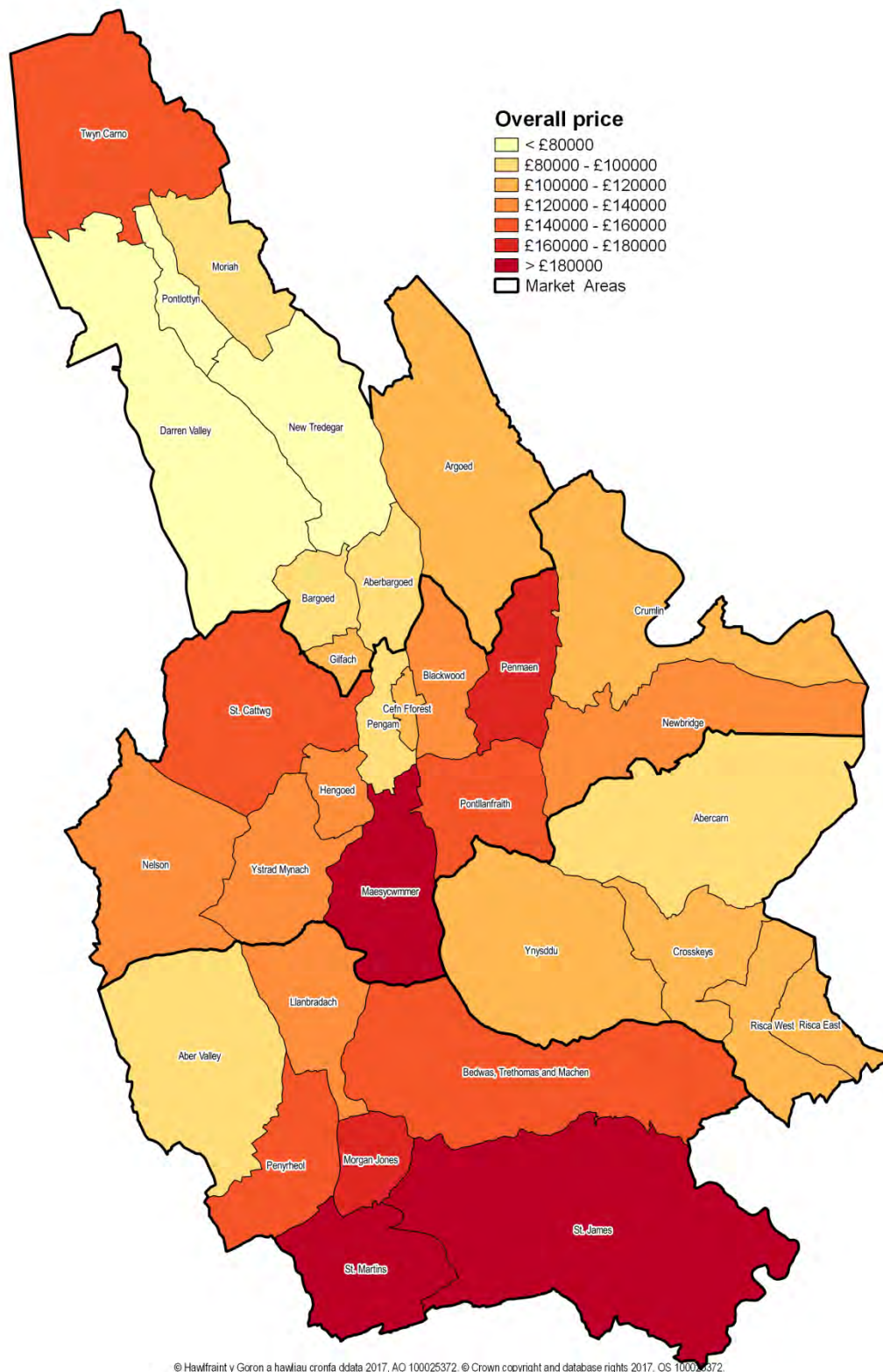
Twyn Carno, in the Heads of the Valleys, is another exception, as the average house price is on par with some areas of the Caerphilly Basin. The ward has a high proportion of social housing compared to other areas and, whilst some Council housing has been purchased under the Right to Buy policy, there is generally a low turnover of the cheaper property types. There have been a number of large detached dwellings built along the Heads of the Valleys road and within Rhymney in recent years and the sales of these types of larger property have resulted in a higher average than would have been anticipated.

Table 3.4: Average House Price by Ward (February 2017)

Ward	Average Property Price	Average House Price
Darran Valley	£64,691	<£80,000
Pontlottyn	£69,642	< £80,000
New Tredegar	£70,187	< £80,000
Moriah	£82,031	£80,000- £100,000
Bargoed	£83,981	£80,000- £100,000
Aberbargoed	£88,421	£80,000- £100,000
Pengam	£93,154	£80,000- £100,000
Abercarn	£93,548	£80,000- £100,000
Aber Valley	£95,959	£80,000- £100,000
Argoed	£100,538	£100,000-£120,000
Gilfach	£102,461	£100,000-£120,000
Ynysddu	£104,367	£100,000-£120,000
Risca East	£105,338	£100,000-£120,000
Cefn Fforest	£107,300	£100,000-£120,000
Crumlin	£113,742	£100,000-£120,000
Risca West	£117,700	£100,000-£120,000
Crosskeys	£118,409	£100,000-£120,000
Blackwood	£122,408	£120,000 - £140,000
Newbridge	£124,721	£120,000 - £140,000
Llanbradach	£126,994	£120,000 - £140,000
Nelson	£133,889	£120,000 - £140,000
Hengoed	£137,712	£120,000 - £140,000
Ystrad Mynach	£138,892	£120,000 - £140,000
Pontllanfraith	£146,587	£140,000 - £160,000
St. Cattwg	£150,767	£140,000 - £160,000
Twyn Carno	£153,333	£140,000 - £160,000
Penyrheol	£154,670	£140,000 - £160,000
Bedwas, Trethomas & Machen	£157,252	£140,000 - £160,000
Morgan Jones	£163,316	£160,000 - £180,000
Penmaen	£174,599	£160,000 - £180,000
Maesycwmmmer	£188,000	>£180,000
St. James	£190,790	> £180,000
St. Martins	£194,492	> £180,000

Source: Hometrack

Thematic Map 3.12: Average House Price by Ward Based on Sales Only (February 2017)



Source: Hometrack

Lower quartile house prices, which may be an indicator of ‘entry level’ property prices, can also be used to determine similar house prices. As can be seen from the data below, the areas with low average house prices are generally the areas with low lower quartile sales prices. The highest lower

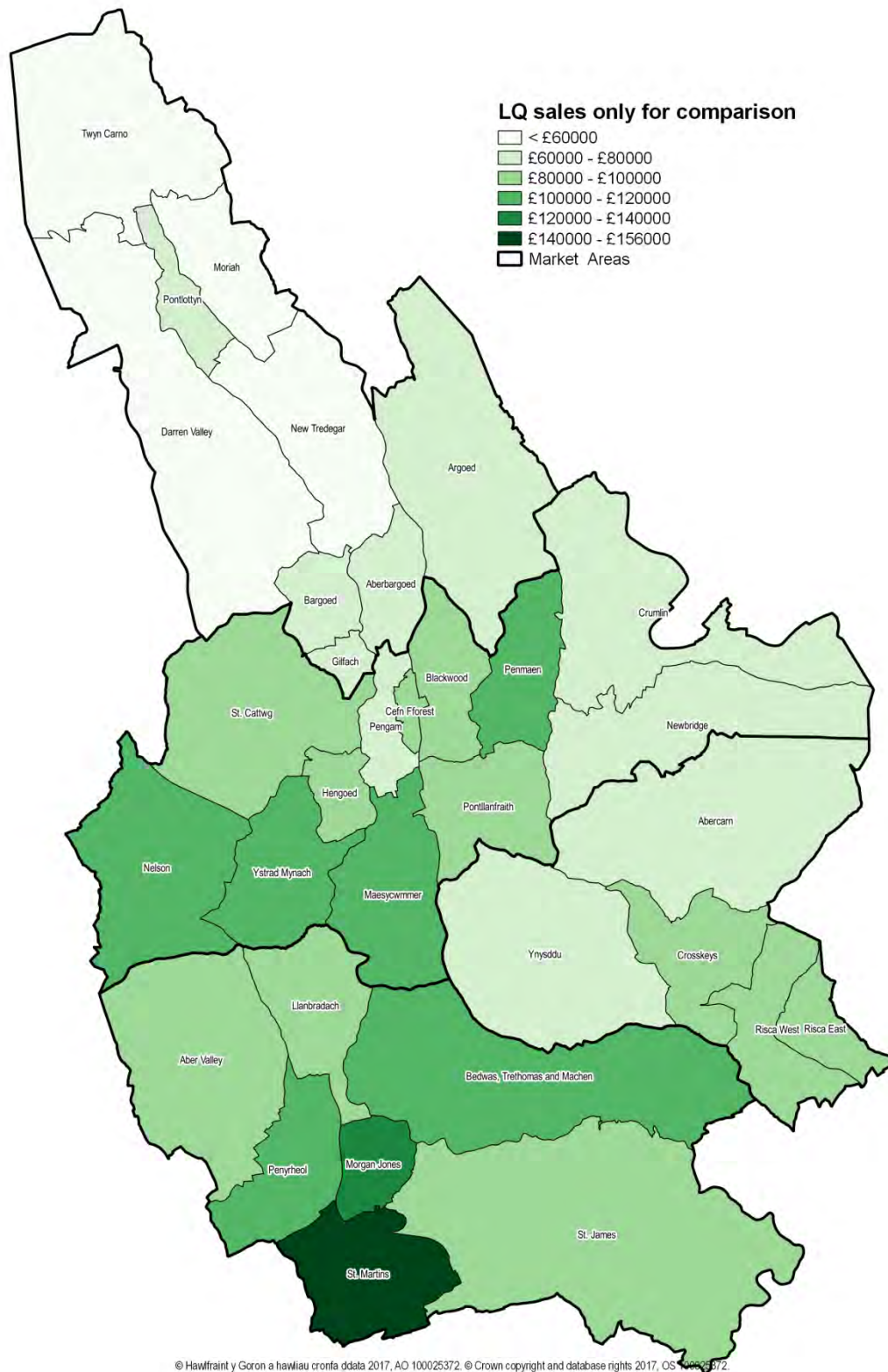
quartile house prices are also predominantly in the Caerphilly Basin and Mid Valleys areas. Lower quartile house prices are lowest in the Heads of the Valleys (including Twyn Carno), which would reflect re-sales of ex-Council housing and the high proportion of terraced houses in these areas.

Table 3.5: Lower Quartile Prices Based on Sales Only (February 2017)

Ward	Prices based on sales only LQ for comparison	Average House Price
New Tredegar	£43,000	<£60,000
Twyn Carno	£57,000	<£60,000
Darran Valley	£60,000	£60,000-£80,000
Moriah	£60,000	£60,000-£80,000
Pontlottyn	£61,000	£60,000-£80,000
Aberbargoed	£66,000	£60,000-£80,000
Bargoed	£70,500	£60,000-£80,000
Abercarn	£74,000	£60,000-£80,000
Argoed	£74,500	£60,000-£80,000
Crumlin	£75,000	£60,000-£80,000
Pengam	£79,000	£60,000-£80,000
Gilfach	£79,000	£60,000-£80,000
Ynysddu	£79,000	£60,000-£80,000
Newbridge	£80,000	£60,000-£80,000
Aber Valley	£84,000	£80,000-£100,000
Risca East	£84,500	£80,000-£100,000
Cefn Fforest	£85,000	£80,000-£100,000
Risca West	£90,000	£80,000-£100,000
Pontllanfraith	£90,000	£80,000-£100,000
St. James	£90,000	£80,000-£100,000
Blackwood	£91,000	£80,000-£100,000
St. Cattwg	£91,000	£80,000-£100,000
Llanbradach	£93,000	£80,000-£100,000
Crosskeys	£95,000	£80,000-£100,000
Hengoed	£97,000	£80,000-£100,000
Penmaen	£102,000	£100,000-£120,000
Nelson	£105,000	£100,000-£120,000
Ystrad Mynach	£112,000	£100,000-£120,000
Bedwas, Trethomas & Machen	£114,000	£100,000-£120,000
Penyrheol	£118,000	£100,000-£120,000
Maesycwmmmer	£120,000	£100,000-£120,000
Morgan Jones	£132,500	£120,000-£140,000
St. Martins	£156,000	>£140,000

Source: Hometrack

Thematic Map 3.13: Lower Quartile Prices Based on Sales Only (February 2017)



Source: Hometrack

Average Sales Values per sq meter

The sales value on a per square metre basis can also be considered as a comparison across areas. This is calculated by dividing the average sales value by the floorspace to give a per square metre value, meaning a large detached property may cost double that of a terraced property, but if it is also double the size in floorspace, the per square metre figure would be the same.

Table 3.6: Average Sales Value per sq meter (February 2017)

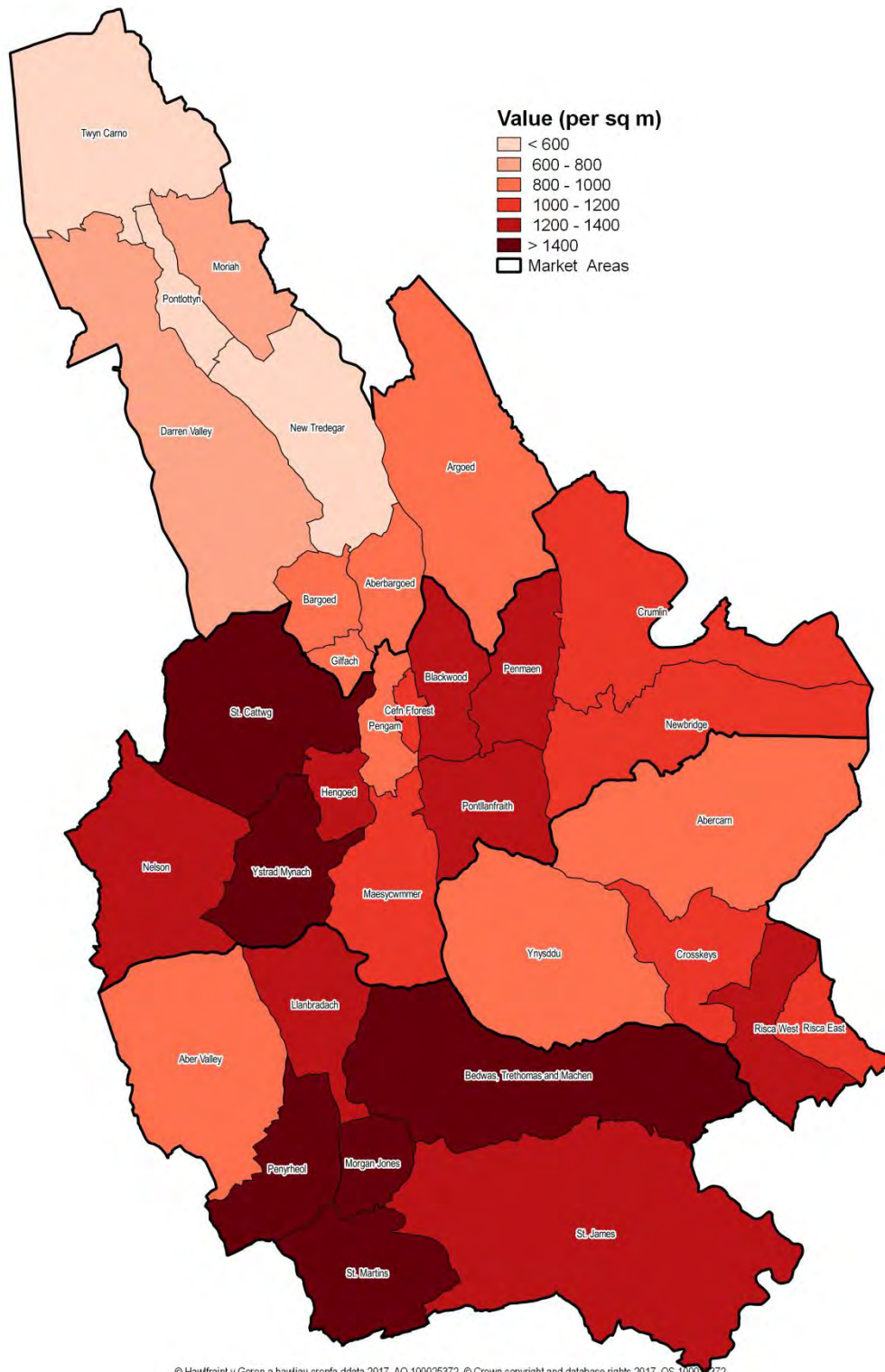
Ward	Ave Sales Value per sq meter	
Twyn Carno	£521	<£600
Pontlottyn	£527	<£600
New Tredegar	£554	<£600
Moriah	£618	£600-£799
Darran Valley	£734	£600-£799
Ynysddu	£806	£800-£999
Aberbargoed	£826	£800-£999
Bargoed	£827	£800-£999
Pengam	£846	£800-£999
Aber Valley	£847	£800-£999
Abercarn	£959	£800-£999
Argoed	£967	£800-£999
Gilfach	£992	£800-£999
Newbridge	£1,009	£1000- £1199
Crosskeys	£1,033	£1000- £1199
Cefn Fforest	£1,035	£1000- £1199
Maesycwmmmer	£1,106	£1000- £1199
Risca East	£1,121	£1000- £1199
Crumlin	£1,126	£1000- £1199
Risca West	£1,203	£1200-£1399
Pontllanfraith	£1,232	£1200-£1399
Hengoed	£1,247	£1200-£1399
Nelson	£1,262	£1200-£1399
Llanbradach	£1,280	£1200-£1399
Blackwood	£1,337	£1200-£1399
St. James	£1,347	£1200-£1399
Penmaen	£1,399	£1200-£1399
Ystrad Mynach	£1,407	>£1400
St. Cattwg	£1,417	>£1400
Bedwas, Trethomas & Machen	£1,442	>£1400
Penyrheol	£1,557	>£1400
Morgan Jones	£1,630	>£1400
St. Martins	£1,711	>£1400

Source: Hometrack

As can be seen from the figures above, per square metre values are considerably lower in the Heads of the Valleys. There is also a split between the east and west of the county borough, with Caerphilly Basin and the

Rhymney Valley achieving higher values than the Lower Ebbw Valley. The Greater Blackwood area is similar to the Rhymney Valley in terms of values.

Thematic Map 3.14: Average Sales Value per sq m (February 2017)



Source: Hometrack

Rental Markets

The rental values in the county borough for an entry level property (2 bedroomed) follow similar patterns to the sales market. The lowest rental values are in the Heads of the Valleys and highest in the mid Rhymney Valley areas and the Caerphilly Basin. The table below shows the weekly average (median) rent for a 2 bedroom property in ascending order.

Table 3.7: Weekly Cost – 2 Bed Property Private Median (February 2017)

Ward	Weekly Entry Level Rent
Argoed	£91.00
Moriah	£91.00
Twyn Carno	£92.44
Darran Valley	£93.88
New Tredegar	£93.88
St. Cattwg	£94.00
Ynysddu	£94.00
Aberbargoed	£95.00
Abercarn	£96.00
Pontlottyn	£96.75
Bargoed	£97.00
Crosskeys	£97.00
Gilfach	£100.00
Newbridge	£100.00
Nelson	£101.00
Risca East	£102.00
Pengam	£103.00
Risca West	£104.00
Aber Valley	£108.00
Crumlin	£108.00
Blackwood	£109.00
Llanbradach	£109.00
Cefn Fforest	£111.00
St. James	£112.00
Hengoed	£112.50
Bedwas, Trethomas & Machen	£114.00
Pontllanfraith	£114.00
Penyrheol	£115.00
Maesycwmmmer	£118.00
Morgan Jones	£118.00
Ystrad Mynach	£122.00
Penmaen	£123.00
St. Martins	£132.00

Source: Hometrack

Sales Demand Data

Data has historically been available through Hometrack at a postcode level on a number of indicators for the demand for housing – time taken to sell, percentage of asking price achieved, the average viewings per sale and the turnover of stock as a percentage of private housing stock. This data is no

longer routinely updated at a lower than local authority level, but it is considered useful to consider historic differences between the areas. As a comparison, across the county borough as a whole, the March 2017 data indicates that it takes on average 13 weeks to sell, which is in line with the regional average of 12.9 weeks and properties were achieving 96.2% of asking price compared to the regional average of 94.7%. However, over the past two years, the monthly average of time to sell has varied considerably from 6 to 20 weeks, which would in part be due to normal seasonal variation as well as economic and political uncertainty.

Looking at the historical data shown in the table below, there is little variation in terms of market indicators across the postcode areas in the county borough. The percentage to asking price is marginally higher in Caerphilly Basin than other areas and the turnover as a percentage of private stock is again slightly higher, which may be an indication of a slightly stronger market. However, given the small scale of difference across the market areas, it is not possible to draw any meaningful conclusions based on this data.

Table 3.8: Key Facts – Housing Demand (Aug 2013)

Postcode area	Settlements	Weeks to sell	% asking price	Viewing per sale	Turnover as % of private housing stock
NP22	Rhymney	8	90	5	0.9%
NP24	New Tredegar	8	90	5	0.8%
NP12	Argoed/Greater Blackwood	6	90	11	1.1%
NP11	Newbridge/Lower Islwyn	4	90	11	1.3%
CF83	Caerphilly Basin	9	91	8	1.4%
CF82	Ystrad Mynach	8	90	5	1.3%
CF81	Greater Bargoed/Darran Valley	8	90	5	1.1%
CF46	Nelson	8	90	5	1.4%
	Regional average	11.6	92.9	9	

Source: Hometrack

Survey of Estate Agents

A questionnaire was circulated in May 2017 to all estate agents operating in the county borough to determine their views on how many housing markets they considered to be in existence in the county borough and where the boundaries for the market areas should be drawn. Estate agents were also asked about housing markets that cross local authority boundaries and whether different market boundaries existed for the buying and renting markets.

Although the response rate for estate agents was low (10%), the responses received were useful in confirming where the boundaries for the market areas should be drawn. Risca was considered to be in the same market area as Rogerstone in Newport, with potential buyers being prepared to look in both areas. However, due to the nature of property types, Risca was seen as

cheaper in rental terms and is proving to be more buoyant than Rogerstone with regards to renting property.

Estate agents covering the Lower Islwyn area identified a notable increase in demand from people from the Bristol area, who are choosing to move to places such as Risca as it is more affordable, the links to the M4 from the south of the county borough are good and the reduction in the Severn Bridge tolls in January 2018, followed by their scrapping towards the end of 2018, will make commuting to and from a place of work cheaper.

Demand from the Bristol area was not a major factor in the Caerphilly Basin, but there were clear links with the Cardiff housing market, with people choosing to live in Caerphilly as a cheaper alternative to Cardiff.

All estate agents indicated that there were currently not enough properties on the market to satisfy the buying market, and there was a shortage of rental properties, particularly smaller properties. In Caerphilly Basin in particular, family homes took longer to rent.

Furthermore, estate agents also indicated that Lower Islwyn was a separate market area to the Northern Connections Corridor, although there was evidence that these housing markets extended into other local authority areas such as Torfaen.

Estate agents were asked about rental value for different property types. It was evident that rents in the Northern Connections Corridor were comparable to those in Lower Islwyn, whereas Caerphilly Basin prices were notably higher.

3.3 Drawing Conclusions

It is clear from the evidence presented in the preceding paragraphs that there are several functioning housing markets in the county borough, although, there is some conflicting evidence as to the precise boundaries of each housing market area. It is, therefore, necessary to consider all the evidence in order to draw conclusions regarding the market areas boundaries that will be used to inform the local housing market assessment.

Whilst viability and house prices are a consideration, it is important to note that the housing market areas do not have to coincide with the 'viability areas' that have been and will be used in the future to set specific policies such as the Community Infrastructure Levy.

Heads of the Valleys market area

The most northern market, which for consistency with the Local Development Plan and Welsh Government terminology, should be termed the 'Heads of the Valleys' market is clearly a distinct area. This area is characterised by lower house prices and rental values. This market area includes the Upper Rhymney Valley wards of Twyn Carno, Moriah, Pontlloftyn, Darran Valley, New Tredegar, Bargoed, Gilfach, and Aberbargoed.

The Greater Bargoed part of the Upper Rhymney Valley has experienced some limited development from volume housebuilders in recent years, unlike the wider Upper Rhymney Valley, and may be considered a higher demand area. However, the evidence from the range of data sources above highlights that house price values are similar to that of the Upper Rhymney Valley and, therefore, should be considered part of the same housing market.

In determining the boundaries, it should be noted that in past local housing market assessments, the Upper Sirhowy Valley ward of Argoed was previously included in the same market area as the nearby settlement of Blackwood, as there are good connections between the areas. However, house price data, the regional housing market study and the Local Development Plan strategy areas all indicate that this ward shares characteristics with the Heads of the Valleys. On this basis it is considered that the Upper Sirhowy Valley should be included within the Heads of the Valleys market area.

The Northern Connections Corridor market area

The Northern Connections Corridor market area would relate to the wards of Nelson, Ystrad Mynach, Maesycwmmmer, St Cattwg, Pengam, Hengoed, Blackwood, Cefn Fforest, Pontllanfraith, Crumlin, Penmaen and Newbridge. The A472 road link allows for cross-valley connections between the settlements and there is evidence from the survey data of housing relocation across the market area.

It is recognised that some of the wards on the periphery of the market area also have relationships with adjoining markets, e.g. Nelson, which has connections to Merthyr housing markets, and Newbridge, which has a functional relationship with the wider Risca/Lower Islwyn market. Furthermore, as evidenced from the survey data there are movements north south and vice versa through the Rhymney, Ebbw and Sirhowy Valleys. It is expected that there will be some overlap as the Local Housing Market Assessment Guide (WG, 2006) acknowledges that functional housing markets are not always discrete. However, for analysis purposes it is necessary to define boundaries and, therefore, it is considered based on the functional analysis and evidence available that the Northern Connections Corridor should be defined as a market area in its own right.

Caerphilly Basin market area

The Caerphilly Basin is the highest value market area with strong links to the Cardiff housing market. Whilst there are certain parts of Caerphilly Basin that command lower housing prices, the characteristics and functional analysis indicates that the area is a self-contained housing area, albeit with some degree of movement between residents of Caerphilly and Cardiff. This reflects the findings of the 2015 local housing market assessment.

It is possible to define distinct boundaries for the market area, namely the wards of St Martins, St James, Penyrheol, Morgan Jones, Bedwas, Trethomas & Machen and Llanbradach. Whilst Aber Valley has significantly lower house prices than the rest of Caerphilly Basin and demand for housing is lower, residents use the services and facilities of Caerphilly and the communities relate better to Caerphilly Basin than other market areas, so this ward should also be included within Caerphilly Basin.

Lower Islwyn market area

Lower Islwyn is included as part of the Southern Connections Corridor in the Local Development Plan strategy, alongside Caerphilly Basin. However, in housing market terms the two areas are distinct housing markets with Lower Islwyn relating well to the Newport housing market rather than Cardiff. Lower Islwyn is considered to be the wards of Risca East, Risca West, Crosskeys, Abercarn and Ynysddu.

The Community Infrastructure Levy evidence from 2012 identifies that the town of Risca (defined as Risca East and Risca West) is more viable than the rest of Lower Islwyn, although, this is not supported by current house price data. There is clearly some overlap between Risca and Rogerstone, in the Newport market, but Risca within the context of a county borough study is not considered large enough to be a market area in its own right. It has a function in serving the wider area – the wards of Crosskeys, Abercarn and Ynysddu and this 'Greater Risca' area is considered to be a justifiable market area, which should be termed Lower Islwyn for consistency. The cross sub-market links to the Newbridge area and cross local authority links to Newport are acknowledged but on balance it is considered appropriate to define Lower Islwyn in the same way as in the 2015 local housing market assessment.

A map of the four proposed market areas is shown below:

Thematic Map 3.15: 2018 LHMA Defined Housing Market Areas



Source: CCBC (LHMA 2018)

Table 3.9 below provides a breakdown of the 4 market areas by ward and by population count. The table below shows that highest population is in the Northern Connections Corridor and the lowest in Lower Islwyn. By ward the highest population is in Penyrheol and the lowest are in Gilfach and Pontlottyn.

Table 3.9: Population County by Housing Market Area

Wards	People	%
Aberbargoed	3,854	2.1%
Argoed	2,825	1.6%
Bargoed	6,180	3.4%
Darran Valley	2,501	1.4%
Gilfach	2,054	1.1%
Moriah	4,531	2.5%
New Tredegar	4,834	2.7%
Pontlottyn	1,917	1.1%
Twyn Carno	2,437	1.4%
Heads of the Valleys	31,133	17.3%
Blackwood	8,443	4.7%
Cefn Fforest	3,889	2.2%
Crumlin	5,971	3.3%
Hengoed	5,678	3.1%
Maesycwmmmer	2,198	1.2%
Nelson	4,656	2.6%
Newbridge	6,464	3.6%
Pengam	3,866	2.1%
Penmaen	5,416	3.0%
Pontllanfraith	8,589	4.8%
St Cattwg	7,727	4.3%
Ystrad Mynach	5,635	3.1%
Northern Connections Corridor	68,532	38.0%
Abercarn	5,500	3.0%
Crosskeys	3,390	1.9%
Risca East	6,400	3.5%
Risca West	5,186	2.9%
Ynysddu	4,052	2.2%
Lower Islwyn	24,528	13.6%

Aber Valley	6,829	3.8%
Bedwas, Trethomas & Machen	10,793	6.0%
Llanbradach	4,247	2.4%
Morgan Jones	7,320	4.1%
Penyrheol	12,495	6.9%
St James	5,934	3.3%
St Martins	8,651	4.8%
Caerphilly Basin	56,269	31.2%
Caerphilly County Borough	180,462	

Source: Office of National Statistics

4.0 Newly Arising Housing Need

4.1 Introduction

This section looks at newly arising housing need. Newly arising housing need is defined as those additional housing needs that might be reasonably expected to arise over a given period. The level of newly arising need has been assessed in order to plan for future housing requirements over the period of this assessment, i.e. the next five years. The assessment is analysed by tenure and property size, and geographically at three levels – ward level, housing market area and county borough level.

4.2 Total Projected Households

Total Projected Households

The table below shows the total projected number of households living in the county borough for the period 2017/18-2021/22. Over this period, the total number of households is projected to increase by 1,471. Some household types are projected to increase and some are projected to decrease over the period. The largest increase is in 1 person household and the largest decrease is in 4 person (2+ adults, 1+ children) households. Overall, there is a projected increase in smaller households (1 and 2 person households – 1,889) and a decrease in larger households (3-5 person households – 418).

Table 4.1: 2014-Based Household Projections for Wales (Caerphilly County Borough)

	2017	2018	2019	2020	2021	2022	Change	%
1 person	21,370	21,568	21,783	21,989	22,194	22,448	1,078	5
2 person (No children)	23,852	23,971	24,093	24,184	24,283	24,381	529	2.2
2 person (1 adult, 1 child)	3,709	3,767	3,822	3,878	3,936	3,991	282	7.6
3 person (No children)	5,867	5,859	5,851	5,835	5,814	5,787	-80	-1.4
3 person (2 adults, 1 child)	5,573	5,554	5,530	5,510	5,488	5,466	-107	-1.9
3 person (1 adult, 2 children)	1,599	1,594	1,589	1,585	1,583	1,580	-19	-1.2
4 person (No children)	1,966	1,981	1,995	2,005	2,012	2,018	52	2.6
4 person (2+ adults, 1+ children)	7,526	7,481	7,432	7,398	7,364	7,327	-199	-2.6
4 person (1 adult, 3 children)	569	566	564	562	562	560	-8	-1.6
5+ person (No children)	338	343	349	353	358	362	24	7.1
5+ person (2+ adults, 1+ children)	3,780	3,754	3,728	3,706	3,686	3,662	-118	-3.1
5+ person (1 adult, 4+ children)	277	285	292	299	307	314	37	13.4
All households	76,426	76,722	77,027	77,306	77,586	77,897	1,471	

Source: Welsh Government, 2017

As advocated by *Local Housing Market Assessment Guide* (WG, 2006), the projected households are derived from the 2014-based Welsh Government household projections for the 25-year period to 2039, which were published in March 2017. The projections are trend based and only indicate what may happen if past trend based assumptions become true. They,

“...do not make allowances for the effects of local or central government policies on future population levels and household composition, or for changes in the lifestyles of the population. That is, these local authority household projections are not policy-based forecasts; they indicate what is expected to happen if current trends continue...”

With assumptions of this kind, the projections become increasingly uncertain as the projection period progresses. However, the projected households factored into this calculation reflect the earlier part of the projection period and the trends, therefore, upon which the figures are based are more recent.

The projections to determine the number of new households formed within this assessment period may differ from the household and dwelling requirements set out within future development plans that cover the county borough areas. Development plans cover a longer timescale than local housing market assessments, and consider a range of other issues, in accordance with national planning policy.

Ward level calculations

The housing need calculation requires an estimate of emerging households at a sub-authority level. However, Welsh Government only provides household projections at a local authority level.

In order to determine the distribution of new households at a ward level, a supply side approach has been used to disaggregate the projections at a ward basis, as advocated by *Local Housing Market Assessment Guide* (Welsh Government, 2006). As there has been an increase in households since the 2011 Census was published, the first part of the calculation was to estimate the current number of households residing in each ward. This was calculated by determining the number of dwellings built in each ward since 2011, using data from the *2017 Joint Housing Land Availability Study*. As the study calculates increases in dwellings rather than households, it is necessary to apply a conversion rate to calculate the number of households. The 2011 Census identifies that 3.5% of dwellings in the county borough are vacant, so it is assumed that there will be 3.5% less households than dwellings. The estimated household number for each ward has then been added on to 2011 Census household figure to give an estimated household number for 2017. The 2017 estimate is of a similar level to the 2014-based projection for 2017.

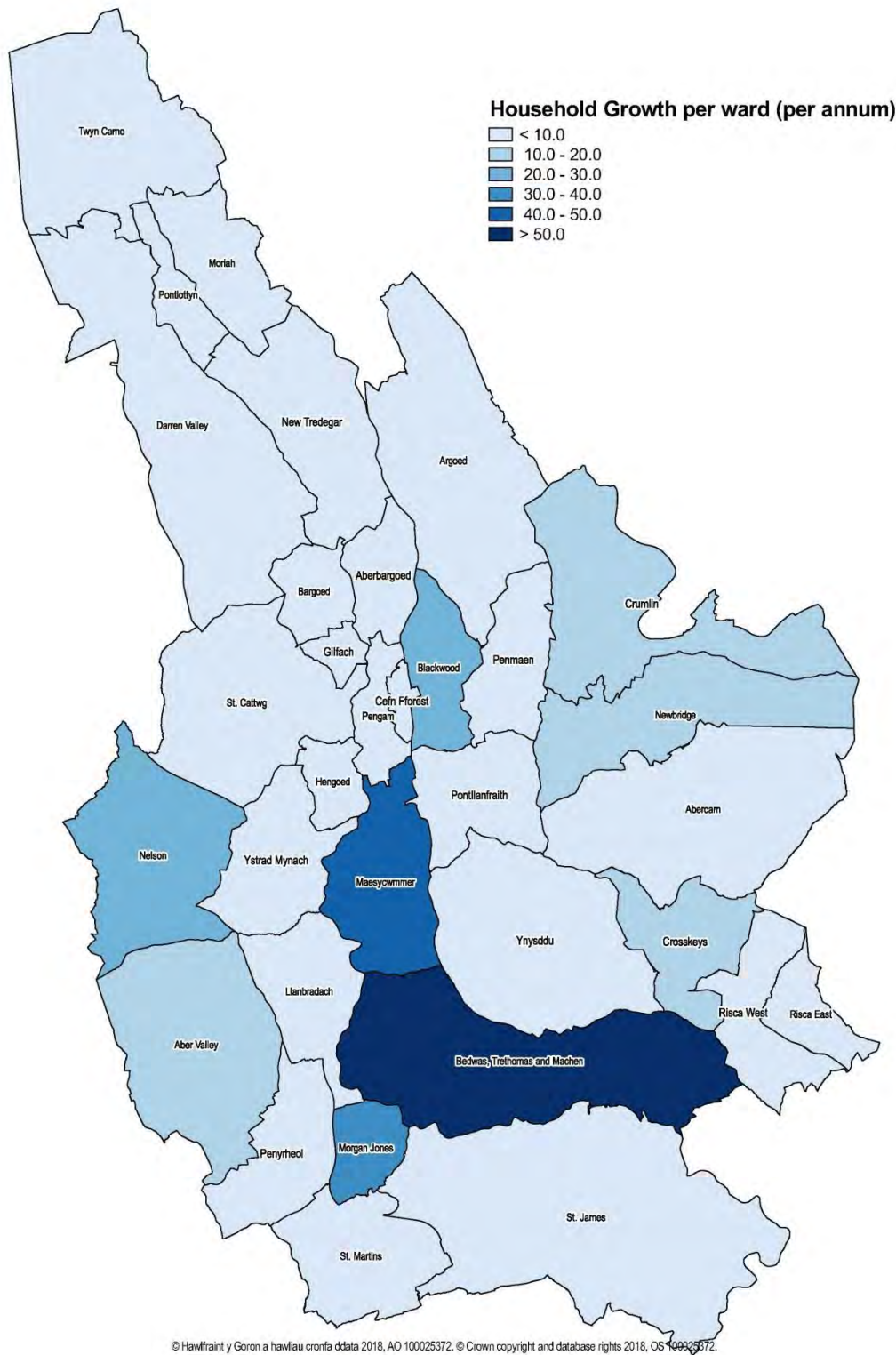
In order to estimate future growth for the period 2017/18 to 2021/22, data has been taken from the forecasts included in the study. This data indicates where likely completions on allocated sites and on sites with planning permission within the next 5 year period have been agreed by the

development industry. The number of forecast completions per ward has been calculated as a percentage of all completions.

The 2014-based household projections estimate a growth of 1,471 households in the 5 year period covered by the local housing market assessment. This growth has been apportioned based on the percentage supply that is likely to come forward in each ward. For example, the Aber Valley is forecast to deliver 5.7% of dwellings over the next 5 years. It is estimated, therefore, that 5.7% of the total household growth currently projected will be within the Aber Valley ward.

The thematic map below shows the projected level of household growth for the period by ward. It shows the higher levels of projected growth to be in the wards of Bedwas, Trethomas & Machen, Morgan Jones, Maesycwmmmer, Nelson and Blackwood. Lower projected growth is within the Heads of the Valleys, where fewer development sites are expected to come forward.

Thematic Map 4.1: Projected Household Growth 2017-22, by Ward & Housing Market Area



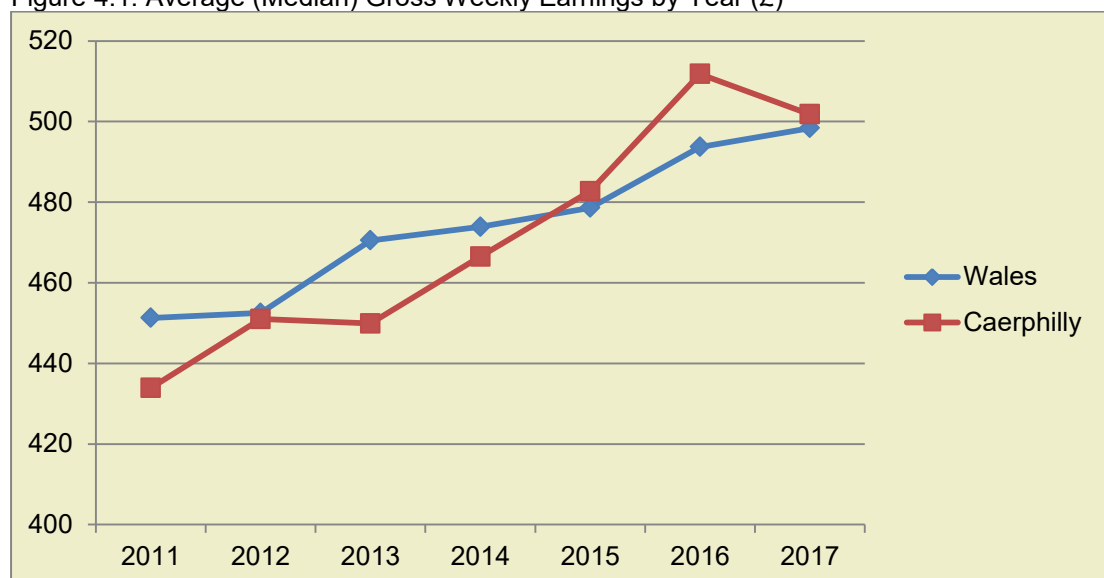
Source: Welsh Government & JHLAS 2017

4.3 Newly Arising Housing Need

Not all newly arising households identified through the household projections will require affordable housing; some will be able to satisfy their own housing needs without any form of assistance. CACI Paycheck data, accessed via Hometrack, has been used to estimate income differentials amongst the newly arising households identified within each ward.

When considering affordability, a useful starting point is the Annual Survey of Hours and Earnings (Office of National Statistics) which shows that the average (median) gross weekly earnings in Caerphilly for all full-time workers over the last 7 years (as pre-2011 data is non-comparable with data from 2011 onwards). This data has been compared with the all-Wales average. The chart below shows that over this period that average weekly earnings have increased by 10% locally compared to 16% nationally. The 2017 average is £501.80 per week, the equivalent of £ 26,094 per annum.

Figure 4.1: Average (Median) Gross Weekly Earnings by Year (£)



Source Stats Wales

These next few paragraphs will, in turn, assess the numbers of households that can afford home-ownership, either open market or low cost home-ownership, or are able to rent at intermediate values or require social housing. All numbers of households have been rounded to the nearest whole number so totals may not tally exactly with the data shown in the tables.

Home-ownership (open market)

Guidance suggests that a household is likely to be able to afford to purchase a home costing 3.5 times its gross income. (WAG, 2006) The 3.5 times multiplier was used to calculate the proportion of households who could afford a mortgage for an entry-level property (two bedroom terraced). House price data was taken from Hometrack at the end of the first quarter 2017. The table below shows entry-level property prices and the income required to purchase a two bedroom property.

The table shows that the highest entry level house price by ward was in St Martins at £191,917 and the lowest price in Moriah at £51,000. In terms of housing market areas, the highest entry price level is in the Caerphilly Basin (£134,576), where prices range from £88,750 to £191,917. The lowest entry price level is in the Heads of the Valleys (£71,457), where prices range from £51,000 to £97,500. There is a similar range of prices between the Northern Connections Corridor and Lower Islwyn.

In terms of income required for a mortgage, this ranged from £14,571 to £54,833. The average median earning in 2017 was £502 per week, which would equate to an annual salary of £26,104.

Table 4.2: Entry Level House Price (Average) & Income Required for Mortgage by Ward & Housing Market Area

Ward / Housing Market Area	Entry Level House Price	Income Required for a Mortgage
Aberbargoed	£79,286	£22,653
Argoed	£73,300	£20,943
Bargoed	£75,643	£21,612
Darran Valley	£75,635	£21,610
Gilfach	£69,667	£19,905
Moriah	£51,000	£14,571
New Tredegar	£62,583	£17,881
Pontlottyn	£58,500	£16,714
Twyn Carno	£97,500	£27,857
Heads of the Valleys	£71,457	£20,416
Blackwood	£108,143	£30,898
Cefn Fforest	£91,667	£26,191
Crumlin	£84,125	£24,036
Hengoed	£99,750	£28,500
Maesycwmmmer	£147,500	£42,143
Nelson	£117,500	£33,571
Newbridge	£107,750	£30,786
Pengam	£88,750	£25,357
Penmaen	£114,125	£32,607
Pontllanfraith	£102,214	£29,204
St. Cattwg	£105,041	£30,012
Ystrad Mynach	£117,158	£33,474
Northern Connections Corridor	£106,977	£30,565

Abercarn	£108,071	£30,877
Crosskeys	£112,731	£32,209
Risca East	£114,464	£32,704
Risca West	£87,571	£25,020
Ynysddu	£107,500	£30,714
Lower Islwyn	£106,067	£30,305
Aber Valley	£88,750	£25,357
Bedwas, Trethomas & Machen	£148,555	£42,444
Llanbradach	£103,563	£29,589
Morgan Jones	£130,944	£37,413
Penyrheol	£138,963	£39,704
St. James	£139,341	£39,812
St. Martins	£191,917	£54,833
Caerphilly Basin	£134,576	£38,450
Caerphilly County Borough	£103,006	£29,430

Source: Hometrack

Of the 1,471 newly forming households identified as part of the Welsh Government 2014 household projections (see section 4.2), 1,308 households were assessed as being able to afford entry level, open market home-ownership and, subsequently, were excluded from the newly arising need calculation. Housing options for the remaining 163 households are considered in the following paragraphs.

Home-ownership (low cost)

Low cost home-ownership is typically calculated as a percentage of open market values at an appropriate level that will ensure the properties are affordable. In order to be consistent with the Council's planning policy, low cost home-ownership was calculated at 60% of open market values. To assess the requirement for low cost home-ownership a 40% discount was applied to value of an entry-level property in each ward (see table 4.3).

The table below shows the income required for a mortgage to purchase a low cost home-ownership property by ward and housing market area. In terms of wards, it shows that the income ranges from £8,743 in Moriah to £32,900 in St Martins. In terms of the housing markets areas, the highest average income required is £23,070 in Caerphilly Basin and the lowest average income required is £12,250 in the Heads of the Valleys.

Table 4.3: Income Required for LCHO by Ward & Housing Market Area

Ward / Housing Market Area	Entry Level LCHO	Income Required for a Mortgage
Aberbargoed	£47,572	£13,592
Argoed	£43,980	£12,566
Bargoed	£45,386	£12,967
Darran Valley	£45,381	£12,966
Gilfach	£41,800	£11,943
Moriah	£30,600	£8,743
New Tredegar	£37,550	£10,729
Pontlloftyn	£35,100	£10,029
Twyn Carno	£58,500	£16,714
Heads of the Valleys	£42,874	£12,250
Blackwood	£64,886	£18,539
Cefn Fforest	£55,000	£15,714
Crumlin	£50,475	£14,421
Hengoed	£59,850	£17,100
Maesycwmmmer	£88,500	£25,286
Nelson	£70,500	£20,143
Newbridge	£64,650	£18,471
Pengam	£53,250	£15,214
Penmaen	£68,475	£19,564
Pontllanfraith	£61,328	£17,522
St. Cattwg	£63,025	£18,007
Ystrad Mynach	£70,295	£20,084
Northern Connections Corridor	£64,186	£18,339
Abercarn	£64,843	£18,526
Crosskeys	£67,639	£19,325
Risca East	£68,678	£19,622
Risca West	£52,543	£15,012
Ynysddu	£64,500	£18,429
Lower Islwyn	£63,640	£18,183
Aber Valley	£53,250	£15,214
Bedwas, Trethomas & Machen	£89,133	£25,467
Llanbradach	£62,138	£17,754
Morgan Jones	£78,566	£22,448
Penyrheol	£83,378	£23,822
St. James	£83,605	£23,887
St. Martins	£115,150	£32,900
Caerphilly Basin	£80,746	£23,070
Caerphilly County Borough	£61,804	£17,658

Source: Hometrack

Of the 163 newly forming households that were identified to require some form of assistance to meet their housing need, 35 household were assessed as being able to afford low cost home-ownership, as shown in table 4.4 below. The table shows the highest need in the Northern Connections Corridor and the lowest need in the Heads of the Valleys. By ward the highest need was in Crumlin. In 16 out of the 33 wards there was no new arising need across all bedroom counts.

Table 4.4: LCHO Need by Bedroom Count, & Ward & Housing Market Area

Ward	Bedroom Count					Total
	1	2	3	4	5	
Aberbargoed	0.0	0.0	0.0	0.0	0.0	0.0
Argoed	0.1	0.0	0.0	0.0	0.0	0.1
Bargoed	0.5	0.0	-0.1	0.0	0.0	0.5
Darran Valley	0.0	0.0	0.0	0.0	0.0	0.0
Gilfach	0.0	0.0	0.0	0.0	0.0	0.0
Moriah	0.0	0.0	0.0	0.0	0.0	0.0
New Tredegar	3.7	0.2	-0.4	0.0	-0.2	3.4
Pontlottyn	1.0	0.1	-0.1	0.0	-0.1	0.9
Twyn Carno	0.0	0.0	0.0	0.0	0.0	0.0
Heads of the Valleys	5.3	0.3	-0.5	0.1	-0.3	4.8
Blackwood	4.8	0.3	-0.5	0.0	-0.2	4.4
Cefn Fforest	0.0	0.0	0.0	0.0	0.0	0.0
Crumlin	5.2	0.3	-0.5	0.1	-0.3	4.8
Hengoed	0.7	0.0	-0.1	0.0	0.0	0.7
Maesycwmmmer	0.0	0.0	0.0	0.0	0.0	0.0
Nelson	4.8	0.3	-0.5	0.0	-0.2	4.4
Newbridge	0.0	0.0	0.0	0.0	0.0	0.0
Pengam	0.0	0.0	0.0	0.0	0.0	0.0
Penmaen	0.4	0.0	0.0	0.0	0.0	0.4
Pontllanfraith	0.7	0.0	-0.1	0.0	0.0	0.6
St Cattwg	1.5	0.1	-0.2	0.0	-0.1	1.3
Ystrad Mynach	0.0	0.0	0.0	0.0	0.0	0.0
Northern Connections Corridor	18.1	1.1	-1.9	0.2	-0.9	16.6
Abercarn	4.4	0.3	-0.5	0.0	-0.2	4.0
Crosskeys	1.9	0.1	-0.2	0.0	-0.1	1.7
Risca East	0.0	0.0	0.0	0.0	0.0	0.0
Risca West	0.0	0.0	0.0	0.0	0.0	0.0
Ynysddu	0.7	0.0	-0.1	0.0	0.0	0.6
Lower Islwyn	7.0	0.4	-0.7	0.1	-0.4	6.4

Aber Valley	1.9	0.1	-0.2	0.0	-0.1	1.8
Bedwas, Trethomas & Machen	0.0	0.0	0.0	0.0	0.0	0.0
Llanbradach	0.0	0.0	0.0	0.0	0.0	0.0
Morgan Jones	4.5	0.3	-0.5	0.0	-0.2	4.1
Penyrheol	1.1	0.1	-0.1	0.0	-0.1	1.0
St James	0.0	0.0	0.0	0.0	0.0	0.0
St Martins	0.0	0.0	0.0	0.0	0.0	0.0
Caerphilly Basin	7.6	0.4	-0.8	0.1	-0.4	6.9
Caerphilly County Borough	38.0	2.2	-3.9	0.4	-1.9	34.7

Source: CCBC (LHMA 2018)

Intermediate rent

An assessment was then made against the remaining 128 households to see if they could afford intermediate renting.

Intermediate renting is a Welsh Government model of affordable housing provision called '*Rent First*' (2011). The model requires intermediate rents to be set at approximately 80% of mean market rents, whilst being at or below Local Housing Allowance rates and above benchmark rents.

For the purpose of this exercise, intermediate rents levels were set at 80% of mean market rents. House prices and rents data were taken from Hometrack as at May 2017. The table below shows the market rents, Local Housing Allowance rates and benchmark rents for a 2 bedroom and for a 3 bedroom property, by ward.

Table 4.5: Social Housing Requirement by Bedroom Count, & Ward & Housing Market Area

Ward / Housing Market Area	2 bedrooms				3 bedrooms			
	Market Rent	LHA	Benchmark Rent	Intermediate Rent	Market Rent	LHA	Benchmark Rent	Intermediate Rent
Aberbargoed	£95.00	£94.36	£89.80	£76.00	£114.00	£103.56	£93.33	£91.20
Argoed	£91.00	£94.36	£89.80	£72.80	£125.00	£103.56	£93.33	£100.00
Bargoed	£97.00	£94.36	£89.80	£77.60	£106.00	£103.56	£93.33	£84.80
Darran Valley	£93.88	£94.36	£89.80	£75.10	£92.00	£103.56	£93.33	£73.60
Gilfach	£100.00	£94.36	£89.80	£80.00	£121.00	£103.56	£93.33	£96.80
Moriah	£91.00	£94.36	£89.80	£72.80	£97.50	£103.56	£93.33	£78.00
New Tredegar	£93.88	£94.36	£89.80	£75.10	£98.00	£103.56	£93.33	£78.40
Pontlloftyn	£96.75	£94.36	£89.80	£77.40	£99.00	£103.56	£93.33	£79.20
Twyn Carno	£92.44	£94.36	£89.80	£73.95	£103.00	£103.56	£93.33	£82.40
Heads of the Valleys								
Blackwood	£109.00	£94.36	£89.80	£87.20	£114.00	£103.56	£93.33	£91.20
Cefn Fforest	£111.00	£94.36	£89.80	£88.80	£108.00	£103.56	£93.33	£86.40
Crumlin	£108.00	£94.36	£89.80	£86.40	£106.00	£103.56	£93.33	£84.80
Hengoed	£112.50	£94.36	£89.80	£90.00	£103.00	£103.56	£93.33	£82.40
Maesycwmmmer	£118.00	£94.36	£89.80	£94.40	£118.00	£103.56	£93.33	£94.40
Nelson	£101.00	£94.36	£89.80	£80.80	£121.50	£103.56	£93.33	£97.20
Newbridge	£100.00	£94.36	£89.80	£80.00	£94.00	£103.56	£93.33	£75.20
Pengam	£103.00	£94.36	£89.80	£82.40	£110.00	£103.56	£93.33	£88.00
Penmaen	£123.00	£94.36	£89.80	£98.40	£123.00	£103.56	£93.33	£98.40
Pontllanfraith	£114.00	£94.36	£89.80	£91.20	£119.00	£103.56	£93.33	£95.20
St. Cattwg	£94.00	£94.36	£89.80	£75.20	£126.00	£103.56	£93.33	£100.80
Ystrad Mynach	£122.00	£94.36	£89.80	£97.60	£129.00	£103.56	£93.33	£103.20
Northern Connections Corridor								

Abercarn	£96.00	£94.36	£89.80	£76.80	£103.00	£103.56	£93.33	£82.40
Crosskeys	£97.00	£94.36	£89.80	£77.60	£109.00	£103.56	£93.33	£87.20
Risca East	£102.00	£94.36	£89.80	£81.60	£115.00	£103.56	£93.33	£92.00
Risca West	£104.00	£94.36	£89.80	£83.20	£125.00	£103.56	£93.33	£100.00
Ynysddu	£94.00	£94.36	£89.80	£75.20	£106.00	£103.56	£93.33	£84.80
Lower Isllwyn								
Aber Valley	£108.00	£94.36	£89.80	£86.40	£114.00	£103.56	£93.33	£91.20
Bedwas, Trethomas & Machen	£114.00	£94.36	£89.80	£91.20	£138.00	£103.56	£93.33	£110.40
Llanbradach	£109.00	£94.36	£89.80	£87.20	£133.00	£103.56	£93.33	£106.40
Morgan Jones	£118.00	£94.36	£89.80	£94.40	£141.00	£103.56	£93.33	£112.80
Penyrheol	£115.00	£94.36	£89.80	£92.00	£133.00	£103.56	£93.33	£106.40
St. James	£112.00	£94.36	£89.80	£89.60	£130.00	£103.56	£93.33	£104.00
St. Martins	£132.00	£94.36	£89.80	£105.60	£138.00	£103.56	£93.33	£110.40
Caerphilly Basin								

Source: Hometrack & CCBC

The exercise showed that throughout the county borough the scope for intermediate renting, based on the *Rent First* model, was limited. The reason for this can be attributed to the structure of the housing market and the profile of the housing stock.

Table 4.5 above shows those wards where an intermediate rental product is needed. Cells shaded green indicate a need for intermediate renting, blue indicates the intermediate rental level is below the benchmark rent and orange indicates the intermediate rent level is above the Local Housing Allowance rate.

In terms of 2 bedroom properties, the analysis showed that intermediate renting was only appropriate in 4 of 33 wards. In 24 wards the intermediate rent level was below benchmark rent and in the remaining 5 wards was above Local Housing Allowance rate. For 3 bedroom properties, the analysis showed that intermediate renting was only appropriate in 9 of 33 wards. In 18 wards the intermediate rent level was below benchmark rent and in the remaining 6 wards was above Local Housing Allowance rate.

For the purpose of this calculation, it has been assumed that those people able to afford both low cost home-ownership and intermediate renting would choose low cost home-ownership. So, in terms of numbers, 38 of the 163 newly arising households per annum were assessed as being able to afford the cost of an intermediate rental solution to address their housing need based on their income using CACI data. Intermediate rents for each ward were set at 80% of market rents.

It should be noted that approximately 20 of the 38 households identified live in a ward where intermediate renting has been assessed as not being required due to rent levels being below benchmark rents or above Local Housing Allowance rates (see table 4.5). Unless these people would move to a ward where intermediate renting worked, then their needs would have to be met through either the private rented sector or social renting, depending on their preferences.

Table 4.6: Intermediate Rent Need by Bedroom Count, & Ward & Housing Market Area

Ward	Bedroom Count					Total
	1	2	3	4	5	
Aberbargoed	0.0	0.0	0.0	0.0	0.0	0.0
Argoed	0.0	0.0	0.0	0.0	0.0	0.0
Bargoed	0.0	0.0	0.0	0.0	0.0	0.0
Darran Valley	0.0	0.0	0.0	0.0	0.0	0.0
Gilfach	0.0	0.0	0.0	0.0	0.0	0.0
Moriah	0.0	0.0	0.0	0.0	0.0	0.0
New Tredegar	1.9	0.1	-0.2	0.0	-0.1	1.7
Pontlottyn	0.0	0.0	0.0	0.0	0.0	0.0
Twyn Carno	0.0	0.0	0.0	0.0	0.0	0.0
Heads of the Valleys	1.9	0.1	-0.2	0.0	-0.1	1.7

Blackwood	1.8	0.1	-0.2	0.0	-0.1	1.6
Cefn Fforest	0.0	0.0	0.0	0.0	0.0	0.0
Crumlin	0.0	0.0	0.0	0.0	0.0	0.0
Hengoed	0.3	0.0	0.0	0.0	0.0	0.3
Maesycwmmer	9.7	0.6	-1.0	0.1	-0.5	8.9
Nelson	4.2	0.3	-0.4	0.0	-0.2	3.9
Newbridge	0.0	0.0	0.0	0.0	0.0	0.0
Pengam	0.0	0.0	0.0	0.0	0.0	0.0
Penmaen	0.2	0.0	0.0	0.0	0.0	0.1
Pontllanfraith	0.2	0.0	0.0	0.0	0.0	0.2
St Cattwg	0.7	0.0	-0.1	0.0	0.0	0.6
Ystrad Mynach	0.0	0.0	0.0	0.0	0.0	0.0
Northern Connections Corridor	17.0	1.0	-1.8	0.2	-0.9	15.6
Abercarn	0.5	0.0	-0.1	0.0	0.0	0.5
Crosskeys	0.6	0.0	-0.1	0.0	0.0	0.6
Risca East	0.0	0.0	0.0	0.0	0.0	0.0
Risca West	0.0	0.0	0.0	0.0	0.0	0.0
Ynysddu	0.3	0.0	0.0	0.0	0.0	0.3
Lower Islwyn	1.4	0.1	-0.2	0.0	-0.1	1.3
Aber Valley	0.0	0.0	0.0	0.0	0.0	0.0
Bedwas, Trethomas & Machen	12.0	0.7	-1.2	0.1	-0.6	11.0
Llanbradach	0.0	0.0	0.0	0.0	0.0	0.0
Morgan Jones	4.7	0.3	-0.5	0.1	-0.2	4.3
Penyrheol	1.9	0.1	-0.2	0.0	-0.1	1.7
St James	0.0	0.0	0.0	0.0	0.0	0.0
St Martins	2.1	0.1	-0.2	0.0	-0.1	1.9
Caerphilly Basin	20.7	1.2	-2.1	0.2	-1.0	18.9
Caerphilly County Borough	41.0	2.4	-4.2	0.4	-2.1	37.5

Source: CCBC (LHMA 2018)

Social Renting

The Council and 6 housing associations provide a range of social housing throughout the county borough. The social housing stock totals approximately 19% of the total housing stock, some 14,674 dwellings (Stats Wales, 2015/16). The stock is made up of approximately 3:1 times more general needs accommodation than older person's accommodation.

In terms of the size of accommodation, the current percentage of the general needs stock by bedroom count (approximately) is 9% one bedroom, 29% two bedroom, 59% three bedroom, with the rest made up by four and five bedroom accommodation. For older person's accommodation, this is 51% one bedroom, 47% two bedroom and the remainder 3 bedroom accommodation.

When you subtract the people who would be able to meet their needs through outright home-ownership, low cost home-ownership and intermediate renting,

only 90 households are left. The needs of these households would need to be met through social rented accommodation. The table below provides a breakdown of this need by bedroom count. It shows there to be a need for 1, 2 and 4 bedroom accommodation. There is no need for 3 and 5 bedroom accommodation. The highest need is for 1 bedroom accommodation.

Table 4.7: Newly Arising Social Housing Requirement by Bedroom Count

Bedroom Count					
1	2	3	4	5	Total
99	6	-10	1	-5	90

Source: CCBC (LHMA 2018)

The 2014-based Welsh Government household projections (shown in table 4.1) were used to breakdown the newly arising need (shown in table 4.7) by ward (see table 4.8). Table 4.8 below provides a breakdown of the 90 households needing social housing by bedroom count, and by ward and housing market area. It shows that the largest requirement is for 1-bedroom accommodation and a negative requirement for 3 and 5 bedroom accommodation. By ward the highest need is in Bedwas, Trethomas & Machen (16 households) and by housing market area the largest need is in the Northern Connections Corridor (43 households). In 12 out of 33 wards, no overall need across all bedroom counts was identified.

Table 4.8: Social Rented Need by Bedroom Count, & Ward & Housing Market Area

Ward	Bedroom Count					Total
	1	2	3	4	5	
Aberbargoed	2.9	0.2	-0.3	0.0	-0.2	2.7
Argoed	0.1	0.0	0.0	0.0	0.0	0.1
Bargoed	0.6	0.0	-0.1	0.0	0.0	0.5
Darran Valley	0.0	0.0	0.0	0.0	0.0	0.0
Gilfach	0.0	0.0	0.0	0.0	0.0	0.0
Moriah	1.0	0.1	-0.1	0.0	-0.1	0.9
New Tredegar	0.0	0.0	0.0	0.0	0.0	0.0
Pontlottyn	1.2	0.1	-0.1	0.0	-0.1	1.1
Twyn Carno	0.0	0.0	0.0	0.0	0.0	0.0
Heads of the Valleys	5.7	0.3	-0.6	0.1	-0.3	5.2
Blackwood	6.2	0.4	-0.6	0.1	-0.3	5.7
Cefn Fforest	0.0	0.0	0.0	0.0	0.0	0.0
Crumlin	6.4	0.4	-0.7	0.1	-0.3	5.9
Hengoed	1.2	0.1	-0.1	0.0	-0.1	1.1
Maesycwmmmer	15.9	0.9	-1.7	0.2	-0.8	14.6
Nelson	7.4	0.4	-0.8	0.1	-0.4	6.8
Newbridge	5.4	0.3	-0.6	0.1	-0.3	5.0
Pengam	0.0	0.0	0.0	0.0	0.0	0.0
Penmaen	0.6	0.0	-0.1	0.0	0.0	0.5
Pontllanfraith	0.9	0.1	-0.1	0.0	0.0	0.8
St. Cattwg	1.9	0.1	-0.2	0.0	-0.1	1.8

Ystrad Mynach	0.0	0.0	0.0	0.0	0.0	0.0
Northern Connections Corridor	46.0	2.7	-4.8	0.5	-2.3	42.1
Abercarn	0.0	0.0	0.0	0.0	0.0	0.0
Crosskeys	5.9	0.4	-0.6	0.1	-0.3	5.4
Risca East	0.0	0.0	0.0	0.0	0.0	0.0
Risca West	0.0	0.0	0.0	0.0	0.0	0.0
Ynysddu	0.9	0.1	-0.1	0.0	0.0	0.8
Lower Islwyn	6.8	0.4	-0.7	0.1	-0.3	6.2
Aber Valley	6.3	0.4	-0.7	0.1	-0.3	5.8
Bedwas, Trethomas & Machen	17.5	1.0	-1.8	0.2	-0.9	16.1
Llanbradach	0.0	0.0	0.0	0.0	0.0	0.0
Morgan Jones	10.5	0.6	-1.1	0.1	-0.5	9.6
Penyrheol	3.1	0.2	-0.3	0.0	-0.2	2.8
St. James	0.0	0.0	0.0	0.0	0.0	0.0
St. Martins	2.9	0.2	-0.3	0.0	-0.2	2.7
Caerphilly Basin	40.4	2.4	-4.2	0.4	-2.0	37.0
Caerphilly County Borough	98.8	5.8	-10.2	1.0	-5.0	90.5

Source: CCBC (LHMA 2018)

Summary of calculation

The table below provides a summary of the stages of the newly arising need calculation, as detailed above. The starting point is the 1,471 households identified through Welsh Government projections. This figure is broken down into the various tenures available to meet this need based on an assessment of affordability. The table is ordered by level of affordability, with those least able to afford their housing costs ranked lowest.

Table 4.9: Total Newly Arising Need by Affordability

	Households	Stage	
Total Newly Arising Need	1,471		
Able to afford entry level open market property	1,308	1	Minus
Able to afford LCHO	35	2	Minus
Able to afford intermediate renting	38	3	Minus
In need of social rented	90	4	Leaves

Source: CCBC (LHMA 2018)

5.0 Existing Households Falling into Need

5.1 Introduction

This section considers newly arising need from existing households. We assess this by looking at recent trends to determine how many existing households will fall into housing need over the next 5 years. The assessment is analysed by property size and geographically by ward level, housing market area and county borough level.

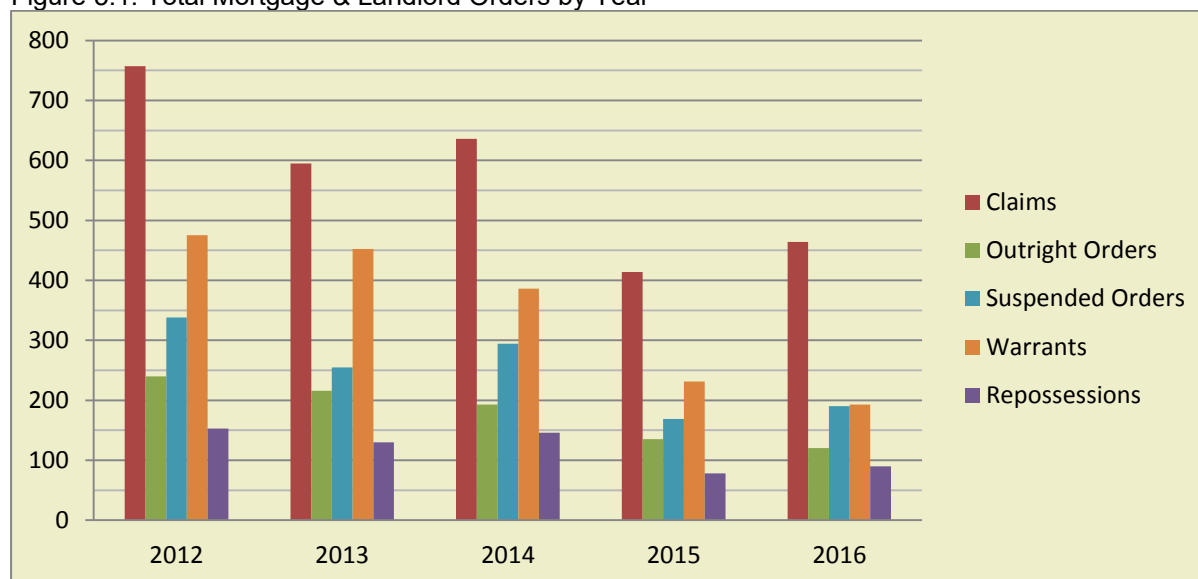
5.2 Total Households Falling Into Need

Ministry of Justice Data

A household falls into housing need where it needs to move home, for whatever reason, but is unable to afford to do so. Data accessed from the Ministry of Justice shows the number of mortgage and landlord possession actions. A claim made for possession will not necessarily result in someone needing to move. Some claims may be resolved, typically through intervention by the local authority or other agency, and will not progress towards an outright order, which could lead to a homelessness situation. Or the court may decide to grant a suspended order for possession or grant no order at all. Even when a warrant for possession is issued parties can still negotiate a compromise arrangement to prevent eviction.

The figure below shows a breakdown of Ministry of Justice data by action type and year for the last five years. Over this period the number of claims made has fallen from 757 to 464, a reduction of 39%. In the same period, the number of repossessions has fallen from 153 to 90, a reduction of 41%. We attribute this reduction to a number of factors including a prolonged period of low mortgage interest rates, a more proactive approach from lending institutions in managing arrears, more stringent rules on mortgage lending affordability and the work being done by central and local government to reduce the number of repossession cases being presented to the courts.

Figure 5.1: Total Mortgage & Landlord Orders by Year



Source: Ministry of Justice

Homelessness Data

The *Local Housing Market Assessment Guidance* (WG & WLGA, 2014) suggests using data on homelessness presentations over a 5 year period to estimate newly arising need from existing households. However, recent changes to homelessness legislation, brought about by the introduction of the *Housing (Wales) Act 2014*, changed the way the data is collected by local authorities, rendering data collected under the previous legislation non-comparable with data collected under the new legislation. Therefore, collected data prior to April 2015 has been disregarded from the calculation.

Given Welsh Government concerns around the quality and accuracy of the homelessness data collected in Wales for 2015/16, this data was also disregarded from the calculation. Our analysis showed that data from 2016/17 under-reported the situation, due to the information being pulled from several IT databases. Therefore, a simple extrapolation of the data from the first three quarters of 2017/18 was used to provide a full year of data.

The data was taken from rows 5, 6i, 6ii and 8 of table 4 of the local authority submitted Welsh Government returns. Analysis of the data from row 7 - *Loss of rented or tied accommodation* – was undertaken as anecdotally officers know that many of those issued with a Section 21 notice were also found to be in rent arrears. The analysis showed that 27% were in rent arrears. This group of people were added to the calculation. The level of newly arising need from existing households is, therefore, projected to be 376 households per year over the next 5 years.

Table 5.1 below provides a breakdown of homelessness applicants by age band for the year 2016/17. It shows that the majority of applicants are aged over 25 years old, by virtue of being the largest age group. Nearly a quarter of applicants are aged 16-24 years old. Table 5.2 below provides a

breakdown of homelessness applicants by ethnic group. It shows the largest group is White, similarly to the results of the 2011 Census.

Table 5.1: Homelessness Applicant by Age Group

Age	Count	%
16-17	42	2.7%
18-24	318	20.1%
25+	1,218	77.0%
Unknown	3	0.2%
Total	1,581	

Source: CCBC Homelessness Data, 2016/17

Table 5.2: Homelessness Applicant by Ethnicity

Ethnicity	Count	%
White	873	55.2%
Other	9	0.6%
Unknown	699	44.2%
Total	1,581	

Source: CCBC Homelessness Data, 2016/17

Table 5.3 below provides a breakdown of the total number of households falling into need by bedroom count and area. It shows that 376 households are estimated to fall into need each year over the next 5 years. For the purpose of the assessment it is assumed that their needs will be met through accommodation in the social rented sector. Although, in reality this may not be the case for a small percentage of households, whose circumstances may change or who may be found on application to be ineligible for social rented housing due to existing debts, unacceptable behaviour or some other reason.

When analysed by housing market area, the table shows that the highest estimate for households falling into need each year is in the Northern Connections Corridor (137) and Caerphilly Basin (117). The lowest need is Lower Islwyn (53) and Heads of the Valleys (69). By ward the highest requirement is Penyrheol (25) and Bedwas, Trethomas & Machen (22). The lowest need by ward is Pontlottyn (4) and Gilfach (5). The pattern of need geographically may well be a reflection of housing costs in these areas. So typically you would expect to see higher numbers showing in areas with high rental values in the private rented sector.

In terms of bedroom count, the requirement decreases as the bedroom count increases. The highest requirement is for 1 bedroom accommodation (139.8 – 37.2%) and the lowest requirement is for 5 bedroom accommodation (4.8 – 1.3%).

Table 5.3: Total Households Falling into Need by Bedroom Count, Ward & Housing Market Area

Wards	Bedroom Count					Total
	1	2	3	4	5	
Aberbargoed	2.9	2.2	2.0	0.6	0.1	7.9
Argoed	2.1	1.6	1.4	0.4	0.1	5.6
Bargoed	4.9	3.7	3.4	1.0	0.2	13.2
Darran Valley	1.9	1.5	1.3	0.4	0.1	5.2
Gilfach	1.7	1.3	1.2	0.3	0.1	4.5
Moriah	3.6	2.7	2.5	0.7	0.1	9.7
New Tredegar	5.1	3.9	3.5	1.1	0.2	13.7
Pontlottyn	1.6	1.2	1.1	0.3	0.1	4.4
Twyn Carno	2.0	1.5	1.4	0.4	0.1	5.3
Heads of the Valleys	25.8	19.6	17.8	5.3	0.9	69.3
Blackwood	6.4	4.9	4.4	1.3	0.2	17.2
Cefn Fforest	3.1	2.4	2.1	0.6	0.1	8.3
Crumlin	4.5	3.4	3.1	0.9	0.2	12.2
Hengoed	3.9	2.9	2.7	0.8	0.1	10.4
Maesycwmmmer	1.7	1.3	1.2	0.4	0.1	4.7
Nelson	3.7	2.8	2.5	0.8	0.1	9.9
Newbridge	3.9	2.9	2.7	0.8	0.1	10.4
Pengam	2.9	2.2	2.0	0.6	0.1	7.8
Penmaen	4.0	3.0	2.8	0.8	0.1	10.7
Pontllanfraith	6.5	4.9	4.5	1.3	0.2	17.5
St Cattwg	5.9	4.5	4.1	1.2	0.2	15.9
Ystrad Mynach	4.5	3.4	3.1	0.9	0.2	12.0
Northern Connections Corridor	51.0	38.7	35.2	10.6	1.8	137.2
Abercarn	4.4	3.3	3.0	0.9	0.2	11.7
Crosskeys	2.8	2.1	1.9	0.6	0.1	7.6
Risca East	5.1	3.8	3.5	1.0	0.2	13.6
Risca West	4.4	3.3	3.0	0.9	0.2	11.7
Ynysddu	3.1	2.3	2.1	0.6	0.1	8.3
Lower Islwyn	19.7	14.9	13.6	4.1	0.7	52.9
Aber Valley	5.1	3.9	3.5	1.1	0.2	13.7
Bedwas, Trethomas & Machen	8.2	6.2	5.7	1.7	0.3	22.2
Llanbradach	3.4	2.6	2.3	0.7	0.1	9.1
Morgan Jones	6.0	4.6	4.2	1.2	0.2	16.2
Penyrheol	9.2	7.0	6.4	1.9	0.3	24.9
St James	4.7	3.6	3.3	1.0	0.2	12.8
St Martins	6.6	5.0	4.6	1.4	0.2	17.8
Caerphilly Basin	43.3	32.9	29.9	9.0	1.5	116.6
Caerphilly County Borough	139.8	106.1	96.4	28.9	4.8	376.2

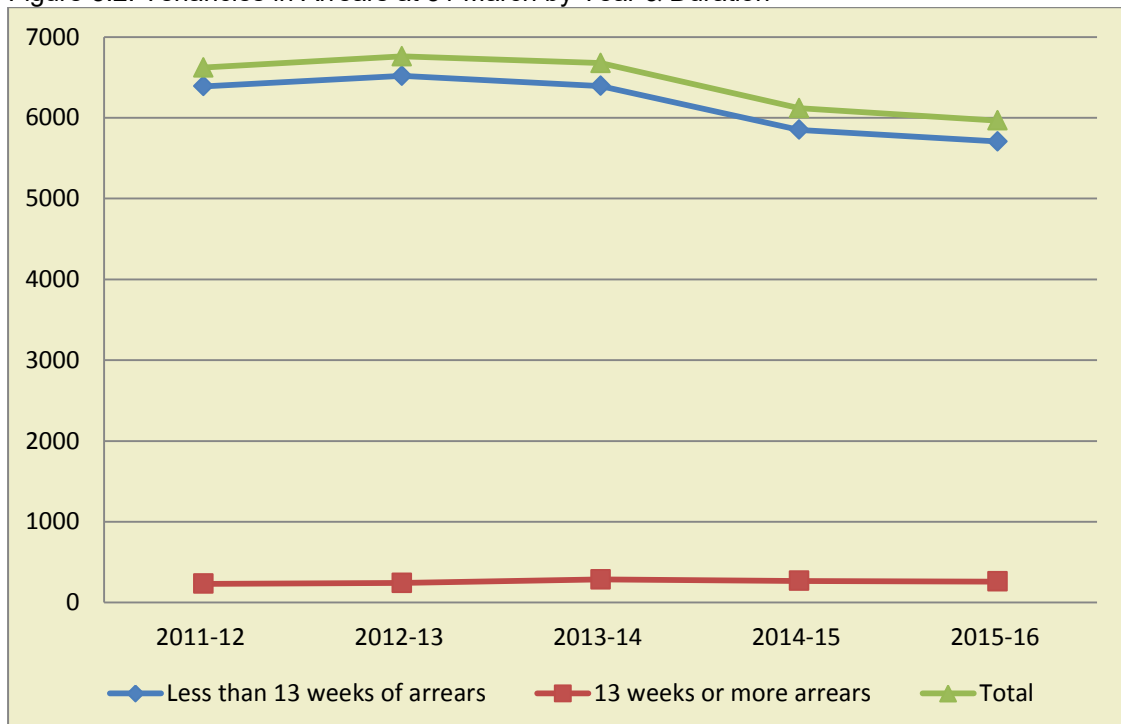
Source: CCBC (LHMA 2018)

5.3 Welfare Reform

The *Welfare Reform Act 2012* introduced wholesale changes to the benefits system, to be phased in over several years. Changes include the 'bedroom tax', the cap on the amount of benefits received and the introduction of Universal Credit. The implications of the reforms are that the income of many people has been affected. Unless people in receipt of benefits are able to increase their income it is very likely that they will struggle to be able to afford their housing costs. As more changes are introduced we expect to see the numbers of people downsizing to increase. This could increase the requirement for smaller accommodation and decrease the requirement for larger family accommodation.

It would be logical to assume that rents arrears will increase as a result of the reforms. Chart 5.2 below provides an analysis of social housing rent arrears in the county borough over the last 5 years. In this period it shows that the total number of households in arrears and the number of households in arrears for less than 13 weeks had reduced. The number of households in arrears of 13 weeks or more has increased slightly. Rent arrears have yet to increase in-line with expectations as, prior to the introduction of the reforms, social landlords invested heavily in additional resources to help tenants manage their arrears and sustain their tenancies. The effect of this intervention is shown below.

Figure 5.2: Tenancies in Arrears at 31 March by Year & Duration



Source: Stat Wales

Since 1st January 2012, single young people, aged under 35 and living in the private rented sector, with a few exceptions, are only entitled to the local housing allowance rate for shared accommodation. This policy was due to be extended to the social sector but was recently withdrawn by the UK Government. The reduction in support with housing costs will, in many instances, result in a shortfall between the amount of allowance paid and the rent due. As a consequence, if they don't become homeless as a result, we may experience more single young people applying to move from the private rented sector into the social rented sector.

6.0 Backlog of Housing Need

6.1 Introduction

This section looks at the backlog of housing need, which is defined as the current number of households who are in housing need and unable to meet their needs in the market. For the purpose of this assessment, backlog housing need is broken down into two areas: the need for social housing and the need for intermediate housing. Each area will be considered in turn in the following paragraphs. The analysis is provided by property type (accessible housing, general needs and older persons housing) and size, and geographically at ward level, housing market area and county borough level.

6.2 Backlog of Need for Social Housing

In order to assess the backlog need for social housing we reviewed the number of people registered for social housing in the county borough. This information was taken from the common housing register, which was established in December 2016. All landlords who provide social housing in the borough are part of the common housing register.

A snapshot of all households on the common housing register was analysed to provide an assessment of the backlog need for social housing. It showed there to be 5,244 applications. As part of the analysis the list was broken down into the areas people wanted to live, property types and by bedroom count. The results of the analysis are shown in table 6.1.

In the 2015 local housing market assessment a large number of people, generally older people, were discounted from the backlog need calculation because they were not ready to move. A new common allocation policy limits the ability of people to self-suspend their housing application because they are not ready to move, except in limited circumstances and for a limited period of time. Therefore, no people have been discounted from the backlog need calculation.

The quality and completeness of the data held on the common housing register varies between migrated applications and new applications. As part of the process of creating a single list of applicants, applications on existing waiting lists were migrated on to the common housing register rather than being asked to re-register. This meant that many applications only have partial information, sufficient enough to facilitate registration. To close the gaps in the information the Council has recently commenced a rolling, annual re-registration exercise. Therefore, we expect that in the next 6-12 months the quality of the information held on the common housing register will be more comprehensive and robust.

When completing the housing application form, applicants are asked to state the areas where they would like to live. They are not limited in the number of

selections or asked to state their first choice, information that is ideally required for this calculation. In order to identify their first choice, we constrained the number of selections made (on average 10 per application) by the total number of households on the combined list to produce a proportionate level of demand across each ward and housing market area. The analysis below has been carried out on this basis.

Table 6.1 below shows the annual social housing backlog by property type and bedroom count, and geographically by ward level, housing market area and county borough level. The total backlog of 5,244 applications has been divided by 5 to give an annualised figure of 1,049. This figure forms part of the total gross need calculation.

The table shows that the greatest backlog is for smaller properties, i.e. 1 bedroom (45.3%) and 2 bedrooms (26.9%). In terms of property types, the highest demand is for general needs accommodation (85.1%), followed by older persons housing (11.5%) and accessible housing (3.4%). The greatest backlog by bedroom count and property type is 1 bedroom (52.2%), 2 bedrooms (34.4%) and 3 bedrooms (11.9%) general needs accommodation.

At a ward level, the greatest backlog is in Penyrheol (87.3 applicants), Morgan Jones (64.9) and Bedwas, Trethomas & Machen (57.0). The lowest need is in Twyn Carno (5.6 applicants), Pontlottyn (6.0) and Nelson (8.9). Penyrheol ward has the greatest backlog for general need accommodation by bedroom count for 1, 2, and 3 bedroom properties. By housing market area, the highest backlog is in Northern Connections Corridor (39.5%) and the lowest backlog in Heads of the Valleys (12.1%).

Table 6.1: Annual Social Housing Backlog by Property Type and Bedroom Count, & by Ward & Housing Market Area

Wards	1 bedroom			2 bedrooms			3 bedrooms			4 bedrooms		Total
	AH	GN	OP	AH	GN	OP	AH	GN	OP	AH	GN	
Aberbargoed	0.4	9.4	0.7	0.5	5.2	1.6	0.1	2.4	0.0	0.0	0.3	20.6
Argoed	0.3	12.0	0.7	0.2	4.6	0.8	0.1	2.0	0.0	0.1	0.3	21.1
Bargoed	0.2	6.6	0.8	0.3	3.6	0.9	0.0	1.4	0.0	0.0	0.1	14.0
Darran Valley	0.1	5.9	0.1	0.0	1.8	0.2	0.1	0.9	0.0	0.0	0.0	9.2
Gilfach	0.3	9.3	1.1	0.4	4.7	1.4	0.1	2.1	0.0	0.0	0.3	19.8
Moriah	0.1	6.6	0.2	0.0	2.2	0.2	0.0	0.9	0.0	0.1	0.0	10.4
New Tredegar	0.2	12.3	0.7	0.1	3.4	0.6	0.1	1.6	0.0	0.1	0.1	19.1
Pontlottyn	0.1	3.8	0.0	0.1	1.3	0.1	0.0	0.5	0.0	0.0	0.0	6.0
Twyn Carno	0.0	3.5	0.1	0.0	1.3	0.1	0.0	0.5	0.0	0.0	0.0	5.6
Heads of the Valleys	1.7	69.4	4.5	1.7	28.0	6.0	0.4	12.3	0.0	0.4	1.2	125.7
Blackwood	0.8	21.1	3.5	0.9	14.3	4.0	0.1	6.5	0.0	0.1	0.8	51.9
Cefn Fforest	0.5	12.4	1.3	0.3	7.8	1.8	0.1	3.6	0.0	0.1	0.5	28.3
Crumlin	0.5	15.5	0.9	0.3	8.4	1.2	0.1	3.9	0.0	0.1	0.5	31.4
Hengoed	0.3	11.6	0.9	0.4	7.4	1.7	0.1	2.9	0.0	0.0	0.4	25.7
Maesycwmmmer	0.2	6.1	0.7	0.2	3.8	1.0	0.0	1.6	0.0	0.0	0.1	13.8
Nelson	0.2	4.0	0.7	0.1	2.1	0.5	0.0	1.1	0.0	0.0	0.0	8.9
Newbridge	0.7	17.8	1.7	0.3	10.0	1.8	0.1	4.7	0.0	0.1	0.4	37.5
Pengam	0.9	23.5	3.1	0.9	14.5	4.4	0.1	6.8	0.0	0.1	0.9	55.3
Penmaen	0.5	11.2	1.4	0.3	7.8	2.1	0.1	3.6	0.0	0.0	0.4	27.6
Pontllanfraith	1.2	23.8	2.6	0.8	15.4	3.6	0.1	7.1	0.0	0.1	0.8	55.5
St Cattwg	0.6	18.4	2.7	1.2	10.4	5.1	0.2	5.5	0.0	0.1	0.7	44.8
Ystrad Mynach	0.4	13.9	1.6	0.5	10.0	2.1	0.1	3.7	0.0	0.1	0.5	33.0
Northern Connections Corridor	6.8	179.5	21.2	6.1	111.8	29.3	1.1	51.1	0.0	0.8	6.0	413.9

Abercarn	0.9	19.6	1.7	0.5	10.6	1.9	0.2	5.2	0.0	0.2	0.6	41.5
Crosskeys	0.6	10.0	1.2	0.2	6.1	1.5	0.1	2.9	0.0	0.1	0.3	23.1
Risca East	0.5	12.5	1.2	0.2	7.8	1.7	0.1	3.7	0.0	0.1	0.4	28.3
Risca West	0.3	5.0	0.8	0.1	3.1	1.0	0.1	1.5	0.0	0.0	0.2	11.9
Ynysddu	0.5	18.1	1.0	0.2	9.8	2.0	0.1	3.7	0.0	0.1	0.3	35.8
Lower Islwyn	2.8	65.2	5.9	1.2	37.4	8.2	0.6	17.1	0.0	0.5	1.8	140.7
Aber Valley	0.2	11.0	1.1	0.1	6.5	0.6	0.0	1.8	0.0	0.1	0.2	21.7
Bedwas, Trethomas & Machen	1.2	24.0	4.1	0.7	15.5	3.6	0.3	6.9	0.0	0.1	0.7	57.0
Llanbradach	0.6	14.4	1.4	0.4	9.7	1.3	0.1	3.1	0.0	0.0	0.3	31.3
Morgan Jones	1.1	26.8	5.1	0.9	17.8	5.0	0.2	7.1	0.0	0.1	0.7	64.9
Penyrheol	1.2	37.8	4.9	1.0	25.6	5.2	0.3	10.1	0.0	0.2	1.0	87.3
St James	0.7	23.8	2.5	0.3	14.0	2.6	0.2	4.8	0.0	0.1	0.5	49.6
St Martins	1.0	23.6	4.1	0.6	16.0	3.7	0.2	6.6	0.0	0.1	0.9	56.8
Caerphilly Basin	5.9	161.4	23.3	4.0	105.0	22.0	1.4	40.4	0.1	0.5	4.4	368.4
Caerphilly County Borough	17.3	475.5	54.9	13.0	282.3	65.5	3.5	120.8	0.1	2.2	13.4	1048.8

Source: CCBC (LHMA 2018)

6.3 Backlog of Need for Intermediate Housing

Intermediate housing is defined as low cost home-ownership and intermediate renting. Intermediate housing provides solutions for those people on low incomes who are not able to afford to purchase outright or rent in the private sector. For the purpose of assessing the backlog of need for intermediate housing, low cost home-ownership is set at 60% of an entry-level property, whereas intermediate renting is set at 80% of market rents, as per Welsh Government's *Rent First* model.

No backlog of need for intermediate housing was identified in the 2015 local housing market assessment because of the quality of the data held at the time. In order to improve the quality of the data a decision was taken to collect information on the requirement for intermediate housing through the common housing register. However, this facility has only been made available to new applicants who have registered since December 2016. To provide an indication of the full requirement, the data needed to be uplifted.

An analysis of the data found that not all people that requested intermediate housing were eligible. These people were subsequently discounted from the calculation. In accordance with the policies operated by our housing association partners, applicants not working and/or with an income less than £15,000 were deemed ineligible and discounted from the calculation for both low cost home-ownership and intermediate renting. Applicants with an income greater than £30,000 were deemed to have sufficient resources to meet their own needs and, therefore, were also discounted from the calculation.

In order to assess the requirement for low cost home-ownership, a multiplier of 3.5 times income plus any savings was used to assess affordability for an entry level property in the preferred area of choice. An online mortgage calculator was used to identify the likely monthly mortgage repayments. Those people whose income was assessed as being less than 30 percent of their housing costs were discounted from this calculation but instead were considered for intermediate renting. An assessment was also undertaken of those people with no savings to see if they could realistically save a deposit within the period of this assessment. Those deemed not to be in a financial position to save for a deposit were discounted from this calculation but instead were considered for intermediate renting.

Table 6.2 below provides a breakdown of the annual backlog need for low cost home-ownership. It shows that 34 people were deemed eligible for this product. The greatest backlog is for 2 bedroom accommodation (54.9%) and 3 bedroom accommodation (26.5%). A backlog need was identified in 20 out of 33 wards, with the greatest backlog in Hengoed (17.6%), Aber Valley (10.6%) and Blackwood (8.8%). The average (median) age of applicants is 33 years old.

Table 6.2 below also provides a breakdown of the annual backlog need for intermediate housing. It shows that 24.6 people were deemed eligible for this product. The greatest backlog is for 2 bedroom accommodation (71.5%) and 3 bedroom accommodation (25.2%). A backlog need was identified in 12 out of 33 wards, with the greatest backlog in Bedwas, Trethomas & Machen (21.1%) and Blackwood (14.6%). The average (median) age of applicants is 33 years old.

Table 6.2: Annual Backlog Need for Intermediate Housing

Wards / Housing Market Areas	1 bedroom		2 bedrooms		3 bedrooms		4 bedrooms		5 bedrooms		Total	
	LCHO	IR	LCHO	IR	LCHO	IR	LCHO	IR	LCHO	IR	LCHO	IR
Aberbargoed	0.0	0.0	1.4	0.0	0.8	0.0	0.0	0.0	0.0	0.0	2.2	0.0
Argoed	0.0	0.0	0.0	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.8	0.0
Bargoed	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Darran Valley	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gilfach	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Moriah	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Tredegar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pontlottyn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Twyn Carno	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Heads of the Valleys	0.0	0.0	1.4	0.0	1.6	0.0	0.0	0.0	0.0	0.0	3.0	0.0
Blackwood	0.0	0.0	3.0	1.4	0.0	2.2	0.0	0.0	0.0	0.0	3.0	3.6
Cefn Fforest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Crumlin	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.0
Hengoed	0.0	0.0	3.0	0.0	2.2	0.0	0.8	0.0	0.0	0.0	6.0	0.0
Maesycwmmmer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nelson	0.0	0.0	0.8	0.8	0.8	0.0	0.0	0.0	0.0	0.0	1.6	0.8
Newbridge	0.0	0.0	0.8	0.8	0.0	0.8	0.0	0.0	0.0	0.0	0.8	1.6
Pengam	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.0	0.0	0.8	0.0
Penmaen	0.0	0.0	0.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.8
Pontllanfraith	0.0	0.0	0.8	2.2	0.0	0.0	0.8	0.0	0.0	0.0	1.6	2.2
St. Cattwg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ystrad Mynach	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Northern Connections Corridor	0.8	0.0	9.2	6.0	3.0	3.0	2.4	0.0	0.0	0.0	15.4	9.0

Abercarn	0.0	0.0	1.4	0.4	0.0	0.8	0.0	0.0	0.0	0.0	1.4	1.2
Crosskeys	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.0	0.0	0.8	0.0
Risca East	0.0	0.0	0.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.8
Risca West	0.0	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.0
Ynysddu	0.0	0.0	0.0	0.8	0.8	0.8	0.0	0.0	0.0	0.0	0.8	1.6
Lower Islwyn	0.0	0.0	3.0	2.0	0.8	1.6	0.8	0.0	0.0	0.0	4.6	3.6
Aber Valley	0.0	0.0	2.2	0.0	1.4	0.0	0.0	0.0	0.0	0.0	3.6	0.0
Bedwas, Trethomas & Machen	0.0	0.0	1.4	4.4	0.0	0.8	0.0	0.0	0.0	0.0	1.4	5.2
Llanbradach	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Morgan Jones	0.0	0.0	2.2	3.0	1.4	0.0	0.8	0.0	0.0	0.0	4.4	3.0
Penyrheol	0.0	0.0	0.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.8
St. James	0.0	0.0	0.0	2.2	0.8	0.0	0.0	0.8	0.0	0.0	0.8	3.0
St. Martins	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Caerphilly Basin	0.0	0.0	6.6	10.4	3.6	0.8	0.8	0.8	0.0	0.0	11.0	12.0
Caerphilly County Borough	0.8	0.0	20.2	18.4	9.0	5.4	4.0	0.8	0.0	0.0	34.0	24.6

Source: CCBC (LHMA 2018)

7.0 Supply of Affordable Housing

7.1 Introduction

This section looks at the supply of affordable housing throughout the county borough over the next five years. For the purpose of this assessment, the supply of affordable housing is broken down into two areas: the projected number of social housing lets and the committed supply of new social housing. Each area will be considered in turn in the following paragraphs. The assessment is analysed both by property type and size and geographically at ward level, housing market area and county borough level.

7.2 Projected Social Housing Lets

In order to assess the projected number of social housing lets over the next five years, the lettings data for the last three years was analysed. The mean average of the lettings data (accessed from Stats Wales), excluding mutual exchanges, was used to formulate the projection, which is reliant on past trends continuing in the future.

Local Housing Market Assessment Guidance (WG & WLGA, 2014) suggests where void rates exceed 3% or there are any long-term empty properties within the stock, an adjustment should be made to the projection to account for surplus stock. Given that void rates did not exceed 3% and the number of long-term empty properties within the stock was low and fluctuates, no adjustment was required.

Table 7.1 below shows the combined, average number of social housing relets in the county borough in the last three years as 1,238. This information is broken down by property type, bedroom count and area. In terms of property type and size, the highest average number of lets was for two and three bedroom, general needs properties. The average was lower for one bedroom, general needs properties, for which a high requirement has been identified in this assessment. When looking closely at one-bedroom properties, the average is higher for older persons housing than for general needs properties.

The total social housing stock in the county borough is approximately 14,600 properties. This consists approximately of 10,900 general needs properties (GN), inclusive of accessible housing properties (AH), and 3,700 older persons housing properties (OH). The average number of lets by tenure is generally in-line with these ratios. For general needs accommodation the average is 902 properties per annum (in total across all property sizes), which has a higher turnover rate than older persons housing (315 properties) and accessible housing (22 properties).

In terms of wards, the highest average number of lets was in Bedwas, Trethomas & Machen (99.6 properties) and in Penyrheol and St James (both 78.9 properties). These areas contain high concentrations of council housing and, as such, these rates can reasonably be expected. The lowest average number of lets by ward was Maesycwmmmer and Ystrad Mynach (both 5.8 properties) and Darran Valley (7.9

properties). In terms of market areas, the highest average number of lets was in the Caerphilly Basin area (381.4 properties), with the lowest average in Lower Islwyn (162.7 properties).

Table 7.1: Average Lets Per Annum by Property Type, Size & Area

Wards	1 bedroom			2 bedrooms			3 bedrooms			4 bedrooms			Total
	AH	GN	OP	AH	GN	OP	AH	GN	OP	AH	GN	OP	
Aberbargoed	0.0	12.0	0.0	1.2	18.4	6.1	0.0	18.4	0.0	0.0	0.6	0.0	56.7
Argoed	0.0	0.0	0.3	0.0	8.8	2.0	0.0	8.2	0.0	0.0	0.0	0.0	19.3
Bargoed	0.0	1.5	2.3	0.0	0.3	0.0	0.0	7.3	0.0	0.0	0.6	0.0	12.0
Darran Valley	0.0	0.0	0.0	0.3	2.9	1.8	0.0	2.9	0.0	0.0	0.0	0.0	7.9
Gilfach	0.3	3.2	4.1	0.0	27.5	9.1	0.0	9.1	0.0	0.0	0.0	0.0	53.2
Moriah	0.6	5.5	12.3	0.3	23.1	8.5	0.0	20.7	0.3	0.0	0.0	0.0	71.3
New Tredegar	0.6	1.8	12.3	0.0	7.3	5.8	0.0	24.5	0.0	0.0	0.0	0.0	52.3
Pontlottyn	0.0	5.3	2.6	0.0	13.4	0.3	0.0	6.4	0.0	0.0	0.0	0.0	28.0
Twyn Carno	0.0	4.4	2.0	0.0	18.7	4.4	0.0	12.9	0.0	0.0	0.3	0.0	42.6
Heads of the Valleys	1.5	33.6	35.9	1.8	120.3	38.0	0.0	110.4	0.3	0.0	1.5	0.0	343.2
Blackwood	0.0	8.5	11.7	0.0	22.8	5.0	0.3	23.1	0.0	0.0	2.3	0.0	73.6
Cefn Fforest	0.0	0.3	3.8	0.0	5.0	1.8	0.0	12.0	0.0	0.0	0.0	0.0	22.8
Crumlin	0.0	3.8	6.4	0.0	4.7	0.9	0.0	13.7	0.0	0.0	0.3	0.0	29.8
Hengoed	1.8	5.0	1.8	0.0	4.4	2.0	0.3	16.1	0.0	0.0	1.8	0.0	33.0
Maesycwmmmer	0.0	0.0	2.3	0.0	0.0	2.0	0.0	1.5	0.0	0.0	0.0	0.0	5.8
Nelson	0.9	3.2	4.7	0.0	7.6	0.9	0.0	8.2	0.3	0.0	0.0	0.0	25.7
Newbridge	0.0	1.5	4.7	0.0	7.0	5.5	0.0	9.9	0.0	0.0	0.0	0.0	28.6
Pengam	0.0	0.0	1.5	0.3	0.0	4.1	0.0	6.1	0.0	0.0	0.0	0.0	12.0
Penmaen	0.0	1.2	5.3	0.0	1.5	1.2	0.0	2.3	0.3	0.0	0.0	0.0	11.7
Pontllanfraith	0.6	1.8	16.4	0.0	7.3	5.5	0.0	20.2	0.0	0.0	0.6	0.0	52.3
St. Cattwg	0.0	5.0	0.0	0.3	32.4	7.0	0.0	4.7	0.3	0.0	0.0	0.0	49.6
Ystrad Mynach	0.0	2.0	2.3	0.0	1.2	0.0	0.0	0.3	0.0	0.0	0.0	0.0	5.8
Northern Connections Corridor	3.2	32.1	60.7	0.6	93.7	35.9	0.6	118.0	0.9	0.0	5.0	0.0	350.8

Abercarn	0.0	4.7	4.1	0.0	7.3	3.2	0.0	7.0	0.0	0.0	2.0	0.0	28.3
Crosskeys	6.7	2.9	7.3	0.0	3.2	7.3	0.0	2.0	0.0	0.0	0.0	0.0	29.5
Risca East	0.0	3.2	3.8	0.0	39.4	0.6	0.0	7.6	0.0	0.0	3.8	0.0	58.4
Risca West	0.0	4.4	15.2	0.0	2.9	0.0	0.6	8.8	0.0	0.0	0.0	0.0	31.8
Ynysddu	0.0	0.9	6.1	0.0	1.8	0.3	0.0	5.5	0.0	0.0	0.0	0.0	14.6
Lower Islwyn	6.7	16.1	36.5	0.0	54.6	11.4	0.6	31.0	0.0	0.0	5.8	0.0	162.7
Aber Valley	0.0	7.3	6.1	0.0	8.5	3.8	0.0	16.1	0.0	0.0	0.6	0.0	42.3
Bedwas, Trethomas & Machen	0.3	16.1	8.2	0.3	36.8	10.8	0.0	26.9	0.3	0.0	0.0	0.0	99.6
Llanbradach	0.3	1.5	3.8	0.0	4.1	2.6	0.0	7.3	0.0	0.0	0.6	0.0	20.2
Morgan Jones	2.6	2.0	7.9	0.0	13.7	1.8	0.0	7.9	0.0	0.0	0.3	0.0	36.2
Penyrheol	0.9	6.1	17.2	0.0	12.0	9.9	2.0	28.6	0.0	0.3	1.8	0.0	78.9
St. James	0.0	24.8	7.0	0.0	18.4	4.4	0.3	23.9	0.0	0.0	0.0	0.0	78.9
St. Martins	0.0	0.0	6.4	0.0	6.7	4.7	0.0	6.7	0.0	0.0	0.9	0.0	25.4
Caerphilly Basin	4.1	57.8	56.7	0.3	100.2	38.0	2.3	117.4	0.3	0.3	4.1	0.0	381.4
Caerphilly County Borough	15.5	139.6	189.8	2.6	368.9	123.2	3.5	376.7	1.5	0.3	16.4	0.0	1,238.0

Source: Stats Wales

7.3 Committed Supply of New Affordable Housing

Consideration was also given to the level of committed supply of new affordable housing over the next 5 years, in line with *Local Housing Market Assessment Guide* (WG, 2006). Only those homes that will be delivered within the period of the assessment have been taken into consideration. This information was taken from the *2017 Joint Housing Land Availability Study* which identifies the number of affordable units with planning permission or allocated within the Local Development Plan that are forecast to be developed in the next 5 years, and the Council's programme development plan (2017).

The level of committed supply in this assessment has doubled from the last assessment. This is a direct result of funding made available by Welsh Government to achieve its priority of delivering 20,000 affordable homes during its term of office. Given the pressure on public finances, it is possible that funding for affordable housing could be reduced once the 20,000 target has been achieved. If this is the case, the level of committed supply in the next assessment is likely to be reduced. A reduction in supply could result in an increase in the affordable housing requirement. This is something which the Council will need to consider when entering into negotiations with developers for the delivery of homes outside the period of this assessment.

Committed supply over the next five years totals 497 units of social rented accommodation, the equivalent to 99 properties per annum. In addition, 62 low cost home-ownership and 26 intermediate rent properties are planned, the equivalent of 12 and 5 properties per annum respectively. It should be noted that schemes to be delivered in years 4 to 5 of this assessment may not have had their unit mixes determined at this stage. For the purpose of this assessment an assumption on the desired mixes for these schemes have been made but could be subject to change once the scheme details are confirmed.

Table 7.2 below provides a breakdown of committed supply of social rented accommodation per annum by bedroom count, property type and area. It shows the largest annual commitment is for the delivery of 1 and 2 bedroom, general needs properties, 46 and 39.6 units respectively, with a smaller commitment for 3 and 4 bedroom, general needs properties, 12.2 and 1.6 units respectively.

During the period of this assessment developments are planned in 20 out of 33 wards, with the highest delivery in Blackwood (16.8 units per annum) and Maesycwmmmer (11.2 units per annum). Delivery is planned in all four of the housing market areas, with the highest rate in Northern Connections Corridor (60.2 units per annum) and the lowest rate in Lower Islwyn (4.6 units per annum).

There is no direct correlation between tables 7.1 and 7.2 in terms of areas of greatest need and future building intentions. Committed supply in the county borough historically has been influenced by the availability and cost of land for housing associations to deliver new affordable homes, via the social housing grant programme, and the number of new homes delivered through the Section 106 agreement process, which are primarily driven by demand in the private sector.

Consequently, we are not always able to build new affordable housing in the areas where it is needed the most.

Table 7.2: Committed Supply of Social Rented Accommodation per annum by property type, size and area

Wards	1 bedroom			2 bedrooms			3 bedrooms			4 bedrooms			5 bedrooms			Total
	AH	GN	OP	AH	GN	OP	AH	GN	OP	AH	GN	OP	AH	GN	OP	
Aberbargoed	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Argoed	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bargoed	0.0	1.6	0.0	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Darran Valley	0.0	0.0	0.0	0.0	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gilfach	0.0	0.8	0.0	0.0	0.8	0.0	0.0	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Moriah	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Tredegar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pontlottyn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Twyn Carno	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Heads of the Valleys	0.0	2.4	0.0	0.0	3.4	0.0	0.0	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Blackwood	0.0	7.2	0.0	0.0	8.6	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cefn Fforest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Crumlin	0.0	3.6	0.0	0.0	3.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Hengoed	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maesycwmmmer	0.0	5.2	0.0	0.0	4.0	0.0	0.0	1.6	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0
Nelson	0.0	3.2	0.0	0.0	2.0	0.0	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Newbridge	0.0	3.2	0.0	0.0	3.4	0.0	0.0	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0
Pengam	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Penmaen	0.0	1.0	0.0	0.0	0.8	0.0	0.0	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pontllanfraith	0.0	0.4	0.0	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0
St. Cattwg	0.0	2.0	0.0	0.0	3.4	0.0	0.0	1.6	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0
Ystrad Mynach	0.0	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Northern Connections Corridor	0.0	27.0	0.0	0.0	26.0	0.0	0.0	5.8	0.0	0.0	1.4	0.0	0.0	0.0	0.0	0.0
Abercarn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Crosskeys	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Risca East	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Risca West	0.0	0.8	0.0	0.0	2.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.8
Ynysddu	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8
Lower Islwyn	0.0	1.6	0.0	0.0	2.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.6
Aber Valley	0.0	1.2	0.0	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0
Bedwas, Trethomas & Machen	0.0	2.2	0.0	0.0	2.8	0.0	0.0	2.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.2
Llanbradach	0.0	3.2	0.0	0.0	0.8	0.0	0.0	0.6	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	4.8
Morgan Jones	0.0	2.4	0.0	0.0	1.2	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0
Penyrheol	0.0	4.8	0.0	0.0	1.4	0.0	0.0	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.8
St. James	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
St. Martins	0.0	1.2	0.0	0.0	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.4
Caerphilly Basin	0.0	15.0	0.0	0.0	8.2	0.0	0.0	3.8	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	27.2
Caerphilly County Borough	0.0	46.0	0.0	0.0	39.6	0.0	0.0	12.2	0.0	0.0	1.6	0.0	0.0	0.0	0.0	0.0	99.4

Source: CCBC (LHMA 2018)

7.4 Planned Units Taken Out of Management

Welsh Government guidance (2007) requires consideration of the number of units that will be taken out of management over the next five years, i.e. those that are expected to be demolished. No significant demolition programmes are proposed by any of the social landlords. For the purpose of this assessment, the proposed number of units planned that are to be taken out of management in the next five years is estimated as nil and, therefore, no adjustment to the supply figures was required.

7.5 Total Supply of Social Rented Housing

The total supply of social rented housing is calculated by subtracting the number of units planned to be taken out of management by the sum of the projected social housing lets plus committed supply. The data shows a current supply of affordable housing to offset need of 1,337.4 units per annum over the next five years:

Table 7.3: Supply of Social Rented Housing Calculation

Projected social housing lets	1,238.0	+
Committed supply of affordable housing	99.4	-
Number of units planned to be taken out of management	0.0	=
Total supply of affordable housing	1337.4	

Source: CCBC (LHMA 2018)

An analysis of total lets and committed supply against total gross needs shows that we plan to build 3 bedroom, general needs properties in areas where there is no identified requirement for this size of accommodation. If the construction of these properties could be changed to sizes where there is an identified need, the total affordable housing requirement could be reduced.

Table 7.4: Total Supply of Social Rented Housing by Property Type, Size & Housing Market Area per annum

Wards	1 bedroom			2 bedrooms			3 bedrooms			4 bedrooms			5 bedrooms			Total
	AH	GN	OP	AH	GN	OP	AH	GN	OP	AH	GN	OP	AH	GN	OP	
Aberbargoed	0.0	12.0	0.0	1.2	18.4	6.1	0.0	18.4	0.0	0.0	0.6	0.0	0.0	0.0	0.0	56.7
Argoed	0.0	0.0	0.3	0.0	8.8	2.0	0.0	8.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19.3
Bargoed	0.0	3.1	2.3	0.0	1.1	0.0	0.0	7.3	0.0	0.0	0.6	0.0	0.0	0.0	0.0	14.4
Darran Valley	0.0	0.0	0.0	0.3	4.7	1.8	0.0	2.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.7
Gilfach	0.3	4.0	4.1	0.0	28.3	9.1	0.0	10.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	56.4
Moriah	0.6	5.6	12.3	0.3	23.1	8.5	0.0	20.7	0.3	0.0	0.0	0.0	0.0	0.0	0.0	71.3
New Tredegar	0.6	1.8	12.3	0.0	7.3	5.8	0.0	24.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	52.3
Pontlottyn	0.0	5.3	2.6	0.0	13.4	0.3	0.0	6.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	28.0
Twyn Carno	0.0	4.4	2.0	0.0	18.7	4.4	0.0	12.9	0.0	0.0	0.3	0.0	0.0	0.0	0.0	42.6
Heads of the Valleys	1.5	36.0	35.9	1.8	123.7	38.0	0.0	112.0	0.3	0.0	1.5	0.0	0.0	0.0	0.0	350.6
Blackwood	0.0	14.5	12.9	0.0	28.8	7.6	0.3	24.1	0.0	0.0	2.3	0.0	0.0	0.0	0.0	90.4
Cefn Fforest	0.0	0.3	3.8	0.0	5.0	1.8	0.0	12.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	22.8
Crumlin	0.0	7.4	6.4	0.0	7.7	0.9	0.0	13.9	0.0	0.0	0.3	0.0	0.0	0.0	0.0	36.6
Hengoed	1.8	5.0	1.8	0.0	4.4	2.0	0.3	16.1	0.0	0.0	1.8	0.0	0.0	0.0	0.0	33.0
Maesycwmmmer	0.0	5.2	2.3	0.0	4.0	2.0	0.0	3.1	0.0	0.0	0.4	0.0	0.0	0.0	0.0	17.0
Nelson	0.9	6.4	4.7	0.0	9.6	0.9	0.0	9.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	31.7
Newbridge	0.0	4.7	4.7	0.0	10.4	5.6	0.0	9.9	0.0	0.0	0.4	0.0	0.0	0.0	0.0	35.6
Pengam	0.0	0.0	1.5	0.3	0.0	4.1	0.0	6.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.0
Penmaen	0.0	2.2	5.3	0.0	2.3	1.2	0.0	2.9	0.3	0.0	0.0	0.0	0.0	0.0	0.0	14.1
Pontllanfraith	0.6	2.2	16.4	0.0	8.1	5.6	0.0	20.2	0.0	0.0	0.8	0.0	0.0	0.0	0.0	53.7
St. Cattwg	0.0	7.0	0.0	0.3	35.8	7.0	0.0	6.3	0.3	0.0	0.4	0.0	0.0	0.0	0.0	57.1
Ystrad Mynach	0.0	3.2	2.3	0.0	1.2	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.0
Northern Connections Corridor	3.2	57.9	62.0	0.6	117.2	38.5	0.6	123.8	0.9	0.0	6.4	0.0	0.0	0.0	0.0	411.0

Abercarn	0.0	4.7	4.1	0.0	7.3	3.2	0.0	7.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0	28.3
Crosskeys	6.7	2.9	7.3	0.0	3.2	7.3	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	29.5
Risca East	0.0	3.2	3.8	0.0	39.4	0.6	0.0	7.6	0.0	0.0	3.8	0.0	0.0	0.0	0.0	58.4
Risca West	0.0	5.2	15.2	0.0	4.9	0.0	0.6	9.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	35.6
Ynysddu	0.0	1.7	6.1	0.0	1.8	0.3	0.0	5.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.4
Lower Islwyn	6.7	17.7	36.5	0.0	56.6	11.4	0.6	32.0	0.0	0.0	5.8	0.0	0.0	0.0	0.0	167.3
Aber Valley	0.0	8.5	6.1	0.0	9.3	3.8	0.0	16.1	0.0	0.0	0.6	0.0	0.0	0.0	0.0	44.4
Bedwas, Trethomas & Machen	0.3	18.3	8.2	0.3	39.6	10.8	0.0	29.1	0.3	0.0	0.0	0.0	0.0	0.0	0.0	106.8
Llanbradach	0.3	4.7	3.8	0.0	4.9	2.6	0.0	7.9	0.0	0.0	0.8	0.0	0.0	0.0	0.0	25.0
Morgan Jones	2.6	4.4	7.9	0.0	14.9	1.8	0.0	8.3	0.0	0.0	0.3	0.0	0.0	0.0	0.0	40.2
Penyrheol	0.9	10.9	17.2	0.0	13.4	9.9	2.0	29.2	0.0	0.3	1.8	0.0	0.0	0.0	0.0	85.7
St. James	0.0	24.8	7.0	0.0	18.4	4.4	0.3	24.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	78.9
St. Martins	0.0	1.2	6.4	0.0	7.9	4.7	0.0	6.7	0.0	0.0	0.9	0.0	0.0	0.0	0.0	27.8
Caerphilly Basin	4.1	72.8	56.7	0.3	108.4	38.0	2.3	121.2	0.3	0.3	4.3	0.0	0.0	0.0	0.0	408.6
Caerphilly County Borough	15.5	184.4	191.0	2.6	405.9	125.9	3.5	388.9	1.5	0.3	18.0	0.0	0.0	0.0	0.0	1337.4

Source: Stats Wales & CCBC

7.5 Total Supply of Intermediate Products

Tables 7.5 and 7.6 provide a breakdown of committed supply for low cost home-ownership and intermediate rent to be provided over the 5 year period of this assessment. The tables show that in total 88 units of accommodation will be developed, consisting of 62 – low cost home-ownership and 26 – intermediate rental properties. The majority of supply consists of 2 and 3 bedroom accommodation, with 5 units for 1 bedroom accommodation.

In terms of a breakdown by area, the delivery of intermediate rental properties is planned in 2 out of 33 wards and low cost home-ownership in 5 out of 33 wards. No units are planned to be delivered during this period in the Heads of the Valleys and Lowe Islwyn housing market areas.

Table 7.5: 5 Year Committed Supply for Low Cost Home-Ownership (Total)

Wards	Bedroom Count					Total
	1	2	3	4	5	
Aberbargoed	0	0	0	0	0	0
Argoed	0	0	0	0	0	0
Bargoed	0	0	0	0	0	0
Darran Valley	0	0	0	0	0	0
Gilfach	0	0	0	0	0	0
Moriah	0	0	0	0	0	0
New Tredegar	0	0	0	0	0	0
Pontlottyn	0	0	0	0	0	0
Twyn Carno	0	0	0	0	0	0
Heads of the Valleys	0	0	0	0	0	0
Blackwood	0	5	5	0	0	10
Cefn Fforest	0	0	0	0	0	0
Crumlin	0	0	0	0	0	0
Hengoed	0	0	0	0	0	0
Maesycwmmmer	0	0	0	0	0	0
Nelson	0	5	5	0	0	10
Newbridge	0	0	0	0	0	0
Pengam	0	0	0	0	0	0
Penmaen	0	0	0	0	0	0
Pontllanfraith	0	0	0	0	0	0
St Cattwg	0	0	0	0	0	0
Ystrad Mynach	0	0	0	0	0	0
Northern Connections Corridor	0	10	10	0	0	20
Abercarn	0	0	0	0	0	0
Crosskeys	0	0	0	0	0	0
Risca East	0	0	0	0	0	0
Risca West	0	0	0	0	0	0
Ynysddu	0	0	0	0	0	0
Lower Islwyn	0	0	0	0	0	0
Aber Valley	0	5	5	0	0	10
Bedwas, Trethomas & Machen	5	6	5	0	0	16
Llanbradach	0	8	8	0	0	16
Morgan Jones	0	0	0	0	0	0
Penyrheol	0	0	0	0	0	0
St James	0	0	0	0	0	0
St Martins	0	0	0	0	0	0
Caerphilly Basin	5	19	18	0	0	42
Grand Total	5	29	28	0	0	62

Source: CCBC (LHMA, 2018)

Table 7.6: 5 Year Committed Supply for Intermediate Rent (Total)

Wards	Bedroom Count					Total
	1	2	3	4	5	
Aberbargoed	0	0	0	0	0	0
Argoed	0	0	0	0	0	0
Bargoed	0	0	0	0	0	0
Darran Valley	0	0	0	0	0	0
Gilfach	0	0	0	0	0	0
Moriah	0	0	0	0	0	0
New Tredegar	0	0	0	0	0	0
Pontlottyn	0	0	0	0	0	0
Twyn Carno	0	0	0	0	0	0
Heads of the Valleys	0	0	0	0	0	0
Blackwood	0	0	0	0	0	0
Cefn Fforest	0	0	0	0	0	0
Crumlin	0	0	0	0	0	0
Hengoed	0	0	0	0	0	0
Maesycwmmmer	0	0	0	0	0	0
Nelson	0	5	5	0	0	10
Newbridge	0	0	0	0	0	0
Pengam	0	0	0	0	0	0
Penmaen	0	0	0	0	0	0
Pontllanfraith	0	0	0	0	0	0
St Cattwg	0	0	0	0	0	0
Ystrad Mynach	0	0	0	0	0	0
Northern Connections Corridor	0	5	5	0	0	10
Abercarn	0	0	0	0	0	0
Crosskeys	0	0	0	0	0	0
Risca East	0	0	0	0	0	0
Risca West	0	0	0	0	0	0
Ynysddu	0	0	0	0	0	0
Lower Islwyn	0	0	0	0	0	0
Aber Valley	0	5	5	0	0	10
Bedwas, Trethomas & Machen	0	0	0	0	0	0
Llanbradach	0	0	0	0	0	0
Morgan Jones	0	0	0	0	0	0
Penyrheol	0	0	0	0	0	0
St James	0	0	0	0	0	0
St Martins	0	1	5	0	0	6
Caerphilly Basin	0	6	10	0	0	16
Grand Total	0	11	15	0	0	26

Source: CCBC (LHMA, 2018)

8.0 Affordable Housing Requirement

8.1 Introduction

Sections 4 to 7 of this report set out the calculations for the four stages of the affordable housing needs assessment. This section looks to bring together the information from these sections to provide an estimate of the total net need for affordable housing. The estimate will be broken down into the need for social rent, intermediate rent and low cost home-ownership. The assessment is analysed at ward level, by housing market area and at county borough level.

Unless otherwise stated, all figures in this section have been rounded to zero decimal places. As a result of rounding, the figures may not tally exactly and will, therefore, differ slightly to those presented in other sections.

8.2 Status of Headline Figures

It is important to note that the figures presented in this section provide an indication of the scale of affordable housing in the county borough, and are by no means an annual delivery target. Instead, they provide an evidence base to formulate priorities and a benchmark for the Council and its partners to work towards during the assessment period.

8.3 Total Net Need for Affordable Housing

Table 8.1 below brings together information of the various stages of the assessment, as outlined in sections 4 to 7, to show the total net need for affordable housing in the county borough, which includes social rent and intermediate products (intermediate rent and low cost home-ownership). This is an annual requirement for each of the next five years.

Table 8.1: Total Net Need for Affordable Housing

	Stage	Calculation	Output
1.	Newly arising need for intermediate products (Section 4)		73
2.	Newly arising need for social rent (Section 4)		90
3.	Existing households falling into need for social housing (Section 5)		376
4.	Total newly arising need	1+2+3	539
5.	Backlog of need for social rent (Section 6)		1,049
6.	Backlog of need for intermediate products (Section 6)		59
7.	Total backlog of housing need	5+6	1,108
8.	Total gross need for affordable housing	4+7	1,647
9.	Future supply of social housing (Section 7)		1,337
10.	Future supply of intermediate housing (Section 7)		88
11.	Future supply of affordable housing	9+10	1,425
12.	Total net need for affordable housing	8-11	222

Source: CCBC (LHMA 2018)

The total newly arising need calculation of 539 units of accommodation is made up of 73 intermediate products (35 low cost home-ownership and 38 intermediate rent) and 466 social rented units (90 – newly arising need for social rent and 376 – existing households falling into need for social housing).

An assessment of backlog need suggests a requirement for 1,108 units per year. This consists of a need for 1,049 social rented units and 59 intermediate products (34 low cost home-ownership and 25 intermediate rent).

The total gross need for affordable housing of 1,647 units is derived by adding the total newly arising need calculation (539 units) with the total backlog of housing need (1,108).

The future supply of affordable housing (1,425) consists of 1,337 social rented units and 88 intermediate products (62 low cost home-ownership and 26 intermediate rent).

The future supply of affordable housing (1,425) is subtracted from the total gross need for affordable housing (1,647) to leave an annual requirement of 222 affordable housing units per annum.

8.4 Total Net Need for Social Rent

The total net need of affordable housing units includes 178 units of social rented accommodation. Before any analysis of this figure can be undertaken the effects of stock turnover need to be taken into account. This is considered in following section.

8.5 Social Rent Turnover

The total net need for social rent does not take into consideration the effects of stock turnover. Turnover can be defined as the number of times a property becomes available for re-let in a given period. Our data shows that properties will turnover at different rates, some longer than others, depending on its type, size and/or location. Condition of the property and other factors impacting on community cohesion, such as anti-social behaviour, may also affect turnover. So for example, social rented accommodation will turnover more frequently than intermediate rented accommodation.

For the purpose of this assessment it has been assumed that intermediate rented accommodation will not turnover during the period of this assessment. The turnover of social rented accommodation has been based on an average of the last 3 years stock data. Table 8.2 below shows the average percentage turnover by property and size. It shows that general needs accommodation turns over more frequently than older person's accommodation. In terms of bedroom count, small properties turn over more frequently than larger ones.

Table 8.2: Average Turnover by Property Type & Bedroom Count (Social Rent)

1 bedroom		2 bedrooms		3 bedrooms		4 & 5 bedrooms	
GN	OP	GN	OP	GN	OP	GN	GN
14%	10%	12%	7%	6%	3%	6%	0%

When the effect of turnover was assessed, we found that the total net need for social housing fell from 178 units, as outlined in section 8.3 above, to 169 units. The reason for this decrease is that some properties will turn over more frequently during the period of the assessment. For a full breakdown of the effect of turnover, see section 8.6 below.

8.6 Analysis of Results

Table 8.3 below shows the total need for social rented accommodation once the effect of turnover has been factored in and shows that the annual requirement has fallen from 178 units to 169 units. It also shows that the level of need differs, in some instances markedly, between wards, housing market areas, property types and bedroom count.

In addition to identified needs the analysis shows a high level of surplus stock. The model assumes that needs are simply netted off against surplus stock and actually masks the true extent of the level of need. For example, the model shows 169 units required, yet the 1 bedroom general needs accommodation is 476 units alone. Some of this need may be able to be met in areas where there is surplus stock, providing it is of a similar type and size. It will not be possible to meet needs using other property types and sizes because of the common allocation policy which governs lettings and benefits restrictions that limit housing costs. In addition to this, our information shows us that people are often unwilling to move from one area of the county borough to another, irrespective of their level of housing need, so in practice it may not be as straight forward to meet identified needs with surplus stock as the model suggests.

There is considerable variance in the need between housing market areas. There is an overall requirement for social housing in two of the four housing market areas and in the other two areas there is a negative need figure, due to surpluses with particular property sizes. As we would expect to see, the need is lowest in the north of the borough and highest in the mid and south.

In the Heads of the Valleys area, there is an overall surplus of housing (-116 units). There is a surplus of accommodation in 6 of the 9 wards that make-up the Heads of the Valleys area. However, the assessment shows that there is a need for certain properties size and types within this area, most notably 1 bedroom general needs accommodation, for which there is a requirement for 67 units. There is also an overall surplus in the Lower Islwyn area (12 units), although, there is a need for 50, 1 bedroom general needs units per annum.

In the Northern Connections Corridor area, where the requirement is highest, 167 units are required and in the Caerphilly Basin area, the requirement is for 130 units.

In terms of property types, the greatest need is for general needs accommodation (315 units), with, as expected, a much lesser requirement for accessible housing (25 units). There is a surplus of older persons housing (-171 units), which we attribute to the changing needs and aspirations of older people, and, to a lesser extent, the type and location of some of the stock. Although, the assessment shows that there is a low requirement for older persons housing in a small number of wards. This is more so for 2-bedroom accommodation than 1 bedroom accommodation.

By far the largest requirement by bedroom size is for 1 bedroom accommodation (475 units), with the highest requirement for general needs accommodation. There is a requirement for 1 bedroom general needs accommodation in all of the 33 wards and in each of the four housing market areas.

The assessment highlighted a clear mismatch between property sizes. The highest requirement is for 1 bedroom accommodation (360 units) and a much smaller requirement for 4 bedroom accommodation (25 units). There is a surplus of 2 and 3 bedroom accommodation, -47 units and -169 units respectively. Although, the assessment shows there to be a small requirement for 2 bedroom general needs accommodation in 16 out of 33 wards and in 10 of the 33 wards for 3 bedroom general need accommodation.

The overwhelming requirement for 1 bedroom general needs accommodation can be attributed to a number of factors. Firstly, the impact of welfare reform and the consequent need for smaller accommodation to facilitate people downsizing into smaller accommodation that is more affordable. Welfare reform has clearly exacerbated the need for smaller accommodation. The 2014 Welsh Government household projections show an increase in the number of smaller household compositions and a decrease in larger compositions. There is a disproportionately low level of 1 bedroom general needs accommodation (approximately 9%) in the existing housing stock to meet both current and future needs. Finally, the provision of new social housing development in the past has not adequately addressed the backlog need for smaller accommodation and may need to be rethought moving forward if the level of need is going to be significantly reduced.

Table 8.3: Social Housing Requirement Inclusive of Turnover by Ward & Housing Market Area, & by Property Type & Bedroom Count

Wards	1 bedroom			2 bedrooms			3 bedrooms			4 bedrooms			5 bedrooms			Total
	AH	GN	SH	AH	GN	SH	AH	GN	SH	AH	GN	SH	AH	GN	SH	
Aberbargoed	0	7	-5	0	0	-3	0	-11	0	0	0	0	0	0	0	-12
Argoed	0	14	0	0	-2	-1	0	-4	0	0	0	0	0	0	0	8
Bargoed	0	7	-1	0	6	1	0	-2	0	0	0	0	0	0	0	11
Darran Valley	0	8	0	0	-1	-1	0	-1	0	0	0	0	0	0	0	5
Gilfach	0	5	-3	0	-19	-7	0	-7	0	0	0	0	0	0	0	-29
Moriah	0	5	-11	0	-16	-8	0	-16	0	0	1	0	0	0	0	-45
New Tredegar	0	19	-10	0	0	-5	0	-18	0	0	1	0	0	0	0	-13
Pontlottyn	0	1	-2	0	-9	0	0	-5	0	0	0	0	0	0	0	-15
Twyn Carno	0	1	-2	0	-12	-4	0	-10	0	0	0	0	0	0	0	-27
Heads of the Valleys	0	67	-33	1	-54	-28	0	-75	0	1	4	0	0	0	0	-116
Blackwood	1	16	-8	1	-8	-3	0	-13	0	1	-1	0	0	0	0	-14
Cefn Fforest	1	15	-2	0	4	0	0	-6	0	1	1	0	0	0	0	13
Crumlin	1	16	-4	0	4	0	0	-7	0	1	1	0	0	0	0	11
Hengoed	-1	10	-1	0	6	0	0	-10	0	0	-1	0	0	0	0	3
Maesycwmmmer	0	19	-2	0	2	-1	0	-2	0	0	0	0	0	-1	0	16
Nelson	-1	8	-4	0	-4	0	0	-6	0	0	1	0	0	0	0	-6
Newbridge	1	14	-3	0	2	-4	0	-2	0	0	0	0	0	0	0	10
Pengam	1	26	2	1	17	0	0	3	0	1	1	0	0	0	0	51
Penmaen	1	13	-4	0	8	1	0	3	0	0	1	0	0	0	0	24
Pontllanfraith	1	25	-12	1	11	-2	0	-8	0	1	1	0	0	0	0	18
St Cattwg	1	16	3	1	-18	-2	0	3	0	1	1	0	0	0	0	5
Ystrad Mynach	0	13	-1	0	12	2	0	7	0	1	1	0	0	0	0	36
Northern Connections Corridor	4	192	-34	6	37	-8	1	-39	0	6	5	0	0	0	0	167

Abercarn	0	1	1	-1	-9	-4	0	-12	0	0	0	0	0	0	0	-22
Crosskeys	-6	14	-5	0	5	-5	0	2	0	0	1	0	0	0	0	5
Risca East	1	13	-2	0	-23	1	0	0	0	0	-3	0	0	0	0	-12
Risca West	0	3	-12	0	1	1	-1	-5	0	0	1	0	0	0	0	-11
Ynysddu	1	18	-4	0	10	2	0	0	0	0	1	0	0	0	0	27
Lower Islwyn	-4	50	-24	0	-15	-6	0	-15	0	1	0	0	0	0	0	-12
Aber Valley	1	20	-2	0	6	-1	0	1	0	1	-1	0	0	0	0	25
Bedwas, Trethomas & Machen	1	25	-4	0	-15	-7	0	-17	0	1	2	0	0	-1	0	-13
Llanbradach	0	11	-2	0	7	-1	0	-2	0	0	0	0	0	0	0	13
Morgan Jones	-1	39	-1	1	6	3	0	2	0	1	1	0	0	0	0	50
Penyrheol	0	36	-11	1	18	-4	-2	-13	0	1	0	0	0	0	0	27
St James	1	3	-4	0	-1	-2	0	-15	0	0	1	0	0	0	0	-15
St Martins	1	32	-2	1	8	0	0	2	0	1	0	0	0	0	0	43
Caerphilly Basin	3	167	-26	4	30	-12	-1	-42	0	4	3	0	0	0	0	130
Caerphilly County Borough	2	476	-118	10	-2	-55	0	-170	1	13	12	0	0	0	0	169

Source: CCBC (LHMA 2018)

Tables 8.4 and 8.5 below provide a breakdown of the annual requirement for low cost home-ownership and intermediate renting. They show a total requirement of 113 units (56 – low cost home-ownership and 57 – intermediate renting). By housing market area the requirement for low cost home-ownership is greatest in the Northern Connections Corridor and for intermediate renting in the Caerphilly Basin. By bedroom count the greatest requirement for both products is for 1 bedroom accommodation.

Table 8.4: Annual Requirement for LCHO by Ward & Housing Market Area & Bedroom Count

Wards	Bed Count					Total
	1	2	3	4	5	
Aberbargoed	0.0	1.4	0.8	0.0	0.0	2.2
Argoed	0.1	0.0	0.8	0.0	0.0	0.9
Bargoed	0.5	0.0	-0.1	0.0	0.0	0.5
Darran Valley	0.0	0.0	0.0	0.0	0.0	0.0
Gilfach	0.0	0.0	0.0	0.0	0.0	0.0
Moriah	0.0	0.0	0.0	0.0	0.0	0.0
New Tredegar	3.7	0.2	-0.4	0.0	-0.2	3.4
Pontlottyn	1.0	0.1	-0.1	0.0	-0.1	0.9
Twyn Carno	0.0	0.0	0.0	0.0	0.0	0.0
Heads of the Valleys	5.3	1.7	1.1	0.1	-0.3	7.8
Blackwood	4.8	2.3	-1.5	0.0	-0.2	5.4
Cefn Fforest	0.8	0.0	0.0	0.0	0.0	0.8
Crumlin	5.2	0.3	-0.5	0.1	-0.3	4.8
Hengoed	0.7	3.0	2.1	0.8	0.0	6.7
Maesycwmmmer	0.0	0.0	0.0	0.0	0.0	0.0
Nelson	4.8	0.1	-0.7	0.0	-0.2	4.0
Newbridge	0.0	0.8	0.0	0.0	0.0	0.8
Pengam	0.0	0.0	0.0	0.8	0.0	0.8
Penmaen	0.4	0.8	0.0	0.0	0.0	1.2
Pontllanfraith	0.7	0.8	-0.1	0.8	0.0	2.2
St Cattwg	1.5	0.1	-0.2	0.0	-0.1	1.3
Ystrad Mynach	0.0	0.0	0.0	0.0	0.0	0.0
Northern Connections Corridor	18.9	8.3	-0.9	2.6	-0.9	28.0
Abercarn	4.4	1.7	-0.5	0.0	-0.2	5.4
Crosskeys	1.9	0.1	-0.2	0.8	-0.1	2.5
Risca East	0.0	0.8	0.0	0.0	0.0	0.8
Risca West	0.0	0.8	0.0	0.0	0.0	0.8
Ynysddu	0.7	0.0	0.7	0.0	0.0	1.4
Lower Islwyn	7.0	3.4	0.1	0.9	-0.4	11.0
Aber Valley	1.9	1.3	0.2	0.0	-0.1	3.4
Bedwas, Trethomas & Machen	-1.0	0.2	-1.0	0.0	0.0	-1.8
Llanbradach	0.0	-1.6	-1.6	0.0	0.0	-3.2
Morgan Jones	4.5	2.5	0.9	0.8	-0.2	8.5
Penyrheol	1.1	0.9	-0.1	0.0	-0.1	1.8
St James	0.0	0.0	0.8	0.0	0.0	0.8
St Martins	0.0	0.0	0.0	0.0	0.0	0.0
Caerphilly Basin	6.6	3.2	-0.8	0.9	-0.4	9.5
Caerphilly County Borough	37.8	16.6	-0.5	4.4	-1.9	56.3

Source: CCBC (LHMA 2018)

Table 8.5: Annual Requirement for Intermediate Rent by Ward & Housing Market Area & Bedroom Count

Wards	Bed Count					Total
	1	2	3	4	5	
Aberbargoed	0.0	0.0	0.0	0.0	0.0	0.0
Argoed	0.0	0.0	0.0	0.0	0.0	0.0
Bargoed	0.0	0.0	0.0	0.0	0.0	0.0
Darran Valley	0.0	0.0	0.0	0.0	0.0	0.0
Gilfach	0.0	0.0	0.0	0.0	0.0	0.0
Moriah	0.0	0.0	0.0	0.0	0.0	0.0
New Tredegar	1.9	0.1	-0.2	0.0	-0.1	1.7
Pontlottyn	0.0	0.0	0.0	0.0	0.0	0.0
Twyn Carno	0.0	0.0	0.0	0.0	0.0	0.0
Heads of the Valleys	1.9	0.1	-0.2	0.0	-0.1	1.7
Blackwood	1.8	1.5	2.0	0.0	-0.1	5.2
Cefn Fforest	0.0	0.0	0.0	0.0	0.0	0.0
Crumlin	0.0	0.0	0.0	0.0	0.0	0.0
Hengoed	0.3	0.0	0.0	0.0	0.0	0.2
Maesycwmmer	9.7	0.6	-1.0	0.1	-0.5	8.9
Nelson	4.2	-0.8	-0.6	0.0	-0.2	2.7
Newbridge	0.0	0.8	0.8	0.0	0.0	1.6
Pengam	0.0	0.0	0.0	0.0	0.0	0.0
Penmaen	0.1	0.8	0.0	0.0	0.0	0.9
Pontllanfraith	0.2	2.2	0.0	0.0	0.0	2.4
St Cattwg	0.7	0.0	-0.1	0.0	0.0	0.6
Ystrad Mynach	0.0	0.0	0.0	0.0	0.0	0.0
Northern Connections Corridor	17.0	5.2	1.0	0.2	-0.9	22.6
Abercarn	0.5	0.4	0.7	0.0	0.0	1.7
Crosskeys	0.6	0.0	-0.1	0.0	0.0	0.5
Risca East	0.0	0.8	0.0	0.0	0.0	0.8
Risca West	0.0	0.0	0.0	0.0	0.0	0.0
Ynysddu	0.3	0.8	0.8	0.0	0.0	1.9
Lower Islwyn	1.4	2.1	1.5	0.0	-0.1	4.9
Aber Valley	0.0	-1.0	-1.0	0.0	0.0	-2.0
Bedwas, Trethomas & Machen	12.0	5.1	-0.4	0.1	-0.6	16.2
Llanbradach	0.0	0.0	0.0	0.0	0.0	0.0
Morgan Jones	4.7	3.3	-0.5	0.0	-0.2	7.3
Penyrheol	1.9	0.9	-0.2	0.0	-0.1	2.5
St James	0.0	2.2	0.0	0.8	0.0	3.0
St Martins	2.1	-0.1	-1.2	0.0	-0.1	0.7
Caerphilly Basin	20.7	10.4	-3.3	1.0	-1.0	27.7
Caerphilly County Borough	41.0	17.8	-1.0	1.2	-2.1	56.9

Source: CCBC (LHMA 2018)

9. Conclusion

9.1 Introduction

This assessment of the housing market in Caerphilly county borough has been produced in accordance with guidance issued by Welsh Government and the Welsh Local Government Association. It covers the period April 2018 to March 2020.

This assessment forms an important part of the Council's evidence base for preparing the local development plans and local housing strategies. It also informs the production of the Council's programme development plans (affordable housing grant funding) and aids negotiations with house builders on the formation of Section 106 agreements.

The key findings of the assessment are summarised in the sub-sections below.

9.2 Housing Market Trends

- The average entry-level house price in the county borough is £103,006 (Dec 2017), although, there is a wide range between entry-level prices in the county borough. The highest price by ward is St Martins (£191,917) and the lowest price is Moriah (£51,000). The income required for a 95% mortgage, using a loan-to-income ratio of 3.5 ranges from £52,092 to £13,843.
- Land Registry data shows that the average house price in the county borough for all property types from January 2017 to December 2017 has risen from £118,932 to £127,228, an increase of 6.98%. The average house purchase price for first-time buyers was £114,532 (Dec 2017) and for former owner-occupiers was £145,021 (Dec 2017).
- There is a clear divide between houses prices in the south and mid parts of the county borough and the north, where demand for housing and new house building is typically lower. This in part can be attributed to the type of housing in the mid and south areas and their proximity to the Cardiff and Newport housing market areas. The local housing survey (CCBC, 2013) found a correlation between areas with higher household earnings and areas with higher house prices.
- Median private sector rents in the county borough average at £123 per week for a 2 bedroom property and £126 for a 3 bedroom property (Dec 2017). The highest private sector rents by ward for 2 bedroom properties are in St Martins (£132) and the lowest in Moriah and Argoed (£91).
- Between the Census of 2001 and 2011 the size of the private rented sector in the county borough has more than doubled in size from 5% of the total housing stock to 10.7% (7,995 households). If trends continue the size of the stock is expected to be larger than the social housing stock.

- An analysis of rental values showed that due to Welsh Government criteria intermediate renting was not practicable in 29 out of 33 wards for 2 bedroom accommodation and in 24 wards for 3 bedroom accommodation.
- Welfare reform is having an impact on demand in the social and private rented sectors as those people affected look to move into smaller properties to reduce their housing costs.
- As more welfare benefit changes are introduced we expect to see the numbers of people downsizing from family sized accommodation to increase. This change is likely to result in an increase in the requirement for smaller accommodation and decrease the requirement for larger family accommodation.

9.3 Household Preferences

The local housing survey (CCBC, 2013) provides a useful insight into the needs and aspirations of residents throughout the county borough (see Appendix 1). Analysis of the survey showed:

- A significant number of respondents lived in single person households across all tenures (24.1%). The majority of these households were found to be living in accommodation larger than would be required to satisfy their need. 3 bedroom dwellings are the most popular housing type for single people. This is likely to be due to a combination of personal preference to live in larger dwellings and a lack of suitable smaller properties across the county borough.
- We are unable to determine the full extent of overcrowding from this analysis. Although, there is limited evidence of overcrowding with large households living in properties that are significantly smaller than would be needed.
- The majority of moves within the county borough are made by people already living in the county borough. The most popular reason for moving was to be near a relative, move to a better environment or to get onto the property ladder.
- In terms of future moving intentions, 25% of respondents expected to move within the next 5 years. Whilst respondents were asked about their intentions, we expect that these figures may include some households who may not be able to afford to move.
- There are significant differences in the number of bedrooms people would 'like' compared to the number of bedrooms they actually 'need'. The majority of households would like to have more bedrooms than they currently have, which in many instances is aspirational, but some of these households actually need more bedrooms.

- Housing costs per week are notably lower in the Heads of the Valleys than other areas and higher in Caerphilly Basin and the Northern Connections Corridor, which reflects the higher house prices within these areas.
- The majority of newly forming households expect to buy their own home (41.9%), with a further 34% expecting to rent privately. The remainder, therefore, would require social housing.
- Those currently living in Caerphilly Basin and Lower Islwyn are more likely to move out of Wales than those in other areas. As most people who are likely to move have been identified as the children of the household respondent, they may be looking to move out of the county borough for jobs or education elsewhere.

9.4 Total Annual Need for Affordable Housing

This assessment identified a total need of affordable housing of 282 units per annum over 5 years (inclusive of turnover for social rented units). This is broken down into:

- 169 social rented units (see section 8.6); and
- 113 units for intermediate products (56 low cost home-ownership and 57 intermediate rent).

The 169 social rented units comprises of:

- a shortfall of 25 units of accessible housing;
- a shortfall of 315 units of general needs accommodation; and
- a surplus of 171 units of older person's accommodation.

The 2015 local housing market assessment identified a total net need of affordable housing of 526 units per annum, a difference of 244 units per annum from this assessment. The data suggests there is not one solitary reason for this reduction in the requirement between the two assessments but instead a number of inter-related factors, which include:

- A reduction in the number of people requiring social housing, which could be attributed to the development of the common housing register and the creation of a single waiting list, which removed duplicate applications and due to a significant number of households not re-registering when required to, who were consequently not included on the list;
- A reduction in the number of people found to be homeless after investigation and/or intervention, which could be attributed to the change in homelessness legislation and an enhancement of the homelessness prevention service being provided by the Council;
- A decrease in the projected number of newly forming households in the next 5 years, reflecting differences between Welsh Government household projections for 2011 and 2014;

- An increase in the average number of lettings being made by social landlords each year, which may be affected by people's ability to afford their housing costs;
- A projected increase in the provision of new, affordable housing being developed by housing associations as a direct result of increased funding being made available by Welsh Government and an increased number of units being secured through Section 106 agreements; and
- An increase in the turnover rate of social rented properties, as properties are re-let more frequently.

Excluding any surpluses of accommodation, as discussed in section 8.6, the highest identified need in this assessment is for social rented accommodation (59.9% of the total annual need for affordable housing), with a smaller requirement for intermediate products (40.1% - 19.9% low cost home-ownership and 20.2% intermediate renting).

Breaking social rented accommodation down by type, the greatest need is for general needs accommodation (186.4%), with a smaller requirement for accessible accommodation (14.8%). There is a surplus of older person's accommodation.

In terms of property sizes, by far the greatest need is for one bedroom accommodation (212.8% of the total social housing need), which can be attributed to a range of factors (as outlined in the preceding sections). The need for 1 bedroom general needs accommodation far out weights the need for other types and sizes of accommodation. For instance, the requirement for 1 bedroom general needs accommodation is 6.9 times greater than the total need for low cost home-ownership properties and 7.3 times greater than the total need for intermediate renting.

9.5 Intermediate Renting

This assessment identified an annual requirement for 57 intermediate rental units. However, a subsequent analysis of rental prices in the county borough of 2 and 3 bedroom properties (see table 4.5) showed the requirement for intermediate rents to be extremely limited due to the structure of the rental market. Adopting Welsh Government policy, intermediate rents should be set at 80% of private sector housing rents and below Local Housing Allowance rates. The analysis found that in the majority of wards, intermediate rents were found to be below benchmark rents (housing association rents) or above Local Housing Allowance rates. So unless there is a change in Welsh Government policy, those people whose needs the Council has identified could be met through intermediate renting would need to have their needs met through either social or private sector renting, depending on their preferences and the availability of suitable accommodation.

9.6 Older Persons' Accommodation

For the purpose of the local housing survey (CCBC, 2013), we have termed 'older person' as someone who is 65 years or older, to provide easy analysis with national data sets. It is recognised that there is an ageing population within the county

borough and, with people living longer on average, this age group is diverse, both in terms of housing needs and aspirations.

The 2014-based local authority population projections for Wales (WG, 2014) show that from 2017-22 the older person population will grow by 8.8%. In comparison the population aged 16-64 will contract by 1.6%.

Overall, 27% of households that responded contained one or more older people. Of these households, 34% of older people lived alone, 52.5% lived in a couple household. The remainder lived with one or more other relatives, predominantly their children.

Under-occupancy of dwellings by older people was evident from the survey. 23% of households have 1 bedroom more than they need and a further 68% have two or more bedrooms than are needed based on their household type. The size of housing is a matter of preference, with many households wishing to remain in family homes that they may have lived in for significant periods of time. People of pensionable age are also exempt from the social size criteria and, therefore, are not penalised financially for living in a social rented property that is too big for their needs.

60% of older people wanted to live in general housing. 13.3% wanted to live in older persons housing (with/without a warden). There is a small demand for smaller properties, specifically bungalows, and purpose built accommodation, which would help diversify the range of available accommodation.

Welsh Government data shows (WG, 2014) that the number of older people living in the county borough is projected to increase significantly. However, much of the older person's housing stock in the county borough suffers from low demand and this assessment found there only to be small pockets of need scattered throughout the county borough. Reasons for low demand could be that older people are looking at other options to meet their needs including remaining in the family home. The location, type, design and physical condition of the older person's accommodation could also be a determining factor of low demand. Over provision in certain areas may also be a contributory factor. Further research may be required to fully understand the moving intentions and changing aspirations of older people to identify the types of provision they may require in the future.

9.7 Social Rented Accessible Accommodation

It is not always possible to take a long-term view of the need for accessible housing as this will often be determined by the sudden onset of an illness or a disability. The Council maintains lists of people requiring adaptations or accessible accommodation. The list for accessible accommodation is integrated into the common housing register, rather than being a standalone list.

An exercise is currently underway to assess the accessibility of all the social housing stock in the borough. This information will be utilised in future housing market assessment to help improve the assessment of the need for accessible

accommodation. As a consequence of this exercise the need for social rented accessible accommodation may change.

The Council works closely with housing associations to develop purpose built accessible properties for those people whose needs cannot be met through the existing housing stock. Adaptations are also carried out to existing properties to help the resident maintain their independence in their home. Adaptations to existing social rented properties are carried out by the landlords through the different funding regimes.

The assessment shows that the current demand for accessible accommodation is low at around 25 units per annum (8.9% of the affordable housing requirement).

9.8 Key Policy Considerations

Home-ownership

1. In recent years, much of the development of homes from large and medium scale private sector builders has been centred on the south and middle parts of the county borough. There has been a distinct lack of development in the north of the county borough, providing little or no opportunity for people living in these areas to access new private sector homes within their existing communities.
2. The absence of a 5 year land supply for new housing building, as required by Planning Policy Wales (Edition 9) (WG, 2016), could see house prices rise, making them unaffordable for many people wanting to buy their own home.

Low cost home-ownership & intermediate renting

3. A small number of people were assessed as being able to afford intermediate renting. However, an analysis of the structure of the rental market found that the model did not work in many wards. The criteria used by Welsh Government to set intermediate rent levels will need to be change if it is going to be used universally.
4. There are an increasing number of Welsh Government funded schemes aimed at promoting low cost homeownership. These include shared equity, shared ownership and Rent to Own. Analysis may need to be undertaken to ensure that households are accessing the right solutions to address their housing need.

Private rented sector

5. The size of the sector has doubled between the last two Censuses' and is expected to continue to grow. Standards of management and the quality of the accommodation are improving in the sector and many people are now seeing this as a viable option to meet their housing needs. Affordability and supply remain an issue and work needs to continue with landlords in the sector to address these issues. Increasing supply in the sector could help offset some of the need for social rented accommodation.

Social rented sector

6. It is recognised that there are variations in the levels of need between wards within the same market area, which is, in part, influenced by the level of social housing stock within each ward. When considering new development opportunities it may be appropriate to consider meeting needs on a market area basis rather than a ward basis, which are an arbitrary construct. Any such policy would need to carefully take into consideration the preferences of those seeking housing.
7. Abolition of the Right to Buy and Right to Acquire will have a positive effect on retaining housing for those unable to afford other options. However, it will have a negative impact on those households wanting to buy their own homes. The demand for intermediate products may increase as a direct result of the change in legislation.
8. A large surplus of stock and high levels of housing need highlight a clear mismatch between availability and need. It may be appropriate in some instances, for example chronic low demand, to consider converting larger family accommodation into small units, i.e. 1 bedroom accommodation.

Older person's accommodation.

9. Demographic trends show that on average people are living longer and that the size of the older person population is growing. However, some of the accommodation for older people provided throughout the county borough is of low demand and more analysis may be required to find out the reasons for this. In addition, research may be required to ascertain the aspirations of older people and how this may influence housing that is provided for them in the future, whether that be in the social or private sector.
10. Consideration may need to be given to the decommissioning of sheltered housing schemes which experience low demand due to location, condition, design etc.

Affordable housing delivery

11. There is a chronic shortage of one bedroom general needs accommodation throughout the county borough and it is no coincidence that by far the greatest need identified through the affordable housing assessment is for 1 bedroom general needs accommodation. If this need is to be adequately addressed then priority should be given in the Council's affordable housing development programme and through the planning system to sufficiently increasing the delivery of one bedroom accommodation. Realistic options will need to be developed with key stakeholders to ensure that that this need is addressed in a way which promotes balanced and sustainability communities, including the location, scale, density and design of such properties.
12. It is recognised that there are variations in the level of housing need between wards within the same market area. In part this has been influenced by the type, size and level of social housing within each ward. When considering new

development opportunities it may, therefore, be appropriate, where supported by comprehensive and robust evidence, including the preferences of those seeking housing, to consider addressing identified needs on a market area basis rather than a ward basis.

9.9 Disclaimer

This assessment has been produced to provide an insight into housing need and demand throughout the county borough. It will be used to plan housing services and new build programmes. It also provides an evidence base to underpin key housing and planning related strategies produced by the Council.

In December 2016, the Council introduced a common housing register and, as part of this process, a single list of applicants was created. The Council anticipates, in the medium to long term, that the creation of the single list will help to improve the level and quality of information held on people's housing circumstances, which the Council requires to prepare future assessments of the housing market.

The assessment will be updated every two years in accordance with the guidance issued by Welsh Government and the Welsh Local Government Association (2006 & 2014). This will ensure that the Council maintains an up-to-date understanding of the changing characteristics of the housing market and is able to plan accordingly to meet identified needs.

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Appendix 1 Local Housing Survey

1.1 Introduction

The Local Housing Market Assessment Guide (WG, 2006) identifies that a local housing survey can be undertaken to inform this assessment where secondary data is not available or is not fit for purpose.

The step-by-step guide, *Getting Started With Your LHMA* (WLGA & WG, 2012, page 30) recognises that a local housing survey will “*allow you to collect more quantitative information on housing need, demand and aspiration and facilitate a broader analysis of the local housing market.*” It acknowledges that the survey data collected will not alter or replace the housing need calculations, but can be seen as supplementary and contextual and will be particularly important in identifying the needs of specific groups.

As part of the process for developing the 2015 local housing market assessment, a local housing survey was conducted and information on the approach adopted and an analysis of the results is provided in the following paragraphs.

1.2 Methodology

In order to maximise response rates, the Council adopted a multi-faceted approach to advertising the local housing survey through the hosting, on its website, of a bilingual online survey for a period of one month in October 2013. As a means of encouraging participation, a £200 prize was offered to a randomly selected participant.

Links to the online survey were advertised in the following ways:

- A targeted email was sent to 23,000 Smartcard users (those with leisure centre and/or library membership) who lived within the county borough;
- Publicity on the Council’s website on the consultation page, homepage, housing page and intranet;
- Targeted emails to all Council staff living in the county borough;
- References on the Council’s social media sites (Facebook and Twitter); and
- Posters advertising the survey were placed in libraries, medical centres and Council offices across the county borough.

Paper questionnaires that mirrored the online survey questions were also distributed to a random sample of 10% of the households within the county borough (7,750 households). A pre-paid envelope was provided to all households selected, but respondents were also encouraged to complete the survey online where possible. Paper copies were also available from all Council offices and libraries and by telephone request. This included Welsh language questionnaires sent to those on the Council’s Welsh speaking database through Menter Iaith.

1.3 Profile of Respondents

Response rates

Overall, 2,216 responses were received, but only 2,183 of these provided valid locational details to allow the Council to undertake analysis. 62% of the responses were received on paper and 38% were completed online.

Table 1.1 shows the current market area that each of the respondents currently resided within. It is clear from the table that the percentage of responses received in each market area was broadly representative of the proportion of households that lived within that area.

Table 1.1: Responses by Housing Market Area

Market Area	Number of responses	% of responses	Census population % in market area
Heads of the Valleys (HOV)	332	15.2%	17.4%
Northern Connections Corridor (NCC)	905	41.5%	37.9%
Lower Islwyn (LI)	299	13.7%	13.6%
Caerphilly Basin (CB)	647	29.6%	31.3%
Total	2,183	100%	100%

Source: CCBC 2013

Overall, there were more female respondents to the survey (62.4%) than male (37.6%), but as they were responding on behalf of their household rather than as individuals, it is unlikely to skew the results of the analysis.

98.9% of those who responded were of a white ethnic group, which reflects the proportion of those in the 'white' ethnic group in the 2011 Census (98.4%). Responses from other ethnic groups also reflected the 2011 Census proportions.

Responses showed that a very small percentage of surveys were completed by those aged 25 and under (3.8%), even though this particular age group represents 32.2% of the total population of the county borough. The rest of the surveys were completed by those aged 26 and over. Presumably, the head of the household completed the survey on behalf of the other household members and those aged 25 and under were generally not head of household when they lived in the family home.

The majority of surveys were completed by those aged between 26-75 years of age (88.4%). This is higher than the percentage of 26-75 year olds within the total population of the county borough (61.5%).

A very small number of surveys were completed by residents' aged 76+ (7.9%). This is representative of the equivalent group of 76+ year olds within the total population of the county borough (6.5%).

Average Household Size

The survey identified that the average household size of respondents was 2.4 persons overall. This varied marginally across the market areas with an average household size of 2.5 in the Northern Connections Corridor and Caerphilly Basin and 2.3 in Lower Islwyn and Heads of the Valleys. This is in line with the 2011 Census average household size for each market area.

The survey response identified that a significant number of respondents lived in single person households, ranging from 20.1% to 28.1% across the market areas. The highest proportion of respondent households living alone was in the areas where house prices are generally lower (Heads of the Valleys and Lower Islwyn). This may mean that people who may otherwise be living as part of a larger household (e.g. children continuing to live with parents after finishing education) have been able to afford to move into their own households. The single person respondents to the survey are generally higher than the 2011 Census proportions of single person of households (between 13% and 17%).

Accommodation Type

Table 1.2 sets out sets out the responses for each market area by the type of accommodation they live in. The survey highlighted that terraced housing was the most common type of accommodation of those responding within Heads of the Valleys (55.8%) and Lower Islwyn (47.1%) and this is generally reflective of type of stock available in this area, as identified in the 2011 Census. In the Northern Connections Corridor and Caerphilly Basin, the highest proportion of respondents live in semi-detached housing (39% and 34.9% respectively), which is the most common housing type in the 2011 Census (46.6% of all stock in Heads of the Valleys and 41.2% of stock in Caerphilly Basin). The respondents are, therefore, generally representative of the residents living in the different accommodation types in the county borough.

Table 1.2: Accommodation Type of Respondents by Housing Market Area

Accommodation type	HOV		NCC		LI		CB	
	No.	%	No.	%	No.	%	No.	%
Detached house	34	10.3	202	22.4	20	6.7	130	20.3
Semi-detached house	67	20.3	352	39.0	105	35.4	224	34.9
Terraced (including end-terrace)	184	55.8	219	24.3	149	47.1	188	29.3
Bungalow	19	5.8	93	10.3	9	3.0	60	9.4
A flat, maisonette, or apartment	25	7.6	36	4.0	23	7.7	38	5.9
A caravan or other mobile or temporary structure	1	0.3	0	0	0	0	1	0.2

Source: CCBC 2013

Tenure

The majority of respondents in all market areas currently own their own homes (with or without a mortgage or loan). The proportion of respondents in all areas is slightly higher than the 2011 Census indicates. Owner occupation is lowest in the Heads of the Valleys (69.8% of respondents to the survey compared with 62.9% in the Census) and highest in the Northern Connections Corridor (80.2% compared with 72.2% in the census). Survey respondents renting from the Council or housing association is highest in the Heads of the Valleys. This is not surprising as this area has the highest proportion of social housing stock. Three respondents in the Heads of the Valleys and one in Lower Islwyn live in accommodation that is tied or linked to a job.

Table 1.3: Tenure of Respondents by Housing Market Area

Accommodation type	HOV		NCC		LI		CB	
	No.	%	No.	%	No.	%	No.	%
Owner occupied	231	69.8	723	80.2	220	73.8	512	80.1
Rent from the Council	58	17.5	81	9	34	11.4	61	9.5
Rent from a Housing Association	15	4.5	26	2.9	9	3	23	3.6
Shared Ownership (owned in partnership with a housing association)	2	0.6	3	0.3	1	0.3	5	0.8
Low Cost Home Ownership	0	0	0	0	0	0	0	0
Rent from a private landlord or letting agency	21	6.3	63	7	31	10.4	30	4.7
Rent from a relative or friend of a household member	1	0.3	6	0.7	2	0.7	8	1.3
Tied or linked to a job	3	0.9	0	0	1	0.3	0	0
Totals	331	100	902	100	298	100	639	100

Source: CCBC, 2013

Houses in multiple occupation

Overall, only 1.5% of households identified that they lived within a house of multiple occupation (i.e. a shared house rented to at least 3 people who are not from one household).

Housing Register

154 households (7.2%) identified that they were either on the Council's or a housing associations' housing register.

Responses by household size and property size for each market area (all tenures)

A breakdown of responses by household type and the number of bedrooms within the dwelling has been carried out for each market area. The analysis indicates that the majority of single person households are living in houses that have more bedrooms than they would be required to satisfy their need. Across all market areas, 3 bedroom dwellings are the most popular housing type for single people. This is likely to be due to a combination of personal preference to live in larger dwellings and a lack of suitable smaller properties across the county borough.

In the Heads of the Valleys market area, there are a slightly higher proportion of single person households living in one-bedroom dwellings. This may be due to the higher proportion of social tenants in this area, who are more likely to live in dwellings suitable for their needs, and the greater availability of smaller housing types, particularly one bedroom flats in this part of the county borough.

For other household sizes (2 person and above), three bedroom properties are the most popular. This trend is in line with the large supply of three bedroom properties throughout the county borough. As expected, there is an increase in the proportion of households living in larger dwellings as the household size increases.

Overall, in this analysis there is only limited evidence of overcrowding with large households living in properties that are significantly smaller than would be needed, although, this would be dependent upon the composition of the household. For example, a 4 person household comprising a couple and two young children may require fewer bedrooms than a 4 person household comprising a single parent and three adult children. We are unable to determine the full extent of overcrowding from this analysis, although this is explored later in this section. One 6+ person household living within a 2 bedroom property in Caerphilly Basin is the most extreme example of overcrowding.

Table 1.4: Responses by Household Size, Property Size & Housing Market Area

Household Size	Bedroom Count	HOV %	NCC %	LI %	CB%
1 Person	1	20.4%	12.7%	18.1%	12.9%
	2	30.1%	29.8%	24.1%	33.3%
	3	39.8%	49.7%	55.4%	48.3%
	4	8.6%	7.7%	2.4%	5.4%
	5 +	1.1%	0.0%	0.0%	0.0%
2 Person	1	2.6%	3.0%	3.7%	3.0%
	2	28.9%	20.8%	32.4%	20.9%
	3	59.6%	61.5%	57.4%	54.0%
	4	8.8%	14.2%	5.6%	21.3%
	5 +	0.0%	0.5%	0.9%	0.9%
3 Person	1	0.0%	0.0%	0.0%	0.0%
	2	16.4%	10.3%	16.0%	12.3%
	3	76.4%	67.9%	66.0%	65.6%
	4	7.3%	19.2%	12.0%	18.0%
	5 +	0.0%	2.6%	6.0%	4.1%
4 Person	1	0.0%	0.0%	0.0%	0.0%
	2	13.1%	4.1%	4.7%	1.0%
	3	72.1%	59.5%	81.4%	66.0%
	4	11.5%	32.4%	14.0%	30.0%
	5 +	3.3%	4.1%	0.0%	3.0%
5 Person	1	0.0%	0.0%	0.0%	0.0%
	2	0.0%	9.8%	0.0%	0.0%
	3	100.0%	58.5%	70.0%	60.0%
	4	0.0%	24.4%	30.0%	33.3%
	5 +	0.0%	7.3%	0.0%	6.7%
6 Person+	1	0.0%	0.0%	0.0%	0.0%
	2	0.0%	0.0%	0.0%	11.1%
	3	50.0%	42.9%	33.3%	22.2%
	4	0.0%	14.3%	66.7%	44.4%
	5 +	50.0%	42.9%	0.0%	22.2%

Source: CCBC, 2013

Responses by household size and property size by tenure

In analysing property size by the size of household occupying it, consideration should also be given to the tenure of respondents to determine whether there are notable differences between the tenures. For the purposes of analysis, the tenures have been categorised as follows:

- Owner occupied includes those who own outright or with a mortgage or loan;
- Social rented includes those renting from the Council or a housing association, including shared ownership properties; and
- Private rented – renting from private landlords, friends or family, or tied or linked to a job.

As shown in Table 1.5 and Figure 1.1, single person households and two person households in the owner occupied sector generally live in larger dwellings than those who are renting either privately or in the social sector. This is due to the element of choice that those in this tenure have to allow them to decide what property they live in to meet demand, rather than need. Social rented tenants, however, largely have their accommodation size determined by set criteria on housing need, although it is recognised that there may be changes in occupancy once a tenancy commences. In the private rented sector, this is determined by the local housing allowance.

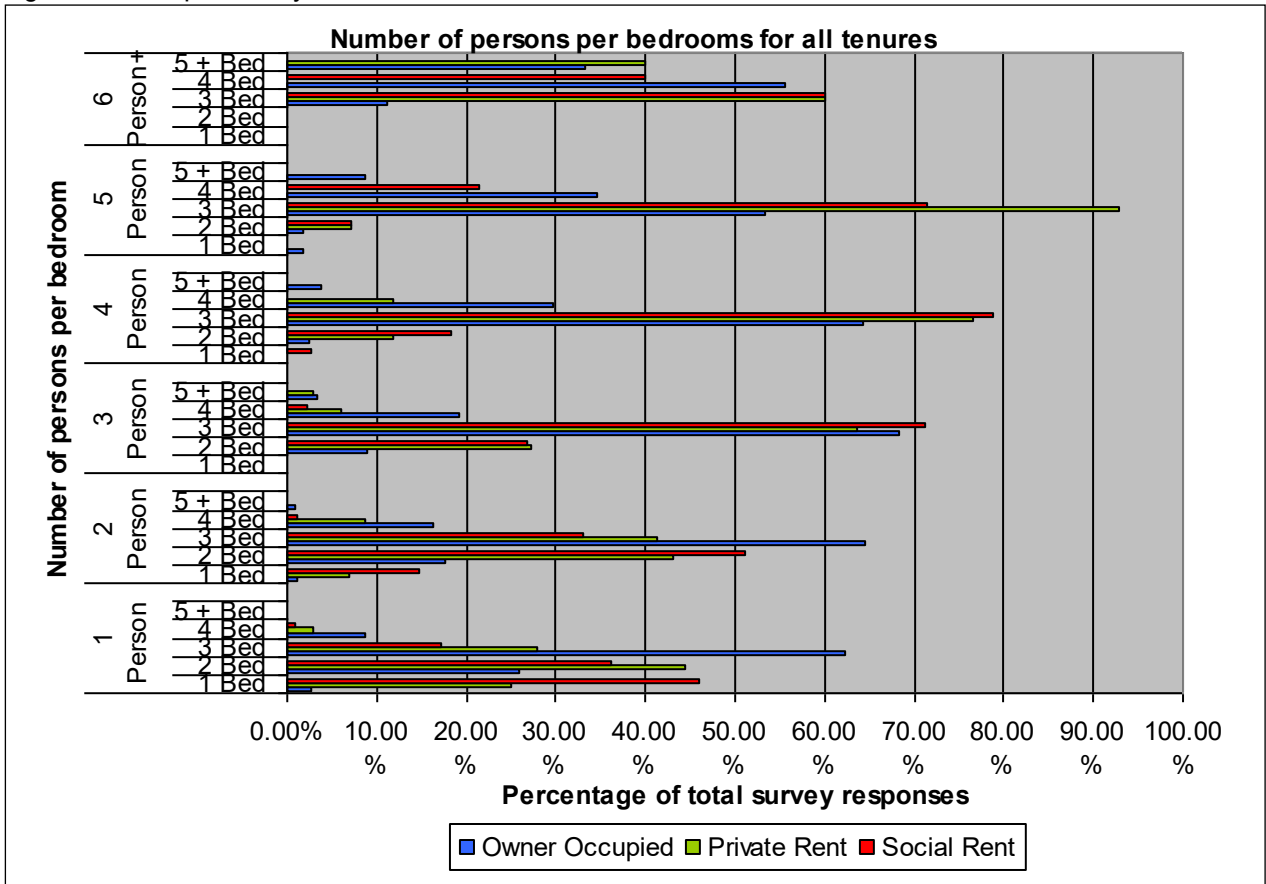
This pattern is the same for larger household sizes, with those households living in owner occupied properties having a greater proportion of people living in larger houses than those renting.

Table 1.5: Responses by Household Size & Tenure

Household Size	Bedroom Count	Owner Occupied	Private Rent	Social Rent
1 Person	1	2.7%	25.0%	45.9%
	2	26.0%	44.4%	36.1%
	3	62.2%	27.8%	17.2%
	4	8.8%	2.8%	0.8%
	5 +	0.3%	0.0%	0.0%
2 Person	1	1.1%	6.9%	14.8%
	2	17.6%	43.1%	51.1%
	3	64.4%	41.4%	33.0%
	4	16.2%	8.6%	1.1%
	5 +	0.8%	0.0%	0.0%
3 Person	1	0.3%	0.0%	0.0%
	2	8.9%	27.3%	26.7%
	3	68.4%	63.6%	71.1%
	4	19.1%	6.1%	2.2%
	5 +	3.3%	3.0%	0.0%
4 Person	1	0.0%	0.0%	2.6%
	2	2.4%	11.8%	18.4%
	3	64.2%	76.5%	78.9%
	4	29.7%	11.8%	0.0%
	5 +	3.7%	0.0%	0.0%
5 Person	1	1.7%	0.0%	0.0%
	2	1.7%	7.1%	7.1%
	3	53.4%	92.9%	71.4%
	4	34.5%	0.0%	21.4%
	5 +	8.6%	0.0%	0.0%
6 Person+	1	0.0%	0.0%	0.0%
	2	0.0%	0.0%	0.0%
	3	11.1%	60.0%	60.0%
	4	55.6%	0.0%	40.0%
	5 +	33.3%	40.0%	0.0%

Source: CCBC, 2013

Figure 1.1: Responses by Household Size & Tenure

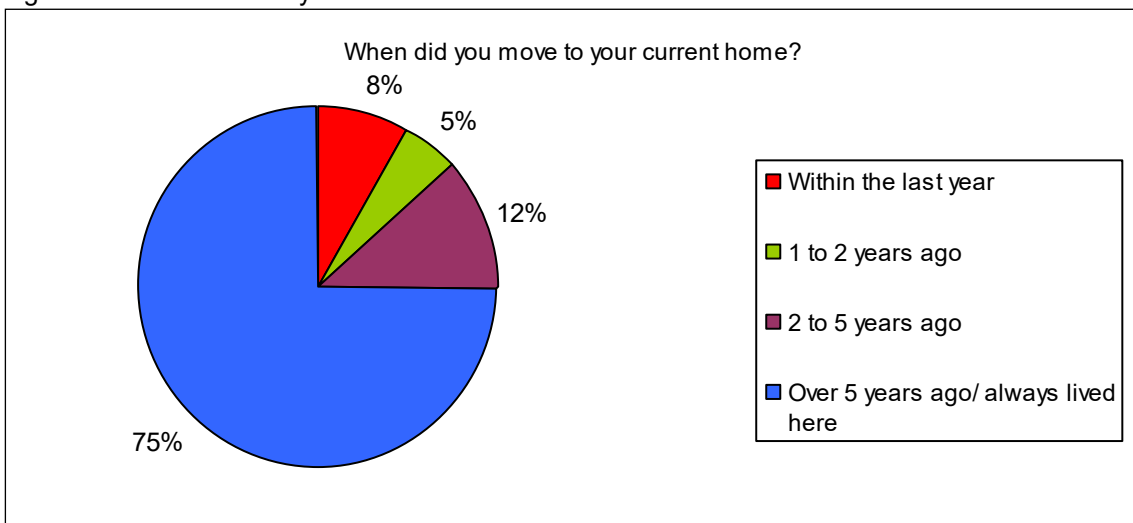


Source: CCBC, 2013

Past moves

Survey respondents were asked when they moved to their current home. As shown in Figure 1.2, nearly three quarters of respondents (74.8%) have lived in their current address for 5 or more years, 11.8% have lived there for 2-5 years, 5.2% have lived between 1 and 2 years and a further 8.2% have moved within the last year.

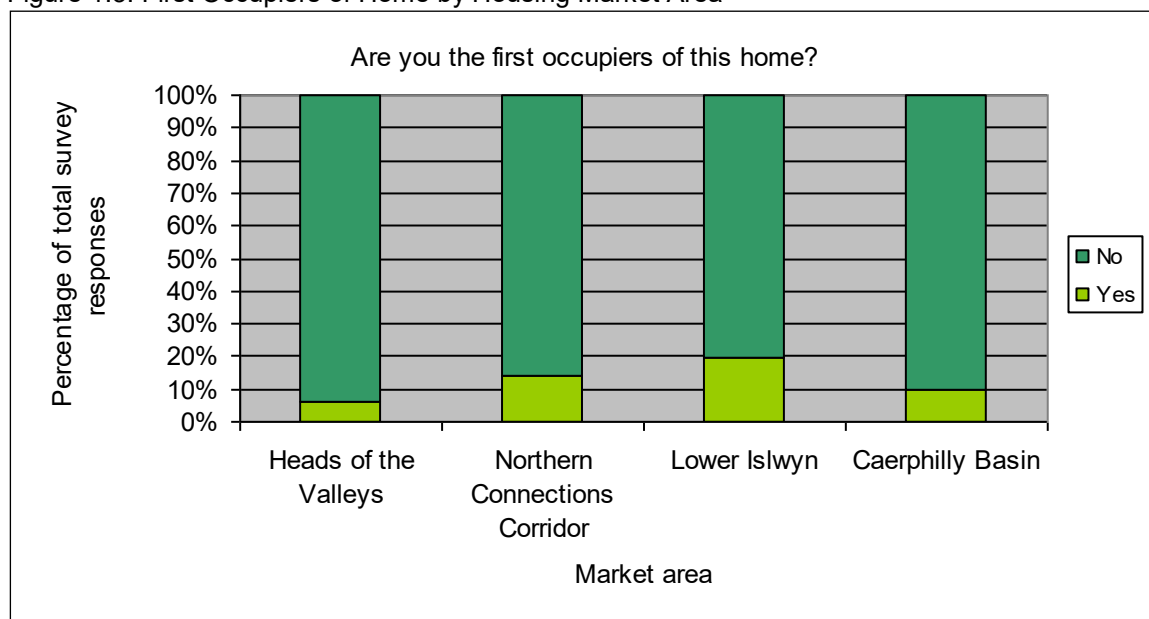
Figure 1.2: Past Moves by Timescale



Source: CCBC, 2013

Of those that have moved in the last 5 years, the majority moved within the second hand market. However, there are market area differences in the number of households who have bought or moved into a new build dwelling. In the Heads of the Valleys, only 6.1% of respondents were first occupiers, which is due to the relatively low level of new build dwellings constructed in this part of the county borough in the last five year due to viability issues. First occupation is highest in Lower Islwyn and NCC, which is reflective of the significant house building in parts of these areas recently on sites such as Coed Celyn in Lower Islwyn and Cwm Calon and Pennar Heights in the Northern Connections Corridor.

Figure 1.3: First Occupiers of Home by Housing Market Area



Source: CCBC, 2013

Most people that have moved in the last 5 years have moved from somewhere within the county borough, although there are variations across the market areas. The highest numbers of people moving locally have been in the Heads of the Valleys and Northern Connections Corridor at 77.1% and 81.8% respectively. In Lower Islwyn and Caerphilly Basin the amount of people moving locally has been lower (63% in Lower Islwyn and 68% in Caerphilly Basin), but these areas have higher proportions of people moving from neighbouring authorities. This may be due in part of the proximity of Lower Islwyn and Caerphilly Basin to Newport and Cardiff respectively and the fact that people may have chosen to move into Caerphilly from these neighbouring authorities for factors such as cheaper house prices.

Table 1.6: Previous Home Location by Housing Market Area

	HOV %	NCC %	LI %	CB %
In Caerphilly county borough	77.1%	81.8%	63.0%	68.1%
In a neighbouring local authority	8.6%	12.3%	24.7%	21.7%
Elsewhere in the UK/Abroad	14.3%	5.9%	12.3%	10.1%

Source: CCBC, 2013

As shown in Figure 1.4, the reasons for respondents moving to their current home does not vary significantly amongst households in the different market areas. The survey identified that proximity to family and friends (from 14.6% in Northern Connections Corridor to 28.6% in Heads of the Valleys) and a better environment (from 18% in Northern Connections Corridor to 23.4% Heads of the Valleys) were the two most common reasons for moving home.

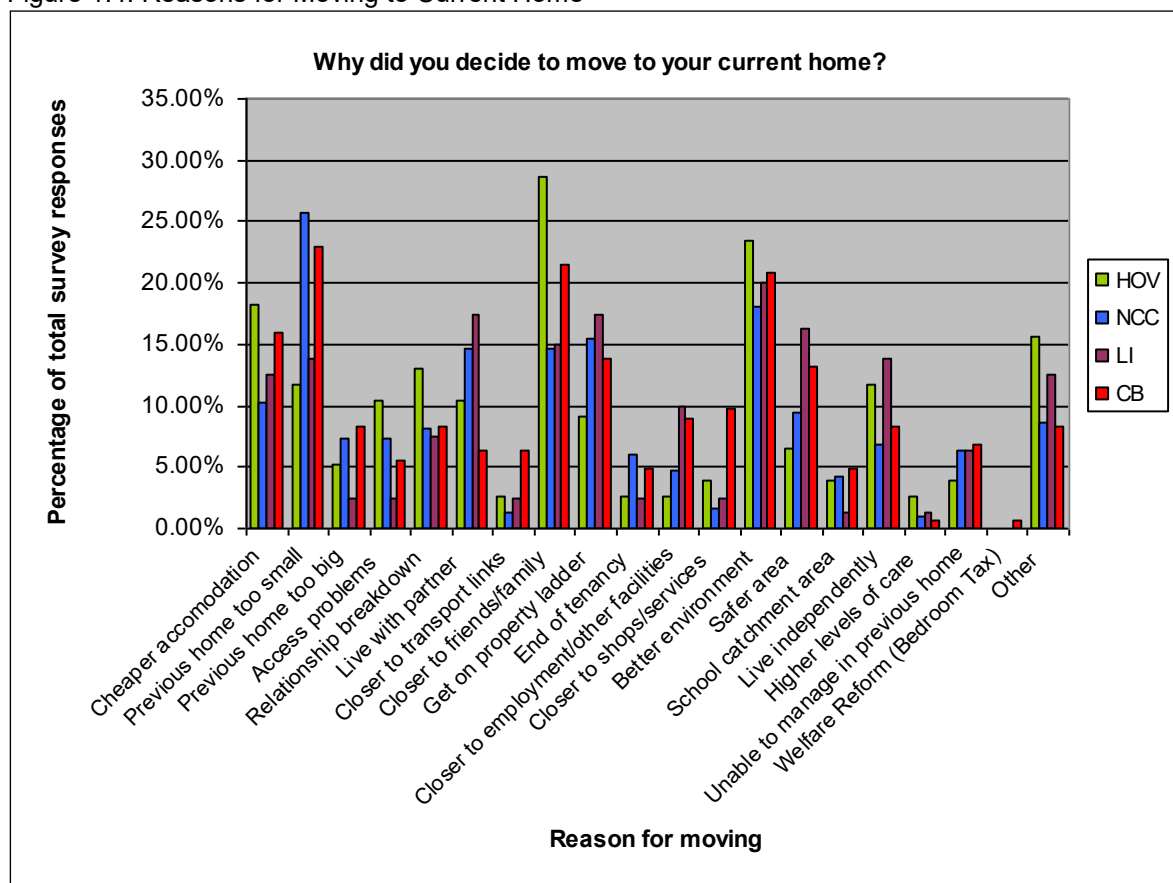
In addition, respondents chose to move in order to get on the property ladder (from 9.10% in Heads of the Valleys to 17.50% Lower Islwyn). There were respondents that chose to move to find a cheaper home in all market areas, as well as those who wanted bigger homes.

Only one respondent, in Caerphilly Basin, cited that the reason for moving was welfare reform (i.e. the social size criteria where those receiving housing benefit will receive a reduction in benefit if they are deemed to be under-occupying a Council or housing association property). Whilst it may have been expected that this would have been a factor in more people moving, it was only introduced from 1st April 2013, so it is too early to fully assess the impact this has had on the reasons for moving.

Other reasons for moving given by respondents include:

- Bereavement;
- To move to a new build property;
- To build own home;
- Previous accommodation was temporary;
- To move to a house with a garden;
- Property tied to a job;
- Poor condition of property;
- To move to an area with better parking;
- Retirement;
- Finished university so moved out of student accommodation;
- Religious reasons; and
- Anti-social behaviour/issues with neighbours.

Figure 1.4: Reasons for Moving to Current Home



Source: CCBC, 2013

Future Moves

The survey also considered the future intention of households to assess how many current households expect to move to a different home in the next 5 years. It should be noted that, whilst respondents were asked about expectations rather than aspirations, these figures may include some households who would like to move but in reality would not be able to for financial or other reasons so should be treated with caution.

Overall, nearly three quarters of households did not expect to move within the next 5 years. A small proportion intends to move now (2.7%) or in the next year (4.5%), with the remainder expecting to move in between 1 and 5 years' time.

Table 1.7: Timescales for Expecting to Move

Now	2.7%
Within a year	4.5%
In 1 to 2 years	5.9%
In 2 to 5 years	12.7%
No need/not likely to move	74.2%

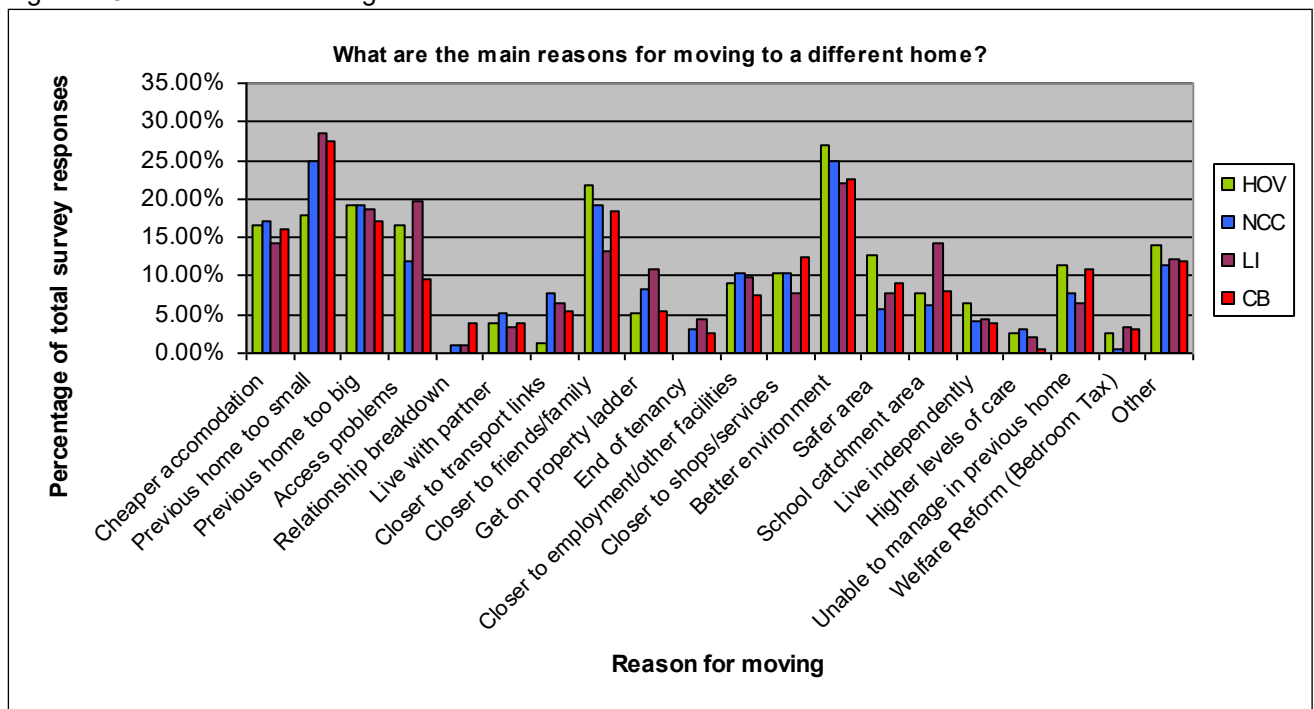
Source: CCBC, 2013

There are a number of reasons why households want to move to a new home. The common reasons across market areas include the desire to move to a better environment (between 22% and 27% of responses) and the current home being too big (between 17% and 19%). A current home being too small is an issue across all market areas but is less acute in the Heads of the Valleys (18% of respondents rather than 25%-29% in the other area). This may be due to lower house prices which mean that owner-occupiers in particular may have been able to purchase larger houses that met anticipated requirements when they purchased their existing house, rather than needing to upsize later on.

Welfare reform was cited as a reason for future moves in a small number of cases across all market areas. This will primarily affect respondents living in social housing who are in receipt of housing benefit, but for those affected it may take some time for the impact of this to be fully noted, so may be a more significant reason in the future. It may also affect those living in the private rented sector with changes to LHA and the single room rate. Other reasons given include:

- Currently in temporary accommodation
- Retirement to a different area
- Poor condition of property
- Anti-social behaviour
- Bereavement
- Want house with a garden/land
- End of mortgage term
- Want to build own home
- Work relocation

Figure 1.5: Reasons for Moving in the Future



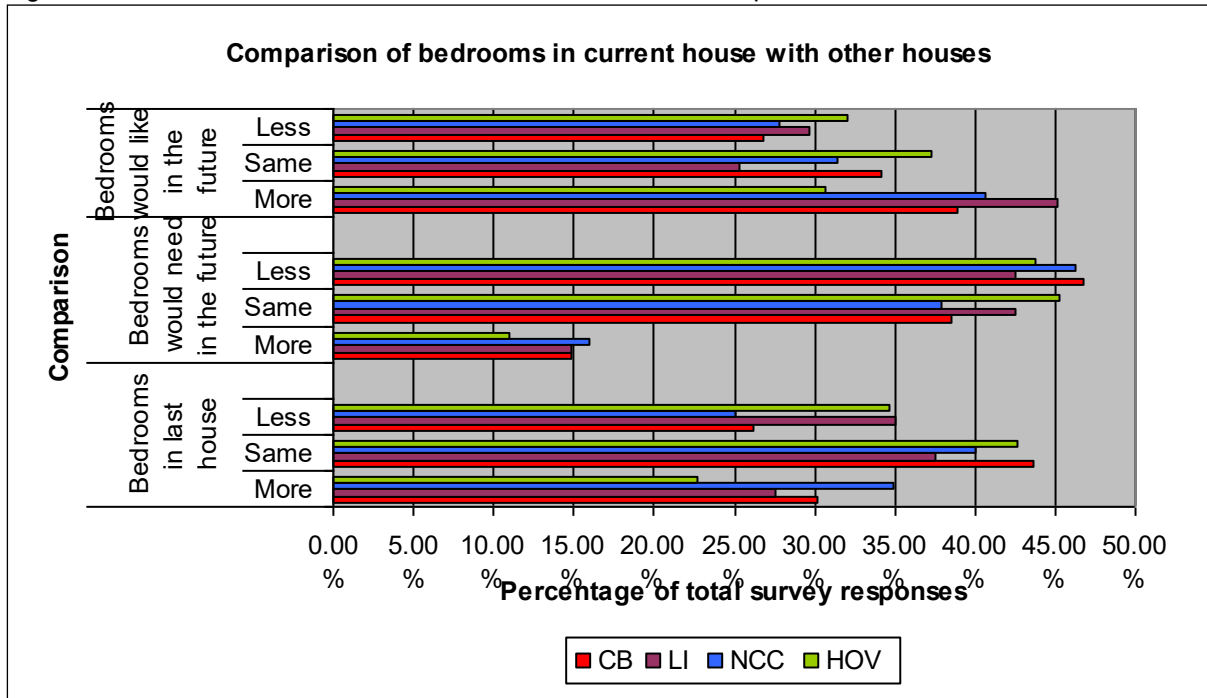
Source: CCBC, 2013

Analysis has been undertaken on the number of bedrooms that each respondent has in their current home compared to their last home and how many they would like and how many they actually need in future homes.

Figure 1.6 shows that there is no clear pattern for the size of housing people are choosing, with some people moving to larger houses and some moving to smaller houses than they previously lived in. This is to be expected as different households have different requirements and the survey encompasses people at different stages of their life cycle. However, there are some variances across the market areas. Generally, people in the Heads of the Valleys area have moved to houses of the same size or larger, which may be due to the cheaper house prices in this area, which mean more people are able to afford to upsize to a larger house and do not need to downsize due to affordability issues. In Caerphilly Basin and the Northern Connections Corridor, more households had a greater number or the same number of bedrooms in their previous house than had moved to a bigger house. In all market areas, the majority of people that had moved in the last 5 years had moved to a house of the same size. This may be due to the lack of variety of house types in a number of areas, with 3 bedroom dwellings being the most common house types in all parts of the county borough, equating to 59.1% of all housing stock overall.

There are significant differences in the number of bedrooms people would 'like' in a future property compared to the number of bedrooms they actually 'need.' The majority of households would like to have more bedrooms than they currently have, which in many instances is aspirational, but some of these households actually need more bedrooms. There are a significant number of households that would like fewer bedrooms, possibly be due to the costs and maintenance associated with managing a larger dwelling, but significantly more households actually 'need' less bedrooms. This means that although a significant number of households may be under-occupying their current house, as they have more bedrooms than they need, many do not actually wish to move to a smaller house. Although there are some differences across the market areas, these are not significant.

Figure 1.6: Number of Bedrooms in Past & Future Houses Compared to Current Home



Source: CCBC, 2013

In order to ascertain the extent to which average household sizes may increase, respondents were asked whether it was expected that other people would join their household in the next 2 years. 10.5% of respondents thought additional people would join their household and a further 14.7% indicated they did not know.

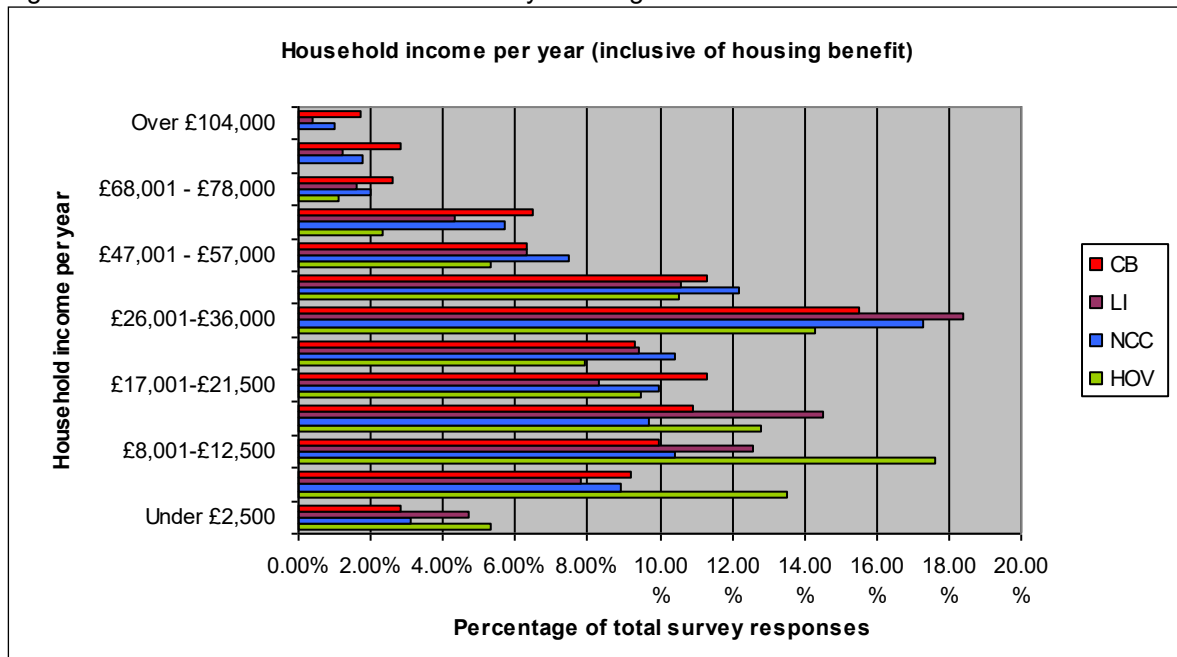
Of those expecting people to join their household, birth was the main reason for this (56.7% of respondents), but 8.9% of households expected to be taking on caring responsibilities for a friend or relative and 11.1% expected students currently at college to return to their household once their education was completed. Other reasons given included a partner joining a household and accommodating other family members who are experiencing housing issues. The reasons given for why household sizes may increase reinforces some of the understanding as to why average household sizes have not decreased at the rates originally projected.

Household income inclusive of housing benefit

Gross household income (inclusive of housing benefit) is shown in Figure 1.7. There are clearly differences across the market areas. Those in the Heads of the Valleys generally have a household income significantly lower than all other market areas with nearly 57% of all respondents earning £20,000 a year compared to approximately 40% in Northern Connections Corridor and Caerphilly Basin and 46% in Lower Islwyn.

Incomes in Caerphilly Basin are generally higher than the other market areas, with nearly 14% of households earning a gross income of £47,000, which is higher than Northern Connections Corridor (10.5%), Lower Islwyn (7.5%) and Heads of the Valleys (3.4%). There is a clear correlation between the areas with higher household earnings and the areas with higher house prices.

Figure 1.7: Household Income Per Annum by Housing Market Area



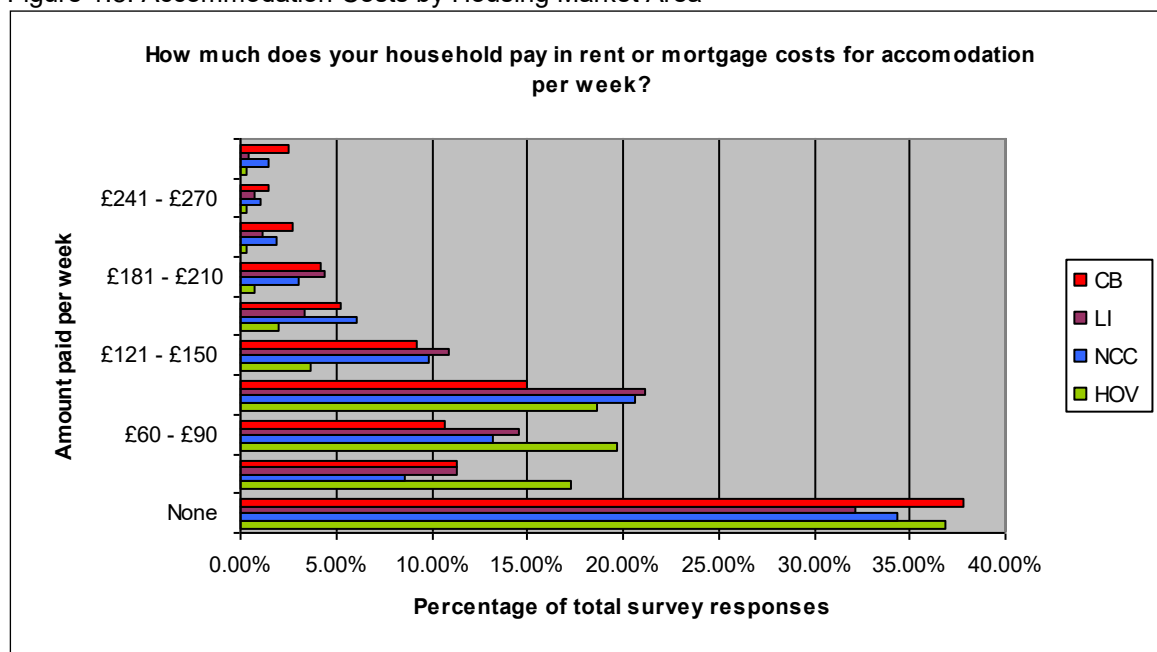
Source: CCBC, 2013

Housing Costs

The amount of money households are paying for accommodation varies across the market areas. A high proportion of households in all market areas have no housing costs. This could include those households who are in receipt of housing benefit to pay for their housing and, therefore, do not consider housing to be a 'cost' as well as owner-occupiers who have paid off their mortgages, which may apply to a number of older person households.

As expected, housing costs per week are notably lower in the Heads of the Valleys than other areas and higher in Caerphilly Basin and the Northern Connections Corridor, which reflects the higher house prices within these areas.

Figure 1.8: Accommodation Costs by Housing Market Area



Source: CCBC, 2013

Newly forming households

The survey identified that 14% of respondents had one or more persons within their household that were likely to move into their own accommodation as an independent household within the next 5 years. In most cases (90%), the new household would be formed from a son or daughter moving into their own accommodation, although a small number of other relatives living with the main respondent are expected to move to their own household.

The majority of these new households expect to buy their own home (41.9%), with a further 34% expecting to rent privately. The remainder would require different forms of affordable housing either from a housing association or the Council. University accommodation is listed under the 'other' category. Whilst it cannot be determined whether the newly forming households will actually be able to afford their tenure of choice, these results provide an insight into their preferences.

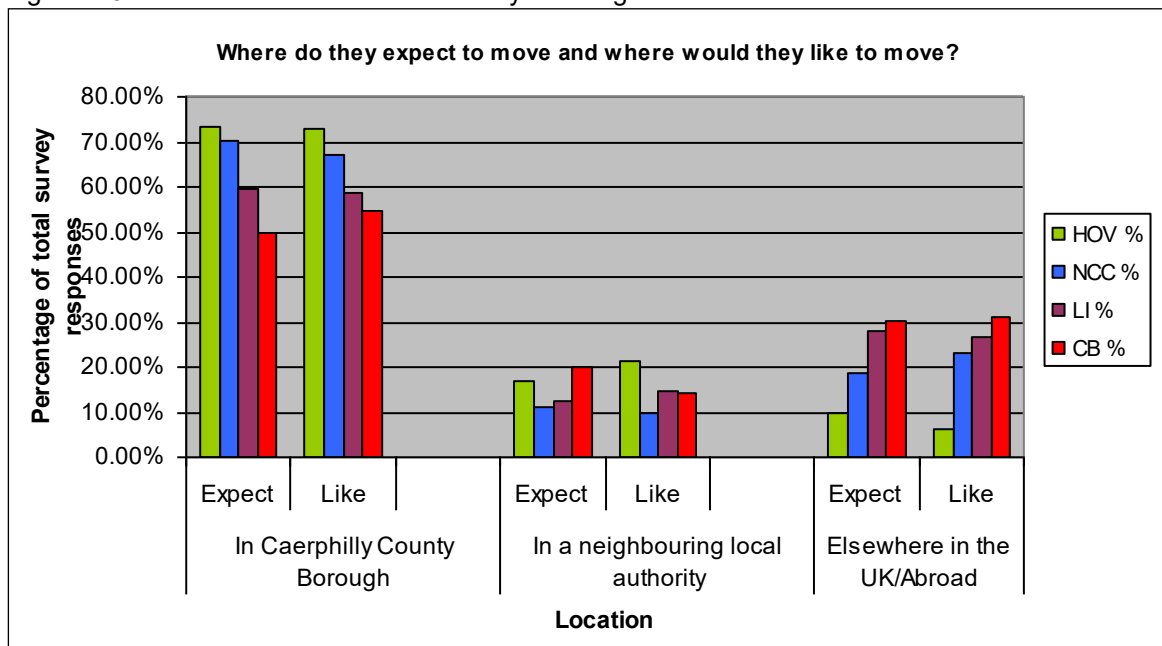
Table 1.8: Preferred Tenure of Newly Forming Households

Buy own home	41.9%
Shared Ownership	1.1%
Low Cost Home Ownership	2.6%
Rent from a private landlord or letting agency	34.0%
Rent from a Housing Association	6.8%
Rent from a relative or friend of a household member	1.1%
Rent from the Council	8.7%
Tied-linked to a job	0.0%
Other	3.8%

Source: CCBC, 2013

In terms of the geographical preferences of newly forming households, the majority of respondents indicated that they wished to continue living in the county borough. There were some variations across the county borough, with more people in the Northern Connections Corridor and Heads of the Valleys expecting to stay in the county borough than Lower Islwyn and Caerphilly Basin. Those currently living in Caerphilly Basin and Lower Islwyn are more likely to move out of Wales than those in other areas. As most people who are likely to move have been identified as the children of the household respondent, they may be looking to move out of the county borough for jobs or education elsewhere. This could be more prevalent in the lower valleys, which are less deprived overall than the northern valleys area, and qualification levels are generally higher, which may increase job prospects.

Figure 1.9: Locational Preferences of Newly Forming Households



Source: CCBC, 2013

Those likely to be forming new households were asked whether they would be able to afford suitable private sector housing (without the use of housing benefit). As shown in Table 1.8, new households currently living within the Heads of the Valleys had the highest percentage of households that could afford private sector housing (52.9%), which would be due to the lower house prices and rental prices in this area. The lowest proportion of new households that could afford market sector housing was in Lower Islwyn (35.5%) and Northern Connections Corridor (40.4%). Despite the higher house prices and rental prices in Caerphilly Basin, nearly 50% of new households forming in this area are thought to be able to afford private sector housing, which may be due to higher educational attainment in this area and higher earnings potential as a result.

Table 1.9: Ability to Afford Private Sector Housing

	HOV %	NCC %	LI %	CB %
Yes	52.9%	40.4%	35.5%	49.5%
No	47.1%	59.6%	64.5%	50.5%

Source: CCBC, 2013

Only a small proportion of households that may form in the next 5 years are currently on the housing waiting list (between 2.7% in Heads of the Valleys and 7.3% in Caerphilly Basin). Given the high proportion of newly forming households that do not have the ability to afford market sector housing, the low proportion of households on the waiting list may be surprising. However, there may be a number of reasons for this; those currently residing with parents or relatives may not consider themselves to be in housing need and, therefore, do not consider joining a waiting list until their circumstances change. Furthermore, newly forming households comprising of a single person may feel that it is not worthwhile to be added to the waiting list, as the chances of being housed may be low. As shown in Table 1.8, the tenures of choice are owner occupation and private rented, so some newly forming households may be reluctant to be housed in the social sector due to the perceived stigma often associated with it.

1.4 Older People

It is recognised that within the county borough there is an ageing population and, consequently, the type of housing available to meet the needs of older people is an issue that needs to be given further consideration. For the purpose of the analysis we have termed 'older person' as someone who is 65 years or older. With people living on average longer, this age group is a diverse category, both in terms of housing needs and aspirations.

Overall, 27% of households that responded contained one or older person (aged over 65). Of these 581 households, 34% of older people lived alone, 52.5% lived in a couple households and the remainder lived with one or more other relatives, predominantly their children.

If consideration is given to the preferences of the 430 households comprising only older people (singles, couples or friends/relatives living together as a household where all household members are all 65 and over), this will give an insight into their preferences.

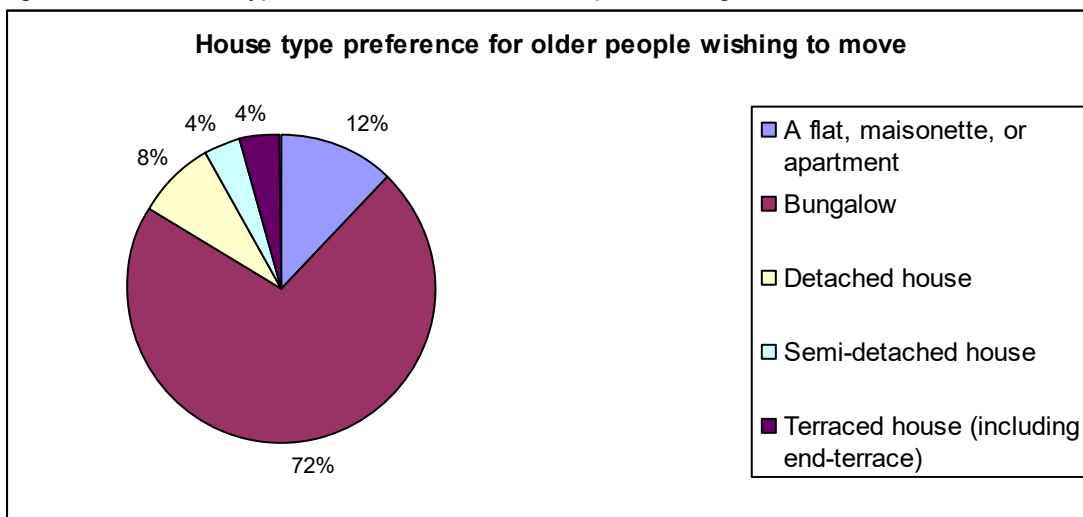
Under-occupancy of dwellings by older people is evident from the survey. 23% of households have 1 bedroom more than they need and a further 68% have two or more bedrooms than are needed based on their household type. The size of housing is a matter of preference, with many households wishing to remain in family homes that they may have lived in for significant periods of time. People of pensionable age are also exempt from the social size criteria and, therefore, are not penalised financially for living in a social rented property that is too big for their needs.

Only 12% of older person households indicated that they were likely to move in the next 5 years. However, the age category for older people is wide. Many older people may well still be in good health and able to manage their existing homes for a number of years. Help for older people to stay within their own homes is the preference for many, rather than moving. Primarily, households with one or more people aged 76 or older expressed a desire to move.

The most common reasons for people wanting to move were that they were unable to manage in their current home, access problems (e.g. steps, stairs), current home being too big and a need to move to cheaper accommodation. These reasons are expected given the number of households living in larger households than they require, and the mobility issues that older people are more likely to experience.

As shown in Figure 1.10, of those older person households wanting to move, 70% said they would like a bungalow, a further 12% would like a flat and the remaining 18% would require a house.

Figure 1.10: House Type Preference for Older People Wishing to Move



Source: CCBC, 2013

When those older people were asked to identify the type of accommodation they wished to live in, 60% expressed a desire to live in general housing, with the remainder wanting some type of purpose built accommodation for elderly people. Older persons' housing with a warden and supported housing are popular.

Table 1.10: Type of Accommodation for Older People Likely to Move

Type of accommodation for older people likely to move	Percentage
Adapted accommodation (e.g. purpose build adapted bungalow)	8.9%
Extra care housing	2.2%
General housing	60.0%
Residential care or nursing home	2.2%
Sheltered housing with a warden	11.1%
Sheltered housing without a warden	2.2%
Supported housing (assistance with living independently)	13.3%

Source: CCBC, 2013

Whilst most older people have expressed a desire to remain in their own homes, with support where necessary, there is a small but important demand for smaller properties, specifically bungalows, and purpose built accommodation for elderly people which will need to be a consideration in seeking to diversify accommodation for this group.

1.5 Gypsies & Travellers

Originally 51 respondents to the survey stated that they were a Gypsy or a Traveller. However, further consultation with respondents indicated that 31 people had originally completed the incorrect box due to the format for this question being different to all others on the questionnaire. The remaining 20 respondents were not contactable to allow the local authority to confirm whether they had also answered this question incorrectly. It would, therefore, be beneficial to examine the characteristics of those that had answered yes to this question given that only 31 people in the 2011 Census identified their ethnicity as Gypsy or Traveller.

Of the 20 respondents (1% of all respondents), only 1 said they would be prepared to participate in a follow-up Gypsy and Traveller survey. This respondent had previously lived in a caravan in England, before moving to a house in Caerphilly 2-5 years ago. They have indicated that they wish to move in the future, but to a terraced property within the county borough rather than a caravan. This response is not in itself an indication of a need for an allocated Gypsy and Traveller site, as the respondent wished to continue living in a house rather than a caravan.

None of the 20 respondents currently lived in a caravan or other mobile or temporary structure. With regards to tenure, 14 lived in owner occupied housing, 3 in private rented accommodation, with 1 renting from a housing association and 1 from the Council.

Twelve of the respondents had not moved in the last 5 years, with the majority of these not planning to move in the next 5 years either.

Of those that had moved in the last 5 years, none (other than the respondent who wanted to take part in the follow up survey) had moved from a caravan, and none would like or expect to move to a caravan in the future. A variety of reasons for moving in the past and in the future were cited, but none of these related to a desire to live on a Gypsy and Traveller site.

Overall, whilst it cannot be confirmed that the 20 people who responded to the questionnaire are Gypsies or Travellers, it should be noted that only 1 has previously stated they lived in a caravan and none of the respondents identified they wished to live in a caravan in the future. These results do not demonstrate a need for Gypsy and Traveller site.

Two other respondents did not classify themselves as Gypsy and Travellers but currently lived in a caravan. One stated they were renting from the Council and made comments about the suitability of the flats they were living in, which indicated that they might have incorrectly completed the property type section. The second respondent indicated that they owned the caravan and did not plan to move in the future. Only one household, who did not identify themselves as of a Gypsy or Traveller ethnic origin and currently lived in a semi-detached house, identified that they would like and expect to live in a caravan. However, they expected to live somewhere other than within the county borough.