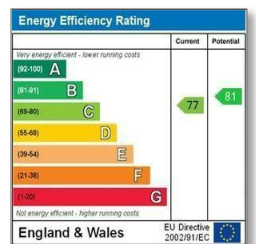




Rhondda Cynon Taf Local Housing Market Assessment: Rhondda Cynon Taf Report of Findings July 2022





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Contents

Executive Summary.....	5
Summary of key findings and conclusions	
Introduction.....	5
Current Unmet Needs of Households Unable to Afford	6
Current Unmet Needs of Households Unable to Afford	7
Overall Housing Needs	9
1. Introducing the Study	10
Background to the project	
Introduction.....	10
Modelling Housing Need	11
Understanding the Required Housing Tenure Mix.....	13
2. Local Housing Market	14
Housing trends and cost of housing in Rhondda Cynon Taf	
Introduction.....	14
Housing Tenure Trends	14
Cost of Home Ownership	15
Income Needed for Home Ownership	19
Cost of Renting	20
Income Needed to Rent Housing	21
Summary of Housing Costs.....	22
3. Demographic Projections	24
The baseline for establishing housing need	
Introduction.....	24
Official Household Projections	24
Projected Household Size.....	25
ONS Projected Population Age Profile	25
4. Current Affordable Housing Need	27
The baseline for establishing housing need	
Assessing Affordable Housing Needs	27
Current Unmet Needs of Households Unable to Afford	27
5. Future Affordable and Market Housing Need.....	30
Identifying households who cannot afford market housing	
Current Unmet Needs of Households Unable to Afford	30
Projected Future Need of Households Unable to Afford	31

6. Summary of Housing Need	34
Affordable and Market Housing Needs in Rhondda Cynon Taf	
Overall Housing Needs	34
Housing Sub Markets	35
7. Needs of Different Groups.....	41
An exploration of need for target groups	
Housing for Older People	41
Housing for People with Disabilities.....	44
Housing for Wheelchair Users.....	47
Students.....	48
Appendix A.....	49
Local Population Characteristics	
Appendix B: Table of Figures.....	51

Executive Summary

Summary of key findings and conclusions

Introduction

1. Opinion Research Services (ORS) was commissioned by the Rhondda Cynon Taf County Borough Council to prepare a Local Housing Market Assessment to understand and investigate the nature and make-up of current and future housing needs across the area, providing robust evidence to support future plan making. At the time of writing, the plan period for the authority's Local Plans is proposed to be 2022-37.
2. Within Wales, local authorities have a requirement to consider the housing accommodation needs of their localities under Section 8 of the Housing Act 1985. In order to fulfil this requirement, Welsh Local Authorities must formulate LHMA's (Local Housing Market Assessments). LHMA's should consider the state of the whole housing market, including assessment of the need for affordable homes of different tenures.
3. On March 31st 2022 the Welsh Government issued new guidance for conducting LHMA's which utilises a standardised model requiring local authorities to input their own data into a framework model and then produce a report in the style of a template created by the Welsh Government. However, the analysis in this current report was undertaken before March 31st and therefore it draws extensively upon guidance which was set on in the 2006 Welsh Assembly Government Local Housing Market Assessment Guide which in turn builds upon the definitions of housing tenures set out in Advice Note 2: Planning and Housing 2006.
4. The key stages for modelling housing need can be summarised as follows:
 - **Gross Housing Requirement** = Established Households +
New Households +
In-migrant Households
 - **Housing Supply** = Established Households +
Household Dissolution +
Out-migrant Households
 - **Net Housing Requirement** = Gross Housing Requirement -
Housing Supply
5. Affordability tests are used to apportion households to specific housing tenures;
 - **Social rented housing** – for those households unable to afford any more than social rents;
 - **Intermediate housing** – for those households able to afford more than social rents, but unable to afford to buy owner-occupied housing or to rent privately at the market rent threshold; and
 - **Market housing** – for those households able to afford to buy owner-occupied housing or able to afford to rent privately at rents at or above the market rent threshold.
6. The requirement for housing is therefore defined purely on affordability grounds with those who have incomes above market housing thresholds being identified as requiring market housing.

Current Unmet Needs of Households Unable to Afford

7. WG LHMA Guidance 2006 provide a list of those in current housing need at Table 6.3. This represents quite a complex approach, but in summary can be more simply described as:
- » All households that are currently **homeless**;
 - » All those currently housed in **temporary accommodation**; and
 - » People in a **reasonable preference category** on the housing register, where their needs have not already been counted.
8. A key question for a study such as this is just how many households from the housing register to consider as being in affordable housing need? The guidance for the allocation of affordable housing in Rhondda Cynon Taf¹ sets out that there are Bands A-D for allocation, with Band A-C being those with a housing need in Rhondda Cynon Taf, and Band D being for those with no identifiable housing need. Therefore, we have limited our analysis to Bands A-C of the housing register. Figure 17 sets out the assessment of current (as of 2021) affordable housing need for Rhondda Cynon Taf.

Figure 1: Assessing current unmet gross need for affordable housing using housing register information (Source: Rhondda Cynon Taf Housing Register, Homelessness Return and ORS modelling)

RHONDDA CYNON TAF	Affordable Housing		
	Gross Need	Supply	Net Need
Homeless households in priority need			
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	90		90
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	42		42
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	0	0	0
Households accepted as homeless but without temporary accommodation provided	0		0
Concealed households			
Growth in concealed families with family representatives aged under 55	204		204
Overcrowding based on the bedroom standard			
Households living in overcrowded private rented housing	240		240
Households living in overcrowded social rented housing	391	391	0
Other households living in unsuitable housing that cannot afford their own home			
People who need to move on medical or welfare grounds, including grounds relating to a disability	631	53	583
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)	688	58	630
TOTAL	2,291	502	1,789

¹ [Housing Allocation Report App B \(moderngov.co.uk\)](https://www.moderngov.co.uk/housing-allocation-report-app-b)

9. Based on a detailed review of both the past trends and current estimates our analysis has concluded that the backlog of housing need contains 2,291 households in Rhondda Cynon Taf are currently living in unsuitable housing and are unable to afford their own housing. This assessment is avoids double counting as far as possible. Of these households, 502 currently occupy affordable housing that does not meet the current householders' needs, mainly due to overcrowding. Providing more suitable housing for these households will enable them to vacate their existing affordable housing property, which can subsequently be allocated to another (smaller) household in need of affordable housing.
10. There is, therefore, a net current affordable housing need of 1,789 households (2,291 less 502 = 1,789). We would also note that at this point in the calculation, we have not included any impact of vacant stock, demolitions or pipeline development.

Current Unmet Needs of Households Unable to Afford

11. WG LHMA Guidance 2006 provide a list of those in future housing need at Table 6.3. In summary this can be more described as:
- » All newly forming households who cannot afford market housing; +
 - » All in-migrant households who cannot afford market housing +
 - » All households falling into need -
 - » Out-migrants who cannot afford market housing –
 - » All households who climb out of need –
 - » The supply of affordable housing from household dissolution.
12. Therefore, there are 3 sources of demand for affordable housing and 3 sources of supply We would note that Table 6.3 suggests using turnover in the affordable housing sector as a proxy for future supply from existing affordable housing. However, turnover occurs for a variety of reasons such as out-migration, eviction and the dissolution of a household. Given that some of these effects are considered elsewhere in the model, such as out-migration, we model household dissolution separately to ensure that no double counting occurs.
13. When considering the number of newly arising households likely to be in affordable housing need, the WG LHMA Guidance 2006 recommends the calculation of “New household formation (gross p.a.) times proportion unable to buy or rent in the market” and for migration it suggests, ‘*in-migrants unable to afford market housing*’. Together with information on household type, this provides a framework for the model to establish the proportion of households who are unable to afford their housing costs. The following table (Figure 18) looks at the impact of different types of households.

Figure 2: Annual components of Household Growth for Rhondda Cynon Taf 2022-37 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

RHONDDA CYNON TAF 2022-37	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	624	489	135	22%
Households migrating into the area	4,580	3,502	1,078	24%
All new households	5,204	3,991	1,212	23%

14. Overall the model shows that 624 households are likely to form in Rhondda Cynon Taf each year and of these, 22% are unlikely to be able to afford their housing costs for market housing. This amounts to 135 households per annum. Meanwhile, 4,580 households are likely to move to Rhondda Cynon Taf each year from elsewhere and 24% of these are unlikely to be able to afford their housing costs, which amounts to 1,078 households.
15. Figure 19 shows that a total of 95 affordable dwellings per annum are likely to be vacated from dissolution following the death of the last remaining occupier each year. However, a much higher figure of 1,080 households each year are projected to leave Rhondda Cynon Taf and either vacate affordable housing; or vacate private rented properties having been unable to afford market rents. This group almost completely offset the households who migrate to Rhondda Cynon Taf each year who cannot afford market housing.

Figure 3: Annual components of Household Growth Rhondda Cynon Taf 2022-37 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

RHONDDA CYNON TAF 2022-37	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Household dissolutions following death	320	224	95	30%
Households migrating <u>out</u> of the area	4,470	3,390	1,080	24%
All households no longer present	4,790	3,615	1,175	54%

16. WG LHMA Guidance also identifies that it is important to estimate “existing households falling into need. Whilst established households that continue to live in Rhondda Cynon Taf will not contribute to household growth, changes in household circumstances (such as separating from a partner or the birth of a child) can lead to households who were previously able to afford housing falling into need. The needs of these households are counted by the model, and the estimate of the number of established households that will fall into need is shown in Figure 20.
17. However, established households’ circumstances can also improve. These improved circumstances can therefore reduce the need for affordable housing over time. The model identifies the number of households whose circumstances will improve such that they become able to afford their housing costs having previously being unable do so. Therefore, considering the changing needs of existing households overall, **there will be a net increase of existing households needing affordable housing each year amounting to 93 households per annum.** (Figure 20).

Figure 4: Annual components of Household Growth Rhondda Cynon Taf 2022-37 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

RHONDDA CYNON TAF 2022-37	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Existing households falling into need	-	-221	+221	100%
Existing households climbing out of need	-	+128	-128	0%
Change in existing households	-	-93	93	-

18. The following table (Figure 21) summarises the overall impact of:
- » new households adding to housing need,
 - » the households no longer present reducing housing need and
 - » the changes in circumstances impacting existing households.

Figure 5: Annual components of Household Growth Rhondda Cynon Taf 2022-37 (Source: ORS Housing Model)

RHONDDA CYNON TAF 2022-37		All households	Households able to afford housing costs	Households unable to afford housing costs
All new households		5,204	3,991	1,212
All households no longer present		4,790	3,615	1,175
Change in existing households		-	93	93
Future affordable housing need 2022-37	Annual average	+414	+284	+130
	15-year Total	+6,208	+4,257	+1,951

19. Overall reviewing the contribution of each element amounts to a projected additional 1,951 households needing affordable housing in Rhondda Cynon Taf over the 15-year period 2022-37, or an average of 130 per annum.

Overall Housing Needs

20. Figure 22 shows the result of applying the vacancy rate for dwellings to the overall need figures for households set out in the current and future housing needs. There is also a further disaggregation of the data to consider those who can only afford Social Rent and those who can potentially afford Intermediate Rent. This process was undertaken by utilising the CACI Paycheck information to disaggregate those households in need by income.
21. On this basis, 45.3% of the total need for 8,450 dwellings is for affordable housing, or a total of 255 affordable dwellings per annum. These levels would provide for the current unmet needs for affordable housing in addition to the projected future growth in affordable housing need, but any future losses from the current stock (such as demolition) would increase the number of affordable dwellings needed by an equivalent amount. Meanwhile, any vacant properties returned to use or pipeline development will reduce the need.

Figure 6: Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Dwellings		Total Affordable Housing	Total Market Housing	Total Housing
	Social rent	Intermediate Housing			
1 bedroom	893	103	996	37	1,033
2 bedrooms	1,140	217	1,356	1,449	2,806
3 bedrooms	950	277	1,228	2,950	4,177
4+ bedrooms	183	61	244	190	434
DWELLINGS	3,166	658	3,824	4,626	8,450

1. Introducing the Study

Background to the project

Introduction

- 1.1 Opinion Research Services (ORS) was commissioned by the Rhondda Cynon Taf County Borough Council to prepare a Local Housing Market Assessment to understand and investigate the nature and make-up of current and future housing needs across the area, providing robust evidence to support future plan making. At the time of writing, the plan period for the authority's Local Plans is proposed to be 2022-37, so this evidence base mirrors that timeframe.
- 1.2 Within Wales, local authorities have a requirement to consider the housing accommodation needs of their localities under Section 8 of the Housing Act 1985. In order to fulfil this requirement, Welsh Local Authorities must formulate LHMA's (Local Housing Market Assessments), which review housing needs². LHMA's should consider the state of the whole housing market, including assessment of the need for affordable homes of different tenures (such as social rent, affordable rent, low cost home ownership, and specific local needs for affordable housing) and the differing needs of communities which should include the housing requirements of older people, students, people with disabilities, and local housing needs for market housing.
- 1.3 The assessments serve a number of purposes, including informing:
- » The development and review of local development plans and local housing strategies;
 - » Decision-making in terms of negotiating the level, type and mix of affordable housing and other tenures;
 - » The provision of affordable homes of different tenures; and
 - » Housing issues that are relevant to the authority's duties under the Well-being of Future Generations (Wales) Act 2015.
- 1.4 However, the analysis in this current report was undertaken before March 31st and therefore it draws extensively upon guidance which was set on in the 2006 Welsh Assembly Government Local Housing Market Assessment Guide which in turn builds upon the definitions of housing tenures set out in Advice Note 2: Planning and Housing 2006. We would note that the new approach set out in the March 31st 2022 guidance is a different model than that set out in the 2006 LHMA guidance and so will produce different outputs.
- 1.5 We would note that the underlying requirements of the 2006 guidance have been applied in this current study. However, data availability and modelling approaches have moved on considerably since 2006, so we have sought to simplify the reporting structure compared with how assessments were undertaken in 2006, while still providing the core outputs required by the guidance. For example, the guidance suggests adding the need for properties lost through Right to Buy sales, but Right to Buy is now no longer available in Wales. We have set out below a summary of the modelling approach adopted and the underlying modelling assumptions. This is essentially the same modelling approach ORS have adopted for many Welsh LHMA studies since 2006.

² Development Plans Manual Edition 3 – Welsh Government March 2020 para 5.31: "All LDPs should be supported by an LHMA and other local needs studies as appropriate..."

Modelling Housing Need

1.6 This section outlines the key technical exercise which has been undertaken to comply with the requirements of the WG LHMA guidance 2006. Table 6.3 of the WG LHMA guidance sets out a 22 step approach to deriving the level of affordable housing need required for a local authority area. Within our modelling of affordable housing need set out in Chapter 4 through to 6 we have built on this guidance to derive both the market and affordable housing needs for Rhondda Cynon Taf from 2022-37. At the heart of the modelling are demographic projections derived by the Welsh Government in their 2018-based household projections Principal scenario which provide the basis for identifying the housing needs for all types of housing, including both market and affordable housing.

1.7 The key stages of the model can be summarised as follows:

- **Gross Housing Requirement** = Established Households +
New Households +
In-migrant Households
- **Housing Supply** = Established Households +
Household Dissolution +
Out-migrant Households
- **Net Housing Requirement** = Gross Housing Requirement -
Housing Supply

Core Modelling Assumptions

Housing Requirements

- The overall housing requirement for Rhondda Cynon Taf is 563 dwellings per annum which is derived from the Welsh Government household projections 2018 Principal, with an allowance for vacant and second homes.
- Housing requirements are generated from two sources;
 - Newly forming households; and
 - In-migrant households.
- Newly forming household and in-migrant households are both based upon trend data linked to the Welsh Government household projections 2018 Principal.

Current Housing Need

- This reflects households who are currently in housing need in Rhondda Cynon Taf and is derived from ;
 - Households on the Rhondda Cynon Taf housing register; and
 - ORS modelling for overcrowded households.
- A household is in the backlog of need if they are unsuitably housed, require alternative housing provision in the borough and cannot afford market housing. The Model addressed the backlog of need over both 5 years and 15 years.
- We have made two estimates for the current need based upon two different priority bands within the Rhondda Cynon Taf housing register. This allows us to model considering only those with the highest needs against counting those with lower housing needs

Affordability and Newly Arising Need

- Households are allocated to tenures based upon affordability and not preference.
- For owner occupation lending for single incomes assumed to be 3.5x the gross income and lending for joint incomes based on a 2.9x multiplier.
- Households are assumed to spend 25% of their gross income on rent.
- Households who can afford private rent are assumed to access this, rather than specialised intermediate housing products
- Households who can afford more than existing social rents , but cannot afford private rent are allocated to intermediate housing
- Households allocated to affordable housing are modelled to receive the number of bedrooms they will get under Rhondda Cynon Taf allocation rules

Housing Supply

- Housing supply is generated from two sources;
 - Death and dissolutions; and
 - Out-migrant households.
- Deaths and dissolutions are based upon ONS mortality rates for deaths and trends for households merging for dissolutions are linked to the Welsh Government household projections 2018 Principal
- Out-migrant households are based upon trend data linked to the Welsh Government household projections 2018 Principal.

Understanding the Required Housing Tenure Mix

- 1.8 Affordability tests are used to apportion households to specific housing tenures;
- **Social rented housing** – for those households unable to afford any more than social rents;
 - **Intermediate housing** – for those households able to afford more than social rents, but unable to afford to buy owner-occupied housing or to rent privately at the market rent threshold; and
 - **Market housing** – for those households able to afford to buy owner-occupied housing or able to afford to rent privately at rents at or above the market rent threshold.
- 1.9 The requirement for housing is therefore defined purely on affordability grounds with those who have incomes above market housing thresholds being identified as requiring market housing. It is also the case that those with incomes below market housing thresholds who report no difficulties with their housing costs are also identified as requiring market housing because using the TAN2 definition;
- **Housing need** is households who are lacking their own housing or who are living in housing which is judged to be inadequate or unsuitable, who are unlikely to be able to meet their own housing needs in the market without some financial assistance.
- 1.10 On this basis households meeting their own housing requirements in the market are deemed to be suitably housed, do not require financial assistance and are not in housing need.
- 1.11 Nevertheless, whilst TAN2 defines intermediate housing as being for those households able to afford more than social rents but less than market housing (rent or owner occupation), it should be recognised that it may not be possible to deliver intermediate affordable housing affordable to those households only able to afford fractionally more than a social rent. This issue is explored in Chapter 2.

2. Local Housing Market

Housing trends and cost of housing in Rhondda Cynon Taf

Introduction

- 2.1 This chapter explores the cost of housing in Rhondda Cynon Taf and the incomes needed to rent or buy at market prices.
- 2.2 It highlights the potential income gaps and seeks to identify where and how people may fall into affordable housing need. This includes consideration of social and affordable rent and access to housing benefit for those in the rental sector as well as the potential impact of help-to-buy policies.

Housing Tenure Trends

- 2.3 When considering the local housing market, it is worth noting the historic changes to tenure in Rhondda Cynon Taf, as recorded by past censuses. Figure 7 below provides the detailed census data for Rhondda Cynon Taf:

Figure 7: Number of Households in Rhondda Cynon Taf By Tenure 1981-2011 (Source: UK Census of Population)

RHONDDA CYNON TAF	Number of Households				Net Change		
	1981	1991	2001	2011	1981-1991	1991-2001	2001-2011
Owner occupied	57,332	68,023	71,076	70,910	+10,691	+3,053	-166
Private rent	5,373	4,246	9,573	15,080	-1,127	+5,327	+5,507
Social rent	21,293	17,578	13,904	13,673	-3,715	-3,674	-231
TOTAL	83,998	89,847	94,553	99,663	+5,849	+4,706	+5,110

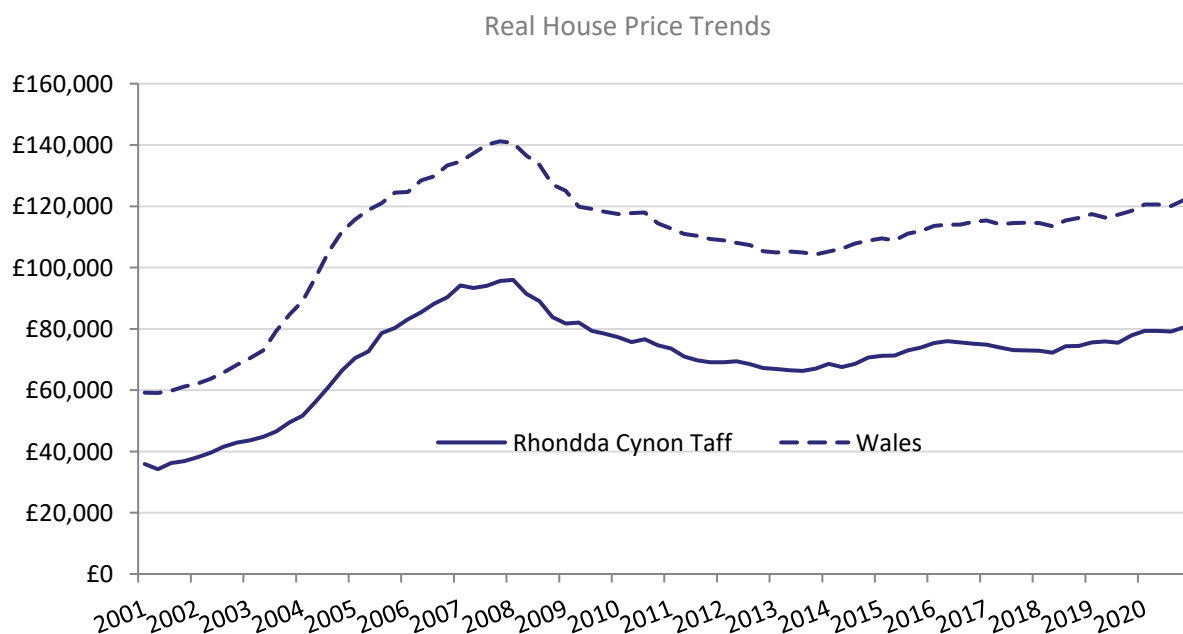
RHONDDA CYNON TAF %ages	Number of Households				Net Change		
	1981	1991	2001	2011	1981-1991	1991-2001	2001-2011
Owner occupied	68.3%	75.7%	75.2%	71.1%	7.5%	-0.5%	-4.0%
Private rent	6.4%	4.7%	10.1%	15.1%	-1.7%	5.4%	5.0%
Social rent	25.3%	19.6%	14.7%	13.7%	-5.8%	-4.9%	-1.0%

- 2.4 During the 1981-2011 period the total volume of housing in Rhondda Cynon Taf has risen from 83,998 to 99,663 households. Notably, the volume of households in social rent has fallen from 21,293 to 13,673 households whilst other forms of tenure have increased in volume.
- 2.5 The table also shows that the most notable change has been the decline in the proportion of people in social rent, this has reduced by over a third during the period 1981 and 2011 (from 25% to 14%). In contrast, private rent has grown more recently. Between 1981 and 1991 there was a notable growth in the proportion of owner occupiers, partly as a consequence of the introduction of right to buy policies. This peaked at 75.7% of households and has since fallen to levels below those in 1981.

Cost of Home Ownership

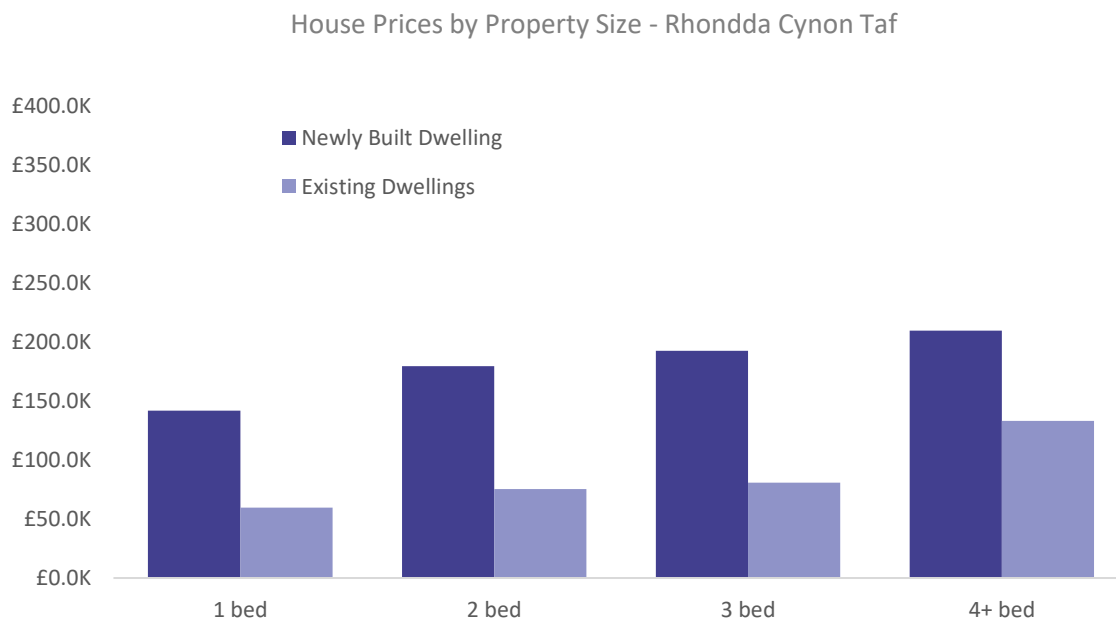
- 2.6 When considering home ownership, it is worth reflecting on house prices during the past twenty years. House price trends (2001-2021) are shown in Figure 8. This is based on lower quartile prices and data is adjusted for inflation so that values reflect real changes in house prices since 2001.
- 2.7 Real house prices in Rhondda Cynon Taf, whilst somewhat higher, have historically mirrored those in Wales as a whole. Overall prices increased substantially in the period 2001-2008. Values then reduced from the beginning of 2008 and fell to their low point in late 2014, since when they have grown steadily. As of 2021, prices in Rhondda Cynon Taf are still below their real peak price in 2008.

Figure 8: Real House Price Trends: Lower Quartile Prices adjusted to Nov 2020 values using CPI (Source: ONS; Bank of England)



- 2.8 House prices clearly vary in accordance with a range of factors. An important component is the size of the property, with the number of bedrooms being key. Figure 9 shows lower quartile house prices in Rhondda Cynon Taf by bedroom size.
- 2.9 There is also a difference between existing properties and new build dwellings. New build dwellings are much more expensive in Rhondda Cynon Taf, with 1-3 bedroom properties all being more than double the price for a newbuild compare with the second hand market.

Figure 9: Rhondda Cynon Taf - Lower quartile prices (adjusted by CPI) (Apr 2019-Mar 21) by property size (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data)



- 2.10 The difference in values between new build and existing properties is likely to be down to a range of factors which include the location of newbuild housing, the relative size of properties, gardens, the availability of parking, comparative quality and condition of existing stock, and other intangible issues such as character.
- 2.11 These differences in value are relevant if we are considering the affordability of the overall housing stock alongside the affordability of new build estates. First time buyers are particularly likely to be newly forming households and seeking one and two bed properties.
- 2.12 The overall house prices for each housing sub-market in Rhondda Cynon Taf can also be identified and this is provided in Figure 10. The housing sub-market areas are comprised of wards and these are listed after the name of the sub-market unless the sub-market only uses ward names itself. This highlights the sharp variations in house prices which exist across Rhondda Cynon Taf, with prices in the southern housing sub-markets of Central Taf, Taffs Well and South West Taf housing being more than twice as expensive as many of the northern housing sub-markets in the Borough.

Figure 10: Rhondda Cynon Taf - Lower quartile prices (adjusted by CPI) (Apr 2019-Mar 21) by property size by Sub Housing Market Area (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data)

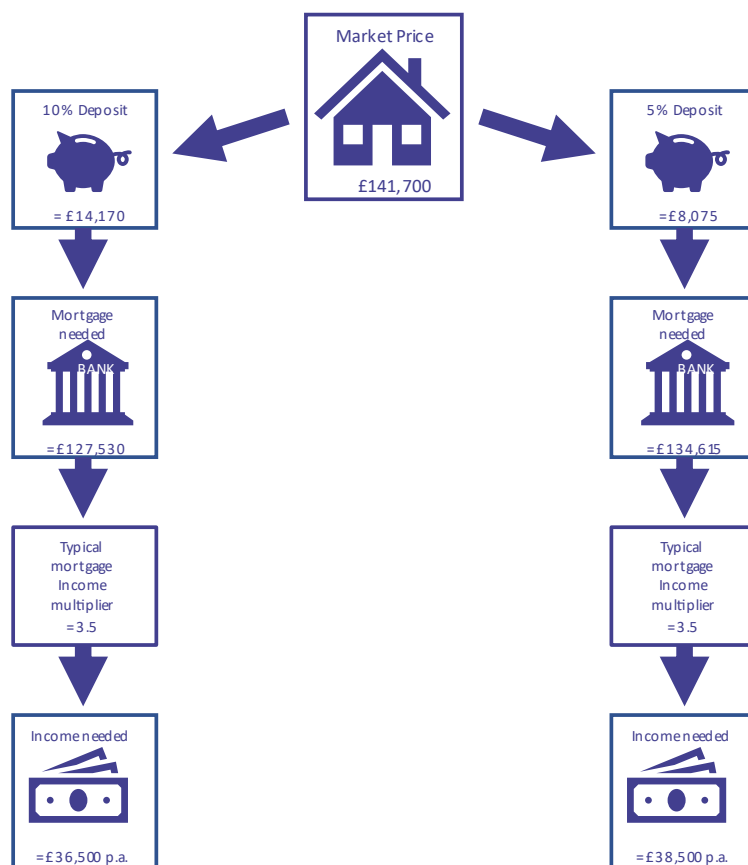
Housing Sub Markets	Existing Dwelling	New Build
Lower Rhondda Fawr - Clydach Vale, Llwynypia, Penygraig, Tonypany, Trealaw & Ystrad		
1 bedroom	£51,400	£103,300
2 bedrooms	£65,100	£130,800
3 bedrooms	£69,700	£140,200
4+ bedrooms	£114,600	£152,600
Upper Rhondda Fawr - Pentre, Treherbert & Treorchy		
1 bedroom	£48,400	£101,600
2 bedrooms	£61,300	£128,600
3 bedrooms	£65,700	£137,800
4+ bedrooms	£108,000	£150,000
Greater Pontypridd - Cilfynydd, Glyncoch, Graig, Pontypridd Town, Rhondda, Trallwn & Ynysybwl		
1 bedroom	£67,000	£141,700
2 bedrooms	£84,900	£179,400
3 bedrooms	£90,900	£192,300
4+ bedrooms	£149,500	£209,300
Lower Rhondda Fach - Cymmer, Porth & Ynyshir		
1 bedroom	£53,600	£106,300
2 bedrooms	£67,900	£134,600
3 bedrooms	£72,700	£144,200
4+ bedrooms	£119,600	£157,000
Central Taf - Beddau, Church Village, Llantrisant, Llantwit Fardre, Tonteg & Tynant		
1 bedroom	£111,700	£218,500
2 bedrooms	£141,400	£276,600
3 bedrooms	£151,500	£296,400
4+ bedrooms	£249,100	£322,600
Greater Aberdare - Aberaman, Aberdare & Cwmbach		
1 bedroom	£56,200	£124,000
2 bedrooms	£71,200	£157,000
3 bedrooms	£76,300	£168,200
4+ bedrooms	£125,400	£183,100

Lower Cynon Valley - Abercynon, Mountain Ash & Penrhiwceiber		
1 bedroom	£47,700	£100,400
2 bedrooms	£60,300	£127,100
3 bedrooms	£64,700	£136,200
4+ bedrooms	£106,300	£148,200
Upper Rhondda Fach - Ferndale, Maerdy & Tylorstown		
1 bedroom	£40,200	£80,300
2 bedrooms	£50,900	£101,700
3 bedrooms	£54,500	£108,900
4+ bedrooms	£89,700	£118,600
East of Pontypridd - Hawthorn, Rhydyfelin & Treforest		
1 bedroom	£78,200	£155,900
2 bedrooms	£99,000	£197,400
3 bedrooms	£106,100	£211,500
4+ bedrooms	£174,400	£230,200
Tonyrefail & Gilfach Goch		
1 bedroom	£80,400	£165,300
2 bedrooms	£101,800	£209,400
3 bedrooms	£109,100	£224,300
4+ bedrooms	£179,400	£244,200
Taffs Well		
1 bedroom	£111,700	£209,600
2 bedrooms	£141,400	£265,400
3 bedrooms	£151,500	£284,400
4+ bedrooms	£249,200	£309,600
Upper Cynon Valley - Hirwaun, Penywaun & Rhigos		
1 bedroom	£63,300	£141,700
2 bedrooms	£80,100	£179,400
3 bedrooms	£85,900	£192,200
4+ bedrooms	£141,200	£209,300
South West Taf - Brynna, Llanharan, Llanharry, Pontyclun & Talbot Green		
1 bedroom	£122,900	£250,400
2 bedrooms	£155,600	£317,000
3 bedrooms	£166,700	£339,700
4+ bedrooms	£274,100	£369,700

Income Needed for Home Ownership

- 2.13 The income needed to purchase market housing will depend on the house price together with the mortgage income multiplier and the available deposit (or percentage loan to value).
- 2.14 For example, if we consider a property such as a newbuild 1 bed flat with a value of around £141,700, and assume the buyer could afford a deposit of 10%. The outstanding mortgage requirement would be £127,530. Using a typical income multiple of 3.5 we can calculate an income of around £36,500 would be needed (If the buyer could only afford a 5% deposit (£5,000) then a larger mortgage and larger income would be needed).
- 2.15 Whilst some households will have higher deposits available and others will seek to extend their borrowing as far as possible, the initial assumptions of a 10% deposit and a 3.5 x mortgage multiplier provides a reasonable indication of the income that first-time buyer households are likely to need in order to buy a home in the area.

Figure 11: Calculating income needed for home ownership



Cost of Renting

- 2.16 When considering renting in Rhondda Cynon Taf it is important to reflect on the range of rental options available together with the impact of the housing benefit levels in the area. There are a number of rates to consider. There are four key definitions to consider when looking at the cost of renting in the area:
- » Median private rent;
 - » Lower quartile private rent;
 - » Local Housing Allowance (LHA) in the applicable BRMA;
 - » Affordable rent; based on average rents charged for existing dwellings.
- 2.17 The Local Housing Allowance (LHA) is the maximum payment for claimants in receipt of housing benefit. These are based on broad rental market areas (BRMAs). The LHA was previously calculated on the 30th percentile private rent, however more recent increases have been based on CPI and rates were frozen in the July 2015 budget. The rates were increased back to the 30th percentile in April 2021, and the Government have indicated that they will be frozen at their current level (in cash terms) from 2021/22 onwards³.
- 2.18 Figure 12 sets out the median and lower quartile weekly rents for different property sizes in the local authorities together with the local housing allowance.

Figure 12: Weekly rent thresholds Rhondda Cynon Taf (Source: Valuation Office Agency 2021-22)

RHONDDA CYNON TAF	Median Private Rent	Lower Quartile Private Rent	Local Housing Allowance (Merthyr Cynon and Taf Rhondda BRMA)
1 bedroom	£83.71	£76.27	£76.05
2 bedrooms	£104.24	£90.16	£89.18
3 bedrooms	£109.93	£99.50	£100.69
4+ bedrooms	£173.15	£135.72	£135.50

- 2.19 Across all property sizes, lower quartile private rent is higher than the maximum LHA in Rhondda Cynon Taf. This means that those entirely dependent upon housing benefit cannot afford properties of lower quartile rents, but the difference between the BRMA and lower quartile rents is quite small.
- 2.20 Households claiming out-of-work benefits are subject to a cap of £384 per week for lone parents and couples or £257 per week for single people (outside of London). This could affect the amount of housing benefit received by some households (especially those with larger families needing larger properties). However, it is important to recognise that the benefit cap does not apply to working households (i.e. those eligible for Working Tax Credit, even if the eligibility amount is £0; and those on Universal Credit with monthly earnings varying from £291 to £542 or more, depending on age) or to households that receive various disability related benefits or armed forces pensions. Given that these households are exempt from the cap, they would be able to claim housing benefit up to the Local Housing Allowance for the size of property that they need in their BRMA.

³ Office of Budgetary Responsibility – Economic and Fiscal Outlook (November 2020) – page 179: http://cdn.obr.uk/CCS1020397650-001_OBR-November2020-EFO-v2-Web-accessible.pdf

Income Needed to Rent Housing

- 2.21 The income needed to rent housing will depend on the monthly rent together with the income multiplier allowed for housing costs. The WG Local Housing Market Assessments Practice Guidance states at paragraph 6.16 that:

6.16 A household should be taken as being able to afford market housing in cases where the rent payable would constitute no more than 25% of their gross household income (page 64)

- 2.22 Figure 13 shows the gross household incomes needed to afford median and lower quartile private rent, and social rent if 25% is spent on housing. The figures are obtained by taking the weekly rents for properties and then multiplying these by 208 to obtain the figures for a year (52 weeks) and a quarter of income (25% or 4 times the rent figure). It is noteworthy that for 2 and 3 bedroom properties, lower quartile private rent is more affordable than social rents. This will make private rent more attractive to lower income households.

Figure 13: Annual income required to afford to rent properties at the lower quartile and median price based on 25% income multiplier by property size in Rhondda Cynon Taf (Source: ORS based on Valuation Office Agency data Oct 2020 to Sep 2021; SDR 2021)

RHONDDA CYNON TAF	Private Rent		Social Rent
	Median	Lower Quartile	
1 bedroom	£12,480	£11,370	£11,488
2 bedrooms	£15,540	£13,442	£13,821
3 bedrooms	£16,388	£14,833	£16,481
4+ bedrooms	£25,813	£20,233	£17,812

- 2.23 As noted in Figure 7, the private rented sector has been growing in Rhondda Cynon Taf in the last 20 years. Growth in the sector seems likely to continue, driven by a combination of demand and supply factors:

- » Increasing demand from more households;
- » The cost of renting privately, which can be lower than social rent and is particularly attractive for those households receiving Local Housing Allowance;
- » Recent reductions in incomes (in real terms);
- » Reducing affordability of owner occupation;
- » Changing Bank lending practices;
- » Pension reform: pension drawdowns invested in Buy-to-Let (BTL) property.

- 2.24 As the PRS expands and other sectors contract, it is clear that many households who would traditionally meet their housing needs in other sectors are now renting privately. This includes many households currently unable to afford their housing costs, which can be seen from the expansion of families receiving Housing Benefit in the sector, in particular since the start of the 2008 recession.

- 2.25 The Office for Budget Responsibility analysis of the UK's public finances for Government explicitly recognises a likely growth in the share of housing benefit claimants in the private rented sector in its Economic and Fiscal Outlook (March 2014)⁴:

"The share of [housing benefit] spending accounted for by the private rented sector is forecast to rise from 30 per cent in 2007-08 to 40 per cent by 2018-19... We expect the share of claimants in the private rented sector to continue rising over the forecast period, but for average awards to rise more slowly than nominal GDP per capita due to policy, including on uprating." (paragraphs 4.152-154)

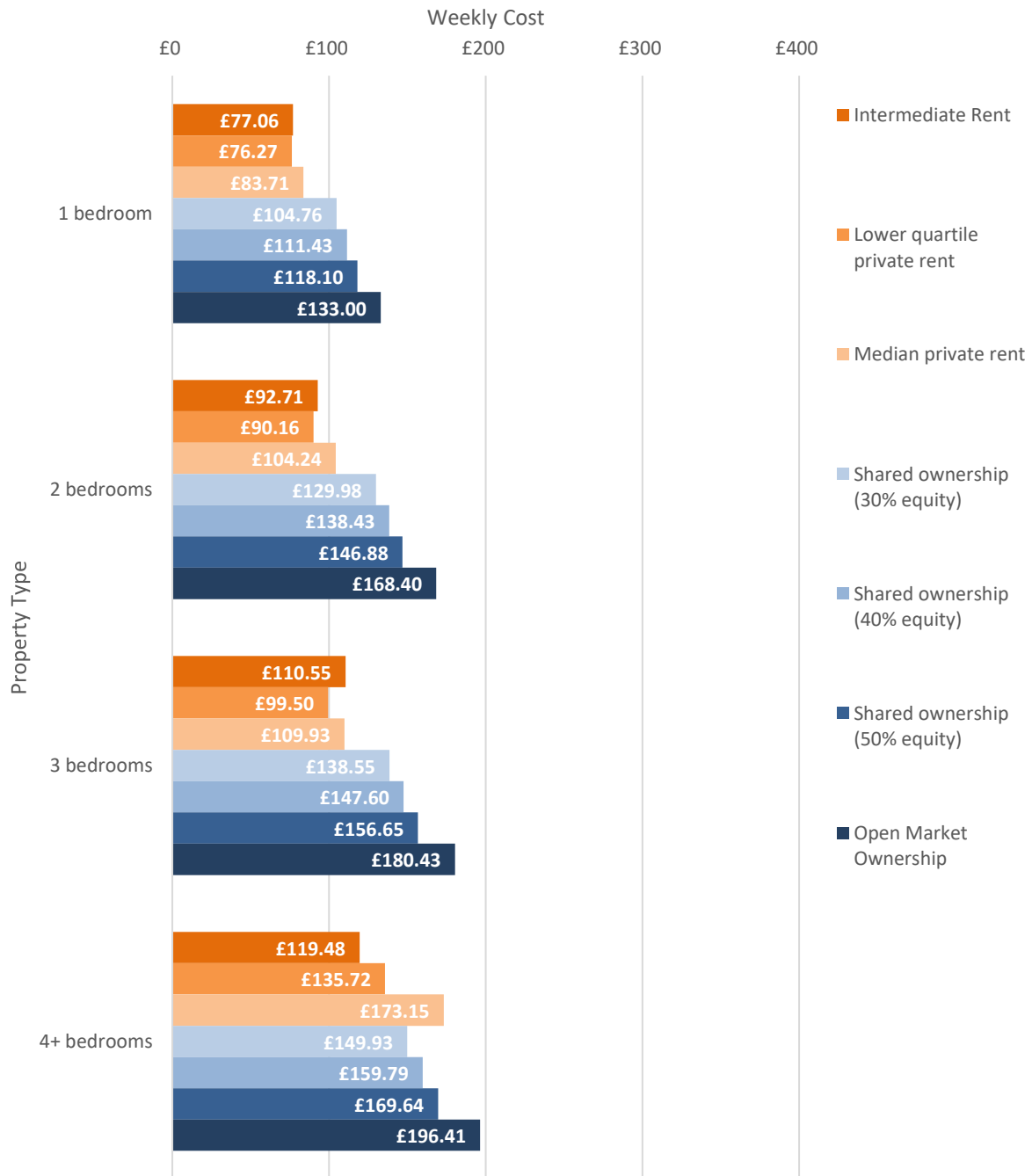
- 2.26 The UK and Welsh Governments see the PRS having an important and long-term role in meeting the housing need of the nation; the policy to support low-income households in the private rented sector with housing benefit is long-standing and housing benefit is explicitly factored into the long-term forecasts for public spending.
- 2.27 It is important for local authorities to recognise the role of the private rented sector at a local level. Recent changes to letting policies and the reality of pressures on the housing stock make it less likely that single persons aged under 35 years will be allocated to a 1 bedroom social rented or affordable rented property. The private rented sector therefore makes an important contribution towards providing housing options for low-income households, particularly in an area such as Rhondda Cynon Taf where private rents can be cheaper than social rents.
- 2.28 There are many households residing in the private rented sector in Rhondda Cynon Taf who aspire to home ownership and if affordable home ownership were to be provided for this group it would, potentially, reduce the size of the private rented sector by giving alternative options to renters that aspire to buy, but cannot afford to purchase on the open market. However, the funding for products such as Shared Ownership is drawn from the same Section 106 funds which help to provide affordable rented homes. By taking funding for Shared Ownership, this could potentially reduce the supply of social rented or intermediate rented homes in areas. However, the council have developed their own Homestep Low Cost Home Ownership scheme to assist households into affordable home ownership.

Summary of Housing Costs

- 2.29 This chapter has considered in some detail the cost of housing depending on tenure type and property size. Figure 14 summarises these costs for each property size.
- 2.30 The cost of shared ownership predictably varies depending on the equity size purchased, however it is typically that that much more expensive than market rents on existing properties, but it is also much more flexible in offering a route to home ownership and therefore may meet the needs of different households.
- 2.31 Overall, compared to market rental options, the range of affordable products shown appear to be relatively expensive and the chart takes no account of the initial cost of a deposit on a property such as is needed for Shared Ownership, which is a barrier to many households that seek to get onto the housing ladder. The underlying income necessary to obtain a mortgage on a Shared Ownership property will be meaningfully higher than the underlying income required to rent a property due to the constraint of mortgage income multipliers discussed previously.

⁴ <http://cdn.budgetresponsibility.org.uk/37839-OBR-Cm-8820-accessible-web-v2.pdf>

Figure 14: Comparison of weekly housing costs by property size (Source: VOA 2020-2021, Land Registry, ORS model)



3. Demographic Projections

The baseline for establishing housing need

Introduction

- 3.1 This chapter takes existing demographic analysis which has been derived for Rhondda Cynon Taf and outlines the findings for population age profiles and household growth.

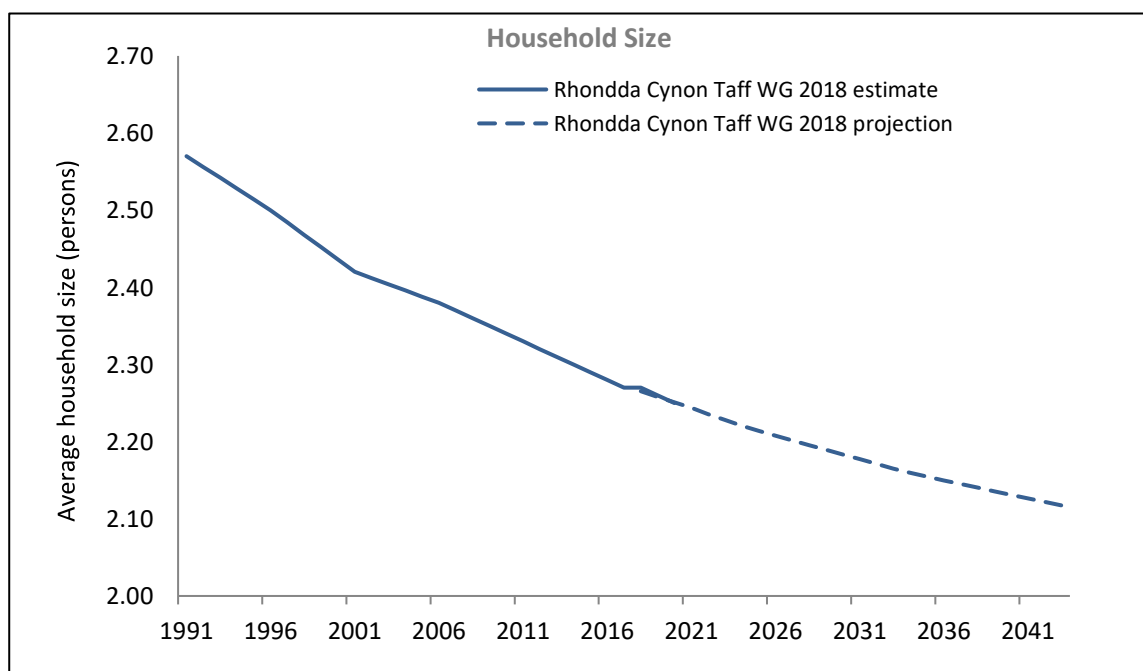
Official Household Projections

- 3.2 The first step in analysing housing needs must therefore be to identify the household projections for Rhondda Cynon Taf, which are used as the basis for this report. Rhondda Cynon Taf Council have decided that for now the most appropriate option to utilise the Welsh Government 2018 based Principal scenario. This is an official Welsh Government projection which assumes an outcome that 563 dwellings per annum are required for the period 2022 to 2037. This is not a binding plan at this stage, but it provides a starting point for consider in the overall housing need of Rhondda Cynon Taf.
- 3.3 For this current study, we do not intend to recreate any of the demographic analysis of the Welsh Government. Instead, we take their data forward on the assumption that 563 dwellings per annum are required in Rhondda Cynon Taf and model the housing needs on the assumption that these dwellings are delivered in line with the population projections underwriting the WG Household Projections 2018 Based Principal scenario.

Projected Household Size

- 3.4 The projected household size is calculated using the population and household projections rather than being a variable used to create them. The data (Figure 15) divides the population in the area by the associated household projection.

Figure 15: Average household size estimates and projections for Rhondda Cynon Taf for the period 1991-2043 (Source: Household Estimates for Wales WG; ONS 2018 is 2018-principle projections)



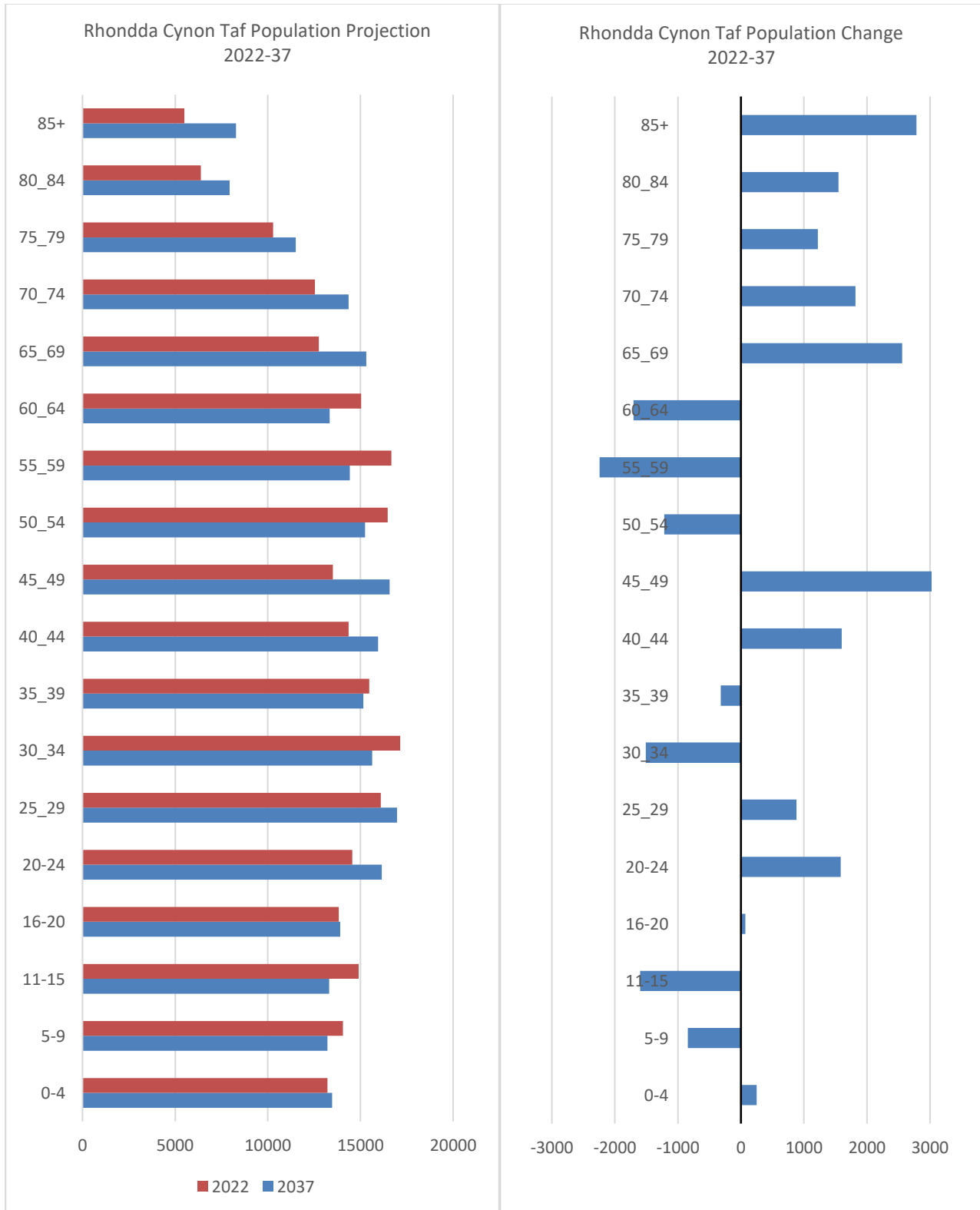
- 3.5 As the charts show, the average household sizes are projected to steadily decline over the plan period. This can largely be ascribed to an ageing population, given that older persons tend to live in smaller households (typically single persons or couples without children). Importantly, the past decline in household sizes is projected to continue into the future, indicating that the WG household projection 2018 Principal is a good reflection of past trends in Rhondda Cynon Taf.

ONS Projected Population Age Profile

- 3.6 The population projections underwriting the WG 2018 based household projections Principal scenario population projections show that the overall population of Rhondda Cynon Taf is projected to grow by nearly 8,000 from 242,800 people to 250,700 people between 2022 and 2037. Figure 16 shows this growth by age group.
- 3.7 The data is showing a drop in children aged 5-16 years, but a rise in the number of persons aged 20-29 years, driven by the impact of higher education on the underlying population trends. There is a very large rise in the projected population likely to come from those aged 65 years and above, with a rise of 9,900 persons just from those aged 65 years or more. This is more than the total population rise and is offset by drops in population among other age groups.
- 3.8 The population projection on which all modelling of future housing needs in this document is based on the table set in Figure 16.

3.9 For Chapters 4 and 5 of this document the data being referred to relates to households not dwellings. The difference between a need for a household and the need for a dwelling is that in reality some dwellings will be vacant at any one time. Therefore when a vacancy rate is added to the household needs, this gives a dwelling figure and this process takes place in Chapter 6.

Figure 16: Rhondda Cynon Taf – Population 2022, 2037 and Change 2022-37 by 5-year cohort (Source: WG and ORS)



4. Current Affordable Housing Need

The baseline for establishing housing need

Assessing Affordable Housing Needs

- 4.1 The ORS Housing Mix Model considers the need for market and affordable housing on a long-term basis that is consistent with household projections. The model uses a range of secondary data sources to build on existing household projections and profile how the housing stock will need to change in order to accommodate the projected future population.
- 4.2 The model provides robust and credible evidence about the required mix of housing over the full planning period and recognises how key housing market trends will impact on the appropriate housing mix.

Current Unmet Needs of Households Unable to Afford

- 4.3 Any exploration of housing need in an area must first give consideration to existing unmet needs. WG LHMA Guidance 2006 provide a list of those in current housing need at Table 6.3.

TABLE 6.3: NEEDS ASSESSMENT TABLE OF STEPS AND SOURCE VERSION A (USING ONLY SECONDARY DATA):

C: CURRENT NEED

1. Existing households in need of alternative housing.
2. plus current non-households in need Housing Register
3. minus cases where they can afford to meet their needs in the market
4. equals Total current housing need $1 + 2 - 3$

A: AVAILABLE STOCK TO OFFSET NEED

5. Current occupiers of affordable housing in need.
6. plus surplus stock
7. plus committed supply of new affordable units.
8. minus planned units to be taken out of management
9. equals Total available stock to meet current need $5 + 6 + 7 - 8$
10. equals Total Current need $4 - 9$
11. times quota progressively to reduce level of current need Policy judgement.
12. equals annual need to reduce level of current need

Welsh Government Local Housing Market Assessment Guidance 2006 Table 6.3 Page 67-68

- 4.4 This represents quite a complex approach to understanding current need for affordable housing in Rhondda Cynon Taf, but in summary can be more simply described as:
- » All households that are currently **homeless**;
 - » All those currently housed in **temporary accommodation**; and
 - » People in a **reasonable preference category** on the housing register, where their needs have not already been counted.
- 4.5 Given this context, the model includes the needs of all these households when establishing the need for affordable housing at a base date of 2021.
- 4.6 The analysis counts the needs of all households living in overcrowded rented housing when establishing the affordable housing need (which could marginally overstate the requirements) but it does not count the needs of owner occupiers living in overcrowded housing (which can be offset against any previous over-counting). Student households are also excluded, given that their needs are assumed to be transient and do not count towards the need for affordable housing in Rhondda Cynon Taf.
- 4.7 Concealed families are an important part of unmet housing need. However, not all concealed families want separate housing. Those with older family representatives will often be living with another family, perhaps for cultural reasons or in order to receive help or support due to poor health. However, those with younger family representatives are more likely to be experiencing affordability difficulties or other constraints (although even here not all will want to live independently).
- 4.8 Any concealed families in a reasonable preference category on the housing register will be counted regardless of age. The analysis also considers the additional growth of concealed families with family representatives aged under 55 (even when not on the housing register) and assumes that all such households are unlikely to be able to afford housing (otherwise they would have found a more suitable home).
- 4.9 The analysis does not count people occupying insanitary housing or otherwise living in unsatisfactory housing conditions as a need for additional affordable housing. These dwellings would be unsuitable for any household and enabling one household to move out would simply allow another to move in – so this would not reduce the overall number of households in housing need. This housing need should be resolved by improving the existing housing stock, and the Council have a range of statutory enforcement powers to improve housing conditions.
- 4.10 A key question for a study such as this is just how many households from the housing register to consider as being in affordable housing need? The guidance for the allocation of affordable housing in Rhondda Cynon Taf⁵ sets out that there are Bands A-D for allocation, with Band A-C being those with a housing need in Rhondda Cynon Taf, and Band D being for those with no identifiable housing need. It is clearly not appropriate just to consider all households on the housing register (the current number of households is just over 4,700) as being in affordable housing need when those with no needs or no local connection are unlikely to be housed in Rhondda Cynon Taf.
- 4.11 Therefore, we have limited our analysis to Bands A-C of the housing register, which counts all households with a clearly identified housing need. Figure 17 sets out the assessment of current (as of 2021) affordable housing need for Rhondda Cynon Taf. The data is drawn from a range of other sources as well as the housing register.

⁵ [Housing Allocation Report App B \(moderngov.co.uk\)](https://www.moderngov.co.uk/housing-allocation-report-app-b)

Figure 17: Assessing current unmet gross need for affordable housing using housing register information (Source: Rhondda Cynon Taf Housing Register, Homelessness Return and ORS modelling)

RHONDDA CYNON TAF	Affordable Housing		
	Gross Need	Supply	Net Need
Homeless households in priority need [Source: Welsh Government returns 2021]			
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	90		90
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	42		42
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	0	0	0
Households accepted as homeless but without temporary accommodation provided	0		0
Concealed households [Source: Census 2001 and 2011]			
Growth in concealed families with family representatives aged under 55	204		204
Overcrowding based on the bedroom standard [Source: Census 2011 and ORS Modelling]			
Households living in overcrowded private rented housing	240		240
Households living in overcrowded social rented housing	391	391	0
Other households living in unsuitable housing that cannot afford their own home [Source: Rhondda Cynon Taf Housing Register]			
People who need to move on medical or welfare grounds, including grounds relating to a disability	631	53	583
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)	688	58	630
TOTAL	2,291	502	1,789

- 4.12 Based on a detailed review of both the past trends and current estimates our analysis has concluded that the backlog of housing need contains 2,291 households in Rhondda Cynon Taf are currently living in unsuitable housing and are unable to afford their own housing. This assessment avoids double counting as far as possible.
- 4.13 Of these households, 502 currently occupy affordable housing that does not meet the current householders' needs, mainly due to overcrowding. Providing more suitable housing for these households will enable them to vacate their existing affordable housing property, which can subsequently be allocated to another (smaller) household in need of affordable housing.
- 4.14 There is, therefore, a net current affordable housing need of 1,789 households (2,291 less 502 = 1,789). However, depending on property types and size of households in need, a higher number of new homes may be needed to ensure there is no overcrowding.
- 4.15 We would also note that at this point in the calculation, we have not included any impact of vacant stock, demolitions or pipeline development. They are all considered later in the modelling process to ensure a clearer narrative.

5. Future Affordable and Market Housing Need

Identifying households who cannot afford market housing

Current Unmet Needs of Households Unable to Afford

- 5.1 As well as current needs, any exploration of housing need in an area must also give consideration to future housing needs. WG LHMA Guidance 2006 provide a list of those in current housing need at Table 6.3.

N: NEWLY ARISING NEED

13. *New household formation (gross p.a.)*

14. *times proportion unable to buy or rent in the market*

15. *plus existing households falling into need*

16. *minus potential out-migrants unable to afford market housing.*

17. *plus in-migrants unable to afford market housing.*

18. *equals newly arising need (13 x 14) + 15 + 16 + 17*

S: SUPPLY OF AFFORDABLE UNITS per year

19. *Net supply of social re-lets*

20. *plus supply of intermediate housing available for re-let or resale at sub market levels*

21. *equals affordable supply 19 + 20*

Welsh Government Local Housing Market Assessment Guidance 2006 Table 6.3 Page 67-68

- 5.2 This represents a more straightforward approach to understanding housing need than the approach set out for Current Need in Table 6.3 and in summary can be more described as:

- » All newly forming households who cannot afford market housing; +
- » All in-migrant households who cannot afford market housing +
- » All households falling into need -
- » Out-migrants who cannot afford market housing –
- » All households who climb out of need –
- » The supply of affordable housing from household dissolution.

- 5.3 Therefore, there are 3 sources of demand for affordable housing and 3 sources of supply We would note that while Table 6.3 of the WG LHMA Guidance 2006 does not explicitly discuss households climbing out of need, the guidance does state at paragraph 6.96 in relation to households falling into need that:

ii) This category is included as a means of predicating the number of households that will fall in and out of need in the course of the year on the basis of past trends.

- 5.4 Therefore, while the WG LHMA 2006 Guidance does not provide any specific guidance about the treatment of households that no longer need housing it is clear that the guidance requires a consideration of households who fall both in and out of need to ensure that the model consistently counts the affordable needs of all households. In the real households form couples or see their income rise, so they can climb out of need as well as fall not need and this is captured by the modelling below.
- 5.5 We would also note that Table 6.3 suggests using turnover in the affordable housing sector as a proxy for future supply from existing affordable housing. However, turnover occurs for a variety of reasons such as out-migration, eviction and the dissolution of a household. Given that some of these effects are considered elsewhere in the model, such as out-migration, we model household dissolution separately to ensure that no double counting of supply occurs.
- 5.6 We would also note that WG LHMA Guidance 2006 states in Table 6.3 that the measure of the number of households who require affordable housing should be based upon ‘Secondary data sources on household incomes and income proxies,’. At paragraph 4.20 the guidance states that ‘Income distributions can also be purchased from a number of sources including CACI Paycheck and Experian’.
- 5.7 Rhondda Cynon Taf Council purchased a licence to utilise the CACI Paycheck data and the data has been used as part of the modelling process for this study. A condition of the CACI Paycheck licence is that local authorities cannot directly publish the data and can only use it in the modelling process in a manner that cannot lead to it being identified. We can confirm that the CACI Paycheck data has been used, but we have not published any income data in this study.

Projected Future Need of Households Unable to Afford

- 5.8 When considering the number of newly arising households likely to be in affordable housing need, the WG LHMA Guidance 2006 recommends the calculation of “New household formation (gross p.a.) times proportion unable to buy or rent in the market” and for migration it suggests, ‘in-migrants unable to afford market housing’.
- 5.9 Together with information on household type, this provides a framework for the model to establish the proportion of households who are unable to afford their housing costs. The following table (Figure 18) looks at the impact of different types of households.

Figure 18: Annual components of Household Growth for Rhondda Cynon Taf 2022-37 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

RHONDDA CYNON TAF 2022-37	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	624	489	135	22%
Households migrating into the area	4,580	3,502	1,078	24%
All new households	5,204	3,991	1,212	23%

- 5.10 The ORS Model identifies new households projected to form in Rhondda Cynon Taf each year, along with the number that will be unable to afford their housing costs. The model also considers new households migrating to the area which results in the total new households in need of affordable housing (Figure 18).

- 5.11 Overall the model shows that 624 households are likely to form in Rhondda Cynon Taf each year and of these, 22% are unlikely to be able to afford their housing costs for market housing. This amounts to 135 households per annum.
- 5.12 Meanwhile, 4,580 households are likely to move to Rhondda Cynon Taf each year from elsewhere and 24% of these are unlikely to be able to afford their housing costs, which amounts to 1,078 households.
- 5.13 WG LHMA Guidance 2006 notes the importance of considering the future supply of affordable housing, but also that consideration should be given to '*potential out-migrants unable to afford market housing*'. This is a very important point, that households can form in the private rented sector in Rhondda Cynon Taf and be in housing need because they cannot afford market housing. It is important that these households are removed from the calculation because they would otherwise represent a need for affordable housing for households who are no longer in Rhondda Cynon Taf.
- 5.14 The model also identifies the households are likely to dissolve following the death of all household members. Many of these households will own their homes outright, however, some of these are likely to have been unable to afford market housing and will mostly be living in social rented housing (Figure 19).
- 5.15 Figure 19 shows the annual number of households who will vacate affordable dwellings or will no longer be waiting for a home in each local authority over the period in question:
- 5.16 This shows that a total of 95 dwellings per annum are likely to be vacated from dissolution following the death of the last remaining occupier each year. However, a much higher figure of 1,080 households each year are projected to leave Rhondda Cynon Taf and either vacate affordable housing; or vacate private rented properties having been unable to afford market rents. This group almost completely outset the number of households who migrate to Rhondda Cynon Taf each year who cannot afford market housing, so their net impact is very close to zero.
- 5.17 We would note that the result showing that more housing need is resolved by migration than through social rent relets is very common across Wales. As we noted earlier in this section, Table 6.3 suggests using turnover in the affordable housing sector as a proxy for future supply from existing affordable housing. However, a large part of affordable housing need is generated by households moving to an area, and resolved by households moving away from it. These households are not captured by re-let supply because they never enter the affordable housing sector, but their needs require to be counted both as they arrive in an area and as they leave.

Figure 19: Annual components of Household Growth Rhondda Cynon Taf 2022-37 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

RHONDDA CYNON TAF 2022-37	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Household dissolutions following death	320	224	95	30%
Households migrating <u>out</u> of the area	4,470	3,390	1,080	24%
All households no longer present	4,790	3,615	1,175	54%

- 5.18 WG LHMA Guidance also identifies that it is important to estimate "*existing households falling into need*". Whilst established households that continue to live in Rhondda Cynon Taf will not contribute to household growth, changes in household circumstances (such as separating from a partner or the birth of a child) can lead to households who were previously able to afford housing falling into need. The needs of these

households are counted by the model, and the estimate of the number of established households that will fall into need is shown in Figure 20.

5.19 However, established households' circumstances can also improve. For example:

- » When two single person households join together to form a couple, pooling their resources may enable them to jointly afford their housing costs (even if neither could afford separately).
- » Households also tend to be more likely to afford housing as they get older, so young households forming in the early years of the projection may be able to afford later in the projection period.

5.20 These improved circumstances can therefore reduce the need for affordable housing over time. The model identifies the number of households whose circumstances will improve such that they become able to afford their housing costs having previously being unable do so.

5.21 Therefore, considering the changing needs of existing households overall, **there will be a net increase of existing households needing affordable housing each year amounting to 93 households per annum.** (Figure 20).

Figure 20: Annual components of Household Growth Rhondda Cynon Taf 2022-37 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

RHONDDA CYNON TAF 2022-37	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Existing households falling into need	-	-221	+221	100%
Existing households climbing out of need	-	+128	-128	0%
Change in existing households	-	-93	93	-

5.22 The following table (Figure 21) summarises the overall impact of:

- » new households adding to housing need,
- » the households no longer present reducing housing need and
- » the changes in circumstances impacting existing households.

Figure 21: Annual components of Household Growth Rhondda Cynon Taf 2022-37 (Source: ORS Housing Model)

RHONDDA CYNON TAF 2022-37		All households	Households able to afford housing costs	Households unable to afford housing costs
All new households		5,204	3,991	1,212
All households no longer present		4,790	3,615	1,175
Change in existing households		-	93	93
Future affordable housing need 2022-37	Annual average	+414	+284	+130
	15-year Total	+6,208	+4,257	+1,951

5.23 Overall reviewing the contribution of each element amounts to a projected additional 1,951 households needing affordable housing in Rhondda Cynon Taf over the 15-year period 2022-37, or an average of 130 per annum. This information can then be linked with the current need for affordable housing set out in Chapter 4 to consider the overall housing needs of Rhondda Cynon Taf.

6. Summary of Housing Need

Affordable and Market Housing Needs in Rhondda Cynon Taf

Overall Housing Needs

- 6.1 As noted at the end of Chapter 3, the figures set out in Chapter 4 and 5 relate to households who require affordable housing, not the total number of dwellings required. The data in Chapter 4 related to the number of current households in need in Rhondda Cynon Taf and that in Chapter 5 relates to new housing need which will arise over the period 2022-37.
- 6.2 Figure 22 shows the result of applying the vacancy rate for dwellings to the overall need figures for households set out in Chapters 4 and 5. There is also a further disaggregation of the data to consider those who can only afford Social Rent and those who can potentially afford Intermediate Rent. This process was undertaken by utilising the CACI Paycheck information to disaggregate those households in need by income.
- 6.3 On this basis, 45.3% of the total need for 8,450 dwellings is for affordable housing, or a total of 255 affordable dwellings per annum. These levels would provide for the current unmet needs for affordable housing in addition to the projected future growth in affordable housing need, but any future losses from the current stock (such as demolition) would increase the number of affordable dwellings needed by an equivalent amount. Meanwhile, any vacant affordable properties returned to use or homes which are already part of the pipeline of new development will reduce the need.

Figure 22: Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size
(Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Dwellings		Total Affordable Housing	Total Market Housing	Total Housing
	Social rent	Intermediate Housing			
1 bedroom	893	103	996	37	1,033
2 bedrooms	1,140	217	1,356	1,449	2,806
3 bedrooms	950	277	1,228	2,950	4,177
4+ bedrooms	183	61	244	190	434
DWELLINGS	3,166	658	3,824	4,626	8,450

- 6.4 Figure 23 shows the components of housing need presented in Figure 22 as percentages of the 8,450 overall dwelling need.

Figure 23: Overall need for Market and Affordable Dwellings as percentages of the using up to category C on the housing register by property size by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Dwellings		Total Affordable Housing	Total Market Housing	Total Housing
	Social rent	Intermediate Housing			
1 bedroom	10.6%	1.2%	11.8%	0.4%	12.2%
2 bedrooms	13.5%	2.6%	16.1%	17.2%	33.2%
3 bedrooms	11.2%	3.3%	14.5%	34.9%	49.4%
4+ bedrooms	2.2%	0.7%	2.9%	2.3%	5.1%
DWELLINGS	37.5%	7.8%	45.3%	54.7%	100.0%

- 6.5 The figures above assume that the backlog of need is addressed evenly over 15 years. If instead, the backlog of need was to be addressed over 5 years, the level of affordable housing need would be 499 dwellings per annum for the first 5 years and then 133 dwellings per annum for the next 10 years, which leaves the average figure over the 15 years as 255 dwellings per annum.

Housing Sub Markets

- 6.6 To this point, the figures for the housing sub-markets of Rhondda Cynon Taf, as set out in Figure 10, have been subsumed as part of the overall figures. However, it is possible to provide an abbreviated housing model for each of the housing sub-market based on available evidence. This splits the 8,450 dwellings in to the 13 housing sub-markets based upon recent trends.
- 6.7 To undertake this exercise we utilised the following modelling approach:
- » We firstly identify the number of current people, households and dwellings in each sub-market. This includes considering the age profile of the population and also the household types;
 - » Trends for population change in the sub-markets are then considered which allow us to develop a projection of migration for each area;
 - » The demography of each area is then considered to develop a projection of births and deaths;
 - » This allows for a projection of population change in each sub-market based upon recent trends;
 - » The data is then reconciled with the overall target to 8,450 dwellings to ensure consistency between the sub-market analysis and the overall housing need for Rhondda Cynon Taf.
 - » The analysis process set out in Chapters 4 and 5 is then followed for each sub-area to model their overall and affordable housing needs based upon their demographic projections.

The important point about the figures set out below in Figure 24 through to

- 6.8 Figure 36 is that they are trend based and are driven by the demographics and affordability for each sub-market. The overall figures are not based upon building capacity or any measure of planned delivery.

Figure 24: Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size in Greater Aberdare (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Greater Aberdare	Affordable Dwellings		Total Affordable Housing	Total Market Housing	Total Housing
	Social rent	Intermediate Housing			
1 bedroom	188	22	210	8	218
2 bedrooms	287	55	342	338	680
3 bedrooms	153	45	197	587	784
4+ bedrooms	19	6	26	31	57
DWELLINGS	647	127	775	964	1,739

Figure 25: Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size in Lower Cynon Valley (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Lower Cynon Valley	Affordable Dwellings		Total Affordable Housing	Total Market Housing	Total Housing
	Social rent	Intermediate Housing			
1 bedroom	53	6	59	2	61
2 bedrooms	83	16	99	96	196
3 bedrooms	86	25	111	217	328
4+ bedrooms	8	3	11	7	18
DWELLINGS	231	50	281	322	603

Figure 26: Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size in Central Taf (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Central Taf	Affordable Dwellings		Total Affordable Housing	Total Market Housing	Total Housing
	Social rent	Intermediate Housing			
1 bedroom	67	8	74	4	78
2 bedrooms	106	20	126	185	312
3 bedrooms	77	22	100	414	514
4+ bedrooms	12	4	15	38	53
DWELLINGS	262	54	316	641	957

Figure 27: Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size in South West Taf (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

South West Taf	Affordable Dwellings		Total Affordable Housing	Total Market Housing	Total Housing
	Social rent	Intermediate Housing			
1 bedroom	174	20	194	7	201
2 bedrooms	208	40	247	318	565
3 bedrooms	194	57	251	602	853
4+ bedrooms	40	13	53	64	117
DWELLINGS	616	129	745	991	1,736

Figure 28: Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size in Greater Pontypridd (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Greater Pontypridd	Affordable Dwellings		Total Affordable Housing	Total Market Housing	Total Housing
	Social rent	Intermediate Housing			
1 bedroom	40	5	45	2	46
2 bedrooms	35	7	41	60	102
3 bedrooms	25	7	33	122	155
4+ bedrooms	5	2	7	6	13
DWELLINGS	106	20	126	190	316

Figure 29: Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size in Lower Rhondda Fawr (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Lower Rhondda Fawr	Affordable Dwellings		Total Affordable Housing	Total Market Housing	Total Housing
	Social rent	Intermediate Housing			
1 bedroom	27	3	30	1	31
2 bedrooms	26	5	31	42	73
3 bedrooms	27	8	35	100	135
4+ bedrooms	4	1	6	3	9
DWELLINGS	84	17	101	146	248

Figure 30: Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size in Lower Rhondda Fach (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Lower Rhondda Fach	Affordable Dwellings		Total Affordable Housing	Total Market Housing	Total Housing
	Social rent	Intermediate Housing			
1 bedroom	22	3	25	1	26
2 bedrooms	36	7	43	43	86
3 bedrooms	39	11	50	120	170
4+ bedrooms	3	1	4	4	8
DWELLINGS	100	22	122	168	289

Figure 31: Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size in Upper Rhondda Fach (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Upper Rhondda Fach	Affordable Dwellings		Total Affordable Housing	Total Market Housing	Total Housing
	Social rent	Intermediate Housing			
1 bedroom	27	3	30	1	31
2 bedrooms	37	7	44	44	88
3 bedrooms	34	10	44	87	131
4+ bedrooms	5	2	7	2	9
DWELLINGS	104	22	126	134	260

Figure 32: Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size in Tonyrefail & Gilfach Goch (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Tonyrefail & Gilfach Goch	Affordable Dwellings		Total Affordable Housing	Total Market Housing	Total Housing
	Social rent	Intermediate Housing			
1 bedroom	50	6	56	1	57
2 bedrooms	90	17	107	56	163
3 bedrooms	73	21	94	199	293
4+ bedrooms	9	3	12	11	22
DWELLINGS	221	47	268	268	536

Figure 33: Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size in East of Pontypridd (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

East of Pontypridd	Affordable Dwellings		Total Affordable Housing	Total Market Housing	Total Housing
	Social rent	Intermediate Housing			
1 bedroom	160	18	178	5	184
2 bedrooms	138	26	164	102	266
3 bedrooms	120	35	155	194	350
4+ bedrooms	62	21	83	11	94
DWELLINGS	480	100	580	312	893

Figure 34: Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size in Upper Cynon Valley (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Upper Cynon Valley	Affordable Dwellings		Total Affordable Housing	Total Market Housing	Total Housing
	Social rent	Intermediate Housing			
1 bedroom	21	2	23	1	24
2 bedrooms	41	8	49	41	90
3 bedrooms	65	19	83	95	178
4+ bedrooms	8	3	11	4	15
DWELLINGS	135	32	167	141	308

Figure 35: Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size in Upper Rhondda Fawr (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Upper Rhondda Fawr	Affordable Dwellings		Total Affordable Housing	Total Market Housing	Total Housing
	Social rent	Intermediate Housing			
1 bedroom	39	4	43	2	45
2 bedrooms	34	6	40	74	114
3 bedrooms	37	11	47	146	194
4+ bedrooms	5	2	7	5	12
DWELLINGS	114	23	138	227	365

Figure 36: Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size in Taffs Well (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Taffs Well	Affordable Dwellings		Total Affordable Housing	Total Market Housing	Total Housing
	Social rent	Intermediate Housing			
1 bedroom	25	3	28	2	30
2 bedrooms	19	4	22	49	71
3 bedrooms	21	6	27	68	95
4+ bedrooms	2	1	3	3	6
DWELLINGS	67	13	80	122	202

7. Needs of Different Groups

An exploration of need for target groups

Housing for Older People

- 7.1 The UK population is ageing, and people can expect to live longer healthier lives than previous generations. The older population is forecast to grow by 3.8 million 2020-40 for the over 65s, and from 5.8m (2020) to 8.1m by 2040 for the over 75s.⁶
- 7.2 Based on the dwelling-led Local Housing Need projection discussed in Chapter 6, the number of over 75s in Rhondda Cynon Taf is projected to increase by around 5,555 the period 2022-37; of which approximately 2,784 will be over 85 years old (Figure 38).
- 7.3 It is important to plan housing which is suitable for this increase in older people within the population with a key requirement being to predict the type of housing which will best meet their needs. Whilst most will remain living in the same area and many will not move from their current homes; those that do move in their later years are likely to be looking for housing suitable for older people.
- 7.4 This housing comes in a number of different forms and the distribution between these different types needs to be explored. The Older People housing options considered in this section follow the definitions in the 2012 “Housing Our Ageing Population” report (HAPPI2).⁷ This defines specialist provision as mainstream (including adapted and wheelchair homes), specialised housing (including Extra Care and sheltered housing) and Care Homes (including both Registered Nursing and Registered Care Homes).
- 7.5 The Housing Learning and Improvement Network (LIN) published “More Choice, Greater Voice: a toolkit for producing a strategy for accommodation with care for older people”⁸ in February 2008; and subsequently published the “Strategic Housing for Older People (SHOP)”⁹ resource pack in December 2011. Both the toolkit and the resource pack provide standardised rates for estimating the demand for specialist older person housing products per 1,000 people aged 75 or over. These toolkits these have informed the evidence base for many adopted Local Plans.
- 7.6 These rates provide a useful framework for understanding the potential demand for different forms of older person housing, but neither publication provides any detail about the derivation of the figures. There is no single correct answer when estimating the need for older person housing, however the rates provide a basis for identifying the potential levels of demand.
- 7.7 In this report we have chosen to use the Housing Learning and Improvement Network (Housing LIN) SHOP resource pack methodology (2012), as this is the most recent iteration of the toolkit.¹⁰ This forecasts the population and then applies a benchmark need for particular housing types per thousand people aged 75+ (Figure 37).

⁶ ONS 2018-based UK national population projections (principal variant).

⁷ http://www.housinglin.org.uk/library/Resources/Housing/Support_materials/Other_reports_and_guidance/Housing_our_Ageing_Population_Plan_for_Implementation.pdf

⁸ http://www.housinglin.org.uk/library/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf

⁹ <http://www.housinglin.org.uk/library/Resources/Housing/SHOP/SHOPResourcePack.pdf>

¹⁰ www.housinglin.org.uk/housinginlaterlife_planningtool

Figure 37: Strategic Housing for Older People (SHOP) Resource pack – benchmark need per thousand persons aged 75+

Provision Type	Owned (per 1000)	Rented (per 1000)	TOTAL (per 1000)
Leasehold scheme for the Elderly (LSE)	120	0	120
Conventional Sheltered Housing	0	60	60
Sheltered 'plus' or 'Enhanced' sheltered (provision with some care needs)	10	10	20
Extra care	30	15	45
Dementia	0	6	6
TOTAL	160	91	251

- 7.8 The dwelling-led population projections for Rhondda Cynon Taf show a substantial increase in the older population during the period 2022-2037. The population aged 75+ is likely to increase by around 5,555 persons across Rhondda Cynon Taf County Based on providing the number of homes required to meet the local housing need.

Figure 38: Projected population aged 75+ (Source: LHN dwelling-led population projections)

RHONDDA CYNON TAF	75-84	85+	TOTAL
2022	16,663	5,494	22,157
2037	19,434	8,278	27,712
CHANGE	+2,771	+2,784	+5,555

- 7.9 Data published by Rhondda Cynon Taf Council identifies that there is currently a total of 1,313 specialist Older Person homes across Rhondda Cynon Taf.

Figure 39: Existing Stock of Specialist Older Person Housing for Rhondda Cynon Taf (Source: Rhondda Cynon Taf "A plan for housing in later life" 2016)

RHONDDA CYNON TAF: Property Type	Owned	Rented	TOTAL
Housing with support	0	1,271	1,271
Housing with care	0	42	42
TOTAL	0	1,313	1,313

- 7.10 The SHOP model can be used to assess that there is already a shortfall in the provision of housing for elderly people. The current population of 22,157 in Rhondda Cynon Taf people aged 75+ requires 5,562 specialist homes whilst data shows that just 1,351 exist, resulting in an unmet need of 4,211 homes already in the area. Therefore, existing provision is less than the idealised need, but this is not unusual as ORS are not aware of any local authority in England or Wales having an existing provision as high as 251 per 1,000 persons aged 75+ years.

Figure 40: Modelled Existing Demand for Older Person Housing in Rhondda Cynon Taf County Based on the Housing LIN Toolkit
(Source: Housing LIN Toolkit, Rhondda Cynon Taf “A plan for housing in later life” 2016)

RHONDDA CYNON TAF		Rate per 1,000 persons aged 75+	Gross need 2022	Existing supply	Unmet need in 2022
Sheltered Housing	Owned	120	2,659	0	2,659
	Rented	60	1,329	1,271	58
Extra Care	Owned	40	886	0	886
	Rented	31	687	80	607
TOTAL		251	5,562	1,351	4,211

- 7.11 If we then consider the increase in need by 2037 by applying the SHOP formula (per 1,000) to the additional people aged 75+ that are projected to exist in Rhondda Cynon Taf by the end of the projection we can calculate the additional need for elderly housing (Figure 41):

Figure 41: Modelled Demand for Additional Specialist Older Person Housing Rhondda Cynon Taf 2022-37 (Source: Housing LIN Toolkit)

RHONDDA CYNON TAF		Owned	Rented	Total
Sheltered Housing	Leasehold schemes for the Elderly (LSE)	+667	-	+667
	Conventional Sheltered housing	-	+333	+333
Extra Care	Sheltered 'Plus' or 'Enhanced'	+56	+56	+111
	Extra care	+167	+83	+250
	Dementia	-	+33	+33
Total		889	506	+1,394

- 7.12 The toolkit identifies a total need for 5,605 specialist older person additional housing units over the period 2022-2037. The table below (Figure 42) summarises the potential requirement for new specialist older person housing, taking account of the current stock, unmet demand and population growth for the period.

Figure 42: Modelled Demand for Older Person Housing in Rhondda Cynon Taf 2022-37 based on Housing LIN Toolkit

RHONDDA CYNON TAF		Rate per 1,000 persons aged 75+	Gross need 2022	Existing supply	Unmet need in 2022	Additional need 2022-37	Overall need
Sheltered Housing	Owned	120	2,659	0	2,659	+667	+3,325
	Rented	60	1,329	1,271	58	+333	+392
Extra Care	Owned	40	886	0	886	+222	+1,108
	Rented	31	687	80	607	+172	+779
TOTAL		251	5,562	1,351	4,211	1,394	+5,605

- 7.13 The model assumes a continuation of current types of housing although it is unclear if Older People will aspire to these types of specialist housing in the future. Some types of housing may experience lower demand than others, and other, newer types of provision may appear to meet changing aspirations. A policy aim of supporting people at home for longer along with assistive technology could also reduce or alter demand.

- 7.14 In practice, the level of delivery identified as being required is likely to be unachievable given that it represents around a 467% of the overall local housing need. However, it is important to recognise that the provision of dedicated older person housing schemes will form an important part of the overall housing mix.

- 7.15 The delivery of specific schemes for specialist older person housing need should be considered in partnership with other agencies, in particular those responsible for older person support needs. It will be important to consider other factors and constraints in the market:
- » **Demographics:** the changing health, longevity and aspirations of Older People mean people will live increasingly healthy longer lives and their future housing needs may be different from current needs;
 - » **New supply:** development viability of schemes, and the availability of revenue funding for care and support services, need to be carefully considered before commissioning any new scheme. It will also be important for the Council and its partners to determine the most appropriate types of specialist older person housing to be provided in the area;
 - » **Existing supply:** this may be either inappropriate for future households or may already be approaching the end of its life. Other forms of specialist older person housing may be more appropriate than conventional sheltered housing to rent when considering future needs;
 - » **Other agencies:** any procurement of existing supply needs to be undertaken with other agencies who also plan for the future needs of Older People, particularly local authority Supporting People Teams and the Health Service; and
 - » **National strategy and its implications for Older People:** national strategy emphasises Older People being able to remain in their own homes for as long as possible rather than specialist provision, so future need may, again, be overstated.

Housing for People with Disabilities

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

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

- 7.17 Therefore, Lifetime Homes standards are seen as the appropriate standard to meet disabled needs. Lifetime homes standards are incorporated into the Welsh Government Design Quality Requirements, which are the mandatory standard and guidance for new and rehabilitated housing in Wales using Welsh Government Subsidy.
- 7.18 Disabled Facilities Grants (DFG) are currently the main source by which existing properties can be converted in Wales (Wales Audit Office, 2018/Housing crisis paper). DFGs are normally provided by Councils to adapt properties for individuals with health and/or mobility needs who are owner occupiers, or renting from a private landlord. Grants cover a range of works, ranging from major building works, major adaptations to the property and minor adaptations,
- 7.19 However, many existing dwellings are not suitable to be adapted or would require major works in order for them to be made fully suitable. As a result, adapting existing stock in Wales alone is unlikely to provide sufficient properties to meet the needs of a growing older population. Building of Lifetime Homes will

therefore likely be a significant component in meeting the future housing requirements of those with disabled needs in Wales.

7.20 By projecting forward census prevalence data, supported by up-to-date information from the department of work and pensions, estimates of the numbers of households in 2022 with a long-term illness or disability that affects their housing needs can be modelled (Figure 43 and Figure 44):

Figure 43: Rhondda Cynon Taf: Households with a long-term illness or disability that affects their housing needs (Source: ORS Housing Model, Census 2011, DWP¹¹. Note: figures may not sum due to rounding.)

	Rhondda Cynon Taf
All Households 2022	107,411
Households with one or more persons with a limiting long-term illness or disability	48,610
Does not affect their housing need	33,639
Current home suitable for needs	12,317
Current home requires adaptation	1,337
Need to move to a more suitable home	1,318
Total households where a limiting long-term illness or disability affects their housing need in 2022:	14,971

Figure 44: Rhondda Cynon Taf: Percentage of households with a long-term illness or disability that affects their housing needs (Source: ORS Housing Model, Census 2011, DWP. Note: figures may not sum due to rounding.)

	Rhondda Cynon Taf
%age of all Households with one or more persons with a limiting long-term illness or disability	45%
Does not affect their housing need	31%
Current home suitable for needs	11%
Current home requires adaptation	1%
Need to move to a more suitable home	1%
Total households where a limiting long-term illness or disability affects their housing need in 2022	14%

7.21 Figure 43 identifies that there were around 48,600 households living in Rhondda Cynon Taf in 2022 with one or more persons with a limiting long-term illness or disability. This included around 15,000 households in which health problems affected their housing needs, but the majority of these households (around 12,300) were already living in a suitable home. However, at the start of the period in 2022, it is estimated that there were around 1,337 households needed adaptations to their current home, and 1,318 households needed to move to a more suitable home due to a disability or another long-term health problem. These 1,318 households would represent an existing need for Lifetime Homes standard housing, however some of these households would require fully wheelchair adapted housing.

¹¹ DWP data in this section from: <https://stat-xplore.dwp.gov.uk/webapi/jsf/dataCatalogueExplorer.xhtml> – Data sets: Attendance Allowance (AA), Disability Living Allowance (DLA) and Personal Independence Payments (PIP)

- 7.22 The identified need for around 1,318 adapted homes at the start of the period is based on households' current needs. However, the changing needs of occupants over time must also be considered, as the number of households with one or more persons with a limiting long-term illness or disability will increase as people age.

Figure 45: Rhondda Cynon Taf: Households with a long-term illness or disability with projection 2022-37 (Source: ORS Housing Model, Census 2011, DWP. Note: Figures may not sum due to rounding.

	Rhondda Cynon Taf
Total households where a limiting long-term illness or disability affects their housing need in 2022 (Figure 43)	14,971
Existing households in 2022 likely to develop health problems that affect their housing need within 15 years	6,094
Additional households in 2037 projected to experience problems or likely to develop problems within 10 years	13,147
Total households in 2037 where illness or disability affects their housing need or will develop within 10 years	19,241

- 7.23 Further modelling of health needs (Figure 45) suggests that by 2037 there will be an additional 19,241 households either already experiencing health problems or likely to develop health problems within 10 years. Some of these will be new households, but many will be existing households resident in 2022 containing members whose health has deteriorated over the period to 2037.
- 7.24 Therefore, considering the needs of households resident at the start of the period together with the projected household growth and changing demographics (in particular the ageing population), there is projected to be a total of 20,559 households either needing adaptations to their existing housing or suitable new housing to be provided.

Figure 46: Rhondda Cynon Taf Households with a long-term illness or disability with projection 2022-37 and adaptable homes (Source: ORS Housing Model, Census 2011, DWP. Note: Figures may not sum due to rounding.)

	Rhondda Cynon Taf
Existing need in 2022	
Households where an existing illness or disability affects their housing need and need to move in 2022	1,318
Projected future need 2022-37	
Additional households in 2037 where illness or disability affects their housing need or will develop within 10 years	19,241
Maximum Need for adapted housing 2022-37 (households)	20,559
Less households in dwellings adaptable to wheelchair visitable standard	10,164
Minimum Need for adapted housing 2022-37 (households)	10,395

- 7.25 To provide Lifetime Homes for all of the identified need would require housing for up to 20,559 households to be provided (see Figure 46). However, not all households will want to move to new housing, as some will adapt their current homes and others will move to another dwelling in the existing stock. Discounting those households who live in homes adaptable to a wheelchair visitable standard as a proxy for the number of homes suitable for adaptation (in practice this will depend on how extensive those adaptations need to be), 10,395 will likely need to move to another dwelling.

- 7.26 There is inevitably uncertainty about how many households will be able to meet their housing needs without moving and how many will move to existing homes rather than new housing, therefore these figures (10,395 to 20,559) can be considered a range.
- 7.27 It is important to recognise that this would represent the combined need for both Lifetime Homes and fully wheelchair adapted housing; as households with a wheelchair user would be included within those households counted as having a health problem or disability that affects their housing need.

Housing for Wheelchair Users

- 7.28 Some households will inevitably be seeking a home that is already adapted appropriately for wheelchair living. On this basis, it is again important to consider the population projections and health demographics of the area, but with specific reference to households with wheelchair users.
- 7.29 Through combining the information on local rates with the national data, we can establish the proportion of households in Rhondda Cynon Taf likely to have a wheelchair user by the age of the household representative in both market housing and affordable housing. Figure 47 identifies the proportion of households in Rhondda Cynon Taf with a wheelchair user currently living in market housing and affordable housing by age of household representative.

Figure 47: Rhondda Cynon Taf: Percentage of households with a wheelchair user by type of housing and age of household representative (Source: ORS Housing model, DWP, Census 2011.

Housing Type	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Rhondda Cynon Taf								
Market housing	< 0.1%	0.4%	1.0%	1.7%	3.2%	4.1%	6.0%	7.5%
Affordable housing	0.3%	2.0%	3.0%	6.2%	6.3%	10.3%	12.6%	16.1%

- 7.30 Figure 48 shows the results of applying these rates to the population change 2022-37, identifying the net change in the number of households with a wheelchair user over the period. It is evident that the number of households likely to need wheelchair adapted housing in Rhondda Cynon Taf is likely to increase by 350 over these 15 years.

Figure 48: Rhondda Cynon Taf: Net change in the number of households with a wheelchair user by type of housing and 75 years of age threshold over the period 2022 to 2037 (Source: ORS Housing model, DWP, Census 2011. Note: Figures may not sum due to rounding)

Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+			Overall change 2022-37
	2022	2037	Net change 2022-37	2022	2037	Net change 2022-37	
Rhondda Cynon Taf							
Market housing	1,420	1,500	+80	740	780	+40	+120
Affordable housing	1,300	1,460	+160	530	590	+70	+230

- 7.31 However, it is important to recognise that some of the identified growth in households with wheelchair users (110 households, equivalent to 30%) are aged 75 or over, and it is likely that many of these households would also be identified as needing specialist housing for older persons. The earlier analysis identified a need for around 5,605 specialist older person housing units for households aged 75 or over in Rhondda Cynon Taf. On this basis, it may be appropriate to adopt higher targets for specialist housing for older persons that is wheelchair accessible, and this could reduce the proportion of general needs housing that would need to meet the fully wheelchair adapted standard. However, many wheelchair users will still remain in general housing, so additional wheelchair accessible housing will also be required in the general housing stock.

Students

- 7.32 The University of South Wales was formed in 2013 from the merger of the University of Glamorgan and the University of Wales, Newport. It has campuses in Cardiff, Newport and in Rhondda Cynon Taf. The largest campus is in Pontypridd, with three different parts located in Trefforest and Glyntaff.
- 7.33 As of 2019/20 the University of South Wales had a total of 23,100 students across its three campuses, which represents a reduction 6,000 students from the point it was formed in 2013, but this decline was not focused upon Pontypridd. Student growth/reduction in the private sector is inherently accounted for in the household projections. Any net increase/decrease in student numbers in the period 2013-18 is effectively treated as contributing to net migration (i.e. growth not due to births and deaths), and thus is projected forward across the plan period. As such, the assumption made is that higher education institutions will sustain the same rate of growth 2022-37 as was achieved in the prior decade, so for Rhondda Cynon Taf the impact on the population and household projections is assumed to be broadly neutral.
- 7.34 In Pontypridd, the university has dedicated purpose built accommodation for 1,200 students, but many also occupy properties in the private rented sector. The household projections do not assume any growth of students living in communal establishments after the base date of 2018, so any net increase in bedspaces provided in halls of residence (or other university accommodation) across the area would reduce the demand from student households. On this basis, local authorities will need to continue to count the supply of student bedspaces and consider the most appropriate way to do this as part of their overall housing monitoring

Appendix A

Local Population Characteristics

Figure 49: Rhondda Cynon Taf: Census-based Demographic data (Source: Census 2011. Figures may not sum due to rounding.)

Census 2011 data	Local Authority	
	Rhondda Cynon Taf	
Households		99,663
Total Persons		234,410
Age range		
	0-15	44,294
	16-74	172,047
	75+	18,069
Ethnicity		
	White	228,241
	Non-White	6,169
General health		
	Bad or very bad health	22,504
	Limiting long term illness	60,589
Household composition		
	Single person (incl 65+)	29,875
	Couple without children	16,399
	Couple living with children	26,764
	Lone parent	13,051
	Aged 65+	8,205
	Full time students	740
Household Occupancy		
	Main residence %	94.6
	No usual resident %	5.4

Figure 50: Rhondda Cynon Taf: 2020-21-based Property Demographic and Affordability Data (Source VOA, ONS.

	Rhondda Cynon Taf
Property Type	
Bungalow	4,760
Detached	13,450
Semi-detached	24,590
Terraced	56,610
Flat/Maisonette	9,970
Economic Status	
Employee	92,600
Self-employed	11,700
Looking for work	4,500
Retired from paid work	4,100
Looking after home	8,200
Long-term illness	16,300
Full time education	10,400
Qualifications (aged 16-64)	
NVQ4 And Above	52,100
NVQ3 And Above	82,700
NVQ2 And Above	109,200
NVQ1 And Above	126,800
Other Qualifications	5,400
No Qualifications	14,000
Median Affordability	
Average House Price	£115,000
Avg Workplace-based Income	£27,846
Affordability Ratio	4.13
Lower Quartile Affordability	
Average House Price	£80,000
Avg Workplace-based Income	£20,858
Affordability Ratio	3.84

Appendix B: Table of Figures

Figure 1:	Assessing current unmet gross need for affordable housing using housing register information (Source: Rhondda Cynon Taf Housing Register, Homelessness Return and ORS modelling)	6
Figure 2:	Annual components of Household Growth for Rhondda Cynon Taf 2022-37 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	7
Figure 3:	Annual components of Household Growth Rhondda Cynon Taf 2022-37 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	8
Figure 4:	Annual components of Household Growth Rhondda Cynon Taf 2022-37 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	8
Figure 5:	Annual components of Household Growth Rhondda Cynon Taf 2022-37 (Source: ORS Housing Model).....	9
Figure 6:	Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	9
Figure 7:	Number of Households in Rhondda Cynon Taf By Tenure 1981-2011 (Source: UK Census of Population).....	14
Figure 8:	Real House Price Trends: Lower Quartile Prices adjusted to Nov 2020 values using CPI (Source: ONS; Bank of England)	15
Figure 9:	Rhondda Cynon Taf - Lower quartile prices (adjusted by CPI) (Apr 2019-Mar 21) by property size (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data)	16
Figure 10:	Rhondda Cynon Taf - Lower quartile prices (adjusted by CPI) (Apr 2019-Mar 21) by property size by Sub Housing Market Area (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data).....	17
Figure 11:	Calculating income needed for home ownership.....	19
Figure 12:	Weekly rent thresholds Rhondda Cynon Taf (Source: Valuation Office Agency 2021-22)	20
Figure 13:	Annual income required to afford to rent properties at the lower quartile and median price based on 25% income multiplier by property size in Rhondda Cynon Taf (Source: ORS based on Valuation Office Agency data Oct 2020 to Sep 2021; SDR 2021)	21
Figure 14:	Comparison of weekly housing costs by property size (Source: VOA 2020-2021, Land Registry, ORS model)	23
Figure 15:	Average household size estimates and projections for Rhondda Cynon Taf for the period 1991-2043 (Source: Household Estimates for Wales WG; ONS 2018 is 2018-principle projections)	25
Figure 16:	Rhondda Cynon Taf – Population 2022, 2037 and Change 2022-37 by 5-year cohort (Source: WG and ORS).....	26
Figure 17:	Assessing current unmet gross need for affordable housing using housing register information (Source: Rhondda Cynon Taf Housing Register, Homelessness Return and ORS modelling)	29
Figure 18:	Annual components of Household Growth for Rhondda Cynon Taf 2022-37 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	31
Figure 19:	Annual components of Household Growth Rhondda Cynon Taf 2022-37 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	32
Figure 20:	Annual components of Household Growth Rhondda Cynon Taf 2022-37 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	33
Figure 21:	Annual components of Household Growth Rhondda Cynon Taf 2022-37 (Source: ORS Housing Model).....	33
Figure 22:	Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	34

Figure 23:	Overall need for Market and Affordable Dwellings as percentages of the using up to category C on the housing register by property size by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	35
Figure 24:	Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size in Greater Aberdare(Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	37
Figure 25:	Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size in Lower Cynon Valley (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	37
Figure 26:	Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size in Central Taf (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	37
Figure 27:	Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size in South West Taf (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	37
Figure 28:	Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size in Greater Pontypridd (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	38
Figure 29:	Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size in Lower Rhondda Fawr (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	38
Figure 30:	Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size in Lower Rhondda Fach (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	38
Figure 31:	Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size in Upper Rhondda Fach (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	38
Figure 32:	Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size in Tonyrefail & Gilfach Goch (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	39
Figure 33:	Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size in East of Pontypridd (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	39
Figure 34:	Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size in Upper Cynon Valley (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	39
Figure 35:	Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size in Upper Rhondda Fawr (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	39
Figure 36:	Overall need for Market and Affordable Dwellings using up to category C on the housing register by property size in Taffs Well (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	40
Figure 37:	Strategic Housing for Older People (SHOP) Resource pack – benchmark need per thousand persons aged 75+.....	42
Figure 38:	Projected population aged 75+ (Source: LHN dwelling-led population projections)	42
Figure 39:	Existing Stock of Specialist Older Person Housing for Rhondda Cynon Taf (Source: Rhondda Cynon Taf “A plan for housing in later life” 2016).....	42
Figure 40:	Modelled Existing Demand for Older Person Housing in Rhondda Cynon Taf County Based on the Housing LIN Toolkit (Source: Housing LIN Toolkit, Rhondda Cynon Taf “A plan for housing in later life” 2016).....	43
Figure 41:	Modelled Demand for Additional Specialist Older Person Housing Rhondda Cynon Taf 2022-37 (Source: Housing LIN Toolkit)	43

Figure 42:	Modelled Demand for Older Person Housing in Rhondda Cynon Taf 2022-37 based on Housing LIN Toolkit.....	43
Figure 43:	Rhondda Cynon Taf: Households with a long-term illness or disability that affects their housing needs (Source: ORS Housing Model, Census 2011, DWP. Note: figures may not sum due to rounding.)	45
Figure 44:	Rhondda Cynon Taf: Percentage of households with a long-term illness or disability that affects their housing needs (Source: ORS Housing Model, Census 2011, DWP. Note: figures may not sum due to rounding.).....	45
Figure 45:	Rhondda Cynon Taf: Households with a long-term illness or disability with projection 2022-37 (Source: ORS Housing Model, Census 2011, DWP. Note: Figures may not sum due to rounding.	46
Figure 46:	Rhondda Cynon Taf Households with a long-term illness or disability with projection 2022-37 and adaptable homes (Source: ORS Housing Model, Census 2011, DWP. Note: Figures may not sum due to rounding.).....	46
Figure 47:	Rhondda Cynon Taf: Percentage of households with a wheelchair user by type of housing and age of household representative (Source: ORS Housing model, DWP, Census 2011.....	47
Figure 48:	Rhondda Cynon Taf: Net change in the number of households with a wheelchair user by type of housing and 75 years of age threshold over the period 2022 to 2037 (Source: ORS Housing model, DWP, Census 2011. Note: Figures may not sum due to rounding).....	47
Figure 49:	Rhondda Cynon Taf: Census-based Demographic data (Source: Census 2011. Figures may not sum due to rounding.).....	49
Figure 50:	Rhondda Cynon Taf: 2020-21-based Property Demographic and Affordability Data (Source VOA, ONS.....	50