

# Local Housing Market Assessment (LHMA) 2018-2022



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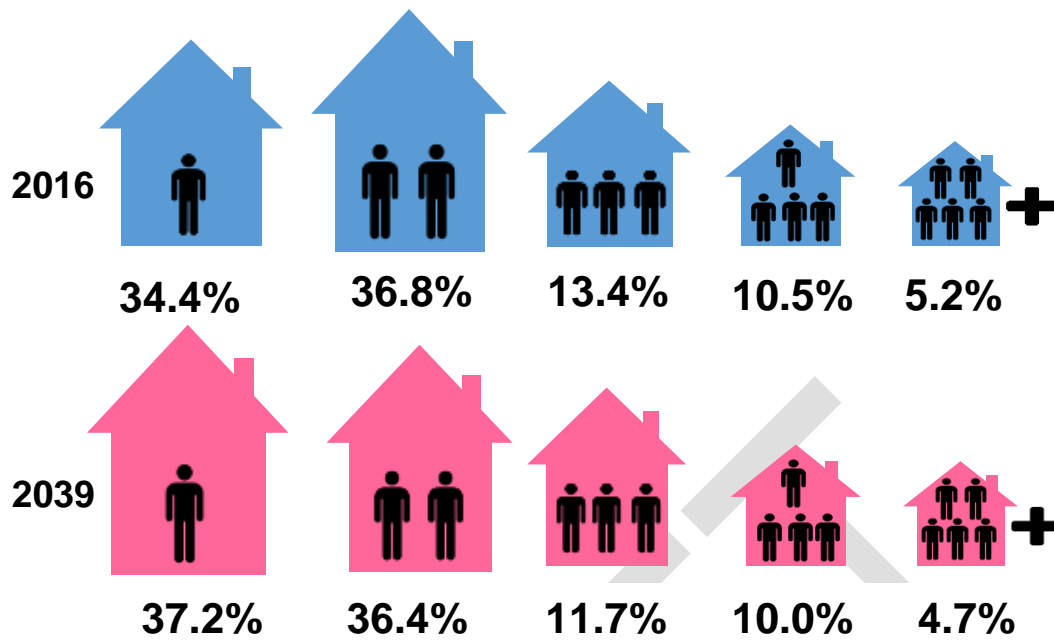
## Executive Summary

1. It is vital that local authorities have a comprehensive understanding of their local housing market and a robust evidence base on which to make informed decisions about future housing provision in terms of both market and affordable housing delivery, number of bedrooms required and affordable housing tenure. To achieve this, all local authorities in Wales are required to carry out a Local Housing Market Assessment (LHMA). In May 2013 the Minister for Housing and Regeneration wrote to every Local Authority in Wales to reaffirm that LHMA's should be considered a priority as part of a strong local strategic housing function. The Minister also set a specific requirement for LHMA's to be updated biennially, utilising section 87 of the Local Government Act 2003.
2. The principal finding of the assessment is that Conwy county needs more affordable housing and the current supply is failing to meet a growing demand. The market analysis indicates that 46% of first time buyers and newly forming households are priced out of the market, both to rent and to buy. Industry-accepted definitions of affordable housing costs suggest that spending more than 30% of household income on housing costs is unsustainable. The assessment indicates that 34% of new households could only afford social housing rents and only 12% are able to afford low cost home ownership (intermediate) schemes. Conwy County has the second lowest percentage of social housing stock in Wales, so many lower income households must nevertheless rely on the private sector.
3. Although privately owned properties are increasingly being made available for rent, demand remains very strong and rents are relatively high. 90 % of marketed properties are more expensive than the Local Housing Allowance for their size, and while LHA is frozen, rents are increasing. The cumulative impact of welfare reforms will continue to negatively impact low income households' ability to afford rent, and private landlords are increasingly wary of letting to benefit recipients. New minimum standards for energy efficiency mean that some privately rented homes, possibly the cheaper, poorer quality properties, will no longer be considered fit to let.
4. Overall the supply of new housing, and in particular, affordable housing, has not kept pace with demand. This assessment recommends that more affordable housing is required now than previously. The 2017 LHMA concludes that 1240 additional affordable homes are required between 2017 and 2022: 248 units per year. If we include 'committed supply' units which already have planning permission, or have been awarded capital grant funding but are not yet built, the total number of affordable units required is 1945. To meet demand, we need 389 new affordable homes to be built each year, for the next five years.

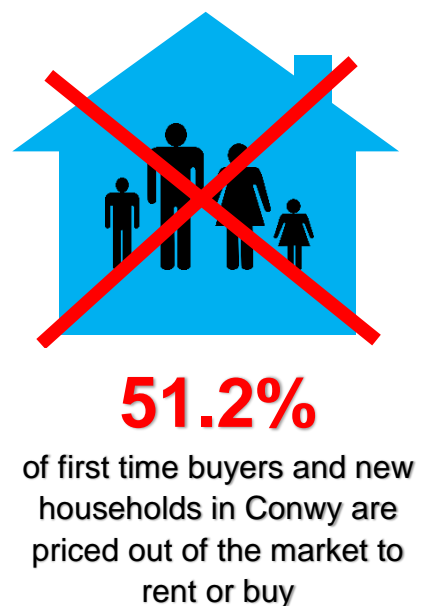
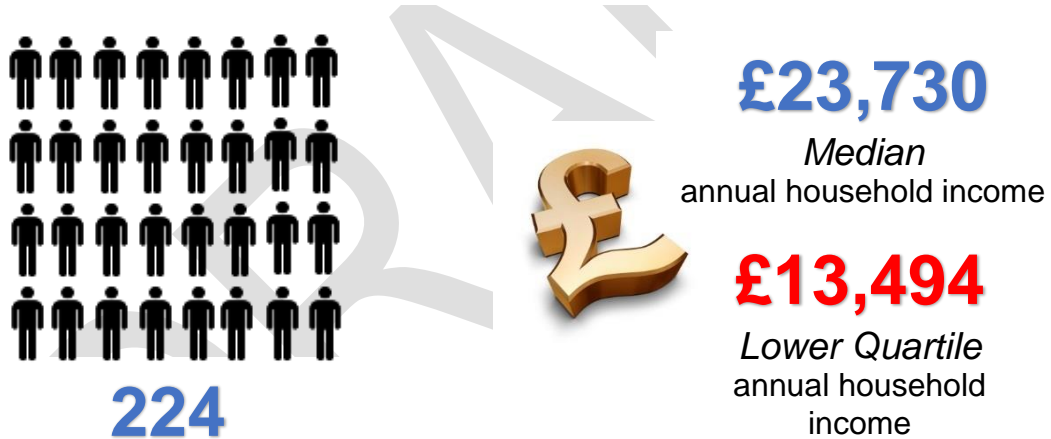
5. The LHMA has shown an increasing need for smaller house types. Conwy County's average household size is decreasing as the number of single person households increase, and average family sizes decrease. Therefore it is proposed that new residential developments consider an appropriate mix of housing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

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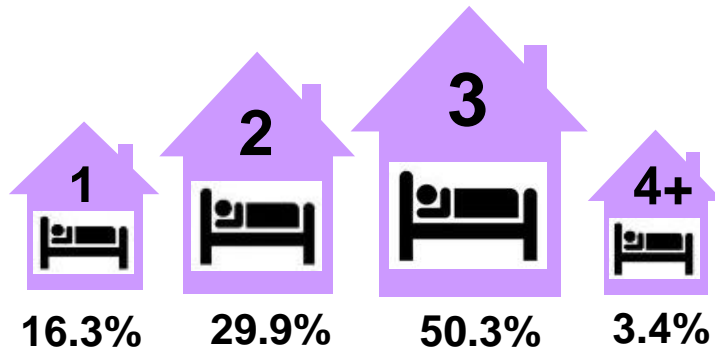
## Key Statistics



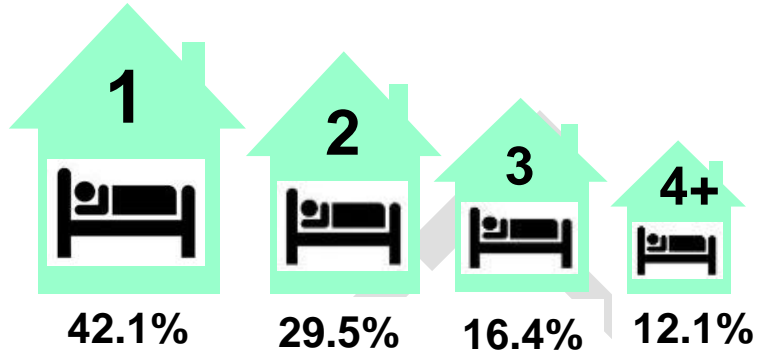
Household size in Conwy is decreasing due to the number of single person households increasing, and average family sizes decreasing.



**General Needs  
Social Housing  
Stock**  
(March 2017)



**General Needs  
Social Housing  
Need**  
(SARTH Register  
August 2017)



Mismatch between social housing stock and demand



**1,685**

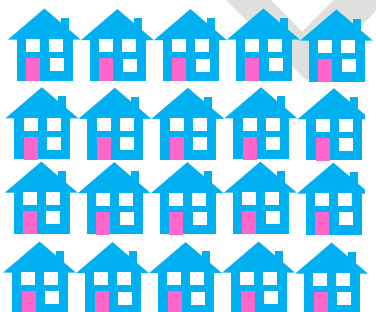
Empty Homes in Conwy  
March 2017

**14.7%**  
2001



**18.3%**  
2011

The private rented sector is the only tenure in Conwy that is growing. Owner occupation has fallen since the 2001 Census. The private rented sector is predicted to continue growing as owner occupation becomes even less affordable



**231**

*Additional  
affordable homes  
needed per year*

+



**141**

*Committed supply  
of affordable housing*

=



**372**

*Affordable homes  
need to be delivered each  
year between  
2017-2022*

## Introduction

### Purpose of the LHMA

6. The purpose of the Local Housing Market Assessment (LHMA) is to provide a robust evidence base to inform the Local Housing Strategy (LHS) and the Local Development Plan (LDP) in Conwy County. It also informs strategic housing priorities and local service planning, such as education and transport. The LHMA can also be used as a tool for negotiating affordable housing provision when determining planning applications and allocating Social Housing Grant (SHG) to support the delivery of affordable housing.
7. The LHMA assesses current and future housing need within Conwy County. It looks specifically at 'local housing market areas', which are not determined by administrative boundaries such as wards but are defined by functional housing markets, for example, where people live and work, areas of high and low housing demand and patterns of relocation by homeowners and tenants. The LHMA sets out the need for additional affordable housing in Conwy over the next five years (2017-2022), and also informs the provision of market housing in terms of size and type to ensure there is an appropriate mix of housing on offer.

### Previous LHMA

8. The previous LHMA (2016-2021) showed an annual need for 199 additional affordable homes. This assessment shows a much higher need of 231 units per year. This is due to a number of factors: the supply of affordable housing has not been sufficient to meet demand; the new SARTH social housing register has improved data describing social housing need, and the improved information and publicity around the intermediate housing register (First Steps) has revealed further need.

### National Policy Framework

9. Planning Policy Wales (PPW, 2016) emphasises the importance of carrying out LHMA's, as local authorities "*must understand their whole housing system so that they can develop evidence-based market and affordable housing policies in their local housing strategies and development plans. They should ensure that development plan policies are based on an up-to-date assessment of the full range of housing requirements across the plan area over the plan period.*" Technical Advice Note 2 (TAN 2, 2006) also states that;
10. *LHMA's provide the evidence base supporting policies to deliver affordable and market housing through the planning system. For affordable housing, it is important that authorities have an appreciation of the demand for different dwelling sizes and types of*



*housing (i.e. intermediate and social rented) in relation to supply so that they can negotiate appropriate mixes on new sites.”*

## **Local Policy Framework**

11. The LHMA informs local housing policy development, including the Conwy LDP, Eryri LDP and the Local Housing Strategy. It has also been used to inform the first Affordable Housing Delivery Plan for Conwy. The information below summarises how the LHMA supports these documents.
12. **Conwy’s Local Development Plan (2007 – 2022)** sets out the framework for the development and use of land within the County Borough, with the exception of the Snowdonia National Park which is covered by the Eryri LDP. Conwy’s LDP sets out how the local planning authority will deliver the spatial planning strategy for the location of new development until 2022. The LHMA will inform the housing mix on new residential sites in Conwy, including the size and tenure of new market and affordable houses over the next five years.
13. Conwy’s LDP identifies land to meet the projected requirement for the development of up to 6,520 dwellings (with a contingency level of up to 7,170 dwellings) over the remainder of the plan period. A key priority of the LDP is to increase the supply of affordable housing for local need, primarily through the provision of Affordable Housing for Local Need (AHLN) on allocated sites. The Affordable Housing Needs Calculation has identified a need for approximately 1155 affordable housing units, split 50:50 between intermediate need and social housing need. The LDP sets a target to deliver approximately 1000 ‘new-build’ units over the plan period from the proposed 6,520 total housing supply. The remaining social housing will be met through turnover of existing housing stock and through other mechanisms identified in the Local Housing Strategy.
14. The Conwy LDP is currently under review. The LDP strategy will be reconsidered in the light of the pressing demand for land supply and the distribution of housing development. The annual monitoring report highlights that there is an increasing shortfall in housing delivery across the County, and that some housing allocations are not coming forward for delivery
15. **Eryri Local Development Plan (LDP)** was adopted by Snowdonia National Park Authority on the 13th of July 2011. The Eryri LDP sets out the planning framework for development within the National Park area. Land has been allocated within the plan for up to 830 new dwellings over the plan period. Approximately 50% of these will be delivered as affordable, intermediate or social rented housing for local people in need, and who cannot afford open market housing. This stock of dwellings will be retained in perpetuity to establish a range of dwellings providing social and economic benefit for local

people and the area. Eryri are currently in the process of reviewing their LDP.

**16. Conwy Housing Strategy 2018- 22** identifies several challenges for Conwy, grouped within topics: Affordability, Appropriateness, Quality and Informed Choice, resulting in the following principle objectives.

- accelerate delivery of affordable housing through land disposal, financial support to Housing Associations and becoming a development partner.
- facilitate opportunities for people to share accommodation
- minimise the impacts of Welfare Reform for tenants in both private rented and social housing
- request a Government review of Local Housing Allowance levels; implement a private tenancy bond scheme; and enhance our private landlord support
- require developers to build smaller, adaptable, housing units for the market,
- develop more options for vulnerable residents such as the frail elderly; the disable requiring adapted property and care leavers
- target improvement of the poorest quality and least energy efficient housing
- secure funding for the regeneration of our most deprived and dilapidated locality
- work to ensure landlords meet minimum physical property standards
- communicate the realities of securing a house to rent or buy in Conwy and provide resource to inform decisions.
- establish an older person's housing advice service

### **The Study Area**

17. Conwy County Borough Council (CCBC) is located centrally within North Wales. The County Borough covers an area of 113,000 hectares and has a population of 115,228 (2011 Census). Approximately 38% of the Authority's area forms part of the Snowdonia National Park.

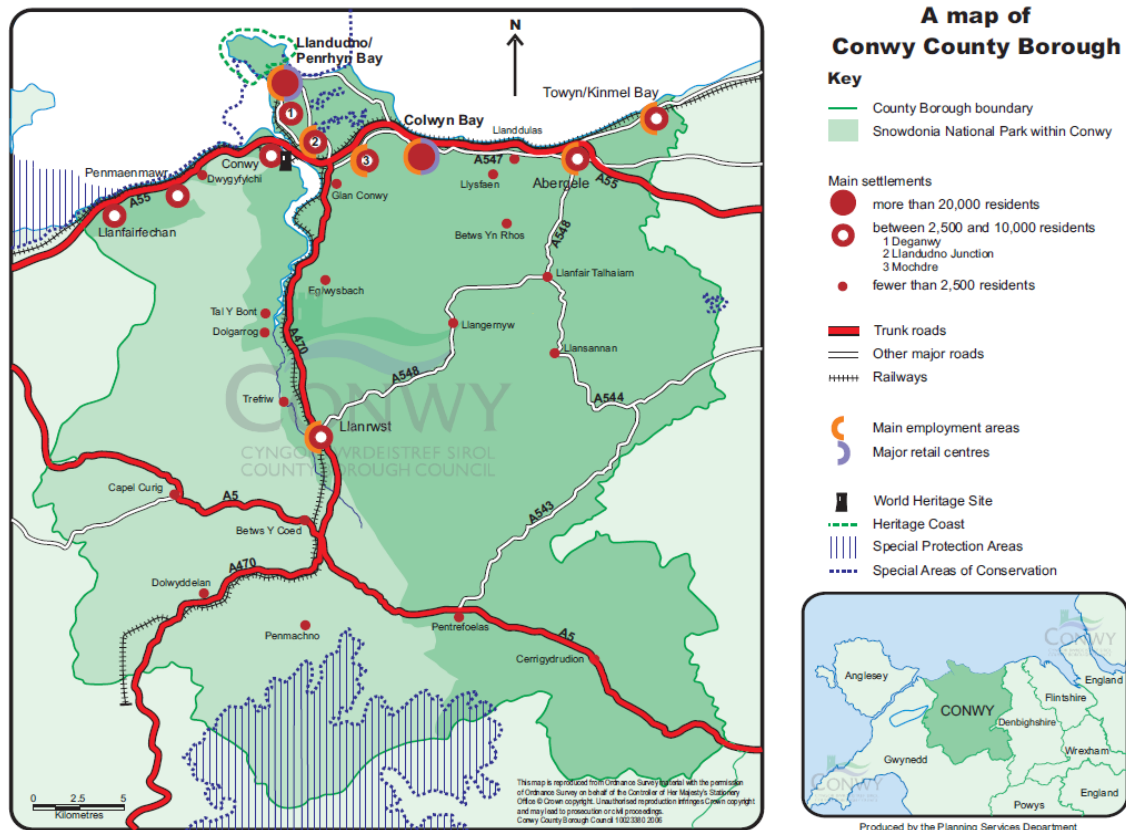
18. About 20% of the population live, widely dispersed, in rural areas, 4% in the National Park. The majority live in the narrow coastal belt.

19. The principal transport routes connecting Conwy are the A55 East West along the coast, the A470 and A5; and the Rail – East to West (Holyhead to Manchester) and North to South (Llandudno to Blaenau Ffestiniog).

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## Map 1 Conwy County Borough Council

Source: Conwy County Borough Council

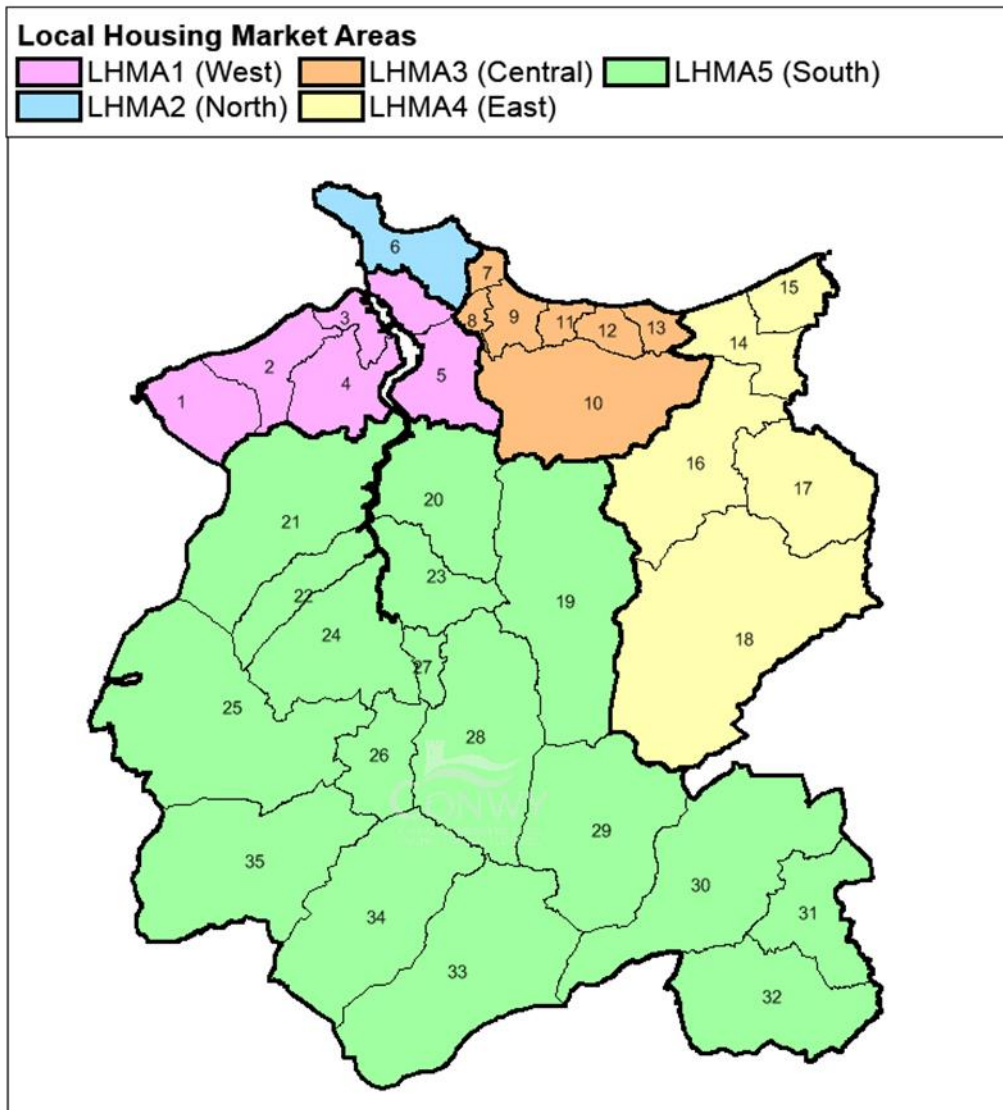


## Local Housing Market Areas

20. This LHMA has changed the boundaries of sub areas. It is not exactly compatible at sub area level with former assessments. The former 2001 Census 'travel to work areas' have been changed to better reflect the functional housing market areas in Conwy today. The new areas are compatible with other functional boundaries used by the Council. Map 2 shows the LHMA sub areas covering Conwy and the Community Councils within them.

## Map 2 LHMA Areas & Community Council Areas

Source: CCBC



### Ardaloedd Cyngor Cymunedol/Community Council Areas

1. Llanfairfechan	13. Llanddulas & Rhyd y Foel	25. Capel Curig
2. Penmaenmawr	14. Abergele	26. Betws y Coed
3. Conwy	15. Kimnel Bay & Towyn	27. Llanrwst
4. Henryd	16. Llanfairtalhaiarn	28. Bro Garmon
5. LLansanffraid Glan Conwy	17. Llanefydd	29. Pentrefoelas
6. Llandudno	18. Llansannan	30. Cerrigydrudion
7. Rhos on Sea	19. Llangernyw	31. Llanfihangel Glyn Myfyr
8. Mochre	20. Eglwysbach	32. Llangwm
9. Colwyn Bay	21. Caerhun	33. Ysbyty Ifan
10. Betws yn Rhos	22. Dolgarrog	34. Bro Machno
11. Old Colwyn	23. Llandoged & Maenan	35. Dolwyddelan
12. LLysfaen	24. Trefriw	

## **Methodology**

21. The Authority has followed the recommended methodology set out within the Welsh Government's LHMA guide produced in 2006, which has also been used to calculate the affordable housing requirement set out within the Conwy Local Development Plan (LDP). This methodology uses a similar approach to the Welsh Government 'Step by Step' guide (2012) to calculate a figure of overall housing need.

### ***Step 1 – Build Demographic and Housing Profile***

22. The LHMA aims to assess the overall housing market in Conwy. This involves a statistical analysis of data collected from a range of sources including the Census (2011), Welsh Government and our own data collected locally. We then analyse this information to build a demographic and housing profile of the area to help us understand how the housing market operates and what factors will influence the demand for housing in the future.

### ***Step 2 – Analyse Social Housing Need***

23. To assess the need for social housing both now and in the future we look at the social housing register. Conwy adopted the Single Access Route To Housing (SARTH) model in 2015. The new process amalgamates the registers of all the social housing providers in the County. Previously each of these partners kept separate lists of applicants, resulting in duplication as households applied to more than one landlord. This LHMA will be the first to include all social housing applicants across the SARTH register, giving us a more robust evidence base to calculate housing need.

24. It must be noted that the introduction of SARTH the register adopted a common policy across all partners, tightening the criteria for acceptance onto the housing register. Those applicants formerly on the list, but adequately housed (while waiting for social housing) are no longer eligible. Despite the change in eligibility criteria, numbers on the register have increased.

### ***Step 3 – Analyse Intermediate Housing Need***

25. The First Steps affordable housing register, held by Grwp Cynffin housing association, is the only register of households in need of affordable or intermediate housing in Conwy. The numbers applying for intermediate rent or purchase are reviewed.

### ***Step 4 – Projecting identified Needs***

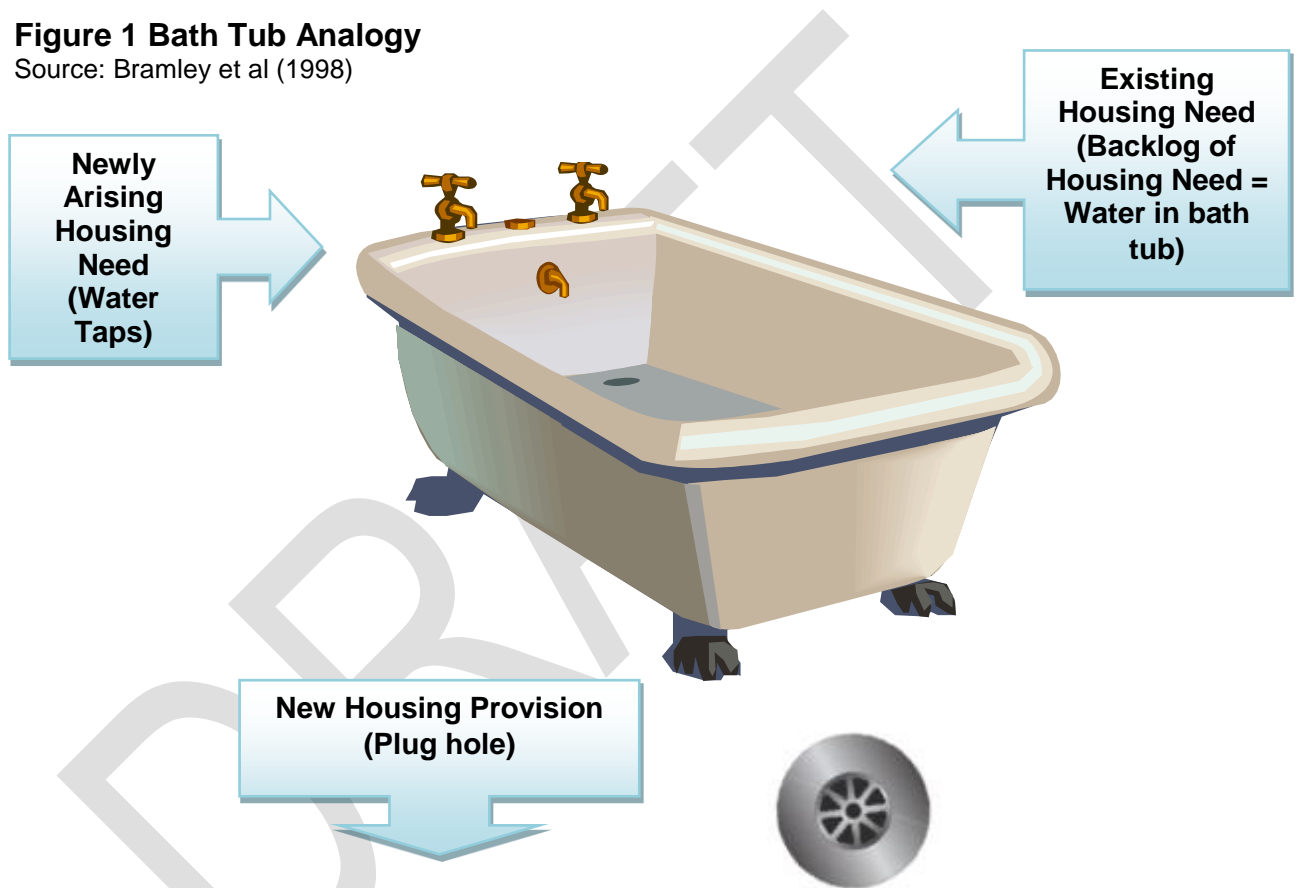
26. In order to assess future housing needs it is necessary to estimate the number of new households that will form within Conwy over the next five years. We use the Welsh Government data on household

projections; assumptions about existing household composition; and characteristics and trends which will influence future household formation. From this we can calculate how many new houses will be required to meet the needs of these new households, and how many of these households will require affordable housing.

27. Figure 1 explains the Glen Bramley bath analogy developed by Bramley et al (1998). This model conceptualises newly arising housing need as the water taps, existing housing need as the backlog of water already in the bath tub, and new housing provision as the water escaping from the plug hole.

**Figure 1 Bath Tub Analogy**

Source: Bramley et al (1998)



28. By supplying new affordable housing (the plug hole) we can ensure that the bath doesn't overflow. At present the backlog of affordable housing delivery in Conwy is significant. Need is outstripping supply. Consequently, affordable housing need has grown significantly since the previous assessment. If supply is not increased the need will increase year on year.

### **Defining Housing Need**

29. According to Technical Advice Note 2 (TAN2 Planning and Affordable Housing) a household is considered to be in housing need if they are;

30. *“lacking their own housing or living in housing which is judged to be inadequate or unsuitable, who are unlikely to be able to meet their needs in the housing market without some financial assistance.”*

### **Defining Affordable Housing**

31. According to Technical Advice Note 2 (TAN2 Planning and Affordable Housing);

32. *“The concept of affordability is generally defined as the ability of households or potential households to purchase or rent property that satisfies the needs of the household without subsidy. This could be based on an assessment of the ratio of household income or earnings to the price of property to buy or rent available in the open market in the required local housing market area.”*

33. *“The definition of ‘affordable housing’ for the purpose of the land use planning system is housing where there are secure mechanisms in place to ensure that it is accessible to those who cannot afford market housing, both on first occupation and for subsequent occupiers.”*

34. Affordable housing includes both social housing and intermediate housing. Social rented housing is provided by Registered Social Landlord's (RSLs) in Conwy and is available to rent at below market level rents (benchmark rent). Intermediate housing is where prices to purchase or rents are above the level charged for social housing but below the cost of market housing prices or rent.



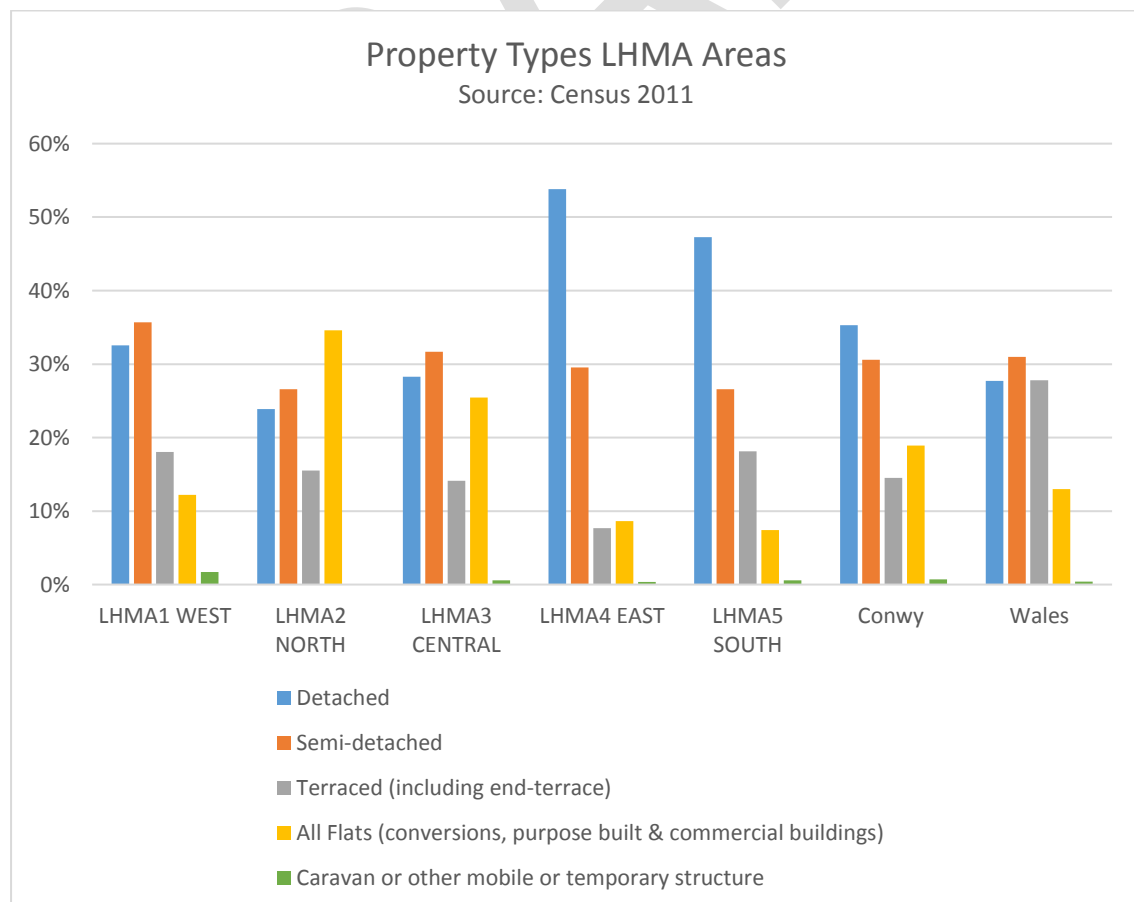
## Housing Market Profile

35. An essential part of the LHMA is to provide an overview of the housing stock available in Conwy. The housing market profile will look at the current housing types, tenure and supply across the Authority.

### Property Types

36. The following data details the current supply of housing across Conwy by property type. As seen in Chart 1 the majority of properties in Conwy are detached and semi-detached dwellings, a much higher percentage than the Welsh average. Consequently, Conwy has a much smaller proportion of terraced type properties, just 15% compared to 28% throughout Wales. The LHMA4 East area has the smallest proportion of entry level type properties such as flats and terraced housing. These are typically cheaper than detached and semi-detached properties and, as such, are an important aspect of the market providing opportunities for home ownership and renting to newly forming households and those on low incomes. The LHMA2 North and LHMA3 Central have the highest proportion of these types of properties

**Chart 1. Distribution of Property Types by LHMA**

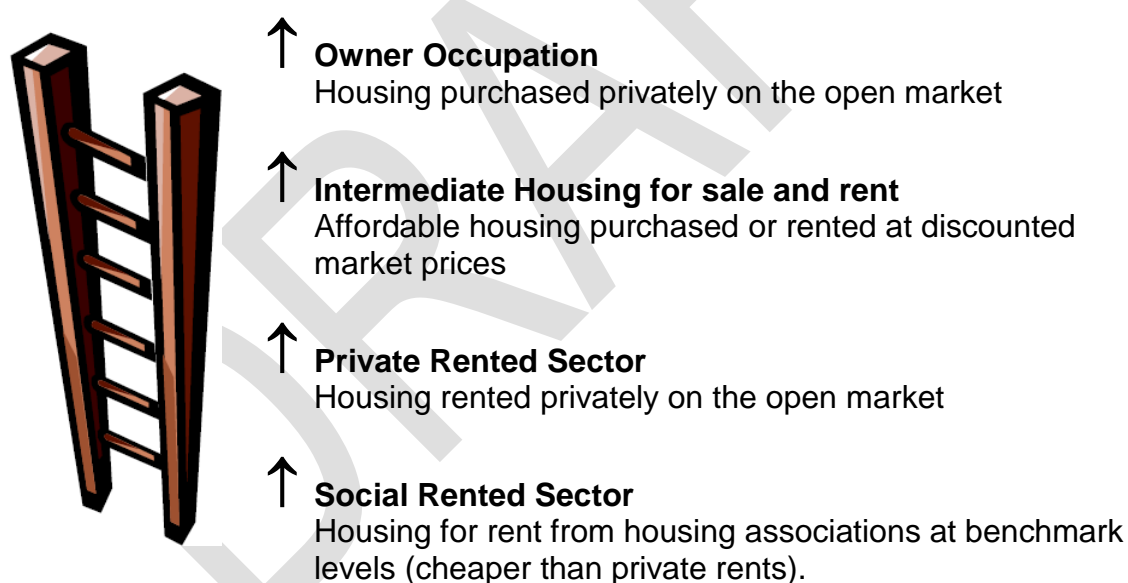


## Tenure

37. The LHMA assesses the housing market across all tenures in Conwy. Figure 2 provides a simplistic visual interpretation of the traditional range of tenure options available, and traditional aspirations of households to go 'up the ladder', with the hope, eventually, of owning their own home. However although owner occupation remains the dominant tenure in Conwy, current market conditions have frustrated households' progress on the ladder. For instance

- A lack of social housing means that low income householders in private rented accommodation aspire to be social tenants;
- Increasing numbers of households must accept that aspirations to buy their own home are unrealistic;
- Property is increasingly not occupied by owners and only comes to market as a rental opportunity;
- A change of circumstances can quickly result in householders losing accommodation;
- There is an increasing number of would-be households who cannot secure their own accommodation.

**Figure 2: The Housing Ladder**



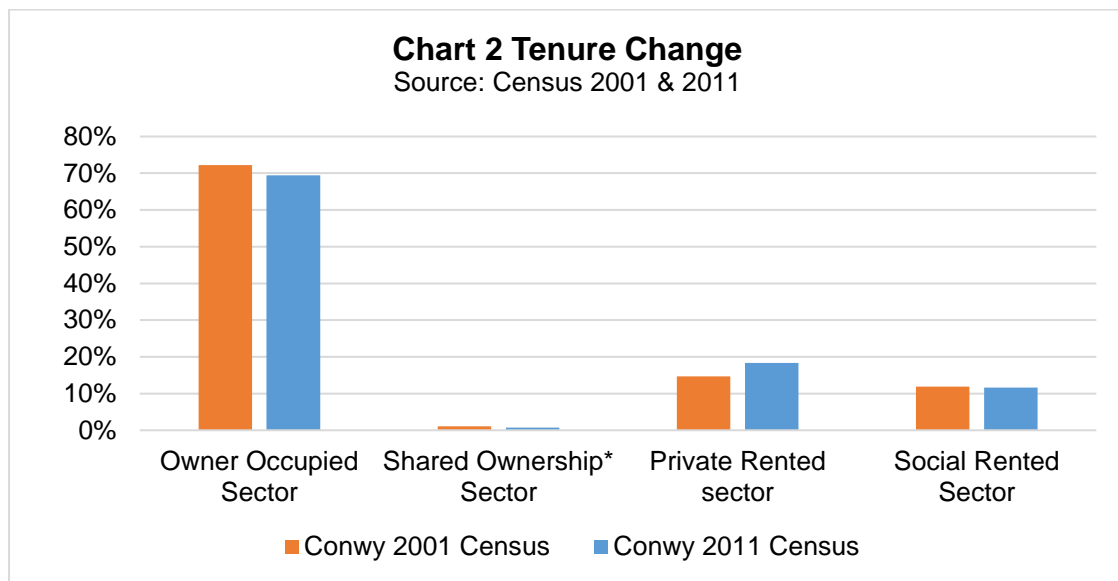
38. Table 1 and Chart 2 detail the tenure of all properties in Conwy. The majority of properties are owner occupied, with a significant proportion of these owned outright without a mortgage. The percentage of owner occupied housing in Conwy is slightly higher compared with the rest of Wales; however it has decreased since 2001 both in Conwy and the rest of Wales. In contrast to this the largest growing tenure is the private rented sector, both in Conwy and the rest of Wales. Conwy has a very large private rented housing sector compared to the rest of Wales, which is predicted to continue to grow as home ownership becomes increasingly unaffordable.

39. Table 1 also shows that Conwy has the second smallest social housing sector (11.6%) compared with all Wales (16.4%). This means that many households who are eligible for social housing are unable to access it due to the limited supply within the area, forcing them into the private rented sector where rents are typically a lot higher.

Table 1 Tenure (2011 & 2001) Source: Census 2011 table KS402EW & Census 2001 table KS018	Conwy			Wales	
	2011 Census		2001 Census	2011 Census	2001 Census
	Number	%	%	%	%
All households	51,177	-	-	-	-
<b>Owner Occupied Sector</b>	<b>35,501</b>	<b>69.4%</b>	<b>72.2%</b>	<b>67.4%</b>	<b>68.3%</b>
Owned outright	20,409	39.9%	38.1%	35.4%	29.5%
Owned with a mortgage or loan	15,092	29.5%	34.1%	32.0%	38.8%
<b>Shared Ownership* Sector</b>	<b>378</b>	<b>0.7%</b>	<b>1.1%</b>	<b>0.3%</b>	<b>0.6%</b>
<b>Private Rented sector</b>	<b>9,352</b>	<b>18.3%</b>	<b>14.7%</b>	<b>15.8%</b>	<b>11.9%</b>
Private landlord or letting agency	7,729	15.1%	11.4%	12.7%	8.7%
Private rented: other***	1,623	3.2%	3.3%	1.5%	3.2%
<b>Social Rented Sector</b>	<b>5,946</b>	<b>11.6%</b>	<b>11.9%</b>	<b>16.4%</b>	<b>19.1%</b>
Social rented: from the Council**	-	-	7.8%	9.8%	13.2%
Social rented: RSL/Housing Association	5,946	11.6%	4.1%	6.6%	5.9%

\*Pays part rent and part mortgage  
\*\*Conwy County Borough Council transferred all its housing stock to Cartrefi Conwy in 2008  
\*\*\*Includes employer of a household member and relative or friend of a household member, or living rent free

**Chart 2. Tenure type changes 2001 to 2011 in Conwy**



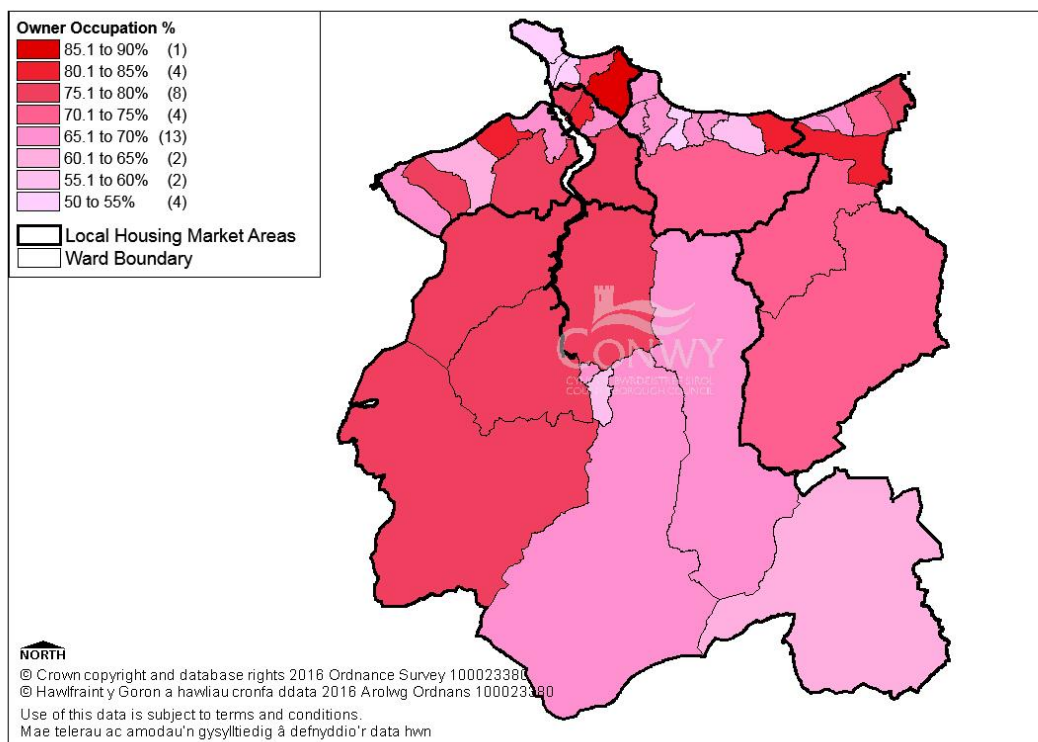
\*Pays part rent and part mortgage

Chart 2 shows how the tenure has changed in Conwy between 2001 and 2011. More privately owned property is now rented out.

### **Owner Occupation**

40. **Owner occupation** is where a property is purchased on the open housing market financed by the owner privately, typically using a deposit and mortgage. This is traditionally the tenure many households want, but it is increasingly difficult for the average household to attain.

### **Map 3 Proportion of properties occupied by their owners**



41. Map 3 details the distribution of home ownership across Conwy at ward level. The highest percentages of home ownership occur in the coastal wards, although there are some pockets within the Llandudno and Colwyn Bay areas where the levels of owner occupation are lower. Penrhyn ward has the highest percentage of home ownership throughout Conwy at just over 86%.

42. Map 4 details the median and lower quartile house prices across each of the local housing market areas. The West local housing market area has the highest house prices in Conwy, the lowest median price can be found in the East market area, with the lowest lower quartile price in the central market area. Tables 13 and 14 in the next section, compare house prices to local incomes. Home ownership is becoming increasingly unaffordable for many households in Conwy, and in particular for first time buyers.

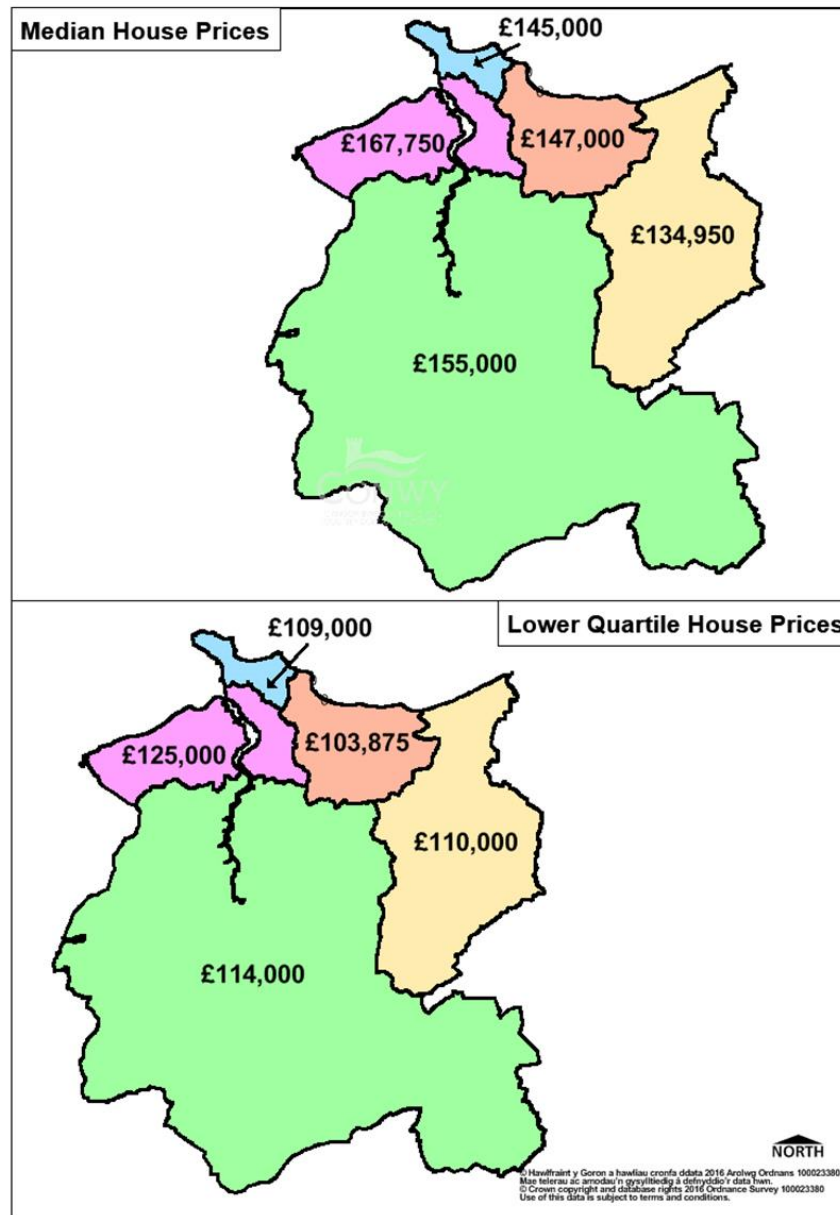
43. Flats and terraced housing are typically priced within the range of first time buyers but table 2 shows that in some LHMA areas housing stock is dominated by detached housing and few come to market. This scarcity restricts opportunities for home ownership for first time buyers in these areas

Table 2 House Sales 2016 Source: Land Registry	All Housing Types	Detached	Semi Detached	Flats	Terraced
LHMA1 West	528	207	160	52	109
LHMA2 North	429	114	102	144	69
LHMA3 Central	612	213	184	132	83

LHMA4 East	435	248	135	16	36
LHMA5 South	157	65	41	4	47
Conwy	2,161	847	622	348	344

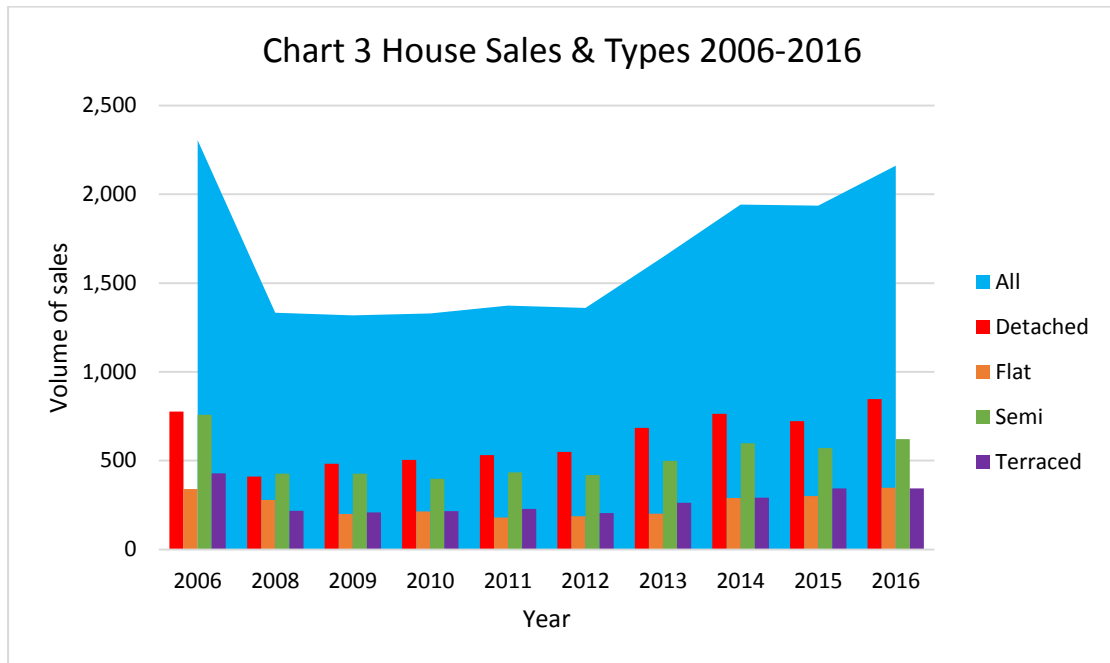
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**Map 4 House Prices** Source: CCBC



44. Chart 3 shows the volume of house sales in Conwy by property type over the past ten years. Since 2012, Conwy has seen an upward trend in the number of sales for all property types as the market has recovered from the economic downturn in 2008.

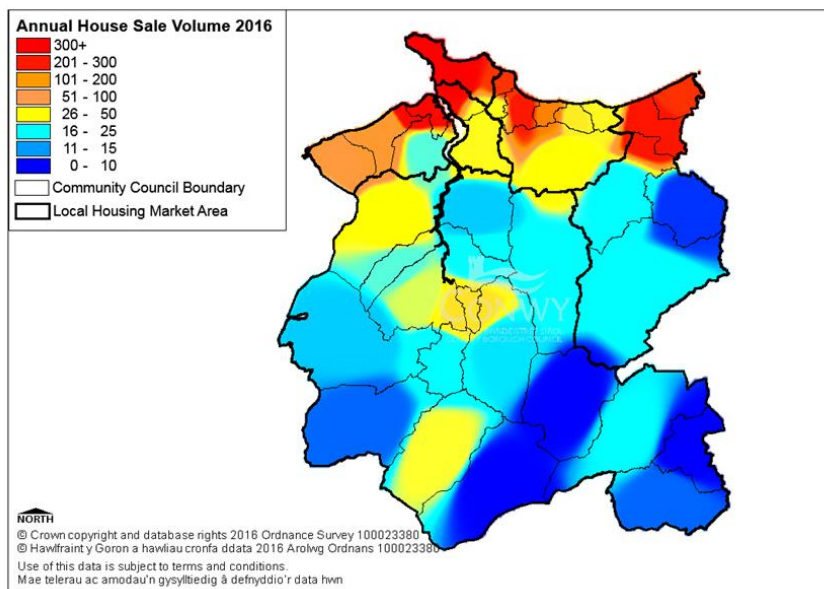
**Chart 3 Total Volume of House sales by property type 2006-16**



45. Map 5 details the distribution of house sales against wards within Conwy. The areas shown in red have the highest concentration of house sales during 2016, and the areas shown in dark blue have the lowest.

**Map 5 Volume of House Sales 2016**

Source: CCBC





## Property for sale in Conwy, a market analysis

46. It is important to understand what is for sale that could meet the needs of first time buyers and low income households. The popular property platform Rightmove provided a snapshot of the market in June 2017. The search focused on properties at or below £125,000. The following factors were analysed

- Location
- Number of Bedrooms
- Condition of property
- Garden/Parking/Double Glazing/Central Heating
- Type of property
- EPC Energy efficiency rating
- Freehold/Leasehold status
- Length of time on market
- Any restrictions on occupancy – retirement etc.

47. The data was filtered to remove duplicates, properties with age restrictions e.g. retirement properties, properties for auction (as low income households were unlikely to meet bidding criteria. At the time of the snapshot 280 residential properties were available.

48. 71 properties would have needed significant work to bring them up to a habitable standard, so were discarded as great for low income of first time buyers to afford. 209 were in a suitable condition.

49. A typical measure of an affordable property is 3.5 multiplied by the median household income (£24,800) plus 5% (minimum deposit required by Help to Buy Wales and the First Steps register) which would equal just under £95,000. Only 68 or 32.5% of the suitable available properties were listed below £95,000. Table 3 details the price brackets of properties available for sale. The median asking price for all properties within the £125,000 price bracket is £105,000.

Table 3 Sale price range Source: Rightmove (June 2017)	No. Available	%
<£50,000	4	1.9%
£50,000 - £54,999	0	0.0%
£55,000 - £59,999	4	1.9%
£60,000 - £64,999	4	1.9%
£65,000 - £69,999	6	2.9%
£70,000 - £74,999	6	2.9%
£75,000 - £79,999	5	2.4%
£80,000 - £84,999	9	4.3%
£85,000 - £89,999	16	7.7%
£90,000 - £94,999	14	6.7%

£95,000 - £99,999	13	6.2%
£100,000 - £104,999	15	7.2%
£105,000 - £109,999	14	6.7%
£110,000 - £114,999	25	12.0%
£115,000 - £119,999	33	15.8%
£120,000 - £124,999	26	12.4%
£125,000	15	7.2%
<b>TOTAL</b>	<b>209</b>	<b>100.0%</b>

50. Table 4 shows the type of properties that were for sale. 80% of properties were terraced or flats and of those less than £95,000 88% were terraced or flats. These are most likely to offer the most suitable housing for low income households.

<b>Table 4 Property Type</b> Source: Rightmove (June 2017)	<b>No. Available</b>	<b>%</b>
Terrace	46	22.0%
Flat FF	38	18.2%
Semi	30	14.4%
Flat GF	26	12.4%
End terrace	22	10.5%
Flat SF	17	8.1%
Detached	11	5.3%
Flat TF	10	4.8%
Flat B	3	1.4%
Maisonette	3	1.4%
Flats - multiple	2	1.0%
Quad style	1	0.5%
<b>Total</b>	<b>209</b>	

51. Table 5 details the type of flats available for sale. It is important to consider the type of flats available as they may not meet the needs of some households, particularly those with small children who require access to outside space or households who have mobility issues and may not be able to access the property safely.

<b>Table 5 Flat Types</b> Source: Rightmove (June 2017)	<b>No. Available</b>	<b>%</b>
Above shop	13	13.1%
Converted	48	48.5%
Purpose built	38	38.4%
<b>Total</b>	<b>99</b>	

52. The location of these properties is also an important suitability factor. Table 6 details the number of properties available within different areas across the county. Table 7 breaks them down into the broader local housing market areas. The majority of homes available for sale were along the coastal belt, with 40% of all dwellings within the

Llandudno and Colwyn Bay areas alone. Just over 5% of all properties were within rural communities. As 20% of our populations lives in rural communities, affordable property for sale is poorly represented here. However 55% of the suitable affordable properties were within the Llandudno and Colwyn Bay areas. This is consistent with the demand for affordable housing on both the social and intermediate housing registers.

<b>Table 6 Location of available properties</b> Source: Rightmove (June 2017)	<b>No. Available</b>	<b>%</b>
Llandudno	42	20.1%
Colwyn Bay	40	19.1%
Penmaenmawr	18	8.6%
Abergele	16	7.7%
Kinmel Bay	15	7.2%
Llandudno Junction	12	5.7%
Old Colwyn	11	5.3%
Rhos on Sea	11	5.3%
Llanfairfechan	8	3.8%
Conwy	5	2.4%
Llysfaen	5	2.4%
Llanrwst	4	1.9%
Towyn	4	1.9%
Deganwy	3	1.4%
Glan Conwy	3	1.4%
Llanfairtalhaearn	3	1.4%
Cerrigydrudion	2	1.0%
Cwm Penmachno	1	0.5%
Dolwyddelan	1	0.5%
Dwygyfylchi	1	0.5%
Gyffin	1	0.5%
Mochdre	1	0.5%
Penmachno	1	0.5%
Trefriw	1	0.5%
<b>Total</b>	<b>209</b>	

<b>Table 7 Properties for sale within LHMA Area</b> Source: Rightmove (June 2017)	<b>No available</b>	<b>%</b>
LHMA1 West	51	24.4%
LHMA2 North	42	20.1%
LHMA3 Central	68	32.5%
LHMA4 East	38	18.2%
LHMA5 South	10	4.8%
Total	209	

53. Table 8 details the number of bedrooms within the available properties on Rightmove. 84% have one or two bedrooms, with the remaining 16% having three or four bedrooms, leaving very little opportunity for larger families within the £125,000 or less price bracket. Of the properties for sale at £95,000 or less only 7% have three or four bedrooms.

<b>Table 8 No. of Bedrooms</b> Source: Rightmove (June 2017)	<b>No. Available</b>	<b>%</b>
Studio	1	0.5%
1	35	16.7%
2	139	66.5%
3	31	14.8%
4	3	1.4%
Total	209	100.0%

54. Time on the market is a good indication of any difficulty to sell, particularly how realistically priced a property is in relation to the property type, location and condition. Table 9 details for how long the available dwellings had been on the market. 4 of the original 209 properties were omitted because the listing did not include a date. Half of all properties had been listed for six months or less. 19% of properties that had been on the market for a year or more. Of the properties for sale at £95,000 or less, 20% had been on the market for one year or more.

<b>Table 9 Length of time on market</b> Source: Rightmove (June 2017)	<b>No. available</b>	<b>%</b>
Less than 6 months	103	50%
6 months - 1 year	64	31%
1 - 2 years	24	12%
2 years plus	14	7%
Total	205	

55. Some of the factors that may affect the saleability of these properties have been identified in the tables below. Properties without gas central heating, 66% had relatively expensive electric systems, such as storage heaters. Others would have solid fuel or LPG which typically score less highly for energy efficiency.

<b>Table 10 Gas Central Heating</b> Source: Rightmove (June 2017)	<b>No available</b>	<b>%</b>
No	41	20%
Yes	167	80%
<b>TOTAL</b>	<b>209</b>	<b>100%</b>

56. Tables 11 and 12 detail the current and potential EPC (Energy Performance Certificate) of the properties available for sale.

<b>Table 11 Current EPC Rating</b> Source: Rightmove (June 2017)	<b>No. Available</b>	<b>%</b>
A	0	0%
B	7	4%
C	32	19%
D	74	44%
E	34	20%
F	16	9%
G	6	4%
<b>Total</b>	<b>169</b>	<b>100%</b>

<b>Table 12 Potential EPC Rating</b> Source: Rightmove (June 2017)	<b>No. Available</b>	<b>%</b>
A	1	1%
B	51	35%
C	61	42%
D	22	15%
E	3	2%
F	5	3%
G	2	1%
<b>Total</b>	<b>145</b>	<b>100%</b>

57. Evidently there is significant potential to upgrade the energy efficiency of a large proportion of these properties. But the cost to the purchaser and result in the property being unaffordable for them.

## Owner Occupation: Affordability

58. A significant proportion of would-be first time buyers are priced out of the housing market. Median household income and median property prices within each LHMA area are laid out in Table 13. Mortgage lenders will typically lend a household three and a half times their household income. By comparing the median house price against the household's mortgage potential, we are able to calculate the household's shortfall to be able to buy a property. This does not include any deposit a household may have, but provides an indication of the level of deposit they may need.
59. With ratios of income to prices standing between 5.8 and 6.1, households wanting to buy with a mortgage must fund the difference for themselves.
60. The situation for lower income households means that even the cheapest of properties are well beyond their means. Looking at the lower quartile income to price ratios are higher, in a range of 7.8-8.0, and all relatively more unaffordable than the Welsh average (see Table 14). Although lower quartile property is cheaper, it is mostly smaller - one bedroom properties and/or converted flats, or they are in need of refurbishment. We cannot assume that these smaller, cheaper properties provide suitable accommodation for all purchasers. Availability of these type of properties can also be an issue in some areas.

Table 13 Median House Prices 2016 All Housing Types Source: Land Registry & CACI PayCheck	Median			
	Household income	House Price	Ratio	Shortfall
Conwy County Borough Council	£24,800	£150,000	6.1	£63,200
LHMA1 West	£27,400	£167,750	6.1	£71,850
LHMA2 North	£23,850	£145,000	6.1	£61,525
LHMA3 Central	£24,350	£147,000	6.0	£61,775
LHMA4 East	£23,350	£134,950	5.8	£53,225
LHMA5 South	£25,500	£155,000	6.1	£65,750
Wales	£24,950	£145,000	5.8	£58,200

Table 14 Lower Quartile House Prices 2016 - All Housing Types Source: Land Registry & CACI PayCheck	Lower Quartile			
	household income	House Price	Ratio	Shortfall
Conwy County Borough Council	£14,250	£112,000	7.9	£62,125
LHMA1 West	£15,800	£125,000	7.9	£69,700
LHMA2 North	£13,700	£109,000	7.9	£61,050
LHMA3 Central	£13,800	£103,875	7.5	£55,575
LHMA4 East	£13,700	£110,000	8.0	£62,050
LHMA5 South	£14,600	£114,000	7.8	£62,900
Wales	£14,000	£104,000	7.4	£54,125

61. It is important for the LHMA to assess to what extent households are unable to afford to buy housing in Conwy. Table 15 shows the percentage of first time buyers and new households priced out of the market to either rent or buy a flat or terraced type property. We have only looked at flats and terraced properties as these tend to be lower in price. We have then compared this with the average household income to identify what percentage of households would typically require either social or intermediate housing. It should be stressed here that using the measure of 60% or below the average household income to identify households who would be eligible for social housing is for the purpose of this LHMA only. It is not the basis of eligibility onto the SARTH register where other factors are also taken into consideration.

Table 15 Priced out of the market Source: Land Registry, CACI PayCheck & CCBC	% All Households priced out of market	% Households in need of Social Housing #	% of Households in need of Intermediate Housing ##
Conwy County Borough	46.0%	34.0%	12.0%
LHMA1 West	52.2%	29.5%	22.6%
LHMA2 North	46.7%	35.8%	11.0%
LHMA3 Central	37.5%	35.2%	2.3%
LHMA4 East	52.0%	36.3%	15.7%
LHMA5 South	51.5%	32.8%	18.6%
# Households below 60% of GB median income (%)			
## % priced out minus households below 60% of GB median income (Those in need of social housing)			

62. The Land Registry publishes average house price data on a monthly basis. However, Conwy's monthly figures are based on a relatively small number of house sales and should be treated with caution as one expensive house sale could significantly skew the data. Chart 4

and Table 16 show that the average (mean) house price in Conwy has increased by just over 3% in the last year, and now stands at 98.6% of the level it was ten years ago. The recent rise in national house prices which is reported in the media is very much driven by price increases in London and the south east of England. For much of the rest of the UK the housing market has been depressed since the start of 2008, and house prices are only now starting to reach the levels they achieved before the 2007/08 recession. The number of transactions in Conwy remains low compared to ten years ago, which points to a considerable reduction in market activity.

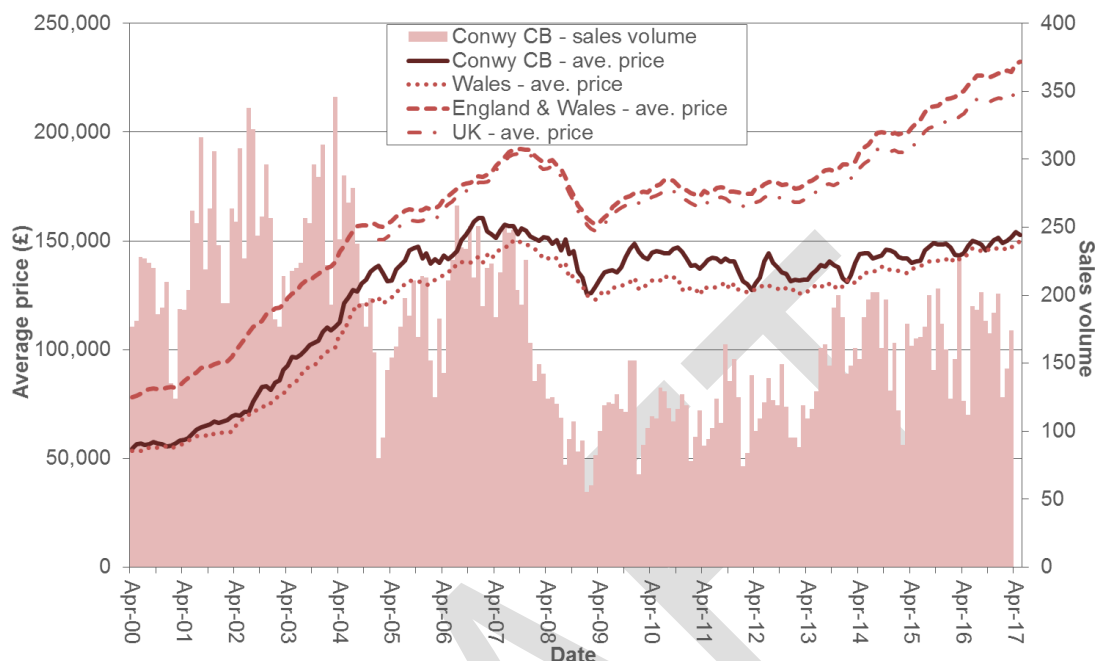
63. Over the last year flats and terraced houses have not seen an increase in value in either the median or lower quartile ranges. Detached properties have seen the greatest increase in value, followed by semi-detached properties.

Table 16. Mean house sale prices by type for 2016 and changes since 2015 and 2006 Source: Land Registry, CACI PayCheck & CCBC	2016	Change since 2015		Change since 2006	
		No.	%	No.	%
<b>Median house price</b>					
All	£150,000	£5,000	3.4%	£5,000	3.4%
Detached	£210,000	£16,500	8.7%	£14,000	7.1%
Flat	£92,750	-£7,250	-6.2%	-£26,250	-22.1%
Semi	£139,250	£5,250	3.9%	£1,375	1.0%
Terraced	£115,000	-£2,500	-2.2%	-£3,000	-2.5%
New build	£208,450	£1,500	0.8%	-	-
Resale	£147,000	£4,500	3.1%	-	-
<b>Lower quartile house price</b>					
All	£112,000	£2,000	1.7%	-£3,000	-2.6%
Detached	£158,000	£8,000	5.2%	£0	0.0%
Flat	£60,000	-£3,000	-3.9%	-£25,000	-29.4%
Semi	£118,500	£4,500	3.9%	£2,188	1.9%
Terraced	£95,000	£0	0.0%	-£5,000	-5.0%
New build	£158,950	-£6,000	-3.8%	-	-
Resale	£110,000	£0	0.0%	-	-



**Chart 4 House price and sales volume April 2000- May 2017**

Source: Land Registry house price index



## Intermediate Housing

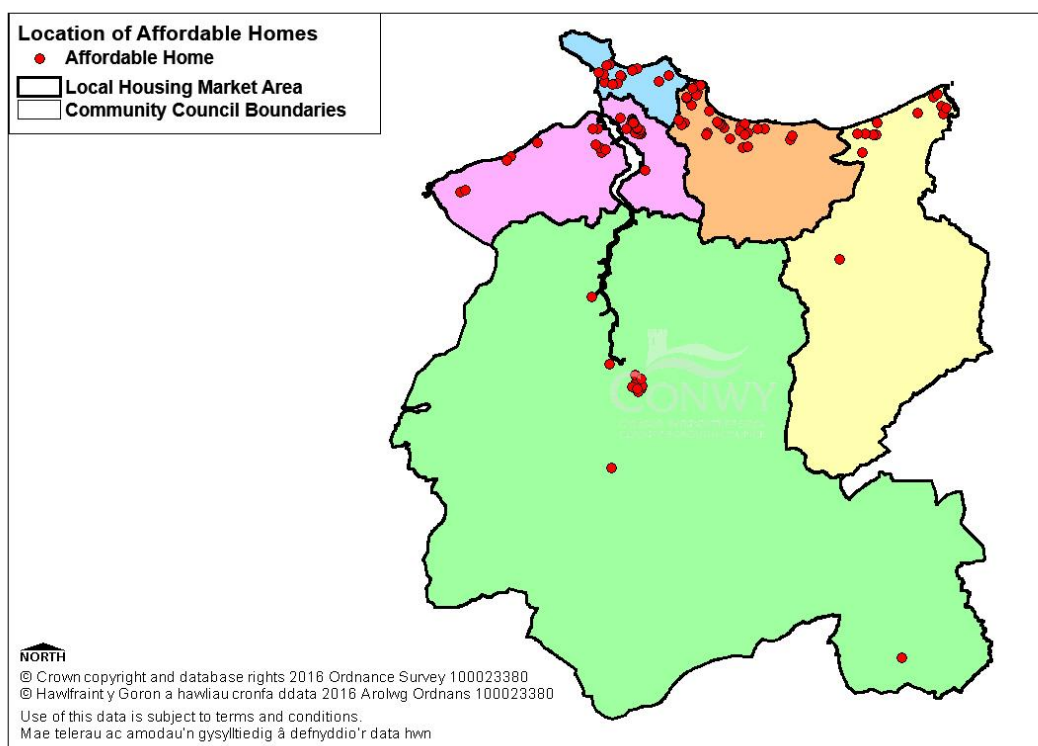
64. **The intermediate housing sector** is an option for those households unable to afford to buy or rent their own home without assistance. Intermediate housing schemes offer homes for sale or rent. The costs are above social rent levels, but below the market rate. There are a number of different intermediate products available in Conwy, including intermediate rent, shared equity, shared ownership and Homebuy. These products fulfil the definition of 'Affordable' housing laid out in the TAN2 planning guidance. This term is distinct from the everyday usage of the word: what can be afforded. These properties are allocated through the Affordable Housing Register which makes an assessment of both household income and local connection.

65. **Shared equity properties** enable a household to own part of the property while a housing association owns the remainder. With shared equity, the subsidy provided by the housing association is not a loan that needs to be repaid, and there is no rent payable on this share. It simply means that the Housing Association owns an equity share (usually 30%) in the property. When the purchaser decides to sell the property, the Housing Association gets back its equity share and recycles it, to ensure funding is available to the next household on the register eligible to buy the home. By purchasing a share in the property (usually 70%), it is more affordable and purchasers are more likely to be able to obtain mortgage finance.

66. **Shared ownership** is where a person buys part of the value of a house (usually from a housing association), and pays rent on the other part. When the household decide to sell the property, they will sell their share of the property which is linked to the value of the property at that time.
67. The majority of shared ownership properties are located along the coastal belt, with a higher concentration within the eastern part of the coastal area (see Map 6 below). Opportunities to take up a shared ownership home in rural areas are scarce. The Llanrwst area has a more of this tenure, but large areas of rural Conwy have none.
68. **Intermediate rent** is a relatively new product to be delivered in Conwy County. It provides below market rental accommodation for people aspiring to purchase. The 'below market rent' allows some money to be saved towards a deposit.
69. **Homebuy** is a scheme which provides qualifying buyers with a 30 or 50% equity loan to assist them to buy a qualifying property that they have found themselves. This loan is then secured against the property by way of a second charge that is held by a housing association – this second charge becoming repayable if the property is sold. Under the terms of the loan there are no interest or other credit charges, so the loan has no annual percentage rate (APR). However, as with Shared Equity, the amount to be repaid when the loan comes to an end is linked to the value of the home at the time of sale.
70. Map 6 shows the location of affordable housing delivered in Conwy over the last ten years. Again the majority of these units have been delivered along the coastal belt where the majority of Conwy's new build housing schemes have been located.

## Map 6 Affordable Housing Location

Source: CCBC & Grwp Cynefin



### Help to Buy

71. Welsh Government also enables intermediate home ownership through the Help to Buy Wales scheme. Help to Buy provides £170 million to offer shared equity loans, designed to stimulate building activity and provide a boost to the housing sector and wider economy in Wales. Strictly speaking it is not an affordable housing product as it does not require a financial assessment or local connection. The properties do not remain affordable in perpetuity
72. Under the scheme, loans are available to buyers wishing to purchase a new-build property worth up to £300,000. Help to Buy Wales support is available to all home buyers and not just first time buyers who wish to purchase a new home, but may be unable to do so, for example, because of deposit requirements – but who could otherwise afford to repay a mortgage.
73. The Welsh Government's equity mortgage is linked to the value of the property it is used to buy. The Welsh Government contributes up to 20% of the value of an eligible new build property to the purchaser. The loans are interest free for the first five years. The owner repays the % value back to the Welsh Government when the property is resold. An eligible buyer must also provide a cash deposit of at least 5 per cent and secure a conventional mortgage of at least 75%. The Welsh Government's shared equity mortgage is ranked second in priority, behind an owner's main mortgage lender.

## Private rented sector

74. In the **private rented sector** (PRS), a household rents a property from a private owner. Rents are dictated by the open market. The proportion of households living in this tenure has grown over past ten years (see Table 1).
75. Investing in one or two rental properties is increasingly common for those that have sufficient capital, and this has been encouraged until relatively recently by very competitive buy to let mortgage products. Also, depressed housing prices have encouraged people inheriting property to retain it for let pending an upturn in the market. Recent tax changes and regulation, such as Rent Smart Wales may dampen the rate at which privately owned property is converted from owner occupied to let. Households who cannot afford to buy, or are unable to meet the strict lending criteria put in place by banks following the financial crash of 2007, are turning to the private sector to rent.
76. The PRS provides a variety of housing options and enables mobility within the market. The flexibility of renting rather than owning is advantageous to households who need to move frequently e.g. for employment. However, the sector can have significant disadvantages for tenants. The standard 6 month fixed term tenancy is perceived to be insecure. It is common for each tenancy to incur additional upfront costs: deposits and agency fees and, in addition, private rents are expensive. Private rents are much higher than social rents and frequently higher than mortgage repayments would be.
77. There are barriers facing some would-be private tenants. Prospective tenants may need to pass credit reference checks; evidence income levels; provide references and rent payment history. Those with children, pets, who smoke, are under 25 or over 65, may find landlords unwilling to rent to them. There is evidence that some prospective tenants face discrimination because they are disabled, or from an ethnic minority. The Immigration Act 2014 'right to rent' regulations operating in England, have made landlords nervous about letting to some people.
78. The principle barrier to the PRS is for those claiming benefits. Recent industry surveys place the proportion of landlords declining to take new tenants in receipt of Universal Credit as low as 20% (National Landlords Association) or even 13% (Residential Landlords Association). Landlords can operate policies discriminating against benefit recipients easily because demand for rental property is so high. Mortgage lenders and insurers also place restrictions on renting property to benefit recipients.
79. The Housing (Wales) Act 2014, enabled Local Authorities to re-house homeless households into privately rented homes, provided that they are suitable. Whereas previously, homeless households were able to

insist on being rehoused in social housing, despite extremely long waits in temporary accommodation.

80. However a common reason for homelessness is the ending of a private tenancy for rent arrears or persistent late payment of rent. As incomes are rising at a lower rate than rents, finding affordable options for lower income households is increasingly difficult for Conwy Housing Solutions. This is especially the case for single benefit claimants under 35, and families requiring 4 or more bedrooms. Affordable vacancies may not meet size or physical standards, or the wider range of suitability requirements for the household in question.

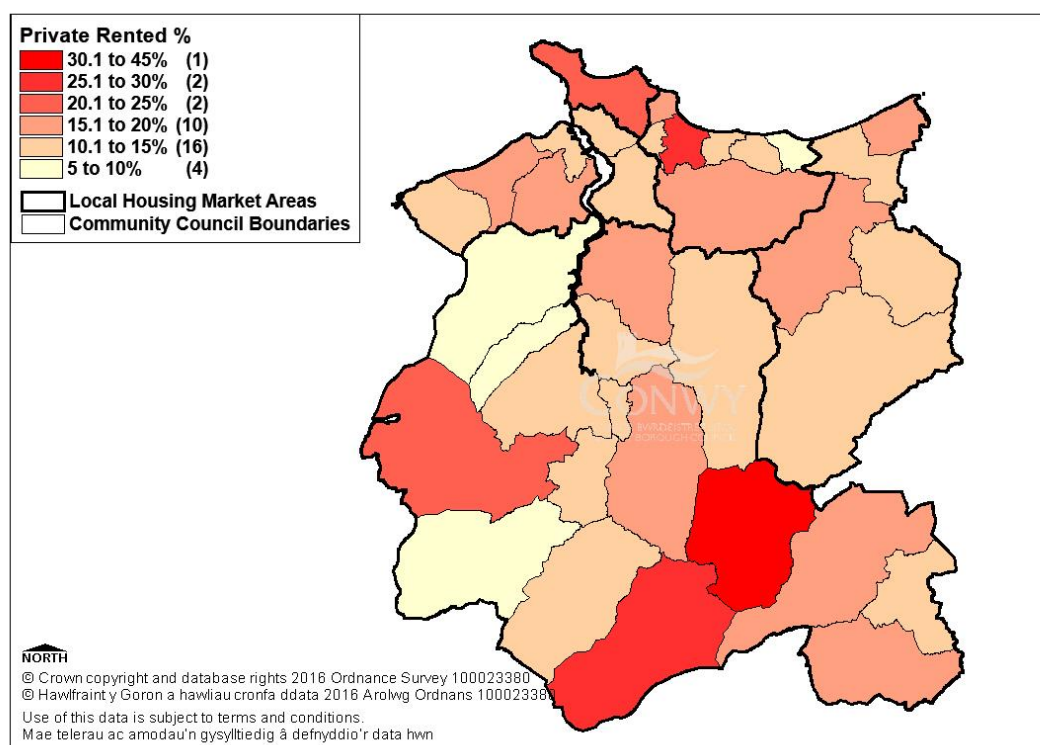
81. Map 8 details the percentage of privately rented properties across Conwy. There is a high concentration of privately rented housing in the Llandudno, Colwyn Bay and southern rural areas. However the availability of private rented housing in some rural areas is very limited. Here privately owned property can command higher return as holiday lets, or be used as second homes leaving very few available for residential letting. Cheaper rural properties may attract speculative buy to let purchasers from out of county and some lets are long standing agricultural estate property.

82. There are pockets along the coastal belt where the private rented sector is very low compared to the 18.3% average for Conwy as a whole (see table 1). The Llanddulas and Rhyd Y Foel community council area has just 9.4%. Conversely, Colwyn Bay has 28.3%.

83. A further threat to the availability of private rented accommodation in rural areas from March 2018, will be the failure of some properties to meet new minimum standards for fuel efficiency. Those with an F or G rating will not be deemed fit for letting (although exceptions can apply). EPC test records for Conwy showed that, in 2015, of the 4391 privately rented properties that had been tested, 688 (15.6%) were F or G rated.

## Map 7 Private Rented Sector

Source: CCBC



### **Houses in Multiple Occupation (HMOs)**

84. Dwellings which contain more than one household are known as houses in multiple occupation (HMOs). This classification covers a wide range of private housing types from traditional family houses shared by students to former mansions subdivided to create numerous flatlets.

85. The Housing Act 2004, introduced mandatory licensing for all HMOs that have three or more storeys, are occupied by five or more persons forming two or more households, and share at least one basic facility (bathroom, toilet or kitchen).

86. Conwy is unusual in Wales for having a high number of HMOs, but a very small number of student households. Local planning policy has resisted the creation of new HMOs since the 1990's, and has imposed higher physical standards requiring that accommodation be self-contained.

87. Conwy took advantage of powers under the 2004 act to introduce additional licensing in areas with high concentrations of converted self-contained flats to relieve environmental concerns and anti-social behaviour. Three Additional Licensing schemes operate in

Llandudno, Colwyn Bay and Pensarn where typically, large Victorian holiday guest houses have been subdivided into a number of smaller units. Physical conditions and management standards are actively enforced, but many properties are basic and barely meet the requirements of the Housing Health and Safety Rating System (Part IV of the Housing Act 2004). HMOs in the additional licensing areas offer an important housing option, as flats are more likely to be available to, and be affordable for, households claiming welfare benefits.

88. Table 17 provides an estimate of the total number of HMOs present within Conwy, and shows them as a proportion of the Welsh Government's estimate of total dwelling stock in the area.

Table 17 HMOs, March 2016 Source: hazards and licences data collection, Welsh Government	Conwy		Wales
	Number	As % all dwellings	As % all dwellings
Licensed HMOs	370	0.6%	0.6%
Known HMOs	1,101	1.9%	1.0%
Estimated total HMOs	1,200	2.1%	1.3%

89. The majority of shared tenancy arrangements do not come to the attention of the Authority as they have fewer than 5 persons. However, In March 1017, property which it is proposed will accommodate 3 or more unrelated people e.g. 3 nurses sharing a house, became subject to a change in planning rules. Introduced to enable Authorities to manage high densities of student accommodation, owners of such properties must now apply for a change of use from a residential dwelling to an HMO. Currently Conwy's policy to resist the creation of new HMOs would not permit such house shares to form which, together with the introduction of the legislation will have implications for the development of shared housing options suitable for low income single households entitled only to the shared accommodation rate of local housing allowance.

### **Private sector rents**

90. Information about private rental costs is very difficult to obtain and there are severe limitations with the data that is currently available. Rent Officers Wales (part of Welsh Government's Housing Policy Division) produce annual figures at a unitary authority level. These are presented below as the only data available about private rents in Conwy at the moment. It should be noted that:

- **sample size** – covers fewer than 1/5<sup>th</sup> of the number identified in the 2011 Census as privately rented from a landlord or letting agency. This sample is too small to include UA level data about people renting studio flats/bedsits or rooms in a shared house.
- **exclusion of tenants qualifying for housing benefit** – the data does not include those people paying rent which includes an element of



housing benefit, and so results are skewed away from the lower end of the rental market.

- **under-representation of some types of landlord** – tends to collect data mainly from larger landlords and letting agencies, and from those who are compliant with official monitoring or regulation. The sample therefore excludes many small landlords, and those who avoid contact with statutory bodies.
- **modelling error** – the way the data is modelled within the sample is also considered erroneous, as it holds rental values for the non-responses at last year’s level and so tends to underestimate rent levels and particularly change over time.
- **measuring more than just rent** – the data doesn’t differentiate between rents for furnished/unfurnished properties, nor for whether utility bills and council tax are included/not included. This makes comparisons over time or between areas problematic.

Table 18 Monthly rent levels (2016) Source: private sector rents, Rent Officers Wales	Conwy				Wales
	Sample Size	Median Rent	Lower Quartile Rent	Upper Quartile Rent	Median Rent
1 Bedroom	295	£395.00	£346.67	£450.00	£400.00
2 Bedroom	676	£525.00	£460.00	£575.00	£495.00
3 Bedroom	353	£625.00	£550.00	£695.00	£550.00
4 Bedroom	102	£792.50	£650.00	£895.00	£750.00

91. Notwithstanding the points made above in relation to the quality of the data, it would appear that renting two and three bedroom properties in Conwy is considerably more expensive than the Welsh average. Four bedroom properties are in line with Welsh median prices, and one bedroom properties are slightly cheaper than the Wales median price.

92. Table 19 compares the cost of private renting with median and lower quartile household incomes in Conwy, to show the percentage of the household’s income needed to pay rent in 2016. According to research by Shelter and the Joseph Rowntree Foundation housing costs above 30% of the households’ income are unaffordable. Evidently private rents for households with a lower quartile (LQ) income are unaffordable at both LQ and median rental prices. Larger properties with three or four bedrooms are also unaffordable for households with a median household income except three bedroom properties where the property is priced within the lower quartile bracket.

93. Since 2016, rents are estimated to have risen by 0.9% while lower quartile incomes especially will have been impacted by welfare



reform. It is likely that more lower income households were paying higher proportions of household income on rent in 2017. See p.46.

<b>Table 19. Private rent as a proportion of household income 2016</b>				
Source: Caci paycheck data and Rent Officers Wales				
Property size	Median rent % Median Income	Lower quartile rent % Median income	Median rent % Lower quartile income	Lower quartile rents % Lower Quartile Income
1 Bedroom	20.0	17.7	35.1	31.1
2 Bedroom	26.5	23.3	46.7	40.9
3 Bedroom	30.1	27.8	52.9	48.9
4 Bedroom	37.9	34.1	66.7	60.0

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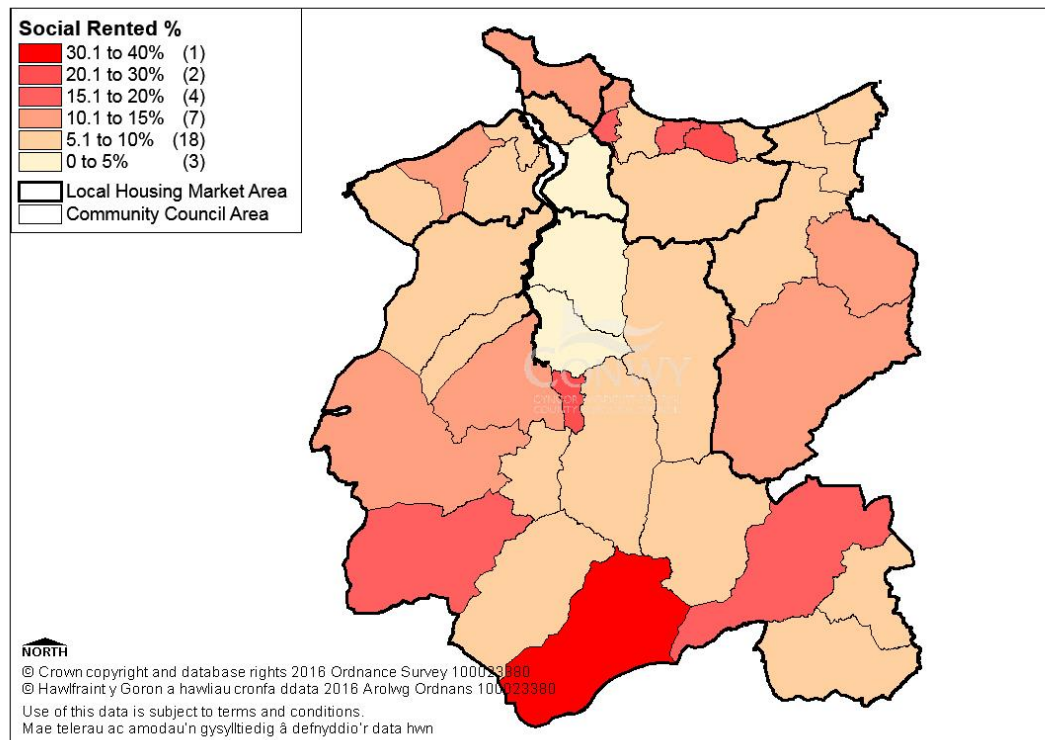
## Social housing

94. In the **social rented sector** a household can apply to a registered social landlord (RSL) to be allocated a home. Property is allocated strictly in line with policy, prioritising need and local connection. Rent levels are regulated by the Welsh Government. In Conwy all RSLs are partners in the SARTH allocation system. The Local Authority monitors adherence to agreed policy. Only households deemed to be in current housing need, and able to afford a tenancy are considered for allocations. Households who have engaged in anti social behaviour or tenancy related criminal behaviour may be excluded (subject to review). Those with sufficient resources to purchase a property for their needs are de prioritised.

95. The social rented sector in Conwy (11.6%) is relatively small in comparison to the rest of Wales (16.4%), and offers one of the lowest social housing stocks per head of population in the whole of Wales (see Chart 4). This lack of stock has resulted in many low income households relying on the PRS for accommodation in Conwy. Map 8 details the percentage of socially rented properties distributed across the county.

### Map 8 Social Rented

Source: CCBC



96. There is a higher proportion of social rented properties along the coastal belt, particularly within parts of Mochdre, Old Colwyn and Llanrwst, compared with the northern rural community council areas where social housing accounts for less than 5% of the total housing stock, which is well below the average of 11.6% for the whole of Conwy. Areas shown on the map as pale yellow have less than 5% social housing within the total housing stock. Within the southern community council areas of the County there are pockets of very high social rented stock, with as much as 34% within the Ysbyty Ifan community area, the highest in the County.

97. Table 20 details the social housing stock in Conwy by housing type. This includes all properties managed by registered social landlords (RSLs) and any 'intermediate' shared ownership properties where an equity share is retained by the Housing Association. At 31st March 2017, Conwy County Borough had 6,727 dwellings within the social housing sector, a significant proportion of which are sheltered or extra care properties reserved for over 55 years. This reflects the fact that the County Borough has one of the highest proportions of population aged over 65 in the UK.

Table 20 Social housing stock, March 2017 Source: Social landlord stock and rents data, Welsh Government	Conwy		Wales	Change since last year	
	Number	%	%	Number	%
Total stock	6,727			90	1.4%
All self contained <sup>1</sup>	6,133	91.2%	95.7%	63	1.0%
General needs <sup>2</sup>	4,370	65.0%	82.4%	59	1.4%
Sheltered	1,503	22.3%	10.7%	-2	-0.1%
Other supported	79	1.2%	1.7%	6	8.2%
Extra care <sup>3</sup>	181	2.7%	0.9%	0	0.0%
All non-self contained <sup>4</sup>	207	3.1%	1.8%	13	6.7%
Non self-contained bedsits	27	0.4%	0.2%	0	0.0%
Hostels and shared housing	180	2.7%	1.6%	13	7.8%
Intermediate & others <sup>5</sup>	387	5.8%	2.5%	14	3.8%

<sup>1</sup>Self-contained dwellings includes general needs, sheltered and extra care housing.

<sup>2</sup>Self contained units that are not reserved for specific client groups. Properties that are adapted for use for people with disabilities are included where no additional services or support are provided as part of the terms of occupancy

<sup>3</sup>'Extra care sheltered housing' or 'assisted living housing' offer a higher level of care than 'sheltered housing'. The services offered vary between schemes, but meals, help with domestic tasks and some personal care are often provided. 'Close care housing' is usually located in the grounds of a care home, with staff from the home providing extra care and assistance.

<sup>4</sup>A non self-contained dwelling is accommodation occupied by a household which lacks exclusive use of bath/shower or WC or some cooking facilities. These usually take the form of bedsit, shared housing, hostel or hostel-type accommodation in which each bedspace is therefore normally considered a non-self-contained dwelling. Bedsits are shown in units and hostels/shared housing in bedspaces

<sup>5</sup>This includes properties developed for sale (including shared ownership and flexible tenure) where ownership of the freehold (or head-leasehold) remains with the landlord; and wardens' and caretakers' accommodation and all dwellings owned by the landlord

98. There was a net gain of 44 social housing dwellings between March 2015 and March 2016. In the same period there was an increase of 46 self-contained units and a decrease of 10 non-self-contained accommodation, which was mostly due to the upgrading of existing accommodation. About half of the increase in self-contained accommodation was due to the development of new Extra Care housing units.

99. Table 21 details the RSLs operating within Conwy. Over half of all social stock is managed by Cartrefi Conwy, a housing association established when Conwy CBC transferred its social housing stock in 2008.

Table 21 Social housing stock providers, March 2016 Source: Social landlord stock and rents data, Welsh Government	Conwy County Borough	
	Number	%
Total stock	6,727	
Cartrefi Conwy	3,833	57.0%
North Wales Housing Association	1,529	22.7%
Clwyd Alyn Housing Association	619	9.2%
Grŵp Cynefin	385	5.7%
Wales and West Housing	285	4.2%
Abbeyfield	54	0.8%
Hafan Cymru	12	0.2%
First Choice Housing Association	8	0.1%
Bangor Diocesan	2	0.0%

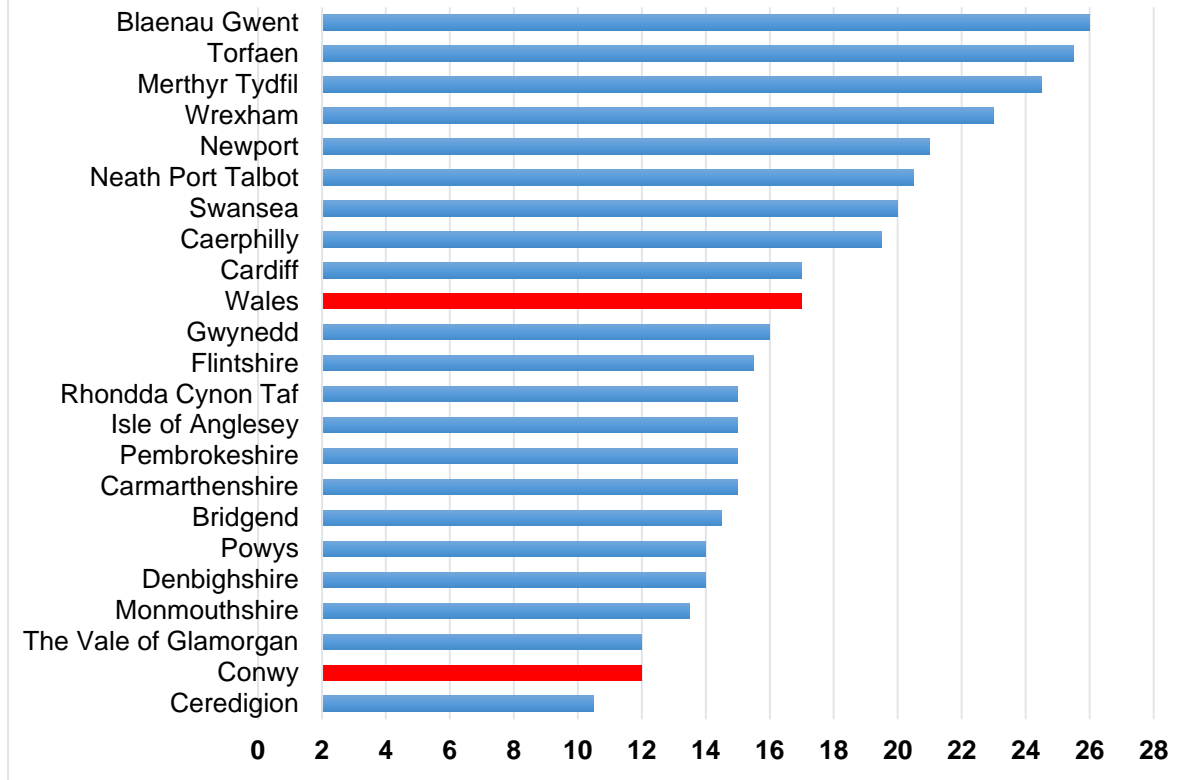
100. Table 22 details the number of bedrooms within the general needs stock across Conwy. Just over half of the stock (54%) has at least three-bedrooms, slightly higher than the all-Wales figure of 47%. Just 16.3% of stock has one bedroom, which limits the opportunities for tenants to downsize if they are affected by caps on housing benefits due to under occupation in their existing accommodation (the so-called 'bedroom tax'). There are currently no units of shared accommodation within the social housing stock.

Table 22 Social housing stock by number of bedrooms, March 2016 Source: social landlord stock and rents data, Welsh Government	Conwy County Borough		Wales
	Number	%	%
All general needs dwellings	4,370		
One bedroom	712	16.3%	17.6%
Two bedrooms	1,308	29.9%	35.7%
Three bedrooms	2,200	50.3%	44.2%
Four bedrooms	134	3.1%	2.3%
Five bedrooms or more	16	0.4%	0.2%

101. Chart 5 details the proportion of social housing per 100 households across all Local Authorities in Wales. Conwy has the second lowest rate in the whole of Wales with just 12 social houses per 100 households, compared with a rate of 17 for Wales as a whole. As shown in table 9 only 63.8% of Conwy's social housing stock is for general needs use, with almost a third designated as either sheltered or extra care housing reserved for over 55s only. Therefore further limiting the availability of social housing for families and households who are not eligible for older person's accommodation.

**Chart 5 Rate of social rented housing stock per 100 households**

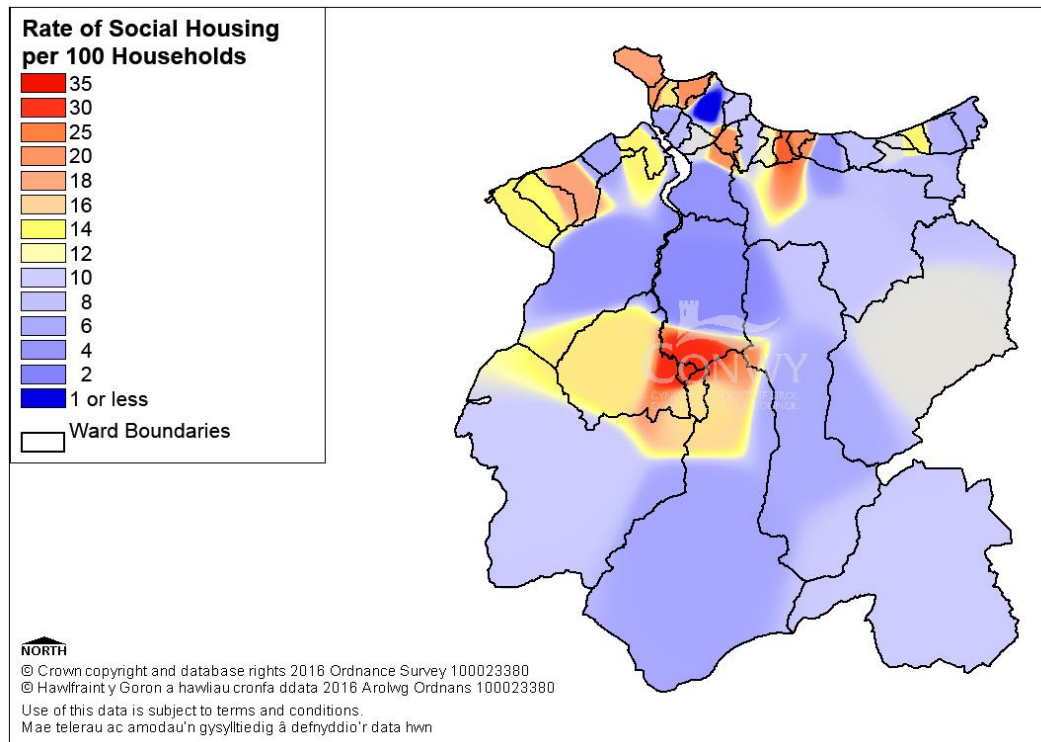
Source: Welsh Government



102. Map 9 details the rate of social housing stock per 100 households across Conwy. The red areas have the highest rate, whereas dark blue areas have a very low rate of stock. Penrhyn Bay has a rate of just 0.1 social housing units per 100 households compared with the highest of 31.6 in the Gower ward of Llanrwst. Orange or red areas have a rate of social housing per 100 households similar to the Wales average or higher, and yellow and blue areas have a lower rate than Wales. The map clearly shows that all rural areas (with the exception of Llanrwst) have a low rate of social housing, with the majority exceeding the Wales average located in pockets on the coastal belt

## Map 9 Rate of Social Housing

Source: CCBC



### Social Housing Rents

103. The Welsh Government collects data from Local Authorities and RSLs regarding the cost of social housing, and tables 23 and 24 compare weekly rent levels in Conwy with the Welsh average.

104. Looking at all self-contained dwellings, in 2016/17 the average weekly social housing rent levels in Conwy were about £2.24 higher than across Wales as a whole. Since the previous year, rents have risen at about the same rate as the national average. Most accommodation types and most types of dwelling in Conwy have higher weekly rent levels than the national average (rents for 'other supported housing' and bedsits are below all-Wales levels). Extra care housing saw the biggest rise in rent over the past year, with an increase of almost 6%.

Table 23 Weekly rent levels for self-contained social housing, 2017/18 Source: social landlord stock and rents, Welsh Government	Conwy CB			Wales		
	2017/18	Change since 2016/17		2017/18	Change since 2016/17	
		£	%		£	%
All self-contained dwellings <sup>1</sup>	£88.55	£3.61	4.3%	£86.13	£3.28	4.0%
<b>By accommodation type</b>						
General needs <sup>2</sup>	£89.77	£3.69	4.3%	£86.61	£3.24	3.9%
Sheltered	£79.53	£3.43	4.5%	£78.22	£2.99	4.0%
Other supported	£87.40	£1.25	1.5%	£88.33	£4.80	5.7%
Extra care <sup>3</sup>	£134.68	£3.80	2.9%	£130.94	£4.62	3.7%
<b>By type of dwelling</b>						
Houses	£93.16	£3.78	4.1%	£89.86	£3.51	3.9%
Flats	£82.89	£3.45	4.2%	£79.36	£2.85	3.6%
Self-contained bedsits <sup>4</sup>	£70.05	£3.20	4.6%	£74.90	£5.07	6.8%
<p><sup>1</sup> Self-contained dwellings includes general needs, sheltered and extra care housing. Excludes bedsits that share bathroom and/or cooking facilities, shared housing and hostels.</p> <p><sup>2</sup> Self contained units that are not reserved for specific client groups. Properties that are adapted for use for people with disabilities are included where no additional services or support are provided as part of the terms of occupancy.</p> <p><sup>3</sup> 'Extra care sheltered housing' or 'assisted living housing' offer a higher level of care than 'sheltered housing'. The services offered vary between schemes, but meals, help with domestic tasks and some personal care are often provided. 'Close care housing' is usually located in the grounds of a care home, with staff from the home providing extra care and assistance.</p> <p><sup>4</sup> Bedsits are a combination bedroom and sitting room.</p>						

Table 24 Rent levels by number of bedrooms (general needs dwellings), 2017/18 Source: social landlord stock and rents data collection, Welsh Government	Conwy CB			Wales		
	2017/18	Change since 2016/17		2017/18	Change since 2016/17	
		£	%		£	%
All general needs dwellings	£89.77	£3.69	4.3%	£86.61	£3.24	3.9%
One bedroom	£75.96	£3.56	4.9%	£74.80	£2.55	3.5%
Two bedrooms	£85.59	£3.91	4.8%	£83.99	£3.14	3.9%
Three bedrooms	£95.61	£3.73	4.1%	£92.19	£3.66	4.1%
Four bedrooms	£104.38	£3.99	4.0%	£106.54	£3.99	3.9%
Five bedrooms or more	£118.81	£4.05	3.5%	£127.67	£3.29	2.6%



105. Between 2016/17 and 2017/18 the weekly cost of social housing in Conwy increased by 4.3% which is a slightly lower increase than across Wales where social housing costs rose by 3.9%. Overall the cost of social housing in Conwy is comparable with the rest of Wales; however the cost of three bedroom properties which account for half of Conwy's social housing stock is £3.42 per week higher than the Welsh average.

### Supply of new social housing

106. The SARTH social housing register and the LHMA calculation show that the need for social housing is growing, and that based on past social house building trends, we are not keeping pace with demand. The majority of new social housing development comes from our Social Housing Grant (SHG) program, which is funded by Welsh Government to deliver new social housing across Wales. Conwy's allocation has been typically £1.3 million, which can deliver approximately 13 dwellings each year. However, for the financial years 2016/17 through to 2019/20, a total allocation of £16 million is being made available in support of the Welsh Government's target of delivering 20 000 affordable homes.

### Comparing Private and Social Rent levels, rent forecasts, and welfare support for housing costs.

#### Rent levels

107. Table 25 compares the current median PRS cost with Local Housing Allowance (LHA) and social rental costs. The gap between the cost of the PRS and both LHA and social rent is significant, particularly in relation to larger properties.

Table 25 2016 Monthly Rental Cost Sources: PRS: Rent officer; social rents: Housing providers.	PRS (Media n)	LHA	Shortfall between PRS & LHA	%	Social Rent	Shortfall between PRS & social rent	%
1 Bedroom	£395.00	£346.67	£48.33	12%	£316.36	£78.64	20%
2 Bedroom	£525.00	£448.76	£76.24	15%	£362.30	£162.70	31%
3 Bedroom	£625.00	£535.51	£89.49	14%	£417.38	£207.62	33%
4 Bedroom	£792.50	£650.00	£142.50	18%	£456.22	£336.28	42%

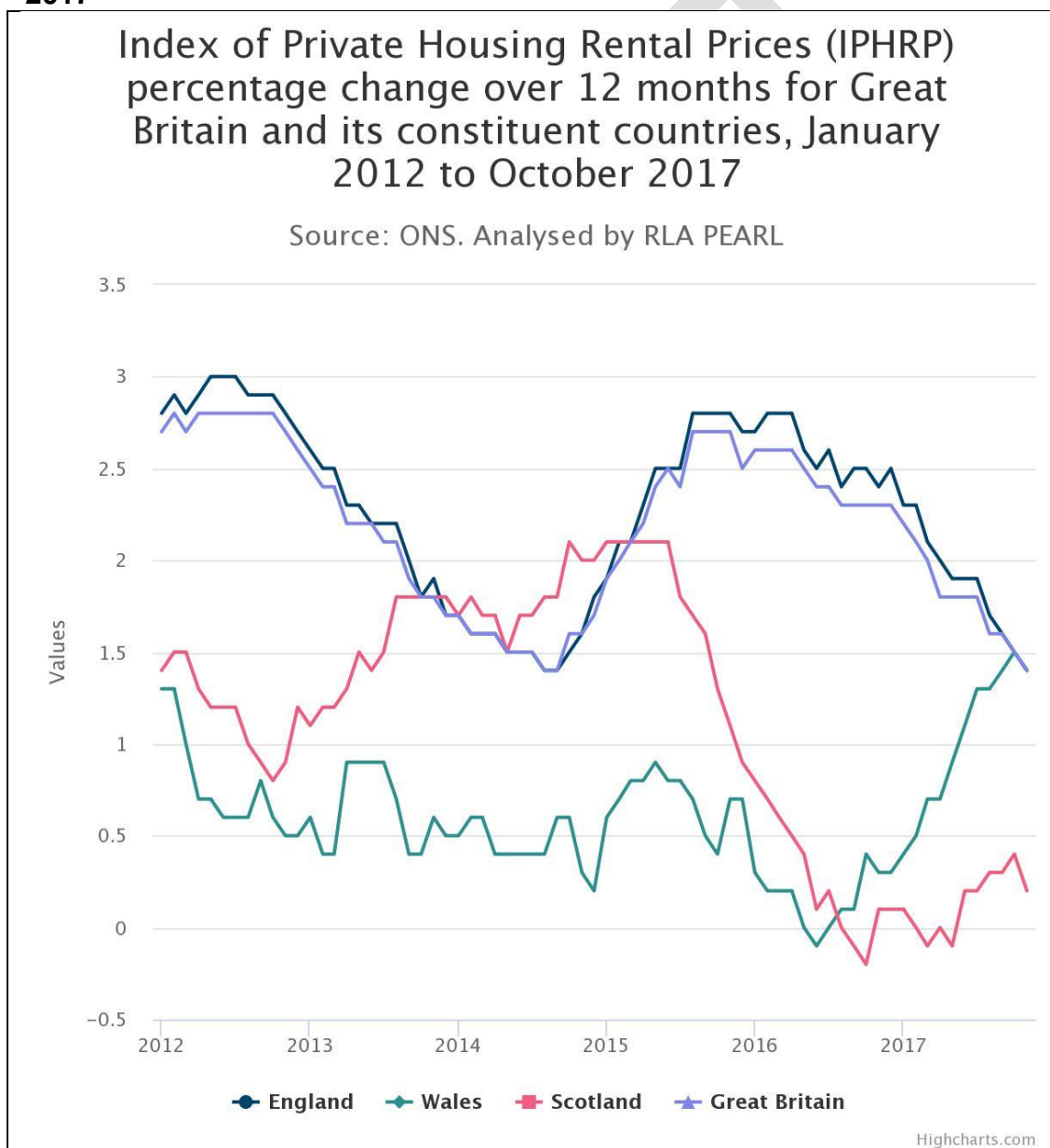
## Rent level forecasts

108. Recent analysis of ONS data shows that the rate of average annual private rent increase in Wales has been rising since June 2016. In October 2017 the average annual rent increase was 1.5%, Chart 6.

109. An average of rents in Conwy since 2013 suggests the trend is for an increase of 0.9% per annum. (Statswales, after Policy in Practice).

110. The Policy in Practice report predicted that social housing and private rents in Conwy would rise at the rates set out in Table 26 below.

**Chart 6: Index of private housing rental prices percentage change 2012-2017**



**Table 26: Rent uprating in the social and private sectors, from 2017 to 2020**

Source: Policy in Practice after statswales Private-Sector-Rents

Bed size	Private Rent (weekly)			Social Rent (weekly)			
	No	Current average	2020 average	Change in rent	Current average	2020 average	Change in rent
1		£99.88	£104.67	£4.79	£95.45	£105.59	£10.14
2		£114.97	£119.99	£5.02	£89.72	£99.61	£9.89
3		£130.36	£135.79	£5.43	£95.99	£106.15	£10.16
4		£139.37	£145.02	£5.64	£105.21	£115.76	£10.55
5		£160.72	£168.94	£8.22	£114.72	£125.68	£10.96

## Demographic Profile

111. The following section sets out a demographic profile for Conwy. This helps to build a picture of the population living in the county and what their current and future housing needs may be. Table 27 details the age structure of Conwy's population according to the 2011 Census, compared with the rest of Wales.

Table 27 Age Structure Source: Census 2011	Conwy		Wales	
	Number	%	Number	%
Age 0 to 4	5,839	5.1	178,301	5.8
Age 5 to 7	3,351	2.9	99,429	3.2
Age 8 to 9	2,155	1.9	63,650	2.1
Age 10 to 14	6,418	5.6	177,748	5.8
Age 15	1,363	1.2	37,168	1.2
Age 16 to 17	2,849	2.5	77,111	2.5
Age 18 to 19	2,390	2.1	84,841	2.8
Age 20 to 24	5,798	5	21,1924	6.9
Age 25 to 29	5,404	4.7	185,728	6.1
Age 30 to 44	19,079	16.6	570,894	18.6
Age 45 to 59	23,576	20.5	609,233	19.9
Age 60 to 64	8,844	7.7	204,885	6.7
Age 65 to 74	13,966	12.1	300,550	9.8
Age 75 to 84	9,921	8.6	187,434	6.1
Age 85 to 89	2,729	2.4	49,360	1.6
Age 90 and Over	1,546	1.3	25,200	0.8
<b>All Usual Residents</b>	115228		3063456	
<b>Mean Age</b>	44.6		40.6	
<b>Median Age</b>	46		41	

112. Conwy has a lower proportion of children (0-14 age brackets) compared with Wales, and a higher proportion of older people (60+). The result of this is an older mean and median (average) age for the County.

## Population Change

113. Since 2005 the population of Conwy has increased by 3,850, which is 3.4% – an average of about 0.3% per year, although rates of change have not been evenly spread across the period. In the same period the population of Wales increased by 4.4% and the population of the UK grew by 7.8%.

<b>Table 28 Population estimates 1981- 2015</b> Sources: mid-year estimates of population, ONS	<b>Conwy CB</b>	<b>Wales</b>	<b>GB</b>	<b>UK</b>
<b>1981</b>	99,000	2,813,500	54,814,500	56,357,500
<b>1986</b>	101,400	2,810,900	55,110,300	56,683,800
<b>Census 1991*</b>	106,300	2,835,100	54,888,800	-
<b>1991</b>	108,000	2,873,000	55,831,400	57,438,700
<b>1996</b>	107,900	2,891,300	56,502,600	58,164,400
<b>Census 2001*</b>	109,600	2,903,100	57,103,900	58,789,200
<b>2001</b>	109,700	2,910,200	57,424,200	59,113,000
<b>2006</b>	113,000	2,985,700	59,067,800	60,810,900
<b>Census 2011*</b>	115,200	3,063,500	61,371,300	63,182,100
<b>2011</b>	115,300	3,063,800	61,470,800	63,285,100
<b>2012</b>	115,500	3,074,100	61,881,400	63,705,000
<b>2013</b>	115,800	3,082,400	62,275,900	64,105,700
<b>2014</b>	116,300	3,092,000	62,756,300	64,596,800
<b>2015</b>	116,200	3,099,100	63,258,400	65,110,000
<b>Change 2005- 2015</b>	3.4%	4.4%	7.8%	7.8%
<b>Change 2014- 2015</b>	-0.1%	0.2%	0.8%	0.8%

\* Census population counts were taken on 21<sup>st</sup> April 1991, 29<sup>th</sup> April 2001 and 27<sup>th</sup> March 2011, therefore numbers will not exactly match those for the 1991, 2001 and 2011 mid-year population estimates, which were for June 30<sup>th</sup>.

## Population Projections

114. Population projections examine past and current population trends and try to predict what the population might look like in the future if these trends continue. In 2013 the Statistical Directorate of Welsh Government produced a set of projections based on the characteristic of the population at unitary authority level in 2011.

115. Table 29 details how Conwy's population is predicted to change over the next twenty years. The number of children living in Conwy will continue to decline steadily. In addition to this the working age population (16-64) will also continue to decline as the post second World War 'baby boomers' move out of this category and into retirement age, and the young 18-24 age group migrate out of the area for University and employment opportunities. The older population, 65+, will also continue to grow significantly as a result of increasing improvements to mortality rates.

<b>Table 29 Broad age groups for population in Conwy</b> Sources: mid-year estimates of population, ONS; 2011-based sub national population projections (principal projection), Welsh Government	<b>2005</b>	<b>2015</b>	<b>2025</b>	<b>2035</b>
<b>Number</b>				
Total population	112,400	116,200	116,900	115,500
Aged 0-15	19,900	18,900	19,200	17,000
Aged 16-64	66,300	66,400	62,400	58,300
Aged 65+	26,100	30,900	35,200	40,300
Aged 85+	3,500	4,700	6,300	9,300
<b>As percentage total population</b>				
Total population	100%	100%	100%	100%
Aged 0-15	17.7%	16.3%	16.5%	14.7%
Aged 16-64	59.0%	57.2%	53.4%	50.5%
Aged 65+	23.2%	26.6%	30.1%	34.8%
Aged 85+	3.1%	4.0%	5.4%	8.0%

116. In response to population predictions, housing delivery in future must take into account the needs of these different age groups. Further analysis of the housing needs of older people can be found on page 72.

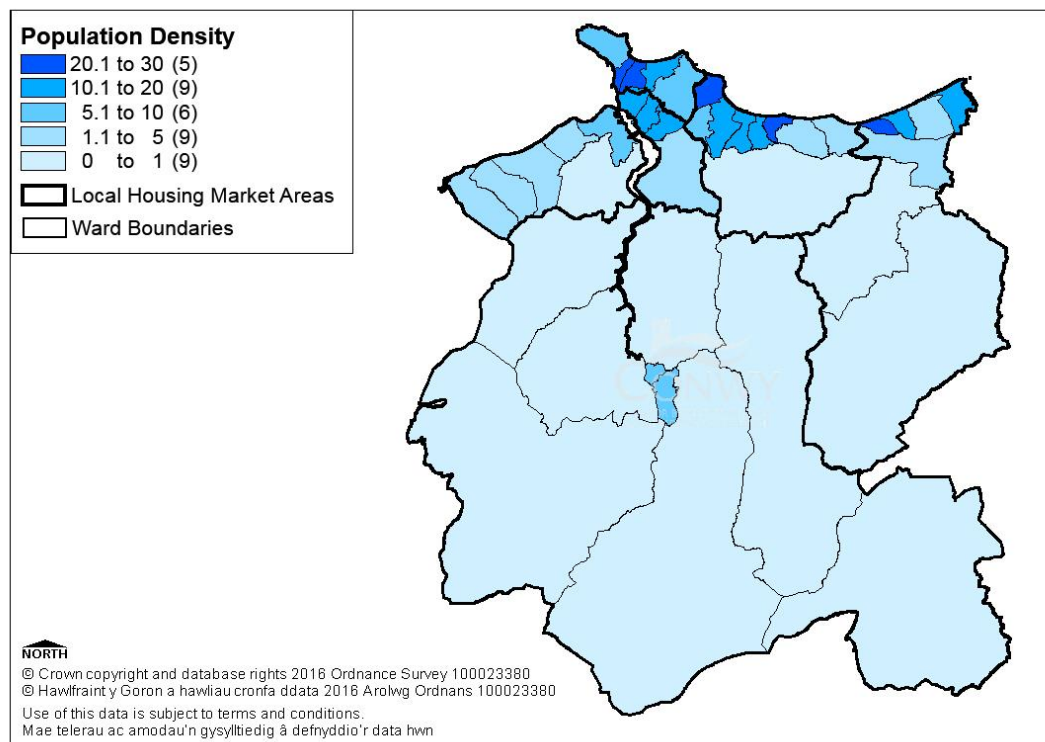
## Population Density

117. Population density is low, at 1.0 persons per hectare across the County as a whole, but rises to over 20 persons per hectare in some urban areas on the coast. The narrow coastal belt contains 85% of the County Borough's population with Llandudno and Colwyn Bay as the two main urban areas. Other significant settlements are Abergele, Conwy, Kinmel Bay, Towyn, Llandudno Junction, Penmaenmawr, Llanfairfechan and Penrhyn Bay.

118. The population of rural Conwy is widely dispersed. The main settlements are the market town of Llanrwst and the scattered villages of Betws-y-Coed, Betws yn Rhos, Eglwysbach, Llanfairtalhaearn, Llansannan, Llangernyw, Pentrefoelas and Cerrigydrudion. Map 10 shows population densities for each ward.

### Map 10 Population Density

Source: CCBC



## Household Estimates

119. A household is one person living alone, or a group of people living at the same address with common housekeeping – that is, sharing either a living room or at least one meal a day. The Housing Size section on page 77 details how the number of households within Conwy will grow over the next twenty years, and how the average household size is increasingly becoming smaller due to the high

number of single person households in Conwy and trends towards smaller family sizes.

## Household Income

120. The median household income for Conwy is slightly below the Welsh income, but significantly below the British median. It has increased slightly since last year (2015) by just over £1000, however between 2011 and 2016 the median household income for Conwy has fallen by £500 overall.

Table 30 Household Incomes Source: CACi PayCheck	Median	Lower Quartile
LHMA1 West	£27,400	£15,800
LHMA2 North	£23,850	£13,700
LHMA3 Central	£24,350	£13,800
LHMA4 East	£23,350	£13,700
LHMA5 South	£25,500	£14,600
<b>Conwy County Borough Council</b>		
Conwy County Borough Council	£24,800	£14,250
Wales	£24,950	£14,000
Great Britain	£29,450	£15,900
* Measures of household income include wages, welfare support, investments, pensions and other income for all household members.		

121. Household incomes vary considerably across each of the local housing market areas. LHMA1 West has the highest median household income at £27,400 and lower quartile income at £15,800 whereas LHMA4 East has the lowest at £23,350 and £13,700.

## Employment

122. 75.3% of people aged 16-64 in Conwy County are economically active (in work or available for work) – similar to the Welsh average, but lower than the figure for Great Britain (GB) as a whole. Economic activity rates are generally on an upward trend. However, population estimates put the percentage of the population in Conwy who are aged 16-64 at only 57.2%, compared to 62.2% in Wales and 63.5% across Great Britain. This leads to high dependency ratios – that is, the number of children/elderly persons for each person of working age. High proportions of dependants in the population can place a strain on the economy and on the social structure of the community.

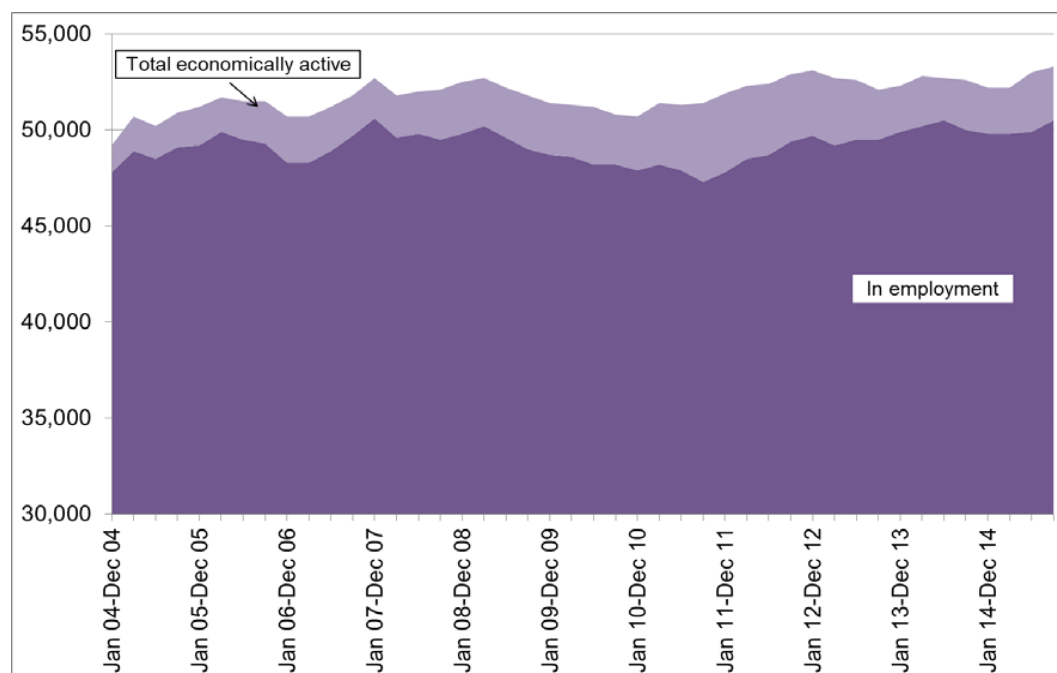
123. Chart 7 details the total number of economically active residents in Conwy compared with those actually in employment. Though economic activity rates are on an upward trend, the total number of people who are economically active is more volatile. This is affected by the size of the working age population, and may possibly start to decline in the near future due to the large 'baby boomers' cohort



moving out of the workforce as they reach retirement age. The number of people who were in employment or otherwise economically active fell between 2008 and 2011 due to the economic recession. Though numbers have started to rise again (50,500 people were in employment in the last recorded quarter, a rise of 500 since the previous year), employment levels remain currently just below the 2007 high of 50,600 in employment.

**Chart 7 Total economically active residents (aged 16-64)**

Sources: ONS annual population survey, (NOMIS)



124. Table 31 details the employment status of all economically active residents in Conwy compared with Wales and the rest of Great Britain. The number of people in the workforce who are self-employed is estimated at about 8,400 persons – around 10.7% of the county’s workforce. This compares to a rate of around 9.5% across Wales and 10.2% for Great Britain.

Table 31 Economic Activity Sources: ONS mid year population estimates; ONS annual population survey, (NOMIS)	Conwy CB		Wales %	Great Britain %
	No.	%		
All people aged 16-64 (mid 2014)	66,900	57.5	62.2	63.5
<b>Economic activity (Oct 2014-Sep 2015)</b>				
Economically active	53,300	75.3	75.1	77.7
In employment	50,500	71.1	70.3	73.4
Employees	41,500	59.8	60.1	62.8
Self employed	8,400	10.7	9.5	10.2
Economically inactive	16,400	24.7	24.9	22.3

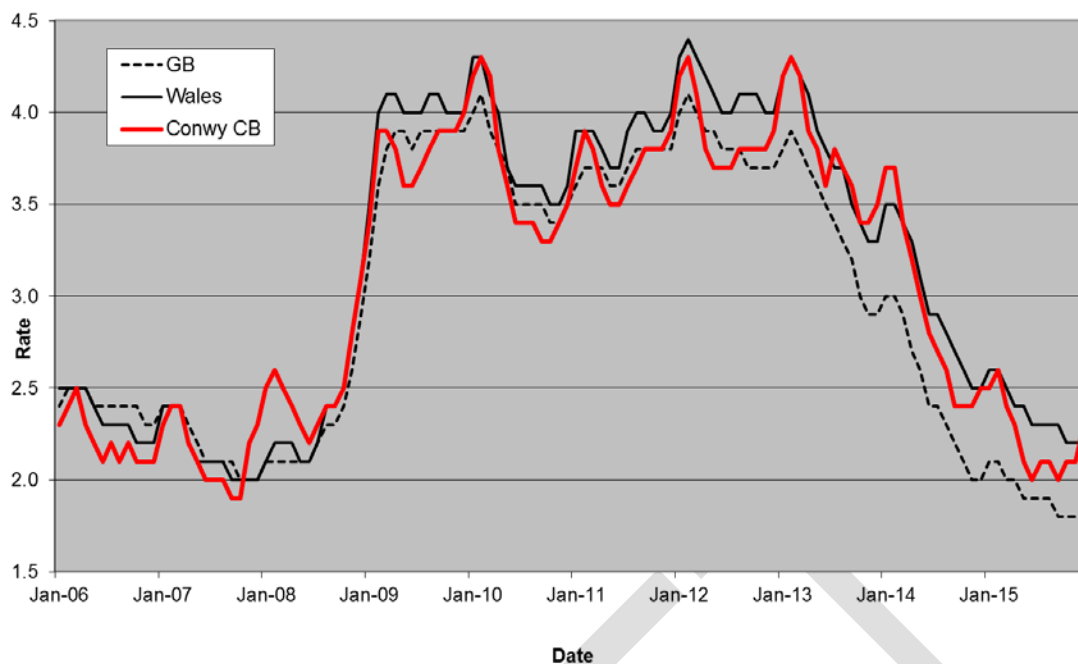


125. Table 32 details the number of working age benefit claimants resident in Conwy compared with Wales and Great Britain. Between November 2014 and May 2015 the proportion of the population aged 16-64 who were claiming benefits fell by 0.5% to 15.3%, continuing the fall back to pre 2007/8 recession levels which began in mid-2014. Over the past 10 years, the overall rate of working age benefit claimants has generally remained 0.5-2 points below the all-Wales average, and 2-4 points above GB levels. Conwy has a high incidence of claimants of incapacity benefits, compared to the GB average.

Table 32 Working age client group benefit claimants (May 2015) Source: DWP benefit claimants - working age client group (NOMIS)	Conwy		Wales %	Great Britain %
	No.	%		
Total claimants	10,230	15.3	15.8	12.2
Job seekers	1,290	1.9	2.2	1.7
ESA and incapacity benefits	5,560	8.3	8.5	6.3
Lone parents	760	1.1	1.3	1.1
Carers	1,370	2.0	2.0	1.5
Others on income related benefits	220	0.3	0.3	0.3
Disabled	840	1.3	1.2	1.1
Bereaved	170	0.3	0.2	0.2
Key out-of-work benefits*	7,840	11.7	12.4	9.4
* Key out-of-work benefits are job seekers, incapacity benefits, lone parents and others on income related benefits				

### Chart 8 Claimant count unemployment, January 2006-December 2015

Source: ONS claimant count, (NOMIS)



126. The claimant count unemployment rate for December 2015 was 2.3%, an increase of 0.2% on the previous month but lower than the same period last year. In June 2014 the rate dropped below 3.0% for the first time in over five years, meaning unemployment had fallen back to the levels that existed before the 2007/08 economic downturn. The overall figure is comparable to that for Wales but higher than the GB level. However, whilst unemployment rates have generally fallen, the reduction is not as sustained or stable as for GB as a whole, which may be due to the seasonal nature of tourism-based employment patterns in the County Borough.

Table 33 Claimant count unemployment figures for Conwy (December 2015) Source: ONS claimant count, (NOMIS)	No.	Rate	% all claimants
All people	1,505	2.3	
Males	1,010	3.1	67.1
Females	500	1.5	33.2
Claiming over 6 months*	495	-	32.9
Claiming over 12 months*	305	-	20.3
Aged under 25	380	-	25.2
Aged 50 +	370	-	24.6

\* Jobseekers allowance only – data for Universal Credit (employment element) not currently available for breakdowns of the length of unemployment

127. Although overall unemployment figures have been dropping, a third (32.9%) of all claimants have been unemployed for at least six months and over a fifth of all claimants have been claiming unemployment benefits for 12 months or longer – a total of 305 people. The number of long term claimants saw dramatic rises in 2009 and late 2011 and, despite a recent fall, has remained high relative to 2008 levels

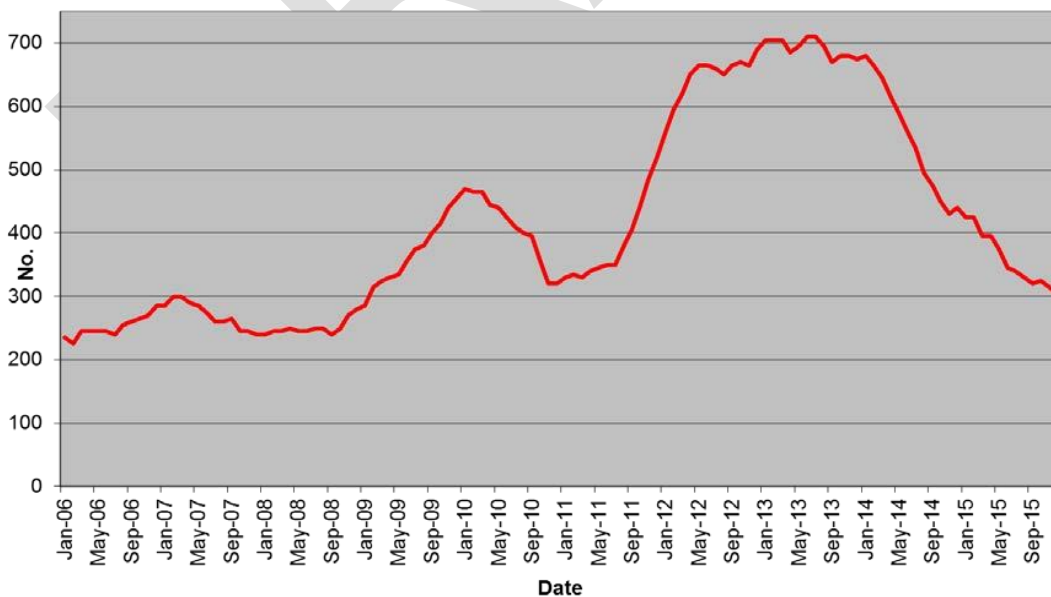
128. In December 2015, the total number of unemployed claimants aged under 25 was 380. In general, young people under the age of 25 make up between 20% and 30% of all unemployed claimants. The number of young people who are unemployed rose steeply in late 2008 and remained high for over five years, though levels of unemployment amongst the young are now lower than they have been since before the 2008/09 recession.

### Housing Related Benefits

129. Table 34 shows the number of housing benefit recipients living within both the social and private sectors in Conwy compared with those in Wales and Great Britain. The proportion of all recipients who are in the private sector is much higher than for Wales or the UK generally. This reflects the fact that the proportion of socially rented properties is low and many low income households are accommodated in the private sector.

**Chart 9 JSA unemployment – claiming over 12 months\***

Source: ONS JSA count, (NOMIS)



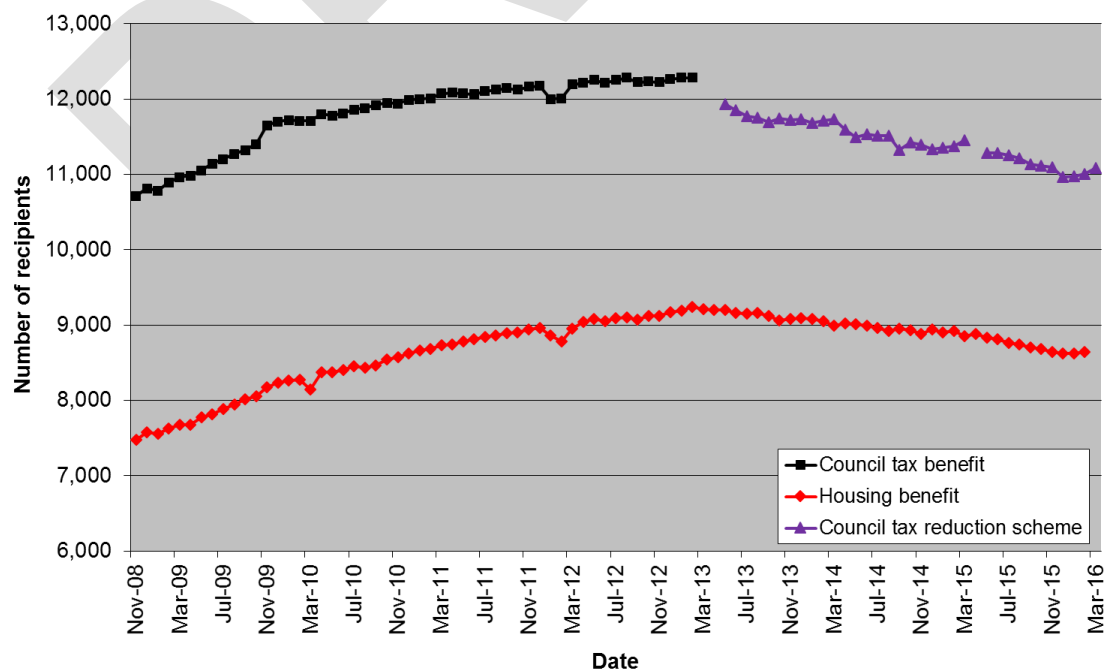
\* Jobseekers allowance only – data for Universal Credit (employment element) not currently available for breakdowns of the length of unemployment.

<b>Table 34 Housing benefit recipients</b> Source: housing benefit statistics, Department of Works and Pensions	<b>Conwy</b>		<b>Wales</b>	<b>Great Britain</b>
All housing benefit recipients (Feb 2017)	8,346		234,859	4,523,978
In social rented sector	4,500	53.9%	67.8%	69.2%
In private rented sector	3,851	46.1%	32.2%	30.7%
Change since last quarter (Nov 2016)	-54	-0.6%	0.1%	-0.6%
Change since last year (Feb 2016)	-296	-3.5%	-3.1%	-4.6%

130. Chart 10 shows the number of claims for housing benefit within Conwy over the last eight years. Since March 2013 the number of applications has been falling.

**Chart 10 Number of recipients of housing related benefits in Conwy (Nov-2008 to Mar-2016)**

Source: housing benefit and council tax benefit statistics, Department of Works and Pensions



131. More than half of Conwy renters, 54%, receive help with housing costs. Conwy has a much higher percentage of older persons receiving housing benefit with 31.3% aged 65 or over compared with 27.0% across Wales, and 27.8% for Great Britain. Consequently the proportion of claimants with dependent children is lower in Conwy at 31.1% compared with 34.5% across Wales, and 36.1% for Great Britain as a whole.

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## The Impact of Welfare reform

132. Welfare reform has a direct impact on the ability of households to afford their rent. An assessment of how welfare reform affects household income in Conwy was commissioned in 2017. Highlights of the report, produced by Policy In Practice are given below. The proposal to bring housing benefit levels to the level of Local Housing Allowance has now been withdrawn (January 2018) so many of the projections made are no longer correct. Welfare reform will impact negatively on household income nevertheless.

133. Reforms introduced before 2017 included

- The freezing of LHA rates until 2019;
- Restricting LHA entitlement for single people under 35 to the shared room rate
- The under occupation charge applied to social housing tenants. In February 2017, 527 households (12% of all social housing tenants) had benefit reduced by an average of £15.24 a week (see table 35).
- Removal of Housing Benefit Family Premium: 1119 families lost £17.45 per week.
- The benefit cap (which limits the amount of Housing Benefit payable to a household to ensure that their maximum total benefits does not exceed £20,000 per year)

**Table 35: recipients affected by spare room subsidy/bedroom tax**

Source: housing benefit statistics, Department of Works and Pensions

	Conwy County Borough		Wales	Great Britain
	Number	£	£	£
February 2017	527	£15.36	£14.59	£15.24
Change since last year (Feb 2016)	-18	£0.43	£0.42	-£0.03

134. Planned

- The removal of entitlement to housing benefit for many 18-20 year olds affecting 137 current claimants and 312 young people should they make a claim for UC.
- Full roll-out of Universal Credit, which reduces levels of housing support paid, together with administrative changes affecting when payments are made. New in-work conditionality rules, work allowances, and the new 'minimum income floor' will see UC payments reduced.

The sanctions regime will impact on tenants' ability to pay rent. 54.3% of current claimants would see a reduction in household income when transferred to UC.

- 'Non dependent' deductions under UC will be greater where the non dependent is claiming benefit (an estimated 157 cases in Conwy will be affected)

135. While other changes result in a general income reduction for claimants, including general trends in the cost of living:

- Cuts to tax credits for third and subsequent children
- Reduced work allowances

136. The reforms are forecast to present significant challenges for households to afford rent in both the private and social sectors.

### **Impact on the private rental sector.**

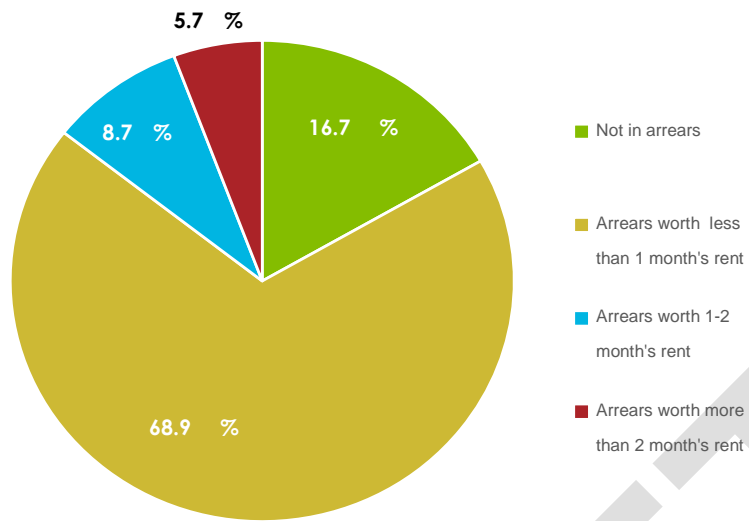
137. The assessment of the impact of welfare reform found that 96.5 % of households in the private sector would experience a high impact from the reforms. 1140 households are estimated to require transitional protection when transferred to UC.

138. Currently, of the 3,735 households making a claim for housing benefit in 2017, 87.2 % paid rent at a rate higher than their relevant LHA allowance. The average 'top up' was £30.70. Rents are increasing while LHA is frozen until 2019. The increasing shortfall in benefit will create greater pressure on social housing as 'top up' payments become increasingly hard to afford as benefit income is reduced. It is possible that some private landlords will refuse to accept new tenants claiming UC.

### **Impact in the social rented sector**

- 1548 households are estimated to require transitional protection once UC is rolled out.
- Young people under 21 will not be entitled to HB. Although some vulnerable people will be protected, housing providers will not be able to accommodate those with no entitlement.
- The administration of Universal Credit to be paid monthly in arrears following a period of waiting presents serious budgeting challenges for tenants. Pilot areas for UC have experienced increased rent arrears.
- In 2017 the level of rent arrears in social housing in Conwy is shown in chart 11. It is expected that the reforms will continue to have a cumulative impact on rent arrears.

**Chart 11. Social Housing rent arrears 2017**



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## Housing Repossessions

139. The following figures are only indicative of how many houses have actually been repossessed. Repossessions can occur without a court order being made, while not all court orders result in repossession. Claims indicate actions which have been started. Orders are issued after the court has judged that the claimant has a case. Table 36 details the number of mortgage and landlord repossession orders and claims in 2016.

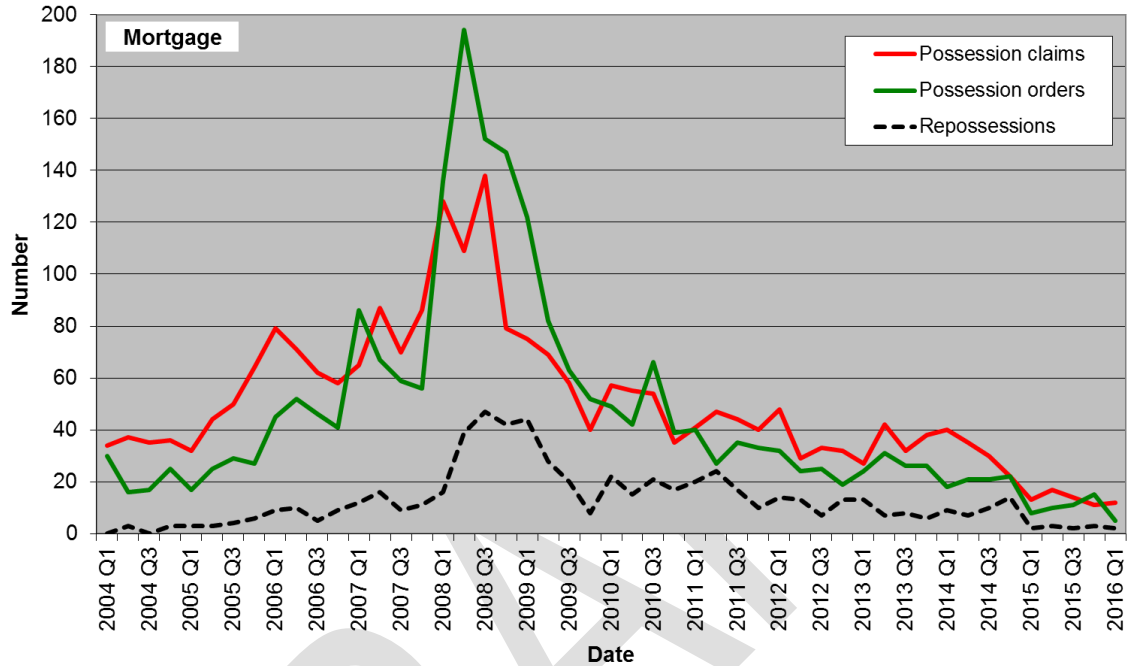
Table 36 Repossessions Source: Ministry of Justice mortgage and landlord possession statistics (National Statistics)	Mortgage possessions			Landlord possessions		
	Claims issued	Orders made	Reposse sions	Claims issued	Orders made	Reposse ssions
Quarterly: Jan-Mar 2016 (Q1)						
Total	12	5	2	38	29	5
% change since same						
quarter last year	-8%	-38%	0%	-30%	-19%	-67%
Rate per 1,000 households						
Conwy County Borough	0.2	0.1	0.0	0.7	0.6	0.1
Year: Apr 2015-Mar 2016						
Total	54	41	10	174	134	42
<b>No table of figures entries found.</b> % change since previous						
12 month period	-46%	-43%	-70%	8%	10%	35%
Rate per 1,000 households						
Conwy County Borough	1.0	0.8	0.2	3.3	2.6	0.8

140. During the 2008 recession there was a steep rise in mortgage repossession actions. However, figures for 2009 and 2010 showed a significant drop in repossession actions, and this trend has continued. A new Mortgage Pre Action Protocol was introduced at the end of 2008 which will have influenced the figures. Mortgage

lenders are also less likely to seek repossession when housing market activity is slow, as they will be less able to resell properties once they have been repossessed.

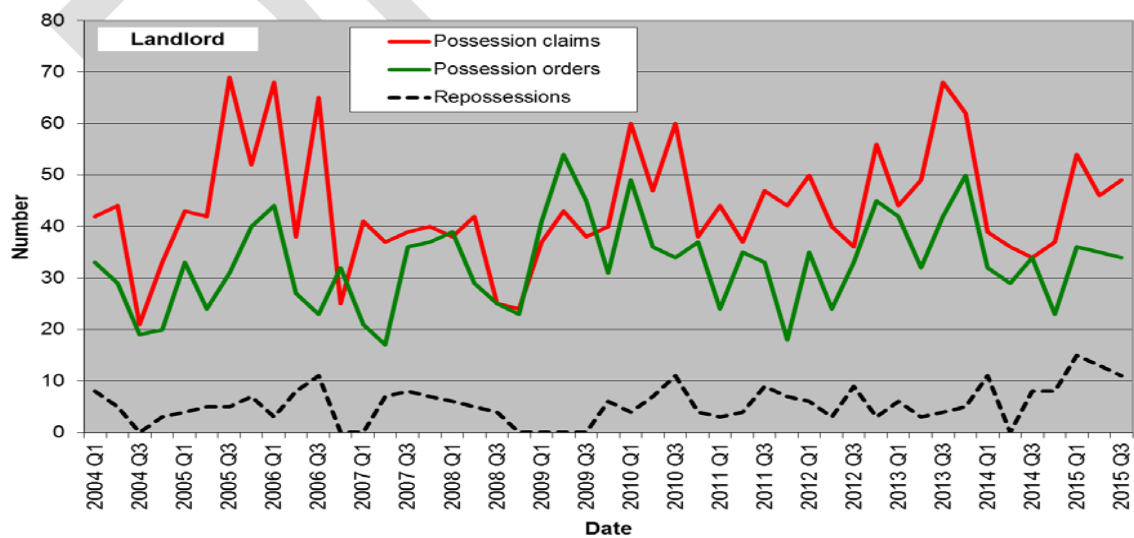
**Chart 12 Quarterly mortgage possession actions in Conwy (2004 Q1-2016 Q1)**

Source: Ministry of Justice mortgage and landlord possession statistics (National Statistics)



**Chart 13 Quarterly landlord possession actions in Conwy (2004 Q1-2015 Q3)**

Source: Ministry of Justice mortgage and landlord possession statistics (National Statistics)



141. Although the number of mortgage possession actions shows a five-year downward trend, landlord possession actions (against tenants of rented properties) have not seen the same sustained decline –

perhaps as a result in changes to housing benefits entitlements and payment processes. However, the rate and number of court-activated landlord actions that result in repossession are particularly low in Conwy, especially when compared to national figures.

## Housing Need

### Future Housing Need

142. Population projections for Conwy indicate that the total population will grow marginally over the next five years. In the longer term it will begin to fall after 2020. Projections also show that the number of children living in Conwy will increase slightly in the short term, but will begin to decrease in the longer term. The working age population will decline over the next ten years, whereas the older population will grow significantly. These changes in the population will create new housing need, mainly from the formation of new households within the existing population. This new housing need adds to the existing pressure on the housing market. Table 37 details the household projections for Conwy over the next five years.

<b>Table 37 Projected change in Conwy County Borough's household numbers, 2016-2021 (newly forming households)</b> <small>Source: 2014 based household projections, 10 year migration trend, Welsh Government</small>	<b>Number</b>
Projected number of households 2017	52,411
Projected number of households 2022	53,216
Total change in number of households	805
<b>Annual average</b>	<b>161</b>

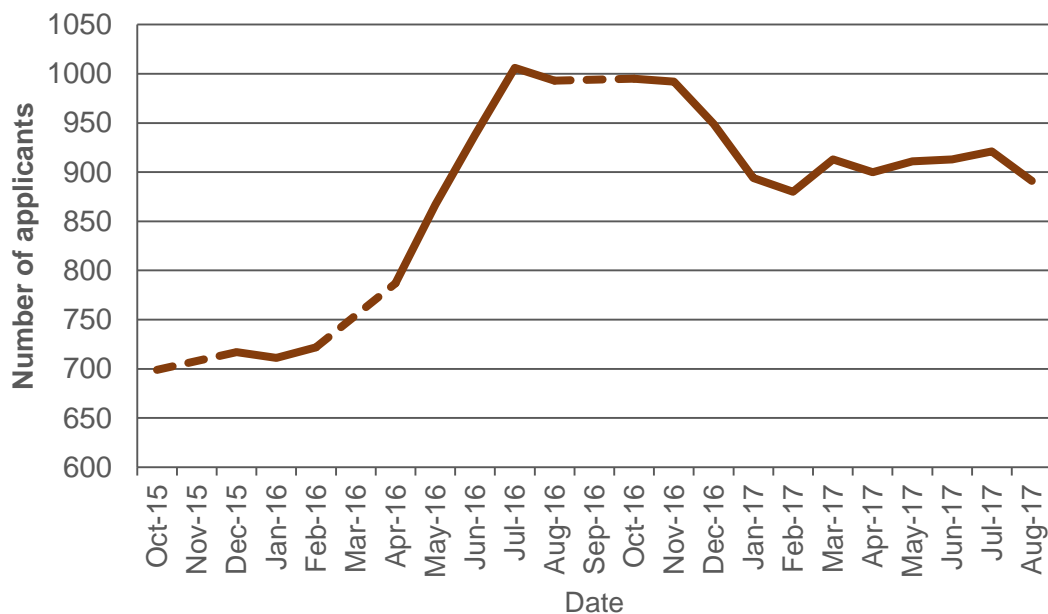
143. It is projected that an average of 161 new households will form each year for the next five years. This figure will feed into the additional annual affordable housing calculation in step 13 of the assessment to determine how many units of affordable housing are required in Conwy each year.

## Backlog of Social Housing Need

144. One of the first steps in calculating the additional requirement for affordable housing is to assess the backlog of unmet housing need. This involves analysing the housing register and First Steps affordable housing register to see how many households are already in need of affordable housing and the types of properties they require. Chart 14 shows how the social housing waiting list in Conwy has grown over the last two years.

**Chart 14 Social housing waiting list for Conwy**

Source: SARTH housing register



145. In April 2015 the new SARTH register was launched. It brought together the separate waiting lists held by each RSL operating in Conwy. This LHMA will be the first for Conwy to include all social housing applicants in the county. This provides a more robust evidence base to calculate housing need. However, it should be noted that the eligibility criteria for acceptance onto the new housing register were tightened, which means that direct comparisons with social housing need data pre-dating SARTH is not possible. The number of applicants on the register when SARTH was first introduced plateaued just below 1000, but since the start of 2017 demand has averaged at around 900.

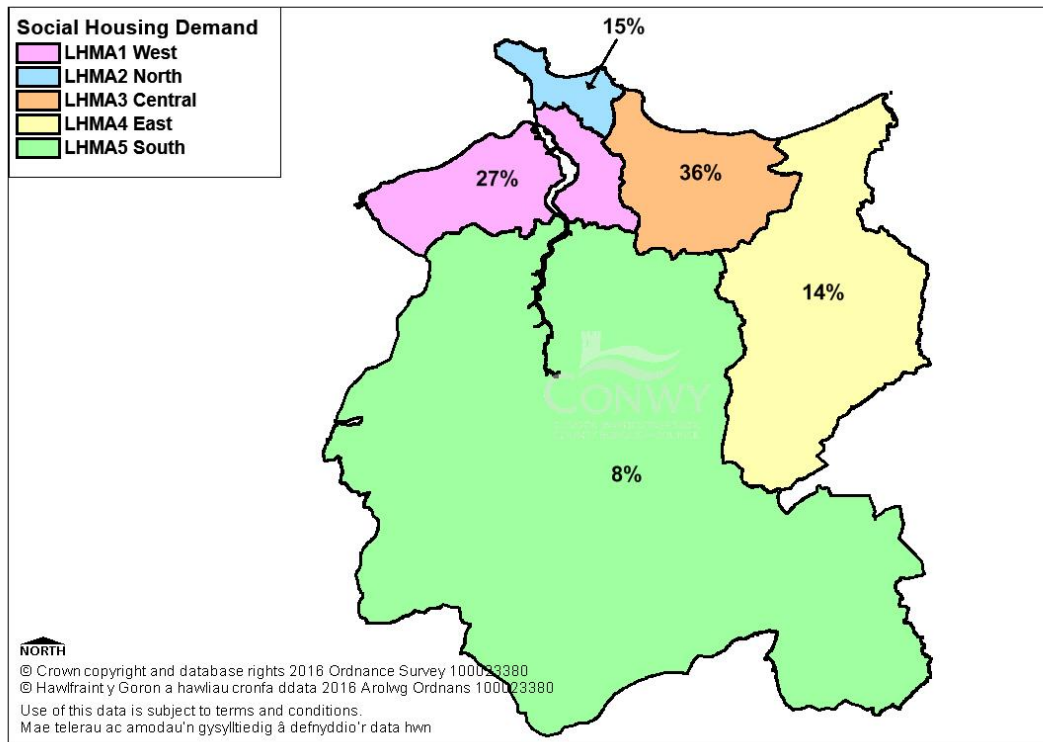
146. Map 11 details the demand for social housing shown as a percentage of applicant choices for each market area.

147. The demand for social housing is highest along the coastal belt, and is particularly high within the Central and West local housing market

areas, which account for 36% and 27% of all area choices on the register. Applicants for social housing can choose up to ten areas to be housed, and this improves their prospect of rehousing as they will be considered for appropriate housing across a number of areas. Applicants who limit their choices to very specific areas drastically reduce their chances of being rehoused, and are likely to experience a longer waiting time before receiving a suitable accommodation offer.

### Map 11 Social Housing Demand

Source: CCBC



148. Table 38 details the priority bands of applicants on the social housing register at the time of the LHMA calculation in August 2017. The majority of applicants are classed as B2 'in need but not urgent'. Almost half of all applicants require a one bedroom property - this has been broken down to show those over 55 who may be eligible for sheltered type housing as this accounts for the majority of Conwy's one bedroom stock. In addition it is important to appreciate the number of single people under 35 who require a general needs 1 bedroom property as they are significantly disadvantaged by changes to welfare benefits and are only eligible for a shared room rate of Local Housing Allowance. The dearth of private rented sector shared

accommodation means they cannot find affordable options in the private sector.

### **Demand from single people and large families**

149. In 2017, 42.1% of all applicants needed 1 bed accommodation, which is suitable for both single persons and couples. However, 1 bed accommodation accounted for just 16.1% of the stock

150. In 2017, 60% of all applicants for advice and assistance arising out of a threat of homelessness were single. After all reasonable steps to relieve or prevent homelessness were taken, 107 cases were not resolved and were owed no further duty by the Authority because they were not in a priority need category. These people are normally eligible to apply for social housing but are not entitled to be provided with temporary accommodation when homeless.

151. In Conwy the annual rough sleeper count has found more rough sleepers each year for the last 3 years, although numbers remain relatively low at 12 in 2017. Nationally the Welsh Government estimates that rates of rough sleeping rose by about 25% between 2016 and 2017 (statswales.gov.wales; Rough sleepers by local authority).

152. 12.1% of all applicants require 4 or more bedrooms, whereas only 3.5% of the stock has 4+ bedrooms, and many communities have no 4 bed properties whatsoever. Families with 3 or more children, especially where there is a lone parent have, and will, feel the impact of welfare reform measures relatively acutely. Consequently families are turning to the social housing sector as they find private rents unsustainable.

153. The average time spent on the housing register before an allocation is made is 542 days. For families in need of five or more bedrooms it is 1000 days. One in ten applicants waits over three years.

<b>Table 38 Social Housing Register Analysis (August 2017)</b>		<b>Number</b>	<b>%</b>
Source: Cartrefi Conwy			
Total applicants		891	
<b>Priority need</b>			
B1 - urgent need		118	13.2%
B2 - in need, not urgent		642	72.1%
B3 - urgent need but no local connection		3	0.3%
B4 - in need, not urgent no local connection		128	14.4%

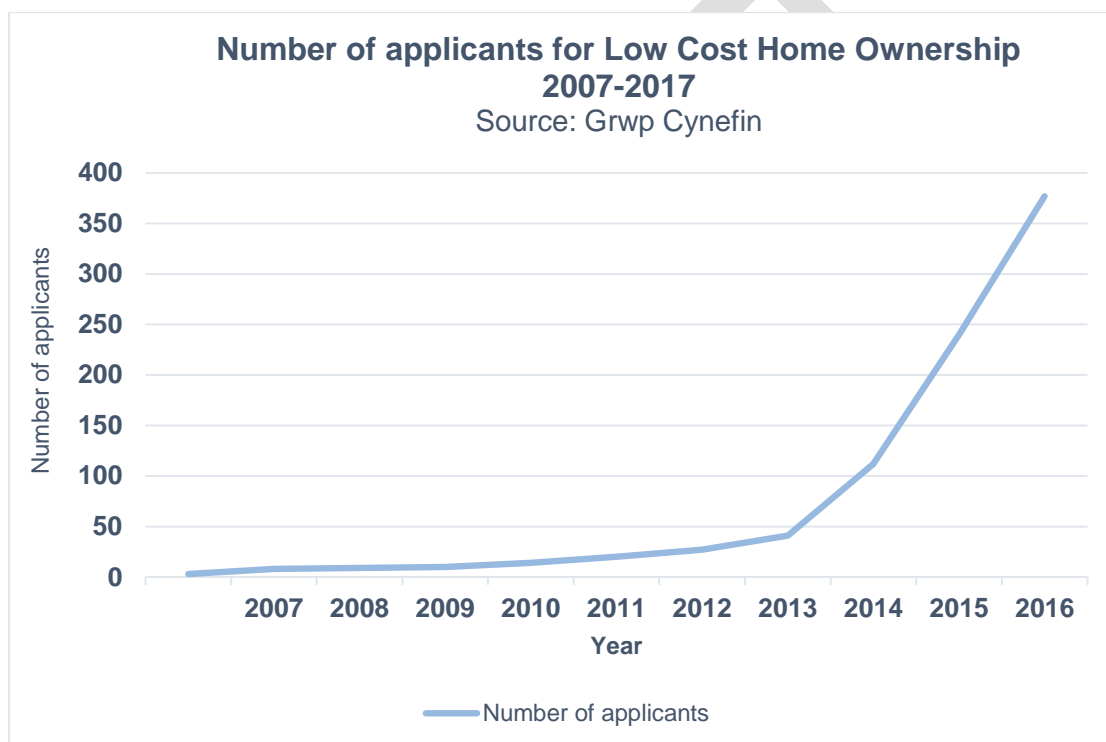
Bedrooms required		
1	375	42.1%
2	263	29.5%
3	146	16.4%
4	78	8.8%
5 or more	29	3.3%
1 bed - aged under 35	86	9.7%
1 bed - aged 55+	153	17.2%

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## Backlog of Intermediate Housing Need

154. The demand for intermediate housing has grown significantly over recent years as awareness of these products improves. Over the last year Conwy has been working closely with Grwp Cynefin (RSL) who manage the intermediate housing register on its behalf to promote low cost home ownership (LCHO) and intermediate rental schemes. As shown in Chart 15 this has resulted in a significant growth in applications for LCHO. As the intermediate rental market is relatively new to Conwy these applications have not been included, however this area has seen significant growth as well.

**Chart 15.**



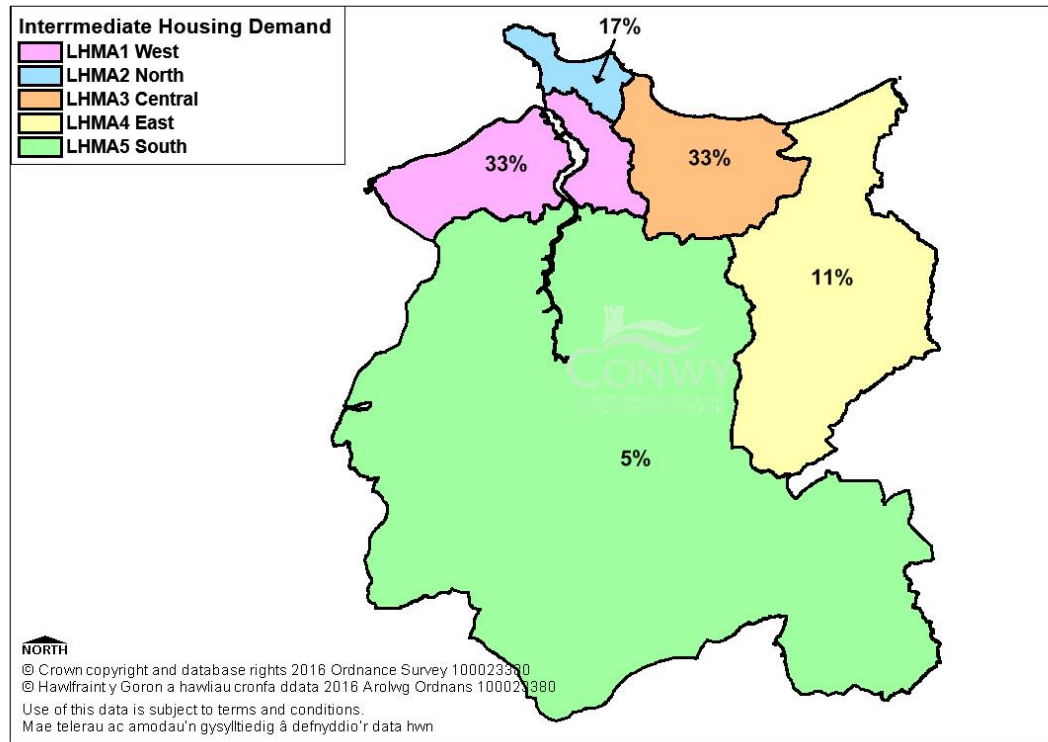
155. Map 12 shows the demand for intermediate housing, either low cost homeownership or intermediate rent across the County. LHMA1 West and LHMA 3 Central have the highest proportion of choices on the First Steps register with 33% each. This level of demand could possibly be driven by the location of new house building activity rather than demand itself.

156. In July 2017 there were 340 applicants on the First Steps register for low cost home ownership, and 186 applicants in need of intermediate rent. This is more than double the number of applicants who were on the register twelve months ago. The increase is largely due to a widely promoted sign-up campaign in the first half of 2017.



## Map 12 Intermediate Housing Demand

Source: CCBC



157. The trends suggest that those registered to date are not reflective of total demand and a new regional register to be launched in 2018 may attract more applicants.

158. The majority of applicant households for low cost home ownership contain children (174 households or 51%) – well above the Conwy average for all households where only 23.7% of households contain children. Almost four out of every ten applicant households do not currently have their own accommodation and are living with friends or family. 45% of the 186 households on the register for intermediate rent contain children. About a third of households do not currently have their own homes and are living with friends or family.

Table 39 Applicants on the First Steps register, July 2017 Source: First Steps register	Affordable ownership		Affordable rent	
	No.	%	No.	%
All applicants	340		186	
<b>Household type</b>				
Single person - aged under 55	85	25.0%	34	18.3%
Single - aged 55+	3	0.9%	1	0.5%
Couple - no children	51	15.0%	20	10.8%
Couple with children	123	36.2%	63	33.9%
Lone parent with children	68	20.0%	46	24.7%
Other	10	2.9%	3	1.6%
<b>Current tenure</b>				
Owner occupiers*	21	6.2%	4	2.2%
Social housing	36	10.6%	23	12.4%
Privately rented (inc. with job)	147	43.2%	91	48.9%
Living with family or friends	127	37.4%	63	33.9%
Other	9	2.6%	5	2.7%

## Overcrowding & under-occupation

159. The 2011 Census gives us some information about overcrowding. Households who live in overcrowded accommodation may require re-housing or help with adaptations to their homes. There are two measures of occupancy rating, one based on the number of rooms in a household's accommodation, and one based on the number of bedrooms. The ages of the household members and their relationships to each other are used to derive the number of rooms/bedrooms they require, based on a standard formula. The number of rooms/bedrooms required is subtracted from the number of rooms/bedrooms in the household's accommodation to obtain the occupancy rating. An occupancy rating of -1 implies that a household has one fewer room/bedroom than required, whereas +1 implies that they have one more room/bedroom than the standard requirement.

160. Around 2,200 of Conwy households could be classed as overcrowded using the 'all-rooms' definition, and around 1,400 under the 'bedrooms' definition. Rates of overcrowding are slightly lower than across Wales as a whole and considerably below England & Wales levels. This is mainly due to the high number of single pensioners living within Conwy, many of whom are significantly under occupying their homes.

Table 40 Overcrowding Source: 2011 Census, table KS403	Conwy		Wales	England & Wales
	Number	%	%	%
All households	51,200		1,302,700	23,366,050
Occupancy rating (rooms) of -1 or less	2,200	4.3%	5.2%	8.5%
Occupancy rating (bedrooms) of -1 or less	1,400	2.7%	3.0%	4.7%
Average household size	2.20	-	2.31	2.36
Average number of rooms per household	5.6	-	5.7	5.4
Average number of bedrooms per household	2.8	-	2.8	2.7
The definition of a room does not include bathrooms, toilets, halls or landings, or rooms that can only be used for storage. All other rooms, for example, kitchens, living rooms, bedrooms, utility rooms, studies and conservatories are counted. If two rooms have been converted into one they are counted as one room. Rooms shared between a number of households, for example a shared kitchen, are not counted.				

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## **Specialist Housing Requirement**

161. The LHMA intends to capture the entire housing market, and not just affordability requirements in terms of open market and affordable housing. Therefore an assessment of specialist housing need has been conducted to identify where such need exists and how this may change in the future. Specialist housing need covers a variety of housing provision including property types, care and support needs and land requirements to meet the needs of particular groups. In this section we will look at the current and future needs for specialist housing in Conwy, focusing on the needs of older people and those in need of adapted housing.

### **Adapted Housing**

162. There are currently 225 applicants on the social housing register who require adaptations to their home to meet their needs, the level of adaptations vary depending upon the individual needs of the applicant. There is currently one household on the First Steps intermediate register who requires an adapted home.

163. Social Services are currently developing a social care commissioning strategy which will assess clients' needs across the social service sector. This will provide more information on future specialist housing need within Conwy.

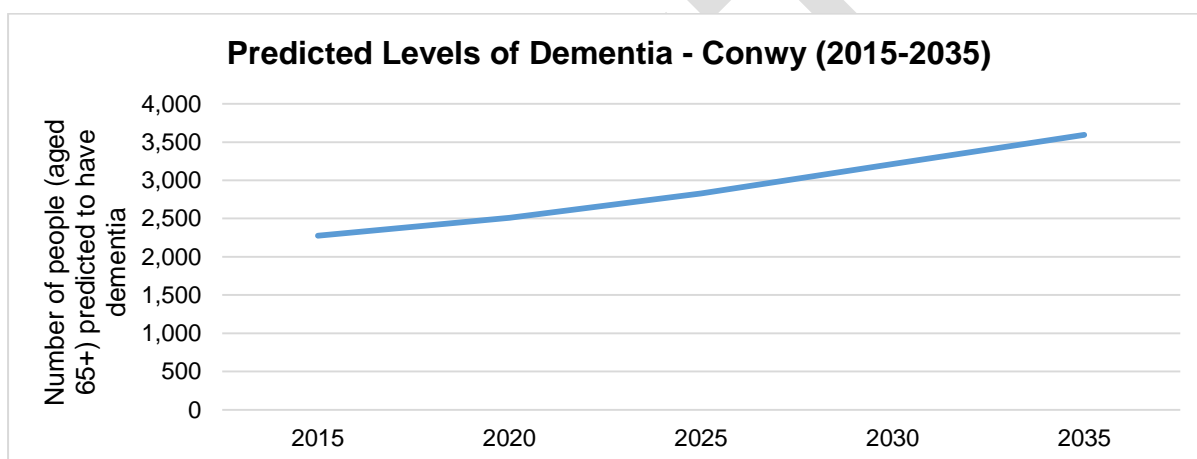
### **Older Persons**

164. Tables 27 & 28 in the previous chapter detail how the population of Conwy is ageing. Between 2014 and 2015 the number of people aged 65 and over increased by 1.5%. In the ten-year period between 2005 and 2015 the 65+ age group increased by 4,750 people, a rise of 18.2%. The number of people aged 65 and over within Conwy is projected to increase continually until mid-2036 (end of the projection period). The rate of increase will be highest between mid-2011 and mid-2016 (over 10%) and from mid-2026 to mid-2031 (over 8%). The number of people aged 65 and over in Conwy's population is expected to be about 40,250 by 2035. This is an increase of 9,350 (30.3%) on 2015 figures. The increase in the number of people aged over 65 is driven by two factors; firstly improvements in mortality rates mean people are living longer; and secondly the ageing of the large 'baby boom' cohort born after the Second World War. By the end of the projections period this age group will also include the cohort from the second 'baby boom' of the early 1960s.

165. As identified in the Social Services commissioning strategy, one of the most significant issues facing older people and the need to provide suitable housing is dementia. Table 41 and chart 14 represents the number and proportion of people aged 65+ living in Conwy who are predicted to have dementia between 2015 and 2035:

Table 41 Dementia 2015-2035 Source: Daffodil Cymru	2015	2020	2025	2030	2035
65-69	109	97	103	114	109
70-74	194	229	205	219	241
75-79	338	374	444	403	433
80-84	531	572	644	774	710
85+	1,104	1,237	1,432	1,704	2,102
<b>Total (65+) w/Dementia</b>	<b>2,276</b>	<b>2,509</b>	<b>2,828</b>	<b>3,213</b>	<b>3,594</b>
Proportion of 65+ Pop. w/Dementia living in Conwy	7.38%	7.65%	8.04%	8.43%	8.93%
Proportion of 65+ Pop. w/Dementia living in Wales	6.76%	7.06%	7.52%	7.96%	8.46%

**Chart 16**

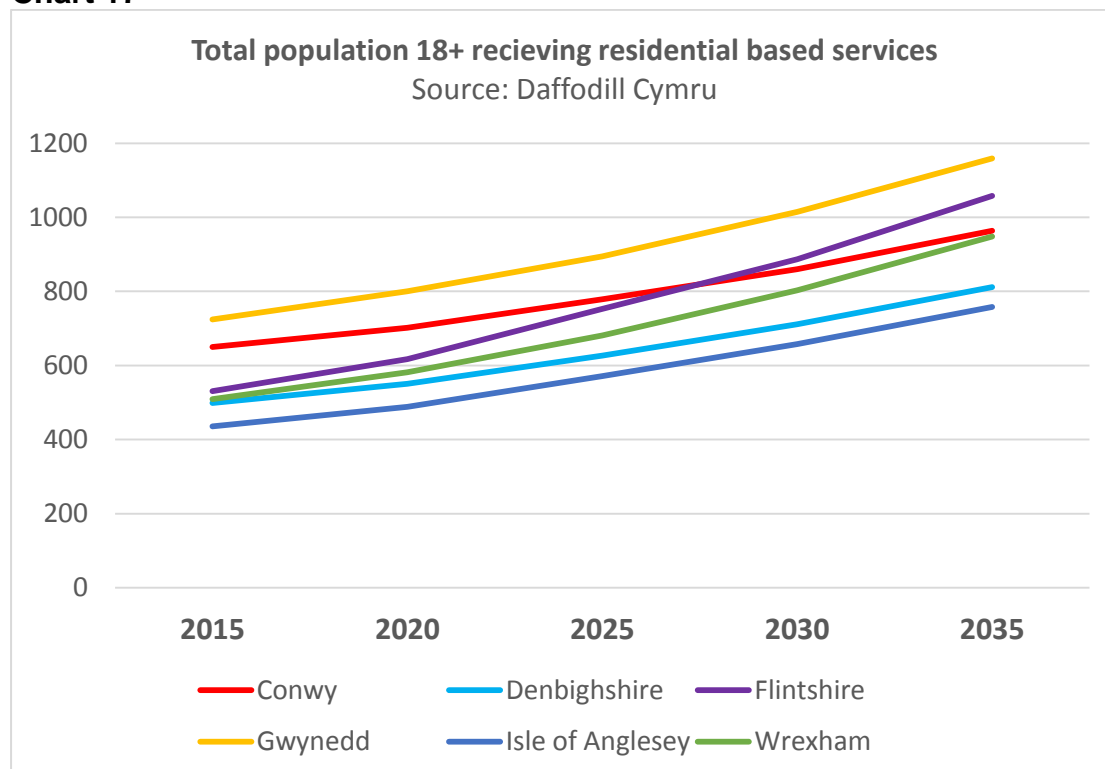


166. The number of older people living in Conwy with dementia is predicted to grow significantly over the next twenty years, and it is important that housing options for older people recognise these needs, including home care packages and specialised accommodation options.

### Older Persons' Housing Need

167. The need for residential care services within Conwy and across North Wales is predicted to grow steadily over the next twenty years as shown in Chart 15

**Chart 17**



168. The Housing Learning and Information Network has developed a tool to support commissioners and planners to anticipate demand for different types of specialist accommodation with support. The SHOP@ tool predicts that by 2030, there will be an undersupply in Conwy of residential care places, Nursing homes, sheltered housing and housing with care. This is not unique to Conwy however, and is reflected across North Wales as a whole.

Table 42 Expected shortfall in residential and supported housing by 2013 Source: SHOP@Tool	Residential care home	Nursing care home	Sheltered housing	Housing with care
Conwy	130	275	170	370
North Wales	392	2,154	2,185	2,774

169. Given the predicted shortfall, and the number of specialist housing providers that have closed over recent years, it is important that we protect and enhance these services for the future. Although there is a preference for care within the home, this is not always possible, and specialist accommodation must be available to safely house those with support needs. Conwy's Social Services commissioning strategy recognises the shortfall in EMI nursing bed spaces, and expresses concern for future care, particularly for older persons with dementia.

There are 71 nursing and residential care/EMI (Elderly Mentally Infirm) establishments on the approved providers list in Conwy, which include six types of accommodation: older persons' residential, older persons' nursing, EMI Residential and EMI Nursing,

<b>Table 43 The number and change in registered bedspaces for the old and elderly mentally infirm 2016 and 2017 Source: CCBC</b>	<b>September 2016</b>	<b>September 2017</b>	<b>Change</b>
Older Persons Residential	527	499	-28
Older persons Nursing	381	395	+14
EMI residential	213	213	0
EMI Nursing	176	144	-32
Working Age Residential	191	164	-27
Working Age Nursing	74	82	+8
<b>Totals</b>	<b>1562</b>	<b>1497</b>	<b>-65</b>

170. Overall the county has lost 65 bed spaces over the last twelve months, despite evidence showing the need for such accommodation continuing to grow.

171. In addition to residential and nursing care Conwy also has four extra care housing schemes which are provided by local Housing Associations. Table 44 details the location of extra care housing and the total number of units at each site. Each venue carries a waiting list. The number of applicants screened and approved for each site indicates that demand is strong.

<b>Table 44 Number of extra care accommodation units and approved applicants Jan 2018 Source: CCBC</b>		
<b>Project</b>	<b>units</b>	<b>Approved applicants</b>
Hafan Gwydir, Llanrwst	40	16
Hafod Y Parc, Abergele	49	55
Llys Y Coed, Llanfairfechan	46	19
Tan Y Fron, Llandudno	46	32
<b>Total</b>	<b>181</b>	<b>122</b>

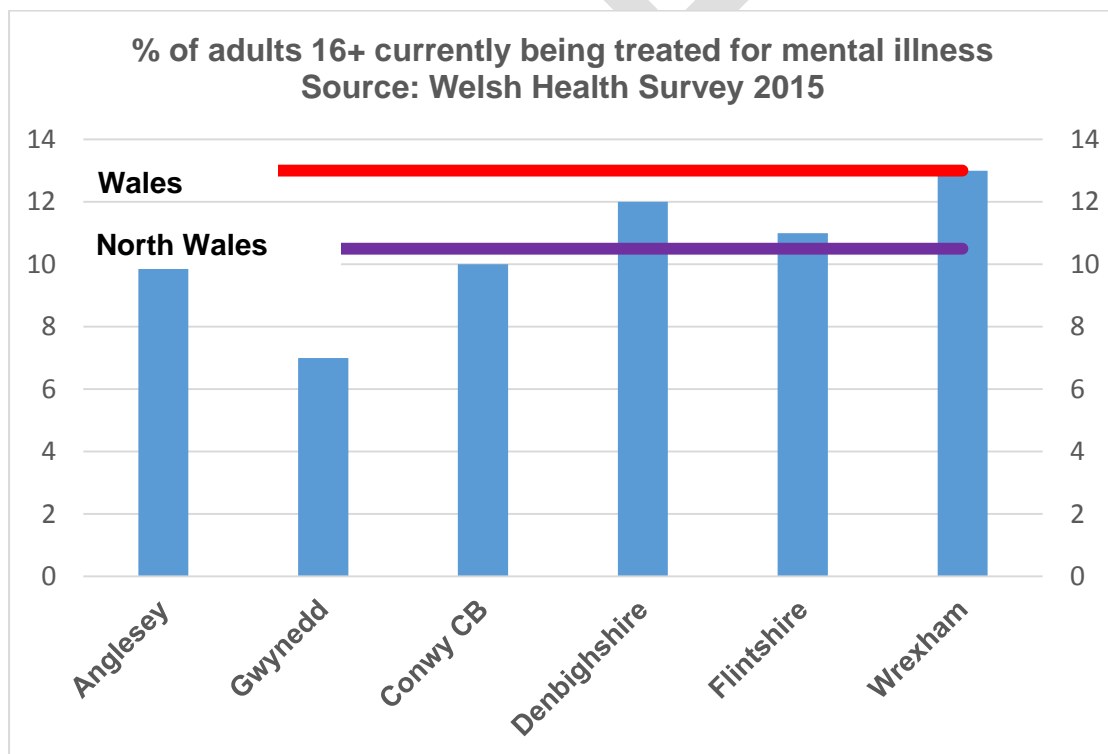
172. Although some older people may require specialist housing with adaptations, it is important to recognise the needs and aspirations of the wider older population, and their requirements for general needs

housing. With this in mind, it is important to plan for a mix of housing types across non specialist residential developments. This will ensure a range of housing options for older people and the general population who may not require specialist housing upon their first occupation, but may need adaptations in the future.

### Vulnerable Persons

173. Specialist accommodation is sometimes needed for vulnerable persons who may have varying support needs around a range of complex issues including substance misuse, domestic violence and mental health. It is important that suitable accommodation and support services are provided for households experiencing one or a number of these issues. Chart 18 details the percentage of adults (16+) who are currently being treated for mental illness across North Wales according to the Welsh Government’s Health Survey 2015.

**Chart 18**



174. Table 45 details the number of persons aged 16+ living with a mental health condition within Conwy, and how this is predicted to increase over the next twenty years.



Table 45 Forecasted number of people 16+ with a mental illness by type of disorder Source: Daffodil Cymru	2015	2020	2025	2030	2035
Common mental disorder	15,723	15,721	15,794	15,881	15,909
Borderline personality disorder	441	441	443	445	445
Antisocial personality disorder	330	333	336	340	342
Psychotic disorder	391	391	393	395	395
Two or more psychiatric disorders	6,984	6,993	7,035	7,081	7,100

175. This data shows that there is going to be a small increase in the number of adults living in Conwy with one or more mental health problems. The majority of these cases can be treated within the person's own home, but a small number of cases will require accommodation based support services. The social services commissioning strategy highlights that the number of referrals to their mental health team has doubled over the past twelve months, and has identified a need for specialist accommodation based support within Conwy, and in particular, for those leaving hospital.

## Housing Size

176. Households often aspire to more space or bedrooms than they actually need to meet the requirements of their household. When assessing housing need it is important to recognise this aspiration, particularly with regards to market housing. Applicants for social housing will only be eligible for a property which provides the number of bedrooms that the household needs at that time. If their need changes and they require more or fewer bedrooms, they will be rehoused appropriately to meet this adjusted need. Applicants on the First Steps register for intermediate housing are able to register for their current housing need plus one additional bedroom, and these aspirations will be considered when planning the provision of affordable housing.

177. Where open market housing is concerned, demand is led by aspiration and what the household can afford rather than need. Accordingly, it is important to provide a good mix of housing sizes to meet both needs and aspirations. Recent residential developments have been dominated by larger properties with four bedrooms, when household size projections clearly show a downward trend in the size of households across the County. If the market is dominated by the provision of larger, more expensive properties, it limits the choice and availability for households who want a smaller one or two bedroom dwelling, particularly when households are considering downsizing.

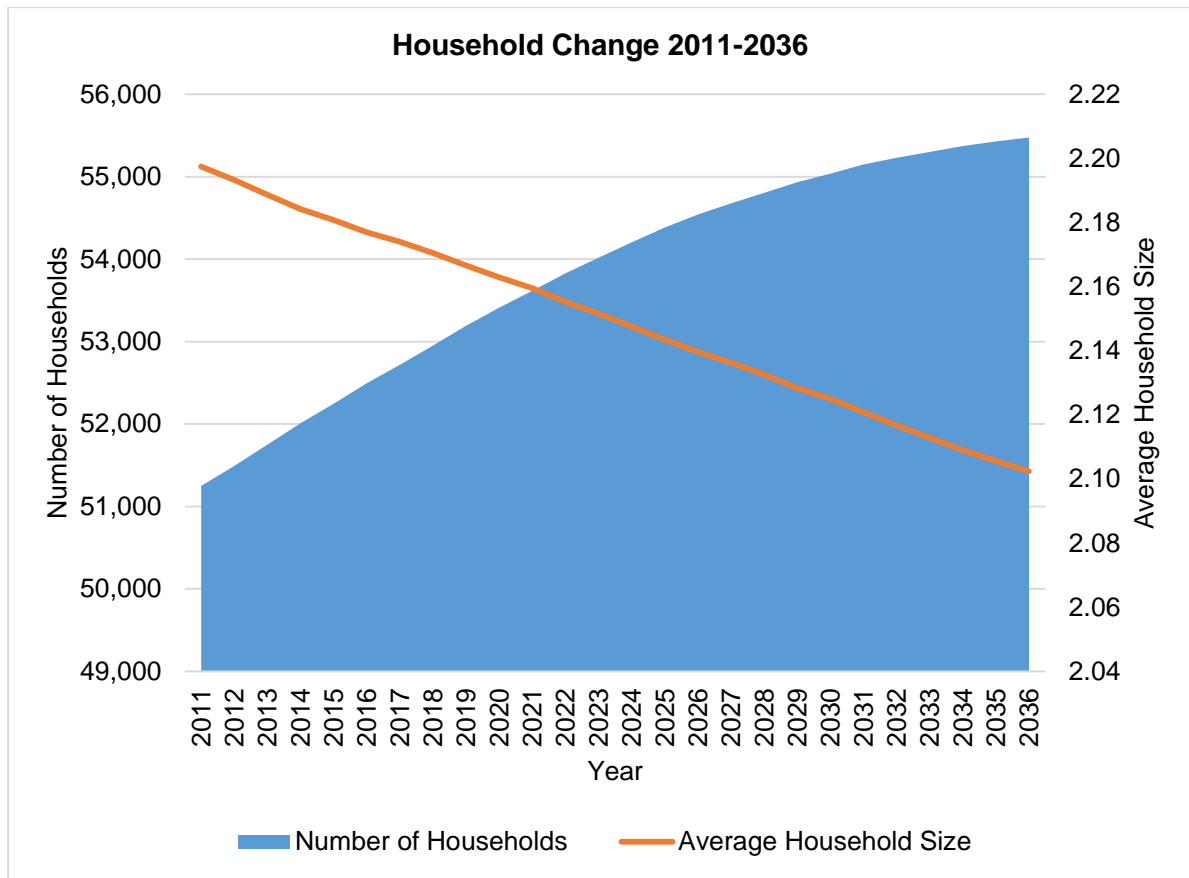
178. For this reason an analysis of the household size projections for Conwy has been used to inform a recommended housing mix for new market residential developments. This mix is intended to be a starting point and to be flexible to ensure deliverability, but alternative mixes may be considered where evidence suggests the need for this, or viability demonstrates that the recommended mix would reduce the affordable housing provided on site or impact negatively upon site deliverability altogether.

Table 46 Household Size Change 2011 - 2036	Year		As a % of Households		Change 2011 - 2036	
	2011	2036	2011	2036	Number	%
<b>1 person</b>	17,341	20,676	33.8%	37.3%	3,335	19.2%
<b>2 person</b>	18,713	20,202	36.5%	36.4%	1,488	8.0%
<b>3 person</b>	6,881	6,498	13.4%	11.7%	-382	-5.6%
<b>4 person</b>	5,522	5,515	10.8%	9.9%	-7	-0.1%
<b>5+ person</b>	2,793	2,585	5.5%	4.7%	-209	-7.5%
<b>All Households</b>	51,250	55,475	100.0%	100.0%	4,226	8.2%

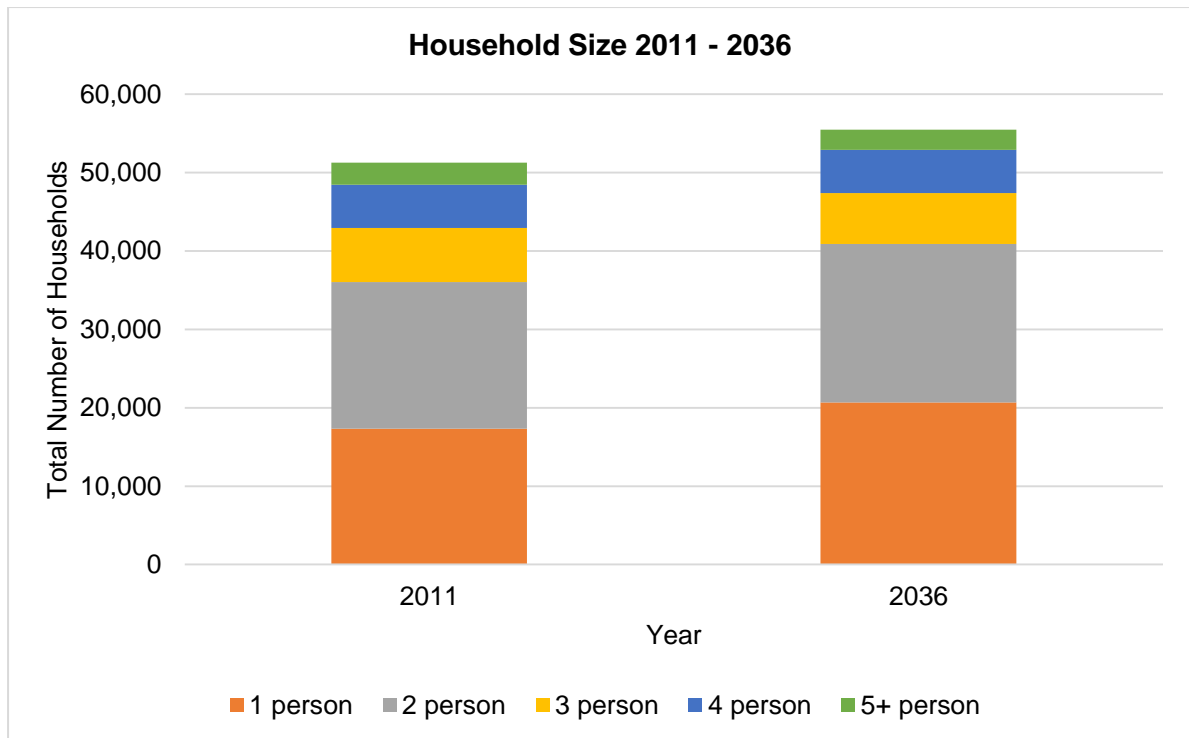
179. Table 46 shows that the number of households in Conwy is expected to grow by 8.2% by 2036, with the majority of this growth being single person households. This growth in single person

households is not unique to Conwy, but is more pronounced due to our older population,

**Chart 19**



**Chart 20**



63% of our single person households are pensioners, and this is projected to rise to 74% by 2036. The downward trend in the size of households is adding to the growth in the number of new households as well as the growth in the population in general. Chart 17 shows how the number of households in Conwy will grow and how the average size will decrease over the next twenty years. Chart 20 shows a breakdown of the total population by household size and demonstrates that the majority of households are made up of one or two persons.

180. This data indicates that the greatest need is for smaller dwellings with one or two bedrooms as there is significant growth within these household sizes, whereas the number of larger households is slowly decreasing - in particular households comprising five persons or more. For this reason we would encourage developers to include a mix of housing sizes to reflect these needs, as well as the aspiration for additional bedrooms.

181. Table 47 defines the recommended mix of market housing types on residential sites. This will be applicable on proposals containing ten or more market dwellings. This mix does not include affordable dwellings, which will be informed by evidence on the latest housing registers.

Table 47 Recommended Housing Mix Market Housing			
1 or 2 bed	3 bed	4 bed+	Total
30%	35%	35%	100%

182. The mix shown above is a starting point, and is intended to be flexible to ensure the viability and deliverability of new housing in Conwy. When applying the recommended mix, the following factors will be taken into consideration. Where the proposal meets one or more of the following criteria a deviation from the mix may be considered acceptable;

- Applying the recommended mix would impact upon viability and subsequently reduce the number of affordable units delivered on site.
- Applying the recommended mix would impact upon the deliverability of the site.
- Housing research and market data shows the need for an alternative mix of dwellings i.e. Housing Market Survey
- Schemes that propose a higher mix of one or two bedroom units than the recommended mix are encouraged, as the need for these smaller units is clearly evidenced through household and population projections

183. Where a developer proposes an alternative mix of housing sizes a robust evidence base must support the need to deviate from the recommended mix, either through a viability assessment, market or housing demand information.

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## Housing Supply

184. It is important that our housing stock meets the needs of Conwy's residents. As our population and number of households continue to grow so must our housing stock to meet these demands. Table 48 details how the housing stock increases year-on-year as new houses and flats are built. The table shows how many new housing units have planning permission across Conwy, excluding the area within the National Park, broken down by the progress of the development.

<b>Table 48 House building activity 2001-2017</b> Source: Joint housing land availability study, Planning Policy team, CCBC	<b>Completions</b>	<b>Under Construction</b>	<b>Not yet started</b>
2016/17	237	391	985
2015/16	187	413	980
2014/15	192	291	518
2013/14	303	353	906
2012/13	191	435	1,164
2011/12	226	194	1,730
2010/11	235	193	2,300
2009/10	222	249	2,531
2008/09	344	319	2,667
2007/08	427	331	2,671
2006/07	326	362	2,140
2005/06	392	305	1,909
2004/05	424	339	1,887
2003/04	503	342	1,930
2002/03	349	343	2,149
2001/02	356	308	2,171
* Figures are for the Local Planning Authority area, which excludes the part of Snowdonia National Park that is within Conwy County Borough			

185. Over the last ten years the average completion rate for new dwellings and conversions has been around 256 units per year. Since the economic downturn in 2007/08 there has been a general downward trend in the number of new dwellings which are built annually within the County Borough and across Wales. In 2013/14 there was a significant rise in house-building activity, in part due to the completion of a number of large developments by registered social landlords, many of which were for extra care units reserved for people aged 55 plus. However, figures for other years since 2008/09 were particularly low, and have not kept pace with demand. If this level of house building continues then supply will continue to be

overshadowed by demand, and we will not achieve the additional affordable housing requirements set out within this assessment.

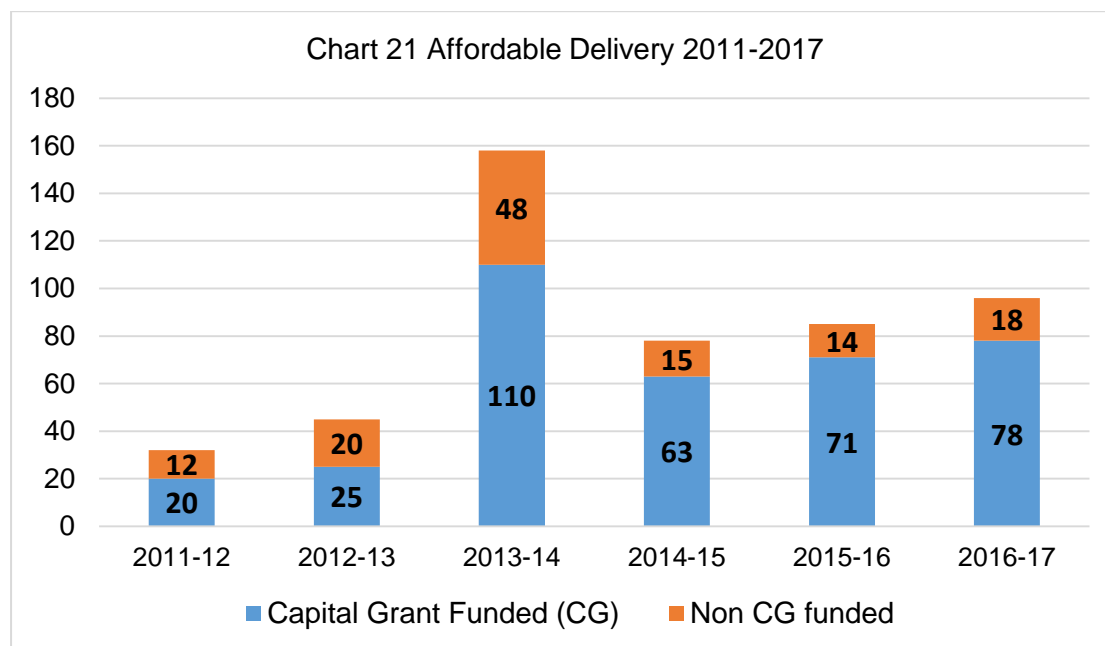
186. Chart 19 details the level of housing completions each year against the number of affordable homes delivered and the annual need identified by the LHMA calculation. The delivery of affordable housing has been fairly steady since 2008/9, however there was a sharp increase in 2013/14 due to the provision of capital grant subsidy from the Welsh Government to build extra care social housing for the over 55s and a one-off 100% RSL-funded low cost homeownership scheme, which accounted for 81 of the 158 total affordable housing units provided in 2013/14. A further 49 extra care units were delivered in 2014/15, boosting the total delivery figure to 78 units. Without these extra care schemes the total affordable housing delivery figure would have been more in line with the delivery figures of previous years.

187. When you compare the total housing completions, which include market housing as well as affordable, in one year Conwy hasn't achieved the current LHMA figure since before the 2008 economic crash, and certainly has never delivered the level of affordable units which are required by the LHMA. On average Conwy has delivered 78 affordable homes annually over the last 5 years, with a peak in 2013/14 due to the availability of subsidy from Welsh Government to build extra care social housing for the over 55s.

188. Chart 21 provides a detailed breakdown of new affordable housing provision in Conwy over the last six years.

### Chart 21 Affordable housing delivery and the number of units funded by Capital grants or otherwise 2011-2017

Source: CCBC



189. Capital Grant Funding is typically the Social Housing Grant (SHG) programme, a financial subsidy which is provided by the Welsh Government towards the cost of developing social housing. This grant funding is paid to RSLs and usually covers up to 58% of the development costs, with the remainder financed by the RSL itself through private finance arrangements. For intermediate housing, the level of SHG subsidy reduces to 25% of the scheme costs, with the RSL financing the remainder. Non grant funded schemes are those delivered by the Planning System, for example on site affordable housing units provided by developers in line with the planning policy requirements set out within the LDP. It is evident that the capital grant funded projects are the main source of affordable housing delivery in Conwy. The chart also compares the performance against the LHMA additional affordable requirement.

### Committed Supply

190. Table 49 details a breakdown of the supply of affordable housing which has been used to calculate the requirement for affordable housing over the next five years. This data has come from sites allocated for housing within the Conwy LDP and Eryri LDP, sites with planning permission and the SHG programme. These have been broken down into either social or intermediate housing to feed into each part of the LHMA calculation. The majority of development is taking place within the LHMA3 Central area as this is where the Conwy LDP has a large number of sites scheduled for development over the next five years, in addition to a number of large sites with



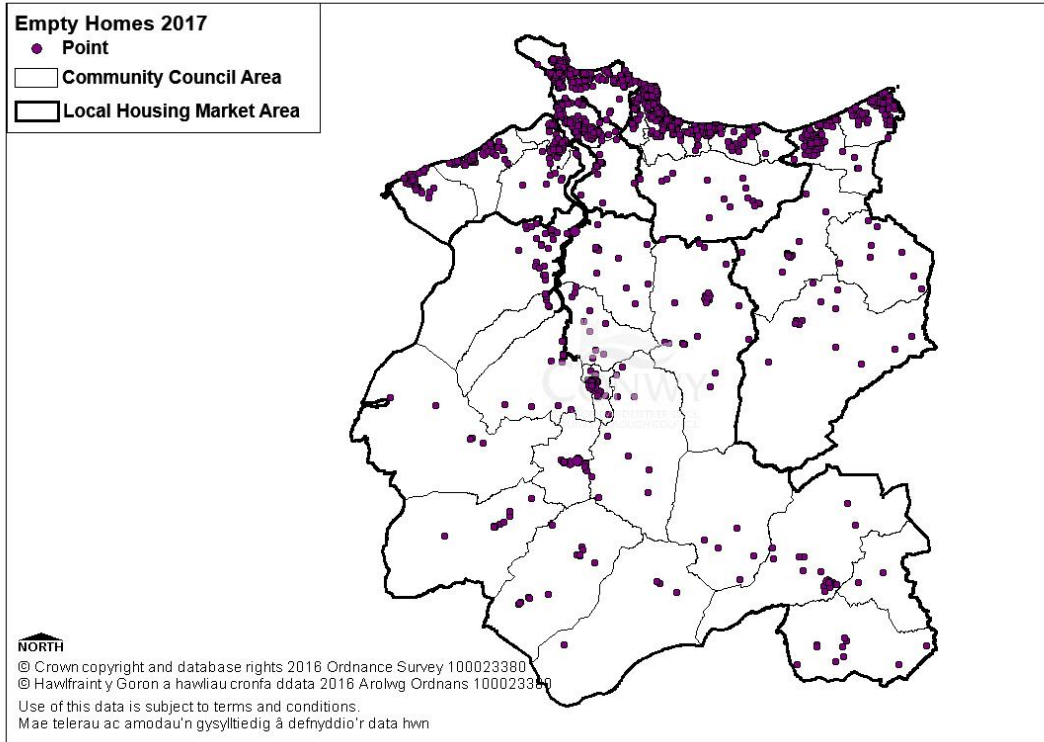
current planning permission. The SHG programme also includes a large number of units for development within this area in line with current demand on the registers.

<b>Table 49 Supply of affordable housing 2017-2022</b> Source: LDP, CCBC Planning department & Housing Strategy	<b>Social</b>	<b>Intermediate</b>	<b>Total</b>
LHMA1	86	36	122
LHMA2	40	0	40
LHMA3	164	191	355
LHMA4	28	13	41
LHMA5	37	4	40
Mortgage Rescue, Homebuy, Empty Homes (SHG Programme)	43	65	108
<b>TOTAL</b>	<b>397</b>	<b>308</b>	<b>705</b>

## Empty Homes

191. Empty dwellings in the private sector housing stock are a major issue in Conwy, as in many other parts of the UK. In spite of fluctuations in the fortunes of the housing market, the number of long term empty dwellings in the county remains fairly constant. Some of these properties are in good condition, whilst others are deteriorating through lack of maintenance, or already uninhabitable. Long term empty properties can act as magnets for crime, vandalism and antisocial behaviour, all of which can have implications for the police, fire authority and the Council itself. They can also impact on adjoining properties through damp and infestations, and can have a significant effect on property values. Maps 13 and 14 show the location of empty dwellings across Conwy, the majority of which are located along the coastal belt. Map 15 shows the length of time each dwelling has been empty, and on average that rural properties tend to be empty for longer than their coastal counterparts.

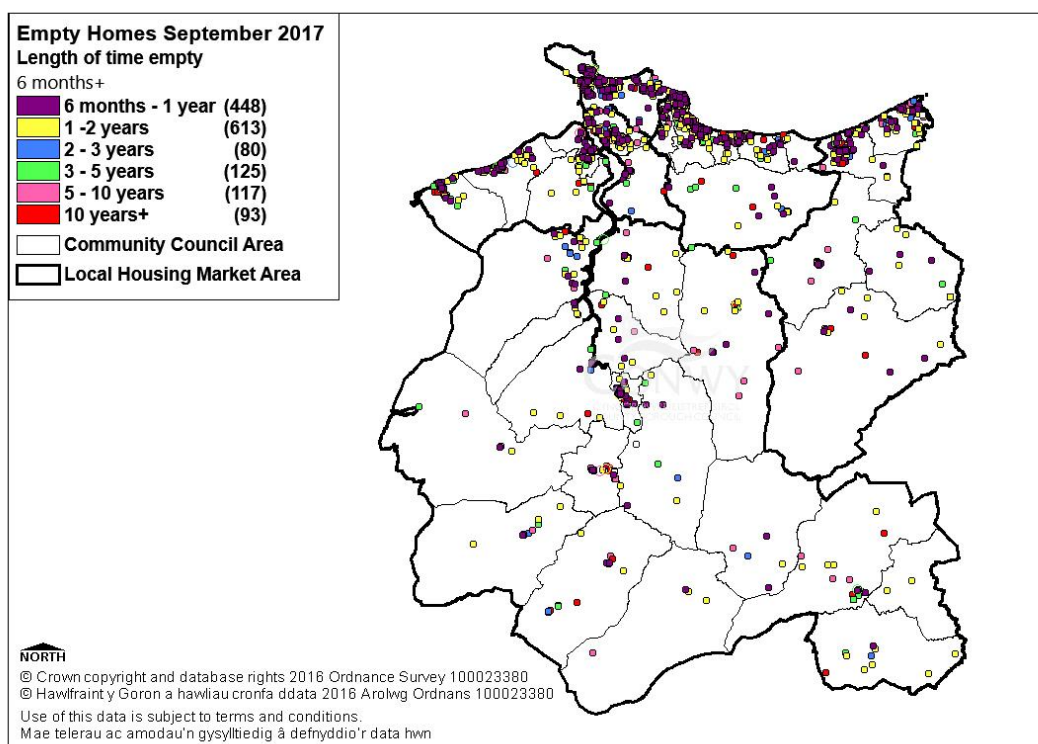
**Map 13 Empty Homes (6 months+) 2017**  
Source: CCBC Council Tax



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## Map 14 Length of time empty (2017)

Source: CCBC Council Tax



192. Whilst there needs to be a level of vacant accommodation to allow for churn within the housing market, Conwy is committed to returning as many empty dwellings as possible back into use and recognises this as a sustainable source of additional housing to meet the growing need. Through its Empty Homes Strategy, the Council aims to target problematic empty properties that are inactive in the housing market, unlikely to return to use without intervention, and may be the subject of valid complaints by the general public or other bodies, with a view to bringing them back into occupation.

193. Table 50 details the level of occupancy in Conwy's housing stock compared with the rest of Wales and England.

Table 50 Household spaces by occupancy type Source: 2011 Census, table KS401	Conwy		Wales	England & Wales
	Number	%	%	%
Total household spaces	56,200		1,385,500	24,429,600
With residents	51,200	91.1%	94.0%	95.6%
Vacant	5,000	8.9%	6.0%	4.4%

194. According to the 2011 Census, Conwy had a higher level of vacant properties in its stock than for Wales as a whole. These vacant properties are a mix of both long and short-term empty properties, and those which had no residents on Census day because they were

second homes or dwellings which were used as rented holiday accommodation.

195. Table 51 provides a count of all dwellings which have been empty for six months or longer. There is a clear upward trend in the number and proportion of long-term empty properties, possibly as a result of the downturn in the housing market since the 2008 recession.

196. Note: Although in April 2017 it appears there were 125 more long-term empty properties than the previous year, and three more properties which had been empty for ten years or longer. This is due to a change in definitions, rather than because the actual number of empties increased. Table 52 details the number of properties brought back into use

Table 51 Empty dwellings – Council Tax class C exemptions Source: Council Tax register, Conwy County Borough Council	All dwellings	Empty for:			
		6 months or longer	1 year or longer	5 years or longer	10 years or longer
At 1st April 2017	57,053	1,685	1,273	306	111
At 1st April 2016	56,685	1,560	1,142	284	108
At 1st April 2015	56,612	1,580	1,134	296	106
At 1st April 2014	56,272	1,570	1,139	260	96
At 1st April 2013	55,984	1,491	1,113	253	81
<b>As % all dwellings</b>					
At 1st April 2017	-	3.0%	2.2%	0.5%	0.2%
At 1st April 2016	-	2.8%	2.0%	0.5%	0.2%
At 1st April 2015	-	2.8%	2.0%	0.5%	0.2%
At 1st April 2014	-	2.8%	2.0%	0.5%	0.2%
At 1st April 2013	-	2.7%	2.0%	0.5%	0.1%
<b>Note:</b> The definition of empty dwellings used in this table does not exactly match that used in table 29					

Table 52 Empty dwellings returned to occupation by direct action of Conwy CBC	Total empty dwellings*	Returned to occupation	
		Number	%
2016/17	1,560	80	5.13%
2015/16	1,580	154	9.75%
2014/15	1,569	42	2.68%
2013/14	1,557	41	2.63%
2012/13	1,090	39	3.58%
2011/12	1,010	50	4.95%
2010/11	No data	No data	No data
2009/10	1,028	8	0.78%
2008/09	1,070	29	2.71%

\* The total number of private sector dwellings that had been vacant for more than 6 months at 1 April of previous year  
**Note:** The definition of empty dwellings changed in 2013/14 to align with Welsh Government performance indicators, hence the jump in the total number of empty dwellings and the resulting fall in the proportion brought back into occupation. The definition of empty dwelling does not exactly match that used in table x

## Second homes

197. A buoyant tourist industry encourages strong investment in property. This results in higher house prices and supply issues in holiday hot spots. Local residents are priced out of the market due to the lower household incomes in Conwy compared with the GB average. Property owners can yield better returns renting their homes to holiday makers than letting to local residents. While many prefer to use the property part time themselves, Conwy currently features in the top 20 local authorities in England and Wales with second homes used for holidays.

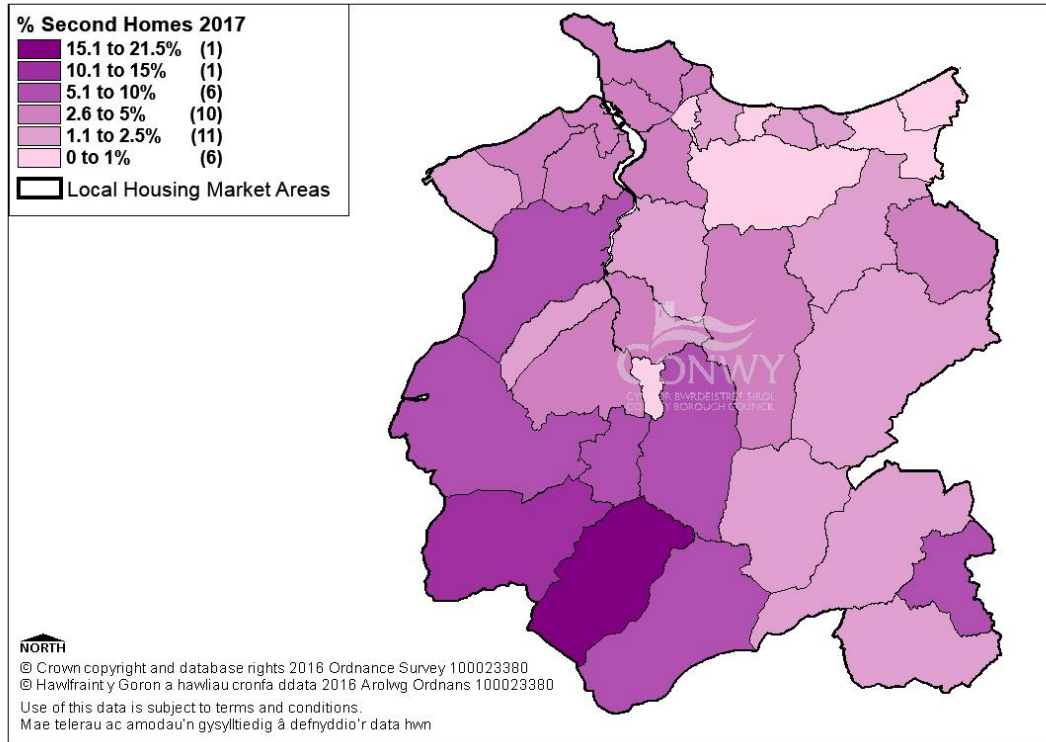
198. Map 15 and Table 53 show the percentage of second homes across Conwy compared to the total household spaces as recorded by the 2011 Census. The LHMA5 South area has the highest percentages of second homes within its dwelling stock, with particularly high concentrations in the Bro Machno (21.3%), Capel Curig (9.7%) and Dolwyddelan (11.2%) community council areas. However in 2017 we saw a slight reduction in the number of recorded second homes. This may be due to the Local Authority's declaration to apply a Council Tax Premium on long-term empties and second homes, although the introduction of this has since been deferred. These properties may have been subsequently categorised as holiday accommodation rather than second homes as a result of these proposals, but in any

event remain unavailable as permanent residential occupation within the housing stock.

<b>Table 53 Second Homes by Community Council Area 2017</b> Source: CCBC Council Tax	<b>Number of second homes 2017</b>	<b>Number of second homes 2016</b>	<b>Change</b>	<b>% second homes in area 2017</b>
Abergele	39	45	-6	0.7%
Bae Colwyn Bay of Colwyn	68	72	-4	1.3%
Betws-y-Coed	24	26	-2	8.3%
Betws-yn-Rhos	3	6	-3	0.7%
Bro Garmon	30	28	2	8.2%
Bro Machno	95	96	-1	21.3%
Caerhun	46	55	-9	6.7%
Capel Curig	12	15	-3	9.7%
Cerrigydrudion	5	6	-1	1.4%
Conwy	254	297	-43	3.5%
Dolwyddelan	33	34	-1	11.2%
Eglwysbach	11	11	0	2.5%
Henryd	15	16	-1	4.2%
Llanddoged and Maenan	7	9	-2	2.6%
Llanddulas and Rhyd-y-Foel	14	16	-2	1.6%
Llandudno	366	378	-12	3.5%
Llanfairfechan	42	43	-1	2.5%
Llanfairtalhaiarn	12	13	-1	2.5%
Llangernyw	20	19	1	4.2%
Llangwm	4	7	-3	1.8%
Llanrwst	14	11	3	0.9%
Llansanffraid Glan Conwy	31	29	2	2.9%
Llansannan	7	12	-5	1.2%
Llysfaen	15	14	1	1.4%
Old Colwyn	30	30	0	0.8%
Penmaenmawr	63	63	0	2.8%
Rhos on Sea	105	112	-7	2.7%
Towyn & Kinmel Bay	36	36	0	0.9%
Trefriw	12	13	-1	2.8%
Ysbyty Ifan	6	8	-2	5.7%
Pentrefoelas	2	4	-2	1.3%
Dolgarrog	5	3	2	2.4%
Llanefydd	6	4	2	2.6%
Mochdre	4	4	0	0.5%
Llanfihangel GM	5	5	0	5.4%

# Map 15 Second Homes

Source: CCBC



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## Annual Affordable Housing Requirement Calculation

199. Conwy's previous LHMA (2016-2021) showed the need for 199 additional affordable housing units per year. Conwy's latest LHMA shows a much higher need of 231 units per year. This is due to a number of factors. Firstly, the supply of affordable housing has not been sufficient to meet demands as shown in Chart 21 on page 81. Secondly, The new SARTH, for the first time, captures all social housing applications in Conwy, and the challenge of market affordability has resulted in more applications for social housing. Thirdly, there have been improvements in the promotion of the First Steps intermediate housing register, resulting in an increase in the number of applicants coming forward.

200. The affordable housing needs calculation looks at current and future housing need, and calculates an annual estimate of how many households will require help to access affordable housing in addition to households who are already being helped. The calculation is split by social and intermediate housing need. 'Social housing need' includes people who meet very specific criteria of housing need and are eligible for social rented housing assistance. 'Intermediate housing need' covers households who would not necessarily be a priority for social housing but still need help to rent or buy within the open market.

201. The tables below set out the calculation for the total annual affordable housing requirement in Conwy over the next five years. This overall figure is the extra social and intermediate affordable housing units we need to provide to meet housing needs across the County. These figures are on top of the committed supply of new affordable housing already identified within the Conwy and Eryri LDP, units with planning permission and the social housing grant (SHG) programme.



**Table 54 Social Housing Need Calculation**

Source: CCBC

Element and step in calculation	Notes	
<b>C: current need</b>		
1. Existing households in need of alternative housing.	<b>Step 1 Existing households in need of alternative housing</b>	891
2. <i>plus</i> current non-households in need of affordable housing	<b>Households are only eligible to register for social housing if they meet certain eligibility criteria.</b> Housing needs bands are awarded to applicants under the following criteria:  Overcrowding; under-occupation; medical reasons; homeless (including due to harassment); house in disrepair; sharing facilities (bath, kitchen, lounge, toilet). The calculation uses both waiting and transfer lists (i.e. those waiting for a house and those with a house, but wishing to move).	
3. <i>minus</i> cases where they can afford to meet their needs in the market	<b>Step 3 Minus cases where they can afford to meet their needs in the market</b> All households who are able to afford a property outside the social housing system are excluded from the register – so this stage of the calculation is not undertaken.	
<b>4. equals Total current housing need (1 + 2 – 3)</b>	Calculation stage	<b>891</b>
<b>A: available stock to offset need</b>		
5. Current occupiers of affordable housing in need	<b>Step 5 Current occupiers of affordable housing in need</b> Current occupiers of affordable housing in need of re-housing (transfer) should have already been counted on the transfer list at Step 1 above. This step is meant to remove those current occupiers of existing affordable stock (i.e. those in housing need, but already housed within affordable stock), as they will free up stock for other households. Moving these households will have a nil effect on the overall level of need (as they should have	331

	been counted as being in need at Step 1) – but this step is important to establish the net level of affordable housing needed, by deducting the amount of stock freed by the moving households.	
6. <i>plus</i> surplus stock	<b>Step 6 Plus surplus stock</b> A certain level of empty stock is normal and allows for ‘turn-over’ and some difficult-to-let properties. Welsh Government guidance is that any vacant stock in excess of about 3% of all stock should be counted as surplus stock. If less than 3% of the stock is vacant then a ‘nil’ value is applied at this stage of the calculation.	-100.58
7. <i>plus</i> committed supply of new affordable social units	<b>Step 7 Plus committed supply of new affordable units</b> New supply in the social housing sector. These are social units with planning permission or on allocated sites within the Local Development Plan (LDP).	466
8. <i>minus</i> planned units to be taken out of management	<b>Step 8 Minus planned units to be taken out of management</b> Any social housing stock that are planned to be demolished, sold or otherwise taken out of the managed stock.	0
<b>9. equals Total available stock to meet current need (5 + 6 + 7 – 8)</b>	<b>Step 9 Equals total available stock to meet current need and Step 10 : Equals total current need</b> Calculation stage – no data needed.	<b>696.42</b>
<b>10. equals Total current need (4 – 9)</b>		<b>194.58</b>
11. times quota progressively to reduce level of current need	<b>Step 11 Times (x) quota progressively to reduce the current level of need</b> From local authority Affordable Housing Delivery Statement – policy judgment	20.0%
<b>12. equals annual need to reduce level of current need (10 x 11)</b>	<b>Step 12 Equals annual need to reduce level of current need</b> Calculation stage – no data needed.	<b>38.916</b>

<b>N : newly arising need</b>		
13. New household formation - gross p.a.	<b>Step 13 New household formation</b> A prediction about the number of newly forming households is taken from population projections.	161
14. <i>times</i> proportion unable to buy or rent in the market	<b>Step 14 Times (x) proportion unable to buy or rent in the market</b> A proxy measure is used at this stage as the data does not exist – the percentage of households with income below 60% of the GB median, from CACI PayCheck data.	27.45%
15. <i>plus</i> existing households falling into need	<b>Step 15 Plus existing households falling into need</b> Estimates the number of existing households falling into need each year, based on recent trends (i.e. the number of existing households who entered the housing register within the last year – including any that were housed during the year). Data used is the number who joined the register during the preceding year and is a proxy measure (an estimate) of likely future joiners, based on the trend during the most recent year. Actual joiners within the last year will already have been counted at Stage 1. These existing households have fallen into housing need due to a number of factors such as mortgage repossession, loss of employment or ill health.	438
16. <i>minus</i> potential out-migrants unable to afford market housing	<b>Step 16 Minus potential out-migrants unable to afford market housing</b> <b>Step 17 Plus in-migrants unable to afford market housing</b>	
17. <i>plus</i> in-migrants unable to afford market housing	There is currently no known source of reliable data to calculate these two steps separately, so they have been left as zero. Further research may reveal useable sources of data, but the actual numbers could not be expected to be very large. The household projections used at step 13 of the calculation will have picked up migration trend data at the individual level.	
18. <i>equals</i> newly arising need ((13 x 14) + 15 + 16 + 17)	<b>Step 18 Equals newly arising need</b> Calculation stage – no data needed.	482.19

<b>S: supply of affordable units per year</b>		
19. Net supply of social re-lets	<b>Step 19 Net supply of social re-lets</b> Calculated on the basis of past trends – turn-over rates, taken as a 3-years average of vacant and re-lets. This does not include transfers within the social sector.	359.47
20. <i>plus</i> supply of intermediate housing available for re-let or resale at sub market levels	<b>Step 20 Plus supply of intermediate housing available for re-let or resale at sub-market levels</b> Intermediate housing – affordable housing at a cost substantially below market value. Shared equity schemes, affordable in perpetuity.	
21. <i>equals</i> affordable supply (19 + 20)	<b>Step 21 Equals affordable supply</b> Calculation stage – no data needed.	359.47
<b>Net shortfall or surplus</b>		
22. Overall shortfall (12 + 18 - 21)	<b>Step 22 Overall shortfall</b> Annual total of households in need of social housing assistance.	162

Table 54 shows a need for 162 additional social housing units per annum over the five year LHMA period.

### Table 55 Intermediate Housing Need Calculation

Source: CCBC

<b>Current intermediate housing need</b>		
(a) Existing intermediate need	Total applicants on First Steps register for home ownership	340

	Total applicants on First Steps intermediate rent register	186
	<b>Total intermediate need</b>	<b>526</b>
<b>Stock available to offset need</b>		
(b) Committed supply of new affordable intermediate units	LDP/development control	331
<b>(c) equals Total current need (a – b)</b>		<b>195</b>
(d) times quota progressively to reduce level of current need	From local authority Affordable Housing Delivery Statement - policy judgement (cleared over 15 year period)	20.0%
<b>(e) equals annual need to reduce level of current need (c x d)</b>		<b>39</b>
<b>Newly arising intermediate housing need</b>		
<b>(f) first time buyer and newly forming households unable to buy flats or terraced housing at 3.5 x income"</b>	Proxy for all new households unable to buy or rent in market	46.00%
(g) CACI PayCheck "% households below 60% of GB median income"	Proxy for those new households likely to be in social need	27.45%

(h) Proxy for intermediate housing need (f-g)		18.55%
(i) Newly forming households - gross p.a.		161
<b>(j) equals newly arising intermediate need p.a. (h*i)</b>		<b>29.86</b>
<b>Total intermediate housing need</b>		
<b>(k) Existing need plus newly arising need (e + j)</b>	Rounded	<b>69</b>

202. Table 55 shows the need for 69 intermediate housing units per annum over the five year LHMA period.

**Table 56 Total Annual Social Housing & Intermediate Housing Need Calculation**

Source: CCBC

Annual Social Housing Need	<b>162</b>
Annual Intermediate Housing Need	<b>69</b>
<b>TOTAL ANNUAL SOCIAL AND INTERMEDIATE HOUSING NEED (2017-2022)</b>	<b>231</b>

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## Annual Affordable Housing Requirement

203. Table 57 below shows the annual social and intermediate housing need identified through the LHMA combined with the committed supply of affordable housing which must also be delivered in order to meet current and future housing needs. Conwy needs now to deliver 372 affordable homes per year. As chart 21 shows on page 81 Conwy hasn't delivered that many houses since before the 2008 economic crash, and certainly has never delivered that many affordable units in any one year. On average Conwy has delivered 92 affordable homes annually over the last 5 years, with a peak in 2013/14 due to the availability of subsidy from the Welsh Government to build extra care social housing for the over 55s.

<b>Table 57 Overall Annual Social Housing &amp; Intermediate Housing Need Calculation, including committed supply.</b>	
Source: CCBC	
Annual Social Housing Need	162
<i>Annual Social Housing Supply (LDP allocations, windfall sites, SHG)</i>	79
Annual Intermediate Housing Need	69
<i>Annual Intermediate Supply (LDP allocations, windfall sites)</i>	62
<b>TOTAL ANNUAL SOCIAL AND INTERMEDIATE HOUSING NEED PLUS COMMITTED SUPPLY (2017-22)</b>	<b>372</b>

204. Previous LHMA's have shown a 50% split between social and intermediate housing need, however our most recent calculation shows a much higher proportion of social housing need. This is due to a number of factors, firstly the new SARTH common housing register has improved our data and has allowed us to capture every applicant for social housing in Conwy for the first time. Secondly, our First Steps housing register is unable to capture all intermediate housing need. It is therefore, a serious under representation of the need for intermediate affordable housing across Conwy. For this reason we propose to continue pursuing a 50/50 split between social and intermediate affordable housing on new residential developments. The 50% of intermediate units on site should equally be split between low cost home ownership and intermediate rental products to ensure a good supply of both housing types.



205. The overall split of tenure types can be looked at on a site by site basis and will be dependent upon the demand on the waiting lists at that time and the current supply within the area. Developers and RSLs are encouraged to discuss the tenure mix of new schemes with the Housing Strategy team at an early stage of the development process.

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## Conclusion

206. The LHMA has utilised the Welsh Government's approved methodology set out within the LHMA Guide (2006) and the step by step guide (2012), and replaces the previous LHMA produced in 2016. The LHMA has identified the need for 231 additional affordable units annually over the next five years (2017-2022). The key findings of the LHMA are summarised below.

### Housing Market Trends

207. Conwy has seen a much larger growth in the private rented sector than the rest of Wales, and this trend is set to continue as owner occupation becomes increasingly unaffordable for many households. However private renting, while becoming more common, is also becoming relatively more expensive. The unaffordability of private renting is driving ever higher demand for social housing. But, as Conwy has one of the lowest social housing stocks per head of population, many households are forced to rely on, or remain in the private rented sector. For young people claiming welfare benefits, social housing is unaffordable and rough sleeping is on the increase.

### Affordability

208. Average house prices in Conwy have increased by 3.4% in the last year, almost returning to the 2007/08 (pre-recession) prices. However the number of transactions remains much lower than they were pre-recession. House prices and affordability fluctuate significantly between housing market areas.

209. LHMA1 West area has the highest median and lower quartile house prices in Conwy, at £167,750 and £125,000 respectively. This area also has the highest median and lower quartile household incomes, therefore affordability in this area is much better than those with lower house prices. The lowest median house price can be found in LHMA4 East area at £134,950 and the lowest lower quartile price in LHMA3 Central at £103,875.

210. Analysis of average house prices and household incomes across Conwy and the LHMA areas has revealed that 46% of first time buyers and newly forming households are priced out of the market to either rent or buy a flat or terraced property, with 34% having such low incomes that they could reasonably qualify for social housing, and only 12% being able to sustain low cost home ownership (intermediate).

211. Affordability in the private rented sector is also an issue, with analysis showing that private sector rents are not affordable for households with lower quartile incomes (£14,250). Larger properties with three or four bedrooms are also unaffordable for households

with a median annual household income (£24,800) as the household would need to pay more than 30% of their household income on their housing costs. According to research by Shelter and the Joseph Rowntree Foundation housing costs above 30% of the households' income are considered unaffordable.

212. In practice, households in the private sector seeking social housing on the grounds of affordability, must show that they are unable to meet their current essential costs to be accepted onto the register. Many households will be spending more than 30% of their income on rent.

## **Housing Supply**

213. Overall the supply of new housing, particularly affordable housing, has not kept pace with demand in Conwy, with the result that this latest LHMA has a significantly higher figure than the previous assessment. Over the last ten years the average completion rate for new dwellings and conversions has been around 265 units per year. Since the economic downturn in 2007/08 there has been a general downward trend in the number of new dwellings which are built annually within the County Borough and across Wales as a whole.

214. Analysis of the total housing completions in Conwy, which include market housing as well as affordable, have shown that the Authority has not delivered on or above the current LHMA figure (372 including committed supply) since before the 2008 economic crash, and certainly has never delivered the level of affordable units which are required by the LHMA. On average Conwy has delivered 92 affordable homes annually over the last 5 years, with a peak in 2013/14 due to the availability of subsidy from the Welsh Government to build extra care social housing for the over 55s. If we continue to deliver housing and affordable housing at this rate then the backlog of need will continue to grow rapidly.

215. There is a need to provide or facilitate shared accommodation. This type of accommodation has not been considered by previous LHMA's, but taking into account the lack of shared accommodation available in the private sector, and the policy to resist it, low income single persons will continue to turn to the social sector.

216. The Local Housing Strategy and planning policy may wish to consider a target for the creation of shared units.

## **Monitoring & Reviewing**

217. The LHMA will be monitored and reviewed on a regular basis to ensure it remains an up to date evidence base to inform strategic housing decisions. In line with legislation and recommendations by the Welsh Government the next LHMA will be carried out in two years' time, and should be available late 2019. It is anticipated that new developments in the data used to inform the LHMA will be available during this time. Planned Improvements to the low cost home ownership and intermediate rent register, First Steps, will ensure that we have a more robust intermediate need figure in the next LHMA.

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## Glossary

**Affordability** – the ability of a household or potential household to rent or purchase a property that satisfies the needs of that household. This could be based on an assessment of the ratio of household income (including benefits) to the price of property available to rent or buy on the open market.

**Affordable Housing** – The definition of affordable housing for the purposes of land use planning system is *“housing where there are secure mechanisms in place to ensure that it is accessible to those who cannot afford market housing, both on first occupation and for subsequent occupiers.”*

**Extra Care Housing** – Housing for frail elderly and people with disabilities, where individual care needs are provided for on site.

**Housing Need** – A household in ‘housing need’ is either lacking its own housing or living in unsuitable housing, and is unlikely to meet its needs within the open housing market without some assistance.

**Intermediate Housing** – where prices or rents are above social housing rents but below market housing prices or rents, typically by 20%

**Local Development Plan (LDP)** – This document guides the use and development of land through the planning system within the Conwy area.

**Local Housing Allowance (LHA)** - A means tested housing benefit for private tenants. It is based on the number of bedrooms (~~maximum of 4 bedrooms~~) required, up to a maximum of 4.

**Local Housing Market Assessment (LHMA)** – an analysis of the local housing market that enables the authority to develop an understanding of the nature and extent of housing needs within Conwy.

**Local Housing Market Area** - Local housing market areas are not dictated by administrative boundaries but are a geographical assessment of where functional housing markets exist within an area.

**Market housing** – private housing for rent or sale where the price is set in the open market and its occupation is not subject to control by the local planning authority.

**Mortgage** – a loan taken out, either from a bank, building society or specialist mortgage lending company to buy a property.

**Priority Need** – A homeless household in priority need is deemed vulnerable as defined by the Housing (Wales) Act 2014. Such households are owed a duty to be rehoused by the local authority in either social or private accommodation.

**Registered Social Landlord (RSL)** – A non-profit making organisation providing housing for rent or shared-ownership for those in housing need.

**Section 106 Agreements** – Planning obligations made under section 106 of the Town and Country Planning Act 1990 (as amended by section 12 of the Planning and Compensation Act 1991) to enhance the quality of development and enable proposals to go ahead which otherwise might be refused.

**Shared Ownership** – Where a person buys part of the value of a house usually from a housing association and pays rent on the other part. That is, the housing association retains part ownership of the house.

**Social Housing** – A general term for rented and shared ownership housing not provided for profit by, for example, local authorities, housing associations, development corporations and alms houses.

**Social Housing Need** - is identified by the following criteria: households experiencing overcrowding; under-occupation; medical reasons; homelessness; house in disrepair; sharing facilities. It includes people who are entitled to reasonable preference in line with the Housing Act 1996.

**Social Housing Grant (SHG)** – Grant from the Welsh Assembly Government to a local authority for the purpose of funding social housing development through Registered Social Landlords.

**Special Needs** – The term describing housing for a particular client group. For example: older people, people with a disability or suffering from mental illness.

**Supported Housing** – Housing for people with special needs. Varying levels of support may be provided.

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