

Interim Conwy Local Housing Market
Assessment 2022

Executive Summary

Conwy County Borough Council

Draft Interim Local Housing Market Assessment 2022

Executive Summary

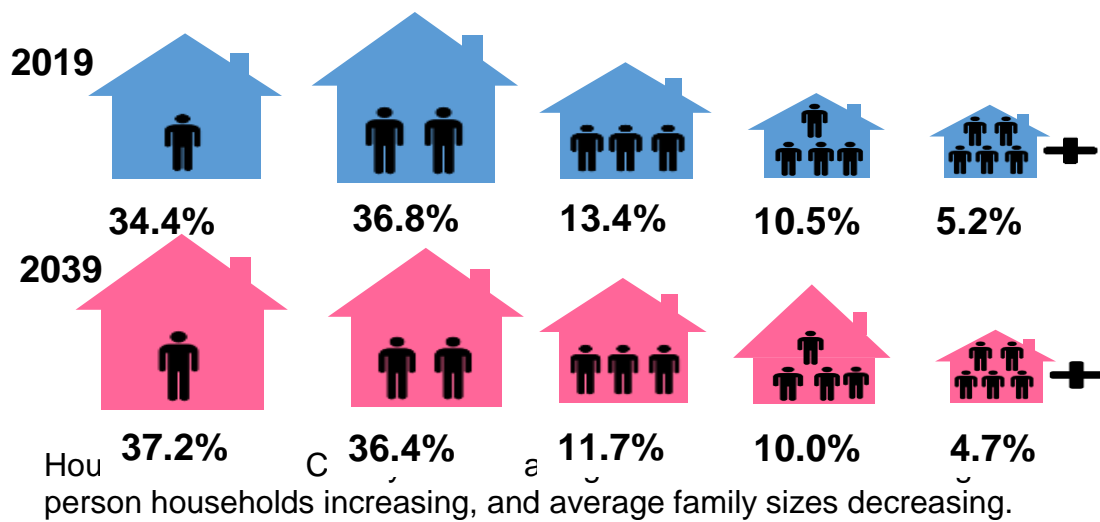
1. It is vital that local authorities have a comprehensive understanding of their local housing market and a robust evidence base on which to make informed decisions about future housing provision in terms of both market and affordable housing delivery; number of bedrooms required; and affordable housing tenure. To achieve this, all local authorities in Wales are required to carry out a Local Housing Market Assessment (LHMA).
2. 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 recent Welsh Government Independent Affordable Housing Review recommendations reasserted the need for regular updates.
3. The housing market and data collection has been impacted by the pandemic. It is not clear whether significant increases in property prices are a temporary blip or the start of new trends.
4. 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 46.7% 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 31.5% of new households could only afford social housing rents and only 15.2% are able to afford low cost home ownership (intermediate) schemes.
5. Conwy County has a relatively low level of social housing stock in Wales, so many lower income households must rely on the private sector. Intermediate housing products are becoming more popular and we now have 715 eligible households on the register for this tenure.
6. The LHMA evidences a need for 229 affordable homes per year over the next 5 years. This number can be further broken down as follows:

Tenure	Number of dwellings	
	Per year	Over 5 Years
Social rented	102	510
Intermediate (rent / low cost home ownership)	127	635
Total	229	1 145

Source	Number of Dwellings	
	Per year	Over 5 Years
Affordable New Build	193	965
Affordable units from existing buildings e.g. Empty properties brought back to use; Leasing schemes.	36	180
Total	229	1 145

7. The affordable housing need calculation (page 118) asks for the existing households in need of alternative housing (current housing need) which is the number of applicants on the social housing register. All applicants on the common housing register have an identified housing need, but some applicant do not have a local connection. For the purposes of the Local Development Plan, an AHNC excluding those on the common housing register with no local connection has been carried out. The LDP will plan for 193 new affordable homes a year for the next 5 years, 965 in total. The additional need will met from existing buildings brought into the social portfolio e.g. empty properties (not exclusively former residences) brought into use and managed by social housing providers; or privately owned properties let through a social letting agency at an affordable rate.
8. The proportion of private rented properties has stabilised at around 17% of dwellings. For new households, renting from a private landlord is expensive. Fewer than 2% of newly marketed private lets in Conwy are let at, or below, the Local Housing Allowance for their size. Housing benefit support in the private sector is frozen, shortfalls between housing benefits and rent mean householders must find rent money from already tight budgets. Resettling homeless households in to the private sector is extremely challenging, partly because landlords perceive homeless households as risky. Low income young single householders have very few options. Property owners are considering options as house prices and short term letting offer attractive alternatives.
9. The LHMA has shown a continuing and increasing need for smaller house types. Conwy County's average household size is decreasing. Therefore it is reiterated that new residential developments should contain an appropriate mix of housing types to cater for the change.

Key Statistics.



£29,450

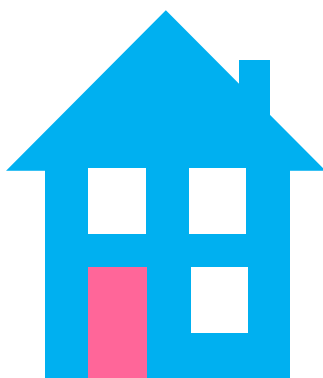
Median

£17,200

Lower Quartile

Annual household income

New households will form in Conwy every year over the next five years



£175,000

Median House Price 2020

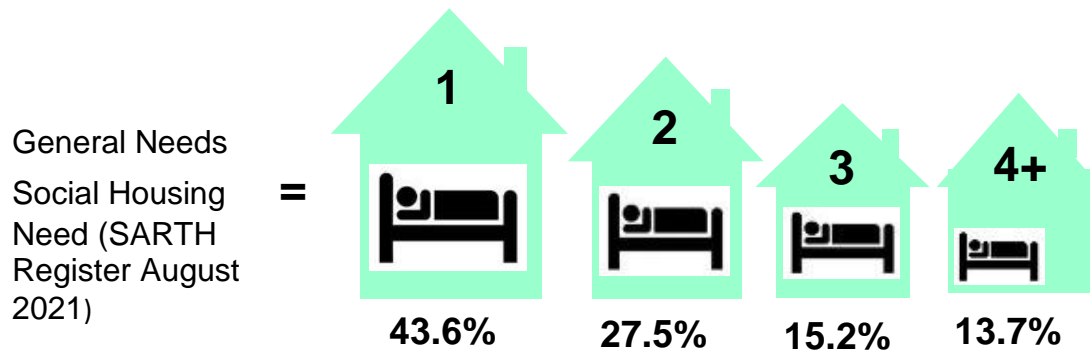
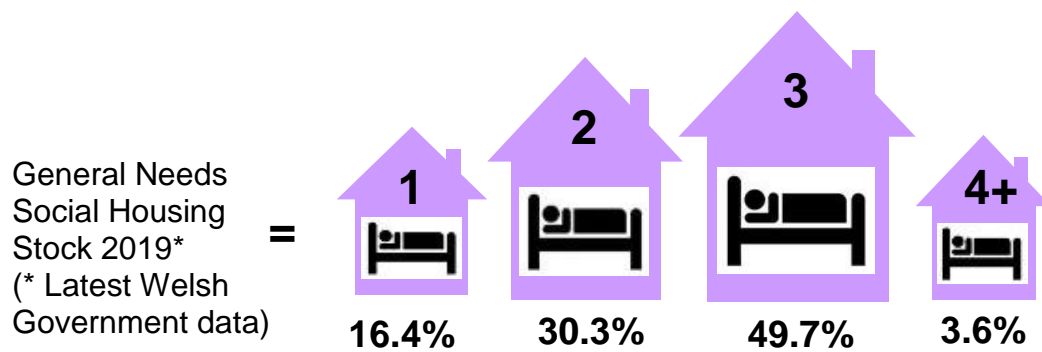
£131,000

Lower Quartile House Price 2020

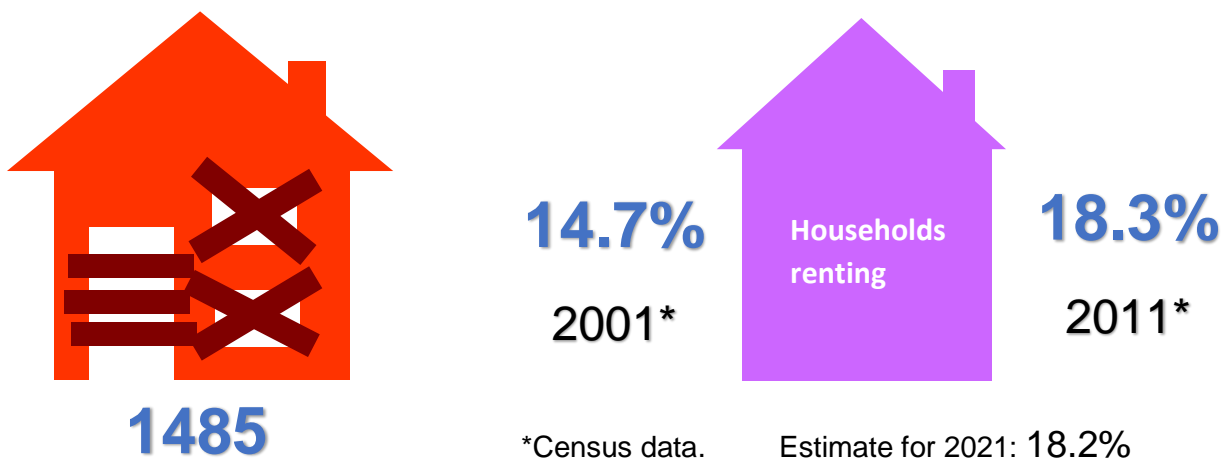


46.7%

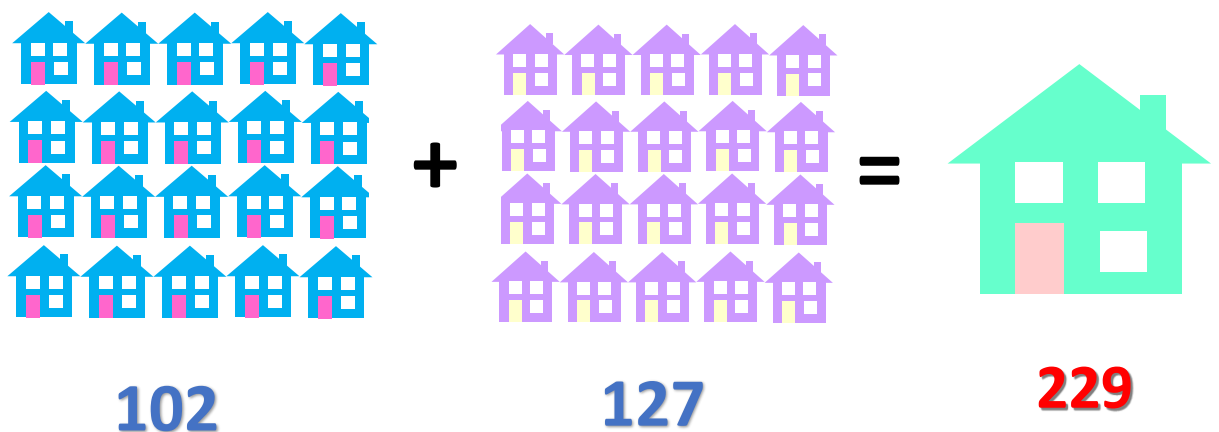
first time buyers and new households in Conwy are priced out of the market to rent or buy cheaper property



Mismatch between social housing stock and demand



Empty Homes in Conwy



Social rent

Needed per year

Intermediate housing

Needed per year

Affordable homes

need to be delivered each year
between 2021 and 2026

