



# Local Housing Market Assessment Update

**January 2012**



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## **Introduction**

1. During 2007, Fordham Research carried out a Local Housing Market Assessment (LHMA) for Caerphilly County Borough Council – the report was completed in December 2007. The main analysis was based on primary research which took place in spring 2007, collected via postal questionnaires. In total, 1,352 completed responses were received. This is sufficient to provide reliable estimates of need in accordance with the Welsh Government (WG)'s LHMA Guide published in March 2006.
2. The survey was designed to cover all tenure groups and all areas within the County Borough and enabled the assessment of the need for additional affordable housing following the approach set out in the WG Guide. This report has been commissioned to update the results of the 2007 survey to December 2011, following on from similar updates produced in 2008, 2009 and 2010. The previous work within this sequence of reports has been undertaken by Fordham Research. Fordham Research ceased trading in July 2011 and the business was closed. Caerphilly Council then commissioned HDH Planning and Development (whose staff previously worked for Fordham Research) to produce this update report.

## **Nature of this update report**

3. This report is intended to provide an updated and robust estimate of the need for affordable housing in the context of changes that have occurred since the time of the original survey. The main changes are as follows:
  - changes in market prices/rents and income levels which have occurred since the original survey
  - changes in the supply of affordable housing (re-lets excluding transfers within the social rented sector)
  - a full reweighting of the dataset to take account of a variety of updated information about households in Caerphilly in December 2011

## **Base household figures and weighting procedures**

4. The 2007 LHMA estimated a total of 72,800 households in Caerphilly. Given that we want to estimate the number of households at a base date of December 2011 (i.e. about 4 years later), it is necessary to update this figure. We have considered a number of different sources of information including the latest available dwelling stock estimates and household population estimates for Caerphilly from the Welsh Assembly Data Unit and as at December 2011 it is estimated that there are 75,990 households in the County Borough.
5. An important aspect of preparing data for analysis is 'weighting' it. Questionnaire survey responses are never evenly distributed from all groups in society. As a result it is necessary to 'rebalance' the

data to correctly represent the population being analysed by using data from secondary sources which estimate the total proportion of the population falling into various different groups.

6. Survey data was weighted to match the tenure profile shown below, derived from the same sources as the total household numbers. The table below shows an estimate of the current tenure split in Caerphilly along with the sample achieved in each group.

<b>Table 1 Number of households in each tenure group</b>				
<i>Tenure</i>	<i>Total number of households</i>	<i>% of households</i>	<i>Number of returns</i>	<i>% of returns</i>
Owner-occupied (no mortgage)	27,994	36.8%	487	36.0%
Owner-occupied (with mortgage)	27,728	36.5%	553	40.9%
Council	10,830	14.3%	194	14.3%
RSL	3,766	5.0%	54	4.0%
Private rented	5,672	7.5%	64	4.7%
<b>Total</b>	<b>75,990</b>	<b>100.0%</b>	<b>1,352</b>	<b>100.0%</b>

Source: Caerphilly CBC updated LHMA survey (2011), Welsh Assembly Government 2008-based Household Projections (2011), Welsh Assembly Government Social Housing Stock and Vacancies Estimates (2011)

7. Data was also weighted to be in line with the estimated number of households in each of the various groups:

- Thirty-three wards – Caerphilly CBC Council Tax Register (2007)
- Council tax band – Caerphilly CBC Council Tax Register (2007)
- Population age bands – WG 2008-based population projections (2011), Census (2001)
- Household type – WG 2008-based household projections (2011), Census (2001)
- Accommodation type – Census (2001)
- Car ownership – Census (2001), National Travel Survey (2009)
- Employment levels – Annual Population Survey (2011)

### **Survey of estate and letting agents**

8. As part of the update process, information on purchase prices and private rental costs within Caerphilly County Borough was collected through an online survey of estate agents during December 2011, taking into account prevailing levels of discount on advertised sale prices. Entry-level housing costs were derived on a Borough-wide basis and then for each of the three sub-markets identified in the 2007 LHMA: South, Middle and North.
9. When calculating the weekly cost and upfront payment required for a mortgage it was assumed that buyers would require a minimum deposit of 10% which is the minimum required by many mortgage

lenders currently – although there is a large section of the population with lower incomes and less than perfect credit ratings who require larger deposits. The use of a deposit requirement of 10% also ensures that the figure produced in the housing needs assessment model is a minimum figure – it does not overestimate need. In addition, for simplicity, the calculation does not take into account the additional upfront costs associated with moving (e.g. valuation, moving possessions). The weekly cost of owner-occupation is based on an interest rate of 5.39%, the lowest three year fixed rate available to those with a relatively small deposit (those with larger deposits are able to secure lower rates of interest).

10. One bedroom properties both to buy and to rent were found to be in very short supply, therefore two bedroom market dwellings are considered to be the smallest market sector property size available in the County Borough, for the purposes of the housing need assessment. It is however possible to provide an indicative cost of this accommodation based on the limited data available. There was a reduced supply of four bedroom properties available to rent privately compared with previous years, although it was still sufficient to be considered within the housing need assessment.
11. The cost of social rented properties was obtained from Welsh Assembly Data Unit and is presented in the table below. The cost of intermediate housing is also presented: this is based on 80% of median market rents as set out in *Rent First - intermediate rent - Final Guidance March 2011* published by the Welsh Government in March 2011. It is important to note that the entry-level for market private rent is the lower quartile of the distribution in accordance with the WG Guide. It can be seen that the cost of one bedroom intermediate housing in the North sub-market is lower than the social rent level, therefore intermediate housing in this instance is not viable.

<b>Table 2 Comparative outgoings by tenure</b>						
<i>Sub-market / property size</i>	<i>Social rent**</i>	<i>Intermediate</i>	<i>Private rent</i>	<i>Entry-level purchase</i>		
	<i>Per week</i>	<i>Per week</i>	<i>Per week</i>	<i>Price</i>	<i>Deposit</i>	<i>Per week</i>
<i>South</i>						
1 bed	£60	£65	£75**	£73,500**	£7,350	£82
2 bed	£70	£93	£107	£87,000	£8,700	£97
3 bed	£75	£105	£118	£95,000	£9,500	£106
4 bed	£84	£126	£140	£162,500	£16,250	£182
<i>Middle</i>						
1 bed	£60	£63	£74**	£66,000**	£6,600	£74
2 bed	£70	£87	£102	£76,500	£7,650	£86
3 bed	£75	£96	£110	£86,500	£8,650	£97
4 bed	£84	£121	£140	£168,000	£16,800	£188
<i>North</i>						
1 bed	£60	£57	£69**	£53,000**	£5,300	£59
2 bed	£70	£77	£94	£63,000	£6,300	£71
3 bed	£75	£89	£103	£69,500	£6,950	£78
4 bed	£84	£110	£125	£83,500	£8,350	£93

\*Obtained from Welsh Assembly Data Unit, figures only presented for the County Borough as a whole, there is no indication how they may vary by sub-market. \*\*indicative price only  
Source: Caerphilly CBC updated LHMA survey (2011)

12. It is interesting that the weekly cost of renting is now more than the cost of buying in many instances. This is because of the requirements for larger mortgage deposits, aligned with the understandable concern of households about entering the housing market at a time when prices may fall further and when there is considerable uncertainty about job security. These two facts combined have resulted in an increased demand for privately rented homes. Evidence indicates that private rent levels have been increasing at a faster rate than property prices across South Wales.
13. Whilst property prices have generally fallen since the last LHMA update, this has not been uniform across the County Borough and some dwellings (all four bedroom homes and three bedroom homes in the North sub-market) have recorded an increase in price. Whilst average prices have decreased over the last year, the current market is skewed towards a greater proportion of smaller properties being sold than occurred before the recession, this means that average trends do not often reflect the changes in value of larger dwellings
14. Following the approach recommended by the WG Guide and the Rent First Guidance it is possible to determine the incomes that households accessing intermediate housing would require and the price at



which it should be available. The income required is calculated by annualising the weekly cost and multiplying it by 3.33 (the Rent First Guidance indicates that rent (inclusive of any service charges) should equate to no more than 30% of gross income).

15. The cost of the property is then derived in the Guide by assuming that the applicable household would be able to acquire a mortgage based upon a 3.5 times multiplier. Using a 3.5 times multiplier is a simplification of the sophisticated assessments through which lenders put potential borrowers now. It is common for lenders to assess a wide range of factors such as income expenditure, lifestyle, family makeup, employment sector and job security etc. to allow them to make an informed decision as to a borrower's likelihood of being able to meet the loan payments. These complex assessments cannot be replicated in a study of this type – however the 3.5 times multiplier remains a sound 'rule of thumb' and has been used in other LHMA updates undertaken in South Wales within the last year.
16. This information is presented for the three sub-markets in Caerphilly in the table below:

<b>Table 3 Derivation of the price of intermediate housing</b>		
<i>Sub-market and property size</i>	<i>Weekly cost of intermediate housing</i>	<i>Implied price of intermediate housing</i>
<i>South</i>		
1 bed	£65	£39,312
2 bed	£93	£56,299
3 bed	£105	£63,579
4 bed	£126	£76,197
<i>Middle</i>		
1 bed	£63	£38,267
2 bed	£87	£52,901
3 bed	£96	£58,053
4 bed	£121	£73,584
<i>North</i>		
1 bed	-	£34,701
2 bed	£77	£46,835
3 bed	£89	£53,872
4 bed	£110	£66,491

Source: Caerphilly CBC updated LHMA survey (2011)

### **Updating financial information**

17. The Annual Survey of Hours and Earnings (ASHE) was used to update the earned income of households with an employed member, considering the likely change for each decile of the population. Overall this resulted in an increase in the income of employed households of 13.3% since 2007 (and

1.4% in the last year). The incomes of retired households were assumed to increase with inflation (CPI), whilst the income of benefit dependent households was assumed to follow the trend in overall spending on non-housing related benefits (excluding those benefits not linked to unemployment) per claimant in Caerphilly.

18. In the absence of any secondary data on the average level of savings in the UK, savings were updated only according to inflation (CPI), resulting in an increase of 12.6% since the original study. We have given considerable thought as to whether this is a sound assumption to make – in a time of relative increase in household's costs it could be expected that saving may fall. There is evidence that household debt has fallen in the last year and that this is, in part, caused by a fall in consumer confidence – households putting off large items of expenditure until they have greater confidence about job security, inflation and the economic prospects of the country. On balance we consider this a sound a sound assumption.
19. The amount of equity available to households has also been updated to take account of the changes in property prices over the period since the survey was carried out. Analysis of Land Registry data suggests that overall average house prices within Caerphilly have decreased by approximately 14.4% since the fourth quarter of 2007. The amount of equity held by households on the dataset was decreased accordingly.
20. The updated survey results suggest that the average (mean) gross household income (including non-housing benefits) in Caerphilly is £23,212 per annum. The median income (i.e. the middle value if all households' incomes were listed in ascending or descending order) is noticeably lower than the mean (at £17,012 per annum).
21. The average (mean) level of savings for all households in Caerphilly is £14,875 . The median figure is £1,217. The survey also collected information about the amount of equity owner-occupiers have in their property; the updated average amount of equity is about £96,240.

### **Assessing affordability**

22. All households were tested for their ability to afford either a mortgage or private rented housing priced at the entry-level in the local area. These two measures were then combined to estimate households unable to afford either form of private sector housing.

### Combined affordability

A household containing one person in employment is not eligible for a mortgage if the gross household income multiplied by 3.5 is less than the cost of the mortgage requirement. A household containing more than one person in employment is not eligible for a mortgage if the gross household income multiplied by 2.9 is less than the cost of the mortgage requirement.

**AND**

A household is unable to afford private sector housing if renting privately would take up more than 25% of its gross household income (excluding any housing benefit or Local Housing Allowance).

23. The table below shows affordability by tenure (for all households in the County Borough).

<b>Table 4 Affordability and tenure</b>			
<i>Tenure</i>	<i>Unable to afford market housing</i>	<i>Number of households in tenure</i>	<i>% of households unable to afford</i>
Owner-occupied (no mortgage)	1,344	27,994	4.8%
Owner-occupied (with mortgage)	3,022	27,728	10.9%
Social rented (Council / RSL)	12,786	14,596	87.6%
Private rented	4,209	5,672	74.2%
<b>Total</b>	21,361	75,990	28.1%

Source: Caerphilly County Borough LHMA Update 2011/12 (updated from 2007 household survey)

### Estimate of net annual housing need

24. The table below shows the figures in the housing needs assessment model.

<b>Table 5 Detailed affordable housing requirement table for Caerphilly County Borough</b>		
<i>Stage and step in calculation</i>	<i>Notes</i>	<i>Output</i>
<i>Stage 1: Current need (gross)</i>		
1. Existing households in need of accommodation		3,642*
2. Homeless households and those in temporary accommodation		40**
3. minus Cases where they can afford to meet their need in the market		986
4. equals Total current housing need (gross)	1 + 2 – 3	2,696
<i>Stage 2: Available stock to offset need</i>		
5. Current occupiers of affordable housing in need		1,568
6. plus Surplus stock		0
7. plus Committed supply of new affordable units		272***
8. minus Units to be taken out of management		0
9. equals Total stock available to meet current need	5 + 6 + 7 – 8	1,840
10. equals Total current unmet housing need	4 – 9	856
11. times Annual quota for the reduction of current need		20%
12. equals Annual requirement of units to reduce current need	10 × 11	171
<i>Stage 3: Newly arising need</i>		
13. New household formation (gross per year)		1,681
14. Proportion of new households unable to buy or rent in the market	(652)	38.8%
15. Existing households falling into need		934
16. Potential out-migrants unable to afford market housing		28
17. In-migrants unable to afford market housing	(included in steps 13-15)	
18. Total newly arising housing need (gross per year)	(13 × 14) + 15 – 16	1,558
<i>Stage 4: Future supply of affordable units</i>		
19. Annual supply of social re-lets (net)		1,165
20. Annual supply of intermediate housing available for re-let or resale at sub-market levels (assuming stock of 418, Welsh Assembly Data Unit 2010/11)		34
21. Annual supply of affordable housing	19 + 20	1,199
<i>Net shortfall or surplus of affordable units</i>		
<b>Overall shortfall or surplus</b>	<b>12 + 18 – 21</b>	<b>530</b>

\*Source: Based on the number of households in unsuitable housing without an in situ solution from the updated household dataset, \*\* Source: Welsh Assembly Data Unit table 031051 - Households accommodated temporarily by type of accommodation and unitary authority, September 2011, \*\*\* Source: Welsh Assembly Data Unit table 026648 Additional affordable housing provision by all providers, by location in Wales and housing type

25. The (net) current need assessment suggests a requirement for 171 units per year. Added to this is the figure for newly arising need (1,558), which gives a total of 1,729. The estimated future supply to meet this need is 1,199 units per year. This leaves an annual requirement of 530 units per year in Caerphilly County Borough. In the 2010/11 LHMA update, we found a requirement for 697 units, indicating a decrease of 24% between 2010/11 and 2011/12. This is primarily due to the increase in the supply of affordable housing recorded. (The latest data from Welsh Assembly Data Unit table 034794 indicate that there were 1,198 social rented lettings in 2010-11 compared to 1,131 in 2009-10 and 1,029 in 2008-09.)

### Types of households in need

26. The below table gives a breakdown of gross households in need by household type.

<b>Table 6 Need requirement by household type</b>					
<i>Household type</i>	<i>In need</i>	<i>Not in need</i>	<i>Total number of households</i>	<i>% of household type in need</i>	<i>As a % of all those in need</i>
Single pensioner	30	10,212	10,242	0.3%	1.4%
2 or more pensioners	21	8,339	8,360	0.3%	1.0%
Single non-pensioner	354	12,219	12,573	2.8%	16.7%
2+ adults, no children	218	23,745	23,963	0.9%	10.3%
Lone parent	421	5,310	5,732	7.3%	19.8%
2+ adults, 1 child	230	7,676	7,906	2.9%	10.8%
2+ adults, 2+ children	851	6,364	7,215	11.8%	40.0%
<b>Total</b>	<b>2,125</b>	<b>73,865</b>	<b>75,990</b>	<b>2.8%</b>	<b>100.0%</b>

Source: Caerphilly County Borough LHMA Update 2011/12 (updated from 2007 household survey)

### Long Term BHM: A whole stock model

27. This update contains the same market balance model (the BHM) as was used in the previous update, but was not presented in the original LHMA report (as it was developed subsequent to the 2007 study). Unlike many other housing market models, the market balance model used here is not flow-based but stock-based; it does not take into account the likelihood that an individual household will move, or consider supply from turnover. Instead, it considers the total stock in the area, and matches this to the stock that would be needed to house every household in the area adequately. It is assumed that the market (and social housing allocation system) will continue to function, as it does now, to allocate housing to appropriate households.

28. This is not to say it naively assumes that all properties will be 'efficiently' allocated. Because it projects forward from the current housing circumstances of existing households, it incorporates the results of existing 'inefficiencies' in the market or allocation system (e.g. under-occupation by households whose children have left home) and assumes that these trends will remain largely unchanged into the future. There are some exceptions to this, intended to reduce the proportion of the population living in housing inadequate for their needs, as explained below.
29. The model fully integrates future expected demographic changes into the outputs; this is an advantage because when planning newbuild housing it is important to ensure that it is useful, not just now, but well into the future. Flows models can at best only predict future household moves for two or three years in advance, and may be heavily influenced by recent short-term trends. By incorporating the best estimates of future household growth for the area from population and household projections, the model here gives the Council an insight into the types of housing that could be useful to residents in the long term.
30. Please note that in the interests of simplicity, unlike the WG housing need model, this model does not subtract any estimate of likely newbuild property over the next two years. As a result, any housing constructed (or brought back into use having been vacant) from December 2011 forward can be counted as contributing to the total requirements produced by the model.

### **Adequacy of the housing stock**

31. For the purpose of this model, the housing market is considered balanced if the local population is adequately accommodated, and the stock caters to the needs of all groups equally. It is therefore initially appropriate to assess the adequacy of the current accommodation to house the residents of Caerphilly County Borough. This is determined through responses to the household survey.
32. A household is considered adequately housed currently unless:
- they are in unsuitable housing (as defined by WG Guidance) and cannot resolve this unsuitability without moving to a new property
  - their property is overcrowded (according to the bedroom standard).
33. In each of these cases the household is allocated to a property with characteristics more suitable for their needs, of a different size, type or tenure. For example, if a household were found to be in an overcrowded property, it would be allocated a larger property of a tenure which it could afford. The model is designed such that at the end point of the model, there should theoretically be no households remaining in unsuitable housing. Please note that living in the private rented sector supported by LHA (Local Housing Allowance) is not automatically considered unsuitable housing; the model therefore assumes that the proportion of households in this situation remains constant, rather than increasing or decreasing.

34. Some further adjustments are also made to remove, over the long-term, some of the undesirable elements of market imbalance that exist currently:

- Households living in social rented accommodation that can afford market or intermediate accommodation are re-allocated to these tenures (assuming that households would find these tenures more attractive than social rent if they could afford them). This affects a very small number of households.
- If a household is planning to move immediately, this household is assumed to move into a tenure which it can afford.
- If a household is planning a move and states a preference for a smaller dwelling, they are assumed to require a dwelling of this size (unless this would create overcrowding).
- If a household states that they need to move to alternative housing due to support needs, they are assumed to need a move to specialist (e.g. sheltered or supported) housing.
- It is assumed that households with children should live in houses, rather than flats.

35. The table below shows the proportion of each household type currently requiring alternative accommodation in order to be adequately housed. The table shows that currently some 7.2% of households are classified as inadequately housed according to the above criteria. Lone parent households are the household group least likely to reside in adequate accommodation, with single pensioner households the most likely.

<b>Table 7 Types of households inadequately housed currently</b>			
<i>Household type</i>	<i>Number inadequately housed</i>	<i>All households</i>	<i>Proportion inadequately housed</i>
Single pensioner	391	10,242	3.8%
2+ pensioners	329	8,360	3.9%
Single non-pensioner	746	12,573	5.9%
2+ adults, no children	1,126	23,963	4.7%
Lone parent	1,260	5,732	22.0%
2+ adults, 1 child	502	7,906	6.4%
2+ adults, 2+ children	1,131	7,215	15.7%
<b>Total</b>	<b>5,486</b>	<b>75,990</b>	<b>7.2%</b>

Source: Caerphilly County Borough LHMA Update 2011/12 (updated from 2007 household survey)

### **Model outputs**

36. The model outputs presented here are not policy recommendations in themselves; they must be viewed in conjunction with other information, for example, viability. In addition, if there are large imbalances found in a housing market (particularly in combination with a low build rate), this may lead the model to suggest a very narrow mix of housing tenures and sizes. There is also a need for mix and

balance within neighbourhoods. This is especially the case where very large areas of newbuild housing are involved. Arguably, in the cases of such developments, it may even be appropriate to build some housing of types that are in surplus in the Borough as a whole, in order to achieve a mixed and balanced community locally.

37. It should also be borne in mind that where negative requirements are shown for larger bedroom sizes, some properties of this size can reasonably cater to households requiring smaller properties; it does not necessarily imply that demolition or subdivision of existing housing is necessary.

### **Tenure of housing required**

38. Rather than prescribing the accommodation required to address the current mismatch between the household population and the current stock, the profile of adequate accommodation for each household type is applied to the expected household population in 2022 (10 years after the publication of this report). The model therefore assumes that the pattern of accommodation preferred by each household type remains constant.
39. As in the WG model shown above (Table 5), the affordability calculation used for the Long Term Balancing Housing Markets model does not include one bedroom housing, due to the limited availability of this type of housing on the open market in Caerphilly.
40. In order to be relevant to local policy, the model also takes into account the build rate required by the Caerphilly Local Development Plan, and so the total number of households at 2022 is fixed at the level envisaged by the plan throughout, of 575 units per annum.
41. Taking this into account, the table below shows the ideal tenure profile in the Borough in 2022 (if all households are to be adequately housed). It also shows the breakdown between ordinary and specialist housing. In this model this is taken to include all forms of non-communal housing specifically provided for someone with a disability, including an age-related disability. Since the model is based on a postal survey of people living in households in Caerphilly, it does not include the requirement for communal sheltered or supported housing such as residential or nursing homes.



<i>Tenure</i>	<i>Number of households</i>	<i>Percentage of households</i>
Market	62,394	80.9%
Intermediate	712	0.9%
Social rented	14,010	18.2%
<b>Total ordinary housing</b>	77,116	100.0%
Ordinary housing	77,116	94.3%
Specialist housing (sheltered and supported)	4,624	5.7%
<b>Total</b>	81,740	100.0%

Source: Caerphilly County Borough LHMA Update 2011/12 (updated from 2007 household survey)

42. The table below shows the tenure profile required by households resident in the Borough in 2022 in comparison to the tenure profile recorded currently. The difference between these two distributions is the change required to the housing stock over this period. The results indicate that of newbuild housing built between now and 2022, some 54.5% of new dwellings should be market accommodation, around 35.4% social rented dwellings and 10.1% intermediate housing, making a total of 45.5% affordable housing. It should be noted that these figures would achieve market balance over 10 years; it should be justifiable to build a larger or smaller proportion in the short term depending on the urgency of meeting housing need and the economic climate.
43. In total, just under half of new housing should be sheltered or otherwise supported housing, reflecting the forecast aging of the population. This group is not broken down by tenure or size because of the very different environment in terms of affordability and size requirements for this group. Conventional affordability tests cannot consider the possibility of equity release or support from relatives, and there are limitations to an approach based on postal questionnaires when considering requirements for specific types of specialist housing. Further research would be required to analyse requirements for this type of accommodation in detail.

<i>Tenure</i>	<i>Tenure profile 2011/12</i>	<i>Ideal tenure profile 2022</i>	<i>Change required</i>	<i>% of change required</i>
Market	60,810	62,394	+1,584	54.5%
Intermediate	418	712	+294	10.1%
Social rented	12,980	14,010	+1,030	35.4%
<b>Total ordinary</b>	74,208	77,116	+2,908	100.0%
Ordinary	74,208	77,116	+2,908	50.6%
Specialist	1,782	4,624	+2,842	49.4%
<b>Total</b>	75,990	81,740	+5,750	100.0%

Source: Caerphilly County Borough LHMA Update 2011/12 (updated from 2007 household survey)

44. The model is also able to provide detail on the size of new dwellings required within each tenure. This analysis is presented in the following section.

### Size of housing required within each tenure

45. The table below presents the size of market accommodation required by households resident in the Borough in 2022 in comparison to the size profile recorded in the sector currently. It is important to remember that this analysis is for market stock and is therefore based on demand rather than need; many of the households included here could, in theory, live in smaller houses (although they might not wish to). The quantity of newbuild housing required to move the housing stock from the current size profile to the 'ideal' 2021 profile is also presented. The table shows that 50.2% of new market dwellings should be three bedroom properties and 49.1% two bedroom, with no requirement for four bedroom units, nor for two bedroom flats and only a very small requirement for one bedroom homes.

<b>Table 10 Size of new market accommodation required*</b>				
<i>Dwelling size</i>	<i>Size profile 2011/12</i>	<i>Ideal size profile 2022</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	678	696	+18	0.7%
Two bedroom flat	933	889	-44	0.0%
Two bedroom house	10,957	12,165	+1,209	49.1%
Three bedroom	40,687	41,922	+1,235	50.2%
Four or more bedroom	7,556	6,724	-832	0.0%
<b>Total</b>	<b>60,810</b>	<b>62,394</b>	<b>+1,584</b>	<b>100.0%</b>

\* excluding sheltered housing, nursing homes etc.

Source: Caerphilly County Borough LHMA Update 2011/12 (updated from 2007 household survey)

46. The table below shows the equivalent results for the affordable sector. The table shows that most new affordable housing (72.3%) should have two bedrooms, whilst there is a negative requirement for one bedroom properties. An increased proportion of those housed in social housing will be families with children.

<b>Table 11 Size of new affordable sector accommodation required*</b>				
<i>Dwelling size</i>	<i>Size profile 2011/12</i>	<i>Ideal size profile 2022</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	1,716	1,354	-362	0.0%
Two bedroom flat	1,456	1,458	+2	0.1%
Two bedroom house	3,176	4,392	+1,216	72.2%
Three bedroom	6,587	6,791	+203	12.1%
Four or more bedroom	463	726	+263	15.6%
<b>Total</b>	<b>13,398</b>	<b>14,722</b>	<b>+1,324</b>	<b>100.0%</b>

\* excluding sheltered housing, nursing homes etc.

Source: Caerphilly County Borough LHMA Update 2011/12 (updated from 2007 household survey)