

Gwynedd Local Housing Market Assessment



Cyngor Gwynedd Council

2018-23

Version 1.0

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Executive Summary

1. It is critical as a Local Authority that Gwynedd Council has a comprehensive understanding of the housing market or markets within its area.
2. This Local Housing market Assessment provides a detailed analysis of the housing market across the Gwynedd Authority area based on a broad and robust evidence base.
3. The Assessment will be a reference for the authority when making informed decisions regarding open market and affordable housing provision across Gwynedd.
4. Welsh Government expect each Local Authority in Wales to establish a Local Housing Market Assessment (LHMA), which will have a 5 year term with a midpoint update. This Assessments term will cover 2018-23 with a mid-term update in 2020/21.
5. This Assessment has identified many key findings, all of which contribute towards improving our understanding of the housing market across Gwynedd. The assessment shows that Gwynedd's communities are in need of a greater supply of affordable housing than is currently available.
6. Other key findings show there will be a growing demand for affordable housing across Gwynedd in the owner occupied, private and social rental sectors, which the present supply cannot satisfy.
7. The LHMA also finds:-
 - Median and Lower Quartile value housing is unaffordable for median income households.
 - Private rented sector has grown significantly in Gwynedd over the last decade
 - Private rental levels are unaffordable for many low income households
 - Demand for social housing remains high across the area
 - Demand for social housing with 1 bedroom is not met by current available stock
 - Number of households is forecast to increase, and their size to decrease over the next decade
 - Long term empty properties and stalled development sites can potentially provide additional supply for the market.
 - Based on population projections, 303 new households will be established annually in Gwynedd over the next 5 years.
 - **707 Additional social housing units is required each year for 5 years to meet the current and anticipated demand**
 - **104 Additional intermediate housing is required each year for 5 years to meet the current and anticipated demand**
8. The Assessment recommends that the mix of all new developments should be 40% 1 or 2 bedroom properties, 30% 3 bed and 30% 4+ bedroomed properties.
9. When reading this Assessment, it will be possible to review the key findings and possible responses identified at the head of each chapter. It is also possible review all the key findings at the beginning of this report and the identified actions at the end of the document. If there are further questions relating to the Assessment, contact the Strategic Housing Units, Gwynedd Council – unedstrategoltai@gwynedd.llyw.cymru

Key Findings by Chapter

2. Housing Market Key Findings

Housing Market

1. The proportion of detached (34.9%) and terraced (31%) housing in Gwynedd is higher than the national average of 27.7% and 27.8% respectively.
2. Owner occupiers represent 65% of tenures in Gwynedd compared to 67% across Wales.
3. The majority of house sales in 2017 were concentrated within and around key settlement areas in Gwynedd
4. Terraced and detached housing were the most sold property types within Gwynedd in 2017
5. 65% of the housing market is in owner occupied, 15% is privately rented, 16% is social housing and others 4%.

Affordability

6. There is a shortfall of **£4,781** between median household incomes and the income needed to purchase lower quartile homes in Gwynedd.
7. There is a shortfall of **£17,067** between median household income and the income needed to purchase median homes in Gwynedd.
8. Affordability based on income is a challenge for many households, with **59%** priced out of the market in Gwynedd compared to 56% across Wales.
9. Based on income and within the wellbeing areas of Llyn 69% of households are priced out of the market, 63% in Dolgellau, 61% in Porthmadog and Tywyn at 61%. The Blaenau area is most affordable with 48% of households priced out of the market.

Private Rented Sector

10. The private rented sector in Gwynedd (16%) has grown since 2001 (from 10%) but remains lower than the overall Welsh average (17%)
11. Private sector rental is less affordable for households in 2017, as housing allowances across Gwynedd are on average **£121** below private sector rents
12. There are 1120 known homes in multiple occupancy (HMO) in Gwynedd, with the vast majority in the City of Bangor.

Social Housing

13. 53% of Social Housing stock in Gwynedd has 3+bedrooms, higher than the Wales average of 47%. Only 14% of the social housing stock has 1 bedroom, which limits opportunities for tenants to downsize.
14. Rent increases in social housing was less in Gwynedd between 2017/18 – 18/19 compared to the all Wales figures but Gwynedd also has lower wages.
15. Social rented accommodation is in high demand as rent levels are between 19-40% less than the private rented sector in Gwynedd

3. Demographic Profile Key Findings

16. Gwynedd's population increased by 4.3% between 2001 and 2011. Welsh Government projections show this number will continue to increase.
17. There has been an increase in number of people over the age of 80 by 96% in the last 30 years, with the highest increases in the **Porthmadog, Dolgellau** and **Tywyn** wellbeing areas.
18. 10% fewer children under 16yrs in Gwynedd than in 2011 when compared to 1981. Similar to decline in Wales as a whole.
19. Increase in older age group is expected to continue, as people live longer and move into area. In 20 years it is expected that there will be an additional 60% of over 80's living in Gwynedd.
20. Increase in population between 16 – 64 (working age) will only be 0.2% between 2018 and 2023

4. Household Income Key Findings

21. Median and lower level incomes across Gwynedd mostly fall below Welsh figures
22. Lowest incomes in Gwynedd are found within the Ffestiniog area
23. Highest incomes in Gwynedd are found in the wellbeing areas of Bangor, Caernarfon, Llyn and Porthmadog

- 24. There are 76.7% economically active in Gwynedd, higher than 76.5% in Wales
- 25. There are 21.8% of self employed persons in Gwynedd, considerably higher than 13.3% in Wales.
- 26. Claimants for Housing Benefit in the Social Rented Sector is 72.5%, higher than Wales at 68%.
- 27. Welfare reform is likely to leave average working-age household in Gwynedd £45 per week worse off by 2020.

5. Housing Need Key Findings

- 28. It is projected that an average of **303** new households will be formed each year in Gwynedd from 2018-23
- 29. Approx 1900 applicants have registered for Social Housing in Gwynedd.
- 30. There is housing need across all tenures, especially smaller property types and social housing.
- 31. 71% on Social housing register requested 1 or 2 bedroom properties, however there is a shortage of 24% in social housing stock.
- 32. The impact of welfare reform, will see increase in families turning to the social housing sector as private rents become unsustainable and increase need for larger properties.
- 33. 60% of homeless applicants in 2018 were single individuals
- 34. Supply of social housing does not meet the requirements of homeless needs.
- 35. If development of Wylfa Newydd is restarted, it is expected to increase housing demand in Bangor and Caernarfon areas.

6. Specialist Housing Needs Key Findings

- 36. Over 80's population is expected to grow and increase the need for suitable and accessible housing options
- 37. Less than 10% of social housing stock has some form of adaptation, this does not represent fully accessible accommodation

7. Household & Housing Size Key Findings

- 38. Number of households expected to increase by 8% up to 2035.
- 39. Increase of 18% of 1 person households; and 13% of 5+ person households by 2035.
- 40. Increase in housing need for smaller dwellings with one or two bedrooms due to increase of smaller households between 2018-35 (caused by ageing population and smaller households).
- 41. Similarly, an increase in need for larger dwellings (5+ person) is expected due to greater number of larger households between 2018 - 2035
- 42. Recommended housing mix will be 40% for 1-2 beds, 30% each for 3 or 4+ beds for new developments

8. Housing Supply Key Findings

- 43. Supply of new housing being built at current levels will not meet the demand for affordable housing in Gwynedd.
- 44. Almost 1400 units have received planning consent but have not begun construction.
- 45. Long term empty properties are key resource to improve supply of housing within Gwynedd

10. Annual Affordable Housing Requirement Key Findings

- 46. Total annual social and intermediate housing need is 707 units (including committed supply)

Introduction

Purpose of the LHMA

10. The purpose of the Local Housing Market Assessment (LHMA) is to provide an assessment, based on a robust evidence base of the nature and level of housing demand and need within Gwynedd. The LHMA, can also be used as a tool for negotiating affordable housing provision when determining planning applications and allocating Social Housing Grant (SHG).
11. Information contained within the report will assist the Local Authority in its development of housing and planning policy and provide evidence to support the mix of development required for specific schemes. .
12. The LHMA will assess the current and future housing needs within Gwynedd. Using wellbeing areas identified within the Gwynedd Wellbeing Assessment 2017, the LHMA will use established 'Well being Areas', to consider housing market areas across the study area. These areas are not determined by administrative boundaries such as wards, but were identified by the Cabinet and agreed by the Public Services Board for the purpose of conforming to the 'The Well-being of Future Generations (Wales) Act 2015'.
13. The Wellbeing Assessment identifies geographic community areas on a sub authority level i.e. areas smaller than the whole County but larger than Council wards. The purpose of identifying smaller areas is to acknowledge a feeling of identity within these communities and show the differences between areas. In addition to recognising the areas to assist in data collection, designated wellbeing areas were identified based on where people live and work, areas of high and low housing demand, affordability and fuel poverty.
14. The LHMA sets out the need for additional affordable housing in Gwynedd over the next five years (2018-2023), and also informs the provision of market housing in terms of size, type and tenure to ensure there is an appropriate mix of housing on offer.

National Policy Framework

15. Planning Policy Wales (2018) states that as part of the development plan process planning authorities need to understand their local housing market and the factors influencing housing requirements in their area over the plan period. The housing requirement in the development plan must be based on evidence and clearly express the number of market and affordable homes the planning authority considers will be required in their area. The latest Welsh Government local authority level Housing Projections for Wales, alongside the latest LHMA and the Well-being plan for a plan area will form a fundamental part of the evidence base for development plans. Technical Advice Note 2 (TAN 2, 2006) also states that:

LHMAs 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

15. The LHMA informs local housing and planning policy development, such as Gwynedd Council's Joint Local Development Plan (JLDP), Snowdonia National Park Authority Local Development Plan and the Local Housing Strategy. It is anticipated that the LHMA will also inform the development and delivery of other housing policies and projects.

Anglesey and Gwynedd Joint Local Development Plan (2011 – 2026)

16. The Joint Local Development Plan (JLDP) was adopted on the 31st July 2017 and sets out the planning framework for development within the Gwynedd Planning Area and the Isle of Anglesey (parts of Gwynedd within Snowdonia National Park are not included as they are covered by the Eryri LDP). It provides guidance regarding the location of new houses, employment opportunities, leisure and community facilities and where these will be provided in the area up until 2026. The LHMA will inform the housing mix on new residential sites in the Gwynedd Planning Area, including the size and tenure of new market and affordable houses over the next five years.
17. The Anglesey and Gwynedd JLDP identifies land to meet the projected requirement for the development of up to 7,184 dwellings (with a slippage allowance of up to 7,902 dwellings) over the Plan period 2011 to 2026 for Anglesey and the Gwynedd Planning Area. A key priority for the JLDP is to increase the supply of affordable housing. The Plan will seek to provide a minimum of 1,572 affordable units over the Plan period with the tenure subject to various sources of information, including the LHMA, which is available at the time of specific applications.

Eryri Local Development Plan (2007 – 2022)

18. The Eryri LDP was adopted by Snowdonia National Park Authority on the 13th July 2011. It sets out the planning framework for development within the Snowdonia National Park area. The Eryri LDP sets out how the local planning authority will deliver the spatial planning strategy for the location of new development until 2022. The Eryri Local Development Plan has a plan requirement of 770-830 dwellings and makes provision for approximately 955 new dwellings up to 2022. A key priority for the Eryri LDP is to increase the supply of affordable housing for local need. The Plan seeks to provide 415 affordable units over the Plan period. These will be delivered as affordable intermediate or social rented housing for local people in need.
19. Local planning authorities are required to review their Local Development Plans at 4 yearly intervals. The Snowdonia National Park Authority have reviewed the Eryri LDP and have concluded that the Eryri LDP should be subject to a Short Form Revision which means that amendments are only proposed to certain parts of the LDP. The Deposit Revised Eryri Local Development Plan (2016-2031) was subject to public consultation during 2017 and has been submitted for an independent examination in public in January 2018.
20. The LHMA will inform the housing mix on new residential sites in Snowdonia National Park, including the size and tenure of new market and affordable houses over the next five years.
21. Map 1 shows Gwynedd Authority area with its constituent wellbeing areas including areas included within the Snowdonia National Park Authority.

Gwynedd Housing Strategy 2018 – 2023

22. Gwynedd Housing Strategy 2018-23 identifies a number of challenges facing the housing sector within the Authority area. Having evaluated the information collated within the Local Housing Market Assessment, Gwynedd Councils outlines its long term ambition for the housing sector as follows :-

- Improve the affordability of housing across the social and private sectors within Gwynedd.
- Focus on sustainable developments which are environmentally conscious and compatible with the needs of individual communities
- Identify interventions which reduce homelessness within Gwynedd with a particular emphasis on those in greatest need and by addressing gaps in existing provision.
- Work with local key partners to provide preventative support for vulnerable people with varied or complex needs ensuring they have access to the support they need.
- Expand the range of suitable housing options, support and assistance for older people and those with care need who wish to remain at home and retain their independence.
- Need to encourage a more varied supply of new housing.

The Study Area

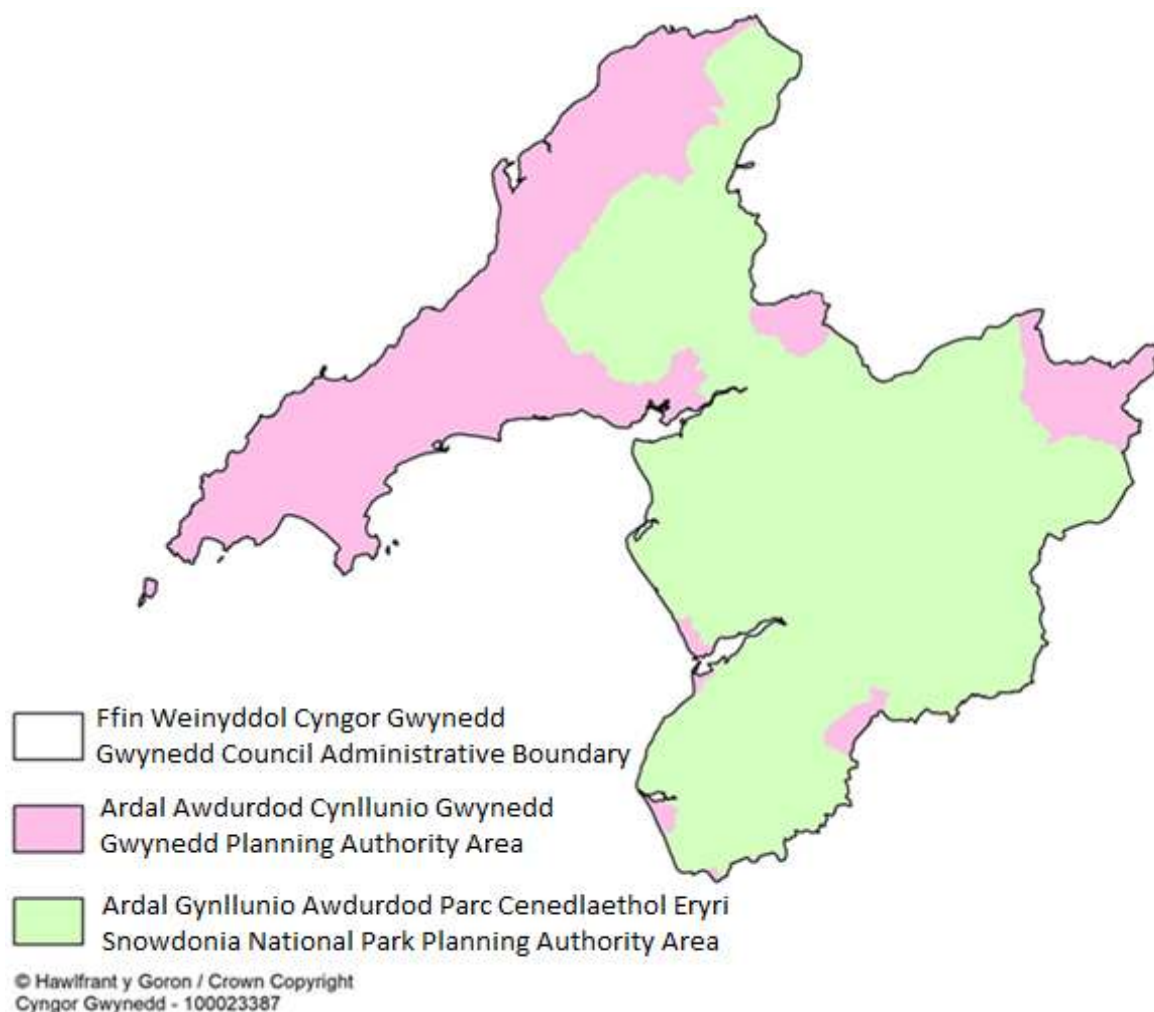
23. Gwynedd has a population of 121,900 in 52,450 households according to the 2011 Census. It is the third least densely populated authority in Wales with 0.5 persons per hectare with a high proportion (44%) of its residents living in Villages, Hamlets or isolated Dwellings. Map 1 below shows the Gwynedd Council Administrative boundary with the Gwynedd Planning and Snowdonia National Park Planning areas identified.

24. It is an area of relatively low wage economy and suffers from an outward migration of young people leaving the area for higher education and employment. It is the County with the highest percentage of Welsh speaker in Wales.

25. The special environmental assets with the area have been acknowledged and designated nationally and internationally. Due to this the area attracts a large number of visitors which makes an important contribution to the local economy but can lead to impact upon the housing stock through holiday and second homes across the county but specifically at popular hot spots.

26. The dispersed nature of the area is reflected within the planning land use development plans prepared. The Joint Local Development Plan for the Gwynedd Planning Area identifies 118 settlements in the Gwynedd Planning Area from the Sub-Regional Centre of Bangor, 4 Urban Service Centres, 10 Local Service Centres, 55 Different Villages down to 45 Clusters. Snowdonia National Park's Local Development Plan identified 59 settlements within Gwynedd from the Local Service Centres of Dolgellau and Bala, 4 service settlements, 29 secondary settlements down to 24 Smaller Settlements.

Map 1 – Gwynedd Authority Area & Snowdonia National Park

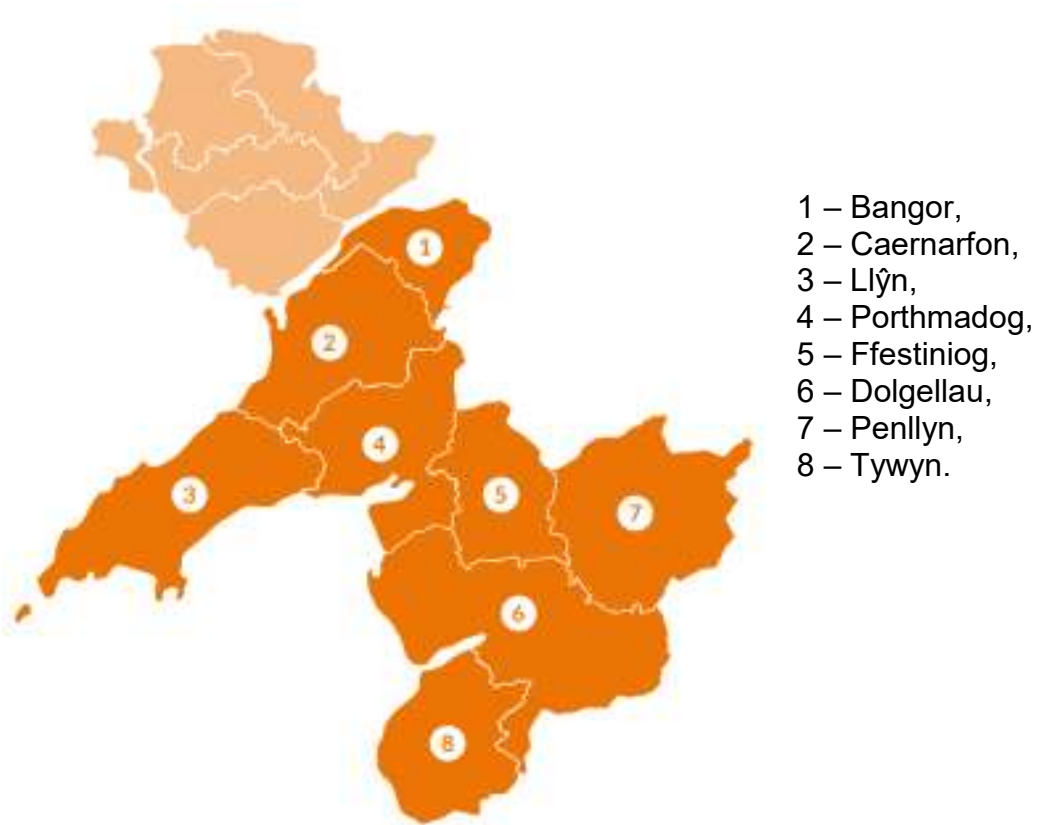


Local Housing Market Areas

23. The Welsh Government's Local Housing Market Assessment Guide (2006) states there is a need to understand the operation of housing market areas, which are defined as "the area where the majority of households living or seeking to move in the private housing sector are willing to search for alternative accommodation" (Scottish Executive, 2004). It further states that Assessments should have regard to functional housing markets being 'the geographical area within which there are clear links between where people both live and work'.
24. A review of the North West Wales LHMA was undertaken this identified 13 housing market areas (6 wholly or partially in Gwynedd) based upon travel to work patterns and self-containment. Recent LHMA studies by Conwy and Anglesey have moved away from the 2008 housing market areas.
25. Consideration was given towards the publication of the 2011 Census results and the revised Travel To Work Areas (TTWA) (2015). Due to the increase in the size of the TTWA as well as a slight reduction in the self-containment in Gwynedd it was felt that the updated 2011 TTWA did not truly reflect the more localised housing market areas within the County due to the large rural geographical areas they cover.

26. Paragraph 1.4.3 of Planning Policy Wales (PPW) states that "...The Well-being of Future Generations Act (Wales) 2015 places a duty on the Welsh Ministers (and other public bodies) to produce well-being objectives and take reasonable steps to meet those objectives in the context of the principle of sustainable development...". It further states in paragraph 2.1.7 that the Local Well-being Plan (LWBP) "...should provide the overarching strategic framework for all the other plans and strategies for the local authority, including the LDP...".
27. The Council considers that the high level self-containment in Gwynedd and the strong community links and characteristics of the wellbeing areas and their relationship to the larger scale 2011 TTWA reflects the functional housing market areas in Gwynedd today as well as having a strong link with other plans and strategies. In light of this the Gwynedd LHMA has evaluated housing needs and demand against the local housing market areas identified in Map 2.

Map 2 - Gwynedd Wellbeing Areas used for the LHMA



Methodology

27. The Authority has followed the recommended methodology set out within the Welsh Government's LHMA guide produced in 2006, regard was also given to the Welsh Government's 'Step by Step' guide (2014) to calculate a figure of overall housing need.

Step 1 – Build Demographic and Housing Profile

28. The LHMA aims to assess the overall housing market in Gwynedd. 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

29. To assess the need for social housing both now and in the future we look at the social housing register. Gwynedd's Housing Options Team was created in 2012, which holds one Common Housing Register for the whole county, and one housing Policy for Gwynedd. The new process amalgamates the registers of all the social housing providers in Gwynedd providing a coordinated approach to managing social housing need. This gives us a more robust evidence base to calculate housing need.

Step 3 – Analyse Intermediate Housing Need

30. The Tai Teg register, held by Grwp Cynefin housing association, is the only register of households in need of intermediate affordable housing in Gwynedd. Analysis of this register will provide insight into intermediate housing need within the study area.

Step 4 – Projecting identified Needs

31. In order to assess future housing needs it is necessary to estimate the number of new households that will form within Gwynedd 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.
32. 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. By supplying new affordable housing (the plug hole) we can ensure that the bath doesn't overflow.



Figure 1 – Bath Tub Analogy, Source: Bramley et al (1998)

Defining Housing Need

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

“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

34. According to Technical Advice Note 2 (TAN2 Planning and Affordable Housing):

“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.”

“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.”

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

2. Housing Market Profile

<u>Summary of Key Findings</u>
Housing Market <ol style="list-style-type: none"> 1. The proportion of detached (34.9%) and terraced (31%) housing in Gwynedd is higher than the national average of 27.7% and 27.8% respectively. 2. Owner occupiers represent 65% of tenures in Gwynedd compared to 67% across Wales. 3. The majority of house sales in 2017 were concentrated within and around key settlement areas in Gwynedd. 4. Terraced and detached housing were the most sold property types within Gwynedd in 2017. 5. 65% of the housing market is owner occupied, 15% is privately rented, 16% is social housing and others 4%.
Affordability <ol style="list-style-type: none"> 6. There is a shortfall of £4,781 between median incomes and the income needed to purchase lower quartile homes in Gwynedd. 7. There is a shortfall of £17,067 between median income and the income needed to purchase median homes in Gwynedd. 8. Affordability based on income is a challenge for many households, with 59% priced out of the market in Gwynedd compared to 56% across Wales 9. Based on income and within the wellbeing areas of Llyn 69% of households are priced out of the market, 63% in Dolgellau, 61% in Porthmadog and Tywyn at 61%. The Blaenau area is most affordable with 48% of households priced out of the market.
Private Rented Sector <ol style="list-style-type: none"> 10. The private rented sector in Gwynedd (16%) has grown since 2001 (from 10%) but remains lower than the overall Welsh average (17%) 11. Private sector rental is less affordable for households in 2017, as housing allowances across Gwynedd are on average £121 below private sector rents 12. There are 1120 known homes in multiple occupancy (HMO) in Gwynedd, with the vast majority in the City of Bangor.
Social Housing <ol style="list-style-type: none"> 13. 53% of Social Housing stock in Gwynedd has 3+bedrooms, higher than the Wales average of 47%. Only 14% of the social housing stock has 1 bedroom, which limits opportunities for tenants to downsize. 14. Rent increases in social housing was less in Gwynedd between 2017/18 – 18/19 compared to the all Wales figures but Gwynedd also has lower wages. 15. Social rented accommodation is in high demand as rent levels are between 19-40% less than the private rented sector in Gwynedd
Possible Response / Action <ol style="list-style-type: none"> a) Measures to improve affordability of housing for households wishing to own their own homes will address identified shortfall in income needed. b) Measures to improve the supply of all tenures of housing should improve access and affordability across all sectors and communities in Gwynedd c) Smaller social and private housing units are needed to improve access for households in need d) Findings to be reviewed and updated during the mid term review with available data

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

Property Types

37. The most recent information on households and dwelling types and size is available from the 2011 Census. The housing stock in Gwynedd is characterised mainly by detached properties (34.9%) or terraced housing (31.0%), with the proportions of these types of housing being higher in Gwynedd compared to national figures. We can also see a difference in between the number of dwellings and household spaces within Gwynedd. Total household figures are measured by accommodation used or available for use by an individual household, which can also include shared accommodation.

Table 1 – Gwynedd Household Spaces and Dwellings	Gwynedd		Wales	
	Number	%	Number	%
Detached	21,308	34.9	383,737	27.7
Semi-detached	14,013	22.9	429,955	31.0
Terraced	18,920	31.0	385,379	27.8
Flats - purpose built / conversion / commercial	6,321	10.4	180,665	13
Mobile or temporary structure	513	0.8	5,785	0.4
Total Dwellings	61,009	100	1,383,814	100
Total Household Spaces	61,075		1,385,521	

Source : Census 2011

38. Drawing on data available from 2011 Census, we can see the quantity of properties by bedroom size across Gwynedd and its Wellbeing areas in table 2.

Table 2 – Number of Bedrooms per Wellbeing Areas

Area	Total Number of bedrooms	Number of Bedrooms in Properties				
		1 or less	2	3	4	5+
Bangor	10,875	7.4%	24.7%	46.1%	15.5%	6.4%
Caernarfon	13,746	5.7%	24.6%	50.9%	15.1%	3.7%
Dolgellau	5,063	8.7%	27.8%	41.0%	15.0%	7.5%
Ffestiniog	2,997	5.3%	30.7%	45.7%	14.2%	4.2%
Llyn	8,509	6.5%	23.3%	46.2%	16.8%	7.1%
Penllyn / Bala	1,932	7.0%	22.3%	48.8%	15.9%	6.0%
Porthmadog	5,621	6.3%	25.2%	44.7%	16.9%	6.9%
Tywyn	3,730	5.7%	32.4%	39.0%	15.8%	7.2%
Gwynedd	52,473	6.5%	25.6%	46.3%	15.7%	5.9%
Wales	1,302,676	7.8%	24.2%	48.9%	15.0%	4.0%

Source – Census 2011,

39. Further analysis of property types within Gwynedd show the total quantity of households within the Wellbeing areas in Chart 1. Unsurprisingly, the highest quantity of households are found within the areas with the largest settlement areas. This shows the rural low-density sporadic nature of some of the well-being areas.

40. Chart 2 below outlines the composition of each type of household within the established wellbeing areas. This shows a high proportion of detached property within the more rural areas. Over half of the property type in the Ffestiniog area being terraced. Bangor is the only area where the proportion of semi-detached properties (30.1%) is close to the National proportion of 31%.

Chart 1 – Total Household Spaces per Gwynedd Wellbeing Area
Source: - Census 2011

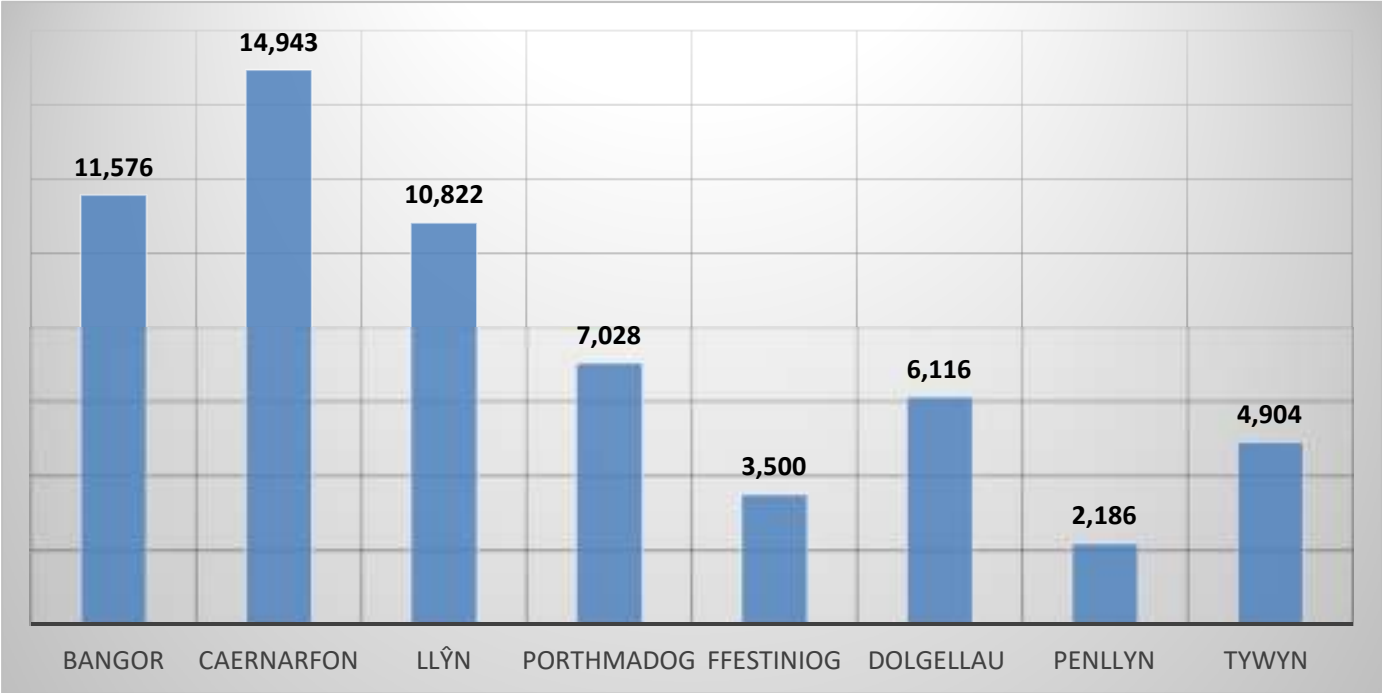
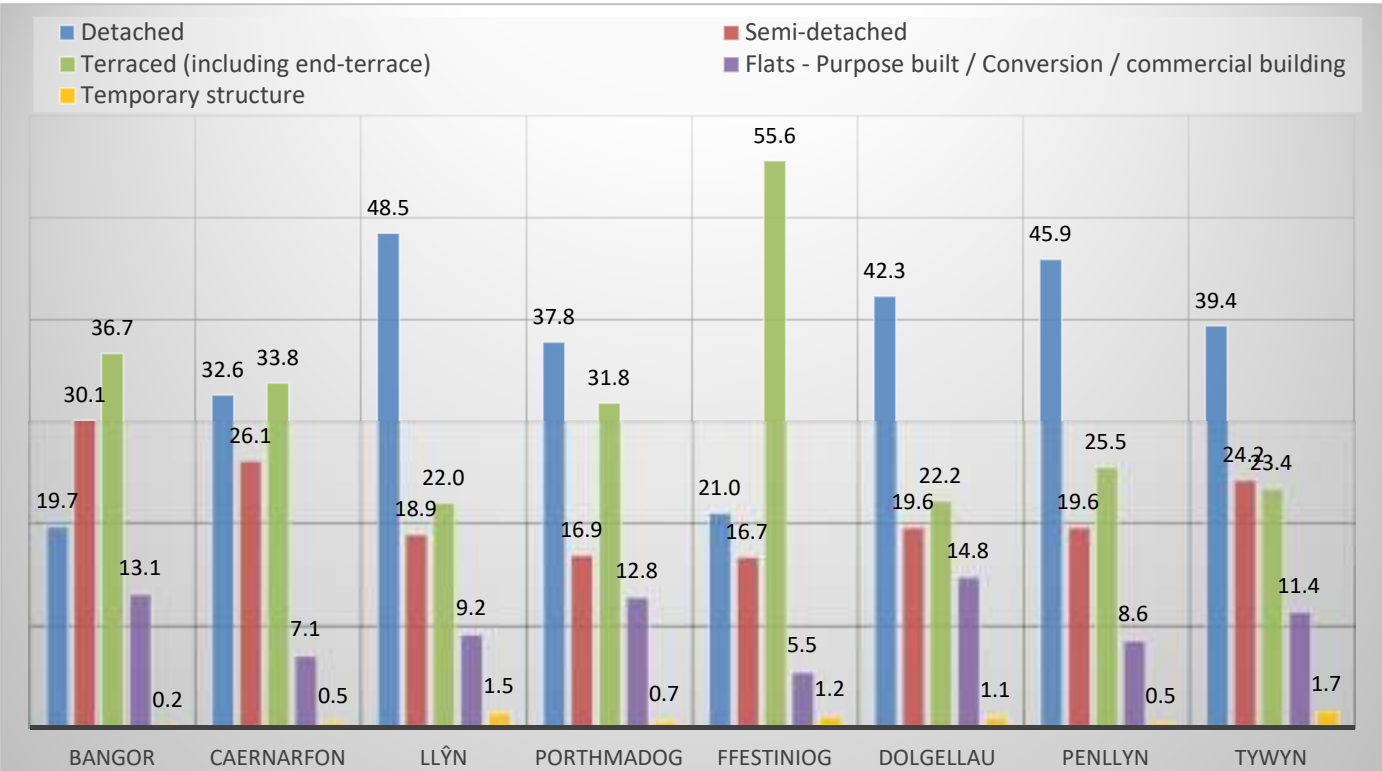


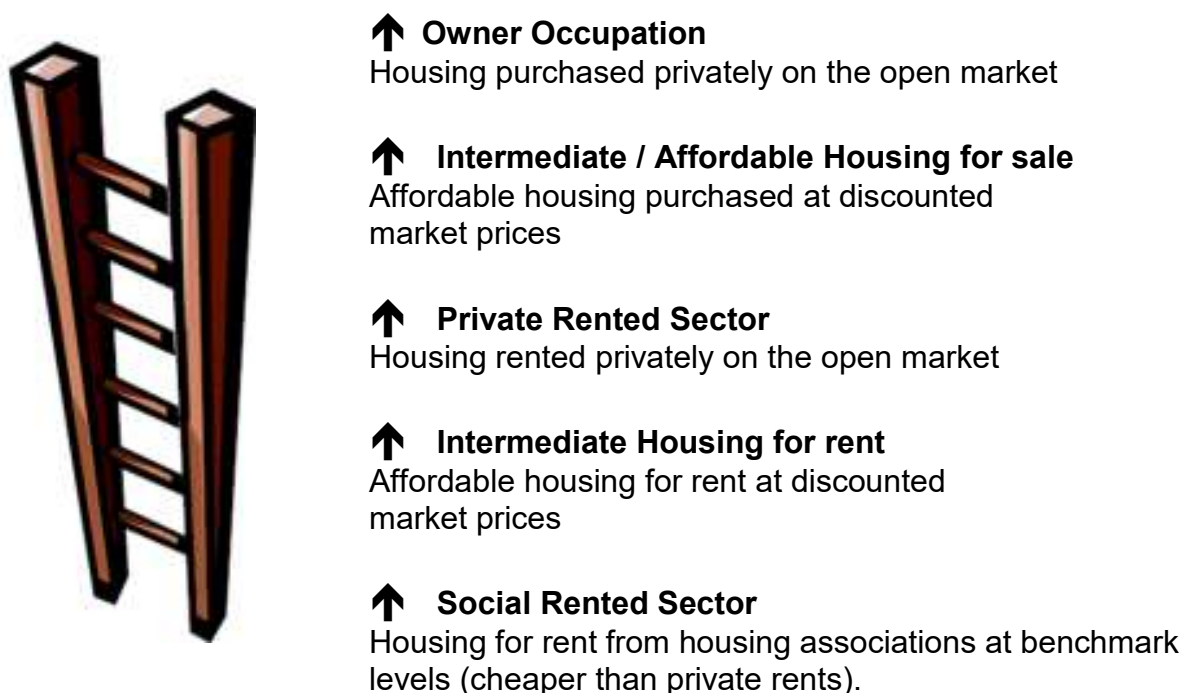
Chart 2 – Property type % in Gwynedd Wellbeing Areas
Source: - Census 2011



Tenure

41. The LHMA assesses the housing market across all tenures in Gwynedd.
42. Figure 2 provides a 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 Gwynedd, current market conditions have frustrated households' progress on the ladder.

Figure 2 – The Housing Ladder



43. Table 3 detail the tenure of households in Gwynedd whether a household which rents or owns the accommodation that it occupies. The majority of properties are owner occupied (65.4%), with a significant proportion of these (40.3%) owned outright without a mortgage. However, the percentage of owner occupied housing in Gwynedd is still 2% lower compared to the Welsh average. The private rented sector at 15.4% in Gwynedd is higher than the Welsh average which stood at 14.1% in 2011.

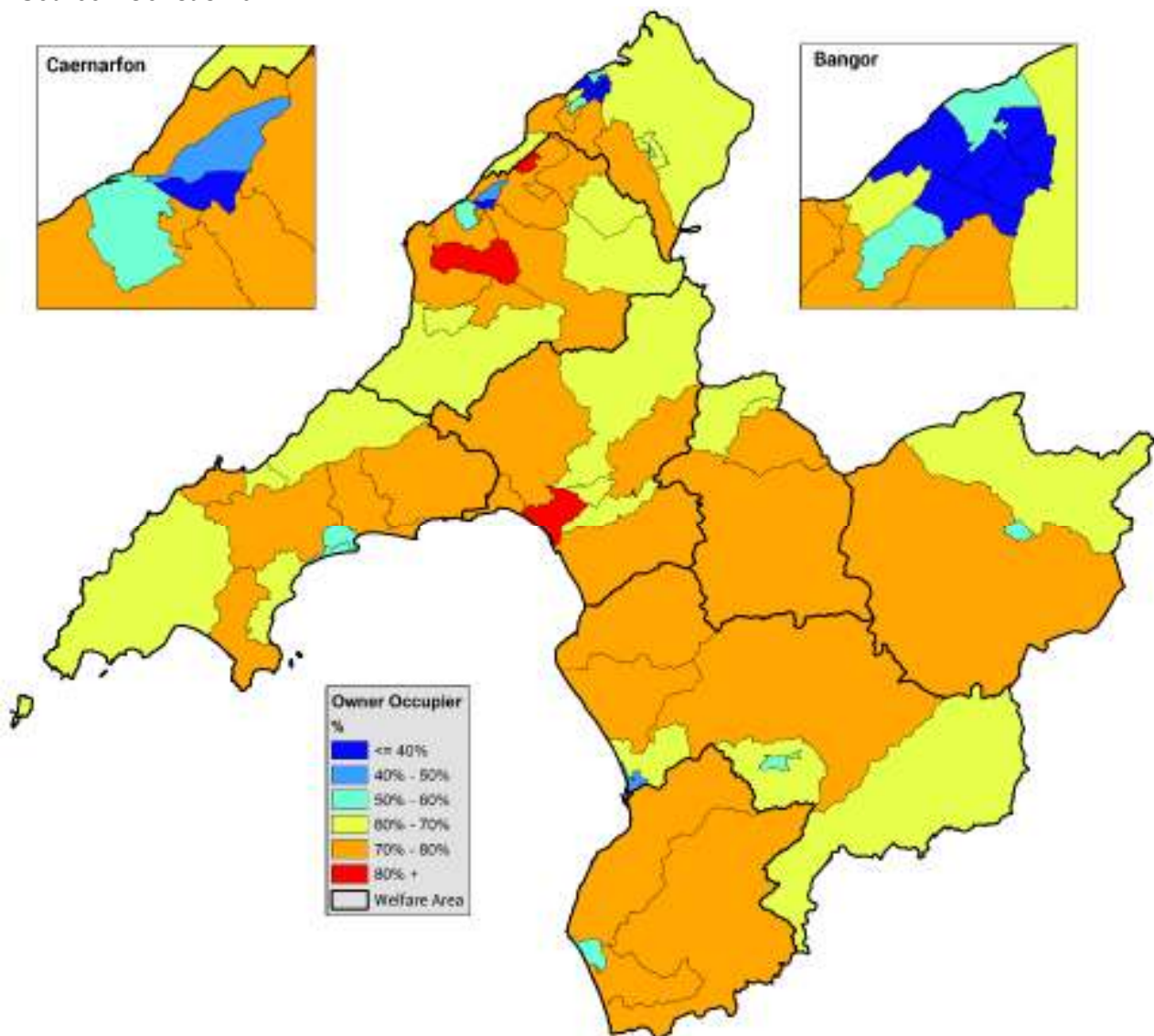
Table 3 – Tenure by property	Gwynedd		Wales
	Number	%	%
All households by tennure	52,473	-	1,302,676
Owner Occupied Sector	34,324	65.4%	67.4%
Owned outright	21,168	40.3%	35.4%
Owned with a mortgage or loan	13,156	25.1%	32.0%
Shared Ownership Pays part rent and part mortgage	171	0.3%	0.3%
Private Rented sector	8,060	15.4%	14.1%
Social Rented Sector	8,561	16.3%	16.5%
Living Rent Free	1,357	2.6%	1.6%

Source: Census 2011 table KS402EW

Owner Occupation

44. 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.
45. Map 3 below shows the percentage of home ownership across Gwynedd and within Wellbeing areas. Although the highest numbers of home ownership can be seen in primary urban, retail and service centres e.g. Bangor, Caernarfon and Pwllheli; the highest percentages of home ownership occur in the more rural areas, across Gwynedd where properties are fewer in quantity...

Map 3 – Owner Occupier Percentage in Gwynedd
Source : Census 2011



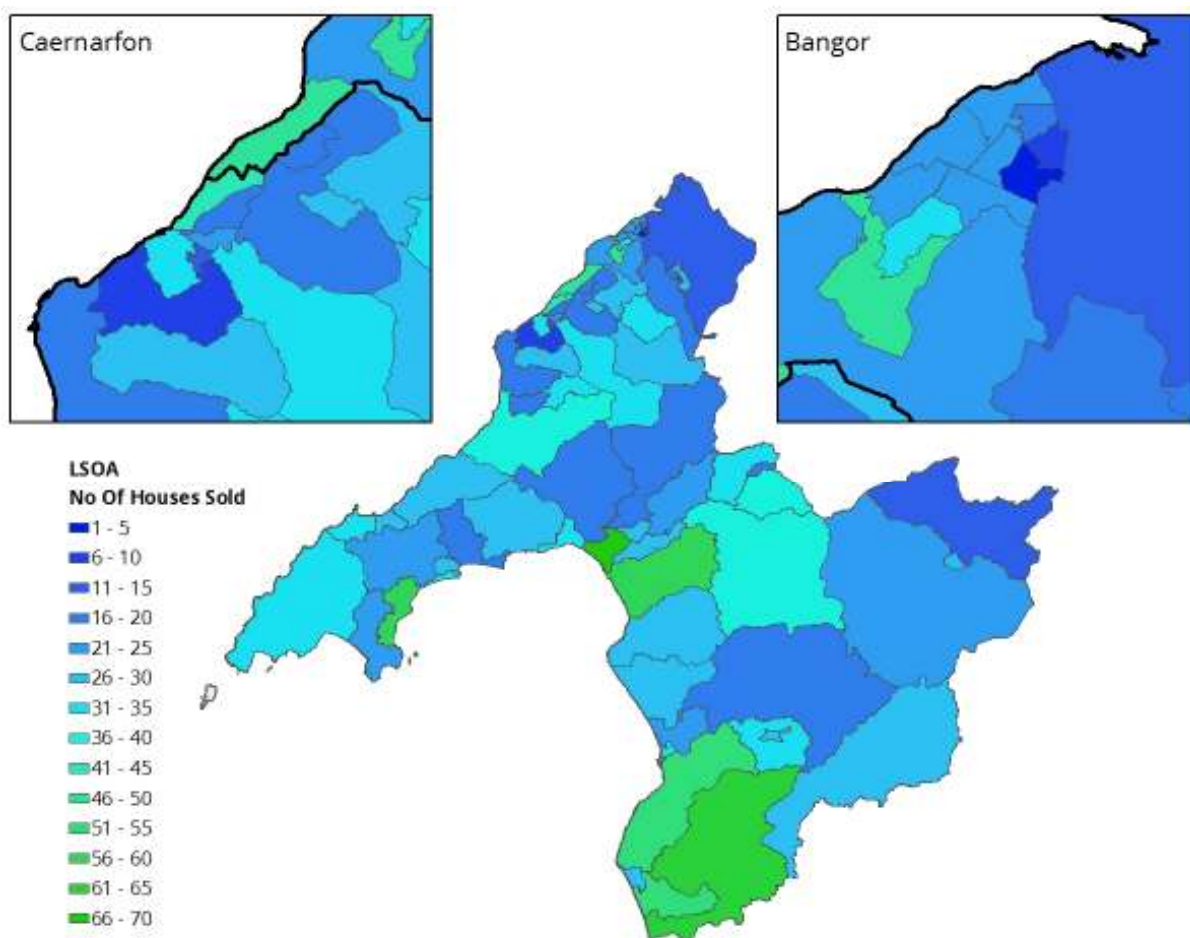
46. Table 4 below details the quantity of housing types sold within Gwynedd during 2017 within the wellbeing areas. Detached and Terraced housing sales were high when compared to semi detached and flat sales across Gwynedd. Unsurprisingly total number of house sales in urban areas remain higher than in rural areas.

Table 4 – Gwynedd House Sales 2017		All Housing Types	Detached	Semi Detached	Terrace	Flat
Wellbeing areas	Bangor	353	70	113	138	32
	Caernarfon	384	135	80	161	8
	Llŷn	287	128	50	92	17
	Porthmadog	244	96	30	103	15
	Ffestiniog	101	16	16	69	0
	Dolgellau	189	76	35	61	17
	Penllyn	55	32	7	16	0
	Tywyn	168	66	28	54	20
Gwynedd Total		1781	619	359	694	109
Wales Total		48,760	14521	14169	16068	4002

Source : Land Registry 2017

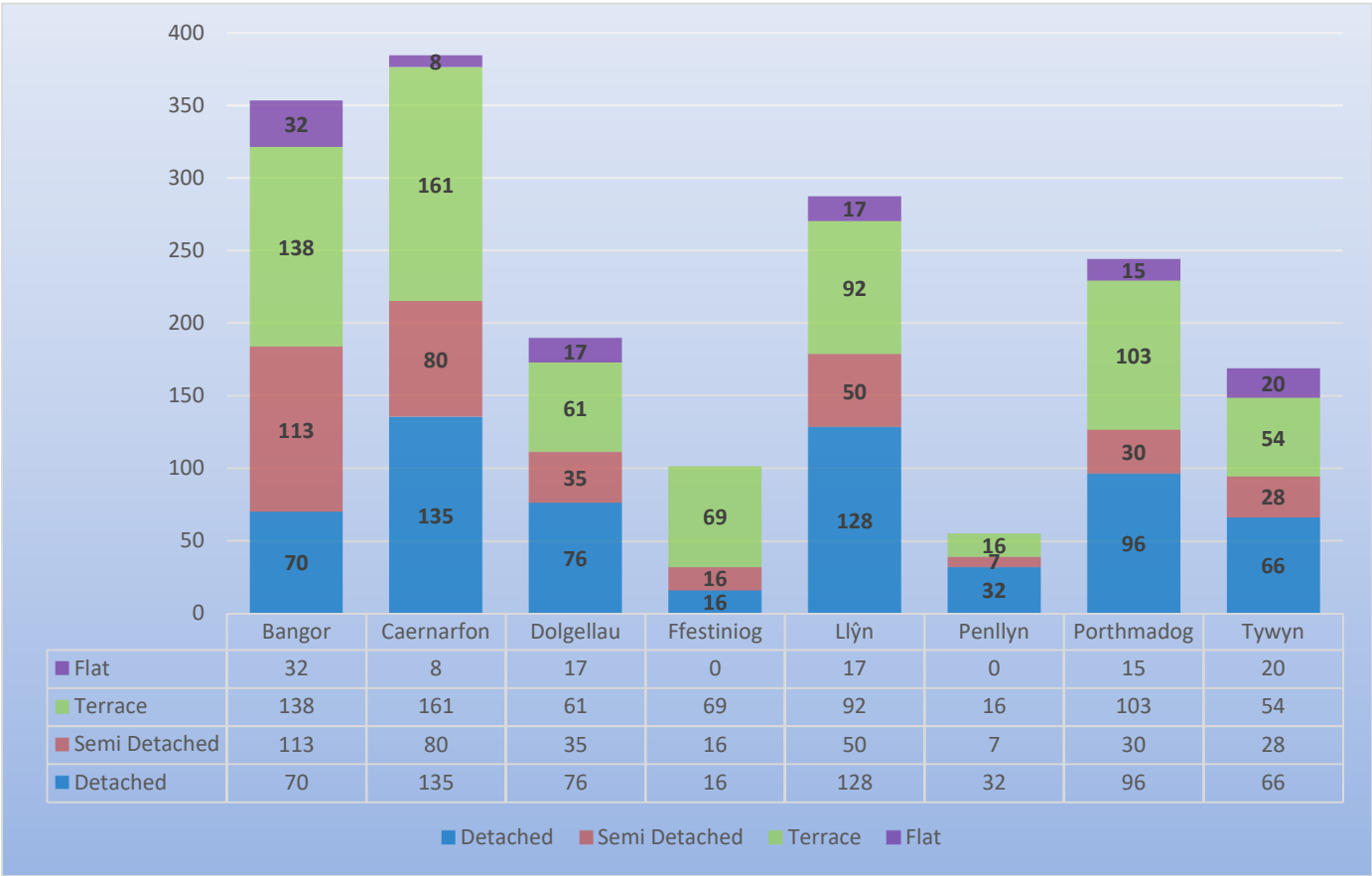
47. Map 4 below details the distribution of house sales against wards within Gwynedd. The areas shown in red have the highest concentration of house sales during 2017, and the areas shown in dark blue have the lowest.

Map 4 – Gwynedd House Sales Heat Map 2017



48. Chart 3 below shows the overall quantity of property sales and types in Gwynedd within the identified wellbeing areas.

Chart 3 – Gwynedd Property Sales and Tenure 2017



Owner Occupation: Affordability

49. Affordability of owner occupation in Gwynedd remains a challenge for many households across Gwynedd. Median household income and median property prices across each area of the LHMA are identified in table 5.
50. Mortgage lenders will typically lend a household x 3.5 times its overall income giving an overall mortgage potential. By comparing the median house price against a household's mortgage potential it is possible to calculate the value of the shortfall required to purchase a property (Table 5). This doesn't include a deposit or any savings a household may have although the shortfall shows the amount of deposit needed. Areas where the ratio is at its highest have been highlighted red to identify the most unaffordable areas in Gwynedd

Table 5 – Median House Prices Wellbeing Areas 2017

		Median			
		Household Income	House Price	Ratio	Shortfall
Wellbeing Area	Bangor	£26,015	£150,000	5.8	£ 58,947
	Caernarfon	£26,655	£141,500	5.3	£ 48,208
	Llŷn	£26,525	£195,000	7.4	£102,161
	Porthmadog	£26,787	£167,000	6.2	£ 73,245
	Ffestiniog	£20,704	£ 89,000	4.3	£ 16,534
	Dolgellau	£25,365	£142,500	5.6	£ 53,721
	Penllyn	£24,467	£155,000	6.3	£ 69,366
	Tywyn	£24,836	£142,000	5.7	£ 55,074
Gwynedd		£25,790	£150,000	5.8	£ 59,736
Wales		£26,580	£147,500	5.5	£ 54,470
Source: CACi Paycheck		Shortfall between Gwynedd and Wales			£ 5,266

51. With ratios of income to prices standing between 4.3 and 7.4, households wanting to buy with a mortgage must fund larger deposits to reduce the mortgage ratio to affordable levels. Overall Gwynedd with a ratio of 5.8 has a slightly higher ratio than Wales at 5.5.

52. When evaluating households with lower quartile income against lower quartile house prices, the cheapest of properties are also well beyond their means. Lower quartile income to price ratios are higher when compared to the market median with a range of 6.6 – 8.5, and all relatively more unaffordable than the Welsh average as seen in Table 6 below

Table 6 – Lower Quartile House Prices 2017

		Lower Quartile			
		Household Income	House Price	Ratio	Shortfall
Wellbeing Area	Bangor	£14,803	£110,000	7.4	£58,190
	Caernarfon	£15,187	£100,000	6.6	£46,846
	Llŷn	£15,535	£132,500	8.5	£78,127
	Porthmadog	£15,761	£115,500	7.3	£60,337
	Ffestiniog	£12,257	£70,000	5.7	£27,099
	Dolgellau	£14,845	£115,000	7.7	£63,042
	Penllyn	£14,291	£94,500	6.6	£44,482
	Tywyn	£14,701	£106,875	7.3	£55,420
Gwynedd		£14,905	£107,000	7.2	£54,832
Wales		£14,992	£105,000	7	£52,528
Source: CACi Paycheck					

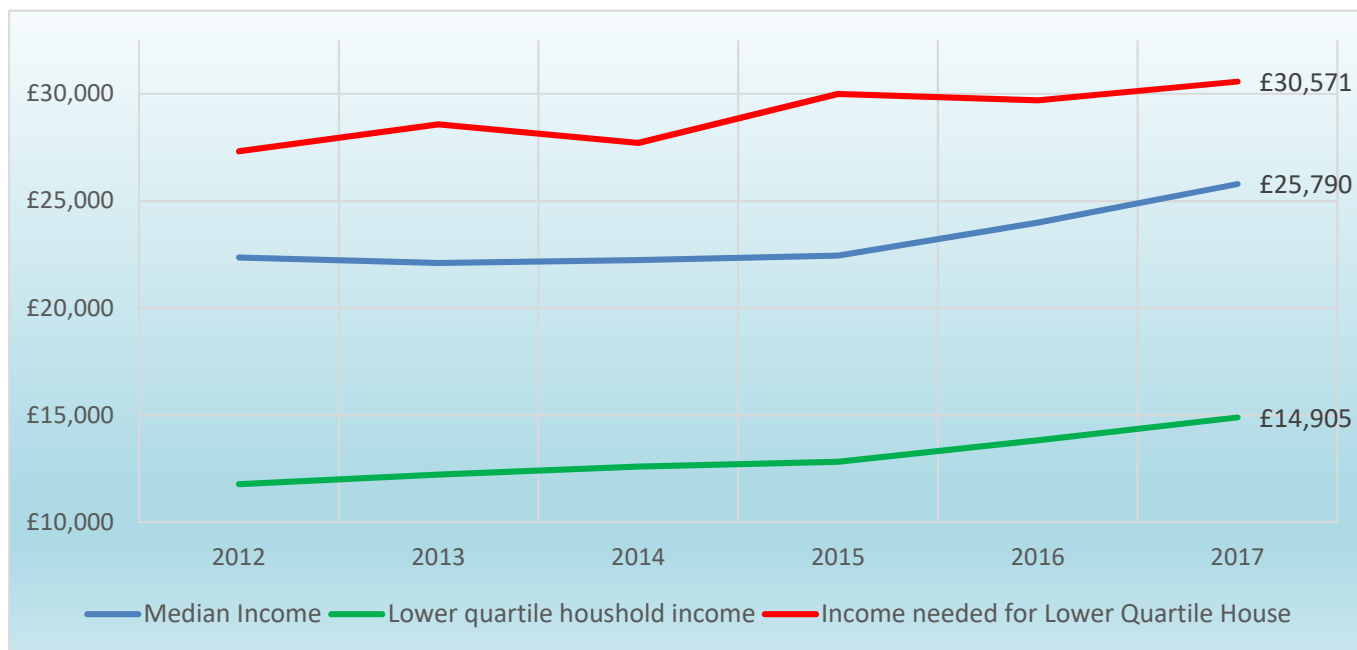
53. Although lower quartile property is cheaper, it is mostly smaller - one bedroom properties and/or converted flats, or property in need of refurbishment. We cannot assume that these smaller, cheaper properties provide suitable accommodation for all purchasers. Availability of these type of properties can also be an issue in some areas.

54. Low household incomes in Gwynedd continue to make affordability of housing challenge for the

majority of households. Chart 4 below examines the income needed to afford lower quartile housing (based on x3.5 income) in Gwynedd and compares its against the actual median and lower quartile incomes within the study area (without taking savings and equity into account). We can see that Gwynedd's median income is £4,781 below the income needed to afford lower quartile housing in the study area. Households on lower quartile incomes will see a shortfall of £15,666 in the income needed to afford lower quartile housing.

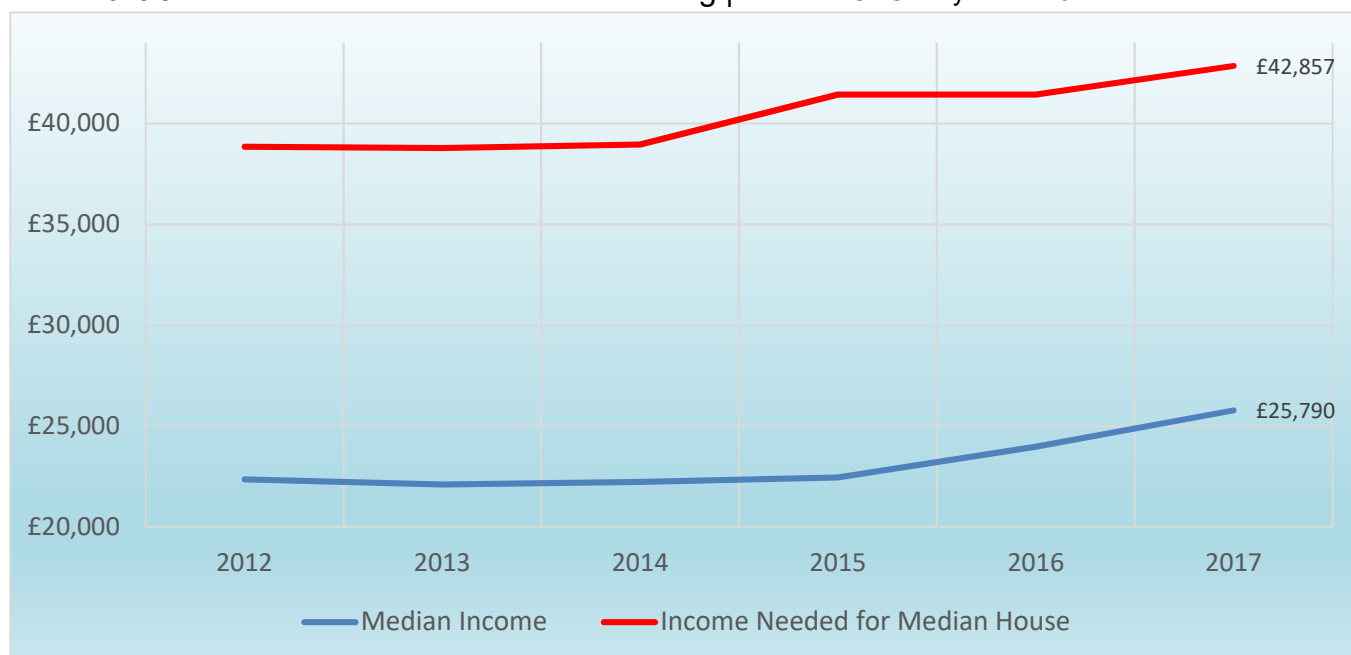
Chart 4 – Income needed for Lower Quartile House Price

Source :CACi Paycheck



55. Based on the same data, Chart 5 below shows there is a short fall of £17,067 between the income needed to afford median housing and actual median income across Gwynedd. As a result, both lower quartile and median priced housing remains at an unaffordable level for households in Gwynedd households without a significant savings or equity..

Chart 5 – Income needed for Median Housing | Source : CACi Paycheck 2017



56. A high degree of households within Gwynedd are unable to afford housing in the open market due to high median and lower quartile prices. Table 6 shows the number and percentage of households priced out of the market within their respective wellbeing areas.

Table 7 – House Price & Households priced out of market in Gwynedd

		Median House Price	Lower Quartile House Price	Households priced out of market (No.)	Households priced out of market (%)
Wellbeing Area	Bangor	£150,000	£110,000	6,769	59.8
	Caernarfon	£141,500	£100,000	7,635	53.6
	Llyn	£195,000	£132,500	6,060	69.3
	Porthmadog	£167,000	£115,500	3,489	61.6
	Ffestiniog	£89,000	£70,000	1,467	48.4
	Dolgellau	£142,500	£115,000	3,248	63.9
	Penllyn	£155,000	£94,500	1,117	55.2
	Tywyn	£142,000	£106,875	2,295	61.2
Gwynedd		£150,000	£107,000	31,803	59.0
Wales		£147,500	£105,000	757,752	56.2
Source : CACi Paycheck 2017			(No. Households which fall below Lower Quartile income needed to buy LQ home)		

Gwynedd House Prices

57. As seen from the table below, 1,781 properties were sold in Gwynedd in 2017. The median house price in Gwynedd in 2017 was £150,000. The detached properties have the highest median price of £230,000, whilst flats/maisonettes are the cheapest type with a median price of £107,000. The % of overall sales of different house types in 2017 shows a higher % of semi-detached (39%) and Flats (20.2%) compared with the overall % of this house types in the whole of Gwynedd being 22.9% and 10% respectively. Whilst the sales of detached is at a similar % level terraced properties stand at 6.1% compared with 31% of the overall housing stock being in this category.

58. Analysis of house sales during 2017 details from Land Registry data provides opportunity to identify median and lower quartile of property types across Gwynedd in tables 7 and 8

Table 8 – Gwynedd House Prices for each property type

Housing Types	Number of Sales	Median House Price	Lower Quartile
Detached	619	£ 230,000	£171,500
Flat	359	£ 107,000	£ 73,500
Semi Detached	694	£ 155,000	£125,400
Terrace	109	£ 111,250	£ 85,000
Source : Land Registry 2017			

Table 9 – Gwynedd House Sales & Prices

Wellbeing Areas	#Sales	Average House Prices	Median House Prices	Lower Quartile House Prices
Bangor	353	£164,390	£150,000	£110,000
Caernarfon	384	£158,862	£141,500	£100,000
Llŷn	287	£240,276	£195,000	£132,500
Porthmadog	244	£190,613	£167,000	£115,500
Ffestiniog	101	£105,947	£ 89,000	£ 70,000
Dolgellau	189	£166,893	£142,500	£115,000
Penllyn	55	£193,395	£155,000	£ 94,500
Tywyn	168	£171,404	£142,000	£106,875
Source : Land Registry 2017				

Gwynedd Intermediate Housing

59. Tai Teg register has been launched in a partnership between the region's housing associations, local authorities, and the National Park Authority to simplify how people apply for an affordable home. Grŵp Cynefin is leading the project on behalf of its partners, Snowdonia National Park Authority and all seven North Wales local authorities.
60. A number of schemes are available for households in employment and earning between £16,000 and £45,000, with some options such as rent to own or shared ownership catering for households with joint income of up to £60,000.
61. An affordable home is one that is provided at less than market value, either for rent or purchase. There are a number of innovative schemes available that will help people get onto the property ladder or secure a rented home. More information is available under www.taiteg.org.uk
62. Tai Teg maintain a register of households in need of affordable properties. The register can therefore show where affordable housing need is greatest, which supports local authorities, housing associations, developers to plan future housing schemes. The options and schemes available are listed below :
63. **Shared equity** is usually offered on properties purchased directly from a developer, housing association / local authority or second-hand properties purchased in the past. The candidate will be required to comply with the eligibility criteria of the Section 106. e.g. local connection. The equity loan can vary, and they would be required to fund the remaining % with a mortgage or a combination of mortgage and savings. The equity loan will be secured against the property, no rent or interest is payable on the loan. A total of 79 shared equity completions have been completed in Gwynedd since 2012
64. **Shared Ownership** is a scheme where households can buy a portion of the home and pay rent on the other share. They can buy an initial share between 25% and 75% of the value of the property they have chosen. A repayment mortgage must be taken for this equity share %. Households can increase their share in the property at any time, and they will be responsible for maintaining the property. The Shared Ownership scheme has been relaunched by Welsh Government in 2018. Previous schemes saw 3 properties coming forward in Gwynedd all within the Caernarfon wellbeing area bought through this scheme.

65. **Intermediate rent** is an intermediate rental option for people who are not in a position to buy a home for various reasons, such as, insufficient deposit or a poor credit history. The scheme is aimed at people in employment and not totally dependent on benefits. Rent is based on a Local Housing Allowance or 80% of the open market rents. Applicants must meet the eligibility criteria and register with Tai Teg. Intermediate rent properties in Gwynedd have been concentrated primarily in Bangor (**18** units) and Caernarfon (**6** units) wellbeing areas
66. **Homebuy** is a scheme supported by the Welsh Government and available to help people buy property on the open market. When their circumstances allows them, they can pay their loan back to Grŵp Cynefin. They will be required to fund up to 70% of the property price, with a mortgage, or a combination of mortgage and savings, minimum deposit of 5%. Grŵp Cynefin typically lend the remaining 30%. The loan will be secured against the property, rent or interest will not be payable on the loan.
67. During the last 5 years of the Homebuy scheme, **37** applicants have received support from this scheme. Table 9 shows the distribution of Homebuy properties within Gwynedd since 2012

Table 10 – Homebuy Properties

Bangor	4	Llyn	0
Caernarfon	18	Penllyn	3
Dolgellau	0	Porthmadog	3
Ffestiniog	1	Tywyn	3
Source – Tai Teg 2018			

68. **Rent to Own** is a scheme where people will be able to buy the home they rent and they can save a lump sum to contribute to a mortgage deposit while they rent their home. They will rent the home in the first place, and they can get 25% of the rent they paid over the tenancy period, and 50% of the increase in the value of the property (if there is an increase) during the period they rent the property - to be used as a deposit to contribute to the purchase of the property. Their agreement for the Rent to Ownership scheme Wales will last for five years. They can apply to buy their home at any time between the end of the second year and the end of the agreement.
69. **Self Build Plots S106** Is a scheme where a plot of land is made available by the Council or landowner to build affordable properties. The persons building the property must reach the eligibility criteria, and will be responsible for all costs of designing and building the home.
70. **Discounted S106 Properties** - This is a scheme where a developer builds houses and sells them on at a discounted price that is lower than the open market. The % discount will be agreed during the planning process. The candidate will be required to comply with the eligibility criteria set out in the Section 106. e.g. local connection. Typically a deposit of between 10% to 20% (subject to requirement of the mortgage lender) is usually required.

Private rented sector

71. In the **private rented sector** (PRS), a household rents a property from a private owner. The rents are dictated by the open market. The proportion of households living in this tenure has increased since the 2001 Census, as seen in table 11 but remains below the Welsh average.

Table 11 – Private Rented Tenures in Gwynedd	Number	% of Gwynedd stock	% of Wales stock
Private Rented Sector 2001 Census	4,927	10.0	7.4
Private Rented Sector 2011 Census	8,060	15.4	14.1
Stats Wales Dwelling Stock Estimate 2016-17 – Privately Rented	10,040	16.2	14.33%
<i>Source : Census & Stats Wales</i>			

72. There are estimated 10,040 dwellings in the private rented sector in Gwynedd. 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 increasingly turning to the private sector to rent which is fuelling demand in this sector.

73. 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. Such properties will need to meet additional criteria in terms of energy efficiency

74. 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 what mortgage repayments would be.

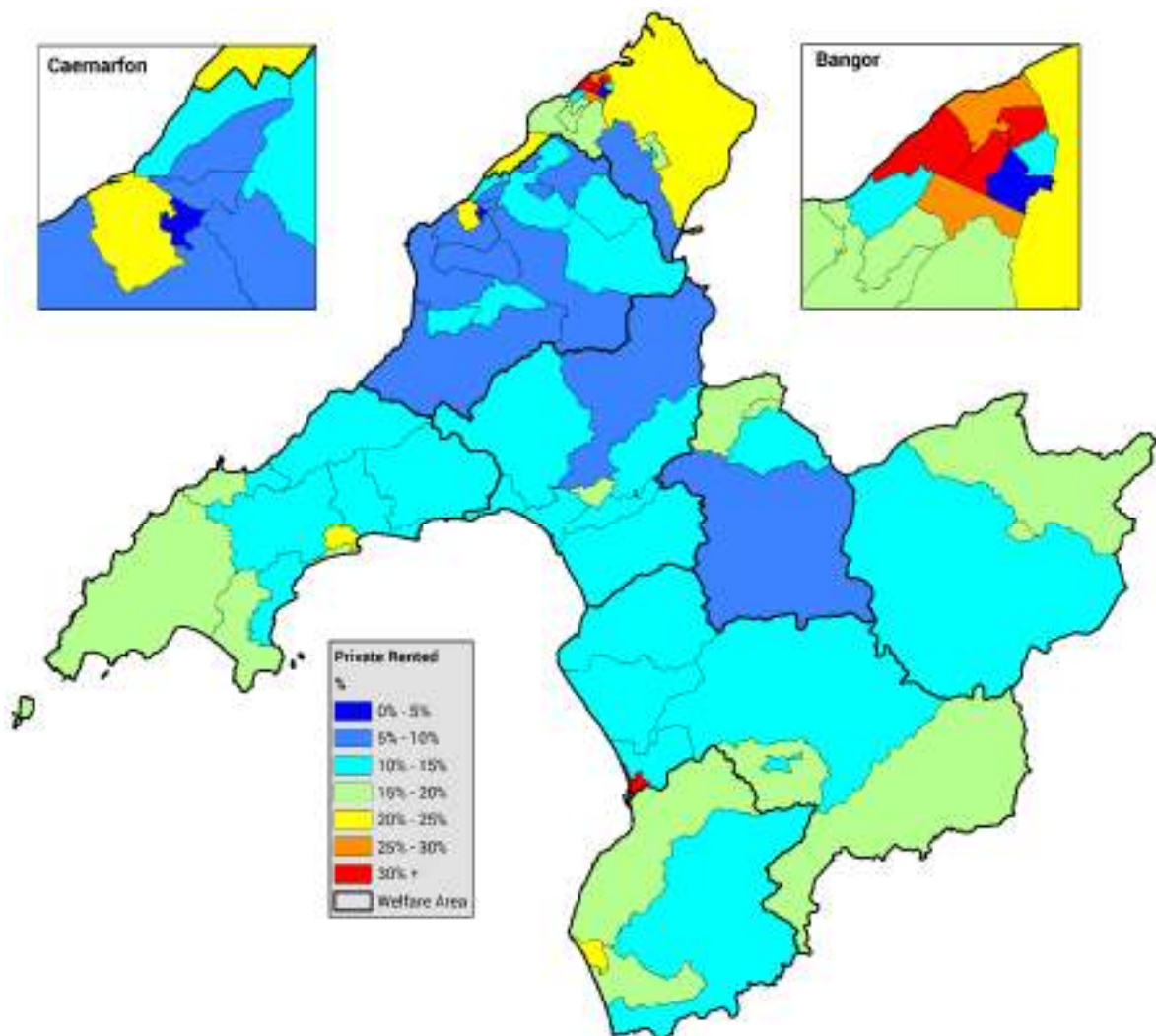
75. There are barriers facing some would-be private tenants. Prospective tenants may need to pass credit reference checks; evidence income levels; provide references and rent payment history. Those with children, pets, who smoke, are under 25 or over 65, may find landlords unwilling to rent to them. There is evidence that some prospective tenants face discrimination because they are disabled, or from an ethnic minority.

76. 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.

77. 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.

78. 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. 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.
79. The 2011 Census confirms that there are 8060 (15.4%) households living in private rented sector in Gwynedd; this is lower than the national figure for England and Wales of 16.7% but larger than the 14% of households that are living in the private rented sector in Wales.
80. Based on the 2011 Census, Map 5 below shows which areas within Gwynedd has the greatest concentration of private rented dwellings.

Map 5 – Gwynedd Private Rented Sector
Source : Census 2011



81. The wards where the PRS plays the most significant role as a proportion of stock are focused around the principal towns and by far the largest are around Bangor due to impact of the University and rented accommodation for students, but also Caernarfon, Blaenau Ffestiniog, Abermaw and Tywyn. There is also a concentration toward the west peninsula in Caernarfon Bay and Cardigan Bay, elsewhere, levels are relatively low.

82. However, the availability of private rented housing in some rural areas is very limited. Where privately owned property can command higher return as holiday lets, or be used as second homes leaving very few available for residential letting and a low level of turnover
83. Over the past 3 years or so, rents have risen steadily driven by the increased demand for rented accommodation and the impact of the rent smart scheme (landlord registration) which has increased the quality of properties coming onto the market.
84. This is not a particularly affordable market very low proportions of properties are within Local Housing Allowances (LHA) levels (an average of 4.9% between 2014 – 2016), although some are likely to be at rent levels just above Local HA levels, as landlords charge between 10 – 20% above LHA levels knowing that households will find the additional rent by other means. Table 12 below shows how average, median and lower quartile rent in Gwynedd is greater than the housing allowances provided in North West Wales or South Gwynedd.

Table 12 – Private Sector Rents and Housing Allowance

Accommodation Type	Private Sector Rent 2017 (£)			Local Housing Allowance - Gwynedd* (£)			Shortfall between averages (PS – HA)
	Average	Median	Lower Quartile	North West	South	Average	
Room in Shared House	373.31	368.33	338	252.67	243.5	248.08	125.23
1 Bedroom	394.05	375	325	310.51	288.33	299.42	94.63
2 Bedroom	472.6	450.02	395	397.56	350.25	373.90	98.70
3 Bedroom	575.69	550	475.02	480.09	425.3	452.69	123.00
4 Bedroom	704.73	637.5	526.25	579.7	495.35	537.52	167.21
Sources: Private Sector Rent - Stats Wales & Housing Allowance - Cyngor Gwynedd				*weekly rates aggregated to calendar month figures		Average shortfall	121.75

Housing in multiple occupation

85. 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 large properties subdivided to create numerous flatlets.
86. 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). Section 56 of the Housing Act 2004 also provides discretionary powers for Local Authorities to designate areas within their districts where they consider that a significant proportion of the HMOs in the area are managed insufficiently as to give rise to problems. Gwynedd Council has exercised these powers and has designated a county wide Additional Licensing Scheme to manage HMOs throughout the district.
87. The majority of shared tenancy arrangements do not come to the attention of the Authority as they have fewer than 5 persons. However, in February 2016 the Town and Country Planning (Use Classes) (Amendment) (Wales) Order 2016 created a new C4 Use Class covering HMOs occupied

by 3 to 6 persons. In broad terms Class C4 covers shared houses or flats occupied by between 3 to 6 unrelated individuals who share basic amenities. This enables Authorities to manage areas subject to high densities of HMOs e.g. areas of student accommodation, with owners of such properties having to apply for a change of use from a residential dwelling to a HMO.

88. There are 1,120 known HMOs across Gwynedd, however there is likely to be as many as 1,400 HMOs. HMO properties are typically private rented, and make up a significant proportion of stock in particular areas such as Bangor where there is a high concentration of student population. Table 13 shows the number of HMO's registered within Gwynedd.

Table 13 – HMO's December 2017	Gwynedd	Wales
Estimate of all HMOs in Authority Area	1,400	18,174
¹ Licensed HMO's	940	
Bangor	87%	
Caernarfon	3%	
Llyn	4%	
Porthmadog	2%	
Ffestiniog	1%	
Bala	1%	
Dolgellau	1%	
Tywyn	1%	
Source – Stats Wales, Welsh Government		
¹ Gwynedd Council Private Housing Service		

Private Sector Rents

89. Information about private rental costs is very difficult to ascertain 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 Gwynedd at the moment. It is believed that a high proportion of properties are let locally by word of mouth and do not include a letting agents. It should be noted that:

- **sample size** – covers fewer than 1/5th 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.

90. Table 14 shows monthly rent levels in 2017 within Gwynedd according to property type/size with a comparison against the Welsh median.

Table 14 – Monthly Rent Levels 2017	Gwynedd				Wales
	Sample Size	Median Rent	Lower Quartile Rent	Upper Quarter	Median
Shared house	780	£ 368.33	£ 338.00	£ 411.67	£325.00
1 Bedroom	314	£ 375.00	£ 325.00	£ 446.28	£425.00
2 Bedroom	861	£ 450.02	£ 395.00	£ 550.00	£500.00
3 Bedroom	637	£ 550.00	£ 475.02	£ 650.00	£550.00
4 bedroom	137	£ 637.50	£ 526.25	£ 800.00	£750.00
Source : Stats Wales, Welsh Government					

91. Notwithstanding the points made above in relation to the quality of the data, it would appear that renting one to three bedroom properties in Gwynedd are either cheaper or match the Welsh median rent levels. The higher level of shared house rental levels seen in Gwynedd probably reflect the impact of Bangor University on rented HMO's in Bangor.
92. A higher median rent in Gwynedd for shared houses indicates a strong HMO market which is supported by the student accommodation market in Bangor.

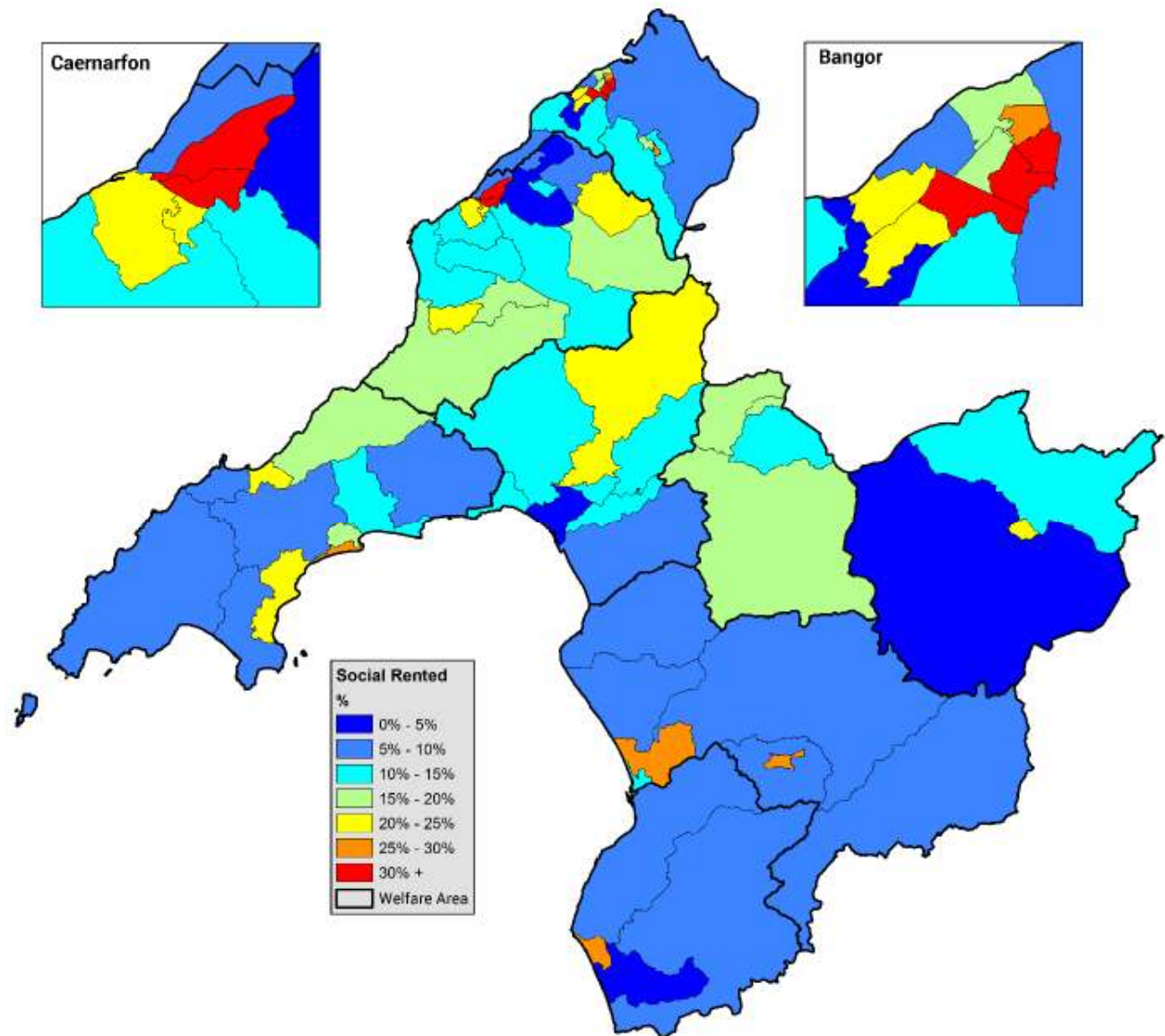
Social housing

93. In the social rented sector a household can apply to a registered social landlord (RSL) to be allocated a home. Allocation of RSL property is allocated strictly in line with established allocations policy, prioritising need of applicants who have registered with the Gwynedd Common Housing Register.
94. Gwynedd Council and each of the RSL's within the Authority area (North Wales Housing, Grwp Cynefin and Cartrefi Cymunedol Gwynedd) have agreed to establish the Gwynedd Common Housing Register Partnership to develop and maintain a common housing register of households in social housing need. The purpose of the Partnership is to have a common housing register with an associated common allocation scheme, supported by the provision of more effective and timely information and advice for applicants. This approach means:
- a single point of access for social housing in Gwynedd
 - a single, easy to understand allocation scheme for all social lettings in Gwynedd
 - applicants being able to make informed choices about the housing options available to them to meet their needs.
 - Allocating our social housing stock in a fair, transparent, consistent and accessible way.
95. Rent levels are regulated by the Welsh Government. 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.

96. Map 6 shows the percentage of social housing (according to 2011 Census) across the Gwynedd authority area.

Map 6 – Gwynedd Social Rented Sector

Source – Census 2011



97. We can see that the highest concentration of social housing can be seen in Gwynedd's primary settlement areas of Bangor and Caernarfon as well as being focused in the primary towns in the more rural areas. Contrary to the high percentage of owner occupiers found in rural areas across Gwynedd, we see that social housing has the lowest percentage in these locations.
98. Table 15 details the registered social landlords operating within Gwynedd. Nearly three quarters (73.1%) of all social stock is managed by Cartrefi Cymunedol Gwynedd (CCG), a housing association established when Gwynedd Council transferred its social housing stock in 2010.

**Table 15 – Social Housing Stock Providers
All Property Types**

	Number	%
Total Stock	8574	
Cartrefi Cymunedol Gwynedd	6268	73.1%
Grwp Cynefin	1464	17.1%
North Wales Housing	842	9.8%

Source: Registered Social Landlords 2018

99. Table 16 details the number of bedrooms within the social housing stock across Gwynedd. Just over half of the stock (53%) has at least three-bedrooms or more, slightly higher than the all-Wales figure of 47%. Just 14% of stock has one bedroom (lower than the Wales percentage of 18%), 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').

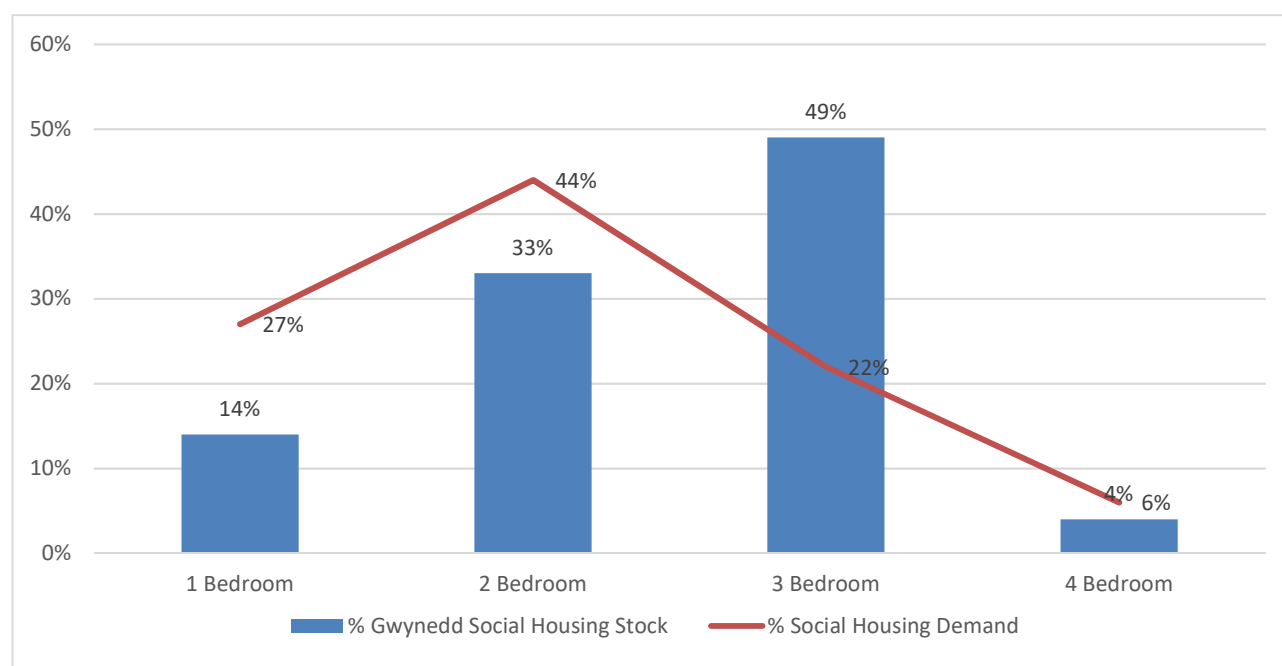
**Table 16 – Social Housing
Stock by number of bedrooms**

	Gwynedd		Wales	Identified need
	Number	%	%	%
One bedroom	1237	14%	18	27%
Two bedrooms	2843	33%	36	44%
Three bedrooms	4170	49%	44	22%
Four bedrooms or more	314	4%	2	6%

Source : Registered Social Landlords & Stats Wales

100. Using data available in Table 16, we can chart the difference between the overall supply of social housing stock against the current identified need as seen below in Chart 6. It clearly shows the demand for smaller bedroomed units is greater than the supply currently available.

Chart 6 - Social Housing Stock and Demand



Social Housing Rents

101. The Welsh Government collects data from Local Authorities and RSLs regarding the cost of social housing, and tables 17 and 18 compare weekly rent levels in Gwynedd with the Welsh average.
102. 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 Gwynedd have higher weekly rent levels than the national average (rents for 'other supported housing' and bedsits are below all-Wales levels). Extra care housing and self-contained bed-sits saw the biggest rise in rent over the past year, with an increase of almost 4.8% and 5.1% respectively.

Table 17 – Average Weekly rent levels for self contained social housing 2017/18	Gwynedd			Wales		
	2018/19	Change Since 2017/18		2018/19	Change Since 2017/18	
	£	£	%	£	£	%
All self contained dwellings	89.48	3.67	4.3%	90.46	4.31	5.0%
By accommodation type						
General needs	90.85	3.68	4.3%	91.01	4.39	5.1%
Sheltered	80.17	3.19	4.1%	83.3	3.61	4.5%
Other supported	79.97	2.23	2.3%	93.26	3.81	4.3%
Extra Care	73.26	5.51	4.8%	136.21	5.21	4.0%
				By dwelling type		
Houses	92.51	3.78	4.3%	94.57	4.69	5.2%
Flats	80.41	3.35	4.3%	83.06	3.65	4.6%
Self Contained bedsits	79.94	3.89	5.1%	78.22	4.04	5.4%
Source: social landlord stock and rents, Welsh Government						

103. Table 18 below shows the changes in rent levels between 2017/18 and 2018/19 within social housing per number of bedrooms in the property. We see that social rent in Gwynedd has increased by an average of 4.3% from the previous year. Wales' national average increase was to 5.1% which is greater than Gwynedd's overall increase.

Table 18 – Rent levels by number of bedrooms (general needs dwellings) 2018/19	Gwynedd			Wales		
	2018/19	Change Since 17/18		2018/19	Change Since 17/18	
		£	%		£	%
All general needs dwellings	89.29	3.68	4.3%	91.01	4.39	5.1%
One bedrooms	72.68	2.93	4.2%	78.41	3.61	4.8%
Two Bedrooms	85.47	3.49	4.3%	88.28	4.28	5.1%
Three bedrooms	93.59	3.9	4.3%	97.06	4.87	5.3%
Four Bedrooms	105.36	4.27	4.2%	111.94	5.4	5.1%
Five Bedrooms	118.54	1.26	1.1%	132.15	4.48	3.5%
Source: social landlord stock and rents data collection, Welsh Government						

Supply of new social housing

104. Gwynedd's Common Social Housing Register and the LHMA calculation show that the need for social housing is growing, and as a result the sector is not meeting the needs of the people of Gwynedd. The majority of new social housing development comes from the Social Housing Grant (SHG) program, funded by Welsh Government to deliver new social and affordable housing to meet the target 20,000 affordable homes. Gwynedd's allocation has been typically £1.4 million per year grant, which has delivered in the region of 50 units annually. Some years have seen a large increase in units delivered due to completion of large extra care units within Gwynedd.
105. Table 19 shows Number of social housing units constructed and brought into the social housing stock under the management of the registered social landlords within the Gwynedd area or delivered by the Social Housing Grant. Social housing units are typically completed during the year following their funding is awarded by the Social Housing Grant. Delivery of new social housing depends on the availability of financial support from the Welsh Government and the ability of the RSL sector within Gwynedd to bring housing schemes forwards for development.

Table 19 – Social Housing Units Completed in Gwynedd	Year	Units Completed
	2014/15	144*
	2015/16	48
	2016/17	54
	2017/18	52
	2018/19	86

Source : Social Housing Grant Programme, Gwynedd Council

*Extra Care Allowance

Comparing Private and Social Rent levels.

106. Private and Social rent levels vary across Gwynedd. Table 20 - 22 compares the current median PRS cost with Local Housing Allowances (LHA) within Gwynedd 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. Unaffordable rents in the private sector leads to greater demand of social housing.

Table 20 –Monthly Rental Comparison North West Wales 2016

	Private Renter Sector (median)	LHA (North West Wales)	Shortfall between PRS & LHA
1 bedroom	£375.00	310.51	64.49
2 bedrooms	£450.02	397.56	52.46
3 bedrooms	£550.00	480.09	69.91
4 bedrooms	£637.50	579.7	57.80

Source : Stats Wales

Table 21 - Monthly Rental Comparison South Gwynedd 2016

	Private Renter Sector (median)	LHA (South Gwynedd)	Shortfall between PRS & LHA
1 bedroom	£375.00	288.33	86.67
2 bedrooms	£450.02	350.25	99.77
3 bedrooms	£550.00	425.30	124.70
4 bedrooms	£637.50	495.35	142.15

Source : Stats Wales

Table 22 - Private & Public Sector Rents Comparison

	Social Rent¹	Shortfall between PRS & Social rent	%
1 bedroom	314.95	60.05	-19.0%
2 bedrooms	370.37	79.65	-21.5%
3 bedrooms	418.56	131.44	-31.4%
4 bedrooms	456.56	181.94	-39.8%

Source : Stats Wales

¹Social Rent aggregated from weekly averages

3. Demographic Profile

Summary Key Findings

16. Gwynedd's population increased by 4.3% between 2001 and 2011. Welsh Government estimates this number will continue to increase.
17. There has been an increase in number of people over the age of 80 by 96% in the last 30 years, with the highest increases in the **Porthmadog, Dolgellau and Tywyn** wellbeing areas.
18. 10% fewer children under 16yrs in Gwynedd than in 2011 when compared to 1981.. Similar to decline in Wales as a whole.
19. Increase in older age group is expected to continue, as people live longer and move into area. In 20 years it is expected that there will be an additional 60% of over 80's living in Gwynedd. Leading to demand for accommodation more suitable for this age group.
20. Increase in population between 16 – 64 (working age) will only be 0.2% between 2018 and 2023

Response / Action

- a) Demographic profile and findings to be reviewed and updated during the mid term review with available data
- b) Provide residential units that are suitable for the change in the demographic profile of the area.

107. Drawing from the [Gwynedd Wellbeing Plan 2017](#) : around 122,000 people live in Gwynedd.
108. The number of people who live in the county has increased by 14.8% between 1981 and 2011 this is higher than the increase seen in the population of Wales as a whole (11%) during the same period.
109. The increase hasn't been the same for all age groups. The number of people over the age of 80 has increased by 96.2% in 30 years, with the highest increase in the Porthmadog area (**128.3%**), with the areas of Dolgellau and Tywyn seeing similar growth (**127.2%**). However, there are 10.1% fewer children under the age of 16 in Gwynedd than there were 30 years ago. This figure is similar to the decline seen in Wales (10.1%) as a whole, but some areas of Gwynedd has seen a much sharper fall in numbers – for example in Ffestiniog there are **25.3%** fewer children under the age of 16 than there were 30 years ago.
110. The increase in the older age group is expected to continue with people living longer and moving into the area. In 20 years it is expected that there will be an additional 60% of over 80s living in Gwynedd, but the increase in the populations aged between 16 and 64 will only be 2%.
111. Table 23 below provides an age profile for Gwynedd which provides a picture of the population of the study area based on the 2011 census compared to the rest of wales.

Table 23 – Gwynedd Age Profile

	Gwynedd		Wales	
	number	%	number	%
All usual residents	121,874	100.0	3,063,456	100.0
Age 0 to 4	6,819	5.6	178,301	5.8
Age 5 to 7	3,748	3.1	99,429	3.2
Age 8 to 9	2,430	2.0	63,650	2.1
Age 10 to 14	6,610	5.4	177,748	5.8

Age 15	1,344	1.1	37,168	1.2
Age 16 to 17	2,784	2.3	77,111	2.5
Age 18 to 19	4,220	3.5	84,841	2.8
Age 20 to 24	9,719	8.0	211,924	6.9
Age 25 to 29	6,472	5.3	185,728	6.1
Age 30 to 44	20,714	17.0	570,894	18.6
Age 45 to 59	23,341	19.2	609,233	19.9
Age 60 to 64	8,533	7.0	204,885	6.7
Age 65 to 74	13,130	10.8	300,550	9.8
Age 75 to 84	8,565	7.0	187,434	6.1
Age 85 to 89	2,278	1.9	49,360	1.6
Age 90 and over	1,167	1.0	25,200	0.8
Mean Age	41.6		40.6	
Median Age	42.0		41.0	
Source : Census 2011				

Population Change and Projections

112. During the period between the 2001 and 2011 Census, Gwynedd's population has increased by 5,028 which is an increase of 4.31% as noted in Table 24. Welsh Government figures expect this number to continue rising as is also shown in Table 24

Table 24 – Gwynedd Population Change	2001	2011	% Change	Projected 2018
Gwynedd	116,843	121,874	4.31%	123,660
Wales	2,903,085	3,063,456	5.52%	3,124,784
Source : Census 2001 & 2011, Welsh Government mid-year population estimates 2014				

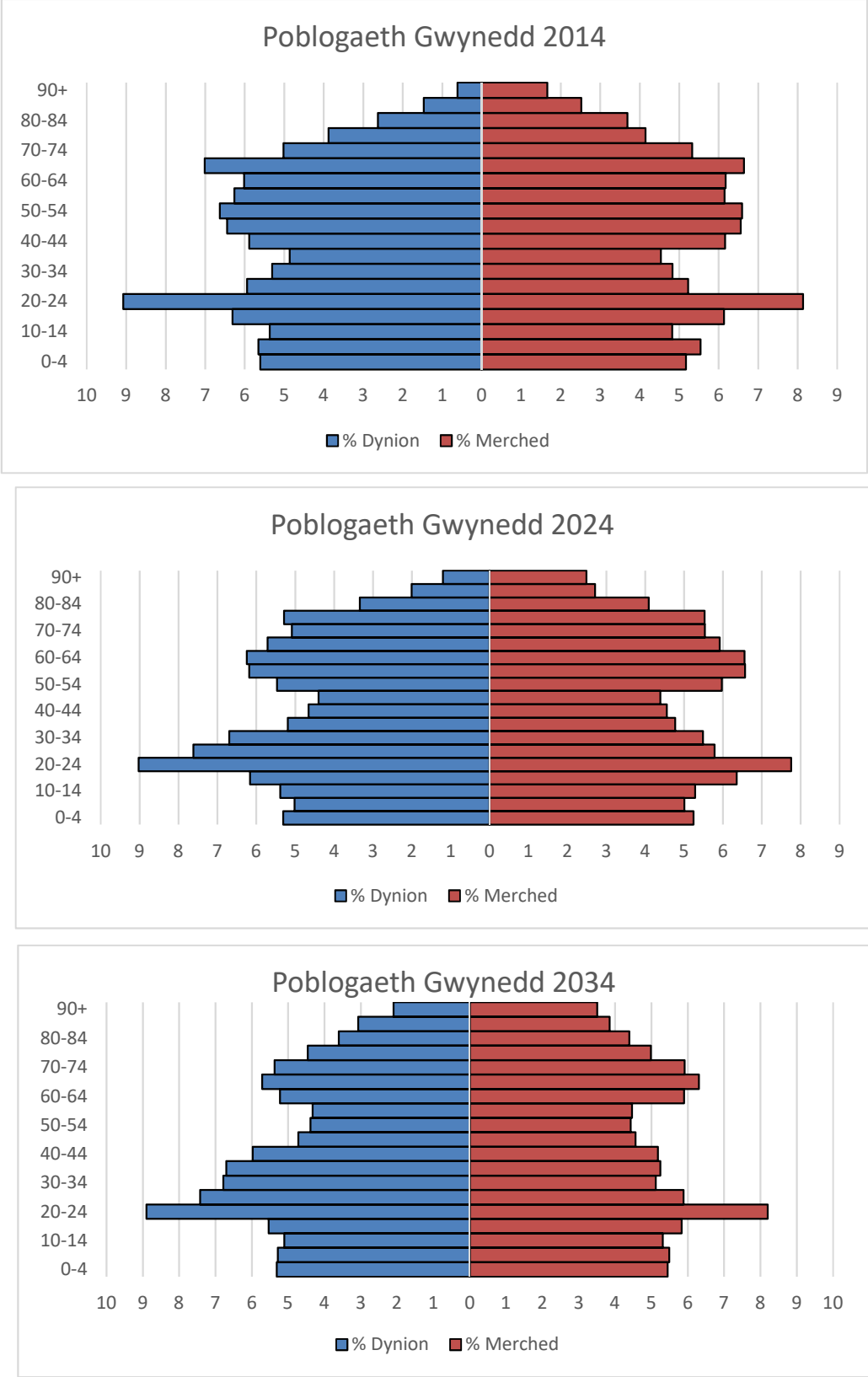
113. Population projections examine past and current population trends and try to predict what the population might look like in the future if these trends continue. In 2014 the Statistical Directorate of Welsh Government produced a set of projections based on the characteristic of the population at unitary authority level.
114. Table 25 details how Gwynedd's population is expected to change during the duration of this assessment and the to the end of the next decade. More detailed analysis to show changes within identified local housing areas is not currently possible as Welsh Government projections do not provide data below local authority level. The percentage of the 16-64 age category decreases from 59.8% in 2018 to 56.3% in 2035 whilst the age category 65+ increases from 23.3% in 2018 to 26.7% in 2035.

Table 25 – Broad Age Groups For Population In Gwynedd

	2018	2023	2030	2035
Wales	3,124,784	3,168,551	3,220,698	3,245,614
Gwynedd	123,660	125,710	128,901	131,014
Aged 15 or under	20,868	21,081	21,478	22,289
Aged 16 - 64	74,023	74,180	74,038	73,795
Aged 65 +	28,769	30,449	33,384	34,930
Sources: mid-year projections of population 2014 based (Welsh Government)				

115. Chart & below provides analysis of projected demographic changes showing changes in % of men and women from 2014, 2024 to 2034 shows how the number of older individuals is expected to increase

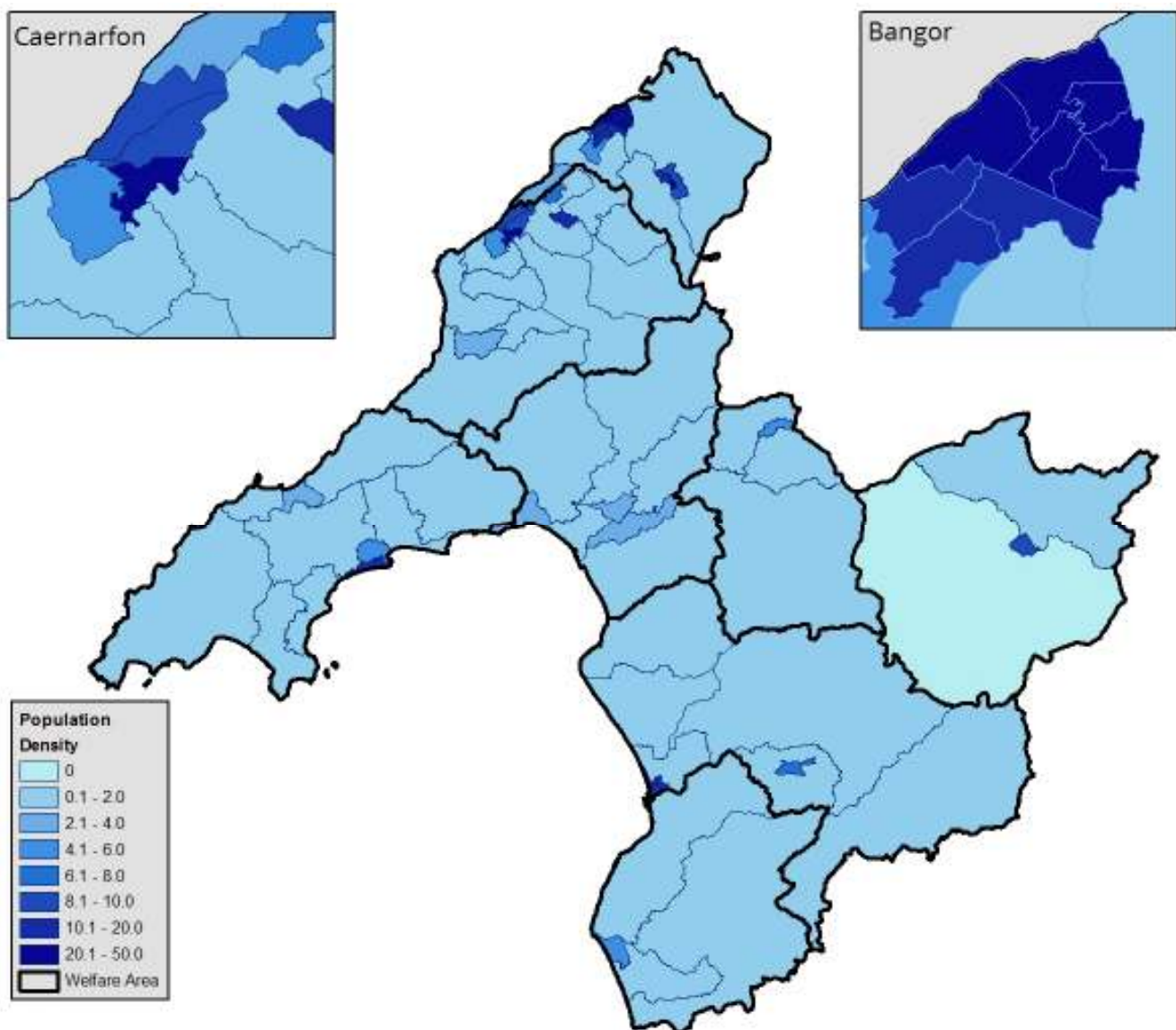
Chart 7 – Population demographic breakdown for Gwynedd – 2014, 2024 & 2034



Population Density

116. Based on 2011 Census data population density across Gwynedd is low with an average of 0.5 persons per hectare. The highest density wellbeing areas are Bangor (2 persons per hectare) and Caernarfon (1 persons per hectare) with the lowest are being Penllyn(Bala) at 0.1 persons/hectare.
117. Representing a comparatively more urban environment, the primary settlement areas in Gwynedd are within the Bangor and Caernarfon wellbeing areas which account for 50.52% of the overall population. This includes 5 centres identified within Gwynedd's Local Development Plan (Sub regional Centre, Urban and Local Service Centres). The rural wellbeing areas of Llyn, Porthmadog, Ffestiniog, Tywyn, Dolgellau and Penllyn include 9 smaller urban and local service centres.
118. Map 7 below shows the population density within each of the established wellbeing areas.

Map 7 – Population Density By Wards within Wellbeing Areas



4. Household Income

Summary of Key Findings

21. Median and lower level incomes across Gwynedd mostly fall below Welsh figures
22. Lowest incomes in Gwynedd are found within the wellbeing area of Ffestiniog.
23. Highest incomes in Gwynedd are found in the wellbeing areas of Bangor, Caernarfon, Llŷn and Porthmadog.
24. 76.7% are economically active in Gwynedd, higher than 76.5% across Wales
25. 21.8% in Gwynedd are self employed, considerably higher than 13.3% across Wales.
26. Claimants for Housing Benefit in the Social Rented Sector in Gwynedd is 72.5%, higher than Wales at 68%.
27. Welfare reform is likely to leave average working-age household in Gwynedd £45 per week worse off by 2020.

Possible Response / Action

- e) Roll out of welfare reform should be monitored to ensure the impacts are understood and mitigation measures identified.
- f) findings to be reviewed and updated during the mid term review with available data

119. The median annual household income for Gwynedd is slightly below the annual median income for Wales according to CACi paycheck figures for 2017. Table 26 below shows the median and lower quartile household income in Gwynedd for 2017

Table 26 – Annual Household Incomes	Median	Lower Quartile
Gwynedd	£25,790	£14,905
Bangor	£26,015	£14,803
Caernarfon	£26,655	£15,187
Llŷn	£26,525	£15,535
Porthmadog	£26,787	£15,761
Ffestiniog	£20,704	£12,257
Dolgellau	£25,365	£14,845
Penllyn	£24,467	£14,291
Tywyn	£24,836	£14,701
Wales	£26,580	£14,992

Source : CACi PayCheck 2017

120. Median income across Gwynedd's Wellbeing areas mostly fall below the median figure for Wales. The wellbeing areas with the largest settlements have the highest median incomes in Gwynedd i.e. Bangor, Caernarfon, Llŷn and Porthmadog. While Ffestiniog is well below the Wales figure.

Employment

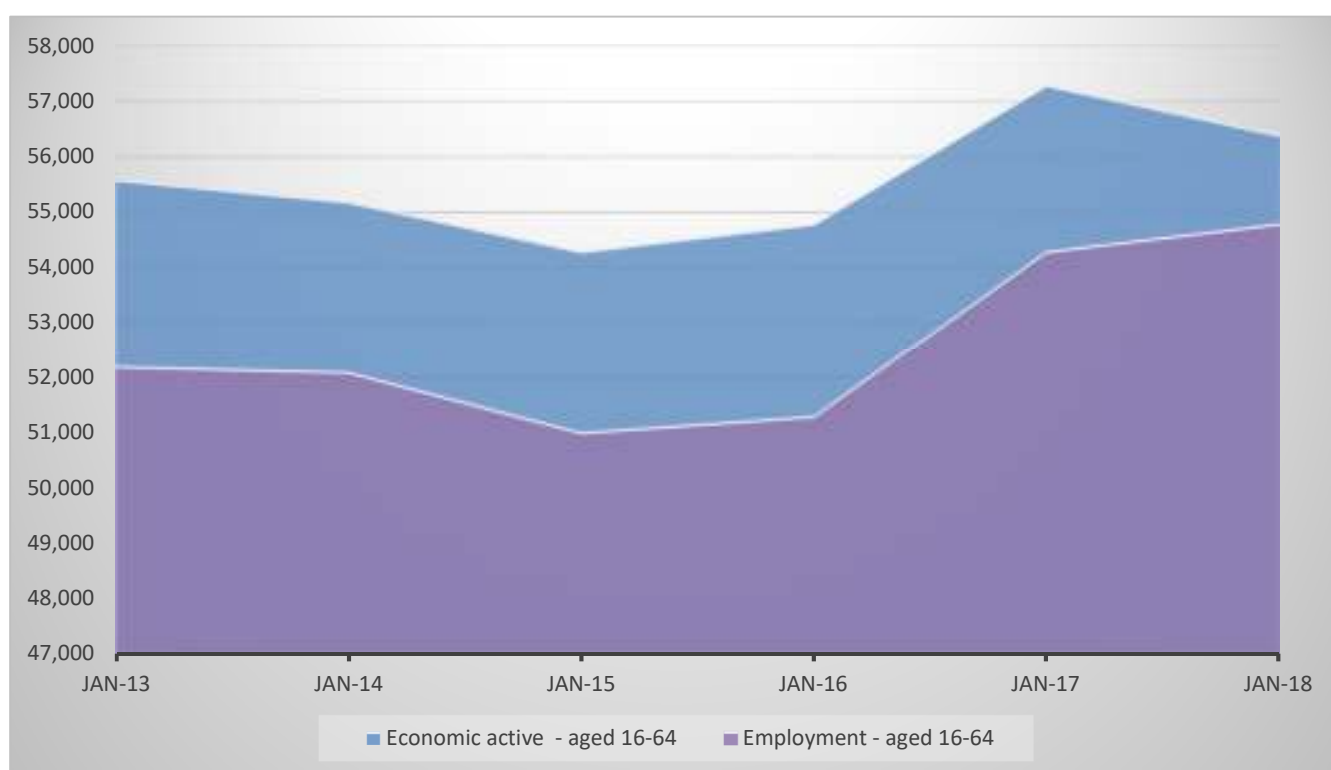
121. Economic activity of people aged between 16 – 64 is generally in an upward trend in Gwynedd with 76.7% active in March 2018, table 27 below. This figure does however fall below the North Wales (78.3%) average and only just exceeds the overall Welsh figure for economically active (76.5%)

Table 27 – Economically Active Gwynedd (%)	Year Ending March 2017	Year ending March 2018
Gwynedd	77.9	76.7
North Wales	75.9	78.3
Wales	74.8	76.5
Source – Stats Wales		

122. Chart 8 below details the total number of economically active residents (people in work or unemployed) in Gwynedd and the number of residents in employment. There is an increasing trend in the number of Gwynedd residents in employment. The difference between residents who're economically active and those in employment has begun to reduce between 2017 and 2018.

Chart 8 – Total Economically Active in Gwynedd

Source – Annual Population Survey (NOMIS)



123. Table 28 below details the employment status of all economical active residents in Gwynedd compared to Wales. The number of people in the workforce who are self-employed is estimated at about 12,000 persons – around 21.8% of the workforce which is higher than the Welsh average at 13.3%

Table 28 – Economic Activity
April 2017 - March 2018

	Gwynedd	%	Wales %
All People aged 16 - 64	73400		
Economically Active	56400	76.7	76.5
In Employment	54800	74.6	72.7
Employees	42600	77.7	85.9
Self Employed	12000	21.8	13.3
Economically Inactive	17100	23.3	23.5
Source – Annual Workforce Survey			

124. Table 29 details the number of working age benefit claimants resident in Gwynedd compared with Wales at November 2016. We can see that the number of claimants within Gwynedd falls below the Wales average in each of the identified benefits.

Table 29 – Working age client group benefit claimants

	Gwynedd		Wales	
	Number	%	Number	%
Total Claimants	7820	10.5	276,950	14.4
Job Seekers	950	1.3	26,650	1.4
ESA and incapacity benefits	4530	6.1	162,350	8.4
Lone Parents	630	0.9	23,030	1.2
Carers	1190	1.6	42,820	2.2
Others on income related benefits	160	0.2	4,200	0.2
Disabled	210	0.3	14,180	0.7
Bereaved	140	0.2	3,710	0.2
Key out-of-work benefits	6280	8.4	216,240	11.3
Source : Nomis Nov 2016				

Housing Related Benefits

125. Table 30 shows the number of housing benefit recipients living within both the social and private sectors in Gwynedd compared with those in Wales. The proportion of all recipients who live in the social rented sector is much higher than for Wales, and the proportion of recipients in the private sector is lower than in Wales.

Table 30 – Housing benefit recipients

	Gwynedd		Wales	
All housing benefit recipients (Nov 2017)	7321		227,775	
In social rented sector	5306	72.5%	156,309	68.6%
In private rented sector	2013	27.5%	71,461	31.3%
Source: housing benefit statistics, Department of Works and Pensions				

The Impact of Welfare Reform

126. Welfare reform has a direct impact on the ability of households to afford their housing costs. An assessment of how welfare reform affects household income in Gwynedd was commissioned in 2017. Summary of the reports findings, produced by Policy in Practice are given below.
127. Based on information and data provided, main welfare reforms implemented before 2017 in Gwynedd have seen households incomes fall by an average of £8.43 per week.
128. In 2017, there will be 352 households in Gwynedd categorised as experiencing a 'high' impact of welfare reform. These households will face an income reduction of over £30 each week compared to before the reforms were implemented. Working age households make up 73% of all high impacted households with the remaining being pensioners experiencing an income loss due to the local housing allowance cap. Impacts on households in Gwynedd can be categorised as low (reduction between £1 and £15), medium (between £15 and £30) and high (over £30)
129. The report anticipates the real impact of welfare reforms based on the combined effect of inflation and freezing of benefit rates where it is believed that the average working-age household in Gwynedd can expect to be £45.82 per week worse off in 2020 compared to 2017.

5. Housing Need

Summary Key Findings

28. It is projected that an average of **303** new households will be formed each year in Gwynedd from 2018-23
29. Approx 1900 applicants have registered for Social Housing in Gwynedd.
30. There is housing need across all tenures, especially smaller property types and social housing.
31. 71% on Social housing register requested 1 or 2 bedroom properties, however there is a shortage of 24% in social housing stock.
32. The impact of welfare reform, will see increase in families turning to the social housing sector as private rents become unsustainable and increase need for larger properties.
33. 60% of homeless applicants in 2018 were single individuals
34. Supply of social housing does not meet requirements of homeless needs.
35. If development of Wylfa Newydd is restarted, it is expected to increase housing demand in Bangor and Caernarfon areas.

Possible Response / Action

- a) Review intermediate demand following re-launch of Tai Teg register
- b) Need for additional supply across all tenures is clear from data available especially in social and intermediate sectors;
- c) More diversity of type and size of housing is needed generally in correlation to demographic & household demand in Gwynedd
- d) Impact of Wylfa Newydd will need to be monitored closely with mitigation measures identified.
- e) Findings to be reviewed and updated during the mid term review with available date.

Future Housing Need

130. Population projections for Gwynedd indicate that the total population will grow marginally over the next five years with an overall growth in the longer term to 2035. Projections also show that the number of children living in Gwynedd will steadily increase 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.
131. Table 31 outlines the Welsh Government household projections for Gwynedd over the next five years.

Table 31 – Projected Change in number of Gwynedd households

	Number
Projected number of households 2018	54,202
Projected number of households 2023	55,716
Total Change in number	1,514
Annual average increase	303
Source : 2014- based household projections for Wales, Welsh Government	

132. It is projected that an average of 303 new households will form each year over 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 Gwynedd each year

Backlog of Social Housing Need

133. 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 Gwynedd Common Housing Register and Tai Teg affordable housing register, to see how many households are already in need of affordable housing and the types of properties they require.
134. In September 2012 the Gwynedd Common Housing Register was established. It brought together the separate waiting lists held by each RSL operating in Gwynedd and the Council's waiting list. Drawing data from the Common Housing Register provides a more robust evidence base to calculate housing need within the LHMA. The number of applicants on the Gwynedd Common Housing register since it was first introduced has remained fairly constant at around 2000.
135. Table 32 details the demand for social housing according bedroom size for each market area, as per applicant choices.

Table 32 – Social Housing demand in Wellbeing areas according to bedroom size

Wellbeing Areas	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Bangor	288	457	242	65
Caernarfon	256	440	238	66
LLyn	129	193	107	30
Porthmadog	149	229	115	35
Ffestiniog	47	55	30	5
Dolgellau	95	151	62	21
Penllyn	32	47	17	5
Tywyn	58	103	38	9

Source – Gwynedd Housing Options Team

Note: Double counting potential as applicants can choose multiple selections within relevant selected bedroom category i.e. can select 1 bedroom bungalow, house, or flat, as well as multiple locations.

136. The demand for social housing is highest along the most populated settlements in Gwynedd, and is particularly high within the Caernarfon and Bangor wellbeing areas. Applicants for social housing can choose up to five areas to be housed, this improves their prospect of rehousing, as they will be considered for appropriate housing across a number of areas.
137. Hidden housing need can also be present although difficult to quantify. Households in social housing need may not register for housing if social housing stock is not present in the areas where it is needed.
138. Applicants who limit their choices to very specific areas reduce their chances of being rehoused, and are likely to experience a longer waiting time before receiving a suitable accommodation offer.

139. Drawing from the data available in the common housing register, it is also possible to identify the type of properties needed as seen in the table 33 below which shows the demand for 1,2 and 4 bed units to meet needs :-

Table 33 – Need for housing units according to size

Housing Size	Social Housing Stock		Identified need %	Shortfall %
	No.	%		
1 Bedroom Unit	1237	14%	27%	13%
2 Bedroom Unit	2843	33%	44%	11%
3 Bedroom Unit	4170	49%	22%	-27%
4 Bedroom Unit	314	4%	6%	2%
Source: Gwynedd Housing Options Team				

Note: there can be duplication as applicants can choose one or more bedroom sizes.

140. Social housing tenants in receipt of housing benefit are penalised for under occupying their properties by the spare room subsidy, or 'bedroom tax' where they must pay the shortfall difference between their housing benefit award and their weekly rent on any additional bedrooms they have in their home which are more than their household requires. Applicants who apply for a property with more bedrooms than they require will need to demonstrate that they can afford the rent payments before being offered a tenancy.
141. The average time spent on the housing register before an offer of accommodation is made is **435** days.

Backlog of Intermediate Housing Need

142. During 2018 Tai Teg relaunched their registration process and requested applicants resubmit applications to the new register. This exercise will ensure the data held by Tai Teg reflects the affordable housing need with greater accuracy across Gwynedd. Whilst historical (pre 2018) data from the Tai Teg Register is available it has not been used within this report.
143. During the first year of the new registers operation, interest has peaked in locations where intermediate housing has become available. Following additional marketing and promotion to encourage registration, 140 applications have been accepted onto the intermediate housing register.

Future of demand from single people and large families

144. 71% of all applicants to the social housing register requested 1 or 2 bedroom accommodation. However 1 and 2 bedroomed accommodation accounts for **47%** of the stock.
145. With welfare reform measures being introduced, families with 3 or more children, especially where there is a lone parent will feel the impact relatively acutely. Consequently families are and will be turning to the social housing sector as private rents become unsustainable.

Overcrowding & under-occupation

146. The 2011 Census provides some information about overcrowding as seen in table 34 below. Households who live in overcrowded accommodation may require re-housing or help with adaptations to their homes. There are two measures of occupancy rating, either based on the number of rooms in a household's accommodation, or based on the number of bedrooms.
147. 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 and the house is overcrowded.

Table 34 –
Overcrowding

	Occupancy rating (rooms) of -1 or less		Occupation rating (bedrooms) of -1 or less		Average household size	Average number of bedrooms per household
	Number	%	Number	%		
Bangor	847	7.8	432	4.0	2.4	2.9
Caernafon	532	3.9	337	2.5	2.3	2.9
Llyn	343	4.0	194	2.3	2.2	3.0
Porthmadog	225	4.0	117	2.1	2.1	3.0
Ffestiniog	134	4.5	71	2.4	2.1	2.8
Dolgellau	238	4.7	116	2.3	2.1	2.9
Penllyn	50	2.6	36	1.9	2.2	3.0
Tywyn	121	3.2	55	1.5	2.0	2.9
Gwynedd	2,490	4.7	1,358	2.6	2.2	2.9
Wales	67,264	5.2	38,171	2.9	2.3	2.9

Source : 2011 Census, table KS403

148. Data from census 2011 shows that approximately 2,500 households could be classed as overcrowded by using the 'all rooms' definition and 1,360 households under the 'bedrooms' definition. The rates of overcrowding in Gwynedd are slightly lower than across Wales. We can see that the highest rates of overcrowding in either definition can be found in Bangor and Caenarfon.
149. Social housing tenants who're eligible for housing benefit and under occupy their home currently receive a reduction in their housing benefit payments, depending upon how many bedrooms they have spare. This only applies to claimants who are of working age, claimants who are over the qualifying age for state pension are exempt. Some applicants affected have been able to claim a discretionary housing payment to help them cover the reduction in their housing benefit payments, however this is not a long term solution and tenants must ultimately downsize.

Homelessness

150. In 2018, Gwynedd Council held a Homelessness Review meeting the requirements of the Housing (Wales) Act 2014. The review provides a basis for a strategic approach to tackle and prevent homelessness in Gwynedd. The review and its executive summary are available for viewing upon request. The key findings of the review included :-
- There's a very high proportion of single people who're homeless or threatened with homelessness. 60% of applications for assistance in 2018 from single applicants.
 - Specific housing option and prevention solutions will need to be developed to meet the needs of single people. Single people often present with multiple and complex needs.
 - There is a high demand for social housing and a mismatch between the social housing stock provision and the demand for this accommodation. This is especially the case for two bedroom accommodation with demand significantly outweighs supply.
 - Housing solutions customers are finding it increasingly difficult to access private rented accommodation, due to affordability, a competitive market and reluctance from landlords to accept tenants in receipt of benefits.
151. These challenges are expected to be intensified with the Wylfa Newydd Development which will generate additional demands for private rented accommodation in the area.
152. In Gwynedd the annual rough sleeper count has increased each year for the last 3 years with 33 estimated in 2017. Nationally the Welsh Government estimates that rates of rough sleeping rose by about 25% between 2016 and 2017 (stats.wales.gov.wales; Rough sleepers by local authority).

Impact of Wylfa Power Station on low-income private tenants

153. Anglesey, Gwynedd and Conwy Councils and the Welsh Government commissioned Policy in Practice to produce a report on the impact of the Wylfa Power Station on low-income private tenants in North West Wales. This was specifically in order to understand the impact of a sharp increase in rents, and to have the opportunity to act to ensure the impact on low-income households is mitigated.
154. The analysis is based on household level data that captures the income, employment and housing circumstances of 2,766 households living near the site of the Wylfa power station, in what the government has identified as the key impact area.
155. The key impact areas in Gwynedd are mostly in the Bangor and Caernarfon Wellbeing areas. There is concern that demand for housing will increase during construction of the new power station, which will impact vulnerable residents in the area. The cap on the LHA rates, the benefits freeze and increasing inflation, in addition to increasing rents, mean that many private renters in the key impact area will find themselves in a situation of rising costs, without the resources to cover them.
156. Without efforts to mitigate the impact on low income households, poverty will likely become more widespread in the area. An increasing number of households will struggle with a growing number of families at risk of eviction and homelessness. This analysis estimates the total costs of homelessness to the 3 local authorities at £1.1million.
157. In January 2019 Horizon announced that it was delaying the development of Wylfa Newydd. If circumstances with the development change and development restarts, it may be necessary to reevaluate the effect of Wylfa Newydd on the local housing market.

6. Specialist Housing Needs

Summary of Key Findings

36. The over 80's population is expected to grow, and increase the need for suitable and accessible housing options.
37. Less than 10% of social housing stock has some form of adaptation, this does not represent fully accessible accommodation

Response / Action

- a) Identify areas for developing housing for older & vulnerable people.
- b) Increase number of accessible accommodation adaptations
- c) Provision of additional accessible properties and lifetime homes
- d) Findings to be reviewed and updated during the mid term review with available date.

158. The LHMA intends to capture the entire housing market, and not just affordability requirements in terms of open market and affordable housing. Specialist housing need covers a variety of housing provision including property types, care and support needs.

Adapted/Accessible Housing

159. In May 2018 there were 350 applications submitted to the Gwynedd Social Housing Register who are in need of adapted housing. The level of adaptations vary depending on the individual needs of the applicants. Applicants can register for adapted housing in multiple areas to increase probability of nomination for suitable social housing.

160. Table 35 shows the number of adapted housing within Gwynedd's wellbeing areas.

Table 35 – Adapted/Accessible Housing Stock

Well Being Areas	Social Housing Stock With Some Adaption
Bangor	324
Caernarfon	311
Llyn	41
Porthmadog	36
Ffestiniog	28
Dolgellau	11
Penllyn	7
Tywyn	5

Source :- Gwynedd Registered Social Landlords

Note: Less than 10% of total social housing stock has some form of adaptation. The numbers do not represent fully accessible accommodation available.

Given the changes in population demographics and low level of stock with adaption then further supply will be required

Older Persons

161. Tables 24 and Chart 6 show that Gwynedd's older population is expected to continue increasing according to Welsh Government population estimates. Improved health and wellbeing is contributing to increasing life expectancy and the baby boomer generation reaching this age group are factors contributing to the expected increase in this demographic. With an expected increase in the number of older persons, it is important to ensure their housing needs are identified and met
162. There are several different accommodation options currently available for older people over 55 years of age in Gwynedd such as :-

Extra Care Housing

163. Extra Care Housing is a purpose built accommodation which offer tenants self-contained apartments with communal facilities e.g. a lounge, restaurant, hairdressers, laundry and hobby room. It is an effective way to meet older people's need by offering independence, choice and timely support. It provides a safe, private and secure environment with on-site care and support provision, according to the tenants needs.
164. Gwynedd Council have worked in partnership with Housing associations to develop Extra care developments in Y Bala (30 Flats), and in Bangor (42 Flats) and a new development (40 flats) is opening in Porthmadog by the end of 2018.

Sheltered Housing

165. Supported housing is an accommodation model for older people, with (or sometimes without) a Manager or Warden available on site, office hours only. It creates a secure and supportive environment in the Community so that older people can continue to live independently and receive support as and when required.

Residential Homes

166. Residential homes offer a safe and secure accommodation with 24 hour care. Individuals have their own bedrooms, and share communal dining room and lounge.

Nursing Homes

167. Nursing homes offer a safe and secure accommodation with 24 hour registered nursing care, for older people with complex health needs.
168. There are currently 36 Residential and Nursing Homes in Gwynedd with a total of 1,051 beds. Breakdown of the homes is shown below in table 36.

Table 36 – Number of Residential & Nursing Homes per Wellbeing Area

Bangor	5	Ffestiniog	1
Caernarfon	10	Dolgellau	2
Llyn	6	Penllyn	1
Porthmadog	7	Tywyn	4
Source : Gwynedd Council			

169. 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, but may need adaptations in the future.

Vulnerable Persons Accommodation

170. The Council's Strategic Plan notes that vulnerable adults should have a choice of suitable support for them to live independently in the community, and should have a broader choice of accommodation that is suitable for their needs. It is acknowledged, that some buildings no longer respond to the needs of individuals who receive support, nor do they respond to their wish to live more independently.

171. To comply with the Council's Strategic Plan, the council in partnership with Grwp Cynefin, developed a new type of accommodation model in Harlech, (replacing the Pant yr Eithin residential Home) which offers supported independent living for 7 individuals. It consists of six one bedroomed properties, with support available as and when required, and one two bedroomed shared house, with 24 hour support for complex needs.

172. There are two Council residential homes with a total of 19 beds for Adults with Learning Disabilities in Gwynedd, one in Caernarfon, and one in Pwllheli. and 6 private residential homes with a total of 40 beds. Overall number of homes within Gwynedd according to Wellbeing areas is broken down within table 37

Table 37 - Council and Private Residential Homes for Adults with learning difficulties

Wellbeing areas	Quantity
Bangor	1
Caernarfon	1
Llyn	2
Porthmadog	0
Ffestiniog	1
Dolgellau	2
Penllyn	0
Tywyn	1

173. There are also 62 supported housing units across Gwynedd, most belong to a registered social landlord, but some are privately owned.

174. Draft plans have also been developed for a purpose-built modern provision for current and future service users, which will provide an opportunity for developing expertise to meet the complex needs of individuals with a learning disability in Gwynedd. This new model of accommodation will eventually replace the traditional residential home in Caernarfon, and will offer tenancies for 17 individuals of 4 shared units, and 8 individual units. This development will be a bespoke model designed to support the individuals' needs and requirements and care will be on site 24 hours a day.

Innovative Housing

175. Innovative Housing Programme was announced by Welsh Government in February 2017. The programme aims to deliver 1000 affordable homes as a part of the wider national 20,000 affordable homes target. The programme seeks to support innovation in a broad context covering construction techniques, delivery pathways and housing types across all tenures. With £90M over 3 years available to local housing authorities, registered social landlords and the private sector the programme represents an opportunity to improve the supply of affordable housing and embed new innovative housing models.

7. Household and Housing Size

Summary of Key Findings

- 38. Number of households expected to increase by 8% up to 2035.
- 39. Increase of 18% of 1 person households; and 13% of 5+ person households by 2035
- 40. Increase in housing need for smaller dwellings with one or two bedrooms due to increase of smaller households between 2018-35 (caused by ageing population and smaller households).
- 41. Similarly, an increase in need for larger dwellings (5+ person) is expected due to greater number of larger households between 2018 - 2035
- 42. Recommended housing mix will be 40% for 1-2 beds, 30% each for 3 or 4+ beds for new housing developments.

Possible Response / Action

- a) Mix of open market housing types on residential developments recommended
- b) Supply of one or two bedroom properties must include appropriate mix of housing types in terms of apartment, houses and bungalows

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. Applicants for social housing however, are only be eligible for a property with the number of bedrooms that meet their need at the time an application is made. If their need changes and they require more or less bedrooms they can be rehoused to meet this need.
177. Within the open market, demand is primarily led by aspiration and what the household can afford rather than need. It is therefore important to ensure a good mix of housing sizes to meet both needs and aspirations of the open market. If the market is dominated by larger, more expensive properties then it limits the choice and availability for households who require smaller one or two bedroom dwellings.
178. It is possible to anticipate demand for housing units in Gwynedd in the future by examining Welsh Government Household projections for the 2018-35 period. Changes in numbers of household types will inform the recommended housing mix for new residential developments, thereby meeting an expected need. This is intended to be a starting point and to be flexible to ensure deliverability where evidence exists to suggest a need for an alternative mix.
179. Table 38 below shows how projected household numbers for 2018 and their expected numbers by 2035. Number of households is expected to increase by 8% up to 2035. The table shows over **18%** increase of 1 person household and almost **13%** increase in larger 5 person households during this period. Such a large increase in 1 person households can be attributed to the increase in single older person households due to changes in family composition and increasing lifespans

Table 38 – Household Change in Gwynedd 2018-35

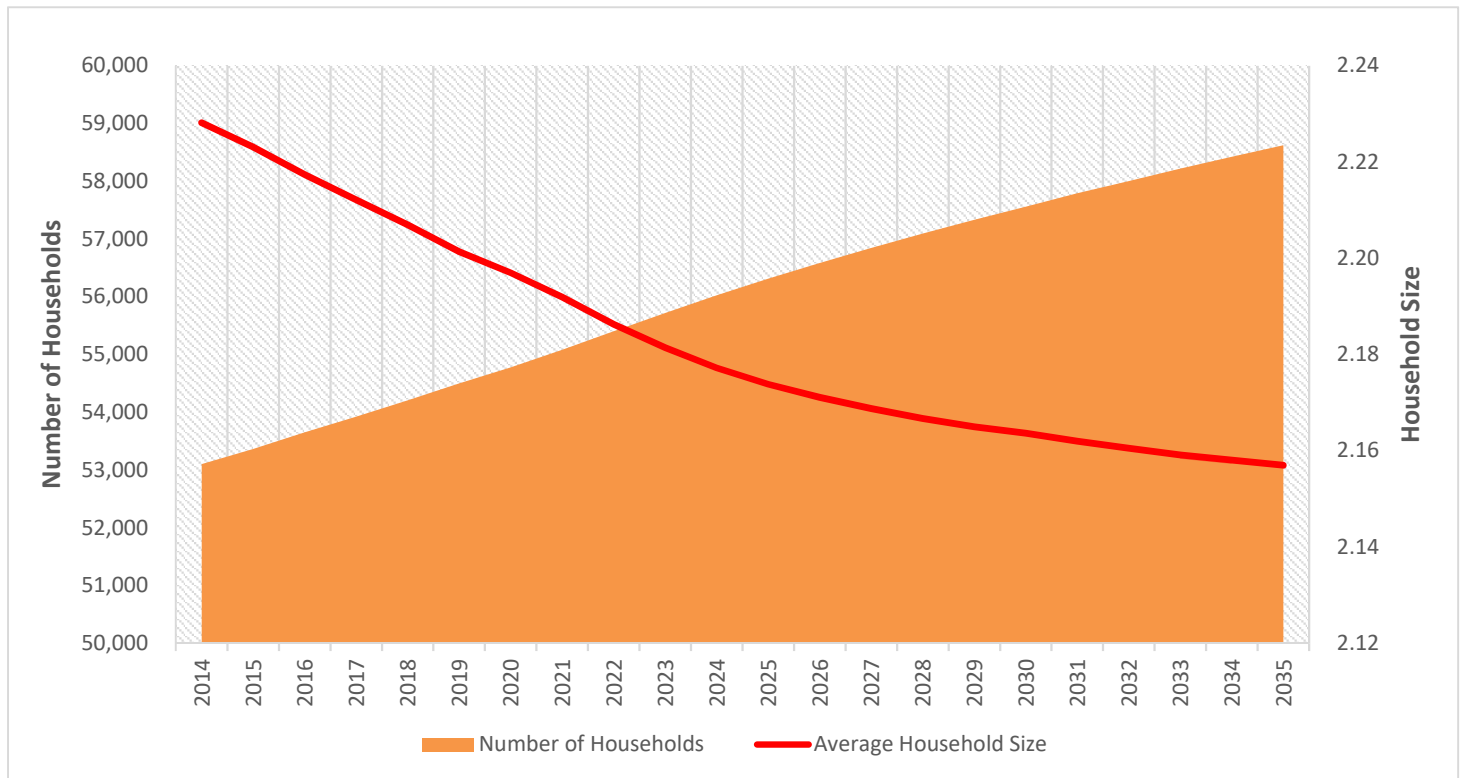
	2018		2035		Change 2018 -2035	
1 person	20,157	37.19%	23,857	40.69%	3,700	18.35%
2 Persons	17,737	32.72%	18,083	30.85%	347	1.95%
3 Persons	6,681	12.33%	6,464	11.03%	-218	-3.26%
4 Person	5,798	10.70%	5,894	10.05%	97	1.67%
5+ Persons	3,830	7.07%	4,327	7.38%	497	12.98%
All Households	54,202		58,625		4,423	8.1%

Source :- Welsh Government Population Projections 2014

180. Based on Welsh Government household projections (2014) Chart 9 below shows how current projections show the number of households in Gwynedd increasing between 2014 to 2035, while the average household size decreasing over the same period.

Chart 9 – Gwynedd Household Change Projections 2018 – 2035

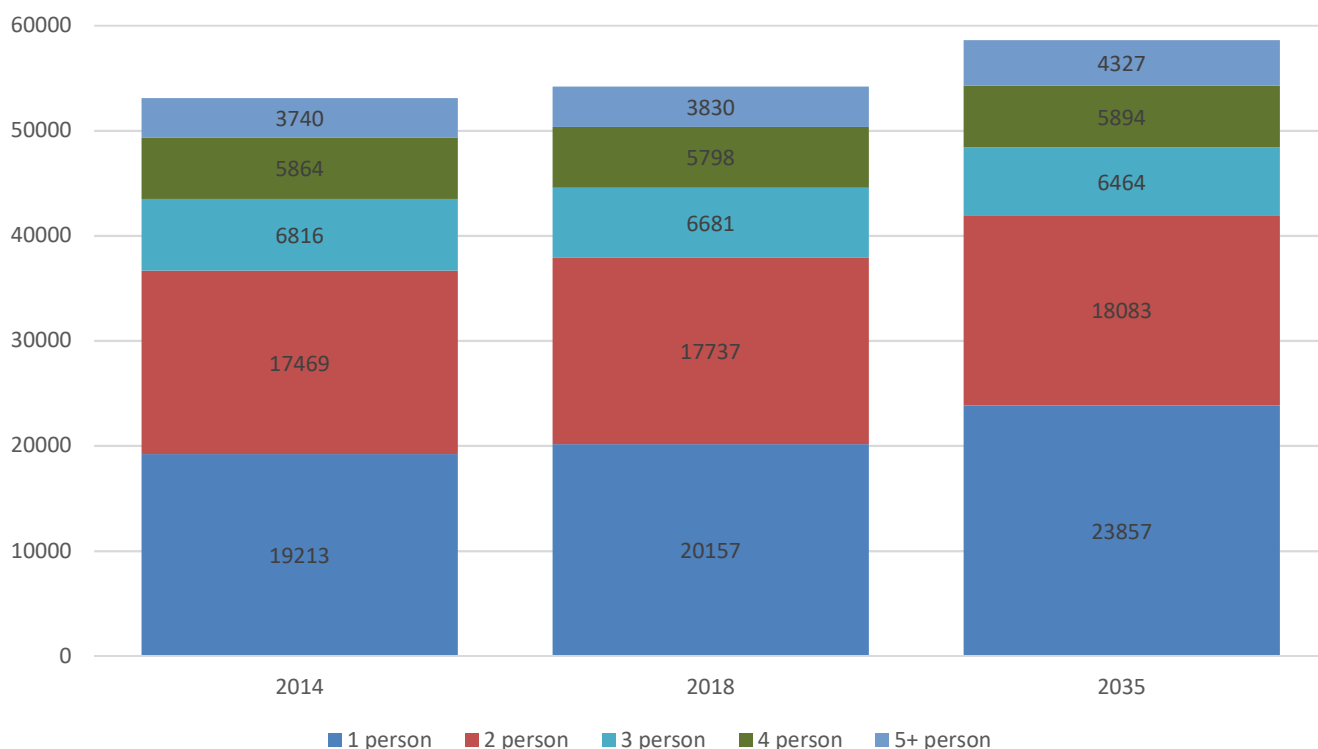
Source : Welsh Government household projections 2014



181. The projections show how the overall quantity of households in Gwynedd is expected to rise over time (to around 59,000 by 2035) and concurrently, the average size of households will decrease from 2.18 to 2.16. This suggests that the quantity of smaller households requested to meet increase. These smaller households are likely to reflect the expected rise in the number of older persons in Gwynedd.

Chart 10 – Projected Household Size 2014, 2018, 2035

Source : *Welsh Government household projections 2014*



182. We can also see from Chart 10 above how the changes in household numbers within Gwynedd for 2014, 2018 and 2035. In all three datasets, it is clear that 1 and 2 person households are the most common within Gwynedd.

183. This data indicates that the greatest current need for housing is for smaller dwellings with one or two bedrooms. We can also see from the data that the need for smaller (1&2 person) and larger (5+ person) dwellings will increase. The increase in number of smaller households is expected to be as a result of an increase of single older individuals. Conversely the increase in number of larger 5+ person households can be as a result of cohabiting single parent households. Meeting the need of both small and large households strengthens the case for developers to provide a greater mix of dwellings within their proposed developments.

184. Table 39 below defines the recommended mix of open market housing types on residential sites. This will be applicable to development of open market dwellings. This mix does not include affordable dwellings which will be informed by evidence on the latest housing registers.

Table 39 – Recommended Housing Mix for Market Housing Developments

1 or 2 bed	3 bed	4 bed +	Total
40%	30%	30%	100%

185. This mix has been reached by analysing the current and projected household sizes in Gwynedd. Although over a third of all households contain one person, it is important to recognise the aspiration and need of some single person households for additional bedrooms. Therefore the LHMA proposes a mix of 40% one bedroom properties to reflect this need. In addition the aspiration for an extra bedroom of two person households has been projected onto the

recommended percentage of three bedroom houses, and the same for four bedroom properties.

186. Where a developer proposes an alternative mix of housing sizes a robust evidence base must support the need for a deviation from this recommended mix. In addition the supply of one and two bedroom properties must include an appropriate mix of housing types in terms of apartments, houses and bungalows and must not be simply catered for by apartments alone. The affordable housing units on site must also contain an appropriate mix of unit sizes to be agreed with the Local Housing Authority.

8. Housing Supply

Summary of Key Findings

- 43. Supply of new housing being built at current levels will not meet the demand for affordable housing in Gwynedd.
- 44. Almost 1400 units have received planning consent but have not begun construction.
- 45. Long term empty properties are key resource to improve supply of housing within Gwynedd

Possible Response / Action

- a) Improve understanding of the factors inhibiting developments of housing which have received planning consent but have subsequently stalled.
- b) Develop measures to improve delivery of stalled housing sites across Gwynedd,
- c) Develop further proactive and preventative measures to reduce the number of long term empty in Gwynedd

187. It is important that our housing stock meets the needs of Gwynedd's residents. As our population and number of households continue to grow so must our housing stock to meet these demands. Table 40 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 Gwynedd.

Table 40 – House Building Activity in Gwynedd Planning Area

Year	Open Market Completions	Affordable Completions	Under Construction	Not Started
2017/18	188	46	428	1394
2016/17	230	63	316*	1162*
2015/16	178	47	322*	1190*
2014/15	182	110	281*	1293*
2013/14	145	50	357*	1229*
2012/13	161	63	307*	1263*
2011/12	149	26	239*	1190*

Source :- Figures are for the Gwynedd Planning Authority Area & Snowdonia National Park's Gwynedd Area
 * Gwynedd Planning Area only.

188. Over the last seven years the average completion rate for new dwellings and conversions has been around 234 units per year. In 2014/15 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. If this level of house building continues then supply will continue to be overshadowed by demand, and we will not meet the additional affordable housing demand identified within this assessment by new house building alone. We also see a high level of safeguarded sites with planning permission not being developed.

189. Affordable housing in Gwynedd is delivered by both grant supported schemes led by the local registered social landlords or by the private sector developers in compliance to planning conditions. Delivery of new affordable housing in Gwynedd has increased from 2013/14 onwards, primarily due to Welsh Government increasing capital funding within the 'Social Housing Grant' (SHG). Social Housing Grant provides 58% funding for social housing build by registered social

landlords. Similarly, registered social landlords also receive 25% SHG support for development of intermediate housing. Non grant funded schemes are delivered by the private sector to comply with planning policies outlined within the local development plans.

Committed Supply

190. Table 41 details a breakdown of the supply of affordable housing which has been used to calculate the committed supply of affordable units over the next 5 years for step 7 in Table 40 and step (b) in Table 45. This data has come from:

- The Programme Development Plan (PDP) which manages the Social Housing Grant for schemes which have been strategically supported by the LA over a three-year rolling programme;
- Sites with existing planning permission but not included within the PDP;
- Sites allocated within either the Gwynedd and Anglesey JLDP or Eryri LDP which are expected to be delivered within the next 5 years based upon the Housing Trajectory study (these are allocations not included within the PDP or with an existing planning permission).
- A further supply of affordable units are expected to be delivered through the LDPs on windfall sites (i.e. sites not allocated in the LDP). However, since the precise location of these sites is not known they have not been included within the committed supply figure.

Table 41 - Supply of affordable housing for development in Gwynedd.

Wellbeing Area	PDP ¹	Sites with Planning Permission not in PDP	Allocated sites without planning permission and not in PDP
Bangor	64	97	18
Caernarfon	83	33	14
Llyn	3	36	47
Porthmadog	62	16	27
Ffestiniog	0	5	10
Dolgellau	0	12	34
Penllyn	0	8	16
Tywyn	28	11	5
TOTAL	240	218	171
Social Housing	240	6	105
Intermediate Housing	0	212	66

¹ PDP – note that on the PDP list there is a category Existing dwellings (remaining) with 6 in the total units against this. Since no specific address is given it has not been possible to allocate these units to a specific well-being area.

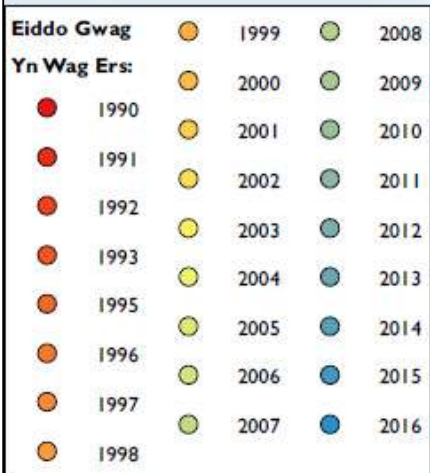
Rural Housing Enabler

191. North West Wales Rural Housing Enabler Service (RHE) works with rural communities in partnership with Conwy, Gwynedd and Anglesey Local Authorities, Snowdonia National Park, Housing Associations and Welsh Government to identify local housing needs and to provide evidence to deliver housing where it is necessary and possible to do so.
192. The RHE has assisted with identifying local need and land for Local Development Plans and provides advice and guidance to individuals in need. The Service will also work with developers and landowners to identify land and consider ways of delivering local need, as well as encouraging the provision of suitable housing for the identified need.

Empty Homes

193. Empty dwellings in the private sector housing stock are a major issue across Gwynedd. The number of long term empty dwellings (empty for 6 months or more) in the authority area is maintained at around 1,200. 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 statutory authorities. They can also impact on adjoining properties through damp and infestations, and can have a significant effect on property values.
194. Whilst there needs to be a level of vacant accommodation to allow for churn within the housing market, Gwynedd Council 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 support for property owners or first time buyers.
195. Map 8 below shows the location of empty dwellings across Gwynedd and the years from which those properties have remained empty. The majority of which are located within the key settlements areas across Gwynedd. The dwellings located within those areas are typically those which have been empty the shortest time whereas properties which have been empty the longest are to be found in more rural areas. Source : Gwynedd Empty Housing Team

Source : Gwynedd Empty Housing Team



196. Table 42 details the level of occupancy in Gwynedd's housing stock compared with the rest of Wales according to the last census. We can see that the percentage of vacant properties in Gwynedd is higher than the Welsh average. It should be kept in mind however, that vacant properties on census day were a mix of both long and short-term empty properties as well as second homes or rented holiday accommodation which were occupied when counted.

Table 42 – Empty Dwellings in Gwynedd		Gwynedd	Wales
	Number	%	%
Total household spaces	61009		1383812
with residents	52473	85.9%	94%
Vacant (not occupied)	8602	14.1%	6%
Source :- 2011 Census, table KS401			

Second homes

197. Gwynedd has one of the highest number of second homes in Wales. A buoyant tourist industry encourages strong investment in property, which results in higher house prices and supply issues in certain areas. Local residents are consequently priced out of the market due to the lower household incomes in Gwynedd. Thus housing stock is limited as property owners can yield better returns renting their homes to holiday makers than letting to local residents.

198. Table 43 shows the percentage of second homes across the Wellbeing areas in Gwynedd compared to the total household spaces based on available data in 2017/18. This shows that Tywyn (19.5%), Llŷn (17.8%), Porthmadog(13.2%) and Dolgellau (12%) areas have the highest percentages of second homes within its dwelling stock, and are also the highest areas where local residents are priced out of the market.

Table 43 – Distribution of Second Homes within wellbeing areas in Gwynedd

Well being Areas	No. Second Homes Category B	Total Households	% Second Homes Cat. B
Bangor	225	12420	1.8%
Caernarfon	396	15039	2.6%
Dolgellau	714	5945	12.0%
Ffestiniog	247	3680	6.7%
Llyn	1890	10636	17.8%
Penllyn	129	2212	5.8%
Porthmadog	898	6793	12.2%
Tywyn	976	5002	19.5%
Gwynedd	5474	61727	8.9%
Source : Gwynedd Council May 2017/18			

199. Table only shows Category B second home properties, as Category A properties have restrictions on use throughout the year (i.e chalets / caravans)

9. Annual Affordable Housing Requirement Calculation

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. The calculation is split by social and intermediate housing need. Social housing need includes households that meet the criteria of housing need and are eligible for social housing. 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 44 and 45 below set out the calculation for the total annual affordable housing requirement in Gwynedd 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 authority area.

Table 44 – Social Housing Need Calculation

Source: Gwynedd Housing Options Team 2018, Gwynedd Council Planning Policy Unit 2018, Snowdonia National Park Planning Policy Unit 2018, CACi Paycheck 2017

C: current need	Steps	Data	Notes
1. Existing households in need of alternative housing.	Step 1 Existing households in need of alternative housing Households are only eligible to register for social housing if they meet certain eligibility criteria. Housing needs bands are awarded to applicants under the following criteria:	1254	Number of applications which are 'in housing need' = 1073 Number of applicants which under or over occupy and therefore in 'housing need' = 393 Combining 1073 and 393 to identify unique applications which are in 'housing need' = 1254
2. <i>plus</i> current non-households in need of affordable housing	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).	0	This number is already included in step 1
3. <i>minus</i> cases where they can afford to meet their needs in the market	Step 3 Minus cases where they can afford to meet their needs in the market 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.	5	
4. <i>equals</i> Total current housing need	Calculation stage (1 + 2 – 3)	1249	

A: available stock to offset need			
5. Current occupiers of affordable housing in need	Step 5 Current occupiers of affordable housing in need Current occupiers of social housing in need of rehousing (transfer) should have already been counted on the transfer list at Step 1 above. This step removes those current occupiers of existing 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 – 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.	529	Out of the 1254 housing applications to the housing register, 529 are transfer applications made by existing occupiers of social housing.
6. <i>plus</i> surplus stock	Step 6 Plus surplus stock 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.	0	Number confirmed by RSL's based in Gwynedd.
7. <i>plus</i> committed supply of new affordable social units	Step 7 Plus committed supply of new affordable units New supply in the social housing sector. These are social units with planning permission or on allocated sites within the Local Development Plan (LDP) or subject to PDP Funding.	353	Committed Supply :- PDP Funding secured :- 202 PDP developments under construction : 40 Social Housing with planning consent or allocated housing site :- - Gwynedd Planning area – 59 - Snowdonia Nation Park Area – 52 TOTAL NEW SUPPLY :- 353
8. <i>minus</i> planned units to be taken out of management	Step 8 Minus planned units to be taken out of management Any social housing stock that are planned to be demolished, sold or otherwise taken out of the managed stock.	25	Number confirmed in May 2018 - 25
9. equals Total available stock to meet current need	Step 9 Equals total available stock to meet current need (5 + 6 + 7 – 8)	857	
10. equals Total current need	Step 10 : Equals total current need (4 – 9)	392	
11. times quota progressively to reduce level of current need	Step 11 Times (x) quota progressively to reduce the current level of need From local authority Affordable Housing Delivery Statement – policy judgment	20%	- information from Planning Policy - LHMA guidance Page 70 - based on 100% requirement over the 5 year term of this report, requirement has been shared equally for each year.

12. <i>equals</i> annual need to reduce level of current need	Step 12 Equals annual need to reduce level of current need (10 x 11) Calculation stage – no data needed.	78.4	
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N : newly arising need

13. New household formation - gross p.a.	Step 13 New household formation A prediction about the number of newly forming households is taken from population projections.	303	Predicted number of newly forming households from 2014 based WG household predictions - see LHMA (future housing need)
14. <i>times</i> proportion unable to buy or rent in the market	Step 14 Times (x) proportion unable to buy or rent in the market 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.	34%	CACi 2017 – 34.1%
15. <i>plus</i> existing households falling into need	Step 15 Plus existing households falling into need 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.	981	1261 applications received (01/12/16 – 31/11/2017) - 93 applications to transfer without clear housing need - 150 cancelled applications - 37 applications withheld = 981 households who've fallen into need
16. <i>minus</i> potential out-migrants unable to afford market housing	Step 16 Minus potential out-migrants unable to afford market housing Step 17 Plus 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.	0	
17. <i>plus</i> in-migrants unable to afford market housing		0	
18. <i>equals</i> newly arising need	Step 18 Equals newly arising need ((13 x 14) + 15 + 16 +17) Calculation stage – no data needed.	1084	

S: Supply of affordable units per year			
19. Net supply of social re-lets	Step 19 Net supply of social re-lets 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.	648	May 2018 – Average taken from the last 4 years net social re-lets provided by common housing register.
20. <i>plus</i> supply of intermediate housing available for re-let or resale at sub market levels	Step 20 Plus supply of intermediate housing available for re-let or resale at sub-market levels Intermediate housing – affordable housing at a cost substantially below market value. Shared equity schemes, affordable in perpetuity.	0	
21. equals affordable supply	Step 21 Equals affordable supply (19 + 20) Calculation stage – no data needed.	648	
Net shortfall or surplus			
22. Overall shortfall	Step 22 Overall shortfall (12 + 18 - 21) Annual total of households in need of social housing assistance.	515	

202. Table 38 shows a need for **513** additional social housing units per annum over the five year LHMA period.

Table 45 – Intermediate Housing Need Calculation

Current intermediate housing need			
(a) Existing intermediate need	Total applicants on Tai Teg register for home ownership	60	Figures from Tai Teg June 2018, updated 17/9/18
	Total applicants on Tai Teg register for intermediate rent	56	
	Total Intermediate Need	116	Duplication as applicants can register on both lists.
Stock available to offset need			
(b) Committed supply of new affordable intermediate units	LDP / Development control	278	Intermediate housing with planning consent or identified sites :- Gwynedd Planning Area – 225 National Parc Planning Area - 53
[c] equals Total current need (a-b)		-51	
(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%	Gwynedd Council Local Development Plan
(e) equals annual need to reduce level of current need (c x d)		-10.2	
Newly Arising Intermediate Housing Need			
(f) first time buyer and newly forming households unable to buy flats or terraced housing at 3.5 x income	Proxy for all new households unable to buy or rent in market	59%	Using % of households priced out of the market for Gwynedd CACi 2017
(g) CACI PayCheck "% households below 60% of GB median income"	Proxy for those new households likely to be in social need	34.10%	
(h) Proxy for intermediate housing need (f-g)		0.249	
(i) Newly forming households - gross p.a		303	Predicted number of newly forming households from 2014 predictions -
(j) equals newly arising intermediate need p.a. (h*i)		75.45	
Total Intermediate Housing need			

(K) Existing need plus newly arising need (e +j)	65	
--	----	--

203. Table 46 shows the need for **49** intermediate housing units per annum over the five year LHMA period.

Table 46 – Total Annual Social Housing & Intermediate Housing Need Calculation

Annual Social Housing Need	515
Annual Intermediate Housing Need	65
TOTAL ANNUAL SOCIAL AND INTERMEDIATE HOUSING NEED (2018-2023)	580

10. Annual Affordable Housing Requirement

Summary of Key Findings

45. Total annual social and intermediate housing need is 707 units (including committed supply)

204. Table 47 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.

Table 47 – Combined Housing Need and Committed Supply

Category	Number of Units
Annual Social Housing Need	515
Annual Social Housing Supply ¹ (annual average social housing programmed for delivery within the term of the LHMA)	72
Annual Intermediate Housing Need	65
Annual Intermediate Supply (annual average intermediate housing identified for delivery within the term of the LHMA)	55
TOTAL ANNUAL SOCIAL AND INTERMEDIATE HOUSING NEED PLUS COMMITTED SUPPLY (2018-23)	707
1- Number from Table 44, Step 7, divided by 5 (term of LHMA)	

205. Gwynedd needs to deliver 689 affordable homes per year. We can see that current Social and Intermediate housing supply will deliver 127 units annually during the term of the LHMA. Gwynedd therefore needs to address the unmet housing need of 562 social and intermediate units each year for 5 years. It would appear that the intermediate housing supply is greater than the identified need and most likely underestimates the true need; this will be due to the relaunch and data cleanse of the Tai Teg register during 2018. More detailed intelligence on intermediate housing need is expected to be available by the mid term review.

206. We can see from table 40 that Gwynedd hasn't delivered that many houses in total and certainly has not delivered that many affordable units in any one year. On average Gwynedd has delivered 63 affordable homes annually over the last 6 years, with a peak in 2014/15 due to the availability of subsidy from Welsh Government to build extra care social housing for the over 55s in Bangor.

207. It is not expected that the planning system alone will, or should, provide for all of this shortfall. The LDP (both the JLDP and Eryri LDP) is just one tool to ensure that the demand for affordable housing is met. The current annual social and intermediate housing supply (identified in table 47 above demonstrates that 125 affordable units are already included in the committed supply of affordable housing and is a more realistic annual target for the planning system to achieve. There are other mechanisms to meet the social and Intermediate housing need identified through the LHMA such as Social Housing Grant funded schemes, returning empty properties back into use and affordable housing schemes e.e. Homebuy.

208. The overall split of tenure types can be looked at on a site by site basis and will be depend

upon the demand on the waiting lists at that time and the current supply within the area. Developers and RSL's are encouraged to discuss the tenure mix of new schemes with the Housing Strategy team at an early stage of the development process to ensure that that the right tyupe and mix of housing is provided on the site.

11. Possible Responses and Actions Identified by Chapter.

2 Housing Market Profile a) Measures to improve affordability of housing for households wishing to own their own homes will address identified shortfall in income needed. b) Measures to improve the supply of all tenures of housing should improve access and affordability across all sectors and communities in Gwynedd c) Smaller social and private housing units are needed to improve access for households in need d) Findings to be reviewed and updated during the mid term review with available data
3. Demographic Income e) Demographic profile and findings to be reviewed and updated during the mid term review with available data
4 Household Income f) Roll out of welfare reform should be monitored to ensure the impacts are understood and mitigation measures identified. g) findings to be reviewed and updated during the mid term review with available day
5 Housing Need h) Review intermediate demand following re-launch of Tai Teg register i) Need for additional supply across all tenures is clear from data available especially in social and intermediate sectors; j) More diversity of type and size of housing is needed generally in correlation to demographic & household demand in Gwynedd k) Impact of Wylfa Newydd will need to be monitored closely with mitigation measures identified. l) Findings to be reviewed and updated during the mid term review with available date.
6. Specialist Housing Needs m) Identify areas for developing housing for older & vulnerable people. n) Increase number of accessible accommodation adaptations o) Provision of additional accessible properties and lifetime homes p) Findings to be reviewed and updated during the mid term review with available date
7. Household and Housing Size q) Mix of open market housing types on residential sites r) Supply of one or two bedroom properties must include appropriate mix of housing types in terms of apartment, houses and bungalows
8. Housing Supply s) Improve understanding the factors inhibiting developments of housing which have received planning consent but have subsequently stalled. t) Develop measures to improve delivery of stalled housing sites across Gwynedd, u) Develop further proactive and preventative measures to reduce the number of long term empty in Gwynedd

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.

Housing in Multiple Occupation (HMO) - tenanted living where the property is occupied by 3 to 6 people, who are not related and who share one or more basic amenities, as their only or main residence

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 Gwynedd or the Snowdonia National Park area.

Local Housing Allowance (LHA) - A means tested housing benefit for private tenants. It is based on the number of 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 Gwynedd.

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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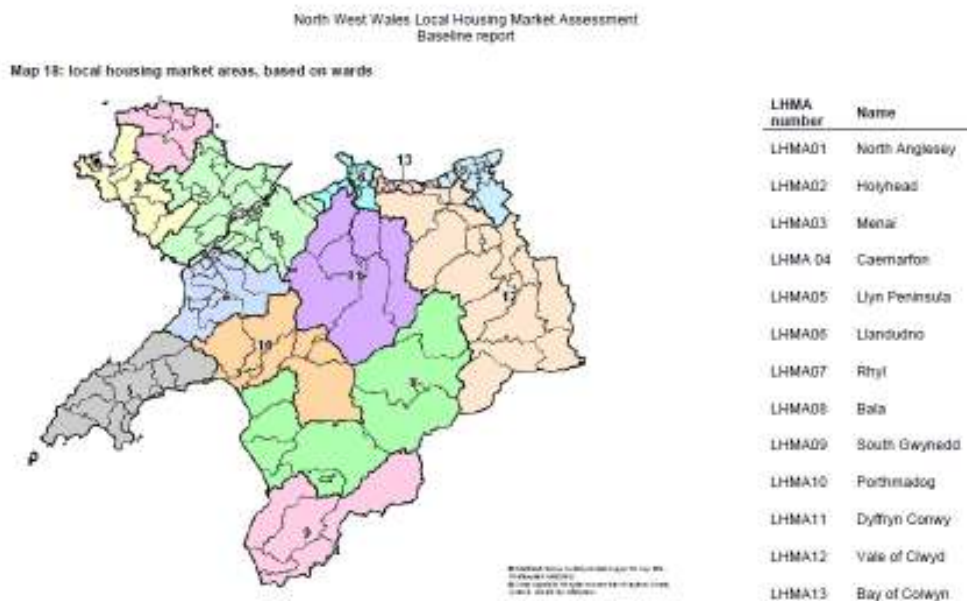
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Appendix 1

Local Housing Market Areas

1. The Welsh Government's Local Housing Market Assessment Guide (2006) states there is a need to understand the operation of housing market areas, which are defined as "the area where the majority of households living or seeking to move in the private housing sector are willing to search for alternative accommodation" (Scottish Executive, 2004). It further states that Assessments should have regard to functional housing markets being 'the geographical area within which there are clear links between where people both live and work'.
2. Paragraph 1.14 of the 2006 Guide does accept that housing assessments are essentially a snapshot of the position at a particular time. The housing market in an area will always be in a state of flux, as will the precise boundaries of the local housing market area.
3. In November 2008 a baseline report on a Local Housing Market Assessment (LHMA) for North West Wales covering the counties of Anglesey, Conwy, Denbighshire and Gwynedd along with the Snowdonia National Park was published. It was produced by a partnership of local stakeholders working in conjunction with Bangor University and involved initial stakeholder participation during its preparation
4. The baseline assessment used travel to work patterns (TTWA) as a key driver in helping to identify potential local housing markets. Having already intuitively drawn up local housing market maps based on local knowledge, the analysis of data at the TTWA level helped to refine the partnership's understanding of the LHMA. In a Housing Market Area (HMA) workshop the partnership looked at several methods to help consider market areas including census units such as super output areas. The most useful fit was found when considering ward boundaries in relation to TTWA areas and these were mapped to begin identifying HMAs in the study area. This is not to say that LHMA partnership perceptions of HMAs adhere to ward boundaries but by using ward boundaries in the first instance it allowed the partnership to be able to begin building and testing the HMAs.
5. The 2008 Report identified a high level of self-containment in **Gwynedd** as 91% (47,000) of the resident working population work within Gwynedd. Around a 1,000 of the remaining population work in Anglesey and 1,000 in Conwy (Source: Annual Population Survey, ONS 2005).
6. Combining the two approaches, an initial map of local housing market areas was drawn up. This identified 13 potential local housing market areas across North West Wales using 2001 travel to work patterns as a key driver in helping to identify potential local housing markets. In relation to Gwynedd the 2008 Baseline Report identified 3 Local Housing Market Areas completely within Gwynedd and a further 3 which were partly within Gwynedd. The map 8 below shows all of the Local Market Housing Areas identified for North West Wales in the 2008 Report:

Map 9 - North West Wales 2008 LHMA Baseline Report - Housing Market Areas



Since the 2008 LHMA report was published, more up to date data have been released to inform the review of the LHMA areas.

Relationship with adjoining authorities

In other North West Wales authorities adjacent to Gwynedd the existing 2016-21 Conwy LHMA in essence uses the 2008 based Housing Market Areas. However, the draft 2017-22 Conwy LHMA has amended these areas since the former 2001 Census 'travel to work areas' have been changed to better reflect the functional housing market areas in Conwy today and that the new areas are compatible with other functional boundaries used by the Council. The Isle of Anglesey 2016 LHMA identifies 3 House Price areas for the Island, these are significantly different to the Housing Market Areas identified in the 2008 Baseline Report.

The Draft 2017-22 Conwy LHMA and the 2016 Isle of Anglesey LHMA do not identify any Housing Market Area that has part of its area within the County of Gwynedd.

Updated data and legislation since 2008 LHMA report

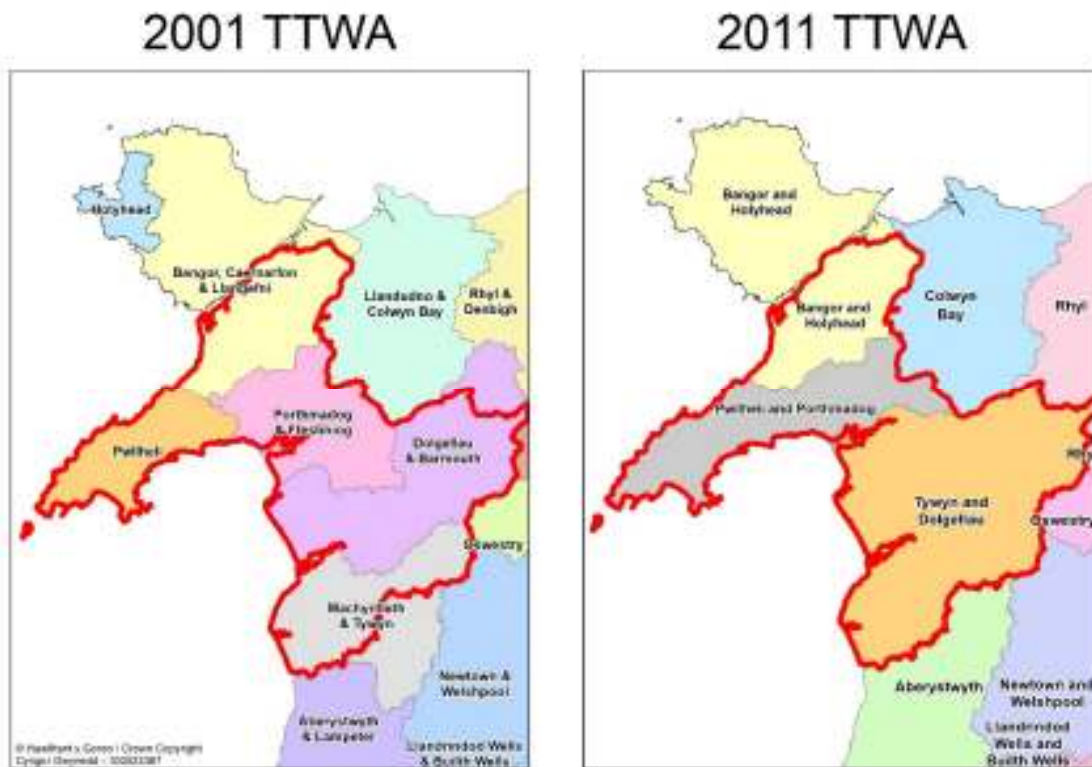
In reviewing the most suitable Housing Market Areas in Gwynedd regard has been given to the following factors:

- Publication in 2015 of the 2011 Travel To Work Areas (TTWA)
- 2011 Census Results
- Well-being of Future Generations (Wales) Act 2015

Travel to work patterns are considered a key driver in helping to identify potential local housing markets. The 2011 TTWA has reduced the overall number in the UK from 243 in 2001 to 228 in the latest 2011 TTWA. This is due to the increase in commuting distance by workers between 2001 to 2011 with the proportion travelling 10km or more having increased from 32.3% to 35.8%. In relation to Gwynedd the change has seen a reduction from 5 TTWA either wholly or partly within

the County to 3. The change within the Plan area is (i) the Holyhead TTWA has been combined with the Bangor, Caernarfon and Llangefni, (ii) the Pwllheli area has been combined with part of the Porthmadog and Ffestiniog area, (iii) the Dolgellau and Abermaw area has been combined with part of Machynlleth and Tywyn and part of Porthmadog and Ffestiniog area (Map 9).

Map 10 – TTWA designations in 2001, ammended in 2011

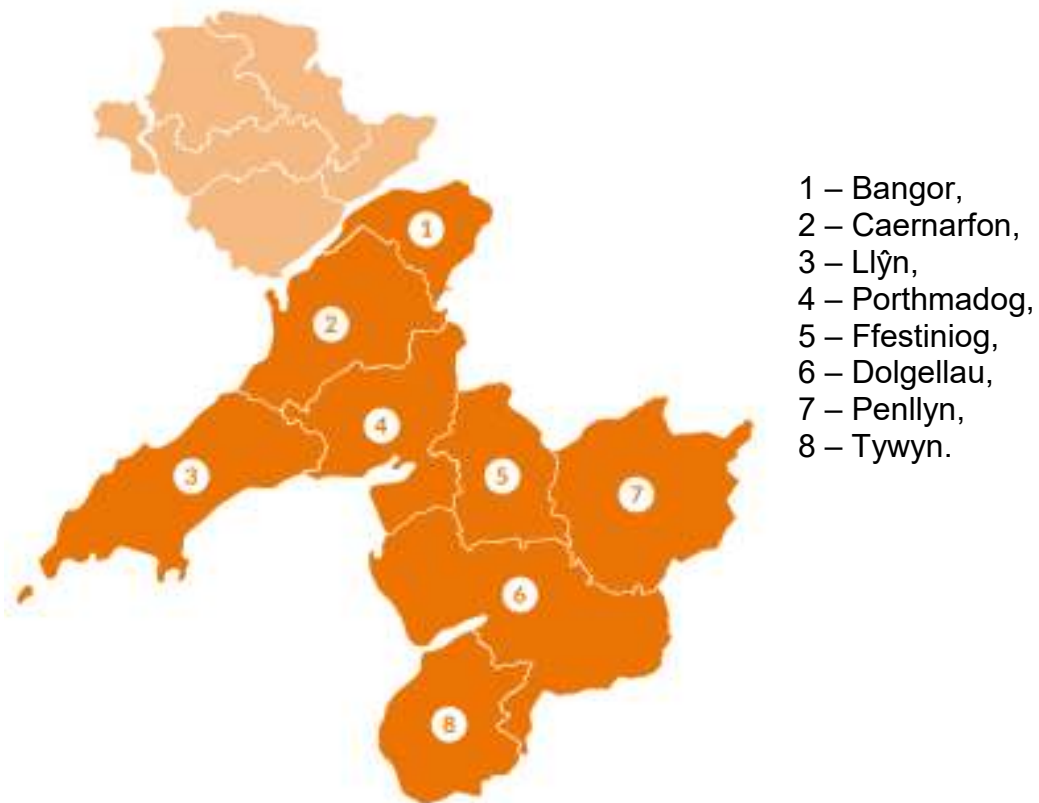


In 2017 the level of self-containment in **Gwynedd** has reduced slightly to 88% (50,400) of the resident working population work within Gwynedd. Around a 1,700 of the remaining population work in Anglesey and 2,700 in Conwy with an additional 2,700 in other locations (Source: Annual Population Survey, ONS 2017).

Paragraph 1.4.3 of Planning Policy Wales (PPW) states that “...The Well-being of Future Generations Act (Wales) 2015 places a duty on the Welsh Ministers (and other public bodies) to produce well-being objectives and take reasonable steps to meet those objectives in the context of the principle of sustainable development....”. It further states in paragraph 2.1.7 that the Local Well-being Plan (LWBP) “...should provide the overarching strategic framework for all the other plans and strategies for the local authority, including the LDP...”.

Gwynedd and Anglesey have agreed to produce a Joint Local Well-being Plan. There is an overarching strategic framework role for the Local Well-being Plan with links to other plans and strategies that a Local Authority produce. The Gwynedd and Môn Public Services Board divided the region into 14 smaller areas and carried out research to learn and understand more about their well-being. Eight of these areas are in Gwynedd, these are based on the 8 main settlements within the County and the hinterland that they serve. The Plan below (Map 10) shows these Gwynedd sub-areas:

Map 11 – Gwynedd Wellbeing Areas used for the LHMA



It was felt that the scale of the updated 2011 TTWA did not truly reflect the more localised Housing Market Areas within the County due to the large rural geographical areas they cover. By comparing the larger geographical areas of the 2011 TTWA and the more localised wellbeing areas they are considered compatible with most of the wellbeing areas fitting in as building blocks within the larger 2011 TTWAs.

The Council considers that the high level self-containment in Gwynedd and the strong community links and characteristics of the wellbeing areas and their relationship to the larger scale 2011 TTWA reflects the functional housing market areas in Gwynedd today as well as having a strong link with other plans and strategies.

In light of this the Gwynedd LHMA has evaluated housing needs and demand against the local housing market areas identified in Map 10