



Denbighshire Local Housing Market Assessment

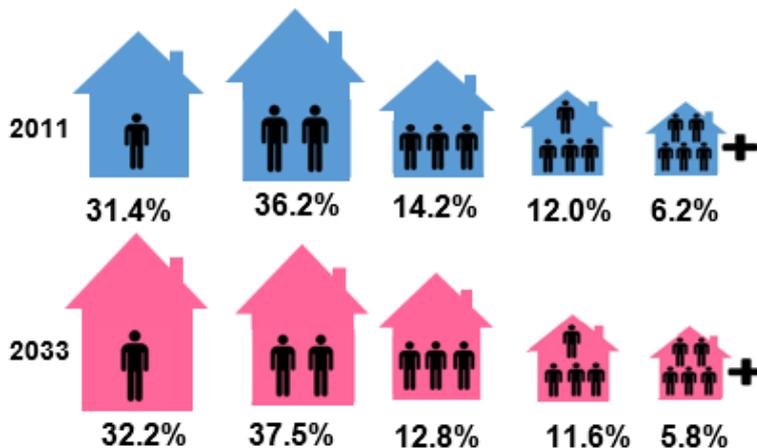
Strategic Planning and Housing
July 2019

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Key Statistics

Household Size Change 2011 - 2033



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



199

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



£26,126
per year

Median
annual household income

£16,447

Lower Quartile
annual household income



57%

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

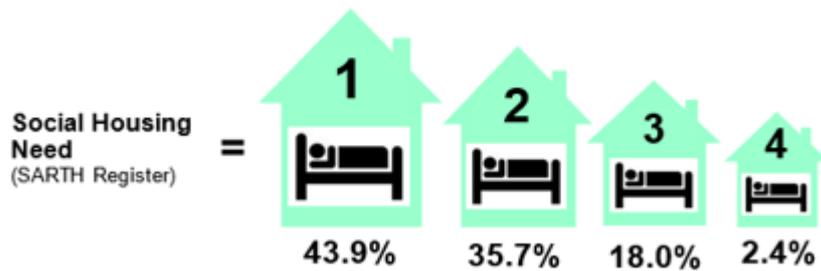
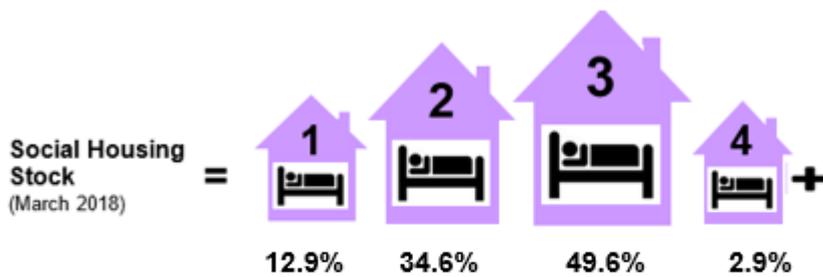


£108,000

Lower Quartile
House Price

£153,750

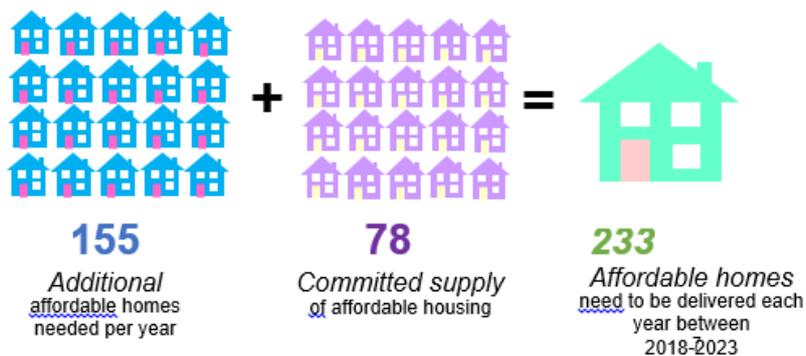
Median House Price |



Mismatch between social housing stock and demand



The private rented sector has seen the greatest percentage growth in Denbighshire. Owner occupation with a mortgage or loan has fallen since the 2001 Census. The private rented sector is predicted to continue growing as owner occupation becomes even less affordable



1. Executive Summary

- 1.2.** Local Authorities are required to undertake a Local Housing Market Assessment (LHMA) every two years to inform the Housing Strategy and the Local Development Plan.
- 1.3.** This LHMA has identified the need for a total of 775 additional affordable homes over the plan period (2018- 2023), which equates to 155 units per year. The need is for 105 homes for social rent and 50 homes for intermediate needs.
- 1.4.** There is a clear need for affordable housing in Denbighshire, 57% of newly emerging households are unable to rent or buy a property on the open market. 34% are in need of social housing and 23% in need of intermediate housing. Household projections predict that the number of households in Denbighshire will increase by 199 per annum over the period 2018 - 2023. It is predicted that by 2033 almost 70% of Denbighshire's households will be made up of 1 and 2 person households.
- 1.5.** There is a mismatch between the limited social housing stock in Denbighshire; which is predominantly 3 bedded properties, and the social housing need which is for 1 and 2 bedded properties. For intermediate housing the demand is for 3 bedded properties which reflects aspiration as well as actual need. The household composition and structure of the need will inform the housing mix sought in the LDP.
- 1.6.** There has been a growth in the proportion of households living in private rental accommodation and a decrease in the number of households owning a property with a mortgage. Analysis shows that private rents for households with a lower quartile annual household income (£16,447) are unaffordable as the household would need to pay more than 30% of their household income on their housing costs. According to research by Shelter and the Joseph Rowntree Foundation housing costs above 30% of the households' income are unaffordable.

Why undertake a Local Housing Market Assessment (LHMA)?

The purpose of the Local Housing Market Assessment (LHMA) is to analyse the key statistical information in relation to the six LHMA areas within Denbighshire. It provides key information to feed into the Housing Strategy (HS) as well as the Local Development Plan (LDP) and it is a statutory requirement to develop one every two years.

2. Introduction

2.1. Purpose of the LHMA

The purpose of the Local Housing Market Assessment (LHMA) is to provide a robust evidence base to inform the Housing Strategy (HS) and the Local Development Plan (LDP) in Denbighshire. It also informs strategic housing priorities and local service planning such as education and transport. The LHMA can also be used as a tool for negotiating affordable housing provision when determining planning applications and allocating affordable housing grants, including Social Housing Grant (SHG), to deliver affordable housing.

The LHMA assesses current and future housing need within Denbighshire, looking specifically at 'local housing market areas', which are defined by functional housing markets, for example where people live and work, areas of high and low housing demand and patterns of relocation by homeowners and tenants. The LHMA sets out the need for additional affordable housing in Denbighshire over the next five years (2019-2024), it also informs the provision of market housing in terms of the size and type to ensure there is an appropriate mix of housing on offer.

2.2. National Policy Framework

Planning Policy Wales (PPW, 2018) emphasises the importance of carrying out LHMA as local authorities "The latest Welsh Government local authority level Household Projections for Wales, alongside the latest Local Housing Market Assessment (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 also states that;

"Local planning authorities should ensure that development plan policies are based on an up-to-date assessment of the full range of housing requirements across the plan area over the plan period. LHMA 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." (Welsh Government, 2006)

2.3. Local Policy Framework

Overall planning in the local authority has now developed to meet the requirements of the Wellbeing of Future Generations (Wales) Act 2015. Major decisions, including those relating to housing, are impact assessed to ensure compliance with the principles of this Act. Furthermore strategy and policy development is informed both by the principles of this Act and the local Wellbeing Assessment and accompanying plan. Housing is included as a priority area within the Council's Corporate Plan, which reflects the principles of the Act.

2.4. Denbighshire Local Development Plan

Covering 2006-2021 and adopted in June 2013, Denbighshire's Local Development Plan (hereafter referred to as LDP) provides the policy framework which guides what can be built and where over a 15 year period. The LDP establishes the land available for different uses such as employment, retail and green space as well as the land that is available for housing. Denbighshire's LDP has allocated land available for the development of 7,500 homes over the 15 year life of the plan, some of which has already been delivered. The LDP includes a policy requirement of 10% affordable housing, this level was arrived at based on the viability of development in the County.

It is important that LDP policies are based on a sound and credible evidence base, which means there is a strong and intrinsic relationship between an LHMA and an LDP. Moving forward, an LHMA has an important role to play in informing LDP policies (WAG, 2006). This LHMA will form part of the evidence base for the development of Denbighshire's Replacement LDP, which is currently under preparation.

As mentioned previously, it is important to recognise that housing does not exist in a social vacuum and that this LHMA can feed into a multitude of different services. Housing development, for example, can help underpin the local economy and can therefore have an important knock-on effect on the economy, which comes under the auspices of the Economic and Community Ambition Strategy.

2.5. Denbighshire Housing Strategy (2016–2021)

The Housing Strategy (HS) sets out the strategic direction in terms of housing for a five year timeframe.

The current Denbighshire Housing Strategy was adopted in December 2015. It is a wide ranging strategy document with a vision, themes and action plan.

The vision is "Everyone is supported with pride to live in homes that meet their needs, within the vibrant and sustainable communities Denbighshire aspires to" (page 6). There are 5 key interacting themes which form the framework for the strategy:

- Theme 1 – More homes to meet local need and demand
- Theme 2 – Creating a supply of affordable homes
- Theme 3 – Ensuring safe and healthy homes
- Theme 4 – Homes and support for vulnerable people
- Theme 5 – Promoting and supporting communities

The detailed action plan contains a wide range of actions which are a closely monitored through a range of mechanisms.

A copy of the housing strategy is available at www.denbighshire.gov.uk The Council will be reviewing the Housing Strategy in 2019/20.

3. The Study Area

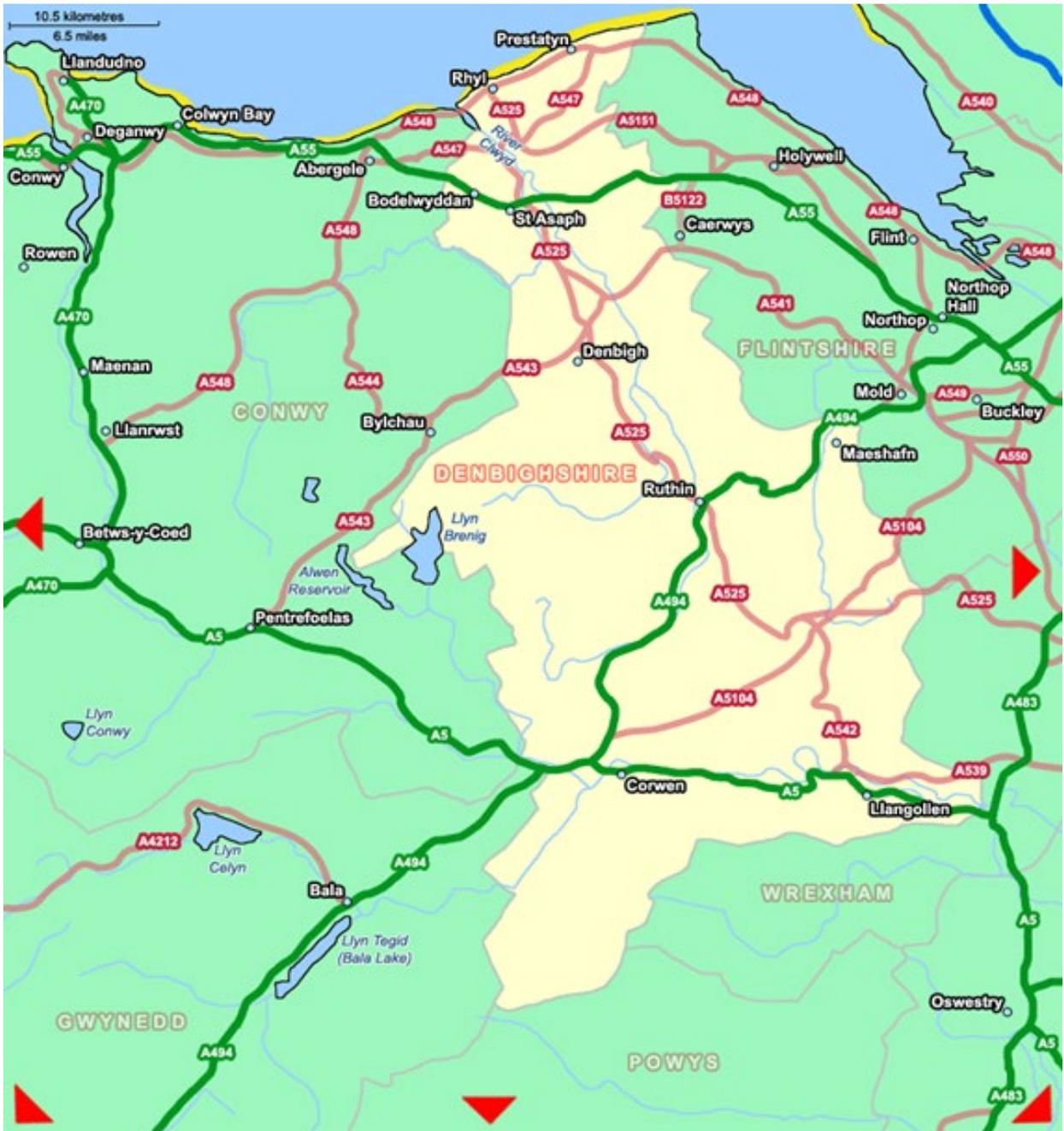
3.1 Background information

Denbighshire County Council (DCC) is located centrally within North Wales. The County covers an area of 844 square km and has a population of 95,000 according to the 2016 ONS mid-year estimates. The north of the county comprises the coastal resort towns of Rhyl and Prestatyn. The mainline rail network passes through these towns. Immediately south of the coastal strip on the A55 trunk road are the Cathedral City of St Asaph and Bodelwyddan. This area contains Ysbyty Glan Clwyd and St Asaph Business Park, which are key sites for employment and public services. This area is also earmarked for substantial development as part of the Local Development Plan.

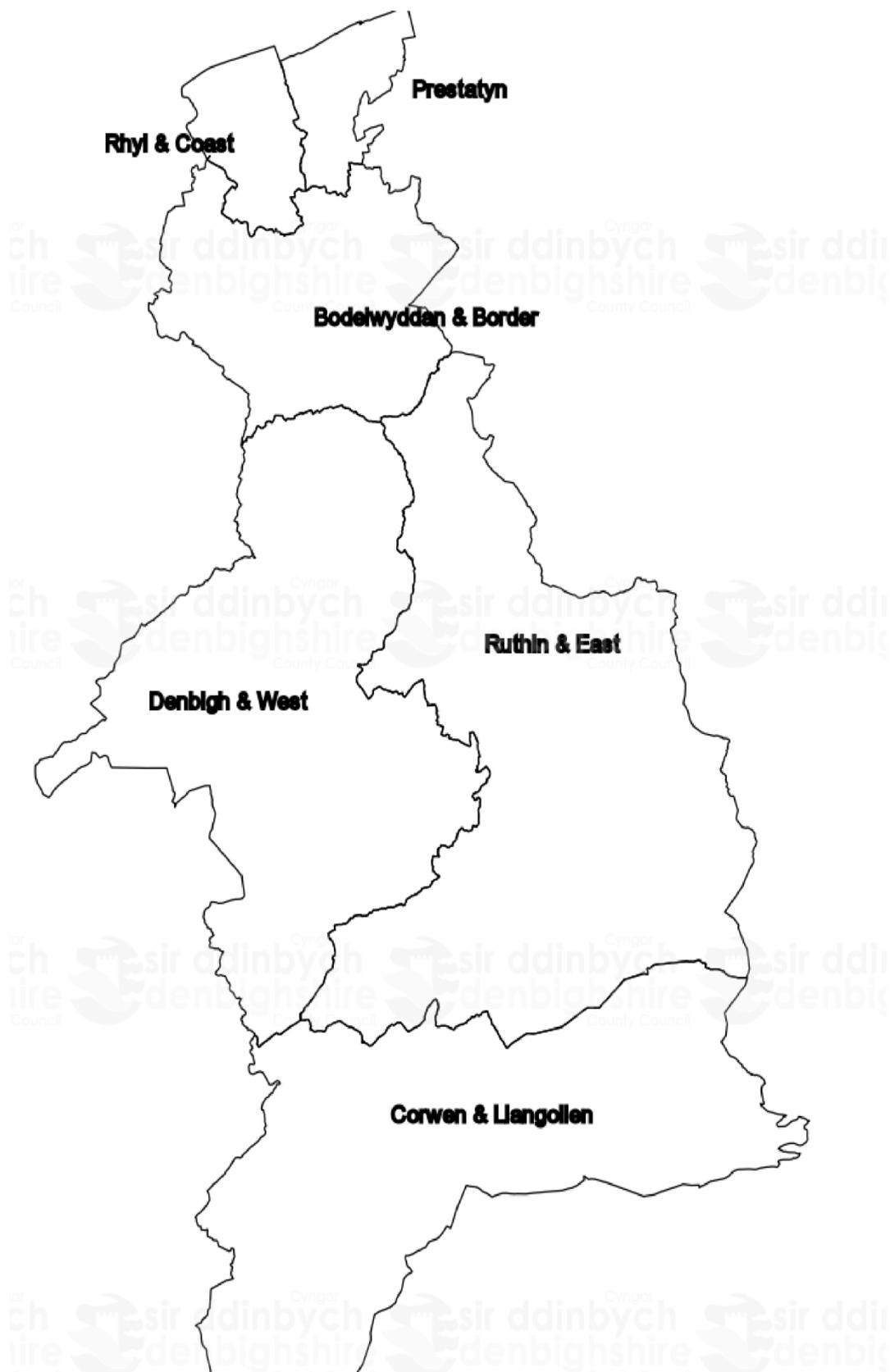
The A525 runs north-south bisecting the A55 and heading south passes the historic market towns Denbigh and Ruthin in the Vale of Clwyd. Further to the south lies the picturesque Dee Valley with Corwen and Llangollen being the principle settlements and the A5 the main highway.

To the West Denbighshire borders the County Borough of Conwy, to the South-West the County of Gwynedd, to the South the County of Powys, to the South-East the County Borough of Wrexham and to the North-East Flintshire.

Map 1: Location of Denbighshire



Map 2: Denbighshire Local Housing Market Areas



3.2. Map 2 illustrates the location of the 6 housing market areas. These housing market areas were established through a series of mapping exercises and utilise a range of different demographic and housing related information as a means through which the housing market areas could be established. A full justification of these is discussed in the Update of Housing Need, Demand and Affordability for the Local Housing Market Areas of Denbighshire produced in 2011

The electoral wards within each housing market area are included in the table below:

Table 1: Local Housing Market Areas and Electoral Wards

Local Area	Electoral Ward
LHMA01 Rhyl and Coast	Rhuddlan, Rhyl East, Rhyl South, Rhyl South East, Rhyl South West, Rhyl West
LHMA02 Prestatyn	Dyserth, Prestatyn Central, Prestatyn East, Prestatyn Meliden, Prestatyn North, Prestatyn South West
LHMA03 Bodelwyddan & Borders	Bodelwyddan, St. Asaph East, St. Asaph West, Trefnant, Tremeirchion
LHMA04 Denbigh & West	Denbigh Central, Denbigh Lower, Denbigh Upper/Henllan, Efenechtyd, Llanrhaeadr-yng Nghinmeirch
LHMA05 Ruthin and East	Llanarmon-yn-Ial/Llandegla, Llanbedr Dyffryn Clwyd/Llangynhafal, Llandyrnog, Llanfair Dyffryn Clwyd, Ruthin
LHMA06 Corwen & Llangollen	Corwen, Llangollen, Llandrillo

4. Methodology

4.1. Systematic steps

The methodology for calculating need and demand for Welsh local authorities is included in both the LHMA Guide 2006 and the 'Getting Started with your LHMA' Guide 2012. As mentioned the latter is a step-by-step guide and its steps form the backbone of the methodology used in this LHMA.

In addition to the LHMA, Welsh Government, in conjunction with the Welsh Local Government Association (hereafter referred to as WLGA), has provided an online resource tool designed to assist housing practitioners with the production of their LHMA's.

Each step will be discussed during this LHMA in order to illustrate how need, demand and affordability statistics have been derived. These steps will closely align with those outlined in the Getting Started with your LHMA guide. The Getting Started with your LHMA Guide advocates the use of electoral wards in order to ascertain need and demand in different market areas. Denbighshire contains 29 electoral wards, with need and demand statistics generated for each of these wards.

The need to generate statistics for each electoral ward in Denbighshire guides which data sources have been utilised in this LHMA. For example, the land registry does

not provide house prices at ward level so another data source, one that does provide house prices at ward level, has been utilised instead.

Denbighshire's electoral wards are illustrated by the map below. Certain towns are separated into smaller electoral wards, with Rhyl, Denbigh, Prestatyn and St. Asaph containing more than one electoral ward within their geography.

Map 3: Denbighshire Electoral Wards



4.2. **Data Sources**

The data sources utilised in this LHMA are secondary resources, sourced from a range of governmental as well as private data providers. The list below provides a review of the main data sources utilised in this LHMA.

4.3. **Current housing need** can be calculated using a range of social rented and affordable housing waiting lists and registers.

This LHMA utilises data gathered from the common housing register (Single Access Route to Housing – SARTH) and “Tai Teg” affordable housing register in order to appreciate the current need/demand for a range of different affordable housing options. Only those in housing need are able to register on SARTH and go into a band in date order. For the purposes of this LHMA only households falling into Band 1 or 2 with a local connection, have been included. Attempts have also been made to eliminate multiple counting in the Register, for example, a household registering for a 2 bed house could also be registered for 2 bed flats, bungalows maisonettes etc. in an area creating multiple entries. The register has been cleansed to only include a single entry per household in their current housing market area.

The number of vacancies in social stock is relatively low with around 300-400 relets per year.

4.4. The Affordable Housing Register “Tai Teg” allows those in employment to register for affordable housing if they are unable to afford market properties (rent or purchase). The register allows applicants to access new and existing vacancies in this intermediate housing - options such as Homebuy, Rent to Own, intermediate rent – please note these options will change over time. SARTH and Tai Teg are together are a good indicator of need and demand.

4.5. A variety of different data sources, when used in combination, can provide an understanding of the **newly arising need**. This data can also be used to better understand affordability in Denbighshire.

The Denbighshire County Council Housing Options Team maintains a list of all the homeless presentations from households throughout the County. This list can be reconfigured into electoral wards and housing market areas and then be utilised in order to better understand the newly arising need from existing households in the County. These figures can be added into the social rented needs figures and therefore provide a comprehensive set of social rented need figures.

4.6. **Household Projections** – Household projections are based on the 2011 Census and project the number of households in each Welsh local authority for future years. Available through the Welsh Government website, Statistics Wales, these household projections provide an understanding of household changes over the course of the LHMA and therefore provide a useful source for how demand will change. The data is not released for each electoral ward, so a certain amount of data configuration will be required in order to make these statistics relevant at that geographical level.

- 4.7. CACI Paycheck Data** – Available through CACI, Paycheck data on an annual basis provides gross household incomes at the lower quartile, median and average and is therefore a central statistic when attempting to understand affordability. Household income data is also supplied in income bands, which means that it is possible to calculate approximate income thresholds for different tenure options on the affordability ladder.
- 4.8. 2001 & 2011 Censuses** – The 2001 and 2011 Censuses provide a range of demographic and housing related statistics and form an important data resource for this LHMA. The most recent Census was conducted in 2011, which means that the data is now somewhat out-of-date and perhaps not a completely accurate depiction of the current housing landscape. Nevertheless, it provides a comprehensive set of data that is important to this LHMA. The 2001 and 2011 Censuses can also be compared so that figures can be monitored over a time period. Different censuses record information in slightly different manners or ask questions in slightly different ways; this means that it is not always the case that the two variables that are compared are exactly the same. Care has therefore been taken when comparing different Censuses.
- 4.9. Other Data Sources** – To support the above data sources, this LHMA utilises other data sources in order to provide a more coherent picture of the housing market in Denbighshire. The NOMIS website, which is an ONS data source, supplies very recent labour market statistics.

5. Defining Housing Need and Affordable Housing

- 5.1.** *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.” (Welsh Government, 2006)

5.2. Defining Affordable Housing

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.”

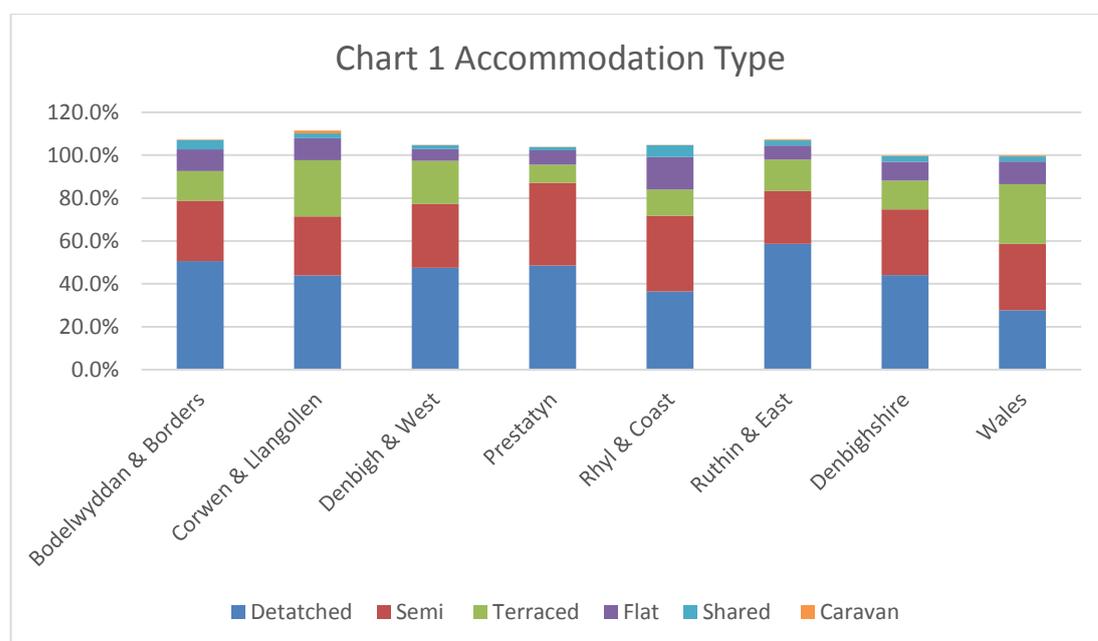
“The definition of ‘affordable housing’ for the purpose of the land use planning system is housing where there are secure mechanisms in place to ensure that it is accessible to those who cannot afford market housing, both on first occupation and for subsequent occupiers.”

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

6. Housing Market Profile

6.1. This section provides an overview of the housing stock available in Denbighshire. The housing market profile will look at the current housing types, tenure and supply across the Authority.

6.2. The chart below shows the current property types stock of dwellings by type. Detached housing is more common in the rural areas. Houses in Multiple Occupation (HMOs) / shared housing are largely confined to the Rhyl Area. Levels of terraced housing are generally lower than the Wales average in all areas bar Corwen and Llangollen.



(ONS, 2011)

Key trends:

- Significantly more detached properties than the Wales average.
- Fewer terraced properties than you would expect;
- Small numbers of shared flats/Houses in Multiple Occupation in the County; greatest proportion in Rhyl.

7. Tenure

The LHMA assesses the housing market across all tenures in Denbighshire. The figure provides a visual interpretation of the housing market and the range of tenure options available. It also demonstrates how households can move up through the series of tenures to eventually owning their own home. The table provides a breakdown of the various tenures within Denbighshire.

Figure 1 – Diagram illustrating the housing ladder

The Housing Ladder

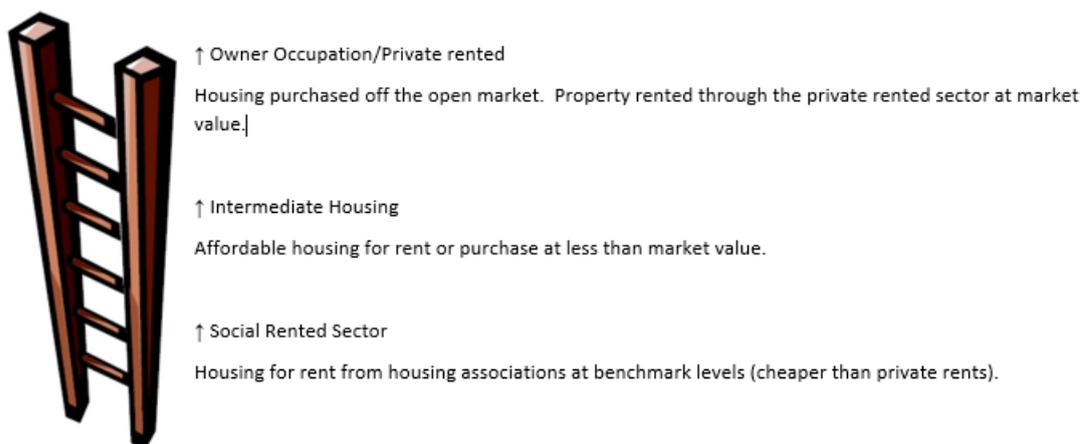
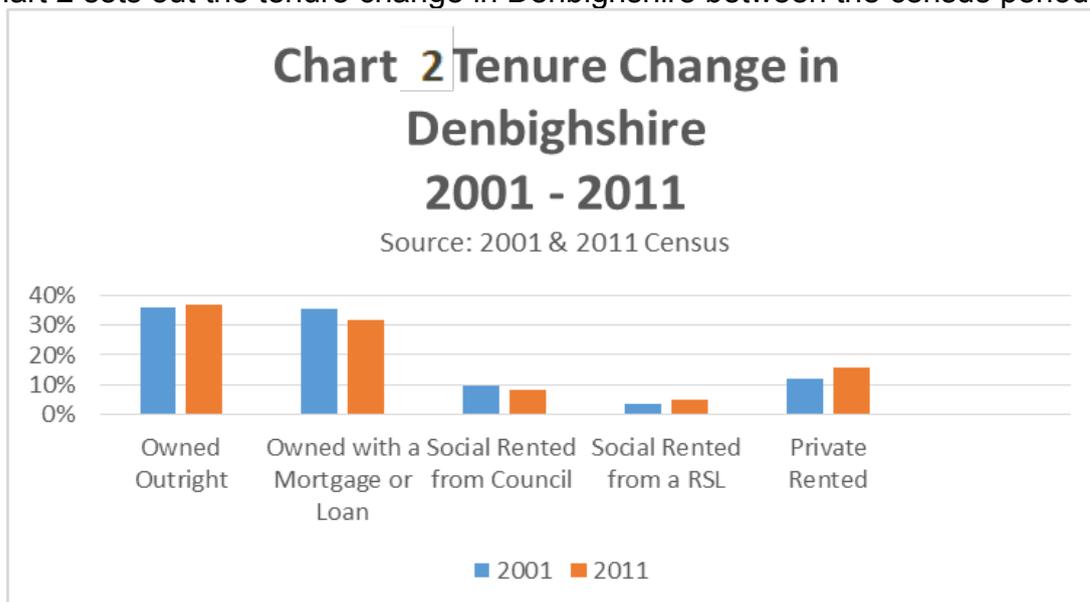


Table 2 – Breakdown the tenure of existing homes in Denbighshire based on the Census 2011 data

Tenure	2001		2011	
	No. of households	% of Households	No. of Households	% of Households
Owned Outright	14,435	36.19%	14,937	36.84%
Owned with a Mortgage or Loan	14,090	35.32%	12,855	31.70%
Social Rented from Council	3,780	9.48%	3,283	8.10%
Social Rented from a HA¹	1,488	3.73%	2,042	5.04%
Private Rented	4,862	12.19%	6,446	15.90%

Source: ONS (2011)

Chart 2 sets out the tenure change in Denbighshire between the census periods.



The number of households who own with a mortgage or loan has decreased between the two Censuses. It might be that some of these households have paid off their mortgage during the intervening ten year period. However, the increase in the number of households in private rented accommodation suggests that some of these households could have moved from owning with a mortgage to the private rented sector.

- 7.1. The social rented sector** is where a household can rent a property from a Local Authority or RSL/housing association at benchmark rents which are set by the Welsh Government. The rents within this sector are substantially lower than market level rents paid within the private rented sector, but are also lower than Local Housing Allowance (LHA) rates. Traditionally the social rented housing sector has been reserved for those households considered to be in housing need.

The number of households renting from DCC has seen a decrease between the two Censuses, which reflects the effect of the Right to Buy. The number of households renting from housing associations has increased as they access to funding thereby increasing the affordable supply. The Council is playing an increasing role as they purchase and seek to develop new build opportunities as the Right to Buy has been suspended in Denbighshire.

- 7.2. The intermediate housing sector** is often the only option for those households unable to afford to buy or rent their own home without assistance. Intermediate housing are homes for sale or rent provided at a cost above social rent, but below market levels. There are a number of different intermediate products available in Denbighshire to purchase an affordable home, including shared equity, shared ownership and Homebuy.

- 7.3. The private rented sector** is where a household can rent a property privately from a landlord or agency at market level rents. These rents are dictated by the open market and are typically higher than social rents. The tenure grew significantly between 2001 and 2011 and if past trends continues as predicted it will continue growing at a faster rate than any other tenure in Denbighshire. The reason behind this growth is that many households who would normally have become owner occupiers are unable to afford to buy in Denbighshire, like in many parts of Wales, and therefore have to remain in the private rented sector.

The private rented sector share in Denbighshire is the fourth highest amongst Welsh local authorities, with only Conwy, Ceredigion and Cardiff with higher private rented sector shares. Denbighshire's housing market could therefore be characterised by the prevalence of private rented accommodation. Significantly, the increase in private rented sector accommodation has seen it increase above the level of social rented.

7.4. Self-Build

Welsh Government have recently introduced Self-Build Wales. The aim is to make self-build available for more people in Wales and provide another route into home ownership for people who want to stay in their local area but have not been able to afford to buy there. The intention is that local authorities and housing associations make plots available with planning and site requirements complete. Loans are provided by the Development Bank of Wales and these are repayment free until the new home is mortgaged. The UK has a much lower rate of self-building than other countries around the world such as Austria (80% self-build) and Ireland (60%) and the aim of this scheme is to increase that level in Wales. According to a study in the UK by Building Societies Association (2011), 53% of people in the UK would consider building their own home given the opportunity.

- 7.5. Owner Occupation** - Where a household has purchased a property on the open housing market with mortgage finance or their own capital. This is traditionally the tenure many households aspire to, but it is increasingly becoming difficult for many households to reach given incomes and house prices, especially for first time buyers.

The 2011 Census illustrated that the majority of households in Denbighshire are in ownership. Almost 37% of households own their own home outright, whilst 31.7% own with a mortgage. In total, there are 12.2% households in social rented accommodation, with DCC housing making up approximately 60% of that social rented accommodation. Private rented accommodation makes up 15.9% of the housing market, with the vast majority of these sourced from landlords or lettings agents.

7.6. Owner Occupation Distribution

Map 4 below details the distribution of home ownership across Denbighshire at ward level. The highest percentages of home ownership occurs in rural areas in the south of East and West of the county, but there are also areas with high levels in Rhyl and Prestatyn

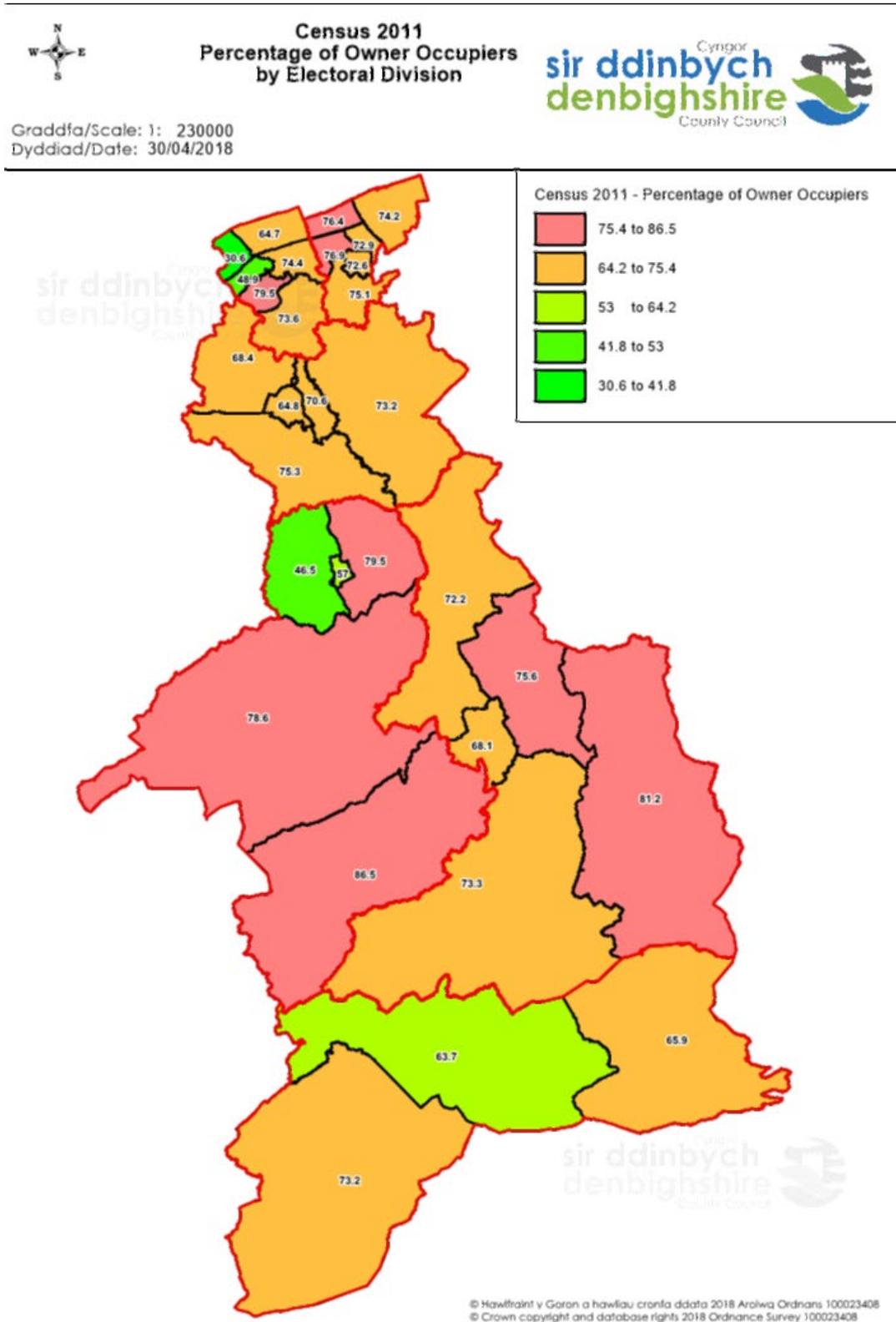
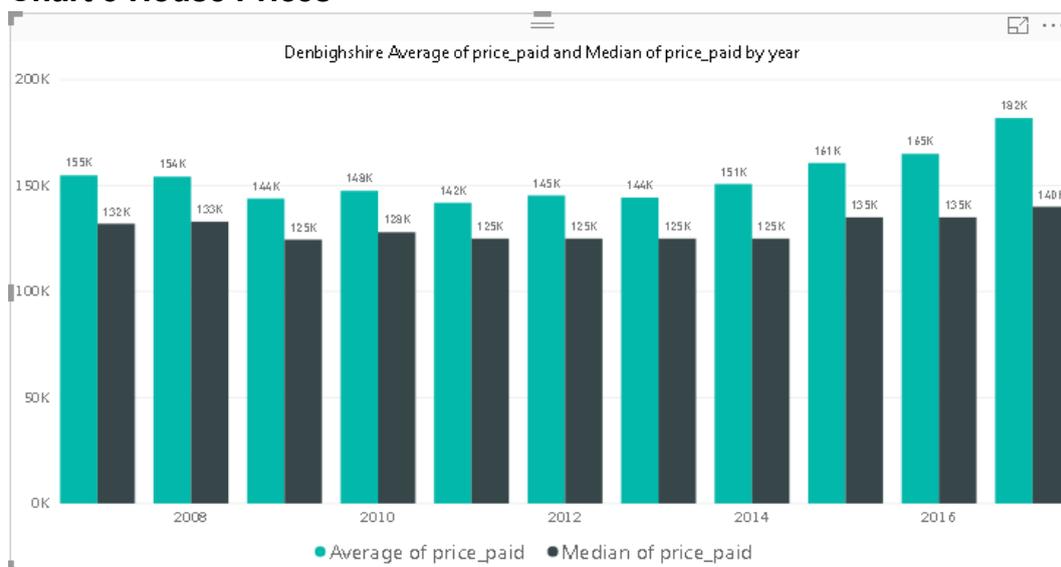


Chart 3 House Prices



Source: Land Registry (2018)

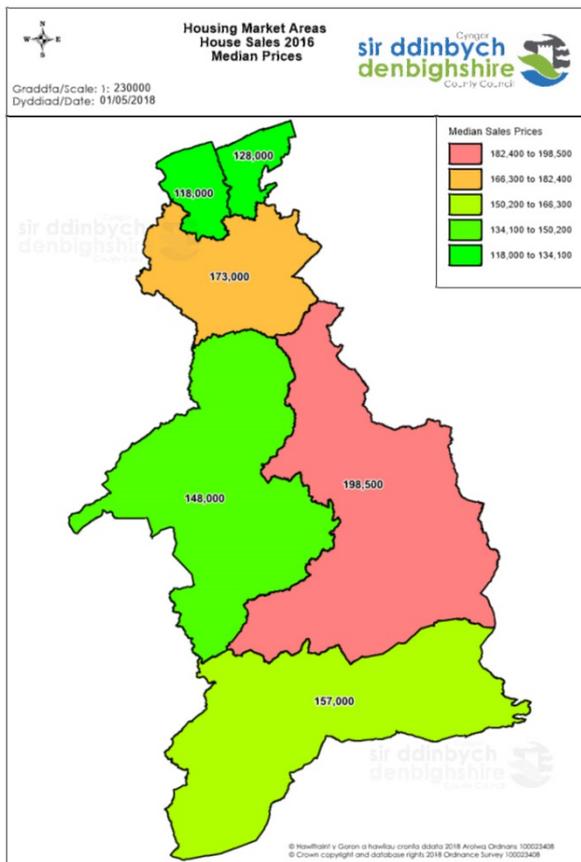
The chart above illustrates that house prices fell after the start of the credit-crunch in 2007-08, reaching a low point in 2011. Thereafter, prices have begun to recover, surpassing the pre-recession levels in 2015 and continuing to climb to 2018. From 2014 the number of house sales annually has stabilised at around 1440-1450.

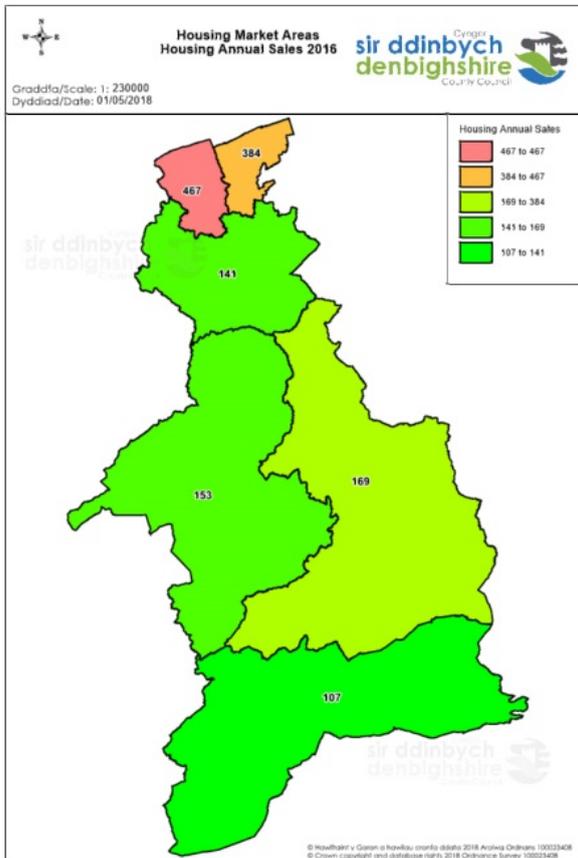
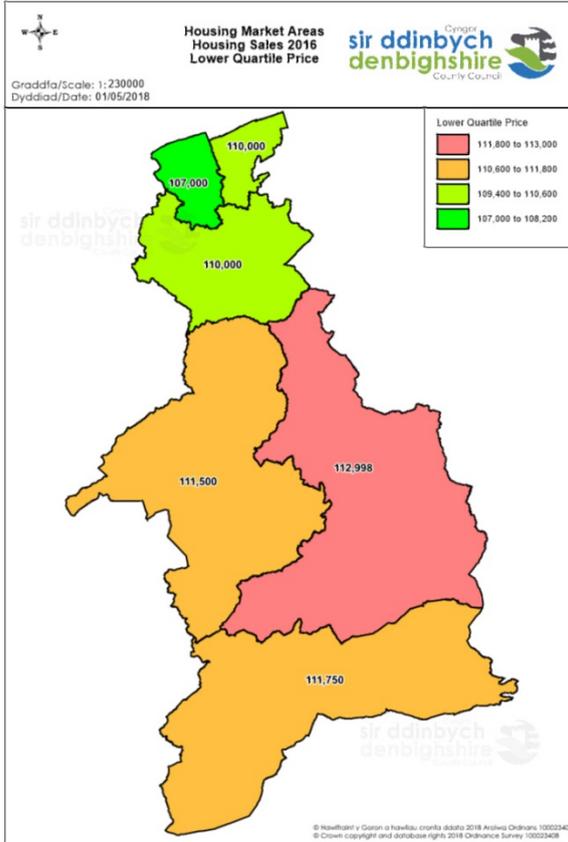
The mean average of all house prices paid has risen to a greater extent than the median prices paid. This indicates that a greater number of more expensive properties are being sold with potentially fewer of the more affordable properties coming to market. This further restricts the supply of more affordable housing options available in the County.

House prices are not evenly distributed across the county. The diversity of housing market areas can be seen in the more detailed figures on sales and prices for each of our Housing Market Areas (below).

Table 3 House Price Sales Housing Market Area	Median Price	Mean Price	Annual Sales 2016
LHMA01: Rhyl & Coast	£118,000	£126,676	467
LHMA02: Prestatyn & Meliden	£128,000	£153,166	384
LHMA03: Bodelwyddan & Border	£173,000	£198,176	141
LHMA04: Denbigh & West	£148,000	£174,592	153
LHMA05: Ruthin & East	£198,500	£227,530	169
LHMA06: Corwen & Llangollen	£157,000	£195,365	107
(Land Registry, 2016)			

The highest median house prices are found in the Ruthin and East area followed by the Bodelwyddan and Border area. The lowest median house prices are found in the Rhyl and Coast LHMA area. Maps 5, 6 and 7 below show this data spatially.





Owner occupation has become the tenure many households aspire to. However, home ownership is becoming increasingly unaffordable for many households in Denbighshire, in particular for first time buyers. The supply of housing including new build and the turnover of existing homes are some of the factors impacting on affordability. Table 4 details the churn in the housing market in 2016 and the types of properties sold. Flats and terraced housing are typically priced within the range of first time buyers, Table 4 shows that there are very few of these property types sold within some LHMA areas as the housing stock is dominated by detached housing, further restricting opportunities for home ownership for households with low incomes or first time buyers within these areas.

Table 4 House Type Sales 2016	All housing Types	Detached	Semi Detache d	Flats	Terraced
01 – Rhyl & Coast	467	220	149	26	67
02 – Prestatyn & Meliden	384	185	135	15	39
03 – Bodelwyddan & Borders	141	76	37	0	21
04 - Denbigh and East	153	70	41	1	31
05 - Ruthin and West	169	82	34	3	33
06 - Corwen and Llangollen	107	39	21	6	32

7.7. Owner Occupation Affordability

A significant proportion of first time buyers are priced out of the housing market, in addition some owner occupiers are also priced out of the market meaning that they cannot move up the housing ladder and free up potential properties for first time buyers further down the chain. Table 5 details the median household income and median property prices within each LHMA area along with the Lower Quartile figures. Mortgage lenders will typically lend a household three and a half times their household income, this is their mortgage potential. As can be seen from Table 5 there is a significant shortfall between the average lending of 3.5 times household income and average house prices under both the median and lower quartile household income rates.

Table 5 Median and Lower Quartile Income 2017 Source: CACI PayCheck	Median Household income	Median House Prices	Lower Quartile Household Income	Lower Quartile House Prices
	Denbighshire	£26,126	£153,750	£16,447
Bodelwyddan & Border	£31,697	£173,000	£18,106	£110,000
Corwen & Llangollen	£26,982	£157,000	£15,570	£111,750
Denbigh & West	£29,307	£148,000	£17,245	£111,500
Prestatyn & Meliden	£25,890	£128,000	£14,935	£110,000
Rhyl & Coast	£22,158	£118,000	£12,974	£107,000
Ruthin & East	£35,101	£198,500	£20,500	£112,998

The average sale price for Denbighshire in the year to date October 2017 was £192,000, well down on the UK average of £225,956. Affordability is calculated by first establishing an entry level property price (the lower quartile threshold for property price in the area). Then a 'tipping point' or income required to afford a house at that price is calculated by dividing the entry level price by 3.5. The table below shows these figures along with a % of households 'priced out'. This percentage is used later to calculate need for new affordable housing coming from new household formation. (CACI, 2018). The Help to Buy data is located in Section 9.1.

7.8. Private rental sector

Private rented housing is owned by a private individual, company or organisation, including some charities and is let at market rents, which is above the level of social rent. The private rented sector (PRS) plays a crucial role in local housing markets as it provides a variety of housing choice and enables mobility within the housing market for a range of households. The flexibility of renting rather than owning a property is crucial to households who need to move frequently due to their employment. The PRS is also relied upon by many households on lower incomes who are unable to access mortgage finance and afford home ownership, but otherwise may not be eligible for social housing. However, the sector can also be insecure and incur additional upfront costs such as deposits and agency fees which as well as the monthly rental cost may be problematic for households with low incomes.

The PRS already has a significant role to play in meeting housing need in Denbighshire, and this role is likely to increase in the future as many households are priced out of the market and unable to buy. Research by the Building and Social Housing Federation suggests that if recent trends in tenure continue in the UK, the PRS could grow larger than both the owner occupation and social housing sectors. There are a number of reasons for this rapid growth, and a number of reasons why it is expected to continue growing. Firstly it has become more socially acceptable to rent, and many households now expect to rent rather than buying a house of their own. This is due to high house prices and difficulty in obtaining a mortgage resulting in many households who traditionally would

have been owner occupiers being unable to purchase in this market.

As a result of recent legislation changes Local Authorities are now able to discharge their duty to house homeless households into the private rented sector, provided that it is affordable and of an acceptable standard in line with The Housing Act (2014). The long waiting lists for social housing has also meant that many households who are eligible for social housing are currently living in the private sector while they wait for social housing to become available.

Table 6 Denbighshire Rents Trend (Welsh Government, 2017)

	2010	2011	2012	2013	2014	2015	2016	2017	Wales 2017
Room in shared house	£282	£222	£229	£238	£264	£373	UD	£280	£325
1 Bedroom Accommodation	£347	£350	£350	£365	£382	£375	£368	£390	£425
2 Bedroom Accommodation	£450	£458	£450	£475	£475	£495	£500	£520	£500
3 Bedroom Accommodation	£550	£550	£550	£575	£575	£595	£595	£600	£550
4 Bedroom Accommodation	£695	£690	£700	£700	£705	£700	£750	£750	£750

8. Interventions in the Private Rented Sector

As a result of the Housing Act (Wales) 2014, all private landlords must register themselves and their properties with Rent Smart Wales. Landlords and agents who are involved in letting and management activities also have to undertake training to apply for their licence.

In addition landlords are also required to meet a range of building control and environmental standards including the requirement for an EPC rating of E or above in most cases.

These requirements are expected to principally affect the quality of private rented accommodation rather than the supply. One concern is that regulation may have a significant impact on landlords with a small number or single properties and this may lead to an increase in empty properties as the requirements for renting may be considered too onerous. Secondly, if properties that are 'not yet compliant' are withdrawn from the market while the required investments are made. There is currently no evidence to support this concern, although there may be a case for monitoring the availability of rented property to see if this effect emerges.

8.1. Houses of Multiple Occupation (HMO)

Dwellings which contain more than one household are known as houses in multiple occupation (HMOs), and cover a wide range of housing types mainly in the private rented sector, including bedsits and other types of accommodation with shared facilities. They are often occupied by single persons and can include some vulnerable and disadvantaged groups. Well managed and maintained HMOs are

an important tenure choice for households on low incomes, in particular single persons under the age of 35 who typically are only eligible for housing benefit at the shared accommodation rate.

However, the physical and management standards in some HMOs are poor therefore HMO licensing was introduced in the Housing Act 2004, which sets out a mandatory licencing scheme for all HMOs that have three or more storeys and are occupied by five or more persons forming two or more households, and share at least one basic facility (bathroom, toilet or kitchen).

An additional HMO licencing scheme operates in Rhyl which enables smaller HMO properties to be licenced. The greatest concentration of HMOs is in Rhyl.

Table 7 below provides an estimate of the total number of HMOs present within Denbighshire, and shows them as a proportion against the Welsh Government's estimate of total dwelling stock in the area. The vast majority of HMOs are located in the Rhyl area. (Welsh Government, 2017).

Table 7 November 2018 Source: Licences data collection, Welsh Government	Denbighshire		Wales
	Number	% of all dwellings	% of all dwellings
Licensed HMOs	182	0.4%	0.5%
Known HMOs	1,151	2.7%	1.0%
Total	1,333	3.2%	1.3%

Table 8 compares the cost of renting with median and lower quartile household incomes in Denbighshire, to show the percentage of the households income needed to pay rent. Monthly median household incomes are £2,177.17 (£26,126 per year) and lower quartile are £1,370.58 (£16,447 per year). According to research by Shelter and the Joseph Rowntree Foundation housing costs above 30% of the households' income are unaffordable.

The table demonstrate that half of the scenarios are unaffordable in terms of the private rented housing especially for those on a lower quartile income. Denbighshire's monthly median household incomes are £2226.42 (£26,717) which is just under the Welsh average of £2244.25 (£26,931). The Lower Quartile income for Denbighshire (2018) is £15,292 and the Upper Quartile income is £43,912.

8.2. Private Rent Affordability

Table 8 Private Rent Affordability

Monthly rents levels (2017) Rent Officers Wales; CACI Paycheck data 2018	Median household income and median rent	Median household income & lower quartile rent	Lower Quartile Household income and Median rent	Lower Quartile Household Income and Lower quartile rent
1 bedroom	17.5%	15.6 %	30.6%	27.2%
2 bedroom	23.4%	20.2%	40.8%	35.3%
3 bedroom	26.9%	24.7%	47.1%	43.2%
4 bedroom	33.7%	29.2%	58.9%	51%

8.3. Unaffordable rents to income ratios

It is important for the LHMA to assess to what extent households are unable to afford to buy housing in Denbighshire. Table 9 shows the percentage of first time buyers and new households priced out of the market to either rent or buy a flat or terraced type property. We have only looked at flats and terraced properties as these tend to be cheaper. We have then compared this with the average household income to identify what percentage of households require either social or intermediate housing. Households who require intermediate housing are not eligible for social housing as their household income would be too high, we have used a measure of 60% or below the average household income for Great Britain to identify households who would be eligible for social housing based upon their income.

Table 9 Priced out of the market Source: Land Registry, CACI PayCheck & DCC	Median Household Income	All Hshlds priced out of market (%)	% Hshlds in need of Social Housing #	% of Hshlds in need of Intermediate Housing ##
Denbighshire	£26,126	57%	34%	23%
Bodelwyddan & Border	£31,697	55%	27%	28%
Corwen & Llangollen	£26,982	45%	32%	13%
Denbigh & West	£29,307	53%	29%	24%
Prestatyn & Meliden	£25,890	59%	35%	24%
Rhyl & Coast	£22,158	66%	42%	24%
Ruthin & East	£35,101	48%	26%	22%
# Households below 60% of 2017 GB median income of £27,200 (%) ## % priced out minus households below 60% of GB median income (Those in need of social housing)				

9. Intermediate housing

This tenure is diverse with a range of different tenures aimed at those in employment but whom require some assistance. The numbers registered have increased substantially in Denbighshire since the launch of “Tai Teg” affordable housing register with 304 households registered.

- 9.1. **Help to Buy** - Welsh Government are also enabling intermediate housing through the Help to Buy Wales scheme which is a £170 million shared equity loan scheme designed to support home ownership. Under the scheme, loans are available to buyers wishing to purchase a new-build property worth up to £300,000. Help to Buy Wales support is available to all home buyers and not just first time buyers who wish to purchase a new home, but may be unable to do so, for example, as a result of deposit requirements – but who could otherwise be expected to repay a mortgage. The table below outlines the Help to Buy statistics in Denbighshire with 70.8% of sales to first time buyers and 82% of the properties sold having 3 bedrooms or more.

Table 10						
Help to Buy in Denbighshire	2014-15 Financial Year	2015-16 Financial Year	2016-17 Financial Year	2017-18 Financial Year	2018 – 19 Financial year	Total
Denbighshire	21	18	23	30	42	134

Source: Stats Wales (Welsh Government)

The scheme provides shared equity loans of up to 20% of the price of a new build property up to the value of £300,000. This equates to loans of up to £60,000 interest free for 5 years and at below-market rates thereafter.

- 9.2. **Shared equity** properties are where a household own part of the property and a housing association own the remaining part. With shared equity the subsidy provided by the housing association is not a loan that needs to be repaid and there is no rent payable on this share. It simply means the Housing Association owns an equity share (usually 30%) in the property. When the purchaser decides to sell the property on, the Housing Association gets back its equity share and recycles it, to ensure it is available to the next household on the register eligible to buy the home. By purchasing a smaller share in the property (i.e. 70%) it is more affordable for the owner as they are more likely to be able to obtain mortgage finance.
- 9.3. **Shared ownership** is where a person buys part of the value of a house usually from a housing association and pays rent on the other part. When the household decide to sell the property on they will sell their share of the property which is linked to the value of the property at that time.

Intermediate housing are homes for sale and rent provided at a cost above social rent, but below market levels. Intermediate rent are rented properties at 80% market rent. There are a number of different intermediate products available, including shared equity, shared ownership and Homebuy which are explained at

the start of this chapter. The figures for the past three financial years are recorded below.

Table 11 – Delivery of Intermediate Homes Source: DCC 2017		
Financial year	Intermediate rented	Shared equity
2015/16	3	0
2016/17	2	2
2017/18	2	24

9.4. Rent to Own - is a new innovative Welsh Government scheme whereby properties are rented out at full market levels and the tenant/s are given the option to purchase the property after 2 years. This scheme was originally limited to new build properties but now includes existing properties as well. There are currently five properties coming forward in Denbighshire under this scheme – 3 have been completed and 2 are being built. Denbighshire is participating in a pilot project to expand this scheme to include existing homes.

9.5. Co-operative Housing - The Welsh Government is supporting co-operative housing for rent and part ownership throughout Wales. Within Denbighshire, the West Rhyl Housing Co-operative have brought forward thirteen properties working with North Wales Housing. This cooperative has its own allocation policy and fully manages the properties directly.

10. Social Housing

The current social housing stock in the county is 5,821 homes, of which, the majority is general needs stock with just over a quarter in sheltered accommodation and small amount of extra care and other supported stock. (Welsh Government, 2018). The amount of supported stock in Denbighshire is more than double the Wales average which may be a reflection of the traditionally older age profile in the County.

Table 12 Social Housing Stock in Denbighshire

	Denbighshire		Wales	
	Count	%	Count	%
General needs stock (2)	3918	67%	194,680	
Supported including sheltered stock (3)	1765	30%	33,061	
Sheltered stock (4)	1505	26%	25,295	
Other supported stock (4)	260	5%	7,721	
Extra care stock (5)	138	2%	2,348	
Total stock at social rent (1)	5821	100%	230,044	

Stats Wales 2017-18 data

- 1 Total includes general needs, sheltered, other supported and extra care housing. Units that are not reserved for specific client groups. Properties that are adapted for u people with disabilities are included where no additional services or support are provic part of the terms of occupancy. Data shown in units.
- 2 part of the terms of occupancy. Data shown in units.
- 3 Data only collected for RSLs from 2008-09 onwards. Data shown in units.
- 4 Data only collected from 2011-12 onwards. Data shown in units. 'Extra care sheltered housing' or 'assisted living housing' offer a higher level of care 'sheltered housing'. The services offered vary between schemes, but meals, help domestic tasks and some personal care are often provided. 'Close care housing' is u located in the grounds of a care home, with staff from the home providing extra car assistance. Data only collected from 2008-09 onwards. Data shown in units.

Table 13 details the RSLs operating within Denbighshire and the proportion of the housing stock each provider has. Other than the Council, Clwyd Alyn and Grwp C are currently the major providers of social housing in Denbighshire.

Table 13 Stock housing stock providers (source: Denbighshire County Council and RSL records 2019)	Number of properties	Percentage
Denbighshire County Council	3377	57%
Clwyd Alyn	1271	21%
Grwp Cynefin	750	13%
Wales and West	388	7%
North Wales Housing	60	1%
Cartrefi Cymundol Gwynedd	45	1%
Cartrefi Conwy	6	0.1%
First Choice Housing Association	2	<0.1%
TOTAL	5899	

Table 14 details the number of bedrooms within general needs stock across Denbighshire. The table demonstrates that Denbighshire has a lower percentage of one bed units than the Wales average and higher levels of three and four plus bedded units. Less than 13% of stock is in one- bedroomed accommodation, 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 14 Social housing stock by number of bedrooms, 2017-18 Source: social landlord stock and rents data, Welsh Government	Denbighshire		Wales
	Number	%	%
All general needs dwellings	3918		
One bedroom	504	12.9%	17.7%
Two bedrooms	1357	34.6%	35.8%
Three bedrooms	1942	49.6%	43.8%
Four bedrooms or more	115	2.9%	2.5%

Table 15 details the bedroom split in the sheltered stock within Denbighshire which demonstrates a lower proportion of one bedded units within the stock than the Wales average.

Table 15 Social housing stock by number of bedrooms, 2017-18 Source: social landlord stock and rents data, Welsh Government	Denbighshire		Wales
	Number	%	%
All sheltered Stock	1471		
One bedroom	960	65.3%	70.6%
Two bedrooms	511	34.7%	29.4%
Three bedrooms	0	0	0
Four bedrooms or more	0	0	0

10.1. Social Housing Costs

The Welsh Government collect data from Local Authorities and RSLs regarding the cost of social housing, Table 16 compares weekly rent levels in Denbighshire with the Welsh average.

Table 16 Weekly rent levels for self-contained social housing, 2017/18 Source: social landlord stock and rents, Welsh Government	DCC			Wales		
	2017/18	Change since 2016/17		2017/18	Change since 2016/17	
		£	%		£	%
All self-contained dwellings ¹	£83.56	£0.35	0.42	£82.40	£0.47	0.57
By accommodation type						
General needs ²	£88.47	£3.88	4.39	£88.09	£3.92	4.45
Sheltered	£75.09	£1.50	1.20	£74.73	£3.68	4.92
Other supported	£114.85	£3.12	2.72	£114.85	£3.12	2.72
Extra care ³	£133.46	£3.28	2.46	£133.46	£3.28	2.46
By type of dwelling						
Houses	£84.26	£4.13	4.90	£89.01	£4.12	4.63
Flats	£74.92	£3.27	4.36	£79.65	£3.48	4.37
Self-contained bedsits ⁴	£64.38	£2.74	4.26	£64.57	-£1.26	-1.95
<p>¹ Self-contained dwellings includes general needs, sheltered and extra care housing. Excludes bedsits that share bathroom and/or cooking facilities, shared housing and hostels.</p> <p>² Self contained units that are not reserved for specific client groups. Properties that are adapted for use for people with disabilities are included where no additional services or support are provided as part of the terms of occupancy.</p> <p>³ 'Extra care sheltered housing' or 'assisted living housing' offer a higher level of care than 'sheltered housing'. The services offered vary between schemes, but meals, help with domestic tasks and some personal care are often provided. 'Close care housing' is usually located in the grounds of a care home, with staff from the home providing extra care and assistance.</p> <p>⁴ Bedsits are a combination bedroom and sitting room.</p>						

Looking at all self-contained dwellings, in 2017/18 the average weekly social housing rent levels in Denbighshire were about £1.16 higher than across Wales as a whole. Since the previous year, rents have risen at about the same rate as the national average. Most accommodation types and houses in Denbighshire have higher weekly rent levels than the national average (rents for flats and bedsits are below all-Wales levels). Houses saw the biggest rise in rent over the past year, with an increase of almost 5%.

11. Demographic Profile

11.1. Population Change

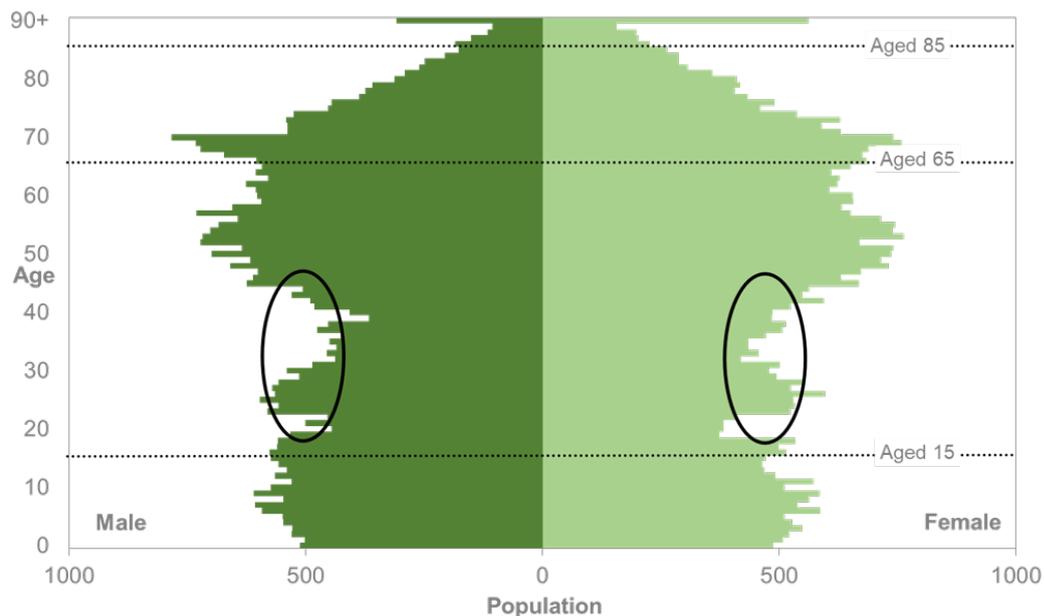
According to the 2011 Census, Denbighshire's population stood at 93,734 people. Spread across almost 83,700 hectares, it had a population density of approximately 1.1 people per hectare making it less densely populated than Wales, which had a population density of 1.5 people per hectare.

The most recent Mid-Year Estimates put Denbighshire's population at 94,805, a 1.1% increase. (ONS, 2017)

The 2011 Census recorded 40,546 households in Denbighshire, which was an increase of 655 households since the 2001 Census, a small increase of 1.6%. Wales as well as other neighbouring North Wales local authorities saw much larger percentage increases in both population numbers and number of households between the two Censuses. Indeed the increase in the number of households in Denbighshire was the lowest across all Welsh local authorities. (ONS, 2011).

The latest household estimates (principal projection) published by Welsh Government show an expected 42,213 in 2018, a 4.1% increase. (Conwy County Council Research, 2017)

Chart 4 Denbighshire Population Composition



There are more female residents in Denbighshire than male residents according to the 2011 Census. There were 47,747 female residents, accounting for almost 51% of the population. Male residents accounted for just over 49% of the population. The relative life expectancy of male and female residents is the most likely reason behind the very slight disparity between genders. (ONS, 2011).

The most recent Mid-Year Estimates suggest there are 46,706 male and 48,099 female residents so the proportions have remained consistent. (ONS, 2017)

11.2. Age Profile

It is widely recognised that the United Kingdom and Wales has an ageing profile and that will shape the way future services are offered and provided. This information is used within Denbighshire to shape services and policies (ONS, 2017).

Chart 5 Denbighshire Population Make up

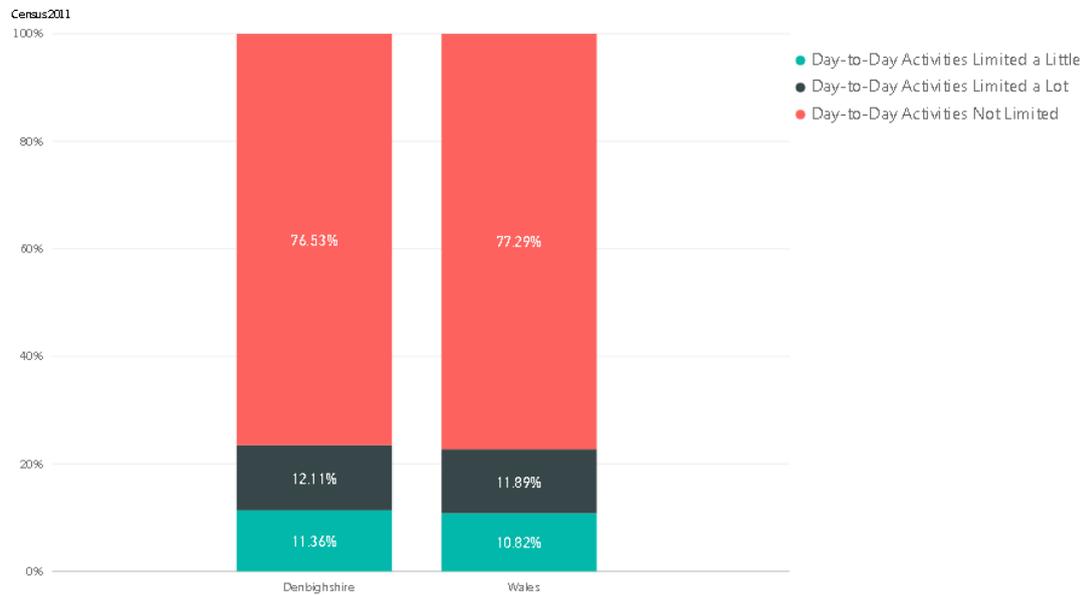


The above illustrates that Denbighshire has a significant proportion of older people, with a higher proportion of people in the 65 and over bracket than in England and in Wales. The shortfall in this percentage is made up in the 16-64 age bracket; this is the bracket that is most commonly associated with economic activity. As a percentage of the population, both England and Wales therefore have higher numbers of individuals in the economically active bracket than Denbighshire and less in the retired bracket.

11.3. Health

The chart below illustrates that the level of health issues in Denbighshire is slightly above that of Wales. (ONS, 2011)

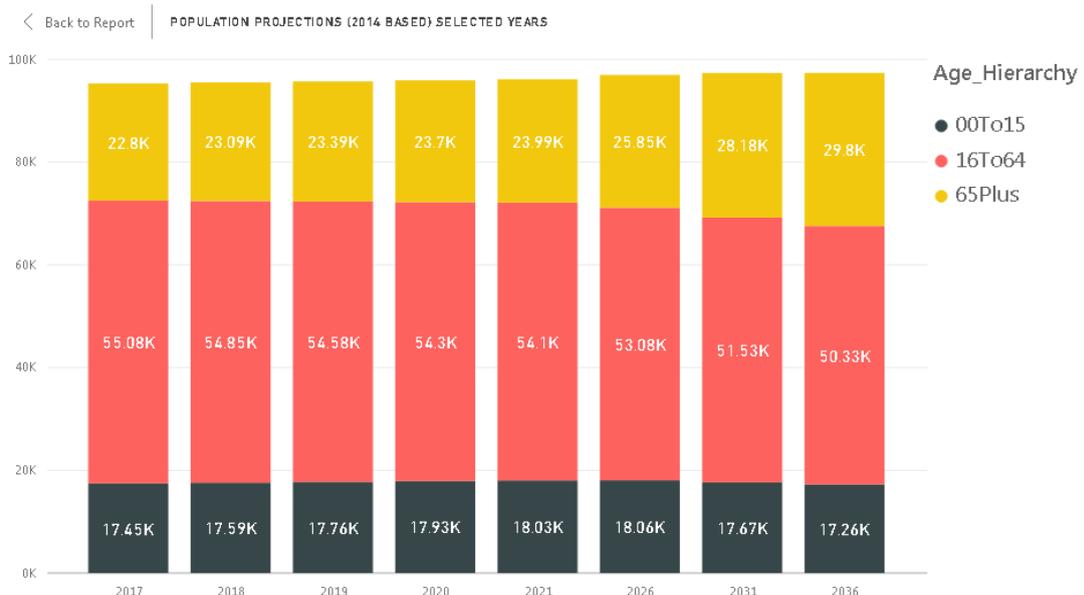
Chart 6 Limiting Illness in Denbighshire



Approximately 23.5% of residents in Denbighshire are limited either a little or a lot in their day-to-day activities as oppose to 22.7% in Wales as a whole. The higher levels of activity limited seen in Denbighshire is most likely due to the higher age profile in the County and is also potentially due to the broad-scale issues that are prevalent in certain parts of Rhyl.

11.4. Population Projections

Chart 7 Denbighshire Population Projections



Population projections illustrate that, over the life of this LHMA, the amount of people in the 65 and over age bracket is expected to increase greatly, whilst a small decrease is expected in the 16-64 age range. The level of residents in Denbighshire who are activity limited is expected to increase. Projections from Daffodil Cymru suggest that the amount of residents who are day-to-day activity limited is estimated to increase by over 900 people by 2020. Again, such projections should be seen as a guide for future service provision. As mentioned, the changing shape of Denbighshire's age profile is likely to impact on a full range of services and is something that DCC are taking account of moving forward. (Welsh Government, 2017).

11.5. Household Estimates

As the population increases in size demand for housing is expected to grow. By far the biggest factor affecting the number of households in the future is the expected growth in the number of single person households. This is not a trend which is unique to Denbighshire, but its effect is more pronounced here because of the relatively high number of older people in the population of the area. (Conwy County Council Research, 2017).

Table 17 Household Estimates

	All types	1 person	All 2 person	All 3 person	All 4 person	All 5+ person
Year						
2011	40,645	12,746	14,709	5,791	4,896	2,502
2012	40,813	12,826	14,851	5,774	4,877	2,485
2013	41,043	12,891	14,992	5,783	4,889	2,488
2014	41,201	12,931	15,115	5,772	4,894	2,490
2015	41,196	12,907	15,196	5,739	4,874	2,480
2016	41,321	12,965	15,290	5,717	4,870	2,480
2017	41,452	13,016	15,398	5,700	4,861	2,477
2018	41,577	13,071	15,495	5,680	4,856	2,475
2019	41,708	13,141	15,585	5,656	4,850	2,475
2020	41,826	13,192	15,676	5,635	4,848	2,475
2021	41,945	13,254	15,756	5,614	4,847	2,474
2022	42,075	13,346	15,824	5,586	4,845	2,474
2023	42,932	13,585	16,078	5,722	4,997	2,550
2024	43,127	13,667	16,178	5,717	5,010	2,556
2025	43,305	13,736	16,268	5,713	5,027	2,562
2026	43,475	13,806	16,348	5,710	5,044	2,567
2027	43,640	13,864	16,439	5,708	5,058	2,571
2028	43,786	13,927	16,501	5,705	5,077	2,576
2029	43,933	14,005	16,555	5,700	5,094	2,580
2030	44,074	14,075	16,610	5,697	5,108	2,584
2031	44,199	14,137	16,654	5,695	5,125	2,588
2032	44,322	14,229	16,667	5,692	5,141	2,593
2033	44,433	14,311	16,671	5,693	5,159	2,599

Source: 2014 based household projections, 10 year migration trend, Welsh Government

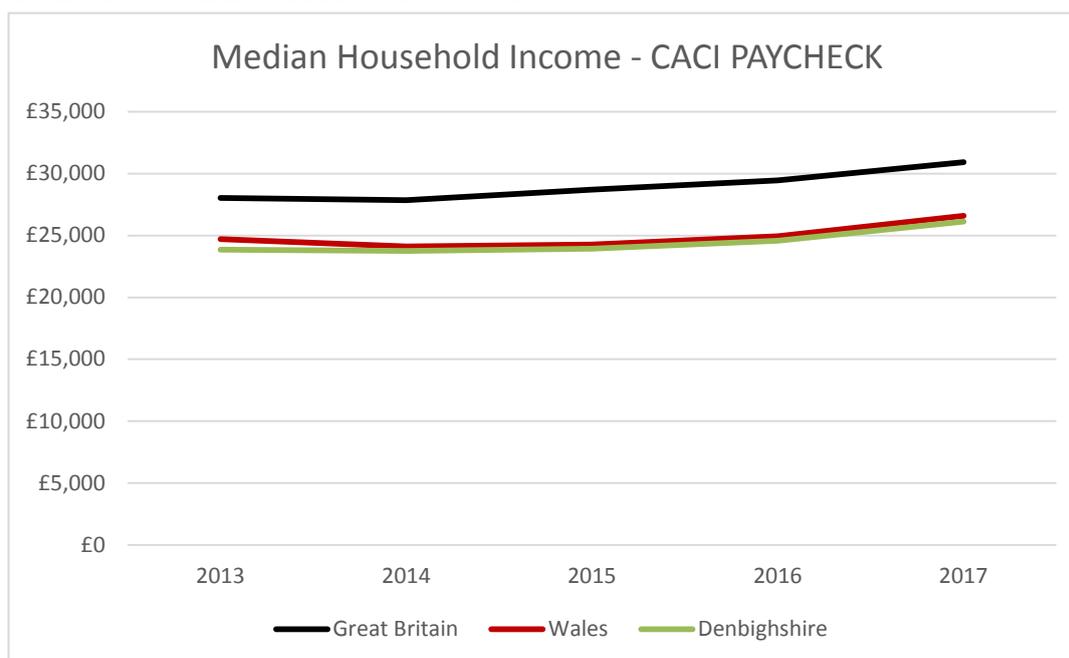
Most single person households are pensioners living alone. In 2014 there were 6,450 lone pensioner households[1] in Denbighshire . As life expectancy increases and the large post-World War II baby-boomer generation reaches pension age we can expect to see the number of lone pensioner households increase. One and two person households are expected to account for 69% of households by 2022. (Conwy County Council Research, 2017).

Other factors which have led to smaller average household sizes over past decades have been the trends towards smaller family size and the increase in the number of family break-downs. These trends are expected to continue.

12. Household Income

Median household income data from CACI PayCheck shows lower incomes in Denbighshire than in Wales or Great Britain. Trend data indicates that Denbighshire, Wales and Great Britain have followed a similar path over the last five years. In Denbighshire, it is only in the last year that incomes have risen above their pre-crisis (2007) levels.

Chart 8 – Median household Income



The countywide figures mask a contrasting picture in the localities within the county. Within Denbighshire there are a broad range of income levels and diversity between income levels in the housing market areas we have identified as shown in Table 18 below. The median household income levels vary by nearly £13,000 between Rhyl & Coast and Ruthin & East LHMA's, with this pronounced variation in household incomes levels also being seen in the Lower Quartile income figures.

Table 18 Household Income Source: CACI Data 2018	Median household Income	Lower Quartile Household Income
Denbighshire	£26,126	£16,447
Bodelwyddan & Border	£31,697	£18,106
Corwen & Llangollen	£26,982	£15,570
Denbigh & West	£29,307	£17,245
Prestatyn & Meliden	£25,890	£14,935
Rhyl & Coast	£22,158	£12,974
Ruthin & East	£35,101	£20,500

12.1. Employment

The labour market impacts on housing demand by its effect on migration (population change) and income (impacting on affordability and demand for different types of property). There are approximately 38,400 jobs in Denbighshire and 42,200 working residents. This is a mismatch of about 4,200 jobs, demonstrating that the labour market operates on a wider geography than the geographical boundaries of the local authority. (ONS, 2015).

Data from the census shows the broad spread of places of work of Denbighshire residents with substantial numbers working in neighbouring counties, and further afield including Cheshire and Merseyside reflecting the significance of the Mersey Dee economic area.

Table 19 Destination of Denbighshire Residents for Work	Usual Residence
place of work : 2011 census merged local authority district	Denbighshire
Denbighshire	21,409
Flintshire	3,353
Conwy	3,332
Wrexham	1,423
Cheshire West and Chester	959
Gwynedd	322
Liverpool	203
Wirral	157
Manchester	115
Isle of Anglesey	46

(ONS, 2011)

Conversely there are also significant numbers of employees who commute inward to Denbighshire. The relationship between employment opportunity and demand for housing within Denbighshire is complex.

In volume terms the number of unemployed within the county has fallen significantly in recent years but the number of jobs within the county has not seen comparable growth. The claimant count in November 2013 was 1930 and has subsequently fallen to 950 in November 2016. (DWP, 2016).

Despite a number of methodological changes estimate for the number of employee jobs within the county has remained around 37,000 since 2009. There is therefore no current trend of increasing demand for labour to have an impact on housing demand. (ONS, 2015).

Outside of the Rhyl & Coast LHMA unemployment is very low and has remained relatively stable. This would indicate that any significant increase in economic activity would require labour from outside the county (or from Rhyl) to meet the demand. The evidence of commuting patterns above demonstrate that only part of any increase in demand for labour would manifest as an increase in demand for local housing development, as part of this demand would be met from out of county commuters.

In Denbighshire employment in the high skills, high wage sectors of information & communication, finance & insurance, professional, scientific & technical, and business administration & support services is relatively low, totalling just 11.3% compared to 15.4% in Wales and 25.4% in Great Britain. (Nomis, 2017).

Reliance on public sector employment is relatively high accounting for 28% of employment the county compared to 26% for Wales and 18% for GB. This difference is mainly driven by employment in the health sector, in particular due to the presence of Ysbyty Glan Clwyd which contributes significantly to the 28% of employment in that sector in Denbighshire.

Manufacturing is equal to the GB level at 8%. Employment in the accommodation & food are above the national figure at 10.8% compared to 8.9% in Wales and 7.5% in Great Britain.

The proportion of self-employed is relatively high – about 6,800 or 11.0% in Denbighshire (compared to 9.2% for Wales as a whole and about 10.2% for GB). (Nomis, 2017).

Table 20 Employee jobs (2016)

	Denbighshire (Employee Jobs)	Denbighshire (%)	Wales (%)	Great Britain (%)
Total Employee Jobs	37,000	-	-	-
Full-Time	23,000	62.2	65.2	67.8
Part-Time	15,000	40.5	34.8	32.2
Employee Jobs By Industry				
B : Mining And Quarrying	20	0.1	0.2	0.2
C : Manufacturing	3,000	8.1	11.4	8.1
D : Electricity, Gas, Steam And Air Conditioning Supply	40	0.1	0.6	0.4
E : Water Supply; Sewerage, Waste Management And Remediation Activities	175	0.5	0.9	0.7
F : Construction	2,500	6.8	5.5	4.6
G : Wholesale And Retail Trade; Repair Of Motor Vehicles And Motorcycles	5,000	13.5	15.1	15.3
H : Transportation And Storage	1,000	2.7	2.9	4.9
I : Accommodation And Food Service Activities	4,000	10.8	8.9	7.5
J : Information And Communication	600	1.6	2.3	4.2
K : Financial And Insurance Activities	350	0.9	2.3	3.6
L : Real Estate Activities	700	1.9	1.6	1.6
M : Professional, Scientific And Technical Activities	1,250	3.4	4.2	8.6
N : Administrative And Support Service Activities	2,000	5.4	6.6	9.0
O : Public Administration And Defence; Compulsory Social Security	2,000	5.4	6.8	4.3
P : Education	3,500	9.5	10.1	8.9
Q : Human Health And Social Work Activities	10,000	27.0	16.1	13.3
R : Arts, Entertainment And Recreation	600	1.6	2.5	2.5
S : Other Service Activities	600	1.6	1.5	2.1

Source: ONS Business Register and Employment Survey : open access

- Data unavailable

Notes: % is a proportion of total employee jobs excluding farm-based agriculture

Employee jobs excludes self-employed, government-supported trainees and HM Forces

Data excludes farm-based agriculture

(ONS, 2017)

The occupational breakdown is different in Denbighshire too. (Nomis, 2017)

Table 21 Employment by occupation (Jul 2016-Jun 2017)				
	Denbighshire (Numbers)	Denbighshire (%)	Wales (%)	Great Britain (%)
Soc 2010 Major Group 1-3	15,400	37.3	40.8	45.5
1 Managers, Directors And Senior Officials	3,900	9.3	9.5	10.7
2 Professional Occupations	6,800	16.4	18.6	20.3
3 Associate Professional & Technical	4,700	11.3	12.4	14.3
Soc 2010 Major Group 4-5	9,300	22.5	22.6	20.7
4 Administrative & Secretarial	3,500	8.5	10.3	10.3
5 Skilled Trades Occupations	5,700	13.8	12.2	10.3
Soc 2010 Major Group 6-7	8,700	21.1	18.2	16.8
6 Caring, Leisure And Other Service Occupations	5,900	14.1	10.2	9.2
7 Sales And Customer Service Occs	2,800	6.8	7.9	7.5
Soc 2010 Major Group 8-9	7,800	19.1	18.4	17.0
8 Process Plant & Machine Operatives	3,000	7.3	7.2	6.3
9 Elementary Occupations	4,800	11.6	11.1	10.6

(Nomis, 2017)

Since 2006 we have seen a slight fall in the numbers within the 4-5 group and a slight increase in the 1-3 group. At the same time the 8-9 group has reduced slightly and the 6-7 group has increased slightly. These small changes can be observed over the whole period which has in fact been subject to fluctuation from year to year. Overall we can conclude that there seems little evidence of the type of substantial change we would expect to be required for a significant change in housing demand to occur. In this Local Housing Market Assessment period the pressure from this direction has changed little from the previous period.

Incomes are only just recovering to pre-crisis levels according to CACI Paycheck data 2018. The majority of the recovery has been within the last 3 years. Incomes are having an impact on housing is at the lower end where falling or flat incomes are having an impact on affordability.

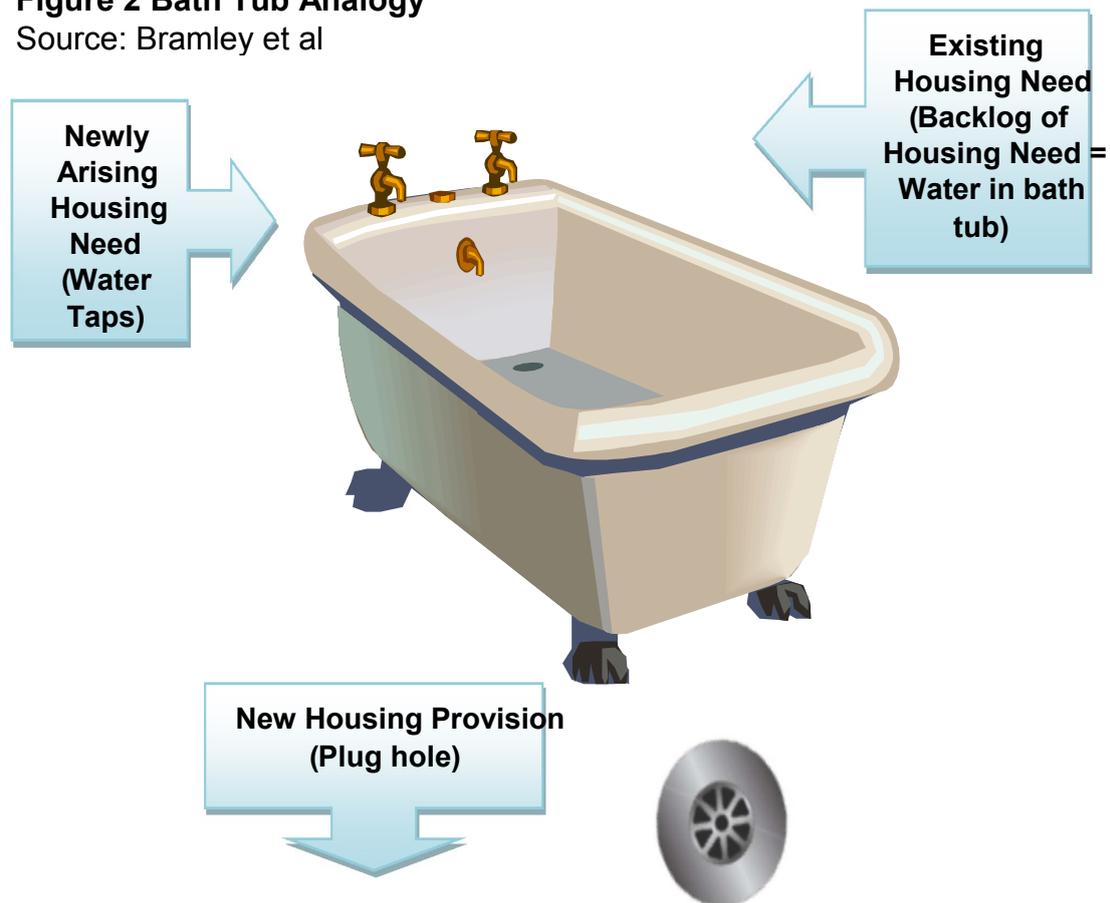
12.2. Housing Need

The calculation for housing need takes into account the following factors demonstrated by the bathtub analogy.

Figure 2 explains the Glen Bramley bath analogy developed by Bramley et al (1998). This model conceptualises newly arising housing need from the water taps, existing housing need as the backlog of water already in the bath tub, and new housing provision as the water escaping from the plug hole.

Figure 2 Bath Tub Analogy

Source: Bramley et al



By supplying new affordable housing (the plug hole) we can ensure that the bath doesn't overflow. At present the backlog of affordable housing need in Denbighshire is significant, and is continuing to grow as our supply of affordable housing has failed to keep up with demand.

12.3. Future Housing Need

The main data sources used to look at the demographic profile of the area are the Office for National Statistics' population estimates and supporting data on components of population change; and Welsh Government's 2014-based sub-national population projections.

The size of the resident population in Denbighshire at 30 June 2017 was estimated to be 95,150 people. In the 15 years since 2002 the population of Denbighshire has increased by 1,700, which is 1.8% – an average of about 0.1% per year, though rates of change have not been evenly spread across the period. In the same period the population of Wales increased by 6.9% and the population of the UK grew by 11.2%.

Population projections for Denbighshire indicate that the total population will grow marginally over the next five years, and continue with limited growth until 2034.

The number of children in the population has been generally in decline over the past two decades, despite a very slight increase in the last three or four years. Denbighshire's 18.1% of the population aged under 16 compares to 17.9% in Wales as a whole and 18.9% across the UK.

Denbighshire's 58.1% of the population aged 16-64 compares to 61.5% in Wales as a whole and 62.9% across the UK. This is relatively low, and leads to a high dependency ratio – that is, the ratio of people of working age to those who are theoretically 'dependent' on that working age population. In 2017 the dependency ratio in Denbighshire was 722 dependents for every 1,000 of working age. In Wales this was 625:1,000 (UK ratio is 590:1,000). A high dependency ratio can put strain on the local economy and on the resources needed to provide social care.

These slight changes in the population will create new housing need in addition to the backlog of housing need across Denbighshire which is still unmet. However, the additional housing need in Denbighshire will mainly come from the formation of new households within the existing population. This new housing need adds to the existing pressure on the housing market. Table 22 details the household projections for Denbighshire over the next five years.

Table 22 Projected change in Denbighshire's household numbers, 2018-2023 (newly forming households)

Household Projections	Number
Projected number of households 2018	41,938
Projected number of households 2023	42,932
Total change in number of households	+994
Annual average	199

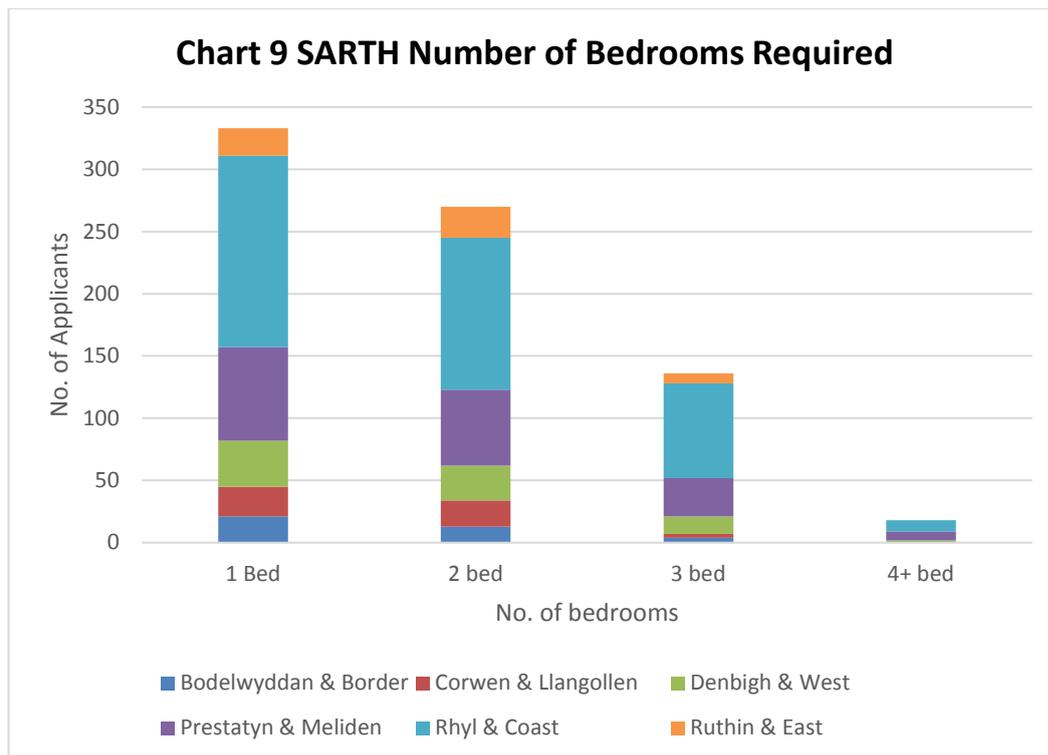
Source: 2014 based household projections, 10 year migration trend, Welsh Government

The annual average figure, 199 is how many new households will form each year in Denbighshire 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 Denbighshire each year.

12.4. Backlog of Housing Need

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 SARTH and Tai Teg housing registers to see how many households are already in need of affordable housing and who are waiting on housing registers to be housed.

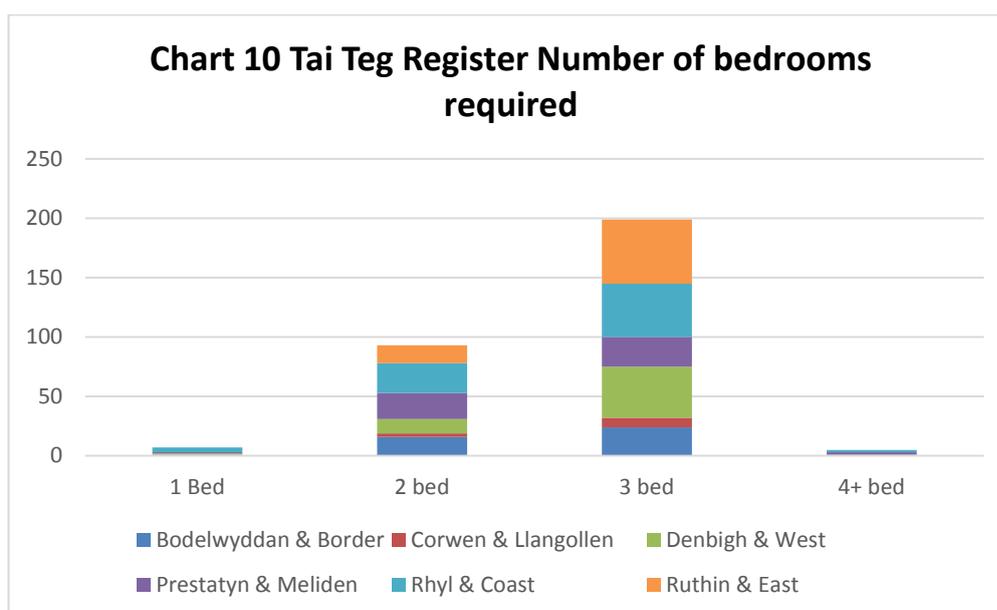
Chart 9 details the number of bedrooms required by all applicants for social housing within each LHMA area. The majority of applicants require a one bedroom property, which is particularly high within the Rhyl and Coast and Prestatyn and Meliden areas. Social housing tenants are penalised for under occupying their properties by the ‘bedroom tax’ where they must pay additional rent on any additional bedrooms they have in their home which are more than their household requires. For this reason applicants on the social register are not able to apply for housing with more bedrooms than their household needs.



Source: SARTH Register

	Bodelwyddan & Border	Corwen & Llangollen	Denbigh & West	Prestatyn & Meliden	Rhyl & Coast	Ruthin & East	Total
1 Bed	21	24	37	75	154	22	333
2 bed	13	21	28	61	122	25	270
3 bed	4	3	14	31	76	8	136
4+ bed	0	0	2	7	9	0	18
Total	38	48	81	174	361	55	757

Chart 10 details the number of bedrooms required by applicants for intermediate housing to rent or buy on the Tai Teg register. There is a fairly even split in terms of total applicants in all of the LHMA areas with the exception of Corwen & Llangollen. Applicants on the Tai Teg register are eligible to apply for an additional bedroom above their households needs, this is why the need for three bedroom properties is so much higher and the demand for one bedroom properties so much lower on the Tai Teg register than it is on SARTH.



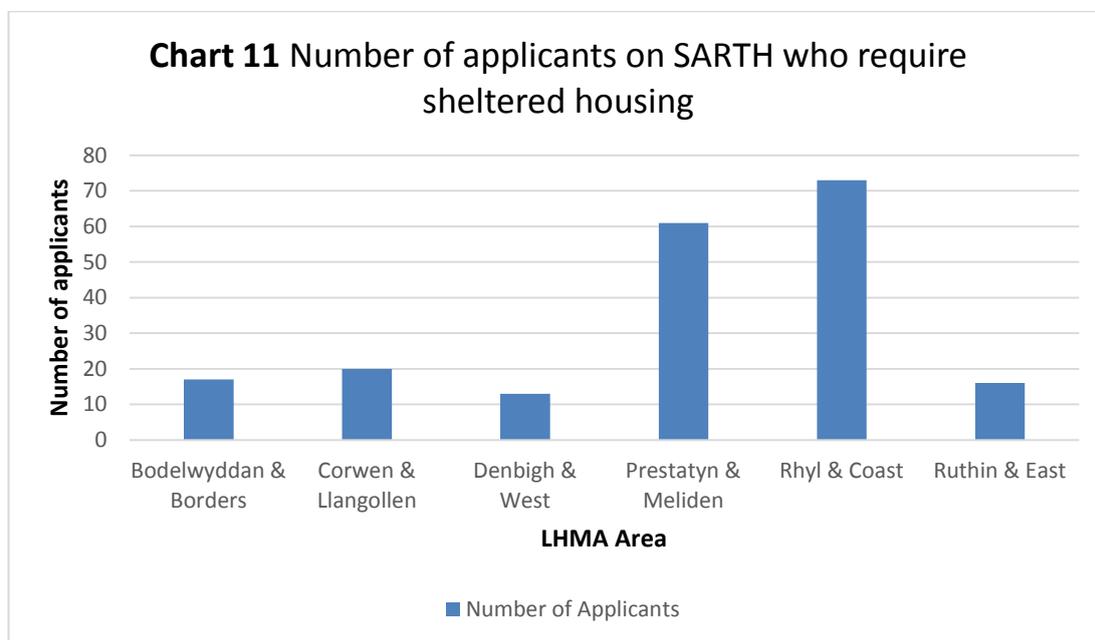
	Bodelwyddan & Border	Corwen & Llangollen	Denbigh & West	Prestatyn & Meliden	Rhyl & Coast	Ruthin & East
1 Bed	1	0	1	1	4	0
2 bed	16	3	12	22	25	15
3 bed	24	8	43	25	45	54
4+ bed	0	0	1	2	2	0
Total	41	11	57	50	76	69

Source: Tai Teg Register

12.4. Older Persons

The age structure of Denbighshire is significantly older than that for Wales or the UK as a whole. Denbighshire's 23.8% of the population aged 65 and over compares to 20.6% in Wales as a whole and only 18.2% across the UK. The median age of the population in 2017 was 46.2 years (Wales = 42.5; UK = 40.1). The median age has increased from 43.5 to 46.2 years over the last decade.

The increase in the number of people aged over 65 is mainly due to two factors; firstly improvements in mortality rates mean people are living longer; and secondly the ageing on of the large 'baby boom' cohort born after the Second World War. From the SARTH Social housing register the demand for housing from the older population can clearly be seen. Chart 11 details the number of social housing applicants aged 60+ in need of sheltered housing. This need is particularly acute in the coastal LHMA areas of Prestatyn and Rhyl and Coast.



Source: SARTH Housing Register

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

12.5. Housing Size

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, however applicants for social housing will only be eligible for a property with the number of bedrooms that meet their need at that time. If their need changes and they require more or less bedrooms they can

be rehoused to meet this need. Applicants on the Tai Teg register for intermediate housing are able to register for their current housing need plus one additional bedroom.

Where open market housing is concerned demand is often led by aspiration and what the household can afford rather than need therefore it is important to ensure a good mix of housing sizes to meet both needs and aspirations.

However, recent residential developments have been dominated by larger properties with three and four bedrooms, when household size projections clearly show a downward trend in the size of households across the County. If the market is dominated by larger, more expensive properties then it limits the choice and availability for households who want a smaller one or two bedroom dwelling.

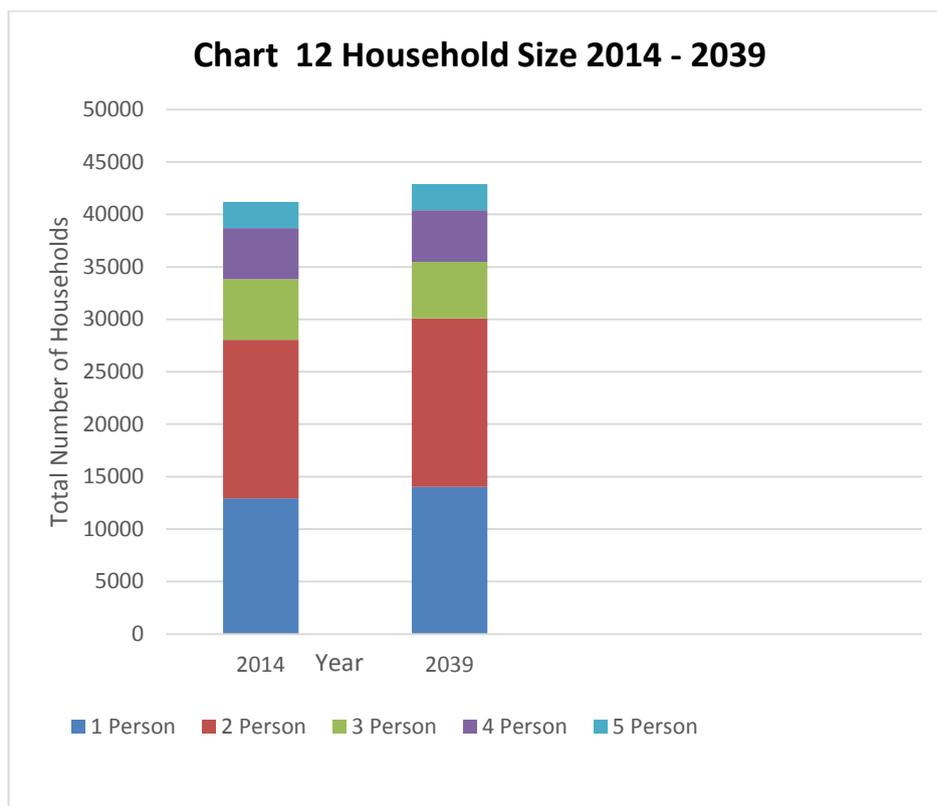
For this reason an analysis of the household size projections for Denbighshire has been used to determine a recommended housing mix for new residential developments. This is intended to be a starting point and to be flexible to ensure deliverability where evidence exists to suggest a need for an alternative mix.

Table 23 Household Size Change 2014 - 2039	Year		As a % of Households		Change 2014 - 2039	
	2014	2039	2014	2039	No.	%
1 person	12,931	14,011	31.39%	32.66%	1,080	8.35%
2 person	15,115	16,065	36.69%	37.45%	950	6.29%
3 person	5,772	5,386	14.01%	12.56%	-386	-6.88%
4 person	4,893	4,941	11.88%	11.52%	48	0.98%
5+ person	2,490	2,494	6.04%	5.81%	4	0.16%
All Households	41,201	42,896	100.00%	100.00 %	1,695	4.11%

Source: Stats Wales

Table 23 shows that the number of households in Denbighshire is expected to grow by 4.11% by 2039, with the majority of this growth being single person and 2 person households. This growth in smaller households is not unique to Denbighshire, but is more pronounced due to our proportionately older population. The downward trend in the size of households is adding to the growth in the number of new households as well as the growth in the population in general.

Chart 12 shows a breakdown of the total population by household size and demonstrates that the majority of households are made up of one or two persons.



Source: 2014 based household based projections. 10 year migration trend Welsh Government

Chart 12 above indicates that the greatest need is for smaller dwellings with one or two bedrooms as there is significant growth in these household sizes within the population. There is a decrease in the number of three person households and very minor growth in the larger households.

Developers are encouraged to include a mix of housing sizes to reflect this need, as well as the aspiration for additional bedrooms. Table 24 defines the recommended mix of market housing types on residential sites.

Table 24 Recommended Housing Mix – Market Housing			
1 + 2 bed	3 bed	4 bed+	Total
30%	35%	35%	100%

Source: DCC

This mix has been reached by analysing the current and projected household sizes in Denbighshire. 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. 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.

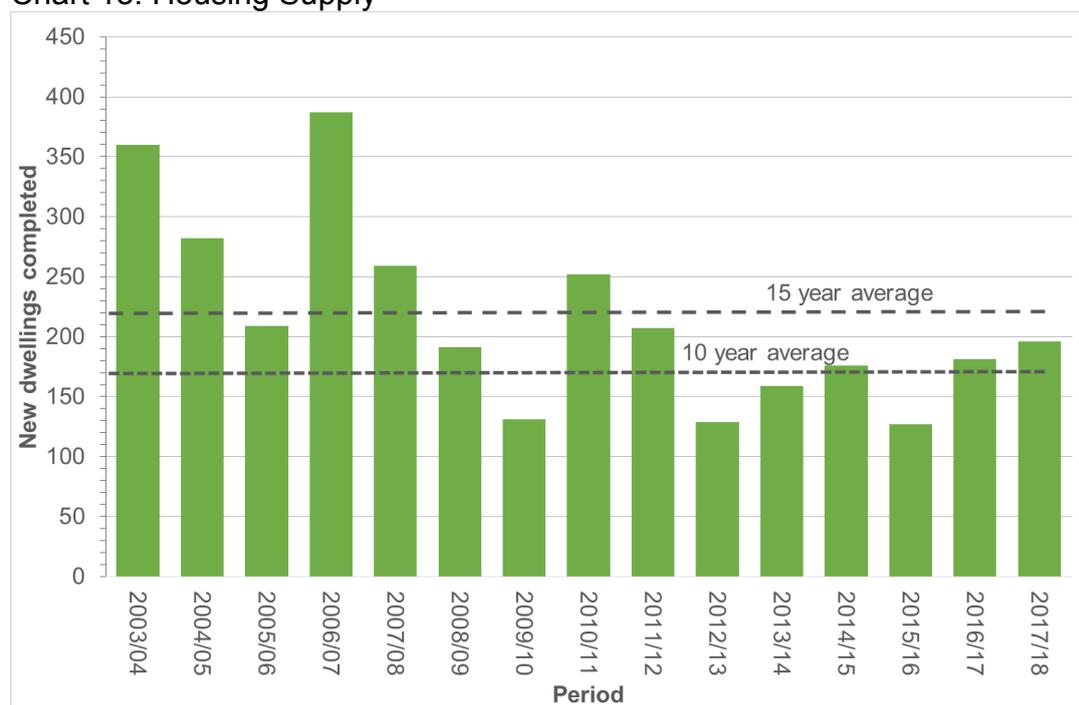
Where a developer proposes an alternative mix of housing sizes a robust evidence base must support the need for a deviation from this recommended mix. In addition the supply of one and two bedroom properties must include an

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.

12.6. Housing Supply

It is important that our housing stock meets the needs of Denbighshire's residents. As our population and number of households continue to grow so must our housing stock to meet these demands. Chart 13 details how the housing stock increases year-on-year as new houses and flats are built. The Chart below shows how many new housing units have been completed.

Chart 13: Housing Supply



Source: DCC JHLA Reports

Chart 13 shows the annual completion rates for the past 15 years, as published in the Housing Land Availability Studies for Denbighshire. There was a significant reduction in house building activity following the global economic downturn of 2007/08, which is only just starting to show a recovery. Averages for the past 15 years and past 10 years are shown in these charts, to give some indication of the 'before' and 'after' impacts of the economic downturn. 10 year average is about 170 net new dwellings each year, and the 15 year average is about 220 each year.

The completions shown in Chart 13 above include both market and affordable housing completions. With an identified need for 155 affordable units per year in this LHMA it can be seen that in some years this is above the total number of market and affordable completions achieved.

Welsh Government is pushing to provide 20,000 affordable homes by 2022 across Wales. Additional funding has been forthcoming to increase the supply of

affordable housing both capital (Social Housing Grant) and revenue funding (Housing Finance 2). The capital funding graph only includes Social Housing Grant controlled by Denbighshire County Council. Other funding streams have also been made available to enable development such Innovative Housing Funding and Land for Housing initiatives. RSLs/Housing Associations have to make a financial contribution through private finance for each scheme developed. Increased funding and alternative streams of income is having a positive impact on affordable developments across Denbighshire and real increase in numbers expected from 2020/21 onwards.

Table 25 provides a detailed breakdown of the affordable housing provision in Denbighshire over the last five years.

Table 25 Affordable Housing provision in Denbighshire			
Financial year	Total	Capital funding (Social Housing Grant)	Non-capital funding
2013/14	16	11	5
2014/15	74	37	37
2015/16	57	40	17
2016/17	67	20	47
2017/18	66	41	25

Source: DCC

Capital Grant Funding is typically the Social Housing Grant (SHG) programme, a financial subsidy which is provided by the Welsh Government towards the cost of developing social housing. This grant funding is paid to RSLs and will usually cover up to 58% of the development cost, the remaining is paid for by the RSL. Non grant funded schemes are those delivered by the Planning System, for example on site affordable housing units provided by developers in line with the planning policy requirements set out within the LDP. Denbighshire County Council currently has a policy for 10% of sites to be affordable housing and this will be reviewed as part of the work on the replacement LDP. Clearly the capital grant funded projects are the main source of affordable housing delivery in Denbighshire. Since 2006/7 there have been 76 homes delivered through Section 106 agreements in Denbighshire.

12.7. Empty Homes

Empty dwellings in the private sector housing stock are a major issue in Denbighshire, as in many other parts of the UK. In spite of fluctuations in the fortunes of the housing market, the number of long term empty dwellings in the county remains fairly consistent. Some of these properties are in good condition, whilst others are uninhabitable and deteriorating further. Long term empty properties can act as magnets for crime, vandalism and antisocial behaviour, all of which can have implications for the police, fire authority and the Council itself. They can also impact on adjoining properties through damp and infestations, and can have a significant effect on property values.

The Council's Corporate Plan 2017 - 2022 'Working together for the future of Denbighshire' includes the priority of 'Everyone is supported to live in homes that meet their needs', in order to contribute to this priority our target is to bring 500 empty properties back into use by 2022 and to continue to perform among the best in Wales.

Through its Empty Homes Delivery Plan, the Council aims to target problematic empty properties that are inactive in the housing market, unlikely to return to use without intervention, and may be the subject of valid complaints by the general public or other bodies and bring them back into occupation. However, there needs to be some level of vacant accommodation within the housing stock, to allow for churn within the housing market. There is no optimum level of vacancy, as the housing market in each area is different and changes over time.

Denbighshire has around 780 homes (April 2018) identified as empty from Council Tax records – with concentrations of empties in and around the areas of Rhyl, Denbigh, Prestatyn and Ruthin. Despite being very successful in bringing empty properties back into use over the last 5 years and consistently being one of the top performing Local Authorities in Wales, the overall number of empty homes in Denbighshire has remained relatively static. As the level of empty properties is fairly static this element has not been included in the supply side of the affordable housing need calculation.

The position will be monitored for future LHMA's as changes to Council Tax charges for empty properties and other initiatives may lead to an on-going reduction in the levels of empty properties in Denbighshire in the future.

12.8. Committed Supply

Table 26 details a breakdown of the supply of affordable housing which has been used to calculate the requirement for affordable housing over the next five years. This data has come from sites allocated for housing within the Denbighshire LDP, sites with planning permission and the SHG programme. Only those sites that have commenced or are due to commence shortly have been included in these totals. These have been broken down into either social or intermediate housing to feed into each part of the LHMA calculation.

Table 26 Supply of affordable housing 2018-2023 Source: LDP, DCC Planning department & Housing Strategy	Social	Intermediate	Total
Bodelwyddan & Borders	0	1	1
Corwen & Llangollen	0	9	9
Denbigh & West	92	1	93
Prestatyn & Meliden	62	4	66
Rhyl & Coast	101	0	101
Ruthin & East	71	26	97

Corporate Plan Commitment	170		170
TOTAL	496	41	537

12.9. Annual Affordable Housing Requirement

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

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

Table 27 Social Housing Need Calculation

Source: DCC

Element and step in calculation	Notes	April 2017
C: current need		
1. Existing households in need of alternative housing.	<p>Step 1 Existing households in need of alternative housing</p> <p>Households are only eligible to register for social housing if they meet certain eligibility criteria.</p> <p>Housing needs bands are awarded to applicants under the following criteria:</p> <p>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).</p>	757
2. <i>plus</i> current non-households in need of affordable housing		
3. <i>minus</i> cases where they can afford to meet their needs in the market	<p>Step 3 Minus cases where they can afford to meet their needs in the market</p> <p>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.</p>	
4. equals Total current housing need (1 + 2 – 3)	Calculation stage	757
A: available stock to offset need		
5. Current occupiers of affordable housing in need	<p>Step 5 Current occupiers of affordable housing in need</p> <p>Current occupiers of affordable housing in need of re-housing (transfer) should have already been counted on the transfer list at Step 1 above. This step is meant to remove those current occupiers of existing affordable stock (i.e. those in housing need, but already housed within affordable stock), as they will free up stock for other households. Moving these households will have a nil effect on the overall level of need (as they should have</p>	167

	been counted as being in need at Step 1) – but this step is important to establish the net level of affordable housing needed, by deducting the amount of stock freed by the moving households. (Sum of past 3 years transfers)	
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 fewer than 3% of the stock is vacant then a ‘nil’ value is applied at this stage of the calculation.	0
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) through Registered Social Landlords and private developers (260 properties). 170 affordable housing units to be delivered by the Council.	430
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.	0
9. equals Total available stock to meet current need (5 + 6 + 7 – 8)	Step 9 Equals total available stock to meet current need and Step 10 : Equals total current need Calculation stage – no data needed.	597
10. equals Total current need (4 – 9)		160
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	20.0%
12. equals annual need to reduce level of current need (10 x 11)	Step 12 Equals annual need to reduce level of current need Calculation stage – no data needed.	32

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.	199
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% (68 households)
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.	338
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	
17. <i>plus</i> in-migrants unable to afford market housing	There is currently no known source of reliable data to calculate these two steps separately, so they have been left as zero. Further research may reveal useable sources of data, but the actual numbers could not be expected to be very large. The household projections used at step 13 of the calculation will have picked up migration trend data at the individual level.	
18. <i>equals</i> newly arising need ((13 x 14) + 15 + 16 + 17)	Step 18 Equals newly arising need Calculation stage – no data needed.	406

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.	333
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.	
21. equals affordable supply (19 + 20)	Step 21 Equals affordable supply Calculation stage – no data needed.	333
Net shortfall or surplus		
22. Overall shortfall (12 + 18 - 21)	Step 22 Overall shortfall Annual total of households in need of social housing assistance.	105

Table 27 shows a need for **105** additional social housing units per annum over the five year LHMA period. This is in addition to the 260 planned social housing development contained within the LDP and SHG programme for delivery over the next five years.

Table 28 Intermediate Housing Need Calculation

Source: DCC

Current intermediate housing need		
(a) Existing intermediate need	Total applicants on Tai Teg register for home ownership	71
	Total applicants on Tai Teg intermediate rent register	78
	Total intermediate need	149
Stock available to offset need		
(b) Committed supply of new affordable intermediate units	LDP/development control	130
(c) equals Total current need (a – b)		19
(d) times quota progressively to reduce level of current need	From local authority Affordable Housing Delivery Statement - policy judgement (cleared over 15 yr period)	20%
(e) equals annual need to reduce level of current need (c x d)	Rounded	4
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	57%
(g) CACI PayCheck "% households below 60% of GB median income"	Proxy for those new households likely to be in social need	34%
(h) Proxy for intermediate housing need (f-g)		23%
(i) Newly forming households - gross p.a.		199
(j) equals newly arising intermediate need p.a. (h*i)	Rounded	46
Total intermediate housing need		
(k) Existing need plus newly arising need (e + j)	Rounded	50

Table 28 shows the need 50 intermediate housing units per annum over the five year LHMA period. This is in addition to the 130 intermediate units planned in the LDP for delivery over the next five years.

Table 29 Total Annual Social Housing & Intermediate Housing Need Calculation

Source: DCC

Annual Social Housing Need	105
Annual Intermediate Housing Need	50
TOTAL ANNUAL SOCIAL AND INTERMEDIATE HOUSING NEED (2018-2023)	155

13. Glossary

Affordability – the ability of a household or potential household to rent or purchase a property that satisfies the needs of that household without subsidy. This could be based on an assessment of the ratio of household income to the price of available property 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 older people and people with disabilities, where individual care needs are provided for on site.

First time buyer - A person who has not acquired a freehold or leasehold interest in residential property in the UK (except a lease with less than 21 years to run) or an equivalent interest anywhere in the world (HMRC 2019). The average age of a first time buyer has increased to 30 years old (The Independent – 07/03/18).

Help to buy - the scheme provides shared equity loans of up to 20% of the price of a new build property up to the value of £300,000. This equates to loans of up to £60,000 interest free for 5 years and at below-market rates thereafter

Homebuy – an approved applicants selects a property off the open market (within certain limits) and is given a deposit towards it. This funding is held as a second charge on the property and no rent is chargeable on the element held by a RSL/Housing Association.

Housing Needs – refers to households lacking their own housing or living in unsuitable housing, who are unlikely to meet their needs within the open housing market without some assistance.

Housing Strategy (HS) – the Housing Strategy sets out the overall strategic direction in terms of housing for the next 5 years.

Intermediate Housing – where prices or rents are above social housing rents but below market housing prices or rents

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

Local Housing Allowance (LHA) - Is a way of working out claims for Housing Benefit for tenants renting accommodation from a private landlord. The Local Housing Allowance is based on the number of bedrooms (maximum of 4 bedrooms) your household needs not the number of rooms in the property you rent.

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 Denbighshire.

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 their 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 legal term used to define whether a homeless person is vulnerable under Homelessness legislation and therefore entitled to consideration for housing assistance by the local authority. Contains several definitions of what constitutes priority need, e.g. having dependent children, pregnancy.

Rent to own – a Welsh Government scheme whereby an applicant rents at market value and is given the opportunity to purchase the property in future. The difference between the market and affordable rent is used as a deposit towards purchase.

Registered Social Landlord (RSL) – A non-profit making organisation providing housing for rent or shared-ownership for those in housing need. Otherwise known as a Housing Association.

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.

Self-build - can vary from people physically building a dwelling themselves to cases where they hand over responsibility for the entire construction process to other parties.

Shared equity – purchase of a home at discounted percentage of price depending on number of bedrooms and local income information. Once fixed the percentage of market value is reapplied at the time of subsequent sale.

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 and Almshouses.

Social Housing Need - is identified by the following criteria: households experiencing overcrowding; under-occupation; medical reasons; homeless; 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 controlled by the local authority for the purpose of funding affordable housing.

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 additional needs. Varying levels of support may be provided.