

Monmouthshire Replacement Local Development Plan

**Housing Mix Guidance Note
June 2021**



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Planning Policy Service

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1. Purpose

- 1.1 The purpose of this note is to provide guidance on the emerging housing mix policy which will be included in the Deposit RLDP. This policy will assist in delivering sustainable and resilient communities and achieve the objective of retaining and attracting a younger demographic. The provision of a range and choice of homes in future housing developments is required to address affordability issues and to assist in delivering the Council's core purpose to build sustainable and resilient communities that support the well-being of current and future generations. The note aims to offer advance consideration of policy requirements that will emerge through the Plan process and to assist with the submission of Candidate Sites.
- 1.2 We also offer the opportunity for site promoters to engage with the Council through the Planning Policy Candidate Sites Advice Service to determine site-specific issues. Please see the Council's website for details of this service: <https://www.monmouthshire.gov.uk/planning-policy/candidate-sites/>

2. Policy Context

Future Wales: The National Plan 2040

- 2.1 Future Wales – the National Plan 2040 is the national development framework, setting the direction for development in Wales to 2040. Future Wales recognises that affordable housing is a critically important issue in all parts of Wales. The Delivering Homes section states that the planning system must facilitate the provision of both market and affordable housing noting that *'there is a complex picture of housing need and provision with the opportunities people have varying significantly depending on income and where they live in Wales'* (Future Wales, page 72), this is particularly pertinent to the situation in Monmouthshire which is explained further in Sections 3 and 4 of this paper. It is also recognised within the document that the affordability of housing is not uniform across Wales and that *'different responses will be needed in different parts of Wales to meet the needs of local communities'* (Future Wales Page 73).

Planning Policy Wales Edition 11

- 2.2 Planning Policy Wales Edition 11 (PPW11) sets out the land use planning policies and overarching sustainable development goals for Wales. PPW11 states that new housing development in both urban and rural areas should incorporate a mix of market and affordable house types, tenures and sizes to cater for the range of identified housing needs and contribute to the development of sustainable and cohesive communities (PPW11, Para 4.2.1). It adds further that Planning authorities should specifically consider the differing needs of their communities, including the housing requirements of older people and people with disabilities (PPW11, Para 4.2.5). Importantly PPW11 notes that local authorities can diverge from national policies in order to meet specific local housing needs for market housing to meet the challenges and particular circumstances evident in their areas (Para. 4.2.9).

3. Background

- 3.1 One of the most fundamental challenges facing Monmouthshire's communities is housing affordability. A significant issue for Monmouthshire is that house prices are high in relation to earnings resulting in a considerable need for additional affordable housing in the County, in both urban and rural areas, particularly for those who live and work here. Consequently, a significant proportion of people cannot afford to buy or rent a home so either leave the County, or have to live with their parents or in shared housing for longer. The current pandemic has further increased the need for affordable homes and revealed the extent of hidden homelessness in the County. The Minister for Housing and Local Government has announced that post-Covid-19, no-one should return to the streets and Welsh Government's Building Better Places response to Covid-19 also highlights how the delivery of new social and market housing can make a significant contribution to economic recovery and social cohesion. The Covid-19 pandemic has emphasised the need to ensure the provision of a range and choice of homes in new housing sites to address the County's affordability issues and build sustainable and resilient communities throughout Monmouthshire.
- 3.2 We will be including a housing mix policy in the Deposit RLDP in order to ensure that housing developments address our issues and objectives relating to affordability and demographic challenges, particularly in attracting a younger demographic and assist in delivering sustainable and resilient communities that support the well-being of current and future generations. This is required in order to outline the different type and size of homes the Council will be seeking from the open market homes included within developments. A housing mix policy will also ensure that developments vary in appearance and contribute to placemaking objectives as outlined in Planning Policy Wales.
- 3.3 Ensuring a mix of good quality houses of different types and sizes can help not only to meet the needs of the community but can also help to create mixed and balanced communities. Communities that have a good mix of homes have more potential to support a variety of services and facilities, including shops, schools and local community buildings. They are also likely to be home to people of all ages which can mean that streets are 'alive' at all times of the day, increasing the potential for social interaction and community safety. Homes should be designed so that they are flexible and responsive to the changing needs of the occupants throughout their lives. In Monmouthshire, a Housing Mix Policy will be included in the Deposit Plan to ensure that we have a range of different housing types that cater for people's needs throughout their lives. We need to secure starter homes of one and two bedroom units and where appropriate bungalow units for both our younger and older citizens, to address some of our demographic and affordability issues. We will also require a mix of terraced, semi-detached and detached homes within housing sites to ensure placemaking and variety within the street scene. A Housing Mix Development Management Policy will be developed as the RLDP progresses and included in the Deposit RLDP.

4. Key Housing Data for Monmouthshire

Existing Supply – type, size and tenure

- **Type** – Whether the property is a house, flat, bungalow or specialist accommodation
- **Size** – Number of bedrooms, bed spaces, storeys and size in meters squared
- **Tenure** – whether the property is owner occupied (includes outright or mortgaged), rented (private rented or social rented), shared ownership (including Low Cost Home Ownership)

Type

- 4.1 The 2011 Census highlights that the majority of residential properties in Monmouthshire are detached houses (44.01%) followed by Semi-Detached houses (28.33%).

Table 1 - Type of Property 2011 Census.

Property Type	Number	Percentage
Detached	17,638	44.01%
Semi-Detached	11,354	28.33%
Terraced	6,789	16.94%
Flat, maisonette or apartment	4,186	10.44%
Caravan or other mobile or temporary structure	111	0.28%
Total	40,078	100%

Source: Census 2011, ONS

Size

- 4.2 Table 2 identifies that the predominant type of dwelling in Monmouthshire at the time of the 2011 census related to 3 bedroom properties (42.33%), followed by 4 bedroom properties (23.39%) and 2 Bedroom properties (18.68%).

Table 2 - Type of Property 2011 Census.

Property Type	Number	Percentage
1 Bedroom	2,928	7.66%
2 Bedroom	7,141	18.68%
3 Bedroom	16,525	42.33%
4 Bedroom	8,942	23.39%
5 or more Bedrooms	2,697	7.05%
Total	38,233	100%

Source: Census 2011, ONS

- 4.3 More recent evidence set out in Table 3 outlines the percentage of open market dwellings by type permitted in Monmouthshire on sites of 10+ units over the 2010 – 2021 period. Approximately one third (34%) of all units related to four bedroom detached dwellings with a further 6% of all units being five bedroom detached dwellings

and 9% three bedroom detached dwellings. As a comparison, a total of 9% related to two bedroom terraced (7%) and two bedroom semi-detached (2%) dwellings. Flats accounted for approximately 11% of market dwellings, 3% of which were one bedroom units and 8% two bedroom units.

Table 3 – Open Market element of Planning Permissions Granted in Monmouthshire 2010 – 2021 of 10+ Units

Open Market Dwelling types permitted in Monmouthshire	Number of units	Percentage
Flat - 1 Bedroom	87	3
Flat - 2 Bedroom	216	8
Flat - 3 Bedroom	2	<1
Flat - 4 Bedroom	1	<1
Terraced – 2 Bedroom	189	7
Terraced - 3 Bedroom	316	11
Terraced - 4 Bedroom	50	2
Semi- detached - 1 Bedroom	1	<1
Semi- detached - 2 Bedroom	62	2
Semi- detached - 3 Bedroom	463	16
Semi- detached - 4 Bedroom	64	2
Detached - 1 Bedroom	1	<1
Detached - 2 Bedroom	12	<1
Detached - 3 Bedroom	247	9
Detached - 4 Bedroom	986	34
Detached - 5 Bedroom	166	6
Total	2863	

Tenure

- 4.4 Table 4, taken from the 2011 Census, highlights that the vast majority of all households in Monmouthshire at that time were owner occupied (73.6%) which is higher than both the South East Wales and Wales average. While owner occupied households are the most common tenure in Monmouthshire, housing affordability is one of the most fundamental challenges facing the County.

Table 4 - Housing Tenure 2011

Property Type	Monmouthshire	South East Wales	Wales
All Households	38,233	621,328	1,302,676
Owner occupied	73.6%	66.8%	67.4%
Rented from the Council	4.2%	8.8%	9.8%
Other social rented	9.7%	8.2%	6.6%
Private rented or living rent free	12.2%	15.7%	15.7%

Source: Census 2011, ONS

- 4.5 Table 5 compares average house prices within Monmouthshire against the Wales average, the average prices in Monmouthshire are significantly higher. In addition to this Table 6 compares affordability ratios between house prices and income for Monmouthshire, Wales and the individual wards of Monmouthshire. Monmouthshire stands at 11:1 which is above the Welsh ratio of 8:1, the table also shows the diversity in affordability between the individual wards in Monmouthshire, all of which are above the Wales ratio. The ratio is greater in the rural wards, such as in Llantilio Crossenny where the supply of housing stock is limited and Devauden in the south of the County. The ratio is lower in the more urban wards in the south of the County, however, there is still significant disparity of affordability in these areas. This highlights how house prices in Monmouthshire are high in relation to earnings. There is a need to provide a range and mix of market units in both urban and rural areas, to assist in ensuring a balanced population by meeting the needs of the older population and by retaining younger age groups.

Table 5 – Average House Prices in Monmouthshire & Wales (October - April 2021)

	No. of housing sales	Average housing price
Monmouthshire	287	£329,250
Wales	9807	£212,641

Source: Hometrack (Prices based on sales only) (Accessed 30/06/21)

Table 6 - Lower Quartile House Price to Income Ratio in Monmouthshire Wards May 2020 – April 2021

Area	Lower Quartile House Price to Income Ratio	Area	Lower Quartile House Price to Income Ratio
Wales	8:1	Monmouthshire	11:1
Caerwent	10:1	Llanwenarth Ultra	11:1
Caldicot Castle	9:1	Mardy	16:1
Cantref	9:1	Mill	10:1
Castle	11:1	Mitchel Troy	13:1
Croesonen	12:1	Overmonnow	12:1
Crucorney	11:1	Portskewett	10:1
Devauden	19:1	Priory	14:1
Dewstow	11:1	Raglan	13:1
Dixton with Osbaston	14:1	Rogiet	11:1
Drybridge	10:1	Severn	13:1
Goytre Fawr	11:1	Shirenewton	15:1
Green Lane	12:1	St Arvans	12:1
Grofield	11:1	St Christophers	12:1
Lansdown	13:1	St Kingsmark	10:1
Larkfield	10:1	St Mary's	13:1
Llanbadoc	14:1	The Elms	9:1
Llanelly Hill	10:1	Thornwell	11:1
Llanfoist Fawr	12:1	Trellech United	10:1
Llangybi Fawr	15:1	Usk	14:1
Llanover	14:1	West End	11:1
Llantilio Crossenny	18:1	Wyesham	11:1

Source: Hometrack (Accessed 30/06/21)

Private rented accommodation

- 4.6 The private rented sector is important in meeting the housing requirements of those who are in housing need but cannot access social rented housing and for those who cannot afford to purchase property on the open market. Table 4 identifies 12.2% of all

properties falling within the private rental sector in Monmouthshire at the time of the 2011 Census. In July 2020 a desktop study of the residential rental market was undertaken to support the production of the Local Housing Market Assessment (LHMA). This study provided a historical analysis of rental activity from 2010 to 2020 using Hometrack, however, this has been heavily caveated noting it only provides for a very broad analysis of the rental market in Monmouthshire. A sample size of 5,844 properties were included covering 5 areas; Abergavenny, Caldicot, Chepstow, Monmouth and Usk.

- 4.7 Of the 5,844 properties, the predominant type of property related to 2 bedroom homes, followed closely by 3 bedroom properties. The totals related to 890 (15.23%) 1 bedroom properties, 2,105 (36.01%) 2 bedroom properties, 1,986 (33.98%) 3 bedroom properties, 694 (11.87%) 4 bedroom properties and 169 (2.89%) 5+ bedroom properties.
- 4.8 Table 7 provides the monthly rental values for the five rental areas in July 2020. As the table illustrates there are clearly a range of rental values for each type of property across each of the areas.

Table 7 - Monthly Rental Values

	Bedroom Category	Sample Number of Properties	Highest Current Monthly Rent	Lowest Current Monthly Rent	Average Current Monthly Rent	Median Current Monthly Rent
Abergavenny	1 Bed	192	£815	£295	£513	£475
	2 Bed	444	£925	£330	£634	£638
	3 Bed	347	£1,200	£405	£771	£755
	4 Bed	109	£2,195	£390	£1,070	£965
	5 + Bed	35	£3,535	£600	£1,649	£1,535
	Total	1127				
Usk	1 Bed	61	£710	£360	£535	£535
	2 Bed	178	£870	£398	£663	£660
	3 Bed	211	£1,190	£476	£805	£783
	4 Bed	65	£1,735	£424	£1,047	£960
	5 + Bed	16	£3,020	£1,100	£1,896	£1,818
	Total	531				

	Bedroom Category	Sample Number of Properties	Highest Current Monthly Rent	Lowest Current Monthly Rent	Average Current Monthly Rent	Median Current Monthly Rent
Chepstow	1 Bed	350	£770	£285	£559	£565
	2 Bed	650	£1,030	£485	£697	£695
	3 Bed	677	£2,055	£475	£845	£830
	4+ Bed	236	£2,380	£685	£1,295	£1,215
	5+ Bed	68	£3,165	£1,055	£1,663	£1,553
	Total	1981				
Monmouth	1 Bed	191	£710	£350	£529	£560
	2 Bed	450	£925	£410	£664	£665
	3 Bed	297	£1,545	£470	£836	£820
	4+Bed	151	£2,185	£700	£1,243	£1,170
	5+ Bed	40	£3,535	£1,065	£1,902	£1,813
	Total	1129				
Caldicot	1 Bed	96	£970	£250	£512	£520
	2 Bed	383	£885	£460	£655	£665
	3 Bed	454	£1,105	£535	£775	£770
	4+Bed	133	£1,515	£790	£1,051	£1,015
	5+ Bed	10	£2,010	£420	£1,450	£1,503
	Total	1076				

Source: Hometrack (July 2020) (Extract from the Local Housing Market Assessment December 2020)

- 4.9 Monmouthshire has a single Local Housing Allowance Rate for each of the bedroom categories as outlined in Table 8. Local Housing Allowance is used to work out how much housing benefit you get if you are renting a property or room from a private landlord. Of the 5,844 properties within the sample only 326 (5.75%) were considered to be within the Local Housing Allowance Rate.

Table 8 - Local Housing Allowance Rates – 2020/2021

Shared Allowance	£329
1 Bed	£414
2 Bed	£549
3 Bed	£648
4+Bed	£779

Source: LHMA (December 2020)

Future Demand – type, size and tenure - challenges

Household Formation

- 4.10 Table 9 outlines the projected household growth by household type set out in the Preferred Strategy. One person and two person (no children) households are projected to increase the most with larger households showing a significantly less amount of growth. This identifies a clear need for the provision of additional smaller homes to accommodate this growth and cater for smaller households.

Table 9 - Projected Household Change by Household Type 2018 - 2033

All Households	2018 Welsh Government Household projections	Preferred Strategy 2033 Projected Change	Preferred Strategy Household Change 2018 – 2033
1 person	11,471	14,575	+3,104
2 persons (No children)	14,469	17,006	+2,537
2 person (1 adult, 1 child)	918	1,074	+156
3 person (No children)	2,818	2,977	+159
3 person (2 adults, 1 child)	2,605	3,019	+414
3 person (1 adult, 2 children)	608	732	+124
4 person (No children)	915	1,015	+101
4 person (2+ adults, 1+ children)	3,855	4,392	+537
4 person (1 adult, 3 children)	207	251	+44
5+ person (No children)	255	229	-27
5+ person (2+ adults, 1+ children)	1,907	1,991	+84
5+ person (1 adult, 4+ children)	86	107	+21
Total	40,114	47,370	7255

Source: Stats Wales (June 2021) and Edge Affordable Housing Evidence Paper (November 2020)

- 4.11 The latest Welsh Government population projections (2018) show a demographic profile in Monmouthshire that, if current trends continue, will have a greater proportion of the population aged 65 and over by 2043 (32.6%) with the sharpest decline in the working age population. This compares to a Welsh proportion of 25.7%. Table 10 provides the Median Age in Monmouthshire as a comparison to Wales from 2005 – 2019. The Preferred Strategy growth seeks to address the ageing demographic through increasing the supply of affordable market homes.

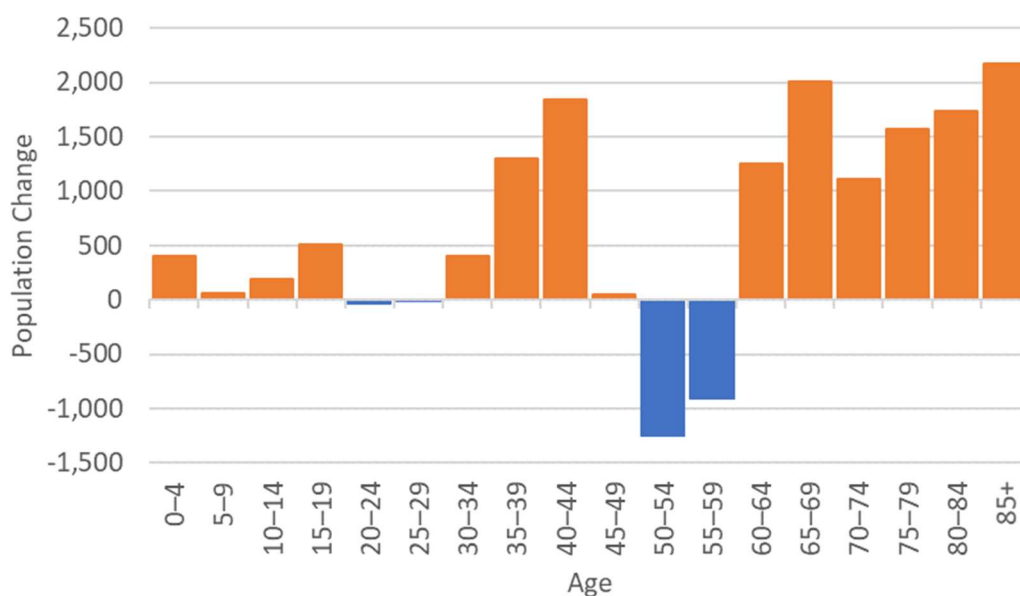
Table 10 - Median Age in Monmouthshire compared with Wales.

	2005	2007	2009	2011	2013	2015	2017	2019
Monmouthshire	43.1	43.8	44.7	45.6	46.6	47.5	48.3	49.0
Wales	40.3	40.7	41.1	41.5	41.9	42.3	42.5	42.5

Source: ONS (Accessed 11/05/2021)

- 4.12 The Preferred Strategy sets out the preferred level of growth (housing and employment) in Monmouthshire. Chart 1 demonstrates the impact this growth would have on the age profile in the County. While there would be growth in the over 60 age groups there is corresponding growth in the key 30 – 49 age groups along with growth mirroring this in the 0 – 19 age groups, which highlights the need to provide additional suitable homes for these key labour force age groups.

Chart 1: Population Growth/Decline by Age Group 2018-2033



Orange = **HIGHER** in 2033 Blue = **LOWER** in 2033

Source: Monmouthshire RLDP Growth and Spatial Options Paper (December 2020)

5. Providing a More Balanced Housing Mix

- 5.1 Section 4 provides a plethora of information relating to the recognised need and demand for new homes in Monmouthshire both market and affordable. In order to deliver sustainable and resilient communities and retain and attract a younger demographic, the provision of a range and choice of homes is required. It is suggested that this can be achieved through the provision of:

- Additional affordable homes
- Additional smaller homes
- Homes to support older people

Additional Affordable Homes

- 5.2 The RLDP Preferred Strategy includes Strategic Policy S7 which sets out the affordable housing target for the Plan period. Additional detail will be set out in the Deposit RLDP to reflect the outcomes of detailed viability work that is currently being undertaken.

Strategic Policy S7 – Affordable Homes

The affordable housing target* for the Plan period of 2018 – 2033 is set at 2,450 homes.

Further detail relating to affordable housing percentage thresholds will be included in the Deposit RLDP to reflect the outcomes of the emerging viability work.

**This target is likely to change and will be finalised in the Deposit RLDP once detailed viability work has been undertaken.*

Additional Smaller Homes

- 5.3 One of the key aims of the Preferred Strategy is to build sustainable and resilient communities to assist in addressing the demographic and affordability challenges facing the County. The retention and attraction of younger adult population age groups is key to this, we need to therefore ensure we unlock opportunities for a range of homes, both size and type, to meet their needs. The evidence in Section 4 highlights that the younger population are being priced out of Monmouthshire. Low Cost Home Ownership (LCHO) can provide opportunity for first time buyers through starter homes, however, there is also a need to provide additional smaller market units for those that do not meet the criteria of LCHO properties but cannot necessarily afford the typical homes on the market in Monmouthshire. While a range and choice of housing is needed to attract and retain younger age groups it is recognised that it is also required to meet the needs of an ageing population.
- 5.4 We need to ensure that the provision of additional homes allocated in the RLDP meet the needs of the community as well as market demand. While it is recognised there may be a demand for larger homes, there is also a need for smaller homes to assist in building sustainable balanced communities. The provision of one, two and three

bedroom terraced and semi-detached homes will increase the choice of homes for single households, smaller families, young couples/mixed young households along with older households who would like to downsize. It is expected that site promoters provide detail of a range and mix of homes on proposed sites to assist in addressing the demographic and affordability challenges facing the County.

Homes to Support Older People

- 5.5 Consideration will need to be given in the RLDP to the range and choice of homes required to support an ageing demographic. As noted in paragraph 5.4 some older households may wish to downsize due to no longer needing homes that are too large for their needs and/or are expensive to live in/maintain. The location and type of homes to support the older population will be of importance. A range of solutions will be required including; accessible new homes, care communities and additional care homes. Homes that can be adapted to meet changing needs of people in the future are of importance, this reflects the approach set out in para. 4.2.12 of PPW11. Bungalows can also be considered where appropriate and, innovative single storey homes will be welcomed.

6. Demonstrating an Acceptable Housing Mix

- 6.1 It is up to site promoters to demonstrate through Candidate Site Submissions that they have considered the evidence set out in this paper and are providing an appropriate housing mix to ensure the provision of a range and choice of homes in new housing sites to address the County's affordability issues and build sustainable and resilient communities throughout Monmouthshire. Detailed policy will be set out in the Deposit RLDP.
- 6.2 The following table can be utilised and included with Candidate Site submissions to show the breakdown of house type for open market units that will be provided on site.

Type of Home	Number of open market units
Flat - 1 Bedroom	
Flat - 2 Bedroom	
Flat - 3 Bedroom	
Flat - 4 Bedroom	
Terraced – 2 Bedroom	
Terraced - 3 Bedroom	
Terraced - 4 Bedroom	
Semi- detached - 1 Bedroom	
Semi- detached - 2 Bedroom	
Semi- detached - 3 Bedroom	
Semi- detached - 4 Bedroom	
Detached - 1 Bedroom	
Detached - 2 Bedroom	

Detached - 3 Bedroom	
Detached - 4 Bedroom	
Detached - 5 Bedroom	
Other (please provide details)	

- 6.3 The Second Call for Candidate Sites runs alongside the Preferred Strategy consultation from **5th July to 31st August 2021**. Further details of the Second Call for Candidate Sites can be found on the Council's website in the following location:

<https://www.monmouthshire.gov.uk/planning-policy/candidate-sites/>