monmouthshire
sir fynwy

Local Housing Market Assessment Refresh 2022-2037

3rd February 2026

Local Housing Market Assessment
Refresh 2022-2037

Contents

Executive Summary 5
1. Introduction 6
1.1 National Policy Background 6
2. Overview of LHMA Assessment and Methodology 8
2.1 Data inputs 8
2.1.1 Existing affordable housing need 8
2.1.2 Newly arising need 9
2.1.3 Committed Supply and Turnover of Existing Stock 11
2.1.4 Private rent data 11
2.1.5 House price data 12
2.1.6 Household income data 12
2.2 Key Assumptions 12
2.2.1 Social Rent 13
2.2.2 Market Housing 13
2.2.3 Intermediate Housing 14
2.2.4 Five-year financial forecasts for key variables - income, rents and house prices 14
2.3 Monmouthshire Housing Market Areas 14
3. Overview of Housing Market and Socio-economic and Demographic Trends 17
3.1 Housing Market Analysis 17
3.1.1 Population 17
3.1.2 Households by tenure 17
3.1.3 Overview of owner occupier position: property price trends for area and by HMA; sales (volume) trends by HMA 18
3.1.4 Overview of the Private Rented Sector 18
3.1.5 Overview of affordable housing stock 20
3.1.6 Overview of empty homes and second homes 21
3.2 Specific Housing Needs Requirements 22
3.2.1 Accessible and adapted housing provision 23
3.2.2 Multi-generational and/or larger families requiring larger properties 24
3.2.3 Non-permanent housing 25
3.2.4 Housing, care and support needs: Children and Young People 27
3.2.5 Housing, care and support needs: Individuals with Mental Health, Learning Difficulties and Autism Spectrum Disorder 28
3.2.6 Housing, care and support needs: Older People and People living with Dementia 29

3.2.7 Locational needs for student accommodation 30
3.2.8 Locational needs for people with physical or cultural needs 30
4. Range of Additional Annual Housing Need Estimates 32
4.1 Principal household projections 33
4.2 Higher variant household projections 34
4.3 Lower variant household projections 35
5. LHMA Additional Housing Need Estimates 36
6. Summary 40
6.1 Overall additional housing need estimates 40
6.2 Additional market housing need estimates 40
6.3 Additional affordable housing need estimates 40
7. Quality Assurance Statement 41
Annex 1: Glossary 42
Appendix 1: Chepstow Housing Market Area Analysis 43

List of Tables

Table 1 Annual backlog of affordable housing need 9
Table 2 Annual existing households falling into need .... **Error! Bookmark not defined.**
Table 3 Annual newly arising affordable housing need by tenure and housing market area 10
Table 4 Gross annual existing affordable housing need by HMA (2022-2027) 10
Table 5 Net annual stock and supply of affordable housing 11
Table 6 Monmouthshire monthly average private rent data 12
Table 7 Social rent upper threshold household income by housing market area 13
Table 8 Minimum income needed for market housing by housing market area 13
Table 9 First Time Buyer property prices and corresponding household income required by housing market area 14
Table 10 OBR five-year financial forecasts for key variables 14
Table 11 Average monthly rental values 2012 compared to 2022 19
Table 12 Monthly LHA rates 2012 compared to 2022 20
Table 13 Monmouthshire's existing affordable housing stock by housing market area 21
Table 14 Additional annual housing need estimates by HMA and tenure (net need, net of turnover of existing stock and planned supply) based on principal household projections 33
Table 15 Additional annual housing need estimates by HMA and tenure (gross need, before turnover and supply) based on principal household projections 33
Table 16 Additional annual housing need estimates by HMA and tenure for the remaining 10 years of the LHMA based on principal household projections 33
Table 17 Additional annual housing need estimates by HMA and tenure (net need) over the 15 years of the LHMA based on principal household projections 34
Table 18 Additional annual housing need estimates by HMA and tenure (net need, net of turnover of existing stock and planned supply) based on higher variant household projections 34
Table 19 Additional annual housing need estimates by HMA and tenure (gross need, before turnover and supply) based on higher variant household projections 34
Table 20 Additional annual housing need estimates by HMA and tenure for the remaining 10 years of the LHMA based on higher variant household projections 35
Table 21 Additional annual housing need estimates by HMA and tenure (net need) over the 15 years of the LHMA based on higher variant household projections 35

Table 22 Additional affordable annual housing need estimates by HMA and tenure (net need, net of turnover of existing stock and planned supply) based on lower variant household projections 35
Table 23 Additional annual housing need estimates by HMA and tenure (gross need, before turnover and supply) based on lower variant household projections...36
Table 24 Additional annual housing need estimates by HMA and tenure for the remaining 10 years of the LHMA based on lower variant household projections 36
Table 25 Additional annual housing need estimates by HMA and tenure (net need) over the 15 years of the LHMA based on lower variant household projections...36
Table 26 Housing need figures for the first five years of the current LHMA compared to previous LHMA...38
Table 27 Additional annual affordable housing need estimates by tenure for the first five years of the LHMA (Chepstow HMA) 43
Table 28 Additional annual market housing need estimates by tenure for the duration of the LHMA (Chepstow HMA)..43

List of Figures

Figure 1 Homelessness presentations and Section 73 duty to accommodate 7
Figure 2 WG 2018-based household projections (2022-2037)...10
Figure 3 Monmouthshire housing market areas 16
Figure 4 Comparison of households by tenure...17
Figure 5 Private rentals by bedroom size (Data Source: Rent Smart Wales).......................................18
Figure 6 Number of new private rent lettings 2012 – 2022 (Data Source: Hometrack).......................19
Figure 7 Monmouthshire's affordable housing stock by tenure 21
Figure 8 Empty homes and second homes by HMA (Source: Council’s Revenue & Benefits Department) 22
Figure 9 Proportion of waiting list applicants with a mobility issue..23
Figure 10 Homeless presentations resulting in temporary accommodation 26
Figure 11 Waiting list applicants’ ethnicity..31
Figure 12 Waiting list applicants' religion..31
Figure 13 Additional annual housing need estimates by tenure for the first five years of the LHMA based on principal household projections...33
Figure 14 Additional annual housing need estimates by tenure for the first five years of the LHMA based on higher variant household projections 34
Figure 15 Additional annual housing need estimates by tenure for the first five years of the LHMA based on lower variant household projections 35
Figure 16 Estimated annual additional affordable housing by tenure .... **Error! Bookmark not defined.**

Executive Summary

This Local Housing Market Assessment (LHMA) utilises Welsh Government guidance *Undertaking Local Housing Market Assessments, March 2022* and Version 3.2 of the *Local Housing Market Assessment Tool* to evaluate the housing need across Monmouthshire for the period 2022-2037.

The LHMA estimates a net need for 404 additional affordable homes per year until 2027 across the whole of Monmouthshire, consisting of 313 social rent, 32 intermediate rent and 60 low cost home ownership properties.. The greatest need is for social rent accommodation at 77% with the need for intermediate rent at 8% and low cost home ownership at 15%.

For the remaining 10 years of the LHMA period, there is an estimated need for 90 affordable homes, consisting of 48 social rent and 42 intermediate housing options.

There is a particularly high need for one-bedroom social rent accommodation which has been influenced by the significant increase in homelessness presentations since the COVID pandemic. Although this need is particularly high, it is important to ensure that a mix of house types and tenures is provided on new developments to achieve the Council's objective of creating sustainable and resilient communities.

The LHMA also estimates a need for 126 market homes throughout the County per year, consisting of 86 private rented (68%) and 41 owner occupier properties (33%).

1. Introduction

Local Authorities in Wales have a statutory duty to undertake a periodic review of housing needs, as set out in section 8 of the Housing Act 1985. This is conducted through a Local Housing Market Assessment (LHMA), which involves a comprehensive review of the existing and newly arising housing need, broken down by tenure and area.

This LHMA represents an updated version of the assessment previously endorsed by Cabinet in May 2024. Following further review and feedback from Welsh Government, a number of amendments and clarifications were required to ensure full alignment with national guidance and expectations. The revised assessment was subsequently submitted to Welsh Government and formally signed off in December 2025.

LHMAs provide a crucial role in informing local development plans and housing strategies. They also inform the allocation of Social Housing Grant to support the development of affordable housing and aid negotiations between local authorities and private sector developers.

LHMAs must be rewritten every five years and refreshed once during that five year period (between years two and three). Monmouthshire County Council last undertook a rewrite of the LHMA in 2020, therefore a refresh was required in 2023.

Welsh Government produced new guidance (Undertaking Local Housing Market Assessments: Guidance) in 2022 and a LHMA tool. This refresh has been undertaken using the new methodology and Version 3.2 of the tool, therefore caution should be used when comparing the results with previous versions. The report largely follows the LHMA Refresh template produced by WG, however, additional sections have been included where it is considered relevant.

1.1 National Policy Background

Homelessness Legislation and Guidance

An overview of Welsh Government changes to homelessness legislation and guidance has been included in this LHMA refresh due to its significance. The Covid pandemic prompted a big shift in how local authorities process homelessness applications, and authorities across Wales are still working through the consequences. From March 2020 the Welsh Government ordered authorities to suspend Priority Need and Intentionality tests to homeless applications and instilled Public Health Measures under ‘No-One Left Out’. This meant that authorities had a duty to accommodate anyone at risk of homelessness.

Due to the social and economic impact the pandemic period understandably triggered a reverse in the previous downward trend in homelessness applications. The implication of Public Health measures coupled with a rise in homeless applications resulted in a sharp increase in households the Council had a duty to accommodate under Section 73 of the Housing (Wales) Act 2014.

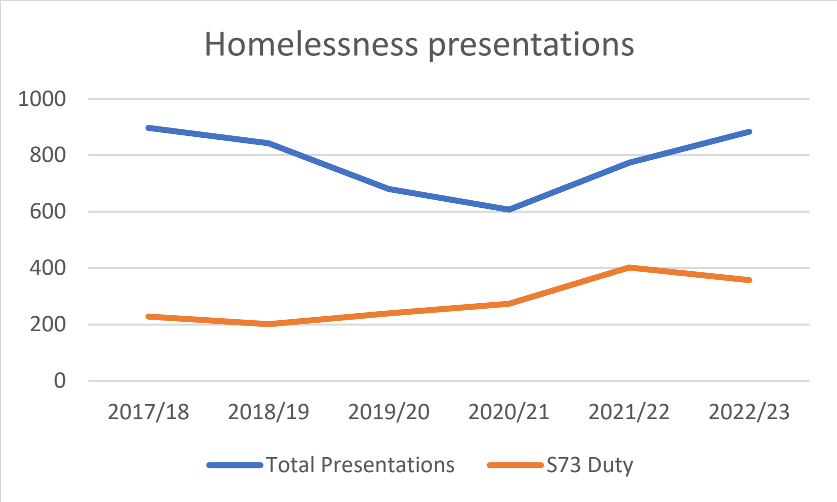

Figure 1 Homelessness presentations and Section 73 duty to accommodate

Just over half of the applications in 2021/22 were made by single adults and a high proportion of these single applicants were male (approx. 69%). Prior to the pandemic a significant number of these applicants would not have been considered 'Priority Need' and may have continued as 'hidden homeless'.

As Public Health measures were relaxed and slowly reversed during the 2022-2023 financial year the Welsh Government published an addendum to the Housing (Wales) Act 2014 which added an 11th category to Priority Need of Rough Sleeping. The addendum, which came into force in October 2022, now means that anyone who presents as homeless who has no other accommodation options must be treated as at risk of rough sleeping and therefore in Priority Need.

Monmouthshire now applies Priority Need and Intentionality tests to all homeless applications but given the recent changes it seems unlikely that presentations and those statutorily entitled to accommodation will reduce significantly or go back to pre-pandemic levels.

In October 2023 the Expert Review Panel on Ending Homelessness published its recommendations for legislation reform in the White Paper on ending homelessness in Wales. These recommendations are under consultation until January 2024. It is anticipated that any housing legislation reform will be adopted by the end of the current Senedd term.

Of the more significant recommendations is the proposal to remove the tests of Priority Need and Intentionality which will have a direct impact on future homelessness figures and Monmouthshire's statutory duties.

Rapid Rehousing

Welsh Government's vision is for homelessness to be 'rare, brief and unrepeated'. Local Authorities are to achieve this by adopting a Rapid Rehousing approach to homelessness, focusing on the prevention of homelessness. Where prevention is not possible appropriate, stable housing and support should be provided through a range of models, thereby reducing the dependency on emergency housing.

Over the next five years Welsh Government expect to see removal of prolonged and potentially damaging spells in temporary accommodation and the development of a systematic and strategic process that links housing development, support and supply to housing need.

The Council's Rapid Rehousing Transition Plan (RRTP) identifies four priority areas to prevent homelessness at the earliest opportunity, to minimise any time households may have to spend in temporary accommodation and to provide the right level of support at the right time to sustain future tenancies:

- Priority 1 - Prevent homelessness at the earliest opportunity
- Priority 2 - Increase the supply of affordable and settled accommodation
- Priority 3 - Provide timely and effective support to sustain accommodation
- Priority 4 - Maximising resources and benefits through well connected partnerships

2. Overview of LHMA Assessment and Methodology

This LHMA has been prepared using version 3.2 of the LHMA tool issued by Welsh Government, along with training materials and guidance: *Undertaking Local Housing Market Assessments (LHMAs), March 2022*. The LHMA and updated guidance has been developed in order to ensure that local authorities adopt a consistent approach to developing their LHMAs.

The methodology for calculating the net shortfall of affordable housing is complex and involves collating and analysing several sources of data and applying various assumptions to the LHMA Tool. The data sources and key assumptions are outlined in this section.

2.1 Data inputs

A range of data sets have been utilised to prepare this LHMA. The primary sources of data are:

- Monmouthshire's Common Housing Register
- Hometrack - property valuation and housing market data
- Office for National Statistics
- Land Registry Data
- CACI Paycheck - gross household income estimates
- Nomis – official Census and labour market statistics provided by the ONS
- Ministry of Justice

2.1.1 Existing affordable housing need

Backlog of need

This refers to the number of households that are currently unable to satisfy their housing need via the open market and have registered on Monmouthshire's common housing register, Monmouthshire Homesearch.

Households not considered to be in housing need are removed from the backlog of need figures for the purposes of the LHMA including:

- Households without a local connection to Monmouthshire
- Existing RSL tenants
- Households considered to have sufficient financial resources

The number of waiting list applicants will continually fluctuate but as of August 2025there were 3,900 households registered, of which 2,025 have a recognised housing need.

In order to analyse the backlog of need, households must be allocated to the most appropriate tenure of affordable housing (social rent, intermediate rent or low-cost home ownership). This is based on applicants' income and savings, the thresholds applied are set out in Section 2.2.

Households also need to be allocated to a Housing Market Area (see Section 2.3). This is based on their specified first choice area, although it should be noted that they are free to apply for housing in any area of Monmouthshire except where a Rural Allocation Policy applies.

The LHMA Tool assumes that the existing need will be met over the first five years of the LHMA period, therefore the gross backlog of need is divided by five to give the annual need.

Table 1 Annual backlog of affordable housing need

Housing Market Area	Social Rent	Intermediate Rent	Low Cost Home Ownership
Monmouthshire Total	**631**	**19**	**59**
Abergavenny	202	3	15
Chepstow	323	10	38
Monmouth	88	5	5
BBNP	18	1	1

It is considered that the intermediate rent and low-cost home ownership backlog may not be an accurate reflection of actual need. The limited stock and lack of turnover means that these properties are rarely available, due to a lack of availability people are less likely to register or be aware of these types of affordable housing.

2.1.2 Newly arising need

It is necessary to factor newly arising need into the LHMA calculation. Welsh Government 2018-based household projections provide an estimation of population growth and household composition. Principal, higher variant (assumes longer life expectancy, higher migration and fertility) and lower variant (assumes shorter life expectancy, lower migration and fertility) projections are available which estimate different levels of household growth.

Figure 2 illustrates the principal, higher and lower variant household projections for Monmouthshire over the LHMA period. The principal variant predicts there will be 2,316 additional households by 2037, while the lower and higher variants predict this will be 1,185 and 3,242, respectively.

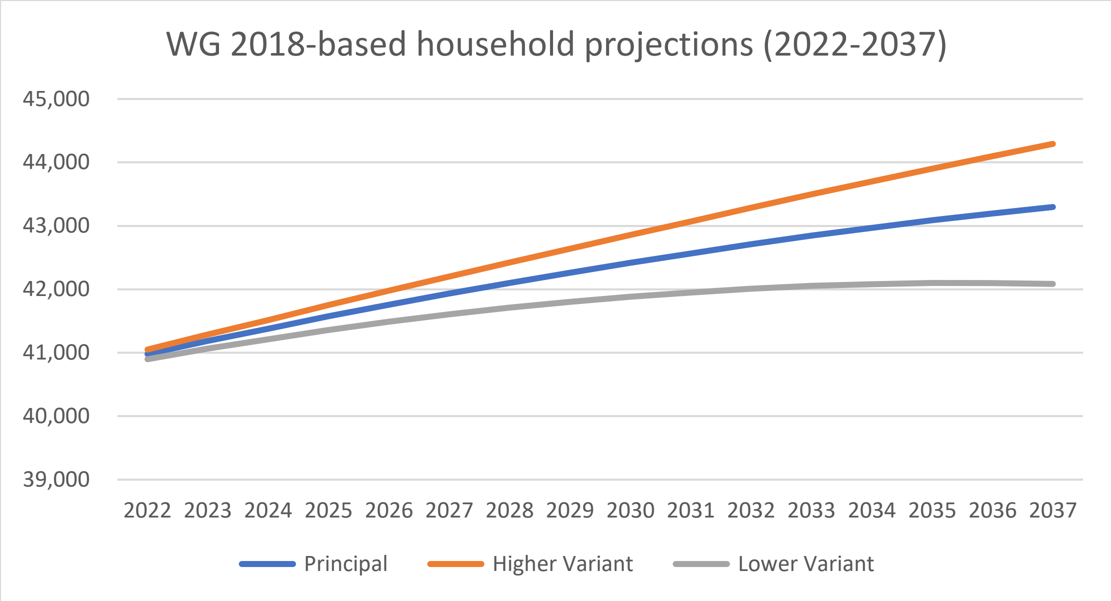

Figure 2 WG 2018-based household projections (2022-2037)

Only a proportion of new households will require affordable housing as some will be able to meet their own housing needs via the open market. House price and household income data was applied to produce an estimation of the newly arising need by tenure. A proportion of growth was allocated to each Housing Market Area, based on Census 2021 population data, factoring in Monmouthshire's County Council's growth strategy.

Table 2 Annual newly arising affordable housing need by tenure and housing market area

Housing Market Area	Social rent	Intermediate rent	Low cost home ownership
Monmouthshire Total	**48**	**25**	**17**
Abergavenny	13	7	5
Chepstow	22	12	8
Monmouth	8	4	3
BBNP	5	2	1

The existing and newly arising need data sets are combined to produce an estimation of the gross annual existing housing need. It is assumed that all existing need will be met over the first five years of the LHMA period (2022-2027) and will be allocated to affordable housing. It is calculated that 895 existing households will require affordable housing each year for the first five years of the LHMA (2022-2027), as shown in Table 4.

Table 3 Gross annual existing affordable housing need by HMA (2022-2027)

Housing Market Area	Total affordable housing	Social rent	Intermediate rent	Low cost home ownership
Monmouthshire Total	**895**	**778**	**56**	**62**
Abergavenny	215	186	12	17
Chepstow	461	397	31	33
Monmouth	148	132	9	7
BBNP	72	63	4	5

2.1.3 Committed Supply and Turnover of Existing Stock

The committed supply of affordable housing, expected re-lets and planned removals should all be factored into the LHMA calculation to estimate the net stock and supply.

Committed supply

This includes all additional affordable housing due to be delivered over the first five years of the LHMA period, this information was gathered from:
RSL development programmes
Social Housing Grant Programme
Local Development Plan
Planning permissions requiring affordable housing as part of a Section 106 agreement

Planned removals

This includes any affordable housing earmarked for disposal or demolition over the first five years of the LHMA period. The information was provided by RSLs who provide Monmouthshire's affordable stock. The number of planned removals was low, this will only be done as a last resort where the property is unable to meet the required standards.

Turnover of existing stock

The last three years lettings data was analysed from the Common Housing Register for all tenures of affordable housing.

These data sets were combined to give the estimated net annual supply of affordable housing, as illustrated in Table 5.

Table 4 Net annual stock and supply of affordable housing

Housing Market Area	Social rent	Intermediate rent	Low cost home ownership
Monmouthshire Total	**368**	**12**	**16**
Abergavenny	111	2	3
Chepstow	189	6	11
Monmouth	46	2	2
BBNP	22	2	1

2.1.4 Private rent data

Rent data was provided by Rent Officers Wales for the calendar year 2022-23, including the number of rental properties and the 30th and 50th percentile private rent figures, for each housing market area. Rent Officers Wales data includes renewal and new tenancy "confirmed" lettings only, it excludes any properties in which the Local Housing Allowance is claimed.

Private rental data has also been accessed from Hometrack Data Systems, which provides up to date information and intelligence about the housing market, both sales and rental. There is a large discrepancy between the average rental figures provided by Hometrack and Rent Officers Wales. The obvious reason for this is the inclusion of renewal lettings in Rent Officers Wales figures, whereas Hometrack data is based solely on new lettings.

Table 5 Monmouthshire monthly average private rent data

	1 bed	2 bed	3 bed	4 bed
Hometrack (Jul 2022 to Jun 2023)	£676.00	£797.33	£996.67	£1,499.33
Rent Officers Wales (Apr 2022-Mar 2023)	£550.00	£725.00	£872.93	£1,300.00
Percentage difference	18.6%	9.1%	12.4%	13.3%

Any household needing to access private rent will expect to pay the new letting rent, therefore the figures reported by Hometrack are considered more representative of the current rental market. As the data available from Hometrack is not detailed enough to input into the LHMA tool (it is not available at housing market area level), a 9% increase has been applied to the Rent Officers Wales data, as this is the minimal difference between the two data sets.

2.1.5 House price data

Land Registry house price data is built into the tool, covering the calendar year 2022-2023. The data shows a wide variation in the median house prices across Monmouthshire's four housing market areas, ranging from £257,072 in the Abergavenny area to £306,538 in the Monmouth area. The most expensive properties in Monmouthshire tend to be located in more rural areas as these tend to be larger, detached properties which attract a premium. The Abergavenny area has the lowest average house price as this is mainly made up of more urban areas.

The median house price is somewhat lower than the average (mean) house price data available from Land Registry which stands at £355,975 (Land Registry House Price Index, July 2023). This indicates that there are a large number of high value properties driving up the average (mean) house price.

2.1.6 Household income data

Household income data is available at ward level from CACI Paycheck. The 2023 figures were input into the tool which record a median household income of £35,978 per year, compared to an average of £27,854 across Wales.

Every income band below £30,000 - £35,000 has a lower number of households than the Wales average. Comparability is reached in the £35,000-£39,000 income band, from this point the opposite trend happens and Monmouthshire is above the Wales average.

While data shows that Monmouthshire has a higher proportion of managerial, administrative and professional workers than the Wales average, many of the higher earners living in Monmouthshire are employed outside the County (Nomis). The average household income is lower when considering households that both live and work within the County. This means that people that are employed within the County earn less on average than people living here.

2.2 Key Assumptions

Income thresholds need to be applied to allocate existing and newly arising need to the appropriate tenure of housing. The thresholds have been set according to the recommendations made by the WG technical working group. For reference, these do not form the policy basis for the allocation of affordable housing, details are available in Monmouthshire's Allocations Policy (Monmouthshire County Council: Joint Allocations Policy).

2.2.1 Social Rent

It is assumed that the maximum income for social housing is where the 30th percentile of private rent equates to no more than 35% of household income. The 30th percentile of Monmouthshire's annual private rent is recorded as £9,814 in the LHMA tool, all households earning £28,040 or less per year are allocated to social rent housing.

Table 6 Social rent upper threshold household income by housing market area

Housing Market Area	30% percentile annual rent	Upper threshold income for social rent
Abergavenny	£8,744	£24,984
Chepstow	£9,825	£28,071
Monmouth	£10,860	£31,028
BBNP	£10,559	£30,169
Monmouthshire	**£9,814**	**£28,040**

2.2.2 Market Housing

Households are assumed to be able to afford market housing where median rent equates to no more than 30% of income. The 50th percentile annual private rent for Monmouthshire is £10,936 according to the LHMA tool, meaning a household earning £38,695 per year or more is allocated to market housing.

Table 7 Minimum income needed for market housing by housing market area

Housing Market Area	50% percentile (median) annual rent	Minimum income for market housing
Abergavenny	£9,904	£33,015
Chepstow	£10,889	£36,296
Monmouth	£11,883	£39,609
BBNP	£11,609	£38,695
Monmouthshire	**£10,936**	**£36,453**

The minimum household income to qualify for home ownership is calculated to be between £46,500 and £53,000 per year, assuming that First Time Buyers will enter the market at the 40th percentile of house prices. The 40th percentile house prices are consistent with the lower quartile value of a semi-detached house for Monmouthshire which stands at £250,000 (Hometrack, April 2023). This is considered entry level as semi-detached properties account for just under 30% of all housing in Monmouthshire, so they are widely available in all areas of the county, whereas terraced properties account for only 17% of the housing stock. Although detached properties account for nearly 45% of the stock they are not considered entry level as they are significantly more expensive.

Applying the First-Time Buyer property value to income ratio for 2022 of 5.06 (WG/UK Finance), gives the income level required for each housing market area, as illustrated in Table 9.

Table 8 First Time Buyer property prices and corresponding household income required by housing market area

Housing Market Area	Property price at which FTB enter the market	Implied FTB household income level for owner occupier
Abergavenny	£235,292	£46,500
Chepstow	£259,568	£51,298
Monmouth	£263,326	£52,041
BBNP	£268,171	£52,998

It is estimated that just 40% of households allocated to home ownership will proceed to buy due to high house prices across the County, high mortgage interest rates and the current cost of living.

2.2.3 Intermediate Housing

Households with an annual income between the thresholds for social rent and market housing were allocated to intermediate housing. There will be some overlap between the need for the different tenures of intermediate housing, the maximum income for intermediate rent was set to 80% of market rents meaning households earning above this were allocated to low cost home ownership.

2.2.4 Five-year financial forecasts for key variables - income, rents and house prices

Office for Budget Responsibility (OBR) financial forecasts have been built into the LHMA tool for key variables including household income, rents & house prices for the next five years. The default OBR assumptions have been applied which forecast:

- A slight yearly increase in median household income
- A yearly increase in private rent prices of 5% for the first year with lower increases for subsequent years
- A decrease in house prices for the first two years followed by slight increases for subsequent years

Table 9 OBR five-year financial forecasts for key variables

Financial forecast	2022/23	2023/24	2024/25	2025/26	2026/27
Income – change to median household income (OBR Supplementary tables, 1.13)	2.3%	2.8%	2.8%	2.8%	3.6%
Income - change to distribution of household income	0.0%	0.0%	0.0%	0.0%	0.0%
Rents - change to private rental prices (OBR Supplementary tables, 1.6)	5.0%	1.8%	1.7%	1.9%	2.5%
House prices - change to house prices (OBR Supplementary tables, 1.21)	-1.1%	-5.7%	1.1%	3.4%	3.6%

2.3 Monmouthshire Housing Market Areas

For the purposes of the LHMA, analysis should be carried out at housing market area (HMA) level. A HMA is based on the geographical areas that people live and would be willing to move home.

The 2020-25 LHMA identified three HMAs based on the 2011 Census Travel to Work Areas. Travel to Work Areas are areas derived to approximate labour market areas. In other words, they are derived to reflect self-contained areas where most people both live and work. The current criteria for defining a Travel to Work Area is that at least 75% of the area's resident workforce in the area and at least 75% of the people who work in the area also live in the area.

For the purposes of this LHMA refresh an additional HMA has been identified for areas within the Brecon Beacons National Park. This is for consistency with Local Development Plans and allows for housing need within and outside the National Park to be separated.

This provides the four HMAs used in this report:

- Chepstow Housing Market Area (Newport Travel to Work Area)
- Monmouth Housing Market Area (Cinderford and Ross-on-Wye Travel to Work Area)
- Abergavenny Housing Market Area (Merthyr Tydfil Travel to Work Area)
- Bannau Brycheiniog National Park (BBNP)

As shown in Figure 3, Chepstow HMA represents the largest area as it includes the settlements of Caldicot, Raglan, Rogiet, Magor, Undy, Usk as well as Chepstow itself. Further analysis of the Chepstow HMA has been undertaken and is provided in Appendix 1.

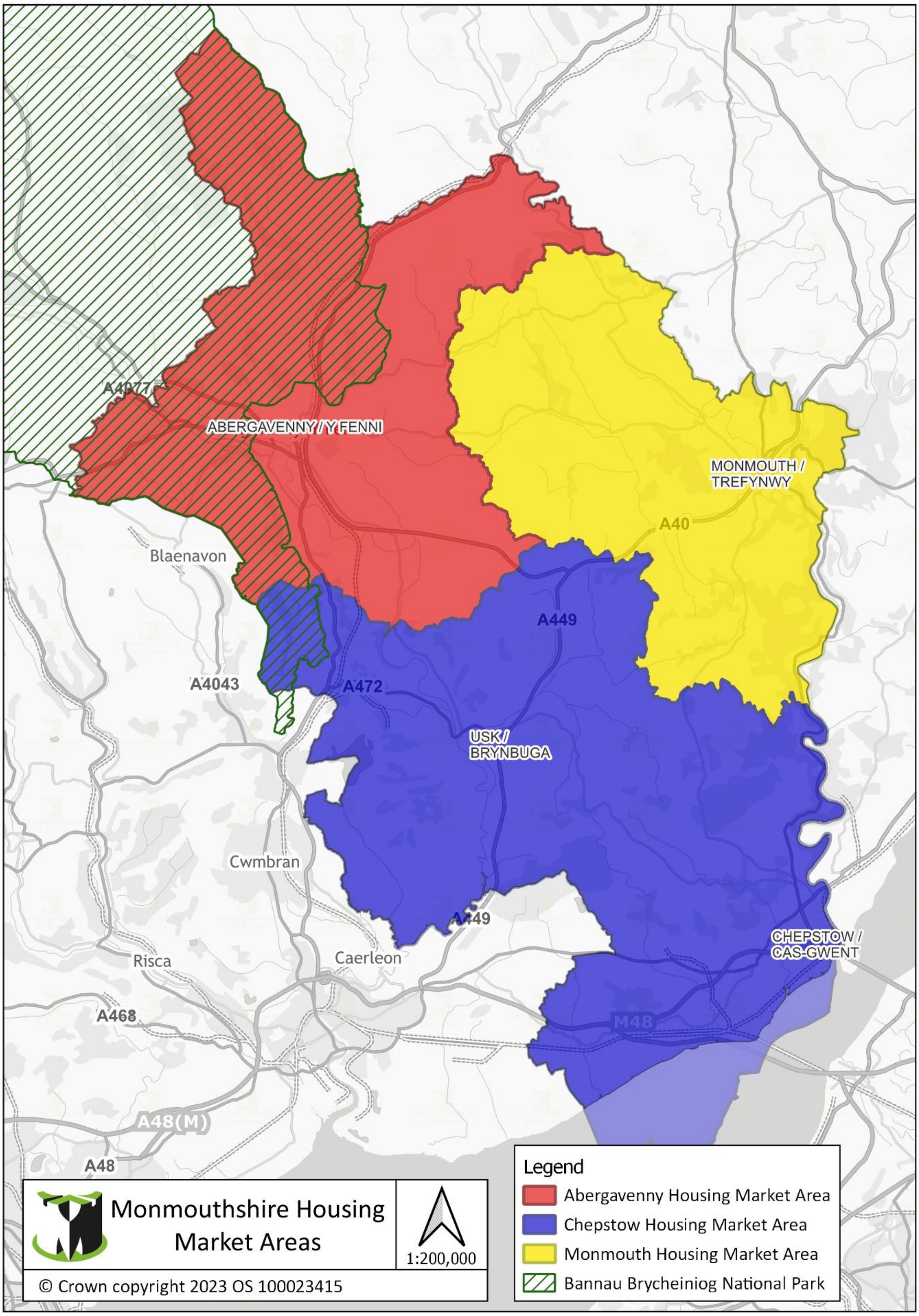

Figure 3 Monmouthshire housing market areas

3. Overview of Housing Market and Socio-economic and Demographic Trends

3.1 Housing Market Analysis

As this report is a refresh of the 2020 LHMA, an up to date analysis of the housing market and socio-economic/demographic trends would not usually be included. However, given the changing state of the housing market over recent months and the completion of the Census in 2021, an overview has been provided in this section.

3.1.1 Population

The population of Monmouthshire now stands at around 93,000 (Census, 2021), this represents an increase of approximately 1.8% since the 2011 Census and is slightly higher than the overall increase across Wales. The number of households has increased from 38,233 to 40,900, representing an increase of around 7%, well above the average for Wales at 3.4%.

Monmouthshire has an ageing population, evidenced by the median age increasing from 45 to 49 years between 2011 and 2021. There was a decline in the number of working age residents (people aged between 15 and 64 years), whereas the number of people aged 65 years and over increased by 26%. This represents the largest increase in Wales and compares with a 17.7% average rise across the Country (Monmouthshire population change, Census 2021 – ONS).

3.1.2 Households by tenure

Home ownership remains by far the most significant form of tenure in Monmouthshire, despite a slight decrease since 2011. Although other forms of tenure are low, there has been a relatively large increase in the proportion of households renting privately which has increased by over 25%.

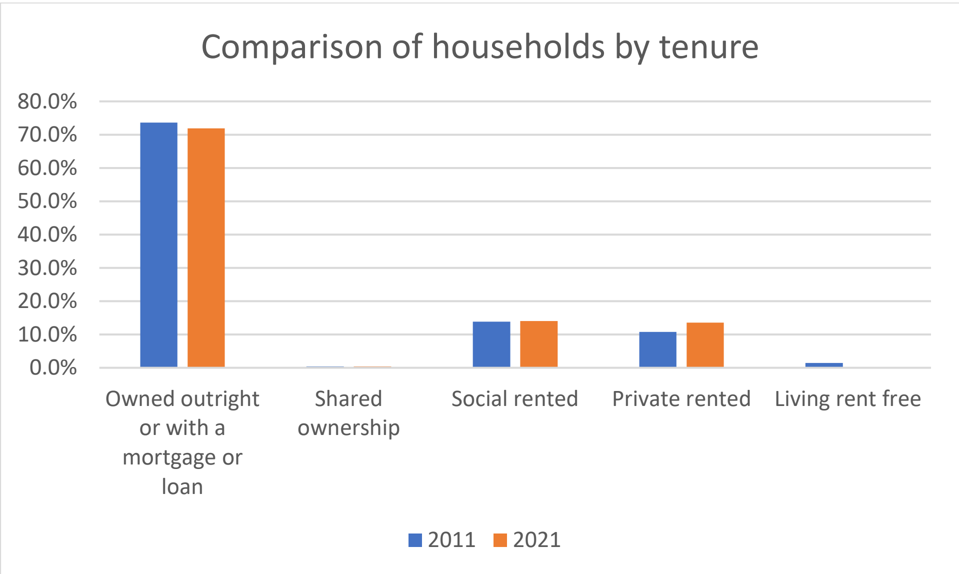

Figure 4 Comparison of households by tenure

3.1.3 Overview of owner occupier position: property price trends for area and by HMA; sales (volume) trends by HMA

The average price of a home in Monmouthshire was £380,162 in July 2023, according to Hometrack data, which is based on house sales and valuations. The Land Registry data for the same period stands lower than this at £355,975. These averages are significantly higher than the average for Wales, the average price paid for a home in the Country in July 2023 was £216,960 (Land Registry). It is important to note that even though the average price is high, this does not mean prices have risen, it is an average based on sales transactions and the indications are that a lot more transactions are taking place at the higher priced end of the market.

The current house price to income ratio for Monmouthshire is 8:1 i.e. an average priced property costs approximately 8 times the average household income (Hometrack, February 2024). This rises to as high as 10:1 across the rural central area of Monmouthshire which includes Cross Ash, Raglan, Usk and Llangybi. Both these figures illustrate how unaffordable home ownership is for many, but especially first time buyers and is a factor in the increase in the median age of the county shown by Census 2021 data. The current economic situation is making home ownership less affordable, with high interest rates and cost of living.

3.1.4 Overview of the Private Rented Sector

The private rented sector is an important form of tenure to meet the housing requirements of those that are unable to purchase on the open market and cannot access affordable housing. The private rented sector has seen significant changes since the introduction of the Renting Homes (Wales) Act 2016 in 2022. This law brought about a change in terminology from tenants or licencees to 'contract holders'. It also provides greater for security for those renting by extending the 'no fault' notice period from two to six months and setting out minimum property standards.

Private rented stock

There are currently 2,963 landlords registered with Rent Smart Wales, representing 4,814 rental properties throughout Monmouthshire (February, 2023). The largest number of private rented properties are three bedroom, followed by two bedroom.

Figure 5 Private rentals by bedroom size (Data Source: Rent Smart Wales)

Analysis of private rented sector

The private rented sector is characterised by a period of low supply and high demand which is pushing up average prices. Across Wales as a whole rental prices are up 9.9% over the year for new lets (Hometrack, September 2023). A desktop study of Monmouthshire's private rented sector highlights the decline in supply. The study analysed private rental activity from 2012 to 2022 utilising Hometrack's comprehensive database of properties advertised to let including:

- Rental market and activity within Monmouthshire
- Distribution of properties and rental values by bedroom category and housing market area
- Rental values and Local Housing Allowance rates
- Affordability

The analysis produced a sample size of 5,938 properties and found the market started to contract significantly from 2013 to 2017 with almost a 79% decrease in the number of lets coming on to the market. From 2017 to 2020 the market contracted further, likely due to the COVID pandemic, but has since recovered slightly to pre-COVID levels. However, the market remains approximately 65% smaller than it was in 2012.

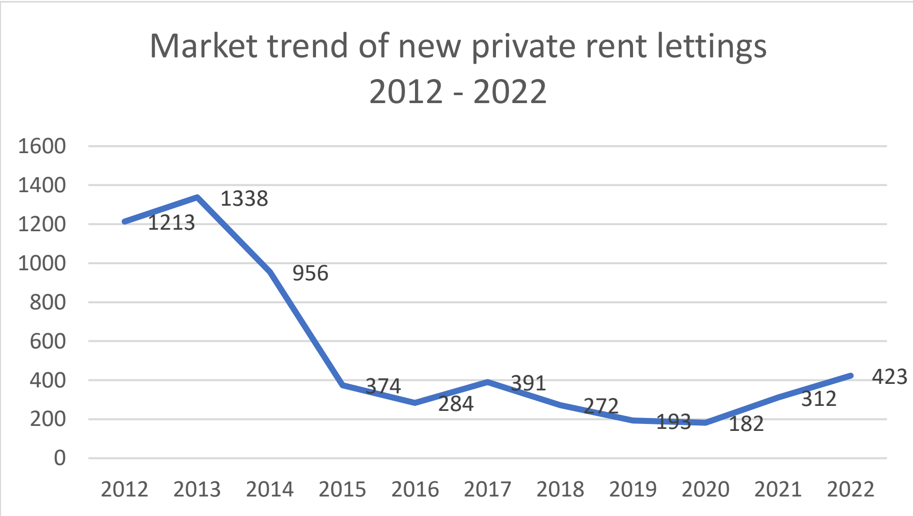

Figure 6 Number of new private rent lettings 2012 – 2022 (Data Source: Hometrack)

The study found a significant increase in rental prices over the period, with an average increase of 52.4% for Monmouthshire as a whole. While all property sizes saw a substantial increase, the highest increases were across larger properties.

Table 10 Average monthly rental values 2012 compared to 2022

	2012 Rental Values	2022 Rental Values	Percentage Increase
1 Bed	£435	£659	51.4%
2 Bed	£541	£821	51.7%
3 Bed	£649	£1,055	62.7%
4 Bed	£937	£1,543	64.7%
Total	£633	£965	52.4%

The following statements caveat the findings of this study:

- *The collation of information and data on private rental activity, costs and affordability is not as reliable as housing sales activity due to the lack of data currently available. As a result, the data only allows for a very broad analysis of the rental market in Monmouthshire*
- *The data does not differentiate between properties that are provided as furnished/unfurnished, nor where utility bills and council tax are included/not included within the rental value*
- *The study concentrates on properties where the bedroom category is known, properties have been excluded from the analysis where this information is not available.*

Local Housing Allowance

The Local Housing Allowance (LHA) determines how much financial help people can receive when renting privately, this is based on local rental values, age of the claimant, household size and bedroom eligibility. Monmouthshire has a single rate for each bedroom category.

An analysis of the LHA rates over the past 10 years show that these have moved very little when compared to the rise in rental values with the exception of the shared category (see table 2).

Table 11 Monthly LHA rates 2012 compared to 2022

	2012-2013 LHA rate	2022-2023 LHA rate	Percentage increase
Shared Allowance	£227	£329	44.7%
1 Bed	£395	£414	4.8%
2 Bed	£500	£549	9.7%
3 Bed	£580	£648	11.8%
4+Bed	£750	£773	3.1%

Anecdotally, very few private rent properties are available in Monmouthshire at the current LHA rate, meaning it is becoming increasing difficult for people on low incomes to access private rent accommodation. The recent LHA rate increase announced by the government which applies from April 2024 will provide some relief. Further analysis will be required to assess the impact of this uplift.

Another important factor impacting on the private rented sector is the recent sharp increase in Bank of England interest rates. These have risen from a low of 0.10% in March 2020 to the current level of 5.25% (Bank of England, November 2023). This has impacted on mortgage rates both for home owners and private landlords and is believed to be contributing to the increasing prices and declining supply of private rental properties.

3.1.5 Overview of affordable housing stock

Monmouthshire's affordable housing stock, consisting of over 6,200 homes, is widely owned and managed by three Housing Associations: Monmouthshire Housing Association; Melin Homes; and Pobl. Properties are advertised and let through the Common Housing Register, Monmouthshire Homesearch.

Table 12 Monmouthshire's existing affordable housing stock by housing market area

Housing Market Area	Number of bedrooms				Total
	1	2	3	4+	
Abergavenny	665	644	525	59	1893
BBNP	98	81	116	4	299
Chepstow	956	982	989	78	3005
Monmouth	303	372	348	27	1050
Total	**2022**	**2079**	**1978**	**168**	**6247**

Affordable housing can be defined as "*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*" (Planning Policy Wales, Technical Advice Note 2 Planning and Affordable Housing, June 2006). This includes:

- Social rent – where rents are set at Welsh Government benchmark levels
- Intermediate housing – where prices or rents are above social rent levels but below market levels

Intermediate housing can be provided as the following tenures:

- Intermediate rent – rented properties, typically available at 80% of market rent
- Low cost home ownership – "shared equity" homes are available in Monmouthshire, where the RSL provides an interest-free equity loan between 50% and 70%

The majority of Monmouthshire's affordable housing stock consists of social rent housing, as illustrated in Figure 7.

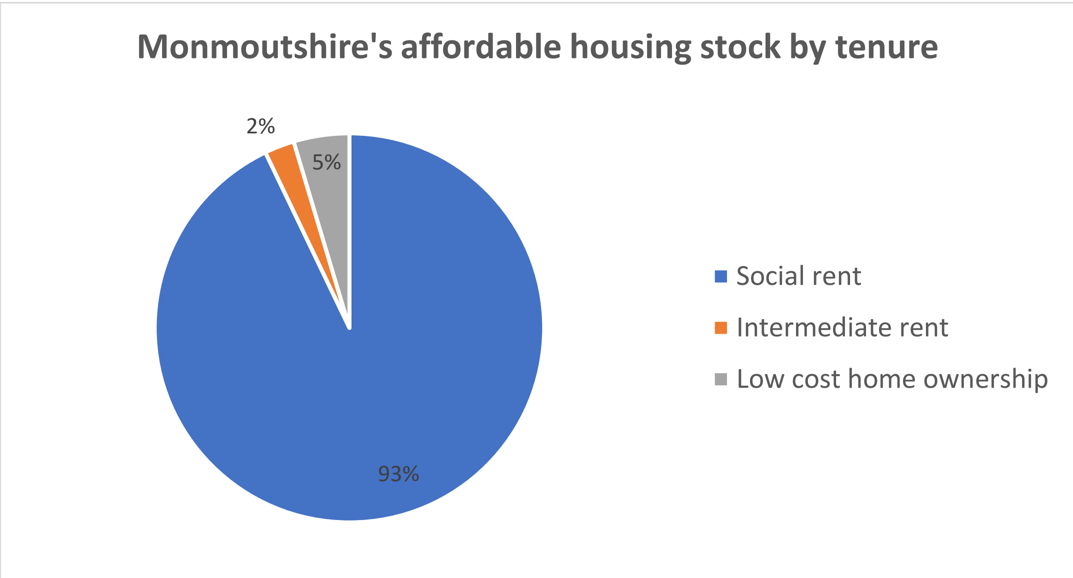

Figure 7 Monmouthshire's affordable housing stock by tenure

3.1.6 Overview of empty homes and second homes

Reducing the number of long-term empty homes and second homes that are rarely occupied is a priority for the Council, due to the impact of these properties on local communities. As such the Council recently took the decision to introduce a Council Tax premium for second homes and long-term empty homes which will come into force on 1st April 2024. Empty Homes grants of up to £25,000 are available to encourage empty properties to be brought back into use. Grants also may be available for landlords signing up to Leasing Scheme Wales.

At the end of the financial year (2022-2023), there were 581 properties recorded as empty for six months or more and 176 second homes. These are properties registered with the Council's Revenue & Benefits Department, as such this may not represent an exhaustive list of empty properties.

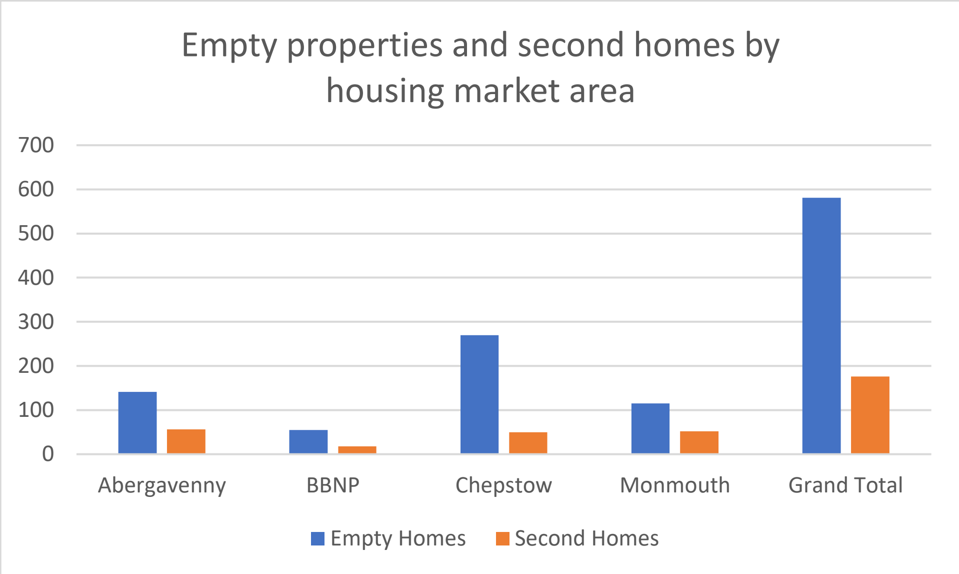

Figure 8 Empty homes and second homes by HMA (Source: Council's Revenue & Benefits Department)

The Council has increased levels of activity contacting empty homeowners during the last financial year. This has initially focused on positive engagement which has generated a reasonable level of response. Homeowners have been provided with information regarding schemes that are available to bring properties back into use, for example Empty Homes Grants and Leasing Scheme Wales. There is the option to consider enforcement action where appropriate. Early indications are that the number of empty properties has started to reduce across the County.

3.2 Specific Housing Needs Requirements

This section of the LHMA considers the housing needs of a range of population groups within Monmouthshire who require specialist or supported housing that cannot be met by general affordable housing. The population groups and housing-related provision are set out in the guidance and include:

- Accessible and adapted housing provision
- Multi-generational and/or larger families requiring larger properties
- Non-permanent housing
- Housing, care and support needs
- Locational needs for student accommodation
- Locational needs for people with physical or cultural needs

Plans, strategies and assessments that consider the housing needs and housing-related provision requirements for the identified population groups have been utilised where appropriate in this section of the LHMA. For example, Monmouthshire's Housing Support Programme Strategy and Rapid Rehousing Transition Plan set out the need for non-permanent accommodation, and the Gwent Regional Partnership Board Capital Strategy 2023-33 and Aneurin Bevan University Hospital Board (ABUHB) Housing Needs Assessment sets out the need for housing, care and support needs. Further evidence has been accessed and analysed in order to provide a full assessment of specific housing needs. Consultation has been carried out with numerous internal and external stakeholders, a summary of the feedback received is noted in the relevant section.

3.2.1 Accessible and adapted housing provision

Local policies/strategies
Monmouthshire Housing Allocations Policy 2022

Property needs

1. General needs accessible accommodation i.e. wheelchair accessible bungalows or ground floor flats
2. Bespoke adapted accommodation
   There is a very small requirement for bespoke adapted accommodation designed to individual's or families' specific needs. At the time of writing there were four households known to the Council that require bespoke adapted accommodation

Suitable for
Individuals and families that require accessible and adapted housing that are unable to meet their own housing needs

Evidence including data sources
Evidence has been gathered from Monmouthshire's housing waiting list, households are asked to indicate whether they have a mobility issue if their current housing is impacting on their mobility.

At year end 2022/23 11.8% of households in housing need reported a mobility issue, broken down as follows:

Key
Mobility level 1 = applicants who are full-time wheelchair users
Mobility level 2 = applicants who use a wheelchair some of the time
Mobility level 3 = applicants who do not use a wheelchair but have limited mobility

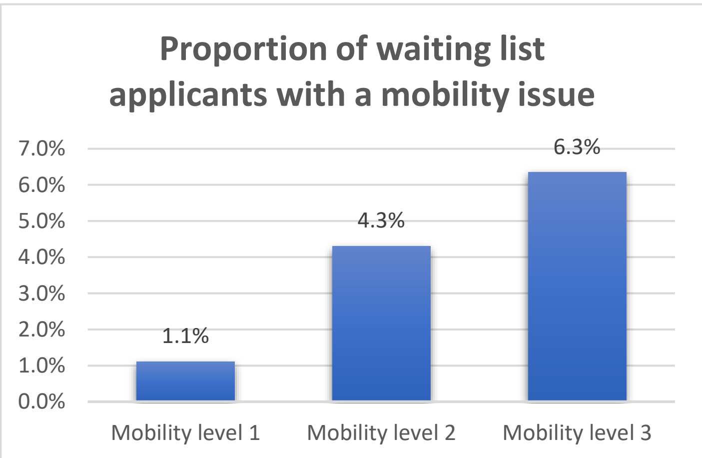

Figure 9 Proportion of waiting list applicants with a mobility issue

Bungalows and ground floor general needs accommodation with a wet room will be suitable for the majority of applicants with a mobility issue. The majority of these properties are advertised

giving priority to those with limited mobility. Bungalows account for approximately 12.8% of Monmouthshire's existing affordable housing stock. Average wait times for accessible accommodation are longer than for non-accessible accommodation. Households in high housing need waited an average of 21.4 months for accessible accommodation in 2022-2023, whereas the overall average was 10.2 months. This evidences the need for additional accessible accommodation. Where bespoke accommodation is required to meet a household's needs, MCC Housing and Communities department will work with MCC Social Services and partner RSLs to understand the specific requirements and deliver appropriate accommodation.
External stakeholder consultation and engagement The Monmouthshire Homesearch team were involved in gathering and analysing the data presented in this section. In addition, various stakeholders were consulted regarding the findings outlined in this section of the LHMA including: MCC Adult Services MCC Children Services MCC Housing Options Team MCC Housing Support Team RSLs Support Providers Aneurin Bevan University Hospital Board Gwent Regional Partnership Board
Key issues identified The data provides a snapshot of the mobility needs of applicants on a specific date. It is reliant on applicants providing accurate information and updating their applications if their circumstances change.

3.2.2 Multi-generational and/or larger families requiring larger properties

Local policies/strategies Monmouthshire Housing Allocations Policy 2022
Property needs Large general needs accommodation i.e. four or more bedrooms
Suitable for Multi-generational and/or larger families
Evidence including data sources A very small proportion of applicants on Monmouthshire's housing waiting list require larger properties. At year end 2022/23 just 4% of applicants in housing need required four or more bedrooms. Applicants will be awarded higher banding if they are found to be overcrowding their current accommodation or if they are sharing facilities. Monmouthshire's affordable housing stock includes a small proportion of four-bedroom properties (approximately 2.7% of stock), some of which comprise an additional reception room such as a separate dining area or study which can be designated as a bedroom if required. These

properties are generally able to meet the needs of households requiring larger properties, however waiting times can be long and tend to only go to households in high housing need. Bespoke larger properties may be required on rare occasions to meet the housing needs of households requiring larger properties.
<u>External stakeholder consultation and engagement</u> The Monmouthshire Homesearch team were involved in gathering and analysing the data presented in this section. In addition, various stakeholders were consulted regarding the findings outlined in this section of the LHMA including: MCC Adult Services MCC Children Services MCC Housing Options Team MCC Housing Support Team RSLs Support Providers Aneurin Bevan University Hospital Board Gwent Regional Partnership Board
<u>Key issues identified</u> The data provides a snapshot of the need for larger properties on a specific date. It is reliant on applicants providing accurate information and updating their applications if their circumstances change.

3.2.3 Non-permanent housing

<u>Local policies/strategies</u> Rapid Rehousing Transition Plan Housing Support Programme Strategy
<u>Property needs</u> 1. Self-contained Temporary Accommodation Since the increase in homelessness presentations during the COVID pandemic the Council has been reliant on bed and breakfast accommodation and shared accommodation to keep up with demand. Neither of these types of accommodation are seen as suitable and the Rapid Rehousing Transition Plan aspires to reduce the reliance on these provisions. 2. Supported accommodation for individuals with high support needs The profile of support needs of those presenting as homeless has increased in both intensity and complexity since the pandemic. As there no high support provision in Monmouthshire onsite security services have been installed in some bed and breakfast provision in order to keep households safe. 3. Self-contained temporary accommodation for families in the north of Monmouthshire A need for specific temporary accommodation for families is required to prevent families being placed in generic temporary accommodation.
<u>Suitable for</u> 1. Homeless households: individuals; couples; families 2. Homeless individuals with high and/or complex needs

3. Homeless families

Evidence including data sources

- As of 30 April 2023, Monmouthshire were accommodating 94 households in bed and breakfast and 115 in temporary accommodation, a total of 209 homeless households.
- 70 of the 94 households in bed and breakfast were single person households (74%)
- 23% increase in the number of actual homeless applications received between 2020 and 2023 (financial years) (RRTP, 2022).
- 12% increase in Section 73 duty to accommodate awards between 2020 and 2023 (financial years). 113% increase in S73 duty awards between 2018 and 2023 (financial years).
- 26% of those in temporary accommodation were assessed as having high or above support needs as of April 2022 (RRTP, 2022)

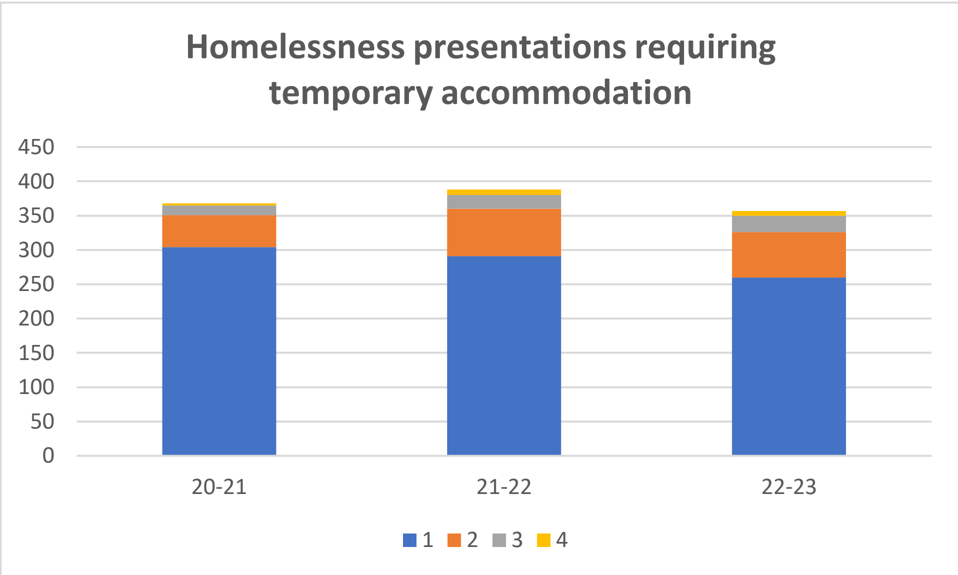

Figure 10 Homeless presentations resulting in temporary accommodation

Whilst there is a predicted increased need in temporary accommodation units of all sizes, households requiring single bedroom units remains significantly high.

External stakeholder engagement and consultation

Various stakeholder engagement and consultation events were carried out in the development of the Housing Support Programme Strategy and the Rapid Rehousing Transition Plan including:

- multi- agency meetings
- steering group meetings
- service mapping exercise
- workshops
- individual meetings with services and partner agencies
- focus group meetings
- stakeholder engagement exercises

Further consultation was carried out regarding the findings outlined in this section of the LHMA including:

MCC Adult Services

MCC Children Services

MCC Housing Options Team

MCC Housing Support Team RSLs Support Providers Aneurin Bevan University Hospital Board Gwent Regional Partnership Board
<u>Key issues identified</u> Historic and current data was accessed to provide an overview of the current need for non-permanent and allows for an estimation to be made of the future need. Although this is an evidence-based approach individuals' needs and circumstances can change which may impact on future need. In addition, upcoming legislative changes may impact on the future requirements for this type of accommodation.

3.2.4 Housing, care and support needs: Children and Young People

<u>Local policies/strategies</u> Gwent Regional Partnership Board Regional Capital Strategy 2023-33 Programme for Government priority – Eliminate private profit from the care of looked after children Placement commissioning strategy – due to be completed March 2024
<u>Property needs</u> 1. Supported lodgings (16-25) A minimum of three large properties (north, south, and central Monmouthshire) with a minimum of five beds for young people with a range of needs, with capacity for staff to sleep-in, and access to local amenities. Preference for detached housing, but consideration would be given to semi-detached. 2. Residential children's homes (pre-16) A minimum of three medium/large properties (north, south and central Monmouthshire) with a minimum of three beds for young people with a range of needs, with capacity for staff to sleep-in. Preference for detached housing only, with privacy afforded by large outside open space and distance from neighbours.
<u>Suitable for</u> Children and young people
<u>Evidence including data sources</u> Comprehensive asset mapping of current asset base and strategic needs assessment identifying current and future need
<u>External stakeholder consultation and engagement</u> Extensive stakeholder consultation and engagement was carried out in the development of the Gwent Regional Partnership Board Regional Capital Strategy 2023-33 including: - Regional stakeholder asset mapping exercise - Regional strategic workshops Further consultation was carried out with MCC Children Services to identify the housing needs specific to Monmouthshire, these have been reflected in the property needs above.

Key issues identified None identified.

3.2.5 Housing, care and support needs: Individuals with Mental Health, Learning Difficulties and Autism Spectrum Disorder

Local policies/strategies Gwent Regional Partnership Board Regional Capital Strategy 2023-33 Aneurin Bevan University Hospital Board (ABUHB) Housing Needs Assessment
Property needs (Monmouthshire) 1. Supported accommodation for individuals with complex needs 2. Additional residential placements for individuals with Mental Health and Learning Difficulties 3. Adaptations to support people to remain in their home 4. Additional supported living units/single accommodation for individuals with Mental Health and Learning Difficulties 5. More specialist provision – refuge 6. More specialist provision – step across facilities for substance misuse 7. Increased step up/step down supported accommodation for individuals with Mental Health and rehabilitative provision Property needs (Gwent-wide) The Aneurin Bevan University Hospital Board (ABUHB) Housing Needs Assessment identified a number of recommendations: • A programme of 50 units of purpose built supported living for people with learning disabilities across Gwent, with the Health Board having nomination rights to 25 units • Piloting an 'Own Front Door' model for people with learning disabilities in partnership with a local authority on a new general needs housing development, involving jointly commissioning the care and support • Develop two purpose built autism supported living schemes of 6 units each in two locations in Gwent • Develop two purpose built schemes with a total of 16 units to provide short term step down capacity from the Specialist Inpatient Service Unit and the mental health pathway • Commission an 'Own Front Door' programme of 8 units a year with intensive support for people with mental health problems • Jointly commissioning a semi-supported accommodation scheme of 6 units for young people with mental health problems, with the Health Board having nomination rights to 3 units • Develop two new long term supported living schemes for the forensic pathway of 6 units each. In addition develop a 6 unit supported living scheme for women who are subject to the forensic pathway
Suitable for Individuals with Mental Health, Learning Difficulties and Autism Spectrum Disorder
Evidence including data sources Comprehensive asset mapping of current asset base and strategic needs assessment identifying current and future need.

ABUHB Housing Needs Analysis for Learning Difficulties, Autism Spectrum Disorder and Mental Health
External stakeholder consultation and engagement Extensive stakeholder consultation and engagement was carried out in the development of the Gwent Regional Partnership Board Regional Capital Strategy 2023-33 including: - Regional stakeholder asset mapping exercise - Regional strategic workshops Further consultation was carried out regarding the findings outlined in this section of the LHMA including: MCC Adult Services MCC Children Services MCC Housing Options Team MCC Housing Support Team RSLs Support Providers Aneurin Bevan University Hospital Board Gwent Regional Partnership Board
Key issues identified Current data was accessed to provide an overview of the current provision to meet the needs of this group of people and inform the current and future priorities. Although this is an evidence-based approach individuals' needs and circumstances can change which may impact on future need.

3.2.6 Housing, care and support needs: Older People and People living with Dementia

Local policies/strategies Gwent Regional Partnership Board Regional Capital Strategy 2023-33 Monmouthshire Housing Allocations Policy 2022
Property needs (Gwent-wide) 1. Additional nursing units 2. Additional residential units 3. Additional respite support units 4. Additional older persons accommodation, with and without care 5. Step up/down provision to support independence 6. Supporting people to remain in their own home with appropriate adaptations 7. Redevelop current stock to improve accessibility
Suitable for Older people and people living with dementia
Evidence including data sources Comprehensive asset mapping of current asset base and strategic needs assessment identifying current and future need. A significant proportion of housing waiting list applicants are aged 60 years or older (16.1% at year-end 2022/2023). Monmouthshire's existing housing stock comprises approximately 22.9% of

accommodation designated as older persons, the majority of which apply a minimum age criteria of 60 years, although some schemes accept people from 55 years of age. Older persons accommodation turns over at a higher rate than general needs accommodation, in 2022 to 2023 34% of properties let through the Common Housing Register were designated as older persons, meaning these are more readily available than general needs accommodation as a proportion of eligible applicants.
<u>External stakeholder consultation and engagement</u> Extensive stakeholder consultation and engagement was carried out in the development of the Gwent Regional Partnership Board Regional Capital Strategy 2023-33 including: - Regional stakeholder asset mapping exercise - Regional strategic workshops Further consultation was carried out regarding the findings outlined in this section of the LHMA including: MCC Adult Services MCC Children Services MCC Housing Options Team MCC Housing Support Team RSLs Support Providers Aneurin Bevan University Hospital Board Gwent Regional Partnership Board
<u>Key issues identified</u> Current data was accessed to provide an overview of the current provision to meet the needs of this group of people and inform the current and future priorities. Although this is an evidence-based approach individuals' needs and circumstances can change which may impact on future need.

3.2.7 Locational needs for student accommodation

The guidance requires consideration for student accommodation close to a University. This is not considered to be relevant to Monmouthshire as there is no evidence to support this need.

3.2.8 Locational needs for people with physical or cultural needs

Consideration should be given to the needs of people from diverse backgrounds, including those from particular Black and Minority Ethnic groups or those with physical or cultural needs.

<u>Local policies/strategies</u> None identified
<u>Property needs</u> None of the current waiting list applicants indicated a housing need in relation to their ethnicity, religion or culture.
<u>Suitable for</u> N/A
<u>Evidence including data sources</u>

In order to assess this need, waiting list data was analysed for ethnicity and religion/culture. However, as this information is not mandatory the data is incomplete, particularly in relation to religion where approximately 86% of applicants did not respond. A baseline comparison has been provided with general population of Monmouthshire from 2021 Census data.

In relation to ethnicity, the vast majority of applicants on the housing waiting list are White: English/Welsh/Scottish/Northern Irish/British (90.2%), this is similar to the overall population of Monmouthshire at 94.2% (Census 2021).

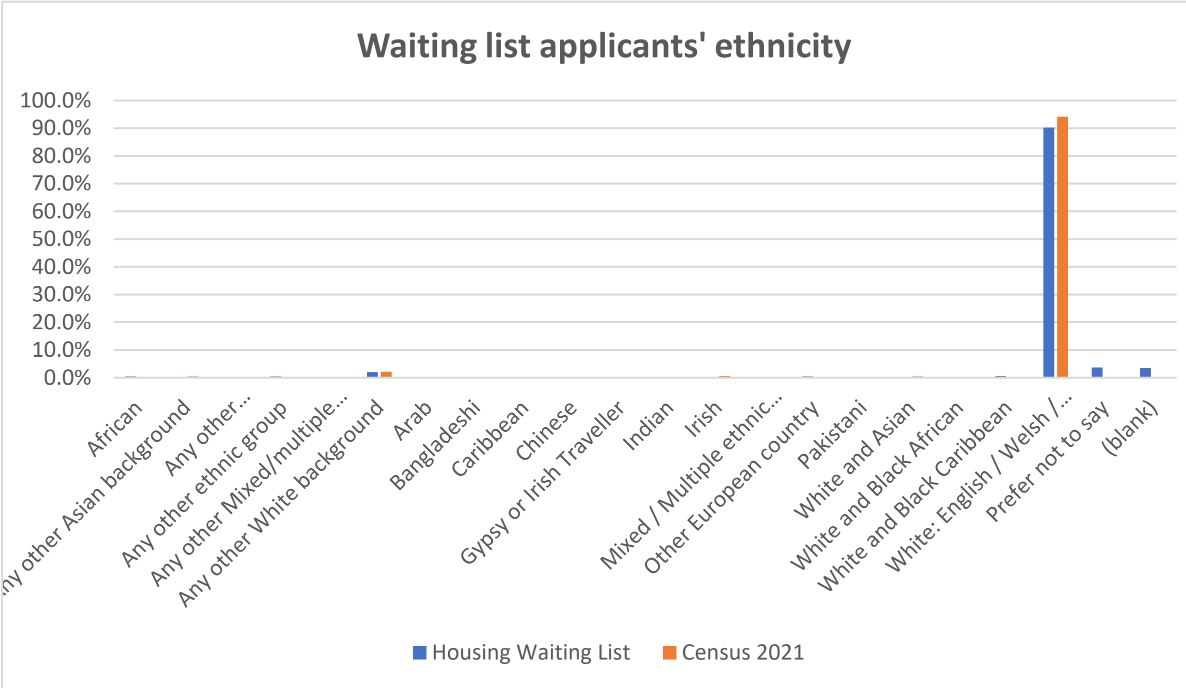

Figure 11 Waiting list applicants' ethnicity

In relation to religion and culture, where data is available the majority of applicants indicated they had no religion (6.9%) or were Christian (4.7%).

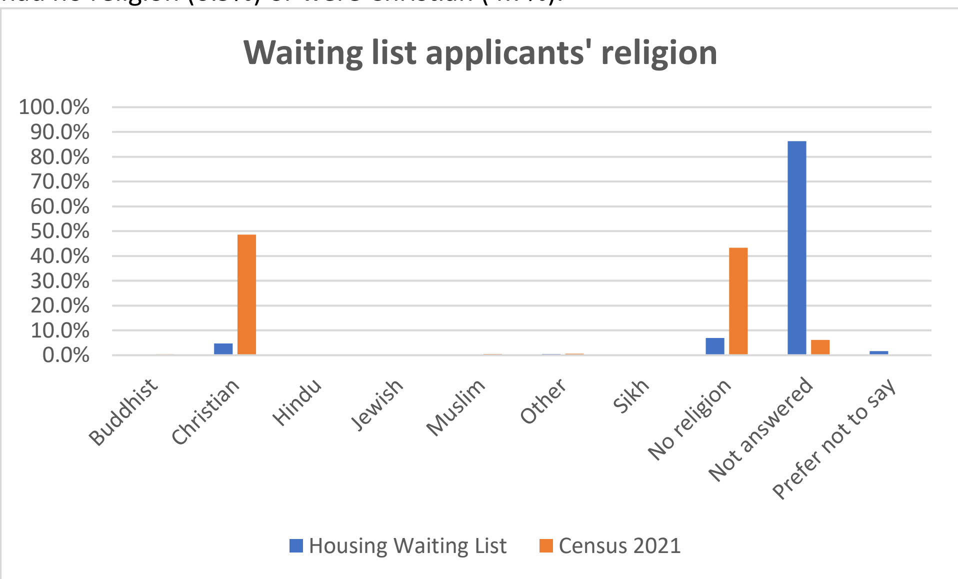

Figure 12 Waiting list applicants' religion

<u>External stakeholder consultation and engagement</u>

Extensive stakeholder consultation and engagement was carried out in the development of the Gwent Regional Partnership Board Regional Capital Strategy 2023-33 including: - Regional stakeholder asset mapping exercise - Regional strategic workshops Further consultation was carried out regarding the findings outlined in this section of the LHMA including: MCC Adult Services MCC Children Services MCC Housing Options Team MCC Housing Support Team RSLs Support Providers Aneurin Bevan University Hospital Board Gwent Regional Partnership Board
<u>Key issues identified</u> The data provides a snapshot of applicants' ethnicity and religion/culture on a specific date. As noted above there is a lack of reliable data as applicants are not required to provide this information.

While not specifically covered in the section above, it is also considered that there is a small need for accommodation for people experiencing domestic violence. At year end 2022/2023 there were 63 households registered on the waiting list that indicated they were experiencing domestic violence which represents 2.9% of the total households on the waiting list.

The need for Gypsy and Traveller communities is not reflected in this LHMA, this need has been considered in Monmouthshire's Gypsy and Traveller Accommodation Assessment 2021-2026. The assessment concludes:

- that there is an unmet need of nine pitches under the assessment period 2020 to 2025
- Beyond 2025, there is a further unmet need of four pitches over the remaining length of the Replacement Local Development Plan (2026 – 2033)
- There is not a need for a permanent transit / stopping pitch in Monmouthshire
- The Council should consider the use of short-term toleration or negotiated stopping arrangements to deal with short-term encampments

4. Range of Additional Annual Housing Need Estimates

The LHMA Tool can be run with the three WG-2018 based household projection variants (principal, higher and lower), which will produce distinct housing need estimates. Household projections utilised within the Council's Local Development Plan can also be input into the tool, however this option has not been selected as Monmouthshire's LHMA covers a different time span to that of Monmouthshire's Replacement Local Development Plan.

The housing need estimates generated by each of the household projection variants are shown in sections 4.1 to 4.3, as required by Welsh Government guidance. Further analysis of the Chepstow HMA has been undertaken and is provided in Appendix 1.

4.1 Principal household projections

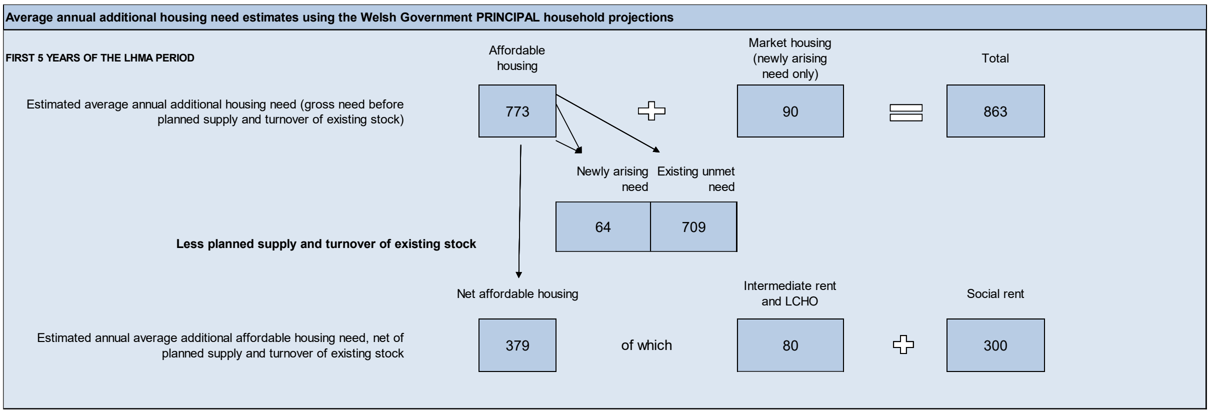

Figure 13 Additional annual housing need estimates by tenure for the first five years of the LHMA based on principal household projections

Table 13 Additional annual housing need estimates by HMA and tenure (net need, net of turnover of existing stock and planned supply) based on principal household projections

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
HMA	one bedroom	two bedrooms	three bedrooms	four+ bedrooms	Social rent (a) + (b) + (c) + (d) = (e)	Intermediate rent	LCHO	Affordable Housing (h) = (e) + (f) + (g)
Additional housing need estimates by tenure	219	44	23	14	300	25	55	379
Abergavenny	78	8	10	4	100	5	16	121
Chepstow	105	28	10	7	151	13	34	197
Monmouth	36	7	3	2	49	6	4	58
BBNP	-	-	0	0	0	1	1	2

Table 14 Additional annual housing need estimates by HMA and tenure (gross need, before turnover and supply) based on principal household projections

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
HMA	Social rent	Intermediate rent and LCHO	Affordable Housing (c) = (a) + (b)	Owner occupier	Private rented sector	Market Housing (f) = (d) + (e)	Additional housing need (g) = (c) + (f)
Additional housing need estimates by tenure	666	107	773	29	61	90	863
Abergavenny	211	26	237	8	16	24	261
Chepstow	339	63	402	15	32	47	449
Monmouth	95	14	108	4	8	13	121
BBNP	21	5	25	2	5	7	32

Table 15 Additional annual housing need estimates by HMA and tenure for the remaining 10 years of the LHMA based on principal household projections

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
HMA	Social rent	Intermediate rent and LCHO	Affordable Housing (c) = (a) + (b)	Owner occupier	Private rented sector	Market Housing (f) = (d) + (e)	Additional housing need (g) = (c)+ (f)
Additional housing need estimates by tenure	34	30	64	29	61	90	154
Abergavenny	9	8	18	8	16	24	42
Chepstow	16	14	30	15	32	47	77
Monmouth	6	5	11	4	8	13	23
BBNP	3	3	6	2	5	7	12

Table 16 Additional annual housing need estimates by HMA and tenure (net need) over the 15 years of the LHMA based on principal household projections

HMA	(a) Social rent	(b) Intermediate rent and LCHO	(c) Affordable Housing (c) = (a) + (b)	(d) Owner occupier	(e) Private rented sector	(f) Market Housing (f) = (d) + (e)	(g) Additional housing need (g) = (c)+ (f)
Additional housing need estimates by tenure	**34**	**30**	**64**	**29**	**61**	**90**	**154**
Abergavenny	9	8	18	8	16	24	42
Chepstow	16	14	30	15	32	47	77
Monmouth	6	5	11	4	8	13	23
BBNP	3	3	6	2	5	7	12

4.2 Higher variant household projections

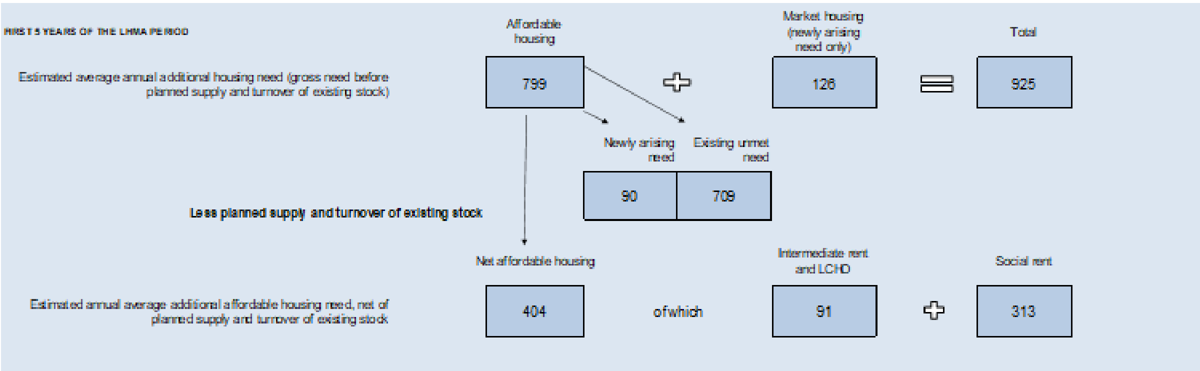

Figure 14 Additional annual housing need estimates by tenure for the first five years of the LHMA based on higher variant household projections

Table 17 Additional annual housing need estimates by HMA and tenure (net need, net of turnover of existing stock and planned supply) based on higher variant household projections

HMA	(a) one bedroom	(b) two bedrooms	(c) three bedrooms	(d) four+ bedrooms	(e) Social rent (a) + (b) + (c) + (d) = (e)	(f) Intermediate rent	(g) LCHO	(h) Affordable Housing (h) = (e) + (f) + (g)
Additional housing need estimates by tenure	**227**	**46**	**26**	**14**	**313**	**32**	**60**	**404**
Abergavenny	81	9	10	4	104	7	17	128
Chepstow	109	29	11	8	157	16	36	209
Monmouth	37	8	4	2	51	7	5	63
BBNP	-	-	0	0	1	1	2	4

Table 18 Additional annual housing need estimates by HMA and tenure (gross need, before turnover and supply) based on higher variant household projections

HMA	(a) Social rent	(b) Intermediate rent and LCHO	(c) Affordable Housing (c) = (a) + (b)	(d) Owner occupier	(e) Private rented sector	(f) Market Housing (f) = (d) + (e)	(g) Additional housing need (g) = (c) + (f)
Additional housing need estimates by tenure	**680**	**119**	**799**	**41**	**86**	**126**	**925**
Abergavenny	215	29	244	11	23	34	278
Chepstow	346	68	414	21	45	65	480
Monmouth	97	15	112	6	12	18	130
BBNP	22	6	28	3	7	10	37

Table 19 Additional annual housing need estimates by HMA and tenure for the remaining 10 years of the LHMA based on higher variant household projections

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
HMA	Social rent	Intermediate rent and LCHO	Affordable Housing (c) = (a) + (b)	Owner occupier	Private rented sector	Market Housing (f) = (d) + (e)	Additional housing need (g) = (c)+ (f)
Additional housing need estimates by tenure	**48**	**42**	**90**	**41**	**86**	**126**	**216**
Abergavenny	13	11	25	11	23	34	58
Chepstow	22	20	43	21	45	65	108
Monmouth	8	6	15	6	12	18	32
BBNP	4	4	8	3	7	10	17

Table 20 Additional annual housing need estimates by HMA and tenure (net need) over the 15 years of the LHMA based on higher variant household projections

	Average annual estimates			15-year estimates		
	(a)	(b)	(c)			
HMA	Social rent	Intermediate rent and LCHO	Affordable Housing (c) = (a) + (b)	Social rent	Intermediate rent and LCHO	Affordable Housing (c) = (a) + (b)
Additional housing need estimates by tenure	**136**	**58**	**195**	**2,044**	**873**	**2,918**
Abergavenny	43	16	59	652	236	888
Chepstow	67	31	98	1,009	464	1,473
Monmouth	23	8	31	338	122	461
BBNP	3	3	6	45	51	96

4.3 Lower variant household projections

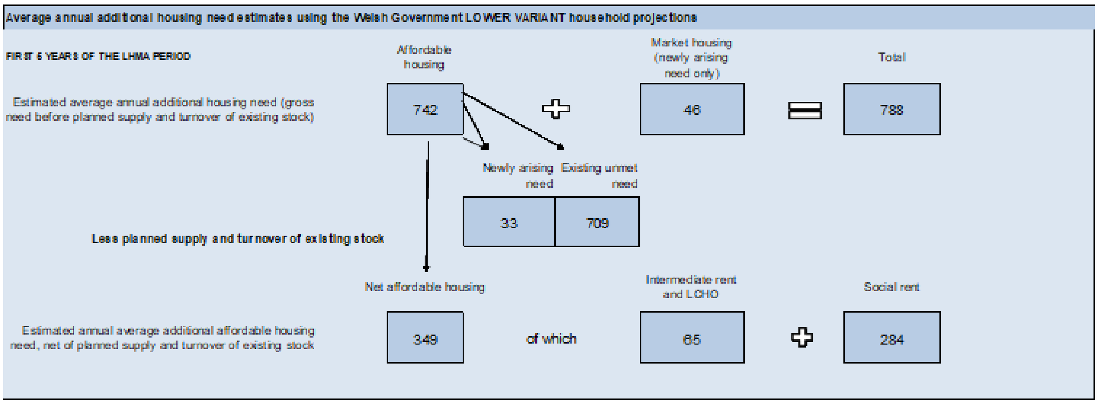

Figure 15 Additional annual housing need estimates by tenure for the first five years of the LHMA based on lower variant household projections

Table 21 Additional affordable annual housing need estimates by HMA and tenure (net need, net of turnover of existing stock and planned supply) based on lower variant household projections

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
HMA	one bedroom	two bedrooms	three bedrooms	four+ bedrooms	Social rent (a) + (b) + (c)+ (d) = (e)	Intermediate rent	LCHO	Affordable Housing (h) = (e) + (f) + (g)
Additional housing need estimates by tenure	**210**	**41**	**21**	**13**	**284**	**16**	**49**	**349**
Abergavenny	76	7	9	4	95	3	14	113
Chepstow	100	27	9	7	143	9	31	182
Monmouth	34	7	3	2	46	4	3	53
BBNP	-	-	-	0	0	-	1	1

Table 22 Additional annual housing need estimates by HMA and tenure (gross need, before turnover and supply) based on lower variant household projections

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
HMA	Social rent	Intermediate rent and LCHO	Affordable Housing (c)=(a) + (b)	Owner occupier	Private rented sector	Market Housing (f) = (d) + (e)	Additional housing need (g) = (c)+ (f)
Additional housing need estimates by tenure	649	93	742	15	31	46	788
Abergavenny	207	22	229	4	8	12	241
Chepstow	332	56	387	8	16	24	411
Monmouth	92	11	103	2	4	6	109
BBNP	19	3	23	1	2	3	26

Table 23 Additional annual housing need estimates by HMA and tenure for the remaining 10 years of the LHMA based on lower variant household projections

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
HMA	Social rent	Intermediate rent and LCHO	Affordable Housing (c) = (a) + (b)	Owner occupier	Private rented sector	Market Housing (f) = (d) + (e)	Additional housing need (g) = (c)+ (f)
Additional housing need estimates by tenure	18	15	33	15	31	46	79
Abergavenny	5	4	9	4	8	12	21
Chepstow	8	7	16	8	16	24	39
Monmouth	3	2	5	2	4	6	12
BBNP	2	1	3	1	2	3	6

Table 24 Additional annual housing need estimates by HMA and tenure (net need) over the 15 years of the LHMA based on lower variant household projections

	Average annual estimates			15-year estimates		
	(a)	(b)	(c)			
HMA	Social rent	Intermediate rent and LCHO	Affordable Housing (c) = (a) + (b)	Social rent	Intermediate rent and LCHO	Affordable Housing (c) = (a) + (b)
Additional housing need estimates by tenure	106	32	138	1,597	477	2,074
Abergavenny	35	9	44	526	128	653
Chepstow	53	18	71	797	271	1,068
Monmouth	17	4	21	259	61	320
BBNP	1	1	2	16	18	33

5. LHMA Additional Housing Need Estimates

It is proposed that the WG 2018-based higher variant household projections are applied to the LHMA as these align more closely with the growth strategy which has been used to inform the Council's Replacement Local Development Plan 2018 – 2033 Preferred Strategy. This strategy, which was endorsed by Council in October 2023, makes provision for approximately 5,400 – 6,210 homes over the plan period 2018-2033. As there are currently approximately 4,085 homes in the housing landbank, land will be allocated for approximately 1,660 – 2,125 new homes, including 830 – 1,065 new affordable homes.

The 2018-based WG population and household projection variants form the starting point of the modelling used in the Preferred Strategy, adjusted to reflect higher in-migration rates from Bristol and South Gloucestershire following removal of the Severn Bridge tolls and to adjust the County's unbalanced demographic. These project household growth of 5,159 which is significantly higher than the higher variant projection of 2,732 for the same period.

The Census 2021 recorded 40,922 households in Monmouthshire, this is higher than all WG household variants estimated: the principal variant estimated there would be 40,755, whereas the higher and lower variants estimated 40,797 and 40,705 respectively. This is an additional justification for applying the higher variant household projections.

The LHMA estimates a net need of 404 additional affordable homes per year for the first five years of the LHMA period (2022-2027), based on the WG higher variant household projections. The majority of the estimated affordable housing need is for social rent accommodation (313 per year), with intermediate rent and low cost home ownership making up much smaller proportion of the need (32 and 60 per year respectively).

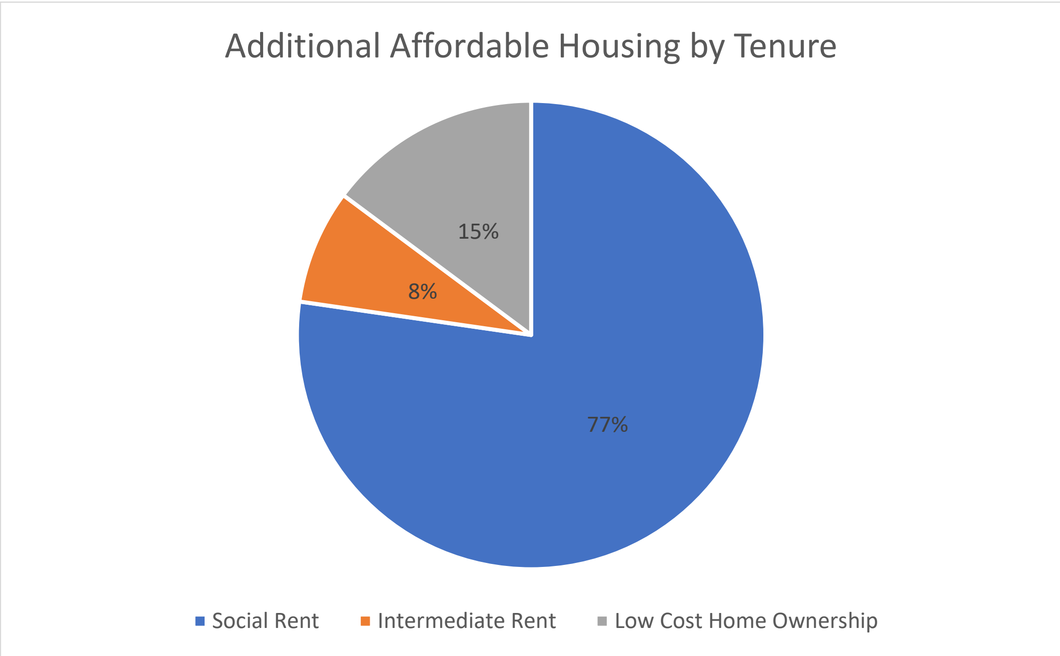

Figure 16 Estimated annual additional affordable housing by tenure for the first five years of the LHMA period

For the remaining 10 years of the LHMA period, there is an estimated need for 90 affordable homes, consisting of 48 social rent and 42 intermediate housing options.

It is estimated that 126 additional market homes are needed each year for the duration of the LHMA period (2022-2037). This consists of 86 private rented and 41 owner occupier homes per year.

The LHMA also estimates a need for 126 market homes throughout the County per year, consisting of 86 private rented (68%) and 41 owner occupier properties (33%).

There may be an unhidden need for intermediate housing that is not reflected in the estimations calculated by the LHMA. There is currently very little backlog for intermediate housing, likely due to the lack of availability and awareness of this type of accommodation. The LHMA has estimated a significant need for private rented housing, this sector is currently very challenging to access in Monmouthshire with high demand and a lack of supply. Intermediate rent housing offers a more secure alternative where rents are more affordable.

The additional housing need figures estimated by the LHMA are summarised in Table 26. Comparisons are provided with the previous LHMA, although some comparable data was not available due to the differing methodologies.

Table 25 Housing need figures for the first five years of the current LHMA compared to previous LHMA

Annual additional housing need estimates	**Column index**	**Current LHMA**	**Previous LHMA**
		Over the first five years of the LHMA period	
Total housing need estimate	(a)	925	
Market housing	(b)	126	
Affordable housing	(c)	799	931
Percentage split of additional housing need by market and affordable housing	(b)/(a): (c)/(a)	14% 86%	
Annual planned supply and turnover of existing stock for affordable housing	(e)	396	464
Affordable housing need – net of planned supply and turnover of existing stock	(f) =(c)-(e)	404	468
Annual additional housing need estimate split by tenure:			
Owner occupier	(g)	41	
Private rented sector	(h)	86	
LCHO – net basis	(i)	60	116
Intermediate rent – net basis	(j)	32	33
Social rent – net basis	(k)	313	320
One bedroom social rent	(l)	227	
Two bedrooms social rent	(m)	46	
Three bedrooms social rent	(n)	26	
Four+ bedrooms social rent	(o)	14	
Market housing percentage split: Owner occupier estimate Private rented sector estimate	(g)/(b) (h)/(b)	32% 68%	
Affordable housing need percentage split: LCHO	(i)/(f) (j)/(f)	15%	25%

Intermediate rent Social rent	(k)/(f)	8% 77%	7% 68%
Social housing need percentage split by number of bedrooms			
1 bed	(l)/(k)	73%	
2 beds	(m)/(k)	15%	
3 beds	(n)/(k)	8%	
4+ beds	(o)/(k)	4%	

Table 27 Analysis of change in the housing need estimates

Data Input and Key assumptions	Current LHMA	Previous LHMA
	Over the first five years of the LHMA period	
Number of HMAs and basis of defining HMAs (ward, MSOA, LSOA)	4 1. Abergavenny 2. Chepstow - split into two sub market areas of i. Central Rural sub HMA ii. Severnside sub HMA 3. Monmouth 4. BBNP	3 1. Abergavenny 2. Chepstow 3. Monmouth
Selected household projection basis	WG 2018 based higher variant	WG 2018 based population projection
Annual newly arising need	90	77
Rent data – state default or source used	Default	Hometrack
House price paid data – state default or source used	Default	Hometrack
Income data – state source used	CACI Paycheck	CACI Paycheck
Annual existing unmet housing need	709	687.6
Market housing affordability criteria	30%	Not Reported
Social rent affordability criteria	35%	Not Reported
Percentage of those considered appropriate for owner occupier that go onto buy	40%	Not Reported

Average FTB property price for the LA	£250,000	£200,000
FTB property value to income ratio for the LA	5.06	7.23
Five-year financial forecast – OBR or alternative source	Default	Not Reported
Split of intermediate housing need – method 1, 2 or 3		N/A

It should be noted that Monmouthshire's LHMA covers two Local Planning Authority Areas: Monmouthshire County Council and the Bannau Brycheiniog National Park (BBNP). The housing need can be separated for each of the areas.

Within the MCC Local Planning Authority Area the LHMA estimates a need for 400 additional affordable homes per year until 2027, consisting of 312 social rent, 30 intermediate rent and 58 low-cost home ownership properties. For the remaining 10 years of the LHMA period, there is an estimated need for 80 affordable homes, consisting of 43 social rent and 37 intermediate homes.

There is an estimated annual need for 118 market homes within the MCC planning authority area, consisting of 80 private rented and 38 owner occupier properties.

Within the BBNP planning authority area the LHMA estimates a need for 4 additional affordable homes per year until 2027, consisting of 1 social rent and 3 intermediate homes. For the remaining 10 years of the LHMA period, there is an estimated need for 8 affordable homes, consisting of 4 social rent and 4 intermediate options.

There is an estimated annual need for 10 market homes within the MCC planning authority area, consisting of 7 private rented and 3 owner occupier properties.

6. Summary

6.1 Overall additional housing need estimates

The Council will continue to work across all departments to address the overall housing need, in-line with Council plans and strategies.

6.2 Additional market housing need estimates

The yet to be approved Replacement Local Development Plan 2018 - 2033 proposes a tenure mix of 50% open market and 50% affordable housing on some site allocations. There is also a requirement that sites offer a range of house types, sizes and tenures to cater for the range of identified housing need and contribute to the delivery of balanced communities.

6.3 Additional affordable housing need estimates

Considering the affordable housing need estimates the Council we will utilise Social Housing Grant plus any other available funding and work alongside our Registered Social Landlords (RSL) partners to develop affordable housing using the data to concentrate on specific areas and housing need.

7. Quality Assurance Statement

This report has been prepared following Welsh Government guidance *Undertaking Local Housing Market Assessments, March 2022* and Version 3.2 of the *Local Housing Market Assessment Tool* in order to provide an accurate and reliable estimation of the housing need across Monmouthshire.

The methodology and assumptions have been clearly explained in Section 2 of this report. The default data and assumptions provided in the tool have been applied throughout the assessment. The WG-2018 based higher variant household projections have been applied as outlined in Section 5.

The data utilised within this assessment comes from verified, approved sources such as Welsh Government, Land Registry, Census 2021 and Office for National Statistics. The data analysis has been thoroughly reviewed in order to ensure its validity and integrity.

Throughout the report, figures have been rounded for ease of representation and to facilitate understanding of the data, however it has lead to some information not summing correctly which is a common statistical reporting issue. This has particularly affected the housing market need, the rounded numbers estimate 41 owner occupier and 86 private rented sector homes are required, which does not sum to the overall need for 126 homes. This can also be seen in the separated figures for the MCC and BBNP Local Planning Authority areas. This does not affect the reliability of the data.

Annex 1: Glossary

The following acronyms are used within this report:

ABUHB	Aneurin Bevan University Hospital Board
BBNP	Bannau Brycheiniog National Park
FTB	First Time Buyer
HMA	Housing Market Area
LCHO	Low Cost Home Ownership
LHMA	Local Housing Market Assessment
MCC	Monmouthshire County Council
OBR	Office for Budget Responsibility
ONS	Office for National Statistics
RRTP	Rapid Rehousing Transition Plan
RSL	Registered Social Landlord
S73 Duty	Section 73 Duty
WG	Welsh Government

Appendix 1: Chepstow Housing Market Area Analysis

The Chepstow housing market area covers the largest geographical and population area as it includes the southern settlements of Chepstow through to Magor/Undy as well as the more rural central settlements of Usk and Raglan. As explained in Section 2.3 the housing market areas have been based on statistically defined Travel to Work areas, however it is possible to separate the Chepstow HMA into two smaller sub-housing market areas in order to provide more detailed analysis of housing need. This is considered appropriate due to the higher prevalence of home working since the COVID pandemic.

The two sub-housing market areas have been based on settlement hierarchies defined in Monmouthshire's Adopted Local Development Plan 2011-2021:

I. **Central Rural sub-HMA** which includes the Rural Secondary Settlements of Usk, Raglan and Penperlleni
II. **Severnside sub-HMA** which includes the Severnside Settlements of Caerwent, Caldicot, Magor, Portskewett, Rogiet, Sudbrook and Undy as well as the town of Chepstow

These sub-housing market areas do not form part of the main Local Housing Market Assessment as they have not been statistically defined and formally agreed, they have therefore been provided as an Appendix for informative purposes and to give a more localised assessment of housing need.

The data has been re-analysed in order to produce estimates of housing need for these sub-housing market areas, which is shown in Tables 27 and 28, along with the overall need for the Chepstow HMA identified in the main body of the LHMA. Applying the updated data has resulted in some of the need being re-distributed between different tenures, therefore some of the figures do not tally.

Table 26 Additional annual affordable housing need estimates by tenure for the first five years of the LHMA (Chepstow HMA)

HMA	Social rent	Intermediate rent	LCHO	Affordable Housing
Chepstow HMA	**157**	**16**	**36**	**209**
Central Rural sub-HMA	48	3	8	62
Severnside sub-HMA	109	13	18	146

Table 27 Additional annual market housing need estimates by tenure for the duration of the LHMA (Chepstow HMA)

HMA	Owner occupier	Private rented sector	Market Housing
Chepstow HMA	21	45	65
Central Rural sub-HMA	2	6	8
Severnside – sub-HMA	19	41	60

For the remaining 10 years of the LHMA period, there is a need for 43 additional affordable homes for the Chepstow housing market area, of which four are within the Central Rural sub-HMA and 35 are within the Severnside sub-HMA.