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# **Ceredigion Housing Needs Study**

## **Executive Summary of Findings** for **Ceredigion County Council**



**Opinion Research Services**  
Spin-out Company of the  
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# Executive Summary

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## Project Overview

Opinion Research Services was commissioned by Ceredigion County Council to undertake a comprehensive assessment of housing requirements in the County.

The assessment was primarily based on the analysis of 1,501 interviews conducted by ORS with a random sample of households in the County between April and June 2004. Following analysis of the achieved interviews, the sample was found to be representative of all households in the County. We can be confident that if all households in the County were interviewed, nineteen times out of twenty the results would not differ by more than +/-2.5% points from those achieved from the study sample.

The analysis was also informed by a detailed desktop study of estate agent and lettings agent information; and detailed analysis of available secondary data.

The study was fully compliant with the Welsh Office Guidance (1999) and further good practice set out by the DETR (2000) on undertaking housing needs assessments. In fact, this study goes beyond published good practice by considering housing requirements in the context of the *whole housing market* across all tenures, rather than simply focusing on affordable housing.

## The ORS Housing Market Model

The assessment was undertaken using the ORS Housing Market Model and considered *housing requirements*. This term encompasses housing demand and need:

*Housing demand* is the quantity of housing that households *want* and *can afford* to buy or rent without subsidy.

*Housing need* is the quantity of housing necessary to house those households currently lacking their own housing, or living in unsuitable housing, and who *cannot afford* to buy or rent suitable housing without assistance.

In terms of housing requirements, the ORS Model takes account of:

- Existing households moving home within the County based on household aspirations expressed in the survey, objectively tested on affordability and dwelling size,
- New households forming in the County (by individuals previously living as part of another household) based on trend data from the survey about households that have formed in the last two years, and
- In-migrant households to the County based on trend data from the survey on households that have moved into the County during the last two years.



The ORS Model matches housing requirements to housing supply to assess the shortfall/surplus of housing. In terms of supply, the Model considers vacancies arising from:

- Existing households moving within the County or leaving Ceredigion based on household aspirations expressed in the survey, objectively tested, and
- Household dissolutions caused by the death of all household members, based on the probability of members dying (by age and gender).

### The Overall Housing Shortfall

The ORS Model has shown that there is a substantial requirement for 2,438 homes per annum, but some of this requirement will be met by the 1,936 vacancies that will form annually. After considering supply, there is an overall shortfall in housing across the County of around 502 dwellings per year.

Type of Housing	Number of Units
<b>Total Requirement [A]</b>	<b>2,438</b>
Owner Occupied	1,403
Rented without Subsidy	518
Subsidised Housing	517
<b>Total Supply [B]</b>	<b>1,936</b>
Owner Occupied	1,075
Rented from CCC	144
Rented from RSL	98
Rented privately with HB	163
Rented privately without HB	432
Rented from employer	24
<b>Total Shortfall (Surplus) [A-B]</b>	<b>502</b>

**Figure 1: Components of the Overall Annual Housing Shortfall**

It is important to note that this shortfall represents the mis-match between requirements and supply and does not take account of future housing provision.

It should be noted that this is an annual shortfall based over a five-year period. If projections are required over a longer period, the annual shortfall should not simply be multiplied by the number of years in the projection period. For instance, trend information has been used in the analysis on newly forming and in-migrant households that have taken up housing in the County during the last two years. It is likely that housing market conditions could change in the medium to long-term future and some of the inputs to the Model will then need to be reviewed.



In terms of subsidised accommodation, figure 1 shows there is an annual need for 517 homes but this is partly offset by a supply of 405. Figure 2 below shows that matching need and supply yields a requirement for 112 subsidised homes per annum.

### Housing Shortfall by Tenure and Size

More than a fifth (22%) of the overall annual shortfall is for some form of subsidised accommodation, with half of this being for social rented dwellings, and a further significant element being for Discount Market Housing or Homebuy.

Owner occupation makes up nearly two-thirds (65%) of the overall annual shortfall, while rented accommodation without subsidy accounts for the remaining 12%.

Type of Housing	Net Shortfall	% of Shortfall
<b>Private Sector Housing</b>		
Owner occupation	328	65%
Renting without subsidy	62	12%
<b>Subsidised Housing</b>		
Discount Market Housing/ Homebuy	42	8%
Sub-market rent	17	3%
Social Rented	53	11%
All Housing	502	100%

**Figure 2: Net Annual Shortfall (Surplus) of Housing**

In terms of property size, there is a requirement for all property sizes in the private sector except homes with five or more bedrooms, with the main requirement being for three- or four- bedroom properties. In the subsidised housing sector, the requirement is predominantly for additional one- and two- bedroom properties.

Size of Property	Private Sector Housing	Subsidised Housing
One-bedroom	21	97
Two-bedrooms	106	64
Three-bedrooms	122	(53)
Four-bedrooms	146	(10)
Five or more-bedrooms	(4)	13
All Housing	390	112

**Figure 3: Net Shortfall (Surplus) by Size of Property**



## **Main Conclusions**

The study has shown that the County has shortfalls for all types and sizes of housing except subsidised homes with three or more bedrooms.

Over a fifth of the annual shortfall is for subsidised accommodation (mainly one- and two- bedrooms). Half of this shortfall is for additional social rented homes, but the study has also shown that intermediate tenures (sub-market rent and discount market housing or Homebuy) can play a role in the Ceredigion housing market. The Council may wish to ensure that new housing provision includes a mix of housing types and tenures to meet the needs of the community, and contribute to the supply of small subsidised housing units.

The results from this study will be vital for informing the Council's housing and planning policies. To ensure that the study remains a useful tool for the Council, the study could be updated in the medium-term future to take account of how the County's housing market changes.

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