# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE**  | **Estimates of Housing Need in Wales at a National and Regional Level (2018-based)** |
| **DATE**  | **30 January 2019** |
| **BY** | **Julie James AM, Minister for Housing and Local Government** |

Today Welsh Government published a statistical article presenting new Estimates of Housing Need in Wales at a National and Regional Level (2018-based). The two components that form estimates of overall housing need are newly arising need and existing unmet need. A range of estimates are presented which capture the best available data whilst accepting there are always uncertainties where future projections are based on past trends. These estimates have been produced independently by Welsh Government statisticians under the principles of the Code of Practice for Statistics and have been informed by a stakeholder group including representatives from Welsh local authorities and the Welsh Local Government Association (WLGA).

The estimates are presented at both a national and regional level, but it is recognised that there will be considerable variation within each region and within each local authority. The 2018 estimates replace the previous estimates of housing need in Wales produced by the late Alan Holmans and published by the Public Policy Institute for Wales (PPIW) in 2015.

The statistical article is available at the following link:

<https://gov.wales/statistics-and-research/housing-need-and-demand/?lang=en>

Key findings:

* It is estimated that on average, between 6,700 and 9,700 additional housing units will be required annually during the first 5 years (with a central estimate of 8,300).
* The estimates of additional housing need gradually decrease over the following 15 years, reflecting a slow down in the projected household growth from the 2014-based household projections. Household projections are largely driven by population projections.
* By the mid 2030s, it is estimated that up to 6,500 additional housing units will be required annually (with a central estimate of below 4,000).
* The range of estimates naturally become wider the further into the future they go, reflecting the uncertainty of these estimates.

The new Estimates of Housing Need will inform plans and strategies at a national and regional level across many policy areas. They will be central to the formulation of future housing and planning policy across my portfolio and inform areas such as the National Development Framework (NDF), which is due to be published in 2020. Housing need also informs the assessments of local well-being required under the Well-being of Future Generations (Wales) Act.

It is important to acknowledge that, while these estimates form a basis of discussion for policy decisions and are an indication of the overall need and demand for additional housing units in Wales, they should not be used as a housing target and cannot forecast exactly what is going to happen in the future. These estimates are part of the evidence base to inform the development of local or national targets which need to take account of national, regional and local policy and practical considerations to reach a view on the level of housing that can actually be delivered within an area.

Members will be aware that housing need has also been identified as a priority work stream by the independent panel undertaking the Review of Affordable Housing Supply. The review will publish its recommendations in April 2019. The updated estimates of future housing need and demand will be used alongside the findings of the Review of Affordable Housing to develop future housing policy and proposals.

I intend to review the methodology for determining local housing requirements, and the work undertaken by local authorities through Local Housing Market Assessments, following the conclusion of the Review of Affordable Housing Supply and as the new method of estimating future housing need, at a national and regional level, beds in.