Llywodraeth Cymru
Welsh Government

Undertaking Local Housing Market Assessments (LHMAs) – Template LHMA Reports

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Preface

This template report document provides an expected minimum level of detail that Welsh Government would expect to see within a local authority's LHMA report. Welsh Government has provided an Excel Tool (LHMA Tool), guidance and training videos to assist local authorities with their additional housing need assessments.

Local authorities are required to undertake an LHMA. Every five years, local authorities are required to **rewrite** their LHMAs and **refresh** their LHMA once during that five-year period (between years two and three). Local authorities can refresh their LHMAs more frequently if required.

Part 1 provides the rewrite template LHMA report and Part 2 provides the refresh template LHMA report.

Example text has been provided (in **blue**) throughout the template reports for suggested inclusion. Whilst local authorities can use their own text should they wish, it is expected that the text covers the areas outlined in the template report.

In relation to additional housing need estimates, local authorities will be expected to show understanding of the sensitivity of the estimates to a change in the data inputs and assumptions, and how using the different household projections produce a range of additional housing need estimates. This is explained in the outputs section of the guidance (3.27 to 3.32).

Part 1 – Rewrite Template LHMA Report

1. Introduction

1.1 National Policy Background

*Example text is provided below (in **blue**) - you can use your own text but the following are expected to be included:*

- **Section 8 of the Housing Act 1985** - Section 8 of the Housing Act 1985[1] places a statutory duty on local authorities to periodically assess the level of housing need in their area. It is vital that authorities have a comprehensive understanding of their local housing market(s) and provide a robust evidence base for effective strategic housing and planning services. Production of a Local Housing Market Assessment (LHMA) falls under this duty, building upon the requirement to review housing needs through a more holistic review of the whole housing market. Local authorities are expected to rewrite LHMAs every five years and refresh that LHMA once during that five year period (between years two and three) utilising section 87 of the Local Government Act 2003[2].

- **Independent Review of Affordable Housing Supply** - The importance of LHMAs and using the best possible data on housing need and demand to inform housing policy and decisions regarding affordable housing supply, was underlined in the 2019 Independent Review of Affordable Housing Supply[3]. The Review placed significant emphasis on understanding exactly how many homes are needed, in which geographical areas and in what tenures. A robust LHMA is the key means of identifying this evidence at the local level.

- **Planning Policy Wales** - Planning Policy Wales[4] also stresses that LHMAs form a fundamental part of the evidence base for development plans.

- **Housing (Wales) Act 2014** - In addition, local authorities must develop a homelessness strategy every four years under sections 50, 51 and 52 of the

[1] 1985 Housing Act - https://www.legislation.gov.uk/ukpga/1985/68/section/8
[2] 2003 Local Government Act - https://www.legislation.gov.uk/ukpga/2003/26/part/7
[3] Independent Review of Affordable Housing Supply - https://gov.wales/sites/default/files/publications/2019-04/independent-review-of-affordable-housing-supply-report_0.pdf
[4] Planning Policy Wales - Planning policy Wales | GOV.WALES

Housing (Wales) Act 2014[5]. The LHMA plays a fundamental role in informing this strategy which must include a review of the resources available to the local authority and other bodies associated with supporting people who are or may become homeless.

- **Equality Act 2010** - It is essential also for local authorities to consider their equality duties under the Equality Act 2010[6] and the Welsh Public Sector Equality Duties.

1.2 Local Policy Background

A short overview of the local policy context and vision should be included, with the connection between these policies and the LHMA set out.

1.3 Governance and Consultation

Production of an LHMA should be undertaken through a collaborative approach with stakeholders. In producing LHMAs, local authorities will need to have engaged with a range of stakeholders. Please use this section to provide information on the method of engagement, including details of the organisations and groups you have engaged. Feedback from these engagements and how they have influenced the LHMA will be an important element of this work.

Local authorities should also set out their internal sign off processes, including Departments consulted and approvals process.

2. Overview of Assessment and Methodology

2.1 Methodology, inputs and assumptions

Provide an overview of the methodology.

The additional housing needs estimates are determined using the LHMA Tool. This Tool uses a formulaic approach to allocate the additional housing need, formed from the existing unmet need and the newly arising need (change in the household projections over the LHMA period), to the different housing tenures. All existing unmet need is allocated to affordable housing and assumed to be covered during the first five years of the LHMA period. The newly arising need is allocated between market and affordable housing using a formulaic approach.

[5] Housing (Wales) Act 2014 - https://www.legislation.gov.uk/anaw/2014/7/contents/enacted
[6] Equality Act 2010 - https://www.legislation.gov.uk/ukpga/2010/15/contents

By housing market area (HMA), the LHMA Tool provides default data inputs for house price paid and household projections (used to generate the newly arising need) with local authorities providing the income percentile distributions, existing unmet need and the planned supply and turnover of existing stock. The latter two data inputs are considered over the first five years only of the LHMA period and are fully allocated to affordable housing. This is because it becomes less accurate to predict supply beyond the first five years of the LHMA period. A local authority can have up to 20 HMAs which are defined using wards, middle-layer super output areas (MSOAs) or lower-layer super output areas (LSOAs). Each HMA can have up to 50 wards, MSOAs or LSOAs.

The input data together with a number of assumptions is used to generate an income level above which households would be considered able to meet their needs in the market and a lower income level below which households are considered to be in need of social rent. The intermediate households are those not allocated to market housing or social rent. The LHMA Tool also forecasts how the data inputs may change over the first five years of the LHMA period.

The output tables from the LHMA Tool are used as the starting point for development plans to provide the range of LHMA additional housing need estimates.

Use Appendix A – Key Issues Tables to set out any deviation from the methodology and default data and assumptions provided in the Tool, along with clear rationale and evidence as to why the alternative approach is more suitably robust, relevant and appropriate. You should also note any limitations on your data sources and assumptions.

There is no need to explain methodologies that have been explained robustly elsewhere, for example household projections are explained fully on the Office for National Statistics (ONS) website[7] and a link to these is sufficient.

2.2 Housing Market Areas

Provide an introduction to Housing Market Areas (HMAs) and include details of your local authority's HMAs in this section.

HMAs are areas that have been defined geographically based on the functional areas where people currently live and would be willing to move home without changing jobs, recognising that housing markets are not constrained by administrative boundaries. A number of key factors need to be taken into account when defining these areas, including the broad price of housing (to consider 'transferability' within the market) and major transport links by road or rail (to take account of commuting patterns).

[7] Office for National Statistics - https://www.ons.gov.uk/

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

3.1 Housing Market Analysis by Tenure

Provide an overview of the local housing market, which should include:

- geographical size
- population including a breakdown of protected characteristics such as:
  - age
  - disability
  - ethnicity
- number of households
- an analysis of households by tenure
- overview of owner occupier position
  - property price trends for area and by HMA
  - sales (volume) trends by HMA
- overview of the private rented sector
  - property type
  - rents by bedroom and by HMA
- overview of the social rented sector
  - stock profile by HMA
- overview of second homes (and implications for the Welsh language), where appropriate
- overview of empty homes by HMA and sector.
- overview of use of temporary accommodation, particularly temporary accommodation which falls outside the Suitability Legislative requirement[8]

3.2 Socio-Economic and Demographic Trends

Provide an overview of the socio-economic and demographic trends within the local authority. The following datasets are all Census datasets and can be extracted from NOMIS. You may wish to use the following datasets in your analysis. The relevant links and table codes are provided below:

- trend analysis of households by tenure and by HMA (e.g. table TS054)
- household incomes and housing costs as a percentage of income
- household composition (e.g. table TS003)
- occupancy ratings by HMA (e.g. tables TS052 or TS053)
- ethnicity (e.g. table TS021)
- commuting patterns (e.g. table TS058)
- disability (e.g. table TS038)

[8] The Homelessness (Suitability of Accommodation) (Wales) Order 2015

3.3 Specific Housing Needs Requirements

Provide an introduction to specific housing needs requirements and complete the template tables in this section. Please note this section is largely a qualitative overview of policies/strategies/data sources, but where there is statistical data to assist with a numerical level of need this should also be included.

It is acknowledged that initially there may not be existing policy coverage for certain specific housing needs. This exercise represents a chance to identify those gaps and consider whether there is need to enhance strategic direction at the local level.

Data sources may be limited in some of the areas noted below. Where datasets are incomplete or do not exist, this section will allow identification of the data gaps which can be fed back to stakeholders and Welsh Government.

All tables (a-g) should be included. Where a specific housing need is deemed to be not applicable to an area, e.g. 'Locational needs for student accommodation' where no higher education facilities are present, an explanation should be included.

a) Accessible and adapted housing provision	
Local policies/ strategies	Delete this field if not applicable
Property needs (key section)	E.g. low level appliances, stair rails, barriers free, sheltered housing, housing with care, wheelchair accessibility.
Suitable for	E.g. people with limited mobility and/or dexterity, need for low level care, wheelchair users.
Evidence including data sources (key section)	1) The current type and level of needs and provision 2) Future type and level of needs and provision required 3) Any gaps or shortfall in provision 4) Data sources
External stakeholder consultation and engagement	Who was consulted and how the consultation was undertaken. What were the findings?
Key Issues identified	Note any limitations or gaps in data

b) Multi-generational and/or larger families requiring larger properties	
Local policies/ strategies	Delete this field if not applicable
Property needs (key section)	E.g. larger properties, to accommodate cultural needs associated with some multi-generational living
Suitable for	E.g. larger or multi-generational families
Evidence including data sources (key section)	1) The current type and level of needs and provision 2) Future type and level of needs and provision required 3) Any gaps or shortfall in provision 4) Data sources
External stakeholder consultation and engagement	Who was consulted and how the consultation was undertaken. What were the findings?
Key Issues identified	Note any limitations or gaps in data

c) Single person accommodation	
Local policies/ strategies	Delete this field if not applicable
Property needs (key section)	E.g. one-bedroom properties for single persons
Suitable for	E.g. single persons
Evidence including data sources (key section)	1) The current type and level of needs and provision 2) Future type and level of needs and provision required 3) Any gaps or shortfall in provision 4) Data sources
External stakeholder consultation and engagement	Who was consulted and how the consultation was undertaken. What were the findings?
Key Issues identified	Note any limitations or gaps in data

d) Non-permanent housing	
Local policies/ strategies	Delete this field if not applicable
Property needs (key section)	E.g. good quality/suitable temporary accommodation

Suitable for	E.g. students, migrant workers, asylum seekers, refugees, homeless households (permanent housing is the preferred choice but temporary housing is considered where there is currently insufficient permanent housing to meet the needs).
Evidence including data sources (key section)	1) The current type and level of needs and provision 2) Future type and level of needs and provision required 3) Any gaps or shortfall in provision 4) Data sources
External stakeholder consultation and engagement	Who was consulted and how the consultation was undertaken. What were the findings?
Key Issues identified	Note any limitations or gaps in data

e) Housing, care and support needs	
Local policies/ strategies	Delete this field if not applicable
Property needs (key section)	E.g. extra care, contemporary sheltered housing, supported living for people with a learning disability and/or ASD, temporary supported housing
Suitable for	E.g. for young people coming out of care, people with a learning disability learning to live independently, refuges
Evidence including data sources (key section)	1) The current type and level of needs and provision 2) Future type and level of needs and provision required 3) Any gaps or shortfall in provision 4) Data sources
External stakeholder consultation and engagement	Who was consulted and how the consultation was undertaken. What were the findings?
Key Issues identified	Note any limitations or gaps in data

f) Locational needs for student accommodation	
Local policies/ strategies	Delete this field if not applicable
Land needs (key section)	E.g. requirement for student accommodation to be close to the University
Evidence including data sources (key section)	1) The current type and level of needs and provision 2) Future type and level of needs and provision required 3) Any gaps or shortfall in provision 4) Data sources

External stakeholder consultation and engagement	Who was consulted and how the consultation was undertaken. What were the findings?
Key Issues identified	Note any limitations or gaps in data

g) Locational needs for people with physical or cultural needs	
Local policies/ strategies	Delete this field if not applicable
Property needs (key section)	E.g. close proximity to shops, places of worship and services
Suitable for	E.g. for people with physical or cultural needs
Evidence including data sources (key section)	1) The current type and level of needs and provision 2) Future type and level of needs and provision required 3) Any gaps or shortfall in provision 4) Data sources
External stakeholder consultation and engagement	Who was consulted and how the consultation was undertaken. What were the findings?
Key Issues identified	Note any limitations or gaps in data

4. Range of additional housing need estimates

From section 4 of the LHMA Tool, extract the completed summary tables from sheet 'Summary tables for LHMA Report' and include them here. Summary tables based on the Welsh Government household projections (principal, higher and lower variants) must be included. For a given household projection basis, there are four tables presenting the following annual additional housing need estimates:

First table: Estimated annual additional affordable housing need by HMA and tenure, net of planned supply and turnover of existing stock, over the first five years of the LHMA period.

Second table: Estimated annual additional total housing need by HMA and tenure, gross need before any allowance for planned supply and turnover of existing stock, over the first five years of the LHMA period.

Third table: Estimated annual additional total housing need by HMA and tenure over the remaining 10 years of the LHMA period. No allowance has been made for any

planned supply and turnover of existing stock beyond year five as it becomes less accurate to predict.

Fourth table: Estimated annual and total additional affordable housing need by HMA and tenure over the 15-year period of the LHMA. These estimates are a combination of those estimates from the first and third tables.

See Appendix B for an example of the above tables. You will need to provide the four tables above for each of the Welsh Government household projections, so 12 tables in total. If the additional housing need estimates are also provided on the 'user' household projection basis then there will be 16 tables in total.

The data inputs and key assumptions generating the above estimates should also be included (see Appendix C). In particular, any deviations from the default data or assumptions should be clearly evidenced and supported as to why the alternative data or assumptions are more suitably robust, relevant and appropriate.

5. LHMA additional housing need estimates

State which of the household projection variants set out in Section 4 you propose to use to provide your LHMA additional housing need estimates.

If the preferred projection is not one of the Welsh Government variants (for example where it is based on the Development Plan's Preferred Growth Strategy), this must be benchmarked against the Welsh Government projections and the degree of variation clearly evidenced and explained.

Provide an analysis of these estimates against your previous LHMA additional housing need estimates using the tables in Appendix C. Section 5.2. of the tool contains a copy of this table, which has been automatically completed for the current LHMA based on input into the tool. Local authorities can copy the 'Current LHMA' column into both tables in Appendix C.

As each LHMA is based on a snapshot at a point in time it is recognised that it would be inappropriate to directly compare one set of outputs with another due to different underlying data and assumptions. You should explain any limitations or risks of simple comparisons of your current LHMA with the previous LHMA undertaken, including where the previous process was used. You should clearly explain why direct comparisons for relevant areas are not possible and highlight changes to previous assumptions.

You should note stakeholder engagements and the action taken as a result of these discussions.

6. Quality assurance statement

A full statement should be included in the LHMA Report setting out each quality assurance procedure. Final draft LHMAs submitted to Welsh Government must ensure figures in the narrative match those in the tables, figures are arithmetically correct, figures are rounded consistently, data is fully sourced and figures / charts are labelled in full and consistently - including any footnotes, caveats or warnings. For example, you should caveat where statistical rounding leads to totals in tables not summing correctly: This is a common problem when calculating housing need, although it does not undermine the robustness of an LHMA when appropriately caveated.

Appendix A – Key Issues Tables

Key Issues Table 1 – Key data inputs

Key data inputs	Key issues identified with the data inputs
1. Housing Market Areas (HMAs)	1. 2. 3.
2. Household data	1. 2. 3.
3. Rent data	1. 2. 3.
4. Income data	1. 2. 3.
5. House price paid data	1. 2. 3.
6. Existing unmet need	1. 2. 3.
7. Existing stock and planned supply	1. 2. 3.

Key Issues Table 2 – Input assumptions

Key input assumptions	Key issues identified with the input assumptions
1. Affordability criteria	1. 2. 3.
2. First time buyer (FTB) assumptions	1. 2. 3.
3. Percentage of households eligible for owner occupier tenure that decide to go on and buy	1. 2. 3.
4. Five-year financial forecast for key variables – income, rent and house prices	1. 2. 3.
5. Calculation of intermediate housing (IR and LCHO)	1. 2. 3.

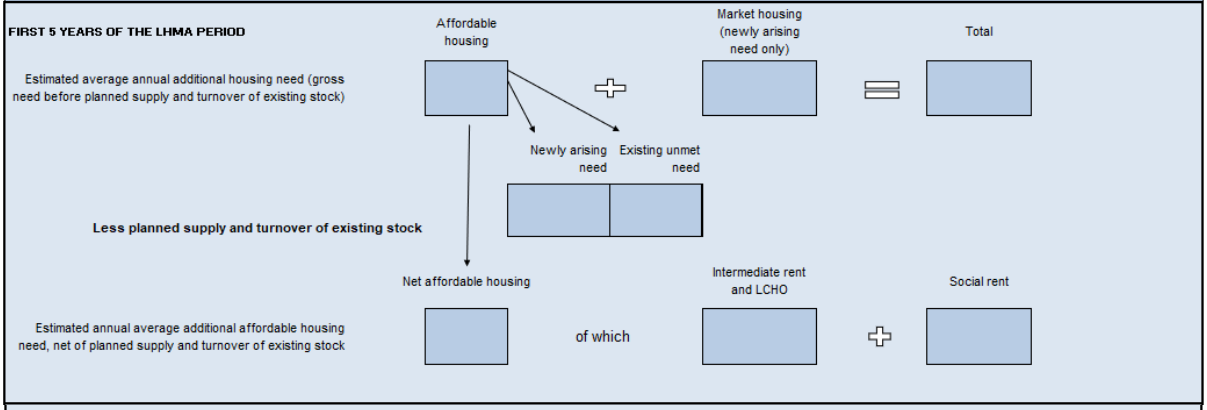
Key Issues Table 3: Calculations and outputs

Calculations / outputs	Key issues identified with the calculations / outputs
1. Market housing need covering owner occupier and private rented sector	1. 2. 3.
2. Affordable housing need covering social rent and immediate housing	1. 2. 3.
3. Scenario testing tables	1. 2. 3.
4. Five year outputs / 10 year outputs	1. 2. 3.

Appendix B – Example of the output summary tables from the LHMA tool

Template for the annual additional housing need estimates using different household projections

FIRST 5 YEARS OF THE LHMA PERIOD



Basis of the household projections

Detailed breakdown of the additional housing need estimates over the first 5 years of the LHMA period

LHMA Report Table 1: Estimated annual additional affordable housing need by HMA and tenure (net need, net of turnover of existing stock and planned supply)

The first table provides the additional affordable housing need estimates on the following basis:
*at HMA level
*by tenure (LCHO, intermediate rent and social rent)
*annual estimate for the first 5 years of the LHMA period
*the estimates have been reduced to allow for turnover of existing affordable stock and planned supply.

	(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								
HMA_1								
HMA_2								
HMA_3								
HMA_4								
HMA_5								
HMA_6								
HMA_7								
HMA_8								
HMA_9								
HMA_10								

LHMA Report Table 2: Estimated annual additional total housing need estimates by HMA and tenure (gross need, before turnover and supply)

The second table provides the additional total housing need estimates on the following basis:
*includes market and affordable housing
*at HMA level
*by tenure (owner occupier, private rented sector(PRS), LCHO, intermediate rent and social rent)
*annual estimate for the first 5 years of the LHMA period

	(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							
HMA_1							
HMA_2							
HMA_3							
HMA_4							
HMA_5							
HMA_6							
HMA_7							
HMA_8							
HMA_9							
HMA_10							

Detailed breakdown of the additional total housing need estimates over the remaining 10 years of the LHMA period

LHMA Report Table 3: Estimated annual additional housing need estimates by HMA and tenure for the remaining 10 years of the LHMA period

The third table provides the additional housing need estimates on the following basis:
*at HMA level
*by tenure (owner occupier, private rented sector(PRS), LCHO, intermediate rent and social rent)
*annual estimate for the remaining 10 years of the LHMA period
*the estimates are based solely on newly arising need (it is assumed any existing unmet need is met during the first 5 years)
*the affordable housing need estimates in column (C) should be combined with the affordable housing need in Table 1 to produce a 15-year estimate of affordable housing. No further allowance has been made for supply at this point as it becomes less accurate to predict committed supply and turnover beyond year 5.

	(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							
HMA_1							
HMA_2							
HMA_3							
HMA_4							
HMA_5							
HMA_6							
HMA_7							
HMA_8							
HMA_9							
HMA_10							

Headline 15-year Affordable Housing Need Estimate

Table 4: Estimated annual overall additional affordable housing need by HMA and tenure (net need) over the 15 years of the LHMA

Table 4 provides the additional affordable housing need estimates on the following basis:
*at HMA level
*by tenure (intermediate housing and social rent)
*annual estimate for the 15 years of the LHMA period
*the affordable housing need estimates in column (C) are a combination of the additional estimates from table 1 (net estimates) and table 3 (no further allowance has been made for supply and turnover of existing stock as it becomes less accurate to predict beyond year 5).

	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						
HMA_1						
HMA_2						
HMA_3						
HMA_4						
HMA_5						
HMA_6						
HMA_7						
HMA_8						
HMA_9						
HMA_10						

Data items / Key assumptions

	Basis	2021/22	2022/23	2023/24	2024/25	2025/26
Change in income growth						
Change in house prices						
Change in private rent prices						
Change in income distribution growth						

Number of years to clear existing unmet need
Market housing affordability criteria
Social rent affordability criteria

Data item	Data Sources	Basis of the data
Income data by HMA		
House price paid data by HMA		
Rent prices		
Household projection basis		

Percentage of households considered for owner occupier tenure that go on to buy

HMA assumptions

HMA	**FTB property price**	**FTB property value to income ratio**	**Min. income for Intermediate rent**	**Max. income for Intermediate rent**
HMA_1				
HMA_2				
HMA_3				
HMA_4				
HMA_5				
HMA_6				
HMA_7				
HMA_8				
HMA_9				
HMA_10				

Appendix C – Analysis of change in the additional housing need estimates

Annual additional housing need estimates	Column index	Current LHMA	Previous LHMA
		Over the first 5 years of the LHMA period	
Total	(a)		
Market Housing	(b)		
Affordable Housing	(c)		
Percentage split of additional housing need by market housing	(b)/(a)		
Percentage split of additional housing need by affordable housing	(c)/(a)		
Annual planned supply and turnover of existing stock for affordable housing	(e)		
Affordable housing need – net of planned supply and turnover of existing stock	(f)		
Annual additional housing need estimate split by tenure:			
Owner occupier	(g)		
Private rented sector	(h)		
LCHO - net basis	(i)		
Intermediate rent - net basis	(j)		
Social rent - net basis	(k)		
One-bedroom social rent	(l)		
Two bedrooms social rent	(m)		
Three bedrooms social rent	(n)		
Four+ bedrooms social rent	(o)		

Market housing percentage split by owner occupier	(g)/(b)		
Market housing percentage split by private rented sector	(h)/(b)		
Affordable housing need percentage split by LCHO	(i)/(f)		
Affordable housing need percentage split by Intermediate rent	(j)/(f)		
Affordable housing need percentage split by Social rent	(k)/(f)		
Social housing need percentage split by number of bedrooms			
1 bed	(l)/(k)		
2 beds	(m)/(k)		
3 beds	(n)/(k)		
4+ beds	(o)/(k)		

Data Input and Key assumptions	**Current LHMA**	**Previous LHMA**
	Over the first 5 years of the LHMA period	
Number of HMAs		
Basis of defining HMAs (ward, MSOA, LSOA)		
Selected household projection basis		
Annual newly arising need (gross)		
Rent data – state default or source used		
House price paid data – state default or source used		
Income data – state source used		
Annual existing unmet housing need		
Market housing affordability criteria		
Social rent affordability criteria		

Percentage of those considered appropriate for owner occupier that go onto buy		
Average FTB property price for the LA		
FTB property value to income ratio for the LA		
Five-year financial forecast – OBR or alternative source		

Part 2 – Refresh Template LHMA Report

This template provides you with the basis of a refresh report for a LHMA. Local authorities are required to refresh their LHMA during years two and three of the LHMA five-year cycle and submit the impact on the additional housing need estimates using this template document. Local authorities can refresh their LHMAs more frequently if required.

Example text has been provided (in **blue**) throughout the template report for suggested inclusion. Whilst local authorities can use their own text should they wish, it is expected that the text covers the areas outlined in the template report.

1. Background

1.1 Additional housing need estimates

Example text is provided below - you can use your own text and you may wish to include:

The Local Housing Market Assessments estimate the additional housing need likely to be required by [INSERT NAME OF THE LOCAL AUTHORITY] split by housing market areas and tenures. The latest LHMA rewrite was prepared in [INSERT DATE] and signed off by Welsh Government in [INSERT DATE]. Utilising section 87 of the Local Government Act 2003, local authorities are expected to rewrite their LHMAs every five years and refresh that LHMA once during that five year period (between years two and three).

1.2 Latest additional housing need estimates

From section 4 of the LHMA Tool, extract the completed summary tables from sheet 'Summary tables for LHMA Report' and include them here based on the Welsh Government principal household projections. There are four tables presenting the following additional housing need estimates:

Table 1: Estimated annual additional affordable housing need by HMA and tenure, net of planned supply and turnover of existing stock, over the first five years of the LHMA period.

Table 2: Estimated annual additional total housing need by HMA and tenure, gross need before any allowance for planned supply and turnover of existing stock, over the first five years of the LHMA period.

Table 3: Estimated annual additional total housing need by HMA and tenure over the remaining 10 years of the LHMA period. No allowance has been made for any planned supply and turnover of existing stock beyond year five as it becomes less accurate to predict.

Table 4: Estimated annual and total additional affordable housing need by HMA and tenure over the 15-year period of the LHMA. These estimates are a combination of those estimates from table 1 and table 3.

See Appendix B in part 1 for an example of the above tables.

In particular, any deviations from the default data or assumptions should be clearly evidenced and supported as to why the alternative data or assumptions are more suitably robust, relevant and appropriate.

1.3 Housing Market and Socio-economic and Demographic Trends

Please use this section to share any changes considered worthy of noting by the local authority in the housing market or socio-economic and demographic trends since the previous LHMA was carried out. This section aligns with section 3 of the rewrite LHMA report.

1.4 Specific Housing Needs Requirements

Please use this section to provide any updates to specific housing needs requirements, using as the basis, the tables set out in section 3.3 of the rewrite LHMA template in part 1.

Note any actions the local authority may take in light of the refreshed specific housing need requirements. If no action is required, then a statement to that effect should be included.

2. Analysis of change

2.1 Data inputs and key assumptions

If this is the first time the LHMA is being prepared using the LHMA Tool then comparison with the previous LHMA additional housing need estimates, data sources and assumptions may be difficult. From the previous LHMA you will need the following information:

- Annual additional housing need estimates over the LHMA period
- Annual additional market housing need estimates (if provided)
- Annual additional affordable housing need estimates
- Annual additional households requiring social rent
- Any known data sources, assumptions and limitations used to estimate the additional housing need estimates.

Table 5 below should be populated where the local authority is refreshing the annual additional housing need estimates following a rewrite of the LHMA using the LHMA Tool. Table 5 requires you to note any changes to the data inputs and key assumptions between the rewrite and refresh of the LHMA which is considered relevant by the local authority. Section 5.3. (5.3. Refresh_Table5) of the LHMA Tool contains a copy of Table 5, which has been automatically completed for the current LHMA based on input into the tool. Local authorities can copy the 'Current LHMA' column into the table below.

Table 5: Comparison of the data inputs and key assumptions between the refresh and previous LHMA.

Data Input and Key assumptions		
	Current LHMA	**Previous LHMA**
Housing Market Areas E.g. if there has been a move of wards, MSOAs or LSOAs between HMAs, or a change in the number of HMAs.		
Household Projections E.g. if applicable, state if the user projections have changed and how; if the LHMA Tool is using updated Welsh Government household projections.		
Rent Data E.g. state whether the LHMA is based on default or other data.		
House Price Paid Data E.g. state whether the LHMA is based on default or other data.		

Income Data E.g. state whether the LHMA is based on default or other data.		
Social Rent Existing Unmet Need E.g. state the overall number of social rent housing units and highlight any significant change in any HMA.		
Intermediate Rent Existing Unmet Need E.g. state the overall number of intermediate rent housing units and highlight any significant change in any HMA.		
LCHO Existing Unmet Need E.g. state the overall number of LCHO housing units and highlight any significant change in any HMA.		
Social Rent Planned Supply and Turnover of Existing Stock E.g. state the overall number of social rent housing units and highlight any significant change in any HMA.		
Intermediate Rent Planned Supply and Turnover of Existing Stock E.g. state the overall number of intermediate rent housing units and highlight any significant change in any HMA.		
LCHO Planned Supply and Turnover of Existing Stock E.g. state the overall number of LCHO housing units and highlight any significant change in any HMA.		
Key Assumptions E.g. state whether the LHMA is based on the default or other assumptions and any key change within any HMA.		

2.2 Additional housing need estimates over the first five years of the LHMA using the Welsh Government Principal Household Projections

Using the additional housing need estimates based on the Welsh Government principal household projections from section 1.2 and the annual additional housing need estimates from the previous review, by HMA and tenure, you should complete Table 6. Section 5.4. (5.4. Refresh_Table6) of the LHMA tool contains a copy of Table 6, which has been automatically completed for the current LHMA based on input into the tool. Local authorities can copy the 'Current LHMA' column into the table below.

The additional affordable housing need estimates reported here should be net of any planned supply and turnover of stock and based on the first five years of the LHMA period. Table 6 can be duplicated if more HMAs are required.

If the local authority does not hold the previous LHMA housing need estimates at a HMA level, then total estimates can be provided for the additional overall housing need estimates and market housing. Local authorities are expected to provide the additional affordable housing need by HMAs. It is recognised that LHMAs are a point in time exercise and Table 6 is designed to show how that snapshot has produced different outputs on subsequent occasions.

Table 6: Annual additional housing need estimates for the first five years of the LHMA period, net of planned supply and turnover of existing stock

Tenure Type		HMA1	HMA2	HMA3	HMA4	HMA5	HMA6	HMA7
Estimated annual additional **total housing** need	Current LHMA							
	Previous LHMA							
Estimated annual additional **market housing** need	Current LHMA							
	Previous LHMA							
Estimated annual additional **affordable housing** need	Current LHMA							
	Previous LHMA							
Estimated annual additional **intermediate housing** need	Current LHMA							
	Previous LHMA							
Estimated annual additional **social rent** need	Current LHMA							
	Previous LHMA							

3. Summary

3.1 Overall additional housing need estimates

Note any actions the local authority may take in light of the refreshed housing need estimates. If no action is required, then a statement to that effect should be included.

3.2 Additional market housing need estimates

Note any actions the local authority may take in light of the refreshed housing need estimates. If no action is required, then a statement to that effect should be included.

3.3 Additional affordable housing need estimates

Note any actions the local authority may take in light of the refreshed housing need estimates. If no action is required, then a statement to that effect should be included.

4. Quality assurance statement

A full statement should be included in the LHMA report setting out each quality assurance procedure. Final draft LHMAs submitted to Welsh Government must ensure figures in the narrative match those in the tables, figures are arithmetically correct, figures are rounded consistently, data is fully sourced and figures / charts are labelled in full and consistently - including any footnotes, caveats or warnings. For example, you should caveat where statistical rounding leads to totals in tables not summing correctly. This is a common problem when calculating housing need, although it does not undermine the robustness of an LHMA when appropriately caveated.