

## Estimates of additional housing need in Wales (2019-based)

### 1. What are these statistics?

These statistics are estimates of additional housing units at both a national and regional level. The estimates of additional housing need are calculated using the 2018-based household projections, as well as estimates of a number of elements of existing unmet need. This is an update to the 2018-based housing need estimates (based on the 2014-based household projections) which were published in two phases in 2019. The [first statistical article](#) presented estimates at an overall national and regional level, and was published in January 2019, and the second publication of [2018-based estimates by tenure](#) in June 2019. The estimates are available on [StatsWales](#).

These statistics should not be used as a housing target in Wales.

### 2. Policy and operational context

#### 2.1 Purpose of the estimates

The main purpose of these estimates is to:

- Inform ongoing housing policy decision making.
- Inform the National Development Framework.
- Support assessments of local well-being required under the Well-being of Future Generations (Wales).

#### 2.2 Well-being of Future Generations Act (WFG)

The Well-being of Future Generations Act 2015 is about improving the social, economic, environmental and cultural well-being of Wales. The Act puts in place seven well-being goals for Wales. These are for a more equal, prosperous, resilient, healthier and globally responsible Wales, with cohesive communities and a vibrant culture and thriving Welsh language. Under section (10)(1) of the Act, the Welsh Ministers must (a) publish indicators (“national indicators”) that must be applied for the purpose of measuring progress towards the achievement of the Well-being goals, and (b) lay a copy of the national indicators before the Senedd. The 46 national indicators were laid in March 2016.

Information on the indicators, along with narratives for each of the well-being goals and associated technical information is available in the [Well-being of Wales report](#).

Further information on the [Well-being of Future Generations \(Wales\) Act 2015](#).

The statistics included in this release could also provide supporting narrative to the national indicators and be used by public services boards in relation to their local well-being assessments and local well-being plans.

## 2.3 Users and uses

The estimates of the additional housing need in Wales are used in several areas including:

- Part of the evidence base for future planning in Wales.
- To provide a picture of the overall need for additional housing units in Wales used by the Welsh Government and other housing organisations.
- To inform the National Development Framework, future policy development as well as informing Future Trends reporting (as required by the Well-being of Future Generations (Wales) Act 2015).
- To aid responses to Senedd questions, ministerial correspondence, Freedom of Information Act cases and queries from the public.

As well as the Welsh Government and housing organisations, other users include local authorities (planning and policy departments), researchers, academics and students.

## 3. Data

### 3.1 Strengths and limitations of the data

#### Strengths

- The information is processed and published in an ordered manner to enable users to see the statistics when they are current and of greatest relevance.
- Outputs have a clear focus on Wales and have been developed to meet both the needs of Welsh Government and external users.
- The estimates are based on an established and transparent methodology (agreed with experts with wide ranging skills in housing who form a technical group) and use the latest available official data.
- Estimates are provided via our [StatsWales](#) website at a national and regional level.

#### Limitations

- These estimates are based on 2018-based household projections. Household projections provide estimates of the future numbers of households and are based on population projections and a range of assumptions about household composition and characteristics. The assumptions are based on relatively recent past trends and indicate what may happen should these trends continue into the future. The further into the future the estimates go, the less certain they become. The projections do not attempt to reflect the impact of future policies or events such as Brexit or the coronavirus (COVID-19).
- The overall estimates are not a housing target. They are an indication of overall need of additional housing units in Wales, given the projected change in number of households.
- The methodology only considers households that are in need of an additional unit. It does not take into account those households that are living in unsuitable accommodation and need a different type of housing unit.
- The estimates of existing unmet need are calculated on the best available data. This is likely to be an undercount of the true number of households in existing unmet need.

## **3.2 Data processing cycle**

### **3.2.1 Input data**

There are two components that make up estimates of housing need: newly arising need and existing unmet need.

Newly arising need in the 2019-based estimates of additional housing need are based on the [2018-based household projections](#), published in 2020. When the projections show a decline in the number of households from one year to the next (therefore having a negative figure of newly arising need) this has been capped at zero throughout the analysis. In this situation there is no newly arising need. This situation has arisen under the lower variant projections for North and Mid Wales.

Existing unmet need is made up of homeless [households in temporary accommodation](#) (as at June 2019) as well as [households that are both overcrowded and concealed](#) (which comes from the 2011 census and was compiled by ONS in a commissioned table).

### **3.2.2 Publication**

Once the estimates were calculated, the release was compiled and the key points and commentary drafted.

## **4. Quality assurance**

### **4.1 Expert and peer reviews**

In order to ensure that the estimates and output from this work are robust, transparent and of the highest standard, a Housing Need and Demand Technical Group was established at the outset which includes analytical and policy experts from both Welsh Government and Local Government. The role of this group was to advise on methodology and technical issues.

The adopted approach to calculating estimates for housing need and demand was also peer reviewed by the Chief Analyst and other senior officials in Welsh Government.

All input data has been quality assured by analysts in Welsh Government. All output data has been checked against manually calculated figures.

The release was independently checked and a final sense check carried out by the relevant statistician prior to publication on the website.

### **4.2 Official statistics status**

The statistics that are prepared adhere to recognised professional standards. They are produced in accordance with the [Code of Practice for Statistics](#) independently under the responsibility of the Welsh Government Chief Statistician.

Official Statistics are produced to high professional standards set out in the Code of Practice for Statistics. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference.

### 4.3 Adherence to quality measurements

The technical report for the [2018-based subnational household projections](#) will be published later on in 2020. In May 2020, the Chief Statistician withdrew the 2018-based local authority household projections (published in November 2019) in response to an announcement by the Office for National Statistics (ONS) that there was an error in the 2018-based national population projections, the key data source for the local authority household projections. Revised 2018-based local authority household projections were published on 4 August and further details of the ONS error and the revised projections are outlined [in a blog](#). The [homelessness quality report](#) discusses key quality information on homelessness data. The Office for National Statistics (ONS) publishes information on the [quality and methods of the 2011 census](#).

Additional quality information relating to the estimates of housing need is provided below.

Welsh housing statistics adhere to the Welsh Government's [statistical quality management strategy](#), and this is in line with the European Statistical System's six dimensions of quality, as listed in Principle 4 of the Code of Practice for Official Statistics.

Details of the six dimensions, and how we adhere to them, are provided below:

Quality Dimension	Adherence to the Measurement
<b>Relevance</b>	<p>The degree to which the statistical product meets user needs for both coverage and content.</p> <p>The data in the Statistical Article form the basis of estimates of future housing need in Wales at a national and regional level. They will be used by both Welsh Government and Local Government. The estimates will be used to inform the National Development Framework, and provide context for future policy development as well as informing Future Trends reporting (as required by the Well-being of Future Generations (Wales) Act 2015. We actively review all our outputs and welcome feedback.</p>
<b>Accuracy</b>	<p>The closeness between an estimates result and the (unknown) true value.</p> <p>In the case of estimates of future housing need, it is difficult to quantify how closely the estimates will prove to be in the future. Each component of the estimates (existing unmet need and newly arising need) is considered very carefully to try to ensure that the most appropriate assumptions are made.</p> <p>An element of uncertainty is associated with estimates of future housing need. To illustrate the uncertainty associated with these figures, a range of estimates are presented in the accompanying statistical article.</p> <p>The household projections (a key component of the housing need model) estimate the number and size of households in future; and assume that past trends in births, deaths, and migration (that is, people moving into and out of an area) continue. Projections produced in this way do not make allowances for the effects of local or central government policies or external influences on future population levels and household composition, or for changes in the lifestyles of the population. Changes in</p>

	<p>the economy, in individual, family and household behaviours and events outside the UK may influence the main components of household projections.</p> <p>We recognise the difficulty in consistently measuring the existing unmet need for additional housing units (local authority social housing waiting list information for example is not recorded consistently across the country and the information is not collated centrally).</p> <p>The technical group reviewed potential data sources and concluded that the sources used were robust and suitable for the purpose of this work (although not necessarily up to date). We recognise that the data provides an incomplete picture of existing unmet need in Wales, and is likely to be an undercount.</p> <p>An assumption is required on the number of years it would take to clear the existing unmet need for additional housing units. The technical group concluded that it was reasonable to assume that existing unmet need should be cleared within 5 years.</p> <p>The 5-year assumption means that 1/5<sup>th</sup> of the total existing unmet need is cleared each year for 5 years. At the end of this period, this assumption could be tested. These figures would be reviewed and updated at this point.</p>
<p><b>Timeliness and Punctuality</b></p>	<p>Timeliness refers to the lapse of time between publication and the period to which the data refer. Punctuality refers to the time lag between the actual and planned dates of publication.</p> <p>All outputs adhere to the Code of Practice for Statistics by pre-announcing the date of publication through the <a href="#">upcoming</a> pages on the Statistics for Wales website. Furthermore, should the need arise to postpone an output this would follow the Welsh Government's <a href="#">revisions, errors and postponements</a> arrangements.</p> <p>Welsh Government publish releases as soon as practical after the relevant time period.</p>
<p><b>Accessibility and Clarity</b></p>	<p>Accessibility is the ease with which users are able to access the data, also reflecting the format(s) in which the data are available and the availability of supporting information. Clarity refers to the quality and sufficiency of the metadata, illustrations and accompanying advice.</p> <p>Estimates of future need in Wales are published in an accessible, orderly, pre-announced manner on the Welsh Government website at 9:30am on the day of publication.</p> <p>An RSS feed alerts registered users to this publication and a tweet from <a href="#">@StatisticsWales</a> alerts Twitter users to its release. Simultaneously the releases are also published on GOV.UK.</p> <p>We aim to inform known key users of the publication of the statistics when they are published. An e-mail is circulated to the <a href="#">housing information group</a>.</p>

	<p>All releases are available to download for free. <a href="#">More detailed data</a> are also available at the same time on the StatsWales website and this can be manipulated online or downloaded into spreadsheets for use offline.</p> <p>In our outputs, we aim to provide a balance of commentary, summary tables, charts and maps where relevant. The aim is to ‘tell the story’ in the output, without the bulletin or report becoming overly long.</p> <p>We aim to use Plain English in our outputs and all outputs adhere to the Welsh Government accessibility policy. The article is published bilingually.</p> <p>We regularly peer review our outputs internally.</p> <p>Further information regarding the statistics can be obtained by contacting the relevant staff detailed on the release or via <a href="mailto:stats.housing@gov.wales">stats.housing@gov.wales</a>.</p>
<b>Comparability</b>	<p>The degree to which data can be compared over time and domain.</p> <p>The current estimates can be broadly compared to the two previous publications over time by region and by tenure. The same methodology has been used to estimate the additional housing need but with updated base data and assumptions where available.</p>
<b>Coherence</b>	<p>The degree to which data that are derived from different sources or methods, but which refer to the same phenomenon, are similar</p> <p>Section 5 below outlines the housing need across the UK.</p>

## 5. Approach of estimation of additional housing need cross the UK

### 5.1 England

The [current guidance on housing need assessment in England](#) was been updated in line with the new National Planning Policy Framework published in July 2018.

### 5.2 Scotland

In Scotland, no official estimates of housing need and demand are published by the Scottish Government at a national or local level. However, estimates of the future number of additional housing units, by tenure, to meet existing and future housing need and demand are set out in Housing Need and Demand Assessments (HNDAs). These are undertaken by local authorities in Scotland and are supported centrally by the Scottish Government Centre for Housing Market Analysis (CHMA). An excel-based HNDA Tool was created by the Scottish Government to help local authorities produce these strategic, long run estimates.

However, HNDAs also captures information on the operation of the housing system to assist local authorities to develop policies on new housing supply, management of existing stock and the provision of specialist housing and housing-related services. The purpose of the HNDA is to provide a robust, shared and agreed evidence-base for housing policy and land use planning and to ensure that both Local Housing Strategies (LHSs) and Development Plans are based upon a common understanding of existing and future housing requirements.

The CHMA formally appraise all HNDAs and where they are satisfied that the HNDA is robust and credible, the approach used will not normally be considered further at a Development Plan examination.

### **5.3 Northern Ireland**

Housing Growth Indicators (HGIs) provide an indication of future housing need in Northern Ireland. Household projections produced by the Northern Ireland Statistics and Research Agency (NISRA) form the basis of the estimate. The estimates are based on current population/household formation trends making the assumption that these trends will continue into the future. As population and household formation projections are regularly updated and the housing stock data presents the most up to date position annually, the HGIs should be used for guidance. The estimate does not take account of any future policy development or social factors and, as such, should not be considered a target or seen as a cap on housing development in the area.

Housing Growth Indicators were previously published in May 2016 for the time period 2012-2025. The household projections used for these HGIs were based on 2012 data. [The latest HGIs use 2016-based household projections](#) and have been calculated for the time period 2016-2030 to align with the timeframe for the majority of Local Development Plans. The HGIs have been calculated for Northern Ireland and also for each of the 11 Local Government Districts (LGDs).

## **6. New house building**

The statistical release on [new house building](#) covers the number of new dwellings started, where building has commenced and those completed. Data is available at local authority level, by dwelling type (house or flat) and by number of bedrooms.

## **7. Evaluation and references**

### **7.1 Evaluation**

We always welcome feedback on any of our statistics. Please contact us via email: [stats.housing@gov.wales](mailto:stats.housing@gov.wales)

### **7.2 Useful links**

Welsh Government

- [2018-based local authority household projections](#)
- [Dwelling stock estimates](#)
- [Homelessness statistics](#)
- [Affordable housing provision](#)
- [New house building](#)
- [Estimates of Housing Need in Wales at a national and regional level \(2018-based\)](#)
- [Estimates of Housing Need in Wales by Tenure \(2018-based\)](#)