Dadansoddi ar gyfer Polisi
YMCHWIL GYMDEITHASOL Y LLYWODRAETH
GSR
GOVERNMENT SOCIAL RESEARCH
Analysis for Policy

SOCIAL RESEARCH NUMBER: 60/2023
PUBLICATION DATE: 06/06/2023

Llywodraeth Cymru
Welsh Government

Data mapping and visualisation on the housing rental market in Wales

Executive Summary

1. Research aims and methodological approach

1.1 Affordable housing allows people to live healthy and productive lives in inclusive communities. In recent years, rents in Wales have increased and there has been lower availability of affordable rental units, exacerbated by the post-pandemic cost of living crisis. In light of this, in November 2021, the Welsh Government committed to publishing a White Paper "to include proposals for a right to adequate housing, the role of a system of fair rents (rent control) could have in making the private rental market affordable for local people on local incomes and new approaches to making homes affordable" (Welsh Government, 2021).

1.2 Alma Economics was commissioned by the Welsh Government to identify and map current and historical data to explore rents and affordability in Wales, informing policy development and research on 'fair rents' (which might or might not include measures of rent control). The purpose is to develop an understanding of the rental market structures in Wales. The research team carried out scoping interviews with rental market stakeholders and data holders to understand the policy environment and obtain available data. They also reviewed relevant documentation and followed a systematic approach to search, identify and review publicly available datasets. The research team then analysed data trends, patterns, and geographical breakdowns across housing indicators and produced accessible spatial maps and data visualisations to present key indicators of the Welsh housing rental market.

1.3 Based on the data search and stakeholder engagement, 138 datasets with indicators relevant to the housing rental market in Wales (e.g., demographic characteristics, housing stock and quality, construction, or rents) were identified. Data gaps and limitations were also identified. In particular there is limited data on tenant and landlord characteristics, while geographically granular data is often scarce. For example, income estimates at Lower Layer Super Output Areas (LSOA) are not up-to-date, and indicators on homelessness, reasons for homelessness, and energy and utility expenses, among others, are not available at a geographical level lower than the national or local authority level. Granular data would better support understanding housing needs and affordability across areas within a local authority and understand local differences in the rental market. Despite these limitations, this report provides a comprehensive overview of the housing rental market.

2. Key findings from data analysis

- In 2021, households in the bottom 25% of the income distribution living in private rental housing in the bottom 25% of the rental price distribution spent more than 35% of their income on rent. The analysis also suggests that people in more deprived LSOAs face higher affordability pressures than those in less deprived areas.
- 51% of the stock in the housing rental market was privately rented in 2021. Dwellings rented by Registered Social Landlords represented 23% of the rental market, and stock held by local authorities was the remaining 26%.
- Private housing developers are responsible for the majority of new construction. However, it should be noted that not all these dwellings might end up in the private rental market. Between 2018 and 2022, private builders completed, on average, 14 new dwellings per 10,000 inhabitants annually, while local authorities were only responsible for the construction of less than one new dwelling per 10,000 inhabitants annually.
- The number of households threatened with homelessness increased from 7,000 in 2016 to more than 9,000 in 2022. 67 in every 10,000 households in Wales were threatened with homelessness that year. Three of the most densely populated cities in Wales (Cardiff, Newport, and Swansea) had the largest proportion of households threatened with homelessness.
- There was a wide variation across LSOAs in the proportion of housing of poor quality, ranging from less than 10% to more than 25% of dwellings likely to be of poor quality within the same city. In Cardiff, there was a concentration of housing likely to be of poor quality in the centre, while in Newport, poor-quality housing was generally located around the river Usk. The least densely populated local authorities, like Powys, Gwynedd, and Pembrokeshire, had higher proportions of poor quality housing than Cardiff and Newport.
- Less densely populated areas had a higher share of tax chargeable empty properties and second homes over the total number of tax chargeable dwellings than more densely

populated areas. Gwynedd had the highest number of second homes per 1,000 properties, and the second largest share of empty properties. Pembrokeshire ranks second and third in terms of second homes and empty properties relative to its size, while Ceredigion ranks fourth and fifth, respectively.

- Finally, 70% of landlords own only one property, representing 34% of the private rental market, while owners with more than 10 properties (2% of all landlords in Wales) own 21% of the market stock. In Cardiff and Swansea, landlords with more than 10 properties own 30% and 25% of the housing stock, respectively.

Report by:

Full Research Report: Alma Economics (2023). Data mapping and visualisation on the housing rental market in Wales. Cardiff: Welsh Government, GSR report number 60/2023.
Available at: https://www.gov.wales/data-mapping-and-visualisation-housing-rental-market-wales

Views expressed in this report are those of the researchers and not necessarily those of the Welsh Government

For further information please contact:
Rhian Davies
Social Research and Information Division
Knowledge and Analytical Services
Welsh Government, Cathays Park
Cardiff, CF10 3NQ

Email: housingresearchteam@gov.wales

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.

This document is also available in Welsh.

 Digital ISBN 978-1-83504-065-2