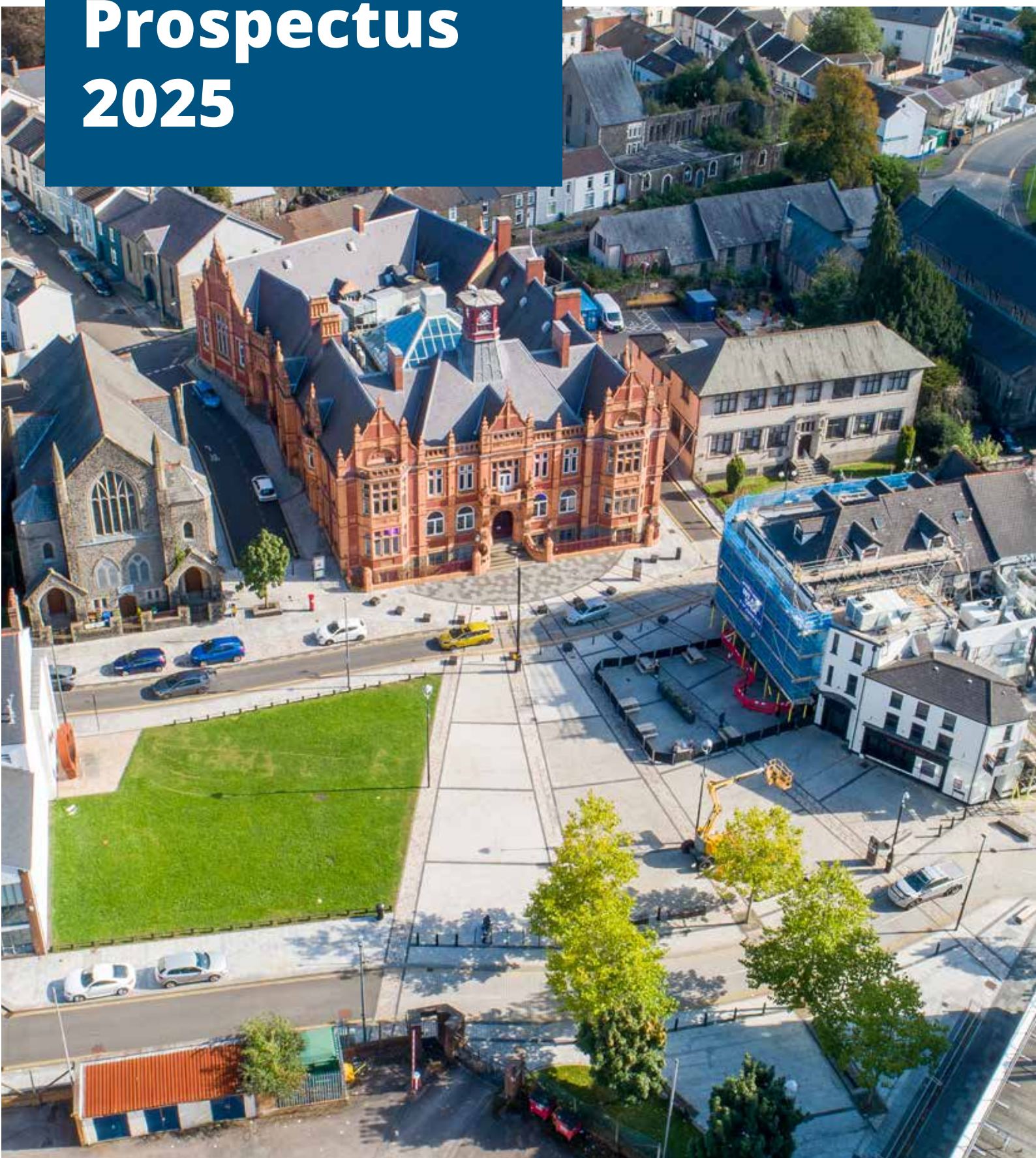


**Merthyr Tydfil County
Borough Council**

Housing Prospectus 2025



Cyngor Bwrdeistref Sirol
MERTHYR TUDFUL
MERTHYR TYDFIL
County Borough Council



Contents

1. Introduction and Background
2. Strategic Housing Priorities
3. Housing need, demand and gaps in provision
4. Local Housing Market Assessment
5. Temporary / Supported Accommodation
6. Private Rented Sector
7. Housing Stock
8. Programme Development Grant Schemes
9. Monitoring & Governance



Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

This document is also available in Welsh.

<https://www.merthyr.gov.uk/media/11073/prospectws-tai-2025.pdf>

1. Introduction

- 1.1 This Prospectus outlines the housing needs, availability, and demand within the County Borough of Merthyr Tydfil. It aims to equip our housing partners with essential information to develop affordable housing projects that address the needs of Merthyr Tydfil and ensure that Social Housing Grant (SHG) funds are utilised effectively. This document provides a current snapshot and will be updated regularly to reflect any changes in housing needs. It should be read in conjunction with the Homelessness Strategy, Housing Needs Statement, and the Rapid Rehousing Transitional Plan, rather than replacing direct discussions.
- 1.2 Proposals for SHG approval can include social rent, intermediate rent, or tenure-neutral options to cater to various needs, such as general housing, accommodations for older and younger individuals, wheelchair-accessible homes, supported housing, and extra care facilities. Low-cost home ownership schemes will also be considered when suitable. Projects may involve new constructions, regeneration efforts, or property acquisitions, utilising diverse procurement methods like traditional tendering, design and build, package deals, and off-the-shelf solutions, including modern construction techniques and modular builds.
- 1.3 These schemes will address future generational needs and enhance community identity by offering a mix of property sizes and opportunities with thoughtful design. They will also promote energy efficiency, emission reduction, and the development of low-carbon affordable homes.
- 1.4 The Welsh Government will use this Prospectus to ensure that the Programme Development Plan (PDP) for Social Housing Grant allocation aligns with the housing needs of Merthyr Tydfil.

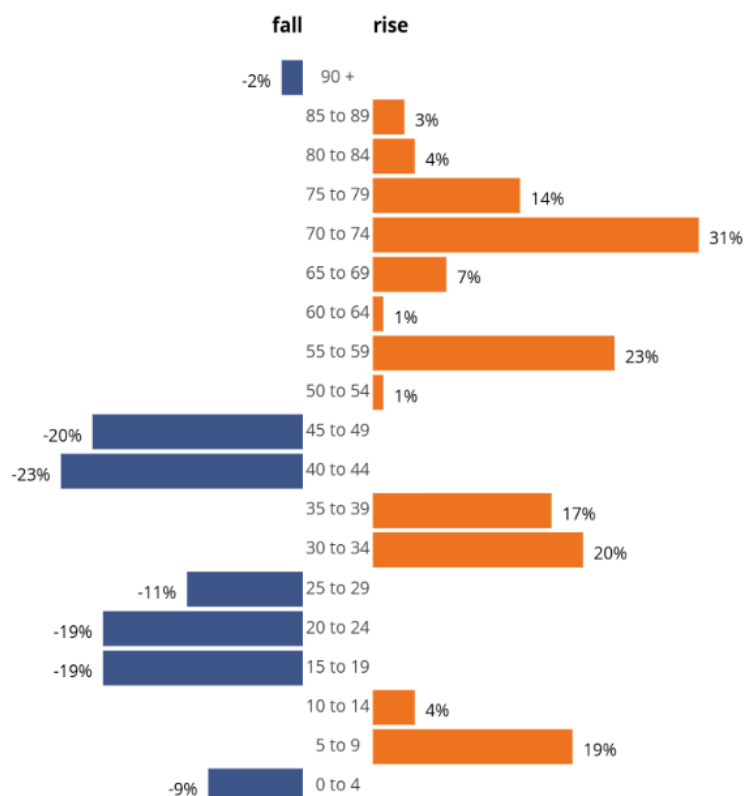


Background:

Corporate Policy

- 1.5 Spanning 55 square miles, Merthyr Tydfil is the smallest Unitary Authority in Wales. The primary population hub is Merthyr Tydfil itself, but the area also encompasses several southern villages, including Troed-y-rhiw, Aberfan, Bedlinog, and Treharris. The Primary Growth Area is centred around Merthyr Tydfil's main urban centre, where the majority of future housing needs are expected to be met. The southern villages are designated as the Secondary Growth Area.
- 1.6 As of the 2021 Census, Merthyr Tydfil had a population of approximately 58,800, a figure that has remained relatively stable since 2011. Merthyr Tydfil ranks 22nd in total population among the 22 local authority areas in Wales, maintaining the same position it held a decade ago.
- 1.7 The population in Wales continues to age. As of Census 2021, over one in five people (21.3%) were aged 65 or older, the highest percentage ever recorded. This number is projected to exceed 1 million by 2030. Additionally, the population of individuals aged 75 and over in Wales is expected to increase by more than 54% by 2035. The Welsh Government's commitments, outlined in the Programme for Government "Taking Wales Forward" (2016) and "Prosperity for All" (2017), include specific objectives related to older adults. These commitments focus on both housing and social care to support the aging population.
- 1.8 Between the 2011 and 2021 censuses, the number of people aged 65 to 74 years in Merthyr Tydfil increased by 18.2%, reflective of a broader trend of an aging population across Wales. As of June 2025, there are currently. The following table highlights how Merthyr Tydfil compares to Population change (%) by age group;

Population change (%) by age group in Merthyr Tydfil, 2011 to 2021



2. Strategic Housing Priorities

- 2.1 After extensive stakeholder engagement, the following strategic priorities have been developed to support the broader Homelessness Strategy. These priorities are informed by the Statement of Need, as well as national and local legislation and Council policies, such as the Replacement Local Development Plan 2018 – 2033. This plan outlines the Council's goals of delivering net zero carbon homes, promoting sustainable regeneration and ensuring good design and sustainable placemaking to create active, healthy, and sustainable communities.
- 2.2 This Prospectus also aligns with other strategic objectives, including the Rapid Rehousing Transition Plan, Housing Support Programme Strategy, the Empty Property Strategy, and the Town Centre Masterplan. Merthyr Tydfil's priorities are to:
- Ensuring people who are homeless or threatened with homelessness access the right home at the right time and in the right place, as part of our Rapid Rehousing approach.
 - Strengthen early intervention and prevention services and specialised support to prevent homelessness.
 - Provide accommodation specifically designed for individuals with complex needs and support housing projects funded through the Housing Support Grant, with tailored options to address the needs of rough sleepers, such as Housing First.
 - Increase the supply of affordable housing for single people over the next 4 years.
 - Respond to the housing needs of an aging population by offering a diverse range of accommodations, such as ExtraCare, bungalows, level access flats, and wheelchair-accessible homes, enabling individuals to remain in their communities for as long as possible.

3. Housing needs, demands and gaps in provision

- 3.1 This section outlines the housing needs and demands identified through the common housing register, along with information regarding temporary accommodation currently used to house individuals who apply for assistance due to homelessness or the threat of homelessness.
- 3.2 Additionally, it includes details about the supply of private rented sector housing, changes in this supply, and external factors influencing it. These factors are expected to directly impact future demand for social housing.
- 3.3 The section also identifies gaps in housing provision and discusses the pipeline demand for social housing from individuals currently residing in temporary accommodation who require permanent homes.

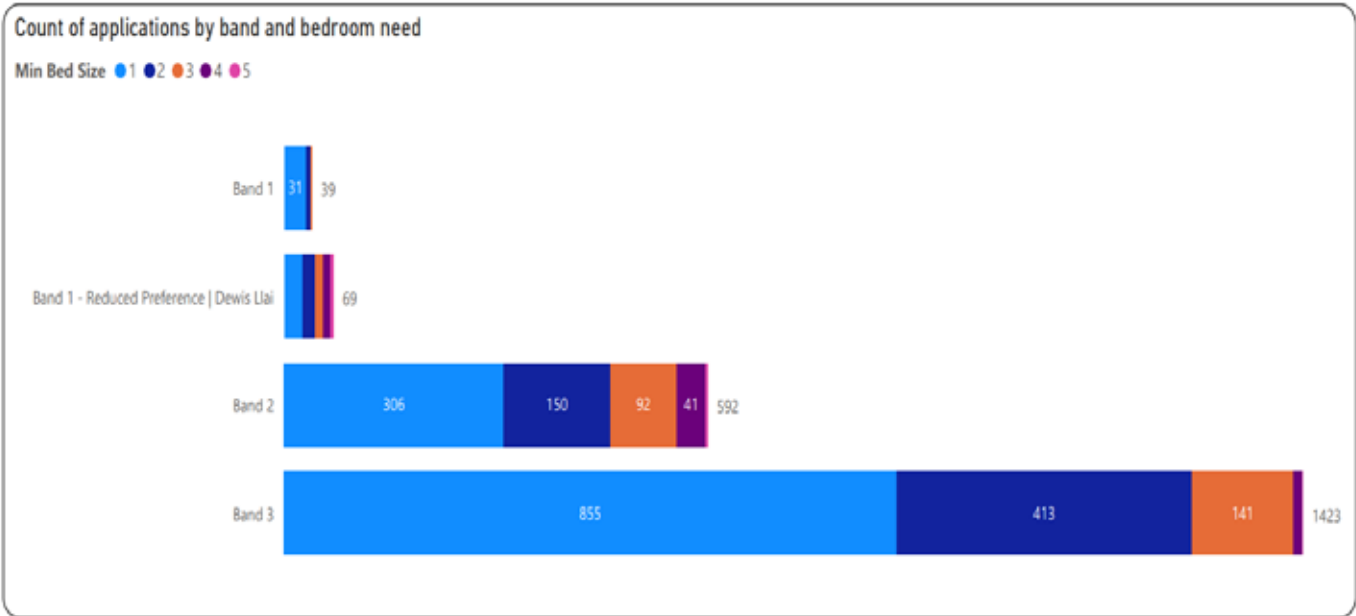
Merthyr Tydfil Common Housing Register

- 3.4 As of July 2025, there were 2,310 households on the Common Housing Register (CHR), marking a 13.37 % increase from the same period last year (2,064 households) and a 51 % increase from June 2019, prior to the Covid-19 pandemic. This upward trend reflects the growing pressure on local housing services and the increasing complexity of housing need across Merthyr Tydfil.
- 3.5 The majority of current identified need is for 1-bedroom accommodation, with 1,409 active applications accounting for 60 % of all active cases. This is largely driven by single-person households. However, there is also a notable demand for larger familial homes, with 77 active applications for properties with four or more bedrooms. This demand is compounded by a low turnover rate in larger properties and the ongoing cost-of-living crisis, which has made it increasingly difficult for families to afford suitable housing on the open market.
- 3.6 Of the total applications, the majority fall within Band 3 (1,423 applications), indicating general housing need/want. Band 2 (592 applications) reflects households with a recognised housing need, while Band 1 (39 applications) and Band 1 – Reduced Preference (69 applications) include those facing urgent circumstances such as homeless, overcrowding, domestic abuse, or significant medical needs. This distribution highlights the importance of prioritising allocations based on vulnerability and urgency.
- 3.7 There are currently 1,281 active applications identifying a disability within the household. Of these, a substantial number require specific adaptations, including 141 requests for level or low-threshold access showers, 118 for level or ramped access, and 45 for full wheelchair access. These figures underscore the need for inclusive housing design and the importance of ensuring that new developments incorporate accessible features to meet the needs of disabled residents.



3.8 The surge in housing demand can be attributed to a combination of legislative reforms, socio-economic pressures, and post-pandemic economic challenges, which have led to a significant increase in homelessness presentations. While the need for specific property types (particularly 1-bed and larger family homes) is evident, it is essential that new developments offer a balanced mix of house types and tenures. This approach supports the Council’s strategic objective of creating sustainable and resilient communities, capable of meeting both current and future housing needs.

Active Applications by Band and Bedroom Need:



Adaption Needs of Active Applicants:

Adaption needs of active applications

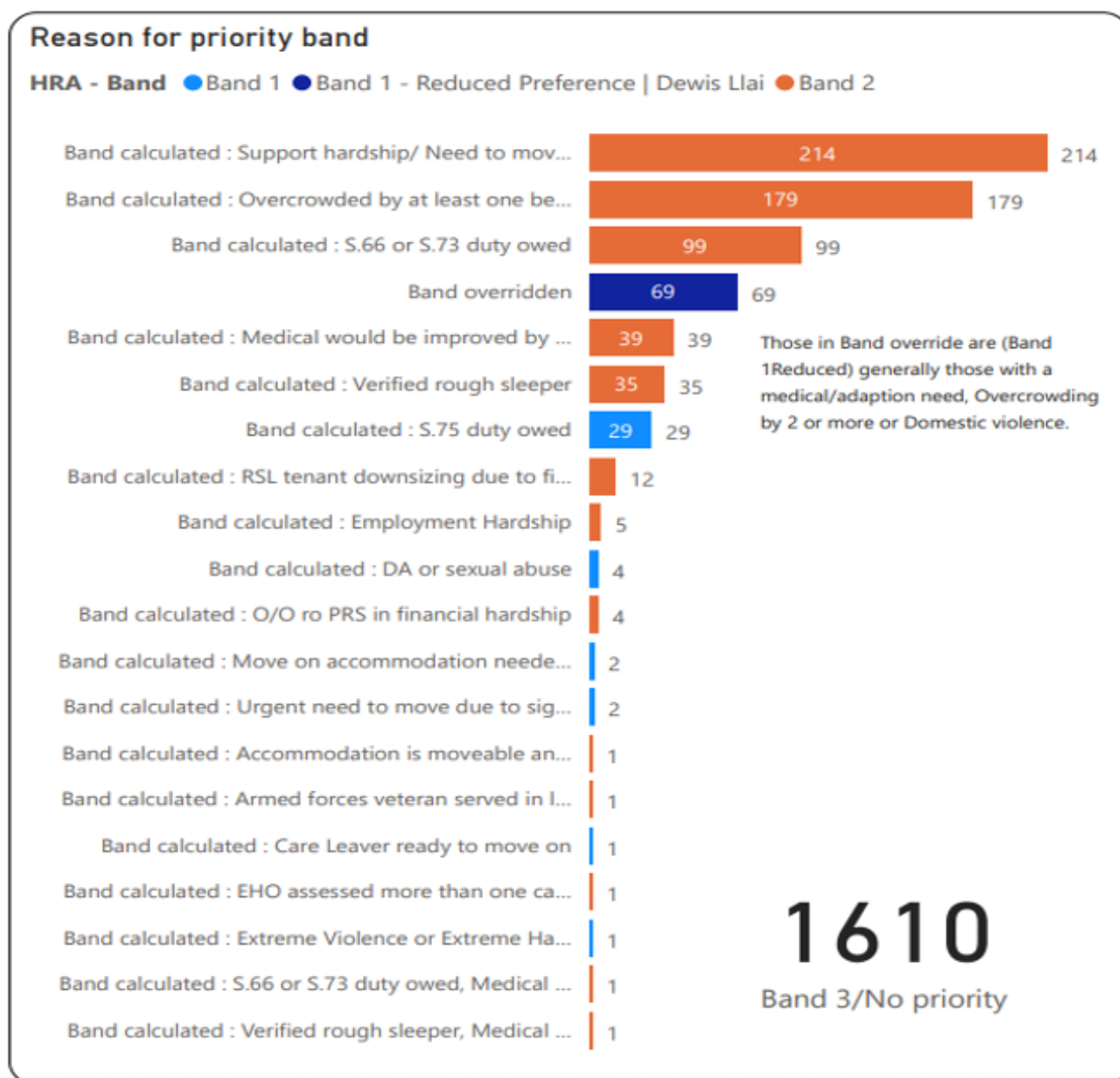
1281

Active applications who have a disability in the household



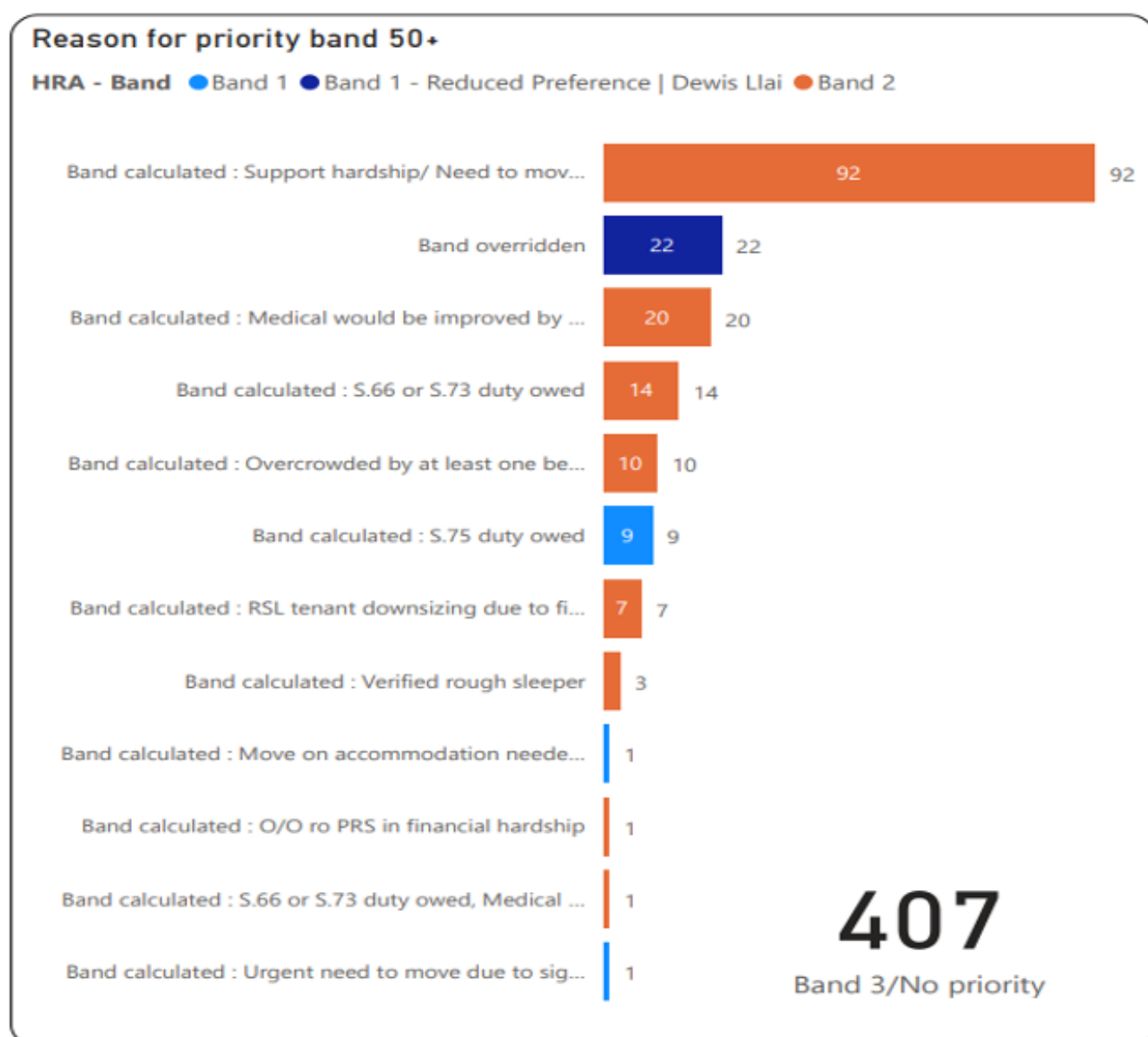
The most common adaptation needs in the general population include level or ramped access (118) and level access showers (141). Among applicants aged 50+, similar trends are seen, with 106 needing level access showers and 88 requiring ramped access. There is also notable demand for wheelchair accessible shower rooms, highlighting the importance of developing accessible housing solutions.

Band Reasons (General Needs):



The table above shows priority reasons for General Needs housing, with the most common being medical or hardship needs (214) and overcrowding (179). 99 applicants are owed duties under Section 66 (preventing homelessness) or Section 73 (helping those already homeless) of the Housing (Wales) Act 2014. Other reasons include rough sleeping, domestic abuse, and financial hardship.

Band Reasons (50+):



Among applicants aged 50+, the most common reasons for housing priority are support hardship or medical need (92 cases), followed by band overrides (22) and medical improvement through rehousing (20). Section 66/73 duties, relating to homelessness prevention or relief account for 14 cases.



4. Local Housing Market Assessment



- 4.1 Merthyr is defined by 2 main Housing Market Areas. These are known as the Primary Growth Area (PGA) and Secondary Growth Area (SGA).

The PGA in Merthyr Tydfil includes diverse wards. Cyfarthfa has mixed housing tenures with varying social housing demand. Dowlais combines owner-occupied and social housing, especially in urban areas. Gurnos is predominantly social housing with a balanced mix of property types and ages. Park is mostly owner-occupied but has high social housing demand. Penydarren is made up of predominantly Owner-Occupier in the south and more social housing in the north. Town is mainly owner-occupied with detached/semi-detached homes in the east and terraced housing in the centre. Vaynor has a higher proportion of owner-occupied detached and semi-detached homes.

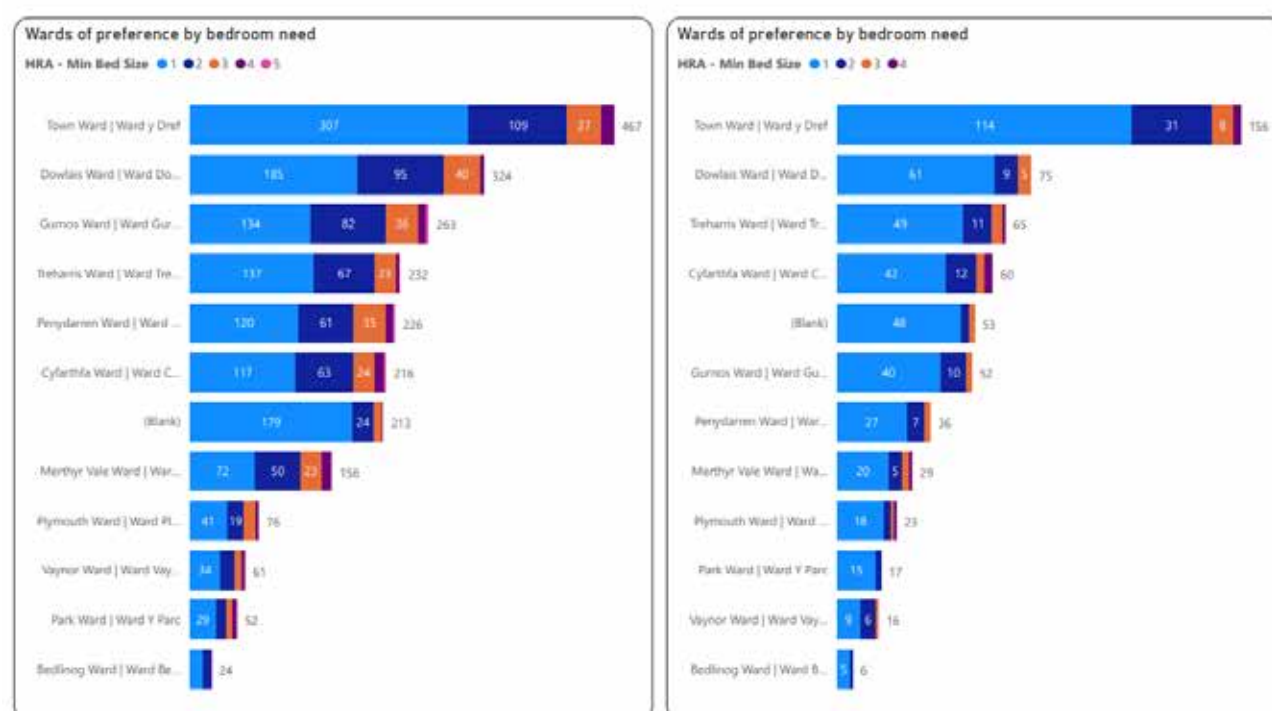
The SGA offers fewer housing options. Bedlinog has a strong owner-occupier presence and a less transient population. Merthyr Vale has a high owner-occupation rate, mainly with terraced properties. Plymouth has mixed tenures, with Pentrebach and Abercanaid having significant owner-occupied presence, while Troed-y-rhiw has a balanced spread across owner-occupation, social housing, and private rentals. Treharris is predominantly owner-occupied but shows some variation. Quakers Yard attracts younger residents with modern housing, while areas with more terraced housing have older residents.

- 4.2 Based on the Welsh Government Principal household projections, the LHMA estimates a need for 453 affordable homes per annum. Given our existing development programme and projected existing re-lets, this equates to a net need of 114 additional affordable homes per year until 2027 across the whole of Merthyr Tydfil.

Total Housing Need by Tenure as per 2024 LHMA:

	Annual additional affordable housing need		Social Rents by Bedrooms			
HMA	Affordable housing need	social rent element	one bedroom	two bedrooms	three bedrooms	four+ bedrooms
Total Households for LA :Merthyr Tydfil	453	453	279	122	41	11
Primary Growth Area (Merthyr Tydfil)	357	356	223	92	33	8
Secondary Growth Area (Lower Valley)	96	96	55	30	8	3

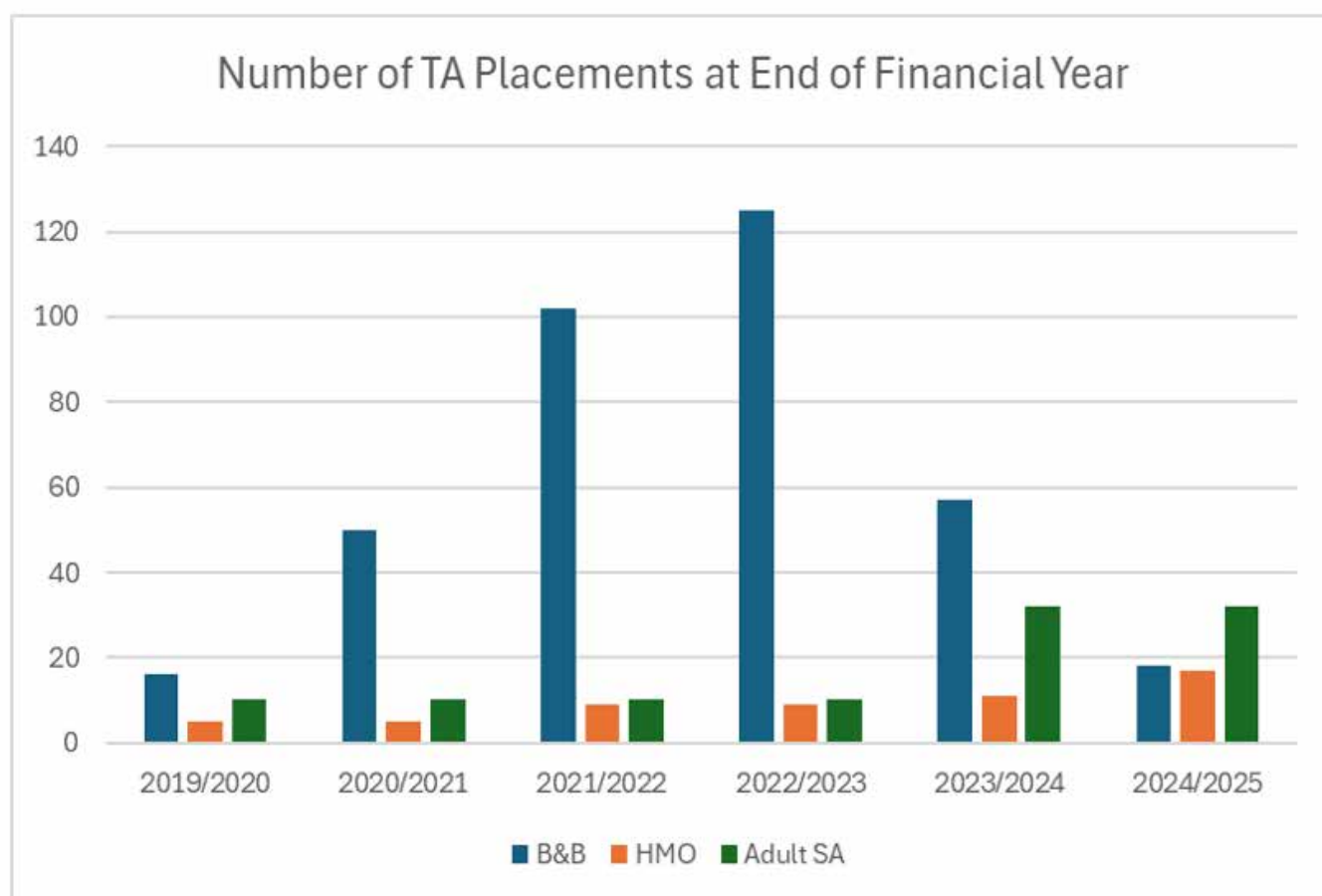
Wards of preference by bedroom need (General Needs vs 50+):



- 4.3 Housing register data shows clear ward-level demand patterns by bedroom size. Town Ward leads with 623 preferences, mainly for one- and two-bedroom homes. Dowlais, Gurnos, and Treharris also show high demand, with totals of 399, 315, and 297, respectively. Penydarren, Cyfarthfa, and Merthyr Vale show moderate but steady demand, with Merthyr Vale having a notable need for larger family homes. Overall, one-bedroom properties are most in demand, but requests for larger homes in key wards highlight the need for a balanced housing mix to support sustainable communities.

5. Temporary & Supported Accommodation

- 5.1 At the onset of the Covid-19 pandemic, the Welsh Government (WG) implemented an 'All In' strategy to address homelessness. As of October 24, 2022, a new 11th priority need category was established, specifically for individuals who are street homeless due to a lack of entitled accommodation.
- 5.2 The pandemic significantly increased the demand for and use of temporary accommodation within Merthyr Tydfil. At the peak of the crisis, an average of 167 people were being accommodated in our temporary and supported accommodations, with over 100 individuals placed in unsuitable B&Bs. This group was largely composed of single adults. Consequently, the authority's temporary accommodation expenditure surged from £183,947 pre-pandemic (2019/20) to £1.24 million for 2024/25.



- 5.3 Over the past 12 months, there has been a notable reduction in B&B placements, driven by the completion of several new developments funded through the Social Housing Grant (SHG) programme and acquisitions under the Transitional Accommodation Capital Programme (TACP). A key contributor to this decline was the opening of Marsh House, a 22-unit supported accommodation scheme launched in March 2024. In addition, the Council's continued efforts have increased the number of Houses in Multiple Occupation (HMOs), with single-person bed spaces rising from 9 in 2021/22 to 27 currently, alongside 4 family HMOs and one fully accessible bungalow.
- 5.4 A needs assessment conducted in summer 2023 revealed that nearly 50 % of individuals in temporary accommodation required high to intensive support, highlighting a gap in suitable provision. As part of the Council's B&B exit strategy, an opportunity arose to purchase a former 22-unit B&B through the TACP programme.

- 5.5 In partnership with Merthyr Valley Homes, the building was acquired during 2023/24. It is currently undergoing redevelopment to deliver a 19-unit supported accommodation facility tailored to meet the identified support needs. Practical completion is anticipated by August 2026, further strengthening the borough's capacity to provide appropriate housing and support for vulnerable residents.

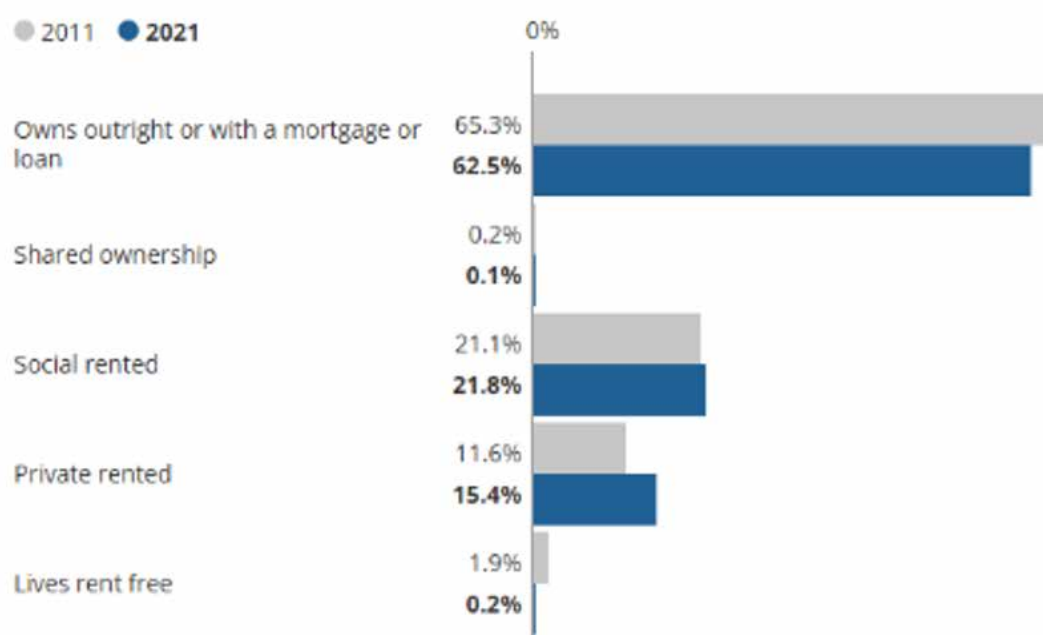
Temporary Accommodation Stock Profile as of June 2025:

Type of Accommodation	No. of Units
B&B	10
Hostel	21
Private Sector Accom. (HMO)	27 single person bed spaces. 4 family units. 1 full accessible unit.
Adult Supported Accommodation	22
Young Person Supported Accommodation	25
Total:	110

6. Private Rented Sector

- 6.1 Merthyr Tydfil experienced the largest percentage-point fall in home ownership across Wales between 2011 and 2021. The proportion of households owning their home dropped from 65.3 % to 62.5 %, moving the local authority from having the sixth lowest to the joint fourth-lowest rate of home ownership among the 22 Welsh local authorities. This decline highlights a significant shift in housing tenure and signals a growing reliance on rented accommodation.

Percentage of households by housing tenure, Merthyr Tydfil ▼



Source: Office for National Statistics – 2011 Census and Census 2021

- 6.2 As fewer residents can access home ownership, demand for affordable rental options, particularly those provided by housing associations, is likely to increase. This trend may reflect broader affordability challenges, including rising house prices, stagnant wages, and limited access to mortgage finance. These factors have contributed to a more prominent role for both the social and private rented sectors in meeting local housing needs.
- 6.3 The private rented sector in Merthyr Tydfil has expanded over the past decade, offering an increasingly important housing option for many households. For some, private renting provides flexibility and accessibility, especially for younger people and those in transitional life stages. However, it can also present challenges, such as affordability pressures, variable housing quality, and limited security of tenure.
- 6.4 As of June 2025, the average monthly rent in Merthyr Tydfil stood at £758, marking a 12.7 % increase from the previous year. This rise outpaced the Welsh average rent increase of 8.2 % , indicating growing pressure on local renters. In contrast, Local Housing Allowance (LHA) rates have remained frozen at 2024 levels for the 2025–2026 period. This mismatch between rising rents and static LHA rates has resulted in affordability gaps for low-income households relying on benefits to meet housing costs.

LHA vs Average Rent - Merthyr Tydfil 2025			
Property Size	LHA Rate (Per month)	Average Private Rent (per month)	Difference
1 Bedroom	£394.98	£558	-£163.02
2 Bedroom	£494.60	£640	-£145.40
3 Bedroom	£593.75	£724	-£130.25
4 Bedroom+	£747.50	£912	-£164.50

Private Sector Leasing Scheme

Leasing Scheme Wales, administered by Merthyr Tydfil County Borough Council, offers landlords the opportunity to lease their properties to the local authority in exchange for a guaranteed monthly rental income. Funded by the Welsh Government, the scheme provides a hassle-free experience, with the council managing both the property and tenancy throughout the lease term. Key features include:

- Guaranteed rent, even during void periods
- Potential access to grants for property improvements
- Full property and tenancy management by the council

The scheme is delivered internally by the Housing Solutions team, with a designated officer overseeing all pre- and post-acquisition processes. Collaboration across internal departments ensures effective implementation and ongoing delivery.

Despite its benefits, several barriers limit wider uptake:

- Rent levels are set at LHA rates, which are often perceived as too low compared to market rents.
- Properties in good condition may not qualify for renovation grants, reducing financial incentives.
- Mortgage restrictions: Some lenders are reluctant to approve participation for mortgaged properties.



Merthyr Tydfil County Borough Council currently leases 8 properties through the scheme. These homes support individuals who were previously homeless or at risk of homelessness, improving access to longer-term, affordable, and good-quality housing in the private rented sector, with tenancy support included.

7. Housing Stock

7.1 Currently, four Registered Social Landlords operate within the County Borough: Merthyr Valley Homes, Merthyr Tydfil Housing Association, Hafod, and Wales & West. All these RSLs are committed to the Allocations Policy, ensuring a unified approach to housing allocations.

7.2 Merthyr Tydfil's housing stock comprises approximately 27,600 dwellings as of 2025. The tenure profile reflects a diverse mix, shaped by historical development and evolving local needs. According to the 2021 Census and Welsh Government estimates, the tenure breakdown is as follows:

Owner-occupied: 64.1%

- Owns outright: 33.2 %
- Owns with a mortgage or loan: 30.9 %

Social rented: 21.4%

- Rented from the council or housing association

Private rented: 14.5%

- Includes private landlords and letting agencies

Other (including rent-free): 2.0%

7.3 The housing stock itself is predominantly made up of older terraced and semi-detached properties, many of which date back to the early 20th century. While these homes contribute to the borough's character, a significant portion requires investment to meet modern standards of energy efficiency, accessibility, and safety.

Housing Stock by RSL:					
Bedroom Size	WWHA	MTHA	Hafod	MVH	Total
1 Bedroom	177	399	14	562	1152
2 Bedroom	105	532	90	1369	2096
3 Bedroom	188	288	68	2076	2620
4 Bedroom	4	26	5	90	125
5 Bedroom	0	1	0	13	14
Total:	474	1246	177	4110	6007

7.4 Between 2023 and 2025, the total social housing stock in Merthyr Tydfil increased by 130 units, rising from 5,877 to 6,007. The most significant growth was in 1-bedroom and 2-bedroom properties, which increased by 56 and 90 units respectively. This aligns with local development priorities, as 1-bedroom homes account for approximately 60 % of all housing need, making them a key focus for new provision.



The chart above compares housing need, delivery, and future development across unit sizes. The most urgent need is for 1-bed general needs units (261) and 1-bed 50+ units (127), between Jan 2022 – Jan 2025 38 general needs and 6 50+ 1 bedroom units were delivered respectively. Future development plans show increased development , with 81 and 58 units planned. 2-bed units also show a notable gap, with 164 needed, 57 delivered, and 91 planned. Larger homes (3-bed and above) show minimal delivery and limited future provision, despite moderate need, especially for 3-bed units (98 needed). The data highlights a shortfall in delivery relative to need, with future plans partially addressing smaller unit demand but leaving larger family homes underserved.

8. Programme Development Grant Schemes

- 8.1 To ensure that new housing developments effectively meet the identified housing needs across the borough, MTCBC has developed a comprehensive Protocol for Developments. This protocol provides a structured framework for evaluating and prioritising proposed schemes for inclusion in the Programme Development Plan (PDP). It outlines the criteria used to assess each scheme and the timeline for its potential inclusion, ensuring transparency and consistency in decision-making.
- 8.2 When a Registered Social Landlord (RSL) identifies a potential development opportunity, they must submit a comprehensive proposal to the Strategy Officer at MTCBC. The submission should clearly demonstrate how the scheme aligns with local housing priorities and must include the following:
1. Site Location – precise address or general area of the proposed development
 2. Unit Mix – number and type of homes proposed (e.g., 1-bed, 2-bed, family units)
 3. Housing Need Alignment – explanation of how the scheme addresses identified gaps in local housing need
 4. Development Costs – estimated total cost of the scheme
 5. Planning Status – current planning position and anticipated timeline for submission or approval
 6. Single-Person Accommodation – proportion of units designed for single occupancy

Each scheme is then assessed and scored against a set of weighted criteria designed to reflect strategic priorities and practical deliverability. (Annex 1)

The scoring framework includes:

- Housing Need (maximum 30 points): How well the scheme addresses identified local housing needs
- Deliverability (maximum 30 points): The likelihood of the scheme progressing within the required timeframe
- Risk (maximum 10 points): Consideration of planning, financial, and operational risks
- Regeneration Priority (maximum 20 points): Alignment with regeneration goals and targeted investment areas
- Value for Money (maximum 10 points): Cost-effectiveness and efficient use of public funding

- 8.3 Schemes that achieve the highest overall scores are prioritised for grant funding and inclusion in the PDP. MTCBC is committed to maintaining transparency throughout this process. Full feedback is provided to RSLs, explaining the rationale behind the approval or rejection of each scheme, enabling continuous improvement and alignment with strategic housing objectives.

This protocol ensures that housing development in Merthyr Tydfil is targeted, needs-led, and capable of delivering high-quality, sustainable homes that contribute to the wellbeing of local communities.



9. Monitoring and Governance

To ensure that housing development across Merthyr Tydfil remains aligned with local needs and strategic priorities, MTCBC has implemented a robust system of monitoring, communication, and coordination with key partners.

- 9.1 Twice a year, MTCBC distributes detailed Housing Need Reports along with monthly Housing data reports to all developing RSLs. These reports break down housing demand by ward, highlighting priority areas and specific needs such as family housing and single-person accommodation. The reports serve as a vital tool for guiding new development proposals and ensuring that schemes are targeted where they are most needed. In cases where land availability is limited in high-demand areas, RSLs are encouraged to explore alternative options, such as the purchase and refurbishment of existing properties that are up for resale, helping to maintain housing supply and meet local demand.
- 9.2 The Social Housing Programme is formally monitored through a combination of monthly development meetings and quarterly joint meetings involving RSLs, the Local Authority and the Welsh Government. These meetings provide structured opportunities to review progress, address challenges, and coordinate funding and delivery. In practice, MTCBC maintains more frequent and informal communication with its RSL partners, engaging in weekly discussions to track current developments, explore new opportunities, and respond to emerging needs. This proactive approach ensures that housing delivery remains agile and responsive.
- 9.3 Internally, MTCBC holds regular meetings with key departments including Estates, Planning, and Social Services, ensuring that housing development is integrated with broader strategic objectives. These discussions are supported by evidence from the Local Development Plan, Local Housing Market Assessment, Gypsy and Traveller Accommodation Assessment, and other relevant frameworks. Collaboration with RSLs also extends to strategic regeneration initiatives, such as the Town Centre Masterplan, where individual meetings are held to explore specific schemes that align with regeneration goals and community priorities.

This multi-layered approach to monitoring and coordination ensures that housing development in Merthyr Tydfil is not only well-managed but also strategically aligned with the borough's long-term vision for inclusive growth, sustainability, and community wellbeing.

ANNEX 1 – Development Proforma:

Merthyr Tydfil Country Borough Council Development Proforma

Potential development partners are required to provide information on their experience aligning with local plans, financial stability, track record in similar developments, proposed community engagement strategies, commitment to sustainability, risk management plans, and how they will deliver local economic and social benefits.

Project Vision & Strategy

- **Alignment:**
How does your proposed project align with the council's vision, strategic objectives, and the Local Development Plan/Prospectus/LHMA:
- **Contribution:**
What are the specific local economic, social, and environmental benefits you anticipate delivering?
- **Innovation:**
What innovative approaches will you bring to the development?
- **Sustainability:**
How will your project incorporate and promote environmental sustainability and resilience?

Experience & Track Record

- **Proven Success:**
Can you provide examples of similar projects and demonstrate a successful track record in delivering high-quality developments?
- **Local Expertise:**
What is your understanding of the local context, community needs, and existing challenges?
- **Community Engagement:**
What is your strategy for meaningful and ongoing engagement with local residents, businesses, and community groups?
- **Local Benefits:**
How will your project contribute to local job creation, skills development, and supply chain opportunities?

Financials & Governance

- **Financial Stability:**
Can you provide details on your organisation's financial stability and capacity to deliver the project?
- **Governance:**
What is your proposed governance structure, and how will you ensure clear lines of accountability?
- **Risk Management:**
What are your plans for identifying, managing, and mitigating potential risks throughout the development process?
- **Funding:**
What is your approach to funding, and what are the potential funding sources you intend to explore?

Partnership & Collaboration

- Partnership Approach:
What is your experience of working collaboratively with local authorities and other stakeholders?
- Conflict Resolution:
How will you and your team handle disagreements or conflicts within the partnership?
- Communication:
What are your proposed communication channels and frequency of communication with the local authority?
- Transparency:
How will you ensure transparency in project delivery and decision-making?