

Matter 1: Housing Numbers

HEARING SESSION 1: HOUSING NUMBERS

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Prepared on behalf of Persimmon Homes (East Wales)

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Document History

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1. Introduction

- 1.1 Savills is instructed by Persimmon Homes (East Wales) ('Persimmon') to submit a Statement in respect of Matter 1: Housing Numbers. It asks the question: *Is the LDP's target of 26,400 dwellings supported by robust evidence and sufficient to meet the housing needs of the city up to 2036?*
- 1.2 This Matter Statement should be read in conjunction with previous responses prepared by Savills and Persimmon. These include:
- Cardiff Council Local Replacement Local Development Plan - Call for Sites. Land at Bridge Road, Old St Mellons (Savills, August 2021);
 - Replacement Local Development Plan – Strategic Options Consultation (Savills, February 2022);
 - Replacement Local Development Plan – Preferred Strategy and Stage 1 Candidate Site Assessment Consultation (Savills, October 2023); and
 - Cardiff Council Replacement Local Development Plan 2021–2036 Deposit Plan (Savills, April 2025).
- 1.3 Savills and Persimmon will answer the questions most relevant to their representations.

2. Questions

Is the target of 26,400 units justified? Should it be higher as argued by the HBF and others?

- 2.1 Policy SP1 (Providing for Sustainable Growth) sets the housing and job creation requirement for the Replacement Local Development Plan (LDP). With regards to housing, the approach is to seek to meet a housing requirement of 24,000 homes, applying a flexibility allowance of 10% so that the RLDP plans for a total of 26,400 homes.
- 2.2 Persimmon agree with views of the HBF who consider that the proposed strategy to provide 26,400 units lacks aspiration with regard to the Cardiff's status as the Capital City of Wales and its role as identified by the National Plan.
- 2.3 The Adopted LDP sets a housing target of 41,415 homes over the adopted plan period. The latest Annual Monitoring Report (AMR) is the 9th AMR 2025. Table 21A of the AMR records housing completions over the Adopted LDP plan period thus far and forecasts completions through to the end of the plan period in 2026. Table 21A anticipates 26,245 cumulative completions by the end of the plan period in 2026. This is a clear shortfall of approximately 15,000 homes, which has not been accounted for. The housing need should account for historic under-delivery from the Adopted LDP / current plan period.
- 2.4 The housing requirement is based on a dwelling-led scenario. The problem with the use of a dwelling-led scenario is that it is itself driven by the level of housing delivery that was realised as part of the Adopted LDP rather than any demographic projections. The significant under delivery of the Adopted LDP against the housing requirement points to the need for an approach to housing requirement that both remedies the shortfall in housing delivery over the Adopted LDP plan period whilst seeking to prevent the same thing from happening again.

The housing target is a dwelling led figure, based on expectation of urban land supply and existing greenfield sites in the adopted LDP. Is this an appropriate way to assess need?

- 2.5 The preferred growth strategy for the Replacement LDP is essentially a brownfield-focused strategy utilising brownfield sites within the settlement boundary in addition to existing commitments on greenfield sites around the edge of the city, which are rolled over undelivered sites from the Adopted LDP.
- 2.6 Persimmon argue that this strategy of using brownfield and rollover sites from the adopted LDP is not sufficient. Brownfield sites raise a distinct set of challenges for developers, such as contamination, high remediation costs, and often fragmented ownership. These issues are generally more complex than greenfield land and can affect viability, programme and deliverability. Concerns about the deliverability of sites has been raised by Persimmon in Hearing Session 2 statement.
- 2.7 Due to risk of these sites not coming forward as a result of constraints and deliverability, Persimmon argue that using rollover sites that were not delivered in the last plan is not a robust way to assess need. Relying on previously allocated sites that have not yet come forward is not a reliable method to base the RLDP target on.

Is a 10% flexibility allowance appropriate?

- 2.8 The Development Plans Manual (Edition 3) paragraph 5.59 states that a 10% figure for the flexibility allowance should be considered as the “starting point” with any deviation required to be robustly evidenced.
- 2.9 The position is clear – whilst 10% should be used as a starting point for establishing a flexibility allowance, there is no automatic requirement for it be this figure with the sound approach to consider whether an alternative flexibility allowance is suitable and then to robustly justify it.
- 2.10 The Adopted LDP makes provision for 45,415 new dwellings (including a 4,000 dwelling flexibility allowance) to deliver a housing requirement of 41,415 new dwellings between 2006-2026. This equates to a flexibility allowance of 9.6%.
- 2.11 Table 21A of the 9th AMR records housing completions over the Adopted LDP plan period thus far and forecasts completions through to the end of the plan period in 2026. Against the requirement of 41,415 homes over the whole of the Adopted LDP plan period, Table 21A shows that 26,245 homes would have been completed, equating to 63.4% of homes that the ALDP planned for. This means that Cardiff is forecast to fall 36.6% short of their housing provision.
- 2.12 This in itself is clear evidence that a 10% flexibility allowance has been inadequate in the Adopted LDP and that a higher figure should be used for the RLDP.
- 2.13 The use of a flexibility allowance in excess of the 10% minimum required in the Development Plans Manual is not uncommon and is increasingly being used in various RLDPs at different stages, including for adopted RLDPs that have been subject to examination by Planning and Environment Decisions Wales. Examples of applied flexibility allowances in excess of 10% is shown in the table below:

Local Planning Authority	RLDP Stage	Flexibility Allowance
Bridgend	Adopted	14%
Merthyr Tydfil	Adopted	25%
Monmouthshire	Deposit	15%
Neath Port Talbot	Preferred Strategy	20%
Swansea	Preferred Strategy	20%

- 2.14 More recently in the recently adopted Bridgend Local Development Plan, there was a need to incorporate a greater flexibility allowance of 14% equating to an additional 1,053 dwellings. This provision was required to demonstrate delivery of the Anticipated Annual Build Rate (AABR) and seeks to ensure that the Plan remained effective in the event of changing circumstances such as non-delivery of key sites. As part of this process the Inspector advised that an increase beyond the standard 10% would therefore be required to enable the plan and its housing trajectory to be resilient and sufficiently adaptable. The overarching purpose of which is to account for any unforeseen changes and potential shortfalls/ delays to the strategic site allocations whilst still enabling the overall housing requirement to be delivered.
- 2.15 Based on the above, there is a clear precedent set in South Wales for greater than 10% and Cardiff must follow. Persimmon suggests that there is a clear justification for a flexibility allowance in excess of 10%.

Should housing need be determined by past build rates?

- 2.16 Whilst past build rates are useful to verify housing targets and broadly corroborate whether a set housing requirement is deliverable, they should not be used to determine housing need in isolation.
- 2.17 Cardiff Council would have to decide what years of build rates to base their targets on. For example, turning to Table 21A of the 9th AMR, the annual completions vastly vary over the last 20 years, ranging from 2,961 in 2006-7, versus 482 in 2014-15, before increasing again to 1,480 in 2024-25. There is significant variance in build rates over the last two decades, and clearly the period selected for aggregating past build rates (i.e. whether a five, ten or twenty year period is used) will have a huge impact in determining what the need is.
- 2.18 Using this method, there is a risk of housing need being suppressed by past failure to deliver. As stated above, there is a significant shortfall in housing delivery in Cardiff over the Adopted LDP period. Basing new targets on previous under-delivery will cause this under delivery to be compounded by setting a lower housing requirements, further failing to address the housing delivery shortfalls of the Adopted LDP whilst ensuring that they are repeated in the RLDP.
- 2.19 Instead, the Replacement LDP should be using a combination of the 2022-based Local authority household projections for Wales and latest Local Housing Market Assessment (LHMA).

Does the target need to be changed in light of the 2022-based Local authority household projections for Wales?

- 2.20 Planning Policy Wales paragraph 4.2.6 is clear that the latest Welsh Government local authority level Household Projections for Wales, alongside the latest LHMA should be used to set development plan housing requirements.
- 2.21 As these have only recently been made available in November 2025, the Cardiff housing requirement has not considered the latest projection, and Persimmon argues that these projections should be considered into revised housing requirements.
- 2.22 According to the 2022-based Local authority household projections for Wales¹, in the next 10 years, the number of households in Wales are projected to increase by 98,500 to reach 1.46 million, which is an increase of 7.2%. Cardiff is set to see the second biggest percentage increase (after the Vale of Glamorgan) with an increase of 11.1%. By 2032, roughly 1 in 9 households in Wales will be in Cardiff (11.6%).
- 2.23 In terms of projected number of households by local authority, Cardiff is projected to continue to have the highest number of households in Wales, which will be 169,000 in 2032. This will make up over 10% of the households in Wales. This data shows that Cardiff is expected to absorb a disproportionate share of Wales' household growth over the next decade, meaning that Cardiff will face greater pressure for new homes than most other Welsh Local Planning Authorities (LPAs).
- 2.24 At the 2021 Census, there were an estimated 147,333 households in Cardiff. Therefore, the projections are anticipating the number to grow by approximately 21,600 by 2032.
- 2.25 The 2022-based principal population projection results in a higher growth outlook for Cardiff compared to the previous 2018-based projection. Over its 25-year projection period, the 2018-based Principal projection for Cardiff estimated a 6.8% increase in the size of the population, lower than the 17% projected under the 2022 Principal projection.
- 2.26 Based on the above projections, Dwelling growth ranges from 915 per year under the WG-2018-Principal scenario (with the latest household to dwelling vacancy rate applied from the 2021

¹ <https://www.gov.wales/local-authority-household-projections-wales-2022-based-html>

Census), to 1,931 under the Trend-5yr scenario. The RLDP scenario 1,600 dwellings per year which sits in the middle of the range and aligns with moderate growth assumptions.

- 2.27 On the basis of the above, Cardiff Council argue that the dwelling growth target of 1,600 dwellings per year is still considered a reasonable basis for planning in Cardiff². Its growth is slightly higher than the more realistic of the 2022-based Welsh Government projections that do not carry forwards the higher levels of net international migration seen in recent years, as well as being higher than the dwelling growth figure from the Trend-15yr scenario (at 1,223 per year). The Trend-15yr scenario is, however, considered to be towards the more prudent end of the growth spectrum and the 1,600 dwellings per year would accommodate this level of population growth and any improvements to rates of household formation that could occur (e.g. through improved housing supply and affordability).
- 2.28 The Deposit Plan states that Option C (high growth - 30,500 homes) is unrealistic given this option proposes a growth in population more than twice the latest Welsh Government projections and therefore departs significantly from latest evidence on demographic growth. However, this judgement was based upon 2018 projections superseded by the above 2022 projections, of which the Principal projection for Cardiff estimated a 17% increase in the increase in the size of the population, significantly higher than the 6.8% previous Principal projection. Therefore, Growth Option C is no longer an unrealistic housing requirement for the Plan.
- 2.29 Whilst the Cardiff response asserts that the housing numbers are sufficient to align with population growth, this does not take into account the current shortages, plus growth. As the LHMA identifies there is a significant housing shortage in Cardiff. Persimmon argue that based on the projections, in addition to addressing the significant shortfalls in the delivery of housing in the adopted LDP period, the target of 26,400 is insufficient.
- 2.30 In essence, the 2022-based projections generally corroborate the approach that the Council have taken. However, the paramount issue is that Cardiff is at the centre of the National Growth Area, therefore, just following the projections is not sufficient to plan for growth. Cardiff should adopt the approach of using household projections as a basis, whilst building on this with policy expectations. The Development Plans Manual (Edition 3)³ states that all sources of evidence, including the latest Welsh Government Household Projections, should be used when preparing a plan, and that it is pertinent for LPAs to consider alternative growth scenarios beyond those set out in the Welsh Government's projections.

Should the target be increased to facilitate the delivery of affordable homes to meet the need identified in the Local Housing Market Assessment?

- 2.31 Planning Policy Wales paragraph 4.2.6 is clear that the latest Welsh Government local authority level Household Projections for Wales, alongside the latest LHMA should be used to set development plan housing requirements.
- 2.32 The Local Housing Market Assessment identified major shortfalls in affordable housing. There is an estimated gross annual need for affordable housing of 2,454/year on average (76%) and net affordable need (after supply) of 1,334 homes/year. Over the RLDP plan period, this represents a significant number of affordable homes that there is a quantifiable need for that will not be met with the proposed housing requirement.
- 2.33 To ensure compliance with Future Wales Policy 7, the Replacement LDP must ensure that affordable housing targets can be met by allocated sites that are likely to come forward during the plan period.

² <https://www.cardiffldp.co.uk/wp-content/uploads/CD13-Updated-Demographic-Report-May-2026-Edge-Analytics.pdf>

³ <https://www.gov.wales/sites/default/files/publications/2020-03/development-plans-manual-edition-3-march-2020.pdf>

Additional sites should be included that ensure the delivery of affordable homes can meet the targets.

- 2.34 For example, Land at Bridge Road, Old St Mellons – a site previously put forward at the Call for Sites Stage by Persimmon which is an 8.28 ha site intended for housing development and will deliver circa 135 homes. The site would incorporate policy compliant affordable housing. The Replacement LDP policy H3 requires 20% affordable housing on Brownfield sites and 30% affordable housing on Greenfield sites in all residential proposals that:
- Contain 5 or more dwellings; or
 - Sites of or exceeding 0.1 hectares in gross site area; or
 - Where adjacent and related residential proposals result in combined numbers of dwellings or site size areas exceeding the above thresholds, the Council will seek affordable housing based on the affordable housing target percentages set out above
- 2.35 As the Began Road site exceeds these thresholds and is a greenfield site, the site would deliver 30% affordable housing onsite, which could equate to up to 40 homes, depending on final housing numbers delivered onsite.
- 2.36 This site presents a straight-forward, deliverable site, with minimal constraints and sustainably located with a range of services close by (at the St Edeyrn's Village development including a new school and within Old St Mellons). This site would contribute towards Replacement LDP housing targets, including affordable housing targets.

Does the target of 26,400 reflect Cardiff's designation as a National Growth Area in Future Wales?

- 2.37 Policy 1 of Future Wales designates Cardiff, Newport and the Valleys as a National Growth Area. The intention of this policy is to focus large scale growth on the urban areas, in turn easing development pressures from the countryside and protecting productive agricultural land.
- 2.38 As stated above, the Medium Growth Option (B) was chosen for the Submission Plan, which, based on a policy dwelling led target of 1,600 dwellings per annum over the plan period to 2036, the Plan will provide for about 24,000 new homes, plus a 10% flexibility allowance.
- 2.39 The selection of a Growth Option that delivers such a low residual balance represents a lack of ambition for Wales' capital city. It also raises questions about the value of preparing a Replacement LDP with a 15-year period plan when no new residential allocations are made and where the majority of both strategic and non-strategic policies remain unchanged from the LDP. Persimmon argue this is not sufficient growth in order to meet the Welsh Government's aspiration for Cardiff as set out within Future Wales: The National Plan 2040.
- 2.40 Given the level of historic under provision over the Adopted LDP period, the emerging Replacement LDP should accommodate the highest growth option. This would ensure the plan can deliver the necessary number of homes over the emerging plan period whilst also account for unmet need which has previously been compounded year on year. Collectively these principles would align with the Welsh Governments ambitions for Cardiff as both a city and wider region, and in doing so ensure the Replacement LDP is consistent with Future Wales: The National Plan 2040 by prioritising growth in a National Growth Area.

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