



# Local Development Plan 2021 > 2036

Cardiff Council - May 2026

## Cardiff Replacement LDP Examination

Hearing Session 3  
Affordable Housing

CD10 Council Statement in  
Response to Inspectors Questions  
in ID08c



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## Affordable Housing

**Issues - Whether the Plan's affordable housing target is justified having regard to the identified level of need, and whether the proposed thresholds and percentage targets are supported by robust evidence.**

### 2. Affordable Housing Target

2.1 Is the target of 5,500 to 6,000 units sufficient to meet the need for affordable housing?

2.2 The LHMA identifies a need of 960 pa (net) for the plan period. This equates to 14,400 but the target is only 5,500 to 6,000.

Why is it proposed to deliver just over 1/3rd of the identified need?

#### **Response:**

It is generally accepted that the affordable housing target will not fully meet all the housing need for Cardiff over the plan period. Current and past build rates have consistently shown Cardiff achieving between 20 and 30% of all homes as affordable homes, with build rates for all types and tenures of homes increasing in recent years.

The target of 5,500-6,000 was derived from the current landbank available and allocations, which was calculated at circa 6,000 units. In addition to this, the affordable housing sector in Cardiff has a pipeline of sites to come forward, resulting in an additional c.1,500 units, in the next 5 years or so. We expect this number to increase as opportunities become available, particularly on brownfield sites.

We would also expect a minimum of a further c.500 units to come forward via RSL/LA existing dwelling purchases based on average figures over the last 2 financial years. This results in a total of c. 8,000 units.

All HMAs are defined geographically, based on the functional areas where people currently live and would be willing to move home without changing jobs. In relation to the figures in the LHMA, it is noted that the LHMA is a high-level strategic document, whose purpose is to give broad estimates at a Housing Market Area (HMA) level, of what future local housing need might be, rather than any precise estimate.

It is also noted that whilst the LHMA is a core piece of baseline evidence informing the scale, type, and location of growth within the geographical boundary, and indicates the scale of housing need, it is unlikely to directly equate to a housing requirement or reflect the affordable housing target in any development plan.

Importantly, Page 6 of the **Undertaking Local Housing Market Assessments (LHMAs) Guidance (2022)** states "*...the additional housing need estimate indicates the scale of housing need within the geographical boundary. Whilst this estimate will inform the development plan, it is unlikely to directly equate to a housing requirement or the affordable housing target in a development plan*".

In addition, Para 3.11 states “the calculations within the LHMA Tool are formula-driven using the data inputs and assumptions ..... to form a best assessment of additional housing need and demand. It is important to note that these are estimates and not a target”.

In target setting it is important that other factors need to be considered, such as land availability and land capacity, as well as costs and viability and timing. Given the level of housing need in Cardiff, the focus needs to be on ambitious, yet realistic delivery rather than on any arbitrary target. In this regard, the Deposit RLDP recognises the importance of Affordable Housing and seeks to promote and maximise delivery through various policy approaches.

### **3. Viability**

3.1. Do the 5 dwelling and 0.1ha thresholds and the 20% and 30% targets take into account plan requirements such as, open space, play areas, allotments, food growing space, SuDs, 3:1 tree replacement, energy efficiency, securing good quality and sustainable design?

3.2. Do the 5 dwelling and 0.1ha thresholds and the 20% and 30% targets take into account the challenges of developing brownfield sites which may be contaminated and plan requirements such as public transport, infrastructure and education in addition to those above?

#### **Response:**

Avison Young were procured by Cardiff Council in 2024 to assess the economic viability of the affordable housing policy proposal being brought forward under the RLDP. A range of “hypothetical” sites and development scenarios were selected to represent a comprehensive cross section of development across Cardiff, with a range of development sizes, tenures, sub-markets and locations (greenfield or brownfield).

The appraisals that were carried out tested two tenure mix scenarios:

1. 80% Social Rented / 20% Low-Cost Home Ownership (LCHO)
2. 100% Social Rented

In relation to the Affordable Housing obligations and other s106 obligations such as public open space, transport, infrastructure and education etc., the table on page 24 in the Avison Young report provides details on each of these scenarios and produces a figure per square metre of development. This figure, when multiplied by the total floor area of the development, provides the overall sum available for infrastructure contributions beyond the affordable housing provision. If the figure is negative, that scenario is unviable, as there is no further surplus for infrastructure payments. However, AY also state that it should be noted that the appraisals are sensitive to small changes in our assumptions. Therefore, scenarios that are shown to be unviable in their sensitivity table could reach viability in different circumstances and vice versa.

It is important to note that it is not possible at such a high-level assessment to include exact figures for all possible obligations on each of these site appraisals which are by

their very nature “hypothetical”. The policies for Affordable housing and planning obligations recognise that other policy costs and site “abnormals” are likely to impact overall development viability alongside, for example, anticipated changes to the Building Regulations and stated ambitions to achieve net zero. However, it is considered the Policy H3 by identifying a threshold of 5 dwellings and/or over 0.1 Ha seeks the appropriate balance within the Cardiff context.

3.3. Should the policy allow for the targets to be reduced on grounds of viability?

**Response:**

In this RLDP process, candidate site viability is now part of the initial process, so targets in Policy H3 should not be reduced on the grounds of viability in the RLDP policy, and it should certainly not be overtly stated so that it is seen as something that would be accepted as a matter of course.

Reference should be given to the Community Infrastructure Regulations (Reg 122) and Circular 13/97 in this regard.

However, it is recognised that on occasion a development proposal may be unable to meet all the relevant policy requirements whilst still remaining viable. Where developers believe that viability is an issue, applicants will need to work with the Council on an ‘open book’ basis, and the Council will seek their own independent verification to review the financial appraisal information that has been provided (the cost of which will be met by the applicant).

Details on scheme viability issue can be included in the future Planning Obligations – SPG rather than in Policy H3 in the RLDP.

#### **4. Other matters**

4.1. Where/who will provide the affordable housing funded by off-site contributions?

**Response:**

Any off-site financial contributions are ring-fenced for affordable housing development and will be used by either the Council (as a LA with a development programme) or by one of the Councils Registered Social landlord partners. These monies once received allows us to pool contributions, and plan strategically for its use to maximise opportunities for affordable housing delivery and addressing housing need across the city.

4.2. Should Policy H3 include build to rent and discount market rate housing?

**Response:**

No – Policy H3 should not accept build to rent and discount market rate housing as affordable housing.

Built to Rent (BTR) and Co-living schemes continue to be popular and contribute significantly to the range and choice of new housing development in Cardiff. Neither are deemed “affordable” under the TAN 2 definition and would be captured under policy H3 in terms of a policy expectation that these wholly private housing schemes should contribute towards on or off-site affordable housing.

As stated in Technical Advice Note 2: Planning and Affordable Housing – see below:

*Para 5.1 - Affordable Housing is housing where there are secure mechanisms in place to ensure that it is accessible to those who cannot afford market housing, both on first occupation and for subsequent occupiers.*

On that basis, build to rent and discount market rate housing are not secured for subsequent occupiers and are not regulated in the same way or to the same design standards that affordable housing providers are.

To clarify, build to rent and discount market rate housing are private sector homes, and in respect of the Private Rented Sector, this is regulated in Wales under the Housing (Wales) Act 2014 and the Renting Homes (Wales) Act 2016. All private landlords must register themselves and their properties with Rent Smart Wales, and landlords who self-manage or agents who manage properties must obtain a licence, ensuring they are fit and proper. Private landlords are regulated in relation to rent increases and can only increase the rent once in a 12-month period but whilst there is currently no legal limit on the percentage increase that can be applied, it should be fair and realistic.

For the reasons outlined above, these housing tenures should not be considered or accepted as affordable housing.