

Table of Contents

1. INTRODUCTION	7
Policy Context	7
2. METHODOLOGY	11
Submarkets for housing	11
Principles of Viability Testing	12
3. ANALYSIS OF RESIDUAL VALUES FOR A RANGE OF DEVELOPMENT SCENARIOS	14
Introduction	14
Assumptions and variables	14
Affordable Housing provisions – Results and Analysis	15
Viability Testing of developments with 15% Affordable Housing	17
Viability Testing of developments with 20% Affordable Housing	19
Viability Testing of developments with 25% Affordable Housing	21
Viability Testing of developments with 30% Affordable Housing	23
Further testing and settlement specific assessments	25
Settlement Testing	26
4. OPTIONS FOR SITE SIZE THRESHOLDS	29
Trends from completions	29
Trends in current planning permissions	30
5. SUMMARY AND CONCLUSIONS	35
The viability of specific sites	35
Thresholds	36
Commuted Sums	36
The current housing market	36
APPENDICES	37

APPENDIX 1	37
APPENDIX 2 – LIST OF DEPOSIT LDP ALLOCATIONS AND RELEVANT HOUSE MARKET AREA	38
APPENDIX 3 – TOTAL ALLOCATIONS IN HOUSE PRICE AREAS INDICATED AS VIABLE AT 25%	44
APPENDIX 4 – TOTAL ALLOCATIONS IN HOUSE PRICE AREAS INDICATED AS UNVIABLE AT 25%	45
APPENDIX 5 – TOTAL PROJECTED AFFORDABLE HOUSING TOTALS OVER LDP PERIOD	46

Glossary of Terms

<p>Acceptable Cost Guidance (ACG)</p>	<p>The ACG is a figure determined by WAG to be a reasonable estimate of the cost of development of a particular dwelling type in a particular locality and which includes land, construction and on-costs. They are available from the Local Planning Authority. ACG is the number WAG uses to determine whether a proposed Housing Association development of affordable housing offers value for money and the Social Housing Grant when available is usually 58% of ACG grant funding for housing association development projects.</p>
<p>Affordable Housing</p>	<p>Affordable Housing - housing provided to those whose needs are not met by the open market. Affordable housing should:</p> <ul style="list-style-type: none"> • meet the needs of eligible households, including availability at low enough cost for them to afford, determined with regard to local incomes and local house prices; and • include provision for the home to remain affordable for future eligible households, or if a home ceases to be affordable or staircasing to full ownership takes place, any subsidy should generally be recycled to provide replacement affordable housing. <p>This breaks down into two sub-categories:</p> <ul style="list-style-type: none"> • social rented housing - provided by local authorities and <i>registered social landlords</i> where rent levels have regard to the Assembly Government's <i>guideline rents</i> and <i>benchmark rents</i>; and • intermediate housing - where prices or rents are above those of social rented housing but below market housing prices or rents. This can include equity sharing schemes (for example <i>Homebuy</i>). Intermediate housing differs from low cost market housing, which the Assembly Government does not consider to be affordable housing for the purpose of the land use planning system.
<p>Cantref</p>	<p>A local Housing Association which is a Registered Social Landlord and owns or manages social housing and is regulated by the Welsh Assembly Government.</p>
<p>Common Housing Register (CHR)</p>	<p>A register for people who wish to be considered for social rented accommodation owned by Pembrokeshire County Council, Pembrokeshire Housing, Cymdeithas Tai Cantref and / or Cymdeithas Tai Dewi Sant. Applicants need only make one application to be considered by all the agencies.</p>

<p>The Three Dragons Development Appraisal Toolkit (DAT) 3 Dragons</p>	<p>A software tool which is used to carry out development appraisals. The DAT calculates all the costs of development, allows for reasonable profits to the parties and produces a scheme specific residual land value. This indicates whether the development is likely to be economically viable The DAT has been developed for a consortium of Welsh Local Authorities and partner Housing Associations and the process included consultation with HBF and other stakeholders.</p>
<p>Development Management (DM)</p>	<p>The section of the Council that deals with Planning Applications.</p>
<p>Design Quality Requirement (DQR)</p>	<p>This is the design standards that the Welsh Assembly Government requires all Social Rented Housing to be built to.</p>
<p>Intermediate Rent</p>	<p>A type of tenure where the tenant pays a rent to the registered provider (who retains full ownership of the unit) that is above that of social rent but is lower than the open market rental value.</p>
<p>Joint Unitary Development Plan (JUDP)</p>	<p>The current adopted development plan for Pembrokeshire adopted in 2006 by the County Council which sets out policies and plans which are used to determine planning applications.</p>
<p>Local Development Plan (LDP)</p>	<p>The emerging development plan for Pembrokeshire County Council – anticipated to be adopted in 2012.</p>
<p>Low Cost Home Ownership (LCHO)</p>	<p>LCHO are homes for sale at discount compared to open market value where a planning agreement ensures that the discount remains available in perpetuity to people identified as being in housing need.</p> <p>Affordable Housing that is available to purchase at a price below the open market value. Low Cost Home Ownership homes in Pembrokeshire are available to purchase by eligible people at a fixed multiple of the Pembrokeshire median household income. Prices vary according to the size of the property.</p>
<p>Pembrokeshire Housing Association (PHA)</p>	<p>A local housing association which is a Registered Social Landlord owning and managing social housing and which is regulated by the Welsh Assembly Government.</p>

PCC Local Development Plan Background Paper – Affordable Housing
Viability Assessment (2010)

Registered Social Landlord (RSL)	A body registered with the WAG as being eligible to provide Social Housing according to strict criteria.
Social Housing Grant (SHG)	Capital grant provided by the Welsh Assembly Government to Local Authorities to fund Registered Social Landlords to partially or fully fund investment in or development of Social Housing.
Supplementary Planning Guidance (SPG)	A technical document document produced by the County Council to provide additional information on a policy area and is a material consideration when determining a planning application.
Technical Advice Notes (TAN)	A series of technical documents published by the Welsh Assembly Government which provide specific technical policy guidance on a topic area.

1. Introduction

- 1.1 The aim of this Affordable Housing Viability Assessment (AHVA) is to inform Pembrokeshire County Council's Local Development Plan (LDP), in accordance with the requirements of the Welsh Assembly Government's Technical Advice Note 2 (TAN 2) which emphasises the importance of testing the viability of affordable housing policy targets.
- 1.2 There are two main planning policy levers available to local planning authorities when seeking to increase the supply of affordable housing. These are:
- i. to specify the percentage of affordable housing that will be required on mixed tenure sites and
 - ii. the size of the site above which affordable housing will be sought (the site size threshold).
- 1.3 This Assessment will:
- Advise on the threshold(s) for affordable housing which represent ambitious targets but which are achievable and viable.
 - Assess the impact of the size and location of housing sites within Pembrokeshire on housing viability and as a result, recommend a site size threshold for seeking affordable housing.
- 1.4 For convenience, in this document "Pembrokeshire" refers to the LDP area, which should be taken to mean the County excluding the National Park. The Pembrokeshire Coast National Park area has a separate LDP that has been adopted by the National Park Authority.

Policy Context

Welsh Assembly Government - Planning Policy Wales (PPW Edition 3, 2010)

- 1.5 PPW Edition 3, 2010 states that "*A community's need for affordable housing is a material planning consideration which must be taken into account in formulating development plan policies.*" (Paragraph 9.2.14). It goes on to state that Development Plans must include an authority-wide target for affordable housing (expressed as numbers of homes) based on the Local Housing Market Assessment (LHMA) (as described below) and identify the expected contributions that the policy approaches identified in the development plan (for example, site thresholds, site specific targets, commuted sums and affordable housing exception sites) will make to meeting this target. "*The target should take account of the anticipated levels of finance available for*

affordable housing, including public subsidy, and the level of developer contribution that can be realistically sought.”(Paragraph 9.2.16)

Welsh Assembly Government -Technical Advice Note 2: Planning and Affordable Housing (TAN 2, 2006)

- 1.6 TAN 2 (2006) does not provide any national guidance on appropriate thresholds; this is left for Local Planning Authorities to identify. However it states that “*When setting site-capacity thresholds and site specific targets local planning authorities should balance the need for affordable housing against site viability.*” (Paragraph 10.4)

Adopted Local Policy

Joint Unitary Development Plan for Pembrokeshire (2000-2016)

- 1.7 The adopted Development Plan for Pembrokeshire is the Joint Unitary Development Plan (JUDP) which was adopted in July 2006. This Plan is a joint plan between Pembrokeshire County Council and Pembrokeshire Coast National Park Authorities; therefore figures on housing cover both areas. This identified that of 9000 dwellings forecast to be constructed between 2000 and 2016; approximately 1800 should be for affordable housing. (Paragraph 5.4.28).
- 1.8 Policy 50 Affordable Housing within the JUDP established the locations in which affordable housing would be required. For Pembrokeshire County Council’s planning area this included all sites allocated for housing development and any large sites permitted for housing development. The supporting text identified that this would apply to sites with an area of 1.5ha in the main settlements and 0.75ha or larger on sites within the rural areas.

Affordable Housing in Pembrokeshire Supplementary Planning Guidance (2006)

- 1.9 The Authority adopted Supplementary Planning Guidance on Affordable Housing in 2006 which established how affordable housing would be delivered in the County including details of who would be eligible for affordable housing. This clarified that at application stage the Development Appraisal Toolkit (DAT) would be used as one method to assess the viability of sites.

Local Housing Market Assessment

- 1.10 The Local Housing Market Assessment provides affordable housing need figures for Pembrokeshire. The figures primarily take account of household growth of approximately 446 a year (2005 to 2015) for the County as a whole as well as data contained in the Common Housing Register. Residential completions averaged 556 per annum in Pembrokeshire between 2001 and 2006, 468 per annum outside the National Park and 89 per annum within, a ration of 84:16

1.11 If the figures of need identified in the Local Housing Market Assessment are shared using this ratio, the number of affordable housing units that would need to be built is shown in the table below. Whether the current backlog of need is addressed in 2 or 20 years, depending on the quota used, the provision of affordable housing is more than double the current completion rate of all residential property.

Figure 1: Number of dwellings per annum needed to address existing backlog of need over 2 to 20 years plus newly arising need:

Quota to reduce current backlog (% per annum)	Number of Years to address existing need	Number of dwellings to be provided per annum	Number of dwellings per annum in the National Park at 16%	Number of dwellings per annum Outside the National Park	As a % of total completions
5	20	1406	225	1181	253%
10	10	1539	246	1293	277%
15	6.6	1672	268	1404	301%
20	5	1806	289	1517	325%
25	4	1939	310	1629	349%
30	3.3	2072	332	1740	372%
35	2.8	2205	353	1852	396%
40	2.5	2338	374	1964	420%
50	2	2605	417	2188	468%

1.12 The Local Housing Market Assessment shows a very high level of need, significantly above development levels experienced in the County (1406 affordable homes needed per year over 20 years to meet the identified need when on average 556 homes are constructed each year). Both PCC and PCNPA have expressed concerns over the robustness of the methodology involved in the Local Housing Market Assessment.

Common Housing Need Register

1.13 The Common Housing Register is a list of all the people who have applied for social housing in Pembrokeshire shared between all Registered Social Landlords in the county. Applicants on the Register are categorised (or banded) according to need. There are three bands: gold, silver and bronze. Applicants in the gold and silver bands are

those which Pembrokeshire County Council has a legal requirement to house or are trying to prevent becoming homeless. In 2008, 2427 people on the Common Housing Register were in the Pembrokeshire County Council LDP Plan Area with 426 in the National Park LDP Plan area. Both Authorities believe the Common Housing Register to be the most accurate assessment of existing need, although they recognise that this does not include future need.

Pembrokeshire Affordable Housing Delivery Statement (2009)

- 1.14 In line with WAG guidance, the Pembrokeshire Affordable Housing Delivery Statement provided an opportunity to introduce an interim policy in advance of the adoption of the LDP and include a target for delivery over that period.
- 1.15 Evidence collected for the Affordable Housing Delivery Statement demonstrated that the level of need for affordable housing had trebled from the time the JUDP was being prepared (in 2001) to 2008. Because of this increase, and supported by evidence from monitoring indicating that a substantial number of planning permissions occurred on sites below the thresholds established in the JUDP, the thresholds for negotiating affordable housing were altered. This was tested for viability by the 3 Dragons Toolkit. The Affordable Housing Delivery Statement policy is:

“Developers will be required to provide affordable housing:

- on housing sites with a net gain of 10 dwellings in the main towns of Fishguard, Haverfordwest, Milford Haven, Pembroke, Pembroke Dock, Neyland and Narberth;***
- in all other locations where there is a net gain of 5 or more dwellings.”***

Where social housing grant is available 40% of dwellings on the site should be for affordable housing. On sites where no social housing grant is available 20% of dwellings should be affordable.”

Local Development Plan

- 1.16 Lack of Affordable Housing to meet local needs is one of the key issues for the Local Development Plan to address, included under the heading of “Sustainable Communities Issues”. It is important that whatever target is identified for the Local Development Plan it is deliverable. This Assessment is the opportunity to review current policies and identify whether or not a change in approach is necessary.

2. Methodology

- 2.1 This chapter sets out the methodology used to conduct the Affordable Housing Viability Assessment. It explains how sub-markets within the overall Pembrokeshire housing market were identified (based on similar house price areas and ACG bands) and explains how the analysis of sites was undertaken.
- 2.2 A software package which is designed to assess the impact of affordable housing provision on the viability of residential development sites has been utilised during this assessment process. The software is known as the Three Dragons Development Appraisal Toolkit (DAT).
- 2.3 The DAT utilises a series of figures representing the costs and proceeds of development to calculate an estimate of the residual value of a development. It allows for the input of different types of funding, changes in market values, different mixes of housing types and tenures, varying levels of profit and build costs, and any exceptional costs attached to a particular site.

Submarkets for housing

- 2.4 The Three Dragons Development Appraisal Toolkit (DAT) divides Pembrokeshire into eight house price areas, where house price levels are broadly similar. These are identified on the map in Appendix 1.
- 2.5 When the Welsh Assembly Government considers the amount it should cost a Registered Social Landlord to build an affordable home, it uses a figure called the Acceptable Cost Guidance figure (ACG). These costs vary from area to area so there are six bands of ACG, ranging from Band 1 to Band 6. All settlements in Pembrokeshire are in one of the four lowest bands (Bands 1 to 4). The price paid for a low cost home ownership house or a socially rented house is a percentage of the ACG, which is why the ACG bands have also been factored into the assessment of viability.
- 2.6 Considering the house price areas and ACG bands together produces 17 combinations of areas in Pembrokeshire. The Deposit Local Development Plan includes allocations for housing development in 12 of these areas. Three of the areas where there are no allocations are situated in the Pembrokeshire Coast National Park. In the other two, Merlins Bridge and Uzmaston, there are no proposed LDP housing allocations. Viability tests have been undertaken on the 12 areas where there are proposed housing allocations.

Figure 2: The combinations of House Price Area and ACG Band that occur in Pembrokeshire.

ACG band	Market Price Area	Viability testing reference	Number of proposed LDP allocations in each category
1	Rest of Rural Pembs	E	18
1	Rural north east	F	5
1	Rural south and west coast	G	12
2	Fishguard	I	3
2	Haverfordwest	J	0
2	Milford Haven	K	7
2	Pembroke	L	3
2	Rest of Rural Pembs	M	10
2	Rural north east	N	1
2	Rural south and west coast	P	5
2	Tenby	Q	0
3	Haverfordwest	S	5
3	Pembroke	U	8
3	Rest of Rural Pembs	V	0
3	Rural south and west coast	X	0
3	Tenby	Y	2
4	Tenby	Z	0

Principles of Viability Testing

- 2.7 A Development Appraisal that calculates the residual value of a development is an appropriate tool for this assessment as it is the approach that the majority of developers utilise when deciding whether to purchase land to develop. This model assumes that the value of the site will be the amount available for purchase after deducting the income the scheme generates from costs of development, (including a reasonable profit for the developer). The Three Dragons DAT used by the Authority mirrors this approach and takes into account the effect of affordable housing requirements and other section 106 contributions.
- 2.8 The DAT takes account of developer's profit and all the other costs of the scheme including such items as professional fees, finance costs, marketing fees and any overheads borne by the development company. A viability testing day conducted by the Authority attended by a range of representatives from the development industry provided comments, feedback and validation of the figures used by the authority for entry into the DAT. (See Background Paper: Stakeholder Seminar, Viability Testing of Affordable Housing, 2010).
- 2.9 The gross residual value is the starting point for negotiations about the level and scope of section 106 contributions, including for

affordable housing. Once the section 106 contributions have been deducted, this leaves a net residual value.

- 2.10 Development of a site is unlikely to proceed if the costs of the proposed scheme exceed the expected revenue. However simply having a positive residual value will not guarantee that development takes place. The existing use value of the site, alternative use values for the site and the expectations of the land owner are all factors in deciding whether a site is likely to be developed. Understanding the land market for an area is therefore important in assessing whether the net residual value is likely to represent a price at which the landowner would sell to a developer. As part of the Stakeholder Seminar conducted by the authority, which focused on viability testing, representatives of the development industry were asked about their experiences and expectations of land values in the Plan area. Whilst recognising that such feedback can only be very general in nature, a gross residual value of £400,000 per hectare was broadly agreed to be a reasonable benchmark figure. (See Background Paper: Stakeholder Seminar, Viability Testing of Affordable Housing, 2010).

3. Analysis of residual values for a range of development scenarios

Introduction

3.1 This chapter contains the results and analysis of viability tests undertaken for a number of notional mixed tenure residential developments. The analysis is based on a hypothetical 1 hectare site and has been undertaken for the 12 areas in which at least one LDP housing allocation is located, as identified in Chapter 2. The Appendices identify which area different allocations within the LDP are located within.

Assumptions and variables

3.2 A number of different scenarios were tested for the viability testing, using a range of constants and assumptions, which were informed by feedback from the Stakeholder Seminar on Viability Testing held in 2010 with the development industry (see Background Paper: Stakeholder Seminar, Viability Testing of Affordable Housing, 2010). Assumptions include:

- A 1 hectare site, chosen to allow a good mix of unit types and to directly produce a residual value per hectare, regardless of the size of allocated sites in the locality.
- House price data based on HM Land Registry data and other comparable sales evidence
- Code for Sustainable Homes Level 3 costs are included in the construction cost rate per sq.m.
- Every affordable dwelling sold to an RSL for social renting to be sold by the developer for 42% of the dwellings's ACG
- A reasonable mix of units applied across all areas, but varying according to the density being tested.
- A developer's profit of 17%
- Build costs varying from £905 to £1,086 per sq.m. according to type of dwelling
- Finance based on 6% borrowing rate for half of the development costs and all of the land purchase costs over the period of development
- Planning obligations of £7,098 per dwelling, including contributions towards education, transport and waste services.
- That Social Housing Grant would not be available
- That the affordable element of the housing would be 60% social rented and 40% low cost home ownership

- 3.3 The viability tests were conducted by maintaining the assumptions listed above as constant elements of the calculations whilst changing the variable factors listed below.
- The percentages of affordable housing – 15%, 20%, 25% and 30% of the total development.
 - The densities of development sites – 25dph, 35dph and 40dph

Affordable Housing provisions – Results and Analysis

- 3.4 The graphs below display the results of testing with a 15%, 20%, 25% and 30% affordable housing requirement in the different sub-housing market areas across Pembrokeshire. The residual values of sites vary significantly depending on the percentage of affordable housing, the house market area and the ACG band. Density can also have an impact on viability, with higher residual land values resulting in Penally (ACG 3), Haverfordwest (ACG 3) and at some percentages in Rural South & West Coast (ACG 2) as density increases. This is not however the case in all locations for example in Rest Rural Pembrokeshire (ACG 1), where the residual land value decreases with increasing density. These variations can be explained by looking in detail at the balance of dwelling types, and by understanding which types and tenures result in the greatest loss or profit, in particular areas and ACG bands.
- 3.5 Viability testing cannot perfectly capture the intricacies of individual sites as all sites have unique requirements and factors affecting development. For example the build costs, and consequently the residual land value, will vary depending on factors such as accessibility, contamination and infrastructure. Furthermore even within the House Price areas used above there is significant variation in house prices achieved between different settlements which will affect resale value and therefore the residual land value. The viability testing scenario results should therefore be treated as indicative only, and not necessarily precise residual values for individual allocations or sites.
- 3.6 The purpose of this exercise is to give a reasonable degree of certainty as to the general viability of the proposed policies, and cannot be expected to give an exact valuation of development land in any given location. These tests will assist in identifying a general percentage target for the LDP, recognising that if an applicant can properly demonstrate that their site is unviable at that percentage then the requirement can be lowered.
- 3.7 Affordable housing contributions of 15%: The results of the scenario testing where the proportion of affordable housing is 15% show that the majority of house price areas tested result in a positive residual value. However this alone is not enough to prove viability. The assumption used is that a residual land value of £400,000 a hectare (£160,000 an acre) is generally accepted as a reasonable price for land and a

sufficient price to encourage land owners to sell their land. On this basis, of the 12 areas tested, six areas achieved this residual value at different densities. Those six scenarios achieving this residual land value were Rural South and West Coast (ACG1), Pembroke (ACG 2) Pembroke (ACG 3), Rural South and West Coast (ACG 2), Haverfordwest (ACG 3), and Penally (ACG 3).

- 3.8 Affordable housing contributions of 20%: The results of the scenario testing at 20% affordable housing are very similar to that of 15%, with the same six house price areas identified above again achieving residual land values of over £400,000 a hectare on at least one density combination.
- 3.9 Affordable housing contributions of 25%: The results of the scenario testing at 25% affordable housing are very similar to that of 20%, but with only five house price areas achieving residual land values of over £400,000 a hectare on at least one density combination. One of the house price areas which achieves residual land values of over £400,000 at other percentages (Pembroke ACG 3), achieves just below this value at 40dph at 25% achieving a residual land value of £385,000 per hectare.
- 3.10 Affordable housing contributions of 30%: When the affordable housing contribution is 30% four house price areas achieve a residual land value of over £400,000 a hectare. Pembroke ACG 3 achieves significantly below the £400,000 a hectare value at this density achieving a residual land value of £273,000 at a density of 40dph.

Viability Testing of developments with 15% Affordable Housing

Figure 3

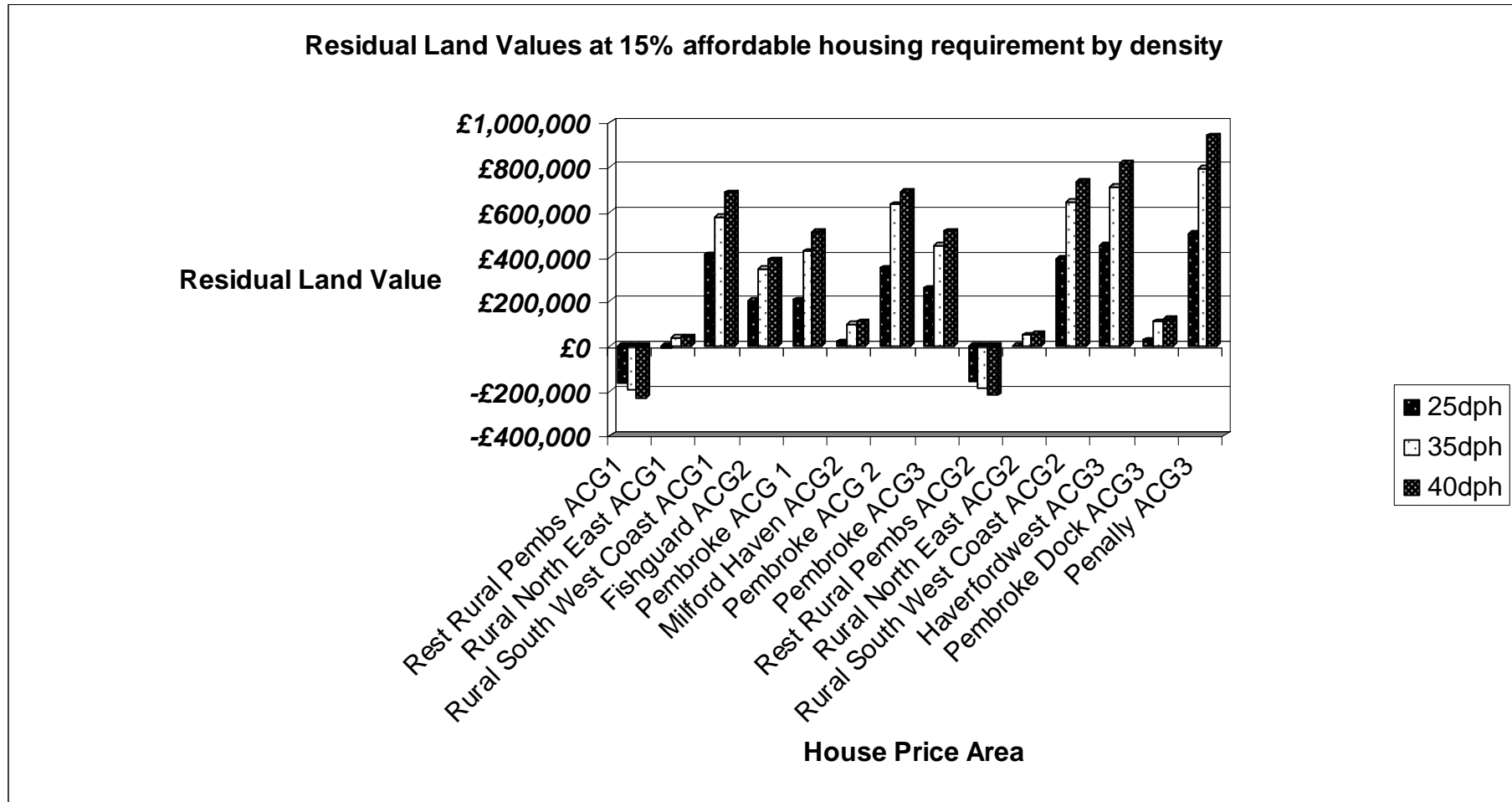
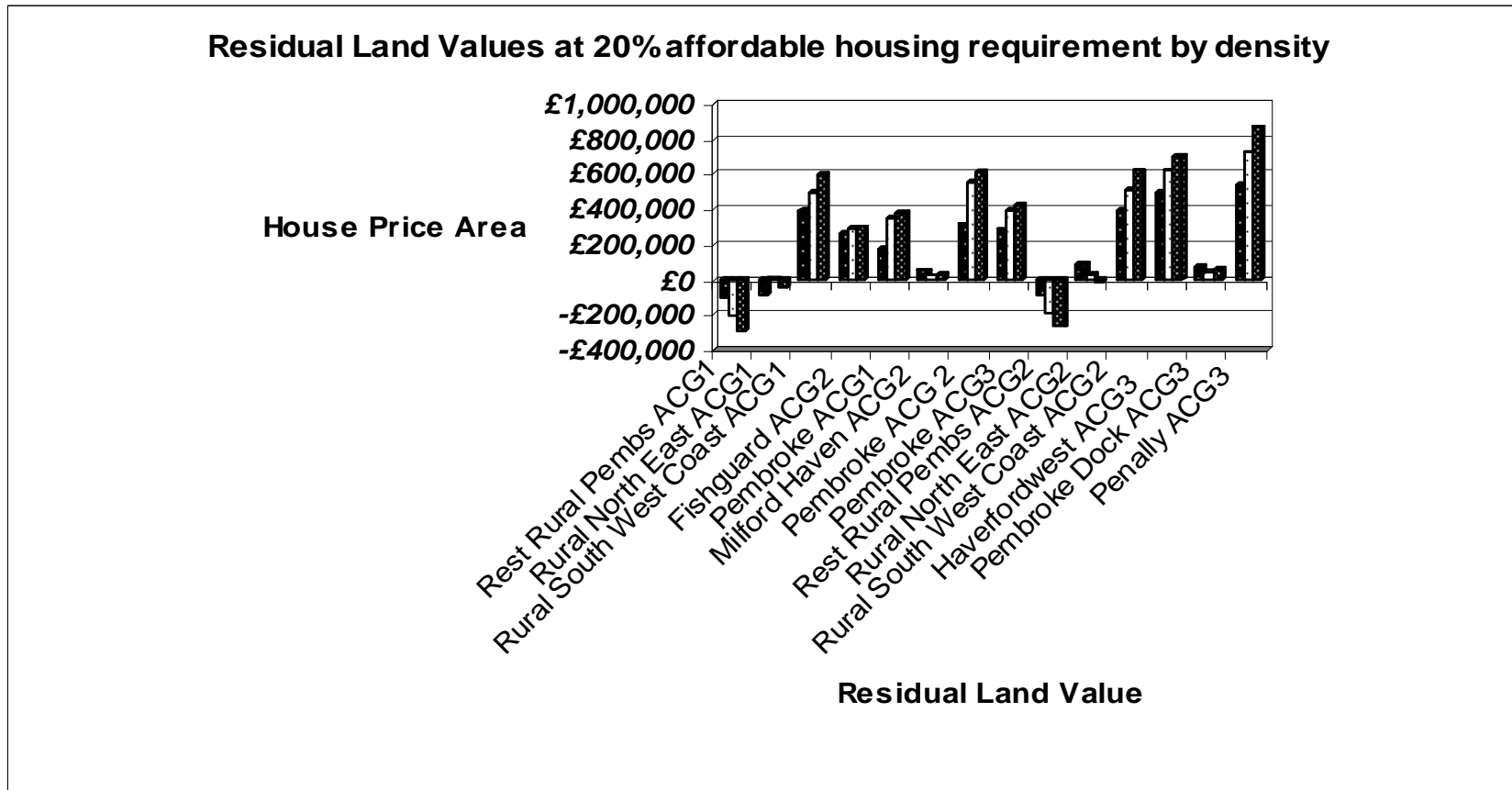


Figure 4: The Residual Value of developments where 15% of dwellings are affordable

15% affordable housing	25dph	35dph	40dph
Rest Rural Pembs ACG1	-£169,000	-£196,000	-£232,000
Rural North East ACG1	-£6,000	£40,000	£41,000
Rural South West Coast ACG1	£407,000	£577,000	£684,000
Fishguard ACG2	£201,000	£344,000	£387,000
Pembroke ACG 1	£208,000	£425,000	£510,000
Milford Haven ACG2	£18,000	£99,000	£109,000
Pembroke ACG 2	£349,000	£634,000	£689,000
Pembroke ACG3	£260,000	£449,000	£514,000
Rest Rural Pembs ACG2	-£161,000	-£186,000	-£221,000
Rural North East ACG2	£2,000	£50,000	£52,000
Rural South West Coast ACG2	£390,000	£644,000	£735,000
Haverfordwest ACG3	£450,000	£713,000	£815,000
Pembroke Dock ACG3	£26,000	£110,000	£122,000
Penally ACG3	£501,000	£792,000	£939,000

Viability Testing of developments with 20% Affordable Housing

Figure 5



PCC Local Development Plan Background Paper – Affordable Housing Viability Assessment (2010)

Figure 6 The Residual Value of developments where 25% of dwellings are affordable

20%			
	25dph	35dph	40dph
Rest Rural Pembs ACG1	-£98,000	£207,000	£293,000
Rural North East ACG1	-£86,000	£9,000	-£40,000
Rural South West Coast ACG1	£392,000	£492,000	£597,000
Fishguard ACG2	£264,000	£291,000	£301,000
Pembroke ACG1	£178,000	£348,000	£386,000
Milford Haven ACG2	£52,000	£22,000	£32,000
Pembroke ACG 2	£315,000	£560,000	£615,000
Pembroke ACG3	£286,000	£395,000	£424,000
Rest Rural Pembs ACG2	-£82,000	£186,000	£270,000
Rural North East ACG2	£93,000	£30,000	-£17,000
Rural South West Coast ACG2	£392,000	£513,000	£620,000
Haverfordwest ACG3	£501,000	£622,000	£706,000
Pembroke Dock ACG3	£69,000	£43,000	£54,000
Penally ACG3	£544,000	£722,000	£868,000

Viability Testing of developments with 25% Affordable Housing

Figure 7

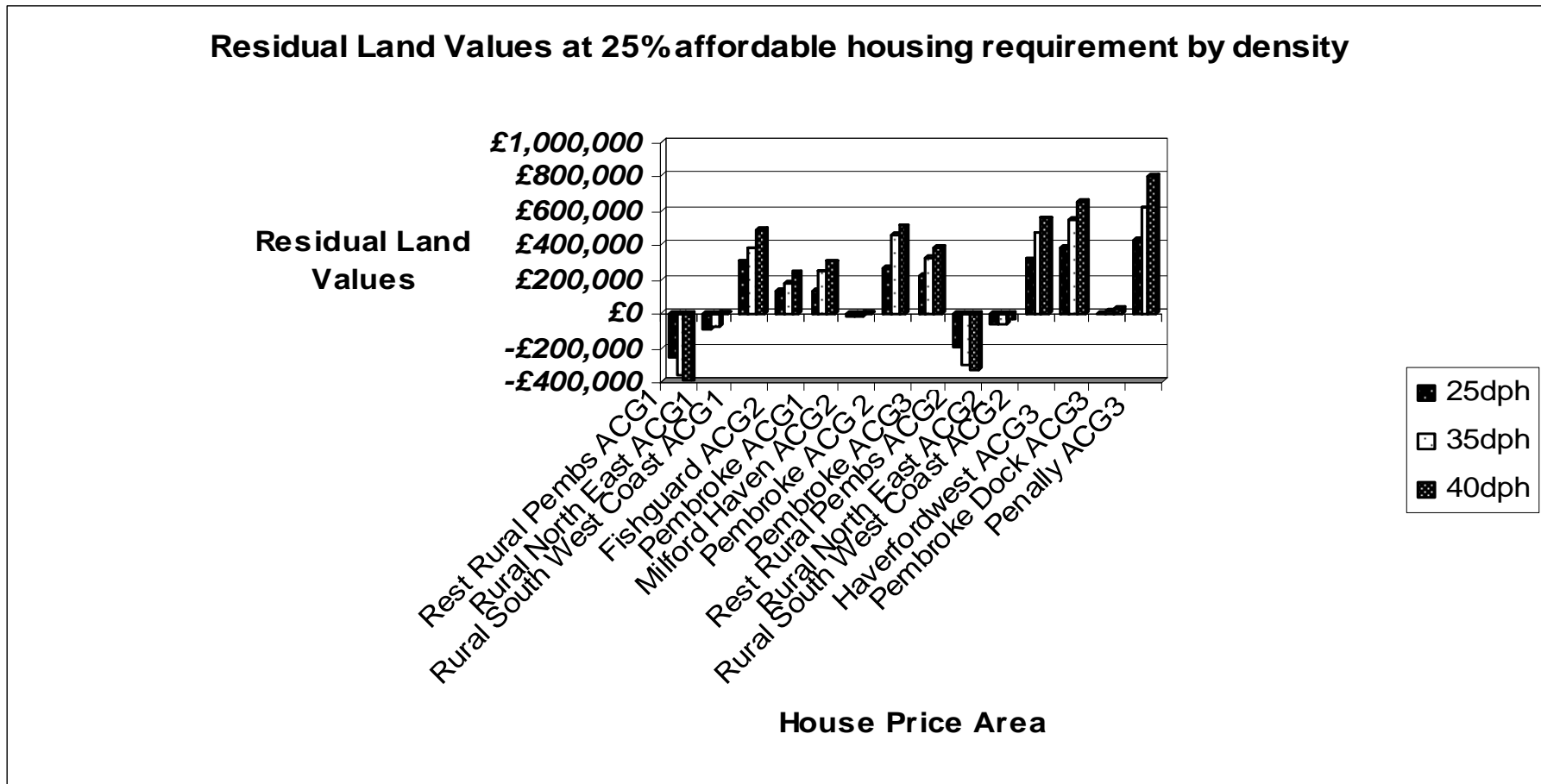


Figure 8 The Residual Value of developments where 25% of dwellings are affordable

25%			
	25dph	35dph	40dph
	-	-	-
Rest Rural Pembs ACG1	£258,000	£369,000	£398,000
Rural North East ACG1	-£98,000	-£81,000	£3,000
Rural South West Coast ACG1	£301,000	£376,000	£482,000
Fishguard ACG2	£134,000	£178,000	£229,000
Pembroke ACG1	£132,000	£241,000	£302,000
Milford Haven ACG2	-£25,000	-£17,000	£1,000
Pembroke ACG 2	£262,000	£452,000	£507,000
Pembroke ACG3	£218,000	£321,000	£385,000
	-	-	-
Rest Rural Pembs ACG2	£204,000	£303,000	£337,000
Rural North East ACG2	-£64,000	-£66,000	-£41,000
Rural South West Coast ACG2	£314,000	£462,000	£553,000
Haverfordwest ACG3	£385,000	£549,000	£650,000
Pembroke Dock ACG3	-£6,000	£12,000	£23,000
Penally ACG3	£422,000	£613,000	£802,000

Viability Testing of developments with 30% Affordable Housing

Figure 9

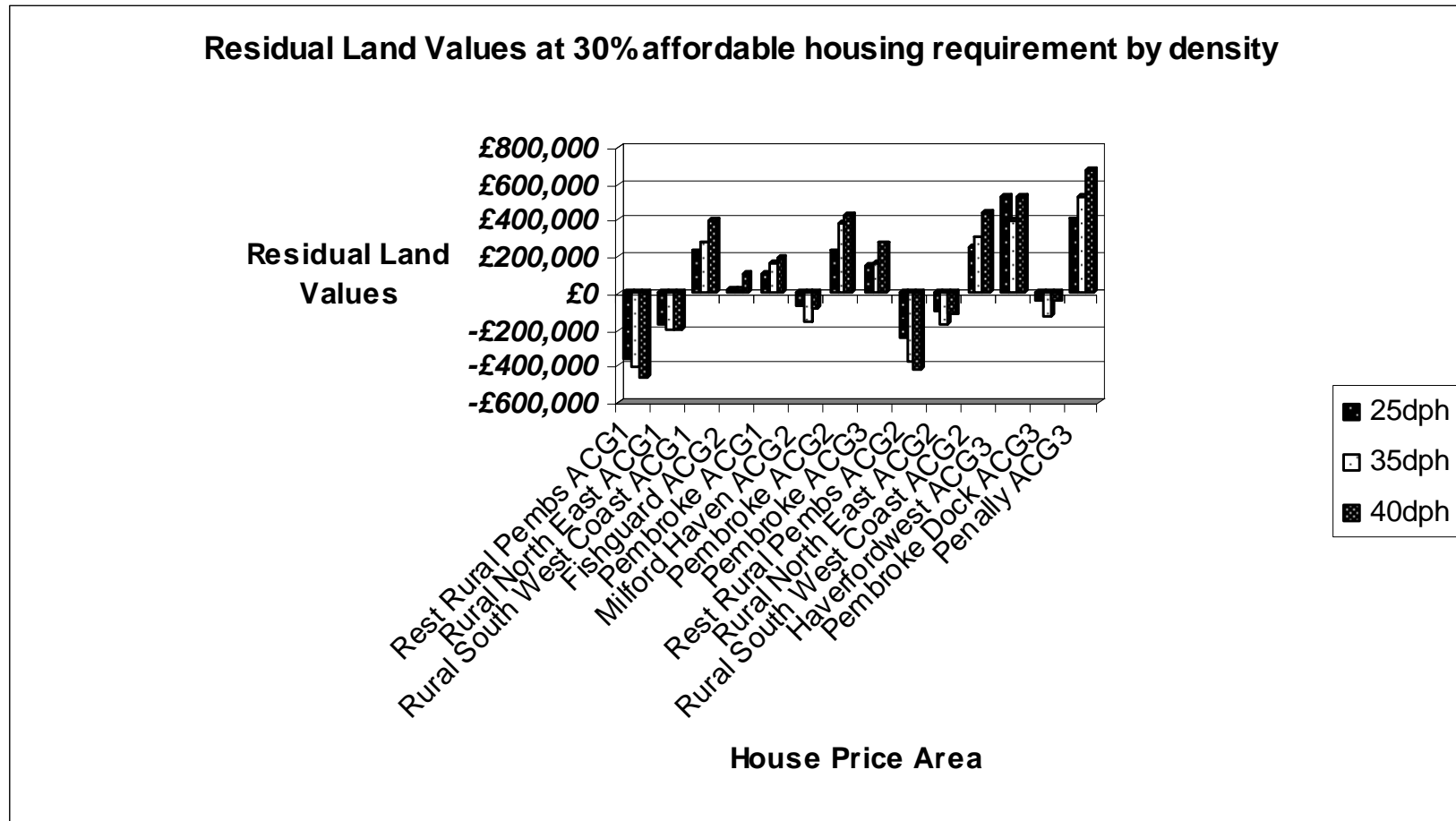


Figure 10

30%	25dph	35dph	40dph
Rest Rural Pembs ACG1	£362,000	£398,000	£457,000
Rural North East ACG1	£170,000	£198,000	£200,000
Rural South West Coast ACG1	£230,000	£275,000	£401,000
Fishguard ACG2	£16,000	£17,000	£109,000
Pembroke ACG1	£105,000	£169,000	£192,000
Milford Haven ACG2	-£70,000	£154,000	-£87,000
Pembroke ACG2	£231,000	£381,000	£424,000
Pembroke ACG3	£152,000	£169,000	£273,000
Rest Rural Pembs ACG2	£249,000	£370,000	£417,000
Rural North East ACG2	£102,000	£170,000	£119,000
Rural South West Coast ACG2	£253,000	£303,000	£441,000
Haverfordwest ACG3	£533,000	£397,000	£533,000
Pembroke Dock ACG3	-£46,000	£125,000	-£46,000
Penally ACG3	£406,000	£529,000	£676,000

Further testing and settlement specific assessments

- 3.11 The initial results above indicate a mixed picture on the ability of proposed LDP development sites to deliver a good provision of affordable housing on the site. In light of this, consideration was given to setting a varying target across Pembrokeshire for affordable housing contributions to reflect the differences in results between House Market areas, with lower percentage requirements in areas with low residual values. However it was also felt that the method of using House Price Areas produced general results, which did not always accurately reflect local conditions.
- 3.12 The Rest of Rural Pembrokeshire House Market Area covers a large area with a number of settlements, and a significant number of the proposed LDP allocations (23) are located there. House prices in this area vary by settlement and the experience of planning officers dealing with planning applications in settlements within this House Market Area is that it can be viable to provide affordable housing on developments in certain settlements. However initial results showed that none of the three testing scenarios resulted in a residual value of over £400,000 at any density in any part of the area
- 3.13 Further tests of viability were conducted on a hypothetical 1 hectare site in a selection of settlements within this House Market Area to ascertain whether a higher residual value was achievable in any of the settlements in the area and the results are shown below.

Settlement Testing

Figure 11

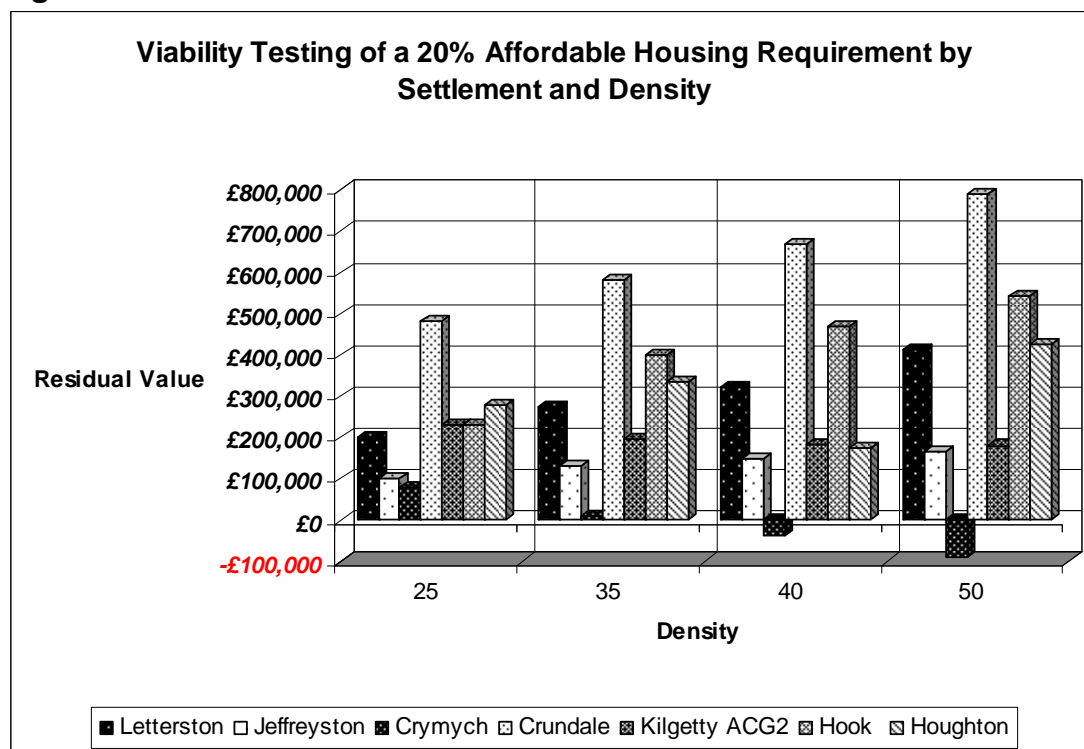


Figure 12 Residual Value of developments where 20% of dwellings are affordable

20% affordable	Density (Dwellings per hectare)			
	25	35	40	50
Letterston	£199,000	£274,000	£323,000	£414,000
Jeffreyston	£102,000	£132,000	£148,000	£164,000
Crymych	£77,000	£9,000	£-40,000	£-89,000
Crundale	£484,000	£584,000	£668,000	£792,000
Kilgetty ACG2	£232,000	£197,000	£183,000	£181,000
Hook	£232,000	£399,000	£468,000	£544,000
Houghton	£277,000	£335,000	£175,000	£425,000

Figure 13

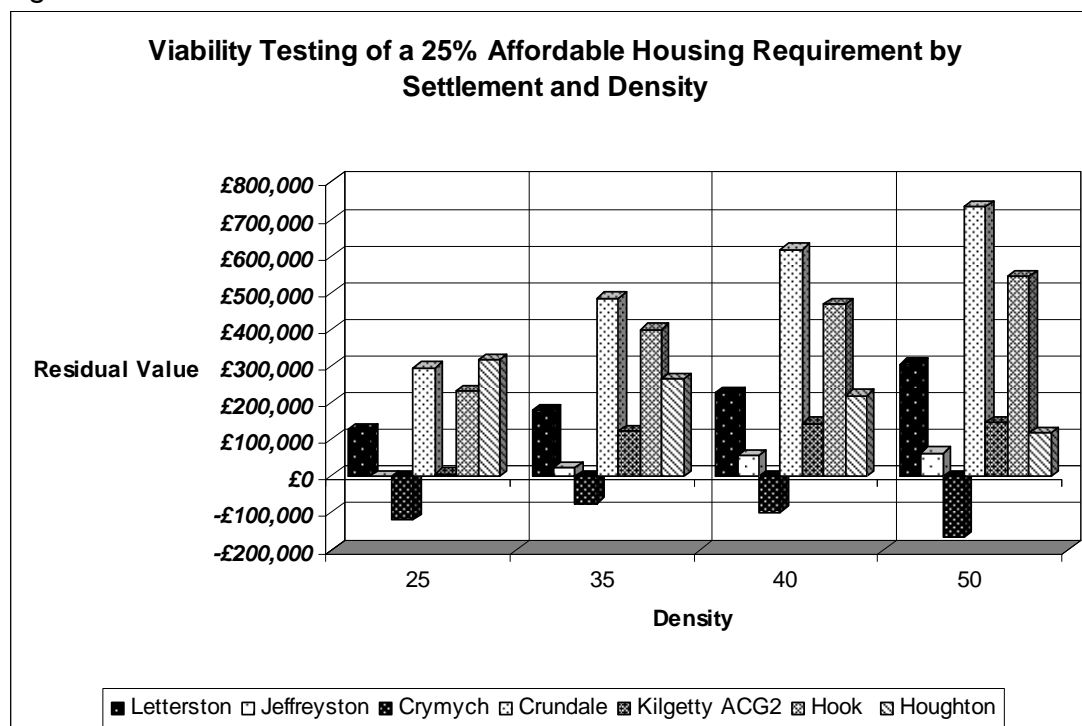


Figure 14: The Residual Value of developments where 25% of dwellings are affordable

25% affordable	Density (Dwellings per hectare)			
	25	35	40	50
Letterston	£126,000	£179,000	£228,000	£305,000
Jeffreyston	£0	£24,000	£56,000	£63,000
Crymych	-£118,000	-£74,000	-£98,000	-£165,000
Crundale	£295,000	£485,000	£617,000	£733,000
Kilgetty ACG2	£6,000	£122,000	£144,000	£147,000
Hook	£232,000	£399,000	£468,000	£544,000
Houghton	£316,000	£264,000	£220,000	£118,000

3.14 The testing of viability in individual settlements indicates that in some areas, such as Hook and Crundale, house prices can return a residual land value that would make development viable. There is such variation even within House Market Areas that setting a variable percentage target by area does not appear to be a reliable method of ensuring that the target will be valid for all sites within that area.

3.15 From these results a target of 25% affordable housing provision appears to be an ambitious but achievable target for many of the proposed housing allocations in the LDP. It is recognised that within House Price Areas and ACG bands there will be variation in residual values on individual sites and therefore it is important that it will be possible for developers at the planning application stage to negotiate

PCC Local Development Plan Background Paper – Affordable Housing
Viability Assessment (2010)

the provision of affordable housing if specific circumstances of individual sites mean the target provision is not viable.

4. Options for site size thresholds

- 4.1 Site size thresholds and the percentage of affordable housing sought in mixed tenure schemes, are the two key 'policy levers' which can be used to influence the amount of affordable housing delivered through the planning system. Where the supply of housing sites is dominated by very large sites, then a low threshold will serve little purpose but where an authority relies heavily on smaller sites, the level at which the threshold is set will have a major bearing on how much affordable housing is provided. In Pembrokeshire, historically (between 2006 and 2010), approximately 19% of dwellings have been built on single plots, 22% have been built on plots of two to five dwellings and the remaining 59% on plots of six or more (see figures 16 and 18).
- 4.2 Technical Advice Note 2 does not identify an indicative minimum site size threshold, though it does state that: "*information from a Joint Housing Land Availability Study could form the basis for determining site-capacity thresholds. This will indicate the proportion of housing completions expected to be provided on different size sites. If, for example, 90% of all housing completions are expected from sites of less than 5 units, then it may be appropriate to seek affordable housing on sites of 3 or more dwellings. However, site viability will be a critical factor to be considered in determining thresholds, particularly on small sites.*" (Para 10.6)
- 4.3 To understand the nature of land supply for housing in Pembrokeshire County Council, an analysis of all new dwellings completed over the last five years has been undertaken, examining the typical site size on which units are constructed. In addition to this further analysis has taken place on a snapshot of planning permissions (as at 1st April 2010) which includes all units under construction or not started in 2010, including those with outline planning permission.

Trends from completions

- 4.4 Figure 16 illustrates the number of dwellings completed (built) between 1st April 2006 and 1st April 2010 by site size. It is evident that there is a difference between the Urban Areas (Haverfordwest, Neyland, Milford Haven, Pembroke, Pembroke Dock, Fishguard, Goodwick and Narberth) and the remaining Rural areas (all other settlements) in the typical site size that units are being built on, with substantially more single plot developments in rural areas than in the towns (348 in rural areas compared to 140 in the towns). A greater number of units were completed on large sites in the urban areas than in the rural areas.
- 4.5 Once development has started on a site with planning permission, there is no time limit for its completion. This means that a developer could in some instances build a large site of 100 houses over a 10 or even 15 year period, building a few units a year. Because of this the

numbers in Figure 16 shows the total number of dwellings completed each year on sites of different sizes rather than the total with planning permission.

4.6 Under the current Affordable Housing Delivery Statement, Affordable Housing is required on developments of 5 or more dwellings in rural areas and 10 or more dwellings in urban areas. Based on those dwellings completed on sites between 2006 and 2010, this would have captured 41% of completions in rural areas and 65% of completions in urban areas (see Figure 18 Distribution of completed units 2006 – 2010 by site size threshold). **If the thresholds were based on 5 units in both rural and urban areas, 78% of completions in urban areas would have been within the threshold and 41% of completions in rural areas would have been within the threshold.**

4.7 Figure 18 considers different threshold sizes, and forecasts how many units as a percentage of overall dwellings (if future trends follow those of the past) would be on sites with a size exceeding the threshold, meaning that affordable housing could be sought.

Trends in current planning permissions

4.8 Because the units completed over the period 2006 to 2010 could have been granted planning permission over a much longer period of time, it is also important to look at current unimplemented planning permissions to ascertain whether the trends of smaller sites in rural areas is also reflected in this data.

4.9 Figure 17 illustrates the number of dwellings with planning permission which were either under construction or not started at the 1st April 2010 by site size. This again demonstrates the differences between the urban and rural areas with a greater number of single plots with planning permission in rural areas and a greater number of dwellings on larger sites in urban areas.

4.10 Under the current Affordable Housing Delivery Statement thresholds, the threshold of 10 in urban areas would capture 85% of existing permissions. The threshold of 5 in rural areas would capture 64% of dwellings with planning permission in rural areas (see Figure 17 Distribution of permitted units by April 2010 by site size). If the threshold were to be based on 5 units in both rural and urban areas, 88% of current dwellings with planning permissions in urban areas would be caught and 64% of current dwellings with planning permissions in rural areas would be captured. To capture over 80% of permissions in rural areas would require a threshold of 2.

4.11 The table below illustrates the percentage of dwellings that would be captured by different thresholds, depending on whether the data from

completions or existing permissions is used. It illustrates the difference between urban and rural areas.

Figure 15 showing percentage of dwellings captured by potential thresholds for affordable housing:

Potential threshold	% dwellings captured urban based on completions 2006-2010	% dwellings captured urban based on permissions (April 2010)	% dwellings captured rural based on completions 2006 - 2010	% dwellings captured rural based on permissions (April 2010)
2	91	96	68	83
3	86	94	55	75
5	78	88	41	64
10	65	85	30	51
15	55	82	20	46

4.12 Based on the evidence of past completions and current permissions, setting a threshold of 5 units for the whole Plan area appears to maximise the delivery of affordable housing in urban and in rural areas where growth is being promoted in sustainable locations. In smaller villages a different policy approach and threshold is proposed (See Background Paper: Scale and Location of Growth, 2010).

Figure 16: Number of dwellings built between 2006 and 2010 on sites of different sizes

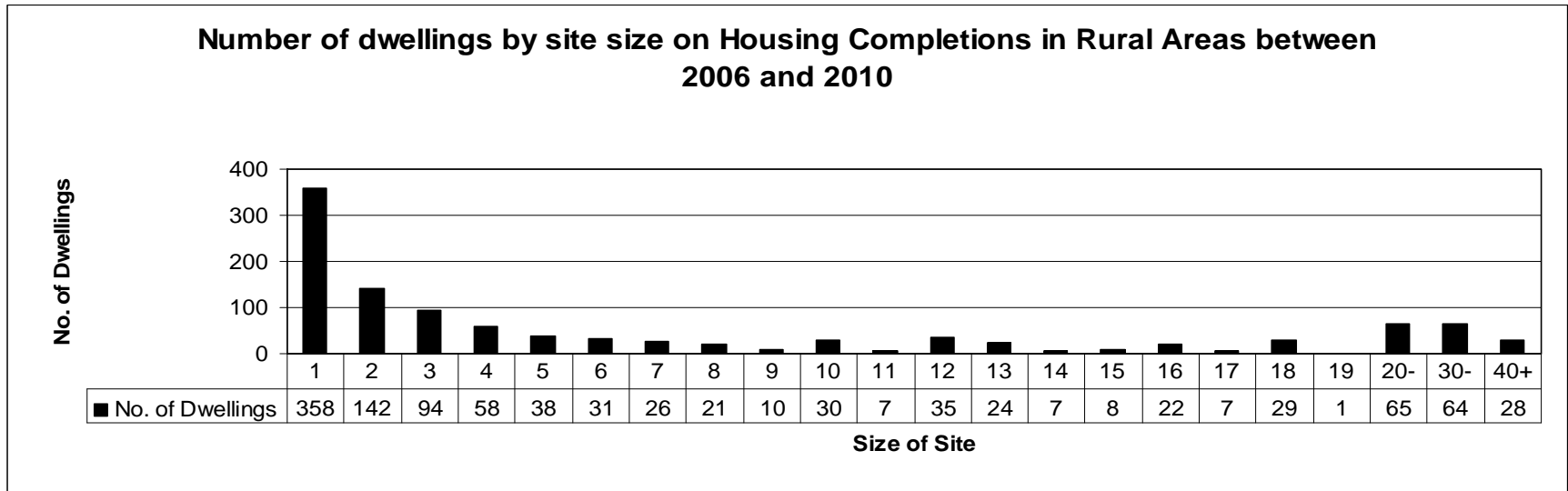
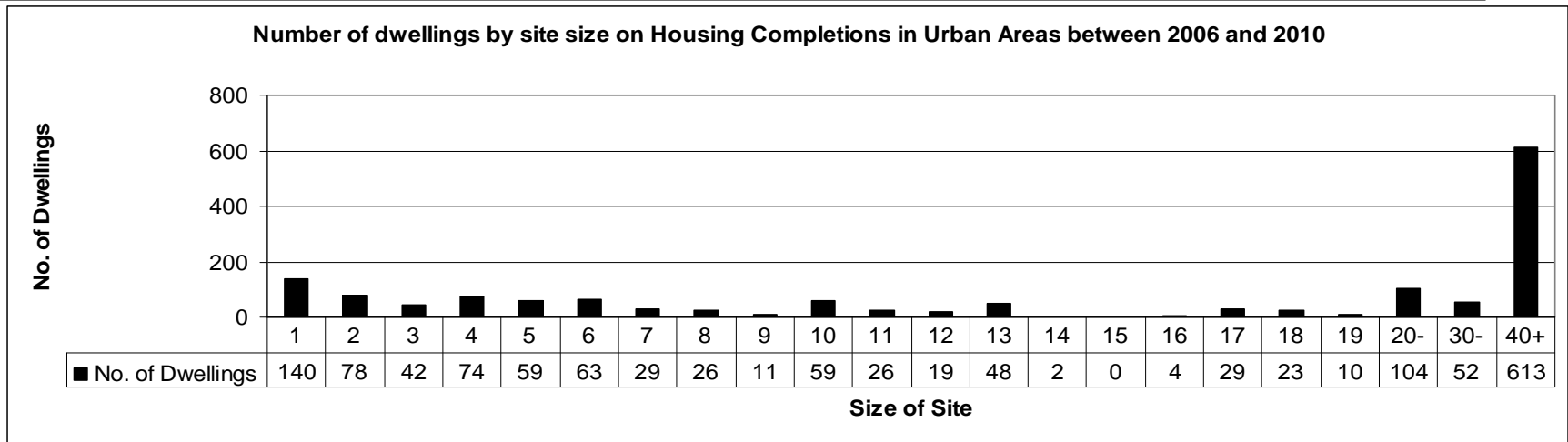


Figure 17: Number of dwellings with planning permission at 1st April 2010 on sites of different sizes.

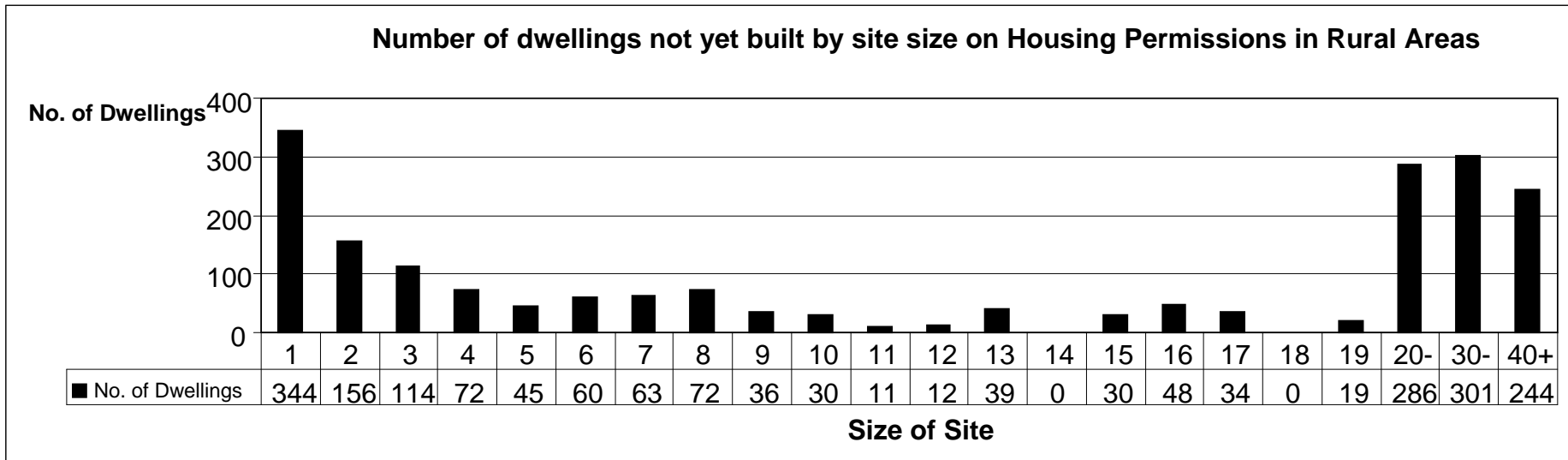
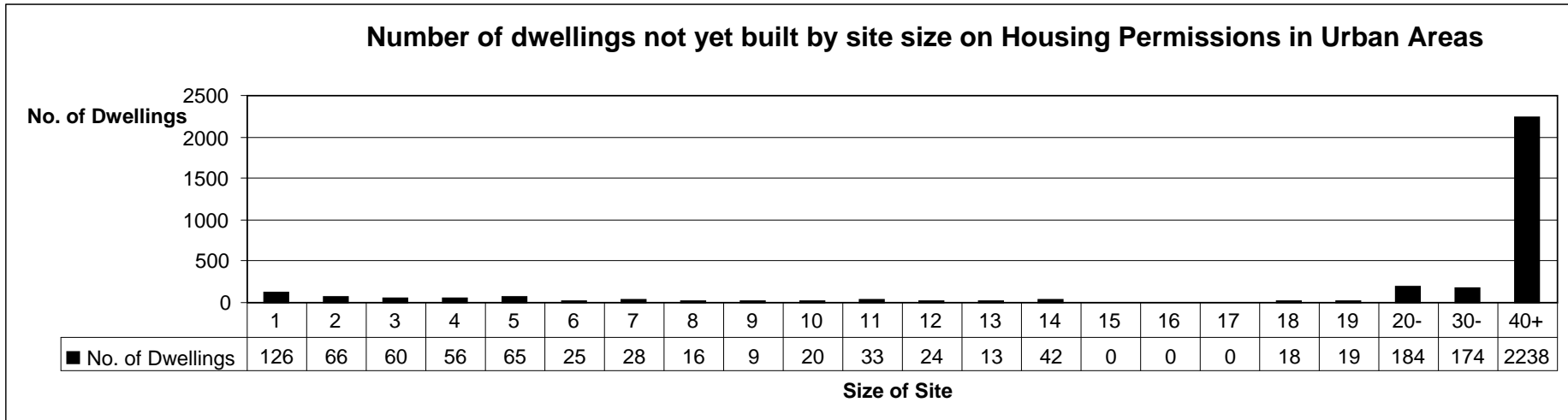
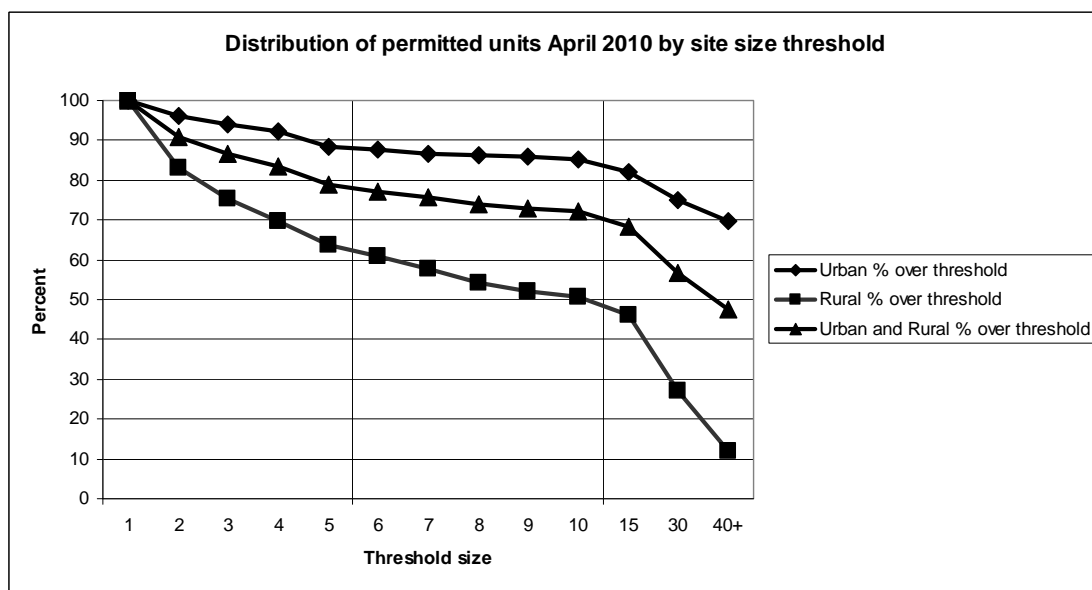
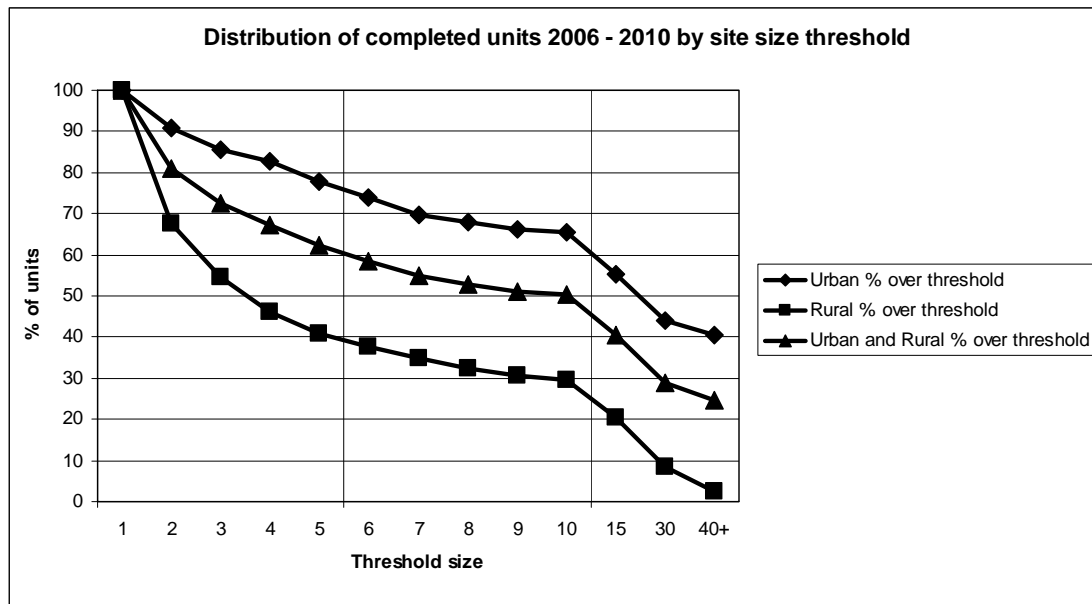


Figure 18: Distribution of completed units 2006 – 2010 by potential site size threshold



5. Summary and Conclusions

- 5.1 This Affordable Housing Viability Assessment has identified 17 potential combinations of house market areas and ACG bands in Pembrokeshire. Of these, 12 have proposed LDP allocations identified within them and it is notional developments within these 12 areas have therefore been tested using the 3 Dragons DAT.
- 5.2 The market values of dwellings vary across the areas. These differences in market values were reflected in differences in residual values which varied not only depending on the location but also on the density of the development and the proportion of the development provided as affordable housing.
- 5.3 Pembrokeshire's highest residual values when testing 25% affordable housing occurred in the more urban areas around Tenby in the South, Haverfordwest, Pembroke and in the area identified as the Rural South and West Coast. The lowest residual values occurred in the House Price area identified as Rest of Rural Pembrokeshire (ACG Bands 1 and 2).
- 5.4 This reflects the fact that generally house prices in rural areas away from the coast are lower. However within this area there is significant variation in house prices and the Authority has tested and illustrated that some settlements within the Rest of Rural Pembrokeshire (ACG Band 1) can achieve residual land values of over £400,000 a hectare and therefore can be considered reasonably viable.
- 5.5 The appraisals indicate that 25% affordable housing provision appears to be a realistic and achievable target for the Local Development Plan.

The viability of specific sites

- 5.6 The testing indicates that there will be circumstances where achieving the proportion of affordable housing set out above may not be possible. This does not invalidate the overall target which remains a challenging but achievable target, however the Authority will need to take into account specific site viability concerns where these are justified and evidenced.
- 5.7 If there is any doubt about the viability of a particular site, it will be the responsibility of the developer to demonstrate with properly validated evidence, that applying the affordable housing requirement makes the scheme unviable. Where the Authority is satisfied that this is the case, there are a number of options available (including changing the mix of affordable housing and discussing with the Housing Associations whether they are able to provide a higher subsidy from their own

reserves) before needing to consider whether a lower level of affordable housing is appropriate. In individual scheme negotiations, there may be a need to consider the balance between seeking affordable housing and other planning obligation requirements.

Thresholds

- 5.8 While the current thresholds of 10 units in urban areas and five units in rural areas are capturing affordable housing from a significant proportion of developments in Pembrokeshire, dropping the threshold across the Plan area to a universal standard of five will increase the number of developments on which affordable housing can be required.
- 5.9 In areas where the Authority is only permitting development to enable limited growth for affordable housing (the “Larger Local Villages”) a lower threshold may be appropriate.

Commuted Sums

- 5.10 Some stakeholders have mentioned commuted sums as a possible approach to delivering additional affordable housing. Commuted sums are payments towards off-site affordable housing made by developments below the threshold for on-site provision.
- 5.11 A commuted sums approach could be considered by the Authority as a policy option.

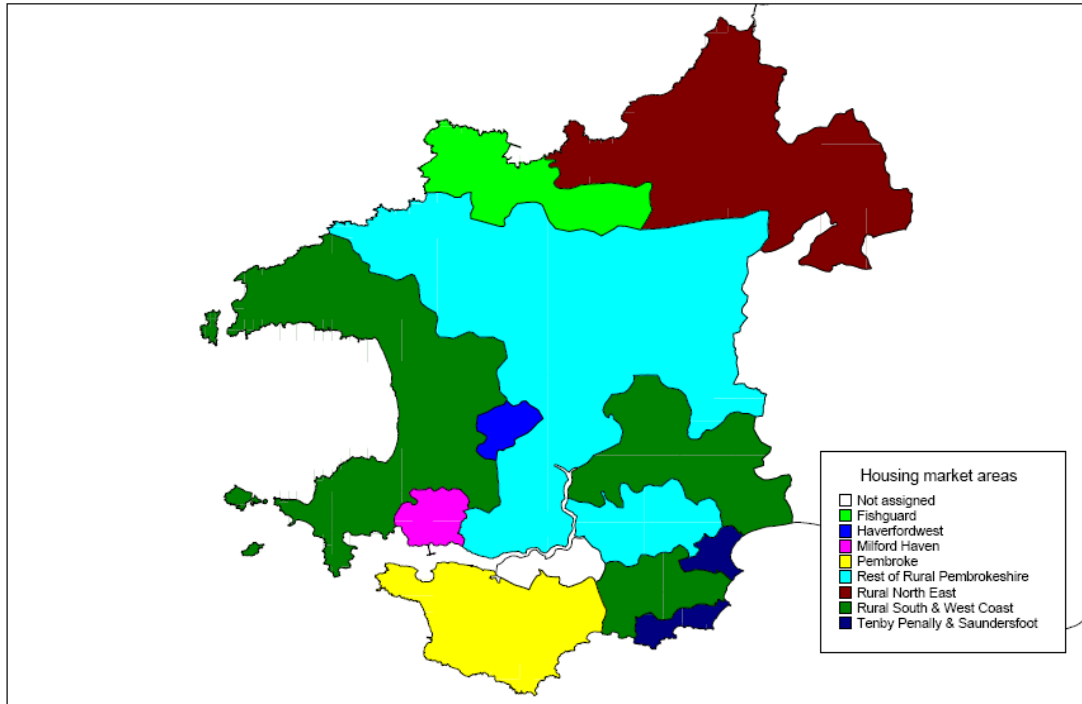
The current housing market

- 5.12 At the time of preparing this report, activity in, and the value of the housing market was significantly lower than over previous years (See Background Paper: Housing Monitoring Report 1999 – 2009, 2010). Whilst the Authority should be flexible in its negotiations on specific sites, the policy conclusions of this report are considered robust for the LDP period subject to monitoring and review. The policy position should be one which reflects the potentially longer period of the LDP and not simply the impacts of the recent credit crunch and recession. It is therefore important that the target for the provision of affordable housing is both ambitious and realistic.

Appendices

Appendix 1

Three dragons housing market areas in Pembrokeshire



Appendix 2 – List of Deposit LDP Allocations and relevant House Market Area

Housing Allocations	Site Reference	Minimum no of Units	Site Area (ha)	Affordable Housing category
Haverfordwest - Hermitage Farm	HSG/040/00269	38	1.26	Haverfordwest ACG 3
Haverfordwest - Slade Lane North	HSG/040/00273	459*	15.31	Haverfordwest ACG 3
Haverfordwest - Slade Lane South	HSG/040/00274	512	17.05	Haverfordwest ACG 3
Haverfordwest – between Shoals Hook Lane and bypass	HSG/040/00275	150	9.26	Haverfordwest ACG 3
Haverfordwest - Scarrowscant / Glenover	HSG/040/00106	140	4.73	Haverfordwest ACG 3
Milford Haven - Steynton Thornton Road	HSG/086/00223	224	7.49	Milford Haven ACG2
Milford Haven - Steynton Greenmeadow	HSG/086/00129	149	4.3	Milford Haven ACG2
Milford Haven - Steynton Myrtle Hill	HSG/086/00226	102	3.4	Milford Haven ACG2
Milford Haven - Hubberston West of Silverstream	HSG/086/00095	150	1.66	Milford Haven ACG2
Milford Haven - South West of The Meads	HSG/086/00222	93	3.09	Milford Haven ACG2
Milford Haven - Castle Pill	HSG/086/00318	72	2.9	Milford Haven ACG2
Milford Haven - Hubberston Adjacent to Kings Function Centre, Dale Rd	HSG/086/00117 HSG/086/002	50	5.16	Milford Haven ACG2

PCC Local Development Plan Background Paper – Affordable Housing Viability Assessment (2010)

Housing Allocations	Site Reference	Minimum no of Units	Site Area (ha)	Affordable Housing category
Neyland - East of Poppy Drive	HSG/093/00066	101	3.37	Rest of Rural Pembrokeshire ACG2
Pembroke Dock - North of Pembroke Road	HSG/096/00238	98	2.81	Pembroke Dock ACG3
Pembroke Dock - North of Imble Lane	HSG/096/00231	96	2.75	Pembroke Dock ACG3
Pembroke Dock - East of Hill Farm, Imble Lane	HSG/096/00233	63	1.79	Pembroke Dock ACG3
Pembroke - North & West of Railway Tunnel	HSG/095/00154	150	5.68	Pembroke ACG3
Pembroke - Adjacent to Monkton Swifts	HSG/095/00153	118	3.7	Pembroke ACG3
Pembroke - Adjacent to Long Mains & Monkton Priory	HSG/095/00147	115	7.57	Pembroke ACG3
Pembroke - North of Gibbas Way	HSG/095/00144	70	2.85	Pembroke ACG3
Pembroke - South of Gibbas Way	HSG/095/00144	58	2.33	Pembroke ACG3
Fishguard - Maesgwynne Farm	HSG/034/00215	399	13.31	Fishguard ACG2
Fishguard -East of Maesgwynne	HSG/034/00165	24	0.81	Fishguard ACG 2
Fishguard - Old Infants School	HSG/034/LDP/01	21	0.7	Fishguard ACG 2
Narberth - West of Bloomfield Gardens	HSG/088/00078	89	3.58	Rural South and West Coast ACG2
Narberth - West of Rushacre	HSG/088/00077	58	2.4	Rural South and West Coast ACG2
Johnston - Adjacent to Milford Road	HSG/048/00038	130	5.21	Rural South and West

PCC Local Development Plan Background Paper – Affordable Housing Viability Assessment (2010)

Housing Allocations	Site Reference	Minimum no of Units	Site Area (ha)	Affordable Housing category
				Coast ACG1
Letterston - Court Meadow	HSG/053/00009	90	2.28	Rest of Rural Pembrokeshire ACG1
Crymych - Between the School & Station Road	HSG/030/00043	60	2.07	Rural North East ACG 1
Crymych - East of Waunaeron	HSG/030/LDP/01	35	1.24	Rural North East ACG1
Kilgetty - Extension to James Park & Cotswold Gardens	HSG/050/00042	75	3.03	Rest of Rural Pembs ACG2
Kilgetty - Land to the Rear of Newton Hall	HSG/050/00043	26	1.33	Rest of Rural Pembs ACG2
Kilgetty - Land West of Stepaside School	HSG/050/00041	19	0.61	Rest of Rural Pembs ACG2
Kilgetty - Land to the South of Kivelgy Park	HSG/050/00044	20	0.8	Rest of Rural Pembs ACG2
Abercych - Adjacent to Waterloo Cottage	HSG/001/LDP/01	8	0.86	Rural North East ACG1
Begelly - North of New Road	HSG/003/00024	65	3	Rest of Rural Pembs ACG2
Blaenffos - Adjacent to Hafod	HSG/006/00003	16	1.68	Rural North East ACG 1
Boncath - North of Cilfan y Coed	HSG/007/LDP/01	10	0.69	Rural North East ACG 1
Broadmoor - Northwest of Lyndhurst Avenue	HSG/008/LDP/01	12	0.48	Rest of Rural Pembs ACG 1
Cilgerran - Adjacent to Holly Lodge	HSG/020/00062	24	1.1	Rural North East ACG1
Clarbeston Road - West of Ash Grove	HSG/022/00012	21	0.83	Rest of Rural Pembs ACG 1
Clunderwen - Depot Site	HSG/152/LDP/01	28	0.96	Rest of Rural Pembs ACG 1
Cosheston - South of	HSG/025/00028	6	0.64	Pembroke

PCC Local Development Plan Background Paper – Affordable Housing Viability Assessment (2010)

Housing Allocations	Site Reference	Minimum no of Units	Site Area (ha)	Affordable Housing category
Tinkers Fold				ACG 2
Croesgoch - OS 7445, North of the Forge	HSG/028/00012	20	0.67	Rural South and West Coast ACG 1
Croesgoch - East of the Forge	HSG/028/00013	22	0.73	Rural South and West Coast ACG 1
Crundale - Opposite Woodholm Close	HSG/029/00014	13	0.51	Rest of Rural Pembs ACG2
Crundale - Land at Cardigan Slade	HSG/029/00017	55	2.22	Rest of Rural Pembs ACG2
Eglwysrwrw - South West of the School	HSG/033/00035	15	0.51	Rural North East ACG 1
Hayscastle Cross -Land Opposite Barrowgate	HSG/041/LDP/01	6	0.43	Rest of Rural Pembs ACG 1
Hook - Rear of Pill Road	HSG/044/00050	15	0.59	Rest of Rural Pembs ACG 1
Houghton - Nursery	HSG/045/00008	15	2.18	Rest of Rural Pembs ACG 1
Hundleton - East of Bentlass Road	HSG/046/00015	40	1.26	Pembroke ACG 1
Jeffreyston - Rear of Beggars Roost & Sunny Side	HSG/047/LDP/01	14	0.9	Rest of Rural Pembs ACG 1
Lamphey - South of Cleggars Park	HSG/052/00011	55	2.42	Pembroke ACG 2
Llandissilio - Pwll Quarry Cross	HSG/060/LDP/01	25	1.75	Rest of Rural Pembs ACG 1
Llanddewi Velfrey - North of the Village Hall	HSG/057/LDP/01	12	0.5	Rest of Rural Pembs ACG 1
Llangwm - Opposite The Kilns	HSG/063/00024	75*	3.01	Rest of Rural Pembs ACG 1
Maenclochog - North West of the Globe Inn	HSG/081/LDP/01	58*	2.31	Rest of Rural Pembs ACG 1

PCC Local Development Plan Background Paper – Affordable Housing Viability Assessment (2010)

Housing Allocations	Site Reference	Minimum no of Units	Site Area (ha)	Affordable Housing category
Martletwy - West of Post Office Farm	HSG/083/LDP/01	6	0.4	Rural South and West Coast ACG 1
Mathry - South of the Woodturner's	HSG/085/LDP/01	6	0.2	Rest of Rural Pems ACG 1
Milton - West of Milton Meadows	HSG/087/LDP/01	15	0.75	Rural South and West Coast ACG 2
Penally - North of The Paddock	HSG/097/LDP/01	8	0.29	Penally ACG 3
Penally - Penally Heights	HSG/097/LDP/02	11	0.56	Penally ACG 3
Pentlepoir - Land adjacent to Coppins Lodge	HSG/099/LDP/01	33	1.68	Penally ACG 3
Pont yr Hafod - Land Opposite School	HSG/103/LDP/01	10	0.44	Rest of Rural Pems ACG1
Puncheston - Opposite Bro Dewi	HSG/108/LDP/01	8	0.39	Rest of Rural Pems ACG1
Puncheston - West of Awelfa	HSG/108/LDP/02	12	0.44	Rest of Rural Pems ACG1
Robeston Wathen - South of Robeston Court	HSG/113/LDP/01	12	0.63	Rural South and West Coast ACG1
Roch - East of Pilgrim's Way	HSG/114/LDP/01	44	2.19	Rural South and West Coast ACG2
Rosemarket - Opposite The Glades	HSG/116/LDP/01	13	0.5	Rest of Rural Pems ACG1
Sageston - South of the Plough Inn	HSG/015/00022	31	1.27	Rural South and West Coast ACG2
Simpson Cross - East of Hill Lane	HSG/119/LDP/01	14	0.72	Rural South and West Coast ACG1
Spittal - North West of Wesley Way	HSG/120/00018	22	0.87	Rest of Rural Pems ACG2

PCC Local Development Plan Background Paper – Affordable Housing Viability Assessment (2010)

Housing Allocations	Site Reference	Minimum no of Units	Site Area (ha)	Affordable Housing category
St Dogmaels - Awel y Mor Extension	HSG/122/00035	16	0.55	Rural North East ACG 2
St. Florence - North of Parsons Green	HSG/123/LDP/01	21	0.86	Rural South and West Coast ACG 1
Templeton - South of the B4315	HSG/132/00030	18	1.21	Rest of Rural Pembs ACG1
Templeton - South of the Boars Head Junction	HSG/132/LDP/01	24	1.2	Rest of Rural Pembs ACG1
Tiers Cross - North of Bulford Road	HSG/135/00004	23	0.91	Rural South and West Coast ACG 1
Wolfscastle – opposite Haul y fryn	HSG/149/LDP/01	30	1.2	Rest of Rural Pembs ACG1

Appendix 3 – Total Allocations in House Price Areas indicated as Viable at 25%

House Price Area	Settlements with allocations within this area	Total Units Allocated (Minimum number)	Number of affordable housing units at 20% (rounded down to single units)	Number of affordable housing units at 25% (rounded down to single units)
Rural South and West Coast ACG 1	Johnston Croesgoch Martletwy Robeston Wathen Simpson Cross St Florence Tiers Cross	248	49	62
Pembroke (ACG 2)	Cosheston and Lamphey	61	12	15
Pembroke (ACG 3)	Pembroke	511	102	127
Rural South and West Coast ACG 2	Narberth Milton Roch Sageston	237	47	59
Haverfordwest (ACG 3)	Haverfordwest	1299	259	324
Penally (ACG 3)	Penally Pentlepoir	52	10	13
Total		2408	479	600

Appendix 4 – Total Allocations in House Price Areas indicated as Unviable at 25%

House Price Area	Settlements with allocations within this area	Total Units Allocated (Minimum number)
Rest of Rural Pembs ACG 1	Letterston Broadmoor Clarboston Road Clynderwen Hayscastle Cross Hook Houghton Jeffreyston Llandissilio Llanddewi Velfrey Llangwm Maenclochog Mathry Pont yr Hafod Puncheston Rosemarket Templeton Wolfscastle	492
Rest of Rural Pembs ACG 2	Neyland Kilgetty Begelly Crundale Spittal	396
Milford Haven ACG 2	Milford Haven	840
Pembroke Dock ACG 3	Pembroke Dock	257
Fishguard ACG2	Fishguard	444
Rural North East ACG 1	Crymych Abercych Blaenffos Boncath Cilgerran Eglwysrw	168
Pembroke ACG 1	Hundleton	40
Rural North East ACG 2	St Dogmaels	16
Total		2653

Appendix 5 – Total Projected Affordable Housing Totals over LDP period

House Price Area (ACG bands)	Number of sites allocated	20%	25%
Pembroke ACG 3	8	102	127
Pembroke ACG 2	2	12	15
Rural South and West Coast ACG 2	5	47	59
Haverfordwest (ACG 3)	5	425	441
Penally (ACG 3)	2	10	13
Rural South and West Coast ACG 1	12	49	62
Total	34	645	717
Note: Haverfordwest figures assume 360 units of Affordable Housing delivered on consented Slade Lane site.			
Crundale and Hook	3	13	17
Total affordable housing units			
		20%	25%
In house price areas and ACG bands where testing demonstrates whole areas viable		645	717
In individual settlements where testing demonstrates whole areas viable		13	17
From Local Villages		200	200
From windfall sites (assuming in line with recent permissions that 79% are on sites of over 5 units and affordable housing can be negotiated on them)		866 potential windfall units 173	216
		1031	1150

Note: The LDP allocations are allocated at a minimum density, and may be developed at higher densities. This is likely to result in increased overall completions and increased numbers of affordable units on allocations.

Only a small number of settlements in overall 'unviable' areas were tested further for viability. Additional units of affordable housing are also likely to be brought forwards on sites which are in settlements not included in the figures in the table which prove to be viable.

For these reasons, an affordable housing target above the 1150 units identified above is likely to be appropriate for the LDP.