

Cardiff Civic Society

RLDP preferred strategy consultation: submission on 'affordable' housing

Context

The current housing crisis has number of elements - the rising cost of buying or renting homes, in particular when compared to median and low incomes, a shortage of affordable homes, the increasing gap between the cost of renting and the support people can get through the benefits system and 'competition' between residents and others for homes across the city – second homes, empty homes, Airbnb and serviced lets being just some examples. The increase in the cost of building homes is also a major factor, including on some sites that have planning permission but where construction has yet to commence. A recent example is the significant increase in the estimated costs of the Channel View Estate project from £60million to £85million.

As well as Airbnb, 'premium serviced lets' are becoming more common across the city. A quick search on Rightmove will find 2 bedroom flats in Butetown advertised for £6,000 a month and a 3-bedroom terraced house in Roath for £4,000 a month. A google search of Mia Living, (one of the main suppliers of serviced lets registered in Cardiff but its Directors live in England), generates serviced lets in Cardiff advertised on numerous platforms including Airbnb, Booking.com, Trivago and Lodging World. Without any restrictions on new developments, it can be expected that a proportion of the flats will end up as Airbnb, serviced lets and other forms of short-term lets and will therefore not play a role in meeting the housing need of residents of Cardiff.

The amount of purpose-built student housing in the city has expanded significantly over recent years. These schemes are built to lower standards than other housing and no S106 contribution to affordable housing is currently required. We have concerns about the flexibility of this housing to meet other needs should the demand for such housing reduce in the future.

The proliferation of HMOs in parts of the city is well known. They are also becoming more prevalent in areas which historically have not had much of this type of housing. HMOs which are of a poor physical standard and which are not managed well, can have a negative impact on both the residents and the wider community.

Build to Rent is also becoming more of a feature, particularly on central brownfield sites. Platform on Dumballs Road, bills itself as Cardiff's first build to rent community – rents for 1-bedroom flats start at £1,065 a month. There are no affordable flats in this scheme and no contribution was made to affordable housing off site. Central Quay is also Build to Rent, with over 700 flats being built on a city centre site. The amount of contribution to affordable housing was negotiated down by the developers to £600,000 (the Council's policy in relation to brownfield sites is 20% affordable housing which would equate to 140 flats).

On delivery of affordable housing on strategic sites, the most recent LDP annual monitoring report published in October 2022 notes:

'The latest figures show that 1,797 new build affordable dwellings were completed since 2014, which represents 24% of total new build housing completions over this period. This trend is expected to continue as construction of the greenfield strategic housing sites gathers pace for the remaining 4 years of the Plan period. These figures show that good progress is being made in delivering affordable housing to meet the identified need within the city.'

It is arguable whether 24% of the total with just 4 years remaining of the current plan period really represents 'good progress' but putting that aside, it is apparent the target may not be achieved. A relatively new factor in this is the increase in interest rates which is leading to a slow-down in sales of market housing, including on key sites such as Plas Dwr. As a result, we might see developers seek to re-negotiate S106 contributions for affordable housing.

There are significant levels of income and racial inequality within Cardiff and housing is an important component of this. For example, the majority of the sites identified for council housing within the Council's HRA Business Plan are in the southern arc, acknowledged to be the poorer and more racially diverse areas of the city. Houses in Multiple Occupation are becoming more common in areas such as Splott. It could be argued that much better use of land could be made, (in relation to providing homes), on sites in the north of the city where developments of large luxury homes are common.

The current LDP

The current LDP sets a target for the delivery of 6,646 affordable units to be provided for the 12 years between 2014 and 2026. The policy on affordable housing (H3) is that

'The Council will seek 20% affordable housing on Brownfield sites and 30% affordable housing on Greenfield sites in all residential proposals that:

i. Contain 5 or more dwellings; or i

i. Sites of or exceeding 0.1 hectares in gross site area; or

iii. Where adjacent and related residential proposals result in combined numbers or site size areas exceeding the above thresholds, the Council will seek affordable housing based on the affordable housing target percentages set out above.

Affordable housing will be sought to be delivered on-site in all instances unless there are exceptional circumstances.'

On strategic sites, this policy has largely been achieved, at least in principle (see above for statistics on delivery). However, when it comes to windfall sites, particularly in the city centre, it has not, with some sites going ahead with no affordable housing at all (Dumballs Road) and others a negligible amount (Central Quay).

Housing need and supply

There are over 7,600 households currently on the waiting list for social housing in the city and over 1,600 households in temporary accommodation waiting for permanent homes. Given the cost of living crisis and the pressures on the housing market within Cardiff, we can anticipate that these numbers will rise. This is in the context of the national aspiration to end homelessness.

Against this, Welsh Government statistics indicate that 939 homes were completed in the city during 2022-23, with 114 of these being housing association and zero local authority homes (albeit that there is a significant local authority house building programme underway).

The Local Housing Market Assessment carried out by Cardiff Council has yet to be formally published but the summary results are included in the Preferred Strategy. It estimates 1,090 additional net affordable homes are needed each year, with 792 social rent and 298 intermediate rent/Low Cost Home Ownership. These proportions accord with research by Crisis that shows that what is needed to prevent and alleviate homelessness is housing at social rents and not other forms of 'affordable' housing.

The preferred strategy has *'potential to deliver 5,000 to 6,000 affordable homes depending on the make-up of the sites'*. A query to the LDP team confirmed that these numbers include a mixture of delivery routes and include homes being delivered through the Council's Cardiff Living Project, those being delivered directly by Housing Associations and those being delivered by housebuilders for Housing Associations. As well as the make-up of the sites, it is likely that future market conditions will also play a significant part in determining how much affordable housing is actually delivered.

The gap between the housing need of citizens of Cardiff and the proposed supply through the RLDP is significant and will have implications at individual, community and city levels. Implications include personal, e.g. people living in inadequate and in some cases, unsafe accommodation and unable to fulfil their potential, demographic, e.g. shifts in the population base as a result of the size, type and cost of homes being built and financial, e.g. increased costs of providing temporary accommodation. It is clear that all possible policy and practical mechanisms will need to be deployed in order to reduce this gap and that the planning system needs to play a full role.

Policy changes needed

The preferred strategy makes insufficient provision for the number of affordable homes Cardiff will need. There are also long-standing issues in relation to the definition of affordable. With the increases in market rents, sub-market rents are not likely to meet an often-used definition of affordability which requires that households do not pay more than 30% of their income on housing costs.

We do not just need more homes in Cardiff in order to address the housing crisis (as some commentators argue), we need the right homes in the right locations at the right price. We also need the right mix of housing, with a range of affordable accommodation types across the city. Families in central areas of the city needing affordable/social housing should have the opportunity to live in a house in the area where their community connections are. At the Grangetown consultation event for the RLDP, citizens were clear that families needing social housing and wishing to live in a house rather than a flat are having to move out of Butetown; the mix of housing currently being built in the area is heavily weighted towards flats.

We also consider that the focus of new housing should be to provide homes for citizens of the city and not places to stay for visitors to the city.

We acknowledge that it is not just planning that needs to play a role in addressing this crisis, but there are things that the planning system can, and should, do.

To help increase the provision of affordable housing in the city and address housing inequality, Cardiff Civic Society considers that the RLDP and relevant Strategic Policies will need to include the following:

- A statement setting out how the new planning powers in relation to Article 4 directions to dis-apply permitted changes between use classes (main residences, non-main residences and short-term lets) will be used in central areas of the city to ensure the housing that is built actually meets housing need (as opposed to visitor demand)
- Strengthening of the wording within the LDP on affordable housing. We would suggest that, rather than 'the council will seek ...', it should be 'the council will expect ...' to enable the most robust approach by the local authority in negotiations with developers
- Consideration of increasing the proportion of affordable housing expected on developments, particularly strategic sites. London's policy is currently 60% affordable housing

- A re-emphasis on mixed tenure communities with affordable housing as an integral part of developments, in line with PPW
- A more specific and precise approach to content of the RLDP on HMOs (Swansea is a good example – see below) to stop proliferation and enable the impact on communities to be properly taken into account. In addition, we consider that there should be a greater focus on the standard of accommodation to be provided within HMOs, including indoor and outdoor space, access to light and provision for bicycle storage
- A statement that sets out how the authority will respond in planning terms to ‘trial’ approaches and innovation which seek to meet housing need. An example would be Taff Housing’s partnership with Loft Pro to extend existing homes to address overcrowding
- A link between policies on affordable housing and those on repurposing buildings to ensure that it is:
 - clear to developers that they should first consider repurposing or extending existing buildings to achieve their objective. Only when this is not possible, or where whole life emissions through repurposing would be higher, should demolition and new build be considered
 - clear to citizens which retrofit measures will require planning permission and which can take place under permitted development. It would be beneficial for improved energy efficiency measures to be treated more sympathetically in relation to permitted development

We also consider that it would be beneficial for there to be a requirement that purpose-built student accommodation be built to the same standards as other housing and that such schemes make contributions to affordable housing (Nottingham is a good example – see link below). We acknowledge that this may need a change in national policy.

Non-RLDP measures that Cardiff Civic Society considers the Council should adopt include:

- Full use of the ability to increase council tax premiums up to 300% on both second and long-term empty homes, with the additional funding generated used to increase the provision of council/social housing, whether through building new homes, using funds to bring empty homes back into use as social housing¹ or purchase homes in areas of the city where there is little social housing (helping to address housing inequality) and retrofitting them
- With partners, extend the range of ways of adding to the social housing stock and consider introducing a tool to assess which approach represents best value for money, e.g. in simple terms, asking whether new build is always most appropriate. The majority of the homes that will be in the city in 2030 (and 2050) are already here so we need an approach that looks to increase their suitability to meet housing need, liveability and environmental performance, as well as building environmentally efficient new homes

• ¹ Crisis has recently published a report on the potential for bringing empty homes back into use as a key part of preventing and responding to homelessness (<https://www.crisis.org.uk/media/02en2gwp/crisis-make-history-ending-homelessness-with-homes.pdf>)

Swansea – extract from LDP on HMOs

Proposals for the conversion of a dwelling or non-residential property to a House in Multiple Occupation (HMO) will only be permitted where:

- i. Within the HMO Management Area, it would not lead to more than 25% of all residential properties within a 50m radius of the proposal being HMOs;
- ii. Outside of the HMO Management Area, it would not lead to more than 10% of all residential properties within a 50m radius of the proposal being HMOs;
- iii. The development would not result in a Class C3 dwelling being ‘sandwiched’ between adjoining HMO properties;
- iv. The property is suited for use as a HMO, and will provide satisfactory private amenity space, dedicated areas for refuse storage and appropriate room sizes; and
- v. There would be no unacceptable adverse impacts caused by noise nuisance and general disturbance.

HMO proposals within small streets that do not breach the 50m radius maximum threshold will not be supported if the proposal would create a disproportionate over concentration of HMOs within that street.

HMO proposals that would lead to a breach of the maximum thresholds will only be permitted where there are exceptional circumstances or overriding material considerations that demonstrably outweigh any concerns regarding harmful concentration or intensification.

Nottingham – SPG on Affordable Housing Contributions Arising from Purpose-Built Student Accommodation

<https://committee.nottinghamcity.gov.uk/documents/s102632/Affordable%20Housing%20Contributions%20arising%20from%20PBSA%20SPD%20DDS.pdf>

Tamsin Stirling on behalf of Cardiff Civic Society
October 2023