



Eryri Local Development Plan Examination

Further Evidence Paper – affordable housing percentages and thresholds

April 2018

- 1.1 This paper provides further evidence on how the affordable housing percentages and thresholds have been defined in the revised Eryri LDP. Within the revised Eryri LDP there has been a change in the approach to secure affordable housing within Snowdonia and this paper outlines the reasons behind this change.

Affordable Housing Percentages

Affordable Housing Need and Targets

- 1.2 It is recognised that the Affordable Housing target for the plan period of 350 affordable dwellings is less than the total identified affordable need (2,130¹). However, the affordable housing requirement of 350 is considered achievable and within the environmental capacity of the National Park as identified in the Settlement Capacity Study (Background Paper 13).
- 1.3 Seeking to meet the overall need of 2,130 affordable homes would push the total housing requirement way in excess of the household projections and the housing requirement up to 2031. It would also potentially push the annual completion rate to 142 a figure that has never been attained in the National Park, even during buoyant housing market conditions. Such a high figure cannot therefore be practically delivered nor is it desirable within a National Park context. Seeking to meet overall need would involve the release of more and larger sites. Due to the environmental constraints in the local service centres and service settlements as is discussed in more detail in para 2.5 the release of larger sites within secondary settlements would lead to inappropriate development in unsustainable locations and would not conform to the Plan Strategy. Such allocations would be out of scale and inappropriate in a National Park setting where one of the main statutory purposes is **“to conserve and enhance the natural beauty, wildlife and cultural heritage of the area.”**
- 1.4 Estimates of need are invariably always greater than what is practical or deliverable. The Plan therefore takes a more practical approach and outlines a level of need which can be delivered within the physical and environmental constraints of the National Park. The affordable housing target has also taken into consideration the viability constraints identified in the Affordable Housing Viability Study. The Authority considers that affordable housing target figure of 350 units in the Plan, is based upon a realistic assessment of what is likely to be achievable and reasonable and not on theoretical unattainable targets.
- 1.5 The following table demonstrates that the Eryri LDP has been delivering affordable housing since it was adopted in 2011:

Year	Affordable Housing Units Permitted
2012-13	23
2013-14	28
2014-15	16
2015-16	19
2016-17	18

Table 1: Affordable housing permitted 2012- 2017

¹ as identified by Conwy County Borough Council Local Housing Market Assessment (2016-2021) and Gwynedd Council’s Local Housing Market Assessment (2013-2018)

- 1.6 The Annual Monitoring Report demonstrates that 104 affordable housing units have been permitted for the period 2012-2017 (which gives an average of 21 affordable units per annum). The adopted Eryri LDP on average sets out a target to permit 26 affordable homes per annum – demonstrating that the targets have almost been achieved under current policy. However, when revising the Eryri LDP the Authority has had to take into consideration all the up-to-date evidence base such as the Affordable Housing Viability Study to formulate the revised Eryri LDP housing policy.

Affordable Housing Viability Study

- 1.7 The 2016 Affordable Housing Viability Study indicates the following affordable housing targets for each sub market area:
- Aberdyfi – 50% Affordable Housing
 - Barmouth Hinterland – 40% AH;
 - Betws-y-Coed and Hinterland – 30% AH;
 - Mountains and Northern Coastal – 30% AH;
 - Harlech, Porthmadog and Bala Hinterlands– 20% AH;
 - Dolgellau a Hinterland – 10% AH.
 - Blaenau and Western SNP Hinterland (-ve)
- 1.8 The Authority has taken these as a starting point when forming policy. The affordable housing targets identified in the AHVS are based on a generic model endorsed by the development industry across Wales. As the assumptions about the development process values for specific inputs and build costs are generic across Wales the viability targets in the AHVS can be taken as the worst case scenario. There are more localised considerations that influence viability in Snowdonia and these are discussed further in Para 1.20.
- 1.9 The Authority has updated the AHVS to provide an updated analysis to March 2018 and to address the questions raised by the Inspector in his letter dated (21st February 2018). The updated Affordable Housing Viability Study (March 2018) has concluded that the overall viability picture has not changed significantly. Viability has improved slightly in the Harlech, Porthmadog and Bala Hinterlands via the intermediate affordable route with an increase from 20% AH to 30% AH, but remains at 20% via the Acceptable Cost Guidance route. The updated 2018 AHVS confirms that the approach taken by the Authority in terms of percentage targets continues to be the correct approach.
- 1.10 The AHVS housing sub-market areas generally coincide with the Zones of Influence already identified in the ELDP. These are areas which straddle the National Park boundary and have strong community links. They are also a reasonable fit with the settlement hierarchy identified in the current ELDP, - service centres, service settlements and villages. For example Bala and Dolgellau have similar viability levels and are both service centres. It would therefore be logical and practical if the affordable housing percentage targets and development thresholds were set in accordance with the existing settlement hierarchy. Although this will mean that some settlements will have challenging affordable housing targets this is in line with the aspirations of the Plan and national policy and if viability is proven to be difficult on specific sites, the Authority will be prepared to negotiate a lower percentage target as is the case in the existing policy in the adopted Eryri Local Development Plan.
- 1.11 The AHVS suggested affordable housing percentages have therefore been converted to align with the settlement hierarchy identified in the current ELDP as follows:
- Service centres (Bala and Dolgellau) - to seek 20% affordable housing**

Service settlements (Aberdyfi, Betws y Coed, Harlech, Llanberis and Trawsfynydd) – to seek 33% affordable housing

- 1.12 It is vital that the Authority maximises the delivery of affordable housing within the environmental capacity of the National Park. Failure to deliver the maximum number of affordable housing will not support the retention of younger people within the National Park. If local people are priced out of the market it may encourage more second home ownership and a further in-migration of older age-groups. Over the longer period this will change culturally distinct Welsh speaking rural communities. The policies in the Plan are seeking to avoid or to militate against this scenario.

Deliverability of allocated sites

- 1.13 The sites allocated in the plan are all deliverable within the plan period. 11 of the 16 sites are identified for 100% affordable housing and will be delivered by housing associations actively working in Snowdonia. 9 of the 11 sites with 100% affordable housing targets are already in housing association ownership which provides additional certainty. All of the 100% affordable housing sites are already in the housing associations development programmes which provides additional assurance that the sites will be delivered. The affordable housing % target for the 5 sites that are in private ownership take into account the Affordable Housing Viability Study and are considered to be deliverable within the plan period.

Delivery on the ground

- 1.14 When setting affordable housing percentages it is important to consider actual delivery on the ground. The Authority's annual monitoring reports does show that affordable housing units have been delivered on the ground using the higher affordable housing % target in the current adopted plan.
- 1.15 Whilst the Affordable Housing Viability Study does indicate that the viability of development in some areas may be challenging, evidence suggests that housing developments have been delivered on the ground at AH % targets higher than what is proposed in the AHVS. This demonstrates that the percentage targets set out in the deposit plan are deliverable in practice Further evidence of more localised considerations that impact viability in Snowdonia are included in paragraph 1.20.
- 1.16 This is highlighted further when we look at particular areas in more detail, for example, in Dolgellau the Affordable Housing Viability Study suggests that 10% affordable housing might be challenging. However if we look at completions on actual sites in Dolgellau it would indicate that the 20% affordable housing target set out in the deposit plan is a more reasonable starting point:

Site	Affordable units
Uwch y Maes Wenallt	12 out of 80 affordable housing (15%) Completed
Fronallt	3 out of 15 affordable (20%) Completed
Maes y Brith	3 out of 17 affordable (18%)
Iard y Llew Aur	1 out of 7 affordable (14%)

Bristol house (Change of use conversion)	2 out of 3 (66%)
Central Buildings (change of use/conversion)	2 out of 3 (66%)

Table 2: Affordable housing targets delivered in Dolgellau

1.17 In Harlech the Affordable Housing Viability Study suggests an affordable housing target of 20%. However if we look at planning permissions granted under current Eryri Local Development Plan target of 50% it would indicate that the 30% affordable housing target set out for Harlech in the deposit plan is reasonable

Year	Application	Affordable housing contribution
2013-14	Demolition of former residential home and construction of 13 affordable dwellings on a windfall site	100% affordable housing.
2014-15	Conversion and change of use of part of existing artist's studio to 1 affordable dwelling	1 unit (100 %)
2014-15	Conversion of former car showroom into 5 flats and 2 retail units	3 out of 5 are affordable units (60%)
2016-17	Conversion of existing dwelling and disused shop into two affordable dwellings	1 additional units (100%)
2016-17	Outline Application for erection of 4 affordable dwelling houses	Exception site (100%)
2016-17	4 affordable dwelling houses	Exception site (100%)

Table 3: Affordable housing targets in Harlech

1.18 Since adopting the Eryri LDP, affordable housing has been delivered in secondary settlements even with the 100% affordable housing target set out in the adopted Plan as demonstrated in the table below:

	O.M Allocations	O.M Windfall NEW BUILD	Affordable Allocations	Affordable windfall NEW BUILD	Affordable Conversion	Affordable Conversion WINDFALL	Open Market Conversions	Open Market Conversions WINDFALL	Exception Sites	AH Change of Use	AH Change of Use WINDFALL	OM Change of Use	OM Change of Use WINDFALL	Rural Enterprise / Agricultural Dwelling	Replacement dwelling
Secondary Settlements	8	14	20	7		3		1	2	1	2	1	1	2	4

Table 4: Planning Permissions granted in Secondary Settlement in 2012-2017

1.19 Reducing the affordable housing percentage from 100% to 50% in the secondary settlement will assist in bringing more sites forward and assist viability in the

secondary settlement. The Authority has also taken into account the need to create and maintain sustainable communities by providing the opportunity for a mix of housing developments. Reducing the affordable housing percentage to 50% will enable us to maximise affordable housing based on the Affordable Housing Viability Study and providing the mix of open market and affordable housing units to be delivered to meet the needs of the local community. In many cases local people will also want the opportunity to purchase new homes on the open market free from local occupancy as they will not meet the affordable housing need criteria. The AHVS suggests that some secondary settlements will have challenging affordable housing targets. This is in line with the aspirations of the Plan and if viability is proven to be difficult on specific sites, the Authority will be prepared to negotiate a lower percentage target. It is also considered that by having specific thresholds of development before the affordable target is applied will encourage smaller developers to become more active in the housing market. Further information on the thresholds proposed in the deposit plan and their application within the settlement hierarchy is included in part 2 of this paper.

Localised factors

- 1.20 The Affordable Housing Viability Study is based on informed assumptions and definitions. As highlighted above it is important to consider local circumstances which might influence viability. Factors which may explain why sites are coming forward and could continue to come forward in areas found to be unviable include continued increases in house price values and the fact that landowner expectations may be generally lower which may enable land to be released for a lower sum than the benchmark land values assumed in the viability study. Most of the schemes in Eryri are small scale schemes carried out for or by an individual and would not be speculative as such, and therefore would not be driven by the same viability concerns as those that larger developers are concerned with. Lower profit margin expectations of small developers could also improve viability and potentially make specific developments viable. The 2016 and the updated 2018 AHVS assumes a profit margin of 17% and a 20% profit margin on gross development value. A previous study in Eryri to support the adopted Eryri LDP by DVS (District Valuer Services) assumed much lower profit margins. The DVS Study concluded that housing development in Eryri is undertaken by local based developers and RSLs whom can operate effectively at lower profit levels. The study concluded that there is also a lower level of risk exposure in this market. DVS recognised that profit levels in respect of affordable housing sales to RSLs should be very modest at say 8%, of costs, reflecting only project management as these carry little risk as they are effectively pre-sold. Given the clear prominence of RSLs within the local market in Eryri plus the presence of locally based developers, the DVS Study suggests a lower profit basis of around 8% to 15% profit range reflects the reality within the National Park. This suggests that a developer profit of 17% as suggested by the AHVS is at the higher end of the viability scale and more relevant to national and regional builders which are not active in the National Park. With the self-build/managed schemes however there is less need to take into account developer profit, as such schemes will be developed by individuals or managed with the use of small contractors. It is also considered, that if land can be obtained at a reasonable price and small builders are prepared to accept less profit margins, this can make small sites viable for the smaller builder also.
- 1.21 Due to the rural nature and small population of the National Park there are limited alternative uses for new development sites. There is limited commercial or retail development and usually the choice is between agriculture, tourism and residential. Residential development is on smaller sites and restricted to locally based builders.

The alternative use choice will usually be between agricultural and residential uses. When this is the case there will be a substantial price uplift although, due to the lack of competition, the price of residential land is relatively low. This should enable the release of land below benchmark land values suggested in the AHVS. This further supports the Authority's position that a more challenging Affordable Housing Target as proposed in the deposit plan can be achieved.

- 1.22 In some areas the AHVS indicate that some sites would not be viable at a particular % however evidence above suggests that sites have actually been completed and delivered on the ground. Although it may be challenging to provide the % targets on some windfall sites, these targets could be modified on a site by site basis in accordance with Strategic Policy G: Housing, depending on viability. The Plan can therefore be confident that the affordable units can be delivered during Plan period.
- 1.23 One of the aims of the Plan is to maximise the number of affordable housing for local people. However, in order, to make sites more viable and to bring them forward for development, landowners need to be willing to sell land and builders to develop sites at a reasonable profit. Within Snowdonia land is often released to family members at a significantly reduced value which again improves viability and the delivery of Affordable Housing. A balance needs to be struck therefore between the potential number of open market dwellings against the likely affordable numbers for local people. In many cases local people will also want the opportunity to purchase new homes on the open market free from local occupancy restrictions. Not everyone in the community will meet the affordable occupancy requirements which could result in them leaving their local community which is in conflict with the aims of the LDP on supporting sustainable communities. This highlights the importance of a mix of open market and affordable local needs housing within the communities of the National Park.

2. Thresholds

- 2.1 In accordance with TAN 2 the Authority has set different site capacity thresholds for different parts of the plan area above which an element of affordable housing will be sought. This section identifies the factors which have informed and defined the thresholds set out in the Eryri LDP

National Park purposes and individual settlements environmental and social capacity

- 2.2 In comparison with other larger planning authorities, the scale of housing development proposed in Snowdonia National Park is modest. Any new housing development needs take into account the overriding statutory purposes of the Park.
- 2.3 These are
- **To conserve and enhance the natural beauty, wildlife and cultural heritage of the area.**
 - **Promoting opportunities for the understanding and enjoyment of the special qualities of the area by the public.**

In addition the National Park has a duty to:

- **Seek to foster the social and economic wellbeing of the local communities within the Park area.**

- 2.4 A careful balance is required between maximising affordable housing to meet local need and the need to release more open market housing in order to stimulate the local housing market, increase the overall completion rate and support small builders and the local economy within the context of a designated landscape setting.
- 2.5 During the course of revising the Eryri LDP the physical, environmental and social capacity and suitability of each settlement was assessed to ascertain which settlements could accommodate new growth, without harming the environment of the area and compromising the statutory purposes. This work is documented in the Settlement Capacity Study Background Paper (BP 13). The settlement Capacity Study concluded that there are severe environmental constraints within the service centres and service settlements either because of flood risk, environmental designations or topography. For example the two largest settlements, Bala and Dolgellau are located within flood plains and certain areas are classified as being within flood risk area C2 or C1. The main part of Betws y Coed is confined to a steep sided valley in a flood risk area. Harlech is affected by the designation of the castle as a World Heritage site and the impact of any new development on its setting. Existing over-development has already adversely impacted on the setting of the castle. Aberdyfi is also confined by topography and the impact on a conservation area, while Trawsfynydd has plenty of existing planning commitments. The Settlement Capacity Study concluded that it would be very difficult to release additional large sites in the local service centres and service settlements without causing harm to the environment or the setting of the settlements within a National Park and compromising the statutory purposes, or without being in conflict with the requirements of TAN 15. Further visual information on the constraints for the local service centres and service settlements can be made available at the Hearing Session if the Inspector considers it to be of assistance.

- 2.6 The Authority therefore considered that increasing the thresholds within housing development boundaries within which the Authority will seek affordable housing and allocating other appropriate sites for 100% affordable housing or a mix of affordable and market housing is the most appropriate way forward. This approach would balance the need to deliver affordable housing to meet local need and would enable the release of more open market housing to stimulate the local housing market, increase the overall completion rate and support small builders and the local economy within the context of a designated landscape setting.
- 2.7 The following section identifies the Authority's thought process and the evidence behind defining the allocations and thresholds in each settlement tier:

Local Service Centres (Y Bala and Dolgellau).

- 2.8 **Bala** – Due to the proximity of Llyn Tegid and the river Dee, much of the low lying areas of the town are within a C1 flood risk area, which severely restricts the availability of potential development land. Sites to the north are located on prominent sloping land which is unrelated to the existing urban form. Two sites are allocated in the revised plan, one behind the Red Lion (55 units) and another at Cysgod y Coleg (10 units). The latter site will be developed by Cartrefi Cymunedol Gwynedd for 100% affordable housing. The site at the Red Lion would yield 11 affordable units and 44 open market dwellings. In all there are 12 extant planning permissions and 12 units are proposed on windfall sites. No other site has been identified as being suitable for further housing expansion in the town. The Authority considers that this approach provides the correct overall balance of market and affordable housing to meet local needs. The Affordable Housing Viability Study indicates that a percentage target of 20% is viable in Bala. The threshold of 5 provides the opportunity for market housing to stimulate the local housing market while the affordable housing allocations will meet the affordable local need in Bala.
- 2.9 The table below identifies the mix of open market and affordable housing proposed in Bala to meet the housing needs of the local community:

	Allocation	Commitment	Windfall
Open market	40	7	10
Affordable	25	5	2

Table 5: The mix of open market and affordable housing proposed in Bala

- 2.10 **Dolgellau** – Dolgellau is restricted by flood risk issues, environmental designations and topography (visible hillsides). Dolgellau has one site allocated for affordable housing at Wenallt Uchaf to the south of the settlement. It is considered that the site at Wenallt, in the ownership of Cartrefi Cymunedol Gwynedd, is more suited for affordable housing being located in an area dominated by public housing. It would be unlikely to attract open market housing. No other site has been identified as being suitable for further expansion. Further expansion is restricted by flood risk and environmental considerations. The settlement has a number of extant planning permission for 59 open market dwellings on sites that have commenced and 12 windfalls have been identified. These therefore will remain available as market houses for the whole Plan period. The emphasis, especially in the early years of the Plan is to complete those sites already with extant permission. Should a larger brownfield site become available during the Plan period more market housing may become available. Although the Affordable Housing Viability Study indicates that a percentage target of 10% is challenging in Dolgellau. However if we look at completions on actual sites in Dolgellau (see table 2) it would indicate that the 20% affordable housing target set out

in the deposit plan is a more reasonable starting point. The threshold of 5 provides the opportunity for market housing to stimulate the local housing market.

- 2.11 The table below identifies the mix of open market and affordable housing proposed in Dolgellau to meet the housing needs of the local community:

	Allocation	Commitment	Windfall
Open market	0	59	12
Affordable	15	19	0

Table 6: The mix of open market and affordable housing proposed in Dolgellau

- 2.12 **Conclusion:** Local Service Settlements (Bala and Dolgellau): To seek 20% affordable housing on sites of 5 or more dwellings (first 4 dwellings open market). To encourage an amount of market housing the affordable target will only kick in on the fifth dwelling. It is considered that Bala and Dolgellau as the largest centres can absorb more market dwellings than other smaller settlements. Both settlements have poor viability and 20% is a relatively high target. It will not be possible to develop larger allocated or windfall sites piecemeal to avoid the provision of affordable housing. The local authority will consider the overall potential of developing a site and include surrounding land to ensure a proper provision of affordable homes.

Service Settlements: (Aberdyfi, Betws y Coed, Harlech, Llanberis and Trawsfynydd)

- 2.13 **Aberdyfi** – Aberdyfi is a coastal town with 49% of the existing properties occupied as second homes. Land has been allocated on Aberdyfi Primary School Site which is currently in public ownership. Cartrefi Cymunedol Gwynedd are eager to purchase the site to develop affordable housing to meet the local needs in the area. Potential windfall sites are very limited due to topography and environmental constraints and the further release of sites is constrained by topography and the potential impact on the conservation area. A percentage target of 30% is viable in Aberdyfi.

Aberdyfi

	Allocation	Commitment	Windfall
Open market	0	0	4
Affordable	6	0	1

Table 7: The mix of open market and affordable housing proposed in Aberdyfi

- 2.14 **Betws y Coed** - The settlement is confined to a river valley surrounded by woodland and steep slopes. Low lying areas are in a C1 flood risk zone and due to the topography there are very few new development opportunities. The Authority has been working with Conwy CBC, the rural housing enabler and housing associations to identify suitable land for affordable housing. However, suitable development sites are very limited due environmental constraints and land ownership. The Authority continues to work with partners to identify potential exception site for affordable housing. The numbers of existing commitments are restricted to 7 units. The Affordable Housing Viability Study indicates that a percentage target of 30% is viable in Betws y Coed.

Betws y Coed

	Allocation	Commitment	Windfall
Open market	0	6	1
Affordable	0	1	0

Table 8: The mix of open market and affordable housing proposed in Betws y Coed

2.15 **Harlech** – The town has been subjected to inappropriate over-development in the past and the Castle forms an important part of the townscape and is also a world heritage site. The castle has an extensive zone of “essential setting” whereby any new development should not adversely affect the setting of the Castle. Land has been allocated adjacent to Penrhwyfya. No other suitable site has been identified that would not have a negative impact on the essential setting of the castle or direct development to inappropriate sloping sites Harlech has 11 existing commitments, and potentially 11 windfall sites. In Harlech the Affordable Housing Viability Study suggests an affordable housing target of 20%. However if we look at planning permissions granted under current Eryri Local Development Plan target of 50% it would indicate that the 30% affordable housing target set out for Harlech in the deposit plan is reasonable.

Harlech

	Allocation	Commitment	Windfall
Open market	16	8	9
Affordable	8	3	2

Table 9: The mix of open market and affordable housing proposed in Harlech

2.16 **Llanberis** - Most of this settlement is outside the Park boundary.

2.17 **Trawsfynydd** – The settlement has 20 existing commitments that have already started with a potential for 7 windfalls. Land has been allocated for affordable housing at land adjacent Bro Prysor. Existing commitments are being developed very slowly due to poor market demand. It is likely that the release of further land in this settlement would not be built due to marketability issues.

Trawsfynydd

	Allocation	Commitment	Windfall
Open market	0	20	6
Affordable	10	0	1

Table 10: The mix of open market and affordable housing proposed in Trawsfynydd

2.18 **Conclusion: Service settlements (Aberdyfi, Betws y Coed, Harlech, Llanberis and Trawsfynydd)** – To seek 33% affordable housing on sites of 3 dwellings or more (the first 2 dwellings would be open market) The threshold has been lowered as sites will be smaller in service settlements and they are more vulnerable to social change especially impacts on the Welsh language. Restrictions on piecemeal development will apply similar to the local service centres.

Secondary Settlements:

2.19 In the case of Secondary settlements the thresholds have been lowered due to their smaller size and to avoid possible speculative development of market housing in the more attractive settlements. Secondary settlements are smaller villages where for cultural and linguistic reasons development should be limited and more heavily weighted for those in affordable housing need. It is vital that the plan aims to create balanced and sustainable communities by supporting appropriate development which meets the housing needs of the local community. The Authority will seek 50% affordable housing on 2 or more dwellings (1 dwelling would be open market). This will mean that for every two dwellings built one will need to be affordable. It is recognised that in some villages viability will pose some difficulties but the current target is for

100% affordable homes with no threshold to allow for some open market dwellings. A site that can accommodate more than one dwelling will need to indicate the full dwelling potential and avoid piecemeal development in order to avoid open market dwellings only.

The need to stimulate the local housing market

- 2.20 The scale of housing development is relatively modest in the National Park and most sites are small and geographically dispersed throughout the area. The housing market in the National Park is localised in nature, relying on small local builders and self-build projects on small sites of less than five units. There are no regional house builders active in the market and therefore there is very limited speculative building of open market and affordable housing.
- 2.21 The number of residential units granted planning permission and completed since adoption has been relatively good considering recent market conditions. However in the last couple of years, there has been a dip in the number of housing completions with only 18 units completed in 2015/16 and 20 units in 2016/17 (see table 11 below).

Year	Number of Homes Completed		
	Large Sites	Small Sites	Total Completions
2007-2008			61
2008-2009	39	29	68
2009-2010	13	50	63
2010-2011	7	25	32
2011-2012	39	24	63
2012-2013	38	19	57
2013-2014	15	13	28
2014-2015	33	25	58
2015-2016	2	16	18
2016-2017	7	13	20

Table 11: The number of houses completed in the Park 2007-2017

- 2.22 The reduction in housing completions may be due to a variety of factors. The decrease may in part be due to the difficult borrowing environment for small builders and self-build projects. There has also been a continuing gradual reduction of social housing grant towards affordable housing especially in Gwynedd due to Gwynedd Council prioritising individual extra care home projects in recent years rather than smaller affordable housing projects. Priority with Gwynedd and Conwy are now re-focused in delivering affordable housing and the Authority continues to work closely with both housing authorities and housing associations to bring appropriate sites forward for development. The decrease in overall housing completions may also be due to a number of open market dwellings being prevented from progressing at the pre-

application stage with applicants realising early on that they will have to conform to the affordable housing for local needs requirement.

- 2.23 The development of smaller open market housing has been absent in the existing plan. Due to the localised nature of the housing market it is important that the Eryri Local Development Plan policies does not overly restrict on open market and the overall completion rate. The thresholds proposed in the deposit plan will stimulate some market housing for smaller sites to increase choice and overall completion rate as well as supporting small builders and the local economy.

Past residential permissions and completions: Site size

- 2.24 Information on residential permissions and completions from Joint HLA Study has been taken into consideration in determining site capacity thresholds. The JHLA Study indicates the proportion of housing permitted on different site size and the proportion of housing completed on different size sites (see table 12 and 13 below).

	No. of Applications Permitted site with one unit	No. of Applications Permitted site with 2 units	No. of Applications Permitted site with 3 units	No. of Applications Permitted site with 4 units	No. of Applications Permitted site with 5 units or more	Replacement Dwellings (single units)
Local Service Centre	3		2	1	3	
Service Settlements	5		1	2	2	
Secondary Settlements	21	3			4	4
Smaller Settlements	4		1			2
Open Countryside	29					5
TOTAL	62	3	4	3	9	11
%	67%	3%	4%	3%	10%	12%

Table 12: Permissions granted in each settlement hierarchy by site size since 2012

67% of planning applications have been for individual units

3% of planning applications have been for sites with 2 units

4% of planning applications have been for sites with 3 units

3% of planning applications have been for sites of 4 units

10% of planning applications have been for sites of 5 units or more

12% of planning applications have been for replacement dwellings

- 2.25 Since 2012, 90% of all planning applications have been on sites of less than 5 units with 79% being individual units. There haven't been many sites of 2/3 and 4 units permitted since 2012. Introducing higher thresholds will hopefully support small builders to stimulate the market on smaller sites to increase choice and overall

completion rate. In Dolgellau and Bala over 30% of planning applications have been on sites of 5 units or more.

COMPLETIONS SINCE ERYRI LOCAL DEVELOPMENT PLAN ADOPTION	Completions on site with one unit	Completions on sites with 2 units	Completions on sites with 3 units	Completions on sites with 4 units	Completions on sites with 5 units or more
Local Service Centre	5		6		68
Service Settlements	4	4	6		23
Secondary Settlements	32	5	4		29
Smaller Settlements	3	4	3		
Open Countryside	43	5			
	87	18	19		120
			TOTAL = 244		

Table 13: Housing completion in each settlement hierarchy by site size since 2012

35% of completions have been for individual units

7% of completions have been for sites with 2 units

8% of completions have been for sites with 3 units

0% of completions have been for sites of 4 units

50% of completions have been for sites of 5 units or more

2.26 Having considered what has been permitted and delivered since 2012, it confirms that the thresholds proposed in the deposit Eryri LDP are reasonable and appropriate for each settlement tier.

2.27 The Affordable Housing Viability Study indicates that the viability of development in some areas may be challenging. The thresholds set out in the plan will further improve viability. The plan has sought to strike a balance between thresholds and the targets i.e. the Local Service Centres can accommodate larger developments therefore the threshold where the affordable target kicks in is 5 dwellings or more. The threshold of 5 has been applied because very few new small sites have come forward in the existing plan with a mix of market and affordable housing. This would also increase choice and the overall completion rate.

Conclusion:

2.28 Snowdonia NPA have considered all the relevant evidence to set affordable housing percentages and site thresholds for residential development above which a proportion

of affordable housing will be sought. Sites that are made available are small which does not attract volume, speculative regional builders. The Plan seeks to maximise the number of affordable houses that will be built on new allocations and on windfall sites while taking into consideration:-

- The overriding purposes of the National Park to conserve and enhance the natural beauty, wildlife and cultural heritage of the area.
- An element of identified affordable need
- The need to retain culturally distinctive communities
- Viability constraints
- The need to stimulate some market housing for smaller sites to increase choice and overall completion rate as well as supporting small builders and the local economy.
- Flexibility of policy on site viability

2.29 Taking all the above factors in to account the following percentage affordable housing targets are considered reasonable and deliverable per settlement hierarchy:

Service centres (Bala and Dolgellau) - to seek 20% affordable housing on sites of 5 or more dwellings (first 4 dwellings open market).

Service settlements (Aberdyfi, Betws y Coed, Harlech, Llanberis and Trawsfynydd) – to seek 33% affordable housing on sites of 3 dwellings or more (the first 2 dwellings would be open market)

Secondary settlements (all recognised villages) – to seek 50%affordable housing on 2 or more dwellings (1 dwelling would be open market).

Smaller settlements (hamlets) – all new development will be 100% affordable housing on exception sites adjacent to existing dwellings.

Conversions – conversions will have a 50% affordable target.

2.30 The Authority considers these percentage targets and thresholds to be appropriate, reasonable, and deliverable within the National Park context.