



1. What is the evidence base to justify the Plan’s target of “at least” 10% of all developments that exceed the relevant threshold? Is the term “at least” unclear? If so, what are the implications for developers when seeking planning permission?

We do not believe the evidence with which to support the policy justifies the term ‘at least’ in any way. In fact, within our original comments on the affordable housing viability assessment, we demonstrated that the evidence does not justify the adoption of a 10% target, irrespective of whether the target is a maximum or minimum target. In this respect, if we consider more recent evidence, our comments in this regard can be substantiated further.

Within the affordable housing viability assessment, significant emphasis is given to the changing property market data with respect to sales price, and its impact on the study results. Indeed, paragraph 7.12 of the assessment states that *“once the property market variable is changed, viability becomes much clearer. So if the property market sees a 10% relative reduction (90% Sale Price testing column) then no affordable housing contributions are achievable, but conversely if the market sees a 10% relative price increase (110% Sale Price testing column) then 25% affordable housing contributions become comfortably achievable.”*

In this respect, the evidence clearly states that at 90% sale price data, **no affordable housing contributions are achievable**. With this in mind, if we consider what has happened to house prices since the base date of the study (1st March 2010), it is possible make an informed assumption on the level of affordable housing that is actually viable, according to the evidence.

In terms of house price trajectory, if the data from the Land Registry is studied for Blaenau Gwent, it clearly shows that house prices have fallen since the base date of

the study. In this respect, in March 2010 (the study base date) average house prices in Blaenau Gwent were £79,991. However, at the 1st April 2012 average house prices were recorded as £68,495. This equates to a fall of over 14% (14.37%). Therefore, given that, according to the evidence, a 10% fall would mean that no affordable housing contributions are achievable, the fact that house prices have fallen by more than a 14%, clearly demonstrates that the affordable housing target set within Policy DM8 is not achievable. The table below (Table 6) is taken from the affordable housing viability assessment and shows how a 10% fall in house prices

good indication of the direction of travel and there is no indication that Blaenau Gwent is an authority that would buck this trend.

In terms of the Savills research, below is a table

is unequivocally clear that the delivery of the percentage target within Policy DM8 simply cannot be substantiated on any level.

6. Is the affordable housing target deliverable and appropriate given current economic challenges, the proportion of housing allocations on brownfield sites within the county and other items of infrastructure provision sought in the Plan?

We do not believe it is. The evidence on development viability is absolutely clear in our view. Even without considering the wider concerns we have voiced with respect to the affordable housing viability assessment, the evidence as it stands does not demonstrate, in any way, that the 10% affordable ho