

Local Development Plan – Affordability Index Monitoring (1st January 2018 – 31st March 2021)

Pembrokeshire County Council

1. Background and Purpose

1. The Pembrokeshire County Council Local Development Plan (LDP) requires that all new market housing developments contribute to the provision of local needs affordable housing. This policy approach was developed in recognition of the acute need for affordable housing in Pembrokeshire.
2. Indicative affordable housing requirements are set out for allocated residential sites in a table in Policy GN.27 Residential Allocations and range from ‘up to 5%’ to ‘25%’. Policy GN.28 Local Needs Affordable Housing sets the requirement for unallocated residential sites – this is 10% in Towns, Service Centres and Service Villages.¹
3. Policy GN.28 states that where a sustained positive change in the financial viability of development can be demonstrated through monitoring, the local authority will seek a higher percentage contribution towards affordable housing. It also states that in Towns, Service Centres and Service Villages a provision of affordable housing below the target figure may be appropriate where this is supported by economic viability evidence.
4. The Monitoring Framework section of the LDP (adopted 28/02/13) and Affordable Housing Supplementary Planning Guidance (SPG) (adopted 14/09/15) together set out how the local authority will monitor whether there have been changes to local housing market conditions. If such conditions are considered significant enough in nature to change the financial viability of development, the Authority will re-assess the viability evidence that influenced the LDP targets for Affordable Housing. The LDP lifespan is from its adoption (2013) until a successor Plan is adopted and this monitoring is essential to ensure that it is sufficiently flexible and resilient to economic changes and that the targets used to negotiate affordable housing remain robust. The initial impacts of the Covid-19 global pandemic on the economy in general and the housing market in particular will be reflected in this latest review.
5. The purpose of this document is to set out the monitoring work that the Authority has undertaken since adoption of the LDP.

¹ In Large Local Villages 50% of dwellings proposed should be affordable and in Small Local Villages all new dwellings must be affordable. The Plan explains that in Local Villages the objective of residential development is to meet the need for more affordable homes in rural areas and therefore concerns over the viability of development do not justify any relaxation of the policy.

6. The analysis of housing market indicators to the end of December 2017 concluded that broader economic changes had not been sufficient to affect significantly the financial viability of development. At that time, it was concluded that no re-assessment of the development viability evidence that influenced the targets of the LDP was justified. However, there were early indications of a possible recent improvement in housing market conditions. It was therefore decided that the matter would be re-considered in conjunction with review of the Council's Local Development Plan.
7. This latest update of the Affordability Index has included a re-working of Quarterly Median House Price, Annual Median Household Income and House Price to Income ratios, in each case back to 2011, to link these to nationally published data sets. Average Build Costs have been updated using information supplied by the Valuation Office Agency and other data has been rolled forward to the last quarter of 2020 and, where available, the first quarter of 2021.
8. A key conclusion of the previous review was that the Quarterly Median House Price had only exceeded the 2012 baseline figure of £155,000 by more than 5% (i.e. had exceeded £162,750) on three occasions, these being in quarter 2 of 2012 and in quarters 3 and 4 of 2017. This latest review, based on revised figures, indicates that the Median House Price exceeded £162,750 in quarter 4 2017 and then quarter 1 2018, and indeed has continued to do so in every quarter since, to quarter 4 2020 (no figure is yet available for quarter 1 2021). Hence, it has also been necessary to examine the secondary indicators and local indicators.
9. Annual Median Household Incomes have continued to rise. However, the House Price to Income Ratios reveal a slightly different picture. The highest figures are recorded for 2011 and 2012 and there have been fluctuations since then, with significant falls in 2013/14, 2017 and 2019, and peaks in between, but generally at a lower level than the 2011/12 figures. The current position is a House Price to Income Ratio of 5.12 – as mortgage lenders lend on the basis of 2.5 times a joint income and 3 times a single income, whilst this ratio is lower than the peak of 2011/12 it still demonstrates the significant challenges facing a number of households in Pembrokeshire in purchasing a property.
10. It is also worth mentioning that build costs are now significantly higher than at the start of the monitoring period and that dwelling completions have fluctuated significantly over the same period, reflecting changing market conditions. Dwelling sales revealed a mostly upward trend to the start of the first Covid-19 lockdown, at which point they significantly reduced as a result of the lockdowns. There has been recovery since, but there is a lag in reporting of sales and therefore it will not become clear until next years' datasets are analysed of the extent of this recovery.
11. Further analysis of the above follows later in this document.

2. Monitoring Framework and SPG

1. The Monitoring Framework of the LDP states:

“Should average house prices increase by 5% above the base price of 2012 levels sustained over 2 quarters then the Authority will consider other triggers identified in the Affordable Housing SPG and may conduct additional viability testing and modify the targets established in GN.27 and GN.28.”

2. The Affordable Housing SPG, Appendix 4 (Monitoring of the Council's LDP targets for Contributions), states:

- a. “Calculating the financial viability of affordable housing provision is complex and involves multiple variable inputs, where any changes may have an effect on the overall outcome (residual land value). The main influence on viability is changing house prices, but an increase does not necessarily lead to an improvement in viability. Within its LDP monitoring framework the Council has committed to monitoring local house prices and when there is an increase of 5%, sustained over two successive quarters, the Council will look for changes in other local housing market indicators to assess whether it would be appropriate to reassess development viability evidence that has influenced the LDP indicative targets. Data from the Land Registry will be used to monitor the median dwelling price of properties sold in Pembrokeshire against a baseline of September-December 2012 as an indicative quarter.
- b. The other indicators will include:
 - Average build costs (Source: Royal Institute of Chartered Surveyors Building Cost Information Service);
 - Number of new dwellings completed (source: PCC Annual Monitoring Report); and
 - Number of sales of dwellings (Source: Land Registry data).
- c. Should these indicators suggest that the housing market has improved the Council will undertake further viability testing of a selection of housing allocations using the 3 Dragons Toolkit. If subsequently the viability work indicates that higher affordable housing contributions could be provided, the Council will publish on its website updated affordable housing targets for allocated sites (GN.27) and windfall sites (GN.28). These updates will also be communicated directly to stakeholders such as County Councillors, Town and Community Councillors, Registered Social Landlords and Planning Agents.
- d. New targets would replace those published in the Local Development Plan.”

3. Housing Market Indicators

1. Appendix 1 sets out the Housing Market Indicators monitored by the Authority. The baseline house price for September - December 2012 was £155,000. A 5% increase on this baseline would be an increase of £7,750 (i.e. £162,750). Since then house prices have usually been below this level, but have been consistently higher since Q4, 2017. As there was an increase of 5% or more above the 2012 base price sustained over two quarters demonstrated from Q4 2017 – Q1 2018 onwards, there is a consequential need to consider the other indicators identified in Appendix 4 of the Affordable Housing SPG. The monitoring related to these further indicators is also presented in the table that follows section 4. An analysis of each is given below and has informed the conclusion on whether additional viability testing and modification of the targets established in GN.27 and GN.28 might be needed.
2. Of the other matters that now need to be considered, average build costs is also identified as a primary indicator. Between 2011 and 2014, a single figure is presented for each year, this being the quarter 1 figure for that year. From 2015 onwards, figures are recorded for each quarter of the year and separate figures are recorded for estate housing and for flats. The estate housing figure is generally lower than that for flats. The figures fluctuate, but there was a significant rise in average build costs for both estate housing and flats in 2017 and, with some fluctuations, that has continued since, to the 1st quarter of 2021. That has lifted these costs well above those recorded in the period 2011 to 2014 and above the more detailed figures available for 2015 and 2016.
3. The graphs in Appendix 2 illustrate changes in quarterly median house prices and average build costs for estate houses and flats, for the period from 2015 to 2021 and based on the data on these matters in Appendix 1.
4. The remaining matters for consideration include four identified as secondary indicators and a further two identified as being of local importance.
5. Of the secondary indicators, UK mortgage interest rates have fluctuated over the period under consideration and in the 1st quarter of 2021 were lower than they were when monitoring commenced in 2011. Annual median household income has risen since 2011, again with some minor fluctuations, but mostly on a steady upward trend. House price to income ratios reveal a rather different picture. The highest figures are recorded for 2011 and 2012 and there have been fluctuations since then, with significant falls in 2013/14, 2017 and 2019, and peaks in between, but generally at a lower level than the 2011/12 figures. The latest figures available are roughly in the middle of the range. Finally, the mortgage lending to income ratio seems to reflect closely the house price to income ratios, although there is only one figure available, that being the quarter 1 figure for 2014.

6. The two local indicators are for dwelling completions and dwelling sales. Dwelling completions rose sharply between 2011 and 2014, but then fell away from 2014 to 2017. The 2017 figure is above that for 2011, but is less than half that recorded in 2014. Since then, dwelling completions have continued to fluctuate, with a further dip in 2019, but recoveries in 2018 and to a lesser extent in 2020, the latter in spite of the Covid-19 pandemic. However, it is important to note that the 2019 housing survey was a partial one, based on building regulations data and therefore the 2020 completions figures may include some 2019 completions. Dwelling sales have a strong seasonal component to them, hence significant within-the-year fluctuations are the norm, with falls in sales often being a feature of quarter 1 and increases frequently being found in other periods. However, some individual figures go against the more general trends. In broad terms, sales in 2017 were at significantly higher levels than at the start of the monitoring period. The trend of higher levels of sales continued in 2018 and 2019, but in the first two quarters of 2020 (particularly the 2nd) there was a pronounced fall in sales, with recovery commencing in quarter 3 and continuing into quarter 4. The quarter 1 figure for 2021 saw a return to normal sales levels.

4. Conclusions

1. The baseline figure for house prices was exceeded by more than 5% during the two consecutive quarters Q4 2017 / Q1 2018, and that has also been the case for every consecutive quarterly period since. Consequently, other indicators also need to be considered, to reach a conclusion on whether additional viability testing and modification of GN.27 and GN.28 targets is needed.
2. The monitoring work undertaken shows that there has also been a significant increase in average build costs, noted particularly during 2017 and sustained in each year since then (with some minor fluctuations) through to Q1 2021. .
3. Of the secondary indicators considered, UK mortgage interest rates have fluctuated and are lower in Q1 2021 than when monitoring started in 2011. Median household incomes have, with some fluctuations, shown a fundamentally steady upward trend. House price to income ratios have varied over the monitoring period, with peaks and troughs and a current position in the middle of the range, but the overall ratio at 5.12 remains one which indicates that purchasing a property will be challenging for a large number of Pembrokeshire households. Mortgage lending to income ratios are thought to follow the same pattern of change as house price to income ratios, but this report only presents the Q1 2014 figure.
4. The local indicators show a sharp rise followed by a decline in housing completions over the period 2011 to 2017, followed by further fluctuations, since then, with a rise in 2018, a dip in 2019 and a lesser recovery in 2020 (but noting that the 2019 survey was a partial one and some completions that

year may not have been picked up until 2020). Dwelling sales show a high level of seasonality, with higher levels of sales recorded in 2017 than at the start of monitoring in 2011. Since then, 2018 and 2019 saw a continuation of higher sales levels, but there was a notable dip in the first two quarters of 2020 (the Q2 figures coinciding with the first lockdown period associated with Covid-19) followed by a recovery later in the year and a return to more or less normal sales rates by Q1 2021. The improved sales in 2017 to 2019 might have been indicative of a more buoyant housing market, but the Covid-19 pandemic and associated lockdown saw a clear downturn in sales, with a degree of recovery thereafter. Anecdotal data from Local Estate Agents for the Local Housing Market Assessment for Pembrokeshire (2021) suggested a buoyant local market and it will be wise to see whether increased sales are sustained over a longer period.

5. Overall, the evidence gathered does not conclusively indicate that there has been a sufficient change in Housing Market Indicators to require a re-assessment of the development viability evidence that influenced the LDP targets for Affordable Housing. House prices have risen, but so too have build costs and incomes, with house price to income ratios being rather variable and the current position being in the middle of a broad range. When the last update was prepared, based on figures up to Q4 2017, there seemed to be some indications of housing market improvement. While this was sustained into the following two years to some extent, the Covid-19 pandemic and the associated initial lockdown seems to have dampened the market for a period. There are some early signs of recovery, based on the most recent dwelling sales and housing completions data available, but a need for further monitoring to establish whether this is a temporary uplift in market conditions or something that will be sustained for longer.
6. Review of the Council's Local Development Plan commenced in 2017 and reached Deposit (full public consultation on a draft Plan) stage in early 2020. Since then, the Covid-19 pandemic and publication of the Natural Resources Wales Phosphates guidance for Riverine SACs has seen further progress significantly delayed. The opportunity has been taken to re-consider viability matters in conjunction with Plan review and that work is ongoing. Policies GN.27 and GN.28 of the current LDP remain in force and will continue to do so until LDP 2 is adopted and successor policies come into force. Given the continuing uncertainties over long-term housing market trends, it is considered that the best way forward is to continue with the LDP 1 policy GN.27 and GN.28 targets for the time being and look to introduce new targets (if necessary) when LDP 2 adopted, by which time the longer term market trends and their impacts on viability should be clearer, including the longer-term impacts of the Covid-19 pandemic.

Prepared in December 2021

Appendix 1 – Updated version covering period from Q1 2011 to Q1 2021

This table shows changes in the house price to income ratio from quarter 1 2011 to quarter 4 2020, alongside the information used to derive these figures and other related material. The information needed for the quarter 2021 house price to income ratio was not fully available when the table was prepared.

Affordability Indicators

Monitoring (Annual and Quarterly)	Primary Indicators (two major indicators that affect viability)	Primary Indicators (two major indicators that affect viability)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)
Time period ¹	Quarterly Median House Price (GBP) ²	Average build costs (£/m ² gross internal floor area) ³	UK mortgage interest rates (%) ⁴	Annual Median Household Income (GBP) ⁵	House price to income ratio ⁶	Mortgage lending to income ratio ⁷	Number of new dwellings completed ⁸	Number of dwelling sales ²
2011 Q1	160,000	814	4.07 (31/03/11)	23,397.00 x 1.25 = 29,246.25	160,000 / 29,246.25 = 5.47	n/a	347 (also covering 2010 Q2 to Q4)	230
2011 Q2	155,000	n/a	4.05 (30/06/11)	23,397.00 x 1.25 = 29,246.25	155,000 / 29,246.25 = 5.30	n/a	203 between Q2 2011 and Q1 2012	307
2011 Q3	153,187	n/a	4.12 (30/09/11)	23,397.00 x 1.25 = 29,246.25	153,187 / 29,246.25 = 5.24	n/a	203 between Q2 2011 and Q1 2012	317

Monitoring (Annual and Quarterly)	Primary Indicators (two major indicators that affect viability)	Primary Indicators (two major indicators that affect viability)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)
2011 Q4	152,500	n/a	4.12 (31/12/11)	23,397.00 x 1.25 = 29,246.25	152,500 / 29,246.25 = 5.21	n/a	203 between Q2 2011 and Q1 2012	349
2012 Q1	153,000	799	4.10 (31/03/12)	23,617.00 x 1.25 = 29,521.25	153,000 / 29,521.25 = 5.18	n/a	203 between Q2 2011 and Q1 2012	240
2012 Q2	156,000	n/a	4.22 (30/06/12)	23,617.00 x 1.25 = 29,521.25	156,000 / 29,521.25 = 5.28	n/a	397 between Q2 2012 and Q1 2013	270
2012 Q3	156,000	n/a	4.29 (30/09/12)	23,617.00 x 1.25 = 29,521.25	156,000 / 29,521.25 = 5.28	n/a	397 between Q2 2012 and Q1 2013	310
2012 Q4 (Baseline figure – £155,000 for Sept' to Dec' 2012)	155,000	n/a	4.35 (31/12/12)	23,617.00 x 1.25 = 29,521.25	155,000 / 29,521.25 = 5.25	n/a	397 between Q2 2012 and Q1 2013	388
2013 Q1	156,000	881	4.34 (31/03/18)	24,103.00 x 1.25 = 30,128.75	156,000 / 30,128.75 = 5.18	n/a	397 between Q2 2012 and Q1 2013	257

Monitoring (Annual and Quarterly)	Primary Indicators (two major indicators that affect viability)	Primary Indicators (two major indicators that affect viability)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)
2013 Q2	153,000	n/a	4.38 (30/06/13)	24,103.00 x 1.25 = 30,128.75	153,000 / 30,128.75 = 5.08	n/a	459 between Q2 2013 and Q1 2014	359
2013 Q3	152,748	n/a	4.35 (30/09/13)	24,103.00 x 1.25 = 30,128.75	152,748 / 30,128.75 = 5.07	n/a	459 between Q2 2013 and Q1 2014	359
2013 Q4	151,000	n/a	4.39 (31/12/13)	24,103.00 x 1.25 = 30,128.75	151,000 / 30,128.75 = 5.01	n/a	459 between Q2 2013 and Q1 2014	486
2014 Q1	149,475	872	4.43 (31/03/14)	24,453.00 x 1.25 = 30,566.25	149,475 / 30,566.25 = 4.89	5.20	459 between Q2 2013 and Q1 2014	378
2014 Q2	150,000	n/a	4.36 (30/06/14)	24,453.00 x 1.25 = 30,566.25	150,000 / 30,566.25 = 4.91	n/a	588 between Q2 2014 and Q1 2015	409
2014 Q3	150,000	n/a	4.52 (30/09/14)	24,453.00 x 1.25 = 30,566.25	150,000 / 30,566.25 = 4.91	n/a	588 between Q2 2014 and Q1 2015	484

Monitoring (Annual and Quarterly)	Primary Indicators (two major indicators that affect viability)	Primary Indicators (two major indicators that affect viability)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)
2014 Q4	155,000	n/a	4.48 (31/12/14)	24,453.00 x 1.25 = 30,566.25	155,000 / 30,566.25 = 5.07	n/a	588 between Q2 2014 and Q1 2015	462
2015 Q1	158,000	Estate housing – 818 (823 in S.Pembs, 813 in Preseli) Flats – 946 (952 in S. Pembs, 940 in Preseli)	4.51 (31/03/15)	24,869.00 x 1.25 = 31,086.25	158,000 / 31,086.25 = 5.08	n/a	588 between Q2 2014 and Q1 2015	414
2015 Q2	157,000	Estate housing – 857 (862 in S. Pembs, 852 in Preseli) Flats – 992 (998 in S. Pembs, 986 in Preseli)	4.49 (30/06/15)	24,869.00 x 1.25 = 31,086.25	157,000 / 31,086.25 = 5.05	n/a	405 between Q2 2015 and Q1 2016	466
2015 Q3	158,000	Estate housing – 815 (820 in S.	4.50 (30/09/15)	24,869.00 x 1.25 = 31,086.25	158,000 / 31,086.25 = 5.08	n/a	405 between Q2 2015 and Q1 2016	534

Monitoring (Annual and Quarterly)	Primary Indicators (two major indicators that affect viability)	Primary Indicators (two major indicators that affect viability)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)
		Pembs, 810 in Preseli) Flats – 942.5 (948 in S. Pembs, 937 in Preseli)						
2015 Q4	157,000	Estate housing – 821 (826 in S. Pembs, 816 in Preseli) Flats – 950 (956 in S. Pembs, 944 in Preseli)	4.49 (31/12/15)	24,869.00 x 1.25 = 31,086.25	157,000 / 31,086.25 = 5.05	n/a	405 between Q2 2015 and Q1 2016	560
2016 Q1	159,000	Estate housing – 833 (838 in S. Pembs, 828 in Preseli)	4.57 (31/03/16)	25,440.00 x 1.25 = 31,800.00	159,000 / 31,800.00 = 5.00	n/a	405 between Q2 2015 and Q1 2016	489

Monitoring (Annual and Quarterly)	Primary Indicators (two major indicators that affect viability)	Primary Indicators (two major indicators that affect viability)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)
		Flats – 964 (970 in S. Pembs, 958 in Preseli)						
2016 Q2	160,000	Estate housing – 854 (859 in S. Pembs, 849 in Preseli) Flats – 988 (994 in S. Pembs, 982 in Preseli)	4.52 (30/06/16)	25,440.00 x 1.25 = 31,800.00	160,000 / 31,800.00 = 5.03	n/a	365 between Q2 2016 and Q1 2017	365
2016 Q3	160,000	Estate housing – 827 (832 in S. Pembs, 822 in Preseli) Flats – 957 (963 in S. Pembs, 951 in Preseli)	4.24 (30/09/16)	25,440.00 x 1.25 = 31,800.00	160,000 / 31,800.00 = 5.03	n/a	365 between Q2 2016 and Q1 2017	476

Monitoring (Annual and Quarterly)	Primary Indicators (two major indicators that affect viability)	Primary Indicators (two major indicators that affect viability)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)
2016 Q4	160,000	Estate housing – 854 (859 in S. Pembs, 849 in Preseli) Flats – 988 (994 in S. Pembs, 982 in Preseli)	4.23 (31/12/16)	25,440.00 x 1.25 = 31,800.00	160,000 / 31,800.00 = 5.03	n/a	365 between Q2 2016 and Q1 2017	529
2017 Q1	159,973	Estate housing – 902.5 (908 in S. Pembs, 897 in Preseli) Flats – 1044.5 (1051 in S. Pembs, 1038 in Preseli)	4.28 (31/03/17)	26,026.00 x 1.25 = 32,532.50	159,973 / 32,532.50 = 4.92	n/a	365 between Q2 2016 and Q1 2017	434
2017 Q2	158,500	Estate housing – 981 (987 in S.	4.28 (30/06/17)	26,026.00 x 1.25 = 32,532.50	158,500 / 32,532.50 = 4.87	n/a	286 between Q2 2017 and Q1 2018	495

Monitoring (Annual and Quarterly)	Primary Indicators (two major indicators that affect viability)	Primary Indicators (two major indicators that affect viability)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)
		Pembs, 975 in Preseli) Flats – 1135 (1142 in S. Pembs, 1128 in Preseli)						
2017 Q3	162,000	Estate housing – 929.5 (935 in S. Pembs, 924 in Preseli) Flats – 1075.5 (1082 in S. Pembs, 1069 in Preseli)	4.31 (30/09/17)	26,026.00 x 1.25 = 32,532.50	162,000 / 32,532.50 = 4.98	n/a	286 between Q2 2017 and Q1 2018	515
2017 Q4	164,000	Estate housing – 981 (987 in S.	4.54 (31/12/17)	26,026.00 x 1.25 = 32,532.50	164,000 / 32,532.50 = 5.04	n/a	286 between Q2 2017 and Q1 2018	532

Monitoring (Annual and Quarterly)	Primary Indicators (two major indicators that affect viability)	Primary Indicators (two major indicators that affect viability)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)
		Pembs, 975 in Preseli) Flats – 1135 (1142 in S. Pembs, 1128 in Preseli)						
2018 Q1	165,000	Estate housing – 1064 (same in S. Pembs and Preseli) Flats – 1191 (same in S. Pembs and Preseli)	4.14 (31/03/18)	26,353.00 x 1.25 = 32,941.25	165,000 / 32,941.25 = 5.01	n/a	286 between Q2 2017 and Q1 2018	549
2018 Q2	168,000	Estate housing – 1064 (same in S.	4.06 (30/06/18)	26,353.00 x 1.25 = 32,941.25	168,000 / 32,941.25 = 5.10	n/a	419 between Q2 2018 and Q1 2019	528

Monitoring (Annual and Quarterly)	Primary Indicators (two major indicators that affect viability)	Primary Indicators (two major indicators that affect viability)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)
		Pembs and Preseli) Flats – 1191 (same in S. Pembs and Preseli)						
2018 Q3	170,000	Estate housing – 1068 (same in S. Pembs and Preseli) Flats – 1195 (same in S. Pembs and Preseli)	4.39 (30/09/18)	26,353.00 x 1.25 = 32,941.25	170,000 / 32,941.25 = 5.16	n/a	419 between Q2 2018 and Q1 2019	675
2018 Q4	170,000	Estate housing – 1077 (same in S.	4.40 (31/12/18)	26,353.00 x 1.25 = 32,941.25	170,000 / 32,941.25 = 5.16	n/a	419 between Q2 2018 and Q1 2019	770

Monitoring (Annual and Quarterly)	Primary Indicators (two major indicators that affect viability)	Primary Indicators (two major indicators that affect viability)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)
		Pembs and Preseli) Flats – 1206 (same in S. Pembs and Preseli)						
2019 Q1	170,000	Estate housing – 1081 (same in S. Pembs and Preseli) Flats – 1209 (same in S. Pembs and Preseli)	4.31 (31/03/19)	27,466.00 x 1.25 = 34,332.50	170,000 / 34,332.50 = 4.95	n/a	419 between Q2 2018 and Q1 2019	525
2019 Q2	170,000	Estate housing – 1094 (same in S.	4.29 (30/06/19)	27,466.00 x 1.25 = 34,332.50	170,000 / 34,332.50 = 4.95	n/a	267 between Q2 2019 and Q1 2020 (housing survey used	524

Monitoring (Annual and Quarterly)	Primary Indicators (two major indicators that affect viability)	Primary Indicators (two major indicators that affect viability)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)
		Pembs and Preseli) Flats – 1224 (same in S. Pembs and Preseli)					Building Regulations data only)	
2019 Q3	172,000	Estate housing – 1094 (same in S. Pembs and Preseli) Flats – 1224 (same in S. Pembs and Preseli)	4.29 (30/09/19)	27,466.00 x 1.25 = 34,332.50	172,000 / 34,332.50 = 5.01	n/a	267 between Q2 2019 and Q1 2020 (housing survey used Building Regulations data only)	620
2019 Q4	175,000	Estate housing – 1087 (same in S. Pembs and Preseli)	4.27 (31/12/19)	27,466.00 x 1.25 = 34,332.50	175,000 / 34,332.50 = 5.10	n/a	267 between Q2 2019 and Q1 2020 (housing survey used	681

Monitoring (Annual and Quarterly)	Primary Indicators (two major indicators that affect viability)	Primary Indicators (two major indicators that affect viability)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)
		Pembs and Preseli) Flats – 1217 (same in S. Pembs and Preseli)					Building Regulations data only)	
2020 Q1	180,000	Estate housing – 1094 (same in S. Pembs and Preseli) Flats – 1224 (same in S. Pembs and Preseli)	4.10 (31/03/20)	28,125.00 x 1.25 = 35,156.25 (based on a provisional figure)	180,000 / 35,156.25 = 5.12	n/a	267 between Q2 2019 and Q1 2020 (housing survey used Building Regulations data only)	490
2020 Q2	180,000	Estate housing – 1094 (same in S.	3.65 (30/06/20)	28,125.00 x 1.25 = 35,156.25 (based on a provisional figure)	180,000 / 35,156.25 = 5.12	n/a	340 between Q2 2020 and Q1 2021	285

Monitoring (Annual and Quarterly)	Primary Indicators (two major indicators that affect viability)	Primary Indicators (two major indicators that affect viability)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)
		Pembs and Preseli) Flats – 1224 (same in S. Pembs and Preseli)						
2020 Q3	180,000	Estate housing – 1077 (same in S. Pembs and Preseli) Flats – 1206 (same in S. Pembs and Preseli)	3.65 (30/09/20)	28,125.00 x 1.25 = 35,156.25 (based on a provisional figure)	180,000 / 35,156.25 = 5.12	n/a	340 between Q2 2020 and Q1 2021	394
2020 Q4	180,000	Estate housing – 1071 (same in S.	3.62 (31/12/20)	28,125.00 x 1.25 = 35,156.25 (based on a provisional figure)	180,000 / 35,156.25 = 5.12	n/a	340 between Q2 2020 and Q1 2021	564

Monitoring (Annual and Quarterly)	Primary Indicators (two major indicators that affect viability)	Primary Indicators (two major indicators that affect viability)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Secondary Indicators (do not affect viability but give a better picture)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)	Local Indicators (give an indication of local characteristics specific to Pembrokeshire)
		Pembs and Preseli) Flats – 1198 (same in S. Pembs and Preseli)						
2021 Q1	No information available yet	Estate housing – 1071 (same in S. Pembs and Preseli) Flats – 1198 (same in S. Pembs and Preseli)	3.62 (31/03/21)	No information available yet	n/a	n/a	340 between Q2 2020 and Q1 2021	539

1. Q1: January to March; Q2: April to June; Q3: July to September; Q4 October to December.

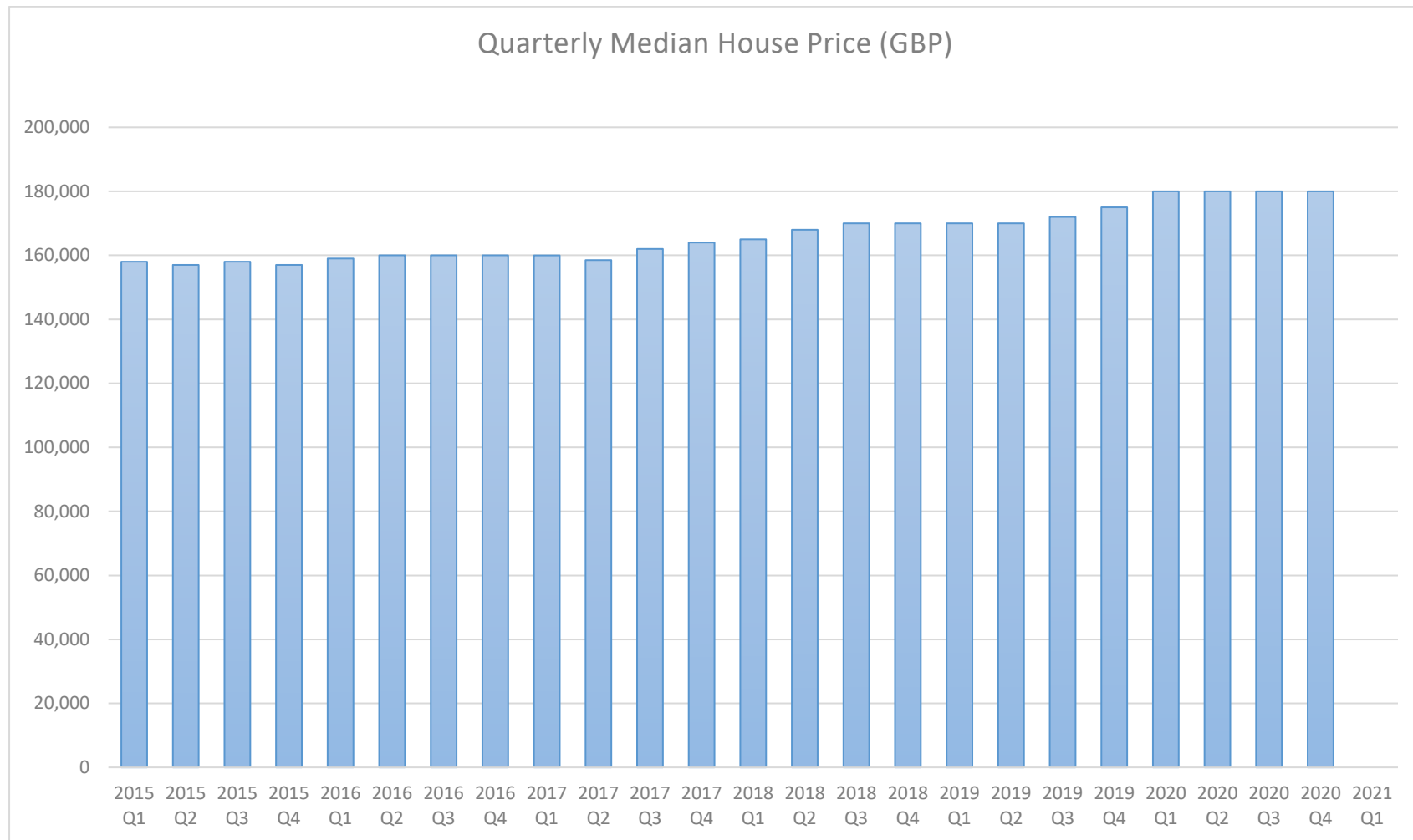
2. Land Registry Price Paid data – sales of detached, semi-detached and terraced houses and flats – median price paid by County (Dec 1995 to Dec 2020) – Pembrokeshire.

3. Valuation Office Agency (VOA) – from BCIS average prices in £/m² study. Rate per m² gross internal floor area for building – cost including prelims. Quarterly figures for 2015 Q1 onwards are an average of the South Pembrokeshire and Preseli figures, taken to provide Pembrokeshire-wide price information, with separate figures for estate housing and flats. Pre-2015 data is from the RICS and records the Q1 figure for each year only.
4. Bank of England, Monthly interest rate of UK monetary financial institutions (excl. Central Bank) sterling revert-to-rate mortgage to households (in percent) not seasonally adjusted.
5. ONS Full time employees pay by work region, UK, median gross annual earnings (£) for Wales, multiplied by 1.25 (roughly the ratio of the CACI Paycheck estimate of household income to the ASHE median gross annual pay for full time workers).
6. Quarterly median house price (GBP) / annual median household income (GBP).
7. Indicative ratio of mortgage lending to income – sample mortgage lenders (Halifax and Barclays).
8. Pembrokeshire County Council LDP Annual Monitoring Report (annual figure, April to March), derived from Joint Housing Land Availability Studies / Welsh Government Housing Assessments.

Appendix 2 – graphs illustrating changes in quarterly median house prices and average build costs for estate houses and flats, for the period 2015 to 2021 (based on data in the Appendix 1 table)

This graph shows changes in the quarterly median house price (in GBP) between quarter 1 2015 and quarter 4 2020.

Quarterly Median House Prices



Average Build Cost of Estate Housing

This graph shows estate housing average build costs (in £ / m2 gross internal floor area) between quarter 1 2015 and quarter 1 2021. There are separate columns for each quarter for the Preseli area and for the South Pembrokeshire area.



Average Build Cost of Flats

This table shows average build cost of flats (in £ / m2 gross internal floor area) between quarter 1 2015 and quarter 1 2021. There are separate columns for each quarter for the Preseli area and for the South Pembrokeshire area.

