Plots 4 and 5, Central Square, City Centre, Cardiff

Economic Benefits Assessment

Iceni Projects Limited on behalf of

REAP 3 Limited

August 2025

Iceni Projects
Birmingham: The Colmore Building, 20 Colmore Circus Queensway, Birmingham B4 6AT
Edinburgh: 14-18 Hill Street, Edinburgh, EH2 3JZ
Glasgow: 201 West George Street, Glasgow, G2 2LW
London: Da Vinci House, 44 Saffron Hill, London, EC1N 8FH
Manchester: WeWork, Dalton Place, 29 John Dalton Street, Manchester, M26FW

t: 020 3640 8508 **| w:** iceniprojects.com | **e:** mail@iceniprojects.com
linkedin: linkedin.com/company/iceni-projects | **twitter**: @iceniprojects

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1. INTRODUCTION

1.1 This Economic Benefits Assessment has been prepared by Iceni Projects Ltd on behalf of REAP 3 Limited. The assessment has been prepared to highlight the potential economic benefits that could arise from the full planning application for 528 new homes and up to 601sqm of flexible non-residential floorspace (flexible Class A1 and A3) at Plots 4 and 5, Central Square, City Centre, Cardiff ('the site').

Site Context

1.2 The Site sits at the heart of the wider 'Central Square' regeneration area in Cardiff City Centre.

1.3 The Site is 0.21ha and comprises a cleared rectangular plot of land, alongside two smaller parcels of land located to the north of Wood Street within the public realm (these smaller parcels will accommodate public cycle parking spaces). The Site is bound by Wood Street to the south, Scott Road to the west, Park Street Lane to the north-west, and a public square to the east. The Site was formerly occupied by St David's House, until it was demolished in late 2018.

1.4 The Site sits within the Cardiff Central Square Masterplan area. Whilst this masterplan was never formally adopted, it has catalysed significant development and has led to the transformation of the area in and around Cardiff Central Station. The prevailing building heights ranges between 7 to 25 storeys, which includes buildings of a variety of land uses and architectural styles.

1.5 The Media Wales office building is located at 6 Park Street, immediately adjacent to the north west of the Site. The HMRC building is located immediately adjacent to the north east of the site. The Millennium Plaza leisure complex is located immediately to the west. To the south cross Wood Street lies the Cardiff University School of Journalism, Media and Culture, and the BBC Cymru building. The Principality Stadium is located further to the north and can be accessed via Central Square.

1.6 The Site is not within a Conservation Area and does not include any Listed Buildings. The Natural Resources Wales ('NRW') Flood Map for Planning ('FMfP') identifies the Site to be at risk of flooding and falls into Flood Zone 3 (Rivers and Sea) (albeit located in a 'TAN15 defended zone').

1.7 The Site is very well connected by public transport. Cardiff Central Station is within a short walking distance (0.1 miles / 2-minutes' walk). Cardiff Central provides connections to a wide range of locations, including Newport in 13 minutes and Cheltenham Spa in approximately an hour. Adjacent to the Site is Wood Street bus stop, with further bus stops along St Mary Street, approximately 2-minutes' walk from the Site.

1.8 The Site location is shown in **Figure 1.1**

Figure 1.1 Site Location Plan

Proposed Development

1.9 The planning application seeks full permission for the following:

> "“Mixed-use development to provide residential accommodation, flexible non-residential uses, cycle parking, landscaping and other associated works”

1.10 The Proposed Development will deliver:

- A landmark 50 storey building with a maximum height of up to **177.85m AOD**.
- **528 new homes** (Class C3) comprising a mix of 1-bed and 2-beds.
- A pavilion building within Central Square comprising up to **601sqm** of flexible non-residential floorspace (flexible Class A1 and A3).

- **2,856.5sqm** of high quality internal and external amenity space through provision of roof terraces, lounges, coworking, gym and other wellbeing spaces.

- A basement level providing ancillary residential floorspace.

- A car free development with **528 cycle parking spaces within proposed building**, including 5% accessible spaces, and a publicly accessible bike hub and café. Additionally, 52 public cycle spaces are provided within adjacent square provided as Sheffield stands.

Structure of this Report

1.11 The following sections of the report are structured as follows:

- **Section 2** – outlines the methodology used for this assessment
- **Section 3** – provides an overview of the economic policy context
- **Section 4** – outlines the economic context of Cardiff
- **Section 5** – identifies the construction phase economic impacts
- **Section 6** – identifies the operational phase economic impacts
- **Section 7** – summarises the wider benefits
- **Section 8** – provides a summary and conclusion

2. ASSESSMENT METHODOLOGY

2.1 This assessment will measure the estimate the economic impacts of the Proposed Development in two ways namely:

- In **quantitative terms** such as by the number and type of jobs supported, the effects of their expenditure, and the amount of income generated in the local area.
- In **qualitative terms** to include the local community benefits, regeneration impacts and improvements to the perception of an area, attractiveness and appeal to residents and wider economic competitiveness.

Scope of Assessment

2.2 First, a high-level policy review will be completed to understand what the economic priorities are at play at the national, regional, and local levels.

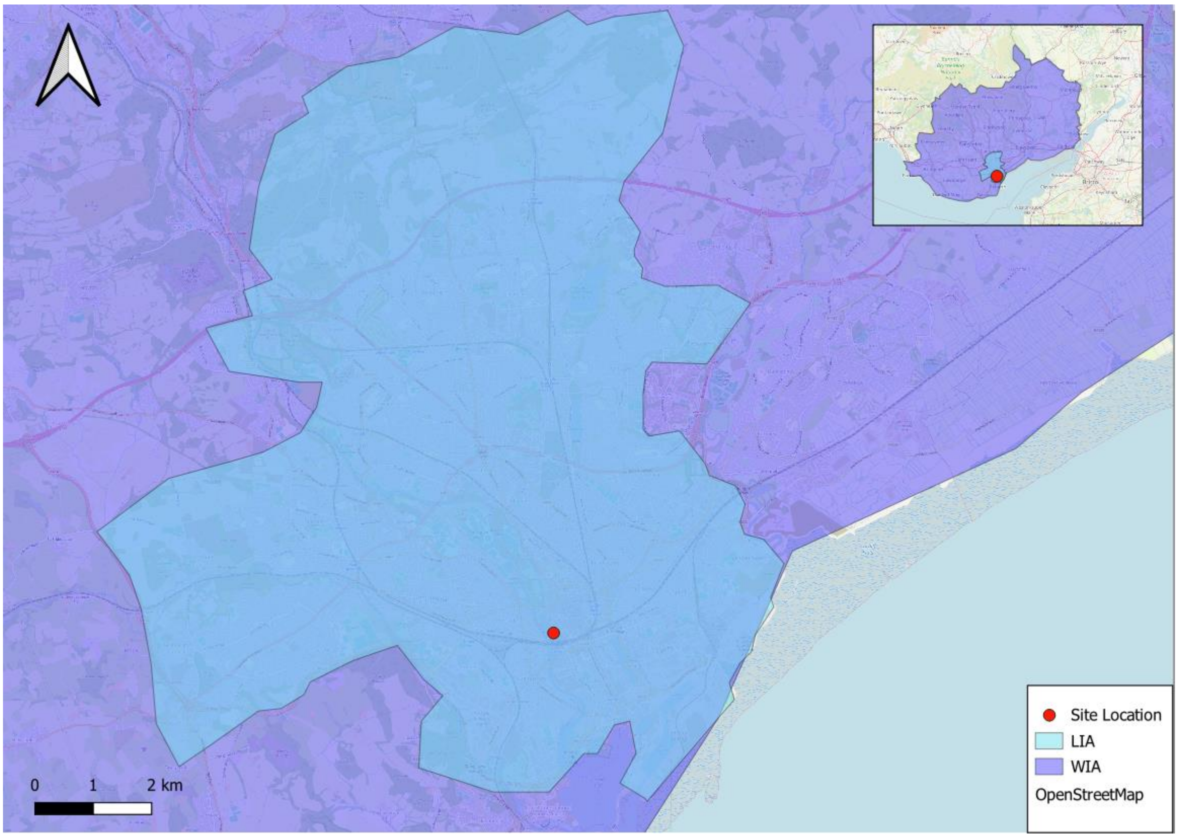
2.3 Following this, a baseline profile of the population and economic context of Cardiff, Cardiff Capital Region and Wales will be presented using publicly accessible data from the Office of National Statistics (ONS), Cardiff Council and other recognised sources.

2.4 The geographies that form the study area and justification are presented in **Table 2.1** and mapped in **Figure 2.1** below.

Table 2.1 Data Collection Geographies

Area Name	Geographical Area	Justification
Local Impact Area	Cardiff Council	The application Site is within the Cardiff Council administrative boundary. The scheme is therefore subject to the planning policy objectives and strategies for the principle area. Additionally, the immediate economic benefits of the scheme are most likely to be felt within this area.
Wider Impact Area	Cardiff Capital Region	The application is located within the wider area of the Cardiff Capital Region. It is likely that many of the economic effects will be felt across the wider region.
Nation Impact Area	Wales	Where appropriate the national economic data is provided for comparison purposes.

Figure 2.1: Study Areas



Source: Iceni Analysis, 2025

Assessment of the Economic Effects

2.5 The report then details how the proposed development will deliver economic benefits during both its construction and operational phases. The assessment will include looking at direct economic impacts such as new job creation, increase in expenditure and increase in the visitor economy.

2.6 Indirect effects will be considered including additionality, which is the real increase in socio-economic value that, in this case, would not have occurred without the proposed development. There are three relevant components to additionality.

- **Leakage -** the extent to which impacts ‘leak out’ of a target area into others. The relevant target area considered here is Cardiff, but overall impacts across a wider area (i.e. South East Wales and the country as a whole) have also been presented.
- **Displacement -** the extent to which an increase in economic activity or other desired outcome is offset by reductions in economic activity or other desired outcome in the area under consideration or in areas close by.

- **Multiplier effects –** Knock-on impacts created through supply chain spending (indirect effects) and through additional income expenditure (induced effects).

2.7 The extent to which economic impacts are additional has been considered line with HMT Green Book (2020) and HCA Additionality Guide (2014) where relevant.

2.8 When providing an economic benefit, the geographic level of effect will be stated to show the local and regional effect the Proposed Development will have upon the economy.

2.9 The impacts on the economy and social benefits will be quantified and stated accordingly. This will also include a review of how the Proposed Development aligns with the policy for Cardiff.

2.10 Finally, a conclusion will be drawn from the assessment with the infographic presenting an overall summary.

Limitations and Assumptions

2.11 Assumptions and limitations are highlighted where relevant throughout this assessment however, the key points of note are identified in this section.

2.12 Data sources are referenced. The latest available data has been used; however, it should be noted that many data sources are frequently updated and could be subject to change from the time of the planning application process.

2.13 This assessment draws on the information set out in other planning application documents and other technical documents available at the time of authoring this report.

3. ECONOMIC POLICY CONTEXT

3.1 This section reviews the policy context relating to the economic aspects of the Proposed Development scheme at the national, regional, and local levels. A more detailed policy review is provided in the Planning Statement supporting the application.

National Policy

Planning Policy Wales (2024)

3.2 Planning Policy Wales (PPW) sets out the land use planning policies of the Welsh Government. The primary objective of PPW is to ensure that the planning system contributes towards the delivery of sustainable development and improves the social, economic, environmental and cultural well-being of Wales.

3.3 PPW stresses the importance of placing economic developments in sustainable and accessible locations, ideally near transport infrastructure, within or adjoining existing settlements and where infrastructure like water, energy, and broadband already exists.

3.4 To protect the vitality and viability of town centres, PPW promotes a ‘town centre first’ policy for mixed-use developments that contribute to town centre regeneration. PPW designates Cardiff as an ‘area of national growth’, emphasising its role as a driver for economic development for Wales. This focuses on revitalising urban areas (including Central Square) which enhance economic vitality.

Local Policy

Cardiff Adopted Local Development Plan (adopted January 2016)

3.5 The Cardiff Local Development Plan set out the Council’s long-term aims and aspirations for the city between 2006 and 2026. This plan set the groundwork for sustainable growth, focusing on housing, employment, and infrastructure, and includes the following aims:

- To encourage mixed-use regeneration schemes (housing, retail, employment)
- For densities to be maximised to make efficient use of city centre land in a highly accessible location
- To create destination spaces with active uses which complement the business offer including Central Square (new public piazza with active ground floor uses)

Cardiff Replacement Local Development Plan (2021-2036)

3.6 This builds on the vision of the adopted LDP (2006–2026), but updates it to reflect evolving needs in housing, climate policy, the economy, infrastructure, and wellbeing. It is still under development, but the Preferred Strategy outlines the key aims and directions the council intends to pursue. Objectives include:

- Objective 1: Provide more homes to address future housing needs
- Objective 2: Provide more jobs and maximise Cardiff's role as Capital City of Wales and economic driver of South East Wales to improve the prosperity of the region
- Objective 3: Ensure the timely provision of new infrastructure to support future growth
- Objective 7: Support a vibrant, mixed-use City Centre, develop Cardiff Bay's full potential to provide core destinations for Cardiff and beyond and support the key role of district and local centres as the heart of local neighbourhoods
- Objective 9: To use a place-making approach to create sustainable places, maximise regeneration opportunities, enhance the role of public spaces, ensure that future growth can be effectively managed and deliver new developments of high-quality design

Summary

3.7 The policy framework at a national and local level outlines the goals of sustainable development, and an overarching economic objective to build an inclusive and resilient economy. The overall vision for Cardiff is to accommodate population increase responsibility via new housing of varying types and tenures, promoting mixed-use development and reinforce Cardiff's economic role in the region.

4. SOCIO-ECONOMIC CONTEXT

4.1 This section provides an overview of the demographic and economic context of Cardiff as a whole.

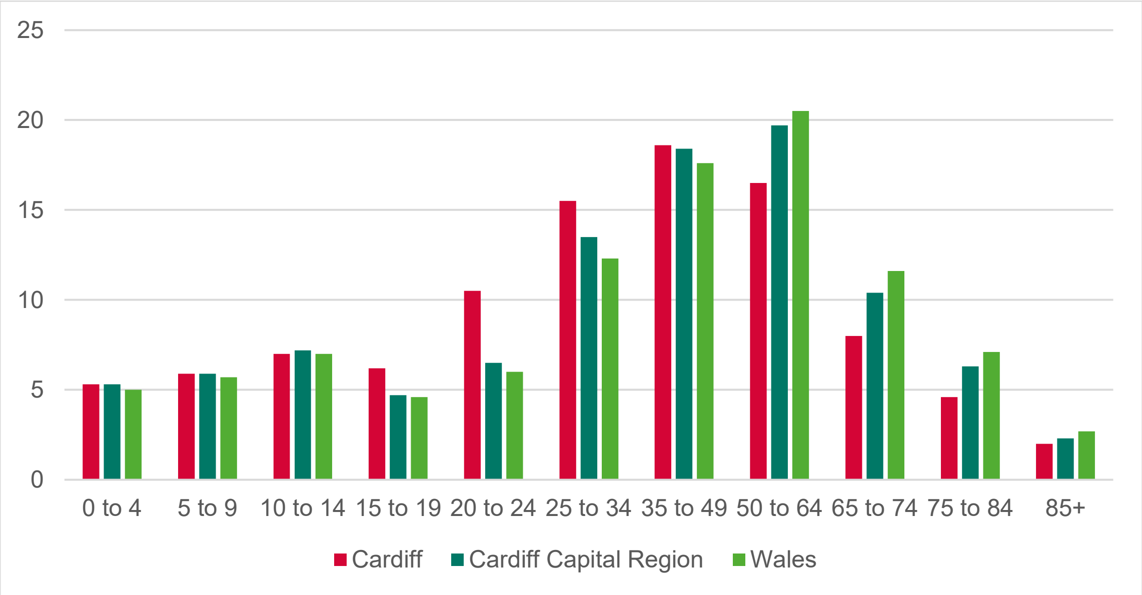
Population Profile

4.2 Based on ONS 2021 mid-year population estimates, the total population of Cardiff was 362,308 residents. This is equivalent to 23,8% of the total population of Cardiff Capital Region (estimated to be around 1.5 million residents).

Age Structure

4.3 As shown in **Figure 4.1,** Cardiff has a higher proportion of the population aged 15 to 49 than Cardiff Capital Region and Wales. Conversely, it has a smaller/greater proportion of people aged 50 years and older than the comparative areas.

Figure 4.1: % Age Profile of Residential Population



Source: ONS, Mid-Year Population Age Estimates, 2021

Deprivation Profile

4.4 The Welsh Indices of Multiple Deprivation (IMD) provides a ranking of neighbourhoods (LSOAs) to compare levels of deprivation across the country. To calculate which rank an area is, eight domains - income, employment, health, education, access to services, community safety, physical environment and housing, to produce an overall relative measure of deprivation.

4.5 The site is located within the Cathays 10 LSOA boundary which was ranked 833 out of 1909 LSOAs in Wales, which places it among the 30-50% most deprived.

4.6 Table 4.1 provides a breakdown of each domain of deprivation score. Of relevance for this assessment, education, access to services and housing all score below the average decile of 50, showing that the area has existing levels of deprivation in these areas.

Table 4.1 Index of Multiple Deprivation for LSOA Cathays 10

Domain of Deprivation	Decile (where a score of 0 is the most deprived and 100 is the least deprived LSOAs)
Income	0.0
Employment	0.1
Health	2.0
Education	31.6
Access to Services	36.5
Community Safety	100
Physical Environment	21.6
Housing	31.2
Overall IMD	**20.1**

Source: Welsh Government, 2019

LPA Economic Context

4.7 Local labour market indicators, using the latest available data from the ONS, are summarised in Table 4.2.

4.8 The analysis demonstrates that Cardiff is characterised by a higher economic working-age population compared to the Cardiff Capital Region and Wales. The higher working-age population L experiences can be seen as an advantage as it increases opportunities for economic growth.

4.9 Cardiff has a higher proportion of the population who are economically active (77.2% when compared to the Cardiff Capital Region (75.9%) and Wales (76.1%)).

4.10 There is a higher proportion of the Cardiff population that are in tier 1-3 occupations (59.4%) when compared with the Cardiff Capital Region (56.4%) and Wales (48.8%). Tier 1-3 typically involves the highest paying jobs (managers, directors, professionals and technical experts), meaning Cardiff has a higher proportion of their population receiving higher incomes than these jobs demand in comparison to the region and country.

4.11 Levels of NVQ4+ education attainment (as measured by the percentage of holding university qualifications) are at 54.4% which is notably higher than both the region (48.7%) and the country

(44.0%). Typically, it could be expected that higher levels of educational attainment are linked with higher incomes,

4.12 Based on residence, those employees living within Cardiff have higher gross weekly wages (£693.40) than across the Cardiff Capital Region (£689.70) and Wales (£684.40).

Table 4.2 Labour Market Indicators

Indicator	Cardiff	Cardiff Capital Region	Wales
Working-age population (16-64 years) % of the Total Population (2021)	67%	61.8%	61%
Economic Activity Rate (Apr 2024 to Mar 2025)	77.2%	75.9%	76.1%
Unemployment - as a proportion of economically active aged 16-64 (April 2023 to March 2024)	4.1%	4.0%	3.5%
Claimant count- Number of people claiming Jobseeker's Allowance plus those out of work claiming Universal Credit as a proportion of economically active (July 2024)	N/A	N/A	3.4%
Tier 1-3 Occupations (managers, professionals, technical) (April 2023-March 2024)	59.4%	56.4%	48.8%
NVQ4+ Qualifications (Jan 2024-Dec 2024)	54.4%	48.7%	44.0%
Earning by place of residence (2024), Gross Weekly Pay	£693.40	£689.70	£684.40

Source: ONS Labour Market Profile – Cardiff (2025)

4.13 Within Cardiff, there are 228,00 people employed in jobs. Around 70.2% are in full-time jobs and 29.8% are in part-time jobs, which is better with the national average.

4.14 **Table 4.3** below shows the sectors which make up the greatest proportion of employee jobs and the lowest proportion of employee jobs.

Table 4.3 Highest and Lowest Employment Sectors in Stevenage

Highest Employed Sectors		Lowest Employed Sectors	
Human Health and Social Work Activities	14%	Mining and Quarrying	0.0%

Highest Employed Sectors		Lowest Employed Sectors	
Public Administration	11.4%	Electricity, gas, steam and air conditioning supply	0.8%
Wholesale and Retail Trade	10.5%	Water Supply	0.9%

Source: ONS BRES, 2024

Summary

4.15 A summary SWOT analysis of the City's key economic characteristics, strengths and weaknesses is presented in Table 4.1.

Table 4.4 SWOT Analysis of the Cardiff Economic Context

Strengths	• High proportion of residents with degree-level qualifications. • New sectors such fintech and creative industries emerging, with legal and financial services re-locating to Cardiff City Centre
Weaknesses	• Poor connectivity with other regions • A large proportion of the workforce is employed in the public sector, which could create vulnerability
Opportunities	• The Proposed Development provides an opportunity to alleviate some of the current deprivation experienced at the Site, which is currently ranked within the 30-50% most deprived neighbourhoods in Wales.
Threats	• Macroeconomic challenges (such as inflation and tariffs) which can impact investment and consumer confidence

5. CONSTRUCTION PHASE IMPACTS

5.1 This section considers the economic benefits linked to the construction phase of the Proposed Development. It is expected that the construction phase will begin in early 2026, with a 34-month build-out period. The primary benefits relate to the level of private sector investment, employment opportunities created, and the additional economic output generated.

Construction Investment

5.2 It is expected that the development of the site will lead to private sector construction investment amounting to approximately £133 million based on the developer's estimates. This represents a significant injection of private sector investment within the local economy in the short term (34 month build period).

Construction Employment

5.3 The construction phase has potential to support the local construction sector, which represents 3.5% of employment in Cardiff, and 5.1% in Wales.

Direct Employment

5.4 To estimate the number of construction jobs supported during the construction period, a turnover-to-employment ratio for the construction sector has been used. This draws on the Office for National Statistics (ONS) Annual Business Survey1 data for the region resulting in a ratio of one job per £74,007.

5.5 Applying this ratio to the construction cost results in 1,797 gross direct construction employment, equivalent to 642 direct construction jobs per annum over the construction period. The number of construction workers on-site at any one time will vary as the development phases progress.

5.6 Construction involves a wide range of trades and sub-sectors who are involved with the site as it develops. There is also potential that the Proposed Development will lead to opportunities for apprenticeships and training during the construction phase.

[1] ONS (2023) Output in the construction industry: sub-national and sub-sector reference tables

Indirect and Induced Employment

5.7 Several additional effects need to be considered when calculating the economic benefits of the construction phase, in line with the HCA Additionality Guide (2014).

5.8 In terms of construction employment, the level of displacement is the number of the 1,797 direct jobs that would be supported elsewhere in the study area if the Proposed Development did not take place. Labour resources are finite and therefore labour requirements can lead to a reduction in economic activity elsewhere.

5.9 However, construction labour tends to be highly mobile and flexible meaning levels of displacement tend to be lower than for employment in general. Displacement in construction tends to mean a delay in alternate economic activity rather than it not taking place at all. On this basis, it is considered appropriate to apply a medium discount for displacement (25%) for the Region.

5.10 The level of leakage is the proportion of jobs which are taken by that not residents in the Region. Based on the HCA Additionality Guide ready reckoners a low-level leakage has been applied at 10%. This implies that a reasonably high proportion of the benefits will be retained within the Region with a proportion also being retained within LPA.

5.11 Multiplier effects relate to the further economic activity (such as jobs, expenditure or income) associated with additional income, local supplier purchases and longer-term development effects. In terms of housing development, the scale of the multiplier effects will depend on the extent to which local sub-contractors (with their local labour) and local suppliers (for materials and services) are used in construction. For commercial development, multiplier effects are relevant to employment, investment and income associated with the construction phase.

5.12 To deduce the indirect employment effect a multiplier has been applied in line with HCA guidance. For the Region, a multiplier of 1.5 is used which suggests that for every direct construction job supported, a further 0.5 jobs are likely supported in the supply chain and through additional income expenditure.

5.13 Applying the additionality assumptions to the gross direct construction jobs, the Proposed Development could support a further 607 indirect and induced net additional jobs in the Region **during the construction phase, equivalent to 217 per annum.**

Table 5.1 Summary of Construction Employment per annum

	Variable	Value	Source
A	Construction Turnover Per Worker	£74,007 (Wales)	Oxford Economics (2023) Workforce Jobs Dataset; and ONS (2023) Output in the construction industry: sub-national and sub-sector reference tables
B	Estimated Gross Project Construction Cost	£133m million	Estimate based on client information
C	Construction Length (Years)	2.8 years	Estimate based on client information
D	Total Gross Construction Job Equivalents	1797	Calculated: B ÷ A
E	Gross Construction Direct Jobs Per Year	642	Calculated: D ÷ C
F	Leakage	10%	Table 4.3 of HCA (2014) Additionality Guide
G	Gross Construction Job Equivalents after Leakage	1,617	Calculated: D x (1 – F)
H	Displacement	25%	Table 4.8 of HCA (2014) Additionality Guide
I	Net Construction Job Equivalents in Region	1,213	Calculated: G x (1 – H)
J	Multiplier Effect	1.5	Table 4.14 of HCA (2014) Additionality Guide
K	Total Indirect and Induced jobs in the region	607	Calculated: I x (J – 1)
L	Indirect and Induced jobs per year in the region	217	Calculated: K ÷ C
M	Total Net Employment Support	1,820	Calculated: I + K

Source: Iceni Analysis, 2025

Economic Output

5.14 The contribution of the construction sector to the economy can be measured by Gross Value Added (GVA). GVA only considers the actual added value of the industry and excludes costs incurred in the construction process. The average ratio of expenditure to jobs in the construction industry is £44,506 per workforce job[2] across the Region. Applying this to the gross direct employment impact of the Proposed Development results in gross local direct GVA of £80 million over the construction period.

[2] Oxford Economics (2023) Workforce Jobs Dataset; and ONS (2023) Regional gross value added (balanced) by industry: all International Territorial Level (ITL) regions - Table 1c

5.15 In terms of indirect GVA, Table 4.11 of the 2014 HCA Additional Guide suggests a composite output multiplier of 2.7 is appropriate for the construction sector. This indicates that the Proposed Development could generate £136 million of gross national indirect and induced GVA over the construction period for the national economy. It should be noted that indirect GVA impacts are likely to an extent over a wider spatial area.

5.16 Therefore, the total estimated GVA over the construction period (direct and indirect) is approximately £216 million.

6. OPERATIONAL PHASE IMPACTS

6.1 This section anticipates the economic contribution of the Proposed Development once the residential units and commercial space are complete, occupied, and operational. The primary benefits relate to direct and indirect employment, residential spend economic output, and fiscal benefits.

Employment Impacts

Direct Employment

6.2 Once complete and operational, the provision of the flexible non-residential floorspace is likely to generate approximately 38 total jobs in Cardiff (equivalent to 32 FTE jobs).

Indirect and Induced Employment

6.3 In addition to the direct total jobs considered above, some indirect employment would also be created by additional spending on goods and services by the new employment-generating occupiers of the Site. The wage expenditure for workers employed directly at the Site, as well as those employed in local businesses supplying these employment uses, would also support jobs in shops, services, and other businesses within the local economy.

6.4 The HCA Additionality Guide recommends a range of composite multiplier effects by commercial related activity. It is considered that a local multiplier of 1.3 is reasonable for this type of development to calculate the indirect employment generated in Cardiff.

6.5 In this context, it is estimated that the direct jobs created could support a further five jobs in Cardiff to support the local supply chain, local shops, services, and other businesses to support the running of the new commercial premises.

Economic Output

6.6 The operational phase will also generate significant levels of GVA which can be measured based on the amount of employment generated and the average levels of GVA per worker in the relevant sector. A figure of £45,924[3] for the overall GVA per worker in Wales has been used.

6.7 Based on the employment generated, the Proposed Development is likely to generate around £1.7million in gross direct GVA. In terms of indirect GVA, the 2014 Additionality Guide suggests a composite output multiplier of 2.2 is appropriate to use as this is a regional ‘economy average’. This indicates that the Proposed Development could generate around £2.1million indirect GVA. It should

[3] ONS (2021) Regional Gross Value added by Industry

be noted that the indirect GVA impacts are likely to be extended across a wider spatial area. Overall, it is estimated that the Scheme could generate £2.8million in indirect and direct GVA.

Workplace Salaries

6.8 It is estimated that jobs on site will generate additional income generation. With an average weekly salary of £697.70[4] in Cardiff, it is estimated that workplace salaries from the 32 direct FTE jobs in the commercial space, will amount to approximately **£1.2 million.** It is likely that a proportion of wages will be spent locally, in turn helping to support local businesses.

Residential Impacts

First Occupational Expenditure

6.9 New housing development can lead to increased resident expenditure in the local area. Research has shown that homeowners are spending on average £7,000 on furnishing their homes for the first time.[5] This would indicate that residents of the 528 new units could spend in the region of **£3.7 million** on comparison goods such as furniture and appliances in local shops. This spending would support new and existing business and support employment.

Residential Expenditure

6.10 The ONS Family Spending Survey[6] provides data on household and per person spending in Wales. It is expected that the average expenditure amongst future residents of the scheme will be £406.60 per week per household (excluding housing, fuel and power). This includes spending on convenience (food and drinks) and comparison goods (clothing and footwear and household goods) as well as recreation, culture and restaurants.

6.11 It is therefore estimated that the new 528 residential units could generate total gross spending of **£11.2 million** each year which could support the vitality and viability of businesses and services across Cardiff.

Council Tax

6.12 Based on Cardiff Council ‘All other Areas’ Band D rate for the period 2025-26 (£1,922.19), the 528 new units could generate £1 million per annum in council tax. This money can be used by Cardiff Council for local services, such as waste collection, road maintenance, education and green spaces.

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[4] ONS, Annual Survey of Hours and Earnings – workplace analysis (2024). As the occupants of the commercial floorspace are not yet know, an average for Cardiff has been used

[5] HBF (2024) The Economic Footprint of Home Building in England and Wales

[6] ONS (2023) Family Spending Workbook 3 – Expenditure by Region

Planning Contributions

6.13 Planning contributions will be secured by way of a Section 106 Agreement. Any relevant Section 106 contributions will be agreed with the Local Planning Authority as part of the planning application process and will directly relate to the Proposed Development. These contributions may support the provision of affordable housing, green spaces, educational facilities, and various forms of infrastructure like roads, public transport, and healthcare facilities.

7. WIDER BENEFITS

7.1 The Proposed Development has the potential to deliver a range of wider economic and social benefits.

Attracting talent to Cardiff city centre

7.2 The provision of 528 high-quality new homes is likely to attract new residents to Cardiff City Centre. The *Cardiff City Centre Recovery Action Plan*, outlines how the Council hope to make living in the city centre more accessible to families and a broader range of people, through the provision of a wider mix of housing types and more flexible accommodation.[7]

7.3 The proximity of Central Square to Cardiff Central Station has been particularly advantageous for the city's growing financial, technical and legal sectors, with clustering of legal and financial services in the area. Indeed, His Majesty's Revenue and Customs (HMRC) has relocated a major portion of its operations to this site.

7.4 Research by Centre for Cities indicates that young people between 25 and 34 prioritise proximity to the workplace, cost of housing and access to leisure and cultural facilities when choosing where to locate[8.] Data from 2024 indicates that 69,800 people commute into Cardiff on a regular basis[9]. By providing additional high-quality housing in Cardiff city centre, this could encourage current employees to move to the area, bringing vitality to the centre and ensure that earnings are retained within the local economy.

Meeting Housing Needs in Cardiff City Centre

7.5 The Proposed Development will deliver 528 new homes, including a range of 1 and 2 bed units to help meet the housing needs of Cardiff's residents. In December 2023, Cardiff Council's Cabinet declared a Housing Emergency due to unprecedented numbers of people on housing lists.

7.6 The Cardiff Local Housing Market Assessment (LHMA) Report (2022-2027[10]) estimates a need for 3,220 homes to be delivered over the first five years of the LHMA period. This indicates that the Proposed Development will be well placed to help address the current and forecasted need.

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[7] Cardiff Council (2022) Cardiff City Centre Recovery Action Plan

[8] Centre for cities (2015) Urban Demographics: why people live where they live

[9] ONS (2025) Commuting patterns by Welsh local authority and measure

[10] Cardiff Council (2021) Cardiff Local Housing Market Assessment (LHMA) Report

Contribution to Economic Objectives

7.7 The Proposed Development will assist in meeting the economic objectives identified in Section 2. These can be summarised as follows:

- The scheme provides housing in the city centre, supporting the priority aim of town centre regeneration;
- The scheme delivers high quality housing and commercial space, leveraging investment in a key area of development, cementing Cardiff an attractive place to live, work and invest.

8. CONCLUSIONS

8.1 The purpose of this report has been to assess the quantitative and qualitative socio-economic benefits that are expected to be generated by the Proposed Development at Plots 4 and 5, Central Square, City Centre, Cardiff.

Policy Alignment

8.2 The Proposed Development supports the aims and targets within the local plan by:

- Increasing the supply of housing
- Making an efficient use of city centre land in a highly accessible and sustainable location
- Creating a destination space with active uses which complement the business offer
- Supporting the vitality of Cardiff and making it a vibrant area to live

Quantifiable Economic Benefits

8.3 The headline economic benefits can be summarised as follows:

- Lead to private sector construction investment amounting to approximately **£133 million;**
- Support **642 direct construction jobs** per annum over the 34-month duration of the build;
- Support around **217 indirect and induced jobs** per annum across the region during the construction phase;
- The Proposed Development will generate around **£216million in construction GVA** over the construction period, supporting the national economy;
- Provide **32 Direct FTE jobs in the non-residential floorspace**;
- Generate **£3.7 million** in first resident expenditure (on items such as white goods, furniture and home décor);
- Generate **£11.2 million** per year from resident expenditure on convenience retail, comparison retail and leisure services; and
- Generate **£1 million** per annum council tax.

Social Benefits

8.4 In addition to the quantifiable economic benefits, by providing additional high-quality housing in Cardiff city centre, this could encourage current employees in the city's growing financial, technical and legal sectors to move to the area, bringing vitality to the centre and ensure that earnings are retained within the local economy.

Summary

8.5 It is apparent that the benefits of the Proposed Development are wide-ranging and will make a meaningful contribution to achieving the economic objectives of Cardiff Council. Proposals will develop an underutilised area of the Borough and deliver much-needed residential and modern commercial floorspace. Overall, the inward investment proposed will support the national and local economic policy objectives.