

2024.10.01

3.3 Deputy P.F.C. Ozouf of St. Saviour of the Minister for Housing regarding data available on the total number of private sector rental properties available in Jersey (OQ.186/2024):

Will the Minister detail what data is available to him regarding the total number of private sector rental properties available in Jersey and whether he has any specific targets or benchmarks for what would constitute an acceptable number of such properties to meet Islanders' needs?

Deputy S.Y. Mézec of St. Helier South (The Minister for Housing):

I thank Deputy Ozouf for this question. The 2 main datasets that exist to give us a picture of how many private sector rental properties there are in Jersey are the census, which gives a breakdown by bedroom size and across all different types of tenure for housing in Jersey. But, of course, the further away we get from that moment in time the less of an actual picture that dataset provides us, and we are aware that there have been several significant developments in that time which will include private sector rental properties. We do also have the Rented Dwellings Licensing Scheme, which is still in its transitional period, although as time goes on we can begin to rely on that more as an accurate and up-to-date picture of how many private sector rental homes there are there. There has so far been over 17,000 licences given for those who have applied, which is not far off what we thought the picture was for private sector rental homes, so hopefully that shows that it is working. In terms of targets or benchmarks for what would constitute an acceptable number of properties to meet Islanders' needs, I do not have a figure like that, and I actually do not think it would be useful for me to come up with a figure like that because the passage of time would extremely quickly make it irrelevant and it would constantly be a moving target. We have from Statistics Jersey the Jersey's *Future Housing Needs Report*, which gives breakdowns of what types of homes, what sizes of homes we would need into the years in the future based on particular population growth scenarios, so there are a series of different pictures. But the one thing that that does not bear in mind is potential policy changes which would change what the need for private sector rental homes is. If we built too much social housing I would want to widen the Gateway criteria even further and that would therefore reduce the need for private sector rental homes. I want us to have more schemes to support first-time buyers and every private renter you turn into a first number that is one less private sector rental home that you would need. For what I would consider an acceptable number, that will always be a moving number and so I do not think it is useful for me, as a Minister, to give that kind of number. But I hope that answer is helpful to the Deputy.

3.3.1 Deputy P.F.C. Ozouf:

I am grateful for the Minister's answer and there are a number of supplementaries that follow; it is probably better done in written form. The first supplementary that I wish to ask is: the Minister kindly mentioned the number of 17,000 homes that are on the new registered scheme for rentals. Could he please explain where that data comes from, because it is a surprising number based upon the dwelling house loan statistics, which he quite rightly says, which there is an expected number of 10,739 qualified private rentals, *et cetera*. Maybe he misspoke.

Deputy S.Y. Mézec:

He certainly did misspeak because of course that number that I gave also includes social housing units, so I apologise for not separating those 2 numbers when giving that.

Deputy P.F.C. Ozouf:

I do not know whether that is any ... he has put me off my train of thought because 17,000 is the wrong figure.

The Deputy Bailiff:

You have had your supplementary.

Deputy P.F.C. Ozouf:

Fine, but it was on an erroneous information.

The Deputy Bailiff:

Do you want to give the correct figure? Do you have it?

Deputy S.Y. Mézec:

The equivalent figure that I would have from the census would have just under 11,000 qualified private sector rental homes, which goes up closer to 15,000 when you include unqualified and staff accommodation and that kind of thing as well. I apologise for misspeaking in my previous answer.

3.3.2 Deputy M.B. Andrews of St. Helier North:

The number of qualified private rental units stood at 7,806 in 2011 and that number increased in 2021 to 10,739 units representing a 38 percentage change increase. Does the Minister believe that this increase is acceptable and if not, why not?

Deputy S.Y. Mézec:

Those figures are correct. That is what happens between 2011 and 2021, and for that period in our history an increase of 38 per cent in qualified private rental homes will have had some impact in helping satisfy demand for housing in the Island. But I have been clear, I would like Jersey eventually to get to a point where social rental housing surpasses private rent as the second biggest tenure of housing on the Island, with of course owner/occupation being the first part of that. In the coming years, I would like to see the increase predominantly with social housing rent. In that same time period, the total number of social rental homes only increased by 3 per cent, and that would be where my priority would be in the future.

3.3.3 Deputy M.B. Andrews:

Can the Minister for Housing confirm what percentage change increase would be desirable for social housing units and when would he look to introduce such a figure and when would that objectively set?

Deputy S.Y. Mézec:

Again, it is not a clear timetable or clear number that I am putting on, it is more of a high aspiration that I would like us to get to that point. Andium have been very effective in the last few years in planning to build more homes. If we wanted to get social housing to surpass qualified private rent without actually reducing the number of qualified private rent homes at the moment, that would require a jump of 100 per cent, which is obviously very ambitious and probably not deliverable, which is why I am not saying it ought to be a target set in stone but more of an aspiration for us to eventually get to. It is not the kind of thing you achieve in a short period of time; it is the kind of thing that might take decades. But it is where I would like us to get to and Andium are certainly very capable at helping us deliver that.

3.3.4 Deputy M. Tadier of St. Brelade:

Does the Minister have to hand a rough estimate of what support is given to private landlords for people who cannot afford their private rentals? I will leave that as my first question.

Deputy S.Y. Mézec:

If the Deputy is asking about income support that is paid out to tenants who live in the private sector to assist them with their rent, I believe the figure is somewhere within the region of £9 million to £10 million a year.

3.3.5 Deputy M. Tadier:

Obviously that £9 million to £10 million will ultimately go to private landlords. Does the Minister believe that it would be much better spent if some or indeed the aspiration of all of that money were going to Andium, which is entirely States-owned, so the money could be recycled rather than going into the pockets of private landlords paid for by the Jersey taxpayer?

Deputy S.Y. Mézec:

The short answer to that is I agree, and the Minister for Treasury and Resources and other officials in the Treasury Department will know that I am very often saying to them that I would want Andium to keep as much of its return that it provides to Treasury, which is in the region of about £30 million a year. Of course, the more of that they can keep, the more that they can do, the more that they can develop and the less that we may need to rely on private sector rent for housing those people and that is the aspiration I want to get to.

[10:00]

3.3.6 Deputy S.M. Ahier of St. Helier North:

The Minister mentioned policy changes in his initial answer. Does the Minister know if the availability of private rental properties has decreased since the rise in stamp duty for such properties was introduced?

Deputy S.Y. Mézec:

No. Since that increase was introduced though it does enable Statistics Jersey to track now how many homes are being bought for the purpose of letting them out, which they were not easily able to do before. I am not aware of a recent estimate that they have produced of how many private rental homes there are now versus what it was 2 years ago before that surcharge was introduced. But it is the case that there are still homes being bought that are for the purpose of letting out, where the buyer is just paying the stamp duty and getting on with it. The numbers of course have reduced of how many of those ... we presume the numbers have reduced in terms of how many of those transactions are happening, but some are still happening, so there are still some people buying properties to let them out.

3.3.7 Deputy L.K.F. Stephenson of St. Mary, St. Ouen and St. Peter:

I think from the numbers that we were quoted earlier I could probably work it out myself by listening back, but for clarity, is it possible for the Minister to say of the private sector rentals what proportion are considered unqualified or licensed? Does the Minister consider this to be sufficient?

Deputy S.Y. Mézec:

The number I gave was about half the amount and that includes different types of unqualified accommodations, so some of that will be staff accommodation, some of that will be lodging houses, *et cetera*. Let us be frank, there is a shortage of registered accommodation and that is making life difficult for some people who are coming to the Island who are not granted housing status through some other means. So, we do need to have conversations about whether we ought to be actively delivering new registered accommodation. I have had some conversations with the States of Jersey Development Company to see if there are ways that that can be incorporated into some of their future plans. Or we can find mechanisms to reduce our reliance on registered housing by helping those who currently have registered status, get some kind of status to be able to access the qualified private rental market. But if we are going to do that, we have got to be very careful about it and make sure that we have gone through the numbers and modelled what kind of impact it might have, depending on how far we go. We are not in a position yet to say exactly how far we would go, but work is being done behind the scenes to model that to see if there are tweaks we can make.

3.3.8 Deputy L.K.F. Stephenson:

The Minister must have read my mind for what my follow-up question was going to be about the ... does he believe that steps should be actively taken to increase the supply there. I am slightly confused about which way the Minister's policy preference would sit there. Could he perhaps expand on that? Does he believe that we should be changing policy and creating more unqualified units?

Deputy S.Y. Mézec:

I do not see it as either/or, partly for the reason that because of the Control of Housing and Work Law there has not been a lot of new registered accommodation provided in that time because of the limits that there are on it, which means as time goes by the registered accommodation that we have in Jersey becomes aged and not as nice as the newest homes that are built. So, I am absolutely in favour of being able to build some more so that we can have nicer homes for people to come and live in if they have

registered status. But at the same time there are tweaks we can make to our system of entitled status that could make it more accessible to the rental market for some of those who come to the Island. I am cautious that that has got to be done carefully so we do not overwhelm any part of the market, but I want to see both happen, but they are of course very different mechanisms.

3.3.9 Deputy I. Gardiner of St. Helier North:

I am grateful for the Minister to share his aspirations and I would like to probe it a bit further. Would the Minister advise if a world without private sector landlords is his long-term aspiration?

Deputy S.Y. Mézec:

No.

3.3.10 Deputy R.S. Kovacs of St. Saviour:

From the response the Minister gave to Deputy Andrews on the balance of private properties built comparing with the social housing, from the recent fiscal policy report on housing, we have seen that there is no social housing built in Trinity and St. John's. Are there any plans to build any there?

Deputy S.Y. Mézec:

She has caught me slightly off guard. I cannot remember exactly what sites were allocated in the Bridging Island Plan for new homes in those. I believe that there are some, and I know the Constable of St. John is keen to show me around some. We were meant to go yesterday but were put off by the weather, and I was not on-Island because of the weather I can say as well. So that is an even better alibi. But, yes, I believe that there are some looking in those Parishes, and I am happy to keep up to date with the Constables of those Parishes to make sure we get the best out of them.

3.3.11 Deputy P.M. Bailhache of St. Clement:

Is the Minister not able to give a specific number of licensed rental properties rather than a rounded 17,000? Of that number, can he state how many were inspected for compliance with standards before a licence was granted?

Deputy P.F.C. Ozouf:

For his information, the number was not 17,000 as corrected by the Minister.

The Deputy Bailiff:

I think the Minister can answer the question himself.

Deputy S.Y. Mézec:

No, Deputy Bailhache's question was about the licensing scheme, which includes both, and that exact number as of yesterday is 17,525. As for the number that have actually been inspected, I am delighted to tell the Deputy that that scheme is actually not within my Ministerial remit. It is for the Minister for the Environment, who is probably more up to date on that than I am. But I have been given high-level numbers for helping to answer these questions.

3.3.12 Deputy P.F.C. Ozouf:

The purpose of my question related to what I understand to be the colloquial understanding of private sector rental properties, therefore not social housing, and while you have allowed, quite understandably, Sir, questions in relation to unqualified housing, my oral question related to the understanding of social rented private sector rentals. Can I just summarise, to be absolutely clear, the Minister is saying that he does not know how many private sector rental properties are currently available, whether that has changed, and in the answers he gave to Deputy Ahier, he does not know whether the stamp duty and other changes has made a difference? Finally, can he confirm that what he said was that he wanted the number of private sector rental properties to reduce?

Deputy S.Y. Mézec:

I want as many Islanders as possible to be able to buy the homes that they live in so that they do not need to rely on private sector rent. I think that most Islanders would consider that an appropriate direction of travel but there will always be a need for private sector rent in some shape or form and we ought to have the best offer as possible for those for whom that is appropriate. But I want to support Islanders into buying their own home and I want to support our social housing providers into providing more and better accommodation so that we can widen the Gateway as much as possible, and we have already been doing lots of that. If the Deputy wants to make an intervention.

Deputy P.F.C. Ozouf:

My question related to the private sector market not social rented. I am asking about the private sector rental market and so any answers that relate to growing the supply of other things may be interesting but my question related to what the Minister's policy is for the private sector rental market and his answers are displaying that he wants to reduce it but he does not want to say it.

Deputy S.Y. Mézec:

He asked a number of questions in his final supplementary that crossed a wide variety of issues and if he does not think that me saying what the place of social housing in our wider housing offer is relevant then I do not think he understands his own question that he asked, because of course it is relevant what proportions of different tenures are on offer and whether we have more or less private rental, the answer of whether we have more or less social rental is completely relevant in answering that question. I would like us to get to a situation where there is less need for private sector rental accommodation because more Islanders have been able to afford to own their home. That is an aspiration I believe most Jersey people have and one which I believe in and support. Part of his final supplementary question asked about knowing the exact availability of private sector rental accommodation at the moment. I do not know what the exact number is because it is constantly moving. Some people decide at one moment in time even if they own surplus properties that they are not going to be offering them. There are developments that are being built all the time, some of which have been bought that are being put out to let. We can go on *places.je* if we like and see how many private sector rental homes are available at the moment. It is a constantly moving number so I cannot put an exact one on it but we have got various different data sources that help us give a picture.

Deputy M. Tadier:

May I raise a point of order? I note that Deputy Ozouf very skilfully managed to get a second supplementary which should have been his final.

The Deputy Bailiff:

Well, he was asking for, I think ... his point was that he had not had an answer to the questions he was asked. At least that is what I thought he was going to make.

Deputy M. Tadier:

Could I ask in that case there should be a point of order to say I do not think my question has been answered correctly and then wait for the ruling from the Chair otherwise I think the premise will be that we have 2 final supplementaries, which I think is incorrect.

The Deputy Bailiff:

It is, you are right. Thank you very much.

Deputy P.F.C. Ozouf:

Point of order, Sir. I made a very clear question.

The Deputy Bailiff:

This is not a point of order though, is it?

Deputy P.F.C. Ozouf:

Well, I want to make a point of order, Sir. Could you please rule whether or not, and maybe after consideration, the question was answered in the way which it was framed, because you have allowed a number of supplementary questions which do not relate to the underlying purpose of the question? I understand why there is some confusion, but I was quite clear, I thought, and I would welcome some advice about how this could be conducted properly because my answer still remains unclear.

The Deputy Bailiff:

A lot of questions were asked arising from the original question, and overall, on balance, my view is that your questions were answered.