## **HOUSING (JERSEY) LAW 1949: AMENDMENTS**

Lodged au Greffe on 17th March 1998 by the Housing Committee



STATES GREFFE

1998 175

## **PROPOSITION**

# THE STATES are asked to decide whether they are of opinion -

to approve in principle, the preparation of further amendments of the Housing (Jersey) Law 1949 (the Housing Law), to provide as follows -

- (1) where, before promulgation of the Housing Law on 3rd April 1949, a company acquired land and that company continues to hold the land, no person may occupy, without the consent of the Housing Committee, any dwelling accommodation which is, or is to be, constructed on the land unless he is a person with housing qualifications under one or more categories which the Housing (General Provisions) (Jersey) Regulations 1961, as amended specify as applicable to this type of land;
- (2) the provisions of the preceding paragraph will not apply to a person who -
  - (a) on the date when this proposition was presented to the States -
    - (i) was in lawful occupation of any existing unit of residential accommodation on the land; or
    - (ii) is entitled under a legally binding agreement to occupy an existing unit of dwelling accommodation on the land, whether or not he is in actual occupation of it on that date;
    - (iii) has entered into a legally binding agreement under which he will be entitled to occupy a unit of dwelling accommodation on the land which the Committee is satisfied is actually

and lawfully in the course of construction on the land on that date: or

- (b) within six months of the said date, enters into an agreement such as is mentioned in clause (iii) of sub-paragraph (a), if the Committee is satisfied that the unit of accommodation to which the agreement relates was actually and lawfully in the course of construction on the land on that date;
- (3) for record-keeping and enforcement purposes, to require persons who wish to claim exemption under the provisions of paragraph (2), to register with the Housing Committee, within a reasonable period after the new provisions come into effect.

#### HOUSING COMMITTEE

### Report

The Housing Committee has become increasingly concerned by the exploitation by developers of a "loophole" in the Housing (Jersey) Law 1949, which allows land, which has not been subject to a transaction (i.e. purchase, registered lease or transaction) since before promulgation of the Law on 3rd April 1949, to be developed with residential units which can be owned and occupied by persons without residential qualifications.

The residential units that have been created in this way can be bought and sold by share transfer by persons with no connection whatsoever with the Island. The opportunity to take up residence in the Island, and effectively bypass housing controls, is attractive to outsiders and because of this the price of ''pre-1949'' properties enjoys a considerable premium over accommodation subject to the Housing Law. The Committee believes this situation should not be allowed to continue at a time when every effort is being made to control the Island's population and it is evident that there is a severe shortage of dwellings for persons who have qualified to occupy accommodation subject to control.

The Committee proposes that the Housing Law should be amended in order that it should apply to all land in company ownership which has not been the subject of a transaction since promulgation of the Law on 3rd April 1949, and that existing or newly created dwellings on the land should be occupied only by those with housing qualifications.

The Committee is aware that there are a number of persons already occupying or entitled to occupy "pre-1949" properties and believes that their right of occupation should not be removed by any amendment to the legislation. In addition there will be prospective purchasers who have entered into agreements to occupy dwellings which may be in the course of construction and equally the Committee believes that it would be wrong to remove their rights of occupation. However, the Committee believes that from a date to be agreed, say six months from the lodging of this report and proposition, the occupation of the accommodation should be restricted to persons with housing qualifications should the original owner decide to dispose of the property.

It is likely that with the introduction of housing control on the occupancy of the dwelling the original purchasers of the property will suffer a loss of the premium which they have paid to obtain a dwelling free of housing qualifications. The Committee, as outlined above, is not intending to take away their homes but any speculators who have purchased the property as an investment, rather than a home, will find that their investment has lost value and will fall to a price equivalent to a similar property subject to housing control.

In order to enable the Committee to establish who is entitled to exemption from the proposed new provisions it will be necessary for those persons claiming exemption to register with the Committee. A reasonable time period will be allowed for people to register their claim for exemption.

In summary, the Committee wishes to introduce housing controls on "pre-1949" properties so that, in future, occupancy of residential units constructed on the sites will be limited to those persons qualifying under the Housing Law. At the same time the rights of existing owners and occupiers of such dwellings will be protected in terms of their right to continue to occupy the accommodation although, if they do decide to dispose of the property, it will have lost the premium on price attracted by the present lack of occupation control.