

# STATES OF JERSEY

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## **DRAFT HOUSING (GENERAL PROVISIONS) (AMENDMENT NO. 24) (JERSEY) REGULATIONS 200**

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**Lodged au Greffe on 14th March 2006  
by the Minister for Housing**

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**STATES GREFFE**





Jersey

# **DRAFT HOUSING (GENERAL PROVISIONS) (AMENDMENT No. 24) (JERSEY) REGULATIONS 200**

## **REPORT**

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### **Population Office – Housing Control Report**

#### **Housing Regulations – Further Reduction in Qualifying Period**

##### **Brief History**

1. In 1980, as a means to curb increasing pressure on housing and employment, the States agreed to remove the right of anyone taking up residence in the Island being able to qualify for controlled housing by virtue of residence alone. The intention was that the lack of ever becoming eligible for secure housing would act as a deterrent to newcomers settling in the Island.
2. Due to the continued availability of employment and the lack of locally qualified persons to meet that need, inward migration continued with many individuals settling in the Island, many forming personal relationships and bringing up families. By the mid-90s this mass of new residents, some having built up strong local connections and many having Jersey-born children, gave rise to the two-tier class of resident – those who were eligible for housing and relevant subsidies, and those who were not, although contributing fully to the Tax and Social Security regimes.
3. In 1995 the States considered that this was unacceptable, and agreed to establish a new 20-year residential period with effect from 2000, i.e. establishing a 20-year residence rule. By the time that came into effect there was a general consensus that a 20-year period to gain qualifications was far too long, and in January 2001 the States agreed to reduce the qualifying period by one year, and that further reduction should take place in stages until a period of 15 years was reached. That situation was achieved by December 2003.

##### **Migration Policy**

4. The Migration Policy was approved by the States in June 2005 (P.25/2005). When formulating this Policy over the period 2004 to 2005 the Steering Group agreed that a fundamental aim of the policy would be to reduce the qualifying period to 10 years as soon as practical, and in any event by 2010. With this in mind the States had already agreed in May 2005 to reduce the period one further year from 15 to 14 years.

##### **Housing Market**

5. The experience of the additional demand on the housing stock during the gradual reduction of 20 years to 14 years has been that additional qualifiers have been absorbed into the existing housing stock without any undue increase in prices, or reduction in the general availability of accommodation. In addition the overall economic and employment climate has not caused an increase in demand on the housing stock which itself has increased over the period by the continual development of new units.
6. Both the Jersey House Price Index produced by the Statistics Unit, and the Planning for Homes 2005 presented to the States jointly by the then Planning and Housing Committees, are further evidence that previous reductions have not had a detrimental effect on the market.

##### **Financial implications**

7. The effect of a further reduction on the States Rental Waiting List is difficult to quantify. On the basis of the experience of the last 5 years only 20 new qualifiers out of the additional 413 consent issued have become States tenants, although 51 registered on the Waiting List. A one-year drop from 14 years to 13 years could result in 15 to 20 new cases going on the Waiting List although the numbers housed would probably be in single figures.
8. The implication for the Private Sector Rent Rebate scheme of a one-year reduction is a likely additional take-up of between 10 to 15 applicants at a cost of between £40,000 and £60,000.
9. **It must be remembered that the effects of the additional qualifiers only relate to a one-year addition – all these applicants would qualify anyway in one year's time under the current 14 year rule.**

## Conclusions

10. The reduction to 14 years has resulted in a larger number of new people qualifying than was the case with previous yearly reductions. The reason for this likely to be that the new period coincided with the date of the enlargement of the EEC in 1991 which enabled a number of people who before that time were required to leave the Island each year, to remain in continuous employment and therefore remain resident. In spite of this increased number of qualifiers, the actual impact on the housing market, and direct cost to the States due to the provision of rent rebate and/or social rented accommodation, has remained relatively minimal. **The attached report** identifies the impact of past reductions, and likely effects of a further reduction now.
11. In view of all the evidence to date it is felt that a further reduction by one year can be recommended now. This will be another step in meeting one of the requirements of the Migration Policy, and does take advantage of the current fluid housing market.
12. The Minister for Housing has set a timetable now for further reviews of the effect of such a reduction in order to consider an orderly reduction to 10 years. In view of the evidence provided, it could be tempting to consider a larger reduction at this stage, but this is not supported at this time as any reduction in qualifying periods can be accelerated, but not reversed. Reviews by the Minister, in conjunction with the Migration Advisory Group, will take place as follows –
  - January 2007 – consider 12 years
  - December 2007 – consider 11 years
  - December 2008 – consider 10 years.
13. Due to the increase in the number of applicants seeking to prove their entitlement under this amendment, and the increase already caused by the previous reduction, there may be a short-term resource problem which could relate to a small additional manpower cost. This will be reviewed within the Housing Control section's current workload, and kept to a minimum.

**REDUCTION IN HOUSING QUALIFICATION PERIODS 2001 to 2006**

The States has on 6 occasions in the last 5 years approved a reduction in the residence required for newcomers to the Island to obtain Housing qualifications. The tables below show the effect of the changes on the Housing market in terms of additional demand to lease and purchase, new households claiming rent rebate and additional households accepted for social rented housing. The first table shows both persons qualifying and consents granted. The most relevant figures are those for consent granted as these reflect households which, with a previously non qualified head of household, now occupy a unit of Housing controlled property.

**TABLE 1 – EFFECT OF REDUCING RESIDENTIAL QUALIFICATIONS PERIOD SINCE 2001**

<b>CONTINUOUS RESIDENCE</b>	<b>DATE AGREED BY STATES</b>	<b>TOTAL ADDITIONAL QUALIFIERS</b>	<b>ACTUAL HOUSING CONSENTS</b>
19 years	18th January 2001	122	64
18 years	14th February 2002	124	52
17 years	18th November 2002	90	25
16 years	24th June 2003	131	49
15 years	9th December 2003	277	106
14 years	17th May 2005	312	117
	<b>TOTAL</b>	<b>1,056</b>	<b>413</b>

**TABLE 2 – NEW QUALIFIERS WHO PURCHASED ACCOMMODATION**

<b>CONTINUOUS RESIDENCE</b>	<b>PURCHASERS</b>	<b>APARTMENT</b>	<b>HOUSE</b>
19 Years	22	10	12
18 Years	14	6	8
17 Years	9	3	6
16 Years	23	10	13
15 Years	27	12	15
14 Years	45	14	31
<b>TOTAL</b>	<b>140</b>	<b>55</b>	<b>85</b>

**TABLE 3 – NEW QUALIFIERS WHO LEASED ACCOMMODATION**

<b>CONTINUOUS RESIDENCE</b>	<b>LESSEES</b>	<b>CLAIMING RENT REBATE</b>
19 Years	41	4
18 Years	37	4
17 Years	15	1
16 Years	24	5
15 Years	73	16
14 Years	63	4
<b>TOTAL</b>	<b>253</b>	<b>34</b>

**TABLE 4 – NEW QUALIFIERS WHO APPLIED FOR STATES RENTAL ACCOMMODATION**

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CONTINUOUS RESIDENCE	HOUSED IN STATES RENTAL	APPLIED FOR STATES RENTAL
19 Years	1	5
18 Years	1	3
17 Years	1	3
16 Years	2	8
15 Years	6	12
14 Years	9	20
<b>TOTAL</b>	<b><u>20</u></b>	<b><u>51</u></b>

By reducing the qualifying period from 20 years to 14 years in the space of 5 years 413 households have been added to the demand for purchase and lease of accommodation. This is a relatively small number given the 31,184 qualified households recorded by the 2001 census. New residential units coming onto the market have been sufficient to prevent any noticeable increase in prices, as reflected in the House Price Index which has remained fairly level for the last 4 years.

Less than 10% of those 413 households granted consent are now claiming Private Sector Rent Subsidy at an estimated cost of £136,000 per annum. Twenty households have been accommodated in States rental accommodation.

The implication of further reductions in the qualifying period can be considered in the light of data provided in 2001 census. In 2001 there were 4,378 households where the head of household was not residentially qualified. These households comprised a total 9,086 people, averaging just over 2 persons per household.

The census also records, for all residents, when their present period of residence commenced. Reviewing the year to year figures for those taking up residency, by far the greatest numbers, as one would expect, are in the years closest to census day. Over the **5-year** period from 1996 to 2000 inclusive, a total of 1,800 non-qualified heads of household took up residence and had remained in the Island by the time of the 2001 Census, whilst 1,975 remaining heads of household had taken up residence during the **10-year** period from 1986 to 1995 inclusive.

The results of recent further reductions in the qualification period have been as follows –

#### 15 year rule

1990 arrivals qualifying in 2005: max of 225 heads of household;  
actual consents = 106 (47%)

#### 14 year rule

1991 arrivals qualifying in 2005: max of 195 heads of household;  
actual consents = 117 (60%)

There are many reasons why the assumptions based on new residents in particular years give a higher figure for potential qualifiers than the actual Housing consents granted through the residence rules in effect. The census figures are already nearly 5 years old and the unqualified sector is made up of a constantly changing population with considerable movement in and out of the Island. Marriages and relationships occur regularly between qualified and non-qualified persons and there are quite a number of households occupying non-residentially qualified accommodation which is acceptable to them or maybe provided as part of employment package.

Using the same reasoning as outlined above, and based on previous actual experience, a reduction to 13 years means that from the arrivals in 1993 a potential maximum of 185 heads of household could qualify in 2006. **Taking the experience of the last 2 reductions and allowing for an increased consent take-up rate as the qualification period reduces, an estimated take up of between 50%-70% equates to between 90 and 130 additional households entering the qualified housing sector.**

## **Explanatory Note**

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These Regulations reduce, from 14 years to 13 years, the period for which a person who has no housing qualifications must be continuously resident in Jersey in order to acquire such qualifications.







Jersey

## **DRAFT HOUSING (GENERAL PROVISIONS) (AMENDMENT No. 24) (JERSEY) REGULATIONS 200**

*Made*

*[date to be inserted]*

*Coming into force*

*[date to be inserted]*

**THE STATES**, in pursuance of Articles 14 and 21 of the Housing (Jersey) Law 1949<sup>[1]</sup>, have made the following Regulations –

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### **1 Regulation 1 amended**

In Regulation 1 of the Housing (General Provisions) (Jersey) Regulations 1970<sup>[2]</sup>, in paragraphs (1)(f) and (7), for the words “14 years” there shall be substituted the words “13 years”.

### **2 Citation and commencement**

These Regulations may be cited as the Housing (General Provisions) (Amendment No. 24) (Jersey) Regulations 200- and shall come into force 7 days after they are made.

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[1]

*chapter 18.315*

[2]

*chapter 18.315.50*