

2019.01.29

**6 Deputy K.G. Pamplin of the Minister for Children and Housing regarding the action he was taking to ensure middle- and lower-income Islanders are helped to access affordable housing: [OQ.21/2019]**

Given the latest retail price index produced by Statistics Jersey last week revealed the cost of living had increased by 3.9 per cent and that a key driver of inflation during this period was the 5.6 per cent increase in housing costs, what action is the Minister taking to ensure middle and lower-income Islanders are helped to access affordable housing?

**Senator S.Y. Mézec (The Minister for Children and Housing):**

I thank the Deputy for his question and I absolutely share his concern about the effects that inflation is having on Island residents' abilities to make ends meet. This reminds me also of the income distribution survey from 2015, which showed that housing costs are the single biggest contributing factor to poverty.

[10:30]

I dread to think how that has developed in the years since that report. This Council of Ministers has committed in its C.S.P. (Common Strategic Policy) to improve the standard of living and reduce income inequality. It is clear that housing has to be a fundamental part of that. They are going to be a combination of short-term and long-term measures to try to deal with this. Things that have already been done; we have the new minimum standards rules, which will start having an impact as enforcement is more widely available. Social housing rent rises have been capped to protect tenants specifically when inflation is particularly high. But more, in the long term, the Chief Minister and I are in the process of finalising the terms of reference for a housing policy development board, which will look at certain things in the short term and certain things in the long term. Certainly short-term things will be looking at the impact on external buy-to-let on our housing market. We will be looking at a new method for calculating social housing rent, that moves away from the current system. In the long term we will be looking at the housing market as a whole to make sure that it addresses the needs of Islanders, but that of course will not be a simple piece of work. I should say at this point, when we are towards the end of finalising terms of reference for that housing policy development board, we will want input from Members of this Assembly and we would welcome expressions of interest from those who would be interested in taking part in that work.

**3.6.1 Deputy K.G. Pamplin:**

I thank the Minister for his answer. Interesting also, was it not, that we received the briefing last week on the Objective Assessment for Housing Need for 2021-2030, where their total they are estimating, which has been referred to as another Parish needed of over 7,000 households. The issues they highlighted: "Much of the affordable housing needs to be affordable rent or affordable home ownership due to high market prices." Does he agree that this is the top issue or does he have another top issue?

**Senator S.Y. Mézec:**

I should state that that report looked at various scenarios depending on what population policy we choose to adopt. The worse-case scenario is based on continuing with no change whatsoever, and that is why we were provided the figures that we were with that. I think that highlights the fact that a population policy has to be one of the top issues that this Government looks at. Not just because of the effect that it has on housing - and it has of course a huge impact on the cost and availability of housing for people in the Island - but the effects that it has on all of our public services, health and education, in particular. So that, I think, highlights

how important it is to do this. That report will be feeding into the work of the population boards that the Chief Minister is setting up and also the housing policy development board, which we are setting up.

### **3.6.2 Deputy S.G. Luce of St. Martin:**

While some external factors are at play here, it is my view that the main reason for building and housing cost inflation is demand. Would the Minister agree that trying to do something about that and building more social accommodation is vital?

### **Senator S.Y. Mézec:**

The Deputy has asked me questions along this line in the past and I have always made it clear to him that I do not entirely agree that supply is the only issue because I am somebody who believes that regulation is part of it. But of course supply is an incredibly important part of that and making sure that there are enough decent quality homes and affordable homes for people to live in. I should point out at this point of course that there is a bit of an elephant in the room, given the debate that we will be having later on this afternoon, where I will be urging States Members to allow a project to go ahead, which will help with supply, which will help deliver decent homes for people to live in and help make life easier for those people who end up living there.

### **3.6.3 Deputy G.P. Southern:**

In light of the Ann Court debacle and given a choice between housing and offices, is it not the case that the Minister for Children and Housing is fully committed behind the provision of social rental housing on this site?

### **Senator S.Y. Mézec:**

Unequivocally yes. I hope Members have had the time to read the comments that I put together and lodged in response to the proposition raised by Deputy Luce. I think that having taken as long as it has taken to get to this point where we are literally ready to start building and providing decent homes in that part of town, as we have meant to have been looking to do for the past decade, I think it really would be sad to lose that opportunity and potentially delay more and more social housing units coming on to availability for people to live in. I worry about the many constituents who I speak to who are in desperate housing need and whose needs we are not able to serve anywhere near as quickly as we should be able to.

### **3.6.4 Deputy M.R. Higgins:**

Following up on what the Minister said about population policy being absolute key to housing and other issues, he mentioned the policy board. What timescale? Population has been put off and put off and we have the problems we have because it has been continually put off. Will he be giving some specific dates where we are going to get a policy that we can debate in this Chamber?

### **Senator S.Y. Mézec:**

I am presuming that the Deputy is talking about the population policy development board, which is separate to the housing policy development board, so I cannot give him a definite answer on timescale because I am not involved in that. That is a question that would have to go to the Chief Minister. What I can say is when we have debates coming up, like the Island Plan, when we have had the Objective Assessment for Housing Need Report, from a housing perspective I will be pushing for that to be dealt with as quickly as possible. But for details on the specifics of that you would have to address that question to the Chief Minister.

### **3.6.5 Deputy M.R. Higgins:**

Will the Minister take it up with the Chief Minister because we have gone years without a policy and it should be one of the main priorities of the Government, as it is certainly one of the main priorities among the population?

### **Senator S.Y. Mézec:**

That is quite right. As I mentioned in my opening answer, I am in discussions with the Chief Minister right now to finalise the terms of reference of the housing policy development board and in our next discussion I will raise the issue of how the work of that board will intertwine with the work done by the population policy development board and what we will need to bear in mind as we do our work on that.

### **3.6.6 Deputy R.J. Ward:**

Is it not blatantly obvious that the time has come in Jersey for a rent freeze on both social housing and the private housing sector as spiralling an unsustainable increase in rent is having an adverse effect on so many people's lives? Is it not true that the time has come to make our social housing stock - the decision to make it 90 per cent of housing rates - to bring that to an end and put it back to where it was before to make them more affordable for people on this Island?

### **Senator S.Y. Mézec:**

Of course I voted against the 90 per cent market rate rule being introduced in the first place. I think it was the wrong thing to have done. If we are going to reverse it or at least put it to something better than that, that is a piece of work that cannot be done overnight. That is one of the issues that I want the housing policy development board to be looking at, and those who have been working behind the scenes on this will know that that is the top issue I raise at every single meeting we have to discuss this. When it comes to wider rent measures, he will have seen the answer I provided to a question raised by Deputy Alves about the possibility of establishing or re-establishing a rent control tribunal. That is something I am keen to do. We are looking at this at the moment. I believe March is the time that we will have the next update on that. I think that it is right that when there are unfair and unjustifiable rental practices in the private sector that tenants should have the ability to challenge that so that they are not being ripped off.

### **3.6.7 Deputy M. Tadier:**

Does the Minister accept that, albeit a relatively small policy area, something that causes very real hardship for social housing tenants is the fact that houses are now provided without carpets or flooring and tenants often have to choose between the indignity of asking for a loan, which of course they have to pay back and may not be able to afford anyway, or living for months on end without adequate flooring in their own properties for themselves and their children? Will he seek to address this issue urgently and at least direct Andium that from now on they should be providing flooring as standard in all their properties at no extra cost?

### **Senator S.Y. Mézec:**

Since leaving my family home, I have only ever lived in private rental accommodation and I would find the idea of being asked to bring my own flooring with me to be a very strange concept. I have never had to do that in the private sector. I think it is weird that that is asked in the social sector. I am aware that when we have used Andium to help provide key worker accommodation, flooring of course has been provided, carpets have been provided. So I will

say to the Deputy that I will raise this at my next meeting with the Andium board and let them know my feelings on that and work to see what we can do to improve that situation.

### **3.6.8 Deputy M. Tadier:**

It may be helpful, but one idea may be simply to amend the Residential Tenancy Law to reflect that carpets and flooring come under fixtures and fittings rather than furniture. Therefore it will be in the law for all sectors to be able to provide this.

### **Senator S.Y. Mézec:**

That is a good idea. I know that we are looking at the Residential Tenancy Law and that is a very good idea, I think, to raise at that discussion.

### **3.6.9 Deputy K.G. Pamplin:**

I just want to go one step further than my colleague, Deputy Ward, and ask the Minister for Children and Housing: with the requirement for Andium to increase rents by R.P.I. (retail price index) at 0.75 per cent, will he simply reduce or remove this policy to help people who are struggling under the cost of living on this Island?

### **Senator S.Y. Mézec:**

As I have said, and I will try to be as clear as possible on this, that I have always believed that the calculation system for social rent since I have been in politics has been a broken calculation system and needs to be changed. The issue is that we have a States-owned housing provider, which is doing some really good and important work, not just in renovating their properties that were desperately in need of renovating after years of neglect, but also are bringing new properties on to the market. I want to protect that work and that has to be financially sustainable. That is why we need those relevant stakeholders around the table, be that the Minister for Children and Housing, the Minister for Treasury and Resources will have to be involved in those discussions as well, to make sure that our social housing provider has a sound financial basis to be working from, so it can do that work. But that basis must not be having extortionate rents, which people find too difficult to live on. That is why I consider it such an important issue. It will be one that the housing policy development board looks like. If there is one thing I can achieve in my term of office, it would be to deliver on that because it is something I had in my manifesto and something that I absolutely want to deal with, but it cannot happen overnight. We have to do things properly to not risk the model of our social housing provider.