

STATES OF JERSEY



RESIDENTIAL PROPERTIES IN THE WATERFRONT DEVELOPMENT

Lodged au Greffe on 11th December 2020
by Senator S.Y. Mézec

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

that, in the proposed development of the Waterfront by the States of Jersey Development Company (SoJDC) –

- (a) no residential properties should be sold by the SoJDC to foreign buy-to-let investors;
- (b) at least 50% of the residential properties built should be for social rental or affordable purchase through the Affordable Housing Gateway;
- (c) no plan for development should proceed without first seeking States Assembly approval on a proposition by the Minister for Treasury and Resources; and
- (d) to request the Minister for Treasury and Resources, as shareholder representative, to instruct the SoJDC accordingly and bring the necessary proposition under (c) above before the Assembly for consideration.

SENATOR S.Y. MÉZEC

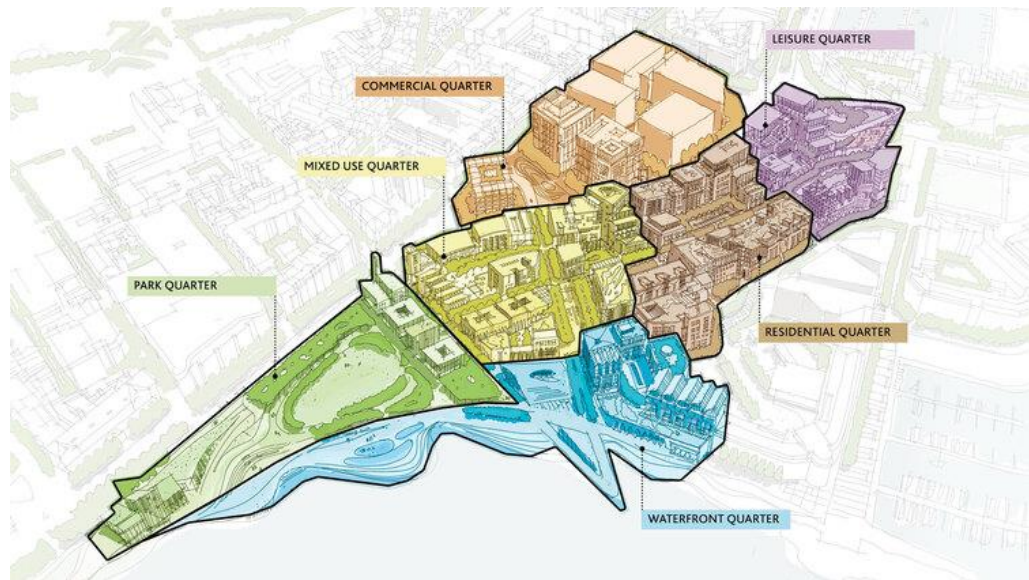
REPORT

On 18th August 2020¹, the States of Jersey Development Company (SoJDC) revealed that they had partnered with Gillespies architects to create a ‘Visionary Framework’ for the southwest of the Waterfront, containing ambitious suggestions for developing 1,000 new homes, leisure facilities, and improved landscaping, including re-developing the Jardin de la Mer park and creating a boardwalk pier and pools.

This followed the publication in December 2019 of the Southwest St. Helier Planning Framework² by the Environment Minister.

The SoJDC’s stated plan is to submit an outline planning application in Spring 2021.

The initial concepts and further detail can be found here – www.sthelierwaterfront.je



It is clear that Jersey’s Waterfront area is not meeting its potential, and a vision to transform it is most welcome.

It is also welcome that these proposals contain new homes, as the Objective Assessment of Housing Need Report³ has made clear that, irrespective of any future population policy agreed, that new homes of all categories will be needed for Islanders.

¹ <https://jerseyeveningpost.com/news/2020/08/18/new-landscape-led-scheme-to-transform-the-waterfront/>

² <https://www.gov.je/SiteCollectionDocuments/Planning%20and%20building/SPG%20-%20FINAL%20Southwest%20St%20Helier%20Planning%20Framework%2020191218%20CB.pdf>

³ <https://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/Objective%20Assessment%20of%20Housing%20Need%20Report.pdf>

The SoJDC is owned by the Government (and therefore the people) of Jersey and exists to deliver on our strategic priorities. It operates at arm's-length but should not have its own ambitions which are not shaped through a democratic process.

It is right that any large-scale development of the Waterfront should go through a proper democratic process, because it will fundamentally change the character of our town forever, and will be built on valuable public land from which we must ensure we derive the best value.

As Housing Minister at the time, I was surprised that no direct approach was made by the SoJDC to me or my team to consult on what type of homes should be included in any future application. I discovered the plans when I saw them on the front page of the Jersey Evening Post.

I am therefore concerned that appropriate input will not be received and our ability to shape this project to deliver the best for the people of Jersey will be infringed.

Part A

Allowing homes in Jersey to be bought by foreign buy-to-let investors will lead to wealth being extracted from the island, with tenants paying no doubt inflated rental costs and see a huge proportion of their salaries end up in the pockets of people with nothing to do with Jersey, who will not then reinvest it locally.

The land at the Waterfront is public land and ought to be used for the public benefit, not the benefit of investors with no presence or loyalty to Jersey.

When there are thousands of islanders wanting to purchase homes to live in, they should not come second to external investors who will always be able to outbid them.

This may be a wider problem in Jersey's housing market, which could require legislation to address. But in the absence of that action, it is within our competencies to instruct a company that we own that they must not sell on to foreign buy-to-lets or even locally registered companies which have been set up for the benefit of foreign investors.

Part B

Building new homes is not enough to solve Jersey's housing crisis. We need to build the right type of new homes.

We do not have a drastic shortage of luxury apartments. It makes little sense to pack this land full of homes which do not match the profile of specific need we know the island has (through the Objective Assessment of Housing Need Report (OAHN)), and instead focusing on maximising profits, especially when there could be an unintended consequence of causing rental inflation.

We do need more social rental homes and homes for first time buyers.

The Housing Policy Development Board has (at the time of writing) provided its report to the Chief Minister. It will make recommendations that in all residential developments,

a proportion of the homes built must be designated as “affordable”. As the SoJDC is publicly owned, we do not need to wait to apply this same principle to their developments.

The OAHN report states that we will need a minimum of 920 social rental and 1,100 affordable purchase homes over the period of 2021 to 2030. This could be used to argue that it is satisfactory to allow Andium to remain the key delivery agent of affordable housing, and let the SoJDC focus on those who have incomes which are too high to allow them to go on of the Housing Gateway, but may not be catered for with the supply in the rest of the market.

However, the OAHN projections are based on an assumption of no change in wider housing policy. The Housing Policy Development Board report and the Homelessness Review (also unpublished at the time of writing) will make clear that no change in wider housing policy is not an option if we are to provide for people’s basic housing needs and address the crucial issue of housing affordability.

By providing an even greater supply of lower cost housing, we will have an opportunity to open up the criteria to allow more households to be eligible for the Housing Gateway. This could include increasing the income thresholds, so more households can benefit from social rental levels and first-time buyers schemes, which could also help dampen the demand in the private market and hold back inflation there. This will be an important way of making housing more affordable. Simply building more open market housing (when the private sector can do that) on public land will just maintain the status quo.

Part C

The Waterfront is public land and the SoJDC is owned by the public. Their proposed framework for development there will fundamentally change the character of our town forever. This could be an extremely positive thing for Jersey, but only if it is done right and in accordance with our aspirations as a community.

The SoJDC should not be able to take this action unilaterally without some democratic reference to those who are entrusted by the public to govern the island.

This will ensure an important layer of accountability.

Part D

This acknowledges the role the Treasury Minister has as the shareholder representative, who will be responsible for conveying the wishes of the States Assembly.

Conclusion

Issuing these instructions to the SoJDC could disrupt the work programme they are undertaking now. However there has not been adequate consultation with the democratic representatives of the island thus far, and it is right that we send a clear message on what we expect of them sooner rather than later.

Financial and manpower implications

There are no direct implications as a result of passing on this proposition, as no planning application has formally been presented, and no political steer has been given to the SoJDC as to what their application should include. By providing that steer, the SoJDC will use their existing allocated resources to produce a plan which is less likely to be challenged later, so will result in a more effective use of the resources they already have allocated to the project.

It may be argued that these restrictions could reduce the profitability of a hypothetical Waterfront development. But no details have been confirmed as to what projections there currently are for the profitability of the scheme.

Children's Rights Impact Assessment

Article 27 of the United Nations Convention on the Rights of the Child promotes the "right of every child to a standard of living adequate for the child's physical, mental, spiritual, moral and social development"

Article 27(3) of the United Nations Convention on the Rights of the Child places an obligation on States Parties to assist those responsible for children to implement this right, including by providing material assistance to access support, including housing.

Jersey has significant waiting lists for social housing, and even in the private sector many islanders with children struggle to find appropriate accommodation.

By ensuring that the maximum benefit derived from a housing development goes to those needing access to social housing, or reasonably priced private sector housing, rather than investors, Jersey will be supporting more children to have decent and stable homes in which to live and thrive in.