

STATES OF JERSEY



RESIDENTIAL PROPERTIES IN THE WATERFRONT DEVELOPMENT (P.165/2020): AMENDMENT

Lodged au Greffe on 2nd February 2021
by the Council of Ministers
Earliest date for debate: 9th February 2021

STATES GREFFE

RESIDENTIAL PROPERTIES IN THE WATERFRONT DEVELOPMENT
(P.165/2020): AMENDMENT

1 PAGE 2 –

In the introductory paragraph, after the word “Waterfront” insert the words “(defined as Key Opportunities Sites 1,2 & 3 in the Southwest St Helier Development Framework)”.

2 PAGE 2, PARAGRAPH (b) –

For paragraph (b) substitute the following paragraph –

“(b) to request the Council of Ministers to present a report to the States Assembly by 30th April 2021 which provides guidance to be used by SoJDC with the aim of maximising the proportion of affordable units allocated through the Housing Gateway, together with a range of other residential accommodation of varying prices, types and tenure, to help meet the housing aspirations of other Islanders within the Waterfront development, while maintaining the overall viability of the scheme including all public realm improvements and other community and leisure uses; and”.

3 PAGE 2, PARAGRAPH (c) –

Delete paragraph (c) and, in paragraph (d) (re-designated as paragraph (c)), delete the words “and bring the necessary proposition under (c) above before the Assembly for consideration”.

COUNCIL OF MINISTERS

Note: After this amendment, the proposition would read as follows –

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

that, in the proposed development of the Waterfront (defined as Key Opportunities Sites 1, 2 & 3 in the Southwest St Helier Development Framework) 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) to request the Council of Ministers to present a report to the States Assembly by 30th April 2021 which provides guidance to be used by SoJDC with the aim of maximising the proportion of affordable units allocated through the Housing Gateway, together with a range of other residential accommodation of varying

prices, types and tenure, to help meet the housing aspirations of other Islanders within the Waterfront development, while maintaining the overall viability of the scheme including all public realm improvements and other community and leisure uses; and

- (c) to request the Minister for Treasury and Resources, as shareholder representative, to instruct the SoJDC accordingly.

REPORT

Executive Summary

The Waterfront Development continues to be an opportunity to create a new high-quality development that will nurture a thriving community. Building communities is just as important as building houses.

However, the proposition calls for an arbitrary figure of 50% affordable homes. It is too soon to be able to analyse what community facilities and open spaces might have to be foregone if this target is imposed, or what the cost would be. At this early stage in the planning process it is premature to set a fixed number of units – this detailed work will take place over the next few months.

As such, this amendment acknowledges the importance of building affordable units but also the need for homes across a range of tenures and prices, and requires the Council of Ministers to publish guidance which must be used by SoJDC to maximise the delivery of affordable homes within the Waterfront, whilst retaining important community facilities, delivering a balanced housing mix, and doing so on an economically viable basis. The amendment also clearly defines the waterfront for this purpose.

Report

The Council of Ministers acknowledges that Waterfront should deliver a range of housing, including affordable housing, but are concerned about supporting an arbitrary percentage, especially one as high as 50%. This will materially impact viability, and the ability of the development to support wider improvements in public realm. Indeed, the 50% appears to have been derived without a thorough economic analysis of the value created by the whole site, and ultimately how that value should be distributed.

Alongside residential units, the Waterfront development will require significant investment into new infrastructure assets and facilities for the public of the Island and the overall development must be self-funding. This requires a financial balance to be struck with profit generating elements of the site that support public realm investments. It is profit from the sale of residential units which ultimately funds the infrastructure development and public amenities.

If a significant proportion of the new residential units is to be allocated to affordable homes the level of financial return will be lower. This will make it more difficult to support the required investment in the public infrastructure improvements, thus significantly reducing the extent of open spaces and leisure facilities available to all Islanders, as well as a reduction in improvements to transport links, e.g. cycle paths.

Without proper economic analysis of the total value created on the site, it would also be inappropriate to pre-determine the exact mix and type of property at such an early stage in the development as this will impact the financial viability of the whole scheme and could ultimately risk any form of development taking place at all.

To address Senator Mézec's proposal, the Council of Ministers amendment proposes that guidance will be provided to SOJDC in a timely manner which must be considered by the company when developing their outline planning application and their economic assessment of the site as a whole.

This guidance will be presented as an “R” to all States Members by 30th April 2021, to allow them the earliest opportunity to ensure that it meets with their intentions for housing provision in this strategically important project and the Island as a whole, whilst still allowing the development to be economically viable and provide other significant amenities aimed at enhancing Islander’s health and wellbeing.

The guidance will allow SoJDC to bring forward a range of solutions, including affordable housing, which are designed to meet the needs of a greater proportion of Islanders, including those who don’t necessarily meet the criteria set by the Housing Gateway but still face barriers to property ownership.

This is intended to address the very point Senator Mézec makes in his report by catering for those individuals who have incomes too high to go on the Housing Gateway, but who may not be catered for with the supply in the ‘open’ market. Council believes that solely addressing one section of the market without looking at the wider picture will not help to relieve the pressure on house prices.

At the same time, Council do agree that providing affordable units on the site, as part of a mixed development, is beneficial as part of creating mixed and sustainable communities that carry the support of Islanders. Indeed, the development of the former JCG site shows how well-received mixed developments can be.

It also ensures that the provision of affordable housing is retained within the site supporting the Council’s Strategic Priority: We will reduce income inequality and improve the standard of living by improving the quality and affordability of housing. But it also provides the flexibility to determine the level of provision alongside a full assessment of the viability of the whole development and Council’s wider aspirations on improving access to all forms of housing in Jersey.

Through the planning process an assessment of residential unit mix in terms of types and tenure can be carefully analysed in advance of the commencement of this strategically important project. The guidance produced by Council may also draw upon the findings within the report of the Housing Policy Development Board once it has been published.

Conclusion

The Council of Ministers acknowledges the rationale of Senator Mézec’s proposal, and after discussions with the Senator, feel that this amendment provides a pragmatic way forward and paves the way for an economically-assessed solution taking account of the overall viability of the development and the trade-off with investment in public infrastructure and public realm improvements.

With a greater level of detail being provided at an early stage, the exact breakdown of affordable housing which could be sustained within the Waterfront, whilst maintaining the viability of the scheme as a whole, can be determined.

Therefore, this amendment proposes that Council of Ministers develops guidance for SoJDC to be published by 30th April 2021 to provide States Members and the public with assurances that this scheme will provide the right balance of housing opportunities

for Islanders, and allay any possible concerns about developing a scheme which focuses pre-dominantly on private investment opportunities.

Council therefore considers that part (c) of Senator Mézec's proposition is not required as States Members will have the opportunity to challenge the published guidance and part (d) is amended for consistency.

Finally, the Council of Ministers supports part (a) of the proposition, with measures to give effect to this having already been implemented in August 2019.

Financial and manpower implications

There are no additional financial or staffing implications arising from this amendment.