

STATES OF JERSEY



HOUSING ISSUES IN JERSEY (P.189/2010): COMMENTS

**Presented to the States on 28th February 2011
by the Minister for Housing**

STATES GREFFE

COMMENTS

The proposition calls for the presentation to the States of a significant amount of information which is already in the public domain. As part of the States Annual Performance Report, the Housing Department publishes details of –

- Progress with the refurbishment of the housing stock
- Progress made in respect of sales to tenants and sales under the Jersey Homebuy scheme
- The level of the States rental waiting list
- Progress on the Strategic objective of increasing home ownership
- Affordability and the relative level of average incomes to average house prices.

On an annual basis, the Planning and Environment Department issue a monitoring report on the effectiveness of the Island Plan and planning policy in a document entitled ‘An Interim Review of Residential Land Availability (formerly Planning for Homes)’.

In addition, the Annual Accounts, the States of Jersey Annual Business Plan, and Departmental Business Plans, include much of the detail referred to, including the number of States Housing Loans issued and the Legislative Programme.

Meeting the housing needs of the population is a Strategic Priority set out in the 2009 – 2014 Strategic Plan.

In respect of the website, the majority of the information requested is already published. Specifically, details on how to access social housing, including the detailed eligibility criteria for States rental homes and how to apply for a deferred payment purchase, either as a States tenant or on the Jersey Homebuy scheme. Application forms are also available online. Details of the Housing Trusts and how to contact them are also published. The proposition suggests that waiting list details should be published online on a monthly basis, together with indicative waiting times for the main property types. I am happy to see that this information is published.

A significant part of the proposition deals with the issue of repossessions. Residential repossessions in Jersey are extremely rare and average less than one a year over the past 20 years. There is no evidence that repossessions have been problematical as a result of the current economic climate. The introduction of legislation to either freeze repossession proceedings or to allow the States to acquire homes subject to repossession would not only be inappropriate, but is also unnecessary.

In respect of the need for legislation to curtail inappropriate property speculation, there is no evidence produced as part of the proposition or the accompanying report to substantiate what level of problem exists; indeed the report relies heavily on information published by Wikipedia on the topic of ‘flipping’ which is in itself largely based on experience in the United States. Furthermore, no evidence is provided to support a position that investment in property does damage affordability (as opposed to supporting liquidity and supply, and in particular, the provision of needed rental accommodation).

All residential property transactions in Jersey are governed by the Housing (Jersey) Law 1949 and the Housing (General Provisions) (Jersey) Regulations 1970, and will be similarly governed by the new Migration Law, which is due to be lodged in March 2011. These Laws restrict sales of land to residentially qualified persons only, while permitting company ownership of property and the unconstrained onward sale of shares in property holding companies, e.g. share transfer ownership, in certain circumstances. In the Housing Law, these circumstances are where the best interests of the community are demonstrated, whereas the new Migration Law requires the Minister for Housing to have regard to “the supply and demand of property” and the “ownership of property by persons with entitled status”. Should this not be adequate, it would seem that lodging an amendment to the new Migration Law would be the most appropriate means of achieving the outcome suggested in this proposition.

The final part of the proposition deals with a request that all affordable housing should be maintained in the affordable market in perpetuity. Occupancy classifications on property are of course the responsibility of the Minister for Planning and Environment, and are normally a condition of a planning permission and/or set out in Planning Obligation Agreements entered into by the Minister for Planning and Environment and the developer, and often the landowner. The Planning Obligation Agreement is a statutory document, registered in the Royal Court, and remains in force on the land in perpetuity. Since the introduction of the 2002 Island Plan, all planning permits and Planning Obligation Agreements on sites which feature Category A ‘affordable homes’, whether these be first-time buyer, social housing or Jersey Homebuy, have required that the Category A classification be retained in perpetuity.

Planning Obligations are legally enforceable by the Minister for Planning and Environment. Only that Minister can amend the terms of a Planning Obligation Agreement, for instance to change the occupancy classification of a property.