

STATES OF JERSEY



PLANNING FOR HOMES 2004

**Presented to the States on 3rd August 2004
by the Planning and Environment Committee**

STATES GREFFE

PLANNING FOR HOMES 2004

A Review of Current Information on Residential Land Availability

A JOINT REPORT OF THE ENVIRONMENT AND PUBLIC SERVICES AND HOUSING COMMITTEES

July 2004

FOREWORD AND ACTION PLAN FOR THE WAY AHEAD

This document, prepared jointly on behalf of the Housing and Environment and Public Services Committees, represents the first review of housing land availability since the publication of the Island Plan in July 2002. It is intended that it will be followed by a regular series of reviews to ensure that the housing situation is kept under close scrutiny and to inform future policy decisions.

The findings of this review are particularly encouraging and will make welcome reading for all those who wish to promote improved access to housing and who aspire to the aim that everyone living in the Island should have the opportunity of a decent home. It is clear that the current availability of land for housing is potentially the healthiest it has been for some years. Performance in meeting identified requirements for new homes since the beginning of 2002 has been extremely impressive and there is evidence to suggest that the very significant Island Plan targets for new homes over the period up to the end of 2006 can generally be met without the need to release additional land at this time. However, it is important to recognise that meeting the need for social rented and first-time-buyer homes is heavily dependent on the delivery of homes on land zoned under Policy H2 of the Island Plan in an appropriate time frame and at land efficient densities.

Both Committees remain determined to ensure the community's housing needs are properly addressed and will persevere in their efforts to secure the delivery of the 'H2 sites'. However, the situation is not without risk, not least because of the degree of resistance to new housing developments (despite the prior approval of the sites for residential development) and the protracted processes currently involved in progressing development proposals to a satisfactory conclusion. There can be no room for complacency as it is evident that the demand for new homes remains clear and strong. The Committees are keen to minimise the risks involved and are anxious that the present momentum in the supply of new homes is maintained. They also wish to ensure that there will be an effective and timely response to any changes in community housing needs arising from the implementation of the Strategic Plan, Housing Committee policies and changing social trends.

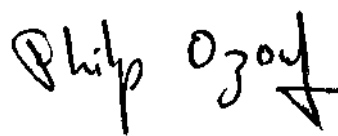
To these ends, the Committees have agreed a shared action plan for the way ahead, comprising the following stages. The programme dates are provisional at this time and will be confirmed in due course.

1. the immediate commencement of detailed feasibility studies on H3 and H4 sites in the 2002 Island Plan to determine viability (*July to November 2004*);
2. parallel feasibility studies on potential for addition of new housing sites to maintain overall supply of housing land to meet need (*July to November 2004*);
3. new housing requirements survey and comprehensive review of housing needs projections rolled forward to 2009 (*end November to February 2005*);
4. public consultation on prioritised sites for Category A housing purposes (*January and February 2005*);
5. next housing land availability review – 'Planning for Homes' (*April/May 2005*);
6. Consequent on 5, early zoning proposition for prioritised sites for Category A housing purposes and subsequent public consultation and rezoning proposition/s in relation to the remaining H3 and H4 sites considered best suited for meeting future housing requirements.

Applications will only be invited on newly zoned sites where there is an identified need and/or where it has not proved possible to secure the development of new homes on other previously zoned land within an appropriate time frame. Landowners and developers should be aware that the planning obligations which currently apply to rezoned land regarding tenure and other matters may need to be reviewed for newly zoned sites, in order to reflect any future changes in the nature of the community's housing needs and States fiscal policies.



President,
Housing Committee



President,
Environment and Public Services Committee

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SUMMARY OF FINDINGS

The balancing of identified requirements for new homes with the practical land availability supply position is a complex problem, which the planning process must deal with. To this end, it is important that the States continues to maintain and develop increasingly accurate and up-to-date estimates of housing requirements and records of housing land availability.

This report presents the findings of the first residential land availability review to be undertaken since the adoption of the Island Plan in July 2002. The report has been prepared in consultation with the Housing Department, The Housing Task Force and the Statistics Unit and offers a snapshot of the statistical position as at the start of 2004, although it does take into account relevant subsequent events.

It is accepted that the latest estimated requirements for new homes, which form a central component of the Island Plan (currently covering the period up to the end of 2006), are in need of review. These estimates were largely based on information from a household survey conducted in 2000, that was developed and updated using the results of the 2001 Census. They, therefore, take no account of more recent economic, social and political changes. Proposals are now in-hand to conduct a new 'Housing Requirements Survey' at the end of the year for publication in February 2005, which will enable the rolling forward of the five year requirement figure to the end of 2009. However, the Statistics Unit has indicated that the latest estimates of requirements remain fairly robust, notwithstanding the demographic change that has occurred in the interim and recent changes in the qualification period for residential status. Taking these 2 factors into consideration, the Unit suggests that estimates for new homes in the qualified sector might be increased by approximately 260 homes.

The latest requirement figures pointed to there being a significant shortfall of housing to meet the needs of Island residents between the start of 2002 and the end of 2006, comprising over 3,000 homes in the 'qualified sector' (3,180) and over 1,000 in the 'non-qualified sector' (1,159). On the basis of these figures, and having regard to the practicalities of making such provision, the Jersey Island Plan 2002 allows for the construction of 2,860 homes in the 'qualified sector' over the first 5 years of the Plan period (i.e. equating to 90% of the estimated requirements). It is planned that these particular requirements be met from both existing sources (e.g. existing planning permissions, opportunities in the town for conversions, changes of use and re-development, opportunities for development in the Waterfront Area and windfall developments within the enlarged built-up area boundaries) and sites zoned specifically for Category A housing purposes. The Island Plan assumes that requirements in the 'unqualified sector' will be addressed by the market and provided through increasing availability of private lodgings in the existing building stock and the creation of new lodging houses and staff accommodation, as part of the day-to-day development process.

Qualified sector

In the 'qualified sector' there have been unprecedented levels of new homes (1,427) constructed during 2002 and 2003 equating to more than double the average annual rate of new homes in the preceding 16 years. This combined with the increasingly challenging economic circumstances facing the Island has led to a surplus of apartments and private rented housing in the private sector and a general flattening in both the prices of properties for sale and rental values. At the start of 2004 there were also impressive levels of outstanding commitments for new homes in this sector, which can be expected to yield before the end of 2006 (approx. 1950 homes).

Category A homes

The evidence suggests that the supply of Category A homes is generally in balance with demand, for the period up to the end of 2006. A combination of the existing housing stock and sites already identified for Category A housing purposes will probably be sufficient to meet identified requirements. At the start of 2004, it is estimated there was a shortfall against the 2006 target of some 1,190 Category A homes. At that time the States Rental Waiting List stood at 275 and there is currently anecdotal evidence from estate agents and developers to suggest there is currently a strong latent demand for first-time buyer accommodation. However, it is anticipated that the abovementioned shortfall is likely to be largely met by 2006 from the net supply of an estimated 1,170 new Category A homes.

It is important to recognise that this conclusion is heavily dependent on the completion of developments on the 11 sites rezoned under Policy H2 of the Island Plan within the appropriate time frame. It follows that more effort may be needed to speed up the protracted processes involved in achieving consents for the development of the rezoned/earmarked Category A sites in question. This would help make their delivery more certain. Currently only 5 of the 11 sites rezoned for Category A purposes in the Island Plan have had applications favourably determined by the Committee. Furthermore, the resolution of planning obligations on all of these sites remains to be undertaken before any development can commence.

The figures also assume that there will be no changes to the capital programme, whereby the development of other earmarked Category A housing sites in the urban area is frozen or delayed. Previous decisions to temporarily freeze development funding may already mean that the yield from some urban sites will be pushed back to 2007.

Subject to the above provisos, there would appear little necessity at this time to bring forward additional sites for Category A housing development to meet identified needs up to the end of 2006, especially given—

- the intention to undertake a new Housing Requirements Survey at the end of the year;
- the need to assess in more detail the likely implications of the recently approved Strategic Plan for housing provision;
- the benefits of awaiting the outcome of the States' debate on current proposals in connection with monitoring and managing immigration;
- the requirement for planning policy to remain consistent with the concept of 'sustainable development', as espoused by the Island Plan, and to ensure the need for development is properly reconciled with the need to protect and enhance the built and natural environment.

Category B Homes

The evidence points to there being a healthy supply of Category B homes against estimated requirements for the period up to the end of 2006. There has been an unprecedented average development rate of 385 Category B homes per year during 2002 and 2003. Even accounting for those homes which are likely to have contributed to meeting first-time buyer requirements (i.e. estimated at an average of 64 per year), this is far in excess of estimated required target rates in the Island Plan (i.e. 200 homes per year). At the beginning of 2004, the shortfall against the 2006 target had reduced to approximately 500 homes. The impressive levels of outstanding commitments for new Category B homes at that time, including 831 homes under construction (only 183 of which are considered likely to meet first-time buyer requirement), should ensure that estimated requirements up to the end of 2006 are exceeded by approximately 200 homes.

This recent performance for Category B completions (in addition to historic completion trends), serves to demonstrate that there are sufficient opportunities available within the built-up areas of the Island to meet any anticipated demand for Category B homes within the foreseeable future. The figures do not suggest any necessity to alter the approach in the Island Plan, in order to zone land for Category B housing purposes. The Environment and Public Services Committee can continue to consider applications for planning permission in the normal way and grant approval where proposals are in accordance with its policies.

Non-qualified sector

Performance in the non-qualified housing sector (i.e. including registered lodging accommodation, private lodgings and staff accommodation) is the most difficult to judge, because of the extreme sensitivity of requirement figures among the transient population to changing economic circumstances and the lack of hard meaningful data on the supply of non-qualified accommodation. There is a general perception amongst the Estate Agents contacted, that the market has been fairly successful in meeting demand in this sector, given the amount of

accommodation presently available and the general reduction in demand, which is mirrored by falling rents.

There can be little doubt that this situation has been affected by the changing economic circumstances, which has seen reduced employment of non-qualified persons (notably in the construction and finance sectors). There were 280 fewer non-qualified persons employed in the private sector in December 2003, compared with the year earlier.^[1] A contributory factor in the opposite direction has been the recent States decisions to reduce the residential qualifying period.

In the registered lodging house sector, there is some welcome quantifiable evidence of a continued increase in registered premises. During 2002 and 2003 no less than 21 former hotels, guest houses and hostels were converted, redeveloped or extended to provide new registered lodging accommodation. At the start of 2004, there were also a considerable number of outstanding commitments for the provision of more such accommodation. In recent years, the standard of accommodation offered in the registered lodging house sector has also improved significantly to comply with new requirements set by the Housing Committee. It is considered that improved quality of registered lodging stock and ongoing improvements in staff accommodation combined with the degree of choice now available in the lodging sector (as evidenced by advertisements in the Jersey Evening Post) has helped to improve the quality of living for many unqualified households. However, there remains anecdotal evidence (e.g. the findings of the ecumenical 'Springboard' project and the latest report of the Lodging Inspector) that a significant number of lower income group residents are continuing to live in expensive and/or unsuitable conditions.

Perhaps fortuitously, it would seem that the general approach taken by the Island Plan of relying on the market and the day-to-day development process to meet identified requirements for homes in the non-qualified sector, has proved, on balance, to be relatively successful to-date. Planning policies (notably H13 and H14) are generally considered to be sufficiently flexible and supportive to allow opportunities for the creation of new non-qualified accommodation as the demand arises.

Of course, the current situation could quickly change. In the past, if there was a significant economic up-turn, it would have led to an influx of migrants and put pressure on the sector. Although the Strategic Plan aims to positively boost the Island's economy by controlled growth of the workforce, it is the intention that this be achieved through increasing the numbers of local residents in employment, rather than placing the emphasis on immigration. The full ramifications of the Plan have yet to be finalised, but the degree of future changes in housing demand will depend, to a large extent, on the success or otherwise of proposals brought forward for public consultation by the 'Migration and Policy Steering Group', in connection with monitoring and managing immigration.

In conclusion, it would appear from the evidence to hand that the current housing land availability situation is the healthiest it has been for some years and there is a general balance of demand and supply. This is due, in no short measure, to the substantial supply of new homes during 2002 and 2003, which is set to continue for the next few years. It remains important to ensure that the supply of land is not unduly restricted. However, there would appear to be no material grounds arising from this report, for changing the current planning policies at this time and/or releasing additional land for housing purposes. Indeed, any such considerations might justifiably be regarded as premature, in advance of the major political debate to come in relation to housing and immigration.

Of course, there can be no room for complacency. These are challenging times, both economically and politically, and in view of the inevitable uncertainty which occurs at such times, it is important that we continue to keep the land availability situation under close scrutiny. By so doing, any changes in circumstances can be responded to effectively and in a timely manner. To this end, and given the long lead in time between zoning land for housing and completing new homes, there would also appear to be merit in carrying out detailed feasibility work on sites identified as potential Category A housing sites under Island Plan policies H3 and H4. This will enable these sites to be brought forward quickly for public consultation and subsequent decisions on their suitability for rezoning, should any future review establish the need to bring forward additional land.

The next 'Planning for Homes' is currently programmed for April/May 2005 and this should provide a sounder basis for reviewing current planning policies, in the light of –

- the findings of a new Housing Requirements Study;
- the findings of a Housing Committee review of its 'First-Time Buyers List';
- a more complete understanding of the implications for housing demand arising from the new Strategic Plan;
- a clearer picture of the likely public and political reaction to current proposals in relation to monitoring and managing immigration;

1. INTRODUCTION

There can be little doubt that the provision of housing to meet the community's requirements continues to be one of the most important issues facing the Island. Both the Housing and Environment and Public Services Committees strongly believe that every Island resident should have the opportunity of a decent home.

Housing has a very great impact on and is fundamental to individuals' quality of life. A good home and a pleasant living environment are a source of pride and pleasure and a symbol of security. They are also essential to health and well-being. In addition, a properly-functioning housing market is important to the economy of the Island and the economic welfare of Islanders. An inadequate housing supply could serve to constrain economic growth and may ultimately lead to reduced standards of living for everyone. Consequently, it is important that the availability of land should not act as a constraint on the ability of house-builders to meet the community's demand for new homes.

Of course, the 2 Committees are also acutely aware that proposals for housing development are often contentious and highly politicised. There is often considerable resistance to new housing developments, especially among residents who do not want houses to be built close to where they live. Whilst existing residents may yield significant influence in such considerations and local political representatives are highly responsive to their concerns, the needs of 'outsiders' who would benefit from the new homes often have little voice in the decision-making process.

In any event, the Committees recognise the importance of reconciling the advantages associated with the provision of new homes with other social and environmental considerations. The Island Plan generally looks to promote a balanced approach to housing provision, which helps to ensure sufficient sustainable housing development for the community's needs, whilst conserving and enhancing the quality of the environment and protecting the amenities of existing residents. For this approach to be realistic and responsible, it must be based on the best information available.

This document reviews the availability of land to meet identified housing requirements. The primary purposes of the review are to –

- establish the facts about the amount of available land for construction of housing in the next few years and beyond;
- determine whether a sufficient supply of suitable housing land is genuinely available in practical terms, at all times, to satisfy the Island's identified requirements;
- determine whether there is a need for the managed release of additional land for housing purposes and/or for making more opportunities available for residential development through the planning process (i.e. to help ensure new homes are built in the right place at the right time);
- help monitor the performance/effectiveness of the Island Plan in relation to housing provision and identify policies and proposals in need of adaptation in response to changing circumstances, so as to ensure the Plan stays on track;
- help inform service providers of the likely extent of new development, so they are better able to make decisions on investment for the future provision of services.

2. BACKGROUND

The Housing Committee and the former Planning and Environment Committee began periodically reviewing and producing reports on 'residential land availability' in 1993. These reports concentrated on the requirements of social rented and first-time buyer housing in the 'Qualified Sector'. The latest in a series of such reports, entitled

'Planning for Homes' was published in February 1999, in conjunction with the Policy and Resources and Finance and Economics Committees. This identified a significant shortfall in land available for first-time buyer and social rented homes and led directly to the release of additional sites for the purpose.

At the time, it was recognised that the basis of the methodology employed to assess housing requirements was far from ideal. It relied primarily on historic trends and the identification of existing needs and caused many to doubt the accuracy of the resultant housing requirement projections. As a consequence, it was agreed that a more detailed and scientific analysis of future housing requirements was needed and that a suitably qualified independent agency should be commissioned to undertake the analysis.

David Couttie Associates were duly appointed to investigate and provide a sophisticated assessment of the future housing requirements of Island residents. A comprehensive postal household questionnaire survey of over 6,300 households was conducted in mid-2000, which had a very high overall response rate (42.5%). This was complemented by face-to-face interviews of households without residential qualifications.

This proved to be a very valuable piece of work, in terms of data collection, and *inter alia* for the first time highlighted the demand for homes from 'concealed households' (e.g. couples living with parents who would like to form separate households). The data from the housing need survey was analysed and updated by the Statistics Unit, to provide a clearer and broader view of likely needs and demands for homes in all sectors of the Island's housing market. The analysis took into account demographic information from the 2001 Census, including the structure of the housing stock, the residential qualifications of the population and the characteristics of recent immigrants. The full analysis is contained within the report entitled "*Evaluation of Jersey's Medium-Term Housing Requirements*", January 2002. It includes a detailed profile of the strengths and weaknesses of the Jersey housing market and a breakdown of the estimated requirements for new homes for the 5-year period from 2001. The findings of the report are summarised later in this document and they led to the conclusion that there was a significant shortfall of housing to meet the needs of Island residents over the period 2002 to 2006.

Although the survey underpinning the report was effectively a snapshot of the situation facing the Island at a particular time, the report itself provided the most robust set of figures on housing requirements produced to date. These figures were accepted by all the relevant States committees and were subsequently used to inform the housing policies and proposals in the Island Plan 2002.

In effect, the above mentioned report on housing requirements and subsequent work included in the Island Plan on housing supply, represent the last time any official review was conducted on housing land availability.

3. POLICY CONTEXT

3.1 Strategic Policy

At the end of June 2004, the States approved a new Strategic Plan for the Island, which sets the direction for Jersey in the coming years and lays the grounding principles for States policies over the next decade. The Plan is the result of an extensive consultation process with members of the public, States members and public servants.

It generally sets out to improve the quality of life for Islanders and to secure Jersey's future in an increasingly global community. At its core are the continuing development of the economy and the promotion of 'controlled economic growth'. The plan describes a vision for Jersey's future and underpins this with 9 key aims designed to ensure prosperity, equity, inclusiveness, unity and a high quality of life. In addition, a number of objectives and tasks have been identified as necessary to deliver the aims successfully.

Many of the plan aims and objectives will have a direct or indirect effect on future housing requirements to varying degrees. However, the following strategic aims are likely to have the most significant impact –

- Aim 1: 'To create a strong and competitive economy'
(N.B. a target for economic growth of 2% per year)

- Aim 2: ‘To maintain a sustainable population’
Task: to regulate inward migration and housing by licensing
- Aim 3: ‘To enhance Quality of Life’
Task: ‘to enable the provision of good standard, secure and affordable accommodation for all’
- Aim 4: ‘To protect the natural and built environment’.

More specifically, the proposed Strategic Plan calls for an increase in the housing stock of “no more than 1,750 units”. It suggests this is achievable through a review of current Planning procedures and the Island Plan to investigate more efficient use of urban areas and to encourage regeneration of land.

The Plan also allows for a one per cent per annum growth in the size of the working population (i.e. up to 500 new jobs per year) over the next 5 years, in order to boost the economy. However, in promoting the Plan, the Policy and Resources Committee has made it clear that the majority of extra workers will come from the existing resident population (e.g. school-leavers, mothers returning to work, retirees staying in employment, the unemployed and the disabled). It was inferred during the debate that the number of immigrants required for the increasing working population would be a ‘small proportion’. In any event, they should not exceed the 200 person net annual migration assumption used in estimating the housing requirements for Island Plan purposes.

3.2 Housing Policy

The Housing (Jersey) Law 1949 and its attendant Regulations currently impose a very high degree of government control over the entire housing market and effectively seek to protect access to the housing market for those with full residency rights. The majority of the Island’s residents (i.e. 79% of the adult population and 87% of private households at the time of the 2001 Jersey Census) are in the ‘residentially qualified sector’ and most enjoy full unrestricted rights to housing of all kinds.

The proportions of the Island’s private households living in each tenure group within the ‘qualified sector’ are included in the 2001 Census Report, as follows –

● Social Rented Accommodation	14%
(i.e. as States, housing association, or Parish tenants)	
● Owner-Occupiers	51%
● Private Rented Accommodation	22%

The proportion of private households living in social rented accommodation is low in comparison with the corresponding figure for Great Britain in 2000 of 21%. Perhaps more revealing, however, is the relatively low level of home ownership in Jersey. The 51% of households owning and occupying their own homes in Jersey compares to 68% in Great Britain in 2000. This is somewhat disappointing, given that most people would prefer to own their own home and the States has for many years been aiming to extend opportunities for home ownership to as many households as possible.

Notwithstanding the above, there remain a large number of adult persons living and working in the Island (21%), who do not currently enjoy housing qualifications. These comprise unskilled and semi-skilled transient workers with no local connections who work in the tourism and agricultural industries and other newcomers who have been attracted by the prospects of employment in retailing, construction and the finance industry, but have not lived in the Island continuously for 15 years.^[2] Both groups make an important contribution to the economic success of the Island and together represent 29% of the economically active (working) population. Neither group is currently permitted to occupy residential units other than unregulated accommodation in the form of staff accommodation provided by their employees, or lodging accommodation including registered lodging houses and private lodgings. As a consequence, many of these people with relatively low incomes find themselves having to

pay high rents to live at times in unsatisfactory, unmanaged accommodation, which is often sub-standard and insecure, over a long period until they are able to obtain their housing qualifications (i.e. for nearly half their working life). The housing problems experienced by these people have been well documented elsewhere and were again brought into the spotlight by the recently published findings of the year-long ecumenical 'Springboard' project conducted by the town clergy.

The policy of giving priority to local residents with housing qualifications through 'rationing' access to the housing market (i.e. preventing or inhibiting the 'non-qualified' from gaining access to housing reserved for 'locals') is complemented by the provision of housing 'subsidies'. The subsidies are controlled by the Housing and Finance and Economics Committees and include those aimed at encouraging owner-occupation (i.e. zoning land for the construction of first-time buyer accommodation at below normal market price; and income tax relief on mortgage interest) as well as rent subsidy schemes for both the public and private rental sectors aimed at helping households with housing qualifications to pay their rent.

The combined effect of the controlled rationing and subsidising of homes referred to above, has been to create what is often referred to as the "two-tier housing system", which is widely recognised to be inequitable, discriminatory and unacceptable in a modern, liberal society. The Housing Committee, for its part, remains keen to eradicate the social disadvantages associated with the 'two-tier' housing system and there appears to be a general willingness in political circles to achieve this end.^[3]

The current policies of the Housing Committee are set out in its Strategic Policy Report, 2002-2006, which was approved by the States in July 2002. This makes it clear that the Committee's long-term goal is for "*an Island where all residents have access to good standard, secure and affordable homes*". To this end, the Committee's principal aims are set out as follows –

- to ensure that a sufficient supply of accommodation is provided to meet the reasonable demands of all residents to obtain secure and affordable homes;
- to concentrate on providing assistance to those in need;
- to provide housing which is sustainable, making optimum use of scarce land resources;
- to enable housing for those in need to be provided through a range of funding mechanisms, in order to make the most cost effective use of public funds;
- to ensure the Island's stock of social rented housing is properly maintained and where necessary improved;
- to support the principle of home ownership;
- to utilise resources effectively to achieve best value;
- to support measures that help to manage any growth of the population through immigration in order to control housing demand;
- to improve the quality of life for residents;
- to sponsor legal reforms in the interests of clarity and equity, with specific emphasis on the Human Rights implications of current Law and Policy.

3.3 Land Use Planning Policy

The planning system has a crucial role to play in providing an adequate supply of land to meet the housing requirements of the community. This is a regulatory-driven system, as opposed to market-driven, and is plan-led. The policies set out in the Jersey Island Plan, which was approved by the States in July 2002, following extensive public consultation, are the primary mechanism governing the availability of land for housing. The policies include the allocation of land specifically for housing in addition to providing opportunities for private developments principally within the built-up areas through the normal operation of the day-to-day planning process. The Plan supports the notion of providing adequate housing for all residents and sets out to “ensure that sufficient land and opportunities are made available for homes to meet the needs of Island residents”. It also seeks to ensure that there is an appropriate balance between housing provided for social rent and first-time buyers, housing for private rent and purchase and lodging accommodation, in order to cater for those who have difficulty in affording homes of an appropriate standard for their needs.

The provision for new homes in the Island Plan is heavily reliant on ‘windfall’ developments in the built-up area being brought forward by private developers over the plan period. However, meeting requirements for social rented and first-time buyer homes is dependent, to a very large extent, on rezoned land and other specifically earmarked sites.

4. HOUSING REQUIREMENTS

4.1 Assessment of requirements

The Housing Committee, the Environment and Public Services Committee and its predecessors have long recognised the need for a clear, unequivocal and accurate assessment of likely future housing needs and demands for all sectors of the housing market (qualified and unqualified) an assessment that is able to stand up to close scrutiny.

As alluded to earlier, the housing needs survey conducted by David Couttie Associates in mid-2000 and the subsequent analysis of the data by the Statistics Unit, provided a comprehensive assessment of the Island’s future housing requirements. The Statistics Unit’s report entitled “Evaluation of Jersey’s Medium-Term Housing Requirements”, January 2002, includes a breakdown of the estimated requirements for housing for the 5-year period from 2001, which is set out in Table 1.

Table 1: Requirements for new homes – Housing Surplus/Shortfall by tenure and size

Size	Owner Occupier	States/Parish/ Housing Trust Rental	Private Rental	Aggregate of Shortfalls QUALIFIED SECTOR	Practical Total Shortfalls QUALIFIED SECTOR	Private Lodging	Lodging House	Serviced	Aggregate of all Shortfalls UNQUALIFIED SECTOR
1 bed	408	-953	1,045	-953	-750	-413	25	-30	-
2 bed	-1,223	-356	571	-1579	-1,580	-116	-65	-60	-
3 bed	-269	-35	188	-304	-300	-192	0	-81	-
4 bed	-443	-146	316	-589	-550	-104	0	-98	-
5 bed	41	0	95	0		-25	0	0	
					-3,180				

The Table is organised by aspiration of tenure, with perceived desirability increasing from right to left. Within this framework, a shortfall in one tenure category might be supplemented by a surplus in a category immediately to its left in the Table. In this way, the significant shortfall of one-bedroom units in the States/Parish/Housing Trust Sector could be reduced by utilising the surplus in the owner-occupied category of this unit size. Assuming half of the relevant surplus could be used in this way, through suitable encouragement or incentive, then the effective resultant shortfall would reduce from 950 to 750 units.

The figures in the table take no account of newly completed dwellings or known outstanding commitments at the time and are based on a number of assumptions, as follows –

- there would be a net immigration of 200 persons per year for the period;
- there will be very limited movement between the qualified and non-qualified sectors;
- in practical terms, the total shortfall of housing is less than the aggregate of the shortfalls, since surpluses in certain categories may reasonably be expected to ease shortfalls in other categories (e.g. The small surplus in owner-occupied five-bedroom properties could somewhat offset the shortfall in four-bedroom accommodation in the same category);
- there will continue to be surpluses in some tenure sectors and shortfalls in others.

Table 1 serves to confirm a significant shortfall of housing to meet the needs of Island residents between the start of 2002 and the end of 2006. It estimates the requirements during this period to be over 3,000 homes in the ‘qualified sector’ (3,180), notwithstanding a substantial surplus of private rental accommodation and over 1,000 in the ‘non-qualified sector’ (1,160).

4.2 Island Plan Targets

Qualified sector

On the basis of these figures, and having regard to the practicalities of making such provision, the Jersey Island Plan 2002 sets a target for the construction of 2,860 homes in the ‘qualified sector’ over the first 5 years of the Plan period (start 2002 to end 2006). This equates to 90% of the estimated ‘qualified sector’ requirements.

In addition to the above, the Island Plan also estimates a need for 200 units of sheltered accommodation by the end of 2006 and 50 homes for young adults with a range of special needs.

Unqualified sector

The remaining requirement figures for new homes in the ‘non-qualified’ sector (1,160) over the period are simply noted by the Island Plan.

4.3 Robustness of the requirement figures and future update

The need to update the calculation of housing requirements in the near future and at regular intervals in the future is recognised, particularly given that –

- Estimates of requirements are influenced by changing demographics (including household formation rates and net migration), changing economic circumstances, changing regulations (N.B. The residential qualification period has reduced from 19 years to 15 years since the estimates of housing requirements were made) etc.

- Much of the original data underlying the estimated requirements is taken from a household survey conducted in June and July 2000, nearly 4 years ago, when the economic climate was different to that of today.

It is currently the intention that the Statistics Unit will conduct a new 'Housing Needs Survey' in the fourth quarter of this year, with the results reported in early 2005. At this time, it will be appropriate to roll forward the 5 year requirement figure to the end of 2009.

In the interim, the Statistics Unit has suggested that the current requirement figures and Island Plan provision (i.e. 2,860 dwellings) in the qualified sector, 2000-2006 are unlikely to have been altered significantly on the basis of demographic change or recent changes in the qualification period for residential status.

The past 3 years' estimates of net migration (2001 – 2003) by the Statistics Unit suggest an average of 25 persons per year leaving the Island. Furthermore, recent manpower data from June 2003 points to an overall tightening of the labour market, particularly in the finance and construction sectors. This is reflected by recent falls in total employment, rises in the number of people registered as unemployed and the concurrent reduction in job vacancies. Taken together, these factors suggest that net migration for the period up to the end of 2006 will be substantially lower than the annual 200 person net immigration assumed in estimating future housing requirements. However, overall requirements for new homes in the qualified sector are fairly insensitive to the actual level of net migration. Therefore, even if the figures were to be revised on the basis of a 'Nil Net Migration' scenario, the total estimated requirement in the 'qualified sector' would only reduce by some 70 dwellings.

The Statistics Unit has also indicated that recent reduction in the residential qualification period means that there will be an increase of about 500 newly qualified households by 2006. This translates into an estimated 330 additional households moving into the 'qualified sector', over and above previous estimates.

Drawing this all together, the net increase in total requirements for new homes in the 'qualified sector', resulting from changes in net migration and the residential qualification period is approximately 260 homes (i.e. -70+330).

There are those who, in objecting to proposals for residential development on rezoned land, continue to argue that demand for new homes has reduced since the requirements were estimated. They cite, among other things, changing economic circumstances and the relative increase in the number of properties for sale and rent as evidence. Such matters are addressed elsewhere, but, in any event, the practical relevance of disputing the figures in this manner is questionable and somewhat academic. If the requirements for new homes for the period up to the end of 2006 proves to be slightly less than forecast, and homes are constructed in the period to meet the forecast, then this would simply cover the need for a slightly longer period. (Particularly given that the new Strategic Plan sets a direction for 'controlled economic growth'). Furthermore, planned up-dates of requirement estimates will, in any event, allow the situation to be regularly reviewed.

5. OTHER INFORMATION SOURCES ON HOUSING DEMAND

5.1 House prices

House prices in the private sector are a reasonable indicator of supply and demand pressures in the housing market and of the general direction in which the market is headed. The 'Jersey House Price Index' compiled by the Statistics Unit and based on the average net retail prices of a standard collection of dwellings, provides evidence of trends in house prices. Table 2 illustrates the historic trends which occurred on an annual basis during the life of the previous Island Plan up to 2001. The figures show a year-on-year escalation in property values between 1985 and 2001, during which time house prices rose by almost a factor of 5. The property market was especially buoyant and strong in the late 1980s and late 1990s, when house prices increased rapidly. These were periods when the economy was thriving, there was low unemployment and increased demand for new homes outstripped supply. During the mid-1990s, from the recession onwards, prices were relatively static. In 1998, the level of house price inflation reached its peak and the annual increase was a huge 26.8%. Since then, the market has been slowing and the days of soaring property values have come to an end. The years 2000 and 2001 show

price increases beginning to stabilise at much lower levels as the economic climate began to appear less certain.

Table 2: Jersey House Price Index, 1985 to 2001

Year	Jersey Index	
	Index (1985 = 100)	Annual percentage change
1985	100	–
1986	107	7.0
1987	121	13.1
1988	142	17.4
1989	174	22.5
1990	207	19.0
1991	224	8.2
1992	240	7.1
1993	238	(0.8)
1994	244	2.5
1995	244	0
1996	258	5.7
1997	299	15.9
1998	379	26.8
1999	426	12.4
2000	454	6.6
2001	472	4.0

In June 2003, following criticism of the Index, a review was undertaken, which concluded that it was ‘relatively’ accurate in tracking price changes. However, it was found to understate the average level of house prices. As a consequence of the review, a new more robust, reliable and rigorous methodology was developed for measuring the level as well as changes in the prices of dwellings. This new Index incorporates a much broader range of property types and sizes than its predecessor and is provided on a quarterly basis dating back to the beginning of 2002.

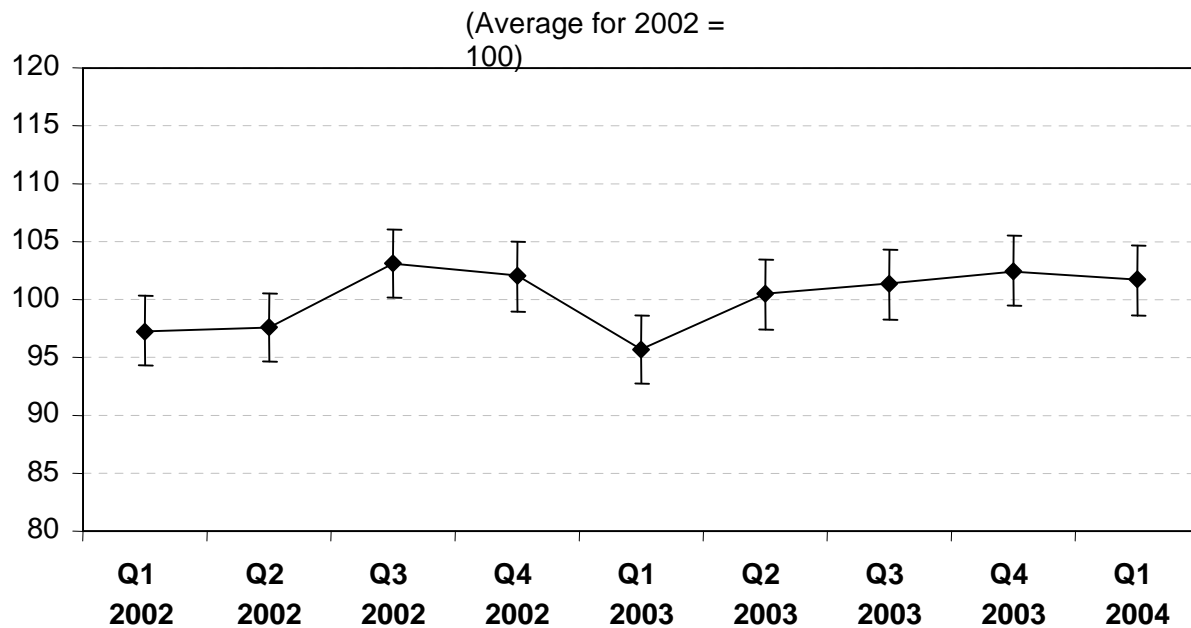
Table 3 shows the average dwelling prices and corresponding House Price Index (based to 100 for calendar year 2002) for the last 2 years on a quarterly basis. The figures for the first quarter of 2002 show the first recorded fall in the average price of a home in Jersey since the 1993 recession. Despite quarterly fluctuations, the figures show that house price inflation has been brought under control.

Table 3: Mix-adjusted average dwelling price and Jersey House Price Index, 2002 to 2003

	2002				2003				2004
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
e	309,000	310,000	327,000	324,000	304,000	319,000	322,000	325,000	323,000
	97.3	97.6	103.1	102.0	95.7	100.5	101.3	102.5	101.7

The substantially flat Index for the period (within $\pm 4\%$), which is plotted in Figure 1, points to a generally stable housing market over the last 2 years where prices have levelled off and remained fairly constant. The average price of dwellings has decreased by less than 1% (0.6%) between the fourth quarter of 2003 and the first quarter of 2004. The average annual prices for 2002 and 2003 (£317,000 in each case) provide further evidence of market price stability.

Figure 1: Jersey House Price Index



There can be little doubt that the extraordinarily healthy and unprecedented increase in the supply of new homes and especially the large number of new apartments over the last 2 years (see section 7.1) will have contributed to addressing the previous imbalance in supply and demand, thus taking the heat out of the market and keeping prices stable. Other factors during that period, which may have contributed to this, are likely to include a combination of –

- concerns about the more challenging economic position and a reduction of confidence among potential buyers;^[4]
- the weakening labour market and concerns about future job security;^[5]
- reducing incomes;
- problems of affordability, whereby house prices have outpaced the growth in earnings for many potential buyers;
- rises in interest rates, which are set to continue (albeit from an historically low base), which raises the cost of borrowing;
- lower expectations of house price appreciation;
- increased flexibility and opportunity in the planning system, following the adoption of the new Island Plan.

Many of these factors may change in future, as the States moves towards its planned targets for economic growth, following the recent approval of the Strategic Plan.

Although the average price of homes sold in Jersey is relatively stable, the £323,000 figure at the start of 2004 is still very high. Jersey remains one of the most expensive places in Europe to buy homes. The Jersey average is approximately double that of the U.K. overall (£162,000) and a third more expensive than Greater London (£244,000). Furthermore, the Jersey House Price Index report for the third quarter of 2003 revealed that Jersey has a very high ratio of average dwelling price to average earnings in Jersey.^[6] This was estimated to be almost twice as great as that for Great Britain as a whole.

The House Price Index report for the first quarter of 2004 also provides information on the mean prices for different types of dwelling over the period from 2002, as shown in Table 4.

Table 4: Mean prices (£,000) for individual property types

TIME PERIOD	FLATS		HOUSES		
	1-bed	2-bed	2-bed	3-bed	4-bed
2002					
Q1	166	213	265	332	416
Q2	160	268	268	314	432
Q3	160	259	284	332	474
Q4	137	242	300	333	459
2003					
Q1	156	216	285	328	380
Q2	150	222	278	333	461
Q3	145	213	270	328	510
Q4	173	237	266	345	454
2004					
Q1	166	219	257	351	448

Whilst recognising the degree of volatility that can occur quarter-on-quarter in the mean prices of individual property types, the most recent House Price Index report goes on to describe apparent themes/trends, as follows –

- **one-bedroom flats:** the mean price recorded in the first quarter of 2004 (£166,000) was the same as that of 2 years previously;
- **two-bedroom flats:** the trend in prices was downward from mid-2002 to early 2003, but appears to have since stabilised. The mean price in the first quarter of 2004 (£219,000) was similar to that of a year previously;
- **two-bedroom houses:** after increasing through 2002 to a peak of £300,000, the mean price has since declined. The level recorded in the most recent period (£257,000) was slightly below (but consistent with) that of 2 years previously. The difference between two and three-bedroom houses is widening at present, whilst the difference between two-bedroom flats and two-bedroom houses is narrowing;
- **three-bedroom houses:** having maintained a substantially stable price level for 7 quarters, the 2 most recent quarters are suggestive of a slight increase. The mean price in the latest quarter was £351,000;
- **four-bedroom houses:** this is the most volatile category, being somewhat sensitive to the broad range of characteristics encompassed within this size of property. The mean price recorded in the latest quarter (£448,000) was equal to that of calendar year 2002 and marginally lower than that of 2003. The sharp fall in prices witnessed in Q1 of 2003, for

reasons explained above, accounted for about two-thirds of the decrease in the overall Index seen in that quarter.

5.2 States Rental Waiting List

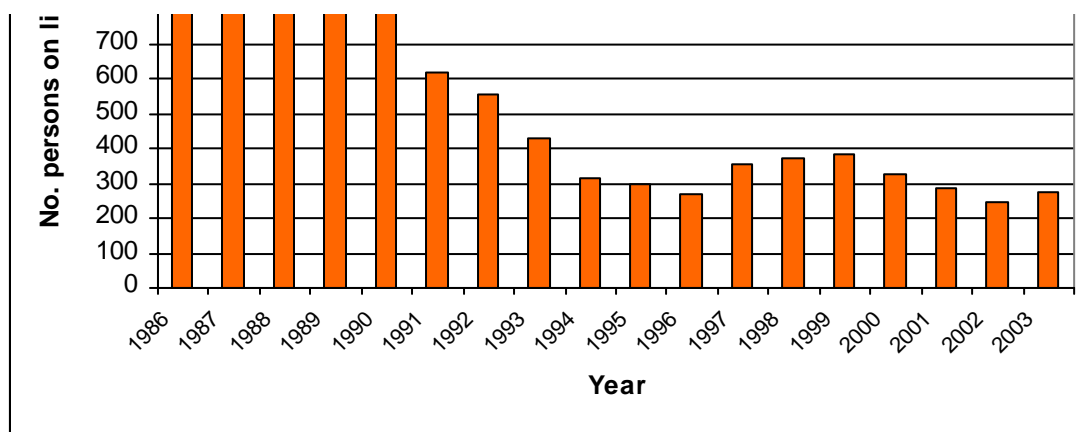
The States Rental Waiting List comprises residentially qualified pensioners, low income families with dependent children and other people with particular social, personal or medical problems who cannot afford to, or otherwise be expected to house themselves in the open market. It does not include single people below the age of 50 without dependent children. Principally, the Waiting List reflects the demand for housing by residentially qualified persons in greatest need. However, it has long been regarded as a good ‘barometer’ of the overall housing market and as a general indicator of relative pressure on the housing market. Whilst an argument can be made for this, it is important to recognise that numbers coming onto the list will reflect/be influenced by a number of factors, including –

- the level of rents;
- the price of housing;
- reductions in the residential qualifying period for in-migrants;
- improved health and longevity;
- the future planned supply of States rental and housing trust homes;
- the availability of suitable affordable homes in the Private Sector to rent and purchase;
- the development of first-time buyer homes;
- unemployment levels and the associated emigration of lower income families;
- the differential between States rents and private sector rents; and
- the actual size of the waiting list (a shorter list will encourage more to apply).

The level of rents is particularly significant, because the size of the waiting list will always be boosted where States rents are artificially held below market values. With this in mind, the Housing Committee sought for many years to set States rents at a reasonable but not excessive discount to the open market of about 10%. However, the rise in property values which has occurred since 1996 saw average States rents fall to between 20% – 30% below market rents across the board. The current Housing Committee has sought to rectify this by the introduction of significant annual rent increases and now the overall differential is estimated to be below 20%.^[7] However, it is estimated that the differential between rents charged in States rented and private rented properties where tenants are claiming rent subsidy, is probably closer to 10%.

The year end statistics for the rental waiting list between 1986 and 2003 are set out in Figure 2.

Figure 2: States Rental Waiting List (at year end), 1986 to 2003.



Source: Housing Department Records

The figures show a substantial decrease in waiting list levels from the peak registration of 900 families and individuals at the end of 1989, to a low of only 268 families and individuals in 1996. The dramatic improvement during this period coincided with an extensive rental and first-time buyer building programme (see Section 7 Table 8) and the introduction of the 'Private Sector Rent Rebate Scheme', which enabled many households to remain in private sector rented accommodation. Between 1996 and 1999 there was once again a rise in waiting list numbers as the Category A building programme reduced and more attention was given to refurbishing/redeveloping outworn estates of social rented housing.

Table 5 gives details of how the waiting list has progressed over the last 5 years. Since the end of 1999 the situation has improved significantly and the waiting list declined to a new historic low of 246 at the end of 2002, before rising slightly in 2003 (N.B. beyond the forecasts in the 2002 Housing Strategy). It might be argued that the Housing Rental Waiting List requirement represents something of a conservative figure, given that an increasingly high proportion of social rented accommodation is provided by the Island's housing trusts and associations and only 80% of their tenants need come from the List.^[8] They have their own separate lists and enjoy 20% nomination rights (i.e. to persons who apply directly to them and are internally vetted).

Table 5: Housing Rental Waiting List, 1999 to 2003

Year	Waiting List at year start	New Applications	Housed through Existing Stock, or nominated to Housing Trusts, or cancelled* ¹	Waiting List at year end
1999	373	300	292	381
2000	381	335	393	323
2001	323	320	355	288
2002	288	396	438	246
2003	246	444	415	275* ²

*1 People may later be cancelled from the list where they, for example, are adequately housed, leave the Island, or are found to no longer qualify.

*2 It is now generally held that an acceptable waiting list should be below 100 families and individuals

Source: Housing Department and Planning and Building Services Records

Of the 275 families and individuals on the Waiting List at the end of 2003, approximately 234 (85%) were considered to be in urgent need of re-housing for a variety of reasons, including ill-health, sub-standard accommodation, overcrowding and special needs (i.e. groups 1, 2,5 and 6). The evidence from both the current ‘Waiting List Breakdown’ and the current ‘Tenant Transfer List’ (see Appendix 1), suggests that the largest demand currently in the social rented sector is for small one-bed accommodation (70%), although it does indicate that approximately 30% of the requirement is for larger family homes (3+ bedrooms). However, these figures represent a snapshot in time and are not sufficient in themselves to provide a true/accurate indication of the type of dwelling units required over the period up to the end of 2006.

The Housing Department suggests that the proportional split of requirements for social rented housing types (assuming all the H2 sites deliver) should be as follows –

- 20% one-bedroom (including sheltered units);
- 10% two-bedroom;
- 60% three-bedroom; and
- 10% four-bedroom.

In support of this suggestion, the department points out that the stock list is still too high on flats relative to three- and four-bedroom houses and that the two-bedroom flats which will be lost at Le Marais and Le Squez will be replaced in planned town developments.

A prime target of the Housing Committee, as set out in the 2002 Housing Strategy is to “*reduce the States Rental Waiting List to below 100 by 2006 with a waiting period of less than 6 months for all urgent cases*”. The waiting list has gone down during the first 6 months of 2004, due to placements in Housing Trust developments completed at the end of 2003 and those who have taken advantage of the increased flexibility/availability in the private sector to self-house. However, with only 2 social rented housing projects actually in progress at this time (i.e. Claremont Court, Ann Street, St. Helier and La Folie Estate, Parkinson Drive, St. Lawrence), which will complete this year and numerous redevelopment schemes on outworn estates involving significant losses of existing stock, the Waiting List will inevitably increase during 2004 and into 2005. The Waiting List should reduce again in 2006, following an expected increase in supply, as shown by the projections in Table 6.

Table 6: Projections of Housing Rental Waiting List, 2004 to 2006.

Year	Waiting List at Year Start	New Applications	New Build Completions (net)	Housed through Existing Stock	Waiting List at Year End
2004	275	300* ¹	24	250	301
2005	301	350* ¹	(-72)	200	523
2006	523	375	411* ³	200	287* ²

*1 *Figures allow for persons who will qualify to rent accommodation from the year 2000 under the reducing residency qualification period.*

*2 *It is now generally held that an acceptable waiting list would be below 100 families and individuals.*

*3 *This figure excludes 3 urban sites where funding has been temporarily frozen and which are now more likely to yield in 2007.*

Source: Housing Department and Planning and Building Services Records

It is extremely difficult to accurately forecast what the requirements will be for social rented housing, even over a 3-year period, given the many variables involved. The projections in Table 6 are based on the assumptions that—

- the average annual rate of accepted applications will rise through the period from 300 to 375, based on an envisaged reduction of the qualifying period from 15 down to 12 or perhaps 10 years, as well as expected growth in the over-50s age group;
- after the better than expected performance in housing households on the list through the existing stock during the first 6 months of 2004, it is anticipated that such opportunities will revert once more to the order of 200/annum, in line with recent patterns of true voids (i.e. where the departing tenant does not take up occupation elsewhere in the social rented stock);
- sites zoned or otherwise earmarked for social rented housing will come forward with the numbers anticipated in the required timeframe. This excludes the 70 new homes on the 3 urban sites which are currently subject to a freeze on development funding (i.e. Sunshine Hotel, Salisbury Crescent & Mascot Motors), which are now more likely to yield in 2007.

If these assumptions prove accurate, the waiting list projections would suggest a shortfall in the order of 290 homes over and above sites already zoned for the purpose. This would be by no means excessive, even if a waiting list of 100 families and individuals is now generally held to be acceptable. Indeed, it would still not be much higher than the historic low at the end of 2002. However, for this to become a reality much will depend on the delivery of the rezoned sites and other sites earmarked for social rented homes.

5.3 First-time Buyers List

The Housing Department maintain a 'First-Time Buyer List' which was re-established in May 2001, the purpose of which is to identify those eligible and wishing to purchase their first property. In addition the list is used by the Committee as a means of allocating property where the Committee is involved in selling properties direct.

Although there are some 2,100 names on the list, this is not in anyway indicative of current demand. There are many applicants who have no immediate plans, or the means, to be in a position to purchase, but have put their names on the list as part of future planning. Any locally qualified first-time buyer over 18 years of age is eligible many putting their names on the list as soon as they reach 18 years of age.

Although application forms request general information with regard to an applicant's income and available deposit, in view of the nature of the list there is little purpose to verifying that information at application stage. As time progresses the information supplied becomes somewhat outdated. In addition, experience has shown that at any particular time when an applicant becomes a realistic purchaser, any declared deposit available can increase dramatically, often through family assistance, enabling a level of purchase far higher than had been previously indicated.

In view of the overall policy encouraging the private sector to develop first-time buyer sites, the Housing Department does not generally become involved in the actual allocation of property and, therefore, the information held on the list is not regularly updated. However, in late 2004 it is intended to carry out a complete review and update of the whole list in an effort to try and establish and identify more realistically the level of current demand. This will pay particular attention to the issue of affordability, and sieve out from the estimated demand those on the list whose hopes and aspirations to purchase a property are unlikely to be achievable. That information will be available to feed into the general planning process and will be incorporated in the next

Planning for Homes document.

At this time, however, there is other anecdotal evidence to suggest a significant latent demand for first-time buyer homes. Many of those developers who are engaged in bringing forward the H2 Category A housing sites rezoned in the Island Plan, have indicated they have been inundated with requests from first-time buyers wishing to purchase one of their homes. Some have reported that their lists are oversubscribed and that they have had to repeatedly turn people away. For reasons of confidentiality, developers are unwilling to release the names of those on their lists and it is not possible, therefore, to use this source to accurately measure current demand. However, the notion that there is strong demand for first-time buyer homes is given added weight by the views of local estate agents referred to in the following section of this report.

5.4 An Industry View of the Private Sector Property Market

Land availability studies must naturally embrace an understanding of the characteristics and general operation of the local housing market. To this end, discussions took place throughout February and March 2004 with several leading Estate Agents, to get their informed views on the current state of the housing market. The aim was to obtain as objective a view as possible, bearing in mind that those so closely involved in the housing market are naturally likely to lean towards a more optimistic perspective. It is accepted that the views expressed here may not be universally held by all the Island's Estate Agents, but it is hoped they are reasonably representative.

In general, the agents contacted remain reasonably up-beat about the residential property market and its potential for the future, although there is a recognition that the market is continuing to go through a period of uncertainty. They accept that house prices have levelled off after many years of growth, as reflected in the Jersey House Price Index, and the present market is variously described as *stable*, *flat*, or in one instance, *weak*. This is generally put down to the more challenging economic climate and the fact that the supply of new homes is now more in line with demand. Nevertheless, they all appear to subscribe to the view that the market remains fundamentally fairly sound and argue that the increase in supply in the market is giving people a real choice. All agree that there is continuing demand, although not as good as it was, and say they are busy with a healthy amount of transactions. However, they also point out that properties are generally taking longer to sell, that they are having to work harder on marketing to secure sales and that, in any event, only realistically priced properties are being bought – the inference being that some properties are still being over-valued.

The residential property market can be divided into a number of distinct sectors, which currently present a mixed picture, as explained below –

Lower-priced accommodation (up to £200,000 - £250,000)

The agents consider there has been very good demand for lower-priced accommodation and notably apartments over the last 2 years, driven by demand from smaller households, including divorcees, older people looking for smaller low-maintenance accommodation, parents whose children have left home, first-time buyers as a stepping stone onto the housing ladder and young single people wishing to set up their own home, rather than remain with their family, or share with friends.

However, they all consider that too many flats have been released onto the market at one time, which has created a temporary imbalance that will remain until such time as the surplus is absorbed. This view was reflected in the Jersey House Price Index for the last quarter of 2003, which showed a static average price for one-bedroom flats over the year and a 10% fall in the average price of two-bedroom flats. They also suggested that the demand for two-bedroom flats, in particular, appears to have been largely satisfied and buyers are not generally taking up what is in the market place, especially those in town, which have no particular locational advantages. As a consequence, they are continuing to drop in value in real terms, given present inflation levels.^[9]

Notwithstanding the above, it is still the case that well-priced, well-built one- and two-bed apartments, especially those located in sea-front locations, will sell quickly. Furthermore, there still appears to be a reasonable demand for single-person flats at the lowest end of the market, at say £150,000 – £200,000 (e.g. in the large blocks which have recently been completed, or are currently under construction, including Century Buildings and Spectrum).

This is primarily because of their affordability and the fact that prospective occupiers find purchase more attractive than rental. Many of these properties are also being bought as a private investment to let as a source of income, as an alternative to banking their money, or investing in stock market based products.^[10]

Small houses up to £250,000 are turned round quickly and all the agents agree that there is still a genuine healthy demand for houses from first-time buyers. These potential buyers do not appear to be displaying any lack of confidence, although the affordability of homes remains their primary concern. There is a general agreement among the agents that the first-time buyers have a continuing preference for buying houses with a garage and garden, and that many are holding back from purchase on the open market. It seems they are waiting for the sites zoned in the Island Plan to come forward. The houses to be provided on these sites are generally regarded by the potential buyers as better value for money and more able to meet their aspirations, even though they would forgo potential equity advantages that might accrue from going into the open market.

Mid-price homes

The lower end of this sector (£250,000 to £350,000) is regarded as the busiest market with the most turnaround. It includes ex-States loan properties and is very price-sensitive. It seems that there is not much interest from potential buyers unless the price is under £300,000.

Most of the agents reported that there is not much activity in the higher end of this sector (£400,000 to £600,000), which is generally the preserve of second and third-time purchasers. However, there remains some activity in the market up to £450,000 and one agent believes the proposed changes to mortgage interest tax relief may have had an effect on sales of higher priced properties. In any event, the agents suggested the general lack of activity has caused prices to fall significantly over the last 12 to 18 months. This has been especially noticeable in the flat market, where the choice of available flats has been described as “phenomenal”.

Most expensive properties

The luxury end of the Island’s housing market (£650,000 – £700,000+) is the slowest sector, where properties generally take the longest to sell. Here again, prices have been falling significantly to more realistic levels. However, there appear to be a considerable number of buyers in the market for properties in the £1 million to £1.5 million range and over. As with the higher mid-priced homes on the market, prices are negotiable and asking prices are seldom achieved.

Private rental

The private rental market appears to be the most difficult to judge at present, but there is general agreement that there appears to be a healthy supply of private rented housing at this time, as evidenced by the considerable amount of accommodation being advertised for rent in the Jersey Evening Post. There has been some growth in the availability of rented housing, fuelled by an increase in the number of younger people wishing to set up their own home and choosing to rent accommodation which is made affordable with States financial support. As a result, some developers appear to have targeted the rental market, whilst some properties originally targeted for sale have, due to difficulties in sales, moved to the rental market (e.g. Royal Oak Hotel site). Other growth has occurred because of private individuals investing in apartments, which are then let. The current over-provision in the private rental market is largely put down to people’s general preference to buy property, as well as the increase in property available to rent and, to a lesser extent, the increasing contribution made by housing associations.

All the agents reported that rents are falling significantly to what some describe as “*more sensible levels*”. Interestingly, however, there is some evidence to suggest that rental levels have actually been rising throughout the last year, until the first quarter of 2004.^[11] The agents also point to an increase in ‘difficult to let’ properties at the bottom end of the market, and especially converted properties. As a result, they say that many properties previously rented are now being put up for sale.

Notwithstanding the above, one of the agents suggested there still appears to be a general shortage of good quality

houses for rental (especially two-bedroom houses).

Non-qualified accommodation

The general perception among the agents is that the market has met the demand in this sector, where an increase in the amount of accommodation available has combined with a large fall off in demand. They generally consider that the falling demand is largely due to the loss of construction workers and, to a lesser extent, the reduction in the residential qualifying period and the increase in the amount of registered lodging accommodation. As a consequence, agents have received an increase in enquiries from landlords, because they are finding it difficult to let their properties and are looking for advice. There has also been an increase in the amount of non-qualified accommodation advertised for let in the Jersey Evening Post.

One of the agents suggested that the situation in the unqualified sector is “*nowhere near as bad as it has been*”, given that there is a lot more good quality accommodation available to choose from, the gap in the general standard of qualified and unqualified accommodation has been narrowing and that the unqualified accommodation no longer commands the premiums it once did. Rents in the sector have fallen and it is claimed they are now nearly on a par with those in the qualified sector. It is generally accepted, however, that there is still a considerable amount of poor quality accommodation in the sector and that a significant number of lower income group residents, including families, are living in unsuitable, inferior accommodation conditions and experiencing difficulties in finding more suitable accommodation (as referred to earlier in Section 3.2).

All the agents agree that there will always be demand for good quality accommodation in the unqualified sector, which is offered at realistic rents.

Future of the residential property market

In February and March 2004, there appeared to be a general acceptance among the agents contacted that the Island’s residential property market would either remain flat in the immediate/foreseeable future, or would fall and that property would probably decline in value in real terms. However, it was recognised that the future of the market is very much a confidence issue and will ultimately depend on the future of the economy. In the longer term, the agents were optimistic that the market will recover, following an economic up-turn, particularly given the good quality of life that the Island will continue to offer its residents.

At the time, the agents cited a variety of negative or potentially negative factors, which were causing them concern for the short-term market performance, including –

- continued economic uncertainty;
- the possibility of a significant economic downturn;
- Over supply of new housing on the market;
- Predicted increases in interest rates, raising the cost of borrowing;
- the possible lowering of incomes in real terms;
- the impact of reducing mortgage tax relief;
- increases in stamp duty;
- other revenue-raising measures being considered by the States;

- external factors (e.g. Stock Market performance/situation in Iraq).

However, the agents made a number of positive suggestions about how the prospects for the market might be improved. These are primarily aimed at increasing demand to take up perceived surpluses of stock in the qualified sector, including –

- further lowering the housing qualification period to 10 years or below;
- relaxing the existing housing laws and expanding the number of essentially employed (i.e. “(j)” category or their equivalent);
- introducing a system of work permits and doing away with the ‘non-qualified sector’;
- The States adopting a strategy of ‘controlled economic growth’.

It is interesting to note a degree of overlap between these suggestions and the proposals included in both the recently approved Strategic Plan and the recently published recommendations of the ‘Migration and Policy Steering Group’ alluded to earlier (Sections 3.1 and 3.2). One would expect, therefore, that the agents might now have a more optimistic outlook on the future of the residential property market.

6. ISLAND PLAN PROPOSALS FOR MEETING HOUSING REQUIREMENTS/TARGETS

6.1 Qualified sector

The Island Plan concentrates on addressing the requirements in the ‘qualified sector’. Of the 2,860 new residentially qualified homes allowed for in the Island Plan over the first 5 years of the Plan period, provision (i.e. in terms of land and opportunities) is made for 1,850 Category A homes and 1,010 Category B homes. It is planned that this supply be made up from nearly 2,000 homes (1,990) from existing sources (e.g. existing planning permissions, changes in the Built-Up Area boundary etc.) and just under 1,000 homes (870) on sites rezoned specifically for Category A homes, as set out in Table 7.

Table 7: Supply of new homes in qualified sector – provided for in the Jersey Island Plan 2002

SOURCES	ESTIMATED YIELDS		
	Category A: Affordable Housing	Category B: Other Housing	Total
A. EXISTING SOURCES			
<i>Sites for States First-time Buyer and Social Rented Housing</i>	980	–	980
<i>St. Helier Town Opportunities</i>	–	245	245
<i>Waterfront Area Phase II</i>	–	150	150
<i>Conversions and Changes of Use in Town of St. Helier</i>	–	155	155
<i>Windfall Development in Parishes outside of the town of St. Helier</i>	–	460	460
Sub-total – Supply from existing sources	980	1,010	1,990
B. SITE EARMARKED IN ISLAND PLAN			
<i>Land rezoned for Category A homes in Policy H2</i>	560	–	560

<i>Sites for further consideration for Category A homes in Policy H3*1</i>	<i>310</i>	<i>–</i>	<i>310</i>
<i>Sub-total – Supply from earmarked sites</i>	<i>870</i>	<i>–</i>	<i>870</i>
<i>TOTAL SUPPLY</i>	<i>1,850</i>	<i>1,010</i>	<i>2,860</i>

Notes:

*1 These figures do not include potential yields from 5 sites which were agreed by the States as amendments to the Plan, on the basis that they will be the subject of public consultation. The rate at which these sites are brought forward (through rezoning) will depend on a public consultation exercise and on monitoring the extent of supply and demand.

The Table makes no provision for additional requirements for sheltered accommodation, of additional requirements resulting from changes in net migration and to the residential qualification period.

To deliver the required housing target set by the Island Plan for new homes in the ‘qualified sector’ up to the end of 2006, requires average building rates of 570 new homes per year, comprising–

- 370 Category A homes per year (i.e. 196 from existing sources and 174 from rezoned sites);
- 200 Category B homes per year.

This rate of building is much higher than the average rate of 350 dwellings per year experienced between 1987 and 2002 and significantly exceeds the previous high annual building rate during the period of 516 homes completed in 1993 (see Section 7.1, Table 8).

6.2 Non-qualified sector

The 2001 Census suggests that 13% of private households in Jersey live in non-qualified accommodation, which is split fairly evenly between tied (staff) accommodation, private lodgings and Registered Lodging House accommodation.

It is assumed in the Island Plan that the requirements in the ‘unqualified sector’ (1,610 homes by the end of 2006) will be provided through increased availability of private lodgings in the existing building stock and the creation of new lodging houses and staff accommodation as part of the day-to-day development process, including new-build, conversions and changes of use. This would require an average annual rate of provision of some 320 new homes over the period in question.

7. SUPPLY

7.1 Completion rates in the qualified sector

Table 8 shows the number of completions of new homes in the qualified sector during 2002 and 2003 and allows a comparison with past trends.

The last 2 years have seen a boom in residential construction work and impressive numbers of new homes have been completed. The historically high average rate of approximately 750 new homes per year is more than double the average rate achieved in the preceding 16 years from 1986 and is comprised of 331 Category A homes per year and 417 Category B homes per year.

On the face of it, the figures suggest that Category A building rates are presently below the target rate of development, whilst the Category B building rate is well in excess of target rates. However, the figures take no account of the proportion of the completions currently included in Category B private developments, which will have contributed to meeting identified Category A requirements. Following recent investigations undertaken by officers of the Housing Department and the Housing Task Force, it is estimated that at least 128 Category A

homes completed over the last 2 years will have met identified needs for firsttime buyer homes.^[12] The revised average annual rate of 395 Category A home completions over the last 2 years, therefore, exceeds the 370 target rate.

Table 8: Housing completions in qualified sector

Completed dwellings (net)					
Year	Purpose-built first-time buyer homes	Purpose-built social rented homes	Purpose-built Category A completions	Other demand housing (Category B)	Total completions
1986	107	40	147	232	379
1987	23	225	248	106	354
1988	108	136	244	103	347
1989	–	147	147	128	275
1990	17	130	147	289	436
1991	76	75	151	325	476
1992	139	130	269	159	428
1993	187	86	273	243	516
1994	81	197	278	175	453
1995	165	50	215	199	414
1996	15	70	85	224	309
1997	12	(137)	(125)	142	17
1998	–	51	51	186	237
1999	79	78	157	240	397
2000	–	60	60	312	372
2001	59	26	85	356	441
Sub-total	1,068	1,364	2,432	3,419	5,851
Ave. annual completions 1986-2001	67	85	152	214^{*3}	366^{*3}
2002	92 ^{*2}	300 ^{*1}	392	461	853
2003	161 ^{*2}	109 ^{*1}	270	373	643
Sub-total	253	409	662	834	1,496
Ave. annual completions 2002-2003	127	204	331	417^{*4}	748^{*4}

*1 see Appendix 3 for details

*3 includes lodging and staff accommodation

*2 see Appendix 2 for details

*4 excludes lodging and staff accommodation

Most of the homes which have been constructed in the last 2 years (73%) have been in the urban parishes of St. Helier (54%), St. Saviour (8%) and St. Clement (11%), as indicated in Table 9 below. This is very much in line with the ‘spatial strategy’ for new development set out in the Island Plan, which promotes more sustainable development concentrated in urban areas.

Table 9: Completions of new homes in the qualified sector, by Parish, 2002 to 2003^{*1}

Parish	New homes by Category		Total homes completed	%
	Purpose-built Category A	Category B		
St. Brelade	–	24	24	1.6
St. Clement	55	114	169	11.3
Grouville	17	50	67	4.5
St. Helier	460	340	800	53.5
St. John	40	33	73	4.9
St. Lawrence	–	74	74	4.9
St. Martin	21	15	36	2.4

St. Mary	–	23	23	1.5
St. Ouen	–	31	31	2.1
St. Peter	10	17	27	1.8
St. Saviour	49	76	125	8.4
Trinity	10	37	47	3.1
TOTAL	662	834	1,496	100.0

*1 excluding contribution from private Category B developments.

7.2 Outstanding commitments in the qualified sector

Table 10 below provides details of outstanding commitments for new homes in the ‘qualified sector’ at the start of 2004. Once again, this points to impressive levels of outstanding commitments for new homes. One would expect that the 831 Category B homes under construction at the start of 2004 will all be complete in the period up to the end of 2006. The yield in this sector will also be supplemented by a small proportion of both the 773^[13] homes which have existing consents (but have yet to start) and an unknown number of proposed homes which will be granted consent during 2004 and the early part of 2005. It is not possible to accurately predict the likely yield of new homes by 2006 from approved proposals that have yet to commence. Indeed, there may be some reluctance to commence certain schemes in the present economic climate.^[14]

In contrast, one might reasonably expect that virtually all the outstanding commitments for Category A homes (i.e. first-time buyer and social rented) could be completed by the end of 2006, whether or not they are presently under construction. However, it should be borne in mind, as can be seen from Appendices 3 and 4, that the commitment figures for Category A homes set out above–

- rely heavily on the completion of developments on the 11 sites rezoned under Policy H2 of the Island Plan;
- only include approved yields for rezoned sites where consent has been granted. For the remaining rezoned sites where development proposals have not yet been approved, estimates have been used of the most likely yields;
- do not allow for changes to the capital programme, whereby the development of other sites earmarked for Category A housing developments is frozen or delayed.

Table 10: Outstanding commitments for new homes in qualified sector, at start of 2004

(N.B. The potential yields from Island Plan H2 sites are based on enhanced estimates @ April 2004)

Outstanding Planning Permissions				Homes under construction (Net)(b)	Other commitments which may yield or involve loss of units before the end of 2006		Total (a+b+c)
Type of housing	No. of New Homes (Net)				Definite, probable and highly possible (c)	Other possibles in the time frame*2 (d)	
	Planning in Principle Permits	Planning, Building or Planning & Building Permits*5	Total No. with consent (a)				
Purpose-built first-time buyer	23	131	154	52	298	–	504*3
Other	75*1	698*1	773*1	831	–	–	1,604

demand housing (Cat.B)							
Total demand housing	98	829	927	883	298	–	2,108
Social Rented housing	(-70)	201	131	81	269* ⁴	–	481* ⁴
Total (all housing)	28	1,030	1,058	964	567	–	2,589

- *1 net of permissions which have not been advanced for 4 years or more. They also exclude some large developments where outline consent has been granted for the redevelopment of outworn hotels and commercial properties, but where actual proposed yields are unknown. The group set up to investigate the contribution of Category B developments to meeting Category A needs, has indicated that many of the larger proposals with consent (but not yet started) are unlikely to yield before the end of 2006.
- *2 there are a number of sites set out in IP Policy H3, which are, subject to public consultation, earmarked to meet housing needs up to 2006. These are excluded from the figures for the time being and decisions about bringing them forward will, in any event, depend on monitoring the extent of supply and demand.
- *3 see Appendix 4 for details.
- *4 see Appendix 3 for details. The total figure would be reduced by 70 to 411, if the yield of new homes from the 3 urban sites where development funding has previously been temporarily frozen materialises after the end of 2006.
- *5 including where the Committee has indicated it is ‘minded to approve’ schemes, subject to planning obligations being agreed.

If the theoretical yields referred to in the Island Plan were instead applied to those rezoned sites which do not yet have consent (i.e. by May 2004), the overall committed yields from social rented homes and first-time buyer homes would be reduced by 24 homes and 43 homes respectively. This represents a minimal reduction in the overall total of estimated outstanding commitments.

In view of the above, however, it is becoming increasingly important that efforts are redoubled to speed up the protracted processes involved in achieving consents for the development of the rezoned/earmarked Category A sites in question. Currently, only 5 of the 11 sites rezoned for Category A purposes in the Island Plan have been favourably determined by the Committee. Furthermore, the resolution of planning obligations on all of these sites remains to be undertaken before any development can commence. It is also important to ensure that development funding is released for the 3 Category A urban sites referred to in Appendix 4. In any event, it may now be more realistic to anticipate yields from these sites occurring in 2007.

Table 11 illustrates the availability of housing commitments by Parish. As with completions over the last 2 years most (66%) of the residential commitments in the Island are concentrated in the main urban parishes of St. Helier (51%), St. Saviour (5%) and St. Clement (10%).

Table 11: Housing commitments for new homes in qualified sector, by Parish @ start 2004

Parish	Outstanding Permissions	Homes under construction	Other commitments*	Total commitments	% Total commitments
St. Brelade					
Cat B	58	37		95	4.7
F-t-b			15	15	
Social rental			12	12	

St. Clement Cat B F-t-b Social rental	52 117 (79)	46	54 67	98 171 (12)	9.9
Grouville Cat.B F-t-b Social rental	36	29		65	2.5
St. Helier Cat B F-t-b Social rental	351 204	550 67	76 67	901 76 338	50.8
St. John Cat B F-t-b Social rental	34	27		61	2.3
St. Lawrence Cat B F-t-b Social rental	67	14 14	90 73	81 90 87	10.0
St. Martin Cat B F-t-b Social rental	29	36	22 18	65 22 18	4.1
St. Mary Cat B F-t-b Social rental	7	6		13	0.5
St. Ouen Cat B F-t-b Social rental	19 37 6	17		36 37 6	3.0
St. Peter Cat B F-t-b Social rental	45	21	41 32	66 41 32	5.4
St. Saviour Cat B F-t-b Social rental	50	27 52		77 52	5.0
Trinity Cat B F-t-b Social rental	25	21		46	1.8
TOTALS Cat B	773	831	-	1,604	100.0

F-t-b	154	52	298	504	
Social	131	81	269	481	
rental	1,058	964	567	2,589	
GRAND					
TOTAL					

* including the 3 urban Category A rental sites, where funding has been temporarily frozen.

7.3 Completions and outstanding commitments in non-qualified sector

With the exception of Registered Lodging Accommodation, there is a lack of good, comprehensive data on the supply of non-qualified accommodation.

Registered lodging accommodation

Although the estimated requirements, which emerged from the latest ‘Housing Needs Survey’ for registered lodging house accommodation are relatively small compared to private lodgings (see Section 4.1, Table 1), it is assumed that an increase in supply in either category will help in meeting the needs of unqualified residents. Figures 2 and 3 show the numbers of registered lodging houses and the number of beds provided in the accommodation respectively since 1990. They serve to illustrate the direct response of the market to the growth in demand for lodging accommodation throughout the 1990s (despite a slight blip following the recession of 1993). The number of registered lodging houses in the Island more than doubled from 96 in 1990 to 198 in 1998. During the same period, the number of registered lodging house beds correspondingly increased by 152%, from 1,767 to 4,457. This increase in registered lodging house accommodation was more pronounced after 1993, as the growth in jobs led to an influx of migrants, putting pressure on the non-qualified sector of the housing market. It was largely achieved through the conversion of outworn hotels to guest houses.

The lack of new supply of registered lodging houses during 2000 and 2001 was probably attributable to a range of factors, including –

- the decision of the States in August 1998 to impose a moratorium on the development of new lodging houses (principally as a means of easing population pressures);
- the introduction of the “prime tourism sites policy” by former Planning and Environment and Tourism Committees (primarily aimed at preventing the continued loss of good quality hotel and guest house accommodation, which enjoyed the best settings); and
- the success of previous States measures aimed at restricting job growth and net immigration.

The first 2 factors proved controversial and were relatively short-lived.

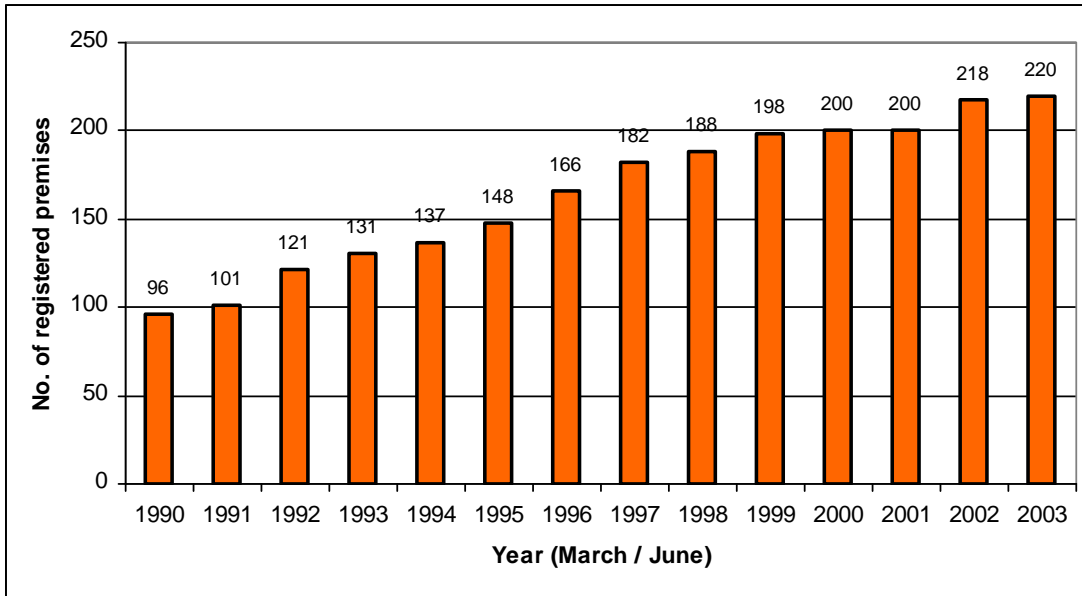
Figure 3 shows that from March 2001 to June 2003, the number of lodging houses coming onto the Register rose significantly by 20 to a new high of 220. Further evidence for this increase is provided by the completion records for 2002 and 2003 held in the Department of Planning and Building Services. These are included in Appendix 6 and show that 21 former hotels, guest houses and hostels were converted, redeveloped, or extended to provide lodging accommodation.

The other notable occurrence during the last few years, as illustrated in Figure 4, has been the significant reduction in the actual number of bed spaces available in registered lodging houses, and especially during 2003, despite a growth in the number of properties registered. This has, in large part, been due to –

- the efforts of owners to modernise and improve the quality of accommodation on offer, in response to demand for better standards;
- the need to fall in line with new accommodation standards set by the Housing Committee. [\[15\]](#)

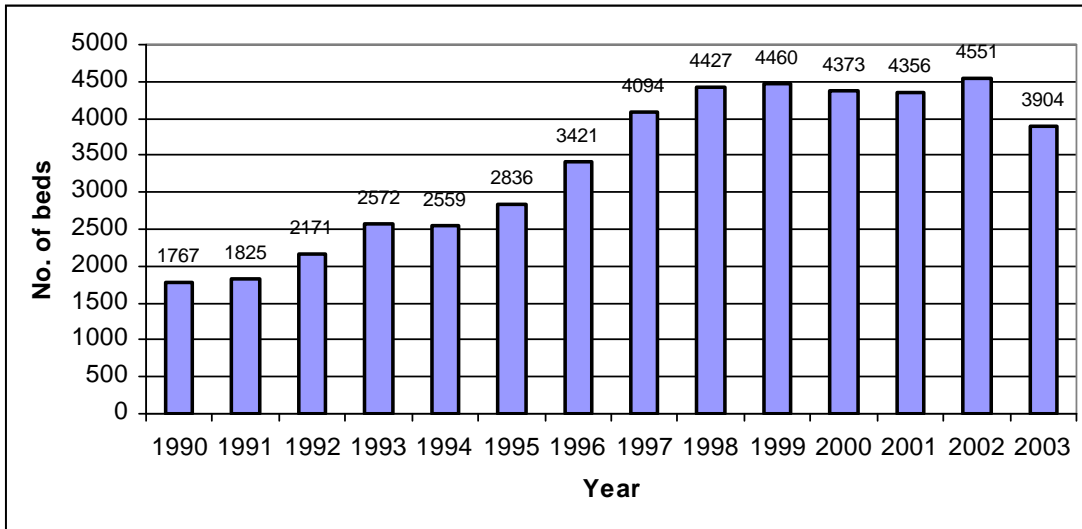
Of the 3,904 beds in Registered Lodging Houses, 562 were for children under the age of 18 and 175 were for children up to the age of 5 years.

Figure 3: Registered Lodging Houses, 1990 to 2003



Source: Housing Department Records

Figure 4: Registered Lodging House Beds, 1990 to 2003



Source: Housing Department Records

At the end of 2003, there were a considerable number of outstanding commitments to convert or redevelop properties (primarily hotels and guest houses) to provide additional new registered lodging accommodation, as set out in Appendix 7. A significant number of these commitments were in progress at that time, including some large scale schemes (e.g. Central Hotel, Hotel de la Plage and the ‘O’ Bar in St. Helier).

The latest report of the Housing Department’s Lodging Inspector (2003), draws *inter alia* the following conclusions –

- This sector of the non-qualified market appears reasonably vibrant and new and established registered lodging accommodation is generally quickly filled, with little requirement to advertise.

- The overall standard of registered premises continues to rise, with a handful of exceptions.
- Much of the new lodging accommodation coming onto the register is of a high standard which “*in several cases can only be considered as luxury, offering fully self-contained one, two and three bedroom apartments, with large square footage and high quality fittings*”.^[16]
- The owners of smaller lodging houses are also striving to improve their accommodation.
- There remains a “heavy demand” for the small bedsit accommodation, fairly priced, to suit the market.
- There are some empty rooms/vacancies at the lower end of the registered market (i.e. those without en-suite facilities), which was previously unheard of.
- People in this sector are beginning to have a choice and many owners have been lowering their rents.

In his report, the Lodging Inspector sounds a note of warning. Although there has been considerable success in creating good quality accommodation, this has primarily benefited families in the higher income groups. He suggests this has had a negative effect on many lower income group families with one or two children, who were previously lodging in bedsitters or one-bedroom accommodation they could afford. He believes that some of these people are effectively being forced to look for alternative accommodation in a small expensive market of one- and two-bedroom flats in the unqualified sector.

Private lodgings

Private lodgings with 5 or less lodgers are not required to register under the Housing Law, or to meet minimum standards of space and amenities. The five-yearly census is the only way presently available to monitor how many people are living in lodgings and the report on the 2001 Census states there were 1,539 private households living in private lodgings in March 2001. There are no accurate figures on the current position, but there is anecdotal evidence to suggest that the supply of this type of accommodation is meeting, if not exceeding, current demand. Over recent months there have been numerous advertisements in the Jersey Evening Post offering rooms, bedsits and flats for let to non-qualified residents. For the first time since the recession of 1993/4 there is a degree of choice in this sector. This is a direct result of the changing economic situation, which has seen a general reduction in the number of jobs (notably in the building industry) and some consequent emigration from the Island of transient workers.

This has, in turn, led to a softening of the rents charged (see section 5.4) and probably assisted some residents to improve their accommodation conditions. There seems little doubt that the situation in the private lodgings market has improved significantly for many non-qualified residents, compared to the widespread pernicious and degrading conditions that existed in the late 80s and late 90s.^[17]

Staff accommodation

As with private lodgings, the only readily available information on private households living in staff accommodation is provided by the five-yearly census. According to the report on the 2001 Census, there were 1,700 private households living in staff accommodation in March 2001. Unfortunately the current position is not known.

The majority of staff accommodation is provided in the tourism and agricultural sectors of the economy and is intrinsically linked to their economic performance. The general standard of staff accommodation in these sectors has improved considerably since the beginning of the 1990s, when the Health and Social Services Committee

introduced Code of Practice covering staff accommodation standards, given the demand for better quality accommodation from transient workers in these industries, the steady stream of applications for purpose built accommodation during the 1990s (both temporary and permanent), and the loss of numerous poorer quality tourism accommodation and many smaller, less economic farms.

According to Planning Department records, during 2002 and 2003, there was a modest amount of new and refurbished staff accommodation completed at fourteen different properties, including hotels, other commercial establishments and private residencies, and some existing staff accommodation was lost to redevelopment. At the start of 2004, work was in progress at 10 properties involving a similar mix of new and refurbished staff accommodation and further losses (primarily of hotel staff accommodation) to redevelopment. At that time, there were also a significant number of other outstanding commitments (i.e. 37 schemes with Planning Consent and/or Building Consent), involving the creation, refurbishment or redevelopment of staff accommodation at a variety of commercial properties and private residencies.

It would appear that this sector of the non-qualified market tends to look after itself. Planning policies are not generally unduly restrictive and opportunities are taken to create new accommodation as and when the demand arises.

8. COMPARING KNOWN HOUSING SUPPLY WITH REQUIREMENTS FOR HOMES

8.1 Qualified sector

Identifying requirements for new homes in the qualified sector and determining whether sufficient provision is being made to meet those requirements is not and will never be an exact science. Any such calculations must, of necessity, be based on numerous assumptions. The figures in Table 12 are an attempt to summarise the position on the basis of the best information currently available. It is recognised that the figures are relatively crude, being based on supply and demand within broad tenure groups, with no account being taken of the sizes of units.

It can be seen that, by deducting planned and known/likely housing completions from estimated requirements up to the end of 2006 or thereabouts, the requirements for Category A homes is likely to be met. Even if yields from zoned Category A sites that do not yet have consent are reduced in line with the theoretical yields in the Island Plan (see section 7.2), the estimated shortfall of Category homes would only rise to approximately 90 homes.

Table 12 also serves to demonstrate the unexpectedly impressive performance in meeting Category I requirements through the normal development process, and suggests there is likely to be a slight over-provision of some 200+ Category B units against targets up to the end of 2006. In reality, this would be a welcome development, which will provide a certain amount of necessary slack in the system.

Overall, the figures point to the development of nearly 200 homes in the qualified sector, over and above identified requirements for the period up to the end of 2006. This has been made possible due to a number of factors, including –

- the new opportunities presented by the change in Island Plan Policies (notably the change in the Built-Up Area boundaries);
- the redevelopment opportunities presented by a number of large outworn hotel and commercial sites;
- Changes in the relative profitability of housing developments over other forms of development;
- the policy shift towards higher density, design-led housing developments.

Table 12: Relationship between estimated requirements for and supply of new homes, 2002 to 2006 (@ start 2004)

HOUSING REQUIREMENTS AND SUPPLY	CATEGORY A AFFORDABLE HOUSING	CATEGORY B OTHER HOUSING	TOTAL
and Plan estimates of homes required in qualified sector	1,850	1,010	2,860
Adjustments to estimates, due to changing circumstances regarding migration and the housing qualification period	130	130	260
Total requirements	1,980	1,140	3,120
Less Cat.A completions, 2002 & 2003 – Social Rented (purpose-built)	(409)		
First-time buyer (purpose-built)	(253)		
Proportion of Cat.B meeting f-t-b requirements	(128)		(790)
Less remaining Cat.B completions, 2002 & 2003		(706)	(706)
Projected Total @ beginning 2004	Outstanding requirements 1,190	Outstanding requirements 434	Outstanding requirements 1,624
Less Outstanding Category A Commitments most likely to yield in period – Social Rented (purpose-built)* ¹	(481)		
First-time buyer (purpose-built)* ¹	(504)		
Est. proportion of Cat.B – under construction meeting f-t-b requirements* ²	(183)		(1,168)
Less Remaining Outstanding Category B Commitments under construction and most likely to yield in period* ³		(648)	(648)
Projected Totals @ end 2006	Shortfall 22	Provision above target 214	Provision above target 192

*1 The potential yields from Island Plan H2 sites are based on enhanced estimates @ April 2004. The figures include the 70 homes expected from the 3 urban social rented sites, where funds have previously been temporarily frozen and which might now be more likely to yield in 2007 (see Appendix 4).

*2 This excludes provision for a proportion of Category B consents not yet started and a proportion of future consents yet to be granted.

*3 This excludes all Category B outstanding commitments not yet started.

8.2 Non-qualified sector

The limitations of available data on the supply of new homes across the whole non-qualified sector, makes it impossible to carry out a similar numerical exercise to that shown in Table 12. The only reliable supply figures relate to the Registered Lodging House Sector. However, as alluded to earlier, there is some evidence to suggest that estimated requirements for new homes in this sector (and particularly the private lodgings sector) up to 2006 might well be overstated in the present economic circumstances, given the economic changes which have occurred since they were identified. These changes include the reduction in non-qualified employment, particularly in the construction and finance sectors, which has increased the likelihood that a proportion of the affected transient workers have left the Island. Previous estimates of demand in this sector will also have been affected by the subsequent reduction in the qualification period for residential status.

Certainly, the anecdotal evidence provided by estate agents (see Section 5.4) suggests a large fall off in demand which is mirrored by falling rents and increasing difficulties in letting properties.

However, although there has been some success in meeting demand and improving the quality of accommodation in this sector, it is important to remain conscious of the fact that, historically, this is a market which is heavily influenced by short-term economic change. Of course, this situation may be controlled in future, if the current suggestions of the 'Migration and Policy Steering Group' are favourably received. This would help avoid the normal pressures on the non-qualified sector, arising from immigration, as a consequence of any future significant up-turn in economic growth, as proposed in the Strategic Plan.

9. CONCLUSIONS

The evidence suggests that the current housing land availability situation is relatively healthy, in that there appears to be a general balance between the supply of new homes and the identified requirements for new homes.

There have been unprecedented numbers of new homes constructed in the 'qualified sector' during 2002 and 2003 and there are impressive levels of outstanding commitments.

It is anticipated that the outstanding requirements in the supply of Category A homes against identified requirements for the period up to the end of 2006, will be largely met by current commitments. However, this outcome is heavily dependent on the completion of developments on the 11 sites rezoned under Policy H2 of the Island Plan and other key sites in the capital programme (including 3 urban social rented sites where development funds have previously been temporarily frozen).

The supply of Category B homes during 2002 and 2003 has been far in excess of required targets and has created a very good level of supply at present. This has, in turn, contributed to the levelling off/stabilisation of prices in the residential property market. Current level of outstanding commitments will ensure that estimated requirements for new Category B homes up to the end of 2006 will be exceeded (i.e. by over 200 homes).

It has been more difficult to judge performance in the 'non-qualified' housing sector, because of the paucity of reliable and quantifiable information on the supply side, and because of the sensitivity of estimated requirements to changing economic circumstances. However, it would appear from the information available, that the market has been generally successful in meeting demand in this sector. There have been on-going improvements in the standard of accommodation and rents have been softening. The situation has been aided, in no small measure, by the more challenging general economic position which has prevailed during the period in question. It is important to recognise, however, that circumstances could alter very quickly if there is a significant economic up-turn and this serves to reinforce the importance of bringing forward the proposed measures to overhaul the regulations governing housing qualifications and better manage immigration.

It is of paramount importance to ensure that the supply of housing land, at any point in time, is not unduly restricted, and is sufficient to meet the community's needs for new homes. In this regard, it could be argued that the new Island Plan has performed well, in providing house builders with a greater choice of sites and opportunities to develop and better enabling them to respond to market conditions. However, it is also crucial not to remove important constraints on land use decisions. It is a requirement/aim of the planning system to remain consistent with the concept of 'sustainable development', as espoused by the Island Plan, and to ensure that the

need for development is properly reconciled with the need to protect and enhance the built and natural environment.

The evidence in this report does not, in itself, provide material grounds for changing the current planning policies, or releasing additional land for housing purposes. However, there would appear to be considerable benefit in undertaking detailed feasibility work on potential Category A sites identified under Island Plan policies H3 and H4. This will enable the sites to be quickly brought forward for public consultation and subsequent decisions on their suitability/priority for rezoning, in the event of a future proven need to bring forward additional housing land.

Although the situation is improving, assisted by proactive States policies and proposals, the economic and political climate of today is still characterised to some extent by uncertainty, which makes it difficult to accurately assess future requirements for new homes. Furthermore, there a number of key pieces of work, which will reach fruition at the end of the year and have a major influence on future planning for new homes. These projects will provide a sound and more informed basis for reviewing current planning policies, when the next residential land availability review is conducted at the beginning of 2005 and they include:

- **A new ‘Housing Requirements Study’**

This will be undertaken by the Statistics Unit and will be based on a new household survey. It will enable estimates of requirement for new homes to be updated and rolled forward to 2009 and will take into account the likely implications for residential land availability arising from the new Strategic Plan.

- **A review of the ‘First-Time Buyers List’**

The Housing Department will shortly review and up-date its list, to provide a realistic assessment of current demand.

- **A policy for ‘Monitoring and Managing Immigration’**

The draft proposals of the ‘Migration and Policy Group’ have recently been published for public consultation. If these are favourably received, they will completely overhaul the current regulations governing housing qualification. The proposals would enable the better use of the Island’s housing stock, which would be freed from existing tenure controls (i.e. the rationing of access to qualified accommodation) and could have major implications for future housing land availability reviews.

10. FUTURE REVIEWS

Despite the generally favourable findings of this review, there can be no room for complacency. It remains important to continue to keep the housing situation under close scrutiny, so that any unforeseen change in circumstances is responded to effectively at an early stage.

The up-to-date quantified assessment of local housing requirements, which will be available at the beginning of next year, combined with a better understanding of the implications of the policy directions set out in the new Strategic Plan, will provide a solid basis for the next review of residential land availability. This is currently scheduled for April 2005. At that time, it will be appropriate to roll forward the estimates of future housing requirements to cover the five year period up to the end of 2009.

It is possible that the next review will provide the catalyst for modifying and updating the Island Plan. Should it, or any other subsequent review, establish that inadequate provision is being made to meet identified future housing requirements, it may be necessary to release additional land for housing purposes. Currently, the Island Plan includes numerous sites which have been identified under policies H3 and H4 for further consideration (subject to public consultation in most instances), as part of efforts to address future Category A housing needs. In any event, the Environment and Public Services Committee will seek to ensure that the right land is brought forward in the right place at the right time. In doing so, the Committee will have regard to the ‘Spatial Strategy’ and the ‘site selection process’ set out in the 2002 Island Plan.

REQUIREMENT FOR SOCIAL RENTED HOMES, BY TYPE, @ END 2003

Housing priority	Accommodation requirement					Total
	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed	
(a) States Rental Waiting List						
Group 1	44	28	11	7	–	90
Group 2	39	28	10	–	–	77
Group 3	8	7	4	–	1	20
Group 4	2	1	3	–	–	6
Group 5	13	–	–	–	–	13
Group 6	16	–	–	–	–	16
Sub total	122	64	28	7	1	222
Households Pending* ¹	30	15	6	2	–	53
Total	152	79	34	9	1	275
(b) States Transfer List						
Medical: Immediate/ Most Urgent	59	19	9	4	–	91
Medical: Urgent/Less Urgent	20	11	2	1	–	34
Good Management	34	14	10	2	1	61
Social Reasons	9	5	5	–	–	19
Under Occupied	79	14	5	–	–	98
Refurbishment	24	10	7	2	–	43
Overcrowded	–	6	28	23	1	58
Other (inc. Hostel)	2	2	28	3	–	35
Total	227	81	94	35	2	439
(c) Total Specified Requirements (a + b)	379	160	128	44	3	714
LESS units presently occupied by those seeking transfers	(130)	(215)	(71)	(21)	(2)	(439)
REQUIREMENT (@ End 2003)	249 - 55 x 2 beds 194	(55 over)	57	23	1	275
Percentage Total * ² (@ End 2003)	70.5	-	20.7	8.4	0.4	100.0
APPARENT OVER SUPPLY (@ End 2003)		(55)				

*1 The size of home requirements for those households which are pending is based on the proportional requirements of those already accepted onto the waiting list.

*2 The evidence available from the Rental Waiting List and the Tenants Transfer List can not on its own present an accurate indication of likely social rented dwelling requirements up to 2006, not least because it takes no account of the current breakdown of rental stock (e.g. 44% is one-bed, 34% is two-bed and

only 22% of the present stock has three or more bedrooms), the changing nature of demand, the impact of the Housing Committee's redevelopment programme of older high density family estates and the possibility that a significant number of households waiting to qualify under the '15 year continuous residency rule' will have temporarily restricted the growth of their families until they can obtain regulated accommodation.

Taking these items into account, the Housing Department has attempted to more accurately estimate the proportional requirements for rented homes by size throughout the period up to the end of 2006. It suggests that outstanding requirements for social rented homes should be divided approximately into 20% one-bedroom, 10% two-bedroom, 60% three-bedroom and 10% four-bedroom homes (assuming all the H2 housing sites deliver).

Source: Housing Department

SCHEDULE OF SOCIAL RENTED HOUSING COMPLETIONS, BY TYPE, 2002 TO 2003

Ref.	Site	Units by type					Total
		1 bed	2 bed	3 bed	4 bed	5 bed	
Completions 2002							
16774/A/D	Florence Boot Cottages (Phases III & IV), St. Clement			18	3		21
19337/A PB/2001/0432	5, St. Clement's Road, St. Helier	9	1				10
7215/N PB/1998/1041	Le Champ des Fleurs (Le Jardin Fleuri), (former La Motte Ford site), La Rue a Don, Grouville		4	12			16
424/N PB/1999/2574	Oak Tree Gardens (Elysée Estate Phase III), Trinity Hill, St. Helier	7	22	5			34
2916/P PB/2000/0892	Former Berkshire Hotel Site, 33-35, La Motte Street, St. Helier	113					113
3855/O/T PB/1998/2609	Former Postal Headquarters site, Mont Millais, St. Helier	4	14	27			45
6107/B B/2000/1777	Field 413 (Parish Elderly Persons), La Longue Rue, St. Martin	20	1				21
11550/E/1/1 PB/1998/2606	Le Geyt Flats Estate (Refurbishment & Redevelopment) (Phases V & V1), St. Saviour.		18	12			30
7671/F/G PB/1999/1613	Field 818 (Parish Elderly Persons), Trinity	10					10
	Sub-total (net)	163	60	74	3		300
COMPLETIONS 2003							
424 PB/2001/0477	Elysée Estate, Trinity Hill, St. Helier				1		1
2543 B/2002/0209	Parkside (former Town Park Hotel site), Pierson Road, St. Helier	1	6	8	2	2	19
20067 PB/2000/1345	Victoria Place, Albert Pier, The Waterfront (Phase 1), St. Helier	23	51	4		1	79
2404/I B/2000/1628	Sandybrook Hospital, St. Peter	8	2				10
	Sub-total (net)	32	59	12	3	3	109
TOTAL COMPLETIONS		196	119	85	6	3	409

SCHEDULE OF PURPOSE-BUILT FIRST-TIME BUYER HOUSING COMPLETIONS, BY TYPE, 2002 TO 2003

Ref.	Site	Units by type					
		1 bed	2 bed	3 bed	4 bed	5 bed	Total
Completions 2002							
6262/S B/2000/1907	L'Abri, (Former Hodge Nurseries), La Grande Route de la Cote, St. Clement			34			34
7215	Le Champ des Fleurs, (former La Motte Ford site), La Rue à Don, Grouville			1			1
4169/K B/2000/5010	Field 1078, Sion, La Rue des Houguettes, St. John		1	39			40
16840/C PB/2000/1974	Field 615, La Rue de Patier, St. Saviour			17			17
	Sub-total		1	91			92
COMPLETIONS 2003							
1377/X P/1998/2042	Woodville Hotel, St. Saviour's Road, St. Helier	4	55				59
20067 PB/2000/1345	Albert Place, Albert Pier, The Waterfront (Phase 1), St. Helier	29	37	4			70
18961 PB/2002/0338	Fields 378 & 379 & Field Cottage, La Rue a la Dame, Five Oaks, St. Saviour			22	10		32
	Sub-total (net)	33	92	26	10		161
TOTAL COMPLETIONS		33	93	117	10		253

SCHEDULE OF COMPLETIONS DUE FOR SOCIAL RENTED HOUSING, BY TYPE, 2004 TO 2006
 (@ start 2004)

Ref.	Site	Units by type					
		1 bed	2 bed	3 bed	4 bed	5 bed	Total
Completions due by end 2004							
50/E 1999/168	John Wesley Apartments (11,13 & 13A, Lemprière Street and 1-3, Canon Street), St. Helier <i>(not counted in IP, but excluded from Housing Rental Waiting List before end 2003)</i>	17	23	1			41
	Bas Du Mont, Pier Road, St. Helier (refurbishment)	(1)	(4)	(11)			(16)
4/Y 2000/2134	Clement Court, Ann Street, (former Cleveland Garage/ St. Helier Garages), (Phase 1), St. Helier	21	5				26
G 102/1833	La Folie Estate, Parkinson Drive, St. Lawrence	3	11				14
	Sub-total (net)	40	35	(10)			65
Completions due by end 2005							
3 2002/0627	Le Marais, Low Rise (Phase 1), St. Clement	(-49)	(-35)				(-84)
NE 103/0627	Le Squez Estate (Phase 1A), St. Clement		1 (-8)	(-12)			1 (-20)
	Le Squez Estate (Phase 1B), St. Clement	15	3	10 (43)	3 (4)		31 (47)
7 102/0645	Phillips House, Victoria Street, St. Helier	15	3				18
	Bas du Mont, Pier Road, St. Helier	1	6	9			16
4/Y 2000/2134	Clement Court, Ann Street (former Cleveland Garage/St. Helier Garages), (Phase 2), St. Helier	6					6
	Le Coin, Ann Street/ Charles Street, St. Helier	7	14 (-16)	2			23 (-16)
	Sub-total (net)	(-5)	(-32)	(-34)	(-1)		(-72)

Completions due by end 2006							
3636 P/2002/0663	Aquila Youth Centre, Great Union Road, St. Helier	23	1				24
100/JA P/2002/0664	Le Coie Hotel Site, Janvrin Road, St. Helier	44	51			1	96
4628 PP/2002/0627	Le Marais, Low Rise (Phase 1), St. Clement	14					14
	Fields 848, 851, 853 & 854, Bel Royal, St. Lawrence (H2 site)		8	53	7		68
1365 P/2003/2411	Field 1218, Mont à l'Abbé, St. Helier (H2 site)	14	6	29	6		55
	Fields 190, 191 & 192, La Rue de la Sergente, St. Brelade (H2 site)			12			12
	Field 873, Bel Royal, St. Lawrence (H2 site)			5			5
	Field 40, La Rue du Maupertuis, St. Clement (H2 site)			10			10
	Extension to former Hodge Nurseries, Fields 89, 89A, 90, 92A & 93, St. Clement (H2 site)			64	9		73
8871 P/2003/1857	Fields 786 and 787, La Rue des Cosnets, St. Ouen (H2 site)	6					6
	Field 690A, Maufant, St. Martin (H2 site)			18			18
	Fields 181, 182 & 183, La Route de la Pointe, St. Peter (H2 site)	12	3	16	1		32
	Field 1370, La Rue de Mont Sejour, St. Helier (H2 site)			5			5
	Sub-total (net)	113	69	212	23	1	418
	COMPLETIONS DUE	148	72	168	22	1	411

er Sites which may or may not yield by end 2006, due to earlier freezes on development ling*							
L 2002/2453	Sunshine Hotel Site, Marett Road, St. Helier	6	16	12			34
39 001/2087	Salisbury Crescent, La Rue Le Masurier, St. Helier	12	1 (-2)	13	2		28 (-2)
1 001/2093	Mascot Motors, Georgetown Park Estate, St. Clement			10			10
	Sub-total (net)	18	15	35	2		70
TOTAL COMPLETIONS DUE		166	87	203	24	1	481

Notes:

- The potential yields from H2 sites without consent are based on enhanced estimates @ April 2004 (284 homes).
 - If IP theoretical yields are used, the new homes figure for these H2 sites would fall to 260 homes.
 - This represents 24 less homes and so the 'Total Completions Due' figure would fall to 457 homes.
- * If 2006 proves an unrealistic completion date, the aim should be 2007.

SCHEDULE OF COMPLETIONS DUE FOR FIRST-TIME BUYER HOUSING, BY TYPE, 2004 TO 2006
(@START 2004)

Ref.	Site	Units by type					Total
		1 bed	2 bed	3 bed	4 bed	5 bed	
Completions due by end 2004							
14060 PB/2002/0709 U/C	Bagot Manor Farm, Bagot Manor Road, St. Saviour			21			21
18961 PB/2002/1321 U/C	Fields 378 & 379 & Field Cottage, La Rue a la Dame, St. Saviour (part outstanding)			20	11		31
	Sub-total (net)			41	11		52
Completions due by end 2005							
NONE P/2003/0627	Le Squez (Phase 1A), St. Clement			18			18
	Sub-total (net)			18			18
Completions due by end 2006							
4628 PP/2002/0627	Le Marais, Low Rise (Phase 1), St. Clement			23			23
	Le Squez (Phase 1B), St. Clement		5	26	1		32
	Field 1370, La Rue de Mont Sejour, St. Helier (H2 site)			7			7
4677 P/2003/1965	Field 203, part 204 & 252, Jambart Lane, St. Clement (H2 site)			62	14		76
8871 P/2003/1857	Fields 786 and 787, La Rue des Cosnets, St. Ouen (H2 site)			37			37
	Field 690A, Maufant, St. Martin (H2 site)			22			22
	Field 40, La Rue de Maupertuis, St. Clement (H2 site)			22			22
	Fields 181, 182 & 183, La Route de la Pointe, St. Peter (H2 site)	9	2	30			41
	Fields 848, 851, 853 & 854, Bel Royal, St. Lawrence (H2 site)			82	1		83

1365 P/2003/2411	Field 1218, Mont à l'Abbé, St. Helier(H2 site)	5	18	46			69
	Fields 190, 191 & 192, La Rue de la Sergente, St. Brelade(H2 site)			15			15
	Field 873, Bel Royal, St. Lawrence(H2 site)			7			7
	Sub-total (net)	14	25	379	16		434
TOTAL COMPLETIONS DUE		14	25	438	27		504

Notes:

- The potential yields from H2 sites without consent are based on enhanced estimates @ April 2004 (379 homes).
- If IP theoretical yields are used, the new homes figure for these H2 sites would fall to 336 homes.
- This represents 43 less homes and so the 'Total Completions Due' figure would fall to 461 homes.

SCHEDULE OF LODGING HOUSE COMPLETIONS, BY TYPE, 2002 TO 2003

Ref	Site	Units by Type					
		1 bed	2 bed	3 bed	4 bed	5 bed	Total
Completed 2002							
8471 PB/2001/ 1302	Maison Harry?, (formerly Hotel Corona), 107, Don Road, St. Helier	14					14
1044 11844S? PB/2001/ 0614 B/2000/ 0541?	Bonne Nuit Apartments (formerly Idle Rocks), Les Charrières de Bonne Nuit, St. John	8	1				9
255 PB/2001/ 1897	Suisse Apartments (formerly wing of Hotel Suisse), St. Saviour's Road, St. Saviour	3	1	2			6
4129R B/1999/2154	Santa Monica Park, St. Andrews Road, St. Helier	3	7	2			12
	St. Aubin's Apartments, High Street, St. Aubin, St. Brelade	11					11?
16961?	Lyndhurst, 6, Elizabeth Place, St. Helier	5					5?
	Maison Hérault, Le Boulevard, St. Aubin, St. Brelade	6					6
217 PB/2001/ 2803	Rock Annick, La Rue es Boeufs, St. Mary	3	2				5
7070 B/2001/0112	Elysian House, 11, St. Saviour's Road, St. Helier	7 + 1 child + 1 under 18					9
2297 9141? PB/2001/ 0252/0307?	Greenwood Lodge, Roseville Street, St. Helier	5	7	1			13
Sub-total		67	18	5			90

Completed 2003							
255 PB/2001/ 1288	Suisse Apartments, St. Saviour's Road	2	6	2			10
NONE PB/2002/ 0662	Sandy Bay Apartments, 74, Roseville Street, St. Helier	4					4
260/8999 PB/2001/ 1238	Grosvenor Apartments, Le Havre des Pas, St. Helier	3	6	7			16
1253 PB/2002/ 1801	Mont Felard House, La Rue de St. Aubin, St. Lawrence	13					13
2627 PB/2002/ 1040	Brookfield Private Hotel, 24, Raleigh Avenue, St. Helier	15					15
5780 PB/2001/ 1330	Villa Apartments, Queen's Avenue, St. Helier	8	3				11
1523 B/2002/0215	Basil Lodge (former Boys Hostel), 27 Clarendon Road, St. Helier	1	4				5
4966 PB/2003/ 0249	Dawlish House, 13-15, Charles Street (former guest house), St. Helier	20 rooms					20 rooms
2700 PB/2002/ 0777	Glenroyd Guest House, 26, Cleveland Road, St. Helier	3	2				5
7795 PB/2002/ 0240	Jishmi, 4 Roseville Street, St. Helier	6					6
	La Manche, 5-7, Val Plaisant, St. Helier	21					21
	Casa Alberto, 20 Cleveland Road, St. Helier	5					5
	Holmhurst, Queen's Avenue, St. Helier	9					9
	27 Roseville Street, St. Helier	7					7
	Playa D'Or Apartments, La Grande Route de la Cote, St. Clement	2	2	1			5
3036/2924/ 4752/7359/ 7228 B/2001/1366	Portland Place, Midvale Road, St. Helier	1	7	4			12

15038/D PB/1999/ 0875? B/2003/ 0444?	Claremont House, 117, Don Road (James Road?), St. Helier	2	1				3
2342 PB/2002/ 1085	Cornwallis Guest House, 9 Havre des Pas, St. Helier	14	1				15
11600/F PB/2001/ 3052	The Palms, Le Havre des Pas, St. Helier	2	3				5
Sub-total		138	35	14			187
TOTAL		205	53	19			277

LODGING HOUSES – OUTSTANDING COMMITMENTS (@ END 2003)

(i.e. consents for 2002 & 2003 and works in progress)

Ref.	Site	Units by Type					Total
		1 bed	2 bed	3 bed	4 bed	5 bed	
Planning in Principle (2002 and 2003)							
6295 PP/2001/3201	Guest House, 74, Roseville Street, St. Helier						?
3049 PP/2001/3349	Families in Recovery Centre, (Former Domino Guest House), 6 Vauxhall Street, St. Helier						?
12746 PP/2001/3123	Glen Guest House, La Vallée des Vaux, St. Helier						?
	61, 63 & 65 Kensington Place (rear of), St. Helier						
Sub-total							
Planning Consent (2002 and 2003)							
12349 P/2001/2804	Armada Private Hotel, La Route de la Haule, St. Brelade	14					14
2548 P/2002/2522	Beau Rivage Hotel, La Route de la Baie, St. Brelade	7	5				12
8918 P/2001/2652	Hotel Alhambra, Roseville Street, St. Helier						?
NONE P/2002/1122	Caverna Guest House, 25½, Simon Place, St. Helier		8				8
19359 P/2002/2611	Ellwyn House, La Grande route de St. Jean, St. Helier						3
17357 P/2003/1681	Porches, La Grande Route des Sablons, Grouville	6 rooms					6 rooms
10040 P/2003/1823	Cambrette, La Grande Route de la Cote, St. Clement						5
5655 P/2002/1944	Glenthorne Hotel, 11 Elizabeth Place, St. Helier						

9787 P/2003/0525	Huntley Lodge Guest House, New St. John's Road, St. Helier						?
2563 P/2003/1626	Raleigh Hotel, La Route du Petit Clos (rearrangement of accommodation), St. Helier						?
5249/3970/ 6970 P/2003/1165	49 & 51 Kensington Place, St. Helier	2	9				11
1809 P/2003/1055	Greve de Lecq Apartments, Le Mont de Ste Marie, St. Mary	11	3				14
315 P/2002/2917	2 Helmsdale Villas, Beaumont (Hotel Annexe), St. Peter						?
Sub-total							
Planning and Building Consent (2002 and 2003)							
2948 PB/2001/1091	Stafford Hotel, Kensington Place, SH						29
322 1584? PB/2002/2890	Pine View Guest House, La Route de Noir Mont, St. Brelade						?
Sub-total							
Building Consent (2002 and 2003)							
2955 B/2002/1377	Bay View Guest House, 12 Le Havre des Pas, St. Helier		16				16
Sub-total							
Works in Progress (@ end 2003)							
4874 PB/2003/0055	La Fontaine Hotel, La Grande Route de la Côte, St. Clement						5
9500 B/2003/0474	Central Hotel, Kensington Place, St. Helier						32 +4
NONE B/2003/0839	St. Elmo, Kensington Place, St. Helier						(?) lost to offices
NONE B/2003/0445	Tynemouth Guest House, St. Clement's Road						8
3219 B/2003/0815	Hotel de la Plage, Le Havre des Pas, St. Helier						48

3749 PB/2001/0557	The 'O' Bar, Gloucester Street (demolishing lodging units & building 42 new units)						(?) 42
	Bon Accord, 23 Midvale Road, St. Helier						
0 P/2002/1877	Pontac Beach Apartments (formerly Pontac House Hotel), La Grande Route de la Côte	4	1				5
368 P/2002/2290	La Forge Apartments (formerly Hotel du Puits), La Rue des Pallières, St. Ouen	4	3				7
8600 P/2002/1012	Bouley Bay Inn, La Rue de la Petite Falaise/The Mount, Trinity	6	2				8
Sub-total							
TOTAL							

[1] *These are non-locally qualified, as defined by the Regulation of Undertakings and Development (Jersey) Law 1973.*

[2] *In accordance with the Housing Committee's policy, the qualification period has been gradually lowered in recent times from 20 years.*

[3] *In April 2004, the 'Migration and Policy Steering Group' (a group set up in 2003 by the Policy and Resources Committee) brought forward for public consultation a series of proposals in connection with monitoring and managing immigration. The recommendations include proposals to radically overhaul the current regulations governing housing qualifications.*

Under the recommended proposals, all persons entering the Island would have to register with a new 'population office' and there would be 3 categories of resident: entitled, licensed and registered. Entitled residents would enjoy full housing status and would include newcomers who have lived in the Island for 10 years. Licensed residents would effectively enjoy the same housing rights as those currently with "(j)" Category qualifications and would be able to rent or lease property for the duration of their employment contract. It is envisaged that a significant number of immigrants would eventually fall into this group which will be subject to a phased enlargement over a number of years. Registered residents would only be able to work in posts allocated for registered persons and would have no housing qualifications.

[4] *This may well have been the case during that period, given the general change in the economic climate, the widely publicised external pressures on the Island's finance industry, concerns about the impact of the tax rises and other measures being promoted to address these threats and uncertainty about the future of the economy.*

[5] *2002 and 2003 saw the spectre of 'redundancy' emerge, as many businesses re-organised their operations with a view to becoming leaner and fitter, in order to survive the increasingly competitive global marketplace. The jobless figure for January 2004 was 756, compared to 226 in January 2003. However, it should be noted that this represents less than 1½% of total employment in the Island (compared to 3% in the U.K.). Furthermore, it is considerably below that in the 1992/3 recession. The Employment and Social Security Department has also pointed out that much of the increase in the numbers of jobless might be due to its efforts to encourage registration.*

Recently released figures prepared by the Policy and Resources Statistics Unit, have revealed that there were over 1000 fewer full-time jobs in the private sector at the end of 2003, compared to the end of 2002 (i.e. -3%). Most of the job losses were in the finance and construction industries. The figures also suggest that job vacancies at the end of 2003 (2500) were down by a fifth compared with the end of 2002.

[6] *The exercise to establish the ratio of average dwelling price to average earnings is undertaken on an annual basis.*

[7] *A more accurate assessment of the differential will be obtained later in 2004 when the triennial rent review takes place.*

[8] *The Jersey Homes Trust is the second biggest social rented landlord in the Island (i.e. second to the Housing Committee)*

and now has more than 500 homes under its management.

[9] Some agents are concerned that if the trend continues the rest of the market might stall.

[10] The “Buy-to-let” trend has probably been driven by a number of factors, including –

- the previously favourable performance of residential property as an investment over returns on equities;
- the fact that property is an asset-based investment that can provide long-term protection against inflation;
- the fact that property is a particularly secure form of investment, which cannot disappear or become valueless, except in the event of fire or natural disaster (and this can be insured against).

The attractiveness of “buy-to-let” will wane if rents continue to fall, it becomes increasingly difficult to achieve sufficient rental values (or even tenants) and future capital growth becomes less certain).

[11] Housing Department records of average rents for properties occupied by claimants under the ‘Rent Rebate Scheme’ indicate a rise in average actual rents for one- and two-bedroom flats and three-bedroom houses between 1st April 2003 and 2004 (i.e. +4.2%, +8.6% and +4.8% respectively).

Housing Department records of lease transactions during 2003 also suggest an increase in the average rental of two-bedroom flats. The average rental of those transacted for the 2nd quarter of 2003 was £195.58, rising to £211.90 in the final quarter (an increase of 8% for the period). The Housing Department has suggested that this may have been due to the large numbers of new flats coming on to the market and transacting for the first time. Similar records for the 1st quarter of 2004 seem to point to a reversal of this upward trend.

[12] The estimates –

- took no account of small developments of less than 5 units, some of which might well contribute to meeting first-time buyer demand;
- made broad assumptions about the range of prices which would allow for servicing the first-time buyer market. This range tops out at approx. £270,000 and reflects the upper price levels recently paid for three-bedroom homes on sites rezoned for first-time buyer housing in 1999;
- include a few schemes which were originally constructed for sale, but have gone into the rental market, because of lack of interest. They were included on the basis that if the market was to “pick up”, these schemes could very quickly move back into the open market sector (e.g. the Royal Oak Hotel site in St. Helier and the Summerfield site in St. Brelade).

It was only possible to run a complete check on 7 specific large scale developments, where records held by the Housing Department illustrated precisely how many units were purchased by first-time buyers.

[13] Recent investigations undertaken by officers of the Housing Department and the Housing Task Force of larger development proposal (+5 units) suggest that over 180 of these units are likely to meet first-time buyer demand.

[14] The Housing Task Force has suggested, by way of example, that there is no longer any apparent interest from developers in pursuing approved proposals for the residential development of Hotel de Normandie, or Hotel Rex.

[15] The Housing Committee has been actively encouraging the provision of better standard accommodation for non-qualified residents for a number of years. In particular, it has sought to encourage owners to better cater for the demand for family accommodation. Its new standards for registered lodging houses came into force on 28th February 2003.

[16] It seems likely that owners and developers are covering their options; in that much of the new accommodation meets the normal standards required for qualified accommodation and could be transferred to that market if there is a sufficient fall off in demand in the unqualified sector. Presently, they appear to be looking for a premium from unqualified people in the finance industry, while the demand remains.

[17] During those periods, the economy was booming, there were severe shortages of lodging accommodation, rents were extremely high, many lodgers experienced particularly poor conditions and there were reports of transient workers unable to find places to live and accommodation being offered as ‘sleeping-only rooms’.