

STATES OF JERSEY



PLANNING FOR HOMES 2006

**Presented to the States on 5th December 2006
by the Minister for Planning and Environment**

STATES GREFFE

PLANNING FOR HOMES 2006

A Review of Current Information on Residential Land Availability

A JOINT REPORT OF THE MINISTERS FOR PLANNING AND ENVIRONMENT AND HOUSING

November 2006

FOREWORD AND ACTION PLAN FOR THE WAY AHEAD

This is one of a regular series of review documents, prepared jointly on behalf of the Island's Housing and Planning authorities. The primary purposes are to ensure that the housing situation is kept under close scrutiny and to inform future policy decisions. This particular review is informed by the findings of the 'Housing Needs Survey' conducted by the Statistics Unit at the end of 2004 and reported on in February 2005. The report sets out estimated housing requirements for the period 2005-2009 and allows for different scenarios, based on different migration levels and housing qualification periods.

The findings of this review are encouraging and generally indicate a good performance in meeting identified requirements for new homes and a reasonably healthy availability of land for housing when compared to the identified requirements for the five years to the end of 2009. Indeed, the evidence would suggest that overall requirements can generally be met without the need for any large scale release of additional land at this time. However, this is not the whole picture. There are new challenges arising from: commitments in the Strategic Plan to encouraging an increase in the levels of home ownership (e.g. through shared equity schemes); requirements to maintain and upgrade States rental stock; and the growing housing needs of persons over retirement age, whose numbers are predicted to rise sharply between 2010 and 2030. These factors and other recent changes in circumstances (e.g. the present economic upturn) are not fully reflected by the current housing requirement figures. This, in turn, highlights the need to up-date the information presently provided in the 'Housing Needs Survey', particularly as it is intended to revise the Island Plan next year. Further discussions with the Statistics Unit will be required to determine how best to proceed, having regard to resource availability, existing work commitments and other potential data sources.

It is necessary to begin planning now, in order to ensure that sufficient 'sheltered accommodation' and 'last time homes' are provided to meet the particular housing requirements of elderly persons and this will require the release of some additional land, as well as improvements to the existing housing stock and market driven 'windfall' developments within the existing built-up area.

The rezoning of land for housing purposes at this time, including the bringing forward of any H3 and H4 sites and other sites which may emerge from on-going planning studies and consultations with the parishes, will need to be justified on their merits. In the present circumstances, this can only be justified where the objective is to achieve highly desirable and overriding planning and community aims (e.g. the provision of 'sheltered/last time homes', affordable starter homes and much needed community facilities and the upgrading of older States' rental developments).

As Ministers for Housing and Planning and Environment, we are determined to ensure the community's housing needs are properly addressed and will persevere in our efforts to ensure the delivery of adequate housing. In particular, we 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, new Housing Department policies, the migration strategy, other relevant States' policies and changing social trends. However, we remain acutely aware of the constraints that we face in pursuing this goal. Notably, the need to address concerns of nearby residents regarding many proposed developments and the protracted processes currently involved in progressing development proposals on land zoned specifically for Category A housing purposes.

For its part, the Housing Department has recently produced a '10 Year Property Plan'. If approved, this will have a significant impact on future housing requirements and how these might be met in the medium and longer term. Among other things, the draft Plan looks to enable States tenants to buy certain States rental properties on a shared equity basis (in accordance with the Strategic Plan) and to create additional sheltered housing through conversions of existing stock and new acquisitions.

The Planning Department has also been active in recent months and has –

- Completed detailed feasibility studies on H3 and H4 sites in the 2002 Island Plan and other potential future housing sites to determine viability;
- Undertaken discussions with various parishes and held public consultation exercises on certain sites

earmarked for future development;

- Looked at ways of securing a reduced scheme for Category A housing on the H2 site at Bel Royal, which was recently refused permission, following a public hearing;
- Continued negotiations on the emerging proposals for other outstanding Category A sites, aimed at securing satisfactory developments.

In the light of the above and on the basis of the findings in this document, the Ministers have agreed a new shared action plan for the way ahead. The Plan will be amended following the States debate on the Housing Department's Property Plan, but currently includes the following components –

1. **Publication of Planning for Homes 2006** (*December 2006*);
2. **Lodging of the Housing Department Property Plan, 2007-16 for States debate** (*December 2006*);
3. **Undertaking discussions with the Statistics Unit to determine how best to up-date the information provided by the latest 'Housing Needs Survey'. The aims will be to review housing needs projections and roll them forward to 2011 and beyond, so as to inform the Island Plan Review process and future 'Planning for Homes' documents. The updated material should distinguish between demand for first-time buyer homes and for other owner-occupied accommodation. It will also need to concentrate on establishing more clearly the future needs for 'affordable housing' and 'sheltered/last time homes'** (*December 2006*);
4. **Undertaking a review of redundant glasshouse sites (and the policies applicable to them), to establish *inter alia* the suitability of sites for meeting housing needs and to inform the Island Plan Review process** (*December 2006/January 2007*);
5. **Undertaking a review of tenure requirements associated with land zoned for housing purposes, to ensure housing needs are properly addressed and to inform the Island Plan Review process** (*December 2006/January 2007*);
6. **Commencement of Island Plan Review (N.B. This will incorporate the next housing land availability review and will include a review of H3 and H4 sites and of items 3, 4 and 5 above. Consideration will also be given to introducing policies geared to achieving more affordable homes (i.e. shared-equity homes), 'sheltered/last-time homes' and any other identified home types required to meet community needs, through the more widespread use of planning obligations in the planning application process** (*January 2007*);
7. **Considering the appropriateness of recommending a further one year reduction to 12 years of the housing qualification period, having regard to the findings of this report** (*January 2007*);
8. **Completing public consultations in the relevant parishes and finalising site feasibility reports on sites put forward by parishes, to determine the most suitable for addressing outstanding needs for 'sheltered accommodation/last time homes' (social rented and open market); affordable homes; and other desirable planning and community requirements** (*February / March 2007*);
9. **Consequent on 8, bringing forward zoning proposition/s for those sites considered best suited for meeting the above ends** (*March 2007*);
10. **Completing the processing of outstanding applications for the H2 Category A housing sites and where appropriate, reviewing tenure requirements to reflect changes in the nature of the community's housing needs** (*Mid 2007*);
11. **Undertaking the next 'Planning for Homes'** (*August 2008*);
12. **Considering further phased reductions to the housing qualification period down towards 10 years, as**

circumstances allow.

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Senator T.J. Le Main,
Minister for Housing

A handwritten signature in black ink, appearing to read "F.E. Cohen". The signature is written in a cursive style with a large initial "F".

Senator F.E. Cohen,
Minister for Planning and Environment

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SUMMARY OF FINDINGS

Balancing identified requirements for new homes with a 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 latest of a series of residential land availability reviews undertaken since the adoption of the Island Plan in July 2002 and has been prepared in consultation with the Housing Department, the Population Office and the Statistics Unit. In effect, it offers a snapshot of the statistical position from mid-2006, although it does take into account relevant subsequent events. The review has been informed by the results of the latest 'Housing Needs Survey', which provides estimated requirements for new homes, covering the period 2005 to 2009.

Given the current economic circumstances, the States' policy of 'controlled economic growth', and its continued commitment to reduce the degree of inequity in the housing market, housing requirements have been established for a range of alternative future scenarios. These allow for either continuing the current qualification period for residential status (the '13-Year Rule'), or for reducing the period by 1 year per annum to 10 years. They also provide for alternative migration assumptions, including 'nil net migration' and net annual immigration levels of 50, 100, 200 and 500 households respectively. The 'worst-case' immigration assumption of +500 households per year is provided for information, but is not regarded as a realistic option for the 5 year period up to the end of 2009 and is not included in the assessment of land availability.

The main findings are summarised as follows –

Overall Requirements

- The estimated requirements for new homes in the 'qualified sector' for the period 2005 – 2009, if the '13-Year Rule' is retained, range from 1980 to 2100 homes under the various migration scenarios. This rises to between 2255 and 2420 homes if the housing qualification period is reduced to 10 years.
- The equivalent identified requirements in the 'non qualified sector' are 435 to 600 homes and 210 to 360 homes respectively.
- The average building rates required to deliver identified requirements for new homes in the 'qualified sector' in the 5 years to the end of 2009 (i.e. 396 to 420 homes per year under the '13-Year Rule' and 451 to 484 homes per year if the qualification period is reduced to 10 years) are by no means excessive by recent standards (N.B. the average building rate since the beginning of 2002 has been 556 homes per year).

Completions and Commitments

- Overall completions of new homes in the qualified sector during 2005 and the first half of 2006 have remained reasonably healthy (792) and particularly Category B home completions.
- At the end of June 2006, there were good levels of outstanding commitments for new homes in the 'qualified sector', including 780 planned Category A homes, 720 Category B homes under construction and numerous other Category B homes with planning permission.

Current Market Position

- Local estate agents have pointed to a turn around in the local housing market over the last year. After several years of uncertainty and static prices, they now regard the market as buoyant and have reported a strong surge in activity and a considerable rise in property transactions. This is largely put down to a return of confidence and a more optimistic outlook among potential buyers, following an upturn in the economy.
- This change in circumstances is borne out by data from the Population Office and the 'House Price Index'. Lease applications and home purchases made between 1st January and 1st October 2006 are up 14% and 19% respectively on the same period in 2005. There has also been a small but steady rate of increase in property prices during 2004 (3%), 2005 (3%) and the first half of 2006 (4%).
- The oversupply of apartments caused by the unprecedented surge in development during 2002 and 2003 has now largely worked its way through the market.

Overall Land Availability Position

- In overall terms, the current housing land availability situation for the period to the end of 2009 remains

reasonably healthy and the figures themselves do not present grounds for any large-scale release of additional land at this time. However, this takes no account of future demand associated with the Island's aging population, Strategic Plan policies to increase home ownership and proposed new Housing Department policies.

- In the 'qualified sector', housing completions and known outstanding commitments (e.g. existing planning permissions, developments under construction, and opportunities for development in the built-up area and on sites zoned specifically for Category A housing purposes) appear sufficient overall to meet identified requirements for the period 2005 to 2009, under the most likely housing qualification / migration scenarios.
- The small apparent shortfall in supply of around 100 homes, which might occur should the qualification period be reduced to 10 years and average immigration levels reach 200 households per annum, could be more than offset by the potential yield from existing and new Category B consents that have yet to commence.

Category A Position

- The evidence suggests that the outstanding commitments for the supply of Category A homes will comfortably match overall potential requirements to the end of 2009, whichever future scenario is chosen (i.e. through a combination of the existing housing stock and sites already identified for Category A housing purposes).
- Current demand for social rented homes remains at relatively low levels historically (i.e. at the start of 2006 there were 265 families and individuals on the list compared to a peak registration of 900 in 1989).
- The supply of social rented homes from zoned land and other planned developments (490 homes) will greatly exceed the identified requirements for the 5 year period up to the end of 2009 (45 homes). However, the requirement figures take no account of the proposals in the Housing Department's impending '10 Year Property Plan', which, if approved, could have a significant impact on supply and demand in the social rented sector (e.g. through the elimination of bedsits from the States rental stock; conversion of rental units to meet the needs of an increasing number of elderly tenants; and sales of rental homes to first-time buyers on a shared equity basis).
- There is an estimated requirement for between 400 and 490 first-time buyer homes for the period 2005 to 2009 (depending on the chosen scenario for housing qualifications and migration levels), which might be regarded as moderate, as opposed to excessive. However, demand will increase as effective mechanisms are put in place to implement the commitment in the Strategic Plan towards increasing the level of home ownership (i.e. through the sale of social rented stock and construction of new first-time buyer homes on a shared equity basis). Conversely, this will reduce future demand for social rented accommodation.
- As at the end of June 2006 there was a good level of outstanding commitments for new first-time buyer homes and the supply appears to be in balance with identified requirements up to the end of 2009.
- With the exception of sites required for 'sheltered homes'/'last time homes' (see below), or for achieving overriding community benefits, there appears little necessity at this time to bring forward additional land for Category A housing development to meet identified needs up to the end of 2009.

Category B Position

- The land availability situation with respect to Category B homes is a little more difficult to predict at this time.
- The supply of Category B homes since the Island Plan was adopted in 2002 has been very healthy (averaging over 400 homes per year) as landowners and developers have taken opportunities available throughout the Island, and mainly in the built-up area, to meet anticipated demand.
- However, the Category B homes currently under construction fall short of the identified requirements up to the end of 2009. This shortfall ranges from 230 to 340 homes if the '13-Year Rule' is maintained, to between 450 and 600 homes if the housing qualification is reduced to 10 years. These figures should be treated with some caution, not least because they take no account of the likely yield from consents which have yet to commence and the opportunities for several hundred new homes presented by the Waterfront and town regeneration.
- For the time being, the figures do not suggest any necessity to alter the approach in the Island Plan, in order to zone land specifically for Category B housing purposes. Applications for planning permission can continue to be considered in the normal way and approval granted where proposals are in accordance with planning policy.

Size of Homes

- The evidence available from completions and known commitments points to a significant shortage in the supply of larger 4- and 5-bedroom family homes to meet identified potential requirements in the ‘qualified sector’, principally for owner occupation. This is also born out by the comments of local estate agents.
- Clearly developers have a role to play in addressing such demand, but there are huge opportunities to release existing larger family homes, which are under-occupied by elderly persons, through the provision of ‘sheltered / last time homes’ (see below).

Sheltered Homes/Last Time Homes

- The latest ‘Housing Needs Survey’ identifies an immediate requirement for some 250 ‘sheltered homes’ between 2005 and 2009. If the normal definition of sheltered homes is extended to include retirement homes and homes for the elderly, then most of the required homes will be met by existing commitments. However, this takes no account of the impending huge increase in demand for ‘last time homes’, which will result from the projected rapid increase in the number of residents over retirement age from 2010 to 2030.
- The Housing Department’s impending ‘10 Year Property Plan’ also suggests that actual requirements for such homes may be significantly higher than anticipated in the current projections (i.e. around 400 in the next 5 years). It highlights the need to alter the mix and improve the standard of the States rental stock to ensure adequate provision of ‘last time’ homes that can cater for the particular needs of a high and increasing number of elderly tenants in the social rented sector. Plans to upgrade the existing stock and remove poorer quality bedsit accommodation may effectively involve a net loss of around 170 States rental homes.
- In any event, it is important, at this time, to recognise and begin planning for the projected increase in demand for ‘last time homes’ for residents over retirement age.
- There would appear to be considerable merit in beginning the process of securing suitable sites now, as a matter of urgency, particularly given the normal lead in time of two to three years before homes can be completed. It will also have the added benefit of encouraging older persons to downsize and so release much needed larger family homes. This would serve to maximise the use of the existing housing stock and reduce the subsequent need for new build to meet the demand for larger units.

Affordability

- Affordability remains a serious issue particularly for those in lower income groups who have aspirations to purchase their home. If these aspirations are to be realised it will require an increase in the availability of more affordable first-time buyer homes.
- The promotion of shared equity in the Strategic Plan and the impending Housing Department’s ‘10 Year Property Plan’ offers a way forward. However, the review of the Island Plan also provides an opportunity to consider introducing planning policies to secure affordable housing through the day to day planning system (i.e. via the use of Planning Obligation Agreements).

Non-Qualified Sector

- It has proved more difficult to judge performance in the ‘non-qualified’ housing sector, because of the paucity of reliable and quantifiable information.
- However, from the information available (much of it anecdotal), it seems clear that the market has been generally successful in meeting demand in this sector.
- Undoubtedly, this success has been assisted, in no small measure, by the more challenging economic circumstances that have faced the Island in recent years and the associated reduction in demand.
- Identified potential requirements for new homes in the ‘non-qualified’ sector would be reduced to relatively modest levels if, over the next 5 years, the housing qualification period is reduced to 10 years.
- There is no reason to believe that the market cannot continue to meet requirements in this sector, aided by the careful implementation of recently approved migration control mechanisms.

Conclusion

On balance, the evidence suggests that the current housing land availability situation is fairly healthy. With a few

notable exceptions, it would appear that the overall supply of new homes is generally sufficient to meet identified overall requirements for new homes up to the end of 2009. However, there are no grounds for complacency. Although the Island Plan has generally been successful in ensuring a sufficient supply of new homes to meet the community's needs, the impending review will need to consider new strategic policies and changing housing policies, as well as specific sectoral requirements such as: 'sheltered homes'/homes for the elderly; affordable homes; and shared equity. Presumably it will do so in a manner that ensures development needs are properly reconciled with requirements to protect and enhance the local environment.

In the interim, there are grounds for releasing some additional land specifically for meeting identified requirements for 'sheltered homes'/'last time homes' extending beyond 2009, as a matter of urgency. This will be complemented by proposals for providing such accommodation in the social rented sector, as set out in the Housing Department's '10 Year Property Plan'. Any other release of land for housing purposes would need to be fully justified in the best interests of the community (e.g. to secure much needed community facilities, or to meet the Strategic Plan objective of increasing home ownership levels, through the provision of affordable homes). In anticipation of this, the Department of Planning and Building Services has been carrying out detailed feasibility work on potential sites and consulting with various parishes and should soon be in a position to bring forward an initial rezoning proposition for States' debate.

The commitment in the Strategic Plan to encourage more home ownership and promote the concept of shared equity, also suggests there might be merit in altering the tenure requirements applicable to certain sites already or soon to be zoned for Category A purposes.

Last, but not least, the evidence on land availability would suggest that there may be an opportunity for the Housing Minister to consider whether to pursue a further one year reduction in the housing qualification period, once he has investigated the likely outcome and satisfied himself that it will not cause undue problems for the housing market.

REPORT

1. INTRODUCTION

The Ministers for Housing and Planning and the Environment remain fully committed to ensuring that an adequate supply of suitable housing is and will continue to be available to meet the existing and projected needs of the community. This fundamental aim runs consistently through a range of States' policies, including the Strategic Plan, the Housing Committee's Strategic Policies, the Island Plan 2002 and other policy documents. The importance of a decent home for every member of the community both in terms of the individual's quality of life and the success of the economy is set out in earlier land availability reports and is widely documented elsewhere.

This is the latest in a series of documents on the availability of residential land in Jersey, and the third since the adoption of the current Island Plan. It has been prepared jointly by the Planning and Building Services and Housing departments, in consultation with the Statistics Unit, the Population Office and representatives of those directly involved in the local housing market. In essence, the document reviews the availability of land to meet identified potential housing requirements. The primary purposes of such reviews are to –

- establish the facts about the amount of available land for construction of housing in the next four or five 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 suitable 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.

This document concentrates on the changes that have occurred in the last year and a half and focuses on up-dating the key data covering identified requirements for and the supply of new homes. There is other background information on housing related matters included in previous 'Planning for Homes' reports which may also be useful to the reader.

In addressing this review and formulating a new 'Action Plan for the Way Ahead', the two Ministers and their departments have remained acutely aware that proposals for housing development are often contentious and highly politicised. However, they also recognise the importance of reconciling the advantages associated with the provision of new homes to meet identified needs with other social and environmental considerations. The current 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.

2. POLICY CONTEXT

2.1 Strategic Policy

The States Strategic Plan 2006 to 2011, which was produced by the Council of Ministers and approved in June 2006, provides the overarching policy direction for Jersey in the coming years. It defines the aspirations of the Council and provides a guiding framework for the development of all States initiatives, policies and strategies. The Plan looks to improve the quality of life for Islanders and to secure Jersey's future in an increasingly global community. At its core are social improvement and the promotion of modest economic growth. It recognises that it is through investing in economic growth that employment will be provided for local people, social services can be preserved and expanded and the Island will raise the funds it needs to maintain its social fabric.

The plan describes a vision for Jersey’s future and underpins this with six ‘commitments’ to the people of Jersey that encompass policy on the economy, quality of life, social inclusion, social justice, the environment and the Island’s infrastructure. It also identifies a number of top priorities for action to ensure the delivery of the commitments. Among the most pertinent of the priorities for the purposes of this study are –

- implementation of the Migration Policy;
- developing an integrated social inclusion strategy to include access to high quality affordable housing; and
- maintaining and improving infrastructure, including public housing stock.

Much of the Plan is structured around how it is intended to address the six commitments, including the outcomes it seeks to achieve and the indicators against which progress will be measured. Many of the Plan’s commitments and required outcomes will have a direct or indirect effect on future housing requirements to varying degrees, as set out in Table 1. Clearly, Commitment 3 ‘*To promote a safe, just and equitable society*’ has the most significant bearing on this review. Indeed, it is in association with this commitment, that the Council of Ministers has set out its intention to review housing demand/supply through the publication of ‘Planning for Homes’ in 2006. Furthermore, it places various duties on the Housing Department to –

- achieve ‘Decent Home Standards’ for homes in public ownership;
- review, develop and implement strategies for the provision of social housing in the Island, including the long-term management of the States’ rental stock;
- use the social housing stock to progress a ‘shared equity scheme’ in order to encourage an increase in levels of home ownership.

Table 1: Relevant Commitments, Outcomes and Indicators from the States Strategic Plan 2006-2011

Commitment 1: ‘To maintain a strong, successful and sustainable economy’
<ul style="list-style-type: none"> • Outcome: ‘economic growth is sustained through improved productivity’ • Indicated by: <ul style="list-style-type: none"> - <i>at least 2% real economic growth (i.e. increase in real Gross Value Added)</i> - <i>productivity of all industry sectors increased, with growth in workforce at less than 1% per annum (i.e. up to 500 new jobs per year)</i> • Outcome: ‘low inflation is sustained’ • Indicated by: <ul style="list-style-type: none"> - <i>at or below 2.5% inflation per year (measured by change in RPI)</i> • Outcome: ‘the potential of the Island’s workforce is maximised’ • Indicated by: <ul style="list-style-type: none"> - <i>sustained low unemployment</i> - <i>increased employment opportunities for all, particularly the under-25s and over 50s</i> - <i>increased participation rates in the workforce by local people</i> - <i>increased numbers of local graduates returning to the Island</i>
Commitment 2: ‘To create the environment in which everyone living in Jersey has the opportunity to enjoy a high quality of life’
<ul style="list-style-type: none"> • Outcome: ‘Jersey is well prepared to meet the challenges and opportunities presented by an aging population’ • Indicated by: <ul style="list-style-type: none"> - <i>Increase in the number of older people provided with support to remain in their own homes</i> - <i>More people opting to work beyond normal retirement age</i> • Outcome: ‘full employment’

- **Indicated by:**
 - *Low levels of registered unemployed*
 - *Increased employment opportunities for under-25s*
 - *Increased employment rate in ages 50+*
 - *Reduction in unemployment for under-25s*
- **Outcome:** ‘inward migration matched to the Island’s needs’
- **Indicated by:**
 - *Minimal number of unemployed local people*
 - *Net growth in the working population of less than 1% per annum*
 - *Net immigration contained within limits that can be accommodated within existing projections for housing need and the release of land for development*

Commitment 3: ‘To promote a safe, just and equitable society’

- **Outcome:** ‘social care to protect and support vulnerable people’
- **Indicated by:**
 - *Increased numbers of older people supported to live at home*
- **Outcome:** ‘good standard of affordable accommodation for all’
- **Indicated by:**
 - *Increased levels of home ownership*
 - *Reduction in the number of people waiting to be adequately housed*
 - *A supply of homes that better meets the Island’s housing requirements*
 - *Equity in access to the housing market*
 - *Stable housing market / prices*
 - *Increase in provision of Island-wide sheltered housing*

Commitment 4: ‘To maintain and enhance the natural and built environment’.

- **Outcome:** ‘a new Island Plan that meets the Island’s social, economic and environmental aspirations’
- **Indicated by:**
 - *More new homes developed relative to anticipated need*

Note: Only those indicators considered most relevant to this review are recorded in the table.

2.2 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 (i.e. 79% of the adult population and 88% of private households at the time of the 2001 Jersey Census).

Current published housing policies are set out in the former Housing Committee’s Strategic Policy Report, 2002-2006, which was approved by the States in July 2002. This includes a clear long term goal for “*an Island where all residents have access to good standard, secure and affordable homes*”. The sentiments behind this goal are now reflected by the commitments in the States Strategic Plan. Existing housing policies are also likely to change in the near future when the Housing Minister brings forward his department’s ‘10 Year Property Plan’ for States debate. This Plan will address the need to re-invest in the social housing stock and the various duties placed on the Housing Department by the States Strategic Plan. Among other things it will explore –

- the States’ commitment towards shared equity as a means of encouraging more widespread home ownership; and
- ways of providing suitable homes for elderly persons through conversion of existing rental stock and new acquisitions.

A fuller explanation of the implications of the current regulations and policies, including what has become known as the “two-tier housing system”, is set out in ‘Planning for Homes’ 2004. The main change to occur since the previous Planning for Homes has been the recent States’ decisions to reduce the housing qualification period from 14 years continuous residence in the Island to 13 years. This was the latest in a series of such reductions over the last few years, which to-date, have only had a marginal impact on the housing market. ^[1]

2.3 Monitoring and Regulation of Migration

In June 2005, the States approved in principle a set of proposals for monitoring and regulating the factors that govern migration. This will allow the States to effectively control the size of the working population and in so doing, exercise greater control over the size and make up of the Island's population. The approved strategy involves a radical overhaul of the current regulations governing housing qualifications and aims to achieve greater fairness and equity in housing, by allowing more people the chance to achieve a residency status.

Under the strategy, which is planned to come into force over a 3 year period, all persons entering the Island will have to register with the Population Office. There will be three categories of resident: **entitled, licensed** and **registered-only** (instead of the existing 14 categories). **Entitled** residents will enjoy full housing status and will include newcomers who have qualified under the Housing Regulations (currently 13 years). **Licensed** residents will effectively enjoy the same unrestricted housing rights to rent or lease property through gaining a licensed job (for the duration of their employment contract) and would include those currently with 'J' Category qualifications under the present regulations. The immediate change to Licensed status will have a neutral impact on the housing market, as the households involved are already housed in the 'qualified sector'. However, it is envisaged that a significant number of immigrants will eventually fall into this group which will be subject to a phased enlargement as circumstances permit. **Registered-only** residents will only be able to work in posts allocated for registered persons and will have no housing qualifications.

The report accompanying the proposition which was approved by the States lists a number of policy aims, including –

- *“To allow the States over time to reduce the unacceptable disparity between those who have housing rights and those who are not ‘qualified’”.*

That report also outlines a number of proposed “mechanisms” which includes the following statement of intent –

- *“It is intended, over a number of years, to reduce the period for residential qualification from 15 years towards a policy that all residents will become entitled after ten years residence.”*

Under the strategy, inward migration will only be supported where it offers key skills or more opportunities for local people in the workplace. The new control mechanisms will be applied in the best interests of the community and, in addition to the needs of the economy, will take into account the situation in relation to housing and other infrastructure.

In any event, the Ministers for Housing and Planning and Environment remain fully supportive of the proposal to gradually move, over a period of years, to a 10-years continuous residence requirement, as circumstances permit. In this way, the States can continue to reduce the effect of the inequitable and discriminatory “two-tier housing system” and so allow more long-term residents full access to the housing market.

2.4 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. The policies set out in the Jersey Island Plan, 2002, are the primary mechanism governing the availability of land for housing. These policies include the allocation of land specifically for housing purposes, in addition to providing opportunities for private developments principally within the built up areas (i.e. 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. Meeting specific requirements for social rented

and first-time buyer homes is dependent, to a very large extent, on rezoned land and other specifically earmarked sites.

Successive Planning for Homes documents effectively represent a monitoring and review of the housing proposals in the Island Plan, which is shortly to undergo a major review, in accordance with the objectives of the States Strategic Plan.

3. HOUSING REQUIREMENTS

3.1 Assessment of Requirements

It has long been recognised that there is a 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), which is able to stand up to close scrutiny.

The estimated requirement figures for new homes which are set out in the current Jersey Island Plan 2002 cover the period 2002 to the end of 2006. They were updated in February 2005 and rolled forward to cover the period up to the end of 2009 following the latest 'Housing Needs Survey'. The findings of the survey and full analysis are set out in the document entitled "Jersey's Housing Requirements 2005-2009", Statistics Unit.

For the purposes of the latest 'Housing Needs Survey', questionnaires were sent to 6,100 households (16% of total number of private households) and there was a relatively high response rate of around 50%. The estimated requirements for homes are based on people's expressed aspirations as at the end of 2004 and, as such, represent a snapshot of the situation facing the Island at that time. Furthermore, the figures are based on the assumption that there will be near perfect movement in the housing market, so that all those seeking to move will be free to do so.

Notwithstanding these qualifications, it is considered that the figures continue to give a good indication of potential housing requirements over the five years to the end of 2009 in most housing sectors. However, they will require updating to reflect changing circumstances, including new States strategic policies, new housing policies and the changing economic climate, and also to extend the period covered by the projections. This will involve further discussions with the Statistics Unit to determine how best to proceed. Running another round of the 'Housing Needs Survey' would have to be fitted into an already busy work program. However, it may be that further analysis of the current data could be used to assess the effect of changes in social and economic circumstances. There is also a possibility that some of the data needs can be collected by the Annual Social Survey (JASS). In the interim, the current figures can continue to play a valuable role in informing States' policies in relation to housing, planning and related matters.

3.2 Key Findings

The 'Housing Needs Survey' indicated a change in the housing situation from that which prevailed at the time when the Island Plan was approved, reflecting *inter alia* changing social and economic circumstances, changing aspirations among Islanders and good subsequent performance in producing new homes.

The key points to emerge from the revised housing requirements figures were –

- **A generally improved housing situation.** The figures pointed to a potential requirement for some 1900 new homes in the qualified sector and 575 homes in the non-qualified sector over the 5 years to the end of 2009 (i.e. based on nil net migration and the former 15 year ruling for housing qualification). This compared very favourably with the estimated requirements for new homes in the Island Plan for the period up to the end of 2006, which included over 3100 homes in the qualified sector and 1100 homes in the non-qualified sector (i.e. based on net immigration of +200 and the former residential qualification period of 19 years);
- **Notable requirements for 2-, 3- and 4-bedroom owner-occupied family accommodation,** driven by existing owner-occupiers wishing to trade-up; concealed households (first-time buyers); demand from households in the private rented sector; and from households who were set to gain housing qualifications;

- **An on-going requirement for some 250 x 1- and 2-bedroom ‘sheltered dwellings’;**
- **Significant potential surpluses in the private rented sector** as households currently renting looked to purchase. It was noted that the surpluses for smaller sized accommodation would become shortfalls, if the qualification period is reduced to 10 years;
- **Significant potential surpluses of 1- and 2- bedroom accommodation in the social rented sector,** driven in large part by estimates of availability due to occupants dying or moving into extended care facilities and, in addition, to households migrating from rental to owner occupation^[2] ;
- **A relatively small requirement for family sized houses in the social rented sector;**
- **Significant potential shortfalls of 2- and 3- bedroom private lodging accommodation.** It was noted that these would reduce significantly, if the qualification period is reduced to 10 years;
- **Significant potential surpluses in 1- and 2-bedroom registered lodging house accommodation.**

3.3 Requirements under Alternative Future Scenarios

A useful feature of the “Jersey’s Housing Requirements 2005 – 2009” report is that it enables projected requirements to be established for a range of alternative future scenarios, based on different housing qualification periods and varying migration levels up to +100 households per year. Additional information has since been provided by the Statistics Unit, to cover the effects of other higher levels of net annual inward migration (+200 and +500 households per year) and the implications of the recent States’ decisions to reduce the housing qualification period to 14 years and 13 years respectively.

Table 2 shows comparative overall estimated requirements for new homes (i.e. the sum of the net demand) for a range of ten future scenarios.^[3] The scenarios show the effect of both continuing the current ‘13-Year Rule’ and of reducing the qualifying period by 1 year per annum to 10 years, using 5 alternative migration assumptions. The alternative migration assumptions include ‘nil net migration’ and net annual immigration levels of 50, 100, 200 and 500 households respectively. It should be recognised that the highest level assumption for inward migration of 500 households per year is provided for completeness at this time as an absolute ‘worst case scenario’. However, this is not consistent with what was anticipated by the States in approving the Strategic Plan, where the emphasis was placed on achieving controlled economic growth and the related growth in the workforce, through maximising the contribution of residents who are not currently employed (i.e. from school leavers, the unemployed, mothers returning to work, retirees staying in employment, the disabled etc.). As a consequence, it was believed that the number of immigrants required for increasing the working population would represent a ‘small proportion’. That said, during the Strategic Plan debate, the Council of Ministers committed to reviewing the population issue to inform the debate on population growth and related inward migration.

Table 2: Estimated Overall Requirements for New Homes, 2005 – 2009 under various alternative future scenarios

Future Scenario Options	Total Homes Required	
	Qualified	Unqualified
13-YEAR RULE		
Nil Net Migration	(1980)	(435)
Net Inward Migration +50 households	(2010)	(480)
Net Inward Migration +100 households	(2045)	(510)
Net Inward Migration +200 households	(2100)	(600)
Net Inward Migration +500 households	(2335)	(890)
10 YEAR QUALIFICATION PERIOD		
Nil Net Migration	(2255)	(210)
Net Inward Migration +50 households	(2300)	(250)
Net Inward Migration +100 household	(2345)	(280)
Net Inward Migration +200 households	(2420)	(360)
Net Inward Migration +500 households	(2710)	(600)

The figures in Table 2 (and the tables which follow) take no account of newly completed dwellings since the beginning of 2005, or known outstanding commitments. They serve to highlight that the reduction in the qualifying period to 10 years will, for each migration assumption, significantly increase requirements in the qualified sector and reduce requirements in the non-qualified sector. However, they also demonstrate that under

the current '13-Year Rule' overall requirements for new homes are fairly insensitive to the varying levels of net migration (N.B. with the exception of requirements in the unqualified sector where the assumed net annual inward migration is +500 households). This relative insensitivity to migration levels also generally holds true where the qualifying period is reduced to 10 years, although once again at a net inward annual migration level of +500 households, the increase in requirements for new homes becomes more pronounced.

Potential requirements for new homes in the qualified sector range from 1980 homes if the existing situation (i.e. 13 year qualification period and nil net migration levels^[4]) is maintained throughout the period, to 2710 homes in the 'worst-case scenario' (i.e. if the qualification period is reduced to 10 years and net inward migration is of the order of 500 households per annum). Clearly, the estimated potential requirements in the non-qualified sector are at a much lower level, but are nevertheless quite significant under the '13-Year Rule' and would be especially problematic if migration levels are allowed to reach an average of 500 households per year. Leaving aside the worst case migration assumption, a reduction to a 10 year qualification period will mean significant reductions in requirements for non-qualified accommodation, of between 48% and 60%.

A breakdown of the estimated requirements for new homes under the various scenarios by size and tenure is set out in Table 3 to 12. These tables are organised by aspiration of tenure, with perceived desirability increasing from right to left. Often, in practical terms, the total shortfall of homes shown in the tables for the qualified and non-qualified sectors is less than the aggregate of all the shortfalls. This is because a shortfall in one tenure category might reasonably be expected to be eased by a surplus in a category immediately to its left in the table. For example, under the 10 year qualification scenarios, some of the projected surplus of two-bed units in the States/Parish/Housing Trust Sector could be used to off-set the shortfall of two-bedroom private rental units.

Tables 3-12: Requirements for New Homes 2005–2009 (showing Surplus/Shortfall) by Tenure and Size, under various scenarios

Table 3: SCENARIO OPTION 1 – Nil Net Migration/Maintain current '13-Year Rule'

Size	QUALIFIED SECTOR					UNQUALIFIED SECTOR		
	Owner Occupied	States / Parish/ Housing Trust	Private Rental	Aggregate of all Shortfalls QUALIFIED SECTOR	Practical Total of Shortfalls QUALIFIED SECTOR	Private Lodging non-qualified lodger in a private dwelling	Lodging House non-qualified lodger in a Registered Lodging House	Serviced non-qualified occupier of tied (i.e. staff) accommod or a non-qualified licensee of dwelling
1 bed	85	460	(30)	(30)	-	185	750	(5)
2 bed	(490)	420	30	(490)	(490)	(250)	130	75
3 bed	(610)	25	250	(610)	(610)	(60)	(20)	130
4 bed	(715)	(35)	55	(750)	(750)	(35)	-	50
5 bed	(55)	(10)	(65)	(130)	(130)	(15)	-	(55)
Total				(2010)	(1980)			

Notes:

- Assumes surplus in 1-bed Social Rented could be used to address shortfall in 1-bed private rental units.
- Assumes surplus in 1-bed lodging house accommodation could be used to address shortfall in 1-bed serviced accommodation

Table 4: SCENARIO OPTION 2 – Nil Net Migration/Reduction to 10 Year Housing Qualification

Size	QUALIFIED SECTOR					UNQUALIFIED SECTOR		
	Owner Occupied	States / Parish/ Housing Trust	Private Rental	Aggregate of all Shortfalls QUALIFIED SECTOR	Practical Total of Shortfalls QUALIFIED SECTOR	Private Lodging non-qualified lodger in a	Lodging House non-qualified lodger in a	Serviced non-qualified occupier of tied (i.e. staff)

						private dwelling	Registered Lodging House	accommodate or a non-qualified licensee of dwelling
1 bed	30	455	(330)	(330)	(100)	300	960	15
2 bed	(575)	415	(115)	(690)	(575)	(130)	145	95
3 bed	(675)	25	250	(675)	(675)	30	(20)	165
4 bed	(740)	(35)	55	(775)	(775)	(20)	-	75
5 bed	(55)	(10)	(65)	(130)	(130)	5	-	(55)
Total				(2600)	(2255)			

Notes:

- Assumes half surplus in 1-bed Social Rented could be used to address shortfall in 1-bed private rental;
- Assumes surplus in 2-bed Social Rented could be used to address shortfall in 2-bed private rental units;
- Assumes half surplus in 3-bed private lodgings could be used to address shortfall in 3-bed lodging house accommodation.

Table 5: SCENARIO OPTION 3 – Net Inward Migration +50/Maintain current ‘13-Year Rule’

Size	QUALIFIED SECTOR					UNQUALIFIED SECTOR		
	Owner Occupied	States / Parish/ Housing Trust	Private Rental	Aggregate of all Shortfalls QUALIFIED SECTOR	Practical Total of Shortfalls QUALIFIED SECTOR	Private Lodging non-qualified lodger in a private dwelling	Lodging House non-qualified lodger in a Registered Lodging House	Serviced non-qualified occupier of tied (i.e. staff) accommodation or a non-qualified licensee of dwelling
1 bed	85	455	(40)	(40)	-	165	690	(25)
2 bed	(490)	420	15	(490)	(490)	(270)	120	75
3 bed	(615)	20	230	(615)	(615)	(65)	(25)	125
4 bed	(730)	(35)	45	(765)	(765)	(40)	-	50
5 bed	(60)	(10)	(70)	(140)	(140)	(20)	-	(60)
Total				(2050)	(2010)			

Notes:

- Assumes surplus in 1-bed Social Rented could be used to address shortfall in 1-bed private rental units.
- Assumes surplus in 1-bed lodging house accommodation could be used to address shortfall in 1-bed serviced accommodation.

Table 6: SCENARIO OPTION 4 – Net Inward Migration +50/Reduction to 10 Year Housing Qualification

Size	QUALIFIED SECTOR					UNQUALIFIED SECTOR		
	Owner Occupied	States / Parish/ Housing Trust	Private Rental	Aggregate of all Shortfalls QUALIFIED SECTOR	Practical Total of Shortfalls QUALIFIED SECTOR	Private Lodging non-qualified lodger in a private dwelling	Lodging House non-qualified lodger in a Registered Lodging House	Serviced non-qualified occupier of tied (i.e. staff) accommodation or a non-qualified licensee of dwelling
1 bed	30	450	(340)	(340)	(115)	280	900	(5)

2 bed	(575)	415	(130)	(705)	(575)	(150)	135	95
3 bed	(680)	20	230	(680)	(680)	25	(25)	160
4 bed	(755)	(35)	45	(790)	(790)	(25)	-	75
5 bed	(60)	(10)	(70)	(140)	(140)	-	-	(60)
Total				(2655)	(2300)			

Notes:

- Assumes half surplus in 1-bed Social Rented could be used to address shortfall in 1-bed private rental;
- Assumes surplus in 2-bed Social Rented could be used to address shortfall in 2-bed private rental units;
- Assumes surplus of 1-bed lodging house accommodation could be used to address small shortfall in 1-bed serviced accommodation;
- Assumes half surplus in 3-bed private lodgings could be used to address shortfall in 3-bed lodging house accommodation.

Table 7: SCENARIO OPTION 5 – Net Inward Migration +100/Maintain current ‘13-Year Rule’

Size	QUALIFIED SECTOR					UNQUALIFIED SECTOR		
	Owner Occupied	States / Parish/ Housing Trust	Private Rental	Aggregate of all Shortfalls QUALIFIED SECTOR	Practical Total of Shortfalls QUALIFIED SECTOR	Private Lodging non-qualified lodger in a private dwelling	Lodging House non-qualified lodger in a Registered Lodging House	Serviced non-qualified occupier of tied (i.e. staff) accommoda or a non-qualified licensee of dwelling
1 bed	80	455	(50)	(50)	-	145	630	(40)
2 bed	(495)	415	-	(495)	(495)	(290)	110	75
3 bed	(620)	15	205	(620)	(620)	(65)	(25)	115
4 bed	(745)	(35)	35	(780)	(780)	(40)	-	50
5 bed	(65)	(10)	(75)	(150)	(150)	(20)	-	(70)
Total				(2095)	(2045)			

Notes:

- Assumes surplus in 1-bed Social Rented could be used to address shortfall in 1-bed private rental units.
- Assumes surplus in 1-bed lodging house accommodation could be used to address shortfall in 1-bed serviced accommodation.

Table 8: SCENARIO OPTION 6 – Net Inward Migration +100/reduction to 10 Year Housing Qualification

Size	QUALIFIED SECTOR					UNQUALIFIED SECTOR		
	Owner Occupied	States / Parish/ Housing Trust	Private Rental	Aggregate of all Shortfalls QUALIFIED SECTOR	Practical Total of Shortfalls QUALIFIED SECTOR	Private Lodging non-qualified lodger in a private dwelling	Lodging House non-qualified lodger in a Registered Lodging House	Serviced non-qualified occupier of tied (i.e. staff) accommod or a non-qualified licensee of dwelling
1 bed	25	450	(350)	(350)	(125)	260	840	(20)
2 bed	(580)	410	(145)	(725)	(580)	(170)	125	95
3 bed	(685)	15	205	(685)	(685)	25	(25)	150
4 bed	(770)	(35)	35	(805)	(805)	(25)	-	75
5 bed	(65)	(10)	(75)	(150)	(150)	-	-	(70)

Total				(2715)	(2345)			
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Notes:

- Assumes half surplus in 1-bed Social Rented could be used to address shortfall in 1-bed private rental;
- Assumes surplus in 2-bed Social Rented could be used to address shortfall in 2-bed private rental units;
- Assumes surplus in 1-bed lodging house accommodation could be used to address small shortfall in 1-bed serviced accommodation;
- Assumes half surplus in 3-bed private lodgings could be used to address shortfall in 3-bed lodging house accommodation.

Table 9: SCENARIO OPTION 7 – Net Inward Migration +200/Maintain current ‘13-Year Rule’

Size	QUALIFIED SECTOR					UNQUALIFIED SECTOR		
	Owner Occupied	States / Parish/ Housing Trust	Private Rental	Aggregate of all Shortfalls QUALIFIED SECTOR	Practical Total of Shortfalls QUALIFIED SECTOR	Private Lodging non-qualified lodger in a private dwelling	Lodging House non-qualified lodger in a Registered Lodging House	Serviced non-qualified occupier of tied (i.e. staff) accommod or a non-qualified licensee of dwelling
1 bed	80	450	(65)	(65)	-	110	510	(80)
2 bed	(495)	415	(25)	(520)	(495)	(335)	90	75
3 bed	(630)	15	165	(630)	(630)	(75)	(30)	105
4 bed	(775)	(35)	20	(810)	(810)	(50)	-	50
5 bed	(70)	(10)	(85)	(165)	(165)	(30)	-	(80)
Total				(2190)	(2100)			

Notes:

- Assumes surplus in 1-bed Social Rented could be used to address shortfall in 1-bed private rental units.
- Assumes surplus in 2-bed Social Rented could be used to address shortfall in 2-bed private rental units.
- Assumes surplus in 1-bed lodging house accommodation could be used to address shortfall in 1-bed serviced accommodation

Table 10: SCENARIO OPTION 8 – Net Inward Migration +200/Reduction to 10 Year Housing Qualification

Size	QUALIFIED SECTOR					UNQUALIFIED SECTOR		
	Owner Occupied	States / Parish/ Housing Trust	Private Rental	Aggregate of all Shortfalls QUALIFIED SECTOR	Practical Total of Shortfalls QUALIFIED SECTOR	Private Lodging non-qualified lodger in a private dwelling	Lodging House non-qualified lodger in a Registered Lodging House	Serviced non-qualified occupier of tied (i.e. staff) accommoda or a non-qualified licensee of dwelling
1 bed	25	445	(365)	(365)	(145)	225	720	(60)
2 bed	(580)	410	(170)	(750)	(580)	(215)	105	95
3 bed	(695)	15	165	(695)	(695)	15	(30)	140
4 bed	(800)	(35)	20	(835)	(835)	(35)	-	75
5 bed	(70)	(10)	(85)	(165)	(165)	(10)	-	(80)
Total				(2810)	(2420)			

Notes:

- Assumes half surplus in 1-bed Social Rented could be used to address shortfall in 1-bed private rental;
- Assumes surplus in 2-bed Social Rented could be used to address shortfall in 2-bed private rental units;

- Assumes surplus in 1-bed lodging house accommodation could be used to address shortfall in 1-bed serviced accommodation;
- Assumes half surplus in 3-bed private lodgings (rounded up) could be used to address shortfall in 3-bed lodging house accommodation.

Table 11: SCENARIO OPTION 9 – Net Inward Migration +500/Maintain current ‘13-Year Rule’

Size	QUALIFIED SECTOR					UNQUALIFIED SECTOR		
	Owner Occupied	States / Parish/ Housing Trust	Private Rental	Aggregate of all Shortfalls QUALIFIED SECTOR	Practical Total of Shortfalls QUALIFIED SECTOR	Private Lodging non-qualified lodger in a private dwelling	Lodging House non-qualified lodger in a Registered Lodging House	Serviced non-qualified occupier of tied (i.e. staff) accommod or a non-qualified licensee of dwelling
1 bed	65	435	(115)	(115)	-	-	145	(190)
2 bed	(510)	400	(105)	(615)	(510)	(460)	25	75
3 bed	(665)	(5)	40	(670)	(670)	(95)	(45)	60
4 bed	(865)	(35)	(30)	(930)	(930)	(70)	-	50
5 bed	(100)	(10)	(115)	(225)	(225)	(50)	-	(125)
Total				(2555)	(2335)			

Notes:

- Assumes surplus in 1-bed Social Rented could be used to address shortfall in 1-bed private rental units.
- Assumes surplus in 2-bed social rented could be used to address shortfall in 2-bed private rental units;
- Assumes surplus in 1-bed lodging house accommodation could be used to address shortfall in 1-bed serviced accommodation.

Table 12: SCENARIO OPTION 10 – Net Inward Migration +500/Reduction to 10 Year Housing Qualification

Size	QUALIFIED SECTOR					UNQUALIFIED SECTOR		
	Owner Occupied	States / Parish/ Housing Trust	Private Rental	Aggregate of all Shortfalls QUALIFIED SECTOR	Practical Total of Shortfalls QUALIFIED SECTOR	Private Lodging non-qualified lodger in a private dwelling	Lodging House non-qualified lodger in a Registered Lodging House	Serviced non-qualified occupier of tied (i.e. staff) accommod or a non-qualified licensee of dwelling
1 bed	10	430	(415)	(415)	(200)	115	355	(170)
2 bed	(595)	395	(250)	(845)	(595)	(340)	40	95
3 bed	(730)	(5)	40	(735)	(735)	(5)	(45)	95
4 bed	(890)	(35)	(30)	(955)	(955)	(55)	-	75
5 bed	(100)	(10)	(115)	(225)	(225)	(30)	-	(125)
Total				(3175)	(2710)			

Notes:

- Assumes half surplus in 1-bed Social Rented could be used to address shortfall in 1-bed private rental;
- Assumes surplus in 2-bed Social Rented could be used to address shortfall in 2-bed private rental units;
- Assumes surplus in 1-bed lodging house accommodation could be used to address the shortfall in 1-bed serviced accommodation

Source: ‘Jersey’s Housing Requirements 2005-2009: Report on the 2004 Housing Need Survey’, Tables 6 and 9, Statistics Unit, February 2005 and supplementary information from the Statistics Unit on the impact of the reduction of the qualifying period from 15 to 14 years; and the impact of net inward

migration of +200 and +500 households per year.

3.4 Building Rates

Table 13 shows the average building rates required to deliver the identified requirements for new homes in the 'qualified sector, under each of the future scenarios described in section 3.3. If the existing situation is maintained over the period (i.e. 13 year qualification period and nil net migration) the required average building rates would be around 380 homes per year. It can be seen from section 6, Table 23 that this rate of building is not much higher than the average (366) achieved in the 16 years between the last two Island Plans (i.e. between 1987 and 2002), and is also significantly below the average building rate (556) achieved in the 4½ years since the start of 2002. It is also considerably below the historically high average rate (766 homes) achieved in 2002 and 2003.

Table 13: *Average Building Rates Required for New Homes, 2005 – 2009 under various alternative future scenarios*

Future Scenario Options	Estimated Homes Required in Qualified Sector	Average Building Rates Required (homes / year)
13-YEAR RULE		
Nil Net Migration	(1980)	396
Net Inward Migration +50 households	(2010)	402
Net Inward Migration +100 households	(2045)	409
Net Inward Migration +200 households	(2100)	420
Net Inward Migration +500 households	(2335)	467
10 YEAR QUALIFICATION PERIOD		
Nil Net Migration	(2255)	451
Net Inward Migration +50 households	(2300)	460
Net Inward Migration +100 household	(2345)	469
Net Inward Migration +200 households	(2420)	484
Net Inward Migration +500 households	(2710)	542

In the 'worst case scenario' (i.e. if the qualification period is reduced to 10 years and net inward migration is 500 households per year) the required average building rate climbs above 540 homes per year and would be much more difficult to sustain. This rate has only been exceeded twice in the last 20 years, during 2002 and 2003, although it is on a par with average rates achieved during the 4½ years since the beginning of 2002.

3.5 Category 'A' Requirements

Whilst the 'Housing Needs Survey' provides for an assessment of the potential requirements for social rented homes between 2005 and 2009, the findings do not distinguish first-time buyer requirements from the overall requirements for owner occupied accommodation. As a consequence, there are no figures provided for the total number of homes required for Category A purposes. Consequently, an attempt was made in Planning for Homes 2005 to estimate both the likely first-time buyer requirements and the proportional split between Category A and Category B requirements^[5] in the 'qualified sector', using available 'demand' data from the 'Housing Needs Survey', as shown in Table 14.

The 'Housing Needs Survey' does separately identify 'concealed households' that are residentially qualified and are planning to move into an owner occupied home. This requirement figure for some 945 homes over the next 5 years is, to a first order, an indication of demand for first-time buyers. This compares reasonably well with the First-Time Buyers List of 800 individuals and families for 2005, which is discussed in Section 4.3 (especially if one recognises that approximately 80% of the demand for owner-occupied properties is expressed in that survey on a time-scale of 0-2 years). However, one might reasonably add to this estimate of first-time buyer requirements, a proportion of qualified households that are currently renting and wish to purchase a home at the lower end of the price range. It has been assumed that 50% of these will be first-time buyers, although this figure will need to be treated with some caution because of the unknown circumstances of the renters in question.

Table 14: Comparison of 5-Year Demand for First-Time Buyer Homes with Total Demand for Owner-Occupier Accommodation*1

Type and Size of Home Required	Estimated First-Time Buyer Demand*2				Total Demand for Owner/Occupied accommodation	F-T-B Demand as percentage of O/O Demand
	Existing Households	Concealed Households	Total	%		
1-bedroom						
- flats	115	115	230			
- houses	10	10	20			
- sub-total	125	125	250	14.3	450	56%
2-bedroom						
- flats	188	310	498			
- houses	80	240	320			
- sub-total	268	550	818	46.7	1915	43%
3-bedroom						
- flats	210	80	290			
- houses	205	190	395			
- sub-total	415	270	685	39.0	2170	32%
4-bedroom	–	–	–		1215	
5-bedroom+	–	–	–		220	
TOTAL	808	945	1753	100.0	5970	29%

Notes:

*1 Excludes supply from those giving up homes;

*2 Assumes that first-time buyers include –

- all ‘concealed’ households that are residentially qualified and are planning to move into flats or houses which are owner-occupied;
- 50% of households currently renting who are qualified and wishing to purchase a flat or house at the lower end of the price range.

Assumes that 4+ bedroom homes are generally outside the first-time buyer range.

Source: ‘Jersey Housing Requirements 2005-2009, Table 5 and Supplementary Information from the Statistics Unit

The figures suggest that 29% of the total demand for owner occupied homes in the next five years is likely to be from first-time buyers (including 56% of 1-bedroom, 43% of 2-bedroom and 32% of 3-bedroom properties). If the relevant proportions are applied to the identified requirements for 2- and 3-bedroom owner/occupied homes over the next five years, under the various scenarios described earlier (see Tables 3 – 12), it is possible to calculate (albeit roughly) what the requirements might be for first-time buyer homes and Category A homes up to the end of 2009.

The rough estimates are shown in Table 15 and suggest that between 405 and 490 new first-time buyer homes might be required over the period 2005-2009, depending on the assumed alternative future scenario. Over the same period, using the same scenarios, the figures suggest a possible requirement for between 450 and 540 new Category A homes overall. This represents an average of 22% of the overall identified requirements in the qualified sector, and compares with an average of 39% over the last 20 years (1986 to 2005).

Table 15: Estimated First-Time Buyer and Category A Requirements as a Proportion of Overall Requirements in the Qualified Sector

Future Scenario Options	Requirements in Qualified Sector						Category A Requirements	
	F-T-B (a)	Other O/O (b)	Total O/O (c)	Social Rented (d)	Private Rented (e)	TOTAL (f)	Number (a) + (d)	% TOTAL
13 YEAR RULE								
Nil Net Migration	405	1410	1815	45	65	1980	450	23%

+ 50 h/hs	408	1487	1895	45	70	2010	453	23%
+100 h/hs	411	1514	1925	45	75	2035	456	22%
+200 h/hs	415	1555	1970	45	85	2100	460	22%
+500 h/hs	432	1708	2140	50	145	2335	482	21%
10 YEAR QUALIFICATION PERIOD								
Nil Net Migration	463	1582	2045	45	165	2255	508	23%
+ 50 h/hs	465	1605	2070	45	185	2300	510	22%
+100 h/hs	468	1632	2100	45	200	2345	513	22%
+200 h/hs	471	1674	2145	45	230	2420	516	21%
+500 h/hs	490	1825	2315	50	345	2710	540	20%

In the previous Planning for Homes report, the Housing Department questioned the social rented element of the Category A requirement (45 – 50 new homes) identified in the ‘Housing Needs Survey’ and urged that it be treated with some caution. It suggested that if, for example, new applications accepted onto the States Rental Waiting List continue at normal average levels, there would be a requirement for considerably more social rented homes. However, there is now evidence in the Housing Department’s impending ‘10 Year Property Plan’ to suggest that –

- the overall requirements for new social rented homes will reduce in future;
- the present States rented housing stock is larger than necessary overall to meet social need; and
- the mix of the States rented housing stock will need to change to meet the housing requirements of a growing number of retired persons in the medium to long-term.

A key factor in determining the extent to which identified requirements are over- or under-estimated, will be the approach adopted by the States in relation to future housing policy. The States will have to determine whether or not it wishes to endorse the proposals in the ‘10 Year Property Plan’ that seek to: target those who are genuinely in need of social rented homes; reinvest in the social housing stock; change the composition of the existing stock; pursue the general community demand for a greater degree of home ownership; and use the social rented housing stock to progress a ‘shared equity’ scheme, as required by the Strategic Plan.

3.6 Requirements for ‘Sheltered Accommodation’ / ‘Last Time Homes’

Included among the identified requirements for new homes, is a specific requirement for “250 properties of 1- and 2-bedroom sheltered accommodation”. There are many and varying definitions of ‘sheltered housing’, but the main emphasis underpinning all these definitions appears to be that such housing enables people, who would not otherwise be able to do so, to live and remain independently in their own homes and in the wider community, through suitable building design and support (N.B. as opposed to being placed in an institutional type of care setting, such as a nursing home, or a long-stay hospital bed). For the purposes of the ‘Housing Needs Survey’, ‘sheltered/ disabled housing’ was defined as follows –

“Housing that is designed so that the elderly or physically disabled can live independently. Homes are usually built in groups and provided with a warden or emergency call facilities”.

Analysis of the ‘Housing Needs Survey’ data by age and tenure, conducted by the Statistics Unit, gave the following requirements –

- 130 x 1-bedroom private rental;
- 90 x 2-bedroom private rental;

- 30 x 2-bedroom owner/occupier.

At this time, it is considered important to acknowledge that there is another larger group of elderly Island residents, many of whom would benefit from downsizing into smaller, more suitable accommodation. These people currently under-occupy family sized accommodation (both owned and, to a lesser degree, rented), which is much in demand. Only some of the accommodation they will require will be ‘sheltered’, as defined above.

Looking beyond 2009, it is clear that requirements for ‘sheltered’/older person’s homes will continue to grow at an increasingly rapid pace over the next 20 years or so. In common with many developed economies in Northern Europe, Jersey’s population is ageing as life expectancy increases. This issue was brought into sharp focus in the recent ISAS (Island-wide Strategy for an Aging Society) Report and highlighted in the previous Planning for Homes document. Currently some 17% of the Island’s population is of retirement age. This is projected to rise to 19% by 2010 and to a massive 30% by 2031. As a consequence, without remedial action, there will be more and more retired people with reduced incomes owning and occupying larger family homes... homes that are not suited to their needs and which will often involve overheads that are beyond their financial means. The implications for housing provision will become particularly significant after 2010, when the ‘baby boomers’ (born between 1946 and 1965) start to enter their retirement years.

The Housing Department considers that people beyond working age represent the biggest and most immediate housing/planning challenge. The average age of States’ tenants is currently 55 (40% over the age of 60) and there are nearly 1,800 pensioners currently living in States rental accommodation. As alluded to earlier, the department’s ‘10 Year Property Plan’ suggests there may now be a requirement for up to 400 ‘sheltered’/elderly person’s/‘last time’ homes within the next 5 years, to allow elderly people to downsize to more manageable/affordable accommodation and cater for their housing needs throughout the remainder of their independent lives. Some may be able to purchase suitable properties and others could be accommodated by existing or converted States’ rental stock, but, as the Plan suggests, there will be a need to create new social rented accommodation. Furthermore, if the ‘10 Year Property Plan’ is adopted, the proposals to convert/eliminate poorer quality bedsit accommodation could involve a net loss of 170 homes from the States’ rental stock.

Further evidence of current requirements for ‘sheltered’/retirement/‘last time’ homes is provided by recent approaches to the Planning and Building Services Department from a number of Parish Constables, wishing to develop their own schemes (including the Constables of St. Clement, Trinity, St. Mary, St. Saviour and St. Helier).

4. OTHER INFORMATION SOURCES ON HOUSING DEMAND

4.1 House Prices

Average 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. Evidence of trends in house prices is provided by the ‘Jersey House Price Index’, which is compiled quarterly by the Statistics Unit and is based on the average sale prices of a fairly broad range of property types and sizes (including 1- and 2-bedroom flats and 2-, 3- and 4-bedroom houses).

Planning for Homes 2005 gave details of the historic trends in house prices since 1985. It described the year-on-year escalation in property values (with the exception of the mid-90s recession) between 1985 and 2001 and the particularly buoyant property markets of the late 1980s and late 1990s, when the economy was thriving, there was low unemployment, increased demand for new homes outstripped supply and house prices increased rapidly. Following the peak in house price inflation in 1998, increases in property prices began to slow and during 2000 and 2001 were beginning to stabilise at much lower levels as the economic climate began to appear less certain.

In August 2006, the Statistics Unit published the results of the Jersey House Price Index for the second quarter of 2006. Table 16 shows the average dwelling prices and corresponding House Price Index (based to 100 for calendar year 2002) for the last 4½ years on a quarterly basis.

Table 16: Mix-adjusted average dwelling price and Jersey House Price Index, since start 2002

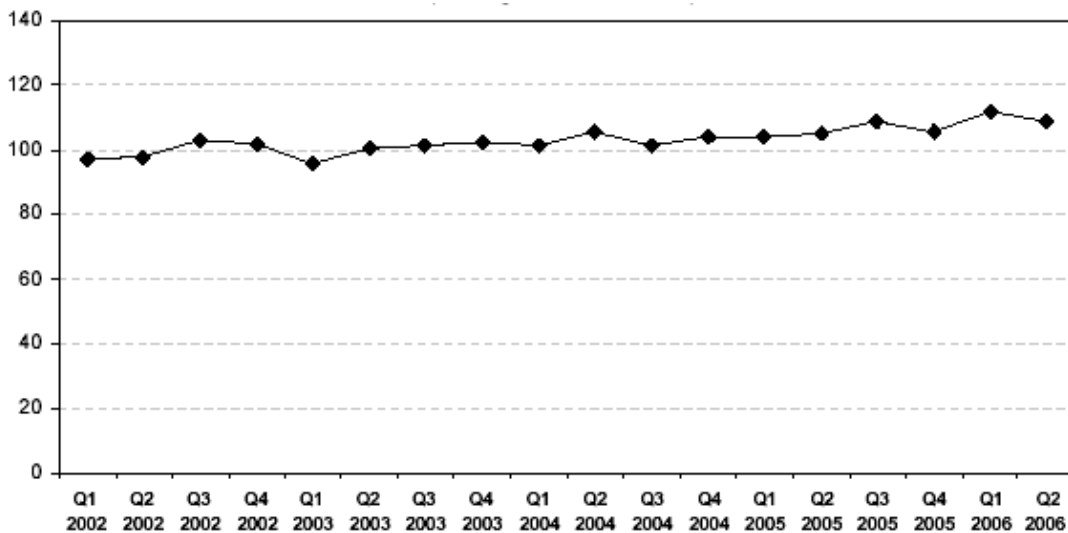
Year	Period	Average Price (£)	Index (2002 = 100)
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2002	Q1	309,000	97.3
	Q2	310,000	97.6
	Q3	327,000	103.1
	Q4	324,000	102.0
2003	Q1	304,000	95.7
	Q2	319,000	100.5
	Q3	322,000	101.3
	Q4	325,000	102.5
2004	Q1	323,000	101.7
	Q2	335,000	105.7
	Q3	322,000	101.5
	Q4	330,000	103.9
2005	Q1	331,000	104.3
	Q2	334,000	105.2
	Q3	345,000	108.8
	Q4	335,000	105.7
2006	Q1	355,000	111.8
	Q2	346,000	109.0

The figures show that, despite quarterly fluctuations, prices levelled off and remained essentially stable during 2002 and 2003, before undergoing a small rate of increase (3%) in 2004 and 2005. The figures for the first half of 2006 would suggest that this increase in prices appears to be continuing at a similar rate (4%). Having increased significantly faster than inflation (as measured by the Retail Price Index, RPI) during the late 1990s, the rates of increase of house prices and inflation have since become more similar; indeed, over the last three years house prices have increased somewhat less than inflation.

The substantially flat Index for the period is plotted in Figure 1, which graphically illustrates the generally stable housing market between 2002 and 2004 (when the constancy of average prices changed little) and the small average rise in prices since.

Figure 1: Jersey House Price Index
(Average for 2002 = 100)



Prices by type and size

The House Price Index report for the second quarter of 2006 also provides information on the mean prices for different types of dwelling over the period from 2002, as shown in Table 17.

Table 17: 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
	Q2	169	256	258	340	526
	Q3	153	230	266	347	446
	Q4	152	236	274	343	489
2005	Q1	121	224	264	364	458
	Q2	161	236	284	346	477
	Q3	164	250	298	366	467
	Q4	161	229	284	348	484
2006	Q1	163	259	303	375	486
	Q2	176	243	278	364	492

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 –

- **1-bedroom flats:** the average price of 1-bedroom flats has been substantially flat for the last two years. The increase observed in the latest quarter (mean price of £176,000) was driven by the sale of several properties from a new development coming onto the market;
- **2-bedroom flats:** the trend in the mean price of 2-bedroom flats was essentially flat during 2004 and 2005. Although down on the previous quarter, the mean price recorded in Q2 2006 (£243,000) was some 3½% (£8,000) higher than the average for calendar 2005;
- **2-bedroom houses:** the trend in prices was downward from mid-2002 to early 2003, but has been broadly upward for the past three years. The slightly lower mean price recorded in Q2 2006 (£278,000) compared to the previous four quarters was the result of the sale of a higher proportion of smaller urban properties in the last quarter;
- **3-bedroom houses:** this category of property accounts for almost half of all transactions in Jersey. Following a gradual rise in prices from 2002 to 2004, a degree of volatility was observed in 2005 though the trend was still upward at a rate of about 3% per annum. The trend level growth has continued in 2006, with the mean price recorded in 2006 some 2% above that of calendar 2005 and the mean price of properties sold over the first six months of this year almost 4% higher.
- **4-bedroom houses:** traditionally this has been the most volatile category, being somewhat sensitive to the broad range of characteristics encompassed within this size of property. The mean price in Q2 2006 (£492,000) was 1% higher than that of the previous quarter, continuing the broadly upward trend since 2002.

Factors affecting House Prices

There can be little doubt that, both the more challenging economic situation facing the Island between 2001 and 2004, combined with the recent healthy increase in the supply of new homes (especially the large number of new apartments) during that period (see section 7.1) were the main factors in addressing the previous imbalance in supply and demand, resulting in stable prices up to 2004. Other contributory factors throughout that particular period probably included –

- Increased public awareness and concerns about the future of the economy and a subsequent reduction of confidence among potential buyers;
- the weakening labour market in 2002 and 2003 and concerns about future job security;
- a reduction in job opportunities;
- lower rates of growth in average earnings during 2002-2004 as compared with the previous six years;
- frozen income tax allowances, rising income tax and the prospects of further significant increases in taxation;

- problems of affordability, whereby house prices had outpaced the growth in earnings for many potential buyers;
- rises in interest rates and the cost of borrowing (albeit from an historically low base);
- lower expectations of house price appreciation;
- increased flexibility and opportunity in the planning system, following the adoption of the Jersey Island Plan 2002.

It now seems clear that the dynamics of the housing market has been changing over the last 2½ years and there are different factors at play. This is reflected by a more buoyant market which has begun to move forward with a small steady rate of increase in 2004, 2005 and the first half of 2006; a recent increase in property transactions for all property categories; and increasingly generous mortgage advances. There is probably a combination of factors underpinning this changing situation, including –

- encouraging signs of a strengthening economy, which saw 3% ‘real’ growth in 2005 (i.e. taking into account inflation). This was aided by co-ordinated States policy initiatives aimed specifically at sustainable economic growth, and was driven primarily by an increasingly successful, healthy and confident finance industry.^[6]
- anticipated rises in profitability particularly within the finance industry;
- a returning confidence in the workforce about the future of the economy, future job security and future prosperity;
- a general improvement in the affordability of new homes;
- an increase in the numbers of parents and relatives providing deposits for first-time buyers;
- improved assistance to borrowers from lenders;
- the increased availability of purpose-built first-time buyer homes at affordable prices.

Of course, it still remains to be seen, what the impact of impending personal tax increases and the goods and services tax will have on potential buyers and the net income they will have available to spend on mortgages.

Affordability

On the general issue of the affordability of homes, average earnings in the Island rose over the twelve months to June 2006 at a rate broadly comparable to the rise in the average house price, both at between 3-4%. This conclusion is true for the previous five years and this suggests that homes are not becoming less affordable over time. Indeed, some would argue that continued increases in average earnings over the last 4 years, combined with relatively static house prices has probably resulted in the ratio of property prices to average earnings reducing slightly and made homes generally more affordable. More recently, this situation will have been assisted by the fact that earnings began to rise above inflation in 2005 (N.B. The latest ‘Average Earning Index’ shows that average earnings rose by 3.3% in the 12 months to June 2006, which is 1 percentage point more than the underlying rate of inflation).

However, the overall average price of dwellings sold in Jersey (£346,000) during the second quarter of 2006 means that the Island remains one of the most expensive places in Europe to buy homes. Although the gap between prices here and in the U.K. has narrowed significantly in recent years, the Jersey average price is still approximately 80% higher than that of the U.K. overall (£190,000) and approximately a quarter more expensive than Greater London (£279,000).

For the 3rd quarter of 2003, the Jersey House Price Index report included the results of an exercise intended to determine the relative affordability of house prices in the Island. It revealed that Jersey has a very high ratio of average dwelling price to average earnings. At the time, this was estimated to be almost twice that for Great Britain as a whole. In order to get a better handle on the affordability issue, the latest ‘Housing Needs Survey’ asked all households expressing a desire to purchase owner-occupier property in Jersey to indicate the approximate cost of the accommodation they were looking to purchase. The summarised findings are repeated in Table 18.

Table 18: *Expressed Affordability by Type and Size of Dwelling Unit (£,000)*

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Type/Size	Anticipated Cost of Purchase		Jersey House Price Index Q4 2004
	Existing Households	Concealed Households	
Sheltered			
1-bedroom	175	175	–
2-bedroom	250	–	
Flats			
1-bedroom	190	143	160
2-bedroom	220	184	235
3-bedroom	272	251	–
Houses			
1-bedroom	250	151	–
2-bedroom	251	203	264
3-bedroom	336	265	345
4-bedroom	418	450	477
5-bedroom	542	–	–

Source: Statistics Unit, 'Jersey's Housing Requirements 2005-2009', Table 12

The figures demonstrate that at the time there was a reasonably good general understanding of property prices in Jersey among those looking to purchase. This was particularly so among existing households wishing to move who “indicated prices that were on average within 10% of the mean selling price in 2004”. Anticipated costs among ‘concealed’ households (principally first-time buyers) were considerably below those of the existing households and also below the mean prices identified in the Jersey House Price Index. Whilst it could indicate that this group were looking at the lower-cost end of their preferred dwelling type^[7], it might also suggest that a number of these first-time buyers may not be able to acquire a property that meets their expectations.

4.2 States Rental Waiting List

The Housing Department currently administers over 4,600 social rented dwellings and has responsibility for some 13, 000 tenants. Table 19 gives a breakdown of the current rental stock, which generally appears to be high or flats relative to family houses. The Department’s main aim is to provide long-term, sustainable and affordable housing to those who are least able to secure suitable accommodation through rental or purchase in the open market. To this end, the Department maintains a rental waiting list for its properties, and the allocation criteria are targeted at those in most need.

Table 19: Composition of States Rental Stock

Accommodation Size	Number of Units (Ground Floor or Lift serviced)
Bedsit	369 (87)
1-Bedroom Flats	1593 (521)
2-Bedroom Flats	1158 (294)
3-Bedroom Flats	123
1-Bedroom Houses	86
2-bedroom Houses	388
3-Bedroom Houses	752
4-Bedroom Houses	120
5+ Bedroom Houses	13
Total	4602

Source: Housing Department, October 2006

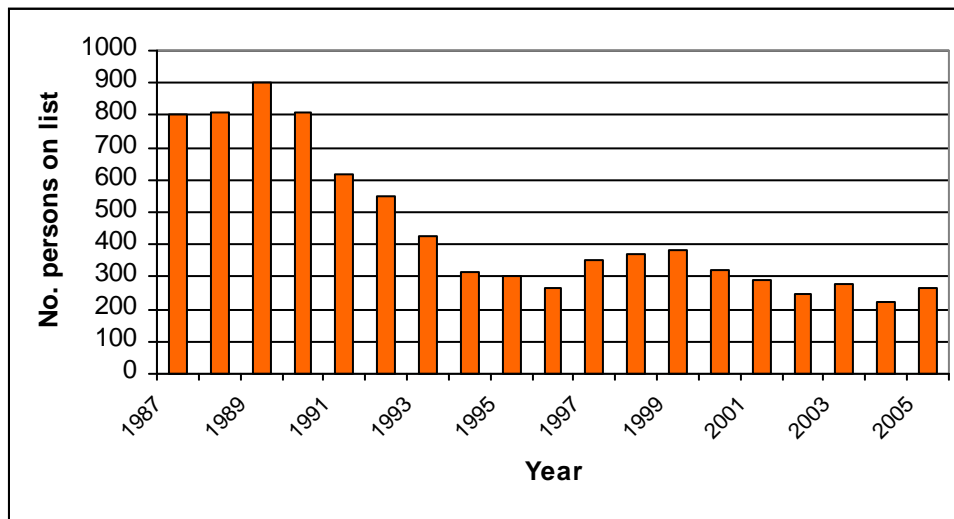
The ‘States Rental Waiting List’ currently comprises residentially qualified pensioners, low income families with dependent children and other people with particular social, personal or medical problems who cannot afford to, or otherwise be expected to house themselves in the open market. It does not include single people below the age of 50 without dependent children. In general terms, 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 differential between States rents and private sector rents;
- the price of local housing on the open market;
- the availability of suitable affordable homes in the Private Sector to rent and purchase;
- the future planned supply of States rental and housing trust homes;
- the development of first-time buyer homes;
- improved health and longevity;
- reductions in the residential qualifying period for in-migrants;
- unemployment levels and the associated emigration of lower income families; 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, former Housing Committees 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 previous Housing Committee attempted to rectify this by the introduction of significant annual rent increases and reduced the overall differential generally below 20%. However, fair rents have not been increased for 2 years.

Figure 2: States Rental Waiting List (at year end), 1986 to 2005.



Source: Housing Department Records

The year end statistics for the rental waiting list between 1986 and 2005 are set out in Figure 2. 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 6.1, Table 23) 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. Since the start of 2000 the situation has improved significantly and demand for social rented housing (on the waiting list) declined to a new historic low of 225 individuals and families at the end of 2004. Although the waiting list rose by 40 families or individuals by the end of 2005, the records show it has been relatively stable and at historically low levels over the last 5 years. Table 20 gives details of how the waitin

list has progressed over the last 5 years.

Table 20: States Rental Waiting List, start 2000 to end 2005

Year	Waiting List at Year Start	New Applications	Housed through Existing Stock, or nominated to Housing Trusts, or cancelled*1 (families/individuals housed from waiting list)	Waiting List at Year End
2000	381	335	393 (301)	323
2001	323	320	355 (231)	288
2002	288	396	438 (318)	246
2003	246	444	415 (350)	275
2004	275	345	395 (307)	225*2
2005	225	349	309 (263)	265

*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 The former Housing Committee took the view that a reasonable medium term target waiting list should be between 100-200 families and individuals

Source: Housing Department Records

Breakdown of Waiting List Information

Of the 265 families and individuals on the Waiting List at the end of 2005, approximately 27 (10%) were considered to be in urgent need of re-housing, 137 (52%), were considered to be high priority cases, and a further 36 (14%) required assisted living (i.e. groups 1, 2 and 5 respectively). There are a variety of reasons for this including ill-health, sub-standard accommodation, overcrowding and special needs. The numbers of those in urgent need of re-housing have reduced significantly from 90 at the beginning of 2004.

Details showing a breakdown of the current 'Waiting List' and 'Tenant Transfer List' at the end of June 2006 are set out in Appendix 1. The evidence suggests that, at present, the largest demand in the social rented sector (66%) is for 250 one-bedroom ground floor or lift-serviced units. However, it also indicates a relatively high demand (33%) for approximately 130 x 3- and 4-bedroom family homes. Of course, these figures represent a snapshot in time and are not necessarily sufficient to provide a true/accurate indication of the type of dwelling units required over the period up to the end of 2009.

A prime target of the former Housing Committee, as set out in the 2002 Housing Strategy was 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". As alluded to earlier, the waiting list has gone down since 2000 and at the end of 2005 remained at relatively low levels. The list is likely to fall to a new historic low (approx 140) at the end of 2006, due largely to a considerable rise in completions, as shown by the Housing Department's projections in Table 21. These projections suggest that the Waiting List will then remain relatively low over the next two years before rising to just over 320 families and individuals at the end of 2009, unless additional new developments come forward in the interim, or new housing policies are put in place. As alluded to earlier, the Housing Department's new '10 Year Property Plan' is shortly due for release.

Table 21: Projections of States Rental Waiting List to 2009.

Year	Waiting List at Year Start	New Applications	New Build Completions (net)	Housed through Existing Stock	Waiting List at Year End*2
2006	265	350	256	220	139
2007	139	350	78	220	191
2008	191	350	98	220	223
2009	223	350	31	220	322

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

*2 It is now generally held that a reasonable target waiting list would be between 100 and 200 families and individuals.

Notwithstanding the above, the projections in Table 21 must be treated with some caution. It is extremely difficult to accurately forecast what the requirements will be for social rented housing, even over a 4 year period, given the many variables involved. The projections in Table 21 are based on the assumptions that–

- the annual rate of accepted applications will continue at 2004/5 levels (around 350) through the period.
- opportunities for housing households on the list through the existing stock will continue to be in the order of 220/annum, in line with recent trends in the 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.

These assumptions take no account of the potential effects which may arise in response to: the Housing Department's '10 Year Property Plan' (including proposals to eliminate bed-sits from the States' rental stock); proposals to review social housing need; and plans to introduce 'Income Support Benefit'.^[8] However, if the assumptions do prove to be reasonably accurate, the waiting list projections would suggest a shortfall in the order of 320 homes at the end of 2009, over and above sites already zoned for the purpose. This would be significantly more than the requirement suggested in the 'Housing Needs Survey'. It would also be somewhat disappointing, given that a waiting list of between 100-200 families and individuals is still generally held to be a reasonable target. However, the size of the projected waiting list would still not be excessive by historic standards.

The Waiting List and requirements for new homes

Using the information from the States Rental Waiting List and Waiting List projections to determine future requirements for new social rented homes is fraught with difficulties, and not just because of the assumptions referred to above.

It can be argued, for example, that the Rental Waiting List requirement might represent 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. There are now over 1,000 households living in trust accommodation. These trusts have their own separate waiting lists and enjoy 20% nomination rights (i.e. to persons who apply directly to them and are internally vetted).

However, it is more important to recognise that the Rental Waiting List takes no account of: the size and nature of the existing public sector stock; the mix of existing tenants; demographic changes; the effect of the Housing Department's impending '10 Year Property Plan'; and the impact of other relevant States policies (e.g. the introduction of Income Support Benefit).

For its part, the Housing Department is now of the opinion that the present supply of public sector housing is larger than is necessary overall to meet genuine social housing need. This is reflected by the significant number of family homes within the States rental stock, which are occupied by families who no longer meet the financial criteria of the Allocations Policy^[9], and by an increase in the number of occasions that maximum income criteria has been relaxed in the last few years in order to let properties. Added to this, demographic changes mean that there is no longer the right mix of stock to meet predicted need, particularly for the older and aging population in the medium to long term. As highlighted earlier in section 3.6, the Housing Department considers that the housing needs of people beyond normal working age represent the biggest and most immediate planning challenge.

The Housing Department acknowledges that the figures taken from the Rental Waiting List statistics clearly show a need, above all else, for one bedroom units (suitable for elderly persons). However, they believe this demand is effectively understated, because it is likely that around 200 flats in the present stock, which are unsuitable for the identified patterns of future need (e.g. because of access problems, unsuitable location, inadequate size), will be disposed of.

For some time, the other frequently acknowledged area of shortage within social rented housing has been 3- and

4-bedroom family houses. However, the Housing Department believes the sites zoned and/or earmarked for Category A housing in the Island Plan should be sufficient to meet this need for some years to come.

4.3 First-Time Buyer Information

Commenting on the current position in relation to first-time buyers is extremely difficult, as it is the private sector which develops first-time buyer homes, and as such, the States no longer allocate first-time buyers to properties, nor maintain a comprehensive list of potential first-time buyers.

That said, in January and February 2005, the Housing Department did carry out a complete review of its former 'First Time Buyer List', in an effort to establish a more realistic understanding of demand and the findings still provide a useful indicator. As at 18th February 2005, the waiting list stood at 800 individuals and families, which are broken down as follows –

Applicant Type	Number
Single Person*	436
Couple, no children	124
Family, one child	111
Family, two or more children	129
Total	800

* includes some single applicants with common-law partners, who do not possess residential qualifications;

* includes 36 in full-time University education.

Although it is over 1½ years old, the information provided above is evidence of a significant latent demand for first-time buyer homes at that time, and this is given added weight by the findings of the 'Housing Needs Survey' and the views of local estate agents (referred to in the following section of this report). There is also anecdotal evidence from developers that demand for the first-time buyer homes, which are currently under construction or soon to commence is strong.

In many ways, however, the 'First-Time Buyer List' was something of a wish list, which was unlikely to accurately reflect the realistic requirements for first-time buyer homes in the 5 year period to the end of 2009. Determining actual demand will depend on a wide range of factors, including *inter alia* the age of applicants, their income, their outstanding commitments and the size of any deposit they may have available, as well as the nature of the market place. There will also be those who have secured a property with a developer and did not register with the Housing Department. Perhaps, most significantly, however, it is clear that not everyone on the waiting list is able to aspire to purchasing a property by the end of 2009.

In conducting its review, the Housing Department was keen to pay particular attention to the issue of affordability and sought information on the income of applicants. The findings are summarised in Table 22.

Table 22: Estimated Household Income for those on the First-Time Buyer Waiting List, 2005.

Income Band	Number of Households			%
	Single Applicant	Joint Applicant	Total	
£0 – £20,000	119	4	123	18.8
£20,001 – £30,000	178	48	226	34.6
£30,001 – £40,000	57	82	139	21.2
£40,001 – £50,000	18	75	93	14.2
£50,001 – £60,000	4	50	54	8.3
£60,001 +	2	17	19	2.9
Total	378	276	654	100.0

From the previous section, it is reasonable to conclude that, on balance, average house prices have not outstripped average earnings growth and that affordability issues for first-time buyers have remained constant since 2005. However, the figures upon which this conclusion is based are averages across the Island and are unable to account

for variations in earnings growth between higher and lower earners and, therefore, changes in the relative affordability of homes for the cohort of likely first-time buyers. Nor do they account for price variations in first-time buyer properties.

Notwithstanding the above, a cursory glance at the income details provided in Table 22 would suggest that a significant proportion of the 800 applicants on the waiting list would not be able to fulfil their aspirations to purchase a property in the near future. It can be seen, for example, that some 19% of the households on the list had an annual income totalling less than £20,000; well over half of the households (53%) had an annual income of less than £30,000; and approximately three-quarters had an annual income of less than £40,000. 'Planning for Homes 2005' attempted to put these figures into perspective, by comparing declared incomes of those on the list with the net income they would require to finance a 95% loan on a typical 1-bedroom flat and a 3-bedroom house. It is clear that affordability was, and therefore, remains a serious issue and that the previous conclusions remain valid –

“At least 20% of those on the list were unlikely to be able to afford any form of new build and that, possibly only 18-20% were likely to be able to afford a 3-bedroom house.”

It is possible that the affordability issue will worsen for first-time buyers as a result of recent increased activity in the housing market, which has the potential to bring house price growth. For example, average prices for 3-bedroom purpose-built first-time buyer homes currently being sold at Clos des Charmes, St. Peter are between £295,000 and £300,000, compared to the £250,000 figure used for the Housing Department study. These average prices are more than ten times current average annual earnings.^[10] Clearly, if the wishes of more of those on the list to become home owners are to be realised, in accordance with States' objectives to increase home ownership, it will be necessary to examine more effective ways of delivering more affordable homes.

The Population Office has confirmed that better intelligence gathering processes are to be pursued in future, to monitor affordability issues for first-time buyers and better understand their views and position.

4.4 An Industry View on the Private Sector Property Market

In an effort to obtain a better understanding of the characteristics and general state of the local housing market, discussions have recently taken place with several leading estate agents. The general consistency in the views expressed during these discussions would suggest they are reasonably representative of the opinions held throughout the estate agency sector. However, it is accepted that some of the views expressed here may not be universally held by all the Island's Estate Agents and others closely involved in the housing market.

In general terms, it appears that there has been a complete turn-around or 'sea change' in the local housing market over the last year and notably in the last six months. Market conditions which agents described last time round as "tough" or "very tough" are presently being described as "buoyant" and "frenetic". They point out that after several years of uncertainty and static prices, the market has seen a strong surge in activity and a considerable rise in property transactions. This is born out by recent lease applications and home purchase data provided by the Population Office. The number of lease applications and home purchases made between 1st January and 1st October 2006 are up 14% and 19% respectively on the same period in 2005.

It would appear that the cautious approach which people were adopting towards buying homes in the middle of last year, suddenly and somewhat unexpectedly gave way to fairly aggressive demand for new homes. The agents put this down to several factors. All agree that a major factor has been the return of confidence among potential buyers and not just those employed in the financial services industry. The new found confidence follows an upturn in the economy, which has been through a challenging period of adjustment in the last 3 years or so. This in turn has given rise to a more optimistic outlook in relation to the future of the Island's economy and future employment prospects (including job security, job opportunities and salaries/wages). Other contributory factors specifically mentioned by the agents include –

- the continued availability of cheap mortgages from the Island's lenders (despite recent and potential increases in the cost of borrowing);

- the availability of more affordable homes because of previous increases in supply, years of relatively flat house prices and the introduction of smaller starter-type homes into the market;
- new 'J Category' (essential employee) buyers;
- the increase in first-time buyers arising from the recent reductions in the residential qualification period; and
- the increasing propensity of parents and relatives to give financial assistance to young family members so they can get on the property ladder.

The agents suggest that the market has generally worked well in meeting the increased demand and say that the previous oversupply in various sectors of the market which had been fuelled by a surge in property development has generally worked its way through. However, they report that they are now struggling to keep up with demand throughout the whole market, because the supply of homes coming up for resale is insufficient in volume to replenish the market. This is in part because potential vendors are delaying putting their properties on the market until they secure the new home they are looking for. As a direct consequence of the restricted supply and continued strong demand, the agents say that prices have increased and it will be interesting to see how this is reflected in the 3rd quarter house price index, due in mid November. Whilst some agents argue that, by and large, realistic prices are being asked, others are surprised at the level of prices being achieved. They point out that vendors are nearly always achieving their asking price and that the ugly practice of "gazumping"^[11] is starting to become more common, as opposed to the equally ugly practice of "gazundering"^[12] which was occurring last year.

The residential property market can be divided into a number of distinct sectors, which are addressed below –

Old Conversion Flat Market (£100,000 - £175,000)

These include converted period buildings both in town and out-of-town. There are some mixed messages from the agents regarding this sector. Most suggest this sector is reasonably stable, while some see it as still very difficult. All the agents agree that there remains a good market for higher standard good quality conversions, particularly conversions completed in the last 5 years with higher standards of noise insulation, and that these are continuing to sell for a reasonable price. Conversely, they make it clear that some poorer quality conversions, especially where they are without parking or outdoor amenity space, are poorly located (e.g. on the Ring-Road or in the centre of town above and accessed through commercial properties) and have no other redeeming features remain very difficult to sell (unless of course prices are dropped significantly). As if to emphasise the point, one agent commented that there are some shoddy conversions that "you can't give away". There can also be little doubt that properties at this bottom end of the market remain the most price-sensitive and sales are effectively price-driven.

Those agents with the more positive outlook on this sector say that most conversions are now selling (albeit with more difficulty where they are poorly located and there is no parking). They believe this is because prices have come down; there are more conversions of a higher standard available; many of the poorer conversions have been upgraded/modernised; and there is now reduced availability of new purpose-built flats for sale, which would otherwise offer a choice to those who can afford them. The few agents with a less positive outlook on this sector believe there is still an element of oversupply and that demand has largely been satisfied, not least because of the influx of new purpose-built flats referred to above. They argue this is evidenced by the amount of new-build flats which have gone into the rental market.

Several of the agents indicated there may be some, albeit fairly limited, demand to return properties which are currently in multiple occupancy back to town houses for a single family, if the price and location are right and planning and housing policies permit.

Lower-Priced One-Bedroom Accommodation (£120,000 - £280,000)

This includes the modern studio flat market such as the Spectrum development (£120,000), the modern 1-bedroom flat market (£150,000 – £170,000), the modern 2-bedroom apartment market (£190,000 – £230,000) and small town cottages/houses with limited amenities.

Demand for lower priced apartments is again primarily price-driven and normally comes from a range of smaller household types including –

- first-time buyers (*as a stepping stone onto the housing ladder*);
- young single people wishing to set up their own home (*rather than remain with their family or share with friends*);
- divorcees;
- older people (*looking to downsize to smaller low-maintenance accommodation*);
- parents whose children have left home (*again looking to downsize*);
- local and U.K. investors seeking to purchase on a buy-to-let basis (*for a source of income, as an alternative to banking their money, or investing in stock market based products. Some parents are also taking this route as a way of providing a future home for their young children*).

Last year, the agents highlighted an over-supply of such apartments on the market, largely as a result of increased new-builds and particularly in the 1-bedroom sector, which led to falling prices. Buyers were not generally taking up what was in the market place and especially flats in town with no particular locational advantages. The consensus view among the agents now is that there is no longer an oversupply situation. An increase in demand and sales has seen the market catch up and effectively work out the previous oversupply and the agents are saying we currently have a more balanced supply and demand situation, with prices coming back up again. A number of the agents have singled out the demand for 1-bedroom flats with parking, in particular, as currently outstripping supply. This is reflected to some extent by the findings of the latest Jersey House Price Index, which indicates a recent increase in the average price of 1-bed flats.

The previous Planning for Homes document flagged up several specific difficulties in the small flat market. These included the problems of ‘negative equity’^[13] affecting the ability of owners to sell their flats; and the problems facing those who had invested or were seeking to invest on a ‘buy-to-let’ basis (i.e. due to falling rents, difficulties in getting tenants and underperformance against other forms of investment). It would seem that these difficulties are no longer applicable. There is currently a good deal of movement in the flat market, people are now making money on re-sales and the buy-to-let market has picked up. In the latter instance, although there is still an element of caution among potential buyers, buy-to-let properties are being let at this time and investors are generally getting a good return of 5%-6%. As an indication of the interest that is currently being shown in buy-to-let, one major developer has indicated that this form of tenure represents some 30% of the flats in Century Buildings and up to 60% of those in the Spectrum development.

There is a general agreement among the agents that the flat market has been subject to changing perceptions and that there is generally less resistance now to living in flats. However, they recognise that first-time buyers generally have a continuing preference for buying houses with a garage and garden, and that some are holding back from purchase of a flat or house on the open market. It seems they are prepared to wait for purpose-built first-time buyer houses on sites specifically zoned for the purpose. They regard the houses to be provided on these sites as better value for money and more able to meet their aspirations, despite the restrictions on future sales and occupancy and the forgoing of potential equity advantages that might accrue from going into the open market. That said, the agents also point out that not all potential first-time buyers and particularly younger singles and couples are in a position to obtain a mortgage for £300,000 houses and it appears that more of these, often with the assistance of their parents, are investing in the flat market in order to get a foot on the ladder.

The main concern of the agents in the flat market appears to be that the supply of new homes for first-time buyers is maintained in the future to ensure continued stability.

With regard to the market for town cottages and small houses, the consensus among the agents seems to be that there is still demand primarily from first-time buyers and that sales of well-priced properties (particularly with parking space) are turned around quickly.

Mid-High Price Homes (£285,000 to £900,000)

This is the Island’s biggest market sector and it is the lower end of this sector (£285,000 to £380,000) is regarded

as the busiest market with the most turn-around. It generally comprises 2- and 3-bedroom houses (including ex-States loan properties and proposed new-build first-time buyer houses) and good quality well-located apartments. Despite recent sales of first-times buyer homes on sites zoned for the purpose in the Island Plan, all the agents are reporting that there remains good demand from potential buyers in this market which is being stymied by an under supply (some say “*desperate under-supply*”) of houses and good quality apartments on the market. As a consequence, after remaining stable during the previous 3 years, prices have risen in the last 6 months and are continuing to climb. One agent suggested that ex-States loan houses had lifted by 10% during this period. It is clear that some agents have been surprised by the sale prices which have recently been achieved and are experiencing some difficulties in estimating the likely value of certain properties being put on the market. As a consequence, the words “*Offers in excess of...*” are now, and likely to become even more so, a common feature in advertisements for property sales.

The agents have reported that the market for properties in the £425,000 to £600,000 price range, which is generally the preserve of 2nd and 3rd time purchasers, is very buoyant at this time. There is good demand and properties in this price bracket are selling quickly, but once again the market is hampered by a lack of supply. Several agents confirmed that for many potential purchasers, particularly those wishing to move from States loan properties, the current gap between the value of their existing properties and those in this market remains too large. As a consequence, they tend to hold onto their properties and refurbish or extend them as family requirements change.

Last time round, Planning for Homes pointed to healthy demand and a noticeable increase in activity in the top end of this part of the market (currently £750,000 to £900,000). These high-value properties had been selling very quickly and were mostly being bought with large mortgages by new J-Category essential employees^[14] and local residents in the professional sectors. At the time, the agents regarded this as an indicator of growing confidence among the professional sector about the Island’s economic prospects and future job security and were hopeful that this optimism would start to filter down into the mid-price homes market. It would seem that they have been proven right. The consensus among the agents is that demand has increased considerably leading to the firming up of prices and the end of the previous practice of price discounting. However, the agents have highlighted a continuing shortage of family homes on the market, which they argue will see prices continue to grow and lead to an increase in “gazumping”. That said, they remain hopeful that the price increases will lead to an increase in supply as more current owners are encouraged to put their homes on the market and downsize to more suitable accommodation. One agent reported having some 40 to 50 mostly professional people on their books that are “*desperate to buy something in this price range*”.

Most Expensive Properties (£1million+)

The luxury end of the Island’s housing market has traditionally been the slowest sector. It is a low volume market and properties generally take the longest to sell. All the agents have reported a growing interest in this part of the market over the last 12 months or so from people looking to come into the Island, in addition to existing residents. One agent suggested that prices have been pretty static over the last 6 months following on from a period of significant price falls. This may be about to change because the healthy demand is once again being hampered by a lack of supply. Agents point to there being little or no available properties in the £1 million to £1.5 million price bracket. Unusually, some agents are now being retained by potential purchasers.

Private Rental

In recent times, there has been growth in the availability of rented housing, fuelled mainly 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. Additional growth has occurred because of private individuals investing in apartments, which are then let.

Twelve months ago the agents reported that the supply of private rental property in the market was generally outweighing demand. The consensus view of the agents now is that there continues to be an oversupply of private rental properties, which is reflected by the amount of properties currently being advertised. As a consequence, (despite the improving economic situation) rents are generally coming down. The agents have suggested a number

of factors which are effectively assisting this market trend, including an increase in people wishing to purchase property, a continuing investment in buy-to-let properties and a general willingness among individual investors who own buy-to-let properties to accept lower rents.

Notwithstanding the general situation described above, there is one area that bucks the trend. All the agents point to a considerable shortage of good quality family houses for rental (3- and 4-bedroom). The agents say there is a particularly large demand for such homes from J-Category (essential) employees. As alluded to earlier, these are now able to rent or lease suitably classified properties in the qualified private rental sector (as well as properties owned or leased by their employers) for the duration of their employment contract. Some of the agents have suggested that this shortage of supply is made worse by current States policies which militate against the creation of new houses for rent, by requiring new houses to be occupied by/sold to persons in categories A-H of the Island's Housing Regulations.

Non-Qualified Accommodation

This part of the market has probably seen the most dramatic changes in recent years. During the economic downturn between 2001 and 2004 demand fell significantly due largely to the loss of many transient workers. The fall-off in demand was also assisted by reductions in the residential qualifying period and increases in the amount of registered lodging accommodation. This in turn led to falling rents (i.e. ending the premiums that were previously enjoyed by landlords for anything other than new good quality accommodation); an increase in difficult-to-let properties; and a drive by owners to improve their properties.

The agents generally take the view that the market will continue to look after demand in this sector. Last year the market was described by a couple of the agents variously as “quiet” and “dead as a Dodo”. However, this time round the agents appear to be suggesting that there is a bit more activity, an improving balance between supply and demand (reflected by a reduction in the still significant number of units being advertised) and a general stabilisation of rents.

One agent says that the supply of non-qualified accommodation is continuing to increase, and most agents report that, although the pressure to sell for alternative uses has lessened, there is still an element of selling out of the market (e.g. back to the qualified A-H market).

With regard to the quality of the stock, the agents are saying this has generally improved over recent years and that improvements to accommodation are continuing. However, there is still some poor quality accommodation at the bottom end of the sector, which, because of the level of choice in the market, is either not being let or is being let for a very modest rent to people that landlords would prefer not to have as tenants.

Only one agent raised concerns about the future of the ‘non-qualified sector’. He suggested that if under-occupation in the non-qualified market and increased pressure on the qualified stock is to be avoided, it would be prudent not to reduce the residential qualifying period to below 12 years for some time.

Future of the Residential Property Market

The future of the market is very much a confidence issue and will ultimately depend on the future of the economy. All the agents are more positive about the future than they were 12 months ago and are generally optimistic that the market will continue to build over the next 3 years. However, a common concern among the agents is the current shortage of supply of new property for re-sale across the market. There are fears that, without a continual steady supply, the market will start to become overheated as the economy upturn continues and demand for homes strengthens and further outstrips supply. Two of the agents have specifically cautioned against returning to the ‘stop go’ situation that has historically prevailed over the last 40 years or so, characterised by rising demand and imbalances on the supply side.

There appears to be general agreement that freeing up the existing stock of larger family houses at the upper end of the market would be particularly helpful. To this end, there is support for the development of new sheltered homes/retirement homes and higher quality apartments, which will allow more of the current occupants to downsize.

The agents recognise that the cost of borrowing is likely to increase as a consequence of rises in the U.K. base rate, fuelled by global inflation and seemingly ever increasing U.K. property values. However, it would seem that the agents do not anticipate that this change or the remaining uncertainties over the effects of new tax-raising measures (e.g. '20 means 20' and GST) are likely to have a significant impact on the buoyancy of the market.

5. ISLAND PLAN PROPOSALS FOR MEETING HOUSING REQUIREMENTS/TARGETS

5.1 Qualified Sector

The Island Plan concentrates on addressing the requirements for new homes in the 'qualified sector' for the first 5 years of the Plan up to the end of 2006. In doing so, it makes provision from existing sources (e.g. existing planning permissions, changes in the Built-Up Area boundary etc) and from sites rezoned specifically for Category A homes. In addition, the Plan earmarks various other sites for future Category A housing purposes, number of which are no longer considered suitable.

In many respects, this aspect of the Plan has been overtaken by events. The new housing requirement figures (rolled forward to 2009), the information contained in this and previous Planning for Homes documents and the 'Action Plan' at the beginning of this document, effectively serve as a review and up-date of the relevant policies and proposals.

However, there is in any event a requirement to review the Island Plan, in accordance with the objectives of the States' Strategic Plan 2006-2011 and work on this is due to commence in 2007. Among other things, the review will need to address housing needs up to 2018 and how these might best be met. Key issues will no doubt include how to provide affordable homes and homes for the elderly and where best to locate any new homes.

At this time, it is anticipated that the supply of required new homes in the 'qualified sector' over the next four years will come from a range of sources, similar to those identified in the Island Plan, including –

EXISTING SOURCES

- *Sites for First-time Buyer and Social Rented Housing;*
- *Redevelopment of outworn housing estates;*
- *Opportunities at the Waterfront;*^[15]
- *Opportunities presented by town regeneration;*
- *Windfall developments elsewhere in the Built-Up Area;*
- *Conversions and changes of use elsewhere.*

SITES EARMARKED IN ISLAND PLAN

- *Land already rezoned for Category A homes;*
- *Suitable sites for Category A homes among those listed in Policies H3 and H4 of the Plan.*

OTHER SITES

- *Other sites considered suitable for Category A homes (notably sheltered/ last time homes), to emerge from consultations with parishes and related public consultation.*

5.2 Unqualified 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.

The Island Plan assumes that the requirements in the 'unqualified sector' 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. In reality, the identified requirements for the first 5 years of the Plan proved to be considerably

overestimated. This was largely because of a downturn in the economy and the associated weak labour market (notably 2002 and 2003), which led to a reduction in employment opportunities for non-qualified persons, particularly in the construction and finance sectors.

6. SUPPLY

6.1 Completion Rates in the Qualified Sector

Table 23 shows the number of completions of new homes in the qualified sector since 2002 and allows a comparison with past trends. The years 2002 and 2003 witnessed a boom in residential construction work and impressive numbers of new homes were completed. Since then, the number of completions has remained impressive, despite significant net reductions in purpose-built Category A completions. However, the signs are that overall net completions in the qualified sector will continue into 2006, due in particular to the large number of Category A homes reaching the completion stage. The average building rate during the last 4½ years of approximately 600 new homes per year is very healthy.

Table 23: Housing Completions in Qualified Sector

Year	Completed Dwellings (net)				Total Completions
	Purpose built First-time Buyer Homes	Purpose built Social Rented Homes	Purpose built Category A Completions	Other Demand Housing (Category B)	
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	367	452
Sub-total	1,068	1,364	2,432	3,430	5,862
Ave. annual completions 1986-2001	67	85	152	214*3	366*3
2002	92*2	300*1	392	493	885
2003	161*2	109*1	270	389	659
2004	52*2	(36)*1	16	343	359
2005	18*2	29*1	47	497	544
First half 2006	47*2	34*1	81	167	248
Sub-total	370	436	806	1,889	2,695
Ave. annual completions 2002-end June 2006			179	420*4	599*4

*1 see Appendix 3 for details

*2 see Appendix 2 for details

*3 includes lodging and staff accommodation

*4 excludes lodging and staff accommodation

The average rate for purpose-built Category A and Category B homes during the last 4½ years was 179 and 420 homes per year respectfully. However, the figures take no account of the proportion of the completions currently

uses *2	8	19	53	43	2	115	240
irement Homes partments cottages							
pecified ellings / Units	11	9	3			48	71
-Total	272	84	58	43	2	282	741
egory A Completions							
s *1	71	43	9				123
uses *2		1	80	4			85
irement Homes partments cottages	9						9
pecified ellings/Units							
-Total	80	44	89	4			217
TAL	352	128	147	47	2	282	958

* These are gross figures and take no account of the units lost in redevelopment/conversion schemes

*1 includes apartments, studios, bedsits and maisonettes

*2 includes bungalows and cottages

6.2 Outstanding Commitments in the Qualified Sector

Table 26 provides details of outstanding commitments for new homes in the 'qualified sector' at the end of June 2006. This points to good levels of outstanding commitments for new homes. One would expect that the 720 Category B homes under construction at the end of June 2006 will all be complete well before the end of 2009. The yield in this sector will also be supplemented by a proportion of both the 544 homes^[17] which have existing consents (but have yet to start) and an unknown number of proposed homes which will be granted consent during the remainder of 2006 and 2007. It is not possible to accurately predict the likely yield of new homes by 2009 from approved proposals that have yet to commence.

In contrast, one might reasonably expect that virtually all the 780 outstanding commitments for Category A homes (i.e. first time buyer and social rented) could be completed by the end of 2009, whether or not they are presently under construction. As can be seen from Appendices 4 and 5, the commitment figures for Category A homes –

- rely to a significant degree on the development of sites rezoned for the purpose 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.

Table 26: Outstanding Commitments for New Homes in Qualified Sector, at end June 2006

(N.B. The potential yields from Island Plan H2 sites are based on estimates @ September 2006)

Outstanding Planning Permissions			Homes under construction (Net) (b)	Other commitments which may yield or involve loss of units before the end of 2009		Total (a+b+c)
Type of Housing	No. of New Homes (Net)			Definite, Probable and/or Highly possible (c)	Other possibles in the time frame *2 (d)	
	Planning in Principle Permits	Planning, Building or Planning & Building Permits	Total No. with consent (a)			

Purpose built first time buyer	–	16	16	220	115	–	351*3
Other demand housing (Cat B)	121	544	665*1	720	–	–	1,385
Total demand housing	121	560	681	940	115	–	1,736
Social Rented housing	–	50	50	287	92	–	429*4
Total (all housing)	121	610	731	1,227	207	–	2,165

*1 net of permissions which have not been advanced for 4 years or more. They also exclude some larger developments where outline consent has been granted for the redevelopment of outworn hotels and commercial properties, but where actual proposed yields are unknown.

*2 there are a number of sites set out in IP Policies H3 and H4, which were, subject to public consultation, originally earmarked to meet Category A housing needs. These are excluded from the figures for the time being and decisions about bringing them forward will, in any event, depend on the outcome of the Ministers' Action Plan process and further monitoring the extent of supply and demand.

*3 see Appendix 5 for details.

*4 see Appendix 4 for details.

The present planning status of the sites rezoned for Category A housing purposes is summarised in Appendix 8. It is acknowledged that there have been problems in bringing these sites to fruition and progress has been slower than originally envisaged. This can be explained, in large part, by –

- The protracted procedures agreed for securing the development of the sites;
- The commitment given to extensive public consultation in advance of applications;
- The highly politicised nature of many of the proposed schemes, which have generated considerable opposition from existing residents; and
- The complexities of establishing new planning obligation agreements.

Table 27 illustrates the availability of housing commitments by parish. As with completions over the last 4½ years, most (54%) of the residential commitments in the Island are concentrated in the main urban parishes of St. Helier (33%), St. Saviour (6%) and St. Clement (15%). However, the commitments figures also suggest that greater contribution is to be made by the Parishes of St. Brelade, St. Lawrence and notably St. Peter. The situation in St. Peter arises as a result of two major housing developments currently under construction (i.e. L'Hermitage Hotel Site and Clos Des Charmes). As a consequence, the parish accounts for 12% of outstanding commitments for new homes.

Table 27: Housing Commitments for New Homes in Qualified Sector, by Parish @ end June 2006

Parish	Outstanding Permissions	Homes under construction	Other Commitments	Total Commitments	% Total Commitments
St. Brelade					
Cat B	99	89	–	188	10.0
F-t-b	–	–	16	16	
Social rental	–	–	13	13	
St. Clement					
Cat B	50	26	–	76	14.6
F-t-b	–	110	13	123	
Social rental	–	107	10	117	
Grouville					
Cat B	86	17	–	103	4.7
F-t-b	–	–	–	–	
Social rental	–	–	–	–	

St. Helier					
Cat B	207	247	–	454	33.4
F-t-b	–	69	–	69	
Social rental	50	150	–	200	
St. John					
Cat B	18	12	–	30	1.4
F-t-b	–	–	–	–	
Social rental	–	–	–	–	
St. Lawrence					
Cat B	33	39	–	72	8.5
F-t-b	–	–	62	62	
Social rental	–	–	50	50	
St. Martin					
Cat B	20	28	–	48	4.2
F-t-b	–	–	24	24	
Social rental	–	–	19	19	
St. Mary					
Cat B	7	3	–	10	0.5
F-t-b	–	–	–	–	
Social rental	–	–	–	–	
St. Ouen					
Cat B	24	26	–	50	2.3
F-t-b	–	–	–	–	
Social rental	–	–	–	–	
St. Peter					
Cat B	32	168	–	200	12.6
F-t-b	–	41	–	41	
Social rental	–	31	–	31	
St. Saviour					
Cat B	72	47	–	119	6.2
F-t-b	16	–	–	16	
Social rental	–	(1)	–	(1)	
Trinity					
Cat B	17	18	–	35	1.6
F-t-b	–	–	–	–	
Social rental	–	–	–	–	
TOTALS					
Cat B	665	720	–	1,385	100.0
F-t-b	16	220	115	351	
Social rental	50	287	92	429	
GRAND TOTAL	731	1,227	207	2,165	

Commitments by Type and Size

Table 28 gives an indication of the types and sizes of the homes which will be provided from known Category A commitments and from Category B developments currently under construction. As alluded to earlier, there is a lack of complete and readily accessible information on the type and size of homes approved for Category B developments. The figures have, therefore, been derived from application descriptions, which in many cases do not specify the required information.

Table 28: Outstanding Commitments for New Homes in Qualified Sector, by Type and Size, at end June 2006

Type of Home	Size of Home						Total
	1-bed	2-bed	3-bed	4-bed	5-bed +	Unspecified Size	
Category B Homes Under Construction*							
Flats *1	64	75	15	-	-	100	254
Flats *2	3	14	29	28	-	19	93
Other Commitment							

retirement homes apartments cottages	68 6	48 28				2	118 34
unspecified dwelling types/Units	11	33	47	17	3	127	238
-Total	152	198	91	45	3	248	737
Own Category A Commitments							
flats *1	88	68	2		1		159
houses *2		42	499	45	1		587
retirement homes apartments cottages	46	1 5					47 5
unspecified dwelling types/Units							
-Total	134	116	501	45	2		798
TOTAL	286	314	592	90	5	248	1,535

* These are gross figures and take no account of the units lost in redevelopment / conversion schemes

*1 includes apartments, studios, bedsits and maisonettes

*2 includes bungalows and cottages

The commitments shown in Table 28 cover a range of dwelling types and include over 413 flats, 680 houses, over 200 retirement homes together with 238 unspecified dwelling types. They also suggest that currently in the pipeline, there are significant additional supplies of 1- and 2-bedroom accommodation, very healthy supplies of 3-bedroom homes and, reflecting recent completions, only limited numbers of larger 4- and 5-bedroom family homes.

6.3 Outstanding Commitments for Sheltered Homes/Last Time Homes

The Housing and Planning Departments believe there is scope for significant inter-changeability between different tenure groups to help satisfy estimated requirements for sheltered accommodation, as set out in Section 3.6. It is also considered that the requirements can be met by certain developments, which might not strictly fall within common definitions of 'sheltered accommodation', but which are encompassed in the main by the term 'last time homes'. This might include appropriate developments described variously as 'retirement homes', 'homes for the elderly', and 'homes for disabled people', which are either for sale in the private sector or provided in the social rented sector (i.e. by Parishes, Trusts and the States).

It would appear that there are currently outstanding commitments for approximately 220 such homes, including –

The former Hotel L'Hermitage, SP.....	150 retirement homes (69 still not sold @ Sept. 2006)
Field 1218, Mont a l'Abbé, SH.....	14 sheltered units
Fields 848, 851, 853 and 854, Bel Royal, SL.....	5 (est.) sheltered units
La Coie Site, Janvrin Road, SH.....	2 units for disabled 5 person group home
Fields 181, 182 and 183, La Route de La Pointe, SP...	8 sheltered units
Centre Point, Clearview Street, SH.....	7 special needs flats
Former Aquila Youth Centre, Great Union Road, SH.	25 flats for over 65s (including 1 disabled unit)
	<u>216</u>

In addition, there have been 9 units completed since the beginning of 2005, as follows –

Fields 786 and 787, La Rue des Cosnets, SO..... 6 units for elderly
Victoria Cottage Homes, St. Saviour's Hill, 3 (6) retirement homes
SS.....

The previous 'Planning for Homes' suggested it was not inconceivable that some requirements for 'sheltered accommodation' might also be met by suitably modified surplus 1- and 2-bedroom units in the social rented sector. However, as alluded to earlier, any proposals to eliminate the existing bedsit units from the States' rental stock over the next 10 years, will lead effectively to the net loss of 'sheltered / last time homes'.

6.4 Completions and Outstanding Commitments in Unqualified Sector

With the exception of Registered Lodging Accommodation, there is a lack of good, comprehensive data on the supply of non-qualified accommodation. However, when the new system for monitoring and regulating migration is put in place, there will be much better information on the 'unqualified sector'.

Registered Lodging Accommodation

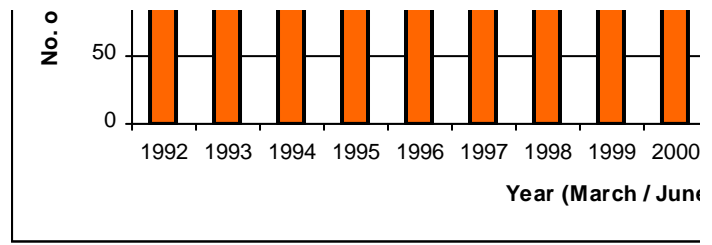
Figures 3 and 4 show the numbers of registered lodging houses and the number of beds provided in the accommodation respectively since 1990. They show a doubling in the number of registered lodging houses during the 1990's, which was a direct response to the increase in demand as the growth in jobs led to an influx of migrants, putting pressure on the non-qualified sector of the housing market. During the same period, the number of registered lodging house beds correspondingly increased by 152%, from 1,767 to 4,460. This increase in registered lodging house accommodation was largely achieved through the conversion of outworn hotels and 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 Housing Committee 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 earlier States measures aimed at restricting job growth and net immigration.

Figure 3 shows that from 2001 to 2006, after a short period of stability, the number of properties providing lodging accommodation coming onto the Register has again risen significantly by approximately 50 to a new high of 249. The notable increase in 2004 was largely a result of the sale of a number of bank staff properties, which were switched to registered lodging accommodation, following the outsourcing of 'back office' functions to other jurisdictions. Information from the Housing Department for the previous Planning for Homes, pointed to a slowdown in the numbers of properties (primarily hotels and guest houses) being developed or converted to provide additional registered lodging accommodation, during the first 6 months of 2005 and, in the event, the losses and gains during that year equalled each other out. This is borne out by the completion records of the Department of Planning and Building Services which are listed in Appendix 6 and indicate the de-registering of a significant number of units.

Figure 3: Registered Lodging Houses, 1992 to 2006



Source: Housing Department Records

During 2006 there has been a continued and significant increase in the supply of registered lodging house accommodation, which is again reflected by the completion records in Appendix 6. The new registrations during this year have involved the change of use/conversion of bank-owned and hotel staff accommodation, as well as guest houses and other commercial property.

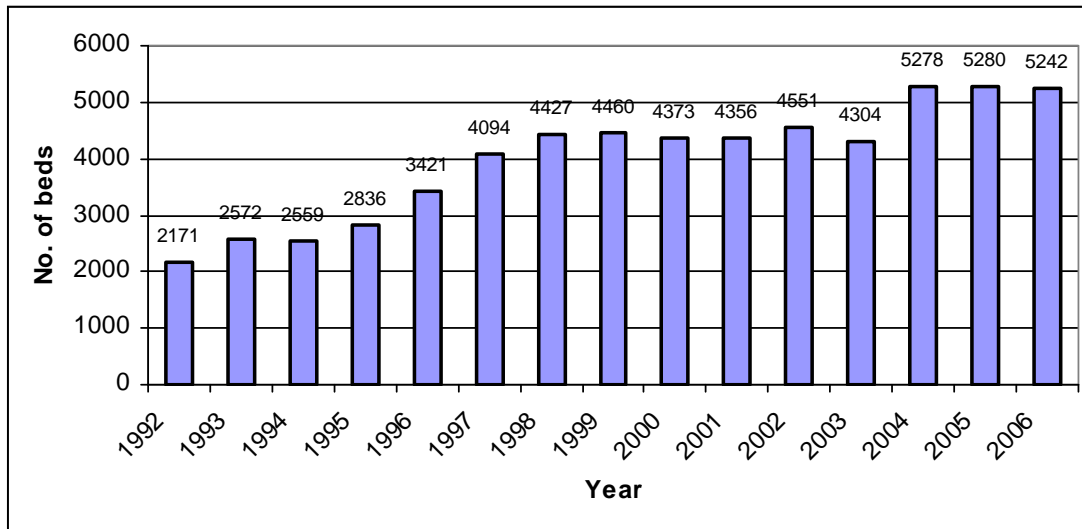
Another notable occurrence during the last few years, as illustrated in figure 4, was the significant reduction in the actual number of bed spaces available in registered lodging accommodation during 2003, despite a growth in the number of properties registered. This was, in large part, due to –

- the concerted 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. [18]

It would now appear that this situation has repeated itself for the period since the end of 2004. Since then there has been a net gain of 8 registered premises, yet bed numbers have declined slightly. This may be explained in part by the de-registering of some relatively large lodging house premises and a continuation of the process of property improvement and modernisation.

Of the 5,242 beds in Registered Lodging Houses in 2006, 945 were for children under the age of 18 years and 214 for children under the age of 5 years.

Figure 4: Registered Lodging House Beds, 1992 to 2006



Source: Housing Department Records

As at September 2006, there were only a few small-scale outstanding commitments for new registered lodging

accommodation then in progress (see Appendix 7). It may be, in part, because supply in the ‘unqualified sector’ is generally good relative to demand. This, combined with increased demand in the ‘qualified sector’, has already resulted last year in a number of better quality registered properties being sold as individual flats in the qualified A-H market (e.g. Basil Lodge, Ocean Apartments, Hautmont House and Suisse Apartments). It is also possible that the reduction in the number of commitments to convert or redevelop hotels and guest houses to new registered accommodation and/or the failure to pursue permits for such conversions, reflects a change in market conditions in the tourism sector. The loss of many visitor bed numbers may have had a beneficial impact on remaining hotels and guest houses. Certainly, there are now signs that some existing hotel owners are beginning to reinvest in their businesses.

The last annual report produced by the former Housing Department’s Lodging Inspector (2005) drew *inter alia* the following conclusions, many of which remain relevant now –

- the overall standard of registered premises continues to improve and expectations among potential occupiers are much higher;
- The owners of older, more established lodging houses, comprising bed-sits/studios and shared facilities have commenced programmes for upgrading their accommodation, as more and more potential occupants seek more space and are no longer prepared to share bathrooms;
- Owners “*must adapt to the times, convert or leave the market, opening the way for new owners coming into the market for the first time with fresh ideas and skills*”;
- The price of accommodation has been maintained in the last year, although, in many cases, rents are now on a par with the qualified market;
- There remain some empty a-h units attached to certain registered lodging premises (e.g. former guest house owner’s accommodation), which are often very small, poorly sited units without en-suite facilities that are “*impossible to let to qualified residents*”.

Private Lodgings

Private lodgings with 5 or less lodgers are not required to register under the Lodging Houses (Registration) (Jersey) Law 1962, or to meet minimum standards of space and amenities. The 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 was anecdotal evidence reported in previous Planning for Homes documents, that suggested the supply of this type of accommodation between 2003 and 2005 was meeting, if not exceeding, the level of demand. During those years, there have been numerous advertisements in the Jersey Evening Post offering rooms, bedsits and flats for let to non-qualified residents. This was clearly a direct result of the challenging economic situation of that time, which saw a general reduction in the number of jobs (notably in the building industry) and some consequent emigration from the Island of transient workers. Such adverts are still quite common, indicating that there is generally sufficient supply. It is also generally held that the market should be able to address any outstanding mismatch there may be between the type of accommodation required and what is available.

Staff Accommodation

As with private lodgings, the only readily available information on private households living in staff accommodation is provided by the 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 situation with staff accommodation is pretty much as described in the last two Planning for Homes documents and 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.

As alluded to earlier, some bank staff accommodation has recently been sold into the registered lodging accommodation sector. For example –

- 26, Raleigh Avenue, St. Helier;

- Milford Lodge, Grosvenor Street, St. Helier;
- Ellesmere Apartments, Hastings Road, St. Helier;
- Midvale Apartments, Le Mont Fallu, St. Peter.

Furthermore, a number of properties have recently been registered as tourism-related staff accommodation, including –

- 10/12, Roseville Street, St. Helier (26 staff);
- Beach Hotel, Gorey, St. Martin (73 staff);
- Crown Lodge, La Rue es Picots, Trinity (15 staff).

Examples of outstanding commitments for 5 or more new staff accommodation units listed as under construction at the end of June 2006, include –

- | | |
|--|-----------|
| • Hotel de France, St. Saviour’s Road, SS..... | 7 units; |
| • Unit 22, Rue Sinnatt, SS..... | 8 units; |
| • Jersey Brewery, Belmont Place, SH..... | 19 units; |
| • Field 1426, La Rue de la Pièce Mauger, Trinity... | 5 units; |
| • Jersey Gas Company (workshops), Tunnel Street, SH. | 10 units; |
| • Old Farm, La Grande Route de St. Clement, SC.... | 6 units. |

7. COMPARING KNOWN HOUSING SUPPLY WITH REQUIREMENTS FOR HOMES

7.1 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 29 are an attempt to summarise the position, on the basis of the best information currently available. It is recognised that the figures in this table are relatively crude, being based on a comparison of supply and demand within broad tenure groups, under various future scenarios, with no account being taken of the sizes of units.

For the purposes of this exercise, it has been assumed that the ‘worst-case’ scenario for net immigration levels of 500 households per year will not materialise in the next 4 years, based on recent migration levels and assurances given during the debates on the Strategic Plan and the Migration Strategy. It is also worth noting that a cross departmental review of the population issue is due to be completed at the end of the year. This review stems from a commitment made by the Council of Ministers during the Strategic Plan debate. It is intended to inform the debate on population growth and any related inward migration and will examine the economic, social and environmental impacts of various rates of growth.

Overall Position

It can be seen from Table 29 that, in broad terms, the housing completions to-date combined with known outstanding commitments will more than match estimated total requirements for new homes up to the end of 2009, if the ‘13-Year Rule’ is maintained, under the various migration assumptions. Should the qualification period be reduced by 1 year per annum to 10 years, there should also be sufficient new homes in the pipeline to meet estimated requirements in most likely migration scenarios. However, the figures do point to a small shortfall of around 100 homes assuming average migration levels of 200 households per annum over the 5 year period up to the end of 2009. It would be reasonable to assume that any such shortfalls can easily be addressed in the period, given that the figures take no account of the potential contribution of existing Category B consents which have yet to commence, or which will be granted during the next year or so.

Table 29: Comparison between Estimated Requirements and Supply of New Homes, 2005 – 2009 (@ end June 2006)*1

Housing Requirements and Supply	13 Year Rule			Reduction to 10 Year Qualification Period		
	Assumed Migration Range Nil to +200 h/hs			Assumed Migration Range Nil to +200 h/hs		
Identified requirements for homes 2005-2009:						
• Category A*2	450	–	460	508	–	516
• Category B	1,530	–	1,640	1,747	–	1,904
• Total	1,980	–	2,100	2,255	–	2,420
Less Category A completions, 2005 to end June 2006						
- Social Rented (purpose-built)	(63)					
- First-time buyer (purpose-built)	(65)					
- Proportion of Cat. B meeting f-t-b requirements	(65)					
Less remaining Cat.B completions, 2005 to end June 2006						
Less lodging units sold into A-H Market	(599)					
	(58)					
Outstanding requirement @ end June 2006:						
• Category A	257	–	267	315	–	323
• Category B	873	–	983	1,090	–	1,247
• Total	1,130	–	1,250	1,405	–	1,570
Less known outstanding Category A commitments (likely / capable of yielding before end 2009):						
- Social Rented (purpose built)	(429)					
- First-time Buyer (purpose built)	(351)					
- Est. likely contribution of Cat B homes currently under construction, to meeting First-time Buyer requirements *3	(42)		(822)	(822)		(822)
	(822)					
Less						
- Remaining outstanding Category B commitments under construction only;	(641)					
- Known lodging Units to be sold into A-H Market	(4)					
	(645)		(645)	(645)		(645)
Total Known Deductions	(1,467)		(1,467)	(1,467)		(1,467)
Projected Remaining Requirements total to 2009	Provision above target 337	–	Provision above target 217	Provision above target 62	–	Shortfall 103

Notes: *1. This takes no account of:

- Cat B consents not yet started (i.e. a proportion of some 723 homes)
- Cat B consents which will be granted and could complete in the period, including several hundred homes planned for the Waterfront over the next 6-10 years.
- Remaining H3 and H4 sites in Island Plan

*2 Estimate of Category A requirements is based on the rough calculation made in Section 3.5, Table 14.

*3. Based on investigations carried out in September 2006 by officers of the Population and Planning Departments of larger development proposals (+5 homes). The estimates have been produced following a search of applications received for sales.

Category A Home Provision

It would also appear from Table 29 that the total estimated requirements established by the latest 'Housing Needs

Survey' for Category A homes up to 2009 can easily be met by known commitments, whichever future scenario is chosen.

When compared with Table 15, the figures suggest that there will be a significant overprovision of social rented accommodation (400+ homes). However, this takes no account of proposals in the Housing Department's impending '10 Year Property Plan'. If approved by the States, this could have a significant impact on the supply and demand situation in the social rented sector, not least because it contains proposals, which could potentially involve –

- a significant upgrading of the existing rental stock;
- the net loss of up to 200 bedsit units;
- the conversion of existing rental stock and new acquisitions to provide specifically for the needs of a growing elderly population requiring social rented accommodation;
- the sale of certain homes to first-time buyers on a shared equity basis.

The supply of first-time buyer homes appears to be in balance with the relatively moderate identified requirements up to the end of 2009. However, these requirement figures are set to change, given the commitment in the States Strategic Plan to encouraging an increase in levels of home ownership (i.e. initially through the sale of social rented homes on a shared equity basis). Once effective mechanisms are put in place, they will increase the opportunities for people from lower income groups to get on the housing ladder. This is likely to foster a significant increase in demand from potential first-time buyers who would not otherwise have contemplated home ownership as a realistic option.

Category B Home Provision

At first sight, the figures in Table 29 suggest that the supply of new Category B homes may not be sufficient to meet identified requirements. Certainly, the total number of such homes currently under construction falls short of the total estimated requirements over the next 4 years. Under the '13-Year Rule', the apparent shortfall ranges from around 230 to 340 homes and this increases to between 450 and over 600 homes, if the housing qualification period is reduced by 1 year per annum to 10 years.

Notwithstanding the above, there are good grounds to consider that the shortfall will be met for most future scenarios by Category B consents which have yet to commence or which will be granted in the next year or so (including several hundred homes planned for the Waterfront and town regeneration opportunities).

The supply of Category B homes since the Island Plan was adopted in 2002 has been very healthy, averaging over 400 homes per year (see section 6.1, Table 23). Furthermore, the average building rates required to deliver the identified requirement for Category B homes over the 3½ years to the end of 2009 for most future scenarios are not especially onerous. These range from 249 to 281 homes per annum under the '13-Year Rule', to between 311 and 356 homes per annum should the housing qualification period be reduced to 10 years.

Size of Homes

Table 30 looks to compare estimated requirements for new homes by size with known supply commitments. Unfortunately, information on the size of homes is not readily available for about 36% of the Category B homes currently under construction. Furthermore, once again the commitments do not allow for existing Category E consents which are yet to commence, or which will be granted consent in the next 1 or 2 years. Notwithstanding these limitations, the table is useful in providing indications of where surpluses and shortfalls might occur.

Table 30: Comparison of Estimated Requirements and Supply, by Size of Units, 2005 – 2009 (@ end June 2006)

Size of Unit	Estimated Requirements Assumed Migration Range: Nil to +200 h/hs		Completions to June 2006 + Outstanding Commitments		
	13 Year Rule	Reduction to 10 Year Qualification Period	Cat A	Cat B	Total

bedroom	–	100 – 145	214	424	638
bedroom	490 – 495	575 – 580	160	282	442
bedroom	610 – 630	675 – 695	590	149	739
bedroom	750 – 810	775 – 835	49	88	137
bedroom	130 – 165	130 – 165	2	5	7
nknown			–	530	530
OTAL	1,980 – 2,100	2,255 – 2,420	1,015	1,478	2,493

The figures suggest that identified requirements for small 1-bedroom homes and 3-bedroom family homes up to the end of 2009 will be more than met by known outstanding commitments. However, a significant number of additional 2-bedroom units (beyond the commitments taken into account) are likely to be required to meet identified requirements. The most striking conclusion to draw from Table 30 is the notable shortage of supply to meet identified requirements for larger 4- and 5-bedroom homes. As these requirements are generally concentrated in the owner occupier sector, there is a clear need for developers and landowners to respond through the normal application process. However, moves to provide additional sheltered/last-time homes (i.e. aimed at encouraging/enabling the rising number of older property owners to downsize to accommodation more suited to their needs), would help considerably in this respect. It would provide opportunities to enhance the supply of larger family homes into the market for sale to families who can occupy them more appropriately, and so reduce the need for new build.

Sheltered Homes/Last-Time Homes

It would seem that the requirements for 250 ‘sheltered homes’ between 2005 and 2009, as identified in the latest ‘Housing Needs Survey’, will be addressed, in large part, by completions and outstanding commitments numbering over 220 units, which are variously described in Section 6.3 as retirement homes, elderly person’s homes, sheltered units and homes for people with disabilities. This would leave a shortfall against estimated requirements of some 30 homes for the period up to the end of 2009. However, demographic projections suggest that the requirements figure for ‘sheltered / last time homes’ is likely to be higher than currently predicted. The Housing Department’s ‘10 Year Property Plan’ suggests this might be of the order of 400 homes over the next 5 years to 2011. Although it is a longer timeframe, if known completions and commitments are set against these suggested enhanced requirement figures, the shortfall rises to 180 homes.

In any event, as explained earlier (see section 3.6), it should be borne in mind that the Island’s aging population is likely to result in a significant increase in demand for such accommodation from 2010 onwards, which is due to peak in 2031.

In recognition of this, the ISAS (Island Wide Strategy for an Aging Society) Report includes among its many strategic principles the following –

- *“establish and recognise the requirement for the provision of a sufficient amount of housing to accommodate an increasing and changing population in Jersey;*
- *use existing stock of living accommodation occupied by members of an ageing society wisely and appropriately to the requirements of residents.”*

In view of the above, it is considered that there would be merit in planning for the looming increase in demand for ‘sheltered/last-time homes’, including the securing of sites, within the remaining period to the end of 2009. This is particularly important when one considers that there is a normal lead in time of 2 to 3 years before homes can be completed on the most straightforward of specified sites. As part of this planning, it may be necessary to include a range of incentives to make the new ‘sheltered/last-time homes’ affordable and so encourage people to downsize and release valuable larger family homes.

7.2 Unqualified Sector

The limitation of available data on the supply of new homes across the whole ‘unqualified sector’, makes it

impossible to carry out a similar numerical exercise to that for the 'qualified sector'. The only reliable supply figures relate to registered lodging accommodation. However, as alluded to earlier, there is some evidence to suggest that estimated requirements for new homes in the 'unqualified sector' over the five years to the end of 2009 will remain relatively small in historic terms under the current '13-Year Rule' (i.e. ranging from 435 to 600 mostly 2-, 3- and 5-bedroom private lodging homes). Furthermore, the estimated requirements would be particularly modest should the housing qualification period reduce to 10 years (i.e. ranging from 210 to 360 mostly 2-bedroom private lodging homes).

Certainly, the anecdotal evidence provided by estate agents (see Section 4.4) suggests that, following a large fall-off in demand in recent years, requirements in the non-qualified sector have been and will continue to be largely met by the market in the foreseeable future. As evidence of this, they point to a significant amount of available accommodation, stabilising rents, some continuing difficulties in letting lower standard properties, a continuing process of property improvement and an element (albeit reduced) of selling properties as a-h flats in the qualified sector.

Although the evidence is largely anecdotal, there seems no reason to suspect that the market cannot continue to be successful in meeting estimated requirements in the foreseeable future, especially if the States continue to pursue a reduction in the qualification period for residential status. This should be possible, even if net in-migration levels average +200 households per year. In any event, the recently approved mechanisms for monitoring and regulating migration should help to ensure that the States' policy of 'controlled economic growth' is achieved, whilst avoiding the pressures on non-qualified accommodation which have historically resulted from short-term economic change (i.e. as a result of uncontrolled immigration).

REQUIREMENT FOR SOCIAL RENTED HOMES, BY TYPE, @ End June 2006

Housing Priority	Accommodation Requirement					Total
	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed	
a) States Rental Waiting List						
Group 1 Most Urgent Cases	17	7	9	2	–	35
Group 2 High Priority Cases	50	54	33	2	–	139
Group 3 Medium Priority Cases	34	18	3	1	–	56
Group 4 Low Priority Cases	9	1	–	–	–	10
Group 5 Assisted Living	27	7	1	–	–	35
Group 8 Cottage Homes	1	–	–	–	–	1
Sub total	138	87	46	5	–	276
Households Pending*1	17	11	5	2	–	35
Total	155	98	51	7	–	311
b) States Transfer List						
Medical: Immediate / Most Urgent	25	12	7	2	–	46
Medical: Urgent / Less Urgent	56	28	13	1	–	98
Food Management	3	1	–	1	1	6
Social Reasons	8	7	5	3	–	23
Under Occupied	87	20	4	–	–	111
Refurbishment	26	36	14	2	–	78
Overcrowded	1	5	43	16	1	66
Other (inc. Hostel)	8	5	2315	1	1	30
Total	214	114	101	26	3	458
c) Total Specified Requirements (a + b)	369	212	152	33	3	769
ESS units presently occupied by those seeking transfers	(106)	(216)	(46)	(11)	(1)	(380)*3
PPARENT REQUIREMENT @ End June 2006)	263 - 4 x 2 beds 259	(4 over)	106	22	2	389
Percentage Total *2 @ End June 2006)	66.6	–	27.2	5.7	0.5	100.0
PPARENT OVER SUPPLY @ End June 2006)		(4)*4				

*1 the size of home requirements for those households which are pending is based on the proportional requirements of those already accounted 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 social rented dwelling requirements up to 2009, not least because it takes no account of the current breakdown of rental stock (e.g. 44% is 3 bed and only 22% of the present stock has 3 or more bedrooms), the changing nature of demand, the impact of the Housing Department's Property Plan and the possibility that a significant number of households waiting to qualify under the '13-year continuity of residence rule' will have temporarily restricted the growth of their families until they can obtain regulated accommodation.

Taking these items into account, the Housing Department now considers that the main demand is for one bedroom units suitable for elderly people and that this demand is likely to be exacerbated by a requirement to dispose of some up to 200 flats which are unsuitable for elderly need. It also questions whether it might be better to pursue 2-bedroom homes to meet the needs of elderly persons who would then have the option of having family members, carers, and other visitors to stay. The Housing Department believes the requirements for larger 3- and 4-bedroom homes will largely be met by sites zoned and earmarked for Category A housing in the Island Plan.

*3 There are 78 less rental homes to be released by households on the States Transfer List than those required, because these 78 units are sold as part of the plans for redeveloping Le Squez and Le Marais.

*4 This small over-supply of 2 bed units could help offset the apparent shortfall in 1 bed homes.

Source: Housing Department

SCHEDULE OF SOCIAL RENTED HOUSING COMPLETIONS, SINCE APPROVAL OF JERSEY ISLAND PLAN 2002

Ref.	Site	Units by Type					
		1 bed	2 bed	3 bed	4 bed	5 bed	Total
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 (Refurb. & Redevelopment) (Phases V & VI), 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
COMPLETIONS 2004							
	Bas Du Mont, Pier Road, St. Helier (refurbishment) <i>Transferred to CTJ Housing Trust</i>	(1)	(4)	(11)			(16)
NONE P/2003/0627	Le Squez Estate (Phase 1A), St. Clement		(8)	(12)			(20)
	Sub-total (net)	(1)	(12)	(23)			(36)
COMPLETIONS 2005							
11150/E	John Wesley Apartments	17	23	1			41

PB/1999/0188	(11,13 & 13A, Lemprière Street and 1-3, Canon Street), St. Helier						
3764/Y PB/2000/2134	Clement Court, Ann Street, (former Cleveland Garage/ St. Helier Garages), (Phase 1), St. Helier <i>Jersey Homes Trust</i>	21		5			26
4628 B/2004/0302	Le Marais, Low Rise (Phase 1), St. Clement	(-21)	(-15)				(-36)
NONE B/2003/2646	Le Squez Estate (Phase 1A), St. Clement		1				1
4374 B/2003/1156 B/2004/1257 B/2004/1256 B/2005/0541	Victoria Cottage Homes, St. Saviour's Hill, St. Saviour	3 (6)					3 (6)
	Sub-total (net)	14	9	6			29
COMPLETIONS TO END JUNE 2006							
11273 B/2004/0278	Bas du Mont Flats, Pier Road, St. Helier (refurbishment) <i>CTJ Housing Trust</i>	1	6	9			16
1537 B/2003/0228	Phillips House, Victoria Street, St. Helier <i>Les Vaux Housing Trust</i>	15	3				18
179/G B/2002/1833	La Folie Estate, Parkinson Drive, St. Lawrence	3	11				14
4628 B/2004/0302	Le Marais Low Rise (Phase 1), St. Clement	14					14
8871 B/2004/0259	Fields 786 and 787 (Westview Farm), La Rue des Cosnets, St. Ouen (H2 site) <i>Community Homes</i>	6		13			19
2884 P/2003/2646 B/2005/0346?	Le Squez Estate (Phase 1B), St. Clement <i>Vacant @ end June 2006</i>			(43)	(4)		(47)
	Sub-total (net)	39	20	(21)	(4)		34
TOTAL COMPLETIONS		247	136	48	2	3	436

**SCHEDULE OF PURPOSE-BUILT FIRST TIME BUYER HOUSING COMPLETIONS, SINCE
APPROVAL OF JERSEY ISLAND PLAN 2002**

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 a 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
COMPLETIONS 2004							
14060 PB/2002/0709	Bagot Manor Farm, Bagot Manor Road, St. Saviour			21			21
18961 PB/2002/1321	Fields 378 and 379 and Field Cottage, La Rue a la Dame, St. Saviour			20	11		31
	Sub-total (net)	-	-	41	11		52
COMPLETIONS 2005							
NONE B/2003/1384	Le Squez (Phase 1A), St. Clement			14	4		18
	Sub-total (net)			14	4		18
COMPLETION TO END JUNE 2006							
4628 B/2004/0302	Le Marais Low Rise (phase 1), St. Clement			23			23
8871 B/2004/0259	Fields 786 and 787 (Westview Farm), La Rue des Cosnets, St. Ouen (H2 site)			24			24
	Sub-total (net)			47			47
TOTAL COMPLETIONS		33	93	219	25		370

**SCHEDULE OF KNOWN COMPLETIONS DUE FOR SOCIAL RENTED HOUSING, BY TYPE, END
JUNE 2006 TO END 2009**

Ref.	Site	Units by Type					
		1 bed	2 bed	3 bed	4 bed	5 bed	Total
Completions due by end 2006							
100/JA B/2002/1292 Now Complete	Le Coie Hotel Site, Janvrin Road, St. Helier <i>Jersey Homes Trust</i>	44	51			1	96
1365 B/2003/0288 U/C	Field 1218 (Le Clos Vaze), Mont a l'Abbé, St. Helier (H2 site)	14	6	28	6		54
15836 B/2004/0090 Now Complete	Le Benefice, (extension to former Hodge Nurseries), Fields 89, 89A, 90, 92A & 93, St. Clement (H2 site) <i>CTJ Housing Trust</i>			64	9		73
1380 B/2006/0605 Now complete	33-34, Grasset Park, St. Saviour			(2)		1	1 (2)
	Sub-total (net)	58	57	90	15	2	222
Completions due 2007 to end 2009							
3764/Y PB/2000/2134 Delivery held up with legal dispute	Clement Court, Ann Street (former Cleveland Garage/ St. Helier Garages), (Phase 2), St. Helier	6					6
16320 B/2004/1283 U/C	Clos Des Charmes, Fields 181, 182 & 183, La Route de la Pointe, St. Peter (H2 site) <i>CTJ Housing Trust</i>	12	3	16			31
2884 P/2003/2646 B/2005/0346? U/C	Le Squez Estate (Phase 1B), St. Clement	18	3	10	3		34
11097 B/2004/0232 currently still on hold while future of Wesley Chapel decided	Le Coin, Ann Street/ Charles Street, St. Helier	7	14 (-16)	2			23 (-16)
3636 P/2005/1424 B/2006/0152	Aquila Youth Centre, Great Union Road, St. Helier (over 65s) <i>Les Vaux Housing Trust</i>	24	1				25
Ref.	Site	Units by Type					
		1 bed	2 bed	3 bed	4 bed	5 bed	Total
Completions due 2007 to end 2009 (<i>cont'd</i>)							
P/2004/2247 (application refused and now awaiting revised scheme for 100 homes)	Fields 848, 851, 853 & 854, Bel Royal, St. Lawrence (H2 site)		5	35	5		45*/equiv
No App.	Fields 190, 191 & 192, La Rue			13			13

Development Brief to be approved after States debate on Proposition P.75/2006 Initial sketch scheme produced by developers	de la Sergente, St. Brelade (H2 site)						
No App.	Field 873, Bel Royal, St. Lawrence (H2 site)			5			5
3289/7514 PAP is minded to approve application subject the POA	Field 40, La Rue du Maupertuis, St. Clement (H2 site)			10			10
P/2006/0048	Field 690A, Maufant, St. Martin (H2 site) <i>Jersey Homes Trust</i>			19			19*2
P/2005/1998 tenure swap with Bagot Manor site	Field 1370, La Rue de Mont Sejour, St. Helier (H2 site)			12			12
	Sub-total (net)	67	10	122	8	0	207
	COMPLETIONS DUE	125	67	212	23	2	429
Other suspended sites which might have yielded by end 2009. They have been subject to freezes on development funding, to allow for re-assessment of the cost-effectiveness of the development proposals and are now with Property Holdings, who are considering their potential for disposal.							
319/L PB/2002/1412	Sunshine Hotel Site, Marett Road, St. Helier	6	16	12			34
13439 P/2001/2087	Salisbury Crescent, La Rue Le Masurier, St. Helier	12	1 (-2)	13	2		28 (-2)
	Sub-total (net)	18	15	25	2		60

Notes

- The potential yields from H2 sites without consent are based on enhanced estimates @ September 2006 and may need updating in due course.
- *1 Yield type estimates based on percentage split in refused application.
- *2 Estimated yield is based on the current application. Work is on-going in relation to the application and the yield estimate may need to be modified.

**SCHEDULE OF KNOWN COMPLETIONS DUE FOR FIRST TIME BUYER HOUSING, BY TYPE,
END JUNE 2006 TO END 2009**

	Site	Units by Type					Total
		1 bed	2 bed	3 bed	4 bed	5 bed	
Completions due by end 2006							
4/0615	Field 203 (Le Clos Corvez), part 204 & 252, Jambart Lane, St. Clement (H2 site)			62	14		76
3/0228	Field 1218 (Le Clos Vaze), Mont a l'Abbé, St. Helier (H2 site)		26	43			69
	Sub-total (net)		26	105	14		145
Completions due by end 2007 to end 2009							
02/0709 to swap with F. 1370, St. Helier	Field 812A, Bagot Manor Farm, St. Saviour			16			16
4/1283	Clos Des Charmes, Fields 181, 182 & 183, La Route de la Pointe, St. Peter (H2 site)	9	2	30			41
3/2646	Le Squez (Phase 1B), St. Clement		5	26	3		34
5/0048	Field 690A, Maufant, St. Martin (H2 site)			24			24*2
5/14/15608 5/1754 intended to approve subject to POA	Field 40, La Rue de Maupertuis, St. Clement (H2 site)			13			13
4/2247 Application refused and waiting revised application for 100 homes)	Fields 848, 851, 853 & 854, Bel Royal, St. Lawrence (H2 site)			50	5		55*1 equiv
Application Development Brief to be submitted after States debate 5/2006. Initial sketch has been produced by pers.	Fields 190, 191 & 192, La Rue de la Sergente, St. Brelade (H2 site)			16			16
Application	Field 873, Bel Royal, St. Lawrence (H2 site)			7			7
	Sub-total (net)	9	7	182	8		206
TOTAL COMPLETIONS DUE		9	33	287	22		351

The potential yields from H2 sites without consent are based on estimates @ September 2006.
Yield type estimates based on percentage split in refused application.
Estimated yield is based on the current application. Work is on-going in relation to the application and the yield estimate
may need to be modified.

**SCHEDULE OF LODGING HOUSE COMPLETIONS, BY TYPE, SINCE APPROVAL OF THE
ISLAND PLAN 2002**

	Site	Units by Type					Total
		1 bed	2 bed	3 bed	4 bed	5 bed	
Completed 2002							
1 2001/1302	Maison Harry, (formerly Hotel Corona), 107, Don Road, St. Helier	14					14 27 adults + 13 children
4 44S ? 2001/0614 000/0541?	Bonne Nuit Apartments (formerly Idle Rocks), Les Charrières de Bonne Nuit, St. John	8	1				9 18 adults + 10 children
2001/1897	Suisse Apartments (formerly wing of Hotel Suisse), St. Saviour's Road, St. Saviour (Nos. 11-18)	4	1	1			6 12 adults + 5 children
9R 999/2154	Santa Monica Park, St. Andrews Road, St. Helier	9	9				18 36 adults + 27 children
	St. Aubyn's Apartments, High Street, St. Aubin, St. Brelade	11					11 22 adults + 9 children
51?	Lyndhurst, 6, Elizabeth Place, St. Helier	5					5 10 adults + 5 children
	Maison Hérault, Le Boulevard, St. Aubin, St. Brelade	6					6 12 adults + 6 children
2001/2803	Roc Annick, La Rue Es Boeufs, St. Mary	3	2				5 10 adults
0 001/0112	Elysian House, 11, St. Saviour's Road, St. Helier	8					8 16 adults + 4 children
NE 2001/0252 17?	Greenwood Lodge, Roseville Street, St. Helier	5	7	1			13 26 adults + 22 children
12209 002/2290	La Forge Apartments (formerly Hotel du Puits), La Rue des Pallières, St. Ouen	4	3				7 14 adults + 7 children
2001/1288	Suisse Apartments, St. Saviour's Road, St. Saviour	3	6	1			10
0 002/3130	Bouley Bay Inn, La Rue de la Petite Falaise/The Mount, Trinity	6	2				8 16 adults + 5 children
49 001/2804	Armada Private Hotel, La Route de la Haule, St. Brelade	14					14
-total		100	31	3			134
Completed 2003							
NE 2002/0662	Sandy Bay Apartments, 74, Roseville Street, St. Helier	4					4 8 adults
8999 2001/1238	Grosvenor Apartments, Le Havre des Pas, St.	3	6	7			16 53 adults +

	Helier						12 children
3 2002/1801	The Mont Félard, La Route de St. Aubin, St. Lawrence	13					13 26 adults + 4 children
	Site	Units by Type					
		1 bed	2 bed	3 bed	4 bed	5 bed	Total
Completed 2003 (cont'd)							
7 2002/1040	Brookfield Apartments (formerly Brookfield Private Hotel), 24, Raleigh Avenue, St. Helier	15					15 28 adults + 10 children
0 2001/1330	Villa Apartments, Queen's Avenue, St. Helier	8	2				10 20 adults + 9 children
3 2002/0215	Basil Lodge (former Boys Hostel), 27, Clarendon Road, St. Helier	1	4				5
5 2003/0249	Dawlish House, 13-15, Charles Street (former guest house), St. Helier	13					13 20 adults + 4 children
0 2002/0777	Glenroyd, 26, Cleveland Road, St. Helier	3	2				5 10 adults + 6 children
5 2002/0240	Jishmi, 4, Roseville Street, St. Helier	6					6 11 adults
	La Manche, 5-7, Val Plaisant, St. Helier	22					22 28 adults
	Casa Alberto, 20, Cleveland Road, St. Helier	5					5 10 adults + 5 children
	Holmhurst, Queen's Avenue, St. Helier (former bank staff accommodation)	10					10 19 adults + 6 children
	27, Roseville Street, St. Helier	7					7 13 adults + 3 children
	Playa D'Or Apartments, La Grande Route de la Cote, St. Clement	2	2	1			5 10 adults + 9 children
5 /2924/ 2 /7359 /7228 001/1366	Portland Place, Midvale Road, St. Helier	1	7	4			12 36 adults + 15 children
38/D 2003/0444?	Claremont House, 117, Don Road, St. Helier	2	1				3 6 adults + 4 children
2 2002/1085	The Cornwallis, 9, Havre des Pas, St. Helier (former guest house)	14					14 23 adults + 3 children
00/F 2001/3052	The Palms, 2, Pierson Terrace, Le Havre des Pas, St. Helier	2	3				5 10 adults + 8 children
59 2002/2611	Ellwyn House, La Grande Route de St. Jean, St. Helier (retrospective)	2					2 4 adults + 2 children
57 2003/1681	Porches, La Grande Route des Sablons, Grouville	1	1				2 4 adults + 3 children
9	Grève de Lecq	11	3				14 28 adults +

003/1055	Apartments, Le Mont de Ste Marie, St. Mary						17 children
	Site	Units by Type					
		1 bed	2 bed	3 bed	4 bed	5 bed	Total
Completed 2003 (cont'd)							
002/1877	Pontac Beach Apartments (formerly Pontac House Hotel), La Grande Route de la Cote, St. Clement	4	1				5 10 adults + 6 children
-total		149	32	12			193
Completed 2004							
003/1349	Cambrette, La Grande Route de la Cote, St. Clement	1	3				4 8 adults + 6 children
003/0474	17, Royal Crescent, Don Road, St. Helier (former bank staff accommodation)	9					9 15 adults
003/088	Langham House, Hillary Street, St. Helier (former bank staff accommodation)	5					5 10 adults + 3 children
003/0445	Central Apartments, Kensington Place, St. Helier (formerly Central Hotel)	26	8	3			37 74 adults + 51 children
003/0815	Tynemouth, St. Clement's Road, St. Helier (formerly Tynemouth Guest House)	9					9 14 adults + 1 child
P/2002/2917	Residence de la Plage, Le Havre des Pas, St. Helier (formerly Hotel de la Plage)	31	15				46 92 adults + 60 children
57	2, Helmsdale Villas, Beaumont (Hotel Annexe), St. Peter	10					10 15 adults
	Bon Accord, 23, Midvale Road, St. Helier (former bank staff accommodation)	15					15 26 adults + 1 child
	Somerset House, 1, Somerset Place, The Parade, St. Helier		3				3 6 adults + 6 children
	Penllyn Apartments, 20, West Park Avenue, St. Helier (former bank staff accommodation)	8					8 16 adults
-total		114	29	3			146
Completed 2005							
004/2234	Basil Lodge, Clarendon Road, St. Helier (De-registered)	(1)	(4)				(5)
004/2234	Belle Plage, La Grande Route de la Cote, St. Clement (Was to have been de-registered. Permit for						-

	5 houses. Now remaining as lodging accommodation).						
	Site	Units by Type					
		1 bed	2 bed	3 bed	4 bed	5 bed	Total
Completed 2005 (cont'd)							
49	Armada Lodging House, Route de la Haule, Beaumont, St. Brelade (De-registered – reverted to tourism use – Ocean Walk Apartments)	(14)					(14)
34 004/0749	Martin's Apartments, 18, Peter Street, St. Helier (former staff units for Besco's Laundry).	1		1			2 4 adults + 3 children
3 004/1227	Seafield Lodging House, La Route de St. Aubin, St. Helier (refurbishment + existing bedsits converted to one bed flats and new 3-bed house)	5 (7)		1			6 (7) 12 adults + 8 children
003/2300	Suisse Apartments, St. Saviour's Road, St. Saviour (De-registered – Permit to COU part to 10 residential flats – all sold to A-H market)	(3)	(6)	(1)			(10)
5	Ocean Apartments, Westmount, St. Helier (Bulk of units de-registered and sold to A-H market)	(30)	(3)				(33)
	Hautmont House Apartments, Mont Millais, St. Helier (Bulk of units de-registered and sold to A-H market)	(10)					(10)
-total		(59)	(13)	1			(71)
Completed 2006							
005/1069	Dunraven, 39, St. Saviour's Road, St. Helier (refurbishment)						-
9 005/0952	Alphington, Roseville Street, St. Helier (refurbishment + existing bed-sits converted to 1-bed flats)	3 (4)					3 (4) 6 adults + 3 children
08 005/0166 005/0311	Lavender Apartments, (former St. George's Guest House), 31, Havre des Pas, St. Helier	5					5 10 adults 5 children
74	The Woollen Mill (staff accom for the Boathouse), Le Quai Bisson, St. Brelade	2		1			3 9 adults

7 004/1062	26, Raleigh Avenue, St. Helier (<i>former bank staff accommodation</i>).	2	4				6 12 adults + 10 children
94 006/0258	Milford Lodge, 8, Grosvenor Terrace, Grosvenor Street, St. Helier (<i>former bank staff accommodation</i>)	1	4				5 10 adults + 9 children
	Site	Units by Type					
		1 bed	2 bed	3 bed	4 bed	5 bed	Total
Completed 2006 (cont'd)							
7	Ellesmere Apartments, Hastings Road/Roseville Street, St. Helier (<i>former bank staff accommodation</i>)	22					22 44 adults + 4 children
07	27, West Park Avenue, St. Helier (<i>former staff accommodation for Bistro Central</i>)	4					4 7 adults + 3 children
70 005/1399	Brookland Apartments, Le Blanc Mondin, St. Clement (<i>former self-catering apartments</i>). COU approved 2005	3	1				4 8 adults 5 children
2	Midvale Apartments, Le Mont Fallu, St. Peter (<i>former bank staff accommodation</i>).	10	2				12 24 adults 14 children
0 004/2537	Broadlands Apartments, Le Mont Fallu, St. Peter (<i>former guest house</i>).	15	1				16 24 adults + 5 children
-total		63	12	1			76
FAL		367	94	17			478

LODGING HOUSES – OUTSTANDING COMMITMENTS (@ September 2006)
(i.e. consents, works in progress, units pending registration and units pending de-registration)

	Site	Units by Type					Total
		1 bed	2 bed	3 bed	4 bed	5 bed	
Planning in Principle (2002 – June 2006)							
9 2001/3349	Families in Recovery Centre, (Former Domino Guest House), 6, Vauxhall Street, St. Helier <i>COU approved 2002</i>						Not pursued
58 2001/3123	Glen Guest House, La Vallée des Vaux, St. Helier <i>COU approved 2002</i>						Not pursued
-total							-
Planning Consent (2002 – June 2006)							
0 201/0422	61, Kensington Place, St. Helier <i>COU approved 2001</i>						Not pursued
3 202/2522	Beau Rivage Hotel, La Route de la Baie, St. Brelade <i>COU approved 2002</i>						Not pursued
5 204/0108	8, Lewis Street, St. Helier <i>Permit approved 2004</i>						Not pursued
3 201/2652	Hotel Alhambra, Roseville Street, St. Helier <i>COU approved 2002</i>						Not pursued
NE 202/1122	Caverna Guest House, 25½, Simon Place, St. Helier <i>COU approved 2002</i>						Not pursued
5 202/1944	Glenthorne Hotel, 11, Elizabeth Place, St. Helier <i>COU approved 2003</i>						Not pursued
7 203/0525	Huntly Lodge Guest House, New St. John's Road, St. Helier <i>COU approved 2003</i>						Not pursued
5 205/0176	Meadowbank, Les Charrières Malorey, SL <i>Permit to redevelop with 9 flats and 1 x 3-bed house. Loss of lodging accommodation?</i>						Not pursued at this time
-total							-
Planning and Building Consent (2002 – June 2006)							
							-
Building Consent (2002 – June 2006)							
5 202/1377	Bay View Guest House, 12, Le Havre des Pas, St. Helier						Not pursued

	<i>Conversion to lodging house</i>						
-total							-
	Site	Units by Type					
		1 bed	2 bed	3 bed	4 bed	5 bed	Total
Units in Progress (@ September 2006)							
4	La Fontaine Hotel, La Grande Route de la Cote, St. Clement	5					5
NE 006/1343 006/0979	2, Imperial Villas, St. Saviour's Road, St. Helier (former hotel staff accommodation).	8					8 conversion works in progress
006/0891	La Sirene, , 23, Clarendon Road, St. Helier (former guest house).	6					6 conversion works in progress
16 005/1522	Cliffside, 65, New St. John's Road, St. Helier (former hotel staff accommodation).	1	3				4 conversion works in progress
-total		20	3				23
Units Pending Registration (@ September 2006)							
1 006/1566	Units 15-22, St. Peter's Country Apartments, St. Peter (currently tourist accommodation).		8				8 change of use application still pending
	Talana, Le Mont de Gouray, St. Martin (former hotel staff accommodation).						Future use not yet confirmed
-total			8				8
Units Pending De-Registration (e.g. to be sold in A-H Market)							
5	Ocean Apartments, Westmount, St. Helier	(2)					(2)
	Hautmont House Apartments, Mont Millais, St. Helier	(2)					(2)
-total		(4)					(4)
TOTAL		16	11				27

STATUS OF SITES REZONED FOR CATEGORY A HOUSING PURPOSES

(@ September 2006)

- **Site H2(1) Fields 848, 851 and 854, Bel Royal, SL**, – application for 129 homes was refused permission by Minister following a Public Hearing. Revised application anticipated.
- **Site H2(2) Field 1218, Mont a l'Abbé, SH** – under construction and nearing completion. No consent yet for required community building.
- **Site H2(3) Fields 203, part 204 and 252, SC** – under construction and nearing completion.
- **Site H2(4) Extension to Hodge Nurseries, Fields 89, 89A, 90, 92A & 93, SC** – complete.
- **Site H2(5) Fields 181, 182 and 183, St. Peter** – under construction for completion in Summer 2007.
- **Site H2(6) Fields 786 and 787, Rue des Cosnet, SO** – homes complete.
- **Site H2(7) Field 690A, Maufant, SM** – application submitted. Still trying to resolve Planning Obligation Agreement and outstanding application details/ reserved matters.
- **Site H2(8) Fields 190,191 and 193, Rue de la Sergenté, SB** – development brief to be approved after States debate P.75/2006. Initial proposals have been produced by developer to interpret draft brief.
- **Site H2(9) Field 40, La Rue de Maupertuis, SC**, – PAP minded to approve application subject to Planning Obligation Agreement.
- **Site H2(10) Field 873, Bel Royal, SL** – no progress due to the circumstances of the present owner
- **Site H2(11) Field 1370, Rue du Mon Sejour, SH** – permission granted but yet to commence. Tenure swap with Bagot Manor Site.

In addition, the States has recently zoned **Field 812A, SS** (an H3 site) for Category A housing purposes. The tenure swap with Field 1370 above means it is to be built exclusively for first-time buyers. The Planning Obligation Agreement is now in place, a planning permit has been issued, and development will commence shortly.

[1] *Some 312 persons qualified having been resident equal to or greater than 14 years, but less than 15 years, as a direct result of the reduction in the qualifying period to 14 years' residency. A further 172 persons qualified having been resident equal to or greater than 13 years but less than 14 years as a direct result of the reduction in the qualifying period to 13 years' residency.*

[2] *The Housing Department has implied that these figures should be treated with caution, because of underlying assumptions about the degree to which homes are vacated due to death and going into care (i.e. the report assumes nearly 600 homes), and the extent to which tenants can achieve their aspirations to move (i.e. the report assumes 450 tenants will do so).*

[3] *The estimates have been determined by superimposing directly onto the numbers in Table 6 of the 'Jersey Housing Requirements 2005-2009: Report on the 2004 Housing Needs Survey', the numbers in Tables 9 (as amended), 11a and 11b and supplementary information from the Statistics Unit.*

[4] *The 4 years 2001-4 were characterised by a small net outward migration of 150 people, which equates to approximately 63 households @ 2.4 persons per household, followed by a net inward migration in 2005 of 270 people (approx. 113 households).*

[5] *The terms 'Category A' and 'Category B' have been in common usage in the Jersey planning and housing sectors since it was first introduced in the 1987 Island Plan. Category A is intended to denote 'need' housing and has become synonymous with social rented housing and purpose-built homes for first-time buyers. Category B is intended to denote 'demand' housing and covers all other housing in the qualified sector not included in the Category A definition. It is likely that the changing nature of 'need' and 'demand' housing will require new definitions or a new categorisation, which can be addressed in the impending Island Plan Review.*

[6] *The finance industry is the Island's principal industry, is responsible for over half the Island's total economic output and employs nearly a quarter of the workforce. The industry has emerged from a period of rapid change and adjustment and the recently published 'Annual Survey of Financial Institutions' indicates that within the industry profits and employment*

are up on recent years. It would also appear that salary awards and bonuses are returning to something like their previous levels.

[7] The Statistics Unit has indicated that the anticipated prices are generally very close to the lower end of the inter-quartile range.

[8] 'Income Support Benefit' is currently being developed by the Social Security Department and will come into operation in spring 2007. The purpose of the benefit is to provide households on low income with financial assistance suitable to their needs. There are 3 basic components to the benefit – basic living; dependent living and extra benefits (e.g. disability, health, residential care, rental subsidy). Rental subsidy will be a key element and will be transferred over from the Housing Department.

[9] Nearly a quarter of all tenants presently claim little or no abatement.

[10] The average earnings of full-time equivalent employees in June 2006 was about £28,000 per annum. Source: Index of Average Earnings, States of Jersey Statistics Unit.

[11] Where a seller accepts an offer and then takes a higher one.

[12] Where a buyer tries to get the seller to accept a lower offer just before contracts are about to be exchanged.

[13] Where a property is worth less than the amount still owed to the mortgage lender.

[14] J-Category employees are currently entitled to occupy rented or purchased qualified accommodation, which has been suitably classified, for the duration of their employment contract.

[15] There is no definitive position on potential floorspace from new development on the waterfront at present. Although there may be considerable variations when schemes come forward, the latest figures suggest there might be some 43,000m.² of gross residential floorspace provided at Castle Quays and Les Jardins. This could equate to some 430 new homes (i.e. if we assume a 4-bedroom family flat on the open market is around 100m.², including circulation space). It should also be born in mind that Hopkins Architects have indicated an additional 500,000 sq.ft. (46,450m²) could be achieved on the Waterfront, over and above the latest figures. Given the limitations on demand for new office accommodation and the need to protect the town from too much new retail development, it seems likely that the extra space will be largely residential. If so, there may be the potential for an additional 450 or so new homes.

[16] 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.

In reaching a figure for each site, account was taken of the location, the nature of the scheme and the potential price, and this was weighed against broad assumptions about the range of prices which would allow for servicing the first-time buyer market. In some cases prices were known, as schemes were either sold or in the process of being sold. Background work was undertaken on various sites that have recently changed hands, to inform the process. It appears that there is significant variation in the properties sought by first-time buyers and some (e.g. professional couples) are able to purchase at a far higher level than the typical first-time buyer new build (£280K – £320K). As a consequence, it may be that the estimates provided are a little on the low side.

[17] Recent investigations undertaken by officers of the Population Office and Planning Departments of larger development proposals (+5 units) suggest that, if built, over 90 of these units are likely to meet first-time buyer demand.

[18] 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.