

2017.11.27

3.7 Senator P.F.C. Ozouf of the Minister for Housing regarding the current demand for, and supply of, homes: [1(627)]

Could the Minister provide the latest available figures for current demand and for supply for homes split by 'social rented', 'affordable purchase' and 'entitled', as well as projected figures for figures per annum until 2020?

Deputy A.E. Pryke of Trinity (The Minister for Housing):

Apologies, Sir, if I missed the question. On my form, I had it down as question 8.

The Bailiff:

It could be question 8, but it is not on the Consolidated Order Paper.

The Deputy of Trinity:

I apologise anyhow, because I was not there for the first one. I thank the Senator for his question. As the Senator knows well, an adequate supply of housing is one of the biggest challenges facing this Island, but we can be cautiously optimistic.

[15:45]

We are on track to deliver more than 1,100 affordable homes for rent and to purchase by 2020. This exceeds the target we set ourselves in the revised 2011 Island Plan, but the demand is still high. We have seen a big drop in the number of people waiting to access social rental housing, down from 1,200 households in 2013 to 755 households today. This is a positive development, reflecting the new supply from Andium Homes and the other housing trusts in addition to better management of the Housing Gateway waiting list. Nevertheless, there are now 974 households hoping to purchase an affordable home. Going forward, we need to provide more opportunities for people to buy their own home, so my department is now actively focusing on our housing needs up to 2035, which will be fed into the next Island Plan. In terms of open market, we are averaging around 270 new builds each year over this Island Plan period and it is reasonable to think we will reach 300 new builds per year up to 2020.

3.7.1 Senator P.F.C. Ozouf:

I thank the Minister for her statistics, which would probably, I acknowledge, be better in a written question, but the record will be clear. The U.K. had a report from Dame Kate Barker about housing supply in 2001 and warning of the consequences of not building a sufficient supply. The Minister explains, quite rightly - and I welcome - the numbers of affordable homes being delivered by Andium, but does she really think that the supply of effectively non-affordable - the open market housing - is going to be sufficient in order to meet the legitimate demands of households, particularly because the affordability of a purchase for a family keeps on rising?

The Deputy of Trinity:

Future need obviously, as I said, is important. The Housing Needs Survey that we did back in 2014 showed that there was a potential shortfall. However, we know that people wanting to buy their own home are first-time buyers, so that is why, as I think I mentioned last time, going forward for the next Island Plan we are going to have a strategic housing market assessment report. It is going to be reporting across the different types of tenures and the impact and that will be fed into the Island Plan so we are absolutely sure of understanding more of the need for homes, whether it is in the private sector or in the affordable sector going forward.

3.7.2 Deputy M. Tadier:

Would the Minister talk about what the population increase is going to be between now and 2020 and how that relates and impacts on the 1,100 new homes that she hopes to deliver?

The Deputy of Trinity:

The immigration policy is part of the revision of the Island Plan, because also sustainable immigration has got to benefit the social, economic and the environment side. As we know, the population has an impact on housing and we will need to have good-quality housing. That is why it is important to have the strategic housing report assessment done so that we know exactly what type of need of houses there is. That should be finished within the next ... it is just about to go out to have it done, to commission it. That will be fed into the next Island Plan, which obviously is important and it is going to be debated in 2019 and 2020. But also we have got to think of net migration, but just ordinary migration of smaller households, if there was net migration, we will still need an increase of around 3,000 to 4,000 homes up to 2025.

3.7.3 Deputy M. Tadier:

I am not sure what the Minister means, if there was net migration. We know that there is going to be net migration and there has been of the order of 1,000 per year, but let us maybe try a slightly different question in order to perhaps address and rebalance the housing shortage. Does the Minister agree that in times of shortage it is reasonable to ration a product and has she given any consideration to rationing houses? For example, does she know how many people in our Island own 10 or more properties? If she wishes to encourage home ownership, could they not be better distributed among the population of those who wished to be able to own one property rather than 10 or hundreds even?

The Deputy of Trinity:

That is the way the housing market works. Some people will invest in buying properties and they will rent it out. Some people wish to rent and some people wish to buy. That is part of the housing market. We know some people unfortunately, with the cost of houses at the moment, will never, ever be able to afford to buy because of their income. It is important that we look at right across the different tenures, both supporting the private sector, but also the affordable housing side of it too.

3.7.4 Deputy G.P. Southern:

The Minister referred to affordable rental homes. The example I spotted this morning of a 2-bed Andium flat in Clearview Place - no great site, the back of town - which is on offer at £340 per week, does she consider that the prices that Andium are now charging are in fact affordable or otherwise?

The Deputy of Trinity:

Andium have done a great deal of work to bring up their stock to Decent Homes Standard and they hope to reach the 100 per cent Decent Homes by 2020, if not earlier. I know wherever you live, Andium respects all the tenants. As regarding the cost, Andium can charge up to 90 per cent of market rents. If someone cannot afford, for whatever reason, that amount of rent, then they can be encouraged to look at Income Support to support them.

3.7.5 Deputy G.P. Southern:

Is it not the case that £1,350 per month is not an affordable price and that affects the group which just falls out of income support, the very poorest, in terms of trying to make ends meet and be able to afford their rent? Does the Minister not accept that?

The Deputy of Trinity:

What I accept is the price of housing is expensive over here. That is the most important thing, to get on and build. We know that Andium are building a lot more houses, especially in the north of town, but not only Andium, the other housing trusts are beginning to do their bit and build and refurbish, *et cetera*, but also the private sector too. To bring the prices down, we do need more supply, but also with Andium we know as part of the housing transformation that up 90 per cent - and I think there is only about 27 per cent of their tenants who do pay around about that amount - do pay the full 90 per cent. But this is the cost of having to refurbish, because the housing has lagged behind significantly over the years.

3.7.6 The Connétable of St. John:

In view of the shortage of housing on the Island, what incentives does the Minister have at the moment or propose to have in the future to encourage private developers to meet this shortfall?

The Deputy of Trinity:

Very few incentives at the moment. That is something that perhaps I could look at. If the Constable of St. John has any good ideas, that would be great. The Minister for the Environment has reduced the planning permission down from 5 years to 3 years, which is a good thing, so therefore it will encourage people to get building sooner rather than leave it for land banks. That is one initiative, but those who have got permission must use it and build.

The Bailiff:

Minister, if you could try and keep your answers a little shorter, I think that would be much appreciated. Deputy Mézec.

3.7.7 Deputy S.Y. Mézec:

Given that according to the Income Distribution Survey, the cost of housing is the single biggest contributing factor to poverty on the Island, given that the number of homes she proposes to have built by the year 2020 will not be anywhere near adequate enough, given the immigration levels into the Island and given the fact that, as Deputy Tadier alluded to, it is becoming increasingly more difficult for people - particularly people my age - to buy homes because we have a housing market that works in the interests of investors and not inhabitants, would the Minister not be better off by standing up here and acknowledging that the housing policy of this Government is a complete, abject failure?

The Deputy of Trinity:

Absolutely not. The Deputy is quite cynical. Andium are doing a great lot of work and they are about to build an awful lot of houses in the north of town, regenerate that and especially the Town Park. That is a significant boost to the north of town, something that was in the housing strategy and part of the regeneration of St. Helier and including the Town Park. That is a great asset, but not only are they building, they are now building really, really good accommodation where people want to live. That is one part. They have also got the Homebuyers' scheme, so that is another part to encourage people who want to own their home with shared equity. We have got College Gardens. That is a mixed tenure and that is going to be a great asset again to the north of town, again a mixed tenure of shared equity - I am sorry, I am going on, Sir - and affordable housing. But that is right. Later on, I think the end of the week, we have a proposition - I cannot say it in French - about doing shared equity in perpetuity. For me, that is a great asset.

3.7.8 Deputy S.Y. Mézec:

A supplementary, Sir. I still wonder what Island this Minister is living on, because none of what she says is enough. It is not delivering what it needs to, because the population policy of the Government she is a part of is out of control. Home ownership is out of reach of people my age and it is putting people into poverty. Why is the Minister so complacent? Could she give a better answer than simply saying: "Oh, is Andium not brilliant?" when we all know that Andium is brilliant, they are doing great work, but it is not enough? What is the Minister going to do to change the housing market in Jersey from one that works in the interests of investors to one that works in the interests of people who need a roof above their heads, as should be a basic right for every person living on this Island and the whole planet?

The Deputy of Trinity:

I do not think I ever said it was enough. Of course I have always said we need to build more. It is supply, supply, supply and that is why that strategic housing assessment report is going to be vital. That work needs to be done across the tenures so that it can be fed into the next Island Plan, because it will be this Assembly in the next Island Plan that will have to look at it, with all the evidence behind it. Do we rezone for more housing? We need to build and make greater assets of our public land. We need to get that up and running and build. That report will be vital as we feed into the next Island Plan.

3.7.9 Deputy T.A. Vallois of St. John:

Without referring to the future strategic assessment that is going to be done, would the Minister be able to advise currently in terms of the policy that we have at the moment how many homes would have to be built in order to reduce the cost of rents and purchasing property in Jersey?

The Deputy of Trinity:

I do not have that work, but we know, as I said, that 90 per cent is there to pay back the social housing bond. As I said, about roughly 27 per cent of tenants pay the 90 per cent. Is that a high figure? It could be. That is why I think in a year, perhaps 2 years' time, when more people are perhaps paying that rent we need to a proper review of that, but we are not quite there yet.

3.7.10 The Deputy of St. John:

A supplementary. Does the Minister not accept that always answering with the fact that more supply is needed without knowing the supply that it is wrong to suggest that is the only thing that is needed to assist in the housing market in Jersey, and the fact of land scarcity and property in the States of Jersey's holding in terms of brownfield sites that we have no property plan for to assist in affordable housing, that supply is the only way that we are going to help reduce costs to Islanders?

[16:00]

The Deputy of Trinity:

That is one of the main ports of call, supply. Until you get more supply on ... we know that in the private sector, 2-bedroom homes have been built. I do not remember how many in the last 3 years. Prices show that the one-bed and 2 bedrooms have stabilised out in the private sector, but we need to build. For first-time buyers, we have got to have some places for first-time buyers to buy.

3.7.11 Deputy J.A.N. Le Fondré of St. Lawrence:

What work has the Minister's department done on the impact of the proposed Jersey Infrastructure Levy on supply, given the likely increase in cost?

The Deputy of Trinity:

I absolutely support the introducing of the Jersey Infrastructure Levy. I think we are going to be debating that in the next sitting. Having sat on the Planning Applications Panel, when we put planning obligations in place, perhaps at the very last minute, I often question is that fair for developers? Should they know right upfront of what the planning obligations should be or may be? It is knowing upfront. I know the Minister for the Environment has done a lot of work both with the industry and with external experts to look at this.

3.7.12 Deputy J.A.N. Le Fondré:

A supplementary. The question was what work has the Minister's department done to assess the impact on the Infrastructure Levy, not the merits of it.

The Deputy of Trinity:

The impact, part of that fits in with the Environment Department on the work that they have done. They do come up with they see very little difference.

3.7.13 Senator P.F.C. Ozouf:

I welcome the Minister's answers. Basically she gave a lot of statistics. If she was able to perhaps tabulate those into a single piece of paper, I think it might help. The reason why I wanted to ask this and why I was moved to ask this question was while accepting the Minister has done spectacular work, as she has explained, on the social rent and affordable purchase homes, the reality is that for the open market home purchase area, is that not the area where the Minister needs to now focus her attention on? Would she, in the term of office that she has remaining, commit herself to a range of initiatives to effectively boost the supply of home purchase options that are not the subsidised home option to purchase, for example, with a range of initiatives, lobbying the Minister for Treasury and Resources on stamp duty, having initiatives which more small builders could be building more homes, innovative ways of building homes? Would she now focus on the bit that it was missing perhaps in her answer, which is the purchase, the non-subsidised purchase home, because that is where the real hardship is felt by families who want to get on the housing ladder?

The Deputy of Trinity:

Yes, because I know it is important and I am happy to circulate the figures.

3.7.14 Senator P.F.C. Ozouf:

Could she commit to work on that bit of the purchase element, not the affordable social, but this area where families want to buy homes that are not necessarily shared equity, but they really own their own home?

The Deputy of Trinity:

Yes.