

**WRITTEN QUESTION TO THE MINISTER FOR HOUSING
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 30th APRIL 2013**

Question

Does the Minister accept the figures for rent rises in the Housing Trust sector given in the draft sector report of July 2012 which show a weighted average of £33 (18%) weekly, and if not, what figure does he have for rent increases in the Trust sector for 2014 (year 1) and 2018 (year 5)?

Given that the aforementioned draft report was never finished pending the results of the 2011 Census, will the Minister state what evidence, if any, the 2011 Census contained which had a bearing on the formulation of the Housing Transformation Programme (HTP) and in what ways, if any, his plans were changed by it?

What research, if any, has the Minister undertaken to estimate the capacity of the Trust sector to deliver housing over the period of the HTP and will he release any papers on this topic?

Will the Minister explain why the HTP contains no mention of the population it is intended to cater for and inform members of the extent to which the Statistics Unit was involved in developing the 30-year projections contained in the plan?

In particular, will he explain how the HTP caters for the demand outlined in the Housing Needs Survey 2013-2015 in the light of population growth targets?

Answer

I assume the Deputy is referring to the “States of Jersey – Rents and Income Support” draft report of July 2011.

The rent policy considered in the draft report involved uplifting all rents to 90% of market rent in April 2013 which is clearly not the rent policy now being proposed. Under the proposed policy, rents will only be charged at 90% of market rent when a property becomes vacant.

Additionally, market rent assessments provided in the draft report were based on assessments performed by the Trustees. Accurate market rents cannot be determined until proper independent market assessments have been undertaken. For both the reasons stated above, I do not accept the rental increase figures stated in the Deputy’s question and forecast rental income in the Trust sector cannot yet be determined without the property market assessments.

The July 2011 report concluded that *“A further analysis of the impact of alternative rent limits policies on the capacity of claimants to access the private rented sector can be undertaken once data is available from the 2011 Census that will provide an accurate and current record of the size of the private rented stock, and its distribution between different types and sizes of dwellings.”*

As this reference clearly relates to the private sector rental market and the options for Income Support for claimants in this sector, I understand that the 2011 Census figures have been taken into account by the Minister for Social Security in formulating his proposals for Income Support in this sector which will be published shortly.

Indicative financial plans have been constructed for the Housing Trust sector, but a lack of detailed and independently verified data relating to their market rents and a full condition survey of their properties have meant that a full capacity review cannot be undertaken. These pieces of work will need to be undertaken in the future. In the interim, some of the Housing Trusts have confirmed to me that they have sufficient surpluses to undertake the developments as set out in my proposals.

I refer the Deputy to my answer to his question (7563) in which I explained that the proposals within the Housing Transformation Programme allow for the development of all sites currently in State ownership and designated for social housing and that the new Housing Company can and will deliver additional social housing for viable schemes if further sites are identified and borrowing is made available. I also recognised that further units of social housing are required in order to meet the needs of our community in the longer term and I am working to ensure that these are brought forward.

My Housing Transformation Proposals have concentrated on setting up the appropriate structures to ensure that sufficient social housing is delivered in an appropriate and sustainable manner. The Full Business Case is based on a full condition survey of the housing stock plus proposals to build new units on defined sites as detailed in appendix B. The Full Business Case would have been flawed if it had included notional sites with notional costs. What I have delivered is a Business Case that resolves current issues, increases capacity and provides a structure that enables further supply of homes as sites are identified and in response to the Affordable Gateway Statistics and demand outlined in the Housing Needs Survey.