

10.05.16

3.9 (9426) Deputy G.P. Southern of the Minister for Housing regarding measures to increase the supply of housing:

Following the Chief Minister's statement to Members on 26th April 2016 that increasing the supply of housing alone will not solve the problem of rental stress on the Island, what additional measures, if any, does the Minister have under consideration to address this issue?

The Deputy of Trinity (The Minister for Housing):

The cost of housing is an important issue for us all. Housing stress is a 2-sided issue, we need to deliver more homes while also supporting growth in household incomes. This means building 1,000 new affordable homes, ensuring the planning system is working effectively to enable housing supply, it also means driving an agenda of economic growth, more employment opportunities and higher household incomes will also improve household affordability.

3.9.1 Deputy G.P. Southern:

We come back to the definition of terms here. What is the Minister's definition of affordable? Is any property affordable when it comes in at 9 times the average wage?

The Deputy of Trinity:

Affordability is obviously different in everybody's household but the most important thing is as a department we need to build affordable housing through the criteria ... whether it is social housing or housing to purchase and that is what we aim to do over the next 3 or 4 years as identified in the Island Plan, to build more homes on our own States-owned sites as well as other sites that have been rezoned. It is coming online.

3.9.2 Deputy G.P. Southern:

To repeat the question in search of an answer, if I may, what is the Minister's definition or definitions of affordable?

The Deputy of Trinity:

Well, I think I have answered the question. It is down to everyone's household income. For someone who earns over £100,000 the level of affordability is different to someone who lives in social housing.

3.9.3 Deputy M. Tadier:

What information does the Minister have, if any, about the situation with property hoarding in the Island?

The Deputy of Trinity:

Could the Deputy elaborate on that? Does he mean that the landlord is hoarding or people hoarding their ... I do not quite understand the question?

Deputy M. Tadier:

The Minister, I am sure, accepts that just building housing on its own is not going to be the solution to Jersey's housing crisis. Therefore, does she have any information about who owns what properties and how many individuals own numerous properties perhaps in the region of dozens, if not hundreds, in the Island. If she does not have that, why not?

The Deputy of Trinity:

I think the Deputy is talking about landlord registration. I think that is ...

Deputy M. Tadier:

Not necessarily, I did not say landlords, I talked about property ownership, who owns how many properties in the Island.

The Deputy of Trinity:

I do not have that information but I go back to the landlord registration because I know that the Deputy talks about it and I know the Minister for Health and Social Services is bringing ... going to launch Rent Safe, which is a voluntary accreditation scheme in the law. When that does come to the States there is a proviso in that law for a landlord accreditation scheme.

3.9.4 Deputy M. Tadier:

The Minister chooses to answer a different question to that which I asked so if I may use my supplementary to ask again. Does the Minister accept that whether it comes to home ownership or people having affordable homes, for every property that somebody else owns above the property that they live in that is one less home that somebody can buy for their family? Will she take steps to investigate to what extent that is a problem in Jersey so that we can make home ownership a real aspiration in Jersey for young families in particular.

The Bailiff:

Deputy, that is a completely different subject from the question which was about rental, it is not about buying property.

Deputy M. Tadier:

Okay, I accept that, thank you.

3.9.5 Deputy R. Labey of St. Helier:

The Minister in her first answer stated that she would have to ensure that the planning system is working effectively to hit her targets. What does she mean by that?

The Deputy of Trinity:

I think it is important that the planning is quick and efficient. I know it has improved under the present Minister and also that if third party appeals are gone through it is done in a timely fashion. Housing and the number of housing is finely balanced. Therefore, we need to press on because any delay, whether it is third party appeals or a delay in the planning application, is a delay in homes being built.

3.9.6 Deputy R. Labey:

So the Minister is talking about a quick and efficient planning system and that third party appeals should be timely. Is she suggesting that there should be changes to the system. Is she unhappy with the current system and, if so, in what areas?

The Deputy of Trinity:

I think it is well known that the third party planning is ... it is a new change of system that sits with the Judicial Greffe and like any new system it is taking a while to bed-in. But we need to continue with ... obviously third party appeals are important and it is everybody's right, but they need to be done, as I said, in a timely fashion.

3.9.7 Deputy A.D. Lewis:

The Minister will be aware that the subject of vacant properties has been raised before in this Assembly and there are dozens, if not hundreds, of homes that are empty in the Island for various different reasons. Would the Minister consider any penalties for those that leave properties vacant without making any attempt to make them habitable or rentable, in other words to encourage those that have vacant properties, for all sorts of varied reasons, to make them habitable and make them capable of being occupied for rental purposes, and if not, why not?

[10:45]

The Deputy of Trinity:

In the Housing Strategy it is one of the points that we will be addressing over the next months and years. We need to find a way of how to get to know the vacant properties and why each property is still vacant. I know later on in the year we will be talking to the Constables to see if we can add something into the rates assessment that goes out each year. So it is something that we are actively looking at. One issue could be if someone does have a vacant property, for one reason or another, perhaps they are in a nursing home or whatever, could a letting agent take over that property while they are deciding what to do with it. That is just one thought.

3.9.8 Deputy S.Y. Mézec:

Does the Minister consider it helpful to pursue rental increases above inflation and, for that matter, 90 per cent market rates in the social housing sector? Does she consider that to have a positive impact on the problem of rental stress in the Island?

The Deputy of Trinity:

That is a question that we have discussed here many times and we have to go back to the reason why we decided as a States Assembly to do 90 per cent of market value rents. It is because the housing stock was in such bad condition that we needed to do something widely about it, by taking out a bond and putting 90 per cent at market value that has helped the refurbishment of other properties, which is something that I hope that we all want because some of our housing stock was in very bad condition. But also, alongside that very importantly, those who cannot afford the 90 per cent quite rightly will be assessed and picked up by Social Security. So there is a safety net there and that is important.

3.9.9 Deputy S.Y. Mézec:

That is a Social Security budget that, of course, is facing £10 million worth of cuts as part of this Council of Ministers' austerity drive. Of course all Members support increasing the number of properties available on the rental market but can the Minister just confirm whether she has carried out any sort of assessment specifically on the problem of rental stress and 90 per cent market rate rents for some of the poorest people in the Island and how that possibly makes things better for those individuals and their lives?

The Deputy of Trinity:

If he is talking about the poorest and most vulnerable people that is Social Security. They are there to do the housing component, to pick those people up to make sure that they can afford the housing rental. People need to live in decent homes and, as I said before, some of the homes - and some still are - are in appalling condition and they need to be refurbished and brought up to decent home standards. As regarding a view of the 90 per cent rental, it has been going just over a year and I know some work is going to begin to be done in the next couple of months.

3.9.10 Deputy S.M. Brée of St. Clement:

I seek clarification from the Minister on a previous answer that she gave relating to empty properties. Would the Minister confirm that she both supports and is looking to introduce state involvement in a private individual's or families' property affairs relating to empty properties and is seeking to take over effectively any empty properties that may for one or another reason be looked after by a family at the moment?

The Deputy of Trinity:

I do not think the Deputy heard me well. There are, if I remember rightly, over 3,000 empty properties and for some legitimate reasons, between letting, *et cetera*, but there is a certain proportion of, as we understand it, vacant properties that have been left vacant for quite a while. So it is important that we understand the whole reason for what the problem is and working with the Constables, because that is the only way we can know if a property has been vacant with a rates assessment and see if we can add in questions there about how long they have been vacant, *et cetera*. But there are some people that might just need that little bit of help renting. I have no intention at this moment in time of stepping-in and taking over letting.

3.9.11 Deputy G.P. Southern:

Can the Minister assure Members that the emphasis in her new housing plan will be on social rental homes, for which we have the greatest need and not necessarily in homes to purchase?

The Deputy of Trinity:

I think the emphasis should be on both. People living in social rental as well as those, young families especially, that want to buy affordable housing.

The Bailiff:

Minister, forgive me, you have been answering questions for 10 minutes on rental stress and I just do not know what it means. Do you understand it to mean tenants who cannot afford their rent, rents being too high or not enough properties to rent, because it seems to me it could mean any of those things? So it means all of them, does it?

Deputy G.P. Southern:

No, rental stress is the situation where a family find itself having to pay more than a third of its total income out in rent.

The Bailiff:

But that is not the basis upon which the Minister was answering some of the questions, that is why I asked it.