

**WRITTEN QUESTION TO THE MINISTER FOR HOUSING
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 6TH JUNE 2017**

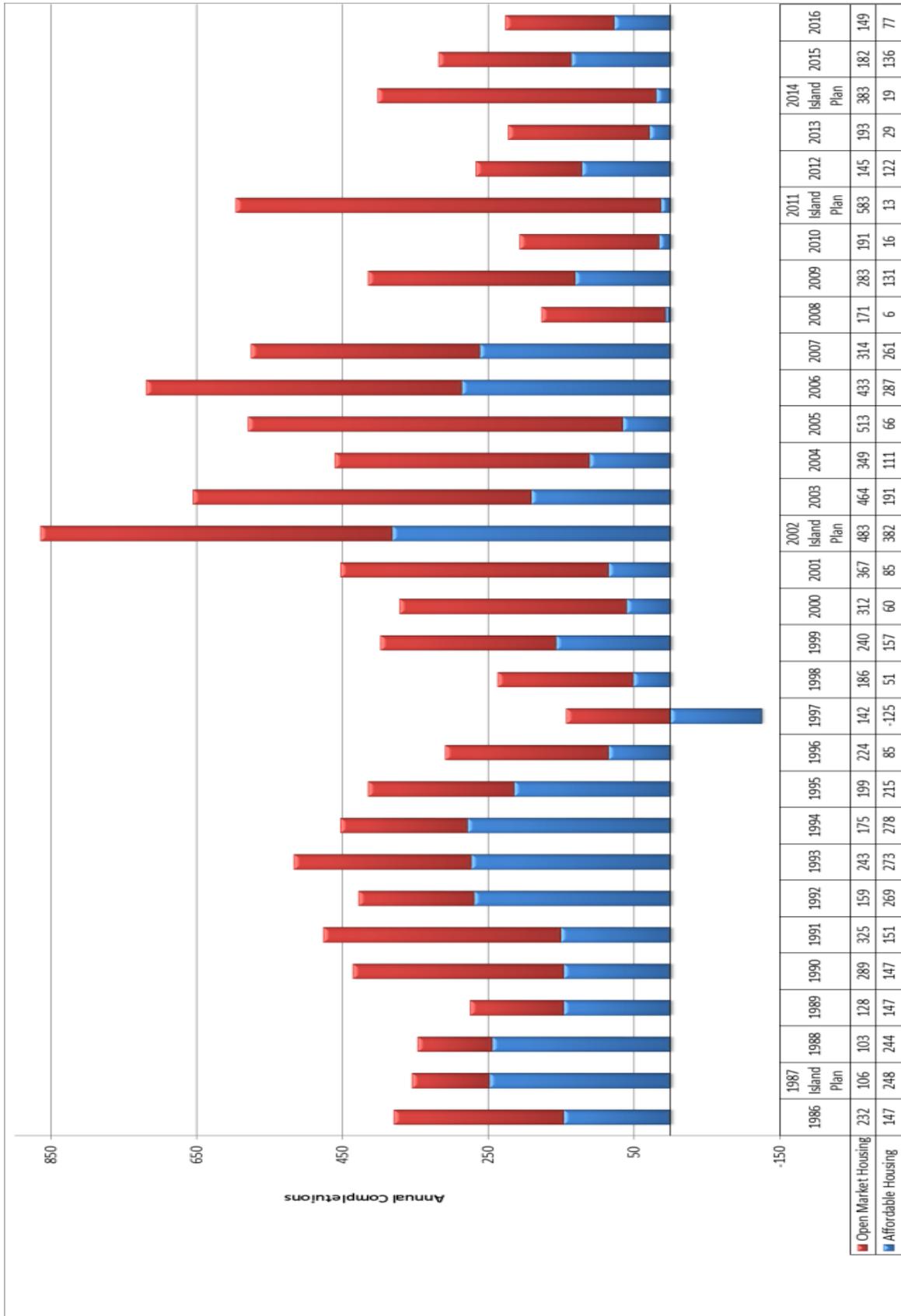
Question

Given the Guiding Principles for housing strategy outlined in ‘Housing Strategy: Consultation Document – October 2015’ (R.116/2015), will the Minister –

- (a) update Figures 5 and 6 of that report and provide the number of housing completions by type for the years 2013 onward;
- (b) indicate how many, and what proportion of, the 1,000 new home completions given as a target for Andium Homes in ‘Annual Report 2015’ (R.78/2016) will be ‘affordable’ rental homes;
- (c) advise what work, if any, she has done to establish how many of the over 600 households shown in Figure 4 of R.116/2015 as being in urgent need of housing are realistically candidates for anything other than affordable rental housing with assistance from Income Support;
- (d) advise what the average rent on new tenancies is for affordable Andium rental properties for 1 and 2-bedroom flats and 3-bedroom houses as a proportion of household income, along with the mortgage payments required for affordable purchase homes as a proportion of income; and
- (e) provide updated figures for the house and rental price index to 2015/16, as shown in Figure 7 of R.116/2015, alongside the rise in R.P.I. and average earnings, for the period 2002 to date?

Answer

- (a) The number of housing completions by type for the years 2013 onward are shown below:



Housing completions by type

Figure 1:

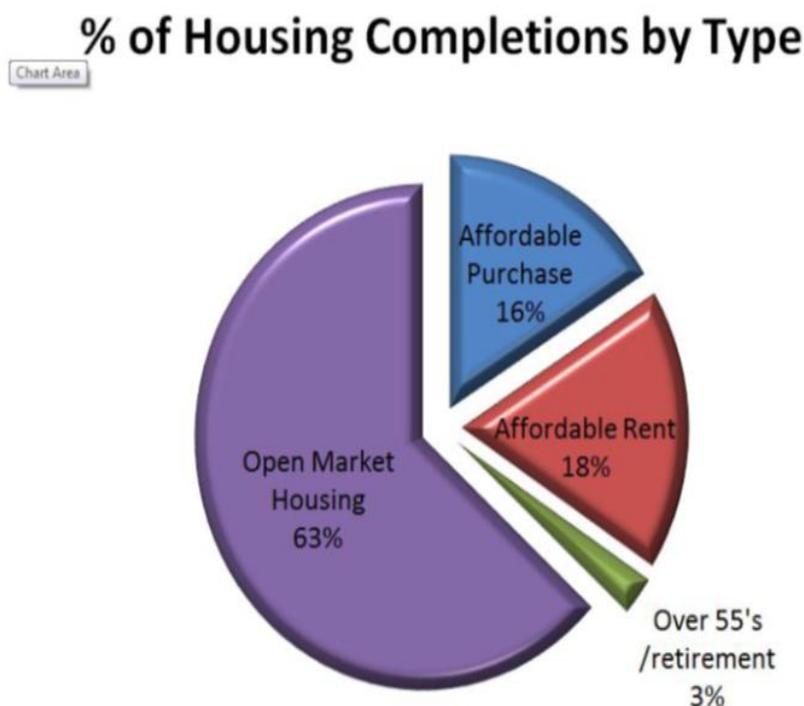


Figure 2: Percentage of completions by type

- (b) Andium Homes is planning to build 1,063 new homes by 2020. Of this figure, 863 homes will be built on identified sites, including 758 affordable rented homes and 105 affordable homes for first time buyer purchase. The remainder of the 200 homes will be built on new sites that are currently considered commercially sensitive, but will deliver a mix of affordable rent and purchase.

Andium Homes has already delivered 227 new homes since incorporation, all of which have been for affordable rent.

- (c) Figure 4 of R.116/2015 shows the Affordable Housing Gateway waiting list from January 2014 to August 2015, including the total number of applications and the number of households recorded in the highest level of housing need (bands 1 to 3 and 6). These bands relate only to affordable rented housing and are accessible to households whose housing needs are not met by the private rented sector.

Affordable housing also includes affordable homes for purchase by households who cannot afford to do so at an affordable level without some form of assistance. Households who wish to purchase an affordable home are registered in Band 5 of the Affordable Housing Gateway waiting list. 767 applicants are currently registered in Band 5.

There is clearly a significant demand from first-time buyers to purchase their own home, which is demonstrated by the 600 individuals, couples and families who attended the Andium Homebuy event over two days in April 2017. Andium Homes will sell more than 300 affordable homes over the next five years through the Andium Homebuy scheme.

- (d) The average rent on new tenancies for affordable Andium rental properties for 1 and 2-bedroom flats and 3-bedroom houses are £193.59, £248.05 and £330.14 per week respectively. A full list of rents charged is available on the Andium website¹:

¹ The average rents displayed on the Andium Homes website are average rents across all housing stock, not only new tenancies.

<http://www.andiumhomes.je/yourhome/Pages/PayingYourRent.aspx>

Only 29% of Andium Homes tenants have moved on to the 90% market equivalent rents policy. Overall, average rent levels are currently at 77% of the market. Information regarding the proportion of household income that is utilised in relation to rent is not available as the circumstances will vary between households.

Income Support recognises the full weekly rent of any social housing property, providing that the property size is appropriate to the needs of the household. In this way, low income households are protected from increases when they move on to the 90% policy through Income Support.

Applicants purchasing through the Andium Homebuy Scheme are typically borrowing between 4 ½ and 5 times their income, although it is for the lenders to use their normal calculations in terms of affordability.

It is not possible to identify the mortgage payments required for affordable purchase homes as a proportion of income, again, as the circumstances will vary between households. However, in the last five years, the House Price Index shows that property prices have kept pace with earnings – the Jersey House Price Index has increased by 9% and average earnings have increased by 11%, demonstrating that the affordability of buying a home has not worsened.

- (e) Figures for the House Price Index and Private Rental Index shown alongside figures for the Retail Price Index (RPI) and average earnings for the period 2002 to date are provided below. A Private Rental Index has been produced since Quarter 3 2015, following a pause of three years where the Population Office no longer recorded this data.

