

**WRITTEN QUESTION TO THE MINISTER FOR CHILDREN AND HOUSING  
BY SENATOR G.P. SOUTHERN OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 25th SEPTEMBER 2018**

**Question**

Will the Minister inform members of the number of social rental homes sold off from the stock of Andium Homes over the period of its existence in comparison with the number of such homes sold off by the former Department of Housing over the equivalent period of time before incorporation; and will he also provide the financial and political justification for these sales by Andium Homes?

**Answer**

The number of homes sold by the former Housing Department and Andium Homes (incorporated on 1<sup>st</sup> July 2014) is as follows:

<b>Year</b>	<b>Total Sales</b>
2010	13
2011	9
2012	12
2013	9
2014	15
2015	17
2016	14
2017	28
2018	29

The above sales programme is based on the following political justification:

- In 2002 the States approved the Housing Committee's Strategic Policy Report 2002 – 2006. That document laid out a number of aims which included support for the principal of home ownership.
- In 2004 the States approved P.19/2004, which authorised the sale to then Housing Committee tenants of certain properties at Le Squez and Le Marais.
- In 2007 the States approved P.6/2007, which authorised the then Housing Department to sell a number of social rented homes, 22 on the open market, and 778 flats and houses on a shared equity basis to tenants.
- In 2013 the States approved P.33/2013, which further supported the ongoing sales of social rented homes to those registered with the Affordable Housing Gateway, as essential to the business case for incorporation.
- The States Strategic Plans 2006-2011, 2009-2014, 2015-2018 have consistently given emphasis on increasing levels of home ownership and introducing more home ownership schemes.

- The “Housing Strategy” published by the Minister for Housing in March 2016, included in its first objective deliverables on the need to develop and promote home ownership initiatives.

Andium Homes publishes a Strategic Business Plan each year, approved by its Guarantor, the Minister for Treasury and Resources and supported by the Minister for Housing. Sales have formed an integral part of those approved plans on an annual basis, targets of 25 per year from existing stock have recently been increased to 40.

Andium Homes’ sales could not, therefore, take place without the ongoing approval of Ministers.

There are several important factors that has been acknowledged as fundamental to the long-term viability of the Andium Homes business model when approving these sales:

1. Current demand for affordable purchase is significantly higher than affordable rental. The Affordable Housing Gateway statistics published at the end of August stated that there is currently a net rental demand of 485 applicants, but for First Time Buyer purchase there are 1132 applicants. Andium Homes is keen to support both markets.
2. Andium Homes is currently on site delivering 752 new additional homes at Samares, Le Squez Phase 4, Summerland, Ann Court, La Collette Low-Rise and the Boiler House, the majority of which will be for affordable rental.
3. Sales of social rented units can only be made to applicants registered with the Affordable Housing Gateway. In most cases, such applicants are currently living in a social rented unit which is subsequently released when they purchase a home – representing a change in tenure rather than a loss of a unit.

Moreover, the sales programme is based on the following financial justification:

1. Andium Homes is a not-for-profit company undertaking a large capital programme to deliver 2,000 new homes by 2025. All income generated from property sales is reinvested into providing more and better homes. This reduces the level of borrowing taken out in the delivery of the much-needed new homes.
2. Without ongoing sales, the Andium Homes business model would not be sustainable without a compensatory reduction in the annual return, currently £28.2 million.
3. Sales identified in the table above generated £41,678,433 income.
4. With a portfolio of over 4,500 properties, sales of between 1 – 2% form part of the Asset Management Strategy which ensures Andium makes the most efficient use of the stock and delivers the right homes and tenure opportunities for clients.

The Andium Homes sales programme (and that of the former Housing Department) was determined by previous Ministers. The present Minister for Housing has not yet reviewed the policy of assisted home ownership and the role that Andium Homes will play in it as part of its strategic business plan.