

STATES OF JERSEY



PLANNING FOR HOMES 2005

**Presented to the States on 30th August 2005
by the Environment and Public Services Committee**

STATES GREFFE

PLANNING FOR HOMES 2005

A Review of Current Information on Residential Land Availability

A JOINT REPORT OF THE ENVIRONMENT AND PUBLIC SERVICES AND HOUSING COMMITTEES

July 2005

FOREWORD AND ACTION PLAN FOR THE WAY AHEAD

This is one of a regular series of review documents, prepared jointly on behalf of the Housing and Environment and Public Services Committees. The primary purposes are to ensure that the housing situation is kept under close scrutiny and to inform future policy decisions.

This particular review is informed by the findings of a new housing needs survey conducted by the Statistics Unit providing a new set of estimated housing requirements rolled forward to cover the period 2005 to 2009. The new requirements allow for different future scenarios over the next 5 years, based on different possible migration levels and alternative housing qualification periods. The survey points to a general improvement in the housing situation since the Island Plan was adopted in 2002 and the original targets were set for new homes over the first 5 years of the plan period.

As with the previous review, the findings of this review are particularly encouraging and will make welcome reading for all those who wish to promote improved access to housing and who aspire to the aim that everyone living in the Island should have the opportunity of a decent home. Performance in meeting identified requirements for new homes has been impressive since the beginning of 2002 and, once again, there is a healthy availability of land for housing when compared to the identified requirements for the 5 years to the end of 2009. Indeed, the evidence for outstanding commitments suggests that the overall revised targets for new homes over the period up to the end of 2009, under various potential alternative scenarios, can be met without the need for any large scale release of additional land at this time.

Of course, meeting the need for social rented and first-time-buyer homes will continue to be dependent on the delivery of homes on land zoned under Policy H2 of the Island Plan in an appropriate timeframe and at land-efficient densities.

However, ensuring that sufficient 'sheltered accommodation' is provided to meet identified requirements is likely to require the release of some additional land, which in turn will require a full public consultation exercise.

In the present circumstances, the rezoning of other land for housing purposes at this time, including the bringing forward of any H3 and H4 sites will need to be justified on their merits, to achieve highly desirable and overriding planning and community aims, including the provision of much-needed community facilities and securing improvements to the quality of older Housing Committee developments.

Both Committees remain determined to ensure the community's housing needs are properly addressed and will persevere in their efforts to ensure the delivery of adequate housing. They remain acutely aware of the constraints they face in pursuing this goal. Notably, the high degree of resistance to new housing developments from nearby residents (often despite the prior approval of the sites for residential development) and the protracted processes currently involved in progressing development proposals on land zoned specifically for Category A housing purposes.

Despite the current healthy land availability position, there remains no room for complacency. The Committees are keen to ensure that this position is maintained and that care is taken to ensure the supply of new homes is continued at an appropriate level. They also wish to ensure that there will be an effective and timely response to any changes in community housing needs arising from the implementation of the Strategic Plan, Housing Committee policies, the new migration strategy, other relevant States' policies and changing social trends.

In recent months the Committees have –

- commissioned the Statistics Unit to conduct a new Housing Needs Survey and provide a comprehensive review of housing needs projections rolled forward to 2009;
- undertaken detailed feasibility studies on H3 and H4 sites in the 2002 Island Plan to determine viability;

- completed parallel feasibility studies on other potential future housing sites;
- updated figures on the States Rental Waiting List;
- undertaken a review of the First-Time Buyer List.

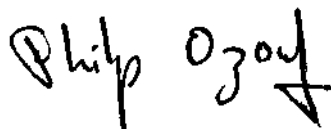
In the light of the above and on the basis of the findings in this latest Planning for Homes document, the Committees have agreed to modify and update their shared action plan for the way ahead, which now comprises the following stages –

1. **Finalise site feasibility reports (July 2005).**
2. **Review list of sites earmarked for future Category A needs under Policy H4 of the Island Plan (July 2005).**
3. **The immediate commencement of a series of public consultations at relevant parishes on prioritised sites which would appear most suitable to address outstanding needs for sheltered and other elderly persons' housing accommodation and/or to achieve desirable planning and community gains (January 2006).**
4. **Consequent on 1, 2 and 3, zoning proposition/s for prioritised sites considered best suited for meeting the above ends, accompanied by proposed revisions to the Policy H4 sites (February 2006).**
5. **Review current Housing Committee development programme (September /October 2005).**
6. **Next housing land availability review –'Planning for Homes' (June 2006).**
7. **Consequent on 6, consideration of whether to bring forward more H3 and remaining H4 sites.**
8. **Further recommendations to the States to reduce the housing qualification period in phases from 14 years down towards 10 years, as circumstances allow.**
9. **Consideration of how the difficulties of single-earner households entering the owner-occupied housing sector can be overcome.**
10. **A new 'Housing Needs Survey' (2008).**

The programme dates are provisional at this time and will be confirmed in due course.

Other than for the reasons set out above, sites will not be zoned for housing purposes at this time, unless it becomes clear that the development of other previously zoned land cannot be achieved within an appropriate time frame, thus leading to a shortfall in necessary supply of new homes.

Landowners and developers should be aware that the planning obligations which currently apply to rezoned land regarding tenure and other matters may need to be reviewed for newly zoned sites, in order to reflect changes in the nature of the community's housing needs and States fiscal policies.

President, Housing Committee

President, Environment and Public Services
Committee

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SUMMARY OF FINDINGS

Balancing identified requirements for new homes with a practical land availability supply position is a complex problem, which the planning process must deal with. To this end, it is important that the States continues to maintain and develop increasingly accurate and up-to-date estimates of housing requirements and records of housing land availability.

This report presents the findings of the second residential land availability review to be undertaken since the adoption of the Island Plan in July 2002 and has been prepared in consultation with the Housing Department, The Housing Task Force and the Statistics Unit. In effect, it offers a snapshot of the statistical position as at the start of 2005, although it does take into account relevant subsequent events. The review has been informed by the results of a new housing needs survey providing a new set of estimated requirements for new homes, which effectively roll forward the current Island Plan targets to cover the period 2005 to 2009. This new information generally points to an improved housing situation since the start of the Island Plan in 2002.

Given the current economic circumstances, the States' policy of 'controlled economic growth', and its continued commitment to reduce the degree of inequity in the housing market, housing requirements have been established for a range of alternative future scenarios. These allow for either continuing the current qualification period for residential status (the '14 Year Rule'), or for reducing the period by one year per annum to 10 years. They also provide for alternative migration assumptions, including 'nil net migration' and net annual immigration levels of 50, 100, 200 and 500 households respectively. The 'worst-case' immigration assumption of +500 households per year is provided for information, but is not regarded as a realistic future option and is not included in the assessment of land availability.

The evidence suggests that, in overall terms, the current housing land availability situation remains reasonably healthy. It should be possible to balance identified requirements for new homes over the next 5 years with sufficient supply from existing sources (e.g. existing planning permissions, opportunities for development at the Waterfront and windfall developments in the built-up area) and from sites zoned specifically for Category A housing purposes. In general terms, there are no grounds for any large-scale release of additional land.

Qualified sector

Despite the fall-off in 2004, there have been unprecedented numbers of new homes constructed in the 'qualified sector' during the period 2002-2004. This, combined with the present economic circumstances facing the Island has led to a more than adequate supply of apartments and private rented housing and a general flattening of property prices and rental values. At this time, there are also impressive levels of outstanding commitments for new homes in this sector.

The evidence suggests that if the '14 Year Rule' is retained, there is a greater than sufficient overall supply available from known commitments to meet overall potential requirement figures. Furthermore, if the qualification period is reduced to 10 years, this would only result in a modest overall potential shortfall in supply over and above existing commitments. This is not regarded as a problem, because the calculation takes no account of the potential contribution of existing Category B consents which have not commenced or have yet to be granted in the next 3 or 4 years. In any event, the maximum average building rates necessary to deliver identified requirements in the 'qualified sector' up to the end of 2009 (i.e. assuming a reduction in the qualification period to 10 years and average net annual immigration of +200 households) are significantly below the average rates achieved in the 3 years to the end of 2004.

The 'housing needs survey' does not separately identify all first-time buyers and the estimates of potential requirements for owner occupied accommodation do not specify the proportion which is for first-time buyers. However, the survey does separately identify 'concealed households', which, together with an element of qualified households who are currently renting and wishing to purchase, does provide an indication of potential first-time buyer requirements (see Section 3.5). By using this information, an attempt has been made to estimate the proportional split of Category A and B requirements within the qualified sector.

Category A homes

The evidence suggests that the outstanding commitments for the supply of Category A homes will comfortably match overall potential requirements for the period up to the end of 2009, whichever future scenario is chosen (i.e. through a combination of the existing housing stock and sites already identified for Category A housing purposes). With the exception of sites required for sheltered homes (see below) or for achieving overriding community benefits, there appears little necessity at this time to bring forward additional land for Category A housing development to meet identified needs up to the end of 2009.

Category B homes

The land availability situation with respect to Category B homes is a little more difficult to predict at this time. The supply of Category B homes since the Island Plan was adopted in 2002 has been very healthy (averaging approximately 400 homes per year). Landowners and developers have taken opportunities available throughout the Island, and mainly in the built-up area, to meet anticipated demand. This in turn has had a significant impact on the residential property market. In particular, it has contributed to the levelling-off/stabilisation of prices. If the '14 Year Rule' is retained, the average annual building rates necessary to deliver estimated potential requirements for new Category B homes up to the end of 2009 should be easily achievable (i.e. 263 to 284 homes per annum). If, however, it is assumed that the qualification period is reduced to 10 years and annual in-migration levels average +200 households, the necessary average building rate rises to an estimated 338 homes per annum. Although, this rate is also perfectly achievable, the situation needs to be kept under close scrutiny. The shortfall between the supply of Category B homes currently under construction and potential requirements for the next 5 years is of the order of 727 homes. This shortfall would need to be met by existing Category B consents which have yet to commence and by successful applications for development of additional Category B homes over the next 3 or 4 years.

For the time being, the figures do not suggest any necessity to alter the approach in the Island Plan, in order to zone land for Category B housing purposes. The Environment and Public Services Committee can continue to consider applications for planning permission in the normal way and grant approval where proposals are in accordance with its policies.

Sheltered housing and large family homes

Notwithstanding the overall situation regarding land availability in the 'qualified sector', there are a couple of specific areas which require careful attention. The evidence points to a significant shortage of supply to meet potential requirements for larger four- and five-bedroom family homes, primarily concentrated in the owner occupier sector. In addition, there would appear to be a requirement for a minimum of 50 sheltered homes, over and above existing commitments. Clearly, if older persons are encouraged to downsize to sheltered homes and other smaller accommodation that is more suited to their needs, it could significantly increase the supply of larger family homes. This would help to address potential requirements for four- and five-bedroom homes by maximising the use of the existing housing stock and reducing the need for new build.

Non-qualified sector

Once again, it has proved more difficult to judge performance in the 'non-qualified' housing sector, because of the paucity of reliable and quantifiable information on the supply side. However, from the information available (much of it anecdotal), it seems clear that the market has been generally successful in meeting demand in this sector. Undoubtedly, this success has been assisted, in no small measure, by the more challenging economic circumstances that have faced the Island in recent years and the consequent reduction in demand. Identified potential requirements for new homes in the non-qualified sector would be reduced to very modest levels if, over the next 5 years, the housing qualification period is reduced to 10 years.

There is no reason to believe that the market cannot continue to meet requirements in this sector, aided by the careful implementation of recently approved migration control mechanisms.

Conclusion

It would appear from the evidence to hand that the current housing land availability situation remains the healthiest it has been for some years and there is little reason to suspect that potential demand for new homes over the next 5 years cannot be met by sufficient supply. Of course, it is of paramount importance to ensure that the supply of housing land, at any point in time, is not unduly restricted, and is sufficient to meet the community's needs for new homes. In this regard, it could be argued that the new Island Plan has performed well, in providing house builders with a greater choice of sites and opportunities to develop and better enabling them to respond to market conditions. However, it is also crucial not to remove important constraints on land use decisions. By remaining consistent with the concept of 'sustainable development', as espoused by the Island Plan, the planning system aims to ensure that the need for development is properly reconciled with the need to protect and enhance the built and natural environment.

The evidence in this report does not, in itself, provide material grounds for changing the current planning policies, although there would appear to be merit in releasing some additional land specifically for meeting identified requirements for 'sheltered homes'. In the present circumstances, the grounds for releasing additional land for other housing purposes would need to be fully justified in the best interests of the community. In anticipation that there might be a requirement to release additional land for housing, the Department of Planning and Building Services has already carried out detailed feasibility work on potential Category A sites identified under Island Plan policies H3 and H4. This will enable suitable sites to be quickly brought forward for public consultation, prior to the preparation and submission of a rezoning proposition for States' debate.

The implications of this review for housing policy are perhaps more significant. It would appear that the Housing Committee is in a good position to recommend to the States further phased reductions in the housing qualification period from 14 years, without causing undue problems for the housing market. There are also opportunities for the Housing Committee to continue its programme of upgrading outworn estates and, where appropriate, selling off existing rental stock to tenants who wish to become owner-occupiers. By so doing, it can continue to improve the standard of social rented accommodation; improve the balance of the social rented stock; create a better social mix on its larger developments; secure environmental improvements; foster more owner occupation; and, through sale of assets, obtain funds for future housing improvements/maintenance.

Despite the favourable findings of this review, there can be no room for complacency. These are challenging times, both economically and politically, and in view of the inevitable uncertainty which occurs at such times, it is important that we continue to keep the land availability situation under close scrutiny. By so doing, any unforeseen changes in circumstances can be responded to effectively and in a timely manner. With this in mind, the next 'Planning for Homes' is currently programmed for June 2006.

1. INTRODUCTION

Both the Housing Committee and the Environment and Public Services Committee remain fully committed to ensuring that an adequate supply of suitable housing is and will continue to be available to meet the existing and projected needs of the community. This fundamental aim runs consistently through a range of States' policies, including the Strategic Plan, the Housing Committee's Strategic Policies, the Island Plan 2002 and other policy documents. The importance of a decent home for every member of the community both in terms of the individual's quality of life and the success of the economy is set out in earlier land availability reports and is widely documented elsewhere.

This is the latest in a series of documents on the availability of residential land in Jersey, and the second since the adoption of the current Island Plan. It has been prepared jointly by the Environment and Public Services Committee and the Housing Committee, in consultation with the Statistics Unit, the Housing Task Force and representatives of those directly involved in the local housing market. In essence, the document reviews the availability of land to meet identified potential housing requirements. The primary purposes of such reviews are to –

- establish the facts about the amount of available land for construction of housing in the next 5 years and beyond;

- determine whether a sufficient supply of suitable housing land is genuinely available in practical terms, at all times, to satisfy the Island's identified requirements;
- determine whether there is a need for the managed release of additional land for housing purposes and/or for making more opportunities available for residential development through the planning process (i.e. to help ensure suitable new homes are built in the right place at the right time);
- help monitor the performance/effectiveness of the Island Plan in relation to housing provision and identify policies and proposals in need of adaptation in response to changing circumstances, so as to ensure the Plan stays on track;
- help inform service-providers of the likely extent of new development, so they are better able to make decisions on investment for the future provision of services.

The previous land availability report, 'Planning for Homes, 2004', sets out a considerable amount of background information to help explain the general housing situation/context in the Island and, in most cases, it is not considered necessary to reiterate that information here.

This document concentrates on the changes that have occurred in the interim and focuses on updating the key data covering identified requirements for and the supply of new homes.

A number of significant changes have occurred, in this regard, since 'Planning for Homes, 2004', which are highlighted throughout this document. The most fundamental of these changes is the recent completion of a new Housing Needs Survey and the subsequent review of identified potential housing requirements. The current Island Plan and the previous Planning for Homes addressed housing requirements for the period 2002 to 2006. The new requirements figures have been rolled forward to cover the period 2005 -2009.

In carrying out this review and formulating a new 'Action Plan for the Way Ahead', the 2 Committees have remained acutely aware that proposals for housing development are often contentious and highly politicised. However, they also recognise the importance of reconciling the advantages associated with the provision of new homes to meet identified needs with other social and environmental considerations. The Island Plan generally looks to promote a balanced approach to housing provision, which helps to ensure sufficient sustainable housing development for the community's needs, whilst conserving and enhancing the quality of the environment and protecting the amenities of existing residents. For this approach to be realistic and responsible, it must be based on the best information available.

2. POLICY CONTEXT

2.1 Strategic policy

The States Strategic Plan 2005 to 2011 provides the overarching policy direction for Jersey in the coming years and lays the grounding principles for States policies. It looks to improve the quality of life for Islanders and to secure Jersey's future in an increasingly global community. At its core, are the continuing development of the economy and the promotion of 'controlled economic growth'. The plan describes a vision for Jersey's future and underpins this with nine key aims designed to ensure prosperity, equity, inclusiveness, unity and a high quality of life. In addition, a number of objectives and tasks have been identified as necessary to deliver the aims successfully.

Many of the plan aims and objectives will have a direct or indirect effect on future housing requirements to varying degrees, including –

- Aim 1: 'To create a strong and competitive economy'
(*N.B. a target for economic growth of 2% per year*)
- Aim 2: 'To maintain a sustainable population'

Task: to regulate inward migration and housing by licensing

- Aim 3: ‘To enhance Quality of Life’
Task: ‘to enable the provision of good standard, secure and affordable accommodation for all’
- Aim 4: ‘To protect the natural and built environment’.

More specifically, the proposed Strategic Plan calls for an increase in the housing stock of “*no more than 1,750 units*”. It suggests this is achievable through a review of current Planning procedures and the Island Plan to investigate more efficient use of urban areas and to encourage regeneration of land.

The Plan also allows for a one per cent per annum growth in the size of the working population (i.e. up to 500 new jobs per year) over the next 5 years, in order to boost the economy. However, in promoting the Plan, the Policy and Resources Committee has made it clear that the majority of extra workers will come from the existing resident population (e.g. school-leavers, mothers returning to work, retirees staying in employment, the unemployed and the disabled). It was inferred during the debate that the number of immigrants required for the increasing working population would be a ‘small proportion’.

2.2 Housing policy

The Housing (Jersey) Law 1949 and its attendant Regulations currently impose a very high degree of government control over the entire housing market and effectively seek to protect access to the housing market for those with full residency rights (i.e. 79% of the adult population and 88% of private households at the time of the 2001 Jersey Census).

The current policies of the Housing Committee are set out in its Strategic Policy Report, 2002-2006, which was approved by the States in July 2002. This makes it clear that the Committee’s long term goal is for “*an Island where all residents have access to good standard, secure and affordable homes*”. A fuller explanation of the implications of the current regulations and policies, including what has become known as the “two-tier housing system”, is set out in the previous Planning for Homes. The main change to occur since then has been the recent States decision to reduce the housing qualification period from 15 years’ continuous residence in the Island to 14 years. This was the latest in a series of such reductions over the last few years, which to-date, have only had a marginal impact on the housing market.

2.3 Monitoring and regulation of migration

On 22nd June 2005, the States approved in principle a set of proposals for monitoring and regulating the factors that govern migration. This will allow the States to effectively control the size of the working population and in so doing, exercise greater control over the size and make up of the Island’s population. The approved strategy involves a radical overhaul of the current Regulations governing housing qualifications and aims to achieve greater fairness and equity in housing, by allowing more people the chance to achieve a residency status.

Under the strategy, which will come into force over a 3-year period, all persons entering the Island will have to register with a new ‘population office’. There will be 3 categories of resident: **entitled**, **licensed** and **registered-only** (instead of the existing 14 categories). **Entitled** residents will enjoy full housing status and will include newcomers who have qualified under the Housing Regulations (currently 14 years). **Licensed** residents will effectively enjoy the same unrestricted housing rights to rent or lease property through gaining a licensed job (for the duration of their employment contract) and would include those currently with ‘J’ or ‘K’ Category qualifications under the present regulations. The immediate change to Licensed status will have a neutral impact on the housing market, as the households involved are already housed in the ‘Qualified Sector’. However, it is envisaged that a significant number of immigrants will eventually fall into this group which will be subject to a phased enlargement over a number of years. **Registered-only** residents will only be able to work in posts allocated for registered persons and will have no housing qualifications.

The report accompanying the proposition which was approved by the States lists a number of policy aims,

including –

- to allow the States over time to reduce the unacceptable disparity between those who have housing rights and those who are not ‘qualified’.

That report also outlines a number of proposed “mechanisms” which includes the following statement of intent –

- “It is intended, over a number of years, to reduce the period for residential qualification from 15 years towards a policy that all residents will become entitled after 10 years residence.”

Under the strategy, inward migration will only be supported where it offers key skills or more opportunities for local people in the workplace. Clearly, it is not possible, at this time, to accurately gauge how the new control mechanisms will be applied in practice and, more particularly, what impact it will have on housing land availability and the balance between qualified and non-qualified people. However, those exercising the controls will do so in the best interests of the community and, in addition to the needs of the economy, will undoubtedly take into account the situation in relation to housing and other infrastructure.

In any event, both the Housing and Environment and Public Services Committees are fully supportive of the proposal to gradually move, over a period of years, to a 10-years continuous residence requirement, as circumstances permit. In this way, the States can continue to reduce the effect of the inequitable and discriminatory “two-tier housing system” and so allow more long-term residents full access to the housing market.

2.4 Land Use Planning Policy

The planning system has a crucial role to play in providing an adequate supply of land to meet the housing requirements of the community. The policies set out in the Jersey Island Plan, 2002, are the primary mechanism governing the availability of land for housing. These policies include the allocation of land specifically for housing purposes, in addition to providing opportunities for private developments principally within the built up areas (i.e. through the normal operation of the day-to-day planning process). The Plan supports the notion of providing adequate housing for all residents and sets out to “*ensure that sufficient land and opportunities are made available for homes to meet the needs of Island residents*”. It also seeks to ensure that there is an appropriate balance between housing provided for social rent and first-time buyers, housing for private rent and purchase and lodging accommodation, in order to cater for those who have difficulty in affording homes of an appropriate standard for their needs.

The provision for new homes in the Island Plan is heavily reliant on ‘windfall’ developments in the built-up area being brought forward by private developers over the plan period. Meeting specific requirements for social rented and first-time buyer homes is dependent, to a very large extent, on rezoned land and other specifically earmarked sites.

3. HOUSING REQUIREMENTS

3.1 Assessment of requirements

The Housing Committee, the Environment and Public Services Committee and its predecessors have long recognised the need for a clear, unequivocal and accurate assessment of likely future housing needs and demands for all sectors of the housing market (qualified and unqualified).....an assessment that is able to stand up to close scrutiny.

The estimated requirement figures for new homes which are set out in the current Jersey Island Plan 2002 and which were addressed by Planning for Homes 2004 cover the period 2002 to the end of 2006. They were based on a report of the Statistics Unit entitled “Evaluation of Jersey’s Medium-Term Housing Requirements”, January 2002. The analysis was, in turn, based on survey data from mid-2000, which was developed and updated using the results of the 2001 Census. Since then, many changes have occurred in the economic, social and political climate.

The need for an up-to-date housing needs survey and revised detailed estimates of Jersey's potential housing requirements rolled forward to cover the next 5 years has been recognised for some time. As a consequence, the Housing and Planning and Environment Departments jointly commissioned the Statistics Unit to carry out the work. This was completed by the Unit in February 2005 and the findings and full analysis are set out in the document entitled "Jersey's Housing Requirements 2005-2009".

For the purposes of the new housing needs survey, questionnaires were sent to 5,600 households (16% of total household population) and there was a relatively high response rate (51%). The new requirement figures are based on people's expressed aspirations as at the end of 2004 and, as such, represent a snapshot of the situation facing the Island at that time. Furthermore, the figures are based on the assumption that there will be near perfect movement in the housing market, so that all those seeking to move will be free to do so. Notwithstanding these qualifications, the Housing and Environment and Public Services Committees consider the new figures represent an accurate indication of potential housing requirements over the next 5 years. As such, they can play a valuable role in informing States' policies in relation to housing, planning and related matters.

3.2 Key findings

Not surprisingly, the Statistics Unit's report does point to a changed housing situation, reflecting *inter alia* changing social and economic circumstances, changing aspirations among Islanders and recent performance in producing new homes.

The key points to emerge from the new housing requirements figures are –

- **A generally improved housing situation.** The new report suggests a potential requirement for some 1900 new homes in the qualified sector and 575 homes in the non-qualified sector over the next 5 years (i.e. based on nil net migration and the former 15 year ruling for housing qualification). This compares very favourably with the previous estimated requirements for new homes over the first five years of the Plan to 2006, which included over 3,100 homes in the qualified sector and 1,100 homes in the non-qualified sector (i.e. based on net immigration of +200 and the former residential qualification period of 19 years).
- **Notable requirements for two-, three- and four-bedroom owner-occupied family accommodation,** driven by existing owner-occupiers wishing to trade-up; concealed households (first-time buyers); demand from households in the private rented sector; and households which will gain housing qualifications under the current rules.
- **An on-going requirement for some 250 x one- and two-bedroom 'sheltered dwellings'.**
- **Significant potential surpluses in the private rented sector** as households currently renting look to purchase. The surpluses for smaller sized accommodation would become shortfalls, if the qualification period is reduced to 10 years.
- **Significant potential surpluses of one- and two-bedroom accommodation in the social rented sector,** driven in large part by estimates of availability due to occupants dying or moving into extended care facilities and, in addition, to households migrating from rental to owner occupation. [\[1\]](#)
- **Relatively small requirement for family sized houses in the social rented sector.**
- **Significant potential shortfalls of two- and three-bedroom private lodging accommodation.** These will reduce significantly, if the qualification period is reduced to 10 years.
- **Significant potential surpluses in one- and two-bedroom registered lodging house accommodation.**

3.3 Requirements under alternative future scenarios

A useful feature of the new Housing Requirements Report is that it enables projected requirements to be established for a range of alternative future scenarios, based on different housing qualification periods and varying migration levels up to +500 households per year. Additional information has since been provided by the Statistics Unit, to cover the effects of the recent States' decision to reduce the housing qualification period to 14 years and the effects of other higher levels of annual inward migration.

Table 1 shows comparative overall estimated requirements for new homes (i.e. the sum of the net demand) for a range of 10 future scenarios.^[2] The scenarios show the affect of both continuing the current '14-year rule' and of reducing the qualifying period by one year per annum to 10 years, using 5 alternative migration assumptions. The alternative migration assumptions include 'nil net migration' and net annual immigration levels of 50, 100, 200 and 500 households respectively. It should be recognised that the highest level assumption for inward migration of 500 households per year is provided for completeness as an absolute 'worst case scenario'. However, this is not consistent with what was anticipated by the States in approving the Strategic Plan.

The figures take no account of newly completed dwellings or known outstanding commitments. They serve to demonstrate that under the '14 year rule' overall requirements for new homes are fairly insensitive to the varying levels of net migration (N.B. with the exception of requirements in the unqualified sector on the assumption that net annual inward migration will be +500 households). This relative insensitivity to migration levels also generally holds true where the qualifying period is reduced to 10 years, although once again at a net inward annual migration level of +500 households, the increase in requirements for new homes becomes more pronounced. The figures also highlight that the reduction in the qualifying period to 10 years will, for each migration assumption, significantly increase requirements in the qualified sector and reduce requirements in the non-qualified sector.

Table 1: Estimated overall requirements for new homes, 2005 – 2009 under various alternative future scenarios

Future scenario options	Total homes required	
	Qualified	Unqualified
14 YEAR RULE		
Nil Net Migration	(1920)	(530)
Net Inward Migration +50 households	(1950)	(575)
Net Inward Migration +100 households	(1985)	(605)
Net Inward Migration +200 households	(2040)	(695)
Net Inward Migration +500 households	(2275)	(1115)
10 YEAR QUALIFICATION PERIOD		
Nil Net Migration	(2255)	(210)
Net Inward Migration +50 households	(2300)	(250)
Net Inward Migration +100 household	(2345)	(280)
Net Inward Migration +200 households	(2420)	(360)
Net Inward Migration +500 households	(2710)	(600)

Potential requirements for new homes in the qualified sector range from 1,920 homes if the existing situation (i.e. 14 year qualification period and nil net migration levels^[3]) is maintained throughout the period, to 2,700 homes in the 'worst-case scenario' (i.e. if the qualification period is reduced to 10 years and net inward migration is of the order of 500 households per annum). Clearly, the estimated potential requirements in the non-qualified sector are at a much lower level, but are nevertheless quite significant under the '14 year rule' and would be especially problematic if migration levels are allowed to reach 500 households per year. Leaving aside the worst case migration assumption, a reduction to a 10 year qualification period will mean significant reductions in requirements for non-qualified accommodation, of between 40% and 50%.

A breakdown of the estimated requirements for new homes under the various scenarios by size and tenure is set out in Table 2 to 11. These tables are organised by aspiration of tenure, with perceived desirability increasing

from right to left. Often, in practical terms, the total shortfall of homes shown in the tables for the qualified and non-qualified sectors is less than the aggregate of all the shortfalls. This is because a shortfall in one tenure category might reasonably be expected to be eased by a surplus in a category immediately to its left in the table. For example, under the 10 year qualification scenarios, some of the projected surplus of two-bed units in the States/Parish/Housing Trust Sector could be used to off-set the shortfall of two-bedroom private rental units.

Table 2-11: Requirements for new homes 2005–2009 (showing surplus/shortfall) by tenure and size, under various scenarios

Table 2: SCENARIO OPTION 1 – Nil net migration/14 year Rule

Size	QUALIFIED SECTOR					UNQUALIFIED SECTOR		
	Owner Occupied	States / Parish/ Housing Trust	Private Rental	Aggregate of all Shortfalls QUALIFIED SECTOR	Practical Total of Shortfalls QUALIFIED SECTOR	Private Lodging non-qualified lodger in a private dwelling	Lodging House non-qualified lodger in a Registered Lodging House	Serviced non-qualified occupier of tied (i.e. staff) accommodation or a non-qualified licensee of dwelling
1 bed	115	460	80	-	-	140	670	(10)
2 bed	(460)	420	85	(460)	(460)	(295)	125	70
3 bed	(585)	25	250	(585)	(585)	(95)	(20)	115
4 bed	(710)	(35)	55	(745)	(745)	(45)	-	45
5 bed	(55)	(10)	(65)	(130)	(130)	(20)	-	(55)
Total				(1920)	(1920)			

Notes:

- Assumes surplus in one-bed lodging house accommodation could be used to address shortfall in one-bed serviced accommodation

Table 3: SCENARIO OPTION 2 – Nil net migration/reduction to 10 year housing qualification

Size	QUALIFIED SECTOR					UNQUALIFIED SECTOR		
	Owner Occupied	States / Parish/ Housing Trust	Private Rental	Aggregate of all Shortfalls QUALIFIED SECTOR	Practical Total of Shortfalls QUALIFIED SECTOR	Private Lodging non-qualified lodger in a private dwelling	Lodging House non-qualified lodger in a Registered Lodging House	Serviced non-qualified occupier of tied (i.e. staff) accommodation or a non-qualified licensee of dwelling
1 bed	30	455	(330)	(330)	(100)	300	960	15
2 bed	(575)	415	(115)	(690)	(575)	(130)	145	95
3 bed	(675)	25	250	(675)	(675)	30	(20)	165
4 bed	(740)	(35)	55	(775)	(775)	(20)	-	75
5 bed	(55)	(10)	(65)	(130)	(130)	5	-	(55)

total				(2600)	(2255)			
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Notes:

- Assumes half surplus in one-bed Social Rented could be used to address shortfall in one-bed private rental;
- Assumes surplus in two-bed Social Rented could be used to address shortfall in two-bed private rental units;
- Assumes half surplus in three-bed private lodgings could be used to address shortfall in three-bed lodging house accommodation.

Table 4: SCENARIO OPTION 3 – Net inward migration +50/14 year Rule

Size	QUALIFIED SECTOR					UNQUALIFIED SECTOR		
	Owner Occupied	States / Parish/ Housing Trust	Private Rental	Aggregate of all Shortfalls QUALIFIED SECTOR	Practical Total of Shortfalls QUALIFIED SECTOR	Private Lodging non-qualified lodger in a private dwelling	Lodging House non-qualified lodger in a Registered Lodging House	Serviced non-qualified occupier of tied (i.e. staff) accommod or a non-qualified licensee of dwelling
1 bed	115	455	70	-	-	120	610	(30)
2 bed	(460)	420	70	(460)	(460)	(315)	115	70
3 bed	(590)	20	230	(590)	(590)	(100)	(25)	110
4 bed	(725)	(35)	45	(760)	(760)	(50)	-	45
5 bed	(60)	(10)	(70)	(140)	(140)	(25)	-	(60)
Total				(1950)	(1950)			

Notes:

- Assumes surplus in one-bed lodging house accommodation could be used to address shortfall in one-bed serviced accommodation.

Table 5: SCENARIO OPTION 4 – Net inward migration +50/reduction to 10 year housing qualification

Size	QUALIFIED SECTOR					UNQUALIFIED SECTOR		
	Owner Occupied	States / Parish/ Housing Trust	Private Rental	Aggregate of all Shortfalls QUALIFIED SECTOR	Practical Total of Shortfalls QUALIFIED SECTOR	Private Lodging non-qualified lodger in a private dwelling	Lodging House non-qualified lodger in a Registered Lodging House	Serviced non-qualified occupier of tied (i.e. staff) accommod or a non-qualified licensee of dwelling
1 bed	30	450	(340)	(340)	(115)	280	900	(5)
2 bed	(575)	415	(130)	(705)	(575)	(150)	135	95
3 bed	(680)	20	230	(680)	(680)	25	(25)	160
4 bed	(755)	(35)	45	(790)	(790)	(25)	-	75
5 bed	(60)	(10)	(70)	(140)	(140)	-	-	(60)
Total				(2655)	(2300)			

Notes:

- Assumes half surplus in one-bed Social Rented could be used to address shortfall in one-bed private rental;
- Assumes surplus in two-bed Social Rented could be used to address shortfall in two-bed private rental units;
- Assumes surplus of one-bed lodging house accommodation could be used to address small shortfall in one-bed serviced accommodation;
- Assumes half surplus in three-bed private lodgings could be used to address shortfall in three-bed lodging house accommodation.

Table 6: SCENARIO OPTION 5 – Net inward migration +100/14 year Rule

Size	QUALIFIED SECTOR					UNQUALIFIED SECTOR		
	Owner Occupied	States / Parish/ Housing Trust	Private Rental	Aggregate of all Shortfalls QUALIFIED SECTOR	Practical Total of Shortfalls QUALIFIED SECTOR	Private Lodging non-qualified lodger in a private dwelling	Lodging House non-qualified lodger in a Registered Lodging House	Serviced non-qualified occupier of tied (i.e. staff) accommodation or a non-qualified licensee of dwelling
bed	110	455	60	-	-	100	550	(45)
bed	(465)	415	55	(465)	(465)	(335)	105	70
bed	(595)	15	205	(595)	(595)	(100)	(25)	100
bed	(740)	(35)	35	(775)	(775)	(50)	-	45
bed	(65)	(10)	(75)	(150)	(150)	(25)	-	(70)
total				(1985)	(1985)			

Notes:

- Assumes surplus in one-bed lodging house accommodation could be used to address shortfall in one-bed serviced accommodation.

Table 7: SCENARIO OPTION 6 – Net inward migration +100/reduction to 10 year housing qualification

Size	QUALIFIED SECTOR					UNQUALIFIED SECTOR		
	Owner Occupied	States / Parish/ Housing Trust	Private Rental	Aggregate of all Shortfalls QUALIFIED SECTOR	Practical Total of Shortfalls QUALIFIED SECTOR	Private Lodging non-qualified lodger in a private dwelling	Lodging House non-qualified lodger in a Registered Lodging House	Serviced non-qualified occupier of tied (i.e. staff) accommodation or a non-qualified licensee of dwelling
1 bed	25	450	(350)	(350)	(125)	260	840	(20)
2 bed	(580)	410	(145)	(725)	(580)	(170)	125	95
3 bed	(685)	15	205	(685)	(685)	25	(25)	150
4 bed	(770)	(35)	35	(805)	(805)	(25)	-	75
5 bed	(65)	(10)	(75)	(150)	(150)	-	-	(70)
Total				(2715)	(2345)			

Notes:

- Assumes half surplus in 1-bed Social Rented could be used to address shortfall in 1-bed private rental;
- Assumes surplus in 2-bed Social Rented could be used to address shortfall in 2-bed private rental units;
- Assumes surplus in 1-bed lodging house accommodation could be used to address small shortfall in 1-bed serviced accommodation;
- Assumes half surplus in 3-bed private lodgings could be used to address shortfall in 3-bed lodging house accommodation.

Table 8: SCENARIO OPTION 7 – Net inward migration +200/14 year Rule

Size	QUALIFIED SECTOR					UNQUALIFIED SECTOR		
	Owner Occupied	States / Parish/ Housing	Private Rental	Aggregate of all Shortfalls	Practical Total of Shortfalls	Private Lodging non-	Lodging House non-	Serviced non-qualified

		Trust		QUALIFIED SECTOR	QUALIFIED SECTOR	qualified lodger in a private dwelling	qualified lodger in a Registered Lodging House	occupier of tied (i.e. staff) accommod or a non-qualified licensee of dwelling
1 bed	110	450	45	-	-	65	430	(85)
2 bed	(465)	415	30	(465)	(465)	(380)	85	70
3 bed	(605)	15	165	(605)	(605)	(110)	(30)	90
4 bed	(770)	(35)	20	(805)	(805)	(60)	-	45
5 bed	(70)	(10)	(85)	(165)	(165)	(35)	-	(80)
Total				(2040)	(2040)			

Notes:

- Assumes surplus in 1-bed lodging house accommodation could be used to address shortfall in 1-bed serviced accommodation

Table 9: SCENARIO OPTION 8 – Net inward migration +200/reduction to 10 year housing qualification

Size	QUALIFIED SECTOR					UNQUALIFIED SECTOR		
	Owner Occupied	States / Parish/ Housing Trust	Private Rental	Aggregate of all Shortfalls QUALIFIED SECTOR	Practical Total of Shortfalls QUALIFIED SECTOR	Private Lodging non-qualified lodger in a private dwelling	Lodging House non-qualified lodger in a Registered Lodging House	Serviced non-qualified occupier of tied (i.e. staff) accommoda or a non-qualified licensee of dwelling
1 bed	25	445	(365)	(365)	(145)	225	720	(60)
2 bed	(580)	410	(170)	(750)	(580)	(215)	105	95
3 bed	(695)	15	165	(695)	(695)	15	(30)	140
4 bed	(800)	(35)	20	(835)	(835)	(35)	-	75
5 bed	(70)	(10)	(85)	(165)	(165)	(10)	-	(80)
Total				(2810)	(2420)			

Notes:

- Assumes half surplus in one-bed Social Rented could be used to address shortfall in one-bed private rental;
- Assumes surplus in two-bed Social Rented could be used to address shortfall in two-bed private rental units;
- Assumes surplus in one-bed lodging house accommodation could be used to address shortfall in one-bed serviced accommodation;
- Assumes half surplus in three-bed private lodgings (rounded up) could be used to address shortfall in three-bed lodging house accommodation.

Table 10: SCENARIO OPTION 9 – Net inward migration +500/14 year Rule

Size	QUALIFIED SECTOR					UNQUALIFIED SECTOR		
	Owner Occupied	States / Parish/ Housing Trust	Private Rental	Aggregate of all Shortfalls QUALIFIED SECTOR	Practical Total of Shortfalls QUALIFIED SECTOR	Private Lodging non-qualified lodger in a private dwelling	Lodging House non-qualified lodger in a Registered Lodging House	Serviced non-qualified occupier of tied (i.e. staff) accommoda or a non-qualified

								licensee of dwelling
1 bed	95	435	(5)	-	-	(45)	65	(195)
2 bed	(480)	400	(50)	(530)	(480)	(505)	20	70
3 bed	(640)	(5)	40	(645)	(645)	(130)	(45)	45
4 bed	(860)	(35)	(30)	(925)	(925)	(80)	-	45
5 bed	(100)	(10)	(115)	(225)	(225)	(55)	-	(125)
Total				(2325)	(2275)			

Notes:

- Assumes surplus in two-bed social rented could be used to address shortfall in two-bed private rental units;
- Assumes surplus in one-bed lodging house accommodation could be used to address shortfall in one-bed serviced accommodation;

Table 11: SCENARIO OPTION 10 – Net inward migration +500/reduction to 10 year housing qualification

Size	QUALIFIED SECTOR					UNQUALIFIED SECTOR		
	Owner Occupied	States / Parish/ Housing Trust	Private Rental	Aggregate of all Shortfalls QUALIFIED SECTOR	Practical Total of Shortfalls QUALIFIED SECTOR	Private Lodging non-qualified lodger in a private dwelling	Lodging House non-qualified lodger in a Registered Lodging House	Serviced non-qualified occupier of tied (i.e. staff) accommodation or a non-qualified licensee of dwelling
1 bed	10	430	(415)	(415)	(200)	115	355	(170)
2 bed	(595)	395	(250)	(845)	(595)	(340)	40	95
3 bed	(730)	(5)	40	(735)	(735)	(5)	(45)	95
4 bed	(890)	(35)	(30)	(955)	(955)	(55)	-	75
5 bed	(100)	(10)	(115)	(225)	(225)	(30)	-	(125)
Total				(3175)	(2710)			

Notes:

- Assumes half surplus in 1-bed Social Rented could be used to address shortfall in 1-bed private rental;
- Assumes surplus in 2-bed Social Rented could be used to address shortfall in 2-bed private rental units;
- Assumes surplus in 1-bed lodging house accommodation could be used to address the shortfall in 1-bed serviced accommodation.

Source: 'Jersey's Housing Requirements 2005 – 2009: Report on the 2004 Housing Need Survey', Tables 6 and 9, Statistics Unit, February 2005 and supplementary information from the Statistics Unit on the impact of the reduction of the qualifying period from 15 to 14 years; and the impact of net inward migration of +200 and +500 households per year.

3.4 Building rates

Table 12 shows the average building rates required to deliver the identified requirements for new homes in the Qualified Sector, under each of the future scenarios described in Section 3.3. If the existing situation is maintained over the period (i.e. 14 year qualification period and nil net migration) the required average building rates would be around 380 homes per year. This rate of building is on a par with the average achieved in the 16 years between 1987 and 2002 (see Section 6, Table 21). It is also significantly below the historically high average rate (629 homes) achieved in the 3 years 2002– 2004.

Table 12: Average building rates for new homes, 2005 – 2009 under various alternative future scenarios

Future scenario options	Estimated homes	Average building rates
-------------------------	-----------------	------------------------

	required in qualified sector	required (homes/year)
14 YEAR RULE		
Nil Net Migration	(1920)	384
Net Inward Migration +50 households	(1950)	390
Net Inward Migration +100 households	(1985)	397
Net Inward Migration +200 households	(2040)	408
Net Inward Migration +500 households	(2275)	455
10 YEAR QUALIFICATION PERIOD		
Nil Net Migration	(2255)	451
Net Inward Migration +50 households	(2300)	460
Net Inward Migration +100 household	(2345)	469
Net Inward Migration +200 households	(2420)	484
Net Inward Migration +500 households	(2710)	542

In the ‘worst case scenario’ (i.e. if the qualification period is reduced to 10 years and net inward migration is 500 households per year) the required average building rate climbs above 540 homes per year and would be much more difficult to sustain. This rate has only been exceeded twice in the last 19 years, during 2002 and 2003.

3.5 Category ‘A’ requirement

Whilst the Housing Needs Survey provides for an assessment of the potential requirements for social rented homes over the next 5 years, the findings do not distinguish first-time buyer requirements from the overall requirements for owner-occupied accommodation. As a consequence, there are no figures provided for the total number of homes required for Category A purposes. However, for the purposes of this review, an attempt has been made to estimate both the likely first-time buyer requirements and the proportional split between Category A and Category B requirements in the qualified sector, using available ‘demand’ data from the Housing Needs Survey, as shown in Table 13.

The Housing Needs Survey does separately identify ‘concealed households’ that are residentially qualified and are planning to move into an owner occupied home. This requirement figure for some 945 homes over the next 5 years is, to a first order, an indication of demand for first-time buyers. This compares reasonably well with the current First-Time Buyers List of 800 individuals and families, which is discussed in Section 4.3 (especially if one recognises that approximately 80% of the demand for owner-occupied properties is expressed in the survey on a time-scale of 0-2 years). However, one might reasonably add to this estimate of first-time buyer requirements, a proportion of qualified households that are currently renting and wish to purchase a home at the lower end of the price range. It has been assumed that 50% of these will be first-time buyers, although this figure will need to be treated with some caution because of the unknown circumstances of the renters in question. It is intended that this matter be monitored in future, as part of the on-going housing land availability review process.

Table 13: Comparison of 5-year demand for first-time buyer homes with total demand for owner-occupied accommodation^{*1}

Type and size of home required	Estimated first-time buyer demand ^{*2}				Total demand for owner/occupied accommodation	F-T-B demand as percentage of O/O demand
	Existing Households	Concealed Households	Total	%		
one-bedroom						
- flats	115	115	230			
- houses	10	10	20			
- sub-total	125	125	250	14.3	450	56%
two-bedroom						
- flats	188	310	498			
- houses	80	240	320			
- sub-total	268	550	818	46.7	1,915	43%
three-bedroom	210	80	290			

- flats	205	190	395			
- houses	415	270	685	39.0	2,170	32%
- sub- total						
one- bedroom	–	–	–		1,215	
two- bedroom+	–	–	–		220	
TOTAL	808	945	1,753	100.0	5,970	29%

Notes:

*1 Excludes supply from those giving up homes;

*2 Assumes that first-time buyers include –

– all ‘concealed’ households that are residentially qualified and are planning to move into flats or houses which are owner-occupied;

– 50% of households currently renting who are qualified and wishing to purchase a flat or house at the lower end of the price range.

Assumes that four+ bedroom homes are outside the first-time buyer range.

Source: ‘Jersey Housing Requirements 2005-2009, Table 5 and Supplementary Information from the Statistics Unit

The figures suggest that 29% of the total demand for owner occupied homes in the next 5 years is likely to be from first-time buyers (including 56% of one-bedroom, 43% of two-bedroom and 32% of three-bedroom properties). If the relevant proportions are applied to the identified requirements for two- and three-bedroom owner/occupied homes over the next 5 years, under the various scenarios described earlier (see Tables 2– 11), it is possible to calculate (albeit roughly) what the requirements might be for first-time buyer homes and Category A homes up to the end of 2009.

The rough estimates are shown in Table 14 and suggest that between 385 and 490 new firsttime buyer homes might be required over the next 5 years, depending on the assumed alternative future scenario. Over the same period, using the same scenarios, the figures suggest a possible requirement for between 430 and 540 new Category A homes. This represents an average of 22% of the overall identified requirements in the qualified sector, and compares with an average of 40% over the last 19 years. However, as alluded to earlier, the Housing Department has questioned the social rented element of the Category A requirement (45– 50 new homes) and suggested that it be treated with some caution. If, for example, new applications accepted onto the States Rental Waiting List continue at the current 350 level, as indicated by the Housing Department’s projections in Section 4.2 (Table 19), it could necessitate upwards of 600 new social rented homes in order to reduce the List to the desired 100 individuals and families by the end of 2009. Of course, for this to occur, it is likely to be accompanied by a significant reduction in requirements for first-time buyer homes. In any event, however, it is clear that the situation must be kept under close scrutiny.

Table 14: Firsttime buyer and Category A requirements as a proportion of overall requirements in the qualified sector

Future scenario options	Requirements in qualified sector						Category A requirements	
	F-T-B (a)	Other O/O (b)	Total O/O (c)	Social rented (d)	Private rented (e)	TOTAL (f)	Number (a) + (d)	% TOTAL
5 YEAR RULE								
50 h/hs	385	1425	1810	45	65	1920	430	22%
100 h/hs	387	1448	1835	45	70	1950	432	22%
150 h/hs	390	1475	1865	45	75	1985	435	22%
200 h/hs	394	1516	1910	45	85	2040	439	22%
250 h/hs	411	1669	2080	50	145	2275	461	20%
10 YEAR QUALIFICATION PERIOD								

il Net igration	463	1582	2045	45	165	2255	508	23%
50 h/hs	465	1605	2070	45	185	2300	510	22%
100 h/hs	468	1632	2100	45	200	2345	513	22%
200 h/hs	471	1674	2145	45	230	2420	516	21%
500 h/hs	490	1825	2315	50	345	2710	540	20%

3.6 Requirements for sheltered accommodation

Included among the identified requirements for new homes, is a specific requirement for “250 properties of one- and two-bedroom sheltered accommodation”. There are many and varying definitions of ‘sheltered housing’, but the main emphasis underpinning all these definitions appears to be that such housing enables people, who would not otherwise be able to do so, to live and remain independently in their own homes and in the wider community, through suitable building design and support (N.B. as opposed to being placed in an institutional type of care setting, such as a nursing home, or a long-stay hospital bed). For the purposes of the ‘Housing Needs Survey’, ‘sheltered / disabled housing’ was defined as follows –

“Housing that is designed so that the elderly or physically disabled can live independently. Homes are usually built in groups and provided with a warden or emergency call facilities”.

A breakdown of the identified requirements by age and tenure has been provided by the Statistics Unit, as follows –

- 130 x one-bedroom private rental;
- 90 x two-bedroom private rental;
- 30 x two-bedroom owner/occupier.

Further evidence of current requirements for sheltered homes is provided by recent approaches to the Environment and Public Services Committee from a number of Parish Constables, wishing to develop their own schemes.

It is anticipated that demand will continue to grow for this type of accommodation over the medium to longer term, in view of the Island’s aging population and the general increase in life expectancy. Indeed, this issue is highlighted in the recent ISAS (Island-wide Strategy for an Aging Society) Report.

4. OTHER INFORMATION SOURCES ON HOUSING DEMAND

4.1 House prices

Average house prices

House prices in the private sector are a reasonable indicator of supply and demand pressures in the housing market and of the general direction in which the market is headed. Evidence of trends in house prices is provided by the ‘Jersey House Price Index’, which is compiled quarterly by the Statistics Unit and is based on the average net retail prices of a fairly broad range of property types and sizes (including one- and two-bedroom flats and two-, three- and four-bedroom houses).

Planning for Homes 2004 gave details of the historic trends in house prices since 1985. It described the year-on-year escalation in property values (with the exception of the mid 90s recession) between 1985 and 2001 and the particularly buoyant property markets of the late 1980s and late 1990s, when the economy was thriving, there was low unemployment, increased demand for new homes outstripped supply and house prices increased rapidly. Following the peak in house price inflation in 1998, increases in property prices began to slow and during 2000 and 2001 were beginning to stabilise at much lower levels as the economic climate began to appear less certain.

On 11th May 2005, the Statistics Unit published the results of the Jersey House Price Index for the first quarter of 2005. Table 15 shows the average dwelling prices and corresponding House Price Index (based to 100 for calendar year 2002) for the last 3+ years on a quarterly basis.

Table 15: Mix-adjusted average dwelling price and Jersey House Price Index, since start 2002

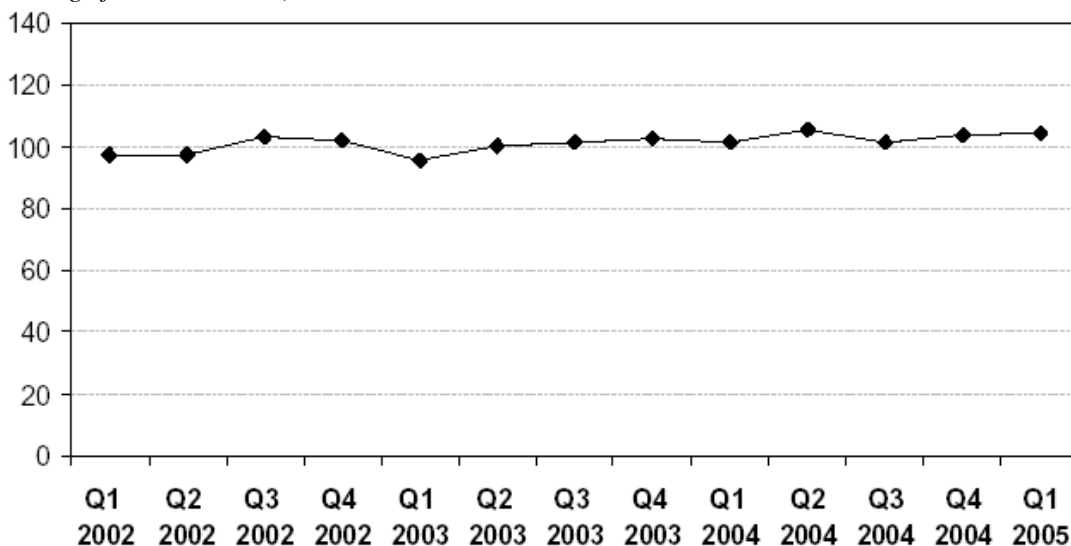
Year	Period	Average price (£)	Index (2002 = 100)
2002	Q1	309,000	97.3
	Q2	310,000	97.6
	Q3	327,000	103.1
	Q4	324,000	102.0
2003	Q1	304,000	95.7
	Q2	319,000	100.5
	Q3	322,000	101.3
	Q4	325,000	102.5
2004	Q1	323,000	101.7
	Q2	335,000	105.7
	Q3	322,000	101.5
	Q4	330,000	103.9
2005	Q1	331,000	104.3

Since 2002, despite quarterly fluctuations, the figures demonstrate that house prices have levelled off and remained relatively static. In real terms, of course, when inflation is taken into account over the last 3 years (N.B the Retail Price Index was at 4.5% in the 12 months to March 2005), house prices have fallen significantly.

The substantially flat Index for the period (within $\pm 5\%$) is plotted in Figure 1, which graphically illustrates the generally stable housing market and the constancy of average prices that have changed little since the beginning of 2002. Indeed, this variation would be less than $\pm 3\%$ if the more volatile category of four-bedroom houses is excluded from the index.

Figure 1: Jersey House Price Index

(Average for 2002 = 100)



Prices by type and size

The House Price Index report for the first quarter of 2005 also provides information on the mean prices for different types of dwelling over the period from 2002, as shown in Table 16.

Table 16: Mean prices (£,000) for individual property types

TIME PERIOD		FLATS		HOUSES		
		1-bed	2-bed	2-bed	3-bed	4-bed
2002	Q1	166	213	265	332	416
	Q2	160	268	268	314	432
	Q3	160	259	284	332	474
	Q4	137	242	300	333	459
2003	Q1	156	216	285	328	380
	Q2	150	222	278	333	461
	Q3	145	213	270	328	510
	Q4	173	237	266	345	454
2004	Q1	166	219	257	351	448
	Q2	169	256	258	340	526
	Q3	153	230	266	347	446
	Q4	152	236	274	343	489
2005	Q1	121	224	264	364	458

Whilst recognising the degree of volatility that can occur quarter-on-quarter in the mean prices of individual property types, the most recent House Price Index report goes on to describe apparent themes/trends, as follows –

- **one-bedroom flats:** the mean price recorded in the first quarter of 2005 (£121,000) was considerably lower than the level observed throughout the previous 3 years, which was typically around £150,000 to £160,000. However, the latest data is heavily influenced by the untypical distribution of one-bed flats sold in the first quarter, with far fewer higher value properties sold than in previous quarters. As such, rather than drawing firm conclusions at this stage, the figure (£121,000) may just be a statistical outlier;
- **two-bedroom flats:** the mean price of two-bedroom-flats (£224,000) was slightly lower than that of the previous 3 quarters, but similar to that of the same quarter in 2004;
- **two-bedroom houses:** after increasing through 2002 to a peak of £300,000, the mean price then declined in 2003 before stabilising more recently at around £260,000-£270,000. The average price for Q1 2005 should however be treated with some caution given the low turnover of properties and specifically that fewer higher value properties were sold;
- **three-bedroom houses:** this category of property (which accounts for almost half of all transactions) has seen a small growth in prices since 2002. The first quarter of 2005 saw the highest mean price recorded (£364,000) in the 3-year period covered by this House Price Index;
- **four-bedroom houses:** this is the most volatile category, being somewhat sensitive to the broad range of characteristics encompassed within this size of property. The mean price in Q1 2005 (£458,000) was very similar to the average for the previous 3 years.

Factors affecting house prices

There can be little doubt that the extraordinarily healthy and unprecedented increase in the supply of new homes and especially the large number of new apartments since 2002 (see Section 7.1) will have contributed to addressing the previous imbalance in supply and demand, thus taking the heat out of the market and keeping prices stable. Other factors throughout the period, which may have contributed to this, are likely to include a combination of –

- increased public awareness and concerns about the more challenging economic position and the future of the economy and a subsequent reduction of confidence among potential buyers;
- the weakening labour market in 2002 and 2003 and concerns about future job security;

- a reduction in job opportunities;
- reducing incomes, including a reduction in average earnings, frozen income tax allowances, rising income tax and the prospects of further significant increases in taxation;
- problems of affordability, whereby house prices have outpaced the growth in earnings for many potential buyers;
- rises in interest rates and the cost of borrowing (albeit from an historically low base);
- lower expectations of house price appreciation;
- increased flexibility and opportunity in the planning system, following the adoption of the Jersey Island Plan 2002.

Many of these factors may change in future, particularly as the States continues to put in place the mechanisms required to assist in meeting the planned targets for economic growth as set out in the Strategic Plan (e.g. the Fiscal Plan, the Economic Growth Plan and Migration Policy). It is too early to predict how successful the States will be in this regard. However, there are already a few encouraging signs for the future of the economy in relation to, for example, anticipated rises in profitability within the finance industry, the growth in bank deposits held in Jersey, new banks setting up operations in the Island and earnings falling below inflation during 2004. It remains to be seen, what the impact of impending personal tax increases, the goods and services tax, and the introduction of ITIS will have on potential buyers.

Affordability

There can be little doubt that inflation of 14% over the last 3 years (i.e. to March 2005) combined with static house prices has made homes generally more affordable. Furthermore, it could be argued that they will become even more affordable, if the economy remains under pressure in the next 2 years or so, the supply of new housing increases in line with expectations and demand remains restrained.

However, despite the relatively stable average price of homes sold in Jersey, the £331,000 figure at the start of 2005 is still very high. Jersey remains one of the most expensive places in Europe to buy homes. The Jersey average is approximately 83% higher than that of the U.K. overall (£181,000) and approximately a quarter more expensive than Greater London (£263,000). This gap between prices here and in the U.K. has narrowed significantly during the period that Jersey prices have remained stable, because of price increases in the U.K. However, the gap may widen again in view of recent reports of the U.K. housing market continuing to slow down and prices starting to fall in many regions.

The Jersey House Price Index report for the third quarter of 2003 included the results of an exercise intended to determine the relative affordability of house prices in the Island. It revealed that Jersey has a very high ratio of average dwelling price to average earnings. At the time, this was estimated to be almost twice that for Great Britain as a whole. In order to get a better handle on the affordability issue, the latest housing needs survey asked all households expressing a desire purchase owner-occupier property in Jersey to indicate the approximate cost of the accommodation they were looking to purchase. The summarised findings are repeated in Table 17.

Table 17: Expressed affordability by type and size of dwelling unit (£,000)

Type/Size	Anticipated cost of purchase		Jersey House Price Index *1
	Existing households	Concealed households	
Sheltered			
one-bedroom	175	175	–
two-bedroom	250	–	
Flats			
one-bedroom	190	143	160

two-bedroom	220	184	235
three-bedroom	272	251	–
Houses			
one-bedroom	250	151	–
two-bedroom	251	203	264
three-bedroom	336	265	345
four-bedroom	418	450	477
five-bedroom	542	–	–

*1 Mean figures taken from Jersey House Price Index – Fourth Quarter 2004

Source: Statistics Unit, 'Jersey's Housing Requirements 2005-2009', Table 12

The figures demonstrate that there is a reasonably good general understanding of property prices in Jersey among those looking to purchase. This is particularly so among existing households wishing to move who “*indicated prices that were on average within 10% of the mean selling price in 2004*”. Anticipated costs among ‘concealed’ households (principally first-time buyers) were considerably below those of the existing households and also below the mean prices identified in the Jersey House Price Index. Whilst it could indicate that this group were looking at the lower-cost end of their preferred dwelling type^[4], it might also suggest that a number of these first-time buyers may not be able to acquire a property that meets their expectations.

4.2 States Rental Waiting List

The States Rental Waiting List comprises residentially qualified pensioners, low income families with dependent children and other people with particular social, personal or medical problems who cannot afford to, or otherwise be expected to house themselves in the open market. It does not include single people below the age of 50 without dependent children. Principally, the Waiting List reflects the demand for housing by residentially qualified persons in greatest need. However, it has long been regarded as a good ‘barometer’ of the overall housing market and as a general indicator of relative pressure on the housing market. Whilst an argument can be made for this, it is important to recognise that numbers coming onto the list will reflect/be influenced by a number of factors, including –

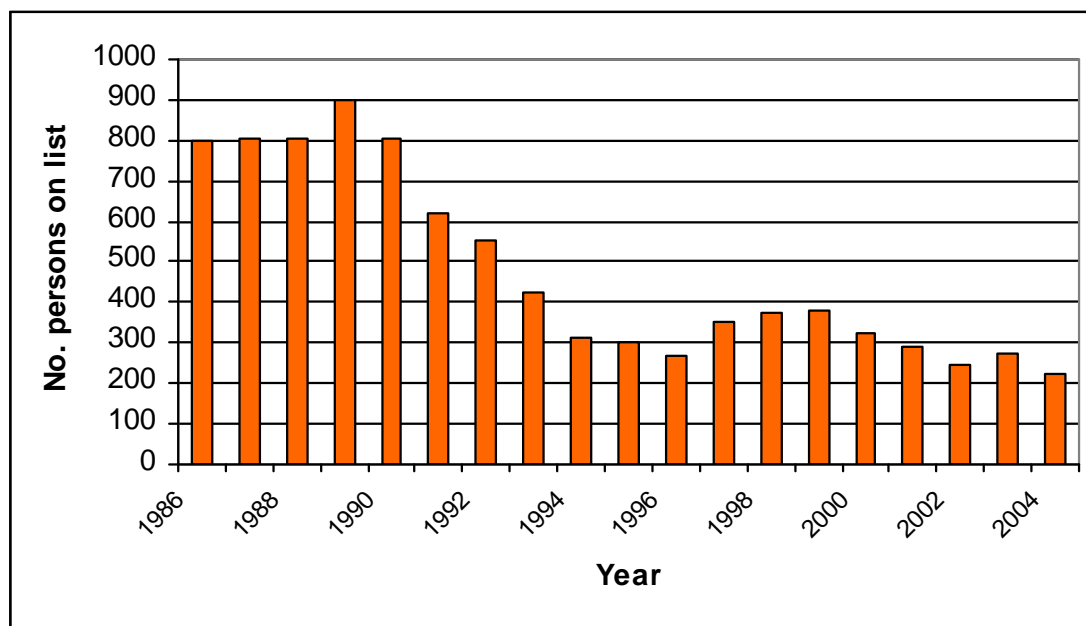
- the level of rents;
- the price of housing;
- reductions in the residential qualifying period for in-migrants;
- improved health and longevity;
- the future planned supply of States rental and housing trust homes;
- the availability of suitable affordable homes in the Private Sector to rent and purchase;
- the development of first-time buyer homes;
- unemployment levels and the associated emigration of lower income families;
- the differential between States rents and private sector rents; and
- the actual size of the waiting list (a shorter list will encourage more to apply).

The level of rents is particularly significant, because the size of the waiting list will always be boosted where States rents are artificially held below market values. With this in mind, the Housing Committee sought for many years to set States rents at a reasonable but not excessive discount to the open market of about 10%. However, the rise in property values which has occurred since 1996 saw average States rents fall to between 20% – 30% below market rents across the board. The current Housing Committee has sought to rectify this by the introduction of significant annual rent increases and now the overall differential is generally below 20%. However, it is estimated that the differential between rents charged in States rented and private rented properties where tenants are claiming rent subsidy, is closer to 10%.

The year end statistics for the rental waiting list between 1986 and 2004 are set out in Figure 2. The figures show a substantial decrease in waiting list levels from the peak registration of 900 families and individuals at the end of 1989, to a low of only 268 families and individuals in 1996. The dramatic improvement during this period

coincided with an extensive rental and first-time buyer building programme (see Section 7, Table 8) and the introduction of the 'Private Sector Rent Rebate Scheme', which enabled many households to remain in private sector rented accommodation. Between 1996 and 1999 there was once again a rise in waiting list numbers as the Category A building programme reduced and more attention was given to refurbishing/redeveloping outworn estates of social rented housing.

Figure 2: States Rental Waiting List (at year end), 1986 to 2004



Source: Housing Department Records

Table 18 gives details of how the waiting list has progressed over the last 5 years. Since the start of 2000 the situation has improved significantly and demand for social rented housing (on the waiting list) declined to a new historic low of 225 individuals and families at the end of 2004. It might be argued that the Housing Rental Waiting List requirement represents something of a conservative figure, given that an increasingly high proportion of social rented accommodation is provided by the Island's housing trusts and associations and only 80% of their tenants need come from the List. They have their own separate lists and enjoy 20% nomination rights (i.e. to persons who apply directly to them and are internally vetted).

Table 18: States Rental Waiting List, 1999 to 2004

Year	Waiting List at year start	New applications	Housed through existing stock, or nominated to Housing Trusts, or cancelled*1	Waiting List at year end
2000	381	335	393	323
2001	323	320	355	288
2002	288	396	438	246
2003	246	444	415	275
2004	275	345	395	225*2

*1 People may later be cancelled from the list where they, for example, are adequately housed, leave the Island or are found to no longer qualify.

*2 It is now generally held that an acceptable waiting list should be below 100 families and individuals.

Source: Housing Department Records

Of the 225 families and individuals on the Waiting List at the end of 2004, approximately 149 (66%) were considered to be in urgent need of re-housing for a variety of reasons, including ill-health, sub-standard accommodation, overcrowding and special needs (i.e. groups 1, 2 and 5). The evidence from both the current 'Waiting List Breakdown' and the current 'Tenant Transfer List' (see Appendix 1), suggests that the largest demand currently in the social rented sector (58%) is for 142 one-bedroom ground-floor or lift-serviced units. However, it also indicates a relatively high demand (41%) for approximately 100 x three- and four-bedroom family homes. Of course, these figures represent a snapshot in time and are not necessarily sufficient to provide a true/accurate indication of the type of dwelling units required over the period up to the end of 2009.

Based on the current breakdown of rental stock, its experience in managing the Waiting List and its on-going development and refurbishment programme, the Housing Department considers the greatest current shortfall is in larger family units. Its suggested proportional split of requirements for social rented housing types (assuming all the H2 sites deliver) is as follows –

- 15% one-bedroom (including sheltered and special needs units);
- 5% two-bedroom (including sheltered and special needs units);
- 70% three-bedroom; and
- 10% four-bedroom.

In support of this suggestion, the department points out that the stock list is still too high on flats relative to family houses and that the two-bedroom flats which will be lost at Le Marais and Le Squez will be replaced in planned town developments.

A prime target of the Housing Committee, as set out in the 2002 Housing Strategy is to “reduce the States Rental Waiting List to below 100 by 2006 with a waiting period of less than 6 months for all urgent cases”. The waiting list has gone down since 2000 and is now at an historic low, but it will take until the end of 2006 to bring it down below 100, following an anticipated/expected increase in supply, as shown by the Housing Department’s projections in Table 19. These projections suggest that the Waiting List will then rise during the following 3 year to over 160 families and individuals at the end of 2009, unless additional new developments come forward in the interim.

Table 19: Projections of States Rental Waiting List to 2009

Year	Waiting List at Year Start	New Applications	New Build Completions (net)	Housed through Existing Stock	Waiting List at Year End*2
2005	225	350*1	77	250	248
2006	248	350	295	250	53
2007	53	350	25	250	128
2008	128	350	80	250	148
2009	148	350	81	250	167

*1 Figures allow for persons who will qualify to rent accommodation under the reducing residency qualification period.

*2 It is now generally held that an acceptable waiting list would be below 100 families and individuals.

Source: Housing Department and Planning and Building Services Records

Notwithstanding the above, the projections in Table 19 must be treated with some caution. It is extremely difficult to accurately forecast what the requirements will be for social rented housing, even over a 5 year period, given the many variables involved. The projections in Table 19 are based on the assumptions that –

- the annual rate of accepted applications will continue at 2004 levels (around 350) through the period. The evidence from the first 5 months of this year would suggest this assumption will be there or thereabouts for 2005;
- opportunities for housing households on the list through the existing stock will continue to be in the order of 250/annum, in line with recent patterns of true voids (i.e. where the departing tenant does not take up occupation elsewhere in the social rented stock);
- sites zoned or otherwise earmarked for social rented housing will come forward with the numbers anticipated in the required timeframe.

If these assumptions prove accurate, the waiting list projections would suggest a shortfall in the order of 167 homes over and above sites already zoned for the purpose. This would be by no means excessive by historic standards, even if a waiting list of 100 families and individuals is now generally held to be acceptable.

As alluded to earlier, the housing needs survey suggests that demand for Social Rented homes over the next 5 years will be much less than that included in the above projections. Much will depend on whether applications accepted onto the list will continue at current levels, and this will require continued scrutiny. If they do, then it will mean that the number of existing and potential private-rental households who might otherwise have wished to purchase property in the owner-occupier sector would be less and there would be a consequent reduction in requirements for first-time buyer homes.

4.3 First-time Buyer List

The Housing Department maintains a ‘First-time Buyer List’ which was re-established in May 2001. Its main purposes were to identify those eligible and wishing to purchase their first property; and to provide a means of allocating property where the Housing Committee is involved in selling properties direct.

Due to the overall policy in recent years of encouraging the private sector to develop first-time buyer sites, the Housing Department has not generally become involved in the actual allocation of property. As a consequence, the information held on the list had not been regularly updated. However, in January 2005, the Housing Department carried out a complete review of the list in an effort to establish a more realistic understanding of current demand. Applicants were asked to update their details and the returns were then analysed. As at 18th February 2005, the waiting list stood at 800 individuals and families, which are broken down as follows–

Applicant type	Number
Single Person *	436
Couple, no children	124
Family, one child	111
Family, two or more children	129
Total	800

* includes some single applicants with common law partners, who do not possess residential qualifications;

* includes 36 in full-time University education.

The information provided above is evidence of a significant latent demand for first-time buyer homes, and this is given added weight by the findings of the Housing Needs Survey and the views of local estate agents (referred to in the following section of this report). There is also anecdotal evidence from developers that demand for the first-time buyer homes which are currently under construction or soon to commence is strong.

In many ways, however, the Waiting List is something of a wish list, which is unlikely to accurately reflect the realistic requirements for first-time buyer homes in the next 5 years. There will be those who have secured a property with a developer and have not registered with the Housing Department. Perhaps, more significantly, however, not everyone on the Waiting List will be able to aspire to purchasing a property by the end of 2009. Of course, it is difficult to determine a realistic figure for current demand which can be regarded as achievable in the

next 5 years, because this depends on a wide range of factors, including *inter alia* the age of applicants, their income, their outstanding commitments and the size of any deposit they may have available, as well as the nature of the market place.

In conducting its review, the Housing Department was keen to pay particular attention to the issue of affordability and sought information on the income of applicants. Some 82% of applicants duly declared their incomes and the findings are summarised in Table 20.

Table 20: Estimated household income for those on the First-Time Buyer Waiting List, 2005

Income band	Number of households			%
	Single applicant	Joint applicant	Total	
£0 – £20,000	119	4	123	18.8
£20,001 – £30,000	178	48	226	34.6
£30,001 – £40,000	57	82	139	21.2
£40,001 – £50,000	18	75	93	14.2
£50,001 – £60,000	4	50	54	8.3
£60,001 +	2	17	19	2.9
Total	378	276	654	100.0

A cursory glance at the income details provided in Table 20 would suggest that a significant proportion of the 800 applicants currently on the waiting list will not be able to fulfil their aspirations to purchase a property in the near future. It can be seen, for example, that some 19% of the households on the list have an annual income totalling less than £20,000; well over half of the households (53%) have an annual income of less than £30,000; and approximately three-quarters have an annual income of less than £40,000.

To put these figures in perspective, a potential first-time buyer at the lowest end of the one-bedroom flat market (say £125,000) would need a net income of £23,750 to finance a 95% loan with monthly repayments of say £660 over 30 years plus a deposit of £6,250 and fees. To purchase a three-bedroom house at £250,000, on the other hand, would require a net income of £47,500 to finance a 95% loan with monthly payments of £1300 over 30 years plus a deposit of £12,500 and fees.

This would suggest that at least 20% of those on the list are unlikely to be able to afford any form of new build. Also, possibly only 18-20% on the list are likely to be able to afford a three-bedroom house.

4.4 An industry view on the private sector property market

Once again, efforts have been made to get an insider view of the characteristics and general operation of the local housing market. To this end, discussions have recently taken place with several leading Estate Agents, to obtain their informed views on the current state of the housing market. It is accepted that the views expressed here may not be universally held by all the Island's Estate Agents and others closely involved in the housing market, but it is hoped they are reasonably representative.

In general terms, the agents contacted described the present market as “*tough*” or “*very tough*” and suggested that market conditions are more difficult than they were 12 months ago. They acknowledge that prices have generally been static or have fallen in the last 3 years (even though the residential qualification period has been reduced to 14 years during this time) and there is a recognition that the market is still continuing to go through a period of uncertainty. It is a widely held view that things are harder at the bottom end of the market where properties are most price-sensitive.

All the agents agree there is continuing demand and say there are lots of people interested in buying property. However, they also point to the high degree of choice which is now available on the market, fuelled by the recent surge in property development. They argue that the increase in supply has meant that prices are generally more affordable than they were, but say that people are tending to take a more cautious approach towards buying. Some Agents suggest that there remains a general lack of confidence among many potential buyers, which is put down to the more challenging economic climate and on-going concerns about the future of the Island's economy and

local employment prospects. A number of them say that the situation has not been helped by negative comments appearing in the local media, about falling property values, unrealistically priced properties and an alleged dramatic drop in property transactions in the first quarter of the year (N.B. an assertion which took no account of the large number of share-transfer transactions).

Most of the agents would still appear to be of the view that, fundamentally, the local market remains reasonably sound. However, they all acknowledge that properties are generally taking longer to sell and that they have to work harder and invest more on marketing to secure transactions.

It is accepted, as recently reported in the media, that there may have been a few transactions which have fallen through because certain properties have been over-valued, so creating unrealistic expectations which cannot be realised. However, this is not considered to be widespread practice and the agents agree that the great majority of properties on the market are realistically priced.

The residential property market can be divided into a number of distinct sectors, which currently present a mixed picture, as explained below –

Old conversion flat market (£80,000 – £150,000)

These include converted period buildings both in town and out of town. Quality conversions remain popular and will continue to sell for a reasonable price. However, the majority of conversions are becoming increasingly difficult to sell (unless prices are dropped significantly), especially where they are without parking or outdoor amenity space, are poorly located (e.g. on the Ring-Road or in the centre of town) and have no other redeeming features. This is largely because of the availability of a wide range of new purpose-built flats for sale (often with incentives), offering a real and, in most cases, preferable choice to those who can afford them. As a consequence, the situation is similar to that in the mid-90s recession... prices are coming down considerably in order to secure sales, particularly where there is no parking.

Lower-priced one-bedroom accommodation (£125,000 - £250,000)

This includes the modern one-bedroom flat market (£125,000 – 180,000), the modern two-bedroom apartment market (£180,000 – £250,000) and small town cottages/ houses with limited amenities.

Until recently, there has been very good demand for lower priced apartments, driven by demand from smaller households (including divorcees, older people looking for smaller low-maintenance accommodation, and parents whose children have left home); first-time buyers as a stepping stone onto the housing ladder; young single people wishing to set up their own home (rather than remain with their family or share with friends); and investors seeking to purchase on a buy-to-let basis (for a source of income, as an alternative to banking their money, or investing in stock-market-based products). Last year, the demand appeared strongest for single person flats at the lowest end of the market, at say £150,000 – £200,000 (e.g. in the larger blocks which have recently been completed, or are currently under construction, including Century Buildings and Spectrum). This was primarily because of their affordability and because households generally find purchase more attractive than rental. Many of these properties were also bought by U.K. residents as a private investment to let.

The consensus view among the agents is that there is currently an over-supply of such apartments on the market, largely as a result of increased new-builds. This imbalance, particularly in the one-bedroom sector, has led to falling prices. It appears that some recently built apartments are now being sold for less than was paid for them 2, 3, 4 and even 5 years ago. It has been suggested that, with so much choice, prospective purchasers “*won't just take anything*” and “*can negotiate hard over price*”. Most of the agents agree that buyers are not generally taking up what is in the marketplace and especially those in town, which have no particular locational advantages. This view is reflected in the Jersey House Price Index, which indicates there has been a fall of around 5% in the average price for one-bedroom flats over the last 3 years. The Index also suggests a downward trend in prices for two-bedroom flats from mid-2002 to early 2003, which stabilised in the latter half of 2003 and was relatively static to the end of 2004.

Although property has historically been regarded as a secure form of investment (particularly over the longer

term), it now appears that the attractiveness of 'buy-to-let' in this market is on the wane. This is likely to be due to a combination of factors, including falling rents, increased difficulties in getting tenants, less certainty of future capital growth, underperformance against other forms of investment and the potential for attractive growth in selected parts of the European housing market. Some agents reported they had been in discussions with some current investors about how they might get out of the buy-to-let market.

Despite the above, it is still the case that well-priced, well-built one- and two-bed apartments, especially those located in sea-front locations, will sell quickly and often off plans.

There is a general agreement among the agents that the first-time buyers have a continuing preference for buying houses with a garage and garden, and that some are holding back from purchase on the open market. It seems many have been waiting for the sites zoned in the Island Plan to come forward. The houses to be provided on these sites are generally regarded by the potential buyers as better value for money and more able to meet their aspirations, even though they would forgo potential equity advantages that might accrue from going into the open market.

There also appears to be consensus among the agents that the market for town cottages and small houses up to £250,000 is holding its own. Both demand (mostly from first-time buyer) and supply still appear to be reasonably healthy and the properties are generally keeping their value where there is parking space provided. Of course, the affordability of homes remains their primary concern of purchasers, but sales of well-priced properties are turned round quickly.

Mid-high price homes (£250,000 to £750,000)

This is the Island's biggest market sector and it is the lower end of this sector (£250,000 to £350,000) is regarded as the busiest market with the most turn-around. It generally comprises two- and three-bedroom houses (including ex-States loan properties and proposed new-build first-time buyer houses) and good quality well-located apartments. Although there is good choice in this market and it is very price-sensitive, it seems that there remains healthy interest from potential house-buyers and that property which represents reasonable value will sell easily. The agents say that prices in this market have generally held steady over the last 3 years and are currently being kept stable by the allocations of homes on sites zoned for first-time buyers in the Island Plan, which are now under construction. Whilst it is recognised that there is a cross-subsidy being paid to secure social rented homes on the zoned sites, some agents think the asking prices for these new first-time buyer properties (i.e. between £255,000 and £295,000) is close to the limit of affordability and puts them more in line with the open market.

As they did 12 months ago, most of the agents reported that there is not much activity in the £400,000 to £600,000 price range, which is generally the preserve of second- and third-time purchasers. They say that house prices are remaining reasonably static and the price of top-of-the-range apartments is falling. Although one agent reported that he had a good number of such properties currently under offer, it would appear that there is a limited and insufficient supply of houses available in this price bracket. This may, in part, be because the price expectations of potential vendors cannot be satisfied. Some agents hinted that there are still a few properties in this market which are a little overpriced and one suggested that there is currently too much of a gap for many potential purchasers between the value of their existing properties and those in this market. This, in turn, leads many to hold onto their properties and refurbish or extend them.

A number of agents pointed to healthy demand and a noticeable increase in activity in the £600,000 to £750,000 market range, which had previously been subject to discounting. These high-value properties have been selling very quickly and are mostly being bought with large mortgages by new 'J' Category employees and local residents in the legal and accountancy sectors. There appears to be a general consensus among agents that this may be an indicator of growing confidence and a more positive attitude among the professional sector about the Island's economic prospects and future job security. The agents are hopeful that this optimism will start to filter down into the mid-price homes market. It is anticipated by some that the present shortage of four-bedroom houses on the market will lead to price increases as demand grows. This in turn might lead to an increase in supply as more current owners are encouraged to put their homes on the market.

Most expensive properties (£750,000+)

The luxury end of the Island's housing market is normally the slowest sector, where properties generally take the longest to sell. The agents are reporting there are a considerable number of potential buyers and say that the market for properties in the £1 million to £1.5 million range and over, in particular, is healthier than a year ago. This includes interest from people looking to come into the Island, in addition to existing residents.

This is a low volume market, which in recent times, has seen prices falling significantly to more realistic levels. Whilst realistic pricing is now more prevalent than it was, the agents are still pointing to a shortage of properties at the right price. They acknowledge that there is a new-found confidence among the potential buyers, but regard this as being somewhat fragile. It appears that the majority of potential buyers are anxious not to overstretch themselves and will look to negotiate on price or otherwise go for properties in a lower price band.

At the very top end of the market it seems that 'super-wealthy' potential buyers will often feel they are not getting value for money. There are not many enquiries currently being fielded from this group and, where there are, one agent has suggested they have effectively "*lowered the bar*" and are now looking at residences of £2 million to £3 million, rather than £3 million to £4 million.

Private rental

In recent times, there has been growth in the availability of rented housing, fuelled mainly by an increase in the number of younger people wishing to set up their own home and choosing to rent accommodation which is made affordable with States' financial support. Additional growth has occurred because of private individuals investing in apartments, which are then let.

All the agents point to the supply of private rental property in the market place generally outweighing demand, providing considerably more choice than in previous years. This has had a number of consequences, including –

- a growing list of 'difficult to let' properties at the bottom end of the market, which, if conditions remain the same, will either not be let, or will only be let provided rents are substantially reduced;
- a number of landlords coming out of the rental market and various blocks of flats being advertised for sale;
- a general reluctance to continue investing in buy-to-let properties.

Last year, the agents reported that rents were falling significantly to what some described as "*more sensible levels*". Interestingly, most agents are now reporting that rents for properties offering good standards of accommodation are holding up. It is suggested that this is, in part, due to the reluctance of landlords to reduce rents and to the effect of the rent rebate scheme (currently 1,200 private landlord claimants), which is assisting people to pay.

Notwithstanding the overall growth in available property to let, there appears to be general agreement among the agents that there remains a shortage of good quality family homes for rental (two-, three- and four-bedroom).

Non-qualified accommodation

The situation in this sector is pretty much as described in Planning for Homes 2004. It remains the general perception among the agents that the market has met the demand in this sector, where an increase in the amount of accommodation available has combined with a large fall-off in demand. The current market is described by a couple of the agents variously as "*quiet*" and "*dead as a Dodo*". It is generally held that the falling demand is largely due to the loss of construction workers and, to a lesser extent, the reduction in the residential qualifying period and the increase in the amount of registered lodging accommodation.

As consequences of the current supply and demand situation, the agents say that –

- rents are continuing to fall;
- there is generally no longer a significant premium for rents in this sector (with the exception of good quality stock at the top end of the market);
- there is an increasing amount of lower standard/sub-standard accommodation which is difficult to rent out;
- some owners are looking to improve their properties;
- a few properties have been sold for alternative uses (e.g. staff accommodation);
- a number of other properties, which meet A-H standards, are up for sale into the qualified market and others will follow.

It is still recognised that, despite improvements in the quality of the stock over recent years, there remains a considerable amount of poor quality accommodation in the sector. As reported in the previous Planning for Homes, there is anecdotal evidence of a significant number of lower income group residents, including families, that are living in unsuitable, inferior accommodation conditions and experiencing difficulties in finding more suitable accommodation.

Future of the residential property market

The future of the market is very much a confidence issue and will ultimately depend on the future of the economy. In many respects, the agents consider it is too early to say with any certainty what the future holds. However, despite apparent widespread uncertainty in the market at present, they appear generally more positive about the future than they were 12 months ago. Indeed, they might best be described as cautiously optimistic that the market will recover in the next few years. By recovery, they seem to be envisaging continued stability, but with prices rising a little.

This more positive outlook seems to be supported by a general acceptance that an economic up-turn is now more likely, as a consequence of the Strategic Plan and the raft of measures recently put in place by the States to help secure 'controlled economic growth', monitor and regulate residents and migrants, and reduce the housing qualification period. In addition to this, the prospect of interest rates falling and the prolonged stability in property prices has made properties more affordable. Some agents suggested that they have detected a more positive attitude among potential buyers since the beginning of the year and point to the growth in sales in the £600,000+ market range as an indication of more confidence in the future of the economy by people in the finance and legal professions. Of course, the agents are also quick to point out that this confidence is somewhat fragile at present and is not reflected lower down the market.

Once again, the agents have cited a variety of potentially negative factors, which are causing them concern in relation to short-term market performance, including –

- the “*extraordinary*” high cost of land for building;
- the need for the States to exercise “*even greater control over its costs*”;
- the potential further over-supply of new apartments on the market;
- the effects of new tax-raising measures introduced by the States (e.g. ‘20 means 20’, GST and the new income tax instalments system or ‘ITIS’, which commences in January 2006); and
- on-going uncertainties in particular areas of the employment sector.

5. ISLAND PLAN PROPOSALS FOR MEETING HOUSING REQUIREMENTS/TARGETS

5.1 Qualified sector

The Island Plan concentrates on addressing the requirements for new homes in the ‘qualified sector’ for the first 5 years of the Plan up to the end of 2006. In doing so, it makes provision from existing sources (e.g. existing planning permissions, changes in the Built-Up Area boundary etc) and from sites rezoned specifically for Category A homes. In addition, the Plan earmarks a various other sites for future Category A housing purposes, number of which are no longer considered suitable.

In many respects, this aspect of the Plan has been overtaken by events. The new housing requirement figures (rolled forward to 2009), the information contained in this document and the ‘Action Plan’ at the beginning of this document, effectively serve as a review and update of the relevant policies and proposals.

It is anticipated that the supply of required new homes in the Qualified Sector over the next five years will come from a range of sources, similar to those identified in the Island Plan, including –

EXISTING SOURCES

- *sites for States first-time buyer and social rented housing;*
- *opportunities at the Waterfront;*
- *windfall developments elsewhere in the Built-Up Area;*
- *conversions and changes of use elsewhere;*

SITES EARMARKED IN ISLAND PLAN

- *land already rezoned for Category A homes;*
- *suitable sites for Category A homes in Policies H3 and H4 of the Plan;*
- *other sites considered suitable for Category A homes, to emerge from public consultation.*

5.2 Non-qualified sector

The 2001 Census suggests that 13% of private households in Jersey live in non-qualified accommodation, which is split fairly evenly between tied (staff) accommodation, private lodgings and Registered Lodging House accommodation.

The Island Plan assumes that the requirements in the ‘unqualified sector’ will be provided through increased availability of private lodgings in the existing building stock and the creation of new lodging houses and staff accommodation as part of the day-to-day development process, including new-build, conversions and changes of use. In reality, the identified requirements for the first 5 years of the Plan proved to be considerably overestimated. This was largely because of a downturn in the economy, which led to a reduction in employment opportunities for non-qualified persons (notably in the construction and finance sectors).

6. SUPPLY

6.1 Completion rates in the qualified sector

Table 21 shows the number of completions of new homes in the qualified sector since 2002 and allows a comparison with past trends. The years 2002 and 2003 witnessed a boom in residential construction work and impressive numbers of new homes were completed. Despite the reduced number of completions in 2004, there has been an historically high average building rate during the last three years of approximately 629 new homes per year (i.e. approximately 72% greater than the average rate achieved in the preceding 16 years from 1986).

The average rate for purpose-built Category A and Category B homes during the last 3 years was 226 and 40 homes per year respectively. However, the figures take no account of the proportion of the completions currently included in Category B private developments, which will have contributed to meeting identified Category A requirements. Following recent investigations undertaken by officers of the Housing Department and the Housing

Task Force, it is estimated that at least 239. Category B homes completed over the last 3 years will have met identified needs for first-time buyer homes.^[5] This would suggest a revised average annual rate of 300 or so Category A home completions over the last 3 years.

Table 21: Housing completions in qualified sector

Completed Dwellings (net)					
Year	Purpose-built first-time buyer homes	Purpose-built social rented homes	Purpose-built Category A completions	Other demand housing (Category B)	Total completions
1986	107	40	147	232	379
1987	23	225	248	106	354
1988	108	136	244	103	347
1989	-	147	147	128	275
1990	17	130	147	289	436
1991	76	75	151	325	476
1992	139	130	269	159	428
1993	187	86	273	243	516
1994	81	197	278	175	453
1995	165	50	215	199	414
1996	15	70	85	224	309
1997	12	(137)	(125)	142	17
1998	-	51	51	186	237
1999	79	78	157	240	397
2000	-	60	60	312	372
2001	59	26	85	367 ^{*5}	452 ^{*5}
urb-total	1068	1364	2432	3430^{*5}	5862^{*5}
e. annual completions 86-2001	67	85	152	214^{*3*5}	366^{*3*5}
2002	92 ^{*2}	300 ^{*1}	392	481 ^{*5}	873
2003	161 ^{*2}	109 ^{*1}	270	386 ^{*5}	656
2004	52 ^{*2}	(36) ^{*1}	16	343	359
urb-total	305	373	678	1210	1888
e. annual completions 02-2004			226	403^{*4}	629^{*4}

*1 see Appendix 3 for details

*2 see Appendix 2 for details

*3 includes lodging and staff accommodation

*4 excludes lodging and staff accommodation

*5 updated 11/06/05

Most of the homes which have been constructed in the last 3 years (71%) have been in the urban parishes of St. Helier (51%), St. Saviour (10%) and St. Clement (10%), as indicated in Table 22 below. This is very much in line with the 'spatial strategy' for new development set out in the Island Plan, which promotes more sustainable development concentrated in urban areas.

Table 22: Completions of new homes in the qualified sector, by Parish, 2002 – 2004

Parish	New homes by Category		Total homes completed	%
	Purpose-built Category A ^{*1}	Category B		
St. Brelade	–	67	67	3.5
St. Clement	35	158	193	10.2
Grouville	17	58	75	4.0
St. Helier	444	520	964	51.1

St. John	40	57	97	5.1
St. Lawrence	–	77	77	4.1
St. Martin	21	28	49	2.6
St. Mary	–	29	29	1.5
St. Ouen	–	37	37	2.0
St. Peter	10	32	42	2.2
St. Saviour	101	95	196	10.4
Trinity	10	52	62	3.3
TOTAL	678	1210	1888	100.0

**1 excluding contribution from private Category B developments.*

6.2 Outstanding commitments in the qualified sector

Table 23 below provides details of outstanding commitments for new homes in the ‘qualified sector’ at the start of 2005. Once again, this points to impressive levels of outstanding commitments for new homes. One would expect that the 999 Category B homes under construction at the start of 2005 will all be complete well before the end of 2009. The yield in this sector will also be supplemented by a proportion of both the 692^[6] homes which have existing consents (but have yet to start) and an unknown number of proposed homes which will be granted consent during 2005, 2006 and the early part of 2007. It is not possible to accurately predict the likely yield of new homes by 2009 from approved proposals that have yet to commence.

In contrast, one might reasonably expect that virtually all the outstanding commitments for Category A homes (i.e. first-time buyer and social rented) could be completed by the end of 2009, whether or not they are presently under construction. As can be seen from Appendices 3 and 4, that the commitment figures for Category A homes –

- rely to a significant degree on the development of sites rezoned for the purpose;
- only include approved yields for rezoned sites where consent has been granted. For the remaining rezoned sites where development proposals have not yet been approved, estimates have been used of the most likely yields;
- include 2 urban sites where funding is currently frozen.

Table 23: Outstanding commitments for new homes in qualified sector, at start of 2005

(N.B. The potential yields from Island Plan H2 sites are based on enhanced estimates @ June 2005)

Outstanding planning permissions				Homes under construction (Net) (b)	Other commitments which may yield or involve loss of units before the end of 2009		Total (a+b+c)
Type of Housing	No. of new homes (net)				Definite, probable and/or highly possible (c)	Other possibles in the time frame* ² (d)	
	Planning in principle permits	Planning, building or planning & building permits* ⁵	Total number with consent (a)				
Purpose-built first time buyer	–	219	219	42	186	–	447* ³
Other demand housing (Cat. B)	26* ¹	666* ¹	692* ¹	999	–	–	1,691
Total demand housing	26	885	911	1041	186	–	2,138
Social rented housing	(-36)	109	73	283	202* ⁴	–	558* ⁴
Total	(-10)	994	984	1,324	388	–	2,696

(all housing)							
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*1 Net of permissions which have not been advanced for 4 years or more. They also exclude some larger developments where outline consent has been granted for the redevelopment of outworn hotels and commercial properties, but where actual proposed yields are unknown.

*2 There are a number of sites set out in IP Policy H3, which were, subject to public consultation, originally earmarked to meet housing needs up to 2006. These are excluded from the figures for the time being and decisions about bringing them forward will, in any event, depend on the outcome of the Committees' Action Plan process and further monitoring the extent of supply and demand.

*3 See Appendix 4 for details.

*4 See Appendix 3 for details.

*5 Including where the Committee has indicated it is 'minded to approve' schemes, subject to planning obligations being agreed.

The present planning status of the sites rezoned for Category A housing purposes is summarised in Appendix 8. It is acknowledged that there have been problems in bringing these sites to fruition and progress has been slower than the Housing and Environment and Public Services Committees would have liked. This can be explained, in large part, by –

- the protracted procedures agreed for securing the development of the sites;
- the commitment given to extensive public consultation in advance of applications;
- the highly politicised nature of the proposals, which has brought considerable opposition at virtually every turn from existing residents who do not want developments in their back yard; and
- the complexities of establishing new planning obligation agreements.

Table 24 illustrates the availability of housing commitments by Parish. As with completions over the last 2 years most (59%) of the residential commitments in the Island are concentrated in the main urban parishes of St. Helier (45%), St. Saviour (3%) and St. Clement (11%). However, rather unusually, it seems there are a number of significant developments planned or under construction in St. Lawrence and St. Peter making each parish responsible for 10% and 11% of outstanding commitments respectively.

Table 24: Housing commitments for new homes in qualified sector, by Parish @ start 2005

Parish	Outstanding permissions	Homes under construction	Other commitments*	Total commitments	% Total commitments
St. Brelade					
Cat. B	61	88	–	149	6.5
F-t-b	–	–	15	15	
Social rental	–	–	12	12	
St. Clement					
Cat. B	35	43	–	78	11.1
F-t-b	134	18	22	174	
Social rental	(38)	74	10	46	
Grouville					
Cat. B	24	39	–	63	2.3
F-t-b	–	–	–	–	
Social rental	–	–	–	–	
St. Helier					
Cat. B	319	467	–	786	44.9
F-t-b	69	–	7	76	
Social rental	111	179	59	349	
St. John					
Cat. B	28	10	–	38	1.4
F-t-b	–	–	–	–	
Social rental	–	–	–	–	
St. Lawrence					
Cat. B	66	53	–	119	10.2
F-t-b	–	–	79	79	
Social rental	–	14	63	77	
St. Martin					

Cat. B	18	38	–	56	3.6
F-t-b	–	–	22	22	
Social rental	–	–	18	18	
St. Mary					
Cat. B	5	11	–	16	0.6
F-t-b	–	–	–	–	
Social rental	–	–	–	–	
St. Owen					
Cat. B	21	27	–	48	3.4
F-t-b	–	24	–	24	
Social rental	–	19	–	19	
St. Peter					
Cat. B	40	177	–	217	10.8
F-t-b	–	–	41	41	
Social rental	–	–	32	32	
St. Saviour					
Cat. B	46	26	–	72	3.4
F-t-b	16	–	–	16	
Social rental	–	(3)	8	5	
Trinity					
Cat. B	29	20	–	49	1.8
F-t-b	–	–	–	–	
Social rental	–	–	–	–	
TOTALS					
Cat. B	692	999	–	1691	100.0
F-t-b	219	42	186	447	
Social rental	73	283	202	558	
GRAND TOTAL	984	1324	388	2696	

* including 2 urban Category A rental sites, where funding has been temporarily frozen.

Commitments by type and size

Table 25 gives an indication of the types and sizes of the homes which will be provided from known Category A commitments and from Category B developments currently under construction. Although plans are in train to rectify the position, the Department of Planning and Building Services does not yet have complete and readily accessible data on the type and size of homes approved as part of new Category B developments. The figures have, therefore, been derived from application descriptions, although in many cases these do not specify the required information.

Table 25: Outstanding commitments for new homes in qualified sector, by type and size, at start 2005

Type of home	Size of home						Total
	1-bed	2-bed	3-bed	4-bed	5-bed +	Unspecified size	
Category B homes under construction							
flats ^{*1}	234	98	20			155	507
houses ^{*2}	7	25	35	47	3	94	211
retirement homes							
apartments							
cottages						118	118
						34	34
unspecified	27	15	12			91	145
sellings/units							
Sub-Total	268	138	67	47	3	492	1015
Known Category A commitments							
flats ^{*1}	205	140	29				374
houses ^{*2}	5	34	627	53			719

retirement homes							
apartments							
cottages	28	3			1		32
	–	7			–		7
unspecified dwellings/units							
sub-total	238	184	656	53	1		1132
TOTAL	506	322	723	100	4	492	2,147

*1 Includes apartments, studios, bedsits and maisonettes.

*2 Includes bungalows and cottages.

The commitments shown in Table 25 cover a range of dwelling types and include nearly 900 flats, 930 houses over 190 retirement homes together with 145 unspecified dwelling types. They also suggest that currently in the pipeline, there are significant additional supplies of one- and two-bedroom accommodation, very healthy supplies of three-bedroom homes and only limited numbers of larger four- and five-bedroom family homes.

6.3 Outstanding commitments for sheltered homes

The Housing and Planning Departments believe there is scope for significant interchangeability between different tenure groups to help satisfy estimated requirements for sheltered accommodation, as set out in Section 3.6. It is also considered that the requirements can be met by certain developments, which might not strictly fall within some definitions of ‘sheltered accommodation’. This might include appropriate developments described variously as ‘retirement homes’, ‘homes for the elderly’, and ‘homes for disabled people’, which are either for sale in the private sector or provided in the social rented sector (i.e. by Parishes, Trusts and the States).

It would appear that there are currently outstanding commitments for approximately 200 such homes, including –

The former Hotel L’Hermitage, SP.....	152	retirement homes
Field 1218, Mont a l’Abbé, SH.....	16	sheltered units
Fields 848, 851, 853 and 854, Bel Royal, SL.....	7	sheltered units
La Coie Site, Janvrin Road, SH.....	2	units for disabled
	5	person group home
Fields 786 and 787, La Rue des Cosnets, SO.....	6	units for elderly
Fields 181, 182 and 183, La Route de La Pointe, SP....	8	sheltered units
Centre Point, Clearview Street, SH.....	7	special needs flats
Former Aquila Youth Centre, Great Union Road, SH..	1	unit for disabled
	<u>202</u>	

It is not inconceivable that some requirements for sheltered accommodation might also be met by suitably modified surplus one- and two-bedroom units in the social rented sector.

6.4 Completions and outstanding commitments in non-qualified sector

With the exception of registered lodging accommodation, there is a lack of good, comprehensive data on the supply of non-qualified accommodation.

Registered lodging accommodation

Figures 3 and 4 show the numbers of registered lodging houses and the number of beds provided in the accommodation respectively since 1990. They serve to illustrate the direct response of the market to the growth in demand for lodging accommodation throughout the 1990s (despite a slight blip following the recession of 1993). The number of registered lodging houses in the Island more than doubled from 96 in 1990 to 198 in 1999. During the same period, the number of registered lodging house beds correspondingly increased by 152%, from 1,767 to 4,460. This increase in registered lodging house accommodation was more pronounced after 1993, as the growth in jobs led to an influx of migrants, putting pressure on the non-qualified sector of the housing market. It was

largely achieved through the conversion of outworn hotels to guest houses.

The lack of new supply of registered lodging houses during 2000 and 2001 was probably attributable to a range of factors, including –

- the decision of the Housing Committee in August 1998 to impose a moratorium on the development of new lodging houses (principally as a means of easing population pressures);
- the introduction of the “prime tourism sites policy” by former Planning and Environment and Tourism Committees (primarily aimed at preventing the continued loss of good quality hotel and guest house accommodation, which enjoyed the best settings); and
- the success of earlier States measures aimed at restricting job growth and net immigration.

The first 2 factors proved controversial and were relatively short-lived.

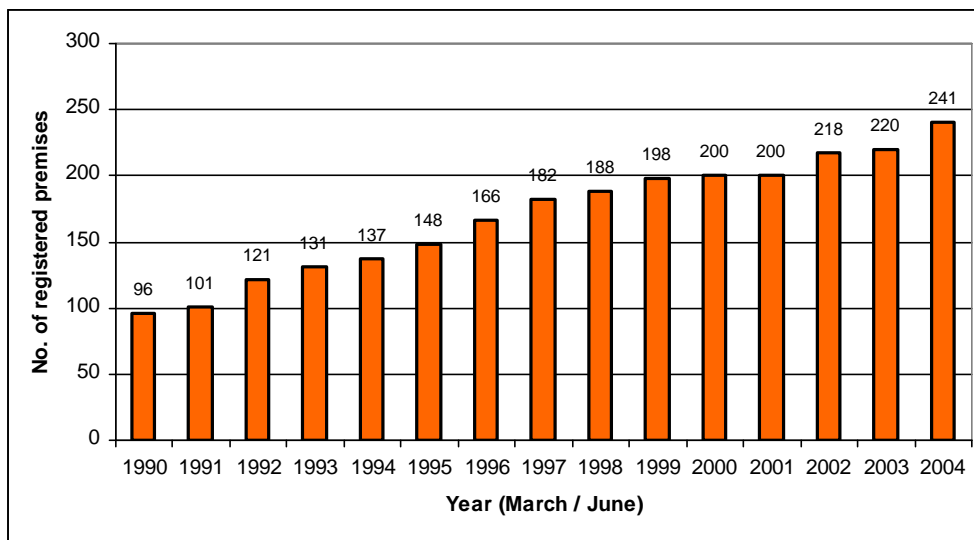
Figure 3 shows that from 2001 to 2004, the number of properties providing lodging accommodation coming onto the Register rose significantly by 40+ to a new high of 241. In the last 12 months supply in this sector has been boosted by the sale of a number of bank staff properties, which have switched to registered lodging accommodation. This follows a reduction in demand for bank staff accommodation due mainly to the outsourcing of ‘back office’ functions to other jurisdictions. Further evidence for the increase in properties offering registered lodging accommodation is provided by the completion records for 2002 and 2003 held in the Department of Planning and Building Services. These are included in Appendix 6 and show that 44 former hotels, guest house and hostels were converted, redeveloped, or extended for the purpose.

The other notable occurrence during the last few years, as illustrated in Figure 4, was the significant reduction in the actual number of bed spaces available in registered lodging accommodation during 2003, despite a growth in the number of properties registered. This was, in large part, due to –

- the concerted efforts of owners to modernise and improve the quality of accommodation on offer, in response to demand for better standards;
- the need to fall in line with new accommodation standards set by the Housing Committee.^[7]

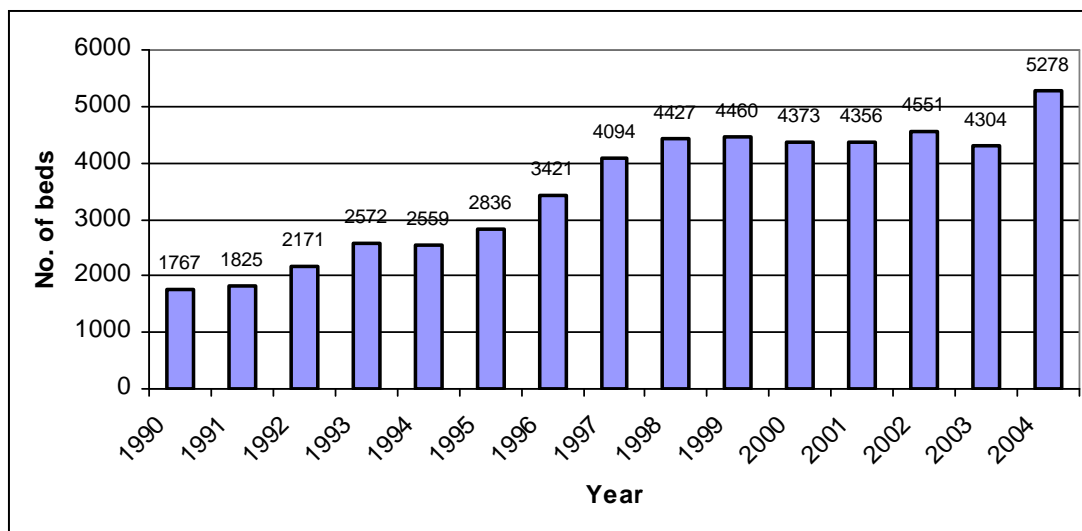
Of the 5,278 beds in Registered Lodging Houses in 2004, 1,148 were for children under the age of 18 years.

Figure 3: Registered lodging houses, 1990 to 2004



Source: Housing Department Records

Figure 4: Registered lodging house beds, 1990 to 2004



Source: Housing Department Records

In the first 6 months of 2005, there appears to have been a slowdown in the numbers of properties (primarily hotels and guest houses) being developed or converted to provide additional registered lodging accommodation, although at the end of 2004, there were still some outstanding commitments, as set out in Appendix 7. Only a few of these commitments are currently in progress, including Broadlands at St. Peter and St. George Guest House and Havre Des Pas. It is possible that the reduction in the number of commitments to convert or redevelop hotels and guest houses to new registered accommodation reflects a change in market conditions. The loss of many visitor bed numbers may have had a beneficial impact on remaining hotels and guest houses. There are now signs that existing hotel owners are beginning to reinvest in their businesses. Work to improve and, in some cases, expand existing hotels is presently underway at the Royal Yacht, the Hampshire, Hotel de France, the Beaufort, Uplands Hotel and the Pomme d'Or. Perhaps a more interesting reflection of current market conditions, echoing views expressed by estate agents, is the number of existing and generally better quality registered properties, which have, or may soon be sold as individual flats in the qualified A-H market (e.g. Basil Lodge, Ocean Apartments, Hautmont House, Suisse Apartments and Sacré Coeur).

The latest report of the Housing Department's Lodging Inspector (2005), draws *inter alia* the following conclusions –

- This sector of the non-qualified market remains buoyant.
- The overall standard of registered premises continues to improve and expectations among potential occupiers are much higher.
- The owners of older, more established lodging houses, comprising bed-sits/studios and shared facilities have commenced programmes for upgrading their accommodation, as more and more potential occupants seek more space and are no longer prepared to share bathrooms.
- Owner “*must adapt to the times, convert or leave the market, opening the way for new owners coming into the market for the first time with fresh ideas and skills*”.
- The price of accommodation has been maintained in the last year, although, in many cases, rents are now on a par with the qualified market.
- There remain some empty A-H units attached to certain registered lodging premises (e.g. former guest house owner's accommodation), which are often very small, poorly site units without en-suite facilities that are “*impossible to let to qualified residents*”.

Private lodgings

Private lodgings with 5 or less lodgers are not required to register under the Lodging Houses (Registration) (Jersey) Law 1962, or to meet minimum standards of space and amenities. The 5-yearly census is the only way presently available to monitor how many people are living in lodgings and the report on the 2001 Census states there were 1,539 private households living in private lodgings in March 2001. There are no accurate figures on the current position, but there is anecdotal evidence to suggest that, as reported in Planning for Homes 2004, the supply of this type of accommodation is meeting, if not exceeding, current demand. Over the past 2 years, there have been numerous advertisements in the Jersey Evening Post offering rooms, bedsits and flats for let to non-qualified residents. This is a direct result of the changing economic situation, which has seen a general reduction in the number of jobs (notably in the building industry) and some consequent emigration from the Island of transient workers.

Staff accommodation

As with private lodgings, the only readily available information on private households living in staff accommodation is provided by the 5-yearly census. According to the report on the 2001 Census, there were 1,700 private households living in staff accommodation in March 2001. Unfortunately the current position is not known.

The situation with staff accommodation is pretty much as described in Planning for Homes 2004 and it would appear that this sector of the non-qualified market tends to look after itself. Planning policies are not generally unduly restrictive and opportunities are taken to create new accommodation as and when the demand arises.

As alluded to earlier, some bank staff accommodation has recently been sold into the registered lodging accommodation sector. Examples of outstanding commitments for new staff accommodation at the start of 2005 include –

- The ‘O’ Bar, Gloucester Street, SH..... 43 units;
- Hotel de France, St. Saviour’s Road, SS..... 7 units;
- Unit 22, Rue Sinnatt, SS..... 8 units; and
- Jersey Brewery, Belmont Place, SH..... 10 units.

7. COMPARING KNOWN HOUSING SUPPLY WITH REQUIREMENTS FOR HOMES

7.1 Qualified sector

Identifying requirements for new homes in the qualified sector and determining whether sufficient provision is being made to meet those requirements is not and will never be an exact science. Any such calculations must, of necessity, be based on numerous assumptions. The figures in Table 26 are an attempt to summarise the position on the basis of the best information currently available. It is recognised that the figures in this table are relatively crude, being based on a comparison of supply and demand within broad tenure groups, under various future scenarios, with no account being taken of the sizes of units. Also, for the purposes of this exercise, it has been assumed that the ‘worst-case’ scenario for net immigration levels of 500 households per year will not materialise in the next 5 years, based on assurances given during the debates on the Strategic Plan and the Migration Strategy.

It can be seen from Table 26 that, in broad terms, the total likely housing completions known to-date will more than match estimated total requirements for new homes up to the end of 2009, if the ‘14 Year Rule’ is maintained, under the various migration assumptions. Should the qualification period be reduced by one year per annum to 10 years, the figures point to a shortfall of between 130 and 295 homes, depending on the chosen migrator assumption. However, it would be reasonable to assume that any such shortfalls can easily be addressed in the period up to 2009, given that the figures take no account of the potential contribution of existing Category E consents which have yet to commence, or which will be granted during the next 3 or 4 years.

Table 26: Comparison between estimated requirements and supply of new homes, 2005 – 2009 (@ start 2005)*¹

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Housing requirements and supply	14 year Rule			Reduction to 10 year qualification period		
	Assumed migration range Nil to +200 h/hs			Assumed migration range Nil to +200 h/hs		
Identified requirements for homes 2005 – 2009 – <ul style="list-style-type: none"> • Category A*² • Category B • Total 	430	–	439	508	–	516
	<u>1,490</u>	–	<u>1,601</u>	<u>1,747</u>	–	<u>1,904</u>
	<u>1,920</u>	–	<u>2,040</u>	<u>2,255</u>	–	<u>2,420</u>
Less known outstanding Cat. A commitments (likely/capable of yielding before end 2009): Social rented (purpose-built) First-time buyer (purpose-built) Est. likely contribution of Cat. B homes currently under construction, to meeting first-time Buyer requirements * ³	(558)					
	(447)					
	<u>(116)</u>		(1,121)	(1,121)		(1,121)
	<u>(1,121)</u>					
Less Remaining outstanding Cat. B commitments under construction only; Known lodging Units to be sold into A-H market	(883)					
	121					
	<u>(1,004)</u>		(1,004)	(1,004)		(1,004)
	<u>(2,125)</u>		<u>(2,125)</u>	<u>(2,125)</u>		<u>(2,125)</u>
Projected requirements total to 2009	Provision above target 205	–	Provision above target 85	Shortfall 130	–	Shortfall 295

Notes:

*1. This takes no account of –

- Cat. B consents not yet started (i.e. a proportion of some 692 homes);
- Cat. B consents which will be granted and could complete in the period, including several hundred homes planned for the Waterfront over the next 6-10 years;
- remaining H3 and H4 sites in Island Plan.

*2. Estimate of Category A requirements is based on the rough calculation made in Section 3.5, Table 14.

*3. Based on investigations carried out in July 2005 by officers of the Housing Department and the Housing Task Force of larger development proposals (+5 homes). The estimates have been produced following a search of applications received by the Housing Committee for sales.

It would also appear from Table 26 that the total estimated requirements for Category A homes up to 2009 can easily be met by known commitments, whichever future scenario is chosen. However, on face of it, this would not seem to be the case with respect to Category B homes. The total number of homes currently under construction, or to be sold into the Category B sector falls short of the total estimated requirements over the next 5 years. Under the '14 Year Rule', the apparent shortfall ranges from 486 to 597 homes. Furthermore, if the housing qualification period is reduced by one year per annum to 10 years, the shortfall increases to between 743 and 900 homes. It is important that these figures are treated with an element of caution, however, given –

- the assumptions made in apportioning estimated requirements for qualified homes between Categories A and B;
- the likelihood that a large proportion of any shortfall will be met by Category B consents which have yet to commence or which will be granted in the next 3 or 4 years (including several

hundred homes planned for the Waterfront); and

- additional supply may also arise as a result of further sales of registered lodging accommodation in the A-H market, the sale or redevelopment of social rented homes as part of on-going improvements to Housing Committee estates, and the release of homes as a consequence of adding sheltered accommodation to the development programme.

In any event, the average building rates required to deliver the identified requirement for Category B homes for most future scenarios are not especially onerous. These range from 298 to 320 homes per annum under the '14 Year Rule', to between 349 and 380 homes per annum should the housing qualification period be reduced to 10 years. However, the maximum identified Category B building rate (i.e. 380 homes per annum) has only been exceeded twice during the last 19 years in 2002 and 2003 (see Table 21).

Size of homes

Table 27 looks to compare requirements for new homes by size with known supply commitments. Unfortunately information on the size of homes is not readily available for about a half of the Category B homes currently under construction. Furthermore, once again the commitments do not allow for existing Category B consents which are yet to commence or which will be granted consent in the next 3 or 4 years. Notwithstanding these limitations, the table is useful in providing indications of where surpluses and shortfalls might occur.

Table 27: Comparison of estimated requirements and supply, by size of units, 2005 – 2009
(@ start 2005)

Size of Unit	Estimated requirements assumed migration range: Nil to +200 h/hs		Outstanding commitments		
	14 year Rule	Reduction to 10 year qualification period	Cat. A	Cat. B	Total
1-bedroom		100 – 145	238	268	506
2-bedroom	460 – 465	575 – 580	184	138	322
3-bedroom	585 – 605	675 – 695	656	67	723
4-bedroom	745 – 805	775 – 835	53	47	100
5-bedroom	130 – 165	130 – 165	1	3	4
Unknown				492	492
TOTAL	1920 - 2040	2255 - 2420	1,132	1,015	2,147

The figures suggest that identified requirements for small one-bedroom homes and three-bedroom family homes up to the end of 2009 will be more than met by known outstanding commitments. However, a significant number of additional two-bedroom units (beyond the commitments taken into account) are likely to be required in the next 5 years. The most striking conclusion to draw from Table 27 is the notable shortage of supply to meet identified requirements for larger four- and five-bedroom homes. As these requirements are generally concentrated in the owner-occupier sector, there is a clear need for developers and landowners to respond through the normal application process. Of course, moves to provide additional sheltered/retirement homes could also be used to enhance the supply of larger family homes by encouraging older property owners to downsize to accommodation more suited to their needs.

Sheltered homes

The identified requirements for 250 sheltered homes will be addressed, in large part, by current commitments for 200 or so units, which are variously described in Section 6.3 as retirement homes, elderly person's homes, sheltered units and homes for people with disabilities. This will leave a shortfall against estimated requirements of some 50 homes over the next 5 years. However, it should be born in mind that the Islands' aging population is likely to result in a significant increase in demand for such accommodation from 2010 onwards.

At the time of the Census in March 2001, people above working age (14,507) made up 16% of the total population. This is projected to rise to approximately 19% of all Jersey residents by 2011 and to around 30% by

2031. The implications for housing will become particularly significant after 2010, when the 'baby boomers' (born between 1946 and 1965) start to enter their retirement years. However, another significant demographic feature is that the fastest growing sector of the older population is people aged 85 and over.

In recognition of such facts, the ISAS (Island Wide Strategy for an Aging Society) Report includes among its many strategic principles the following –

- *“establish and recognise the requirement for the provision of a sufficient amount of housing to accommodate an increasing and changing population in Jersey;*
- *use existing stock of living accommodation occupied by members of an ageing society wisely and appropriately to the requirements of residents.”*

In view of the above, it is considered that there would be merit in planning for the looming increase in demand for sheltered homes, including the securing of sites, within the 5-year period to the end of 2009. This is particularly important when one considers that there is a normal lead-in time of 2 to 3 years before homes can be completed on the most straightforward of specified sites.

7.2 Non-qualified sector

The limitations of available data on the supply of new homes across the whole non-qualified sector, makes it impossible to carry out a similar numerical exercise to that for the qualified sector. The only reliable supply figures relate to Registered Lodging Accommodation. However, as alluded to earlier, there is some evidence to suggest that estimated requirements for new homes in the non-qualified sector over the next 5 years will remain relatively small in historic terms under the current '14 Year Rule' (i.e. ranging from 530 to 695, mostly two- and three-bedroom private lodging homes). Furthermore, the estimated requirements would be particularly modest should the housing qualification period reduce to 10 years (i.e. ranging from 210 to 360 mostly twobedroom private lodging homes).

Certainly, the anecdotal evidence provided by estate agents (see Section 4.4) suggests that, following a large fall off in demand in recent years, requirements in the non-qualified sector have largely been met by the market. As evidence of this, they point to increases in the level of available accommodation, falling rents, increasing difficulties in letting lower standard properties, a continuing process of property improvement and an increase in the number of properties being sold as A-H flats in the qualified sector.

Although the evidence is largely anecdotal, there seems no reason to suspect that the market cannot continue to be successful in meeting estimated requirements over the next 5 years, especially if the States continue to pursue a reduction in the qualification period for residential status. This should be possible, even if net in-migration levels average +200 households per year. In any event, the recently approved mechanisms for monitoring and regulating migration should help to ensure that the States' policy of 'controlled economic growth' is achieved, whilst avoiding the pressures on non-qualified accommodation which have historically resulted from short-term economic change (i.e. as a result of uncontrolled immigration).

REQUIREMENT FOR SOCIAL RENTED HOMES, BY TYPE, @ end 2004

Housing priority	Accommodation requirement					Total
	1 bed	2 bed	3 bed	4 bed	5 bed	
(a) States Rental Waiting List						
Group 1	29	3	3	3	–	38
Group 2	40	31	18	–	–	89
Group 3	16	11	8	1	–	36
Group 4	3	2	2	–	–	7
Group 5	19	2	–	1	–	22
Group 6	–	–	–	–	–	–
Group 7	–	–	–	–	–	–
Sub-total	107	49	31	5	–	192
Households pending ^{*1}	19	8	5	1	–	33
Total	126	57	36	6	–	225
(b) States Transfer List						
Medical: Immediate/Most urgent	56	20	19	2	–	97
Medical: Urgent/Less urgent	12	8	2	1	–	23
Good management	22	13	10	3	1	49
Social reasons	7	3	2	1	–	13
Under occupied	84	19	5	–	–	108
Refurbishment	16	3	1	–	–	20
Overcrowded	3	6	33	19	1	62
Other (inc. Hostel)	7	27	23	4	–	61
Total	207	99	95	30	2	433
(c) Total specified requirements (a + b)	333	156	131	36	2	658
LESS units presently occupied by those seeking transfers	(115)	(232)	(58)	(8)	(-)	(413)*3
REQUIREMENT (@ end 2004)	218 - 76 x 2 beds 142	(76 over)	73	28	2	245
Percentage total *2 (@ end 2004)	58.0	-	29.8	11.4	0.8	100.0
APPARENT OVER SUPPLY (@ end 2004)		(76)*4				

Notes:

*1 the size of home requirements for those households which are pending is based on the proportional requirements of those already accepted onto the waiting list.

*2 The evidence available from the Rental Waiting List and the Tenants Transfer List can not on its own present an accurate indication of likely social rented dwelling requirements up to 2009, not least because it takes no account of the current breakdown of rental stock (e.g. 44% is one-bed, 34% is two-bed and only 22% of the present stock has three or more bedrooms), the changing nature of demand, the impact of the Housing Committee's redevelopment programme of older high density family estates and the possibility that a significant number of households waiting to qualify under the '14 year continuous residency rule' will have temporarily restricted the growth of their families until they can obtain regulated accommodation.

Taking these items into account, the Housing Department has attempted to more accurately estimate the proportional requirements for rented homes by size throughout the period up to the end of 2009. It suggests that outstanding requirements for

social rented homes should be divided approximately into 15% one-bedroom, 5% two-bedroom, 70% three-bedroom and 10% four-bedroom homes (assuming all the H2 housing sites deliver).

*3 There are 20 less rental homes to be released by households on the States Transfer List than those required, because these 20 units are to be sold as part of the plans for redeveloping Le Squez and Le Marais.

*4 This apparent over-supply of two-bed units could help offset the apparent shortfall in one-bed homes.

Source: Housing Department

SCHEDULE OF SOCIAL RENTED HOUSING COMPLETIONS, SINCE APPROVAL OF JERSEY ISLAND PLAN 2002

Ref.	Site	Units by type					Total
		1 bed	2 bed	3 bed	4 bed	5 bed	
Completions 2002							
16774/A/D	Florence Boot Cottages (Phases III & IV), St. Clement			18	3		21
19337/A PB/2001/0432	5, St. Clement's Road, St. Helier	9	1				10
7215/N PB/1998/1041	Le Champ des Fleurs (Le Jardin Fleuri), (former La Motte Ford site), La Rue a Don, Grouville		4	12			16
424/N PB/1999/2574	Oak Tree Gardens (Elysée Estate Phase III), Trinity Hill, St. Helier	7	22	5			34
2916/P PB/2000/0892	Former Berkshire Hotel Site, 33-35, La Motte Street, St. Helier	113					113
3855/O/T PB/1998/2609	Former Postal Headquarters site, Mont Millais, St. Helier	4	14	27			45
6107/B B/2000/1777	Field 413 (Parish Elderly Persons), La Longue Rue, St. Martin	20	1				21
11550/E/1/1 PB/1998/2606	Le Geyt Flats Estate (Refurb. & Redevelopment) (Phases V & V1), St. Saviour.		18	12			30
7671/F/G PB/1999/1613	Field 818 (Parish Elderly Persons), Trinity	10					10
	Sub-total (net)	163	60	74	3		300
COMPLETIONS 2003							
424 PB/2001/0477	Elysée Estate, Trinity Hill, St. Helier				1		1
2543 B/2002/0209	Parkside (former Town Park Hotel site), Pierson Road, St. Helier	1	6	8	2	2	19
20067 PB/2000/1345	Victoria Place, Albert Pier, The Waterfront (Phase 1), St. Helier	23	51	4		1	79
2404/I B/2000/1628	Sandybrook Hospital, St. Peter	8	2				10
	Sub-total (net)	32	59	12	3	3	109
COMPLETIONS 2004							
	Bas Du Mont, Pier Road, St. Helier (refurbishment)	(1)	(4)	(11)			(16)
NONE P/2003/0627	Le Squez Estate (Phase 1A), St. Clement		(8)	(12)			(20)
	Sub-total (net)	(1)	(12)	(23)			(36)
TOTAL COMPLETIONS		195	107	62	6	3	373

**SCHEDULE OF PURPOSE-BUILT FIRST TIME BUYER HOUSING COMPLETIONS, SINCE
APPROVAL OF JERSEY ISLAND PLAN 2002**

Ref.	Site	Units by type					Total
		1 bed	2 bed	3 bed	4 bed	5 bed	
Completions 2002							
6262/S B/2000/1907	L'Abri, (Former Hodge Nurseries), La Grande Route de la Cote, St. Clement			34			34
7215	Le Champ des Fleurs, (former La Motte Ford site), La Rue a Don, Grouville			1			1
4169/K B/2000/5010	Field 1078, Sion, La Rue des Houguettes, St. John		1	39			40
16840/C PB/2000/1974	Field 615, La Rue de Patier, St. Saviour			17			17
	Sub-total		1	91			92
COMPLETIONS 2003							
1377/X P/1998/2042	Woodville Hotel, St. Saviour's Road, St. Helier	4	55				59
20067 PB/2000/1345	Albert Place, Albert Pier, The Waterfront (Phase 1), St. Helier	29	37	4			70
18961 PB/2002/0338	Fields 378 & 379 & Field Cottage, La Rue a la Dame, Five Oaks, St. Saviour			22	10		32
	Sub-total (net)	33	92	26	10		161
COMPLETIONS 2004							
14060 PB/2002/0709	Bagot Manor Farm, Bagot Manor Road, St. Saviour			21			21
18961 PB/2002/1321	Fields 378 and 379 and Field Cottage, La Rue a la Dame, St. Saviour			20	11		31
	Sub-total (net)	-	-	41	11		52
TOTAL COMPLETIONS		33	93	158	21		305

APPENDIX 4

**SCHEDULE OF KNOWN COMPLETIONS DUE FOR SOCIAL RENTED HOUSING, BY TYPE, 2005
TO END 2009**

(@ start 2005)

Ref.	Site	Units by type					
		1 bed	2 bed	3 bed	4 bed	5 bed	Total
Completions due by end 2005							
11150/E PB/1999/168 U/C	John Wesley Apartments (11,13 & 13A, Lemprière Street and 1-3, Canon Street), St. Helier	17	23	1			41
3764/Y PB/2000/2134 U/C	Clement Court, Ann Street, (former Cleveland Garage/ St. Helier Garages), (Phase 1), St. Helier	21	5				26
179/G P/2002/1833 U/C	La Folie Estate, Parkinson Drive, St. Lawrence	3	11				14
4628 PP/2002/0627	Le Marais, Low Rise (Phase 1), St. Clement	(-21)	(-15)				(-36)
NONE P/2003/0627 U/C	Le Squez Estate (Phase 1A), St. Clement		1				1
1537 P/2002/0645	Phillips House, Victoria Street, St. Helier	15	3				18
2668/312 P/2003/1658 U/C	Bas du Mont, Pier Road, St. Helier	1	6	9			16
4374 P/2003/2148	Victoria Cottage Homes, St. Saviour's Hill, St. Saviour	3 (6)					3 (6)
	Sub-total (net)	33	34	10			77
Completions due by end 2006							
3764/Y PB/2000/2134	Clement Court, Ann Street (former Cleveland Garage/ St. Helier Garages), (Phase 2), St. Helier	6					6
100/JA P/2002/0664 U/C	Le Coie Hotel Site, Janvrin Road, St. Helier	44	51			1	96
4628 P/2003/2660	Le Marais, Low Rise (Phase 1), St. Clement	14					14
1365 P/2003/2411	Field 1218 (Le Clos Vaze), Mont a l'Abbé, St. Helier(H2 site)	14	6	29	6		55
P/2003/2225 U/C	Extension to former Hodge Nurseries, Fields 89, 89A, 90, 92A & 93, St. Clement(H2 site)			64	9		73
8871 P/2003/1857 U/C	Fields 786 and 787, La Rue des Cosnets, St. Ouen(H2 site)	6		13			19
16320 P/2003/2673	Fields 181, 182 & 183, La Route de la Pointe, St. Peter(H2 site)	12	3	16	1		32
	Sub-total (net)	96	60	122	16	1	295
Completions due 2007 to end 2009							
2884 P/2003/2646	Le Squez Estate (Phase 1B), St. Clement	15	3	10 (43)	3 (4)		31 (47)
11097 B/2004/0313	Le Coin, Ann Street/ Charles Street, St. Helier	7	14 (-16)	2			23 (-16)
3636 P/2002/0663	Aquila Youth Centre, Great Union Road, St. Helier	24	1				25
	Ann Court (Phase 1), St. Helier	4	2	7	3		16

			(-11)	(-11)			(-22)
P/2004/2247	Fields 848, 851, 853 & 854, Bel Royal, St. Lawrence(H2 site)		7	45	6		58
	Fields 190, 191 & 192, La Rue de la Sergente, St. Brelade(H2 site)			12			12
	Field 873, Bel Royal, St. Lawrence(H2 site)			5			5
	Field 40, La Rue du Maupertuis, St. Clement(H2 site)			10			10
	Field 690A, Maufant, St. Martin (H2 site)			18			18
	Field 1370, La Rue de Mont Sejour, St. Helier(H2 site)			5			5
8663X	Highlands College (former allotments), La Rue du Froid Vent, St. Saviour		8				8
	Sub-total (net)	50	8	60	8		126
COMPLETIONS DUE		179	102	192	24	1	498
Other Sites which could yield by end 2009. They are currently subject to freezes on development funding.*1							
319/L PB/2002/1412	Sunshine Hotel Site, Marett Road, St. Helier	6	16	12			34
13439 P/2001/2087	Salisbury Crescent, La Rue Le Masurier, St. Helier	12	1 (-2)	13	2		28 (-2)
	Sub-total (net)	18	15	25	2		60
TOTAL COMPLETIONS DUE		197	117	217	26	1	558

Notes:

The potential yields from H2 sites without consent are based on enhanced estimates @ April 2005 and may need updating.

*1 In November 2003, the Finance and Economics Committee suspended development on these sites. In view of the limited funds available, it was considered prudent to re-assess the cost-effectiveness of the development proposals. It was decided that the developments should remain suspended pending the results of the housing needs survey. It is possible that consideration may be given to using the sites for first-time buyer accommodation.

SCHEDULE OF COMPLETIONS DUE FOR FIRST TIME BUYER HOUSING, BY TYPE, 2005 TO END 2009 (@ start 2005)

Ref.	Site	Units by type					Total
		1 bed	2 bed	3 bed	4 bed	5 bed	
Completions due by end 2005							
NONE P/2003/0627 U/C	Le Squez (Phase 1A), St. Clement			14	4		18
	Sub-total (net)			14	4		18
Completions due by end 2006							
4628 P/2003/2660	Le Marais, Low Rise (Phase 1), St. Clement			23			23
4677 P/2003/1965	Field 203 (Le Clos Corvez), part 204 & 252, Jambart Lane, St. Clement(H2 site)			62	14		76
8871 P/2003/1857 U/C	Fields 786 and 787, La Rue des Cosnets, St. Ouen(H2 site)			24			24
16320 P/2003/2673	Fields 181, 182 & 183, La Route de la Pointe, St. Peter(H2 site)	9	2	30			41
1365 P/2003/2411	Field 1218 (Le Clos Vaze), Mont a l'Abbe, St. Helier (H2 site)	5	18	46			69
14060 PB/2002/0709	Field 812A, Bagot Manor Farm, St. Saviour			16			16
	Sub-total (net)	14	20	201	14		249
Completions due by end 2007 to end 2009							
2884 P/2003/2646	Le Squez (Phase 1B), St. Clement		5	26	4		35
	Field 1370, La Rue de Mont Sejour, St. Helier(H2 site)			7			7
	Field 690A, Maufant, St. Martin (H2 site)			22			22
	Field 40, La Rue de Maupertuis, St. Clement(H2 site)			22			22
P/2004/2247	Fields 848, 851, 853 & 854, Bel Royal, St. Lawrence(H2 site)			71	1		72
	Fields 190, 191 & 192, La Rue de la Sergente, St. Brelade(H2 site)			15			15
	Field 873, Bel Royal, St. Lawrence(H2 site)			7			7
	Sub-total (net)		5	170	5		180
TOTAL COMPLETIONS DUE		14	25	385	23	-	447

Note:

The potential yields from H2 sites without consent are based on enhanced estimates @ April 2005.

SCHEDULE OF LODGING HOUSE COMPLETIONS, BY TYPE, SINCE APPROVAL OF THE ISLAND PLAN 2002

Ref	Site	Units by type					Total
		1 bed	2 bed	3 bed	4 bed	5 bed	
Completed 2002							
8471 PB/2001/1302	Maison H'arry, (formerly Hotel Corona), 107, Don Road, St. Helier	14					14
1044 11844S ? PB/2001/0614 B/2000/0541?	Bonne Nuit Apartments (formerly Idle Rocks), Les Charrières de Bonne Nuit, St. John	8	1				9
255 PB/2001/1897	Suisse Apartments (formerly wing of Hotel Suisse), St. Saviour's Road, St. Saviour	3	1	2			6
4129R B/1999/2154	Santa Monica Park, St. Andrews Road, St. Helier	3	7	2			12
	St. Aubyn's Apartments, High Street, St. Aubin, St. Brelade	11					11?
16961?	Lyndhurst, 6, Elizabeth Place, St. Helier	5					5?
	Maison Herault, Le Boulevard, St. Aubin, St. Brelade	6					6
217 PB/2001/2803	Rock Annick, La Rue Es Boeufs, St. Mary	3	2				5
7070 B/2001/0112	Elysian House, 11, St. Saviour's Road, St. Helier	7 + 1 child + 1 under 18					9
NONE PB/2001/0252 /0307?	Greenwood Lodge, Roseville Street, St. Helier	5	7	1			13
368/12209 P/2002/2290	La Forge Apartments (formerly Hotel du Puits), La Rue des Pallieres, St. Ouen	4	3				7
255 PB/2001/1288	Suisse Apartments, St. Saviour's Road	2	6	2			10
8600 P/2002/3130	Bouley Bay Inn, La Rue de la Petite Falaise/The Mount, Trinity	6	2				8
12349 P/2001/2804	Armada Private Hotel, La Route de la Haule, St. Brelade	14					14
Sub-total		93	29	7			129
Completed 2003							
NONE PB/2002/0662	Sandy Bay Apartments, 74, Roseville Street, St. Helier	4					4

260/8999 PB/2001/1238	Grosvenor Apartments, Le Havre des Pas, St. Helier	3	6	7			16
1253 PB/2002/1801	Mont Félard House, La Rue de St. Aubin, St. Lawrence	13					13
2627 PB/2002/1040	Brookfield Apartments (formerly Brookfield Private Hotel, 24, Raleigh Avenue, St. Helier	15					15
5780 PB/2001/1330	Villa Apartments, Queen's Avenue, St. Helier	8	3				11
1523 B/2002/0215	Basil Lodge (former Boys Hostel), 27, Clarendon Road, St. Helier	1	4				5
4966 PB/2003/0249	Dawlish House, 13-15, Charles Street (former guest house), St. Helier	20 rooms					20 rooms
2700 PB/2002/0777	Glenroyd Guest House, 26, Cleveland Road, St. Helier	3	2				5
7795 PB/2002/0240	Jishmi, 4, Roseville Street, St. Helier	6					6
	La Manche, 5-7, Val Plaisant, St. Helier	21					21
	Casa Alberto, 20, Cleveland Road, St. Helier	5					5
	Holmhurst, Queen's Avenue, St. Helier	9					9
	27, Roseville Street, St. Helier	7					7
	Playa D'Or Apartments, La Grande Route de la Cote, St. Clement	2	2	1			5
3036 /2924/ 4752 /7359 /7228 B/2001/1366	Portland Place, Midvale Road, St. Helier	1	7	4			12
15038/D B/2003/0444?	Claremont House, 117, Don Road, St. Helier	2	1				3
2342 PB/2002/1085	Cornwallis Guest House, 9, Havre des Pas, St. Helier	14	1				15
11600/F PB/2001/3052	The Palms, Le Havre des Pas, St. Helier	2	3				5
19359 P/2002/2611	Ellwyn House, La Grande Route de St. Jean, St. Helier (retrospective)		2	1			3
17357 P/2003/1681	Porches, La Grande Route des Sablons, Grouville	6 rooms					6 rooms
1809 P/2003/1055	Grève de Lecq Apartments, Le Mont de Ste Marie, St. Mary	11	3				14
4248 P/2002/1877	Pontac Beach Apartments (formerly	4	1				5

	Pontac House Hotel), La Grande Route de la Côte, St. Clement						
Sub-total		157	34	13			204
Completed 2004							
10040 B/2003/1349	Cambrette, La Grande Route de la Cote, St. Clement	1	3				4
9500 B/2003/0474 B/2003/088	Central Hotel, Kensington Place, St. Helier	26	11				37
NONE B/2003/0445	Tynemouth Guest House, St. Clement's Road, St. Helier	8?					8?
3219 B/2003/0815	Residence de la Plage, Le Havre des Pas, St. Helier	31	15				46
315 P/2002/2917	2, Helmsdale Villas, Beaumont (Hotel Annexe), St. Peter						?
15767	Bon Accord, 23, Midvale Road, St. Helier	15					15
	Somerset House, Somerset Place, The Parade		3				3
	Pennlynn, 20, West Park Avenue						?
Sub-total		81	32				113
TOTAL		331	95	20			446

	St. George's Guest House, Havre Des Pas, St. Helier						?
Sub-total							
Units to be de-registered (e.g. sold in A-H market/reverting to guest house)							
	Basil Lodge, Clarendon Road, St. Helier	(1)	(4)				(5)
	Ocean Apartments, Westmount, St. Helier	(32)	(3)				(35)
	Hautmont House, Mont Millais, St. Helier	(12)					(12)
	Suisse Apartments, St. Saviour's Road, St. Saviour	(3)	(1)	(2)			(6)
	Belle Plage, La Grande Route de la Cote, St. Clement	(21)	(1)				(22)
	Armada Lodging House, Route de la Haule, Beaumont, St. Brelade	(14)					(14)
	Sacré Coeur, Rouge Bouillon, St. Helier	(23)	(4)				(27)
Sub-total		(106)	(13)	(2)			(121)
TOTAL							

STATUS OF SITES REZONED FOR CATEGORY A HOUSING PURPOSES
(@ June 2005)

- **Site H2(1) Fields 848, 851 and 854, Bel Royal, SL** – application submitted, advice given and additional information requested;
- **Site H2(2) Field 1218, Mont a l'Abbé, SH** – under construction;
- **Site H2(3) Fields 203, part 204 and 252, SC** – under construction
- **Site H2(4) Extension to Hodge Nurseries, Fields 89, 89A, 90, 92A & 93, SC** – under construction;
- **Site H2(5) Fields 181, 182 and 183, St. Peter**– Planning Obligation Agreement is being finalised prior to issuing development permit;
- **Site H2(6) Fields 786 and 787, Rue des Cosnet, SO** – under construction;
- **Site H2(7) Field 690A, Maufant, SM**– pre-application consultation is on-going, prior to application submission;
- **Site H2(8) Fields 190,191 and 193, Rue de la Sergente, SB**– draft development briefs and developers' initial proposals yet to be presented as the basis for public consultation;
- **Site H2(9) Field 40, La Rue de Maupertuis, SC**, – application is imminent;
- **Site H2(10) Field 873, Bel Royal, SL**– no progress due to the circumstances of the present owner;
- **Site H2(11) Field 1370, Rue du Mon Sejour, SH**– draft development brief and developer's initial proposals yet to be presented as the basis for public consultation.

In addition, the States has recently zoned **Field 812A, SS** (an H3 site), on which there has been good progress with the Planning Obligation Agreement for this site and the Committee expects to issue a permit in the very near future.

[1] *The Housing Department has implied that these figures should be treated with caution, because of underlying assumptions about the degree to which homes are vacated due to death and going into care (i.e. the report assumes nearly 600 homes), and the extent to which tenants can achieve their aspirations to move (i.e. the report assumes 450 tenants will do so).*

[2] *The estimates have been determined by superimposing directly onto the numbers in Table 6 of the Report on the 2004 Housing Needs Survey, the numbers in Tables 9 (as amended), 11a and 11b and supplementary information from the Statistics Unit.*

[3] *The 4 years 2000-3 were characterised by a small net outward migration of 90 people, which equates to approximately 43 households.*

[4] *The Statistics Unit has indicated that the anticipated prices are generally very close to the lower end of the inter-quartile range.*

[5] *The estimates –*

- *took no account of small developments of less than 5 units, some of which might well contribute to meeting first-time buyer demand;*

- *made broad assumptions about the range of prices which would allow for servicing the first-time buyer market. For the purposes of the investigation, it has been assumed that for a three-bedroom house, the first-time buyer is willing to pay between £270K – £330K, depending on context, location and outlook. This reflects the price levels recently paid by first-time buyers for three-bedroom homes on sites rezoned for the purpose in 1999 and 2002 and for certain Category B homes.*

[6] *Recent investigations undertaken by officers of the Housing Department and the Housing Task Force of larger development proposal (+5 units) suggest that, if built, over 90 of these units are likely to meet first-time buyer demand.*

[7] *The Housing Committee has been actively encouraging the provision of better standard accommodation for non-qualified residents for a number of years. In particular, it has sought to encourage owners to better cater for the demand for family accommodation. Its new standards for registered lodging houses came into force on 28th February 2003.*