



ANDIUM
HOMES

Connétable Michael Jackson
Chairman
Environment, Housing and Infrastructure Scrutiny Panel
States Greffe Scrutiny
Morier House
St Helier
JE1 1DD

11th September 2020

Dear Connetable Jackson

Review of the Bridging Island Plan

Thank for your letter inviting Andium Homes to make a submission to the above review.

As you know Andium Homes is a wholly States owned Company Limited by Guarantee. We own and manage more than 4,500 social rented homes, all of which now meet the Decent Homes Standard, something we achieved 5 years ahead of the target set by Government.

We have over 700 homes currently in development, the vast majority of which will be for social rented use. This makes us one of Jersey's largest developers. These new homes will be of a high quality in terms of space standards, sustainability, and amenities for residents.

Andium Homes also sells homes to First Time Buyers and aims to sell at least 40 of its existing homes each year to qualifying buyers who require assistance to be able to buy a home. These sales provide a certain amount of capital for reinvestment but equally important, they provide a mechanism for a constant refresh of the portfolio so that it remains effective in meeting housing needs.

The 700 homes currently in development and the 40 or so homes that we can sell each year clearly do not meet the demand for affordable housing evidenced by the Affordable Housing Gateway. This is particularly relevant when you consider that at present the Gateway is not accessible by certain groups of the residentially 'Entitled' population, most notably singles and couples under the age of 50 without children or those with a household income of more than £40,000 p.a. (this criteria is under review by the Minister for Children and Housing). Should the criteria be altered, as we fervently believe it should to admit this group, demand will grow significantly.

The Island Plan is the principle means by which Jersey has set out policies, most notably for the rezoning of land, in response to increases in the demand for homes and affordable homes specifically. The nature of Island Plans and their usual 10-year timeframe inevitably means that there tends to be a somewhat

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start / stop approach to the development of affordable housing, often concentrated in the 2nd half of each plan period. It naturally takes time to prepare 'Development Briefs', negotiate land acquisitions with landowners and go through the planning process itself. Prior to 2014 and the introduction by the States of the 90% of Market Social Housing Rent Policy, it was extremely difficult to acquire even rezoned land from the market for social housing development because social housing rents were so low and there was a scarcity of development capital subsidies.

Nonetheless the importance of the Island Plan in affordable housing terms cannot be underestimated and it is encouraging that a bridging Island Plan is being proposed because the Island Plan itself is delayed. This is not dissimilar to what happened in 2014, when it was demonstrated that the housing policies set out in the 2011 Island Plan had not been successful and the 2014 Island Plan review, amongst other things, made provision for a number of sites for affordable housing development. Most of those sites have now been developed.

Andium Homes is clearly focussed on the housing aspects of the Island Plan. In developing the housing policies in the bridging Island Plan there are a number of issues that we believe could be considered:

An obvious response to the need for new homes could be the re-zoning of current green zone land. However, any large-scale re-zonings are likely to be contentious matters and will require significant public consultation, and then debate leading to significant delays in sites being developed. Any approved sites will then need development briefs prepared, acquisitions negotiated and designs approved. This process can, as alluded to above, take years even with a willing seller. There are some means by which land can be prioritised for redevelopment and homes delivered much more quickly:

There are sites in the Parishes such as 'Ville du Manoir' in St Peter, which have already been through extensive planning consultation, including the preparation of development briefs and Public Consultation, but because they fall outside of current Island Plan Policies H1 and H5 in particular, they have not been approved for development. These sites have generally been proposed for first time buyer rather than social rented homes. The Affordable Housing Gateway list for first time buyers presently stands at 1,697 households. Given the work that has already been done on those Parish sites and the greater certainty about the benefits they will have in terms of both affordable housing and Parish vitality, approval could be far easier to achieve and would go some way to addressing the growing need for first time buyer homes in the short term.

The States has a significant number of sites in its ownership which would be suitable for the development of Affordable Homes. A list of those sites which the anticipated yield of homes is appended to this letter. In our view decisions about the release of these sites for development should be made before the rezoning of additional green zone land. Homes can be developed more cost effectively if sites can be acquired from the States rather than having to compete against other developers in the marketplace. It is also important to reflect on the fact that all new rental homes produced by Andium Homes ultimately remain public assets and the rental income generated helps us to ensure that the £30m annual return, which Andium Homes makes to the Treasury every year, is sustainable and secure in the long term. Further, Income Support

payments made to affordable housing providers such as Andium Homes are retained and reinvested in housing and don't leak out to fund private buy-to-let investments.

There is good evidence that land re-zoned for the States in previous Island Plans is not always developed in a timely manner and therefore that it can fail to meet the needs of those that the States had in mind when the decision to re-zone was made, e.g. Field 785, St Ouen. Rezoning is in effect a one off decision which immediately uplifts the value of the land from its former use value, solely benefitting the landowner, but places no obligation on that landowner to release the land for development immediately or even within the period of the relevant Island Plan. We have held the view for some time that the decision to rezone the land needs to carry with it an expectation on when the site must be developed by. If the landowner has not done so, then either the rezoning decision should be revoked, or the site acquired by the compulsory purchase powers set out in the Planning Law.

Andium Homes stands ready to play its part in providing homes for our population. Much has been achieved through the intensification of existing sites owned by Andium Homes and our activity in the development market, working with other developers and stakeholders. However more can be done, but fundamentally this requires land and if we want, quite rightly, to limit the extent to which we need to encroach further into the countryside then we need to use existing land better, including as I have said above, repurposing existing States owned sites, and the limited rezoning of some sites which are approved by the Parishes as a means of providing first time buyer homes around the Parish centres.

Please let me know if I can provide any further information that will assist the Panel in its work.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Ian K Gallichan', written over a large, light-colored oval shape.

Ian K Gallichan
Chief Executive

Enc.

Possible Transfer:	Total Units:
Ambulance Station	80
St Saviours Hospital West	80
Warwick Farm	200
Le Bas Centre	72
Former Police HQ	59
The Bridge	23
D'Hautree School	80 est
Le Quennevais School	113
Philip Le Feuvre House, Jersey Careers & La Motte Street Centre (La Motte Street)	100 est
Totals:	807 est