



Housing Crisis Action Plan

Election 2022

“If elected to government, Reform Jersey will officially declare a housing crisis within the first week of office and instruct officers to begin implementing our action plan as a matter of urgency.”

Summary

This document constitutes our action plan to resolve Jersey’s housing crisis. It will be delivered to senior government officers immediately upon the establishment of a Reform Jersey-led government, along with instructions that an emergency task force is to be established to oversee the implementation of this plan as a matter of urgency.

We will:

- Lower the threshold at which point private developers have to reserve a proportion of the homes they build to be sold to first-time-buyers and downsizers rather than buy-to-let investors
- **Change planning rules to require all the homes built on publicly owned land to be for affordable housing, instead of being sold to investors**
- Require the States of Jersey Development Company to review their proposals for developments on South Hill and the Waterfront to maximise the contribution of affordable homes delivered
- **Introduce a right of first refusal for private tenants when their landlord decides to sell the home they live in, so the tenant has the first offer to buy it, and set up a fund to support them to purchase their homes through shared equity**
- Release government-owned land to our affordable housing providers to increase their projected supply of new homes over the coming years
- **Introduce European-style ‘rent stabilisation’ by banning inflationary rent increases and setting up a Rent Tribunal**
- Improve long-term security for tenants by legislating to make tenancies open-ended by default
- **Review moving to a means-tested system for setting social housing rents**
- Introduce a landlord licensing scheme and regulation of letting agents, to secure basic health and safety standards across the rental sector and remove bad landlords from the market
- **Tax homes which are left empty for too long, to get them back on the market**

Introduction

Housing is a human right. Everybody in Jersey should be supported to have a secure and affordable roof above their head, which gives them the stability they need to be able to thrive and enjoy a happy life.

By ensuring that everyone's housing needs are adequately met, our society will benefit on multiple levels. By relieving Islanders of the stress which is brought about by the unaffordability of housing, we will be supporting an improvement in mental health and wellbeing. By ensuring that children grow up in good quality homes which are secure, we will be supporting their developmental needs. Both of these things will further act as economic enablers, providing a happier and more productive workforce as well as stronger communities where people feel settled.

But right now, **Jersey has a housing crisis.** Our housing market works in the interests of investors, not for ordinary Islanders. Every House Price Index report published in recent years has shown that housing of all tenures has become more unaffordable.

We are seeing more and more young people leaving the Island, having lost hope that they will ever be able to own their own homes here. Business leaders are frequently speaking out about the impact the cost of housing has on recruitment. If these issues are not resolved, Jersey has a bleak future ahead of it.

Some commentators say that this is simply a problem of 'supply and demand', which could be resolved merely by increasing supply. This is the same flawed thinking which is largely to blame for the fact we have a crisis in the first place. Increasing the supply is only part of the solution. Resolving the crisis will require more intelligent government interventions where the market alone is not capable of meeting the public need.

The foundations for this Housing Crisis Action Plan can be found in the work of the Housing Policy Development Board, which Reform Jersey members served on. This board provided evidence-based recommendations after deep engagement with stakeholders and examination of policies used in other jurisdictions. Nothing in this plan is radical or untested.

As well as pledging to go further than any other party is proposing, we believe that Reform Jersey's record over the last term of office shows that only we can be trusted to have the courage to do what is necessary to resolve this crisis, including standing up to vested interests which have held back progress in recent years.

We will; **expand homeownership, improve tenants' rights and work towards ending homelessness in Jersey.**

With this plan, we are aiming to give Islanders hope that things will start getting better and convince those who are considering leaving Jersey that they can have a prosperous future here.

Expanding homeownership

The government must take action to increase the opportunities for Islanders to get on the housing ladder.

Homeownership has fallen further out of reach for Islanders in recent years, including for those on above-average incomes. Whilst buy-to-let investment has proliferated due to low interest rates and easier access to mortgages for those who already own a home, many Islanders have been squeezed out of the market.

Andium's 'Home Buy' scheme (where homes are sold via shared equity to applicants through a means-tested gateway) is extremely popular but is unable to meet the current demand because of a lack of access to sites to build these homes. Despite this, the government has become part of the problem by using publicly-owned land to build expensive investment apartments, rather than affordable homes.

Reform Jersey will expand the number of homes provided for first-time-buyers and downsizers by requiring that all homes which are built on publicly-owned land must be for sale through shared equity, rented at a sub-market rate or provided as sheltered homes. This will include requiring the States of Jersey Development Company to withdraw its current proposals to develop on South Hill and the Waterfront, and reconsider how it can maximise the proportion of affordable homes on these sites. We will work with Andium to provide a pipeline of government-owned sites so they can increase their target for new homes from 3,000 to 5,000.

The release of more publicly-owned land for affordable housing will also reduce the increased pressure we have seen in recent years to rezone green fields for housing. We will also ensure that housing projects are considered alongside public service and infrastructure provision, to ensure that children living in newly built homes have safe and easy access to schools, and amenities are nearby to reduce pressure on traffic.

Reform Jersey will secure a greater provision of affordable homes from the private sector by revisiting the recently approved Bridging Island Plan document and amending the policy that requires that private developers reserve a proportion of the homes they build for exclusive access for first-time buyers, rather than investors, on large developments. This currently only affects developments of 50+ homes. We will lower this threshold.

Reform Jersey will introduce a 'right of first refusal' for private sector tenants when their landlords choose to sell the property. This will require the home to be offered at market rate to the tenant in the first instance to offer them the chance to buy it, before it is offered to another investor. This will also prevent investors from pre-emptively issuing notice to their tenants to leave their homes so they can sell the property as 'vacant possession'.

We will establish a fund (to be administered by Andium) to support young people to purchase homes through shared equity. Those homes will then become first-time-buyer homes in perpetuity.

The recent Census data revealed that last year there were 4,000 empty residential properties in Jersey. Whilst many of these would have been empty for legitimate reasons, those that are left empty without good reason are exacerbating the crisis. Reform Jersey will introduce an empty property tax, to incentivise those who leave properties empty for long periods of time without a reasonable excuse to put them back on the market.

Lastly, we will investigate ways to reduce the number of homes owned by foreign investors. During this term of office, future foreign buy-to-let was banned through the ending of new share transfer properties. But this does not affect older properties which were sold in this way. We must ensure that over the coming years, ownership of those homes is transferred to on-Island owners.

Improving tenants' rights

For those renting, either with the intention of renting long term or with the desire to buy their own home one day, the experience of renting must be improved to offer tenants security of tenure and affordability to enable them to live with a level of comfort equivalent to that of homeownership.

Legal protections for tenants in Jersey currently fall well short of that which is provided in nearby jurisdictions where there is a more common culture of renting. This has led to rampant rental inflation and many tenants refraining from complaining about their housing conditions in case they are subjected to a revenge eviction.

Reform Jersey will pass a new Residential Tenancy Law to establish open-ended tenancies as standard practice, where tenants can expect to enjoy long-term security in their homes, without the risk of being asked to leave at short notice for no reason. This will also include 'rent stabilisation' where rent increases are capped at either inflation or the rise in average earnings (whichever is lower). We will also establish a Rent Tribunal to adjudicate on rent disputes. These policies are commonplace in many parts of Europe which have succeeded in maintaining housing affordability in the rental sector. They will also provide long-term certainty for both tenants and landlords.

Reform Jersey will pass regulations to introduce a landlord licensing scheme, to ensure that all rental homes meet basic health and safety standards and provide support to landlords whose properties are at risk of falling beneath minimum standards through no fault of their own. These regulations have already been written and the Environmental Health Department stands ready to implement them, but they have been rejected by the current States Assembly in favour instead of a landlord's 'register', which would simply act as another bureaucratic system for data collection, rather than a tool to improve rental housing standards.

Reform Jersey will consult with letting agents and tenants to introduce a regulatory framework for letting agents to improve standards in the industry and prevent those with no experience or qualifications from entering the market.

Lastly, the restriction which prevent non-qualified residents from having access to the whole rental market is discriminatory and is putting increasing pressure on those residents who

are restricted in their options for renting a home. When people move to Jersey in line with our population policy, they should be able to rent in all parts of the market.

Ending homelessness

Jersey must provide better support for those facing homelessness. The Jersey Homelessness Strategic Board identified many sensible recommendations which would help prevent people from becoming homeless in the first place and provide better support for those who do lose their homes.

The measures we have proposed to improve affordability and security in housing will help many avoid the circumstances which can lead to them becoming homeless. But we must put in place better support for those with vulnerabilities which see them risk losing their homes.

Reform Jersey will support expanding the government's Housing Advice Service to provide dedicated key workers who will bring together the relevant government services to support those facing homelessness and respond to crises when they occur.

Concerns have been raised about vulnerable people who are facing domestic violence but cannot leave their home because they do not possess housing qualifications and cannot find somewhere alternative to rent. In particular, this can have devastating consequences for children. Reform Jersey will support a new housing qualification which can be issued by social services in emergency circumstances, to assist those having to leave homes which are unsafe for them and their families.