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Context

The survey responses which form part of the calculations for this report are from intentions given in the Jersey Opinions and Lifestyle Survey 2022¹. Survey responses were collected during June and July 2022 and will represent the intentions of Islanders at that time. Between July 2022 and the publication of this Housing Needs report, there were large increases in interest rates, with the Bank of England base rate increasing from 1.25% to 4.5% (3.25 percentage points) over that period. This will have had an impact on the intentions of those households looking to purchase a property with a mortgage.

While some households may no longer look for property in the owner-occupied sector, most of these households will still require property of some kind. Therefore, while overall totals should be largely unaffected by these changes, the apportionment of owner occupier and qualified rental demand in 2023-2025 may be different to the proportions described in this report.

Summary

Based on the intentions of households, and before applying affordability criteria, over the three-year period from 2023 to 2025:

- before the supply of new dwellings, there is a net shortfall of 610 units, driven by:
 - an anticipated shortfall of 1,590 mostly smaller sized dwelling units
 - an anticipated surplus of 980 mostly larger sized dwelling units
- there is a potential shortfall of around 910 units in the owner-occupier sector; in particular, there is a potential shortfall of 770, 2-bedroom properties in this sector
- under the baseline scenario of +700 net migration², there is a potential shortfall of around 220 units of registered accommodation; in particular, there is a potential shortfall of 1-bedroom properties in this sector

In respect of net migration:

- the potential surpluses and shortfalls in the qualified tenures of accommodation are impacted less by the level of net inward migration during the next three years, than registered accommodation
- a level of net inward migration of around +500 people per year results in a balanced supply and demand of registered accommodation over the next three years
- a level of net inward migration of around +1,000 people per year results in a potential shortfall of 550 registered accommodation units over the next three years
- there was an increase in the proportion of the respondents intending to move outside Jersey compared to the previous survey (from 13% in 2018, to 34% in 2022)

In respect of affordability - applying practical affordability criteria (using lower quartile property prices), sees the owner-occupier sector with a surplus of properties, rather than a shortfall. In particular:

- the shortfall of 2- and 3-bedroom owner-occupier properties is substantially reduced as households are instead accommodated in the rental sector
- 1- bedroom owner-occupier properties see a small surplus, rather than a shortfall

¹ Please see section 7 of the [2022 Jersey Opinions and Lifestyle Survey Questionnaire](#) for full details of the questions

² A net inward migration of +700 people per year into the Island is used as the baseline for this report. This corresponds to the planning assumption used in the [Bridging Island Plan](#).

Overview

This report provides estimates of Jersey's potential housing requirements for the three-year period 2023 to 2025 in terms of the type, tenure and size of dwelling unit.

The analysis contained in this report includes demographic changes based on household projections and intentions of households based on a set of questions included in the 2022 round of the Jersey Opinions and Lifestyle Survey which asked about householder intentions over the next 3-year period. The following issues are presented and discussed:

- estimates of potential:
 - demand by size, type and tenure of dwelling
 - supply (by size, type and tenure) from the existing dwelling stock (i.e. taking no account of additional new build properties coming into the market)
 - shortfalls or surpluses by size, type and tenure
- the effect of net migration on housing requirement
- affordability in terms of property purchase price and household income

This study provides a detailed picture of supply and demand resulting from the stated intentions of households in mid-2022. These are estimated based on the following definitions:

Supply:

- "Existing": dwelling units becoming available due to all members of existing households moving within Jersey – Estimated from Survey responses.
- "Leaving": dwelling units becoming available due to all members of existing households moving outside of Jersey – Estimated based on the migration trends recorded in the 2022 Census
- Death and care: dwelling units becoming available due to occupants dying or moving into extended care facilities – Estimated based on life-table analysis and details of household type size and tenure from the 2021 Census.

Demand:

- "Existing": dwelling units required due to all members of existing households moving together within Jersey – Estimated from Survey responses.
- "Concealed": newly forming households (presently 'concealed' within existing households) emerging within the Island e.g. household members leaving their current home and establishing separate households; an adjustment is made to account for those households formed by members currently living in separate households in Jersey who are joining together to form a single household - – Estimated from Survey responses.
- "In-migrants": migrants arriving from outside Jersey to establish households; for the main analysis presented in this report, net migration (defined as the difference between in-migrant and leaving households) is based on recent trends – Estimated based on the migration trends recorded in the 2022 Census and the specific migration scenario considered (i.e. the baseline of +700 net migration)

Affordability context

In this report we have seen a large decrease in demand for larger properties, particularly 3- and 4-bedroom houses. The 2019-2021 report saw demand of around 3,850 for these property types, whereas this report only sees demand of 2,340 for these property types. Around 500 of this decrease in demand is due to changes in migration trends (observed in the 2021 Census) and the revised baseline migration scenario used. The remaining decrease of around 1,000 is due to fewer existing households intending to move into a larger property. Meaning that the decrease is largely as a result of changes in the intention of existing households, rather than migration.

While there are various potential reasons for this, it is important to note the increases in price seen by different property types between both survey reference years, 2018 and 2022.

Table 1 – Annual average price by property type, 2018 and 2022

Type	Size	2018 Annual average, £	2022 Annual average, £	Net price change, £	Percentage change
Flat	1 bed	248,000	361,000	113,000	45%
	2 bed	397,000	537,000	140,000	35%
House	2 bed	459,000	636,000	177,000	39%
	3 bed	592,000	886,000	294,000	50%
	4 bed	915,000	1,302,000	386,000	42%

From table 1 it can be seen that, between 2018 and 2022, 3- and 4- bedroom houses have seen larger net increases in price than other property types. With 3-bedroom houses increasing by £115,000 more than 2-bedroom houses. 4-bedroom houses increased by £209,000 more than 2-bedroom houses.

Overall percentage changes in prices by property type ranged from 35% to 50%. In comparison, between June 2018 and June 2022 the Retail Prices Index increased by 15.3% and the Average Earnings Index increased by 13.8%.

Section 1: Type and size of dwelling unit

The potential surpluses and shortfalls within each category of dwelling are shown in Table 2. The overall net shortfall of 610 dwelling units comprises shortfalls for smaller property types, 1-bedroom flats and 1- and 2-bedroom houses. 4-bedroom houses see a large surplus, continuing a trend of decreasing intent of households to move to a 4-bedroom house in Jersey. Other property types saw smaller surpluses.

Table 2 – Surpluses and shortfalls (supply-demand) by type and size of dwelling, three-year totals³

Type	Size	Total supply	Total demand	Surplus	(Shortfall)
Flat	1 bed	3,290	4,040	...	(750)
	2 bed	1,840	1,730	110	...
	3 bed or more	380	180	200	...
House	1 bed	220	300	...	(70)
	2 bed	970	1,730	...	(760)
	3 bed	1,850	1,830	10	...
	4 bed or more	1,170	510	660	...
Total		9,710	10,320	980	(1,590)

From the perspective of type and size of dwelling, Table 2 shows that over the next three years:

- the sum of all potential shortfalls is around 1,590 dwelling units,
- there are large potential shortfalls of 1- bedroom flats and 2- bedroom houses,
- the largest potential surplus is of around 660 units for 4- or more bedroom houses.

Tables 3 and 4 present the estimated potential housing supply and demand, respectively, over the next three years (2023-2025).

Table 3 – Supply by type and size of dwelling; three-year totals

Type	Size	Existing	Leaving	Death and care	Total
Flat	1 bed	1,460	1,280	550	3,290
	2 bed	1,170	440	230	1,840
	3 bed or more	250	110	30	380
House	1 bed	90	50	80	220
	2 bed	600	160	200	970
	3 bed	1,160	330	350	1,850
	4 bed or more	740	250	180	1,170
Total		5,480	2,610	1,620	9,710

³ In the tables presented in this report, all numbers have been rounded independently to the nearest 10; Individual rows or columns may, therefore, not sum to totals. Numbers contained within brackets are negative.

Table 4 – Demand by type and size of dwelling; three-year totals

Type	Size	Existing	Concealed	In-migrant	Total
Flat	1 bed	780	550	2,700	4,040
	2 bed	670	680	380	1,730
	3 bed or more	60	50	80	180
House	1 bed	130	80	90	300
	2 bed	1,090	510	120	1,730
	3 bed	1,550	190	100	1,830
	4 bed or more	320	110	80	510
Total		4,590	2,180	3,540	10,320

In overall terms, the total potential supply of all dwellings over the next three years is some 610 less than the total potential demand.

Over the next three years, around two-thirds (66%) of the total potential demand is from households planning to move within Jersey.

Under assumed migration levels, in-migrant households will account for around a third (34%) of total demand over the next three years, and in particular for two-thirds (67%) of the demand for 1-bedroom flats.

Section 2: Tenure and size of dwelling unit

The previous section presented an analysis in terms of the type and size of dwellings.

In order to understand and identify in more detail where surpluses and shortfalls may potentially occur, it is necessary to examine the results in terms of the tenure of dwellings.

Table 5 – Surpluses and shortfalls (supply-demand) by tenure and size of dwelling, three-year totals

Size	Owner-occupier	Social housing	Entitled / licensed private rental	Registered accommodation	Total
1 bed	(230)	40	(100)	(530)	(820)
2 bed	(770)	(310)	(20)	450	(650)
3 bed	(400)	190	560	(140)	200
4 bed or more	490	0	170	0	660
Total	(910)	(70)	600	(220)	(610)

Table 5 indicates that the majority of the potential shortfalls over the next three years are within the owner-occupier sector, the largest shortfall being of 770 owner-occupier 2-bedroom properties. There was a potential surplus of 600 entitled / licensed private rental properties, driven by a surplus of 560 3-bedroom properties.

Figure 1 below presents a visual representation of the potential surpluses and shortfalls shown in Table 5:

Figure 1 – Surpluses and shortfalls by tenure and size of dwelling; three-year totals

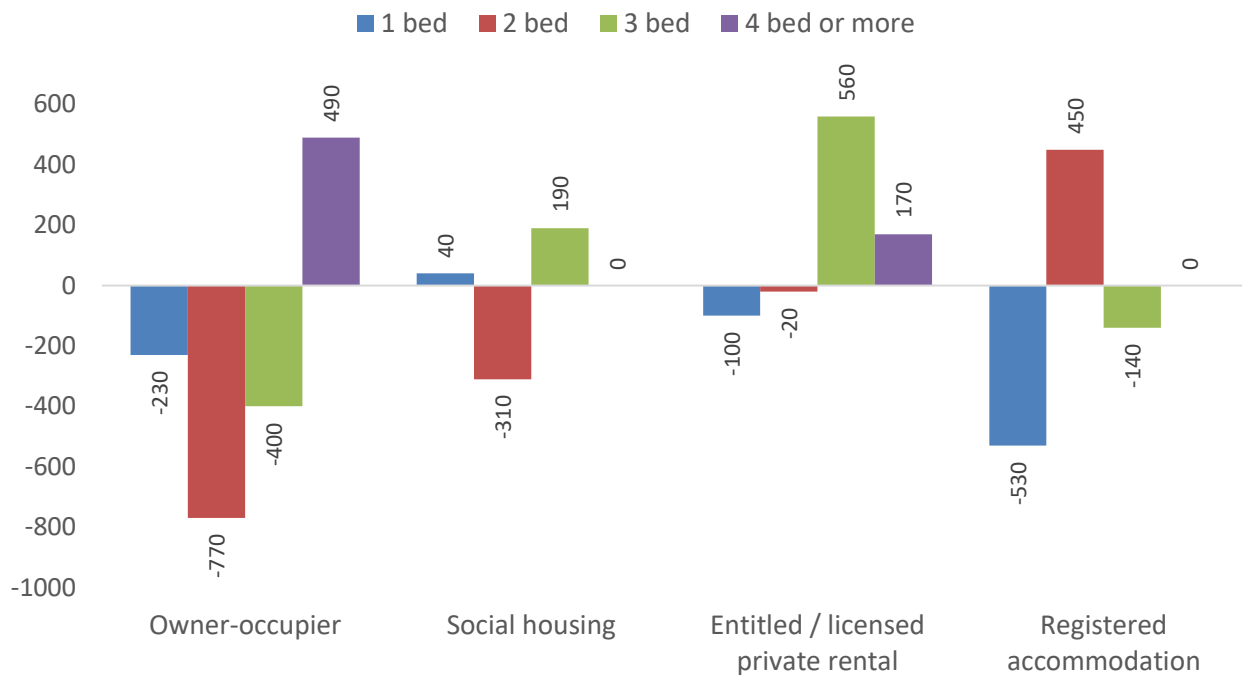


Table 6 presents the potential shortfalls and surpluses in the qualified sector (available to those with Entitled or Licensed residential qualifications) of Table 5 broken down into flats and houses.

Table 6 – Surpluses and shortfalls by flat and house in the qualified sectors; three-year totals

Size	Owner-occupier		Social housing		Entitled / licensed private rental	
	Flat	House	Flat	House	Flat	House
1 bed	(120)	(110)	60	(10)	(170)	50
2 bed	(250)	(520)	(140)	(180)	280	(290)
3 bed	20	(420)	50	150	140	420
4 bed or more	0	490	0	0	0	160
Total	(340)	(570)	(30)	(40)	250	340

From Table 6 it is apparent that:

- potential shortfalls occur for smaller sizes of flats and the majority of house sizes in the owner-occupier sector; in particular there is a potential shortfall of 520 2-bedroom houses and 420 3-bedroom houses in this sector
- in the social housing sector the overall supply is slightly lower than the potential demand, but there is a potential shortfall of 180 2-bedroom houses and 140 2-bedroom flats⁴
- in the entitled / licensed private rental sector there is a potential shortfall of 290 2-bedroom houses, however there is a potential surplus of 280 2-bedroom flats

⁴ It should be noted that often moving into social housing can be due to unexpected changes in circumstances. Figures provided are for households who currently plan to move into or out of social accommodation.

Section 3: Effect of migration

There was an increase in the proportion of the respondents intending to move that were looking for a property outside Jersey compared to the previous survey (from 13% in 2018, to 34% in 2022). This is in line with the baseline level of net migration used in this report (+700). Additionally, it is worth noting that the majority (53%) of those intending to move off Island in 2023-2025 were looking to purchase 2-, 3- or 4-bedroom houses.

Under the baseline migration scenario (a net inward migration of +700 people per year into the Island is used as the baseline, which corresponds to the planning assumption used in the [Bridging Island Plan](#)) during the next three-year period (2023-2025):

- around a third (34%) of the total demand for housing will be from in-migrant households who arrive in the Island in these three years
- around two-thirds (63%) of the demand from such newly arriving in-migrant households will be focussed in the registered sector, corresponding to about 2,230 units
- around four-fifths (79%) of newly arriving in-migrant households will live in 1-bedroom accommodation, predominantly in the registered sector

Any changes in net migration, different to current trends, will principally affect the levels of the potential shortfalls or surpluses in registered accommodation, and particularly of 1-bedroom properties.

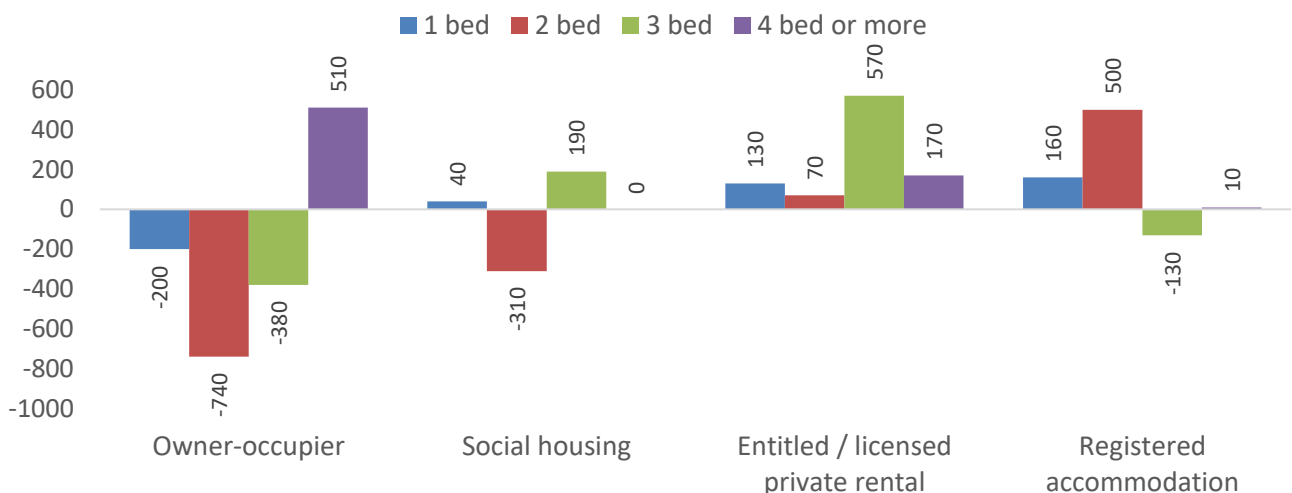
Although there is also demand from in-migrant households for accommodation in the qualified tenures (primarily from licensed households), most in-migrants will be of registered status, meaning that they can only rent in the non-qualified sector. These individuals can't rent in the qualified sector or become an owner occupier for 10 years. **This means the potential shortfalls and surpluses in the owner-occupier, social housing and entitled / licensed private rental tenures are relatively insensitive to the level of net migration in the 3-year period, when compared with the registered category.**

Below we present four different scenarios for migration during the next three years, representing three reductions and an increase in inward migration.

Under a net nil per annum migration scenario:

- there is an overall surplus of around 550 units in the registered sector, particularly 2-bedroom accommodation
- the potential shortfalls in owner-occupier accommodations are only slightly lower than those apparent under a +700 migration scenario

Figure 2 – Surpluses and shortfalls by tenure and size of dwelling; three-year totals under net nil migration



Under a +325 person per annum net migration scenario:

- the overall surplus of the registered sector decreases to around 190 units, with a particularly large decrease in 1-bedroom accommodation units

Figure 3 – Surpluses and shortfalls by tenure and size of dwelling; three-year totals under +325 net migration



Under a +500 person per annum net migration scenario:

- the overall supply of registered accommodation is essentially equal to the demand

Figure 4 – Surpluses and shortfalls by tenure and size of dwelling; three-year totals under +500 net migration



Under a +1000 person per annum net migration scenario:

- there is now a large shortfall of around 550 units for registered accommodation.
- the potential shortfalls in owner-occupier accommodation are only marginally higher than those apparent under a +700 net migration scenario

Figure 5 – Surpluses and shortfalls by tenure and size of dwelling; three-year totals under +1,000 net migration



Section 4: Affordability

Around 4,030 current resident households (either existing or concealed) are estimated to be planning to move into, or move within, the owner-occupier sector in the next three years. Around three-quarters (74%) of such households are estimated to be intending to buy a property by means of a mortgage.

Table 7 shows that the proportion of concealed households who are planning to buy with a mortgage was slightly higher than that of existing households.

Table 7 – Households planning to purchase in the owner-occupier sector; three-year totals.

Purchase type	Existing		Concealed	
	Number	Percentage	Number	Percentage
Buy with mortgage	2,080	72%	880	77%
Buy without mortgage	810	28%	260	23%
Total	2,890	100%	1,140	100%

An affordability analysis was conducted to assess whether the total income of households planning to purchase property, using a mortgage, was sufficient to purchase a flat or house of the size that they had indicated. This analysis is based on the ratio of household income to price of dwelling.

For the purposes of this analysis we have applied an income ratio of “six” to the potential shortfalls and surpluses shown in Table 5 (on page 5). After taking into account the available deposit indicated by respondents, households are removed from both the supply and demand analysis if the lower quartile price of the property they intended to purchase was more than six times their gross annual income. The resulting surpluses and shortfalls are shown in Table 8.

Table 8 – Surpluses and shortfalls (supply-demand) by tenure and size of dwelling removing lower quartile property price to household income ratios greater than 6; three-year totals

Size	Owner-occupier	Social housing	Entitled / licensed private rental	Registered accommodation	Total
1 bed	20	40	(290)	(610)	(840)
2 bed	(360)	(270)	(210)	450	(390)
3 bed	(30)	110	410	(140)	350
4 bed or more	540	0	120	0	660
Totals:	160	(120)	30	(300)	(230)

Compared with the results of Table 5 (no affordability criteria applied), Table 8 shows a reduction in the shortfall within the owner-occupier tenure category, particularly 2- and 3-bedroom properties.

The most significant effects of the application of the affordability condition at the sector level are:

- owner-occupier: demand from existing and concealed households falls (from around 4,280 to about 3,140 households), resulting in a small surplus in this sector
- social housing: is largely unaffected, although as mentioned previously a limited number of those unable to purchase may require social housing, either to rent or buy through the affordable housing gateway
- entitled / licensed private rental: the previously seen surplus of around 600 units is affected by individuals being unable to move into the owner-occupier sector, resulting in a smaller surplus of around 30 properties in this sector
- registered accommodation: there is an increase in the shortfall of 1-bedroom accommodation

This analysis leads to an overall reduction of around 370 units in supply-demand, driven by concealed households not being able to afford to move. It is worth noting that these households will likely still have to move in the near future either to a property type that may not suit their needs or to social or entitled/licensed rental properties.

Section 5: Comparison with 2019-2021 housing needs assessment

In order to put the results of this assessment into further context, Table 9 provides a comparison of potential surpluses and shortfalls within each category of dwelling between the previous and current iterations of this report. It should be noted that in the previous report a baseline model of +1000 net migration was used as this was similar to what was observed prior to 2018. Large differences between the two rounds of the survey are prevalent, particularly with larger property types.

Table 9 – Supply-Demand by type and size of dwelling, three-year totals for 2019-2021 and 2023-2025

Type	Size	2019-2021		2023-2025	
		Surplus	(Shortfall)	Surplus	(Shortfall)
Flat	1 bed	...	(310)	...	(750)
	2 bed	...	(100)	110	...
	3 bed or more	...	(40)	200	...
House	1 bed	...	(320)	...	(70)
	2 bed	...	(920)	...	(760)
	3 bed	...	(1,060)	10	...
	4 bed or more	70	...	660	...
Total		70	(2,750)	980	(1,590)

From Table 9 it is apparent that since the 2019-2021 assessment:

- the total potential shortfall has decreased by approximately 1,160 dwelling units, around 420 of which are due to the different assumed migration scenarios
- there has been a move from a large potential shortfall to a small surplus for 3-bedroom houses
- there has been a move from a small potential surplus to a large surplus for 4-bedroom houses

Table 10, below, provides a similar comparison but examining the results in terms of the tenure of dwellings.

Table 10 – Supply-Demand by tenure and size of dwelling, three-year totals for 2019-2021 and 2023-2025

Size	Owner-occupier		Social housing		Entitled / licensed private rental		Registered accommodation	
	2019-2021	2023-2025	2019-2021	2023-2025	2019-2021	2023-2025	2019-2021	2023-2025
1 bed	(230)	(230)	(190)	40	0	(100)	(210)	(530)
2 bed	(520)	(770)	0	(310)	20	(20)	(520)	450
3 bed	(960)	(400)	90	190	(240)	560	30	(140)
4 bed or more	(130)	490	0	0	80	170	100	0
Total	(1,830)	(910)	(100)	(70)	(140)	600	(600)	(220)

From Table 10 it is apparent that since the 2019-2021 assessment:

- there has been a decrease in the potential shortfall for owner-occupier properties, driven by 3- and 4-bedroom properties
- overall supply is nearly the same as the potential demand for social housing, but there is now a potential shortfall for 2-bedroom properties in this tenure category
- there is now potentially an overall surplus of entitled / licenced private rental properties, driven by a large surplus of 3-bedroom houses
- there is now potentially a smaller shortfall for registered accommodation, largely as a result of the decreased trend level of inward migration

Notes

Demographic analysis

Values from the March 2021 Census, as well as death and care rates are used to analyse demographic changes over the next three-year period.

Migration

The numbers of potential inward and outward migrant households included in the main analysis are based on the assumed migration used in the bridging island plan for 2020-24.

Sample and response rate

As in the previous round of the housing needs survey, a set of questions relating to housing requirements over the next three-year period was included within the 2022 Jersey Opinions and Lifestyle Survey (JOLS). Around 3,500 households are randomly sampled, representing about 8% of all private households in Jersey. A response rate of 35% was achieved.

Survey data and weighting

Using information from the 2021 Census, the survey results from respondent households are weighted by tenure type and raised to the full Island total (“grossed up”).

Household

A household is defined as one person living alone or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area.

Supply

The potential supply is based on the following categories of household:

- existing: dwelling units becoming available due to all members of existing households moving within Jersey
- leaving: dwelling units becoming available due to all members of existing households moving outside of Jersey
- death and care: dwelling units becoming available due to occupants dying or moving into extended care facilities

Demand

The potential demand is based on the following categories of household:

- existing: dwelling units required due to all members of existing households moving together within Jersey
- concealed: newly forming households (presently ‘concealed’ within existing households) emerging within the Island e.g. household members leaving their current home and establishing separate households; an adjustment is made to account for those households formed by members currently living in separate households in Jersey who are joining together to form a single household
- in-migrants: migrants arriving from outside Jersey to establish households

Supply of new dwellings

It should be emphasised that the supply component of this analysis does not include any new dwellings available at or completed since that time, nor any planned or approved developments.

Appendix A

Table A1 – Supply by tenure and size of dwelling; three-year totals

Supply type	Size	Owner-occupier	Social housing	Entitled / licensed private rental	Registered accommodation	Total
Existing	1 bed	240	90	760	460	1,550
	2 bed	520	90	810	360	1,770
	3 bed	490	260	660	0	1,410
	4 bed or more	550	0	190	0	740
Leaving	1 bed	70	50	230	970	1,330
	2 bed	140	40	190	230	600
	3 bed	220	20	90	90	420
	4 bed or more	180	0	50	30	260
Death and Care	1 bed	120	330	140	40	630
	2 bed	300	50	80	10	430
	3 bed	360	0	10	0	380
	4 bed or more	180	0	0	0	180
Total supply	1 bed	430	470	1,130	1,480	3,510
	2 bed	960	170	1,080	600	2,810
	3 bed	1,070	280	770	90	2,210
	4 bed or more	910	0	240	30	1,180
Total		3,360	930	3,220	2,200	9,710

Table A2 – Demand by tenure and size of dwelling, three-year totals

Demand type	Size	Owner-occupier	Social housing	Entitled / licensed private rental	Registered accommodation	Total
Concealed	1 bed	260	50	330	0	640
	2 bed	640	230	330	0	1,200
	3 bed	110	0	20	110	240
	4 bed or more	90	0	20	0	110
Existing	1 bed	310	380	220	0	900
	2 bed	1,000	260	510	0	1,760
	3 bed	1,300	90	140	80	1,610
	4 bed or more	290	0	30	0	320
In-migrants	1 bed	90	0	690	2,000	2,790
	2 bed	90	0	250	160	500
	3 bed	60	0	60	40	160
	4 bed or more	40	0	20	30	90
Total demand	1 bed	670	430	1,230	2,000	4,330
	2 bed	1,730	480	1,100	160	3,460
	3 bed	1,470	90	210	230	2,010
	4 bed or more	410	0	80	30	520
Total		4,280	1,000	2,620	2,420	10,320