Note

Assessment of housing supply methodology
Comments received
Minister for the Environment's response

Introduction and purpose

During the first day of the examination in public, the afternoon of which focused on the issue of housing supply and demand, the inspectors' requested that further information be provided by the Government of Jersey, setting out the assessment of housing supply methodology. This was duly provided and published on 26 November (see: Strategic Housing (gov.je))

The inspectors subsequently invited comment on this note, to be submitted by Friday 10 December.

The purpose of this note is to set out the Minister's response to the issues raised in commentary received.

Island Plan Review Team
17 December 2021

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Data sources	The report noted that Government of Jersey maintains two databases operated by the regulatory planning and building control functions with the IHE Department. These databases were used as the principal housing data sources for new homes with planning approval, under construction and completed. We would question why two databases are needed within the same Government department to provide housing data, and how frequently these two systems are reconciled to ensure their respective completeness and accuracy. We hope that the databases ae harmonized in good time before the preparation of the next full Island Plan to ensure a robust foundation to support estimates of future housing requirements.	Each database represents a separate workflow management system for the development control and building control respectively, which are distinct regulatory functions. The key issue is to ensure the ability to retrieve accurate information about the award of planning permission, and the completion of development. Both of these systems are currently under review where the monitoring aspect of their capability forms part of the design brief.
Sites under construction	The Report identifies 7 of the most significant developments that were under construction in March 2021. These include 3 'open market' sites with 544 units and 4 affordable sites with 509 units under construction. We have identified 3 discrepancies in the figures used in the Report. 1. Included within the 509 units are 123 units relating to Troy Court. We understand that Troy Court is a development being undertaken by ROK Group for Les Vaux Housing Trust. According to ROK's website, phase 1 (for 63 units) was completed on 13 May 2019 and phase 2 (for a further 60 units) is due to be completed in May 2022. Accordingly, it seems to us to be an error to include the phase 1 units within the 'under	1. The building control system records completed sites and, on large sites, some phases of development may actually be completed earlier than the remainder of the site. Changing the categorisation of these sites to being either under construction or completed would not, however, affect the overall total housing supply figures. 2. The point is noted, but the list presented is not a list of all of the sites that were under construction at March 2021. 3. The data source for the information used in this report has already been cited. It is relevant to note that the original consent for this scheme, of 82 homes, has subsequently been amended ([Planning Application Detail (gov.je)](#)) As stated in the report, notwithstanding the need to extract and analyse

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	construction' figures used in Table H1 as at March 2021. 2. The Affordable Housing Gateway monthly statistics report refers to developments where Andium Homes remain on site. As at 31 December 2020, this included 141 homes at Le Clos Mourant (Le Squez Phase 4). We do not have the figures as at March 2021 (the gov.je website appears to only show the latest monthly report) but as at 30 November 2021 there are still 46 homes not completed on this development. A reasonable estimate of the figure as at March 2021 would accordingly be some 110 homes and it is perhaps surprising that the report makes no mention of this significant development 3. The report refers to 74 affordable units at Summerland. Both Andium Homes' website and the Affordable Housing Gateway reports refer to 82 homes being available at this site, due for completion in 2022. These discrepancies undermine confidence about the accuracy of the numbers included within the report relating to sites under construction.	data from two separate systems in order to provide a comprehensive view of permission and completions, the data sources are the best that is available, and any anomalies are considered to be minor in nature, with all of the reviews undertaken generally highlighting unreported permissions and completions, rather than over reporting.
Sites with outstanding current planning permission	It is disappointing to see that the report does not quote any examples of significant developments within this category, in similar fashion as was given for sites under construction above. In the absence of this information it is not possible for us to comment meaningfully on the 700 supply figure provided for in this category. The report notes that there are three additional sites (the Stafford, revere Hotels, the Mayfair Hotel and The	Noted.

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	Limes) which are not included in the 700 supply figure but which have recently been approved.	
Completions	The data provided in Table 1 shows that 4,058 homes were provided in the period 2011-2021. In order to relate this to the period covered by the current Island Plan 2011 (as amended in 2014 (the 'Island Plan'), the data for 2011, 2012 and 2021 should be excluded to give a total of 2,721 homes completed for the period 2013 to 2020. At Proposal 22 – Provision of homes, the Island Plan makes provision for 3,630 homes to be built over the plan period. There would, therefore, appear to be a shortfall of 909 homes (3,630-2,721) between actual completions and planned provision during the period, 321 of which has been satisfied in 2021 leaving a net shortfall of 588. We do not understand how this relates to the estimated shortfall of 1,800 homes calculated by Statistics jersey which is quoted in the BIP (see page 184) and which forms a significant part of the housing requirement figures at Policy H3. Statistics Jersey were invited by the inspectors to justify this number and were not able to do so at the hearing. (Our understanding was that the inspectors requested a justification of this to be subsequently provided but we are not aware if this has been done.) In the absence of such justification, we can only conclude that the 4,150 homes required by Policy H3 has been overstated by some 606 homes (being 50% of 1,212 representing the unjustified shortfall of 1,800 less the actual shortfall of 588). Taken together with the arbitrary requirement for additional homes over and above the anticipated level of	This analysis is flawed and not accepted. The demand for homes is based on the best available evidence, represented by the OAHN; supplemented by an explicit recognition that levels of in-migration over the current plan period (which is 2011-2020: the 2014 plan represented an interim review during the current plan period) have greatly exceeded that which was planned for in the planning assumption of the current Island Plan. The existing unmet 1,800-unit shortfall was calculated by comparing the final anticipated supply against final anticipated demand over the plan period. Demand was calculated based on actual migration levels and population growth experienced for the period of 2011- 2017 (inclusive) and on population projections with an assumed net migration level of +1,000 for the remaining plan period, using the methodology adopted to calculate the island's housing need: this work was undertaken by Statistics Jersey (who have not been asked to provide an additional justification). Supply was calculated based on actual completed units for the period 2011-2018 (inclusive), with an estimate based on the known pipeline of builds used for the remaining plan period. This resulted in a final anticipated supply figure of 4,300 homes and a final anticipated demand figure of 6,100, resulting in an unmet shortfall of 1,800 units. Since the publication of the draft plan, more recent completion data shows

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	demand (giving an overstatement of 225 homes) and other questionable calculation assumptions we believe that the Policy H3 requirement for additional homes is potentially overstated.	that actual completions for the period 2011 to the end of 2020 was 4,058 homes (previously estimated as 4,300). Therefore, the updated shortfall is now 2,050 (rounded) and the revised five-year housing development target is increased from 3,750 to 4,000. Overall, this means that, based upon the estimated supply of 4,150 homes, there is still a limited margin of potential over-supply over the five-year housing development target period. This is considered to be an appropriate and adequate level of supply, relative to the assessed demand.
Table 2	The Inspectors asked for this information so that they might appraise the windfall rates. The document does not provide that information. Table 2 (under the heading "Windfall Rates") actually shows ALL completions, NOT windfalls. It takes its data from the earlier Table 1, which is in turn taken from Appendix 3. These numbers are not windfalls, they are all completions.	The majority of housing supply in Jersey is delivered through windfall development, the only exception being those sites specifically zoned or allocated for the delivery of affordable homes. Nearly 450 (at 443) affordable homes have been delivered on rezoned sites during the 2011 Island Plan period, which represents approximately 14% of overall supply. All of these homes have been delivered outside the Town of St Helier. The impact of this form of supply on the overall windfall rate is set out, in a revised Table 2, at appendix 1.
Table 1 and Table 2	In these figures, the total completions per year (in Table 1 and Table 2) are added-up, and then an average completion rate is set out. The averages are wrong. The data in Table 1 provides 11-years of completions, yet the average has been arrived-at by dividing the total by 10. The years 2011 to 2021 are INCLUSIVE	The data provided, related to completions between 2011 - 2021; and 2013-2021, runs to August 2021; and thus represents 10.66 yrs and 8.66 yrs worth of data respectively. In light of this, average level of completions 2011-2021 is 380 homes per annum, as opposed to 400 as originally shown for the period 2013-2021.

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	and therefore 11-years of data is provided (the table has 11 rows). The completion rate (2011-21) is therefore only 369 per annum, not "just over 400" as quoted. The same error is made on Table 2, the period 2013-21 is INCLUSIVE so the total needs to be divided by 9, not 8, leaving a completions rate (2013-21) of just 338 units per annum.	For the period 2013-2021, overall rates of completion (comprising windfalls and allocations) is 351 homes per annum. A revised table 2 is set out at appendix 1. It is relevant to note that there is also a significant range in the annual number of completions during the plan period, ranging from 301-609 in the period 2011-2021; and 301-465 in the period 2013-2021.
GoJ/approved housing provider sites	The anticipated supply from Government sites is simply not going to be delivered in the BIP period (to 2025). Just two sites are in the planning process (neither have full permission) and the other five are (as far as I am aware) not even being designed yet, nevermind go through the planning process, building control consent, tender and construction - all of which need to be completed before 2025 to allow the capacity to be yielded in the BIP period. St Saviours Hospital is hugely constrained, and will not even be released until 2023. The Ambulance Station site is still an active Ambulance Station, which will need to be relocated - itself requiring a site, design, planning permission and completion. This list is simply not credible. Housing needs are not standing still. The failure of Government to bring their own sites forward has led to affordable housing providers seeking to buy sites off commercial developers, in order to maintain supply. These have (recently) been former Hotel sites, which has now led to the Government-led debate on market-testing for this type of windfall - all because previously identified Government sites have not	This assertion that the level of anticipated supply from government/approved housing provider sites will not be delivered is not accepted, and is not supported by recent evidence: R Publicly owned sites for housing.pdf (gov.je). In addition, the establishment of government-owned agencies, such as Andium Homes was undertaken, in part, to enable them to operate more flexibly to deliver affordable homes, as evidenced by the award of recent planning permission to develop former hotels sites, at the former Stafford and Revere Hotel sites (P/2020/1655: 106 homes - Andium Homes signs agreement with Dandara (Jersey) Limited for delivery of 405 much needed new homes).

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	been delivered. This circular argument has a clear conclusion, being that more sites need to be positively identified. It is not good enough to say that they will be identified (in future), they need to be identified (now).	
Conclusion	The whole question of supply must be viewed in the context of an increased requirement, with SR23 confirming that the housing target has increased from 3750 to 4000 units. It is my submission that, given the obvious uncertainty identified in my first three points, the estimated supply in the BIP period cannot be considered as satisfactory. This issue is perhaps one of the most important in the whole BIP, and the current Government position is simply not evidence-based, credible or robust.	As set out in the Minister's statement response, the revised five-year housing development target is increased for the bridging Island Plan period from 3,750 to 4,000 homes. The draft plan sets out to make provision for 4,150 homes, as set out in table H1. Notwithstanding the points raised above, it is still contended that the basis of the strategy set out in the draft bridging Island Plan is adequate to meet this target, relative to the sources of housing supply. As has been evidenced, the annual windfall rate for the Town of St Helier can be evidenced at over 150 homes per annum; and the draft plan assumes a yield from town capacity of 120 homes per annum. Likewise, outside of the town, trend data evidences windfall delivery rates of over 140 homes per annum; and the draft plan assumes a rate of 100 homes per annum.
Town capacity	Table H1 identifies 425 affordable government/ approved housing provider sites to be supplied in the period 2021-2025 and page 6 lists a number of sites which have the potential to come forward over the BIP period, including The Limes. It should be noted that the The Limes is one of three sites mentioned above which have already received planning permission for development on behalf of Andium Homes. In total these three sites will deliver 434 affordable units. It seems to us, therefore, that the 'town	The Limes received planning permission after the publication of the report. Where planning applications are submitted, there is a legal obligation to determine them, having regard to the policy framework provided by the Island Plan. There is, however, a gap between the award of planning permission and the delivery of homes and any further sites which secure planning permission now or over the course of the bridging plan period may not be delivered until the

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	capacity' target of 425 homes has already been achieved by those sites, and that no further affordable sites in St Helier are required over the life of the BIP period. We would, therefore, expect that consideration of current applications such as those proposed at Ann Street or the Apollo Hotel would be deferred until the next Island Plan period.	next Island Plan period. The development of homes at the Ann Street Brewery site is not expected to be completed until late 2024; and the development phasing of the Mayfair Hotel site is not currently known.
Conclusion	It is important to return to the question asked by the Inspector, which was whether it is possible to 'roll-forward' windfall rates from the 2011 Plan into the new BIP period. Not only do we still not know the previous windfall rates (being my first point) we must also appreciate that the BIP introduces a different policy regime compared to the 2011 Plan. The BIP includes new and different factors that will impact on decision-making. Every single BIP change (more land included in the Coastal National Park / requirements for Passivhaus / imminent Conservation Areas etc) will result in uncertainty, and hence will (probably) constrain supply. They are certainly not (at face value) going to increase supply, and definitely not in the short-term. All the rezoned sites will need Development Briefs, and there are rafts of Supplementary Planning Guidance anticipated, all of which needs to go through a formal process to become adopted. None of this is yet available. The merits of the policy changes and implications of pending SPG (etc) have been raised in representations and presented to the EIP. Many are welcome and represent worthy aims. My point in this current submission is that	The Minister does not accept these assertions and would argue that the draft bridging Island Plan sets out a positive approach to deliver the homes that are required over the plan period to meet a range of different housing needs. It sets out a clear and positive strategy for the growth and development of places in the island's settlement hierarchy; supported by a policy framework which positively encourages the optimal development of land to ensure efficient and effective land use. It seeks to provide more certainty for development by providing a policy framework that encourages denser forms of development, which will be supported by guidance with standards for density; height; and reduced car parking provision. The evidence base to enable this guidance to be adopted, to support the plan, is in place, and will be progressed quickly. As currently drafted Passivhaus requirements will have little effect on the delivery of windfall housing (as the policy is currently targeted at the creation of new homes outside the built-up area); as will the proposed extension of the Coastal National Park, as it would mostly embrace what is currently defined as green zone, where historical

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	the impact of these changes must also be reviewed in relation to impact on housing supply in a very short BIP period. Housing delivery rates need to more-than double, across all sectors, types and tenures. The magnitude of this issue does not seem to come into focus anywhere. I can't see anything in the BIP which identifies a positive policy framework, to grapple with this issue, and so actually show how this step-change will be facilitated. We simply cannot risk getting this wrong (as evidenced by the under-supply of the last decade). Rolling-forward performance from the 2011 Plan is not going to be good enough and represents rolling-forward an undeniable planning policy failure. If this step-change in rates is achieved it will not be because of the BIP. Further sources of housing supply <u>must</u> be positively identified.	levels of windfall housing delivery has been limited. Similarly, the Minister has indicated that the designation of conservation areas will progress, subject to the approval of the requisite legal framework, to deliver four conservation areas over the bridging Island Plan period. By their very nature, these areas are unlikely to present significant development/redevelopment opportunities yielding significant numbers of new homes; and the potential capacity of sites within them will have been considered, to some extent, in the work undertaken to assess the development potential of sites in the town capacity study. The draft plan sets out a strong and positive enabling framework for the delivery of a sustainable pattern of development in the island, where a range of homes, both affordable and open market, can be provided to meet the island’s needs.

APPENDIX 1

Category	Flats		Houses		Bedsits/staff		Total Supply		Windfall rate per annum (excl. afh)	Completion rate per annum
	Total	%	Total	%	Total	%	Total	%		
Town of St Helier	1189	70%	181	14%	29	158	1369	45%	158	158
Outside of Town	510	30%	1112	86%	20	142	1673	55%	142	193
351	1699		1293		50		3042	100%	300	351

Revised Table 2: Housing supply by type and location 2013-21