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Jersey's Housing Requirements 2005-2009

Report on the 2004 Housing Needs Survey

Executive Summary

This report was jointly commissioned by the States of Jersey Housing and Planning and Environment Departments to assist their understanding of future needs. All aspects of the survey, analysis and compilation of the report were conducted independently by the States of Jersey Statistics Unit.

The report provides detailed estimates of Jersey's *potential* housing requirements for 2005 to 2009, and as such represents an update of the study conducted in 2000 for the preceding five years[1].

The study is based on a sample survey of private households in Jersey. The results presented are derived from almost 3,000 respondent households, scaled up to the total Island population of households using Census data.

It should be emphasised that these results constitute *potential* housing requirements based on the expressed aspirations of households in late 2004 and as such represents a point in time estimate of the dynamic housing market.

Whether households are able to move as they wish will depend on many factors including the availability of existing and new properties (including those under construction), economic circumstances and the degree to which people change their mind. Where households can and do move it will free up properties for others to occupy and thus create the supply. However, where households cannot move, the demand from others will have to be met from other sources. As such the results present a complex jigsaw where all the pieces (i.e. moves) are fitting together; the extent to which moves can and do take place will determine whether the potential shortfalls and surpluses actually occur.

Results are presented in terms of the supply and demand of dwelling units by: type (flat, house); size (number of bedrooms); and tenure (locally and non-locally qualified under the Housing Law). Forecast surpluses and shortfalls are derived from the differences between supply and demand in each of these categories.

The effect of currently non-qualified households gaining housing qualifications during the next five-year period is examined under two models: the current 15-year rule being maintained until 2009; and a reduction of the 15-year rule by 1 year per annum, resulting in a 10-year qualification period by 2009. Furthermore, to reflect the average level of net migration over the previous four years[2], the basic analysis is conducted using an assumption of zero net migration. However, results are also presented for other scenarios of net inward and outward migration. Finally, an indication of expressed affordability is presented.

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[1] Jersey's Medium-term Housing Requirements: mid-2000 to mid-2005; Statistics Unit, January 2002.
[2] Population Update; Statistics Unit, June 2004.

Key findings

- total demand for dwellings over the next five-year period is estimated to be about 12,500 with total potential supply slightly greater than total demand, at about 12,700 (Tables 1 and 2). These figures correspond to more than a third of the current total dwelling stock.

- simply subtracting supply from demand in the various categories of dwelling type and size (Table 3) highlights a large potential surplus of 1-bedroom accommodation (of 1,375 units) but sizeable potential shortfalls in larger sized houses and in sheltered accommodation.

- **however, separating supply and demand by <u>tenure</u> of dwellings indicates the <u>effective</u> surpluses and shortfalls in each category**.

- notable potential shortfalls occur in 2-, 3- and 4-bedroom owner-occupier properties (Table 7) comprising about 205 flats (2- and 3-bedroom), 1,370 houses and an additional requirement of some 250 properties of 1- and 2-bedroom sheltered accommodation[3].

- demand for such owner-occupier properties is driven by:
  - current owner-occupier households wishing to increase their dwelling size;
  - new forming households, presently contained within existing larger households, wanting their own accommodation;
  - households in qualified private rental accommodation wishing to purchase.

- a potential surplus of 1-bedroom flats and houses in all qualification and tenure categories, <u>but dependent on the complementary availability</u> of larger accommodation so that households can move.

- a potential shortfall of larger-sized properties in the qualified social rental sector.

Effect of households gaining residential qualification

- the effect of currently non-qualified households gaining housing qualifications over the five years to 2009 under the current 15-year rule is to increase the potential shortfall in 2-, 3- and 4-bedroom owner-occupier properties by about 10%, corresponding to 155 dwellings (Table 9).

- the addition of those households qualifying over the next five years under the current 15-year rule to the results of the survey gives a total shortfall in 2-, 3- and 4-bedroom owner-occupier properties of some 1,730 dwelling units between 2005 and 2009.

- **total potential requirement of some 2,000 owner-occupier and sheltered dwellings over the next 5 years which cannot be met by existing stock.**

[3] For the purposes of this study, sheltered accommodation is considered to be a component of the social rental sector.

Sensitivity to qualification period and migration

- reducing the qualification period from the current 15 years to 10 years by 2009 increases the potential shortfall in 2-, 3- and 4-bedroom owner-occupier properties by a further 255 units (Tables 9 and 10).
- the effect of net inward migration is to increase the potential shortfall in 2-, 3- and 4-bedroom owner-occupier accommodation by about 3% (corresponding to 45 properties over 5 years) for every 100 net inward-migrant households per year (Table 11).

Timing

- More than 80% of the potential shortfall in owner-occupier properties is based on households desiring accommodation over the next 2 years, and as such is likely to represent robust data reflecting the firmly-held current aspirations, expectations and needs of households (Table 8).

Affordability

- All households expressing a desire to move within Jersey were asked to indicate the approximate cost of the property they were looking to purchase. These data demonstrate that there is generally a good understanding of property prices in Jersey. For example, people in existing properties indicated prices that were on average within 10% of the mean selling price in 2004; whilst those looking to form new households were generally very close to the lower end of the inter-quartile range[4], indicating an understanding that they would be looking at the lower-cost end of their preferred dwelling type (Table 12).

Context

The forecast total shortfall in the qualified sector is almost a factor of two lower (about 1,730 in total dwelling units compared to 3,180, excluding sheltered accommodation) than in the previous round of the survey which covered the period 2000-2005. Previous potential shortfalls in smaller-sized owner-occupier and social-rented accommodation are now estimated to be much lower or to have turned into potential surpluses.

The scale of both the potential supply and demand is considerably lower than in the previous round of the survey, in which the overall five-year demand was estimated at almost 20,000 dwellings.

The increased potential shortfall in larger-sized owner-occupier houses determined from this latest round of the survey is suggestive of a degree of confidence in the Island's economy and perhaps reflects the price-stability and recently observed increased turnover in the housing market[5].

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[4] The range of prices covering the middle half of the distribution, from the 25th percentile to the 75th percentile.

[5] Jersey House Price Index – Fourth quarter 2004; 16 February 2005.

Jersey's Housing Requirements 2005-2009

Report on the 2004 Housing Needs Survey

Overview

This report provides estimates of Jersey's potential housing requirements for the medium-term (the five-year period 2005 to 2009, inclusive) in terms of type, tenure and size of dwelling unit. The analysis is based upon a sample survey of private households. The following issues are presented:

- estimates of the demand for housing by **size, type and tenure**[6] and of the supply of housing from the existing stock;
- the effect of currently **non-residentially qualified** households gaining qualification status;
- the additional housing requirement resulting from **five migration scenarios**; the basic analysis presented in detail is based on an assumption of zero net migration, reflecting the average annual level since 2001. Additional analysis shows the impact of net migration of ±50 and ±100 households per year;
- **affordability** in terms of expressed anticipated purchase cost.

This study provides a detailed picture of the supply and demand at the end of 2004. It must be emphasised that the supply component does not include any new dwellings available at or completed since that time, nor any subsequent planned or approved developments.

Survey and Analysis

A postal questionnaire was sent out in which households were asked to express their anticipated housing requirements over the following five years.

Sampling and response rate

A total of 6,100 households were sampled (representing about a sixth of all private households in Jersey). This total comprised the following tenure categories:

- 3,950 Owner-occupier and private rental (qualified) households
- 620 Households receiving States Rental Abatement
- 260 Households receiving States Rental Rebate
- 1,050 Registered lodging house households
- 220 Private lodger (non-qualified) households.

A total of 2,880 completed questionnaires were returned, representing an overall response rate of around 50%. The response rate excluding the category of registered lodging houses (which required a dedicated targeting strategy) was 55%.

Survey data and weighting

The results from respondent households were raised from the survey sample on an area basis (urban, semi-urban and rural[7]) to 2001 Census totals according to residential qualification and tenure type, dwelling type, and the presence of children in the household.

[6] See Notes for definitions of the residential status and tenure categories.
[7] Urban: St Helier; Semi-urban: St Saviour, St Clement, St Brelade; Rural: the eight remaining country parishes.

Supply and Demand Analysis

Supply and demand analysis is presented from two perspectives:

I. Type and size of dwelling;
II. Tenure and size of dwelling.

The latter perspective allows potential shortfalls and surpluses to be highlighted under the current regime of housing regulations, and as such is the most relevant for policy purposes. The basic analysis from this perspective is then extended to examine specific scenarios of:

II.a Non-qualified households gaining residential qualifications during the five-year period, particularly under continuation of the current 15-year rule.

II.b Annual net migration scenarios of: +50 and +100 households into the Island; -50 and -100 households out of the Island. Other models of net migration may be derived using these analyses.

Definitions

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

Supply

- *Existing:* dwelling units becoming available due to all member of existing households moving together within Jersey.
- *Leaving*: dwelling units becoming available due to all members of existing households expressing an intention to moving together outside of Jersey.
- *Death and care*: dwelling units becoming available due to occupants dying or moving into extended care facilities. The level of supply is estimated from an approximation of the number of deaths in Jersey of pensioners living alone, distributions of such pensioners by type, size and tenure of dwelling (as recorded by the 2001 Jersey Census) and the results of a post-Census vacant dwelling survey. As such, the estimates of supply from this source should be considered as upper bounds.
- *Wishing*: dwelling units becoming available due to households expressing a wish to move within Jersey, but for stated reasons are unable to do so.

Demand

- *Existing:* dwelling units required due to all member of existing households moving together within Jersey.
- *Concealed*: new forming households (presently “concealed” within existing households) emerging within the Island. e.g. family members leaving home and establishing separate households. In the analysis allowance has been made for those households formed by members from separate households in Jersey joining to form one household.
- *In-migrants:* migrants arriving from outside of Jersey to establish households; in the case of the zero net migration model, the number of in-migrant households is set equal to those leaving. It is important to recall that as new people come to the Island they are in the main replacing others who are leaving for a variety of reasons[8].
- *Wishing*: households wishing to move within Jersey, but for stated reasons are unable to do so.

8 This is shown by looking at the results of the 1996 and 2001 Censuses: the 1996 census showed that 9,163 people started their residency between 1991 and 1996; by 2001 the number of this cohort remaining had fallen to 6,825.

I. Type and Size of dwelling unit

Tables 1 and 2 present the estimated potential housing supply and demand, respectively, over the next five years[9]. The tables breakdown both supply and demand by dwelling type (sheltered accommodation, flats and houses[10]) and size (number of bedrooms).

Table 1 Five-year supply by type and size of dwelling unit.

Type/ Size	Existing	Leaving	Death & Care	Wishing	Total
Sheltered					
1 bed	10	-	60	-	**70**
2 bed	-	-	25	-	**25**
Flat					
1 bed	1,645	725	875	875	**4,120**
2 bed	1,575	395	55	535	**2,560**
3 bed	200	85	5	40	**330**
4 bed	25		+	20	**45**
5+ bed					-
House					
1 bed	85	-	230	10	**325**
2 bed	670	120	445	120	**1,360**
3 bed	1,740	455	150	510	**2,855**
4 bed	510	200	40	85	**835**
5+ bed	135	30	20	-	**180**
Total	**6,600**	**2,005**	**1,900**	**2,195**	**12,700**

Table 2 Five-year demand by type and size of dwelling unit.

Type/ Size	Existing	Concealed	In-migrants	Wishing	Total
Sheltered					
1 bed	115	55	-	30	**200**
2 bed	50	65	-	35	**145**
Flat					
1 bed	735	415	890	715	**2,755**
2 bed	1,105	545	310	485	**2,450**
3 bed	220	80	50	190	**540**
4 bed	35	10	20	10	**75**
5+ bed	15	-	-	20	**30**
House					
1 bed	45	10	-	-	**55**
2 bed	820	260	80	165	**1,325**
3 bed	2,200	245	300	295	**3,040**
4 bed	1,070	35	200	205	**1,515**
5+ bed	180	-	160	45	**385**
Total	**6,600**	**1,720**	**2,005**	**2,195**	**12,515**

[9] In the tables of this report, all numbers have been rounded independently to the nearest 5; non-zero numbers less than 3 are denoted by +. Individual rows or columns may, therefore, not sum to marginal totals.

[10] "Flats" include bedsits, and "houses" include bungalows, terraced, semi-detached and detached properties. "Sheltered" includes disabled accommodation.

The total potential supply of all units is 12,700. This figure is almost 200 greater than the total demand, indicating that the overall supply over the next five years for all types and sizes of housing combined is marginally greater than the demand. These findings differ from the previous five-year period when a considerably greater scale of supply and demand was recorded (a five-year turnover of around 19,000 dwelling units) and the overall shortfall of 1,900 dwelling units recorded is in contrast to the small surplus noted by the present survey.

Over the next five years it is forecast that approximately half of the total supply and demand for dwelling units is caused by 'existing' households planning to move within Jersey, corresponding to more than a sixth of all households. The largest contributor to potential supply is from 'existing' households moving out of 1- and 2-bedroom flats and 3-bedroom houses. The complementary large demand is for 2-bedroom flats and 2-, 3- and 4-bedroom houses.

Table 3 presents a breakdown of the difference between the supply and demand for each dwelling type according to size (derived by subtracting Table 1 from Table 2). The table highlights surpluses and shortfalls within each dwelling type and size category.

Table 3 Five-year requirement (supply-demand) by type and size of dwelling unit.

Type/ Size	Total supply	Total demand	Surplus	Shortfall[11]
Sheltered				
1 bed	70	200	-	**(130)**
2 bed	25	145	-	**(120)**
Flat				
1 bed	4,120	2,755	1,365	-
2 bed	2,560	2,450	110	-
3 bed	330	540	-	**(210)**
4 bed	45	75	-	**(30)**
5+ bed	-	30	-	**(30)**
House				
1 bed	325	55	270	-
2 bed	1,360	1,325	35	-
3 bed	2,855	3,040	-	**(185)**
4 bed	835	1,515	-	**(680)**
5+ bed	180	385	-	**(205)**
Total	**12,700**	**12,515**	**1,780**	**(1,595)**

Overall, smaller-sized dwelling units show a potential surplus, whilst larger-sized units (3- bedroom or greater) highlight a possible shortfall. The largest surplus is in 1-bedroom flats, whilst the largest shortfall is in 4-bedroom houses. A shortfall in 1- and 2-bedroom sheltered accommodation is evident.

The sum of all shortfalls of dwelling units over the next five years is 1,595. Surpluses in one category may potentially be used to off-set shortfalls in neighbouring categories. However, Table 3 shows that the shortfalls and surpluses occur in distinct groups. The surpluses of 1-bedroom flats and houses are unlikely to satisfy the shortfalls in larger-sized units, apart from (with suitable modifications) potentially some of the demand for sheltered units.

[11] In Table 3, and all subsequent tables, potential shortfalls are shown in bold and enclosed in parentheses.

II. Tenure and Size of Dwelling Unit

Tables 1 to 3 present an overview. However, in order to understand and identify where surpluses and shortfalls may potentially occur, it is necessary to look at the data by tenure as well as size.

The potential supply and demand of dwelling units by tenure and size are presented in Tables 4 and 5, respectively. In both tables, the three columns to the left of the hatched line relate to tenure categories in the residentially qualified sector; the three columns to the right represent the non-qualified sector.

Table 4 Five-year supply by tenure and size of dwelling unit.

	Qualified sector			Non-qualified sector			
Tenure/Size	**Owner-occupier**	**Social rental**	**Private rental**	**Private lodging**	**Registered Lodging House**	**Staff service**	**Total**
Existing							
1 bed	230	240	630	180	430	35	1,745
2 bed	820	485	615	130	160	35	2,245
3 bed	1,050	315	390	110	-	75	1,940
4 bed	300	45	90	75	-	25	535
5+ bed	115	-	15	-	-	-	135
Leaving							
1 bed	40	-	105	215	310	55	725
2 bed	170	105	100	125	20	-	520
3 bed	275	70	125	40	-	25	540
4 bed	130	-	40	25	-	-	195
5+ bed	30	-	-	-	-	-	30
Death Care							
1 bed	320	580	250	10	5	-	1,160
2 bed	460	5	60	-	-	-	525
3 bed	140	-	10	-	-	-	150
4 bed	40	-	+	-	-	-	45
5+ bed	15	-	+	-	-	-	20
Wishing							
1 bed	55	110	165	285	235	35	885
2 bed	85	205	205	90	55	20	655
3 bed	190	130	165	25	18	25	550
4 bed	55	10	20	20	-	-	105
5+ bed	-	-	-	-	-	-	-
TOTAL							
1 bed	645	925	1,150	690	975	125	4,510
2 bed	1,535	795	980	345	235	55	3,945
3 bed	1,660	515	690	175	20	120	3,180
4 bed	530	55	155	115	-	25	880
5+ bed	160	-	15	-	-	-	180
Total	**4,530**	**2,290**	**3,000**	**1,325**	**1,225**	**325**	**12,700**

Table 5 Five-year demand by tenure and size of dwelling unit.

	Qualified sector			Non-qualified sector			
Tenure/Size	**Owner occupier**	**Social rental**	**Private rental**	**Private lodging**	**Registered Lodging House**	**Staff service**	**Total**
Existing							
1 bed	80	315	355	125	20	-	900
2 bed	890	295	345	440	-	-	1,975
3 bed	1,550	425	215	215	20	-	2,425
4 bed	840	75	30	155	-	-	1,105
5+ bed	140	10	45	-	-	-	195
Concealed							
1 bed	125	70	285	-	-	-	480
2 bed	565	55	235	10	-	-	865
3 bed	280	-	40	-	-	-	325
4 bed	35	10	-	-	-	-	45
5+ bed	-	-	-	-	-	-	-
In-migrants							
1 bed	15	20	70	150	485	150	890
2 bed	15	15	110	170	85	-	390
3 bed	45	25	170	30	20	55	350
4 bed	120	-	70	30	-	-	220
5+ bed	35	-	40	30	-	55	160
Wishing							
1 bed	230	45	20	410	35	-	745
2 bed	445	-	35	160	40	-	685
3 bed	295	45	10	130	-	-	485
4 bed	220	-	-	-	-	-	220
5+ bed	45	-	-	20	-	-	65
TOTAL							
1 bed	450	455	730	685	540	150	3,010
2 bed	1,915	370	725	785	125	-	3,920
3 bed	2,170	495	440	375	40	55	3,580
4 bed	1,215	90	100	185	-	-	1,590
5+ bed	220	10	85	50	-	55	420
Total	**5,970**	**1,415**	**2,080**	**2,075**	**705**	**265**	**12,515**

The differences between supply and demand, indicating forecast surpluses and shortfalls within each tenure and size category, are shown in Table 6. Due to the constraints imposed under the housing regulations, the total of shortfalls by tenure is greater than the total under analysis purely by dwelling type (approximately 2,200 as opposed to 1,600).

The distribution of potential shortfalls is similar from both the Type/size and Tenure/size perspectives (Tables 3 and 6, respectively), predominantly occurring in the larger-sized dwelling units within the qualified owner-occupier and social rental sectors and also in non-qualified private lodgings.

Again, the potential shortfall in the owner-occupier sector is attributed to households in existing smaller-sized dwellings planning to move-up, and concealed and private rental households wishing to purchase property in the owner-occupier sector.

Table 6 Five-year requirement (supply-demand) by tenure and size of dwelling unit.

	Qualified sector			Non-qualified sector			
Tenure/Size	**Owner occupier**	**Social rental**	**Private rental**	**Private lodging**	**Registered Lodging House**	**Staff service**	**Total**
1 bed	195	470	420	5	435	**(25)**	1,505
2 bed	**(380)**	430	255	**(435)**	105	55	25
3 bed	**(515)**	25	250	**(200)**	**(20)**	65	**(400)**
4 bed	**(685)**	**(35)**	55	**(70)**	-	25	**(710)**
5+ bed	**(55)**	**(10)**	**(65)**	**(45)**	-	**(55)**	**(240)**
Total	**(1,440)**	875	915	**(750)**	520	60	180

The shortfall in the non-qualified private lodging sector is due predominantly to ‘existing’ and ‘wishing’ non-qualified households aiming to move to what they perceive is the best accommodation currently available to them, and particularly is comprised of households in registered lodging houses wanting to move into non-qualified private lodgings.

The large potential surplus in 1-bedroom social rental accommodation is driven by the estimate of supply in this category due to “Death & care” (Table 4). The figure shown should be considered as an upper bound, and can be investigated further as firm data from the Housing Department becomes available.

The identified requirement of some 250 sheltered accommodation units may potentially be met, with suitable modifications, by the possible surpluses in 1- and 2-bedroom units in the social rental sector.

Table 7 presents the breakdown of the shortfalls in the three tenure categories of the qualified sector in terms of houses and flats.

Table 7 Five-year requirement (supply-demand) by house and flat in the qualified sectors.

Tenure/Size	**Owner-occupier**		**Social rental**		**Private rental**	
	Flat	**House**	**Flat**	**House**	**Flat**	**House**
1 bed	70	125	420	50	260	160
2 bed	**(100)**	**(280)**	440	**(10)**	**(60)**	315
3 bed	**(105)**	**(410)**	25	**(+)**	**(15)**	265
4 bed	**(+)**	**(680)**	**(10)**	**(25)**	+	55
5+ bed	**(5)**	**(50)**	-	**(10)**	+	**(65)**

The potential shortfall is predominantly in the owner-occupier sector for 2- and 3-bedroom flats and larger-sized houses.

Households were asked when they planned to move. Results are presented in Table 8 for the immediate two-year period (2005-2006) and the subsequent three years (2007-2009).

Table 8 Housing requirement (supply-demand) by tenure and size of dwelling unit.

Now to two years

	Qualified sector			Non-qualified sector			
Tenure/Size	**Owner occupier**	**Social rental**	**Private rental**	**Private lodging**	**Registered Lodging House**	**Staff service**	**Total**
1 bed	**(+)**	180	340	5	485	**(+)**	1,005
2 bed	**(385)**	200	260	**(+)**	140	35	250
3 bed	**(505)**	**(30)**	205	**(195)**	**(25)**	50	**(496)**
4 bed	**(490)**	**(15)**	55	**(60)**	-	25	**(490)**
5+ bed	10	-	**(25)**	**(10)**	-	**(25)**	**(50)**
Total	**(1,370)**	335	835	**(265)**	560	85	220

Three to five years

Tenure/Size	**Owner occupier**	**Social rental**	**Private rental**	**Private lodging**	**Registered Lodging House**	**Staff service**	**Total**
1 bed	195	290	80	**(+)**	**(50)**	**(20)**	495
2 bed	+	230	**(5)**	**(435)**	**(35)**	20	**(225)**
3 bed	**(10)**	50	45	**(10)**	5	15	100
4 bed	**(190)**	**(15)**	**(5)**	**(10)**	-	-	**(220)**
5+ bed	**(70)**	**(10)**	**(40)**	**(35)**	-	**(35)**	**(190)**
Total	**(70)**	540	80	**(485)**	**(80)**	**(25)**	375

More than 80% of the total potential shortfall in owner-occupier properties is expressed on the time-scale of 0-2 years, and as such is likely to represent robust data reflecting the firmly-held current aspirations, expectations and needs of households.

II.a Effect of households gaining residential qualifications

In the above analysis it was assumed that residentially non-qualified households remained in the non-qualified sector (in tenure categories to the right of the hatched line in Tables 4 to 8) even if such households qualify within the five-year period 2005-2009. The effect of the movement of such households into the qualified sector over this period is now examined.

Continuation of the current 15-year rule

Under the existing qualifying period of 15 years continuous residence, a maximum of 1,015 non-residentially qualified households will become eligible to enter the qualified housing sectors between 2005 and 2009[12].

Data from the Housing Department over the past four years indicate that approximately two-thirds of the potential maximum gaining eligibility actually take up consents to enter the qualified sector. Of these, almost two-thirds enter the private (qualified) rental market, almost a third (30%) purchase owner-occupier property and the remainder (less than 2%) go to social rental accommodation.

The effect of these newly qualified households leaving the non-qualified sector and purchasing in the qualified sector is shown in Table 9. It is estimated that some 675 newly qualified households will enter the qualified sector over the five-year period: 440 into private rental accommodation, 225 as owner-occupiers and the remainder into the social rental sector.

The numbers presented in Table 9 are maxima, since a proportion of households potentially qualifying may leave Jersey before accumulating the necessary residency period. The numbers can be superimposed directly onto those of Table 6

Table 9 Additional shortfalls (qualified sector) and surpluses (non-qualfied) sector due to households gaining residential qualifications between 2005-2009 under the current 15-year qualifying period.

	Qualified sector			Non-qualified sector		
Tenure/Size	**Owner occupier**	**Social rental**	**Private rental**	**Private lodging**	**Registered Lodging House**	**Staff service**
1 bed	**(70)**	**(5)**	**(290)**	115	205	15
2 bed	**(70)**	**(5)**	**(150)**	120	15	15
3 bed	**(65)**	-	-	90	-	40
4 bed	**(20)**	-	-	20	-	20
5+ bed	-	-	-	20	-	-
Total	**(225)**	**(10)**	**(440)**	365	220	90

The additional demand generated for social rental and private rental accommodation can be met by the potential surpluses in these tenure categories shown earlier (Table 6). The same may be said for 1-bedroom owner-occupier properties, but for larger bedroom owner-occupier properties additional demand occurs.

Reducing the qualification period by 1 year per annum

The effect on prospective housing requirements of a gradual reduction in the qualifying period by 1 year every year for the next five years (i.e. reducing to 10 years by 2009) is presented in Table 10.

[12] Based on 2001 Census data.

Table 10 Additional shortfalls (qualified sector) and surpluses (non-qualified sector) due to: households gaining residential qualifications between 2005-2009 under reducing the qualifying period from 15 to 10 years by 2009.

	Qualified sector			Non-qualified sector		
Tenure/Size	Owner occupier	Social rental	Private rental	Private lodging	Registered Lodging House	Staff service
1 bed	**(165)**	**(15)**	**(750)**	295	525	40
2 bed	**(195)**	**(15)**	**(370)**	305	40	40
3 bed	**(160)**			230	-	100
4 bed	**(55)**			50	-	50
5+ bed				50	-	-
Total	**(575)**	**(30)**	**(1,120)**	935	560	230

Under this scenario of a steadily reducing residency period, a potential total of 2,585 households could become qualified. It is estimated that around 1,725 of these will enter the qualified sector: 1,120 into private rental accommodation, 575 as owner-occupiers and the remainder (a few 10's) into the social rental sector. It should again be re-iterated that these estimated numbers are maxima, since a proportion of households potentially qualifying may leave Jersey before accumulating the necessary residency period.

Additional 1-bedroom owner-occupier and social rental demand can still be met by the anticipated surpluses, but for all other categories either the practical surplus is now more than exhausted (private rental) or additional demand revealed (owner-occupier).

II.b Effect of Net Migration

Tables 11a-d present the additional shortfalls and surpluses in the qualified and non-qualified sectors for four migration scenarios:

- net inward migration of +50 and + 100 households per year;
- net outward migration of -50 and -100 households per year.

Net **in**ward migration

Table 11a Net inward migration of +100 households entering per year: 2005-2009.

Tenure/Size	Owner occupier	Social rental	Private rental	Private lodging	Registered Lodging House	Staff service	Total
1 bed	**(5)**	**(5)**	**(20)**	**(40)**	**(120)**	**(35)**	**(220)**
2 bed	**(5)**	**(5)**	**(30)**	**(40)**	**(20)**	-	**(95)**
3 bed	**(10)**	**(10)**	**(45)**	**(5)**	**(5)**	**(15)**	**(85)**
4 bed	**(30)**	-	**(20)**	**(5)**	-	-	**(55)**
5+ bed	**(10)**	-	**(10)**	**(5)**	-	**(15)**	**(40)**
Total	**(60)**	**(15)**	**(115)**	**(100)**	**(150)**	**(65)**	**(500)**

The figures presented can be superimposed directly onto those of Table 6, which was derived using the assumption of zero net migration (as observed, on average, over the preceding four-year period 2000-2003)[13]. The effect of inward migration of 100 households per annum is an additional 45 households over five years entering the areas of the potential shortfalls already identified in 2-, 3- and 4-bedroom owner-occupier accommodation.

Table 11b Net inward migration of +50 households entering per year: 2005-2009.

Tenure/Size	Owner occupier	Social rental	Private rental	Private lodging	Registered Lodging House	Staff service	Total
1 bed	**(+)**	**(5)**	**(10)**	**(20)**	**(60)**	**(20)**	**(110)**
2 bed	**(+)**	**(+)**	**(15)**	**(20)**	**(10)**	**-**	**(50)**
3 bed	**(5)**	**(5)**	**(20)**	**(5)**	**(5)**	**(5)**	**(45)**
4 bed	**(15)**	-	**(10)**	**(5)**	-	-	**(30)**
5+ bed	**(5)**	-	**(5)**	**(5)**	-	**(5)**	**(20)**
Total	**(30)**	**(10)**	**(60)**	**(50)**	**(75)**	**(35)**	**(250)**

<u>Net **out**ward migration</u>

Table 11c Net outward migration of -50 households leaving per year: 2005-2009.

Tenure/Size	Owner occupier	Social rental	Private rental	Private lodging	Registered Lodging House	Staff service	Total
1 bed	5	-	15	25	39	5	90
2 bed	20	15	15	15	+	-	65
3 bed	35	10	16	5	-	5	65
4 bed	15	-	5	5	-	-	25
5+ bed	5	-	-	-	-	-	5
Total	80	25	45	50	40	10	250

Table 11d Net outward migration of -100 households leaving per year: 2005-2009.

Tenure/Size	Owner occupier	Social rental	Private rental	Private lodging	Registered Lodging House	Staff service	Total
1 bed	10	-	25	55	75	15	180
2 bed	45	25	25	30	5	-	130
3 bed	70	20	30	10	-	5	135
4 bed	35	-	10	5	-	-	50
5+ bed	10	-	-	-	-	-	5
Total	160	45	95	100	80	20	500

Due to the different distributions by tenure of households entering and leaving the Island, net outward migration increases the potential supply of owner-occupier properties at a greater rate than the additional potential shortfall resulting from net inward migration of a similar magnitude (i.e. more owner-occupiers leave than enter the Island).

[13] Population Update; Statistics Unit, June 2004.

Affordability

Households expressing a desire to purchase owner-occupier property were asked to estimate the cost of the accommodation they would anticipate purchasing.

Table 12 Expressed affordability by type and size of dwelling unit: ***(nearest £5,000).***

Type/Size	Existing	Concealed	Jersey average 2004[14]	Inter-quartile range[15] of Jersey house prices Q4 2004
Sheltered				
1-bed	175	175		
2-bed	250			
Flat				
1-bed	190	145	160	145 to 165
2-bed	220	185	235	185 to 295
3-bed	270	250		
House				
1-bed	250	150		
2-bed	250	205	265	220 to 325
3-bed	335	265	345	280 to 375
4-bed	420	450	475	370 to 575
5-bed	540			

These data demonstrate that there is generally a good understanding of property prices in Jersey. For example, people in existing properties indicated prices that were on average within 10% of the mean selling price in 2004. Concealed households, constituting a potential cohort of first-time buyers looking to form new households, were generally very close to the lower end of the inter-quartile range, indicating an understanding that they would be looking at the lower-cost end of their preferred dwelling type.

[14] Jersey House Price Index- Fourth quarter 2004; Statistics Unit, February 2005. Figures are the means for 2004.
[15] The range of prices covering the middle half of the distribution, from the 25th percentile to the 75th percentile. Underlying data from: Jersey House Price Index- Fourth quarter 2004; Statistics Unit, February 2005.

Notes

The tenure categories specified in this report correspond to those of the 2001 Census, whereby the residential status of a household corresponds to that of the designated head of household. The (a-h), (j) and (k) classifications of residential qualification are as defined by the Housing Law and Regulations.

Residentially qualified tenure categories:

Owner-occupier: includes purchase by share transfer or on a lease of more than 9 years; principally (a-h), but also some (j) and (k) category

Social rental: (a-h) tenant of the States, a Parish or a Housing Trust/Association;

Private rental: (a-h), (j) or (k) tenant or occupier of private accommodation

Non-residentially qualified tenures:

Private Lodging: non-qualified *lodger* in a private dwelling

Registered Lodging House: non-qualified *lodger* in a Registered Lodging House

Staff/service: non-qualified occupier of tied (i.e. staff) accommodation

Statistics Unit

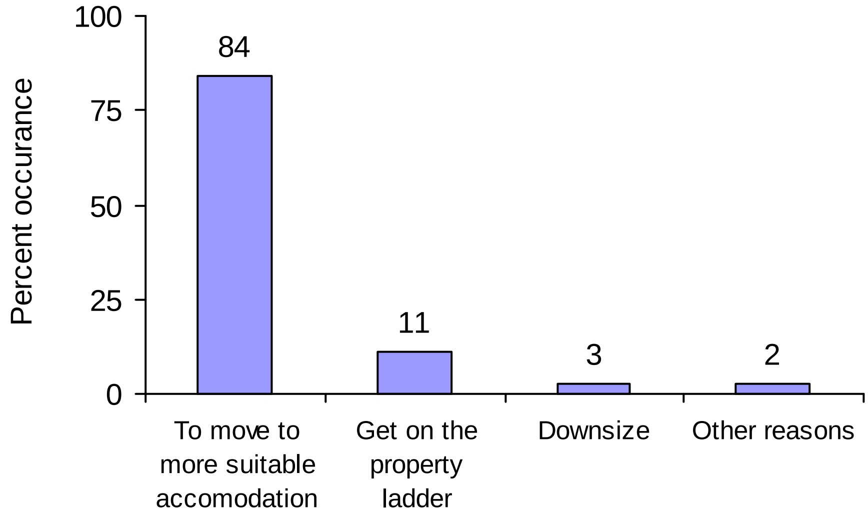
February 2005

ANNEX

Additional comments of respondents

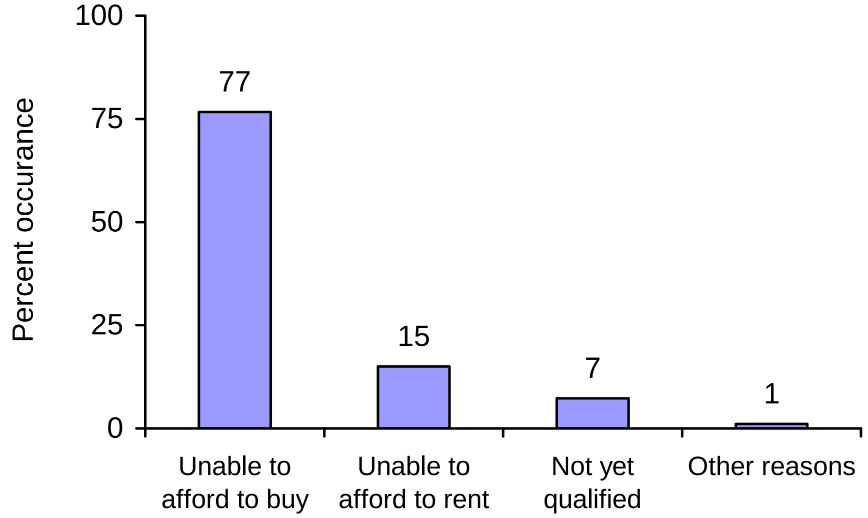
The figures below summarise three sets of comments made by respondents.

Figure 1 Reasons given for planning to move over the next five years.



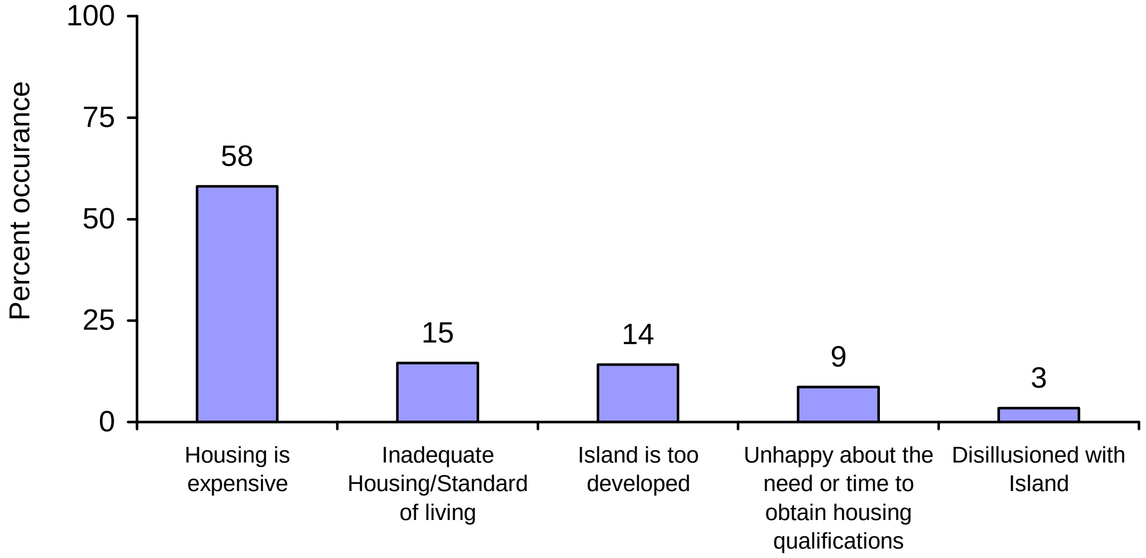
The ‘Other reasons’ category includes: moving to sheltered/disabled accommodation, moving due to divorce and end of lease, etc.

Figure 2 Reasons given for wishing to, but not being able to move.



Comments in the ‘Other reasons’ category include: unable to sell present accommodation; no suitable sheltered/disabled accommodation; and long-term illness.

Figure 3 General comments on the housing situation in Jersey.



All comments have been grossed-up to Census 2001 totals by area, dwelling type and tenure.