

Jersey Housing and the Wider Economy

July 2019

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Purpose: To summarise how housing is impacted by and impacts the economy in Jersey.

Recommended Actions for the Housing Policy Development Board

- Consider approaches to addressing housing market challenges that involve both demand/market and supply/needs led interventions
- Consider the impact of changes to the following on the housing and wider markets:
 - Economic Growth
 - Employment & Earnings
 - Population Changes
 - Supply Changes
 - Interest Rates
- Ahead of the “Solutions” phase
 - Determine the highest and lowest priority policy interventions to focus future policy analysis
 - Determine if any of the policy intervention approaches presented are politically unacceptable, and so do not need to be included in future analysis

Summary

While it is clear that housing-related market activity makes up a large portion of wider economic activity in Jersey, there are different ways of thinking about how housing interacts with the economy. Governments across the globe create housing policies from these different views, which centre around two main questions:

- Does a strong, stable economy drive a house market that is fit for purpose, and in what ways?
- Can housing itself drive economic outcomes?

Centring on these two questions, the purpose of this paper is to stimulate board discussion about demand/market and supply/needs led housing policies in Jersey going forward and the potential implications of these interventions on housing and the wider economy in the future.

The paper starts with a description of housing's role in the Jersey economy, as a portion of Gross Value Added and the wider value it creates. The paper then explores views on whether an effective housing market should be demand/market or supply/needs led.

It proceeds with graphical analysis of several factors influencing the Jersey house market and economy (economic growth, employment, population growth, limited supply and low interest rates) and introduces how top- and bottom-end housing also influence the housing market and economy in Jersey.

Finally, the paper concludes with a policy approach summary based on the above for consideration and discussion by the board.

1 Background

- 1.1 Housing undeniably plays a large role in Jersey's economy, but this doesn't stop at the monetary value of housing in the macroeconomy. Homes also create a "housing market", which provides both a place for people to live and also investment opportunities. The housing market also interacts with the wider economy by providing platforms or pressures for people to participate economically via spending in the local community and through jobs.

Housing and Gross Value Added

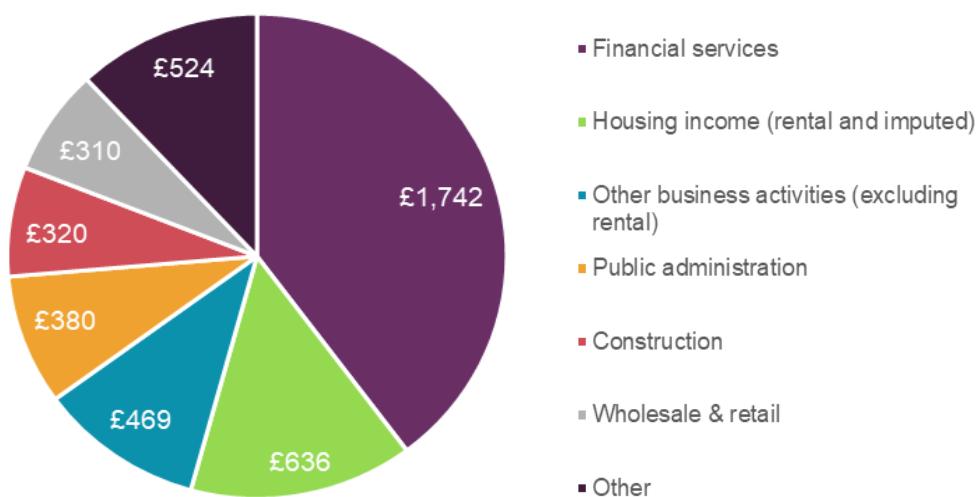
- 1.2 Buying and selling existing homes does not affect Gross Value Added (GVA)¹ in the same way as buying and selling other goods and services, although the accompanying costs of a house transaction still benefit the economy, as discussed later in this paper.
- 1.3 Instead, the value of housing for GVA in Jersey, among other countries such as the UK and Germany, is calculated as the value from "rents" from the rental (real rental income) and owner-occupied (Owner Occupied Imputed Rents or OOIR²) sectors. In monetary terms, the value of housing (OOIR and real rents) as a portion of all economic activity on the island is £636,000,000 or 15% of Gross Value Added (GVA), second only to financial services in any given year since 1998, as seen below.³

¹ Economic indicator used in Jersey as expressed by the value of goods and services produced in an area, industry or sector of an economy; while GDP gives a picture of whole economy, GVA gives pictures at enterprises, government and households levels

² Owner-occupiers' imputed rent (OOIR), which is essentially an estimate of the rental costs that homeowners would pay themselves to rent their own property. This payment does not actually occur but is required in order to make meaningful comparisons between countries in which owner occupation is high (such as the UK) and countries where owner-occupier rates are lower, such as Germany

³ National accounts: GVA and GDP, Gov.je (from 1998-2017)

Figure 1: Gross Value Added by Sector (2017 Figures £million)



- 1.4 There is no link between the average house price and the GVA for the housing sector, however it is linked to private rental sector values. Therefore, policy interventions which reduce rent levels, would also cause a corresponding dip in housing GVA. Increasing the amount of housing will increase housing GVA as more properties will be contributing to the sector.

The Housing “Market”

- 1.5 Housing, like any other market, works as an exchange between spending and income, and housing has different costs and benefits for different actors in the market.
- 1.6 For renters and owner occupiers, housing is a good/service paid for in exchange for a monthly cash payment. Renters accept that the good/service is temporary, whereas owner occupiers may hope to retain and increase asset value as they live in the home. For many households on the island, housing is the single biggest monthly expense. Latest household spending figures estimating housing costs (including housing, fuel and power) to be about 28% of total weekly expenditure, with transport the second highest cost at about 12% of weekly expenditure⁴. For a household in Jersey, homebuying is likely to be the largest asset purchase they make. In comparison to other developed housing markets, Jersey housing costs as a portion of household income are generally in line with but at the top end of the spectrum.⁵
- 1.7 Housing investors also play a key role in economy, as they not only invest cash into the market through purchase, they also provide a good/service to renters, in exchange for what they hope will be a positive return.

⁴ 2014/15 Household spending, Gov.je

⁵ Findings on housing costs as a proportion of income contained in Altair's briefing paper: "Affordability and Housing Supply", issued to the Housing Policy Development Board in July 2019

1.8 In theory, these actors participate in a win-win market exchange, however there have been a number of negative consequences as a result of the strength of the housing market in Jersey, namely:

- Under occupation of housing stock held as an asset, and barriers to downsizing as discussed in the ageing population paper presented to the June HPDB
- Supply challenges in a competitive and limited marketplace
- Affordability pressures for low- and middle-income groups
- Poor quality standards in rented accommodation, particularly in highly competitive sub-market rental sectors

1.9 These kinds of consequences are not unique to Jersey, and in other jurisdictions may be influenced through government intervention, primarily through:

- Demand / Market Led Interventions and Variants: Based on the thinking that a strong economy creates conditions for balanced housing markets, these interventions usually see government acting as an enabler or corrector of market activity. There is a wide spectrum of thinking about the way governments should do this. The first is the view that government should only have an “enabling” role that allows the economy to operate most freely. For example, governments may remove or reform other forms of government policy that act as barriers to the housing market (e.g. planning and taxation) or they may help facilitate environments for market growth (e.g. promoting financial institutions). Another view is that governments should have a more active “controller” role in the market. For example, governments may tax or curb house price growth to address affordability gaps created in the market.

Objective: To allow the wider economy to produce a balanced housing market

- Supply / Needs Led Interventions and Variants: Based on the thinking that the economy alone may not create the conditions for balanced housing markets, or that the government must increase supply of housing to create conditions for strong markets (and as a result, strong housing markets), these interventions tend to include some form of intervention by governments in the housing markets. The spectrum of thinking diverges on the scale of intervention governments should have. For example, some governments may directly create supply (e.g. government building) or they may do so indirectly (e.g. private or social institution built through subsidy).

Objective: Growth in the wider economy as a result a strong housing market

- Hybrid approaches to these demand and supply led interventions: In reality, governments usually combine elements of both demand / market led interventions and supply / needs led interventions. For example: In Japan, clear zoning laws allow for much quicker housing delivery and low interest mortgages to buyers, allowing the private housebuilding market to grow.⁶ But Japan also has policies allowing government to take an active role in housing delivery. For example, the Public Housing Law provides subsidies to local government bailiwicks to build social housing for low-income families and the Safety Net Law allows local governments to identify vacant dwellings, renovate them, and rent them out to local low-income families.⁷

⁶ Why the average family in Tokyo can own a new house for \$850/month, Curbed.com

⁷ Brasor, P et al, “Japan’s public housing system has a shelf life” (2015) and “Safety Net Law to offer new lease on life for abandoned” (2017), Japan Times

Housing and the Wider Market

- 1.10 As mentioned above, one of the wider economic benefits of a housing market is the exchange of goods and services adjacent to the housing market. These goods and services can include anything from estate agents, legal or surveyor fees to buying a new sofa or wallpaper, for example.
- 1.11 However, housing is also a unique aspect of the economy in that it is both a market in itself and also a platform for people to participate in the wider economy through spending in the local community or through jobs situated near to their homes. This is why one of the reported wider benefits of new supply is that the local area profits when new houses are built as newcomers will start using local shops and services⁸.
- 1.12 On the flip side, in some housing markets with low housing affordability, resulting in or compounding poverty, there may be higher demand for social services and other services that require government or other support expenditure. This topic is explored later in the paper.

2 Two Schools of Thought

- 2.1 While it is clear that Jersey's housing market is linked with the wider economy in a number of ways, there are different ways of thinking about the direction of influence between housing and the wider economy.
- 2.2 Does safe, suitable housing create the environment for the economy to thrive, or does successful economic development (i.e. the creation of effective demand) drive success in the housing market? This section explores these questions through two approaches to economic thinking used by governments and NGOs around the world to address housing and market related challenges.
- 2.3 This paper does not attempt to verify which of these is the "right" approach, but instead poses two perspectives for consideration by the board. Whichever is preferred, it is generally acknowledged that housing and the wider markets have a symbiotic relationship, and that the positive economic outcomes should be met with forward-thinking and suitable housing supply to accommodate households' future needs and aspirations.

Demand / Market Led

- 2.4 The demand / market led approach proposes that a robust housing market is a by-product of steady, strong economic activity and that demand for housing is a product of higher earnings. This is the general approach taken by the GoJ and many other governments. Figure 2 below summarises this thinking:

Figure 2: Simplified Process of the demand / market led theory of the housing market

⁸ Bank of England, "How does the housing market affect the economy?"



- 2.5 It assumes wider economic development will create effective demand through increased job competition and as a result, increased earnings. It assumes markets will identify and respond to this new effective demand through new housing supply. Proponents of this approach say that the market should respond to demand even at lower affordability levels.
- 2.6 The approach also considers that governments should not play an active role in the market (e.g. as a provider or investor) but should instead act as an “enabler” of market-led housing delivery through careful dissemination of incentive structures to enable the private sector to fulfil its role in financing and delivering housing. The main role of the government, instead, should be facilitating market forces. For example, since 1982 the World Bank has taken this approach to promoting housing market finance through facilitating the capital markets and self-sustaining mortgage institutions with capacity to making long-term mortgage loans to low- and moderate-income households.⁹
- 2.7 Some benefits and drawbacks of this approach are highlighted in the table below.

Table 1: Benefits and Drawbacks of the “Demand / Market Led” approach

Benefits	Drawbacks
<ul style="list-style-type: none"> ▪ Flexible to demand ▪ Focus on increasing real disposable income, which drives housing demand and increases house prices ▪ Little direct costs to government to build homes ▪ Focus on building institutions to enable housing markets to flourish may enable borrowing for those previously unable to acquire long-term assets ▪ Unlike large government-led financial injections, this assumes the market will indefinitely sustain itself 	<ul style="list-style-type: none"> ▪ If earnings do not keep up with house price growth, affordability can be challenged ▪ Governments that make payments in the form of benefits are in effect “subsidising” the private sector for rents, which in the case of price increase, is already likely to be profitable ▪ Peripheral government and wider geopolitical interventions may inhibit agility in the market, i.e. supply may not meet demand, or may not meet demand at the right proportions of affordability ▪ Susceptible to market forces, i.e. downturns or crashes

- 2.8 While proponents of this approach say that the market should respond to demand even at lower affordability levels, we understand that this is not always the case. This is one of the main reasons governments choose to intervene in housing markets.

⁹ Waeyenberge, E. Department of Economics Working Paper Series, No. 191, University of London (2015)

2.9 There are different views on how policy implications should flow from the demand-led approach. The main arguments are illustrated below:

- Some argue that barriers put in place by governments, such as planning/zoning and taxation, inhibit the market from acting to adequately address demand
- Some argue that government has not acted enough in its role as enabler, i.e. by creating mechanisms (i.e. financial systems) to enable market activity
- Some argue that government has not gone far enough to regulate market growth, i.e. through effective taxation or price control

Supply/ Needs Led

2.10 Supply led thinking says that the government should take an active role to promote the building of new homes which will in turn create wealth and demand for that housing. Figure 3 below summarises this thinking:

Figure 3: Simplified Process supply led thinking of housing market



2.11 A variation of the supply led thinking, which is discussed more later in this section, is that governments may take active roles in increasing the supply of homes on the basis of predictions for demand (or need). This is the case in Jersey, where arms-length bodies such as Andium Homes and the Jersey Development Company use government and private land to develop affordable and private market homes. The main difference between supply-led and the needs led approaches is that supply-led usually assumes housebuilding inherently creates jobs, and thus economic value, which is recycled back into the housing market and into the wider markets. Needs led thinking, rather, assumes that the private market is unable to meet demand, or that it requires competition (to drive down price) in the marketplace.

2.12 These approaches are usually combined, which is why we have presented them together. For example, across Africa, need for housing is so high that it has been said the equivalent of two Londons need to be built every year for the next thirty years to match it¹⁰. For many of the countries on the continent, an absence of markets that enable large scale private investment into new housebuilding means that governments, with assistance from international aid, have led the development of new cities. Some of the reported benefits of these city-building programmes are the impact they will have on local job creation, and as a result wealth creation.

2.13 Some benefits and drawbacks of this combined approach are highlighted in the table below

¹⁰ IGC Blog "Building the African cities of the future", TheIGC.org

Table 2: Benefits and Drawbacks of the “Supply/Needs Led” approach

Benefits	Drawbacks
<ul style="list-style-type: none"> ▪ Government may be able to identify and build for certain need groups, i.e. by income or tenure ▪ Governments that provide housing-related benefits can maintain control or delegate control of assets ▪ Governments can address other shortcomings of the private market, including quality and placemaking elements of housing delivery 	<ul style="list-style-type: none"> ▪ Generally inflexible to demand changes ▪ Possibility that resulting housing is still unaffordable for the types of jobs needed to construct them ▪ Jobs that are created as part of housebuilding are not permanent ▪ Government funding (for the build programme and maintenance) is not permanent, particularly when tax bases are eroded, if revenues do not create surpluses ▪ Government investment at risk in wider economic downturn

2.14 Supply and needs led thinking both assume the government has some role to increase supply. In absence of an existing housing market, or in a stagnant housing market, the supply led approach strives to create wealth and in turn generate activity in the housing market by creating effective demand.

2.15 The needs led variation of the approach may seek to create supply to drive some other policy agenda other than wealth creation. These may include:

- To control price by introducing competition into the market
- To addressing whole market or acute needs groups (e.g. where the government believes the private sector cannot deliver to meet demand for these groups now or in the future)
- To gain profits and cross-subsidise into other parts of government or housing market
- To address sub-standard quality created as a by-product of the private market
- To address tenure gaps by
 - Providing housing for those who would not be able to afford any market housing product (i.e. because income is too low to meet build costs for suitable housing)
 - Providing certain tenure products (i.e. innovative tenures and intermediate housing) that the private market fails to provide for certain income groups

3 Implications for Jersey

3.1 Analysts and commentators, such as property consultants and academics, attribute house price strength in Jersey to the following:

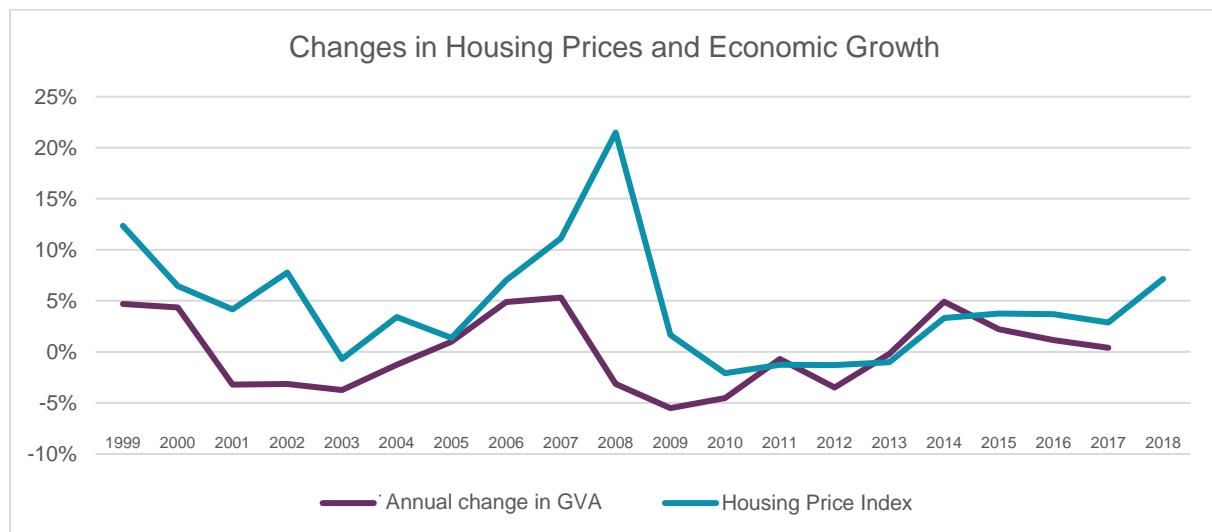
- Economic growth
- Employment and earnings
- Population changes
- Limited supply
- Interest Rates

- 3.2 As explored previously, the Jersey house market is primarily the outcome of market-driven forces (i.e. demand led approach) but the GoJ does have a role as a housebuilder and investor (i.e. via the Jersey Development Company and Andium Homes). For this reason, we can assume that market forces have had a direct symbiotic relationship with the housing market, but that other factors have likely also influenced this relationship over time.
- 3.3 In this section, we look at the various drivers against house prices and how some of these drivers have been impacted by the wider market (i.e. demand-led thinking).

Economic Growth

- 3.4 It can be said that the market has largely driven house price outcomes. As indicated by Figure 1¹¹, while overall strong, the housing price market has flexed with historic economic shifts.

Figure 4: Changes in House Prices and GVA (1999-2018)



- 3.5 Particularly over the period 2003 - 2006, leading up to the Financial Crisis of 2007 – 2008, positive economic growth expressed by Gross Value Added¹² (in real terms) accompanied positive house price growth, which peaked in 2008. House price growth fell dramatically from +21% over 2007 to 2008 to +2% over 2008 to 2009.
- 3.6 However, this is not to say that the housing market cannot remain resilient to the wider market, at least in the short term. For example, despite overall house price growth ranging from 3 - 7% into 2018, we have seen relatively unchanged economic growth into the last recorded year (2017). There is a possibility that negative economic growth in the future will

¹¹ Data from National accounts: GVA and GDP and both GOV.je

¹² National accounting metric used by Statistics Jersey as broad economic indicator

be accompanied by further house price growth, which may be a result of other forces acting on the housing market.

- 3.7 But the housing market also affects the economy in less visible ways, such as through the role of confidence. For instance¹³:

- House prices increase if demand increases, supply decreases, or if people think that prices will continue to increase (a bubble)
- When house prices go up, homeowners become better off and feel more confident. Some people will borrow more against the value of their home, either to spend on goods and services, renovate their house, supplement their pension, or pay off other debt
- When house prices go down, homeowners' risk that their house will be worth less than their outstanding mortgage. People are therefore more likely to cut down on spending and hold off from making personal investments
- Mortgages are the greatest source of debt for most households. If many people take out large loans compared to their income or the value of their house, this can put the banking system at risk in an economic downturn.

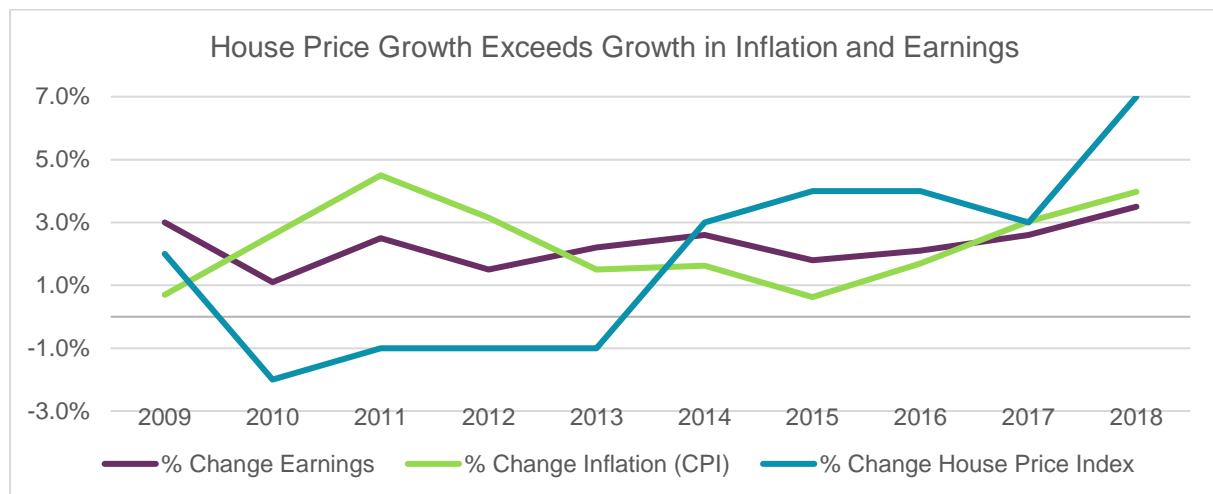
Employment and Earnings

- 3.8 The demand-led approach says that house prices rise if people expect to be richer in the future, which happens when the economy is doing well as more people are in work and wages are higher.
- 3.9 We know that Jersey has seen recent employment levels increase, with positive employment year on year since 2013. The last recorded employment increase was 1.9% (from December 2018). Those sectors with increased employment include high income industries such as finance and legal activities (up 300), education, health and other services (up 220), and construction (up 180).¹⁴
- 3.10 The following chart combines the last ten years of index changes of house prices, CPI and earnings in Jersey (Stats Jersey) and shows that slowing earnings and inflation growth has been overtaken by house price growth since about 2014. House price growth nearly doubled growth in both earnings and inflation in 2018.

¹³ Bank of England, "How does the housing market affect the economy?"

¹⁴ Labour market statistics, Gov.je

Figure 5: Annual Changes in House Prices, Inflation and Earnings



Population Growth

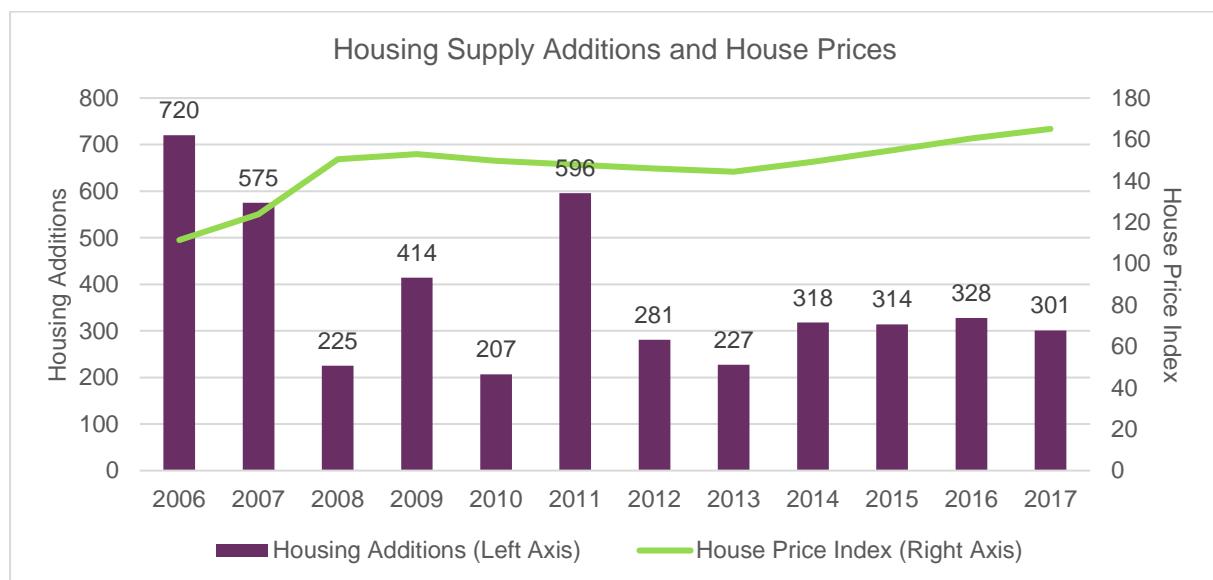
- 3.11 Demand for housing is determined by population size and changes in population structure caused by migration and long-term changes in the birth and death rates. An ageing population will increase the overall demand for property, as discussed in a separate paper.¹⁵
- 3.12 As such, the market-led approach says demand for housing may rise if the population is increasing (or there are more single-person households) and will result in higher prices.
- 3.13 In Jersey, population growth does not necessarily imply an increase in effective demand. This is due to the housing qualification system in Jersey, which limits access to housing, linking access to housing to residency and employment. Which means more people living on the island does not equate to more people who are able to rent or purchase qualified housing.
- 3.14 There is currently little evidence available to assess what changes to the population and residential qualification system would do to the housing market in the long run, although this issue will be explored in more detail in the latter stages of this project as it is a question in scope for the HPDB. Overall, it is likely that prices would increase in the event that effective demand increases. However, supply decrease may drive lower-earning households out of the market as a result, with resulting implications on the wider economy and or government (via income support).
- 3.15 On the other hand, tighter restrictions on population may decrease or freeze effective demand. Wider implications of such a policy may result in decreased economic activity. As highlighted in the section on Employment and Earnings, when people expect to be richer in the future, house prices increase. The opposite may occur if people know (or suspect) the economy will shrink.

¹⁵ "The Housing Market", Economics Online

Limited Supply

- 3.16 House prices are in some part driven by housing supply, as well as high prices driving supply. Rising prices may encourage house builders to construct more housing, and existing owners may then be encouraged to sell.¹⁶
- 3.17 Limited supply means larger competition among buyers, and so some buyers may be willing to pay more to buy a home.
- 3.18 Supply since 2013 is falling short of planned provision in Jersey¹⁷ This is driven by land scarcity and price and adjacent policies by government, among other factors.
- 3.19 The figure below shows that house prices have increased during periods with relatively high housing supply net additions (c. 2006 - 2007) and also during periods with relatively low housing supply net additions (c. 2013 – 2017).

Figure 6: Housing Supply Additions and House Prices



Low Interest Rates

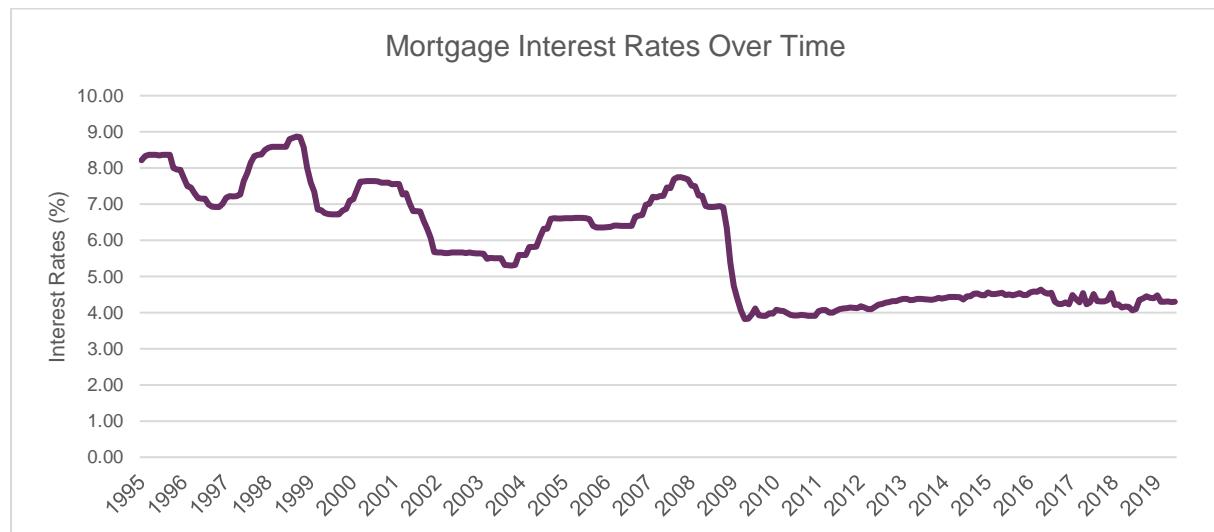
- 3.20 A demand-led approach assumes house prices rise if more people can borrow money to buy houses. This is because when interest rates are lower, the cost of borrowing is lower, creating higher levels of effective demand.
- 3.21 As seen in the figure below, interest rates are currently low in Jersey. Compared to interest rates at c. 7-9% in the late 1990s and c. 6-8% in the years leading to the financial crisis, interest rates have stayed at c. 4% in recent years. Since 2010, interest rates peaked at

¹⁶ "The Housing Market", Economics Online

¹⁷ "Improve Housing Supply", Future Jersey, Gov.je

4.64% in April 2016 and were at their lowest in 2010 at 3.91%. The most recent figures have interest rates at 4.29%.

Figure 7: Mortgage Interest Rates over Time (Bank of England)¹⁸



3.22 It is anecdotally believed that interest rates could be a contributing factor to keeping house prices in Jersey high because they make borrowing less expensive. In the UK, which is subject to the same interest rate regime as Jersey, the Ministry of Housing, Communities and Local Government found that a 1% increase in interest rates would cause a 3% decrease in house prices.¹⁹ Consideration should be made regarding the possibility of future increases in mortgage interest rates and the resulting implications on the cost of borrowing, and wider demand.

4 The upper and lower ranges of the housing market

4.1 We have focused primarily on average house prices, and assumed that on balance, there is effective demand at the middle of the economic spectrum for these products. In this section, we have provided considerations for the upper and lower extremes of the market and their interaction with Jersey's economy.

Jersey's high-end housing market

4.2 It is understood that the performance of the housing market in Jersey is also linked to the supply of and demand for relatively expensive, 'luxury' properties, including those available for individuals migrating to Jersey as part of the Jersey High Value residency programme, but also sold to high income groups already resident in Jersey. The top decile income

¹⁸ Rates used by Statistics Jersey to calculate mortgage affordability, from Bank of England "Monthly interest rate of UK monetary financial institutions (excl. Central Bank) sterling standard variable rate mortgage to households (in percent) not seasonally adjusted"

¹⁹ Ministry of Housing, Communities and Local Government (2018) 'Analysis of the determinants of house price changes'

households in Jersey in 2014/15 had a sampled income above £114,600 with an indicative mean income for this group of £187,300.²⁰

- 4.3 It has been a goal of Locate Jersey to support high net-worth individuals and to maintain a steady stream of demand for these £1.75m+ homes on the Island.²¹ (Knight Frank Jersey Research)
- 4.4 Consideration should be given to the role in future demand for high-end homes on the island and overall influence on the housing market.

Income support and wider costs of poverty

- 4.5 Research is clear that housing can be a significant factor in driving or addressing poverty²². ‘Getting housing right’ by building a sustainable housing market which is affordable has the capacity to help to lift people out of poverty, but ‘getting housing wrong’, through affordability issues, and quality concerns, could mean increasing or creating poverty.
- 4.6 Further poverty will come with direct costs to the state, including health, criminal justice and benefit costs.
- 4.7 In some cases, costs of housing also create homelessness. Homelessness also comes with social and economic costs. These include the economic loss from unemployment, but also the direct costs for the provision of homelessness and adjacent services by the State. While we understand a number of charitable providers provide homelessness services in Jersey, these services may be compromised if rates of homelessness increase in the future.

5 Considerations for Policy

- 5.1 The HPDB has been tasked to examine the housing market in Jersey and develop comprehensive policy proposals that improve the supply, affordability, access to, and standard of housing in the island. In addition, Ministers in Jersey have made a commitment to:
 - Secure a consistent supply of good quality homes that are affordable.
 - Improve the quality of rented homes.
 - Strengthen the rights of tenants
- 5.2 To address the board’s objectives, the following table presents some possible policy objectives against several potential government interventions as drawn from the demand and supply/needs led approaches. These should be considered by the board, with particular regard for political acceptability looking forward.
- 5.3 It should be noted that the HPDB will likely consider direct housing policy objectives (e.g. to increase affordability of housing) in parallel with other adjacent GoJ policy objectives (e.g.

²⁰ Jersey Household Income Survey 2014/15. Please note that the survey is a sample survey so each decile has around 100 households in it and the means/boundaries are subject to sampling uncertainty.

²¹ Jersey Residential Market Insight - 2018

²² Joseph Roundtree Foundation and Altair, Housing and life experiences: making a home on a low income (2018)

Income Support related objectives). For example, the terms of reference for the HPDB mention the Council of Ministers' Statement of Common Strategic Policy 2018–2022 (CSP) which includes a priority to reduce income inequality and improve the standard of living. While these other objectives are not the main topic of consideration by the board at this time, these policies should be kept in mind as the work of the board progresses.

Table 2: Policy Considerations using Demand and Supply/needs led approaches

Policy Objectives	Interventions	
	Demand / market led	Supply / needs led
Increasing supply <i>With increased supply seen as a de facto good with no further policy objectives</i>	<ul style="list-style-type: none"> ▪ Reducing barriers to delivery ▪ Enabling market growth (i.e. through financial institutions) 	<ul style="list-style-type: none"> ▪ Government led home building for open market tenures
Housing affordability across market <i>In theory seen as a product of increased supply (not always the case in reality) but could also be addressed through price controls</i>	<ul style="list-style-type: none"> ▪ Reducing barriers to delivery (i.e. reducing taxation, changing planning requirements, deregulation) ▪ Enabling market growth (i.e. through financial institutions) ▪ Price Controls ▪ Tax incentives for private developers to deliver affordable housing 	<ul style="list-style-type: none"> ▪ Government led home building in all tenures (introducing competition to control prices) ▪ Government led building of homes with price control for all residents
Housing affordability for target income groups and/or tenures <i>Focussing on creating an affordable market for particular beneficiaries, e.g. first time buyers, single parents, key workers, the elderly, etc</i>	<ul style="list-style-type: none"> ▪ Reducing barriers to delivery for defined affordable housing (i.e. zoning for affordable housing) ▪ Taxation using hypothecation (i.e. ring fencing for affordable housing) ▪ Price controls in certain tenures or home sizes 	<ul style="list-style-type: none"> ▪ Government led home building for sale or rent (or other innovative tenure) at subsidised rates in certain tenures or for target income groups ▪ Government led homebuilding for open market tenures to cross-subsidise into other identified tenures
Quality, Tenants' Rights and Placemaking <i>Focussed on housing as part of the building block of a community and considers wider social goods that can be delivered through housing</i>	<ul style="list-style-type: none"> ▪ Introduction of building standards ▪ Requirements (through planning) or incentives (tax or subsidy) for community facilities ▪ Requirements on private landlords to enforce tenant's rights 	<ul style="list-style-type: none"> ▪ Government led building with quality standards, tenants' rights and placemaking objectives ▪ Promoting use of Community Land Trusts (CLTs)²³ and other co-operative structures

²³ CLTs are community based non-profit organisations (which take on a range of legal forms) which are designed to provide housing that is affordable in perpetuity. The CLT retains ownership of a land and builds out homes to rent or buy that remain affordable.