ACTION ON VACANT PROPERTIES
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1.0 Ministerial Introduction
In April 2022, the States Assembly voted to approve P.48/2022 lodged by Deputy Tadier.
In adopting P.48/2022, the States Assembly agreed:

a. that an effective mechanism should be introduced to discourage domestic properties from being left vacant for long periods; and
b. to request the Minister for Housing and Communities to initiate the necessary arrangements for the preparation of an options paper, identifying potential mechanisms with a view to publication before the end of September 2022.

In September 2022, and having only been in office for two months, I updated the Assembly that there would be a delay in the publication of this options paper. At that point, I was clear in my own mind that making the best use of homes we already have on the Island is vital, at a time when they are so desperately needed. This very much includes the need to address vacant homes, amongst other policy areas I will be pursuing, as set out in my Ministerial Plan for 2023.

I couldn’t agree more with Deputy Tadier that we must address vacant homes, and that the lack of action taken by successive Governments is hugely disappointing. I raised the issue of vacant homes as soon as I entered office as Minister for Housing and Communities, looking for ways as to how we can get to the bottom of this issue for Jersey. The States Assembly is, quite rightly, under huge pressure from the electorate to come up with innovative solutions to resolve our housing challenges. This is an opportunity for us to work together to make a tangible difference. I believe we have a collective responsibility to end this inertia if we are serious about tackling Jersey’s housing crisis.

I have deliberately designed what many might consider a rather extreme cover for this Action Plan, in an effort to reinforce the seriousness of the issue. Thousands of Islanders can’t get access to a home of their own; there are people deciding to leave the Island because they can no longer afford to live here. To me, it seems complete madness that on an Island with finite land resource, we have homes sitting empty, to the detriment of so many. Will Islanders have to start living in tents before we start taking this issue seriously?

Whilst P.48 is entitled ‘Empty Property Tax’, the proposition recognised that a broad range of measures to discourage properties being left empty should be considered. This report outlines the actions I will be taking to address the different facets of this complex issue, plus additional options that can be considered for the future, including tax and non-tax options. The actions I will be supporting are those which I believe will be most effective in bringing homes back into use – this is the underlying intent of the proposition and certainly my goal as Minister for Housing and Communities.

In my Ministerial Plan, I committed to model open and accessible political leadership with respect to the housing crisis, listening to learn from Islanders about the challenges they face. In the creation of an Empty Homes Service, I commit to listen to Islanders, and to work with them to get homes back into use as quickly as possible. I will do this through the availability of advice and guidance, pursuing compliance action where it is needed and using further policy tools if necessary.
Having considered the options available, it is my view that tax options will not be the most effective way to bring empty properties back into use. Instead, it could be the equivalent of using a sledgehammer to crack a nut. The number of properties subject to a tax, after applying appropriate exclusions, will be relatively low. Whilst the true number of vacant properties in Jersey is unknown, an illustrative adjustment of 2021 Census data would suggest a vacancy rate of only 1.7%. Evidence from similar taxes in other jurisdictions suggests the revenue generated would be disproportionate to the costs of creating and administering a new tax. There is no consistent evidence that a tax will be effective in lowering the number of vacant homes. For such a tax option to be effective, the tax levied against the homeowner could be seen as being punitive and in conflict with Jersey’s longstanding principles of low, broad and fair taxation. In today’s economic climate, a tax measure where the Exchequer costs outweigh the revenue it generates, whilst its effectiveness is uncertain, would not be advisable.

There is no easy or one-size-fits-all solution to the vacant homes issue, but I have every confidence that the actions I propose to take – with the support of relevant ministers and the backing of the States Assembly – will make a positive difference.

I will regularly review the impact of these actions, in light of the greater visibility of the issue that they will help us to achieve. I will not hesitate to progress further action should it become clear that additional measures will be necessary to affect the level of change needed.

**Objectives for managing vacant homes**

In developing options to manage vacant homes, it is important to establish what it is we want to achieve. It is imperative that we make better use of the Island’s existing housing stock we already have, by ensuring that as many homes as possible are actively occupied by Islanders at all times. **We must put ourselves on a pathway to address this in a tangible way.**

We need to achieve greater visibility and an ability to track our progress; the community needs to play its part, and **we must be prepared to take action where it is needed.**
Equally, in trying to achieve these objectives, it is important that:

- Solutions are pragmatic and deliverable, remaining focused on bringing properties back into use.
- It is recognised that there will be a need for a balance between immediate and imperfect solutions, and longer-term, systemic solutions.
- Great care is taken to avoid policies that will lead to unintended consequences, such as increasing costs to those who are already having financial difficulties in bringing homes back into active use.
- We do not adopt a blanket approach that will unfairly impact upon owners of vacant properties where there are justifiable reasons for the property being and remaining vacant for a period of time.

Summary of actions and future options to address vacant homes
This report provides both the actions I am taking to address the facets of the vacant homes issue, and some options we can consider for the future.

My key action is to establish an Empty Homes Service for Jersey. Having considered how different jurisdictions try to manage the issue of vacant homes, I believe the most effective, reliable way to make a tangible difference is to work with the community. Drawing from the success of the ‘No Use Empty’ initiative in the UK, and the community-led approach to identify and unblock vacant homes such as emptyhomes.ie, we will be able to take a bespoke approach to help bring vacant homes back into use. We will provide advice and guidance to homeowners and the community, and we will help join the dots between government services and regulation activities. We will monitor the demand and effectiveness of this service and, develop additional policy tools if we think they are needed. The other actions I have committed to will support us on this journey.

Future options that I will support includes the consideration of Empty Dwelling Management Orders, which would require new legislation. The first principle of such powers will be to work with homeowners to bring properties back into use, but they would also give the ability for government to take control of a property for a period of time to bring it back into use, if the owner is unable or unwilling to do so themselves. If, through the work of the Empty Homes Service, it becomes clear that there would be merit in developing these powers, I will bring them forward.

I have included options for two different types of empty property tax. I do not presently support these options.

Actions and options

**Action 1:** Anonymised vacancy data will be collected through parish rates declarations for 2023. The Minister for Housing and Communities will continue to work with the Comité des Connétables, as the Supervisory Committee of the Rates (Jersey) Law 2005, to develop law drafting instructions to achieve a statutory basis for collecting occupancy status through the rates system in the future.
**Action 2:** A community-led reporting mechanism will be established before the end of January 2023, enabling Islanders to report homes which they believe to have been left vacant for a long period of time, and/or properties which they believe to be in a very poor condition and creating harm to the environment. This will be promoted through an active communications campaign and supported by a dedicated resource in the Empty Homes Service.

**Action 3:** The Minister for the Environment and Minister for Housing and Communities will work in partnership, taking immediate steps towards making better use of the homes we already have and, in particular, will adopt a more proactive approach in managing land condition in Jersey.

**Action 4:** The Minister for Housing and Communities will seek to support HM Receiver General in identifying vacant and ownerless properties, to enable action to bring any such properties back into active use as soon as possible.

**Action 5:** The Minister for Housing and Communities will promote and support the role of States-owned entities in the purchase and redevelopment of vacant properties. In particular, support will be given for initiatives that look to develop local skills and meet wider government objectives for construction innovation and carbon neutrality.

**Action 6:** The Minister for Housing and Communities will establish an Empty Homes Service, before the end of January 2023, to provide advice and guidance to Islanders, undertake monitoring, service-demand analysis and policy development, and make referrals to the Regulation Directorate and HM Receiver General, where required.

**Under consideration:** The Minister for Housing and Communities will consider the development of law drafting instructions for the creation of new powers, invested in the Minister for Housing and Communities, to manage empty dwellings through Empty Dwelling Management Orders, similar to the provisions made by the UK’s Housing Act.

**Under consideration:** Consider compulsory purchase action for vacant homes, where all other available options have been exhausted and the public interest in acquiring a given property can be proven.

**Tax option 1:** Introduce an additional charge on empty properties within the existing Rates Law to disincentivise owners from keeping properties vacant.

**Tax option 2:** Introduce a new annual tax levied against vacant homes to encourage properties back into the market.

I fully intend to take decisive action to address the vacant homes issue in Jersey. I will begin this by implementing the actions set out in this report and closely monitoring their success.

I will be transparent about both the progress and effectiveness of my actions, providing an update within the first six months of the Empty Homes Service being established. This update will reflect on the new data I will have available from that service and its associated community-
led reporting system, and also, the outcome of data collection from the 2023 parish rates declarations. This update will include a forward plan for pursuing the additional options that I am currently keeping under consideration, should it become clearer that they will be able to play a positive role in Jersey’s housing market.

Minister for Housing and Communities
Deputy David Warr
Part 1: definition of a vacant home and data collection

2.0 Definition of ‘vacant home’
In contemplating policy options for vacant homes, it is important to establish what is meant by a vacant home in policy terms. Establishing a definition allows a distinction to be made between properties that are not of particular concern, and those which are and thus where policies should be focussed.

In terms of the meaning of a vacant home, the Collins English Dictionary (2022) states that if something is vacant, it is not being used by anyone. The Webster’s Encyclopaedic Unabridged Dictionary of the English Language provides a comparison between the two terms ‘vacant’ and ‘unoccupied’.

- **Vacant**: having no tenant or contents; empty, void.
- **Unoccupied**: without occupants, but not devoid of furniture or other furnishings.

For UK Council Tax purposes, the definition of an empty property is “a property that is no one’s sole or main residence and is not a second home”. This includes both furnished or unfurnished properties.

The proposed definition for Jersey follows a rational consideration of factors that lead to properties becoming vacant, including those reasons which might be regarded normal market activity, as set out in ‘Table 4: Reflections on reason for vacancy’. Dependent on the types of policy that may be pursued, it is likely that some exceptions to the definition would be required:

**Proposed policy definition of a vacant home**
A ‘vacant home’ is any accommodation which is no one’s sole or main residence, is not actively undergoing construction or renovation, and remains unoccupied for a minimum period of 12 months.

For the avoidance of doubt, the proposed definition of a vacant home in Jersey includes both furnished and unfurnished properties, and it does not seek to judge the condition of the building and whether or not the home may be considered habitable or in a state of dereliction.

3.0 Scale and impact of vacant homes
P.48/2022 was lodged before the 2021 Census figures were released, which subsequently indicated that there had been an increase in the number of vacant homes over the previous 10-year period.

The impact of a high rate of vacant homes is far reaching. Not only does it put unnecessary pressure on the need to build more homes for Islanders, but it can also diminish the quality of neighbourhoods and the environment where properties are left without maintenance and fall into disrepair. Not all vacant homes are visible or indeed in a state of dilapidation, but they have no less of an impact on the supply of homes and the sustainable wellbeing of the community.
In spring 2022, Statistics Jersey published the Households and Housing bulletin of the Jersey Census. This report included information on the number of vacant properties recorded on Census Day.

A total of 4,027 of 48,610 private dwellings were identified as vacant on Census Day, representing a vacancy rate of 8.3% of the total housing stock on the Island. Both the number and proportion of vacant properties increased in 2021 compared to 2011, where the 2011 Census recorded 3,103 of 44,698 private dwellings at a vacancy rate of 6.9%. This represents an increase in vacancy rate by 1.4 percentage points, or 924 more homes.

For the purposes of the Census, a vacant property is defined as:

- new accommodation, ready for occupation but not yet occupied;
- accommodation that was being converted, improved or renovated and not occupied at the time of the census; or
- existing accommodation, with or without furniture, which was not occupied on Census Day.

Accommodation where residents were temporarily out of the Island for less than 12 months and properties that were deemed derelict were not counted as vacant properties. The following table shows the total number of dwellings and vacant dwellings by parish, as was recorded on Census Day:

<table>
<thead>
<tr>
<th>Parish</th>
<th>Total dwellings</th>
<th>Vacant dwellings</th>
<th>Vacant rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grouville</td>
<td>2,352</td>
<td>159</td>
<td>7</td>
</tr>
<tr>
<td>St Brelade</td>
<td>4,938</td>
<td>510</td>
<td>10</td>
</tr>
<tr>
<td>St Clement</td>
<td>4,434</td>
<td>411</td>
<td>9</td>
</tr>
<tr>
<td>St Helier</td>
<td>19,152</td>
<td>1,741</td>
<td>9</td>
</tr>
<tr>
<td>St John</td>
<td>1,272</td>
<td>78</td>
<td>6</td>
</tr>
<tr>
<td>St Lawrence</td>
<td>2,442</td>
<td>161</td>
<td>7</td>
</tr>
<tr>
<td>St Martin</td>
<td>1,761</td>
<td>160</td>
<td>9</td>
</tr>
<tr>
<td>St Mary</td>
<td>759</td>
<td>50</td>
<td>7</td>
</tr>
<tr>
<td>St Ouen</td>
<td>1,754</td>
<td>93</td>
<td>5</td>
</tr>
<tr>
<td>St Peter</td>
<td>2,403</td>
<td>247</td>
<td>10</td>
</tr>
<tr>
<td>St Saviour</td>
<td>5,901</td>
<td>305</td>
<td>5</td>
</tr>
<tr>
<td>Trinity</td>
<td>1,442</td>
<td>112</td>
<td>8</td>
</tr>
<tr>
<td>ALL</td>
<td>48,610</td>
<td>4,027</td>
<td>8.3</td>
</tr>
</tbody>
</table>

Table 1: Number of private dwellings, and vacant dwellings, by parish (Census 2021)

St Helier had the highest number of recorded vacant dwellings, whilst St Peter and St Brelade had the highest proportion of vacant dwellings, each with a vacancy rate of 10%.

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1 R CensusBulletin2 20220504 SI.pdf (gov.je)
2 Census Day was 21 March 2021
3 A building was considered derelict if there were no signs that it was undergoing renovation or conversion work and the roof was partly or completely missing or the floors, staircases or entrance doors were missing.
Reasons for homes being vacant on Census Day

It is important to note that there is no requirement for householders to provide reasons for properties being vacant for the purposes of the Census. However, information was provided for around half (47%) of dwellings listed as vacant at the time of the Census taking place.

Additional information was published by Statistics Jersey\(^4\) in August 2022, providing reasons why homes were recorded as vacant on Census Day, where this was available.

Due to the various means in which vacant dwellings were reported or identified, the reason for vacancy and the internal state of the accommodation – whether habitable or inhabitable – was not always known.

Reasons that could be ascertained purely by external inspection, and therefore more likely to be identified (i.e. properties undergoing renovation or being built), may be proportionately over-represented in the figures presented.

It is also important to note that the 2021 Census was run during the Covid-19 pandemic, when a number of restrictions were in place relating to travel, commerce, and social events. Information on vacant dwellings should therefore be considered within this context.

<table>
<thead>
<tr>
<th>Reason for vacancy</th>
<th>Number of dwellings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unknown</td>
<td>2,123</td>
</tr>
<tr>
<td>Property being built or renovated</td>
<td>1,062</td>
</tr>
<tr>
<td>Second/ holiday home</td>
<td>235</td>
</tr>
<tr>
<td>Between tenants</td>
<td>177</td>
</tr>
<tr>
<td>Resident deceased</td>
<td>90</td>
</tr>
<tr>
<td>Resident in care home</td>
<td>80</td>
</tr>
<tr>
<td>Empty staff accommodation</td>
<td>84</td>
</tr>
<tr>
<td>For sale</td>
<td>66</td>
</tr>
<tr>
<td>Owner away long term</td>
<td>51</td>
</tr>
<tr>
<td>Other reason</td>
<td>59</td>
</tr>
<tr>
<td><strong>All vacant dwellings</strong></td>
<td><strong>4,027</strong></td>
</tr>
</tbody>
</table>

Table 2: Vacant dwellings by reason (Census 2021)

\(^4\) R Reasons for vacant dwellings 2021 Census 2021 20220831 SU.pdf (gov.je)
A great deal of care needs to be taken when interpreting these figures, particularly as reasons for more than half of the homes that were recorded as vacant on Census Day are unknown (53%).

In general terms, it is also important to recognise that there will always be a number of homes vacant on the Island on any given day, for justifiable reasons. The table below provides some reflections on the Census’ reasons for vacancy, and whether or not it is imagined that new policies will have a significant or beneficial influence on bringing these homes back into active use.

<table>
<thead>
<tr>
<th>Reason for vacancy</th>
<th>2021 percent</th>
<th>2011 percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unknown</td>
<td>53</td>
<td>50</td>
</tr>
<tr>
<td>Property being built or renovated</td>
<td>26</td>
<td>9</td>
</tr>
<tr>
<td>Second/holiday home</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>Between tenants</td>
<td>4</td>
<td>14</td>
</tr>
<tr>
<td>Resident deceased</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Resident in care home</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>For sale</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Owner away long term</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Other reason</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

All vacant dwellings 100 100

*The ’Empty staff accommodation’ category has been combined with ’Other reasons’ for comparison with 2011*

Table 3: Vacant dwellings by reason, 2021 and 2011 (percent) (Census 2021)

<table>
<thead>
<tr>
<th>Reason for vacancy</th>
<th>Number</th>
<th>Reflections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unknown</td>
<td>2,123</td>
<td>The number of properties classed as ‘unknown’ has increased by 3% since 2011. This reaffirms the need to secure accurate data on the Island’s housing stock, which will be necessary if specific administrative policy levers are to be applied and be successful.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>As the Census serves to measure the Island’s population and not property status, it is not considered possible to address this data gap in future censuses, and new administrative data will be required.</td>
</tr>
<tr>
<td>Property being built or renovated</td>
<td>1,062</td>
<td>When compared with 2011, there appears to have been a significant increase (17%) in the number of homes being recorded as being built or renovated. The Census report notes this could be due to improvements in how reasons for vacancy were recorded. Equally, this is likely to have been impacted by high levels of activity in the construction sector, driven by a high demand for homes.</td>
</tr>
</tbody>
</table>
| Second/holiday home | 235 | The Census data indicates a 5% decrease in the number of second or holiday homes recorded since 2011.

The Government Plan 2023 proposes a 3-percentage point additional rate of Stamp Duty, Land Transaction Tax and Enveloped Property Transaction Tax to be paid on the sale of residential property to be used for purposes other than a main residence from 2023. It is expected that this increase will have some impact on the number of homes being purchased for use as a second home or holiday home but will not impact homes that already exist and may be sitting vacant.

The effectiveness of policy levers on empty second or holiday homes will be entirely dependent upon how long a property is left vacant for and the Census data provides no insight on this. It is also important to note the context of Covid-19 restrictions at the time of the Census, when travel was restricted, which would have likely had some impact upon the numbers recorded for this type of home. |
| --- | --- | --- |
| Between tenants | 117 | The number of properties recorded as being between tenants on Census Day notably reduced by 10%. This is considered reflective of the high demand in the rental market.

A number of homes being vacant on any given day for this reason is a normal reflection of movement within the property market and thus policies to deal with vacant homes should have regard to this. |
| Resident deceased | 90 | The 2021 Census indicates there could be a 1% reduction in the number of homes sitting vacant following the death of the resident.

Immoveable property upon death is dealt with by the Wills & Successions (Jersey) Law 1993.

When someone dies, if a will is made, beneficiaries must wait a year and a day to make use of the inheritance. Whilst this can be – and often is – waived if there is agreement from all parties, it is nevertheless the case that a property may need to sit vacant for a year before the beneficiary is able to either make use of, or sell, the vacant home.

If someone dies intestate (without a will), any surviving spouse retains life enjoyment of the matrimonial home, and underlying ownership of the property alongside any
If there is no spouse or descendants, the property passes to heirs at law. Establishing heirs can – in some cases – take considerable time. In rarer cases, heirs do not exist or are never found. Such ownerless properties are known as ‘bona vacantia’, which is claimed by the Crown. The Crown’s absolute ownership of such property takes place if the property is unclaimed for 40 years, but the HM Receiver General can take control of the property at the point at which they are satisfied that no heirs or beneficiaries exist.

It is unavoidable that there will be properties vacant for periods of time following the death of the owner, allowing due process to establish rightful heirs and beneficiaries. This includes when properties may become ‘stuck’ intestate. Care should be taken in considering the application of policy levers onto these properties, to avoid unhelpful complications.

| Resident in care home | 80 | The 2021 Census indicates there could have been a 1% reduction in the number of homes sitting vacant due to the resident being in a care home. The Census does not tell us how long the property has been empty or will remain empty when someone goes into a care home. It should be assumed that there will be people both temporarily away from home, and those who will not return.

The Long Term Care Scheme was introduced in 2014. One of the aims of the Scheme was to support homeowners to avoid the situation where a homeowner needs to sell the family home in order to pay for care costs. However, within the LTC scheme, there is a presumption that a homeowner who moves into a care home, leaving their previous home empty, will rent the home out. If the homeowner chooses not to do this – i.e. leaving the home empty – then any means-tested support provided through the LTC scheme includes a “deemed” income in respect of the rental income that would be achieved if the home was rented out. This creates a strong financial incentive to keep the property in use and rented out. Recent statistics indicate that fewer than 10 homeowners are currently keeping homes empty in this situation.

Note that if a homeowner has sufficient income and assets to meet their share of care costs in total, then the status of the empty property would not be tracked through the LTC scheme, and there are no statistics in respect of this group of homeowners.

| Empty staff accommodation | 84 | It is not possible to compare the number of vacant staff accommodation units with 2021, where this type of |
accommodation was previously recorded within 'other reason'.

Due to the seasonal nature of most sectors that rely on staff accommodation, it is difficult to know whether these homes were truly vacant or only temporarily vacant, due to the time of year. The effectiveness of policy levers on staff accommodation will depend on how long a property is left vacant.

The Census data provides no insight as to how long the recorded properties were vacant, but it is important to note the context of Covid-19 restrictions at the time of the Census, which will have likely had some impact upon the numbers recorded for this type of home. It is also important to note that the Census takes place in March, which is not a peak time for hospitality sectors, and which may have been an additional factor contributing to the recorded level of vacancy.

| For sale | 66 | There appears to have been a 3% reduction in the number of vacant properties for sale on Census Day 2021. This is, however, not to suggest that fewer properties were being transacted but may instead reflect the high levels of movement in the market at the time.\(^5\) It is positive that a number of empty properties were being actively marketed for sale at the time of the Census as it demonstrates a clear will of the owner to sell the property and allow it to come back into use. For this reason, it is not considered to be of any particular benefit to add policy levers to these properties.

| Owner away long-term | 51 | The number of owners away long-term may have decreased by 1% since the 2011 Census. Properties recorded as 'owner away long-term' only includes those where the owner is away for a period of more than 12 months. Whilst recorded as a relatively low number, it is a concern that there are properties being withheld from active use in the market whilst the owner is not in Jersey. It is considered that this type of property could be most positively impacted by policy options looking to discourage properties being withheld from the market.\(^5\)

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\(^5\) The Statistics Jersey House Price Index for Q1 2021, which included Census Day, showed a significantly higher rate of housing market activity than in corresponding period of the previous Census in 2011. See: [R House Price Index Q1 2021 20210520 SJ.pdf](gov.je)
Homes were recorded as ‘vacant for other reasons’ where a reason was provided but did not fit within the main categories, and due to the specific and unique nature of reasons, providing this through the Census findings may have been disclosure. Reasons in this category would include a residential property being used as storage, or similar, with no immediate intention to rent or occupy.

As with those properties recorded ‘unknown’, this reason reaffirms the need to achieve accurate information as to the status of the Island’s housing stock.

<table>
<thead>
<tr>
<th>Reason for vacancy</th>
<th>Census 2021</th>
<th>Pro-rated vacant homes</th>
<th>Vacant homes relative to definition and exclusions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unknown</td>
<td>2,123</td>
<td>2,123</td>
<td>0</td>
</tr>
<tr>
<td>Property being built or renovated</td>
<td>1,062</td>
<td>2,246</td>
<td>0</td>
</tr>
<tr>
<td>Second/holiday home</td>
<td>235</td>
<td>497</td>
<td>497</td>
</tr>
<tr>
<td>Between tenants</td>
<td>177</td>
<td>374</td>
<td>0</td>
</tr>
<tr>
<td>Resident deceased</td>
<td>90</td>
<td>190</td>
<td>0</td>
</tr>
<tr>
<td>Resident in care home</td>
<td>80</td>
<td>169</td>
<td>0</td>
</tr>
<tr>
<td>Empty staff accommodation</td>
<td>84</td>
<td>178</td>
<td>178</td>
</tr>
<tr>
<td>For sale</td>
<td>66</td>
<td>140</td>
<td>0</td>
</tr>
<tr>
<td>Owner away long-term</td>
<td>51</td>
<td>108</td>
<td>108</td>
</tr>
<tr>
<td>Other reason</td>
<td>59</td>
<td>125</td>
<td>125</td>
</tr>
<tr>
<td></td>
<td>4,027</td>
<td>4,027</td>
<td>907</td>
</tr>
</tbody>
</table>

Table 3: Reflections on reason for vacancy

It is clear that, whilst there are many different reasons why a property may have been vacant on Census Day, a number of these properties will not be vacant for long periods – i.e. those homes undergoing construction or renovation, those for sale or those which are between tenants, are only temporarily vacant and representative of normal housing market activity.

Other types of home will also have been vacant for justifiable reasons, such as those properties being dealt with through the Wills and Succession Law within normal timescales, those properties where the resident is temporarily in a care home, and seasonal staff accommodation.

The key area of concern is those properties where the owner is away from the Island long-term, second and holiday homes (where these are left vacant for long periods of time) and the lack of visibility for over half of the empty homes recorded on Census Day.

For illustrative purposes only, if the number of unknown vacant homes from the Census is prorated against all other reasons given, with the policy definition and potential exclusions applied, the indicative number of vacant homes would be 907. It is important to note that evenly prorating the unknown properties is most likely to give an over-estimate of properties under construction and renovation, affecting the illustrative figure of 907 as an underestimate.
Following the clear advice of Statistics Jersey on the limits of the Census data in relation to vacant homes, no attempt has been made to arrive at a definitive figure of vacant homes from the Census information. As such, the headline figure of 4,027 vacant homes recorded on Census Day 2021 and the reduced figure of 907 is to illustrate the potential scale of the issue only and should not be relied upon for future decisions.

4.0 Work to understand the extent of the problem

In the absence of a single reliable data source to demonstrate the actual level of vacant homes – i.e. homes that would align to the proposed definition (see ‘Definition of a ‘vacant home’’ ) – a number of alternative sources have been explored. These sources come with their own limitations.

Comité des Connétables and Rates (Jersey) Law

The Minister for Housing and Communities and his housing policy officers have engaged with the Comité des Connétables to explore how the understanding of the true level of vacant homes might be improved, drawing from both their local understanding of homes within their parishes, and information that might be available through the parish rates system.

As it stands, the annual rates return does not include information on whether or not a home is vacant. The Rates (Jersey) Law 2005 does not identify this information for collection, nor does it include any basis to share personal information collected, in relation to the Law, with Government. Because of this, any formal collection and sharing of vacant homes information through the rates system would require a change to the Law, which would take time to achieve.

With a focus on the need to take pragmatic steps that balance imperfect but immediate solutions with the longer-term systemic solutions, the Comité des Connétables, as the Supervisory Committee of the Rates (Jersey) Law 2005, have agreed to include an additional form with the 2023 Parish Rates declarations. The Parishes will collect these forms on behalf of the Minister for Housing and Communities, forwarding them back to Government without any personal or identifiable information. This form will include an invitation to get in touch with the Government via ‘emptyhomes@gov.je’, should they require any advice and support to bring their property back into use. This form will be optional for the year 2023, whilst law changes are pursued to achieve a statutory basis for occupation status to be provided as parts of Rates declarations in future years.

Action 1: Anonymised vacancy data will be collected through parish rates declarations for 2023. The Minister for Housing and Communities will continue to work with the Comité des Connétables, as the Supervisory Committee of the Rates (Jersey) Law 2005, to develop law drafting instructions to achieve a statutory basis for collecting occupancy status through the rates system in the future.
States owned properties
The Island Public Estate Strategy 2021-35\(^6\) sets the framework for the management and development of current and future Government of Jersey assets for the period from 2021 to 2035. It provides an assessment of our existing assets and defines the vision, aims and objectives for the Estates Strategy in the context of the current economic and financial environment, while balancing future needs and aspirations of the Island. The vision of the Estate Strategy is “to create a modern, efficient, effective, sustainable public estate, under one corporate landlord, that supports and enhances our communities, and protects our Island’s future”.

The Government of Jersey has a significant property portfolio, which includes residential property such as doctors and nurses’ housing, care homes and residential centres. There are 330 residential units in direct Government ownership.

Infrastructure Housing and Environment are developing asset management plans (AMPs) for all properties within the public estate. The AMPs will gather and analyse data on all existing assets, consider options for under-used or unsuitable properties, and guide decisions to retain, maintain, re-purpose or dispose of property. The AMP process will help to ensure that homes in direct public ownership are appropriately managed, and action is taken when a property is identified as being surplus to requirements.

The development of AMPs in relation to residential uses could be prioritised above AMPs for other public service buildings, but this will require careful consideration if it means de-prioritising asset management plans for critical service delivery areas such as health and education.

In terms of residential property owned by States-owned entities, Andium Homes is responsible for more than 4,700 homes and all its rental properties are fully utilised. Andium have an average annual tenancy turnover of 6.9% (Andium Homes Annual Report, 2021) and will always carry a small number of voids between tenants. These properties are only empty for a short period of time between tenancies, as they undergo repairs and maintenance to make ready for the incoming tenant.

Andium does have a limited number of vacant homes within its ownership, whereby some homes have been purchased already vacant or have been emptied in advance of redevelopment taking place, such as those homes in the area of St Saviour’s Road associated with the Brewery redevelopment plans, and the clearing of the Gas Place site. As per the proposed policy definition of a vacant home, homes in the process of redevelopment would be excluded.

**Jersey Electricity**
Jersey Electricity were approached to provide details about how many properties are presently known to them to be vacant.

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\(^6\) Island Public Estate Strategy 2021-35: [r.52-2021.pdf (gov.je)](https://www.gov.je)
They provided information that they were aware of around 300 properties being vacant in August 2022, but with the caveat that there may be several reasons why properties are not drawing power and that the extent of vacancy will not be fully visible simply by considering whether or not a property is drawing power:

- There are 130 properties on JEC’s empty premise list but a number of these may be only temporarily vacant
- 167 properties exist with fuse drawn meters, meaning no supply is currently being delivered to those properties
- There may be some properties with no meters at all – i.e. no mains power. There is not full visibility on this in Jersey.

The Jersey electricity data is incomplete as it only takes into account those properties where electricity has been totally cut off. It doesn’t take into account properties where a very small amount of electricity is being used.

**Jersey Water**

Jersey Water supplies water to approximately 38,000 homes and businesses. Based on properties with no water consumption in the previous 3-month period, Jersey Water estimate that there are, on average, 750 properties vacant at any one time. Jersey Water included the caveat that the information has the following limitations:

- It will include properties that are newly built but haven’t yet been occupied
- It does not include properties where there is a shared water supply (e.g. an empty flat in a block of flats won’t be included)
- Properties may be occupied but not using their mains water connection
- There are properties on borehole, without using a mains water connection.
- There may be properties that are empty but where there is water consumption (e.g. leakage or someone using water).

The numbers change month on month, but Jersey Water provided the below data for the month of July. The Jersey Water figures have been expressed as a percentage to compare with the overall distribution of housing in Jersey (see Table 5 below) to understand whether there is any stand-out spatial distribution difference in the proportion of homes Jersey Water has recorded, and those recorded by the Census. To consider the Jersey Water data as a reliable indicator for actual levels of vacant homes, the distribution of homes not using water connections relative to the overall distribution homes recorded by the Census would be expected to reflect similarly with the vacancy rate of the Census.

As can be seen, the spatial distribution of homes without a water connection is quite well-aligned to the overall distribution of homes recorded by the Census, save for the parishes of St Helier and St Brelade. The higher number of homes not using water connections in St Brelade can be compared to the Census vacancy rate, which equally shows as being higher than the overall average vacancy rate. A similar pattern is seen for St Peter, where the distribution of homes not using water connections is proportionately higher, as is reflected also in the higher proportion of vacant homes recorded in the Census vacancy rate.
Whilst it is not possible to know what has driven the difference of proportions in St Helier and St Brelade, the close alignment of pattern across all other parishes makes it reasonable to suggest that the Jersey Water information is a reasonable indicator for vacant homes, but should be used with caution.

<table>
<thead>
<tr>
<th>Parish</th>
<th>Homes not using existing water connections</th>
<th>Distribution of homes not using existing water connections %</th>
<th>Distribution of island housing stock % (2021 Census)</th>
<th>Vacancy rate (2021 Census)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grouville</td>
<td>44</td>
<td>6</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>St Brelade</td>
<td>136</td>
<td>18</td>
<td>10</td>
<td>10</td>
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<tr>
<td>St Clement</td>
<td>60</td>
<td>8</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>St Helier</td>
<td>223</td>
<td>29</td>
<td>39</td>
<td>9</td>
</tr>
<tr>
<td>St John</td>
<td>16</td>
<td>2</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>St Lawrence</td>
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<td>6</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>St Martin</td>
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<td>9</td>
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<tr>
<td>St Mary</td>
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<td>7</td>
</tr>
<tr>
<td>St Ouen</td>
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<tr>
<td>St Peter</td>
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<td>St Saviour</td>
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<tr>
<td>Trinity</td>
<td>36</td>
<td>5</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>767</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>8.3 (average)</strong></td>
</tr>
</tbody>
</table>

Table 5: Water connection data by Parish

**Jersey Post**

Discussions surrounding the need to better understand the number and location of vacant homes indicated that Jersey Post and postal workers, through their extensive knowledge of homes in the Island, could be a source of information on vacant homes.

The Strategic Housing and Regeneration team approached Jersey Post, who confirmed that they do not keep records of vacant homes in Jersey. Postal workers, as individuals, will nevertheless have some good knowledge of where vacant homes may exist, but collecting information from this source is not considered appropriate.

**Intelligence from estate agents**

Estate agents were contacted to gauge how many vacant homes are being marketed for sale. Between two of the largest estate agents, 35 vacant properties are currently within their portfolio, and a number of others between smaller agencies. Whilst this does not provide measurable evidence of the number of homes coming back to market, it confirms, as a snapshot in time, that there is a supply of vacant homes being actively marketed.
5.0 Additional options to resolve the data gaps

At the present time the Government does not have the ability to easily identify the status of a property nor its owner. The appropriate means to achieve visibility of vacant homes should be driven by the way in which the information on vacant homes will be used.

To understand the overall number of vacant homes for the monitoring of vacancy levels (i.e. where specific information on individual property location or ownership is not required), then the parish rates system is likely be the most pragmatic solution to make this information available, upon the agreement of the Parish Rates Supervisory Committee. This is an action already under negotiation (See Action 1).

To establish a means for Government to have ready access to property information, ownership and occupation status (i.e. to enable Government to identify vacant properties and their owners), a digital register of properties would need to be established. The States Assembly, in agreeing P.93/2020, requested the Council of Ministers to create a digital register of all commercial and residential properties in the Island, to provide details of the ultimate beneficial ownership of those properties for the purposes of aiding policy formation and, if necessary, the regulation of housing and commercial property markets. A feasibility study into the establishment of a digital register of all property is nearing completion and is due to be published before the end of 2022.

If a digital register can be established, it would then be the issue of how the occupation status of a property is learnt. Careful consideration would need to be given as to how this information would be collected.

To identify properties that may be of particular concern to the community, and where specific action may be taken to address the cause for concern (i.e. to notify the Minister for the Environment of a property that is in a dilapidated condition, or the Minister for Housing and Communities so that pro-active advice and support may be offered to the owner), a self-reporting system can be used.

The ‘Love Jersey’ app already exists, making it easy to report anything in Jersey that is unsightly, in need of cleaning and repair, or other potential problems anywhere on the Island. Reports received through this app are passed onto the relevant department for investigation and action, where appropriate.

Work is underway to develop a webform system, with a view to launching a communications campaign encouraging Islanders to report homes that they believe to be vacant, and/or properties in a poor condition, creating harm to the environment. Reports will be logged on a GIS system and linked with a UPRN (unique property reference number). Homes which are
believed to be vacant will be assessed by a dedicated officer as part of the Empty Homes Service (see Action 6).

**Action 2:** A community-led reporting mechanism will be established before the end of January 2023, enabling Islanders to report homes which they believe to have been left vacant for a long period of time, and/or properties which they believe to be in a very poor condition and creating harm to the environment. This will be promoted through an active communications campaign and supported by a dedicated resource in the Empty Homes Service.

**Part 2: Options to help manage vacant homes**

This part of the report considers the policy options available to help manage the issue of vacant homes in Jersey.

- **Section 6** provides actions being pursued by the Minister for Housing and Communities.
- **Section 7** provides future options that the Minister is not actively pursuing, but may support in the future.
- **Section 8** provides additional options not currently supported by the Minister for Housing and Communities.

**6.0 Supported actions**

**Planning and Building (Jersey) Law 2002**

Homes that are left vacant and without maintenance for long periods of time can become dilapidated or even ruinous, which can have a significant adverse impact upon the amenities of the Island. The condition of these properties can lead to visual harm to the character of an area, be dangerous, can attract antisocial behaviour and, in the case of older and listed buildings, lead to permanent loss or harm to Jersey’s heritage.

The Planning and Building (Jersey) Law 2002 contains provisions that allow the Chief Officer to take action in relation to buildings considered to be in a dangerous condition, in a ruinous or dilapidated state or requiring proper maintenance. In the UK, similar provisions exist in the Town and Country Planning Act 1990 (Section 215 – Power to require proper maintenance of land), and these provisions are routinely used by local authorities to deal with the problems associated with empty properties.

The **Section 215 best practice guidance for the UK** highlights that local planning authorities should not sit back and wait for complaints. Rather, they should be proactive in identifying and taking action against buildings and land in an unsatisfactory condition. The guidance also highlights that it is important for local authorities to share information and work in co-operation with regeneration, economic development, housing departments and other regeneration agencies as part of a wider strategy of local environment improvement and regeneration. It also notes that Section 215 powers are just one of the tools available to authorities within a package of other measures to be used in conjunction with regeneration initiatives.
Whilst taking a more proactive approach in managing land condition through the Planning and Building Law will not guarantee that properties come back into use, asking owners to address the condition and state of maintenance of their property is expected to stimulate investment in the condition of a property, which will in-turn incentivise making a property available in the housing market in order to generate an income.

The equivalent powers in Jersey have been infrequently used, generally taking a reactive rather than proactive approach. At a time when there are ever increasing pressures on the quality of the natural and built environment, and a pressing need to use land in a manner that best serves the interests of the community, it is suggested that the Minister for the Environment, with the support of the Minister for Housing and Communities, can and should encourage a more proactive approach to managing land condition.

The IHE Regulation Directorate adopts persuasive compliance techniques and, therefore, any action in relation to land condition will begin with engagement with the landowner to seek an agreement to remedy the issue. This process will be supported through the Empty Homes Service, to be made available through the Strategic Housing and Regeneration team (See Action 6).

The IHE compliance function strives to achieve a fair balance in all cases and to only take action that is proportionate to the impact of a breach. Formal actions – such as the serving of notices or prosecution – are only taken when other approaches have failed and where it is necessary. Penalties can be applied for failing to comply with a notice.

Homes identified for potential compliance action under provisions of the Planning and Building Law would be assessed to determine their priority. Property condition scores could be added to a maintained database/registry, or mapped using Geographical Information Systems (GIS) to establish empty home ‘hotspots’, assisting in monitoring the issue.

The Minister for the Environment and Minister for Housing and Communities have already adopted a partnership approach to help make sure that Jersey is making best use of the homes it already has, having already begun to address the issue of homes being used for short-term holiday lets without the necessary permissions. This partnership approach will continue and extend to the identification of properties that should be considered due to their land condition, providing advice and support to landowners to help bring properties back to an acceptable standard, or taking enforcement action where necessary. This will include engagement with the Parishes and identifying properties through community-led approach reporting (See Action 2).

**Action 3**: The Minister for the Environment and Minister for Housing and Communities will work in partnership, taking immediate steps towards making better use of the homes we already have and, in particular, will adopt a more proactive approach in managing land condition in Jersey.
**Effective management of ownerless property**

His Majesty’s Receiver General in Jersey deals with *escheats* and *bona vacantia*. That is ownerless property where an owner dies intestate and with no heirs, or where a Jersey company is dissolved leaving assets, which revert to Crown ownership. In such cases, property passes to the Crown under the stewardship of HM Receiver General for a period of up to 40 years for immovable assets (10 years in the case of moveable assets obtained from dissolved companies). After this period, the property in question becomes owned outright by the Crown.

If a property has been vacant for some time and the owner of the property is unknown or unable to be traced, HM Receiver General may be able to step-in, with the approval of the Royal Court, to claim the abandoned property as bona vacantia. Every case must be treated on its individual merit and this action would only be taken when there is real confidence that a claim for bona vacantia would succeed.

When a property falls within HM Receiver General’s stewardship, work could be undertaken to bring the property to a decent habitable standard and make it available for use. Any rents collected on the property would be taken by the Crown, which would contribute to their annual surplus which is paid to the Government.

In discussion with the Receiver General, it is understood that there is no automatic notification process established that would make the Crown aware that a property may be considered escheat or bona vacantia, previous leads in this respect have come from law firms. It is therefore possible that there are vacant homes in Jersey that have been left as a result of intestate death or because they were left in a dissolved company.

The Minister for Housing and Communities, making use of the community-led reporting system, will refer any properties that are believed to be possible bona vacantia to the Receiver General for investigation.

**Action 4:** The Minister for Housing and Communities will seek to support HM Receiver General in identifying vacant and ownerless properties, to enable action to bring any such properties back into active use as soon as possible.

**Purchase of vacant homes**

In the Minister for Housing and Communities’ 2022 Ministerial Plan, a commitment is made to help bring empty properties back into the market, including working with Andium Homes to seek the purchase of sites and turn them into quality, affordable homes for Islanders. This opportunity can also extend to the States of Jersey Development Company, as the States of Jersey’s developer with responsibility for regeneration, to acquire larger vacant homes sites that will contribute to the regeneration of urban areas, where such opportunities arise.

Both of these States-owned entities are in a strong position, with the experience and skills, to acquire sites on behalf of the States of Jersey to refurbish or redevelop them, whilst adding value to the public and the quality of the urban environment.
The Minister for Housing and Communities published Modern Methods of Construction – Housing Delivery Innovation7 in October 2022, which includes ministerial commitments to establish both a construction innovation hub and also to work with States-owned entities to support them in expanding their use of modern methods of construction in their delivery programmes, running pilot projects on new-to-Jersey methods of construction and growing on-Island skills and capacity to support wider industry development. These commitments can equally be applied in the context of vacant homes, where empty property redevelopment projects can create opportunities to develop retrofitting skills capacity, with a focus on low-carbon, high-efficiency build standards in order to help the Island meet carbon neutral objectives. Such opportunities could be taken forward in partnership with the construction sector and Highlands College to maximise skills development opportunities.

**Action 5:** The Minister for Housing and Communities will promote and support the role of States-owned entities in the purchase and redevelopment of vacant properties. In particular, support will be given for initiatives that look to develop local skills and meet wider government objectives for construction innovation and carbon neutrality.

**Empty Homes Service**

In the UK, the No Use Empty (NUE) initiative, established in 2005, is the longest-running empty property initiative in the UK, delivered in partnership by Kent County Council working with all 12 district councils. It aims to substantially increase the numbers of long-term empty homes returned to use as quality housing through a range of interventions. The initiative includes an empty homes reporting service, an advisory service to homeowners and citizens, and financial assistance to help bring empty homes up to a decent homes standard. The initiative seeks to raise awareness and manage the issues surrounding empty properties, highlighting the problems they cause to local communities.

The initiative in the UK has significant financial backing, having already provided over £50.3m in financial support, with a further £39.9m leveraged from public/private sectors – representing £90.2m investment in Kent. £26m (63%) of funding advanced through the initiative has been repaid and recycled, and since its inception, the total number of long-term empty properties in Kent has reduced from 9,000 to 6,204.

A similar initiative exists in Ireland, emptyhomes.ie, supported in 2022 by the Irish Government, with a funding scheme called Croí Cónaithe, to help support homeowners to bring vacant buildings back into use. The initiative includes community-led reporting and referrals, is focused on providing help and guidance, and makes loans available to help bring properties back into use.

To highlight the success of this type of initiative, the increase in UK Council Tax to manage the issue of vacant homes has been successful in raising revenue, but there is otherwise understood to have been an overall increase in the number of vacant homes by a third since 2016.8 Conversely, where the NUE initiative is in place, there has been a decrease in the number of vacant homes.

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7 R Modern Methods of Construction – Housing Delivery Innovation.pdf (gov.je)
8 Empty Homes in England 2020: National and regional analysis of MHCLG data showing change since 2019, Action on Empty Homes.
vacant homes by nearly a third. This demonstrates that an effective means to bring vacant homes back into the market is through providing active support and guidance to the community and creating a conduit for managing vacant homes through regulatory levers, in cases where this is considered necessary.

The 2022 Government Plan provided £250,000 funding for vacant homes, with a further £250,000 in 2023, which is proposed in the 2023 Government Plan. None of the available funds were spent on vacant homes in 2022, whilst policy options remained under development. It is the intention of the Minister for Housing and Communities to recover this funding to ensure availability of budget in 2023 and 2024.

With this funding, a dedicated resource is to be available within the Strategic Housing and Regeneration Team, providing advice and support to homeowners and concerned Islanders, and coordinating appropriate actions to help address vacant homes in Jersey. Monitoring and demand analysis will support future policy development, such as if it becomes clear that a barrier to homes coming back to the market is the availability of funding to undertake refurbishment, with ongoing evaluation of the role of additional levers, such as the development of legislation for Empty Dwelling Management Orders (see Section 7.0 future options).

The service will act as a conduit for the reporting and investigation of homes by the Regulation Directorate, or HM Receiver General, in the case of ownerless property.

Loans could also be made available to support the improvement of vacant homes if there is evidence to demonstrate a clear need for financial assistance. This may be supported by some of the £10m funding identified in the 2023 Government Plan for assisted home ownership schemes, on the basis of the homes being secured in this way for Islanders (such as first-time buyers) in need of financial assistance to access the housing market, in a home of a decent standard. This would have some parallels with the historical States Loan scheme.
In the summer of 2022, the Minister for Housing and Communities placed a letter on prominent vacant property in St Saviour. This action not only stimulated public debate and interest in the vacant homes issue, but also demonstrated that through the power of the community, more about vacant homes can be learnt.

The Empty Homes Service will be supported by the creation of a community-led, self-reporting mechanism and communications campaign (see Action 2).

**Action 6:** The Minister for Housing and Communities will establish an Empty Homes Service, before the end of January 2023, to provide advice and guidance to Islanders, undertake monitoring, service-demand analysis and policy development, and make referrals to the Regulation Directorate and HM Receiver General, where required.

### 7.0 Future options

**Empty Dwelling Management Orders**

An Empty Dwelling Management Order (EDMO) is a process followed in the UK which allows a local authority to take over the management of empty residential properties.

It is used as a means to reoccupy long-term vacant homes where the local authority in question has been unable to persuade the owner to bring the property back into use and considers this course of action necessary and proportionate.

Councils with housing responsibilities can take over the management of residential properties that have been empty for more than six months. The property does not have to be run down or uninhabitable and the fact that it has not been lived in for more than six months may be enough to allow an Empty Dwelling Management Order to be made. An EDMO can mean an owner loses the right to decide how a property is managed and who lives in it, but this action can be avoided by the property owner if they take their own action to bring the property back into use.

EDMOs are suitable for consideration in circumstances such as where the present owner is either unwilling or unable to manage the house and its associated problems. By taking over the management of the property, the Council can bring the property up to the ‘Decent Homes’ standard through renovation works and allow reoccupation of the property by letting the property for the duration of the EDMO. The Council assumes management of the property and legal possession but does not obtain ownership. The Council would enter into a ‘Management Agreement’ with a local housing association or letting agent to manage the property for the duration of the EDMO. All management costs are met from rental income.

Once an interim EDMO has been granted, it lasts for up to 12 months, during which the authority works with the owner to try and agree a way to put the property back into use. The authority is considered legally in possession (in control) of the property during this time but does not gain legal ownership. If no agreement is reached during this time, and the building remains unoccupied, the authority may make a final EDMO, which lasts for up to seven years.
A final EDMO differs from an interim EDMO in that the authority is not required to obtain the owner’s consent before finding a tenant for the property. If the authority fails to find an occupier for the property, or cannot reasonably get the property occupied, it must hand back possession to the owner. When a tenant has been found under the EDMO, the rent is paid to the local authority who are able to recover any costs they may have incurred by taking possession of the property and making it habitable, as well as the routine costs of maintenance and letting. However, any money over and above these costs is to be paid to the owner of the property.

Most councils publish a strategy about the general approach they will take to EDMOs, what enforcement powers they may use and in what circumstances.

New legislation could be developed to introduce these EDMO powers in Jersey. This would be best accompanied by an effective means to identify vacant homes (See Action 1).

The administration of properties taken into control through a form of an EDMO could be appropriately managed by the States of Jersey affordable housing provider, Andium Homes. The Minister for Housing and Communities is not presently recommending that legislation to introduce Empty Dwelling Management Orders should be pursued at this time, but will keep this potential mechanism under review as part of the Empty Homes Service.

**Under consideration:** The Minister for Housing and Communities will consider the development of law drafting instructions for the creation of new powers, invested in the Minister for Housing and Communities, to manage empty dwellings through Empty Dwelling Management Orders, similar to the provisions made by the UK’s Housing Act.

**Compulsory purchase**

The Planning and Building (Jersey) Law 2002 includes the power of the States to acquire land in accordance with the Compulsory Purchase of Land (Procedure) (Jersey) Law 1961 if the States are satisfied that the land should be acquired for a purpose of this Law, specified in Article 2.\(^9\)

The purpose of the Planning and Building Law is to conserve, protect and improve Jersey’s natural beauty, natural resources and general amenities, its character, and its physical and natural environments. The Law intends to – amongst other things – protect sites, buildings, structures and places that have a special importance or value to Jersey, and to impose other necessary controls on the development and use of land in Jersey. It is also the purpose of this Law to secure the health, safety, welfare, and convenience of people in or about buildings by establishing functional requirements in respect of buildings and ensuring that buildings comply with those requirements.

In accordance with the purposes of the planning law, there may be legitimate reason for the States to consider the compulsory purchase of some vacant homes, where the home in

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\(^9\) Planning and Building (Jersey) Law 2002, Article 2 – Purposes of Law Planning and Building (Jersey) Law 2002 (jerseylaw.je)
question has characteristic issues that would make it justifiable in accordance with the Law. Each case would need to be individually evaluated.

Compulsory purchase action should always be considered a last resort, and it is considered that there are many other policy options available that should be pursued before such action is considered. If, through achieving greater visibility of the empty homes issue, there are believed to be cases where compulsory purchase could play a positive and helpful role to bring empty properties back into use, this would be brought back to the Assembly for consideration.

**Under consideration:** Consider compulsory purchase action for vacant homes, where all other available options have been exhausted and the public interest in acquiring a given property can be proven.

8.0 Additional options (not currently supported)

**Tax policy options**

Proposition p.48/2022 refers to the 2015 Supply of Housing review conducted by the Environment, Housing and Technical Services Scrutiny Panel, which recommended that the then-Minister for Housing investigate the possibility of bringing empty homes back into use through a variety of policy tools. This included the introduction of a form of empty property tax or charging an annual sum in addition to the current parish rates by January 2016. To date, no tax policies have been developed in relation to vacant homes.

Taxes on land and property fall into one of two categories:

- **Transactional taxes:** Taxes charged on the value of land and property at the point of transaction (e.g. sale), typically payable by the purchaser. In Jersey, Stamp Duty, Land Transaction Tax and Enveloped Property Transaction Tax would fall into this category.

- **Recurrent taxes:** Recurring (e.g. annual) taxes on immovable property typically payable by the property owner and/or occupier. In Jersey, the annual rates charge, which includes an Island-wide and a parish component, falls into this category.

Tax policy is sometimes used as a lever to influence the housing market (e.g. first-time-buyer incentives, or stamp duty increases for buy-to-let, second or holiday homes). The body of evidence on the impact of property taxes suggests that recurrent taxes should be utilised more than transactional taxes. Property transaction taxes are distortive and among the forms of taxation most detrimental to economic growth. In contrast, recurrent taxes are relatively more efficient and are, among tax types, the least detrimental to economic growth.¹⁰

Across OECD (Organisation for Economic Cooperation and Development) countries, property taxes are a relatively small source of government income, representing around 6% of total tax revenues. The position in Jersey is consistent with this international trend, with property taxes accounting for 8% of total tax revenue in 2021, slightly higher than the OECD average.

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When considering the use of property taxes in Jersey, it is important to consider the split between transactional and recurrent taxes. Although across the OECD, recurrent taxes account for, on average, 62% of property tax revenue, they represented just 18% of Jersey's property tax revenue in 2021. This indicates that Jersey's property tax system is heavily weighted towards transactional taxes, with £61m collected through transactional taxes in 2021 against £14m in recurrent taxes.

Academic literature and international practice suggests recurrent taxes are more suited to reducing the number of empty properties, as they are more able to interact with and influence patterns of property occupation by virtue of being charged periodically. In contrast, transactional taxes are charged at a single point in time (i.e. the point of sale) and have little to no influence on how a property is utilised after this point.

Accordingly, this options paper outlines two options for using recurrent property taxes to reduce the number of long-term empty properties in Jersey:

- An additional charge on empty properties within the existing Rates Law; or
- A new annual tax levied on empty properties.

**However, as outlined in other sections of this report, tax options are not considered to be the most effective means to bring empty properties back into use, and other options are preferred.**

In either of the tax policy options considered, it will be important to ensure that the scope of the tax charge is fair.

International practice suggests that possible exemptions from a tax may include, but would not be limited to:

- Owner in care facilities;
- Major construction/renovation works;
- Between occupiers subject to a maximum period of time;
- Second homes occupied for a set period of time; and
- Death of the owner.

These exemptions are consistent with the proposed definition of a vacant property.

In the original proposition, Deputy Tadier emphasised the importance of the period for which a property had been left vacant, over the reason for the vacancy. For either option, it may be possible to increase the level of tax charge for the period that a property has been left vacant. Such provisions have been adopted by other countries and could serve to sharpen the price signals already sent by such a charge.

However, incorporating a time component to the computation of the charge would add to the administrative complexity and would require more property-level data to be collected.

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11 Ibid., pg. 76; States of Jersey 2021 Annual Report and Accounts, pg. 194, accessible [here](#).
Effectiveness of tax options
The use of tax policy to reduce the number of vacant properties has encountered some success in other jurisdictions. However, relative to other actions and options presented in this paper, the use of tax levers for this purpose are considered unsuitable for three key reasons.

a. Scale of disincentive effect
It would be challenging to generate a tax cost of a magnitude required to meaningfully change behaviour, which must be the ultimate goal. This is particularly the case for option 1 (surcharge under Rates Law), due to the relatively low levels of Rates, as exemplified in the example below, but it would also apply to option 2 (new tax on vacant properties), as the rates of property price growth in Jersey continue to exceed both RPI and Average Earnings growth.

Example: UK Council Tax compared to Jersey rates
To illustrate, a property with a current market value of £2,500,000 in Oxford would generate a Council Tax bill of £3,700 in 2021. In contrast, a property of that value in Trinity would generate a Rates bill of only £600.

As previously highlighted, exemptions would be required to ensure that the tax was fair, and would not in itself become a compounding factor for homes remaining vacant for longer.

b. Implementation challenges
Both options, presented in the next section, have a certain degree of operational complexity. Option 1 would require a high degree of coordination across the Parishes, which could be challenging to achieve, and some primary legislative changes. Option 2 would be significantly more complex due to the need to develop new primary legislative and administrative frameworks. In addition, there have been several recent changes to the property tax regime including the introduction of EPTT (Enveloped Property Transactions Tax) earlier this year and the upcoming higher rate of Stamp Duty for additional properties, alongside any changes as part of the wider Stamp Duty review scheduled for 2023. Further piecemeal changes would not be supportive of achieving stability in the property tax framework.

c. Proportionality of response
As stated in section 3, Census data is not indicative of a definitive number of vacant homes and should not be used as a basis for policy decisions. For illustrative purposes, however, applying the proposed scope of the definition to the information provided by the Census suggests that there could be closer to around 900 homes that may become liable to a tax, representing just 1.7% of all homes in Jersey.

The 2015 Supply of Housing Review, as referenced in the proposition, suggested that an empty property tax could bring around 20 to 30 homes a year back into use.12 In contrast, the Bridging Island Plan suggest that, between 2022 and 2025, around 200 housing units could be brought into use through better use of existing housing stock.13 A tax measure would,

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13 Bridging Island Plan, pg. 196.
therefore, be insufficient to meet the goals of the Bridging Island Plan, and disproportionate in light of the vacancy rate alluded to by the Census data.

Furthermore, the OECD highlights that, in practice, the tax design, administrative and compliance costs for vacant property taxes are likely to be high in comparison to the revenue raised.\textsuperscript{14} For instance, the administrative costs of France’s \textit{taxe sur les logements vacants} equate to around 10% of the revenue received, compared to an average of 1.5% for other taxes.\textsuperscript{15}

Without a clearer understanding of the number and characteristics of vacant properties in Jersey, it would be difficult to forecast whether the potential revenue generated by a tax option would exceed the cost of implementing and administering the policy. The likely cost-inefficiency of a tax option is exacerbated by the relatively low-level rates and the small proportion of properties in scope of the charge.

In light of the potential vacancy rate suggested by the Census data, and the limited evidence on the effectiveness of empty property taxes, alongside the high administrative cost, it is highly likely that a response through the tax system would be disproportionate to address vacant properties in Jersey.

**Tax option 1 - vacant property surcharge under Rates Law**

A vacant property surcharge could be implemented after the annual rates charge is calculated. The surcharge would only be levied against vacant domestic properties.

**Design**

Rates are levied each year on every property in Jersey. The amount payable is calculated based upon the rateable value of the property (expressed in ‘quarters’). The rateable value is based on the potential rental value of a property as per the last assessment. The rateable values have not been reassessed across the Island since 2003 despite previous attempts; most recently, in 2019, the Rates Working Group agreed by majority not to revalorise.

**Example rates assessment**

Flat A in St Helier is assessed as having 6,500 rateable quarters. For 2021, the parish rate for St Helier was 1.15 pence per rateable quarter. The Island wide rate for a domestic property was 0.76 pence per quarter. These figures are combined to make a total of 1.91 pence per quarter.

For this property, at 6,500 quarters charged at 1.91 pence per quarter, an annual payment of £124.15 is due from both the owner and the occupier. If the property is owner-occupied, a total payment of £248.30 is due.

Both owners and occupiers are required to pay the parish rate and the Island-wide rate. If the property is unoccupied, the total liability falls on the owner. The mechanism to charge an

\textsuperscript{14} Housing Taxation in OECD Countries., pg. 116.  
additional rate on vacant properties could take the form of a surcharge to the overall bill or the creation of an ‘unoccupied’ category within the Island-wide rate.

A surcharge of, for example, 200% would increase the total rates payable for Flat A (see ‘Example rates assessment’) to £496.60 per annum. At 300%, the amount payable would be £744.90. Equivalent total payments can also be achieved by inflating the number of rateable quarters.

Each Parish sets their own rate per quarter and, therefore, rates bills may differ depending on where the dwelling is located.

Alternatively, an ‘unoccupied’ category within the Island-wide rate could be created specifically for empty properties. If the unoccupied rate were twice the domestic rate (combined owner and occupier rates), the total rates payable for Flat A would be £347.10. At three times the domestic rate, the amount payable would be £445.90.

If introduced through the Island-wide rate the revenue generated by the surcharge would be accounted for in general taxation revenue. The revenue from the surcharge could be credited to a fund for a specific purpose – perhaps the Housing Development Fund. However, if the surcharge was introduced through the parish rate component, in accordance with the Rates Law, the fund would need to be approved and established prior to introducing the vacant property surcharge.

The rates currently rely on self-assessment; ratepayers are required to inform the Connétable of all the land the person owns in the parish, whether that land is domestic or non-domestic, and any changes to the attributes of the land on an annual basis. An additional requirement to inform the Connétable as to whether the land consists of a vacant property would be needed but initial thinking is that this would be straightforward.

Legislative and administrative requirements
Any amendment to the Rates Law to enact these changes would require primary legislation to be approved by the States Assembly and then given Royal Assent by the Privy Council. These amendments would include an agreed definition of vacancy and a mechanism through which to charge the additional rate. Relevant changes would also be required to ensure the Rates Management System would effectively administer the additional charge, as well as adaptations to the annual declarations made by Islanders.

There are two main benefits to this option:

- **Implementation and operation costs**: A surcharge within the rates system would require fewer legislative changes, as it would operate using existing definitions and legislative structures. It would also most likely be administered by current rates assessors, which would minimise any additional administrative costs.

- **Familiarity**: The rates are an established concept in Jersey, and a surcharge is likely to meet less opposition than the introduction of a new tax.

There are, however, disadvantages:
• **Basis of charging:** Rates are charged on a current year basis and are levied in accordance with property ownership and occupation on 1st January each year. As it stands, there is no mechanism within the law to amend the rates assessment mid-year, such as for a change from occupied to vacant. Without this, or another mechanism to retrospectively apply charges for periods of vacancy, rates are an inefficient mechanism to capture true vacancy. For instance, a property that is occupied in January but vacant for the next 11 months would escape the surcharge, while one vacant in January and occupied for the rest of the year would be captured.

• **Parish-level coordination:** Although implementation through the Island-wide rate would be the preferred option, the vacant property surcharge would need a high degree of coordination across the Parishes if implemented through the Parish rate component. Under the Rates Law, there is a restriction on the Parishes for raising more income than the expenses of the Parish. This issue could be addressed using specially designed Parish funds for vacant properties, but uncoordinated use of such funds would be suboptimal.

• **Rateable values:** A recent OECD report highlights that levying recurrent property taxes using outdated property values significantly reduces the revenue potential, horizontal and vertical equity, and economic efficiency of the tax. As mentioned above, the absence of an Island-wide revaluation may mean that any additional charge within the rates system could exacerbate issues already present in the rates system.

It is for these reasons, in addition to those highlighted in the introductory section ‘Tax policy options’, that a vacant property surcharge under the Rates Law is not recommended to be taken forward, with the other actions and future options highlighted in this report more likely to be effective in bringing vacant homes back into use.

| Tax option 1 (not recommended): Introduce an additional charge on empty properties within the existing Rates Law to disincentivise owners from keeping properties vacant. |

**Tax option 2 - new tax on vacant properties**

**Design**

A new tax could be introduced, outside existing legislative frameworks, to levy a charge on any vacant property in Jersey.

As outlined in the table below, the charging mechanism for a dedicated vacant property tax could take several forms.

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16 Housing Taxation in OECD Countries, pg. 84.
### Sub-options for charges

<table>
<thead>
<tr>
<th>Percentage of the property/land</th>
<th>Charging mechanism</th>
<th>Tax payable ¹⁷</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat rate charge</td>
<td>A charge set at £1.50 per square foot</td>
<td>£1,287</td>
</tr>
<tr>
<td>Percentage of the potential annual rent receivable</td>
<td>A charge set at 15% of the potential annual rental value</td>
<td>£3,240</td>
</tr>
</tbody>
</table>

Most jurisdictions that levy taxes on immovable property do so on both buildings and land, with the charge calculated with reference to the estimated market value of the property. This is preferable to calculating the tax due using the size of the property as size-based systems do not consider location and other characteristics, both of which influence market value.¹⁸

### Legislative requirements

New primary legislation would be required to enact this option. New definitions, administrative provisions, and penalties, at a minimum, would be required. Stakeholder consultation would also be necessary prior to enactment.

### Administration of option

Administratively, it may be most straightforward to require all property owners to file a statement each year, declaring whether they are liable to the tax. Alternatively, only those whose properties would be subject to the tax would be required to make a declaration. Either would require dedicated resources and a new administrative framework.

### Benefits of option

The main advantage of this option would be that it would avoid exacerbating existing issues in the rates system, which has several inherent inefficiencies. The creation of a new tax would avoid perpetuating these problems. The tax would be levied using up-to-date property values, and a mechanism to capture any change of ownership or use would be included.

### Disadvantages of option

The main disadvantage of this option is the significant risk that the administrative costs could outweigh the revenue generated. The evidence on standalone vacant property taxes is mixed. Evidence on the impact of Vancouver’s Empty Homes Tax (EHT) shows that, in certain circumstances, standalone empty property taxes can be significant revenue raisers.¹⁹ However, the cost and resource implications of tax mechanisms should be weighed against any potential revenue. Once in place, a new tax would be a significant administrative undertaking and would require dedicated resources to complete the ongoing required compliance work such as updating or verifying third-party property valuations. There would also be a large amount of work required to make the legislative and operational changes necessary to introduce a new charge.

¹⁷ Tax payable has been calculated with reference to the following example property: Flat A has a market value of £550,000. It is 858 sq./f and has a potential rental value of £1,800 per month.
¹⁸ Housing Taxation in OECD Countries., pg. 74-83.
¹⁹ ‘Empty Homes Tax Annual Report’, City of Vancouver & Vancouver Housing, November 2021, pg. 1, accessible here.
It is for these reasons, in addition to those highlighted in the introductory section ‘Tax policy options’, that a new tax is not recommended to be taken forward, with the other actions and future options highlighted in this report more likely to be effective in bringing vacant homes back into use.

### Tax option 2 (not recommended): Introduce a new annual tax levied against vacant homes to encourage properties back into the market.

#### 9.0 Implementation and review

The actions in this report are intended to be fully implemented. The future options highlighted, including the tax options which are not currently supported, will be kept under review as more data becomes available through the parish rates system, and through the Empty Homes Service demand and delivery monitoring.

The Minister for Housing and Communities will seek to publish an update within the first six months of the Empty Homes Service being established. This update will include a forward plan for pursuing the additional options that remain under consideration, should it become clearer that they will be able to play a positive role in Jersey’s housing market.