

Statistics on the housing market in Jersey

Report by Mark Boleat, January 2003

Introduction

There is a general assumption that there is a housing “shortage” in Jersey and that housing conditions in the Island are poor. However, there is little or no informed discussion on these issues. This brief report discusses the various concepts of housing shortage and the evidence that is currently used to inform policy making. It then analyses the availability and accuracy of data generally to help guide housing policy.

Executive summary

- There are a number of different definitions of housing shortage, and the concept needs to be analysed separately for the subsectors of the Jersey market.
- The waiting list for States rental housing is affected by a number of factors including rent levels.
- The waiting list has been falling over time and is much lower than that of English local authorities.
- The number of dwellings per head of population has increased by 40% since 1951 and by 10% since 1991.
- The number of dwellings per household rose from 1951 to 1971, then fell until 1991 since when it has risen again.
- 7,000 households share a dwelling with at least one other household.
- In Jersey there has been an increase in the dwellings/households ratio since 1981; in England there has been a decline.
- A number of official reports have quoted a seriously incorrect figure for the stock of dwellings since 1996; the often quoted conclusion – that there has been a 5% fall in the availability of houses per household since 1951 - is wrong.
- The increase in the waiting list for States housing in the second half of the 1990s was partly a consequence of the move from an average of 100 net completions a year to a net reduction in the stock of 137 units in 1997.
- *Planning for Homes* cited a number of indicators of rising demand which were either one-off surveys or which were inappropriate anyway.
- There is no official reconciliation of the housing stock figures with the available data for completions.
- The correct 1996 stock figure is implausible and incompatible with the completions data; it should probably be about 31,260 rather than 32,173.
- There is a need for a package of projects to improve the quality of housing statistics if policy is to be formulated and implemented sensibly. Such a package would not be costly.

The concept of housing shortage

The expression “housing shortage” is capable of meaning almost anything. At one level, there is an “apparent shortage” of many goods and services in that people would like to consume more than they currently do. This applies to housing and also to consumer durables, holidays and cars.

A second concept of shortage is where at the prevailing market price some people are physically unable to purchase a good or service because there is an insufficient supply. Tickets for major sporting events and golf club memberships come into this category and, at a rather different level, so do car parking spaces in St Helier, airline seats at certain times and seats on London Underground trains every day. Such shortages happen where there is a fixed supply that simply cannot be increased in the short to medium term. A consequence of shortages is often a “black market” in which people lucky enough to acquire the good or service at a nominal price resell it to someone willing to pay a higher price.

A third concept of shortage is where a market is segmented in one way or another. There is a controlled element of the market to which only certain people are admitted where prices are lower than in the uncontrolled sector of the market in which anybody is free to participate. Housing markets generally exhibit this characteristic. Subsidised housing (such as States rental housing in Jersey) is made available to people deemed to be “needy”. It follows that the price of this housing is lower than the market price. It is inevitable that there will be a “queue” or waiting list of those seeking the cheaper product. The mere existence of a queue means that there is a “perceived shortage” of housing.

The fact that there is a waiting list for States rental housing does not necessarily mean that there is a “real shortage” of States rental housing, and of itself cannot indicate that there is a more general “shortage” of housing. If the rents on States housing were increased to a market level then the waiting list would largely disappear. Conversely, if the subsidies were increased and rents fell then the demand would rise.

All these concepts of shortage are a long way removed from the concept of an “absolute shortage”. In housing terms this would mean an inability of some people to obtain any accommodation regardless of the price and their willingness and ability to pay. Homelessness is sometimes seen as an indication of housing shortage in this context. Homelessness is a major social problem but it is not a housing problem. People are homeless generally because of problems such as alcohol and drug dependency or mental health; the solution to this problem lies in social care policies not in building houses.

Finally, one can attempt to define a “real shortage” of housing. This cannot be as clear cut as the other definitions and requires subjective judgments. However, the concept is vital in policy terms. A commonsense definition would be a situation in which a significant proportion of the population is badly housed, there is a long waiting list for subsidised rented housing and widespread dissatisfaction with housing conditions. The tests applied have to be relative – to the standard of living generally, to consumption of other goods and services, to the situation in the past and to the situation in comparable territories (Guernsey, the Isle of Man and a number of local authorities in the South East of England in the case of Jersey).

Is there a housing shortage in Jersey?

This question does not lend itself to a simple yes/no answer. There is clearly no absolute shortage. However, as in any housing market some people would prefer to have more housing and in the States rental sector the subsidised rents mean that there

is a queue. The concept of shortage has to be analysed separately for the sub-sectors of the market and conclusions then drawn as to whether there is a “real shortage”.

The open market sector for those with housing qualifications

There is no shortage in this sector as the price mechanism ensures that demand is met by supply. In other words people who wanted to buy are able to provided that they have the financial resources to do so. However, there is clearly an “apparent shortage” in the sense that some people who want to purchase or rent in the private qualified sector are unable to do so at all or are unable to purchase as much housing as they want because they lack the financial resources. This is true of the Jersey and UK housing markets at all times.

This is the major housing problem in Jersey. The ratio of average house prices to average incomes is probably higher than in all but a few English local authorities and accordingly the affordability problem is very serious. However, it is wrong to say that house prices are beyond the reach of the population. They are set by the population; if they could not afford prices then prices would fall.

The States has tended to address this type of problem by making it easier for some people to pay, for example by giving tax relief on mortgage interest and by providing subsidised houses for first-time buyers. This has the effect of increasing the demand for owner-occupied homes thereby exacerbating the “apparent shortage” of housing in the private qualified sector. The proper policy response to this problem is a planning policy that does not unduly restrict the supply of land for housing. One consequence of a serious “apparent shortage” would be a long and growing waiting list for States rental housing.

States rental sector

The demand for states rental housing is restricted, broadly speaking, to low income families with children and people with particular social, personal or medical problems and who cannot be expected to house themselves in the open market. However, demand is also boosted because 85% of all tenants, those with low incomes, pay virtually no rent and the remainder pay a rent well below market rents. Supply is restricted and is determined administratively by the States rather than by responding to demand.

In these circumstances there will also be a waiting list for States rental housing. The waiting list will rise or fall depending on the following circumstances –

- Changes in the number of people in the priority groups. Other things being equal rising house prices will lead to an increase in the number, as affordability becomes a bigger problem.
- The net increase in the supply of States rental housing (and also housing association housing – which can be counted as part of States rental housing for the purposes of this paper).
- The differential between States housing rents and private sector rents – relevant only to the small proportion of States tenants who pay significant rent. If the differential is zero then the waiting list will be almost non-existent (assuming that rent rebates in the private sector are equivalent to rent allowances in the States rental sector). If the differential rises then the waiting list will rise.

- The size of the waiting list. People do not join waiting lists unless they have some prospect of reaching the top of the list. Accordingly, as the waiting list increases for other reasons so some people will be deterred from joining the list. Conversely, a shortening list will encourage more people to join. This phenomenon can also be observed in supermarket queues and also, at another level, in respect of elective surgery.

There is a shortage in the States rental sector as there always will be if the price is artificially held below a market level. In fact, the gap between States rents and market has been widening, thus exacerbating the “perceived shortage” by making it less attractive for existing and potential States tenants able to afford to do so to move to the private sector. The States of Jersey Housing Committee *Strategic Policy Report 2002-2006*, published on 8 January 2002, commented as follows:

“The Committee has for many years set the rents for social rented housing at a discount to the open market. The Committee has aimed for a discount of about 10% in order not to be seen to be leading the market higher nor lagging too far behind. Unfortunately with a steep increase in property values since 1996 the Committee’s rents are, in some cases, substantially lower than market rents.”

This was confirmed in a press release issued by the Housing Committee on 29 January 2001: “at present Committee rents are, on average, some 20%-30% below rents for equivalent dwellings in the private sector”.

The Housing Committee has frequently stated that it regards the waiting list for States rental housing as a good overall barometer of the extent of the housing “shortage” in Jersey. It can be argued as to whether this is appropriate for the reasons stated above. However, if it is thought to be appropriate then the size of the waiting list needs to be considered in the historical context and in comparison to the position in English local authorities.

The waiting list for States rental housing

The waiting list for States rental housing was well over 1,000 in the early 1970s, and never fell below 800 between 1986 and 1990. It then reached a low point of 268 in 1996 before rising to 352 in 1997, 373 in 1998 and 381 in 1999. Subsequently it has fallen again to 335 at the end of 2001. At the beginning of 2002 it was projected to be 217 at the end of the year and 193 at the end of 2003. The Housing Committee has stated its intention to reduce the waiting list to “well below 100 by the end of 2006”.

How does the Jersey position compare with that in the UK? English local authorities make annual housing strategy returns to the Government. For April 2002 the figures for England as a whole show a total of 1,039,868 people on the housing register, a figure equal to 4.9% of the total housing stock (regionally the figure ranged from 3.4% in the South East to 6.4% in London to 7.6% in Yorkshire and Humberside.). The comparable figure in Jersey at the end of 2001 was 1.1%. If population rather than housing stock is used as the denominator the percentage was 0.4% in Jersey and 2.1% in England.

In summary, on average waiting lists for the equivalent of States rental housing are four to five times higher in England than they are in Jersey. However, the figures need to be qualified because they are not strictly comparable. Amongst other things, the length of a waiting list partly depends on the criteria for joining the list. Practices between English local authorities differ. A number, like Jersey, have strict eligibility criteria, typically excluding owner-occupiers, council and housing association tenants and those with incomes above a modest level. Other authorities have open waiting lists. However, where there is a high pressure of demand only those meeting these sorts of criteria have a hope of being housed. Accordingly, others do not join the list. In some local authority areas, where population has fallen, there may well be a hard to let problem. In such cases either eligibility criteria are relaxed or if they are already lax more people will join the register. A reasonable working assumption is that what matters is the likelihood of being housed rather than the criteria for joining the queue, and that areas where there is a strong pressure of demand will have similar length waiting lists regardless of the criteria for joining the lists.

It is also useful to compare Jersey with a UK local authority area that is similar in characteristics to Jersey. The area chosen, Three Rivers, is just outside London (and in which I live). It has strict criteria for joining its housing register, excluding owner occupiers, social housing tenants and those able to house themselves in the private market.

Three Rivers occupies 34 square miles and has a population almost exactly comparable to Jersey of 90,400 (2000 mid-year estimate). Average house prices in Three Rivers in 2001/02 ranged from £138,477 for a flat to £341,863 for a detached house. *Three Rivers District Council Housing Strategy 2002-2005* made the following comments on supply and demand:

“Households earning less than £45,000 annually will struggle to purchase housing in the district. This means that young professionals and key workers such as teachers, police and others, who would normally purchase property to meet their housing needs are unable to do so. There are significant numbers planning to leave the district because of the lack of affordable housing. The housing needs survey concludes that the total affordable housing need annually is for 394 units and the total supply from relets and new building is 249. This leaves a shortfall of 145 units each year.”

The document records that there were 1,002 people on the housing register at 31 March 2002 (this figure does not include existing tenants seeking a transfer). The waiting list compares with that in Jersey of 335 at the beginning of 2002. Thus in Jersey the waiting list was equal to 0.38% of the population; in Three Rivers it was 1.14%.

The housing stock

What about the housing stock generally? The relationship between the housing stock and the population generally, and trends in that relationship, are good indications of whether there is a “real shortage”. The following table, taken from Census data, summarises the position.

Resident population, private households and the stock of dwellings in Jersey (1)

Year	Resident Population	Stock of Dwellings	Number of Private Households	Number of Dwellings Per 1000 Persons	Number of Dwellings per 1000 Households
1951	57,381	15,381	16,517	268	931
1961	59,489	17,966	18,868	302	952
1971	69,329	22,304	23,769	322	938
1981	76,050	24,536	27,356	323	897
1991	84,082	28,725	32,463	342	885
1996	85,150	32,173	33,702	378	955
2001	87,176	32,704	33,763*	375	969

* In 2001 for the first time independent households in lodging houses and staff accommodation were counted as private households. The number of enumerated households was 35,563. To provide a consistent series, 1,800 has been deducted from this figure.

Note: The 1996 figure, and to a lesser extent the 1981 figure, for the stock of dwellings are suspect – a point discussed subsequently.

The table seems to show satisfactory trends. There has been a steady increase in the ratio of households to population – by 40% since 1951, and by just under 10% since 1991. The apparent slight downturn in the trend since 1996 is probably explained by the suspect figure for the 1996 housing stock.

The ratio of dwellings to households has fluctuated, rising until 1961, then falling until 1991 before rising again. This is not surprising. The number of households responds to housing conditions and other variables. In an increasingly affluent society there is a steady fall in the size of the average household and people who prefer to live in a smaller household are more able to do so.

The most unsatisfactory feature of these overall figures is the absolute size of the stock in relation to the number of households – 32,704 units as against 35,563 households, including independent households in staff accommodation and lodging houses. The gap is even bigger if account is taken of the 2,065 units that were vacant. 7,064 households in Jersey share a dwelling with at least one other household. This figure includes single people sharing lodging houses as well as some extended families occupying large houses. There is no breakdown of the figure.

However, the position may be partly explained by the effects of the Housing Regulations. The rents on lodging house accommodation are about 50% higher than private sector rents. Accordingly, where a property lends itself to being converted into two independent units there is a huge financial incentive to ensure that technically (i.e. a swing door not a fire door) the property remains as a single unit. It is probably the case that if the Housing Regulations were abolished, there would be an increase in the number of housing units although of course no increase in the overall stock of housing. However, this factor probably explains only a small proportion of the excess of households over dwellings.

It is useful to compare the figures for Jersey with those for England. The following table shows the position –

Number of dwellings per thousand households

Region	1981	2000/01
Jersey	897	969
England	1,035	1,007
South	1,031	992
South East	1,031	992
London	1,010	961

Note: The English figures are taken from A E Holmans, *Households in England in the 1990's*, 2002.

As with the waiting list figures it is necessary be note that the comparison may not be like with like, but the trends should be reliable even if the absolute figures are not. The trend in Jersey has been for there to be an increase in the number of houses per household; in England the trend has been the other way, so much so that the figure for London is now on a par with that for Jersey if the absolute numbers are comparable.

Faulty analysis and data

The previous section has demonstrated a steady increase in the ratios of houses to population and houses to households over time and a steady decline in the waiting list for States rental housing. But the official view has been that the housing situation is bad and has deteriorated since 1966. The official view is based on the use of incorrect indicators and inaccurate data.

The table on the previous page shows that the *stock of dwellings* in 1996 was 32,173. But official documents have until recently quoted a figure of 29,956. The error occurred in the 1996 Census Report. The section on dwellings begins with the words “32,173 dwelling units were recorded in March 1996, of which 29,956 were occupied or partly occupied. The remaining 2,217 dwellings were vacant at the time of the Census.” Alongside this comment is a table headed “the stock of dwellings by size: 1986 to 1996 (excluding vacant dwellings)”. This has the correct figure for 1996. However, the figures given for 1991 and 1986 are those for the total housing stock.

The LECG report (October 2000) used these figures and those before 1986 in the following table and commentary (a footnote under the table clearly states (incorrectly except in the case of the 1996 figure) that the stock figures exclude vacant dwellings.

Resident population, private households and the stock of dwellings in Jersey (2)

Year	Resident Population	Stock of Dwellings	Number of Private Households	Number of Dwellings Per 1000 Persons	Number of Dwellings per 1000 Households
1951	57,381	15,381	16,517	268	931
1961	59,489	17,966	18,868	302	952
1971	69,329	22,304	23,769	322	938
1981	76,050	24,536	27,356	323	900
1991	84,082	28,725	32,463	342	885
1996	85,150	29,956	33,702	352	889

“Over this period [i.e. from 1951 to 1996] the population grew by 48% and the stock of dwellings by 95%, leading to an increase of 31% in the number of dwellings per 1,000 persons. This advance was, however, more than offset by increases in the number of households making up the resident population, and there was thus a 5% fall in the number of dwellings per 1,000 households. So over a near 50-year period, supply of dwellings had failed to keep pace with resident demand, the nature of that demands changing over time.”

The Interim Population report (June 2001) included the same table. The Housing Committee’s Strategic Policy Report, published in January 2002, under the heading “why do we need more homes” said: The LECG Report “Housing in Jersey” considered that, despite a doubling in the number of dwellings since 1991 the availability of houses per household is 5% lower than at that time”.

A serious error has therefore been allowed to persist in three separate policy reports.

The chances are there that is also an error in the 1981 figure caused by not counting vacant dwellings at all. The available Census data on vacant dwellings are analysed in Appendix 1. A more accurate figure is 25,392 rather than 24,536. This would again provide a more reasonable time series, looking in particular at the housing/population ratio.

In the case of the *waiting list for States rental housing* there have also been some unjustifiable alarmist reports. Appendix 4 of *Planning for Homes*, presented to the States on 30th March 1999 by the Planning and Environment Committee, showed that the waiting list had fallen to a low point of 268 in 1996. The figure then increased to 352 in 1997 and 373 in 1998. The report showed a projected waiting list of 381 at the end of 1999, 486 at the end of 2000, 493 at the end of 2001, 658 at the end of 2002 and 821 at the end of 2003.

On the face of it this shows a major deterioration in the position, and would bring the waiting list back to the levels of the late 1980s. This would be clear evidence of a growing and “real shortage” of housing. However, as the report makes clear the figures assumed that no action would be taken to make available additional sites.

The Housing Committee Strategic Policy Report 2002 – 2006, published in January 2002, shows that the waiting list at the end of 2001 was 335 (not 493) and the projection for end-2002 was 217 (not 658) and for end-2003 193 (not 821). Unfortunately there is no reconciliation of these figures, nor even a readily accessible series of figures for new States rental houses, and it is not clear what contribution new housing (as opposed to people leaving the waiting list) has made to the significant reductions.

More importantly, the report fails to mention what was probably the main reason for the increase in the waiting list. Another table in the report shows that the net number of social housing completions (ie gross completions less demolitions) was 86 in 1993, 197 in 1994, 50 in 1995 and 70 in 1996. Over the four years this averages out at 100 units a year. In 1997 the figure was minus 137 and in 1998 it was 51. It is hardly surprising that the waiting list grew by 100 in 1997; indeed it was a minor miracle that it grew by less than 100. Not only did the normal addition to the stock not happen but many of the occupiers of the stock that was demolished had to be rehoused in properties that would otherwise have been available to people on the waiting list.

Planning for Homes seems to be the only official document which lists the factors that are recorded as indicators of increased demand. The factors listed were –

- House prices
- The States Rental Waiting List
- The Housing Department survey of first-time buyers
- The requirements of those without housing qualifications
- The Housing Registration Scheme for non-qualified people
- Homelessness.

A number of these *indicators are inappropriate*. The waiting list has already been exhaustively analysed in the previous section.

It is accepted that *house prices* are a reasonable indicator of pressure of demand. The report shows that prices were virtually static between 1992 and 1995. The index then rose by 9.5% in 1996 and by 15.7% in 1997. This indicates growing demand pressure. It would be helpful to have comparable UK data as this would help to indicate whether the rising demand pressure was partly attributable to factors affecting the UK economy (of which Jersey is in practice a part) rather than factors specific to Jersey.

However the report went on to suggest that the official index understated the rise in house prices. The report said: “Discussions with representatives of the Island’s estate agents, property valuers and surveyors at the time when the 1996 index was compiled, suggested that the average price rise during 1996 hid a sharp rise in the last quarter of that year, which was probably closer to 10 per cent. It is now clear that the rise in house prices continued to accelerate during 1997. The official figures suggest a rise of 15.7% between the end of 1996 and the end of 1997. However, the Jersey Estate Agents Association are of the opinion that house prices in the bracket used to compile the index rose by as much as 30% during 1997. The association has also confirmed that house prices in this bracket continued to rise in 1998 by approximately 10 per cent, despite a levelling off of prices in the second part of the year”.

This analysis is remarkable. Firstly, a report dated March 1999 failed to include the actual 1998 figures, which should have been available. Secondly, there is a confusion as to whether the figures are for average prices during a whole year or prices at the end of the year. If the third sentence of the quote is correct then the 10% figure in the first sentence should be the official figure. It is astonishing that a States Committee could put its name to a comment that while the official rise in prices in 1997 was 15.7% the actual rise was 30% without explaining why the index was faulty or what would be done to improve the index. The Committee may simply not have understood the differences between rises during a year (ie December on December) as opposed to a year on year increase (ie the average of all prices in one year compared with the previous year). It is assumed that the index is year on year in which case a 15.7% year on year rise is entirely consistent with a 30% rise during the year. Similarly, the 27% rise in the index in 1998 is consistent with a rise of 10% during the year.

In short, the report is right to identify rising house prices as an indicator of demand pressures and right to use this indicator to show increased demand in 1997 and 1998. It is unfortunate that the authors of the report seem not to have understood how the house price index works, or if they did to explain the data adequately.

The *survey of first time buyers* was a one off survey and therefore can give no indication of rising demand.

Similarly, the section on *those without qualifications* is largely about the general position rather than changes in the position. The evidence cited is based on media reports and reports from the Citizens Advice Bureaux.

The *registration scheme for non-qualified people* was again a one off survey although it did look forward to the period between 2000 and 2010 when it stated that there would be a requirement for an additional 100 social housing units a year as a result of people obtaining their qualis. This seems a very high figure given that these people will all have been living in Jersey for 20 years and that there are strict eligibility requirements for social housing. In practice, the experience so far is that the number is 2 or 3 rather than 100. To the extent that such people move into the private sector then obviously they release properties in the lodging sector. The likelihood is that they will increase the amount of housing they occupy given that private housing is considerably cheaper than lodging house accommodation.

The final variable quoted is *homelessness*. Again, the section is concerned with stock not flow. More importantly, homelessness is not a housing issue and in an affluent society such as Jersey (as opposed to India for example) the number of homeless people has nothing to do with the stock of housing. People are homeless because of drink, drugs, or mental health problems. Their needs must be addressed by social care policies; the availability of general housing accommodation is irrelevant to them.

Unreliable data

Jersey has a very interventionist housing policy in which hard decisions are made about the right of people to live in the Island. It would be reasonable to assume that those decisions were made on the basis of a sound knowledge of the facts. This is not the case. There is no reconciliation of figures from various sources and no attempt to

publish even basic annual data on the housing market (new dwellings completed, dwellings demolished; dwellings made available by conversion, total changes in the housing stock and the waiting list for states rental accommodation).

This can be illustrated by looking at the questionable statistics for the housing stock in 1996. The published Census figures for 1991, 1996 and 2001 are –

Year	Housing Stock	Inter-censal Increase
1991	28,725	
1996	32,173	3,448
2001	32,704	531

At first sight the figures look questionable. The increase in stock figures should be equal to completions, less demolitions plus stock made available from conversions. Was it really the case the activity dropped by 85% in the second half of the decade compared with the first half?

I have tried to reconcile the stock and flow figures. Appendix 2 summarises the attempted reconciliation. Table 8 in the 1999 document *Planning for Homes* gives net completions from 1986 to November 1998. Between 1991 and 1995 net completions were 2,287. Between April 1991 and April 1996 the stock increased by 3,448 units. It seems unlikely that conversions could have accounted for the remainder.

The published figures show a stock increase of just 531 between the 1996 and 2001 Censuses. This seems implausibly low, as there were 1,228 completions between 1996 and 2000. To confuse the position further the Island Plan (2002) estimated the stock at “31,400 (1996 Census figure with known additions to the housing stock from 1996-2001)”. The starting point for this must have been the incorrect figure of 29,956, implying net completions/conversions of 1,444. This is sufficiently close to the 1,228 figure bearing in mind that the Census figures run to March rather than the December.

I suspect that not only has an incorrect 1996 stock figure been used but also that the correct figure was below 32,173; working back from the 2001 Census figure of 32,704 and taking the 1,444 figure as being correct suggests a 1996 figure of around 31,260. This would make the housing stock/population/household trends a lot smoother than they currently are.

A relevant fact here is that the 1996 Census report records 2,217 vacant dwellings, compared with 1,114 in 1991 and 2,065 in 2001. This increase of 99% in a five-year period is implausible, particularly in view of the fall between 1996 and 2001. There may well have been an overcount of vacant dwellings. Appendix 1 analyses the available Census data on vacant dwellings.

The 1981 figure is also suspect. The reasons for this are analysed in Appendix 1. A more accurate figure is probably 25,392 rather than 24,536.

The absence of reliable data is both well known and accepted. In response to a proposition lodged by Deputy Alan Breckon in April 2001 requesting “the Planning and Environment Committee, in conjunction with Policy and Resources, Industries

and Housing Committees, to compile and publish on a regular basis, statistics on the number of new dwellings completed in the Island”, the Policy and Resources Committee said:

“The Committee considers this to be a helpful proposal. Data gathering at present is split between several departments and there is a good case for standardisation in the collection and compilation of data on the total housing stock, including demolitions. Improvements to data would enable a more soundly-based approach to the development of Island policy for the housing market, and provide a proper foundation for the assessment of any impact of States’ interventions in that market”.

The Finance and Economics Committee, in its comments published on 4 September 2001, said:

“The Committee does, however, welcome proposals to collect and collate further statistical data in order that a better understanding of the dynamics of the housing market in Jersey can be acquired. Indeed, it is considered essential that such information to more fully evaluate the impact of States’ intervention is produced before considerable resources are committed”.

The LECG Report *Housing in Jersey* (October 2000) was critical of the adequacy of the statistical data in Jersey. Paragraphs 208 and 209 commented as follows:

“However, a first requirement is to *improve data collection* on housing matters. The basis of good policy must be a reasonable understanding of the true facts of the matter. Research for this report has indicated that there are a number of areas where data is insufficient for policy development. The component sources of population change over recent decades are unknown. There is no satisfactory data available on the proportions of the population with and without residential qualification.....I have been struck by the discrepancies between data coming from Policy and Resources, Housing Department, Planning, Treasury and Income Tax sources.

There are inevitably costs associated with refining and/or increasing data collection but the benefits to some improvement in making joined up policy on agreed date are self evident. As Boleat [in a report prepared for the Housing Committee in 1990] observed a decade ago there seems no systematic monitoring of the effect of various policy instruments.

A final problem is the absence of any reliable data on the views of the public. The Housing Committee appears to rely on letters to the Jersey Evening Post, editorials in that paper and direct contact between the Committee and the public. This is grossly unsatisfactory. The Committee should conduct regular survey of housing satisfaction and should compare the data with that from comparable surveys in English local

authorities and other comparable territories. Almost every English local authority would regard such data as essential.

Conclusion

A first stage to improving the quality of data would be a package comprising –

- A desk exercise to produce a reliable time series of Census data. This should cover the bare figures as published, changes in definition and, most significantly, obvious and major anomalies. (In turn this will require data on completions – see below.) The end result should be a clean, robust time series covering the housing stock, vacant and occupied dwellings and households.
- An exercise to create a time series of housing completions, conversion gains and losses from the stock for the various subsectors, in particular social housing (housing associations as well as States rental). It will be impossible to produce comprehensive statistics but at the least it should be possible to calculate a total figure for net completions each year. This exercise should not be confined to using housing data. For example, Jersey Post should have data on the number of new dwellings and dwellings removed from the housing stock.
- A system which will produce quarterly figures for the above variables and also other key indicators such as the house price index, a rent index and the length of the States rental waiting list. The figures should be published together in a single set of tables with a long run of past figures.
- A housing satisfaction survey of the population using as a basis the questionnaire typically used by English local authorities so as to facilitate comparisons.
- The identification of a number of comparable territories (for example, Guernsey, the Isle of Man, Three Rivers and Beckenham) and a comparison of data with those territories (a comparison of policy might also be beneficial but that is outside the scope of this paper).

Jersey, in common with every jurisdiction in the World, has “a housing problem”. Like other prosperous areas it has a particular problem with rising prices. Unlike other jurisdictions Jersey has also imposed draconian controls on the housing market. One would therefore expect Jersey to ensure that it has the data available to design, implement and monitor its controls. It does not. And what data is available shows a steady improvement in the availability of housing and a small and declining waiting list for States rental housing.

The problem is far from insuperable. It could be addressed quickly and at modest cost if there is the will to do so.



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Appendix 1 Census data on vacant dwellings and the housing stock

The following table reproduces exactly the original data from Census reports for the number of occupied, vacant and total dwellings. The only exception is the 1951 figure, which is taken from the 1961 Census report. The author is not aware if there were Censuses in 1956 and 1966.

Census	Occupied dwellings	Vacant dwellings	Total dwellings	Vacant/ Total (%)
1951			15,381	
1956				
1961		469	17,966	2.61
1966				
1971		854	22,304	3.83
1976	23,284	1,087	24,371	4.46
1981	24,532	4	24,536	0.02
1986	26,522	1,131	27,648	4.09
1991	27,611	1,114	28,725	3.88
1996	29,956	2,217	32,173	6.89
2001	30,855	2,065	32,704	5.65

Note: there is a discrepancy of five units in 1986; this may be the author's error in transcribing data or an error in the report.

The figures for two years stand out as being odd. The figure of 4 in 1981 is clearly a nonsense. There is a figure in the report of 860 for "vacant household spaces". This would be a plausible figure for vacant dwellings. This would make the stock figure 25,392. In turns this looks more plausible than the 24,536 figure, an increase of just 165 since 1976.

The text of this paper questions the reliability of the 1996 figure of 32,173 and suggest that 31,260 is a more reasonable figure if the 1991 and 2001 figures are correct and given the available data on net completions. There is a difference of 913 between these two figures. The 1996 figure for vacant dwellings looks implausibly high in relation to the 1991 and, to a lesser extent, the 2001 figures. Deducting 913 from the 2,217 figure gives 1,304 which seems consistent with the figures for the preceding and following Censuses. This adds support to the view that the total 1996 figure was around 31,260 rather than the published figure of 32,173.

This appendix has been a "back of the envelope" exercise. It has been sufficient to clearly demonstrate implausible figures and to suggest why and by how much some of the figures might be wrong. A much more detailed study of the full Census reports is needed to provide a definitive analysis.

Appendix 2 Reconciliation of stock and flow figures

This appendix attempts to reconcile the available statistics on the housing stock, as taken from the Census reports, with the figures on net housing completions. It is inevitably a back of the envelope exercise, but nevertheless sufficient to question the reliability of some of the Census data. The end result is a reconstructed stock series that is more reliable than the currently available data.

Year	1 Stock at Census	2 Stock at Start of Year	3 Net Completions	4 Stock plus Net completions	5 Balancing Item	6 Stock at end of year
1990			446		50	28,606
1991	28,725	28,606	476	29,082	50	29,132
1992			428	29,560	50	29,610
1993			516	30,126	50	30,176
1994			453	30,629	50	30,679
1995			414	31,093	50	31,143
1996	32,173	32,093	319	31,462	50	31,512
1997			17	31,529	50	31,579
1998			237	31,816	50	31,866
1999			397	32,263	50	32,513
2000			258	32,571	50	32,621
2001	32,704	32,617	354	32,875	50	33,025

Notes:

1. The three figures in column 1 are the Census figures as at March in each year.
2. The three figures in column 2 are equal to the Census figures less one quarter of net completions in the year so as to equate to the stock figure at the beginning of the year.
3. The net completion figures in column 3 are taken from *Planning for Homes* (1999) and data provided by the Planning Department. The figures are taken to be reliable.
4. The figures in the remaining columns assume that the 1991 Census figure was correct and that therefore the stock at the beginning of 1991 was 28,606, and also that the 2001 Census was accurate and that the stock at the beginning of that year was 32,617.
5. The figures in column 4 are equal to stock at the beginning of the year plus net completions during the year.
6. The figures in Column 5 are a balancing item and ensure that the table adds up. In practice the stock increases because of conversion gains so the figure can be attributed to this and also to statistical error.
7. The figures in column 6 show a corrected series of stock figures.

The table shows the 1996 figures in the first two columns cannot be reconciled with the 1991 and 2001 Census figures and the known completion figures. Accordingly it is suggested that the Census figures are accepted as being wrong (Appendix 1

suggests a reason why this might be the case) and that the figures in the final column are accepted as being a reasonable stock series.

It is also the case that there is a serious error in the text of the 1996 Census report which has resulted in the figure for occupied dwellings in that year being quoted as the figure for all dwellings. There may be a general problem with the reliability of the 1996 Census data.