

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

4th September, 2024

Proposition No. P.2024/63

Requête

Establishment of the Committee for Housing

AMENDMENT

Proposed by: Deputy H L de Sausmarez

Seconded by: Deputy A Gabriel

To delete all propositions and replace with the following:

- “1. To note the Guernsey Housing Plan 2024 Annual Update, appended.
2. To note that over the coming months, reports on the following housing strategy priority areas will be published, where relevant supported by policy letters detailing recommendations and any resourcing requirements pertaining to their implementation:
 - Private Market Housing Development Review – removing barriers and introducing incentives and penalties to encourage more and faster completions of private market developments
 - Direct delivery mechanisms – including the potential for a States-owned delivery vehicle
 - Opportunities for Modern Methods of Construction in Guernsey
 - Review of the Partial Ownership Scheme
 - Legislation required to enact the Open Market Inscriptions Policy
 - Ordinances under the General Housing Law:
 - Minimum standards and the overarching law
 - Rights and obligations of landlords and tenants
 - Downsizing Review to facilitate and support the more efficient use of existing housing stock
 - Keyworker Housing Policy
 - Improving quality and energy efficiency in existing and future housing stock
 - The States Strategic Housing Indicator Update

3. To note that the objectives relating to all housing priority areas could be achieved more quickly with additional resource focused on frontline delivery, and to note specifically that the following workstreams (which are currently not resourced for completion this political term) could be accelerated with additional resource:
 - Options for private institutional/ethical investment in Affordable Housing
 - A review of the current rent control scheme and exploration of potential rent stabilisation mechanisms
 - The introduction of a statutory deposit protection scheme
 - Homelessness policy
 - Living Well at Home Longer policy
 - Funding, support and delivery options for home improvements and property adaptations relating to physical wellbeing
 - First-time Buyers and Second-States Movers proposals
 - Funding, support and delivery options for home improvements and property adaptations relating to energy efficiency
 - Incorporation of keyworker housing requirements into the SSHI
 - Stock condition survey to create evidence base to inform measures/support needed to improve islanders' physical health, wellbeing, comfort and cost of living.
4. To agree, in order to enable the faster delivery of priority housing strategy workstreams, that the sum of £215,000 is allocated in the 2025 budget and made available to enable the recruitment of three additional policy officers, commencing as early in the year as possible.
5. To agree, in order to further accelerate the delivery of priority housing strategy workstreams, that the sum of £215,000 is allocated in the 2025 budget and made available to enable the recruitment of a further three additional policy officers, commencing as early in the year as possible."

Rule 4(1) Information

- a) The propositions contribute to the States' objectives and policy plans by more effectively delivering housing strategy priorities, as agreed through the Government Work Plan.
- b) In preparing the propositions, consultation has been undertaken with the Policy & Resources Committee and the Committee for Employment & Social Security.
- c) The propositions have been submitted to His Majesty's Procureur for advice on any legal or constitutional implications.

- d) The financial implications to the States of carrying the proposal into effect are as set out in the individual propositions, where relevant. This approach is more cost-effective in terms of delivering the States' housing priorities because the resource is exclusively focused frontline delivery and does not incur any costs relating to political and civil service restructuring.

Explanatory note

There is a lot of work already underway to tackle the island's many housing pressures. These workstreams all relate to the priority areas identified in the Guernsey Housing Plan:

- Affordable Housing
- Private Market Supply
- Private Rental Sector
- Market Niches
- Quality & Energy Efficiency
- Data & Evidence

The Guernsey Housing Plan Update Report, which is appended to this amendment, sets out a clear and strategically sensible pathway to tackling the many housing issues the island faces. Many of these workstreams (listed in Proposition 2 of this amendment) are due to be completed within the remainder of this political term, while some will still be underway at the time of the general election.

One of the chief hopes expressed by the requérants is that their propositions will "accelerat[e] delivery of the priorities under the Guernsey Housing Plan". As the letter of comment on the Requête submitted by the Committee for the Environment & Infrastructure ("the Committee") explains, the rate of delivery on housing priorities fundamentally comes down to the dedicated frontline officer resource in the Housing & Infrastructure Team.

For the avoidance of doubt, the Requête's original propositions retain the existing level of resource dedicated to housing policy work so, if it is supported, housing priorities cannot be delivered any faster than the current timeline. The Requête would, however, require additional resource to fund the secretariat function for the new committee, the pay uplift for its president, plus pay for up to two non-States members (none of which would deliver workstreams any faster, as they relate to the new political and organisational structure rather than the frontline delivery resource). Should the Requête be successful, it would also require additional civil service roles to be created to address the consequential impact on non-housing infrastructure

resource (although that impact is not included in the original Requête).

Since the inception of the Guernsey Housing Plan, there have been no delays to work resulting from any lack of capacity or political will at committee level. There are, however, known bottlenecks in terms of the officer resource to deliver the work planned for the months leading up to the general election in June 2025, and indeed beyond.

The Committee is keen to maximise the resource available to deliver the priorities of the Guernsey Housing Plan to accelerate its delivery – effective as soon as possible. Sensing the same broader political will beyond the Committee, we have applied (through our 2025 budget submission) to the Policy & Resources Committee for additional frontline delivery resource to achieve this aim. However, as the Requête is scheduled to be debated before the Budget Report for 2025, we are bringing this amendment (which mirrors our budget request) to give the Assembly the earliest opportunity to support this prioritisation of resources.

The Requête – for reasons explained above, and in more detail in the Committee’s letter of comment – will not in and of itself deliver the priorities any faster than under the existing structure. Fundamentally, it is quite simple: the Requête’s propositions do not increase the dedicated officer resource to carry out the policy work required.

By contrast, this amendment will enable the accelerated delivery of the States’ housing objectives, because if successful it will increase the dedicated policy officer resource and therefore increase the States’ capacity to deliver the work.

Further, this amendment (if supported) will enable accelerated delivery of housing priorities this political term, because that dedicated policy officer resource will be operational as early as possible in 2025. By contrast, the Requête (which does not increase the States’ capacity to deliver its housing objectives and creates a number of other problems, explained in the various letters of comment) would only take effect in the second half of next year, and would divert resource in the interim away from the frontline policy work in order to affect the necessary organisational restructure.

The specific workstreams that can be accelerated with additional resource are listed in Proposition 3 of this amendment. At current resourcing levels – which would of course remain unchanged should the Requête be successful – these specific workstreams will not be completed this political term. However, with additional levels of dedicated frontline resource, more of these workstreams could be, and all could be accelerated in relation to the existing timeline.

Propositions 4 and 5 of this amendment enable the Assembly to choose how much

resource to commit to the delivery of the island's housing priorities.

The Committee considers an additional three policy officers (two of whom are expected to be senior officers) to be the minimum level of resource that will make a meaningful difference to the rate of delivery. This is therefore our core recommendation, encapsulated in Proposition 4 of this amendment.

Proposition 5 effectively doubles that level of resource, with commensurate improvements in the accelerated rate of delivery. We have encapsulated this in a separate proposition in recognition of the fact that – however fully and sincerely the Assembly shares the Committee's aspiration to deliver the objectives to achieve the Guernsey Housing Plan's vision as quickly as possible – the States has limited financial resources and the Assembly may therefore decide, taking the wider fiscal constraints into careful account, that it cannot increase the policy resource to the full extent expressed in both Propositions 4 and 5 together.

If the amendment is supported, it will delete the original propositions (for the reasons set out in the various letters of comment) and replace them with the propositions above, which will then become substantive propositions. When it comes to the final vote on the substantive propositions, members who want to increase the States' capacity to deliver work on housing priorities can choose whether to support both Propositions 4 and 5, or just Proposition 4. For clarity, if Proposition 4 is supported, the cost is estimated to be £215,000 in 2025 (and equivalent in subsequent years). If both Proposition 4 and Proposition 5 are supported, the cost is estimated to be £430,000 in 2025 (and equivalent in subsequent years). These costs are as advised by P&R and Treasury officers, reflecting the whole costs of employing three or six policy officers and do not relate only to pay costs.

Please note that these costs relate to the additional policy officers the Committee recommends; however, as explained in Proposition 2 of this amendment, the outputs of those workstreams may have further resource implications relating to the implementation of any measures that the States subsequently supports.

In summary, the Committee very much hopes that the Assembly shares its aspiration to deliver the island's housing priorities as quickly as possible, but to accelerate the current delivery timeline will require additional frontline resources. These resources are not delivered by the original Requête (which would introduce other problems and costs), which is why this amendment seeks to replace the original propositions with amended propositions that, by contrast, do offer the Assembly the opportunity to accelerate the rate of delivery on the island's housing priorities in the most efficient, cost-effective and expedient way.

Quick Reference Guide to Propositions in this Amendment:

1. To note the appended Update Report.
2. To note the upcoming workstreams, as listed.
3. To note the workstreams that could be accelerated through increased resource, as listed.
4. To increase the frontline delivery resource by three additional policy officers, at a cost of £215k pa.
5. To increase that frontline delivery resource by a further three additional policy officers, at a further pay cost of £215k pa (i.e. £430k pa combined).



2024 Update

The Guernsey Housing Plan

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President's foreword

The combined effects of the pandemic, Brexit and the invasion of Ukraine have had a significant impact on the island's housing situation. Just a few years ago, the size of our population was shrinking and the States was roundly criticised for indicating that many more homes were needed. Our population then increased sharply and rapidly at a rate that outstripped the capacity of our construction sector to respond. Further challenges relating to supply chain pressures and the cost and availability of materials, labour and finance compounded that problem for the construction sector, combining to create a shortage of supply of new homes that is having a profound effect on the island.

Lack of supply is just one part of the picture, however. Guernsey's housing market has some serious problems relating to affordability, accessibility, suitability, quality, choice and security of tenure – many of which may relate to, or are compounded by, a lack of supply, but which are distinct and complex problems in their own right. While the vast majority of housing in Guernsey is provided, either for sale or rental, by the private market, such is the extent and impact of market failures that government interventions are imperative.

The Guernsey Housing Plan quantifies and evidences those problems and – most importantly – sets out a clear and strategically sensible pathway to tackling them in a way that is both effective and achievable.

In this report we provide an update of the data and the work that we and others are doing to address one of the most pressing issues affecting our community. We have been careful to focus the States' limited resources on properly prioritised and co-ordinated work that will make the most positive difference to people's lives most quickly. As the Guernsey



Housing Plan makes clear, there is no quick fix to the challenge we face, but a lot of work is underway and progressing well, as this report will set out.

The Committee *for the* Environment & Infrastructure is encouraged by the recent increased political interest in housing and hopes that the States will support its efforts to allocate more resource to frontline actions. Increasing the resource available to do the work set out in the Guernsey Housing Plan is what will accelerate that work and make the biggest differences to the situation on the ground, and by extension to Guernsey people's lives.

A handwritten signature in white ink, reading "Lindsay de Sausmarez".

Deputy Lindsay de Sausmarez
President, Committee *for the*
Environment & Infrastructure



Introduction

This is the first published update of the Committee for the Environment & Infrastructure's Guernsey Housing Plan¹. The Guernsey Housing Plan was published in July 2023 and sets out a prioritised plan of action that government will take to tackle Guernsey's housing market pressures.

Historically, government has been reluctant to intervene in the island's housing market, on the basis that free market forces should ultimately bring the market to equilibrium. The numerous pressures now felt in every sector of the island's housing market demonstrate that that assumption no longer holds true. This plan recognises that, in order to address some of the major issues, government needs to take action, either to bring about change directly or encourage the key players in the market to take a different approach. The current housing market pressures cannot continue without risk of forcing more local people to be left with no choice other than to live elsewhere.

Any intervention in the housing market has to be carefully considered to ensure the benefits outweigh any negatives, which is one of the reasons there are no 'quick win' solutions. The Guernsey Housing Plan is informed by data and analysis to best achieve this balance. It provides a high level, practical framework that prioritises action and delivery and works towards meeting the overarching strategic housing vision below.

The Guernsey Housing Plan comprises 28 workstreams. This document outlines the progress made in delivering these, while setting the direction and focus for the next year. It also provides a summary update on key performance areas of the island's housing market.

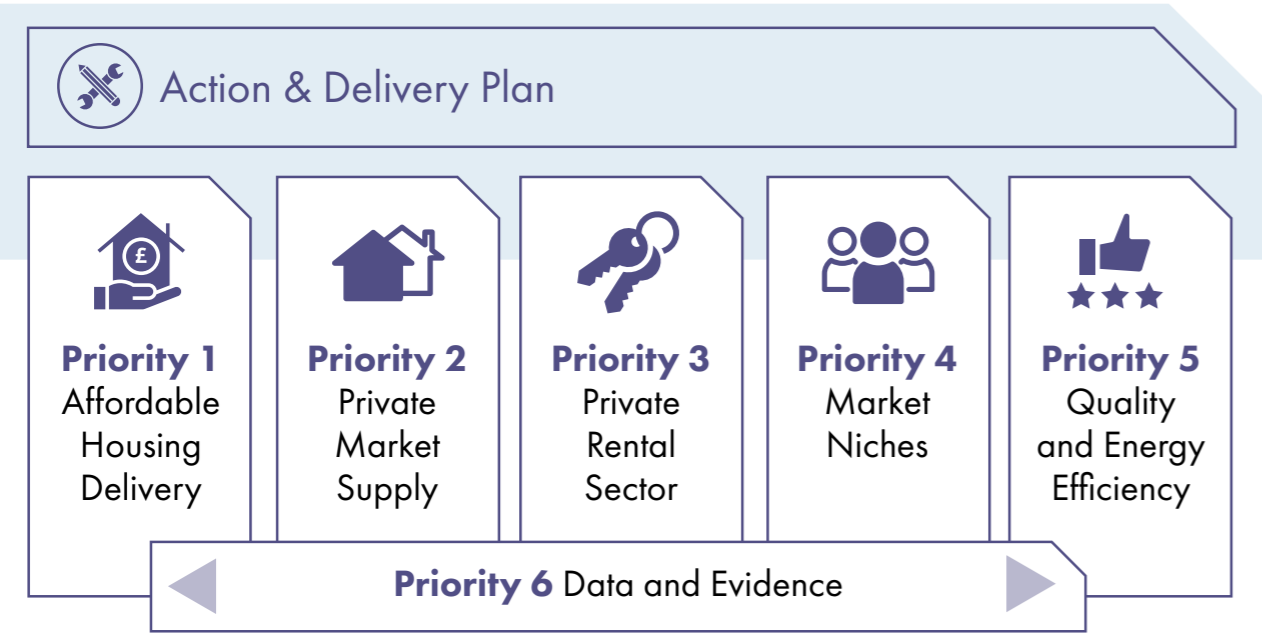
¹ - [Guernsey Housing Plan - States of Guernsey \(gov.gg\)](https://www.gov.gg/guernsey-housing-plan)

All people living in Guernsey will have access to a range of good quality housing that is **affordable, secure, energy efficient and adequate** for their needs.

Guernsey Housing Plan Strategic Vision

Section 1: Summary Update on Progress

The Guernsey Housing Plan comprises six priorities for action, within which are 28 prioritised workstreams for delivery.



This section provides a summary of key progress made over the past year within each of these six priorities. Section 2 sets out specific progress against each of the 28 workstreams and reconfirms the priority status of each over the next year of Guernsey Housing Plan delivery.

Each workstream is multi-faceted, with the majority requiring cross-committee working across the States of Guernsey, as well as stakeholder engagement, to ensure the proposals for change and delivery are as effective as they can be. All workstreams prioritised to commence in 2023 have now either been completed or are well underway, alongside additional work commenced in 2024.

The Guernsey Housing Plan is a live document, so some workstreams have been reprioritised to take into account interdependencies with other workstreams or projects and the current availability of resource to get the work done.

Of the 2023 and 2024 active workstreams, 16 are due to complete before the 2025 election with associated findings, proposals and delivery plans published.

Priority 1 - Affordable Housing Delivery



The Affordable Housing Development Programme

There has been a committed focus this political term to secure sites and funding to support the delivery of Affordable Housing² in Guernsey and this has carried on with vigour during the past year. The Committee for Employment & Social Security has mandated responsibility for the delivery of Affordable Housing, which it delivers through the Affordable Housing Development Programme.

The delivery of Affordable Housing is a foundation point for Guernsey's housing market, providing homes for some of the island's most vulnerable individuals. To seek to meet this need, four important stages are required, each of which have advanced over the past year:

Identification of housing need

To set a development programme, the States of Guernsey has identified what Affordable Housing the island needs to build in terms of unit numbers, property sizes³ and property tenures⁴. Alongside monitoring the social rental and partial ownership waiting lists, in 2023 the States set the Affordable Housing Indicator⁵ at needing 721 units of social rental and partial ownership units to be created during the period 2023–2027.

In addition to this are the needs for off-island recruited key workers and specialised housing units, which takes the estimated total need to approximately 1,000 Affordable Housing units. This figure provides the benchmark for delivery.

Funding

The States of Guernsey provides capital grants to assist the Affordable Housing Development Programme. Capital grant funding was secured in 2021 to help support the Affordable Housing Development Programme through this political term and will be at the forefront for consideration following the general election in 2025. Plans are already underway to calculate what the capital grant requirement levels may be for delivering the required number of Affordable Housing units over the next 10 years.

² - 'Affordable Housing' comprises 'Social Housing' and 'Intermediate Housing'. Social housing are units owned and controlled by the States of Guernsey or a registered housing association that are reserved for households on low incomes or with other needs identified by the Committee for Employment & Social Security. It includes social rental, key worker and specialised housing such as extra care. Intermediate Housing are units owned or controlled by the States of Guernsey or a registered housing association that are offered on a basis that includes part ownership or shared equity. The important distinction is that 'Affordable Housing' on this basis does not refer to the affordability of housing.

³ - In terms of the number of bedrooms in the unit of accommodation.

⁴ - In terms of Social Rental Housing and Partial Ownership Housing only.

⁵ - [The States Strategic Housing Indicator 2023-2027 - States of Guernsey \(gov.gg\)](#)

In addition to capital funding, through the Funding & Investment Plan agreed by the States in October 2023, the Policy & Resources Committee has been authorised to take out new external borrowing up to a maximum of £150million specifically to lend on to the Guernsey Housing Association, or another provider of Affordable Housing, to help fund the Affordable Housing Development Programme. This borrowing would be repaid at a rate calculated to ensure no residual costs to the States of Guernsey.

Together these two government funding sources help deliver the Affordable Housing Development Programme.



Delivery mechanism

At present, the States of Guernsey does not develop any new Affordable Housing units. It was agreed in 2001⁶ that development would be undertaken by a housing association, as it was believed housing associations could provide more housing, more quickly, and at a lower cost than if the States of Guernsey alone was responsible for development. In response, the Guernsey Housing Association was established and registered in 2002.

The Guernsey Housing Association has developed more than 1,000 new units of Affordable Housing in the two decades since its inception. However, the context today is markedly different: the island now needs that same number of new Affordable Housing units to be delivered in just a quarter of that time. It would be unrealistic to expect the Guernsey Housing Association alone to be able to deliver that volume of housing to that timeline, so consideration is now being given to what other delivery mechanisms could exist in the Affordable Housing market to supplement the Guernsey Housing Association's development schedule. This will be a key focus for the States of Guernsey over the coming months, with operating models in Jersey, the Isle of Man and across the UK being evaluated for their suitability for Guernsey.



Development sites

The Affordable Housing Development Programme currently has eight sites prioritised for delivery, which are being progressed by the Guernsey Housing Association with the support of government capital funding:

⁶ - Billet d'Etat II 2001 – States Housing Authority "The Introduction of Housing Associations in Guernsey"

Site	Est. units ⁷	Status
La Vielle Plage	14 units (specialised housing)	Works started on site in January 2024. Completion expected Q3 2025.
Sir John Leale Avenue	1 unit (social rental for specific needs)	Completed, handover in August 2024.
The Oberlands	15 units key worker housing, alongside 6 private market units	Joint venture with Infinity Construction Limited. Revised planning application was approved on 25.04.24. Pending final development proposal.
Braye Lodge	32 units key worker housing, alongside 10 private market units	Preparation of planning application materials is underway. Pending final development proposal.
Domaine des Moulins	57 units	Planning permission was granted at an Open Planning Meeting on 21.03.24. Tree removal and cliff stabilisation work planned. Pending final development proposal.
Pointues Rocques	41 Affordable Housing units, alongside 27 private market units	In-principle approval has been given for a delivery approach which would include units to be delivered in accordance with Policy GP11 (which applies to the previously approved planning application) as well as additional Affordable Housing units. Negotiations underway. Pending final development proposal.
Fontaine Vinery	Circa 130 units (mixed tenures)	Due to the size of the site, masterplanning has taken place to determine high level site layout, traffic and infrastructure requirements that need to be resolved before development planning can progress.
Parc Le Lacheur	Circa 130 units (mixed tenures)	Infrastructure issues are being worked on before development can progress.

Table 1: Summary Status of Affordable Housing Development Programme

⁷ - The estimated number of units is only indicative until planning permission has been granted.



The current sites within the Affordable Housing Development Programme are not without their complexities, with several significant infrastructure and design issues that need resolving. In support of this, a masterplan of the housing sites in the north of the island is being developed with the involvement of stakeholders that sets short- and long-term visions for the area to create attractive places to live for those living in the newly developed units as well as the surrounding area. It sets a road map for delivery to develop against, enabling phased development and a carefully thought-out site design that takes into account all relevant factors.

In addition to these sites, the Committee for Employment & Social Security is continually monitoring potential development sites and analysing their suitability for viable Affordable Housing development opportunities. The nature of housing development is such that it takes time to plan and progress development, but government must move faster wherever possible. For this reason, focus this past year has been on looking at delivery options that could expedite delivery and how the government might take a more direct role in the Affordable Housing market.

Modern Methods of Construction

The Modern Methods of Construction (MMC) sector is progressing at speed across the world, and it is appropriate for Guernsey to consider their suitability locally. MMC present opportunities to rethink how housing is designed and built. The sector presents a range of construction opportunities away from the more traditional build methods that focus on off-site and/or innovative construction techniques. It has the potential to speed up the construction process.

MMC systems vary in typology, materials and construction methods. Their use in Guernsey presents several challenges including climatic conditions and logistical hurdles associated with transportation to and within the island. For these reasons, it is more complex than simply selecting a method or product ‘off the shelf’. Arup International Projects Limited has been appointed to undertake an assessment to pinpoint the most suitable MMC systems and typologies for Guernsey’s needs, while considering potential suppliers, logistical and installation partners.

The review will assess the suitability of different MMC building systems, broadly categorised into the following seven types that will be reported on before the end of 2024:

1	3D Primary Structural Systems	Volumetric construction Full production of unit in a factory; Delivery to site in a variety of forms (basic to complete finish with services).	Common terms ‘Off-site’, ‘systemised design’, ‘Designed for Manufacture and Assembly’.
2	2D Primary Structural Systems	Assembled on site Less produced in a factory environment; Most common approach is to use open panels or frames.	Common terms SIPS (Structural Insulated Panels) or Cassettes, which are used in assembly.
3	Non-systemised Primary Structure	Some pre-manufactured parts Part pre-manufactured structural members (i.e. load-bearing beams)	Common terms Not part of a ‘systemised design’
4	Additive Manufacturing	Structural and non-structural Remote, site based or final workspace printing of parts. Uses digital design.	Common terms 3D Printing
5	Pre-Manufacturing	Non-structural assembly Series of different pre-manufacturing approaches; Typically used for kitchens/bathrooms.	Common terms Typically ‘pods’ or non-load bearing ‘mini-volumetric’ unit.
6	Traditional Build product-led	Traditional Product Improvements Traditional single-building products manufactured in large-format pre-cut configurations.	Common terms Typically reduce the level of labour required on site.
7	Traditional Build process-led	Traditional Product Improvements Harnessing site process improvements falling outside the five main pre-manufacturing categories.	Common terms Lean construction, digital workers, drones, verification tools.

Table 2: Seven categories of MMC⁸

8 - Source: Arup International Projects Limited

Priority 2: Private Market Supply

Many of the housing pressures across Guernsey's housing market relate to one key issue – a lack of supply. This market failure impacts on availability, affordability and suitability of properties in the market and across all tenures. If islanders are to have access to accommodation that meets their housing needs, supply has to be addressed as an absolute priority, and so it has been a critical focus of the Committee's work.

To set the context, there is not an issue with land supply being available for housing development in Guernsey: sufficient development sites are available through the Island Development Plan to deliver the required number of housing units to meet the island's housing needs. It is, quite simply, that these sites are not being developed out to completion by private landowners and developers for various reasons.

Under the Island Development Plan⁹, there have been 651 planning permissions granted that could deliver 1,308 housing units. Of these, only 332 sites have been developed, delivering only 835 units. This represents just 51% of sites and 63.8% of all units given planning permission. The Committee is focused on addressing this under-delivery and significantly improving this trend.

Targeted stakeholder engagement has taken place with developers and architects this year to better understand the reasons behind this lack of delivery. Feedback shows that these stakeholders perceive the delivery problems to be:

⁹ - Timescale: 2 November 2016 to 31 December 2023

- Capacity to deliver
- Cost of construction
- Appetite of the developer
- Economic environment
- Lack of assurance on pipeline supply
- Restrictions of alternative development approaches such as the use of existing buildings and buying off plan
- The role of the States of Guernsey and planning policies

The Committee is now looking at how to address these issues to stimulate private market development and is aiming to provide solutions and incentivising options in relation to areas such as:

- Access to finance
- Improved certainty over planning and delivery
- Capacity of the construction sector
- New delivery methods

The Committee is also considering what penalties could be applied if the incentives do not work, as well as what other delivery models the States might establish to deliver housing directly. These are fundamental decisions to make in relation to private housing delivery. Now is the time to consider all the options to move the island out of the current pressures, so the Committee is determined to do all it can to stimulate housing supply.

Just as important as which incentives and penalties are introduced is how they are introduced. The approach needs to make sure the overall impact is positive and not harmful to the wider housing market. Implementation proposals will be prepared over the next six months, with firm operational and delivery proposals being presented early in 2025.

Open Market Part A Inscriptions Policy

The Population and Immigration Policy Review (PIPR), approved by the States of Deliberation in 2022¹⁰, highlighted the importance of Part A of the Open Market to supporting and developing the island's economy by attracting people to Guernsey who will make a positive contribution to both its economy and its community. The States noted that the Committee *for the Environment & Infrastructure* is developing a policy to consistently administer inscriptions into Part A of the Open Market Housing Register. This is to ensure that the quality and availability of Open Market Part A housing stock can be enhanced and the market protected, and the States' objectives for this important residential sector can be met.

Through the Open Market Housing Register (Guernsey) Law, 2016¹¹ the Committee *for the Environment & Infrastructure* is able to agree new Open Market inscriptions, provided that it is in accordance with States' population policies. It is important that the Committee has a robust policy against which applications can be assessed so that the process for inscribing properties onto Part A of the Open Market Housing Register is understood and is fair, equitable, transparent, and legally defensible. The Committee is firmly of the view that any new inscriptions in any given year should be strictly limited in number so as to protect the stability of the Open Market, and by extension the Local Market as well.

There is no intention to change the Open Market from what it is today. The policy will only relate to the administration of inscriptions into Part A of the Open Market Housing Register. This work does not revisit any of the work previously considered through the PIPR.

The policy has been co-developed with relevant and key stakeholders. Demand for access to good quality Open Market Part A properties is not just focussed on high net-worth individuals (HNWIs) and high value properties: Part A of the Open Market serves a

range of individuals including HNWIs, entrepreneurs, young professional couples and older residents. It is important to have a range of good quality properties available on the Open Market Part A to meet the needs and demands of people looking to access it. From the outset of the development of the Inscriptions Policy, due care and attention was given to ensuring it was as simple as possible whilst still achieving the desired outcomes guided by the Open Market principles.

In order for the Inscriptions Policy to take effect, the Open Market Law will require amending to allow for the proposed charging mechanism to be implemented and so that any other consequential amendments can be addressed. Legislative amendments are currently being drafted with the aim to submit them to the States by the end of 2024 or early 2025.

To ensure the Inscriptions Policy is having its desired and intended effect on both the Open Market Part A and the Local Market, once the policy is brought into effect, an annual monitoring report shall be established which will be undertaken in consultation with industry professionals and stakeholders. This will allow the Committee to maintain a flexible approach and adjust the Inscriptions Policy in line with shifts in market trends and demands, as well as cost.

¹⁰ - [Billet d'État No. XVIII of 2022 - Population & Immigration Policy Review Policy Letter](#)

¹¹ - [The Open Market Housing Register \(Guernsey\) Law, 2016](#)

Priority 3: Private Rental Sector

Guernsey's private rental sector accounts for more than a quarter of the island's housing stock, but the sector is unregulated and as a result people's experiences vary widely. Whilst there are several workstreams seeking to increase the supply of homes in Guernsey, and those supply-side measures will be integral to addressing the availability and affordability of accommodation in the private rental sector, the Committee is similarly prioritising work to ensure that there are adequate rights and protections in place for those letting out property or living in rented accommodation.

The private rental sector is under significant pressure to provide for some of the most vulnerable households in Guernsey, partly due to the comparatively small size of our Affordable Housing sector in relation to comparable jurisdictions. A balance has to be struck between landlords having appropriate control over their property, who lives there, and reasonable expectations about how their property will be treated,

and tenants having sufficient security of tenure and living in conditions which are not detrimental to their health and wellbeing, with a clear process to support them in seeking recourse.

In the past year, significant progress has been made towards establishing minimum standards for the quality of rental accommodation. Legislation has been drafted, and a public consultation was recently undertaken to seek the views of the public on the proposed measures concerning:

- Minimum standards for rented dwellings
- Adopting the Housing, Health and Safety Rating System
- Overcrowding
- Registration of rented dwellings
- Licensing of houses in multiple occupation

Subject to consideration of the consultation feedback, the intention is to bring the legislation to the States for approval in Quarter 1 2025.

The Committee has also made in-principle policy decisions in respect of the appropriate rights and responsibilities of landlords and tenants, and plans to launch a consultation on this second phase of work in Autumn 2024. This will cover elements such as:

- The use of fixed period and rolling tenancies
- The grounds upon which a landlord may regain possession of a property
- Minimum notice periods when a landlord or tenant wishes to end a tenancy
- The process and appropriate body for considering evictions and disputes



Good landlords and tenants will no doubt already be meeting many or all of the proposed requirements. Sadly, however, this is not everyone's experience, and given the importance of the private rental sector in Guernsey, the Committee considers it a priority to establish appropriate expectations and safeguards.

The Committee intends to bring policy proposals to the States for consideration before the end of this political term, with consideration being given to the timing of commencement in relation to the minimum standards legislation.

The third phase of work on the private rental sector will consider measures to address affordability issues within the private rental sector. This was a focus of discussion at the British-Irish Council Housing Work Sector meeting held in Guernsey on 24–25 April 2024, which demonstrated just how complex this policy area is in terms of its long-term effects on rental

prices, landlords, tenants and the supply of rental accommodation. The Committee is keen to better understand the evidenced experience and impact in other jurisdictions before considering whether or how any form of rent stabilisation might work for the private rental sector in Guernsey.

Feedback from the public will be integral in shaping all of these policies. Together with the introduction of a statutory rental deposit protection scheme, this package of workstreams will deliver fair and robust protections for landlords and tenants alike that should help the private rental sector evolve further to become more of a quality tenure of choice.



Priority 4: Market Niches

While focus this past year has been on supply-side measures into the housing market, work has advanced alongside in relation to government’s approach to two market niche groups:

Long Term Key Worker Housing Strategy

Defining exactly what a key worker is, what their housing requirements are and what government’s role is in providing or subsidising key worker housing have been complex, longstanding issues for a considerable number of years. Key worker housing pressures have come to the fore since the Covid-19 pandemic when the extreme housing pressures in Guernsey severely impacted the recruitment and retention of workers to deliver Guernsey’s essential services and, most critically, how these can be balanced equitably alongside local workers also facing the extensive housing pressures.

The Committee has developed draft proposals on the approach to long term key worker housing¹² based on three fundamental principles:

- 1 Key worker housing is important but cannot alone equitably solve the key worker recruitment and retention pressures felt in the island.
- 2 Consideration must be given to how key worker housing provision fits with the island’s wider housing market. Individual market niches cannot be looked at in isolation without considering the impact and fit with the whole housing market.
- 3 Equality with local key workers must be pursued wherever possible. Providing support and incentives to off-island recruited key workers might meet the service delivery requirements of essential services, but it currently does so in a way that disadvantages local on-island key workers working in the same service area.

The draft policy proposals are currently being consulted on with key internal stakeholders, after which the Committee will finalise its policy proposals for publication.

Downsizing Review

The island’s population projections evidence an urgent need to address older people’s housing. Through downsizing, this in turn could support housing market movements throughout the housing chain by freeing up larger properties for second-time movers and/or families currently struggling to access a larger sized property to match their housing requirements.

Quantitative evidence set out in the Guernsey Housing Plan and its underpinning reports illustrate the island’s underoccupancy rates, which are high and increasing, especially in pensioner households. Qualitative evidence tells us that many older people want to live in their current home for as long as possible. However, some want and/or need to move into smaller units that better meet their housing needs. The Committee wants to ensure the market delivers against this need.

Stakeholder engagement through a range of meetings and focus groups is taking place during a “Housing Later in Life” week commencing 9 September to better understand the reasons why households do not downsize, what the barriers are and what can be done to support those that want to downsize to do so. This will be a key foundation to developing the steps government can take to better encourage, enable and support downsizing in Guernsey’s housing market and to move towards a more efficient use of the island’s strained housing stock.

12 - The approach to key worker housing considered as part of this workstream is the medium to long term strategic direction. It is not the immediate, or even short term, measures required to address the key worker housing pressures currently experienced.

Priority 5: Quality and Energy Efficiency

Poor quality and/or energy inefficient housing can have a profound impact on people’s quality of life – because it can have a significant impact on householders’ health, and because high energy bills can be a major expense, especially for lower-income households. Good quality housing that delivers energy efficiency is therefore one of the most practical ways to help people to live more comfortably and more affordably.

In August 2020 the Climate Change Policy for Guernsey was approved by the States of Deliberation, setting the target for Guernsey to be carbon neutral by 2050¹³. Analysis indicates that approximately 80% of Guernsey’s total housing stock in 2050 is already built¹⁴. As the building and running of our homes is a significant contributor to carbon emissions, this places an emphasis on the need to encourage retrofit solutions which improve energy efficiency.

Work is well underway to scope the options to improve the energy efficiency of buildings in Guernsey, report on their implications, outline options for reporting energy standards and identify performance standards for the rental market. The Committee is pursuing the use of Energy Performance Certificates (EPCs), variations of which are used by the Jersey, Isle of Man and UK governments and across Europe. The implementation of EPCs would form a baseline to understand the current housing stock condition and help inform the parameters around any potential scheme to target the most effective improvements, measure the impact, and ensure value for money.

Given the interdependencies between the actions under this housing priority area and the current

climate change policy work, the Committee agreed in June 2024 to formally reprioritise Action 5B: “Explore funding, support and delivery options to enable homeowners/landlords to make property improvements and/or home adaptations relating to energy efficiency” to commence in 2025, when it can incorporate the outputs of the climate change work.

13 - <https://gov.gg/CHttpHandler.ashx?id=127345&p=0>
14 - This figure is based on the 5-year averages from the Annual Residential Stock Bulletin and the number of units required to meet the needs of the population as identified by the States Strategic Housing Indicator, projected forward to 2050.





Priority 6: Data and Evidence

A key measure of the island's housing market is the level of housing need in the island, represented through the States Strategic Housing Indicator (SSHl). The SSHl is a States-agreed figure¹⁵ which sets out the total number of additional accommodation units that should be created each year if Guernsey is to meet its housing need. It is informed by a housing needs model and describes the accommodation units required (broken down into tenure¹⁶ and property size¹⁷) to appropriately house newly forming households and meet the needs of already established households currently without appropriate housing.

To monitor the level of the SSHl and to ensure it remains reflective of the evolving housing needs of the island, the underpinning housing needs model is now re-run in-house annually.

The data is currently being processed and run through the housing needs model. The results will then be analysed against the current SSHl and made public within the next few months. This provides fundamental data for monitoring and adjusting housing and planning policies over the next few years.

¹⁵ - [The States Strategic Housing Indicator 2023-2027 - States of Guernsey \(gov.gg\)](#)

¹⁶ - In terms of Private Market Housing, Social Rental Housing and Partial Ownership Housing.

¹⁷ - In terms of the number of bedrooms needed in the unit of accommodation.





Section 2: Guernsey Housing Plan Workstream Update

Priority 1: Affordable Housing Delivery				
Workstream ID / Workstream Title	Workstream Outcome	Prioritised Commencement	Status	Comment
1A Affordable Housing Development Programme	Increased supply of Affordable Housing units to meet Affordable Housing Indicator.	Ongoing	Ongoing	<p>Eight sites currently prioritised for development as part of the Affordable Housing Development Programme, with the potential for circa 440 units to be delivered or under construction within the next 5 years.</p> <p>These sites are being progressed by the Guernsey Housing Association.</p> <p>Additional delivery methods to supplement the delivery of the Guernsey Housing Association are also being considered.</p>

1B Establish certainty over Policy GP11	Confirmation of structure of Policy GP11 to provide certainty to developers and landowners in their development planning. Certainty will remove this perceived 'barrier' to housing supply.	2023	Complete	<p>In April 2024, the States agreed to set the percentage requirement of the affordable housing policy (Policy GP11) of the Island Development Plan to 0% until 31 May 2029.</p> <p>The provision of sufficient land to meet the island's Affordable Housing requirements (as required through the Strategic Land Use Plan) is being proposed through the ongoing Island Development Plan focused review process.</p>
1C Explore options for private institutional/ ethical investment in Affordable Housing	Reduced reliance on government to fund Affordable Housing. Delivery of additional housing units.	2025	2025 start	Workstream scheduled to commence in 2025.
1D Consider opportunities for MMC in Guernsey	Proposals on the types of MMC that could be used in Guernsey as an alternative to traditional build. Ultimately use these for delivery of housing units.	2024	Ongoing	<p>The Committee for the Environment & Infrastructure has appointed relevant expertise to undertake a review into different methods of Modern Methods of Construction (MMC) for Guernsey. Completion by end of 2024.</p> <p>Workstream 1D title and scope has been changed from "Consider opportunities to use modular construction" to "Consider opportunities for MMC in Guernsey".</p>
1E Review of Partial Ownership scheme including, as a minimum, percentage of equity levels and rent-setting structure	An effective first-time buyer scheme that meets island-wide and operational requirements.	2024	Ongoing	Elements of the Partial Ownership Scheme process have been revised. The complete spectrum of this review will continue during 2024 and complete mid-2025.

Priority 2: Private Market Supply

Workstream ID & Title	Workstream Outcome	Prioritised Commencement	Status	Comment
2A Investigate incentives and penalties (alongside and additional to those already cited in the 2023 Budget Report) to encourage the completion of private market developments. Set the approach and timescales to implementation	A 'toolbox' of measures implemented to trigger private market housing development in Guernsey. Approach, implementation plan and delivery.	2023	Ongoing	<p>This workstream is part of a wider Private Market Housing Development Review and has been a focus during 2024. The Committee for the Environment & Infrastructure has considered the preliminary findings and proposals.</p> <p>Proposals are being refined and will be published for consideration by the States of Deliberation during Q1 2025.</p>
2B Establish the potential for Build to Rent, including Affordable Private Rent and potential incentives	An additional delivery method of housing supply	2024	Ongoing	Research and the development of delivery proposals for this workstream is underway. Terms of Reference have been drafted with formal commencement in September 2024 and completion during Q1 2025
2C Investigate the viability of establishing a States-owned delivery vehicle for housing developments	Proposals on alternative delivery option(s) of housing provision in Guernsey. Potential to increase housing supply.	2024	Ongoing	<p>This workstream is part of a wider Private Market Housing Development Review being progressed during 2024 alongside workstream 2A.</p> <p>Approaches in other jurisdictions have been evaluated. This workstream is now being prioritised with business delivery options fully analysed so firm recommendations can be presented to the States of Deliberation in Q1 2025.</p>
2D Develop enhanced TRP tariff proposals for derelict land, greenhouse sites and unoccupied buildings (to be reported on in 2024 Budget)	Trigger 'movement' on derelict land, greenhouse sites and unoccupied buildings. Increase housing supply but reducing unoccupied buildings.	2023	Complete	This was reported on in 2024 Budget Report, with the Propositions amended and then subsequently voted against by the States of Deliberation.



2E Develop a mechanism to charge enhanced TRP tariffs for buildings and sites which have planning permission but the development has not been completed within three years (to be reported on in 2024 Budget)	A 'toolbox' of measures implemented to trigger private market housing development in Guernsey. Approach, implementation plan and delivery.	2023	Ongoing	<p>This workstream has been merged into the wider Private Market Housing Development Review and is being completed as part of workstream 2A. This separate workstream will be deleted going forward.</p> <p>Proposals will be published by the end of the year for consideration by the States of Deliberation.</p>
2F Consider issues and options regarding 'room-to-let' tax free allowance	Proposals on allowance that could increase usage of under-occupied properties.	2024	Ongoing	Under consideration by the Policy & Resources Committee as part of 2025 Budget proposals.
2G Open Market Part A Inscriptions Policy	Inscriptions Policy for implementation.	2023	Ongoing	<p>Extensive stakeholder engagement has been undertaken to inform policy proposals. Policy proposals almost complete and on target for completion during Q3 2024.</p> <p>Legislative amendments are required to implement the charging mechanism.</p>

Priority 3: Private Rental Sector

Workstream ID & Title	Workstream Outcome	Prioritised Commencement	Status	zComment
3A Implement prioritised Ordinances in the General Housing Law	Improved standards of accommodation in Guernsey.	2023	Ongoing	<p>Policy positions approved by States and corresponding legislation drafted. Six-week consultation period on legislation commenced 2 July 2024.</p> <p>Committee <i>for the Environment & Infrastructure</i> undertaking a three-stage consultation process in relation to the Private Rental Sector:</p> <ul style="list-style-type: none"> • Stage 1 – Minimum Standards and overarching Housing Law • Stage 2 – Rights & Obligations of landlords and tenants (see 3B) • Stage 3 – Review of rent control and rent stabilisation mechanism (see 3C)
3B Develop further proposals to strengthen the rights and obligations of private landlords and tenants	Measures to tackle 'rogue' landlords in the PRS, improved security within this tenure for both landlord and tenant and ultimately making private rental a tenure of choice for Guernsey.	2023	Ongoing	<p>Draft policy proposals have been agreed by the Committee <i>for the Environment & Infrastructure</i> during 2023 and early 2024.</p> <p>Consultation preparation underway and will commence during latter half of 2024.</p>
3C Further investigation of rent stabilisation mechanism and review of Rent Control	A fair and equitable rental price security for the private rental sector, helping towards the aim of making the private rental sector a tenure of choice.	2025	2025 Start	<p>Commencement of this workstream will follow on from proposals made in relation to workstream 3B.</p> <p>Workstream will start in 2025.</p>
3D Introduce a statutory deposit protection scheme for the Private Rental Sector	Increased security for tenants, helping towards the aim of making the private rental sector a tenure of choice.	2025	2025 Start	<p>Commencement of this workstream will follow on from proposals made in relation to workstream 3B.</p> <p>Workstream will start in 2025.</p>

Priority 4: Market Niches

Workstream ID & Title	Workstream Outcome	Prioritised Commencement	Status	Comment
4A Better understand the barriers that prevent rightsizing and develop an approach in response	Maximised use of the island's housing stock at meeting the island's housing requirements.	2024	Ongoing	<p>Research and the development of delivery proposals for this workstream are underway.</p> <p>Consultation and focus groups will be held during August and September 2024 to better understand the reasons why households do not downsize, what the barriers are and what can be done to support and encourage downsizing.</p> <p>Completion by Q1 2025.</p>
4B Define 'homelessness', quantify the scale of homelessness in Guernsey and support the Guernsey Community Foundation in developing proposals to support those who are homeless or at risk of homelessness	Statutory definition of 'homelessness', accurate data on those homeless and government's approach to this area.	2025	2025 Start	<p>Discussions have taken place with the Guernsey Community Foundation, Specsavers and now the At Home in Guernsey charity to better understand joint working around this area, and to scope future direction.</p> <p>Workstream will start in 2025.</p>
4C Explore new models for older people's housing that enable people to live well at home for longer	To be set following the outcome of Supported Living and Ageing Well Strategy (SLAWS) work.	2025	2025 Start	<p>Not yet commenced as awaiting the outcome of the SLAWS to help guide the direction of this workstream.</p>



Workstream ID & Title	Workstream Outcome	Prioritised Commencement	Status	Comment
4D Explore non-supply options to improve access to the private market for first-time buyers and enablement of second-stage moves	Proposals for first-time buyer scheme(s) and support measures for second-stage movers.	2025	2025 Start	This workstream will follow completion of the Private Market Housing Development Review, as targeting housing supply pressures is an essential prerequisite to this workstream.
4E Establish a definition (or definitions) of 'key worker' and consider government's approach to supporting their housing needs in the medium to long term	<p>Set key worker definition.</p> <p>Method for delivering against the requirements of key worker housing.</p> <p>Organisation of key worker housing stock to support delivery essential services.</p> <p>Consistent plan to work towards in delivery of key worker housing.</p>	2023	Ongoing	The Committee for the Environment & Infrastructure has given its in principle approval of the policy proposals for a long-term key worker strategy. Engagement is ongoing and due to complete by early Quarter 4 2024, after which the policy proposals will be published.

Priority 5: Quality and Energy Efficiency				
Workstream ID & Title	Workstream Outcome	Prioritised Commencement	Status	Comment
5A Explore and implement options to increase the standards and energy efficiency of existing and future housing stock	Increased energy efficiency of the island's housing stock.	2023	Ongoing	Work is ongoing towards the implementation of Energy Performance Certificates in conjunction with the Standard Assessment Procedure to measure the energy performance and carbon emissions of all applicable buildings.
5B Explore funding, support and delivery options to enable homeowners/landlords to make property improvements and/or home adaptations relating to energy efficiency	Improved energy efficiency of housing stock.	2025	2025 Start	<p>Commencement of this workstream will follow on from proposals made in relation to workstream 5A.</p> <p>Workstream scheduled to start in 2025.</p>
5C Explore funding, support and delivery options to enable homeowners/landlords to make property improvements and/or home adaptations relating to physical wellbeing	To maximise the use and appropriateness of the island's housing stock to islanders' housing needs.	2025	2025 Start	Awaiting the outcome of the SLAWS.

Priority 6: Data and Evidence				
Workstream ID & Title	Workstream Outcome	Prioritised Commencement	Status	Comment
6A Run the housing needs model annually to monitor States Strategic Housing Indicator requirements	Quantifiable data on Guernsey's housing requirements against which housing and planning policy can be delivered.	2024	Ongoing	Data collection is complete and housing needs model has been re-run for 2024. Results are being analysed against 2023–2027 States Strategic Housing Indicator for consideration by the Committee for the Environment & Infrastructure before publication.
6B Develop housing needs model to include Key Worker Housing and specialised housing requirements, for consideration as part of the States Strategic Housing Indicator	Quantifiable data on Guernsey's key worker and specialised housing requirements, so complete Affordable Housing Indicator can be set.	2025	2025 Start	Reliant on the outcome of the Long-Term Key Worker Housing Strategy and the Learning Disability Framework.
6C Undertake a stock condition survey to understand the nature and scale of the issues and their wider impact	Stock Condition Survey of all island's housing stock against which future policy direction can be focused.	2026	2026 Start	Workstream to be undertaken post-election to help inform the next stage of the Guernsey Housing Plan.
6D Undertake a household survey to understand households' current position, challenges, and aspirations	To provide an evidence base and re-set of the ongoing work in housing strategy.	2026	2026 Start	Workstream to be undertaken post-election to help inform the next stage of the Guernsey Housing Plan.



Section 3: Guernsey's Housing Market

The following section provides key data points in respect of the island's housing market, which is monitored and reported on annually through the Guernsey Housing Plan (GHP). It highlights the relevant headline data as a way of monitoring the changes in Guernsey's housing market during the lifetime of the GHP so far.

Key metrics include:

- Housing market supply (primarily the completion of new units)
- Availability of units of the required size and tenure to meet the population's housing needs
- Affordability of homes for purchasers, across various market niches
- Affordability in the private rental sector

As the different workstreams are completed and their output implemented, we can expect to see improvements across this spectrum of indicators.

While current data give us a snapshot of the situation at this moment in time, a broader perspective is also necessary to understand longer-term trends, especially as housing is heavily influenced by macroeconomic factors. This section will therefore also include data that enable comparisons with five, 10 and 15 years ago (where such data is available) to give insights into that broader context.

Of particular significance is the longer-term population trend, which is a fundamentally important factor with respect to housing need. The data show that Guernsey's population peaked in June 2011 with a total of 63,311; by December 2016 it had fallen to just 61,908, not matching the 2011 peak until exactly a decade later in June 2021, when it reached 63,365. By this time, the population increase was on a steep upward trajectory, with the most recent population figure (September 2023) being 64,769.

These population data help us to understand the pressures affecting our housing market more accurately. Many of the key housing metrics dipped between 2015 and 2020, because by the end of 2016 our population had fallen to 2008 levels. Although by 2017 the population had started to increase again, the previous peak was not matched until 2021 – by which time it was rising rapidly. 2015–2020 was therefore fairly atypical in housing need terms. Like-for-like comparisons of current data with that of five years ago therefore look more dissimilar than comparisons with 10 or 15 years ago, when the population trend was more comparable.

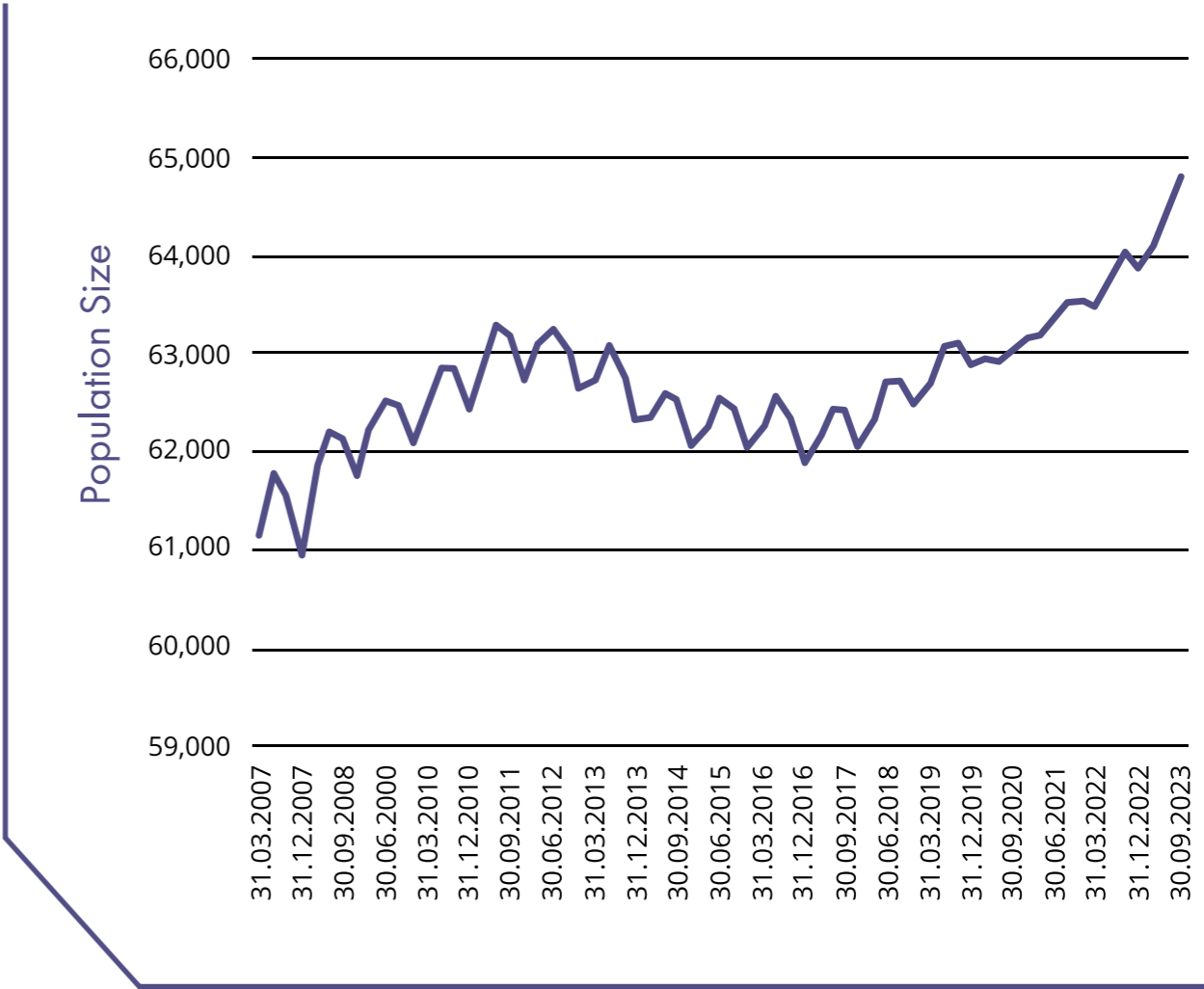


Chart 1: Guernsey's total population, 2007 -

Other relevant macroeconomic factors include Brexit, Covid, the invasion of Ukraine and the inflationary economic environment, which have caused acute pressures with respect to the supply chain, labour force and access to finance. These factors that have made the supply of new housing much more difficult have coincided exactly with the island's population requiring the faster supply of new housing.

The island's housing need

- The States Strategic Housing Indicator was set in March 2023¹⁹ and projected that an average of 313 additional units of accommodation would need to be created each year between 2023 and 2027 if Guernsey were to meet its housing needs (total: 1,565 for the 5-year period).

- Historically, the island's housing need was identified as around 300 new units per year throughout the period 2002–2011. In 2011 (which coincided with a population peak) the need was identified as around 450 units per year. In 2016 (which coincided with a population trough) the need was adjusted to around 170 units. The current housing need is therefore broadly average over the past 20+ years, but lower than it was over the previous population peak in 2011. The model is currently being rerun.

¹⁸ - [Electronic Census; Latest Population, Employment and Earnings - States of Guernsey \(gov.gg\)](#)

¹⁹ - [The States Strategic Housing Indicator 2023-2027 - States of Guernsey \(gov.gg\)](#)



The island’s housing supply

- At the end of December 2023, the total number of domestic property units in Guernsey was 27,597, of which 1,604 (5.8%) were Open Market. During 2023, 145 new units were created, and 51 units were removed²⁰, giving a net increase of 94 units to the island’s housing market. The 94 net increase in housing during 2023 represents 30% of the annual housing need required in comparison to the States Strategic Housing Indicator.
- The number of Local Market domestic property units has increased by 224, or 0.8%, since the 2021 figures reported in the Housing Market Review (which informed the Guernsey Housing Plan).
- The data expressed in Chart 2 show that the rate of increased supply of new dwellings has remained broadly similar since 2015 and has not yet increased in proportion to the significant recent increased need.



The island’s housing mix: tenure

- At the end of 2023, 16,833 (61.0%) of the domestic property units in Guernsey were owner occupied. There were 7,287 (26.4%) privately rented domestic units. Affordable Housing social-rental units and Affordable Housing Partial Ownership units accounted for 8.6% and 1.0% of the total respectively. The remaining 833 units (3.0%) had other tenure types.

Tenure	Guernsey 2021 Total Market	Guernsey 2023 Total Market	Guernsey 2023 Local Market
Owner occupied	60.8%	61.0%	60.5%
Private rented sector	26.7%	26.4%	26.2%
Social rental	8.7%	8.6%	9.1%
Intermediate (Partial Ownership)	0.9%	1.0%	1.0%
Other ²²	2.9%	3.0%	3.0%
Total	100.0%	100.0%	100.0%

Table 3: Tenure mix of Guernsey

The island’s housing mix: property size

- At the end of December 2023, the highest proportion of domestic property units had three bedrooms. 31.6% of Local Market units had three bedrooms, 27.2% had 2 bedrooms, 17.1% had one bedroom and 4.8% had more than 4 bedrooms. Overall, the distribution of units by number of bedrooms has remained relatively stable over the past two years.
- However, the housing needs modelling undertaken to inform the 2023–2027 States Strategic Housing Indicator shows a particular need for more smaller homes to be created to meet both housing need and to ensure an efficient use of the island’s housing stock and finite land supply.



²² - ‘Other’ includes tied accommodation.

²³ - Sources: [Guernsey Annual Residential Property Stock Bulletin](#)

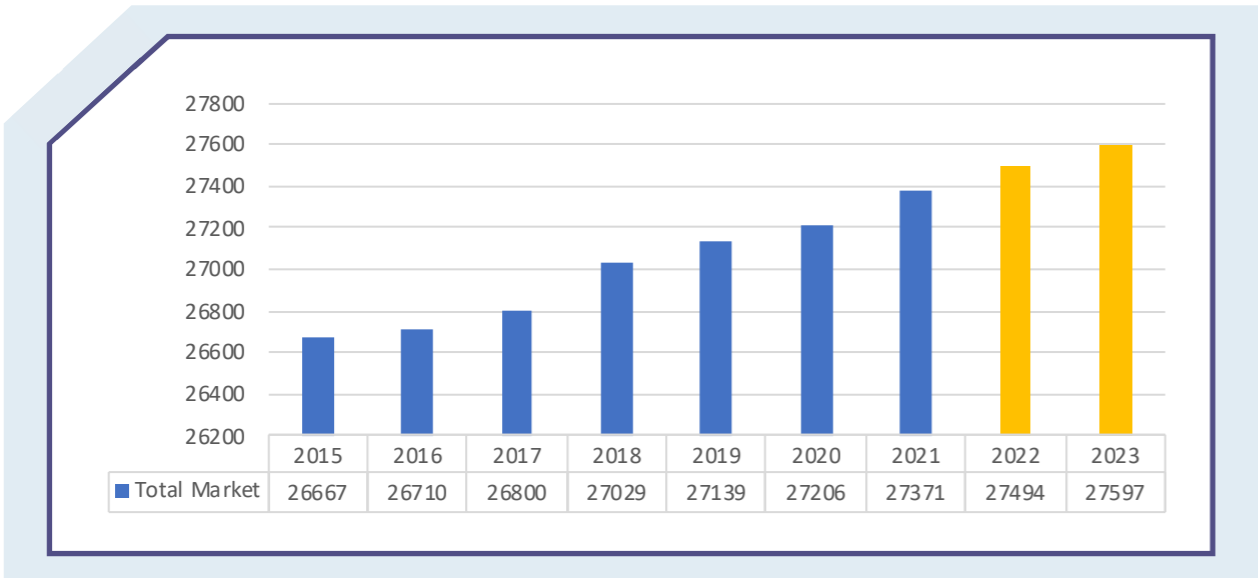


Chart 2: Total number of dwellings ²¹ (Bars in yellow show data updated since the Housing

²⁰ - Removed units include demolitions (when they have been wholly or partially razed to the ground, including those that are subsequently replaced with a new build), amalgamations (when existing units have been joined to create fewer units), or conversions (where an existing building has been changed from domestic to non-domestic use). Subdivision can also result in the removal of units (albeit with a net increase in units), when the original unit no longer exists as a result.

²¹ - [Guernsey Annual Residential Property Stock Bulletin](#)

The island’s housing prices and affordability: property ownership

- As at Quarter 2 2022, as reported in the Housing Market Review which informed the Guernsey Housing Plan, the average property price (mix adjusted median)²⁴ in Guernsey was £598,963, which has fallen to £587,673 in Quarter 2 2024. This is a reduction of 2% in nominal terms and an 11% real terms reduction when prices are adjusted for inflation.
- The mix adjusted average was 37% higher than five years previously²⁵ when average house prices had dipped, although taking into account inflation, this equates to 9.5% in real terms.
- Compared with 10 years previously the current average property price (mix adjusted) is £56,305 lower in real terms than it was in Q2 2014, which equates to a 9% real terms decrease.
- Compared with 15 years previously the current average property price (mix adjusted) is £2,628 higher in real terms than it was in Q2 2009 which equates to a 0.4% real terms increase.
- It is useful to compare lower quartile (bottom 25%) and median quartile property prices with the lower quartile and median earnings as an indicator of relative affordability. This is expressed as the purchase price to earnings ratio. Lower quartiles are particularly of interest because they represent where a first-time buyer would typically be looking at entering the market. Median is the midpoint of the market.

Year	Quarter	Mix adjusted average	Lower quartile	Median	Upper quartile
2022	Q2	£598,963	£449,750	£599,813	£760,500
2022	Q3	£629,297	£450,573	£612,788	£779,756
2022	Q4	£638,267	£438,750	£614,250	£775,125
2023	Q1	£613,942	£399,750	£580,125	£765,375
2023	Q2	£600,836	£385,063	£536,250	£711,750
2023	Q3	£647,889	£435,094	£550,875	£717,234
2023	Q4	£609,362	£420,469	£575,250	£765,375
2024	Q1	£599,745	£468,000	£614,250	£828,750
2024	Q2	£587,673	£458,250	£570,375	£731,250

Table 4: Average property prices, Q2 2022 to Q2 2024

24 - Mix adjusted average. Transactions are weighted according to their type and number of bedrooms to reflect the profile (or “mix”) of all the island’s owner occupied and buy to let property units. It should be noted that the measure is still susceptible to fluctuations due to the size, quality and location of properties of any particular type and number of bedrooms, varying from one quarter to the next. Due to the relatively small sample sizes it is not possible to eliminate these variations completely.

25 - Guernsey Annual Residential Property Stock Bulletin

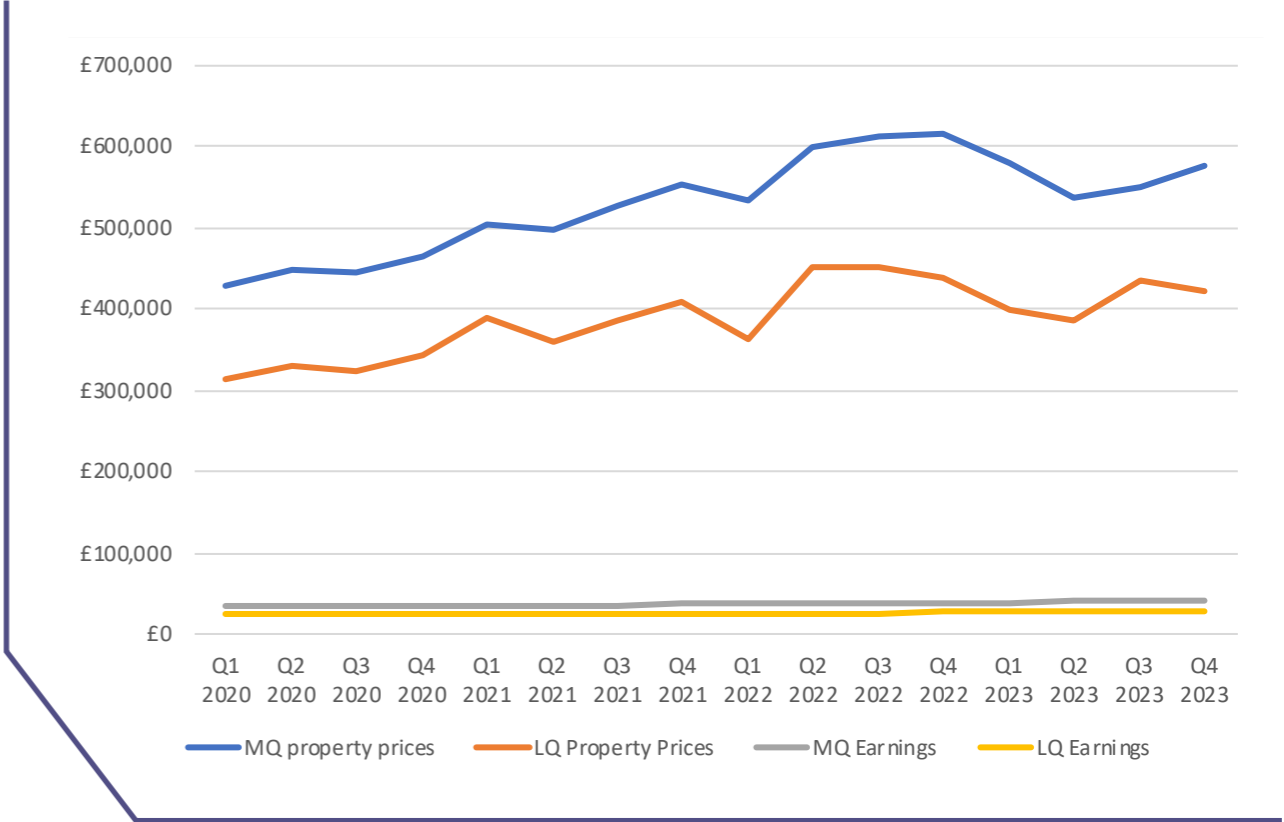


Chart 3: Lower and median quartile residential property price v median and lower quartile household earnings to Q4 2023^{26,27}

- In Quarter 2 2024, the lower quartile local market residential property price was £458,250, a nominal 1.9% increase from Q2 2022, when it was £449,750. However, taking the high rate of inflation over that period into account, in real terms that represents a decrease of 9.8%.
- Using the most recent comparable data, Table 5 demonstrates how, in relative terms, properties remain less affordable to prospective buyers at the lower end of the market.

Year	Quarter ²⁸	Lower quartile	Median quartile	Upper quartile	Mix adjusted (four-quarter) average
2022	Q2 (property prices, Q1 (earnings))	17.5	16.2	14.1	15.4
2024	Q2 (property prices, Q1 (earnings))	15.6	13.5	11.8	14.5

Table 5: Purchase price to earnings ratio (by quartile), Q2 2022 vs Q2 2024

26 - Local Market Residential Property Prices History

27 - Sources: Guernsey Quarterly Population, Employment & Earnings Bulletin & Guernsey Annual Electronic Census Report

28 - Note: Consistent with the methodology applied by Data & Analysis in published statistics, these figures are calculated using property prices over four quarters and earnings over the four quarters from a quarter earlier (as earnings for the most recent quarter only become available two months after property prices). Sources: Bulletins available at www.gov.gg/population and www.gov.gg/property.



- The average purchase price to earnings ratio cited in the Guernsey Housing Plan was 16.3. The mix-adjusted average purchase price to earnings ratio (using a four-quarter average for both) was 15.4 in Q2 2022. This fell to 14.5 in Q2 2024.
- Whilst this is a positive change for prospective buyers, this ratio is still higher than many Western European jurisdictions and far exceeds arc4's suggested affordability threshold of 3.5-4.75.
- The number of Local Market transactions at less than £300,000 is reducing. This illustrates the impact of increasing prices, although it should be noted that due to inflation over the period, £300,000 in 2021 is equivalent to around £360,000 in 2024.

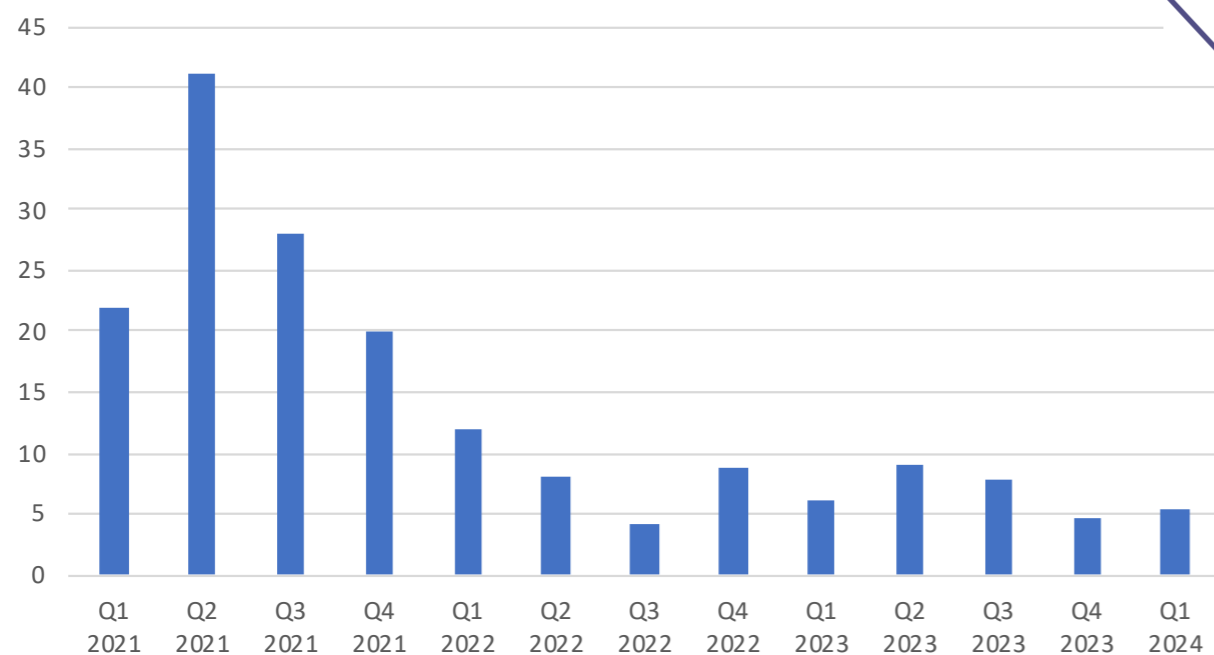


Chart 4: The number of properties sold at Values < £300k²⁹

29 - Guernsey Quarterly Residential Property Prices Bulletin

The island's housing prices and affordability: private rental sector

- In Quarter 2 2024, the mix adjusted average local market residential rent was £1,971 pcm³⁰. In Quarter 2 2022, as reported in the Housing Market Review which informed the Guernsey Housing Plan, it was £1,817. This is a nominal increase of 8.5%, but a 3.9% decrease in real terms, taking inflation into account.
- There has been a small reduction in the proportion of earnings spent on rent for those on lower quartile incomes, although they are disproportionately negatively affected by the cost of rent compared with other income quartiles. In Quarter 2 2022, households reliant on an average single lower quartile income would have needed to spend 83.5%³¹ of their income on rent (mix adjusted average rent). In Quarter 1 2024 (most recent available data for comparison), it was 78%³². For the average one-bedroom apartment, the proportion was 67% (Quarter 2 2022) and was 59% in Q1 2024. This is still more than double the maximum level considered sustainably affordable, which is up to 35% of household income.
- However, the change is different for median income households. In Quarter 2 2022, households reliant on average single median earnings would have needed to spend 58%³³ of their income on rent, whereas in Quarter 1³⁴ 2024, it was 54%.

Year	Quarter	Mix adjusted average	Index (base 100 at Q4 2009)
2022	Q2	£1,817	144.0
2022	Q3	£1,726	136.8
2022	Q4	£1,725	136.7
2023	Q1	£1,778	140.9
2023	Q2	£1,864	147.7
2023	Q3	£1,909	151.3
2023	Q4	£1,922	152.3
2024	Q1	£1,911	151.5
2024	Q2	£1,971	156.2

Table 6: Mix adjusted average local market rental price pcm, Q2 2022 to Q2 2024

30 - Per calendar month. Source: Guernsey Quarterly Residential Property Prices Bulletin

31 - Rent £1,817pcm and income £26,132

32 - Rent £1,911pcm and income £29,398

33 - Rent £1,817pcm and income £37,387

34 - Rent £1,911pcm and income £42,180

The island’s housing prices and affordability: summary

- Across both private rent and private sale, affordability ratios have improved since the Housing Market Review. Property (for sale or rent) is less affordable now than it was five years ago when housing need had significantly reduced but is broadly similar to levels 10+ years ago when housing need was similar to the current housing needs indicator.
- The current property price to earnings ratio is 14.5. The property price to earnings ratio in 2019 was 12.8; in 2014 it was 15.3 and in 2011 (the first year in which the data is properly comparable) it was 14.8.
- The current rent to earnings ratio is 0.55. The rent to earnings ratio in 2019 was 0.48; in 2014 it was 0.51 and in 2011 it was 0.55. As this has been fairly stable over the long term and remains significantly higher than what is considered sustainably affordable, this suggests systemic unaffordability in the sector.



Chart 5: Property purchase and rent prices to earnings ratios,



