



Decision

Proposed acquisition of the property assets and existing tenancies of CTJ Housing Trust by Andium Homes Limited (*Case C-076*)

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Jersey Competition Regulatory Authority
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1. Summary

- 1.1 The trustees of the CTJ Housing Trust (***Seller***) have resolved to transfer the ownership of 174 social rented homes, a homeless persons hostel and a commercial property, together with the tenancy agreements of the socially rented homes, to Andium Homes Limited (***Purchaser***) (the ***Proposed Transaction***).
- 1.2 The Proposed Transaction was notified to the Jersey Competition Regulatory Authority (the ***Authority***) for approval pursuant to Article 21 of the Competition (Jersey) Law 2005 (the ***Law***). The Authority has determined the Proposed Transaction will not lead to a substantial lessening of competition in any relevant market and hereby approves the Proposed Transaction.

2. The Application

- 2.1 The application was submitted to the Authority by the parties on 24 June 2025 and the [Notice of Application](#) published on 25 June 2025. Notice was also given in the Jersey Gazette.
- 2.2 The deadline for comments was 5pm on 9 July 2025. No comments were received.

3. The Parties

The Purchaser

- 3.1 As noted above, the Purchaser is Andium Homes Limited, a company limited by guarantee and registered in Jersey under number 115713, with its registered office at 33-35 Don Street, St. Helier, Jersey JE2 4TQ. The Purchaser is a States Owned Entity. Its website is [here](#).
- 3.2 The Purchaser is Jersey's largest provider of social rented accommodation, with 4,932 homes prior to the completion of the Proposed Transaction. This represents approximately 85% of the social rental market in Jersey. Its turnover in 2024 was £76,057,000.

The Seller

- 3.3 The Seller is CTJ Housing Trust, an association registered with the Royal Court of Jersey under the Loi (1862) sur les teneures en fidéicommiss et l'incorporation d'associations. Its address is c/o Maillard & Co, 31-33 New St, St Helier, Jersey JE2 3RA. Its website is [here](#).
- 3.4 The Seller is a provider of social rented accommodation in Jersey, with 174 homes prior to the Proposed Transaction. This represents 2.9% of the social rental market in Jersey. It also has a homeless persons hostel and a commercial property. Its turnover in 2024 was £2,885,000.

The Target Assets

- 3.5 The Proposed Transaction is the transfer by the Seller to the Purchaser of 174 socially rented properties, together with the existing tenancies, and of the homeless persons hostel and commercial property (together the **Target Assets**). The Target Assets represent the entire operation of the Seller and consequently the Seller will be wound up when the Proposed Transaction is completed.
- 3.6 There is no cash consideration for the Target Assets, but the Purchaser will repay and extinguish the Seller's existing loans on three properties, totalling approximately £18,000,000, at the point of transfer.

Reasons for the Proposed Transaction

- 3.7 The trustees of the Seller have determined that it is in the best interests of the Seller and its tenants if it ceases operation and transfers the Target Assets to another social rental landlord. Such a landlord must be approved as a provider of social housing by the Minister for Housing. As part of the Proposed Transaction, the Seller's loans in relation to three of its properties will be paid off by the Purchaser, enabling the trustees to wind up the Seller.
- 3.8 The Purchaser has agreed to the Proposed Transaction and the payment of the loans.

4. Requirement for Authority approval

- 4.1 Under Article 2(1)(b) of the Law, a merger or acquisition (referred to in this paper as a 'merger') occurs where a person who controls an undertaking acquires direct or indirect control of the whole or part of another undertaking. On completion of the Proposed Transaction, the Assets will be owned and controlled by the Purchaser. The Proposed Transaction, therefore, constitute a merger as defined by the Law.
- 4.2 According to Article 20(1) of the Law, a person must not execute certain mergers or acquisitions except and in accordance with the approval of the Authority. These are set out in the Order¹ made by the Minister² pursuant to Article 20(3). The Proposed Transaction is a horizontal merger or acquisition for the purposes of Article 2 of the Order, as its execution would enhance the Purchaser's existing share of the social rental market, which, at 85% prior to, and 88% after such execution, exceeds 25%.

¹ The Competition (Mergers and Acquisitions) (Jersey) Order 2010, see: https://www.jerseylaw.je/laws/current/ro_40_2010

² The Minister for Sustainable Economic Development

5. Market definition

Approach

- 5.1 Under Article 22(4) of the Law, the Authority must determine if the merger would substantially lessen competition in Jersey or in any part of Jersey. As an initial step, the Authority will identify the markets which are likely to be affected by the merger since market definition provides a framework within which the competitive effects of a merger can be assessed.
- 5.2 When defining a market, the Authority may take note of its own previous decision-making practice and/or market definitions applied by other competition authorities. These previous decisions are not precedents and are not binding, either on the merging parties or on the Authority. Competition conditions may change over time, changing the market definition, and market definition will always depend on the prevailing facts.³

Views of the Parties

Product market

- 5.3 The parties' view is that the relevant market should be regarded as social rented accommodation in Jersey, which the parties described as the rental element within the Government of Jersey's broader definition of Affordable Housing⁴. In broad terms, this encompasses the supply of affordable rental accommodation (which complies the general definition of affordable housing⁵).
- 5.4 The parties' submission further noted that each operates in the same market, in that both parties: -
- Supply social rented accommodation
 - Allocate vacant properties from the central Government-maintained list of applicants for social rented housing ('The Affordable Housing Gateway')
 - Adhere to the States Social Housing rents Policy; and
 - Comply with the policy guidelines set by the Minister for Housing

Geographic market

- 5.5 With respect to the geographic market, the parties submit that the geographic market is the Bailiwick of Jersey. This is because all operations and assets are in Jersey; supply and demand

³ This approach is consistent with that taken under EU law – see, for example, Joined Cases T-125/97 and T-127/97 [2000] ECR II-01733, paragraphs 81-82. Article 60 of the Law requires the Authority to attempt to ensure that so far as possible questions arising in relation to competition are dealt with in a manner that is consistent with the treatment of corresponding questions arising under European Union law in relation to competition within the European Union.

⁴ [ID Affordable Housing Jersey Definition.pdf](#)

⁵ [ID Affordable Housing Jersey Definition.pdf](#)

are governed according to States legislation and Government of Jersey policy and, by definition, those utilising the services of the parties must be resident in Jersey.

Authority consideration

- 5.6 The relevant product market is defined primarily by reference to the likely response of consumers and competitors.⁶ It will comprise products and/or services which are regarded as interchangeable or substitutable by the consumer, by reason of the product's characteristics, prices and intended use. An undertaking cannot have a significant impact on the prevailing conditions of a market if customers can easily switch to other service providers.

Product market

- 5.7 Markets are defined to the extent necessary depending on the circumstances of a given case. With respect to social rented accommodation, key considerations might include the potential scope for demand-side substitution (within the wider context of housing and accommodation), and supply side substitution (e.g., from providers being able to switch between offering other forms of accommodation to social rented accommodation).
- 5.8 With respect to demand-side substitution, social rented accommodation can be characterised as a separate category of housing and accommodation⁷. Whereas demand for non-social rented accommodation will in many cases be substitutable, e.g., an increase in rental prices might encourage tenants to move (switch) to another supplier and/or property, switching from social to non-social (market) rented accommodation is effectively constrained⁸.
- 5.9 Moreover, the price of social rented accommodation is set at a maximum of 80% of prevailing market rental prices. Therefore, only substantial increases in the rental prices for social rented accommodation (of at least 20%), might induce tenants to substitute social for non-social rented accommodation. Given the governance surrounding allocation and Government policy on social rented accommodation, any such rental price increase is unlikely and would in any event undermine the role and purpose of social rented accommodation.
- 5.10 With respect to supply-side substitution, entry into the supply of social rented accommodation may be feasible. For example, it may be possible for non-social accommodation to be used temporarily or permanently as social rented accommodation. However, the supply of social rented accommodation is subject to administrative, policy and

⁶ JCRA Guideline 7 – Market Definition.

⁷ We note also that the UK CMA generally refer to social and affordable housing as a distinct category of accommodation. [Housebuilding market study - GOV.UK](#)

⁸ Tenants in social rented accommodation are in any event financially constrained, likely one of the main reasons for residing in social rented accommodation.

other requirements, which will likely act as a deterrent to potential entrants. Further, absent significant increases in the rental prices for social rented accommodation, it would not be economic for a supplier to substitute non-social for social accommodation⁹.

- 5.11 For the reasons outlined above, the Authority would be minded to define a market for social rented accommodation. However, in this instance it is not necessary for the Authority to define the relevant economic market because the product market definition will not alter the Authority's assessment of the Proposed Transaction.

Geographic market

- 5.12 Given the nature and scope of both parties' operations, and the geography-specific conditions of supply and demand, the Authority's view is the appropriate geographic reference is the Bailiwick of Jersey.

Authority conclusion

- 5.13 For the reasons set out above, the Authority has considered the Proposed Transaction in the following frame of reference: a market for social rented accommodation within the Bailiwick of Jersey.

6. Overview of social rented accommodation

- 6.1 The supply of social rented accommodation is administered by the Government of Jersey, and providers of social accommodation are governed by the Minister for Housing and Communities. Social rented accommodation is currently supplied by the following entities: Andium Homes Limited, Jersey Homes Trust, Les Vaux Housing Trust, FB Cottages Housing Trust and CTJ Housing Trust.
- 6.2 The allocation of social accommodation, and the broad terms on which accommodation is supplied, are determined by Government policy and States legislation. For example, demand for social rented accommodation is managed via Government gateway (see paragraph 7.19 below), and the conditions of supply are broadly governed by statute (see paragraph 7.16 below). Government policy on rental prices for social accommodation has also been in effect since 1 January 2022 (see paragraph 7.12 below). Therefore, the Purchaser will continue to be subject to regulation and (indirect) price control.

⁹ It is understood that in a wider context, e.g., including rent subsidies, other welfare payments and transfers, there may be scope and incentive for suppliers to switch between social and non-social rented accommodation. However, further analysis on this is not required to inform the Authority's assessment.

7. Effect on Competition

Approach

- 7.1 After considering the relevant market, the Authority assesses the respective market shares of the suppliers, before and after the proposed transaction, taking account of the relevant counterfactual. Market share data can be used to provide an indication of market concentration following a proposed merger.
- 7.2 A merger may create or enhance the ability or incentive to exercise market power, either unilaterally or in co-ordination with other suppliers. However, consideration is also given to other market factors, such as the entry of new suppliers or countervailing power of customers, and the extent to which these mitigate or eliminate these effects. The assessment will also consider other potential effects, or efficiencies, that may result from the merger.
- 7.3 For horizontal mergers, as is the case with this transaction, the Authority will generally assess two potential types of anti-competitive effect: unilateral effects (i.e. the ability of the merged entity to raise prices unilaterally) and coordinated effects (i.e. the ability of the merged entity to raise prices with either the implicit or explicit co-operation of other suppliers).
- 7.4 When assessing mergers, the Authority will have regard to the guidelines produced by the European Commission. It may also consider the substantive merger guidelines applied by the Competition and Markets Authority in the UK, as well as those of other competition authorities.

The counter-factual

- 7.5 The Authority assesses a merger's impact relative to the situation that would prevail absent the merger (i.e. the counterfactual). The Authority generally adopts the prevailing conditions of the market as the counterfactual against which to assess the impact of the merger. The Authority may assess the merger against an alternative counterfactual if evidence suggests that, in the absence of the merger, it would not be appropriate to assume a continuation of prevailing market conditions.
- 7.6 For this transaction, the Authority has not been provided with any information to suggest that the status quo does not present a reasonable counterfactual for the purpose of assessing the Proposed Transaction. Therefore, the Authority has carried out the assessment against a counterfactual of the prevailing (pre-merger) market structure and conditions.

Market shares

- 7.7 Market shares and concentration levels provide a view of the market structure, and of the relative position of the merging parties and other suppliers. Table 1 below shows the estimated market shares and concentration ratios before and after the Proposed Transaction. This is based on data provided by the parties, and market shares have been estimated based on the number of 'housing units' supplied by the parties in the market for social rented accommodation.
- 7.8 The Authority has not been able to source a definitive estimate for the total supply of social rented accommodation, which has limited the Authority's ability to independently verify the parties' data and the total number of 'housing units' in the market for social rented accommodation. However, with reference to Jersey's 2021 census, a high-level estimate of total market supply is 5800 to 6000¹⁰. In addition, analysis of the parties' submissions and publicly available information on other providers web sites, indicates a total market supply of 5800 to 6274. Assuming the mid-point of this range, the Purchaser's market share is estimated to be 82%. Therefore, the Authority is confident that the market share data supplied by the parties is sufficiently accurate for the purposes of assessing the transaction.
- 7.9 Concentration ratios are based on the Herfindahl-Hirschman Index (HHI). The absolute level of the HHI can give an indication of market concentration pre-merger¹¹. The change in the HHI post-merger is also a useful proxy for assessing any change in market concentration (resulting from the merger).

Table 1 – Market share (%) and concentration ratios

Market shares and HHI concentration ratios for social rented accommodation				
	Market Share		HHI	
Supplier	Pre-completion	Post-completion	Pre-completion	Post-completion
Purchaser	85%	88%	7378	7740
Seller	3%	0%		
Others	There are 3 other suppliers with a combined market share of ~12% (this includes Jersey Homes Trust, which manages ~840 homes ¹²).			

- The Purchaser is currently the largest provider in the market. The proposed transaction will not, however, result in a significant increase in the Purchaser's market share (+3%).

¹⁰ The high-level estimate reconciles with the Jersey Census (2021), which indicated that the number of social rentals at the time of the census was approximately 5800. [2021 Census - Households by Household Type and Tenure - Government of Jersey Open Data](#).

¹¹ In broad terms, concentrated markets tend to be less competitive. A market with an HHI <1,500 may be considered competitive, whereas an HHI of 1,500 to 2,500 indicates moderate concentration and an HHI of 2,500 or greater, shows the market is highly concentrated. [The State of UK Competition Report 2024 - GOV.UK](#)

¹² [Jersey Homes Trust](#)

- The pre-merger HHI illustrates that the market is already highly concentrated (this is because of the Purchaser's existing high market share of 85%).
- Therefore, the post-merger change in the HHI does not show a marked increase in market concentration.

7.10 An existing market share in excess 50%, coupled with high market concentration and a post-merger increase in market share and market concentration (+362 HHI) would normally be a matter of concern. However, the nature and characteristics of the market for social rented accommodation are distinct from those observed in typical commercial, private and capital markets. For example, given the effective constraints on the broad terms and conditions of supply and the underlying nature of the 'product', the merged entity will not have the ability, and therefore the incentive, to exploit market power.

Unilateral effects

7.11 A merger may affect market conditions by removing competitive constraints between one or more suppliers. The most direct effect of the merger will typically be the loss of competition between the merging firms, potentially allowing the merged entity to profitably raise prices or degrade non-price aspects (such as quality, range, service and innovation) without needing to coordinate with other suppliers (and rivals).

Views of the Parties (unilateral effects)

7.12 The parties stated that there is no scope for landlords (of social rented accommodation) to directly market homes to applicants, and that it would not be possible for landlords to increase rents above the 80% policy level¹³. Furthermore, the parties noted that the Purchaser's annual rent increases are limited – via tenancy agreement - to no more than RPI + 0.75% or 4%, whichever is the lower amount.

7.13 In respect of non-price factors, e.g., service quality and ancillary services, the parties noted that, "[The Purchaser] offers tenants improved maintenance terms ... and a range of additional services not offered by the [Seller], such as digital tenancy management services, tenancy sustainment services and community engagement activities".

Authority consideration and conclusion (unilateral effects)

7.14 The Authority considers that the Proposed Transaction, as notified, is unlikely to give rise to any unilateral effects. In addition to the points raised by the parties, the Authority also notes the parties' statement indicating that the transfer of Assets ownership is with proprietary

¹³ The policy to set social housing rents at no more than 80% of market value was approved by the States Assembly in the Government Plan 2022-2026. The policy has been in effect since 1st January 2022.
<https://www.gov.ie/government/freedomofinformation/pages/foi.aspx?ReportID=8582>

possession (that is, with all sitting tenants), and that tenants are not required to enter into new tenancy agreements and will also retain all prior terms and conditions.

- 7.15 The Authority considers the combined effect of ‘propriety possession on existing terms’, the 80% policy level, and pre-existing rent constraints (through tenancy agreement), as sufficient mitigation against any potential unilateral effects.
- 7.16 As the Proposed Transaction would remove a supplier from the market (the Seller), the Authority has considered, at a high-level, the impact of the Proposed Transaction on choice in the market. The supply of social rented accommodation is governed by statute, which effectively prescribes a suite of minimum requirements and standards¹⁴.
- 7.17 In effect, this establishes a basic framework on choice, to which all suppliers must adhere and on which there will likely be limited incentive or scope for divergence. More importantly, the ability for tenants to exercise choice is not, in any event, a key parameter in the market; the primary driver for demand is requirement and availability. Therefore, the Authority does not consider there will be a potential for loss of choice in the market.

Coordinated effects

- 7.18 In a concentrated market a merger may lessen competition, through the creation or strengthening of a collective dominant position. Where this is the case, there is an increased likelihood that firms would be able to coordinate their behaviour and raise prices (even without entering into an agreement or resorting to a concerted practice).

Views of the parties (coordinated effects)

- 7.19 The parties indicated that, given the role of and oversight of Government, coordinated effects are unlikely. The parties’ submissions refer to the allocation mechanism and process governing social rented accommodation - the Government’s Affordable Housing Gateway¹⁵. The parties note that the Affordable Housing Gateway is the single point of access for prospective tenants, and that applicants cannot directly engage with suppliers. The parties state that, as and when vacant properties become available, all social rented accommodation suppliers can access the Housing Gateway list independently.
- 7.20 Decisions on the allocation of social rented accommodation are determined by priority, requirement and the date of application, i.e., the process of allocation is effectively independent of suppliers. Social rented accommodation is assigned to applicants in the

¹⁴ For example, see [Housing rights and residential statuses](#).

¹⁵ [Affordable Housing Gateway](#)

highest priority band with the longest waiting time, and which correspond with the type of home required (and available).

Authority consideration and conclusion (coordinated effects)

7.21 Given that the allocation of supply is ‘independently’ determined (through objective Government criteria) and not controlled by suppliers, the Authority considers that coordinated effects are unlikely. Moreover, when combined with the constraints referred to in the discussion on unilateral effects, there would appear to be limited incentive for coordinated behaviour between suppliers¹⁶. The Authority has not identified any concerns regarding coordinated effects.

Barriers to entry

7.22 Barriers to entry are specific features of the market, which might give incumbent firms advantages over potential competitors. When entry barriers are low, the merging parties are more likely to be constrained by potential and actual market entry. Conversely, when entry barriers are high, price increases by the merging firms would not be significantly constrained by market entry.

Views of the parties (barriers to entry)

7.23 The parties did not submit detailed or specific information on barriers to entry.

Authority consideration and conclusion (barriers to entry)

7.24 The Authority’s view is that while the barriers to entry may exist (see discussion above on market definition), it is not necessary to analyse these issues in detail as it would not alter the Authority’s assessment of the transaction.

Merger specific benefits

7.25 The Authority’s merger assessment considers any positive effects that may benefit consumers, provided these effects are likely and substantial enough to outweigh any potential harm to competition.

Views of the parties (merger specific benefits)

7.26 The parties’ submissions noted that tenants will benefit from the merger because:

- Both the Purchaser and the Seller follow the States Social Housing Rents Policy, and the Purchaser has an added ‘safeguard’ on annual rent increases.
- The Purchaser supplies improved maintenance terms as part of the tenancy agreement.

¹⁶ It is noted that the demand exceeds supply in the market for social rented accommodation, and supply constraints can be employed to drive excess demand and higher prices. However, it seems clear that, while suppliers of social rented accommodation operate and manage the stock of supply, ownership rests with Government (or Trusts) and the expansion or contraction of supply is not within the control of the suppliers.

- The Purchaser supplies a range of additional services (not offered by the Seller), such as digital tenancy management services, tenancy sustainment services and a range of community engagement activities¹⁷.

7.27 In addition, the parties stated that all tenants had been advised of the Proposed Transaction and the parties had not received any expressions of concern.

Authority consideration and conclusion (merger specific benefits)

7.28 The Authority notes the parties' view of the prospective benefits of the merger. The Authority also considers that continuity, surety and availability of supply is a key factor in this transaction. The acquisition of the Target Assets by the Purchaser will provide for an orderly sale and transfer of important Jersey property, while supporting continuity of dwelling and the availability of social rented accommodation for many Jersey residents.

7.29 The Jersey social rented accommodation market is capacity constrained, and the positive effects of the Proposed Transaction in maintaining supply at – or above - current levels outweighs the potential negative effects of greater market concentration. Furthermore, the Purchaser is an existing on-island supplier of good standing in relative financial health¹⁸.

8. Decision

8.1 On this basis, the Authority concludes that the Proposed Transaction will not substantially lessen competition in Jersey or any part of Jersey; and the Proposed Transaction is therefore approved under Article 22(1) of the Law by the Authority

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By Order of the Jersey Competition Regulatory Authority

¹⁷ These prospective benefits reflect the statements and assurances of the parties; the Authority has not reviewed respective tenancy agreements, or other terms and conditions to confirm or verify the scope of additional and enhanced services (offered by the Purchaser). The Authority notes there may be other benefits to the merger, and these are described in paragraphs 7.28 and 7.29.

¹⁸ [Andium-Homes-Annual-Report-2024.pdf](#)