

**WRITTEN QUESTION TO THE MINISTER FOR HOUSING
BY DEPUTY G.P. SOUTHERN OF ST. HELIER**

ANSWER TO BE TABLED ON TUESDAY, 5th DECEMBER 2006

Question

- (a) Further to the answers given by the Chief Minister on 21st November 2006 concerning the impact of ‘j’ category persons on the housing market, and in light of the growth in private sector ‘j’ categories in the last 3 years, would the Minister inform members what estimates, if any, have been made for growth in the number of ‘j’ categories in next 3 years, particularly if the 2% economic growth target is met or exceeded? If no estimates currently exist, will he undertake to make them and, if not, why not?
- (b) What pressure, if any, is expected on the local housing market, and especially family homes, as a consequence of economic growth and, in particular, new ‘j’ category persons to meet the skills shortage in the finance sector?

Answer

- (a) ‘j’ consents are very strictly controlled by the Housing Minister in the best interests of the community. To this end, ‘j’ category essential employees make up just 3% of the total work force, and statistically therefore have minimal overall impact on demand for housing.

‘j’ consents are issued within the overall context of ensuring a balance between economic growth and demand on the resources of the Island, including the housing stock. In achieving this balance, statistical data is monitored on an ongoing basis, in conjunction with the Migration Advisory Group, and reference is made to the 2% economic growth target *and* 1% working population growth target, as set out in the Economic Growth Plan approved by the States.

A work programme is taking place at this time, involving officers from a range of departments, on the population and migration implications of achieving 2% economic growth. This piece of work, due to report to the Council of Ministers early in the New Year, should provide more information on the parameters involved.

- (b) It is vital in a climate of economic growth that policy should develop to meet the challenges presented. Policy developments such as are ongoing now around shared equity and first time buyer schemes are important in maintaining, indeed improving, house price affordability, and ensuring a balance between economic growth and demand on resources, including the housing stock. It is important, however, to place this issue in the perspective of average house price growth over the last four years of 3% per annum.

The issuing of ‘j’ consents will continue to be strictly controlled, so as to continue to minimise any impact on the housing market. As noted by the Chief Minister on 21st November 2006, in relation to the Quarter 3 2006 House Price Index and ‘j’ category essential employee purchases –

“There has been some increase in the number of (j) Category house purchases but it should also be emphasised that the great majority of purchases - 92 per cent - have been made by locally qualified people with at least 10 years’ residence in the Island.

The impact of (j) Category purchases is considered minimal. It is simply not plausible, in the context of large increases in local employment and real economic growth for the first time in 5 years, to ascribe the increase in house prices to a small number of essential employees purchasing 8 per cent or 30 out of 400 properties.

It is important to add, however, that house prices are a supply and demand equation and that

positive initiatives are being developed around shared equity and first-time buyer schemes to seek to address issues of affordability for local people as a matter of priority.”