

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

ANSWERS TO BE TABLED ON TUESDAY 3rd JULY 2007

Question 1

At a recent briefing on the Housing Property Plan, the Minister advised members that there were only some 25 applicants on the States rental waiting list for 3-bedroom houses; will he inform members how many tenants have applied for transfer to 3-bedroom accommodation for medical or under-housing reasons?

Will he further state how many applicants have been removed from the transfer list for 3-bedrooms for rent arrears or other problems?

Answer

As at 1st June 2007, there were 16 families on the Transfer list waiting for three bedroom accommodation on medical grounds. 6 of those are considered as having an “immediate need” and 10 are considered as having a “moderate need”, these are direct recommendations from the Medical Officer of Health. In addition, there were 50 families waiting for three-bedroom accommodation on the grounds of currently being “over crowded”.

These figures need to be taken in context with other Transfer list figures. For example, there are 23 families living in three and four-bedroom homes that require one or two-bedroom properties. There are 89 individuals/couples occupying two bedroom properties who need to move to one bedroom units. The stock is being “blocked” as there are not sufficient one bedroom units to cater for the aging population.

[\[CM1\]](#)

The table below shows the breakdown for Transfer applications made since 1st January 2007, that have since been cancelled, and why-

Number		Reason
62	X	Cancelled at time of application as considered already adequately housed.
11	X	Cancelled at time of application as applicant had unmanaged rent arrears.
5	X	Cancelled during the period 1 January 2007 to date as applicant has been housed by a Housing Trust.

Question 2

Will the Minister explain the basis for his assurance that the increase in permanent ‘j’ category numbers is not responsible for the house-price inflation currently witnessed in the 3+ bedroom housing market, and why, therefore, he has recently called for an emergency ministerial debate on the need to build more housing as a result of the Island’s need for increased numbers of ‘j’ categories to feed the objective of 2% economic growth?

What predicted figures for future numbers of ‘j’ category and other immigration does the Minister currently have on which to base future housing demand?

Answer

As noted in the response to Question 1(d) presented on the 27th March 2007 –

“It has never been stated that ‘j’ category purchases have no impact on the housing market, simply that any impact is minimal in light of the fact that 92% of purchases are made by locally qualified individuals. This was clearly stated in a previous response given on the 21st November 2006.”

As also stated in the same response –

“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”.

There is no doubt that house prices are an important area, and this is why Minister’s meet to consider the position on a frequent basis, hence the meeting on 21st June. It is important however, to put the issue into perspective.

Over the past four years, rises in house prices (13%, since 2003) have been lower than rises in earnings (18%) and inflation (16%) indicating not only a real increase in general purchasing power of Islanders, as earnings growth has outstripped inflation, but also a relative improvement in the affordability of housing in the Island, as earnings outstrip house price growth.

This house price growth must also be put into context with other jurisdictions. Comparing 2007 with 2006, while house prices rose by 3.5% in Jersey, in Guernsey, house prices increased by 5%, and in the United Kingdom by 11%. As such, Jersey has performed well, seeing moderate rises and maintaining overall levels of affordability.

As to the specific issue of three-bedroom houses, while price rises in Quarter 1 2007 were 5.5%, two-bedroom house prices rose by 9% for the same period. On the whole, j employees do not predominate in the two-bedroom sector, and as such, it is telling that inflation has been lower in the property types that j employees seek, not higher.

What the above adds up to is moderate house price growth driven by a favourable economic climate – high employment, rising earnings, moderate inflation, relatively low borrowing costs - not by a small number of j purchasers. This is not to say the affordability of homes is not a serious issue, just that the empirical evidence does not link ‘j’s’ as a prime or significant cause.

These issues are part of a wider policy agenda being promoted by the Council of Minister for the future – with shared equity, sheltered housing, the States Property Plan, the Island Plan, the Population Review, the skills strategy and the Economic Growth Plan - all combining to create a sustainable and positive vision for the future. The Migration Advisory Group, which was set up for these very purposes, continues to monitor the situation very closely, balancing economic growth with demand on housing and other resources. The next key data for analysing is the 30th June 2007 Manpower Survey, which will provide sufficient data to predict numbers for this year. The meeting called on the 21st June 2007 was a part of this ongoing monitoring and governance process.

Question 3

Does the Minister not agree that there has nonetheless been a substantial rise in the number of ‘j’ categories being granted in the last 2 quarters of the last year, and furthermore, does he accept, as the Statistics Department does, that in the finance sector, whereas he quotes the overall figure of 84 per cent locally qualified, in the finance sector in the third quarter of 2006, the numbers were such that 75 per cent of new employees were locally qualified and 25 per cent, a rise in the proportion, came from ‘j’ categories and non-locally qualified in the finance sector, which was responsible for the largest proportion of expansion of jobs?

Answer

The number of ‘j’ categories being granted for the private sector has indeed increased, not only in the last six months of 2006 but throughout the last two years with a view to stimulating the Island’s economy and particularly to growing high value added sectors. At the same time, the number of local people in work has increased

significantly, while the number of lower skilled non-local employees has remained static, declining as a proportion of the workforce.

All of the figures mentioned in this Question are either directly quoted in, or may be derived from, the publicly available report on the Labour Market at December 2006, published by the Statistics Unit earlier this year (verbatim quotes from the report are shown in italics) -

- *“overall, about 84% of people employed in Jersey in December 2006 were locally qualified (as defined under the Regulation of Undertakings and Development Law)”*;
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- locally qualified employees accounted for 86% of all employees in the Finance sector in December 2006, a higher proportion than the average across all other sectors;
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- *“the Finance sector accounted for more than half of the total increase in private sector employment, up by 810 on a year previously; locally qualified staff accounted for more than three-quarters of this increase”*.
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- j-category staff accounted for 16% of the increase in Finance sector employment in the twelve months to December 2006;
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- over the twelve-month periods to December 2005 and June 2006, j-category staff accounted for 58% and 31%, respectively, of the total increases in employment recorded by the Finance sector.

Therefore, whilst the number of j-category employees in the Finance sector has been increasing, the proportion that they represent of the increases in employment seen by the sector has in fact reduced most recently.

Question 4

Will the Minister inform members what proportion of the 200 ‘j’ category staff arriving in 2006 –

- (a) were granted a permanent contract? and
- (b) were in the finance and related sectors?

and will he confirm that these permanent ‘j’ category staff –

- (c) are able to purchase a house in their own name from day one of their employment? and
- (d) will after five years’ residence become “entitled” under the new migration policy and be no longer registered as “licensed” for housing or employment purposes?

Answer

- (a) 40% of j category applications in 2006 were granted without a time limit, equating to 80 employees. A time limit on a j would usually follow on from the fact that it was a fixed term contract, and visa versa.
- (b) As recorded in the published Jersey Labour Market December 2006, “the number of ‘j’ category employees in the private sector increased by 160, more than 80% of which were in financial services”
- (c) A ‘j’ category employee is able to purchase a property through a company
- (d) As detailed in the approved Migration Policy, P25/2005, it is proposed that ‘entitlement’ is gained after ten years.