

**2.4 Deputy S. Power of St. Brelade of the Minister for Housing regarding the number of (j) category residents exercising their right to buy (j) category accommodation in the years 2005, 2006 and 2007:**

Can the Minister confirm how many (j) category residents have exercised their right to buy (j) category accommodation in the years 2005, 2006 and 2007 following changes to housing policy allowing them the right to buy property in Jersey immediately?

**Senator T.J. Le Main (The Minister for Housing):**

Yes, Sir, housing policy was not changed to introduce the right to buy. What has taken place is a change in administrative practice whereby employers are no longer compelled to buy a property for their employee with the employee then paying the mortgage and profit from the sale of the property. Instead the employee can now buy a property through their own holding company. This new practice more closely reflects the reality of private arrangements and reduces the burden on employers. As such it is also an element in encouraging the most skilled workers in Jersey supporting economic growth. The figures are as follows. In 2005, 1,700 purchase consents were issued of which 84 were for (j)s. In 2006, 2,000 purchase consents were issued of which 149 were for (j) s. In 2007, 1,900 purchase consents were issued of which 138 were for (j)s. Sir, it would be fair to say that numbers of (j)s purchasing has increased but they still remain a minority with over 90 per cent of properties being purchased by locals. Furthermore, the main reason for more (j)s purchasing is that more exist because of recent economic success and the expansion of public sector provision, and I say this, in particular; health and social services, healthcare, private residential care for the elderly and home care.

**2.4.1 Deputy S. Power:**

Does the Minister have any concerns about the effect the purchase of 371 houses in Jersey by (j)s and does it affect the price of housing in the Jersey market? Does he have any concerns?

**Senator T.J. Le Main:**

No, Sir, the average price I am trying to find but I think the average price at the moment for (j)s in 2008 is just under £700,000. We keep an eye on purchase prices, *et cetera*, but certainly any market competition does, I suppose, have an element of affecting the market but we do not believe in these cases this materially affects, as 90 per cent of the purchasers are still local people.

**2.4.2 Deputy P.V.F. Le Claire:**

The answers that the Minister gave us were interesting. I just do not know what the first numbers exactly mean: "Purchase consents issued." In 2005, 1,700; 2006, 2,000; 2007, 1,900. Could the Minister for Housing please explain exactly what they are, and if they are just houses being sold in general could he tell us if he has any information about the mean prices of those, given that he has given us the mean prices of (j) category?

**Senator T.J. Le Main:**

The purchase consents are consents in a person's name by either purchasing a property, allowed to buy property in a company name, or purchasing a flying freehold property.

**2.4.3 Deputy C.J. Scott Warren of St. Saviour:**

Will the Minister accept that there is some pressure on house price inflation because the (j) category people who have purchased houses in the last 3 years have not had another house to sell, therefore, they have been coming out of rented accommodation straight to buying a property? Can the Minister see that is causing house price inflation?

**Senator T.J. Le Main:**

Yes, of course there is an issue there but at the end of the day this Island is in a very fortunate position. We have been able to increase the funding considerably for health and social services.

We have expanded our residential and home care for the aging population on this Island. We have a huge workforce and issue with family nursing and places like that. We found that by increasing the services provided for the people of Jersey that we have to bring specialised people. The issue is quite honestly that if you want increased and better healthcare and if you want economic success then the issue is that we need the skills to go with it. Yes, the issue is at the moment there are not enough homes in the marketplace generally to meet the needs and aspirations of a lot of people.

#### **2.4.4 Deputy R.G. Le Hérissier:**

Would the Minister identify, although he has given the average, in which particular sector of the market the (j)s are most active in buying properties? Which sector of the market?

#### **Senator T.J. Le Main:**

It is quite a mixture, Sir. Surprisingly there are quite a lot of (j)s in homes and apartments. It is quite a mixture at the moment but the majority of the (j) cats. are buying in the very high prices in the market on houses.

#### **2.4.5 Deputy G.P. Southern:**

Will the Minister confirm that he now accepts that the impact of (j) cats does have on house prices? Will he also confirm that while the average price might be £700,000 plus, that that reflects significant numbers below that around the £500,000 mark?

#### **Senator T.J. Le Main:**

No, Sir, I do not. As I say, it is a minimal impact on the market because ... the Deputy seems to know better all the time, Sir. He is always right of course. But the figures are quite clear. It is under 10 per cent of (j)s buying in the marketplace; 90 per cent still purchase. The majority of the homes are being sold well over the £500,000 mark.

#### **2.4.6 Deputy G.P. Southern:**

A supplementary if I may, Sir. Does the Minister not accept that any increase in demand without an increase in supply causes house price inflation?

#### **Senator T.J. Le Main:**

The Deputy does not listen. I said that a minute ago that, yes, any competition in the marketplace whether it be (j)s or otherwise or loads of young people getting married and leaving school, if you do not have enough supply in the marketplace it will cause some disruption. We are looking forward that the new Island Plan that has been proposed will identify and be able to put into the marketplace, as we hope, many more homes in the next few years.

#### **2.4.7 Deputy P.V.F. Le Claire:**

The numbers that came out this morning which the Minister for Housing has given us may be of interest to Members generally. Would he be willing to share any information and detail he has in relation to those answers, particularly in relation to the purchase consents and the breakdown of those in the larger categories? Just as a piece of information for those of us who do not understand - we do not always know everything unlike some people - when somebody buys a flying freehold and they buy a flat in the middle of a building, what happens to the ownership when the building is knocked down? How do you sell on or own something that is no longer there?

#### **Senator T.J. Le Main:**

I do not understand that question at all, Sir. I do not know if anybody else did but I certainly do not. But all I can say is that I have and I continue to offer officers to work with Members. If any Members such as Deputy Le Claire would like some information on some of the figures here then they are more than welcome to go to the department, but I am not prepared to release figures that could compromise or, in fact, that would effectively identify individuals.

