

## **2.2 Deputy R.G. Le Hérissier of the Minister for Treasury and Resources regarding reducing the cost of the Parish sponsored property development in Trinity.**

Could the Minister explain whether the grant of a loan and possible stamp duty removal for the recently initiated Parish-sponsored property development in Trinity will reduce the cost of first-time buyer homes and if so, how?

**Deputy E.J. Noel of St. Lawrence (Assistant Minister for Treasury and Resources - rapporteur):**

The investment of £6 million from the Infrastructure Fund has provided the money needed in the short term for the Parish to bring forward their affordable housing scheme. The provision of 25 first-time buyer homes in the Parish of Trinity is unlikely to affect the overall market for first-time buyer homes. These homes are affordable because they are being sold on a shared equity basis. No assumption should be made about the removal of stamp duty which is administered by the Judicial Greffe as an independent non-executive department. While the Minister for Treasury and Resources may make recommendations to the Greffier to consider, the Greffier is not bound to accept them. The Judicial Greffier has the power under Article 6 of the Stamp Duties Law to reduce or remit the duty payable where he considers it just to do so. This authority is delegated in the Register of Deeds.

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

Could the rapporteur define what he means by “affordable homes” and, like other people, is he not surprised that given this excellent initiative I should say, and given that the land was apparently given free, it does seem rather odd that the overall prices do not seem to deviate from those that are seen as unaffordable by first-time buyers?

**Deputy E.J. Noel:**

To answer the good Deputy’s question directly, what I consider affordable are these homes. They are effectively being sold to first-time buyers at a price range between £300,000 to £340,000 so I deem that in this instance to be affordable.

### **2.2.2 Deputy M. Tadier:**

Does the Assistant Minister recognise that a missed opportunity has occurred here because, given that the land was free, what should have happened is that affordable homes should have been sold without the profit motive and that they are not currently affordable in terms of the seller because the seller is getting all of his money, some of it being subsidised by the States of Jersey?

**Deputy E.J. Noel:**

Firstly, there is no subsidy by the States of Jersey. The loan from the Infrastructure Fund has been done on an arm’s length basis over a short period of time to cover the build costs. The homes are affordable. They are being sold for between £300,000 to £340,000. The fact that the Parish was given the land has meant that they have been able to sell them at that price. All the Parish is doing is keeping an equity stake in the value of the land for us that at some future time may or may not be realised.

### **2.2.3 Deputy G.P. Southern of St. Helier:**

Would the Assistant Minister define for Members his definition of “affordable” since these houses are being sold at 10 times the average wage on the Island?

**Deputy E.J. Noel:**

I have already explained. I believe that these homes, at a little over £300,000, are affordable. Whether that is 10 times the average wage, you have to take into account the whole of the household income, in which case it would probably be something like 5 to 6 times.

**2.2.4 Senator L.J. Farnham:**

Could the Assistant Minister confirm that similar financial facilities would be available to other Parishes should they wish to follow the good example of Trinity?

**Deputy E.J. Noel:**

Yes, indeed I can.

**2.2.5 Deputy R.G. Le Hérissier:**

On the lines of Senator Farnham's question, would the Assistant Minister confirm that his department has a consistent policy in terms of making homes affordable for the population in general instead of a series of *ad hoc* initiatives that are announced almost on the hoof?

**Deputy E.J. Noel:**

Policies have to adapt with the economic environment at the time. Treasury is committed to helping the Parishes and other social housing providers to provide affordable homes, be they social rented, be they first-time buyer outright, be they first-time buyer through a shared equity scheme. We are there to help the Minister for Housing and the Parishes to provide homes for Islanders.