

3.9 Deputy J.A. Martin of the Chief Minister regarding changes to the rental market range under the Control of Housing and Work (Residential and Employment Status) (Jersey) Regulations 2013.

Would the Chief Minister advise whether under the Control of Housing and Work (Residential and Employment Status) (Jersey) Regulations 2013 the rental market now ranges from (a) to (k) allowing a person qualified under the former 1(1)(k) category status to rent more modest accommodation than before and, if so, does he not think that opening up the market in this way will lead to higher rents overall?

Senator I.J. Gorst (The Chief Minister):

Could I ask my Assistant Minister, Senator Routier, to answer this one and 14 and 15 as well, which are also population related?

Senator P.F. Routier (Assistant Chief Minister - rapporteur):

I would like to reassure Members the policies that have been applied for several years in this area will continue. In particular, where a person has been granted permission to purchase or lease qualified housing on the grounds of their wealth, the Population Office will impose a condition such that they can only rent or buy high value properties to live in as their principal place of residence.

3.9.1 Deputy J.A. Martin:

Then somebody is wrong because all last week a local popular estate agent was offering to rent a 2-bedroom flat at £230 a week and a 4-bedroom flat for £320 under the new “entitled” and in brackets “(a) to (h) and (j) to (k)”. So if (k) are not under the entitled, where will they be under the new scheme? Either the estate agent is wrong or, respectfully, what the Minister has just told us is wrong.

Senator P.F. Routier:

Under the new legislation, somebody who is a high net worth individual who has been given entitled status would not be given permission from our Population Department to occupy such a property.

3.9.2 Deputy J.A. Martin:

Where do 1(1)(k)s now fall, under registered, licensed or entitled? We only have 3 categories. Where do 1(1)(k)s now fall?

Senator P.F. Routier:

The high net worth people would be entitled because we would grant them entitled status, but they would not be entitled to occupy a low value property. They still have to meet the criteria that has been in place for a number of years. For example, they would need to buy a property of about £1.75 million or rent at that same sort of level. It has to be a prestige property for them to occupy those properties. I would be interested to know which property agent was dealing with that.

Deputy J.A. Martin:

Of course I will supply that and then the Minister can let them know they are advertising these low rent properties which will fall under income support. A 3 or 4-bedroom, £320 a week, will be under income support, which did surprise me so I am reassured that the Minister thinks he is right.

3.9.3 Deputy J.H. Young:

Could the Assistant Minister confirm from his answer he has just given that under the law that we are now working under conditions can be attached to people falling under these 3 categories that we are now slotting everybody into? Could he confirm that that is the case, that he is able to put conditions?

Senator P.F. Routier:

Yes, certainly any condition can be put by the Population Department on the licence that is given. If I just can reiterate, anybody of high net worth who is coming to the Island, they do have to occupy a property of high value and, in fact, the practicality of the matter, somebody who is of that sort of wealth would not want to be occupying a small property. I would be very, very surprised if they would be prepared to live in a small property without the benefit of a good view and all the rest of it that is usually associated with it. Certainly, the conditions are there that we would not allow them to do that in the first place.

[15:30]

3.9.4 Deputy J.A. Martin:

I was rather worried there to hear the Minister say if you come into the Island as a very rich person practically you would not want to live in one of these smaller flats. What happens if that very rich person becomes a not so rich person? We have no exit strategy so the only way to go is into cheaper properties that are in the rental market for (a) to (h) at the moment. I do not want to know about practicalities. I would like to know from the Minister that this certainly will not happen under the entitled 1(1)(k).

Senator P.F. Routier:

Yes, I can hopefully reassure the Deputy and other Members that that would not be the case. They would not be allowed to occupy low value properties.