

**DRAFT BUILDING LOANS (MISCELLANEOUS PROVISIONS)
(AMENDMENT No. 25) (JERSEY) REGULATIONS 199**

**Lodged au Greffe on 3rd March 1998
by the Housing Committee**



STATES OF JERSEY

STATES GREFFE

Explanatory Note

The object of these Regulations is to amend the Building Loans (Miscellaneous Provisions) (Jersey) Regulations 1961 in order to increase from £90,000 to £120,000 the maximum amount of a loan made under the Building Loans (Jersey) Law 1950.

Building Loans (Jersey) Law 1950

BUILDING LOANS (MISCELLANEOUS PROVISIONS)
(AMENDMENT No. 25) (JERSEY) REGULATIONS 1998

(Promulgated on the day of 1998)

STATES OF JERSEY

The day of 1998

THE STATES, in pursuance of Article 15 of the Building Loans (Jersey) Law 1950, as amended,¹ have made the following Regulations -

1. For paragraph (1) of Regulation 6 of the Building Loans (Miscellaneous Provisions) (Jersey) Regulations 1961, as amended,² there shall be substituted the following paragraph -

“(1) Subject to the provisions of these Regulations, a loan may be made in an amount not exceeding £120,000.”.

2. These Regulations may be cited as the Building Loans (Miscellaneous Provisions) (Amendment No. 25) (Jersey) Regulations 1998 and shall come into force on the day following promulgation.

¹ Recueil des Lois, Tome VII, page 675, and Volume 1994-1995, page 34.

² Nos. 4204, 6654, 8303, 8460, 8687 and 8759.

ADDENDUM TO P.33/98

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Report

The Building Loans Regulations enacted under the Building Loans (Jersey) Law 1950, as amended, specify the maximum amount of loan that the Housing Committee is able to grant under the States Loan Scheme.

Historically, the Housing Committee has proposed amendments to this figure as and when property prices have risen to enable the amount of loan which the Committee has been able to grant to be realistic in relation to properties available to persons for whom the scheme is designed, i.e. first time buyers. The figure last approved by the States in November 1991, and still applicable today, is set at £90,000.

Although, since that time, there has been an increase in property prices, there has been a much reduced requirement from first time buyers for States loans in view of -

- (a) a dearth, particularly in the last couple of years, of suitably priced properties for first time buyers; and
- (b) that, for much of this period, there has been extensive competition by private lenders offering very attractive deals for first time buyers coupled with relatively low rates of interest.

The Housing Committee, along with the Parish of St. Brelade, will shortly be allocating a number of States loan units at Belle Vue (Lesquende) and, in view of the increase in house prices and the length of time since the last increase in the loan limit, the Committee has now decided that this current figure of £90,000 should be reviewed.

Compounding the Jersey House Price Index from 1991 to 1996, and assuming a 15 per cent increase in the 1997 figure (official figure not available until later in March) would take the £90,000 figure up to £119,250. The Housing Committee has decided that the figure should now be increased to £120,000.

The Committee is aware that it might be thought that such an increase would be inflationary but, taking into account the above Jersey House Price Index and also the imminent allocation of properties at Belle Vue, with prices ranging from £120,000 to £160,000, the Committee is of the view that it would be unfair to prevent first time buyers eligible for an allocation on this development to be denied the opportunity by virtue of the loan limit being set unrealistically low at only £90,000.