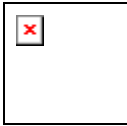


**STABILISATION OF PROPERTY PRICES AND THE PROVISION OF AFFORDABLE RESIDENTIAL
ACCOMMODATION (P.68/2001): COMMENTS**

**Presented to the States on 4th September 2001
by the Finance and Economics Committee**



STATES OF JERSEY

STATES GREFFE

Comments

The Finance and Economics Committee is in sympathy with the sentiments of the proposition but believes that the desired outcome will not be achieved.

Proposition (a)(i) will not achieve the desired outcome of a reduction in property prices and would, in all likelihood, result in an increase in property prices coupled with stagnation in the market.

The Committee has previously expressed its desire to reduce tax relief on loans. Element (a)(ii) of the proposition goes some way towards addressing this issue, but the Committee believes such action must be considered within the context of an overall fiscal strategy.

The Committee further considers that proposition (b) is an unworkable intervention which will further skew the housing market with undesirable effects.

The Committee does, however, welcome proposals to collect and collate further statistical data in order that a better understanding of the dynamics of the housing market in Jersey can be acquired. Indeed, it is considered essential that such information to more fully evaluate the impact of States' intervention is produced before considerable resources are committed.