

**WRITTEN QUESTION TO THE MINISTER FOR ECONOMIC DEVELOPMENT
BY DEPUTY M.R. HIGGINS OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 16th NOVEMBER 2010**

Question

Will the Minister provide members with his assessment of the current state of Jersey's private sector housing market and give his assessment of future house sales and house building in the next 12 to 24 months for all categories of property, given the current level and restrictions in bank lending, wage growth and state of the economy?

Will the Minister provide members with his assessment of the current state of Jersey's commercial property sector currently and over the next 12 to 24 months, given the current level and restrictions in bank lending, wage growth and state of the economy?

Answer

Both the residential and commercial property sectors are complex markets and it is difficult, if not impossible to predict future market behaviour with any degree of certainty.

However, it is clear that the residential and commercial property markets are influenced by economic conditions. Discussions with the States' economic advisor and the analysis in the Fiscal Policy Panel's reports suggest that predicting the direction of the economy as a whole is very difficult and particularly so in the economic current climate. As such, it would be unwise to attempt any forecast of the trends within subsectors of the economy such as residential and commercial property.

As the recent Business Tendency Survey showed, business activity and optimism are picking up within the finance sector and there are positive expectations around profitability as confirmed in the Financial Institutions Survey. In line with previous Fiscal Policy Panel forecasts I remain cautiously optimistic that the finance sector as a whole will show some growth next year which should help to underpin the residential and commercial property market.