

23.06.13

**19 Deputy M.B. Andrews of the Minister for Housing and Communities regarding the creation of a home-ownership scheme (OQ.108/2023)**

Will the Minister advise whether he is considering the creation of a home-ownership scheme during his term of office and, if not, why not?

**Deputy D. Warr of St. Helier South (The Minister for Housing and Communities):**

I thank the Deputy for his question. I can confirm that I am already actively considering the creation of an assisted home ownership scheme, as I set out in my Ministerial plan published in October last year. I anticipate making a further announcement during the summer about my proposals.

**3.19.1 Deputy M.B. Andrews:**

Of course we are seeing interest rates increase and also borrowing is becoming more costly, so does the Minister think that it is an appropriate time to go ahead with the intended scheme that he wants to go ahead with?

**Deputy D. Warr:**

Yes, absolutely, those points are very valid. The issues around high loan-to-value mortgages and lack of deposit are obviously major issues and the challenge for us is to work a method in which we can assist purchase, which meets the needs of the purchaser as well as the lender in those cases. What we have to be careful of is inflationary impact of any decision we make. But also we need to recognise that we have potentially the price of homes coming down at this moment in time and what we just have to be very careful is not to inadvertently inflate home prices.

**3.19.2 Deputy S.Y. Mézec:**

Can the Minister confirm what political direction he has given to his officers on the shape or form that an assisted home ownership scheme should take?

**Deputy D. Warr:**

I thank the Deputy for his question. There are a number of options here. There is a shared equity scheme as a potential opportunity where the Government provides an equity loan. There is a deposit loan scheme where Government contributes to the deposit that a home buyer puts down. There is a shared ownership scheme where a person buys a minimum share in a property with rent payable. There is a supply-side scheme where Government provides funding towards increasing the supply of assisted ownership and of course better use of our housing stock, for example bringing vacant properties back into use. So there is a flavour of the various policies we are looking at.

**Deputy S.Y. Mézec:**

Point of order; that was not an answer to the question that I asked. My question was about the political direction that he had given. He has merely listed off options without saying what the source of those options were, so it was not an answer to my question.

**The Bailiff:**

Are you able to indicate whether you have given political direction?

**Deputy D. Warr:**

Absolutely, I have given political direction on this because I want to see more people own their own homes.

**The Bailiff:**

You were asked what the political direction was.

**Deputy D. Warr:**

The political direction is we have a £10 million ring-fenced fund and we need to get that out into the home ownership market.

**3.19.3 Deputy S.Y. Mézec:**

That £10 million fund has been in Government Plans well before his time in office. That is not his direction.

**The Bailiff:**

You can have a supplementary question. Was that the supplementary question?

**Deputy S.Y. Mézec:**

It was an attempt at, because my initial one has not been asked. He stated the fact that a £10 million exists. That is not a direction. I am asking, in putting a scheme together, what has he said to his officers he wants that scheme to look like, what he wants it to achieve, what they ought to avoid, because of concerns he may have had. I am asking what input he has politically had in such a scheme, rather than what his officers are telling him?

**Deputy D. Warr:**

I thank the Deputy for his question and clarification. In terms of political direction, I stand here with the desire to increase home ownership. I am surrounded by very professional officers who give me advice as to the way in which we go, the options which are available to me. Once they bring those options to the table, I then determine which of those options I think is appropriate. I am given good professional advice. I would suspect that the Assembly would not expect me to go around bulldozing new options into a scheme without careful consideration.

**3.19.4 Deputy L.J. Farnham:**

The Minister's previous answer about a very good aim to increase home ownership, which I am sure we all support, after the first year in office does the Minister have any statistics on how that has changed and whether he is starting to succeed?

**Deputy D. Warr:**

I thank the Deputy for his question. In terms of are we succeeding, we have not carried out the deployment of our £10 million ring-fenced yet and we endeavour to bring that to ... our advice, our commitment, will be later this summer when we will have the various options available. At that point, I would really hope that we achieve what we are setting out to do and that is increase home ownership.

**3.19.5 Deputy R.J. Ward:**

May I ask the Minister just for some clarity because there is not any from what I was hearing. Is the Minister giving direction to the officers or is he taking direction from the officers on this project?

**Deputy D. Warr:**

I am giving the input, I am getting advice from the officers. I do not think that sounds very unreasonable.

### **3.19.6 Deputy R.J. Ward:**

May I ask the Minister what input, what direction is he asking the officers to go in? What, as Minister for Housing and Communities, as a politician in this Island, is his political drive and his aim on this project? I think that is pretty clear.

### **Deputy D. Warr:**

My Ministerial plan has been published back in October, which is for everybody to see, so hopefully the Deputy has read that, so we are looking at increased home ownership, the £10 million, which is exactly that, where I believe the Government should become the bank of mum and dad, if I like to use that term. We are working with the strategic housing partnership. We are looking at the Residential Tenancy Law. We are looking at homelessness, Gateway, all sorts of things. These are all in my Government Plan, my Ministerial plan. I guess that is political guidance, is it not, surely?

### **The Bailiff:**

That is not for me to answer.

### **3.19.7 The Connétable of St. Brelade:**

The principle of home ownership is one that is not shared in all countries. Could the Minister tell Members where the evidence comes from that dictates his present policy on home ownership?

### **Deputy D. Warr:**

Thank you, Connétable, for your question. It is a theme of mine, which is about having skin in the game. It is really important people become more committed to this society. One of our issues in a recent published report was that there was a suggestion that 35 per cent of Islanders are looking to leave the Island, which is an extraordinary big number. Now, if you do not have skin in the game, maybe you will carry out that intention. If I believe you have skin in the game, i.e. you have a piece of Jersey as yours, then I would suggest that may well change your decision and you will retain. We need people in this Island to be economically active to drive our economy and that is really probably the *raison d'être*. In terms of are there other schemes out there around the globe, I am sure there are. It was a British-Irish Council meeting the other day where they were coming up with various schemes such as these. So we are always iterating these questions.

### **3.19.8 The Connétable of St. Brelade:**

Would the Minister confirm that the English model is not always the best one and will he look to other countries in Europe for inspiration?

### **Deputy D. Warr:**

Thank you, Connétable, I will take that on board.

### **3.19.9 Deputy G.P. Southern:**

Could the Minister outline his principal direction not on ownership but on the rental sector; what is his political direction in that area?

**The Bailiff:**

I am afraid that is outside the parameters of the question. This was to do with home ownership schemes. I do not think rental can be covered by that.

**3.19.10 Deputy M.B. Andrews:**

Of course with the implementation of a home ownership scheme or even with the funding allocation of £10 million that potentially could be adding pressure to a market that already has seen demand fuel inflation. So how will the Minister ensure that there are no unintended consequences with the deployment of this £10 million?

**Deputy D. Warr:**

I thank the Deputy for his question. Absolutely. That is why we need to work with our Economics Unit, we need to work with Treasury, as well as Housing. It is the combination of all of those departments coming together to, as the Deputy correctly says, that we have to be very, very aware of and very sensitive to any unintended consequences of our actions.