

2025.02.25

3.16 Deputy P.F.C. Ozouf of St. Saviour of the Minister for Housing regarding urgent interventions to stimulate housing activity (OQ.47/2025):

Very good, Sir. To the Minister for Housing then if I may. Given the decline in property transactions, affordability issues for first-time buyers and challenges for Islanders aspiring to upsize to family homes, alongside the prolonged stagnation across the wider housing market, is it the Minister's assessment that urgent interventions are necessary to stimulate housing activity; and, if so, will the Minister advise what measures, if any, are under consideration to stimulate the sale and rental housing market?

Deputy S.Y. Mézec of St. Helier South (The Minister for Housing):

I do not think that I agree that urgent interventions are necessary in the way that I think the Deputy might be suggesting or alluding to. While the current layout of the housing transaction market poses some challenges for some people, it also poses opportunities for others. With every potential intervention that may well exacerbate things or reverse things, so that those who currently have opportunities lose those for the sake of alleviating those who currently face challenges. It is a very complex thing to do and measures can have unintended consequences if you are not careful on them. My view is that at this moment in time we are experiencing housing market correction where in the years leading up to this point house prices were rising at such unsustainable levels and severely affecting housing affordability for many Islanders in Jersey through a bubble, that that is now being corrected. With prices going down, as they did last year, they are getting closer to the normal levels where they otherwise would have been were it not for that bubble. That, I am sure, poses challenges to some in the moment but it also poses opportunities to others who may now find that housing is more affordable for them than it otherwise was before. I think that there is a degree of that correction that ought to be welcome and I would not want to implement urgent interventions that put that at risk.

3.16.1 Deputy P.F.C. Ozouf:

Does the Minister not accept at all that the statistics which I have been reviewing in recent days right up to date, that the housing transactions in Jersey are at and remain at historic lows, particularly in relation to buy-to-lets and the rental market, which is seeing an escalating rental price increase as a result? Does he not accept that there is an unintended maybe consequence of the 3 per cent surcharge on buy-to-let, which is completely stagnating the rental market and that is having detrimental effects on renters who are seeing rents rising and the statistics prove it? Will he not at least accept that?

Deputy S.Y. Mézec:

I will not because the statistics prove no such thing. If he has obtained statistics that Statistics Jersey do not have, I would love to see them. But as it currently stands, we do not collect data on actual rents. I want to fix that and my proposed Residential Tenancy Law will get to that. The only rental data that Statistics Jersey collect is advertised rents, which are falling; the exact opposite of what Deputy Ozouf has just suggested. He referred to the 3 per cent stamp duty surcharge is causing an unintended consequence of fewer buy-to-let purchases. No, that was precisely the intended consequence of it. While we have seen the proportion within transactions of buy-to-let purchases going down, the proportion of first-home buyer purchases has gone up, which is exactly the direction that I wanted that policy to influence and it appears to have done that.

3.16.2 Deputy J. Renouf of St. Brelade:

Would the Minister accept that there is indeed a counterview to the one put forward by Deputy Ozouf and agree that in many respects, as he suggests, the policies are working and that after a long period of unsustainable rises in property prices and rents, both have fallen, although they have not yet reached the levels of affordability that they were in the past? Therefore, it might be better for the industry to adapt to the current situation, including the buy-to-let stamp duty surcharge, rather than try and return to the previous model which did not work for renters or for home buyers.

Deputy S.Y. Mézec:

I completely agree with him but, in particular, the last sentence he used there, which is that the situation we were in a few years ago was dire and hurting many, many Islanders because of what they were seeing with their own eyes on housing affordability, which is why so many of them were losing hope in a prosperous future in Jersey and giving up on the Island. That could not carry on for ever, otherwise the Island would have been doomed. I appreciate that a change in the landscape can be difficult for people who got used to conditions as it was previously. But it is right that Islanders who want to own their own homes or have homes that are at the very least affordable to rent, their needs ought to be seriously considered by the Government. I think that if I could try to be kind and helpful to those in the industry who keep bringing up the 3 per cent stamp duty surcharge, the Assembly has had that debate and it led to conclusive results. I think that it would be more productive to spend time focusing on other things that could potentially be done to alleviate things and not pin their hopes on a policy that is doing what it was meant to do and which there is not a mandate to change it at this point.

3.16.3 Deputy K.M. Wilson of St. Clement:

The Minister, in response to a Written Question, 61, provided some details on the number of properties that have been sold by Andium, which I believe accords with his intentions to provide access to affordable homes. Could he explain why then since September last year there has only been one sale?

Deputy S.Y. Mézec:

Yes, because there was only one available to sell at that point. The homes that Andium sell, they are not a permanently consistent stream with numbers being equal every month. They fluctuate very significantly and that will depend on multiple things. It will depend on new developments opening. When The Limes was made available last year there was a spike in homes being sold. When Maisons Les Arches is open in the next few months there will be a big spike of purchases there. I am particularly looking forward to that development. But we have quieter months and there are months where none get sold or very few get sold, and that is perfectly normal in our system.

3.16.4 Deputy K.M. Wilson:

Would the Minister be in a position to tell us what projections or what forecasts he has for the sale of affordable housing?

Deputy S.Y. Mézec:

I mentioned Maisons Les Arches, the first block of that is due to be done in the next few months. I walk past it frequently and it looks absolutely fantastic and Andium's advertising campaign is particularly strong with that one. That will be 54 homes from that first block. I believe that we are also looking at 131 homes for sale at the next project that Andium will be completing in the following months after that, which is Le Grand Douet.

3.16.5 Deputy P.F.C. Ozouf:

I wonder whether or not the Minister would agree before the next Assembly to have a meeting with all those buyers and sellers of properties that are currently suffering because of his policies and because of what he has explained in his answers. That he may hear from them directly, quite the turmoil and difficulty that the people that are wanting to get into home ownership and those that want to move on or out of home ownership are experiencing. Would he agree to meet those people and I am happy to have that meeting in public, if necessary?

Deputy S.Y. Mézec:

I would be absolutely delighted to have such an opportunity to do so. He referred to all of the people; I doubt that it is possible to identify all of these people. But if Deputy Ozouf wants to volunteer to facilitate that kind of meeting, I would be more than happy to attend it. Because I have absolute confidence in our strategy to provide more affordable homes for people to purchase, better conditions in the rental sector. I would wager that we would walk out of that meeting with the Deputy not quite thinking it had gone to plan.