

**WRITTEN QUESTION TO THE CHIEF MINISTER BY
DEPUTY G.P. SOUTHERN OF ST. HELIER**

ANSWER TO BE TABLED ON TUESDAY 17th JUNE 2008

Question

- (1) Does the Chief Minister accept that, with net inward migration figures standing at 2,200 and population growth at 3,100 over the past 3 years, measures to control migration are not working, and if not will he explain to members what controls he believes are currently working and how?

Answer

The Housing (Jersey) Law 1949 and the Regulation of Undertakings and Developments (Jersey) Law 1973 have regulated migration by limiting access to housing, and controlling the overall numbers of new migrants that can be engaged in the Island, for, respectively, 59 years and 35 years. These Laws have achieved this through a range of economic circumstances, whether buoyant as of recent years, or less active, and they continue to serve the Island appropriately.

Question

- (2) Furthermore does he also accept that the target for 2% economic growth on the back of 1% (500) job growth has also failed? If not, where is the measure that indicates success?

Answer

No, the targets for 2% economic growth with 1% workforce growth have not failed. In fact they are very much on track. Given the cyclical nature of the Jersey economy trends in any one year can distort the picture and it is important to look at trends over a number of years or over the course of the economic cycle to get the true picture. In the five years to 2007 workforce growth has averaged 0.7% and is therefore within the States agreed target. We do not yet have official figures for economic growth in 2007 but if it was 5% then growth in the five years to 2007 was just below 2%. These are the measures that indicate success and show significant economic growth within the States constraint on workforce growth.

Question

- (3) Does he not accept that with 600 of the net inward migrants being J cats and their families, many now permanent and with the right to buy, house prices for 3-bedroom properties and above will continue to rise? If not, why not?

Answer

House price inflation in recent years is a product of the economic success the Island has enjoyed, increased willingness of lenders to lend and cheaper credit. This has combined with natural population growth, falling household size, changing demographics, social trends and inward migration to mean the increase in demand for housing has exceeded the increase in supply. 3-bedroom house prices are likely to rise further if we continue to enjoy economic success but not solely because of the demand from any increase in J-cats. To ensure that the needs of first time buyers who cannot afford to purchase at current first time buyer levels are met the States has already approved the sale of some 800 States rental homes to States tenants under a 25% deferred payment scheme (P6.2007) and will shortly debate proposals from the Planning and Environment Minister for 'Jersey Homebuy' (P74.2008) a scheme to allow the sale of homes on rezoned sites to qualifying first time buyers with a 35% repayable discount.