

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

ANSWER TO BE TABLED ON TUESDAY 13th MAY 2008

Question

1. Does the Chief Minister accept that even on a net nil migration scenario, the data presented on page 15 of the Housing Needs Survey 2007 indicates that 42% of inward-migrants are J-category, accounting for 16% of housing demand in the owner/occupier sector, where a potential shortfall is clearly identified?

Answer

The findings of the Housing Needs Survey are fully accepted, including the profile of inward migrants and their expressed intentions with regard to property purchasing. It is worth noting that the profile of inward migration is based on the actual movement of respondents into the Island, while the profile of leavers is based on expressed intentions of respondents.

Question

2. With incoming J-cats outnumbering leavers by 2 : 1, and labour market figures showing net immigration of over 700 over the past 2 years, 250 of whom are J-cats, what impact does the Chief Minister anticipate on house prices should this level of immigration continue?

Answer

As to house prices in Jersey, they are determined by the complex interaction of a whole host of factors that influence the level of demand and supply for housing. The sole effect of "j" category licences would be impossible to quantify in this interaction. Clearly the recent rise in house prices has been the result of a number of different factors including the strong economic performance that has led to significant growth in employment and earnings for local and non-local people alike. In addition the availability and cost of credit has been favourable in recent years for those taking out mortgages, although clearly this situation has changed more recently with the onset of the credit crunch. Confidence in the Jersey housing market has also been high given these trends and this has given a further fillip to housing demand.

Demand for housing from the existing population has also been rising as a result of natural growth in the population and a falling average household size due to factors such as the rising divorce rate and demographic changes. Inward migration will also add to demand in the Island but J category purchases make up a small proportion of the house purchases, 8% in 2007 and are not therefore a big influence on the overall level of house prices in the Island.

It is also by no means certain that the current level of inward migration will continue this year as our economic prospects are more uncertain with the onset of the credit crunch.

Question

3. Will the Chief Minister state whether he intends to take any action of the issue of immigration; if so, what measures, and if not, why not?

Answer

Currently the Island operates a system of controls which can be applied to restrict access to housing, being the Housing Law, and to employment, being the Regulation of Undertakings and Developments Law. These

laws are together applied to manage inward migration by a single office, being the Population Office, and directed by a co-ordinated political grouping, the Migration Advisory Group. These are new developments introduced since Ministerial Government. In due course, these controls will be replaced by more refined migration controls as described in the consultation document with the first stage being to co-ordinate the necessary information and the second stage to manage migration. Nevertheless, the key question is always about how controls are applied, in order to secure a balance between economic growth and demand on our resources over the medium term.