

2025.03.18

4.2 Deputy M.B. Andrews of St Helier North of the Minister for Housing regarding protection for buyers of immovable properties (OQ.53/2025):

Will the Minister detail what protection exists for buyers of immovable properties in situations when the seller withdraws from the contract before it is passed before the Royal Court, and advise whether there are any plans to change the current process to provide more protection to buyers?

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

The short answer to the first part is that there are not really many protections for either party when something happens at the last minute causing the transaction to fail before it reaches court. Obviously that can be very upsetting and even devastating for those who had their hearts set on buying a home, and can cause difficulties for situations with connected chains. There are things that buyers and sellers can do to protect themselves beforehand. They can choose to use pre-sale agreements, but obviously there is a balance to be struck there in weighing up the risks and potential benefits against the costs and time that that would take. Standard seller questionnaires can be used to help identify potential issues early on to give all parties a chance to mitigate against them causing problems further on down the line. I know that some would possibly desire that a wholesale look at the property transaction process with a view to making comprehensive changes was undertaken, and there may well be a point in the future where this could be done. But at this moment in time it is not something that I think I could fit in among the rest of my priorities.

4.2.1 Deputy M.B. Andrews:

Is the Minister of the opinion that at some point in time there perhaps needs to be an opportunity to look into this area and to potentially look at bringing forward legislation in the future to protect those who are looking to acquire property?

Deputy S.Y. Mézec:

I certainly do not think that there would be any harm in that if done at the right time, where it was not detracting from other competing priorities. I do not have a fixed view on what changes ought to look like, and I know that there will probably be mixed views on that in different parts of the professions that support people in buying and selling homes. But at some point it would do no harm to do that, and if there are tweaks that could be done to improve the situation that would be a discussion worth having at some point.

4.2.2 Deputy P.F.C. Ozouf of St. Saviour:

I have not yet seen the Minister's written answer of the number of transactions ... or the other Minister's answer on the recent issue of recent transactions but in a time when there are a reduced number of transactions and this work of conveyancing is largely carried out by the private sector by conveyancers within legal firms - we do have a great system of title in Jersey - would now not be the time to harness the unused, unresourced issues within the conveyancing industry in order to modernise what I know is something that the conveyancers would welcome? Would you have discussions with the Law Society and maybe the conveyancers in order to advance something?

Deputy S.Y. Mézec:

I am sorry to disappoint the Deputy with this answer, but I mentioned in my first answer that I simply do not think that I could, in a meaningful sense, accommodate that kind of project among the rest of my priorities. Members of my team have spoken to some people in the industry to get a view of where things currently stand, and some have been forthcoming as to what ideas they may have. But in terms of a comprehensive project to achieve meaningful change, it is not on my list of priorities at the moment. But as I said, I think there would be no harm in doing that at some point in the future.

4.2.3 Connétable R.D. Johnson of St. Mary:

The Minister correctly identifies that the source of the problem is the fact that most transactions are not legally binding transactions until they go to the Royal Court.

[10:00]

In this connection, can I ask the Minister if he is aware, or does he recall, the review conducted by the Residential Property Transactions Review Panel in March 2018, where the first recommendation is: “With a view to creating a greater degree of certainty, the Chief Minister should investigate, via consultation with interested parties, whether a pre-sale agreement should form part of the standard transaction process”? The recommendation goes on that: “This should include a financial penalty for buyers/sellers who fail to comply with the agreement.” Could the Minister advise whether he agrees with that sentiment and whether he is inclined to discuss with the Chief Minister the final sentence of that recommendation being that the Chief Minister should report the findings of the consultation before the end of May 2019? Is the Minister prepared to take that forward and consider the other recommendations in that panel?

Deputy S.Y. Mézec:

I was aware that that review took place and I was delighted to hear that that particular recommendation was framed towards the Chief Minister rather than myself, and hope that he was listening to the question. But I am certainly happy to raise this again with the Chief Minister in my next discussion with him. I know it is something that he has commented on in the past about the unfairness that there can exist in the system. I know that is something he cares about, so I am happy to raise it with him. But that particular recommendation was framed towards him rather than my portfolio.

4.2.4 Deputy M. Tadier of St. Brelade:

I know this issue has been going on a long time. I have been contacted many years ago by people in the removals industry, and they say that when a transaction unexpectedly does not go through it does have knock-on effects. For example, often these services will be booked months in advance only to be cancelled with no notice. Would the Minister consider, if necessary, asking for extra resources to conduct a short targeted piece of work in this area to see if there are any quick wins that could be suggested about how this issue might be ameliorated?

Deputy S.Y. Mézec:

I would always be at the mercy of the entire Council of Ministers if I were asking for extra resources in order to conduct that kind of work. I am not going to give an undertaking to do that because, I have to be honest, at this moment in time, even with extra resources, the staffing implications I have within my own team mean we really would be stretched if we were to lead on that kind of project. But the Scrutiny recommendations previously were aimed at the Chief Minister. If that was something he wanted to allocate within his team my team could support it. But I certainly do not think we have the capacity even with extra resources at this moment.

4.2.5 Deputy M. Tadier:

Taking that point on board, this is clearly a piece of work that could involve looking at court processes and involve other perhaps more fundamental questions about property transactions. Would the Minister encourage those who are interested in the Assembly more widely to speak to his Ministerial colleagues to see if there is any appetite for Ministers to set up a working group, not for the sake of it but to produce results by the end of this term, to perhaps move this issue forward?

Deputy S.Y. Mézec:

Most definitely, I would always want to encourage grassroots efforts like that for interested parties in society to transmit their views in a constructive way about what positive changes could be achieved to relevant Government Ministers. As I said before, I am aware of at least one person in the industry who has, I think, made a very powerful case for change through his own channels, which my team have corresponded with him over. But if more want to take part in that kind of dialogue for us to consider what might go into a future work programme, then that can only be a good thing.

The Deputy Bailiff:

Deputy Ozouf, your light is on. You have asked your question.

Deputy P.F.C. Ozouf:

I can ask another question.

The Deputy Bailiff:

No, you cannot, sorry.

4.2.6 Deputy M.B. Andrews:

Is the Minister aware of any particular cases where a buyer has been let down and have any individuals brought this to his attention since he was elected to the office of Minister for Housing?

Deputy S.Y. Mézec:

Not specifically since I became Minister for Housing but I am aware of incidences before that. It has happened to people in my family who were left feeling very upset and let down because of things that have happened. So I know it is something that can cause great distress and heartache to people when they have their hopes set on it. I am led to believe that it happens in a very, very small proportion of attempted transactions that go to court but that does not obviously lessen the significance it has on those who are affected by it. But it has not specifically been raised to me by constituents since I became Minister for Housing, I do not think.