

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

ANSWER TO BE TABLED ON TUESDAY 15th JANUARY 2008

Question

Will the Minister inform members what data, if any, he has on the numbers of properties being bought for investment purposes (“buy-to-let”) by non-residents and what measures, if any, are under consideration to control house price inflation from this or other sources, such as increased immigration numbers?

Answer

It is not true that house price inflation is caused by non qualified or non resident investors. It is caused by a buoyant economy, and demand for houses from locally qualified people.

The only properties that can be purchased by people without their housing qualification are those owned by companies, so-called ‘share transfer’ properties. These properties are almost all flats, and flat prices have generally been static. As to how many share transfer flats are sold, we do not have this information, as their purchase is not controlled by the Housing Law, and there is no requirement to register the sale through the Royal Court. With the introduction of Stamp Duty on share transfer properties this situation may change, but in the meantime, the Statistics Unit have separately estimated that about 3/5th of flat sales in any one quarter are share transfer sales. However, the overwhelming majority of these share transfer flats are purchased by owner-occupiers who are residentially qualified. As to free standing houses, these cannot be bought by anyone without their qualifications.

All this adds up to a housing market overwhelmingly reserved for locally qualified individuals, and protected from non-resident investors.

As to migrants causing house prices to rise, less than 10% of all properties are purchased by ‘j’ category essential employees, with the vast majority of purchases - well over 90% - being made by people qualified under the Housing Law following a long period of residence.

The measures being introduced to promote affordable home ownership are well documented, and include a shared equity scheme, more sheltering housing, the sale of some States properties, and more generally, the provision of more supply where possible.