

STATES OF JERSEY



CONSULTATION AND REPORT ON PRE-SALE AGREEMENTS FOR LAND AND PROPERTY TRANSACTIONS

Lodged au Greffe on 30th April 2025
by Deputy M.B. Andrews of St Helier North
Earliest date for debate: 3rd June 2025

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

to request the Chief Minister, in collaboration with the Minister for Housing, to conduct a consultation with interested parties regarding the use of pre-sale agreements for land and property transactions, with a view to presenting the findings of the consultation to the Assembly no later than June 2027.

DEPUTY M.B. ANDREWS OF ST. HELIER NORTH

REPORT

Background

The Residential Property Transactions Review Panel was formed to review the process of real estate transactions in Jersey. Upon completing its review, the Panel published its [Report](#) which contained 18 findings and 8 recommendations.

The findings and recommendations

The Panel received evidence which showed that most residential transactions proceed to the Royal Court without a preliminary contract. Often, it will be the lawyers who advise against preliminary contracts unless there is a delayed completion.

I am not suggesting that there should be pre-sale agreements for all prospective transactions. I do feel that in the case where there is a delayed completion, then it would perhaps be pertinent to introduce pre-sale agreements.

As there were concerns raised about gazumping during the Panel's review. It should therefore be a matter of concern to the incumbent Council of Ministers that consecutive Council of Ministers have not addressed this issue. One submission that the Panel received from Collas Crill stated:

"We would suggest as a rough guide that circa 70% of transactions complete within the allocated window, 25% of transactions suffer some form of delay and 5% of transactions fall through." ([Residential Property Transactions](#), p. 9)

There will inevitably be different reasons for transactions falling through. For some, the transaction process has reached an advanced stage which implies that there could well be costs incurred for parties, who then see a transaction fall through. One stakeholder who provided a submission to the Panel, mentioned how they incurred a financial loss because of a transaction falling through:

"This little episode will have cost me over ten thousand pounds where finished, but I hope to recoup if I live long enough." ([Residential Property Transactions](#), p. 9)

I can only imagine how difficult it must be for parties who are let down when a transaction falls through. One friend of mine was very unfortunate to reach an advanced stage of executing a transaction which resulted in them being gazumped because a cash buyer came along.

Lack of available data

This proposition requests a consultation – in light of the above findings some Members may ask why it does not move to request a direct implementation of pre-sale agreements. However, it should be noted that the Panel published its findings in 2018. The economic and property environment have experienced much upheaval since then. At present it is not possible to ascertain how many property sales are supported by a pre-sale agreement or what value or type of property sales attract such agreements. Without the necessary data it is not possible to make a clear and informed decision.

This proposition seeks a consultation with all interested parties, to ensure that any resulting guidance or legislation is accurate, proportionate and founded upon the appropriate information.

Conclusion

For parties who are financially struggling with the costs of affording real estate, it obviously impacts upon them emotionally and financially when transactions fall through. As there is little to no enforcement in this area it can lead to parties being let down. As a result, I believe the area of real estate transactions should be investigated via a consultation with relevant parties. I am proposing that such a consultation commence as soon as practicable, factoring in the impact of the 2026 Elections, with the Chief Minister reporting back to the States Assembly no later than June 2027.

Financial and staffing implications

There will be a manpower requirement in the Cabinet Office in launching a consultation with the relevant stakeholders. It is anticipated that the cost of the consultation will be met within the Cabinet Office budget.

Children's Rights Impact Assessment

A Children's Rights Impact Assessment (CRIA) has been prepared in relation to this proposition and is available to read on the States Assembly website.

Re-issue Note

This proposition has been re-issued to remove the words: 'This experience was something that the Consumer Council were acutely aware of:

"I have certainly known of cases where it is the Doomsday scenario where on the Friday that you are due to complete, the purchaser changes his or her mind or the vendor does." ([Residential Property Transactions](#), p. 9)