

24.02.06.

**9.13 Deputy D.J. Warr of the Minister for Housing and Communities regarding the launch of the First Step first-time buyers' scheme. (OQ.15/2024)**

I am conscious I am hopefully going to get a yes answer to this. Will the Minister commit to launching the Government's First Step first-time buyers home ownership shared equity scheme by the end of March 2024?

**Deputy S.Y. Mézec (The Minister for Housing and Communities):**

Yes.

**9.13.1 Deputy D.J. Warr:**

I have to say I am very pleased to hear that, so that is encouraging news. One of the asides or information in the background of that scheme, obviously it is targeted at medium to lower income families, and one of the issues which was raised to me was the issue around the 5 per cent deposit, which is being asked. Would the Minister consider removing the need to provide a deposit under the First Step scheme should this prove to be a barrier for uptake?

**Deputy S.Y. Mézec:**

We have the benefit of the plan for this to be to release funding in tranches for it. If it becomes apparent that there is not the uptake of it in the early stages of that, then it would be stupid not to review the parameters to make sure we encourage people to apply and benefit from it. So that is something to keep an eye on. But I would prefer to wait to see how those first tranches go and what the uptake is before deciding whether definitely to do that or not. But I think that is the point of doing it in tranches so that if anything does need to change based on uptake and how many people apply, we can try to be flexible.

**9.13.2 Deputy L. Stephenson:**

Does the Minister have any plans to review the eligibility criteria for this scheme and, by extension, the other schemes, because they all follow the same criteria, specifically the criteria which state that the size of the property that the person wishes to purchase should reflect the needs of the household at the time of the application.

**Deputy S.Y. Mézec:**

Not in the short term because the scheme is not up and running yet. A selection of criteria for applying to it has been constructed already. I would prefer to see how that goes before changing it. The only potential exception to that is that, before we launch, I think we are due to get a new house price index published, which we just want to keep an eye on to make sure that the income thresholds are exactly right. I am not saying anything will necessarily change from there, but that is just one bit of information that will be published before we go live that we need to keep an eye on. But at this point I do not want to tinker with it drastically; I want to see how it goes.

**9.13.3 Deputy L. Stephenson:**

Does the Minister believe that this policy around the size of the household at the time of the application, and particularly given that it ties up all of the assisted purchase schemes under the same eligibility criteria, and, as I understand it, after the bridging Island Plan debate, ties up also now a percentage of Parish schemes as well, does he believe that it is an effective way of encouraging young Islanders to grow their families and to see a future in the Island or could it be improved to take a longer-term strategic view?

[17:15]

**Deputy S.Y. Mézec:**

Potentially, but, as I have said, we have come up with criteria for it and I want to see how that goes first. I am sure that there probably are improvements that can be made, but we are about to launch a scheme providing this kind of support in this shape for the first time and I would like to see what kind of uptake there is on it in the first instance. If it is not what we are anticipating or people are not coming forward to it, then that is the kind of thing I might seek to look at at that point. But I do not want to tinker with it too much now and would prefer to see how it goes.

**9.13.4 Deputy D.J. Warr:**

Again I am conscious that this is early days, but I am going back to my day as the Minister for Housing and Communities where the then Deputy challenged me about a funding mechanism for the First Step scheme, which he suggested should be a stamp duty. I notice that in the press reports he talked about, if the scheme was successful, he would look to get further funding, but that funding would come from a new Government Plan. In his efforts to get things moving faster, would he consider alternative funding plans instead of waiting until the next Government Plan?

**Deputy S.Y. Mézec:**

Yes, I would, but that would require consultation with the rest of the Council of Ministers to identify that. But I will be banging the drum for that. I think the makeup of this scheme is good; it is a really good starting point. I want to see it benefit as many people as possible and that, I believe, will require more funding for it. If I can do that sooner rather than later, that is what I will do, but I would have to speak with other political colleagues to secure their approval for that as well.