

2024.03.19.

5.5.3 Deputy R.S. Kovacs of St. Saviour:

What plans does the Minister have to extend the funding for the existing First Steps housing scheme beyond the current budget?

Deputy S.Y. Mézec:

That will be ultimately a matter for the Council of Ministers and this Assembly. But I have made no secret of the fact that I think this scheme provides a very good foundation for building upon it and hopefully securing more funds in the future to be able to extend it. Those are discussions that I will have with my Government colleagues, of course, to ensure that we can find the most appropriate source of funding for that. No doubt such a proposal would probably end up back in this Assembly in the form of the Government Plan. I would certainly hope, if we can demonstrate the success of this scheme this year, that that will provide good justification for continuing it in the future.

5.5.4 Deputy R.S. Kovacs:

Has the Minister identified any possible additional funding source to extend this scheme?

Deputy S.Y. Mézec:

Not directly. The Deputy will recall that I brought an amendment to the Government Plan at the end of last year as a Non-Executive Member to find one source of funding, but that was rejected. I will have to speak with my Government colleagues, and I will have to make the case and demonstrate what a success that it is been in the first instance. But I know that many Members across the Assembly are gravely concerned at the way that the housing crisis is affecting Islanders and, in particular, young Islanders, who are still at the point of deciding where their future is best and whether that will be in Jersey or not. I hope that I can strongly make the case that we should identify a source of funding to carry it on.

5.5.5 Deputy T.A. Coles:

Will the Minister describe what success of this scheme looks like and confirm how it will be measured?

Deputy S.Y. Mézec:

I want this to be able to support as many Islanders as possible. We have already had just about enough applications made to us to spend the entirety of the money that was set aside, but I should say that applications are still open until the beginning of April, so I hope that we will have more than that. But I think that that is, at least so far, a sign of the popularity of this kind of support mechanism for helping people get on to the housing ladder and the fact that we have had those applications in a short space of time I hope is a sign that this scheme is desired by those who it seeks to benefit.

5.5.6 Deputy I. Gardiner:

I am welcoming the new scheme and to more young people getting on the property ladder. How will the Minister ensure that these new applicants who would purchase the property, and the young family who purchased the properties last year, will not get into the negative equity because of the prices going down?

Deputy S.Y. Mézec:

This scheme, of course, will not ensure that because house prices will be determined by a whole variety of issues. Having reflected on the nature of the question that was asked by Deputy Warr

earlier and this supplementary, which is connected to that, I think my previous comments had been misinterpreted. It is about housing affordability, which is not necessarily directly based on the market value of a property, but down to how somebody is supported into that and through equity loans or shared equity or other mechanisms, which will reflect how much somebody pays on a daily basis for the home that they live in. That is the matter that I think this scheme aims to support Islanders through.

5.5.7 Deputy D.J. Warr:

It is to follow on from Deputy Andrews' point. It is an item which was on the news yesterday on Rightmove talking about prices. It is already suggested that house prices have already moved upwards by 1.5 per cent year on year and interest rates, although theoretically falling, have increased on a 5-year mortgage from 4.64 per cent to 4.84 per cent. Does the Minister not agree that due to his inability to be decisive in not releasing the full £10 million immediately will result in fewer people being helped onto the scheme?

Deputy S.Y. Mézec:

I think the response that that has provoked from Members sat behind me is quite justified. I managed to get this scheme up and running a month earlier than it otherwise would have done, and I called for it to be up and running a year earlier than it could have been done otherwise, because I had been decisive in my election manifesto that saying that an equity system was the right use of this £10 million. I did not have to waste a year exploring all sorts of different options to conclude that the one we pointed at in the first instance was the right one. That is political decisiveness, and I am very, very gratified at the fact that this is going to benefit young people into home ownership and show them they have a future in this Island.