

The Chief Minister & The Council of Ministers
Ministerial Offices
19-21 Broad Street
St Helier
Jersey
JE2 3RR

23 June 2023

Dear Chief Minister and Council of Ministers

Subject: Expression of Severe Concern Regarding Interference in the Jersey Property Market by Government

We are writing to you today as concerned constituents and as members of the property, construction, legal, brokerage, farming, hospitality, and business community to express our severe concern regarding the recent interference in the market by the government, particularly concerning the implementation of increased stamp duty, changes to the landlord/tenant legislation, potential landlord licensing, and other related matters.

Firstly, the imposition of an increase in stamp duty for second homes/investment properties when all market indicators were showing that the peak time of the market had passed and that the market was beginning to slow. You provided no hard data and stats that would have backed up the decision and it has come across to the industry that it has been implemented without consideration for the broader impact to islanders. This decision has stifled the investment market, which historically, props up the market and more importantly, chains that then allow people to move. Again, if you had consulted anyone in the industry, they would have made this clear. This decision alone has resulted in many people unable to move from their apartments to a house and effectively killed the apartment market. It has had a detrimental effect on the market instead of your rhetoric that it will 'free up homes for local purchasers'. Investors are local purchasers.

Secondly, the landlord licensing schemes that have been proposed, three times now, and the proposed rent controls, open ended tenancies, and other matters in the Housing White Paper and the introduction of mandatory EPCs, have raised serious concerns among property owners and investors. While the intention to ensure the safety and quality of rental properties is commendable, there is little evidence to back up the need for such changes and the implementation of such schemes will prove burdensome and will place additional financial strain on landlords. These new requirements, coupled with excessive bureaucratic procedures and costs, will discourage landlords from providing much-needed rental accommodation, exacerbating the existing housing crisis and negatively impacting tenants in need. At the moment estate agents are consistently receiving many enquiries from landlords seeking to exit the market. The new requirements will also increase red tape and administration, negatively impacting the productivity of the island, at the worst possible time. They also seem to be in direct conflict with the Government's stated aim of increasing productivity by 7.5%.

The Government should be encouraging private sector Landlords. Landlords require their properties to be Let and invest money to encourage tenants. The fact that Landlords are seeking to exit the market will only exacerbate a shortage of supply and in turn increase the burden on the States social housing provider when the tenants who are having to move from properties lost to the sector turn up at Andium's door.

Your current strategy of increasing taxation, restricting planning, increasing requirements on HNW individuals, windfall tax on large developments, belies a detachment from what is actually happening on the island. Again, with effective and timely consultation you would have been given this information.

Instead of targeting buyers and landlords. You must enable the population and the market. There are many ways you can do this. A few are listed below:

1. Properly funded assisted buyer schemes in the wider marketplace, with careful price monitoring so it doesn't simply cause more price inflation.
2. Immediate correction to FTB stamp duty thresholds and a commitment to yearly update.
3. Fix the delays in Planning, not by recruiting in large numbers but by recruiting key experienced additional officers.
4. Open up supply. Make quick decisions about new sites/rezoning and tell the Planners to get on and deliver.
5. If the Government wants to levy re-zoned sites, consult quickly on terms, and get on with it or not at all.
6. Get to work on States-owned sites. St Saviour's Hospital comes to mind but so many others.
7. Ignore media hype about HNW buyers impacting the market. Big houses are not the issue - the supply of affordable units is.
8. Refrain from imposing new requirements on landlords or be ready to fund Andium and Housing Trusts to build thousands of additional rental units.
9. Play with a straight bat with your islanders. The uplift on BTL stamp duty which caught off plan sales is one example of poor consultation and rushed policy.
10. Work as a cohesive Government with an agreed strategy.

While you may think that it is just the housing industry having a hard time (not made any easier by yourselves) we must remind you that the knock-on effect on the island as a whole will also be negative. While the government's objective may be to regulate and protect consumers, excessive regulations can stifle innovation and discourage entrepreneurship. It seems to industry as if there is a deliberate approach from the Government to attack the property business with limited consultation from politicians. It is crucial to strike a balance between protecting consumer interests and fostering a vibrant and competitive market environment that encourages economic growth and prosperity.

You must place people into the decision-making positions that have wide experience in the matters that they are dealing with. If they have not "lived it" then why are they making the final call on what are very important decisions to the island's future.

We respectfully urge the Council of Ministers to review these interventions and consider alternative approaches that foster a market-friendly environment while addressing the legitimate concerns that led to these measures in the first place. Engaging with industry experts, stakeholders, and representatives from various sectors can provide valuable insights and perspectives, leading to more balanced and effective policies. Wide ranging and proper consultation with industry would be helpful.


At the moment Government consultation is disjointed and the publicity is what appears to be a carefully orchestrated communications campaign without having regard to industry on the various matters. Again, these do not just affect our industry but the Island as a whole.

We therefore kindly request that you give careful consideration to the concerns raised in this letter and take appropriate action to address the adverse effects of government interference in the market.

A healthy and dynamic market is crucial for the overall well-being of our economy, and it is our collective responsibility to ensure that the business environment remains conducive to growth and innovation.

Thank you for your attention to this matter, and we look forward to seeing positive steps taken towards a more market-friendly and sustainable approach.

Yours sincerely,


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