

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

1st November 2022

Proposition No. P.2022/89

Policy & Resource Committee

The States of Guernsey Annual Budget Report for 2023

AMENDMENT

Proposed by: Deputy A Kazantseva-Miller

Seconded by: Deputy G A St Pier

To insert an additional proposition 20:

“20. To direct the Policy & Resources Committee, as part of the work to be undertaken in respect of the Category 1 Housing Action in the Government Work Plan, to lead an examination in consultation with any other relevant Committees, of the scope to introduce regulatory and fiscal measures over local market residential property ownership such as, but not limited to, that ownership is restricted to those who have the right to occupy local market dwellings and report back to the States by the end of 2023.”

Rule 4(1) Information

- a) The proposition contributes to the States’ objectives and policy plans by seeking to examine a workstream that supports objectives in the Budget around the housing crisis and the recently approved Population and Immigration Policy Review.
- b) In preparing the proposition, consultation has been taken with Treasury.
- c) The proposition(s) have been submitted to His Majesty’s Procureur for advice on any legal or constitutional implications.
- d) There may be financial implications to the States of carrying the proposal into effect as part of the ongoing work to prioritise Government Work Plan workstreams.

Explanatory note

As part of the Government Work Plan 2022, the States resolved:

To direct the Policy & Resources Committee to apply category 1 status to the following actions in the Government Work Plan:

Housing:

i. Evaluate and implement actions to address private housing market capacity and affordability;

ii. Evaluate and implement actions to address key working housing capacity and affordability;

iii. Progress proposals to the States by December 2022 on housing need and on management of States' housing stock.

Guernsey is facing a housing crisis which is making it more and more difficult for islanders to afford to live and others to come and work here. House ownership has reduced over the years. Access and affordability of housing will be an important consideration when deciding to stay or come to Guernsey.

There is a strict control over who can come and work in Guernsey via the Population Management Law. The overriding principle underpinning the Law, is that one can only occupy a local market dwelling if a Permanent Resident (as defined in the Law) or a person in possession of a relevant permit. However, there are no rules that apply in terms of who can own residential housing.

Given that the strategic objective to increase population and maintain workforce by 2050 has now been approved, the proposer and seconder believe that it is worth the States of Guernsey exploring the option of introducing some levers over the ownership of local residential housing to ensure that it is prioritised for those who are entitled to live and work here.

Exploration of measures to examine could include limitations to ownership and fiscal measures such as additional surcharges, levies or taxes for persons and entities without a right to live and work in Guernsey.

Examples of frameworks regulating residential property ownership exist elsewhere, such the Foreign Investment Review Board, a non-statutory advisory body to the Treasurer and Australia's Government.

The intention of any suitable controls should be designed to ensure accessibility and affordability of property and the accrual of benefits from local property market gains to the workforce and population entitled to live and work here and to increase house ownership over time.