

STATES OF DELIBERATION

29th September 2015

Billet d'État No. VI Article 15

AMENDMENT

Proposed by: Deputy Heidi JR Soulsby
Seconded by: Deputy Michelle K Le Clerc

Treasury and Resources Department and Housing Department Joint Report on First Time Buyers Schemes

To insert two new Propositions after Proposition 3 as follows;

- “4. To direct the Housing Department and the Treasury and Resources Department (and their successors) to carry out a broad-based review of the operation of the Local Housing Market in Guernsey and to identify and assess measures that can be taken to mitigate house price inflation and influence supply and demand within the market.

Such a review to be by way of an independent report, of which the terms of reference shall include, but not be restricted to:

- a) A broad based review of the operation of the Local Housing Market in Guernsey including:
- Identification and assessment of the factors which drive supply and demand, including the influence of population change and household size;
 - Identification and analysis of the factors influencing the prices of houses, including external influences (if any) and the first time buyer market;
 - A review of private sector rental costs and their relationship to other sectors of the housing market.
- b) A review of current housing finance mechanisms, including:
- An assessment of how house purchases are financed by the “average” household;
 - Mortgage lending policies;

- An examination of ratios of house prices, in relation to borrowing capability;
 - The impact of the Guernsey Housing Association partial ownership scheme.
- c) An assessment of the role of property prices and of the costs associated with property ownership on inflation
- d) An appraisal of the various options available for Government intervention in the Housing Market including what effect the various measures may have on housing affordability and housing availability
5. To direct the Housing Department and Treasury and Resources Department (and their successors) to report back to the States with their findings and recommendations in respect of Proposition 4, annexed to which is a copy of the independent report, referred to in that Proposition, no later than the end of July 2016.”

EXPLANATORY NOTE AND RULE 15(2) INFORMATION

Against the background of a weak housing market, it is evident that there needs to be a review generally of the operation of the Local Housing Market in Guernsey.

In respect of Rule 15(2) of the Rules of Procedure, approval of this amendment is not expected to have any substantive financial implications to the States.