

2025.11.11

2.15 Deputy P.F.C. Ozouf of St. Saviour of the Minister for Housing regarding his assessment that the housing market remains fragile (OQ.252/2025):

Further to the latest House Price Index, which stated that property turnover remained about 20 per cent below the pre-pandemic levels with a continuing fall in the private rental stock, will the Minister advise whether in his assessment the housing market remains fragile and that measures such as the second home stamp duty surcharge, combined with high interest costs and uncertainty, risk constraining recovery of the market?

Deputy S.Y. Mézec of St. Helier South (The Minister for Housing):

Listening to Deputy Ozouf's question I wonder if he read the same House Price Index report to me, because the one that I read shows a 26 per cent increase in turnover since the previous quarter, a 55 per cent increase since the same quarter last year. It also does not show a fall in private rental stock, let alone a continued fall, which is an unsubstantiated claim that the Deputy has previously made in this Assembly. What it currently shows is an increase in turnover without drastic increases in prices, and I think that is exactly the kind of recovery we wish to see. What I do not want to see is a return to the old days where while turnover was high it was combined with completely unsustainable price increases, which left so many young people seeing home ownership move further and further out of reach for them and where their only chances of living independently involved paying over half of their income towards a buy-to-let investor's mortgage instead. I believe that under my agenda we are heading in the right direction and we should stay on track.

2.15.1 Deputy P.F.C. Ozouf:

The Housing Price Index confirms that the mixed adjusted average price of a dwelling has fallen by 12 per cent over the last year. That is the sharpest annual drop since 2002. A 3-bedroom house was originally 900 and it is down to 763; turnover is down and there is widespread negative equity with those individuals. In terms of real-terms fall, it has been 26 per cent. Can I just ask the Minister how far does he want the housing market to go? Because it is in free fall. We have never seen such numbers ever.

Deputy S.Y. Mézec:

Again, I continue to wonder what parallel universe Deputy Ozouf lives in because the House Price Index has just shown that turnover is on its way up, which is the direction that apparently he wishes to see, but it is not now coming with drastic price increases. Yes, there was a drastic fall last year. That is what some might describe as a correction after years of completely unsustainable growth, but that has now stabilised. We are heading in the right direction.

2.15.2 Deputy A.F. Curtis of St. Clement:

Does the Minister consider that comparing housing market activity to immediately pre-pandemic levels may be comparing to an unsustainable period in housing turnover and does he note that the same housing report shows that our Housing Market Activity Index, H.M.A.I., is equal to 2016, which is not that long ago and may represent a more sustainable period in our market?

Deputy S.Y. Mézec:

That was a very good question and one I am struggling to come up with a concise answer to. He might have to explain it in other terms for me to give a better answer.

Deputy A.F. Curtis:

I will have another go. Does the Minister think that housing market activity is at a good position and when it compares to the long-term trends we are in a more sustainable position than comparing to the very high volume turnover pre-pandemic?

Deputy S.Y. Mézec:

That sounds like a very sensible point and what I would say is that turnover is just one piece of the puzzle here. There is a lot more to it than just whether transactions are low or whether they are higher. It depends on a whole wide variety of factors. Where is that turnover focused? Is it investor led? Is it first-time buyer led? What is happening to prices at the same time? Using that as the sole metric of whether things are in a healthy state or not I think is flawed. So I welcome his question now that I have understood it.

2.15.3 Deputy P.F.C. Ozouf:

There is no escaping the fact that house prices are 26 per cent lower in real terms, and I have done my mathematics. I do not live in a parallel universe. I know constituents who are now unable to sell their properties for anything like what they expected. Yes, we saw that there have been unsustainable increases in prices. I am just asking kindly if the Minister is concerned with the plummeting house prices; 26 per cent in real terms is enormous. Just how far is it going to go down before he is going to do something to address my constituents' concern about their inability to sell their houses with negative equity? I remind him about the actual increases in interest rates, which have seen the monthly payments for home owners in Jersey go up dramatically. Does he not recognise in any way that there is a problem in our housing market?

Deputy S.Y. Mézec:

What an insulting question to ask at the end as he knows the entire foundation of my platform as Minister for Housing has been to recognise the reality of hurt and pain caused to our community by our housing crisis for so many years under Governments including which he served in that did not take the necessary action to resolve. That is the difference in this Government thankfully. What he said in that question about plummeting prices is now out of date. That would have been correct to have said last year, but the latest House Price Index shows that that has stabilised. I absolutely appreciate that a fall in house prices causes difficulties for some people in some situations, as it causes opportunities for other people in other situations. Now that that seems to have tailed off and is now stabilised, that provides us better foundations for moving forward. I suspect that if we went by some of the policy suggestions that this Deputy has proposed in the past we would see disruption to that recovery that would lead us to going back to that unsustainable position in the past. I would oppose that if he seeks to do so.