



Dame Kate Barker  
Chair of the Fiscal Policy Panel  
*By email only*

28 September 2023

Dear Dame Kate,

As the Fiscal Policy Panel has noted (e.g. in its 2022 Annual Report), the cost of housing in Jersey is high. This makes Jersey a costly place to live for Islanders and poses a risk to economic growth and productivity.

The Government of Jersey has, naturally, placed the need to address housing and cost of living as one of its top priorities. The Minister for Housing and Communities has made a commitment to develop the Island's first long-term, sustainable strategy for the future of Jersey's housing market, recognising the importance of improving the affordability of housing to support the Island's long-term economic wellbeing. This strategy is to be based on a vision that extends beyond political terms and which carefully considers the role of fiscal measures towards a healthy housing market. The strategy will serve to test future housing actions proposed by the States Assembly, ensuring that actions:

- both individually and cumulatively, will take Jersey in the right direction;
- will help to alleviate the housing issues experienced by Islanders today; and
- will leave a legacy of housing that is affordable and fit for future generations.

The Minister for Treasury and Resources has asked me in my role as Chief Government Advisor to write to you, asking the Fiscal Policy Panel for their support in understanding the economic drivers for the challenges being experienced in Jersey's housing market. Specifically, I would like the Fiscal Policy Panel to work with the Government to produce a rapid review and analysis of Jersey's housing market. I would like this review concluded by the end of 2023 via a report that:

- Provides an authoritative summary of the performance of Jersey's housing market. This should span the last 15 years;
- Includes an analysis and assessment of the factors that have contributed to the performance of Jersey's housing market. These might include, but not limited to, macroeconomic and demographic factors, as well as the supply of new houses and mortgage lending factors;
- Summarises the economic impact of Jersey's housing market; and
- Includes a forward look, projecting the performance of Jersey's housing market over the next 1-3 years.

The report may also include questions or recommendations for future work.

The economic advisory team, from the Department for the Economy, will support the Fiscal Policy Panel in this work, and will liaise between yourselves and relevant officials in the Government of Jersey.

I hope this request is acceptable to you and your FPP colleagues.

Yours sincerely,

Tom

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