

STATES OF JERSEY



CAPPING THE NUMBER OF HIGH-NET- WORTH INDIVIDUALS GRANTED ENTITLED STATUS VIA REGULATION 2(1)(E)

**Lodged au Greffe on 2nd February 2026
by Deputy J. Renouf of St. Brelade
Earliest date for debate: 24th February 2026**

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

to request the Chief Minister to limit the number of Entitled status approvals granted to High Net Worth Individuals (HNWI) under Regulation 2(1)(e) of the [Control of Housing and Work \(Residential and Employment Status\) \(Jersey\) Regulations 2013](#) to 15 per year, calculated on a rolling 5 year basis, and to implement these changes by the end of March 2026.

DEPUTY J. RENOUF OF ST. BRELADE

REPORT

Summary

The aim of this Proposition is to bring clarity and certainty to government policy regarding the number of High Value Residency (HVR) application approvals per year (also known as 2 (1) (e) applications). Existing policy (since 2005) is an “aspiration” or “objective” that there will be 15 approvals a year. However, in recent years the “aspiration” has been largely ignored.

- Since 2014, the 15 a year “aspiration” has been exceeded in 9 out of 12 years (see table 1).
- Even more telling, judged by a measure the Government prefers - a rolling 5-year average - the “aspiration” has been exceeded every single year since 2016.
- Last year there were 37 approvals - the highest number since restrictions were first brought in during the early 1970's.
- The current HVR scheme is “running red hot” - there has never been a period in which more HVR consents have been approved (see table 2).

Put simply, the current policy aspiration is perilously close to a sham.

This Proposition does not attempt to close down the HVR programme. It does not apply any new restrictions to the programme. It does not change the qualifying criteria. All it does is ask that the government stick to the policy aspiration/objective it says is in place. In effect, it turns the “aspiration” of “15 a year” into a firm policy but importantly gives year to year flexibility by using a more flexible measure that the Government has indicated it prefers - namely a 5-year rolling average - as the metric by which the policy should be measured.

To put it another way, if adopted this Proposition would mean that in any 5-year period the number of HVR approvals would not exceed 75. It should be noted that the wording of the Proposition means that - if passed - the policy would come into place from this year, meaning that the high figures of the previous few years would not be included in the averages.

If the Government prefers a different policy target for the HVR scheme, it should bring forward proposals to change the policy aspiration, not simply ignore the current policy.

It is important for public confidence in the HVR policy that it should operate within clear tramlines. Given the obvious drift away from the stated policy over the last 10-15 years, it is the right moment for the Assembly to debate the issue. Such a debate recognises that whilst there are clear benefits in running an HVR programme, there are also costs - and these costs increase the greater the number of HVR arrivals. Therefore, the public interest is best served by a transparent debate about the current HVR policy and whether the policy aspiration it sets should be treated more seriously.

Supporting Information

The aim of this Proposition is to reassert the importance of the existing policy position and sticking to it (whilst retaining flexibility via the use of a 5-year average). Reasserting the importance of having limits on the HVR programme requires consideration of its benefits and its costs. In one sense, making the argument for “15 a year” shouldn’t be necessary - it is after all the Government’s supposed objective already. But given that this Proposition is likely to trigger a wider debate about the merits or otherwise of running an HVR scheme, it is worth recapping the arguments.

In considering the potential costs of the HVR programme, I want to make clear that no criticism is levelled at individual high value residents. Where “costs” associated with the programme arise, they are a function of the total impact of the programme, and not attached to individuals within it.

Benefits

The most obvious direct benefit of the HVR programme is tax income. Currently each HVR contributes a minimum of £250,000 a year. In addition, by buying a home in which to live, they contribute to stamp duty revenues. However, the benefits of the HVR programme extend further than these direct, revenue raising measures.

When considering applicants, the Government takes into consideration a range of other contributions that are part of the assessment process. These can be found from point 117 onwards in [this document](#). They include contributions to charity, involvement in sports, youth, educational or other community organisations, cultural interests and expertise, voluntary work and business support. This last point is particularly significant. I am aware that the government places particular emphasis on applicants who are able to bring expertise that might help to diversify and innovate within the financial services sector - for example in AI - or to innovate and invest within the economy more generally. Their knowledge and capital are significant assets. The dynamism, global outlook and international connections that HVR’s bring to the island are hugely beneficial.

It is also worth pointing out that by spending in the local economy, HVR’s support many different businesses. They help redevelop property, and in doing so often promote high environmental standards and innovative architecture. They support economic sectors such as hospitality, car dealerships and estate agents.

These benefits are real, tangible, positive outcomes from the HVR programme and the fact that they have been summarised briefly here is not to in any way diminish their significance.

Costs

It has long been recognised that there are costs associated with running an HVR programme, which is why - ever since its inception - there have been limits put in place. In historic terms, it is worth pointing out that the current regime is liberal. Put another way, there has never been a higher “objective” than 15 approvals a year. Yet this objective is being routinely exceeded, and often very considerably exceeded. It is particularly noteworthy that when looked at by decade, “approvals” are currently around ten times what they were throughout the period from the 1970’s until 2010 (table 2).

The potential negatives that arise from allowing too many HVR's into the island are generally less tangible than the more clearly measurable benefits such as tax take. However, they are no less significant. Broadly speaking, the potential problems fit into the following categories:

- damaging social cohesion
- distortions in the economy
- undue influence in the political system.

Damaging social cohesion

There is no question that the existence of a programme that offers tax and other benefits to its beneficiaries that are not available to the rest of the public is a divisive and controversial policy. Being able to bypass normal housing controls, bring in staff without the need for licenses, and avoid standard taxation rates (amongst other things) creates an explicit double standard and delivers further advantages to people who are already well advantaged because of their private means.

There are subtle signals that reinforce the sense of social division that a large HVR programme creates. Calling very wealthy immigrants "high value" signifies that the value of a citizen is judged by their private wealth. It could equally be argued that doctors, nurses, teachers, care workers and so on are exceptionally high value to society, and that equal if not greater government efforts should be made to attract immigrants in these categories, particularly given known shortages (it would be interesting to see a parallel HVR scheme operating with this objective.) The general point is that in an island where there is considerable economic hardship, it is potentially damaging for social cohesion to see very wealthy immigrants given preferential treatment and the more there are, the greater the effect. Resentment isn't just concentrated in less well-off income groups. Some wealthy islanders and some in the business community are unhappy that they are not able to access the "benefits" that are available to HVR's.

Government must balance the tensions that arise from giving preferential treatment to HVR's with the benefits of the HVR scheme. I would argue that an important way to maintain a balance between costs and benefits - and therefore to ensure public acceptance of the scheme - is to keep the numbers of new entrants under control with a clearly defined policy that the government commits to following. That is what this Proposition is designed to achieve.

Economic distortions

It has long been recognised that HVR's can have a negative impact in certain economic sectors. P.2/1974 which initiated the first HVR scheme (what became known as the 1(1)k scheme) included the following list of potential costs:

- *The effect of superior purchasing power on the take-up of housing and building resources, reflected both directly and indirectly in house prices;*
- *The demands placed on labour supplies;*
- *The demands placed by ancillary domestic staff on education and medical services;*
- *The effect on the use and price of agricultural land.*

These are all equally valid today. For example, islanders are acutely aware that building project involving HVR's can suck in large amounts of high-quality labour in various trades, to the detriment of "bread and butter" domestic repair work. Similarly, the inflationary impact of high demand for trades and other services generated by HVR's is well known. The impact on the housing market is supposedly mitigated by restricting HVR access to properties that are out of the reach of "ordinary" islanders, but it is arguable that this has the effect of dragging the whole market up.

In addition, there are the largely below-the-radar impacts of HVR's bringing in members of staff. We do not know how many staff HVR's are currently bringing in with them (see answer to [Written Question 165/2025](#)) and I would encourage the government to gather this data and publish it. The economic impact of this aspect of HVR immigration is impossible to assess without data.

Influence on the political system

From my own experience in government, it was clear that HVR's enjoyed high levels of access to Ministers. On one level, this is not surprising. However, it is a matter of understandable concern if HVR's are able to exercise influence behind the scenes, and the greater the number, the greater this influence will be.

HVR's and planning policy: A case study

Last year provided a very clear example of the outside influence of a small number of HVR's in relation to a matter of public policy. In [February the minister for the Environment announced](#) that he was cancelling Supplementary Planning Guidance (SPG) relating to the 3000 square foot floorspace limit. This guidance placed restrictions (although not a ban) on the construction of homes above 3000 square feet in pursuit of the policy aim of encouraging the development of a number of family homes on a site, rather than a single very large house.

The fundamental issue here is not whether this was a good or bad policy guidance, it is the way in which it was changed. The minister stated at the time that he had not changed the guidance because of pressure from HVR's. However, this was undermined by the [report accompanying this decision](#), which stated (at Point 13):

"The basis for the review... emerged at the request of the Head of High Value Residency Engagement."

And why had the Head of High Value Residency Engagement requested the review? Point 14 made it clear.

"The key issues raised... are as follows:

- three clients who have projects that are directly concerned by the changes..."*

The minister cancelled the SPG, without consulting on the change, even though there had been consultation before the SPG was introduced.

This was a profoundly damaging decision, because it gave credibility to the argument that when it comes to the planning system there is one rule for the very wealthy and another rule for the rest of us. In effect, three HVR's were able to achieve a re-writing

of planning guidance to their own benefit. This is what I mean by undue influence in the political system, which in turn has a damaging effect on social cohesion.

This is a particularly egregious example, but there are many, more subtle ways in which increasing numbers of HVR's change the island. We have all seen the proliferation of "mega mansions" in the island over the last few years. HVR's are able to bring "shock and awe" to the planning system via massive planning applications that instead of being judged as clear breaches of policy get subtly rebranded as big economic opportunities.

More generally, as the numbers of HVR's increase, their presence brings myriad changes to the political and economic landscape. Businesses become dependent on their spending so when government considers increasing taxes on - for example - large vehicles or private aircraft, lobbying against them becomes a more powerful force. The greater the number of HVR's, the more dependent businesses become on them, and the greater the pressure to continue to accommodate further arrivals to sustain momentum.

Counter arguments

In the answer to [Written Question 4/2026](#), Minister's suggested that a better metric to target might be the number of net arrivals (new arrivals minus departures). Over the last few years the high number of arrivals have to some extent been "balanced" by departures. However, there are number of flaws in this argument. First, it relies on a policy failure to keep numbers in check. The aim of government policy is to keep HVR's in the island. It does not make sense to rely on HVR's leaving to compensate for the large number of arrivals, when policy is designed to achieve the opposite. Second, government does not control departures, but it does control arrivals.

However, if the government does indeed prefer to target net arrivals, then there is nothing stopping them bringing forward a Proposition (or amending this Proposition) to set out a new policy position.

There is an argument that having a limit on HVR approvals would reduce flexibility in the policy. Leaving aside the fact that there is supposed to be a limit already, this is why I have adopted a rolling 5-year average in the Proposition. This gives a lot of in-year and between-year flexibility and means that only if approvals have been running above target for a number of years will the prospect of limits come into play. But the second point is, there do have to be limits. That is implicit in the current 15 a year "aspiration". Sooner or later applications are going to run up against a limit, and all this proposition does is state clearly where those limits are.

Finally, I know there is a fear that simply having a debate about the HVR scheme will be "bad for business". I reject this argument. Jersey is a mature democracy, and anyone applying for HVR status should expect a robust public debate about the existence of an HVR scheme and the terms on which it operates.

Financial and staffing implications

Introducing a cap would not have any further financial and staffing implications for Government as the HVR scheme is already well established, all costs would be covered by already allocated departmental budgets for the relevant officers.

Children's Rights Impact Assessment

I consider that this proposition has no direct or indirect impact on children and that the duty to have due regard to the UN Convention on the Rights of the Child does not arise. Accordingly, a Children's Rights Impact Assessment is not required under the Children (Conventions Rights) (Jersey) Law 2022.

Appendix: Background information

Table 1: Data on HVR approvals, arrivals and departures since 2005

Year	Approvals (rolling 5 year average in brackets, rounded to nearest whole number)	Arrivals	Departures from the programme (see note above)
2005	5	5	
2006	8	9	
2007	13	8	
2008	7	7	
2009	8 (8)	5	
2010	7 (9)	10	
2011	9 (9)	8	
2012	12 (9)	8	
2013	14 (10)	10	
2014	20 (12)	16	
2015	20 (15)	22	
2016	17 (17)	14	
2017	35 (21)	20	
2018	15 (21)	29	
2019	21 (22)	12	

2020	20 (22)	15	15
2021	23 (23)	28	16
2022	9 (18)	11	14
2023	29 (20)	16	13
2024	18 (20)	11	10
2025	37 (23)	29	11

Table 2: Number of approvals/arrivals by decade (see note)

Decade	Number of approvals/arrivals
1970's	30
1980's	34
1990's	38
2000's	14
2010-20 (arrivals)	149
2020+ (arrivals, after 6 years)	110

Note: This table is constructed from two sources. The first is [this report, written by the late Colin Powell](#) on the history of the HVR programme, which includes figures for arrivals in each decade up until 2010. The second is the more recent data already cited in Table 1.

A history of the policy around HVR's is summarised in the following table, drawn from several sources (including the Colin Powell report referenced above).

Table 3: Summary of HVR policy since the 1970's

Year	Policy	Notes
1974	Max of 15 consents a year	
1979	10 a year	
1987	5 a year	
1993	Greater flexibility (no fixed figure)	Recession in the early 1990's led to a loosening of restrictions, but I cannot find any reference to a new target figure.
1998	Tightening (no fixed figure)	By the late 1990's there is reference to a tightening, but again I cannot find any reference to a new target figure. However, the total number of consents for the decade was 38.
2005	15 a year (see Table 1 for actual approvals)	First stated in 2005 and reiterated at various points since, including in P.29/2023 which said <i>“Government policy for the number of housing consents granted has varied over time, having initially been set at 15 per year in 1974. While this was reduced in the 1980s, it was relaxed again in the 1990s. The objective to grant 15 consents per year was restated in 2005 and has remained in place since.”</i>
2025	37 approvals granted	

Recent States activity concerning the HVR programme can be found in the following documents.

[DRAFT INCOME TAX \(HIGH VALUE RESIDENTS – AMENDMENT\) \(JERSEY\) LAW 202- \(P.29/2023\) – COMMENTS](#)

This Proposition focused on taxation and economic benefit rather than the numbers of HVRs. However, it did include a restatement of the 15 a year objective as per table 2 above:

“Government policy for the number of housing consents granted has varied over time, having initially been set at 15 per year in 1974. While this was reduced in the 1980s, it was relaxed again in the 1990s. The objective to grant 15 consents per year was restated in 2005 and has remained in place since.” (p. 4)

P.29/2023 also attracted Scrutiny comments, which included a further restatement of the government’s policy of 15 HVR approvals a year, this time described as an “aspiration”.

“The Panel was informed that in 2005 an aspiration of fifteen HVR applications per annum was set and that number had since remained.”

Later in 2023 a separate Proposition was brought by Deputy Feltham [Taxation of High Value Residents. \(P.44/2023\)](#)

The Proposition’s aim was to suspend the HVR scheme in 2023 while the CoM undertook a cost benefit review of the HVR scheme. It was defeated.