

STATES OF JERSEY



COMPOSITION OF RENT TRIBUNAL

**Lodged au Greffe on 23rd August 2022
by Deputy G.P. Southern of St. Helier Central
Earliest date for debate: 13th September 2022**

STATES GREFFE

PROPOSITION

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

to request the Minister for Housing and Communities to amend Article 3 of the Dwelling Houses (Rent Control) (Jersey) Law 1946, as amended, to appoint a Rent Control Tribunal which is constituted as follows –

- (a) 1 member to act as Chair of the Tribunal
- (b) 1 member to represent landlords;
- (c) 1 member to represent tenants;
- (d) 1 member to represent Andium Homes as the Government of Jersey’s largest social homes provider; and
- (e) 1 member from the charitable sector with an understanding of homeless/consumer issues.

DEPUTY G.P. SOUTHERN OF ST. HELIER CENTRAL

REPORT

The Dwelling Houses (Rent Control) (Jersey) Law 1946 (“the Law”) offers a statutory facility to enable a private sector tenant to appeal to an independent body, the Rent Control Tribunal (the “Tribunal”), to have their rent reduced where they consider it to be excessive. The Tribunal can then maintain or reduce the rent as it considers reasonable.

The key word in the above is undoubtedly **independent**. In order to be effective in protecting the tenant and the landlord from exploitation or unfairness, either side in a dispute must be able to trust the independence of the process.

Unfortunately, in the words of the Minister, “*after a competitive recruitment process*” a Chairman and three members were identified as preferred candidates to serve on the Tribunal. I have nothing personal against these candidates. I am sure they are honourable individuals but if I were a tenant challenging a rent increase before this Tribunal, am not sure I could have much faith in getting a fair hearing when I hear the words:

“property professional with over 30 years experience” “financial services – specialising in real estate” “ professional landlord since 2016”- Chairman of the Jersey Landlords Association”- “Finance director dealing with landlord and tenant issues” - “Advising HNW individuals on the full range of asset classes including real estate”- Over 30 years experience of managing private rental properties in Jersey”

The Rent Control Tribunal plays a small but vital role in delivering housing for Jersey. It forms part of what the previous Housing Minister described as his Fair Rent Plan. This includes moves which will:

- widen access to the Affordable Housing Gateway, reduce the current entry age for applicants without children
- reinstate the Rent Control Tribunal in 2022, giving private sector residential tenants the opportunity to appeal to an independent body if they believe their rent is excessive
- continue the ongoing detailed policy work to update the Residential Tenancies (Jersey) Law 2011
- The Fair Rents Plan also outlines how the Government of Jersey and Andium will manage the new social rents policy - recently agreed by the States Assembly - in which rents are capped at a maximum of 80 percent of the market rate.

If the Minister really wishes give private tenants better recourse against unfair rent increases, then he has to take measures which give those tenants reasons to believe that his measures can work. I believe that this amendment improves the Rent Control law and the tribunal it creates by adding a structure that can be made to work. In effect it introduces an element of balance into the landlord /tenant relationship.

When the Law was last examined in 2009 it was noted that the Tribunal was very little used, and in fact had not been called on to adjudicate on any specific referrals in the previous 3 years. The very limited activity of the Rent Control Tribunal was seen as a positive point, with landlords and tenants reaching agreement without the intervention of a third party, something the Tribunal has always endeavoured to encourage.

Notwithstanding this, the main reason the Tribunal sat so infrequently, it was suggested, was because most rental increases had not been excessive when compared to the market rates. In part, this reflected the state of the market, where capacity existed, and therefore landlords had been deterred from rent rises simply by the state of the market.

“Excessive” rent rises would have resulted in tenants simply seeking alternative accommodation. This is consistent with a market orientated approach to rents, which have been historically determined in Jersey by supply and demand.

I would suggest that those relatively benign days are long gone. Rents and house prices are on a rampant upward spiral with increasing numbers of homes made unaffordable to most families by massive inflationary pressures. The housing crisis we are living through may well be reflected in a large caseload of complaints and adjudications.

Financial and manpower implications

A small amount of officers’ time will be required as a result of this proposition, but the financial and manpower implications are otherwise negligible.