

**WRITTEN QUESTION TO THE MINISTER FOR HOUSING  
BY DEPUTY G.P. SOUTHERN OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 30th APRIL 2013**

**Question**

Does the Minister consider that it is important that tenants in all sectors fully understand the impact of the rent proposals in the Housing Transformation Programme?

Under the proposals to raise rents to 90% of private sector rent levels, would existing States tenants with new tenancies face a rise in rents, based on a weighted average, of £39 per week (25%)?

Will those in 2-bed accommodation see a rise in rents in the order of £50 per week or 30%?

Does he accept that by year 5 of the plan, over 50% of States tenants will be paying higher rental rates and that all tenants are likely to see their rents subject to annual inflation-plus rises of 4.25%, or 23% over the five years amounting to a weekly addition of £35?

Will the Minister acknowledge that this combination will produce new tenancies at average rent levels which are £84 per week (54%) greater than at present, and if not, what figures does he have for proposed rent increases in 2014 (year 1) and 2018 (year 5)?

**Answer**

I believe it is important that all interested parties understand all of the impacts of the Housing Transformation Programme and I have been very open in communicating my proposals in the media. The Housing Transformation Programme's Report & Proposition and Full Business Case are public documents which have been widely publicised. In fact, all States tenants received a leaflet which explained how the rent policy would affect tenants in March when I lodged these proposals.

In addition to this, The Housing Department's magazine "Community News" was delivered to all States tenants this week, which contained an article about the proposals for reform. We have also been making use of social media to engage with customers; we will continue to do this in the weeks leading up to the debate on the 14<sup>th</sup> May.

For a number of years, the Department has operated a policy of uplifting rents for new tenancies to more appropriate levels following refurbishment and the proposed policy would add, on a weighted average, a further £11.89 or 6% to rents on new tenancies. For 2 bedroom accommodation the figure is £20.06 or 10%. I refer the Deputy back to my answer to question (7564) in which I set out clearly the ranges of rents for each type of unit. This shows that rents are clearly dependent on the size and type of unit.

As noted in my answer to the Deputy's question (7564), section 5.2.3 of the Housing Transformation Programme's Full Business Case illustrates how the modelled convergence of current rents to 90% of market under the proposed rent policy will occur. This indicates that 51%

of tenants, including those in newly developed properties will be at the 90% level by year 5. Tenants will see annual rent increases linked to R.P.I. plus 0.75%. If R.P.I. rises in line with the central scenario projections of the States of Jersey Statistics Unit, then tenants will see aggregate increases of 21% by year 5 of the Full Business Case. However, as we have seen with the latest inflation figures of 1.4%, these assumptions are subject to variation. A proper comparison is to look at these matters in real terms, which is 6% and £11.89 as noted above.

In 2010 it was recognised that States rentals had fallen significantly behind market, the proposed policy aims to bring rent levels from the 2010 weighted average of 69% of market to 90% of market. Considering the impact on the tenant of the average change in rent levels is meaningless. The change in rent for existing tenants moving to new tenancies is dependent on a wide range of circumstances such as where the tenant is moving to and from and for what reason. Indeed, many tenants downsize and so their rent could actually decrease.

Furthermore, as I have said, all tenants on low incomes and receiving Income Support will be fully protected and only those tenants who move will be subject to the proposed policy.