

STATES OF JERSEY



SOCIAL RENTS PLAN TO REDUCE RENTAL STRESS FOR TENANTS

Lodged au Greffe on 3rd April 2025
by Deputy R.S. Kovacs of St. Saviour
Earliest date for debate: 13th May 2025

STATES GREFFE

PROPOSITION

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

to agree that, from January 2027, social housing rents should be set at a rate that does not put tenants in rental stress and to request the Minister for Housing (in consultation with the Minister for Treasury and Resources) to plan a revised housing rental policy on the basis of this principle and to bring that policy to the Assembly for endorsement by January 2026.

DEPUTY R.S. KOVACS OF ST. SAVIOUR

REPORT

Summary

This proposition, if adopted, would require the government to establish a new social housing rents policy which ensures that rents do not leave residents in rental stress. The Minister for Housing will be required to consult with the Minister for Treasury, as the shareholder representative for Andium, to ensure that any new policy can be implemented in a sustainable way which does not disrupt the delivery of new affordable homes.

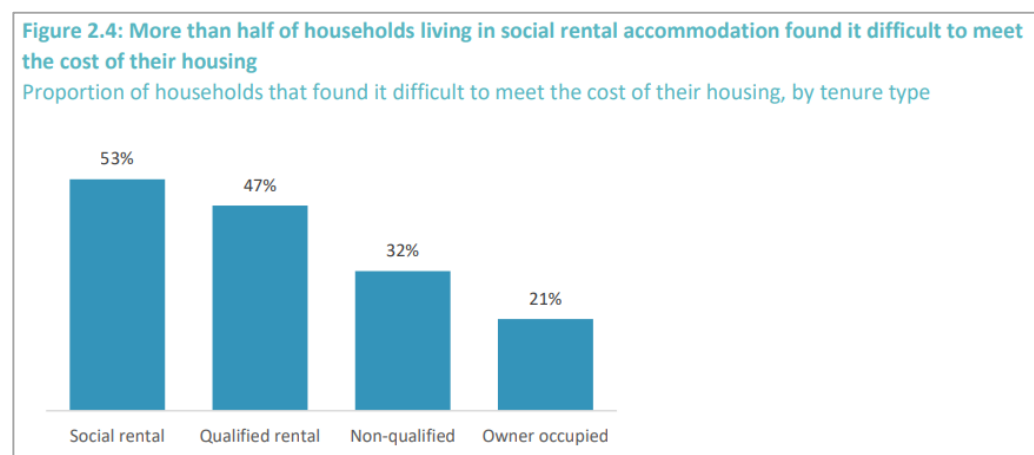
The proposition will benefit low-income households who live in social housing, improve the efficiency of our social security system and provide a more equitable housing market.

The Need for Action

Rental stress is defined in the [Housing Affordability in Jersey 2015](#) (pg.1 and 3) as when individuals or families spend more than 30% of their gross income (including benefits) on housing costs, leading to financial hardship and instability.

Rental stress is a significant issue for many residents in Jersey, particularly among lower-income households. Data from the 2021/2022 Living Cost and Household Income Survey presented in [Annual housing statistics -Rental Stress](#) showed that 71% of lower-income households in social housing were living in rental stress. This was an increase from 60% in the 2009/ 2010 survey.

The [Jersey Opinions and Lifestyle Survey report 2024 \(JOLS\)](#) (pg.16) reveals that similar worrying results persist or have increased, as 53% of social tenants reported finding it difficult to meet the cost of their housing. This indicates a systemic issue with high housing costs that cannot be fixed by simply relying on benefits. Instead, a policy addressing the root causes of rental stress is essential to move towards long-term solutions that are more sustainable.



JOLS provides a range of evidence that proves that many households are finding rents unaffordable (see Appendix 2.)

Rental stress can be a significant contributor to causing Jersey residents to live in relative low income (i.e. relative poverty).

The [Jersey Household Income Distribution Survey 2021/2022](#) showed that households in the lowest income decile spend on average, **56%** of their income (after benefits) on housing costs. It also showed that **24%** of the population lives in households with incomes below **60%** of the median equivalised household income after housing costs (p. 1), and **35%** of low-income households are pensioners (p. 10).

The financial strain caused by high housing costs also exacerbates child poverty, as when families are forced to spend a disproportionate amount of their income on rent, they are left with little for other necessities like food, healthcare, and education.

This excessive burden leaves families struggling to meet their basic needs. For some, the situation has reached crisis levels, leading to high levels of stress and insecurity. Addressing this issue is paramount, not just for improving living conditions, but for ensuring the financial stability of families and the long-term sustainability of Jersey's social fabric.

Why We Need a New Social Housing Rental Policy

The current social housing rents system originates from the 2013 [Housing Transformation Programme](#), which proposed that rents would be benchmarked against the private sector. Originally this was set at 90% of the market rate but subsequently reduced to 80% in the 2022 Government Plan.

Benchmarking against an overly expensive private sector has meant that social housing rents are expensive too. In 2023, the average rent across social housing in Jersey was approximately **£1,118 per month**, a cost that remains unaffordable for many lower-income households, even with the assistance of income support. In fact, a single person would need to earn £44,720 a year to afford that rent whilst not being considered to live in rental stress, yet the income limit for a single person to live in a 1-bedroom home in social housing is £38,818 a year. The current full rate of the old-age pension is £14,898.52 a year, which is barely over the total annual rent for a 1-bedroom home.

In **2022**, around **£30 million** was distributed through Income Support for tenants of both social and private housing, to assist with paying rent. While this Income Support helps alleviate the burden for some tenants, it does not address the underlying issue of rental prices. In fact, much of this funding simply moves round in circles through various funds over and over again. Social Security pays Income Support to tenants to pay their rent to Andium, who then pay around £30m a year in financial return to the Treasury, who then pay into Social Security through the States grant, etc.

Policy Proposal

The proposition seeks a new social housing rent policy that ensures rents are set at levels that prevent tenants from being put under rental stress. By setting rents at a sustainable and affordable rate, this policy aims to:

1. **Reduce rental stress:** By ensuring rents do not take up a disproportionate share of tenants' income, this policy would reduce financial strain.
2. **Provide financial relief:** With lower and more predictable rent costs, households will have more disposable income for other essential needs, contributing to a higher quality of life.

3. **Sustainable long-term housing:** The policy seeks to address rental affordability in a sustainable manner, avoiding over-reliance on benefits.
4. **Address root causes:** The policy addresses the root cause of rental stress by focusing on affordable rent levels, rather than relying on financial assistance to bridge the gap.

Current Rental Costs and Housing Data

In 2024, as informed by the Income Support department, payments made to Andium Homes in respect of Income Support amounted to **£34.2 million** including service charges. The distribution of these benefits payments reflects how significant the issue of rental stress remains, with many households depending on income support to cover all or part of their rent.

As of 24th March 2025, there are:

- **1,670 Income Support claims** which have their income support amount covering in full the Andium rent, with an average annual rent plus service charges of **£14,600 and the annualised rent plus service charges amounts to £24.3 million.**
- **1,202 Income Support claims** have a total Income Support amount less than the Andium rent, resulting in a total income support expenditure of **£10.6 million** for these households.

The information received from Income Support department in respect of the Housing Trusts, as of 25th March 2025, shows that:

- **337 trust tenants had Income Support claims** that cover the accommodation component in full, at an **annualised rent value paid of £4.7 million.**
- **295 trust tenants receive an Income Support** amount that is less than their rental component, with an **annualised rent amount paid to these households of £2.6 million.**

Below is an extract from my Written Question [327/2023](#) that I asked of the Social Security Minister in September 2023 [totals information (in bold) added], highlighting the annual Income Support cost for this.

Annual allocated accommodation cost (£000's)

Year	Andium (and Housing Dept. pre-2014)	Housing Trusts Rental	Private Rental	Total
2012	14,570	3,058	8,070	25,698
2013	15,064	2,957	9,054	27,075
2014	15,323	3,171	10,131	28,625
2015	15,995	3,399	10,118	29,512
2016	16,460	3,330	9,521	29,311
2017	16,612	3,233	8,904	28,749
2018	16,795	3,455	9,127	29,377
2019	17,088	3,807	9,215	30,110
2020	18,701	4,339	11,281	34,321

2021	19,066	4,086	9,470	32,622
2022	19,203	3,948	7,372	30,523

Ultimately, a total of **£325,923,000** was spent over 11 years which equates to an average of **£29,629,000** per year.

So nearly £30 million a year was paid in Income Support over an eleven-year period, to support, at least in part, these housing costs. It is clear to me and referring again to the JOLS report which states that 53% of households living in social rental accommodation found it difficult to meet the cost of their housing, that despite Income Support families are still struggling to meet the burden of rental payments.

Comparisons with Isle of Man:

A comparison with the **Isle of Man** reveals the stark differences in social housing rent levels. After their proposed rent increase in **April 2025**, the Isle of Man's rents are still much lower than Jersey's. For example:

Social rental	1-bedroom flat	3-bedroom house
Isle of Man ¹	£337.82 pcm (£77.96 pw)	£570.27 pcm (£131.60 pw)
Jersey ²	£986 pcm	£1,584 pcm

¹ These numbers are calculated based on [Isle of Man Government - Public sector rents to rise by 5%](#)

² These numbers are averages taken from [Andium-Homes-Rental-Charges-January-2025.pdf](#)

The significant disparity between rent levels in Jersey and the Isle of Man underscores the need for a comprehensive review of our social housing rents and their alignment with the realities of local income levels.

Conclusion

The need for a new social housing rental policy is clear. High rental costs continue to place undue stress on tenants, especially those on lower incomes. By ensuring that rents are set at levels that do not lead to rental stress, Jersey can create a more affordable housing system that addresses the root causes of housing unaffordability. This policy would provide much-needed relief for tenants, reduce their dependency on Income Support, and contribute to a more sustainable and equitable housing system.

With approximately **£30 million** allocated annually to Income Support for housing costs, it is imperative that we take action now to prevent further financial strain on our residents and ensure that future generations have access to truly affordable housing.

I recommend that the Assembly consider and support the implementation of this new rental policy, which will benefit both tenants and the broader Jersey economy.

Financial and staffing implications

A detailed plan, following a comprehensive analysis by the relevant departments, is required before the financial implications of changes to the social housing rental policy can be assessed. However, the aim would be to minimise any negative financial impacts on social housing providers and Government revenue.

Efficiencies could be found through a reduced need to pay as much in Income Support, which can then mitigate the need to receive as much a financial return from Andium.

Children's Rights Impact Assessment

A Children's Rights Impact Assessment (CRIA) has been prepared in relation to this proposition and is available to read on the States Assembly website.