

**STATES HOUSING RENTAL SCHEME: REVISION (P.29/2002) - COMMENTS**

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**Presented to the States on 12th March 2002  
by the Finance and Economics Committee**

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**STATES OF JERSEY**

**STATES GREFFE**

150

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Price code: A

## Comments

The Finance and Economics Committee firmly believes that the States' social housing stock should be used to house those in greatest need.

The Housing Committee's rents are significantly below market rental levels and will remain so even after the proposed increase is implemented. There is, therefore, no reason for private sector landlords to raise their rents as a result of the proposed increase.

Any gap between the rent charged by the Housing Committee and the equivalent market rent is a subsidy which is borne by the taxpayer as a loss of potential income.

Suitable housing benefit arrangements are in place to protect tenants on lower incomes, with no tenant paying more than 25 per cent of their income in rent. The proposed increase will not impact on these tenants who represent the vast majority (some 85 per cent) of the Housing Committee's tenants.

The Finance and Economics Committee considers that tenants who can afford to should be encouraged to become self-reliant and free up social housing for those in greatest need.

The Finance and Economics Committee considers that limiting rent increases to 2.5 per cent makes an unfair situation worse and it strongly resists the proposition.