

Fiona Scott
Scrutiny Office
Morier House
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Our Ref: VHL White Paper 290612

29th June 2012

Dear Fiona

Housing Transformation Programme Review

Thank you for inviting us as Managing Agents of Les Vaux Housing Trust and CTJ Housing Trust to comment on the 'Achieving Decent Homes' White Paper.

In our professional opinion based on our experience of dealing with the day to day Management of the Housing Trusts we can envisage the following possible implications that could arise if certain aspects of the White Paper proposals are enforced:

Establish a Strategic Housing Unit

Proposing and delivering the social housing rent policy

- As Managing Agents we feel that in general most of the current rents charged by the Trusts reflect an adequate rent for each unit of accommodation for the purpose of Social Housing. We feel that as we manage the properties we are best to know how much a unit is likely to let for and be able to advise the Trusts accordingly.

It is very possible that some units of accommodation within the Trust may struggle to let if rents are increased much more than they are now. If rents are increased we can anticipate that some older stock units of accommodation may struggle to let even at 90% of market rent. This would lead to increased void periods in rent for the Housing Trusts. We feel very uncomfortable that a Landlord will effectively be told to charge a higher rent by the States.

Increase to 90% of Market Rent

- It is expected that such an increase in rents will no doubt lead to an increase work in collecting rents and rental arrears for the Housing Trusts.

- Our day to day dealing with tenants has indicated that a number of tenants are concerned about these increases and how this will affect them. Some of our tenants across both the Trusts have commented that they have attempted to pay their way without assistance from Income Support until now but that these proposals will leave little if any incentive to do so for them and a number of tenants also.
- The proposal to increase rents but those in receipt of Income Support will be fully protected could potentially lead to a situation where those Trust tenants who are not in receipt of Income Support feel as though they are being forced out of their homes as rents increase. The Housing Trusts will potentially lose good tenants as a result of this. If these tenants leave and are replaced by tenants who are in receipt of Income Support (as the current strict eligibility criteria has yet to be widened and allocations are to be made through The Gateway) we would see an increase in the majority of homes being occupied by those who are fully reliant on Income Support.

It is important to note that both the Housing Trusts we manage house people not solely based on financial circumstances but also other worthy cases of those residentially in need (e.g. case of eviction/ someone who just falls out of income support threshold and struggles with high rents and poor conditions in the private sector etc.) as well as to offer security of tenure to its tenants. It is very possible that an increase in the majority, if not all, homes being occupied by tenants fully reliant on Income Support would change the whole social dynamic of the Housing Trusts' estates. Having a mixture of tenants both middle earners and those on Income Support has worked well to date for the social dynamic of various estates.

- From a Managing Agent's perspective we would feel that measuring an increase for social housing rent based on market rents in Jersey (in this case 90% of market rent) would not reflect a 'fair rent' as private market rents in Jersey are already highly inflated. On this basis we feel that an increase to 90% would be too high for the purpose of social housing. We must also raise the issue of what if markets rents were to fluctuate and possibly decrease, rents would have to be constantly re-aligned to take this into consideration and this can't provide an accurate projection of how increasing rents will eventually pay back the shortfall that exists within States Housing.
- The Trust properties (even the older stock) are already maintained to a good standard and we would see no need that the Trust would need to increase their rents (other than that of the usual annual rent increase by cost of living) in order to be able to keep up with the costs of maintaining and refurbishing their properties to an acceptable standard.

An Affordable Housing Regulator

- From a Managing Agent's point of view regulation (providing it is not too heavily restrictive) is welcomed and will provide more of a structure to the Social Housing

Sector. However this should apply to all social housing providers not just those who have received subsidy.

- Generally it seems unfair that most of the Social Housing Providers as well as Lodging House properties are regulated (and pay for the pleasure of it), but there is no current proposition to widen regulation to the qualified private market, where Landlords are often able to neglect their properties and do not have to keep them to a decent standard.

A New Wholly States Owned Housing Association

- Currently as the Trusts are run by Trustees who give up their time for free and outsource their day-to-day management to a Managing Agent; the Housing Trusts would seem to actually be running more cost-effectively in comparison to that of the State's Housing Department. We see no difference under the new proposed State's Owned Housing Association. Should consideration not be given to the States of Jersey out-sourcing the management or selling off a number of properties instead?

We hope our comments have proved helpful to the consideration of the White Paper proposals.

Kind regards

Yours sincerely



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