Minister for Housing



Union Street | St Helier | Jersey | JE2 3DN

Deputy Hilary Jeune Chair, Environment, Housing, and Infrastructure Scrutiny Panel BY EMAIL

27 May 2025

Dear Chair,

Re: Economic rationale for rent cap within the Draft Residential Tenancy (Jersey)
Amendment Law 202-

Thank you for your letter dated 15 May requesting detail on the economic rationale for a rent cap within the Draft Residential Tenancy (Jersey) Amendment Law 202-.

The <u>Draft Residential Tenancy (Jersey) Amendment Law 202-</u> ("Draft Amendment Law") provides an opportunity to introduce a statutory safety-net to protect tenants from incidences of excessive, unreasonable, or unexpected rent increases that will enhance security of tenure and improve the experience of renters in Jersey, whilst allowing landlords to continue to realise a fair return on their investment.

I have provided a paper to accompany this response, shared in confidence with the Panel, which explains the decision-making process for proposed rent stabilisation measures, included as part of a package of amendments to the Residential Tenancy (Jersey) Law 2011 in the Draft Amendment Law.

I hope that this provides the Panel with useful background and context for the proposed measures, explaining the policy development process with a specific focus on metrics for annual rent increases within tenancies, and why the preferred rent stabilisation metric (RPI capped at 5%) was chosen.

Yours sincerely.

Deputy Sam Mézec Minister for Housing

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