

The Scrutiny Panel

12th May 2025

Dear Chair,

Proposed Amendments to the Residential Tenancy Law

I write on behalf of the Jersey Estate Agents' Association to object to the proposed amendments to the Residential Tenancy Law. Following consultation with our members and many landlords, we believe the proposals are unduly heavy-handed, unnecessary, and closely mirror or follow UK and Scottish legislation, which has had debatable outcomes.

Lessons from Scotland

A similar law, the Private Housing (Tenancies) (Scotland) Act 2016, eliminated no-fault evictions from December 2017. Since its introduction, there has been evidence suggesting a reduction in the number of letting properties available. Reports, including a 2024 article from Scottish Housing News, indicate a decline in new lets entering Scotland's private rented sector (PRS), partly attributed to the eviction ban and subsequent rent control measures. The 2016 Act replaced no-fault evictions with a system requiring landlords to provide specific grounds for eviction, increasing administrative complexity. While the Jersey proposals do not feature an outright eviction ban, they similarly place an increasing burden on landlords and their agents.

Key observations from the Scottish experience include:

- **Reduced Rental Supply:** Industry bodies like Propertymark have reported some landlords exiting the market, citing increased regulatory burdens. Some landlords and letting agents perceive these changes as raising operational risks.
- **Market Dynamics & Counterarguments:** It is acknowledged that the extent of this reduction and its direct causes are debated. Other factors, such as tax changes (e.g., reduced tax relief on mortgage interest) and rising borrowing costs, are also argued to impact landlords' decisions significantly. When landlords exit, properties may be sold to owner-occupiers, shifting housing stock away from the rental sector, which can reduce availability and increase pressure on tenants, particularly in high-demand areas.
- **Impact of Other Measures:** In Jersey, higher stamp duty for landlords has already caused market stagnation, particularly at the lower end, hindering first-time sellers.

- **Conclusion on Scottish Comparison:** While there has likely been a reduction in new letting properties in Scotland post-ban, the PRS's overall size has remained relatively stable, suggesting the impact may be less severe than some claims. Multiple factors, including rent controls and tax changes, influence landlord behaviour, complicating direct attribution to the eviction ban alone. We acknowledge data limitations in Jersey due to the share transfer market.

We are concerned that implementing these proposals in Jersey will result in more landlords exiting the market, either before the legislation's appointed day or as soon as possible thereafter.

Sufficiency of Existing Jersey Legislation

Our members, with over a century of combined experience, believe current laws and regulations are sufficient. The Residential Tenancy Law 2011 already provides an adequate framework for landlords and tenants. Furthermore, under the Rented Dwelling License Scheme, properties must meet minimum standards, and tenants have a complaint procedure through Environmental Health if dissatisfied, after initially approaching the agent or landlord.

Market Disruption and Rent Controls

There is already considerable negative sentiment among private landlords, many of whom are ceasing to acquire buy-to-let investments, with some actively selling off properties. The proposed rent controls are an unnecessary interference in the market. Property is typically advertised at a market price; if the property does not let, the price is adjusted. The market naturally finds an equilibrium between landlord and tenant.

Rather than introducing further laws that may negatively impact the industry, we suggest offering guidance where concerns exist. We believe landlords would follow such guidance, especially if a redress scheme were introduced to provide peace of mind for both parties.

We urge the Panel to consider these points carefully and to listen to concerns and observations made by those in the industry.

Yours sincerely,

John Quemard

President

The Jersey Estate Agents' Association