

**WRITTEN QUESTION TO THE MINISTER FOR HOUSING
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 16th APRIL 2013**

Question

Given that figures produced by the Housing Department show that rental income over the first 10 years of the business model for the Housing Transformation Programme will increase by over 80%, will the Minister inform members how much of this increase will be produced by rents from new-build accommodation and how much from rent increases across existing tenancies, re-lets and refurbishments?

Answer

The business model that underpins the figures given in the Housing Transformation Programme's Full Business Case incorporates assumptions on future RPI figures. These are taken from the States of Jersey Statistics Unit's central RPI projections, which indicate, in the long term, annual increases of 3.5%. Given this assumption, business modelling assumes annual rent increases of 4.25% (3.5% plus 0.75%), as per the proposed rent policy.

Rental income in year 1 of the business model (2014) is estimated at £41.4 million. In year 10 of the business model (2023), total rental income is estimated at £75.2 million from the following sources:-

Rental Income	£M
Existing Tenancies	£59.3
Units Demolished	-£2.2
Units Sold	-£2.6
Re-lets	£7.4
New Builds	£11.4
Refurbishments	£1.9
Total	£75.2