

2016.02.23

### **3.11 Deputy M. Tadier of the Minister for Housing regarding the average rental costs of residential accommodation per sector:**

Could the Minister provide figures on the average rental costs of residential accommodation per sector, including entitled, registered and per category (bedsit, 3-bedroom house, *et cetera*) and, if not, why not, and what steps, if any, will she take to gather this information and make it publicly available?

#### **Deputy A.E. Pryke of Trinity (The Minister for Housing):**

To support current and future policy decisions we need to have a strong evidence base and we recognise this in the Housing Strategy. I am pleased to inform the Assembly that a rental price index is being developed by the Statistics Unit which will monitor changes in rental prices over time similar to the quarterly house price index. As part of the index, we will also be able to break down average rental prices by different sectors of the market and different types of property. It is envisaged that this index will be published in the coming months.

#### **3.11.1 Deputy M. Tadier:**

That is reassuring to know. Can the Minister provide detail specifically whether the index will be based on estimates and samples or will it be based on hard evidence of all of the properties out there and what the actual rents are, i.e. will it involve some kind of registration and collecting of hard data for all rental properties in the Island?

#### **The Deputy of Trinity:**

The Statistics Unit is gathering information on advertised rents from letting agencies. This reflects, as I said, advertised rents, not the actual rent paid by a tenant after negotiation, but will provide a robust and reliable benchmark of rents in Jersey. It also includes registered and entitled rental properties, rents by property types, such as bedsit, one-bed flats, 2-bed houses and flats, and 3-bed houses, *et cetera*.

#### **3.11.2 Deputy M. Tadier:**

So why does the Minister insist on making things more difficult than they need to be? Does she not accept that you cannot get an accurate figure, as she has already admitted, from advertised properties, (1) because not all properties are advised and (2) because the advertised rates are not always the final rental rate because they may be subject to negotiation? So if she does accept that, will she not pursue a method whereby we have a register of landlords, we have a register for rental properties, but you cannot rent those properties out until they have been registered and we know exactly what those costs are? Because, after all, we have to register now for the Deposit Scheme under the Residential Tenancy Law. Is that not the sensible way forward, the clearest way forward, for both tenants and landlords?

#### **The Deputy of Trinity:**

I know that the Deputy is very keen on registration and it is something perhaps we need to look further down the future and as probably a part of the Housing Strategy. But this is the first step and, as I said, it is coming out fairly soon and it will be evidence based. Regarding the Tenancy Deposit Scheme, yes, we will get a certain amount of data from that as it builds up over time which will be published on an annual cycle.

**3.11.3 Deputy T.A. Vallois of St. John:**

If it is difficult to determine the average rental price index and this work is yet to be completed, could the Minister advise how it is that we have a 90 per cent rent policy and what is that established against?

**The Deputy of Trinity:**

The 90 per cent market-value rent was approved by this Assembly in the Housing Transformation Scheme but also it provided some sort of feedback for the housing bond, which the Minister for Treasury and Resources has spoken about earlier, to enable all flats to come up to a decent standard which is something I hope that we all want.

**3.11.4 The Deputy of St. John:**

A supplementary? I am not sure that quite answered the question I was asking, how the 90 per cent rental policy was determined in terms of what was it based against. If there is no index, if it is difficult to identify what the average rental price is, then how did we come up with 90 per cent of a supposed market rental? Could the Minister explain that, please?

**The Deputy of Trinity:**

The 90 per cent was agreed, as I said, through the Housing Transformation, and the Housing Department at that time did a whole lot of work and also worked with Scrutiny.

**3.11.5 Deputy G.P. Southern:**

The Minister fails to understand the question which was unless you know the average price of something, how can you establish the 90 per cent figure? How. Not who authorised it, how was that done?

**The Deputy of Trinity:**

Yes, I do understand the question. I think you have to look exactly at the nuts and bolts of how it was done; you have to look back in the Housing Transformation. I have not got that information to hand at present.

**3.11.6 Deputy G.P. Southern:**

Does the Minister now know? Will the Minister master her brief and bring those figures and that methodology to the House?

**The Deputy of Trinity:**

Yes, I can do that but, as I said, it is in the Housing Transformation Programme. But that information, it is important that you have got to take that 90 per cent market value in the round.

[11:00]

It is also there to make sure that there is enough money to reinvest back into the housing bond to increase decent standards in all our housing stock which was certainly definitely lacking.

**The Bailiff:**

A final supplementary.

**Deputy M. Tadier:**

Sir, I do not have any supplementary at the moment.