

**WRITTEN QUESTION TO THE MINISTER FOR HOUSING AND COMMUNITIES
BY DEPUTY R.S. KOVACS OF ST. SAVIOUR
QUESTION SUBMITTED ON MONDAY 27th MARCH 2023
ANSWER TO BE TABLED ON MONDAY 3rd APRIL 2023**

Question

Regarding Jersey Homes Trust (JHT), will the Minister advise –

- (a) what communication, if any, he has had with JHT in relation to the increase in rents by nearly 10% in 2023; and
- (b) whether JHT provided the Minister with any explanation for the rent increase being necessary given that at December 2021 they reported a balance of over £14 million, and if yes, what the justification was?

Answer

(a) On the 14 March 2023 the Private Secretary to the Minister for Housing and Communities (MHC) held a meeting with the Chairman of JHT on behalf of the Minister of Housing and Communities, who was in Poland on official business. The purpose of the meeting was to understand the circumstances of the application of the JHT rent increases and notice period given to tenants.

MHC wrote to the Chairman of JHT on 14 March 2023, to request a one-month delay in the increase of JHT rents. The letter is attached. On 15 March 2023 the Chairman of JHT confirmed there would be a one-month delay (to 1 May 2023) to the implementation of the rent increase in accordance with the Minister's request.

Subsequently, on 28 March, a representative of JHT contacted the Minister's office to advise that JHT had decided to delay the rent increases by a further two months (to 1 July), so that tenants had additional time to plan financially. JHT has produced a newsletter, which it had shared with its tenants, communicating the additional notice extension, and introducing a fixed date for rent increases on a once-per-annum basis. The newsletter is attached. The Minister welcomes these developments and the more transparent approach being adopted by JHT.

MHC attended the tenants' meeting on Monday 20 March, alongside members of the Housing Advice Service.

Government of Jersey officers, working on behalf of the Minister, have also been in contact with the Chairman of JHT to request information to help answer Written Question (WQ.107/2023), submitted by Deputy Ward of St. Helier Central on 13 March 2023. WQ.107/2023 specifically asked MHC to address the issue of rent increases for JHT tenants. The Minister tabled his answer on 20th March 2023.

(b) The Chairman of JHT offered the following points of explanation about the rent rise during his meeting with the Minister's Private Secretary on 14 March:

- The highest JHT rent increase applied was 9%, which was below the Jersey Retail Prices Index (RPI) figure of 12.7%.
- The rent increases applied were variable, with increase amounts pegged to level of existing rent paid. Tenants on the lowest rents (less than 70% of market rate) received the highest increase of 9%. Tenants on 70% received a 5% increase and those on rents closer to 80% of market did not receive a rent increase.
- JHT had held its rents stable over the past few years, applying a freeze on rent increases in 2020 because of Covid-19, which was extended into 2021. In 2022 the rent increase applied by JHT was 3.8%, in line with the RPI at the time.
- JHT relies on rental income to upgrade and maintain its stock and to support its development plans to build more social housing. There has been an increase in costs for improvement of its properties as well as an increase in interest rates on JHT's commercial loans for development projects. JHT had to consider these factors in its decision making around rent increases.

The balance sheet of Jersey Homes Trust balance was not discussed. JHT sets out its reasoning for the rents increases in the newsletter referenced above.