

19-21 Broad Street | St Helier
Jersey | JE2 4WE

Connétable Mike Jackson
Chairman
EH&I Scrutiny Panel
BY EMAIL

13 January 2020

Dear Mike,

Re email: Minimum standards for rented dwellings licensing regulations

I write regarding your email on 10 January concerning the costs of the scheme and revenue generation.

As stated in your email, the Jersey Landlords' Association's (JLA) estimates regarding the total revenue generated is different to that which was submitted on 23 December 2019.

Having reviewed their figures, it appears that the JLA came to their conclusion based on multiplying 10,000 properties x [£50 application fees + £200 annual licence fee] which gave a total £2.5M.

There are several factors which could explain why there is a disparity between the figures presented by the JLA and the department:

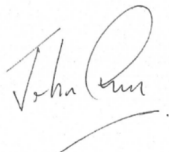
1. The department, for the purposes of estimating income, used 9089 properties as identified in the 2011 census. Please note that Lodging houses are not included in our figures which account for 652 dwellings in the census.
2. We applied an estimate as a percentage of the remaining 6,317 properties that will join Rent Safe between now and throughout the licensing period – spread between 3, 4 and 5* ratings.
3. Estimates took into consideration the potential for discounts.

I would like to stress that as we don't have a full picture of the rental sector, we can only apply what we do know and include best estimates where we don't.

It is also worth noting that as time goes on and standards improve, whether it be through new builds coming onto the market, landlords wanting to improve their dwellings to attract larger discounts, improve their investment or the demands from tenants for a better offering – the projected income will decrease.

I trust the above answers your query and if you require anything further, please do not hesitate to contact me.

Yours sincerely



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