

The JLA Committee received these comments from JLA members when we asked them for their thoughts on P33/2021 to help inform our submission to the Scrutiny Panel.

Response 1

I am a small landlord, down to only 3 units, now tenanted by good people. I used to have many more. Unfortunate experiences with dishonest tenants leave a bad taste and make me wonder why I bother.

I have to point out that this proposed legislation is seriously one-sided.

Yet more protection for tenants? The law is already biased heavily in their favour.

Where is my protection from tenants who trash the place causing thousands of pounds worth of damage then threaten legal action if I refuse to pay back the deposit?

Sorry but this is NOT the way to solve Jersey's housing shortage. Please think again.

Incidentally, I have nothing but praise for My Deposits Jersey. I have found them to be constructive and very helpful.

Response 2

Thank you for your email. I would like to say that this scheme is not in the best interest of the landlord or the tenant but is another way to introduce a stealth tax. As soon as the licencing scheme is introduced, they will start charging and we will not have a leg to stand on.

As an example, the fire service used to visit properties free of charge, then they introduced a fee of £50. It is now £400.

They need to trust the landlords more, we are not all greedy, lazy people. I for one try to ensure all my properties are to a certain standard, though this is sometimes difficult as some tenants have no respect for other people's property. I also try to keep the rents at a reasonable and affordable level which is probably why I do not get many vacancies.

Response 3

I am writing to object about the new licencing idea proposed for all rented properties.

Although I realise that there are some unscrupulous landlords that tenants need to be protected from, these are very few and far between and do not warrant passing new and

complicated laws. I don't consider myself one of them. I have 14 properties of different grades, housing 17 tenants, some which have been in their property for over 30 years? with no complaints? Some of my properties I have not increased the rent for 10 years, but still maintaining the properties to a good standard. Since Covid-19 I have not implemented the cost-of-living increase on any of the rentals to help them over this awful period. I consider myself a decent and considerate landlord and so too do my tenants.

I am now [xx] years old and my wife is [xx]. She does all of the administration for the properties, regarding leases, condition reports and My deposits. To think that there could now be yet another unnecessary piece of red tape added would just be too much and so would have to engage the services of an agent, thereby forcing us to increase the rent to the tenants to cover it, or sell up the properties! Taking all those units out of circulation?

We both think that this new licencing idea is quite unnecessary, time consuming, expensive and a complete waste of time! If it aint broke, don't fix it.

Response 4

I would like to see the document describe whether a dwelling requiring a licence refers to either EACH separate unit or home within a building or whether it would be 1 licence per property (property being categorised for example as the Rates list for the building/s) i.e would a building such as a Lodging House be requiring numerous licences or just the 1 covering the property?

This might be very concerning later on should the Minister decide to introduce charges per Licence.

Also would the licence be applied to a maximum number of tenants / lodgers occupying a property / or might it be applied (later) by square metre areas?

As we all know well, regulations have a tendency to be very loosely worded, often later requiring a full compliance document or Guide, which would set out "Rules" for compliance, watch the space!

Response 5

How does the proposed registration system effect existing registered Lodging houses, will the new register replace the existing Lodging House registration system and regulations or will it be a new additional part duplicated registrar

Response 6

These immediate thoughts come to mind;

- Does the license add any further protection to the tenants? Aren't the stated regulations in place now?
- In the future, if I need to get a license for a property and there are not enough inspectors available, will I automatically get a provisional license or will the property stay empty until an inspection can take place?
- This is going to get costly and more complicated over time?
- If a person wants to take in a paying lodger into their own home, will they need a license? If so won't this barrier decrease good available accommodation? If not, why not?
- Define paying lodger. Is it someone who pays rent or someone who contributes to household bills such as food?
- Will licenses decrease rental stock?
- Will licenses unwittingly push unsuitable accommodation under the radar forcing the poorest and most vulnerable of our community to sleep in "illegal" accommodation?

Response 7

Thank you for your email and the attached Draft Public Health and safety (Rented Dwellings) (licensing) (Jersey) Regulations 202-.

By background we rent out 6 flats in Jersey at the cheaper end of the scale starting mainly at about £800 per month.

It is not a charity, it is a business that we have been doing for over 40 years.

During the start of the Covid Pandemic last year I instructed [Letting Agent] that there would be no evictions nor rent increases.

Some of our long term tenants lost their jobs or their businesses. We will work out a long term plan with them.

My instruction was before the States ruling was made.

Like all businesses it needs to be profitable and provide a return on capital.

It is a capital intensive business as flats/houses are expensive in Jersey as are the cost of repairs.

With rents at the lower end of the scale, overhead costs are therefore very important especially if they are per flat as in this case.

Last year we did not really make any money on the flats. We had extensive building costs (hopefully one off) on new fire doors, encasing hot water tanks etc; plus ongoing costs of £1,000 per annum for weekly fire alarm testing. On top of this is the JOIC and their £70. The list goes on and on.

1. The draft legislation is another piece of vague and woolly legislation that leaves the Minister and his officers with very wide powers to interpret, enforce and charge fees.
2. The first page of The Report has the usual scare mongering that the Health Officers continue to identify rented dwellings in a state of non compliance. The Report gives no details on numbers or as a percentage of the rental market. We get a new sledge hammer piece of legislation instead of the Health Officers doing their job.
3. The Report says inspections will be 'targeted'. No details on the basis of targeting is given. Is this an attack on older properties? Many of which will be listed.
An aside: years ago I wanted to replace the windows of 2 flats with modern double glazing for heat retention and noise. This was rejected by the Jersey planners and this was before the building was listed.
4. What will be the pecking order between Fire Department requirements ie windows to open wide, Health and Safety Officer requirements that windows only open about 4 inches and the planners who want nothing done.
5. What is the reason for the licence to have a term of 3 years? Other businesses get unlimited term licences unless there is a change or a serious fault.
How can you plan a long term business like property investment based on a 3 year licence.
6. FEES: Sneaky bit of drafting to lull us into accepting this so that fees can be introduced from 2025.
7. Also on costs, I use [Letting Agent] to manage my 6 flats. What will happen to agents fee structures with increased admin. to apply for licences, send them to tenants twice a year, carry out and record interim inspections.
8. Information to Occupiers: Why is the licence registration number not included in the lease. Why does it need sent to tenants at all and why upto twice a year. Why not have a website of licenced premises.
If it is the law to have a licence then the tenant does not need to see it. I do not ask my bank or any Jersey business for a copy of their permit to carry on trade in Jersey.
If the licences are for 3 years then what is a 'licenced year'? Calendar is an easier term to use. Or the year from the start of the tenancy.
9. Occupiers Right to Enjoy Quiet Enjoyment. This is a right that I strongly support but tough luck on tenants because landlords will now be required to conduct periodic inspections.
10. There is a lack of detail (as usual in Jersey legislation) on the frequency of interim inspections.

11. Explanatory Note: The Minister can impose Fees under Regulation 3. May as well write a blank cheque. He should be open and honest and say now how much it will be and commit to not increase it by more than Jersey RPI.

Why a fixed fee and not a sliding scale based on the annual rent or square footage or property value or number of bedrooms.

12. The Second half of the attachment was draft legislation. Clause 3(3) under Licences says the Minister MUST inspect the dwelling before issuing a licence.

He will be a busy man!!

13. Clause 3(5) again talks about fees.

14. Appeals against a Ministers decision. This appeal process is a hugely expensive way of doing this. Royal Court appeals run about £50,000. Hopefully a lawyer in the JLA will know more accurate costs.

I own 3 flats in London which are leased out. None of them has a licencing requirement.

Response 8

I think the JLA should welcome this with open arms.

With around 150 new landlords entering the market every single year, and with 97% of landlords not being members of the JLA, it is important that the JLA remembers that this scheme is not aimed purely at its members.

There are lots of properties out there that do not meet basic safety standards. They are rented out by cowboys who give professional landlords a bad name.

The JLA should be leading from the front and helping to bring these people under control. Think of the boost to the economy as the other 97% rush to renew their fire extinguishers and replace burnt out electrical wiring.

I know some landlords will be worried about the States poking their noses into their business but that's probably because they have underdeclared their income or bent the rules a bit with regard to planning and 'lodgers'. We mustn't let those members drag down the JLA. Most of us are honest.

Even if this attempt to bring in the new scheme fails, it will happen eventually. We can either be part of the problem or part of the solution. Right now, we are part of the problem. I look forward to the day when I can freely admit to being part of the JLA without feeling ashamed.

Do the right thing.

Response 9

I am completely against this proposition, for exactly the same reasons as I and the JLA was only a short while ago, when it was last dreamt up.

Why they want to introduce a licensing scheme is beyond me. Currently there are three official methods that record data on properties, landlords and tenants, as follows,

Rent deposit scheme,

Parish Rates,

Income tax return

Lodging houses are licensed and inspected annually.

Response 10

Begin forwarded message:

Dear [States Member],

I have been asked by the Jersey Landlords Association to ask if you will vote against the proposed debate to make all Landlords register, and flats be inspected and graded, and be limited to rental increases, It is now being suggested that it should become law that landlords cannot refuse tenants with children, does this mean all flats from bed sits upwards, I don't allow children in my one bedroom flats, in old converted property, in consideration for the other tenants not because I dislike children, my purpose built block in [St Helier] , five two bedroom all have children. I have allowed children in a basement one bedroom flat, I have flats where the tenants moved in with small children who are now either at college or at work, one tenant had a teenage son when they took the tenancy forty years ago who is now a grandfather himself, and his father is still living there paying £838-44 for a two bedroom cottage with garden and parking. I have just replaced the roof on his garden outbuilding at a cost of over £3000-00. One of my tenants says she has lived in her flat for forty five years, she was certainly a sitting tenant when we bought the property about thirty years ago, she is paying £592-00 per month and I have recently replaced her lounge carpet at a cost of £1200-00. She has the use of a shared outside space, I also have a six bedroom farmhouse with a large garage and garden rented for £1600-00 per month. I haven't made a rental increase at the request of the States since 'July 2019 so I will be making an increase shortly. I feel as if I am running a department of Social Services and all the time we have Sam Mezec going on about awful private landlords, I feel most upset by his attitude, what about awful tenants he doesn't mention them and I have had a few. I have four tenants of forty years, two of thirty years and numerous over ten years, I don't think I am such a bad landlord or they wouldn't all still be my tenants, they do have a one year lease, which rolls on as you can see, I always say to tenants if they pay their rent on time and are not a nuisance to the other tenants I would have no reason to ask them to leave. I employ a full time maintenance man, so if a tenant phones in the morning to say they have no hot water it is all sorted by the time they get home in the evening. Can I also say that in my opinion there are too many applications to build one bedroom flats and not enough for two and non at all for three. I can't imagine how impossible it must be for families with a boy and a girl to find suitable accommodation. My

most expensive one bedroom flat rented four months ago for £1000-00 per calendar month is very large with car parking and garden, the tenant thought it very reasonably priced, it is a basement flat and the tenant has his two children to stay at weekends. Concerning vaccination passports, why can't our ordinary passports be stamped on the blank pages, everyone going abroad has a passport and at the moment we are not required to produce proof on the island at restaurants etc.

Response 11

I consider that there are sufficient rules and regs for landlords in place, it is the landlords who need more protection from bad tenants

Response 12

The proposed legislation does not appear to address any of the issues tenant's may face but just adds another layer of unnecessary bureaucracy.

A far better solution would be for landlords to register their rental properties online detailing certain information e.g. number of bedrooms, does it have parking etc. and the age of the property. The landlord would receive a unique identification number for each unit, which would have to be included on any rental agreement (or license) and on the My Deposits documentation.

The Gov of Jersey should then randomly inspect rental properties over ten years old and enforcement notices and possible fines issued to landlords whose properties fail to meet the standards required under the relevant health and safety legislation.

Tenants could ring up to make a complaint and ask for an inspection without reprisal from said landlord, as the system would have a random roll out of inspections.

Far better to spend taxpayer's money on inspections rather than managing a licensing scheme.

Response 13

Whilst, I don't believe that we have anything to fear from the proposition, it seems an unnecessary layer of bureaucracy where the existing law should suffice if combined with an effective complaints system.

That said, I do fear that it will eventually lead to charges being levied, more regulation and cost to the taxpayer. I think that it is bound to increase costs to landlords particularly if they are using a managing agent.

Referring to the draft itself, on page 6, third paragraph under the heading "Information to occupiers" it states "This condition is fulfilled if a copy of the licence is provided to the tenant a maximum of two times per licenced year. Apart from the mis-spelling of licensed, do they not mean a minimum of two times per year?"

On page 7 under the heading "Due diligence checks", whilst I am being somewhat pedantic, the informal "It's" should not really be used in legal documents.

Keep up the good work!

Response 14

Further to the below, my only comment is why would we need to renew a licence every three years, as a property is unlikely to change dramatically during that period. Would a renewal frequency of every 5 or 10 years be more appropriate, as they would already hold all of all of our details on file.

Response 15

Having read the document I think I agree with it fully
Particularly on Page 4 under 'Fees' second paragraph states that the data gathered would allow any fee to be determined by said data. This makes sense as we would then know how many properties were let etc.

The only other thing is Page 3 section 3a talks of an inspection of the property when the license is renewed in 2025.

Is this correct - every property will have to be inspected before the license can be renewed? I hope they have the resources to do this without having to take on any extra staff otherwise we will be back to very high license fees!

Response 16

I have looked through the proposals and would comment as follows:-

- This will add another cost to be passed onto the renter.
- It is guided more at the larger landlord not a retiree who is just letting out one or two properties to supplement income.
- To me the items proposed are just a way of adding another level of bureaucracy for items covered in other legislation.

Response 17

LICENCES

The issuing of a licence.....creation of paperwork, how quick can one be issued given the speed some departments operate at.

No licence would mean inability to rent a property by the Landlord. It does seem to be a lot of "power" to one Minister as what if he/she decides that they dont want to issue or reissue a licence without any real reason!

FEES

Even the most naive can see that the there will be fees! The only reason they are not in this proposition is to simply "get it passed"

FINANCIAL AND MANPOWER IMPLICATIONS

This is a very brief comment.....too brief!

"Inspections will be carried out by the existing team".....I understand they are struggling with their workload now and will in no way be able to "police" the new law. Sounds like push the law through and sort everything out afterwards.

We already have in place laws to govern Landlords as well as a Fire safety law. This new law seems to be a bit of both when in reality the existing laws need to be used and policed more actively.

For a professional Landlord such as myself with over 50 units of accommodation, the licensing scheme would in effect make us "third party social housing" as we would lose control.

Response 18

Dear sirs, my view is that if Mezec pushes through rent control and indefinite lease clauses with no time limit terms on them, then with the cost of labour and shortage of craftsmen, property will fall in disrepair, as it did in the 60 and 70 decade in the U.K. Landlords will not be able to absorb the prices and will sell up, as seen in the small guest house trade in 80 's in jersey. We have very few holidays beds, or lodging house beds which are needed to keep airlines lifeline to U.K. I would like to know on What evidence and the reason why he is taking this course politically, as it is proven not to work, and might make island look unstable to outside investors.