

Guide to the Draft Residential Tenancy (Jersey) Amendment Law 202-

**Minister for Housing** 

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## Contents

Ministerial foreword	2
Summary of proposals	2
Ending a tenancy	4
Reasons a landlord could end a tenancy	4
Landlords Q&A	6
How this Draft Amendment Law applies	6
Tenancy types	6
Rent increases	9
Rent Tribunal	11
Rental data	14
Contractual obligations on you and your tenant	15
Uninhabitable residences	15
Mandatory eviction grounds	16
Transitional arrangements	17
Tenants Q&A	19
How this Draft Amendment Law applies	19
Tenancy types	19
Rent increases	21
Rent Tribunal	22
Contractual obligations on you and your landlord	24
Uninhabitable residences	25
Mandatory grounds for eviction	25
Transitional arrangements	26
Advice for tenants and landlords	28

### Ministerial foreword

Last April I shared my proposals for legal changes to support renters and their landlords.

Since then, I have engaged with some of the key stakeholders in the rental industry, drawing on their expertise to craft a law that balances the needs of tenants and landlords, whilst making long overdue progress in alleviating our housing crisis.

And now – almost a year since I announced those initial plans – I have lodged a Draft Residential Tenancy (Jersey) Amendment Law 202- (the "Draft Amendment Law") that would make changes to the Residential Tenancy (Jersey) Law 2011 (the "2011 Law").

These changes will provide the bedrock for a thriving rental sector in Jersey.

Around half of us rent our homes, so improving conditions for renters and giving them confidence that they can enjoy more security and affordability in their homes benefits everyone – including good landlords, who have nothing to fear from these changes.

### Summary of proposals

- There would be no changes to the premises to which the law applies under Article 2 of the 2011 Law. This would mean that if you live in, or are landlord of, non-self-contained lodging houses or staff accommodation then the status quo would remain.
- Landlords would still have control of their properties and could still serve notice. But the proposed new periodic tenancy agreement would require landlords to explain *why* their tenant must leave, which should be for one of several reasons set out in the Draft Amendment Law (see Table 1 on page 4).
- Tenants and landlords would still be able to have fixed term tenancies for up to three years. After that either the tenancy would end, or it would become periodic automatically.
- Under periodic tenancies, typical minimum notice periods for landlords would be either three months or six months, depending on the length of time a tenant has lived in the property (see Table 1 on page 4 for the reasons a landlord could end a tenancy).
- But landlords could serve shorter periods of notice, regardless of tenancy type, if they
  needed their property back in unexpected circumstances or if they were dealing with
  'bad' tenants. Shorter notice periods would range from seven days to one month (see
  Table 1 on page 4 for the reasons a landlord could end a tenancy).
- Tenants could give one months' notice and would not be obliged to give a reason for leaving.
- A landlord and tenant could still end a tenancy by mutual agreement, regardless of the type of tenancy or the reasons why.
- Within tenancies, rents could only increase once a year, with two months' notice, and limited to RPI capped at 5% (the "statutory limit"). Rents between tenancies would not be affected.

- Landlords could increase rents by more than the statutory limit if they had invested in the property to the tenant's benefit, or the level of rent charged had fallen behind the market value significantly.
- An independent Rent Tribunal would be established to help resolve any disagreements on rent increases.
- Landlords would be required to provide information on the rents they charge to enhance understanding of the rental market.
- Any fees or charges would need to be written in the lease at the start of a tenancy agreement.
- Landlords would need to insure their property to cover any risk, loss, or damage for which the property can be reasonably insured.
- Transitional arrangements from the 2011 Law to the Draft Amendment Law have been designed to reduce disruption to the rental sector.

I am pleased with the feedback that these proposals have received so far, including from good landlords who have told me they make sense and will help raise the bar across the board.

If we want people, particularly younger people, to stay in Jersey then they need to believe that they have a future here.

My proposals will bring the biggest changes to residential tenancy legislation in over a decade, towards a better housing market in Jersey.



Deputy Sam Mézec Minister for Housing

### **Ending a tenancy**

Table 1 sets out the reasons why a landlord could end a tenancy under the Draft Amendment Law proposals. It shows the different notice periods allowed for an initial term tenancy (fixed end date) or a periodic tenancy (no fixed end date).

This would ensure that landlords and tenants are clear on the reasons that a tenancy could be ended by a landlord.

Under an initial term, this type of tenancy would have a defined end-date. Landlords and tenants could end this type of tenancy without a reason at the end of the initial term (with three months or one months' notice, respectively), or before the tenancy ends without a reason (with three months or one months' notice, respectively), but this would be subject to conditions that a landlord and tenant would be required to set out in their tenancy agreement around breaking a lease early.

During a periodic tenancy, which does not have a defined end-date, tenants could end a tenancy with one months' notice, no reason needed.

### Reasons a landlord could end a tenancy

Reason	Initial term	Periodic tenancy
Landlord intends to sell the	This reason for notice is	3 months if tenancy is under
residential unit or change its use	not allowed for initial	5 years long, 6 months if
	term tenancies ("Not	tenancy is over 5 years long
	allowed")	("3 or 6 months")
Landlord intends to renovate the	Not allowed	3 or 6 months
residential unit		
Landlord or their family intends to	Not allowed	3 or 6 months
occupy the residential unit for 6		
months or more		
Landlord requires a helper to	Not allowed	3 or 6 months
occupy the residential unit for 6		
months or more		
Social housing residential unit is	3 months	3 or 6 months
under-occupied		
Tenant is not able to occupy the	3 months	3 months
residential unit because of the		
tenant's residential status, or the		
residential unit's housing category		
Tenant has seriously breached	1 month	1 month
tenancy agreement, and the		
landlord has given the tenant		
notice to correct the breach, but		
the tenant has not done so		
Residential unit is uninhabitable	1 month	1 month
Tenant has breached a	1 month	1 month
requirement of the landlord's		
ownership document, and the		

landlord has given the tenant notice to correct the breach, but the tenant has not done so		
Tenant has breached a requirement of the landlord's insurance policy, and the landlord has given the tenant notice to correct the breach, but the tenant has not done so	1 month	1 month
Residential unit has been left empty for 2 months or another period specified in the tenancy agreement	1 month	1 month
Tenant's employment (tied to accommodation) has ended, or the employment contract provides for how the tenancy may be ended before the employment ends	7 days	7 days
Tenant's work permit or visa has ended	7 days	7 days
Tenant has caused or permitted the residential unit to be used for illegal purposes, or caused or permitted a serious or repeated nuisance	7 days	7 days
Tenant is not able to occupy the residential unit because the tenant's residential status was provided based on incorrect information	7 days	7 days

Table 1: Reasons a landlord could end a tenancy

### Landlords Q&A

This section sets out some questions and answers that landlords may find useful when considering what the proposals could mean for them.

### How this Draft Amendment Law applies

The Draft Amendment Law proposes no changes to how the 2011 Law applies. If your tenancy agreement is currently regulated by the 2011 Law, then it would continue to be regulated by the Draft Amendment Law.

#### I own a lodging house. What would I need to do?

The Draft Amendment Law would not change the premises that are within scope of the 2011 Law, so non-self-contained rental units would not be affected (which would include non-self-contained lodging houses and staff accommodation).

If you own self-contained lodging accommodation it is recommended that you proceed with tenants on the basis of a residential tenancy agreement, which would afford you and your tenant the rights and protections under the 2011 Law (and the Draft Amendment Law, once commenced).

As is the case now under Article 3(4)(c) of the 2011 Law, the Draft Amendment Law would not apply to tenancy agreements where "the occupier of a residential unit occupies it only as a boarder, lodger or other licensee". However, this exclusion would depend on whether your agreement with the tenant made this sort of stipulation. For example, if you own a lodging house with a self-contained unit, your tenant lives in the unit, and your agreement with the tenant does not stipulate an exclusion consistent with Article 3(4)(c), it is possible your tenancy agreement would be subject to the Draft Amendment Law.

If you own a lodging house and want to discuss your current circumstances and whether you may have obligations under the 2011 Law (or Draft Amendment Law) you should contact Environmental Health via email at <a href="mailto:environmentalhealth@gov.je">environmentalhealth@gov.je</a> or via telephone on 01533 445808.

#### What would count as self-contained accommodation?

A residential unit comprising a shower or bath, a washbasin, a kitchen, a sleeping space and a lavatory for the exclusive use of the occupants.

### Tenancy types

The Draft Amendment Law proposes new tenancy types. As a landlord, you could offer an initial term tenancy (fixed end date) of up to three years in length, which would then roll into a periodic agreement (no fixed end date) if you decide to continue the tenancy. Or you could offer a tenancy agreement that is periodic from the outset. Also see ending a tenancy section, page 4.

#### How would the proposed new tenancy work?

Tenancies may be periodic from the start or after an initial term (of up to three years), depending on what type is selected at the outset of a new agreement.

#### Could there be more than one fixed term agreement with the same tenant?

No. The Draft Amendment Law would allow for one initial term agreement up to three years in length, before a tenancy is either ended or then becomes periodic because you and your tenant have decided to continue the tenancy.

# Could there be multiple fixed terms up to a combined period of the three-year initial term maximum?

No. Whatever the length of the initial term (up to a maximum of three years), there could only be one initial term agreement before a tenancy is either ended or becomes periodic.

# What would happen if a tenant with a 12-month immigration work visa needed to extend their tenancy agreement because their visa had been extended?

One option would be for a landlord and tenant to agree a 12-month initial term and allow it to roll into a periodic agreement should they want to because the visa has been extended. Under a periodic agreement, tenants would be able to give one months' notice, no reason needed, and landlords would be able to give a short amount of notice (seven days) should a work permit or visa end or be revoked.

#### How would I end a tenancy before the initial term becomes periodic?

You would need to give your tenant three months' notice before the end date of the initial term. Your tenant could also end the tenancy by giving you one months' notice before the end of the initial term. If insufficient notice was given before the end of the initial term, the tenancy could be extended to honour the minimum notice period.

For example, if an initial term was due to end on 10 May and a landlord gave notice on 20 March, the tenancy could continue until 20 June (three months after the tenant received notice). If notice is not given before the end of the initial term, the tenancy would become periodic and the reason and notice provisions for that type of agreement would apply.

# How much notice would my tenant need to give to end a tenancy at the end of an initial term?

A tenant would need to give one months' notice before the end date of the initial term. If insufficient notice was given before the end of the initial term, the tenancy could be extended to honour the minimum notice. For example, if an initial term was due to end 31 December and the tenant gave notice on 15 December, the tenancy could continue until 15 January (1 month after the landlord received notice from the tenant).

### What if notice was not served by either party at the end of the initial term?

If the initial term was not ended at the end of the term, then it would become periodic and the reason and notice provisions for that type of agreement would apply.

#### What would happen if I, or my tenant, needed to end an initial term early?

For initial term agreements only, parties would be required to meet any terms specified in the agreement to allow them to end the tenancy early, without a reason needed (often referred to as a "break clause"). These terms can be designed to reflect how flexible a landlord or tenant wishes to be in the event of the initial term being ended early, such as setting out the minimum period before a break could be exercised, whether a certain amount of rent needs to be honoured, or, what expectations – if any – the landlord has for the tenant to pay a break fee or find a replacement tenant. If a tenant wished to activate the break clause, they would need to give the landlord at least one months' notice. If a landlord wished to activate the break clause, they would need to give the tenant at least three months' notice.

Whether or not there are requirements set out in the lease around ending an initial term early landlords and tenants retain the ability to end any agreement early by mutual agreement.

#### How would I end a periodic tenancy?

Landlords could only end periodic tenancies for specific reasons set out in the Draft Amendment Law. Each reason would have a specific minimum notice period attached (see Table 1 - reasons a landlord could end a tenancy, page 4).

### Would a tenant need to give a reason for notice for a periodic agreement?

No. Tenants would not be required to give a reason for notice in any type of tenancy agreement (initial term or periodic) but they would need to adhere to minimum notice periods.

# What would happen if a landlord gave a false or misleading reason for notice? If a landlord was found to have knowingly or recklessly given a tenant a false or misleading reason for notice, the landlord would be liable to a fine of level 3 on the <u>standard scale</u> (£10,000).

#### What if the relationship with my tenant were to breakdown irreparably?

Irreparable breakdown of the landlord-tenant relationship would not be a statutory reason for a landlord to give notice. There may, however, be other reasons for notice that could apply under the circumstances, such as a tenant's illegality or nuisance, or a serious breach of the tenancy agreement. Under an initial term, landlords and tenants could also end the tenancy at the end of the agreement, with sufficient notice, or end the tenancy early, subject to meeting minimum notice requirements and any other stipulations set out in the tenancy agreement.

A landlord and tenant could end any type of tenancy agreement (initial or periodic) by mutual agreement at any time.

# What would happen if a tenant had their visa revoked, or was not successful in applying for a new visa?

A tenant should inform their landlord if their visa has ended or has been revoked, or their application for renewal has been unsuccessful (which means they no longer have the right to remain in Jersey). A landlord could give a tenant seven days' notice in these circumstances. A landlord and tenant could end any type of tenancy agreement (initial or periodic) by mutual agreement at any time.

# What would happen if my tenant's residential status no longer matched the categorisation of my rented property under Control of Housing and Work legislation?

If your tenant's residential status has changed, or the categorisation of your property has changed to the extent that your tenant's residential status no longer permits them to reside in the property, you can serve your tenant three months' notice.

# I am a landlord-employer. What could I do if my tenant-employee was dismissed due to gross misconduct?

If a tenant-employee's employment ends, for any reason, the landlord-employer can serve seven days' notice once the employment has ended in accordance with the employee's employment contract and the <a href="Employment (Jersey">Employment (Jersey)</a>) Law 2003. This notice provision only applies to tenancies which are tied to employment.

### Rent increases

The Draft Amendment Law proposes measures to stabilise rents within (but not between) tenancies.

#### What would the changes about how rents can increase mean for me, as a landlord?

You would only be able to increase rents once per year, you would need to give your tenant at least two months' notice, and there would be a limit on the amount that rents can increase in one go (with exceptions and exemptions).

#### Would there be a cap on how much I can increase rents by?

Yes. The statutory limit for how much rents could increase in one go is RPI capped at 5% (with exceptions and exemptions). There would be circumstances when the States Assembly could increase this limit e.g., in periods of high inflation.

#### What if I wanted to increase rent by more than the statutory limit (RPI capped at 5%)?

You could increase rent above the statutory limit if the current rent was significantly behind market value or if the property was improved to the tenant's benefit. You would need to inform your tenant as to why the rent increase is more than the statutory limit and give them two months' minimum notice.

# What if, due to unforeseen circumstances, I didn't give my tenant a full two months' notice before a rent increase?

This would be in breach of the Draft Amendment Law so your tenant could decide to approach the Rent Tribunal to adjudicate on whether the rent increase is lawful.

If a new tenant takes on a new lease, would there be a cap on the amount of rent I can set? No. You would be free to set a new rent with a new tenant. The statutory limit would only apply to rent increases within active tenancies.

#### Could I increase rents more than once a year?

No. You could only increase rents once a year. If you are a landlord-employer or social housing landlord, this may not apply depending on whether you would be exempt from the rent increase provisions because the Draft Amendment Law accounts for when other agreements or legislation introduces a form of rent stabilisation elsewhere.

# My tenant has been on the same rent for some time. What if I increased the rent above the statutory limit to make up for the shortfall?

You would need to inform your tenant that you are increasing the rent above the statutory limit because current rent has fallen behind the market value. If your tenant agreed with this justification, then you could apply the rent increase. However, if your tenant disagreed, then they could decide to appeal to the Rent Tribunal.

# What if I kept the rent the same for two years and then raised it by the statutory limit for both of those years combined?

This could only be allowed if the rent had fallen behind the market value significantly or if you had improved the property to the tenant's benefit and were able to justify the increase on at least one of these two grounds.

You would need to communicate this with your tenant, issuing them written notice explaining why, at least two months before the increase was due to start. Your tenant would be free to contest this at the Rent Tribunal, should they feel the need to.

If the market value had not increased, and you had not improved the property, the higher rent increase would not be allowed by the Rent Tribunal, and RPI capped at 5% for one year would apply.

# What if my tenant couldn't meet the rent increase in one go, so asked for several increments or two smaller rent increases in one year?

This would be allowed, if the payments did not exceed the lawful rent increase. You and your tenant would have to agree to incrementally adjust the single rent increase over a 12-month period.

#### What if my tenant could not afford the rent increase capped at the limit?

Failure to pay a lawful rent increase would normally result in the tenant being in breach of contract. However, you could choose to negotiate with your tenant to support them in meeting this increased cost in a way that they can manage, like the approach in the question above.

#### What would 'significantly behind market rent' mean in practice?

If you decide to apply this reason for increasing rent, it would be on your judgement that the rent had fallen significantly below the expected level of rent for a new residential tenancy of that type of residential unit. You could compare your property with similar homes advertised on the rental market.

However, if your tenant did not agree that the rent increase is justified for this reason, they could decide to make an appeal to the Rent Tribunal. The Rent Tribunal would then assess independently whether the rent had fallen significantly behind the market to the extent that the higher rent increase was justified.

The Draft Amendment Law includes proposals to collect data on rents charged, which would provide a helpful reference point for a property's market value.

#### What would 'improved to the tenant's benefit' mean in practice?

If you decide to apply this reason for increasing rent, it would be on your judgment and based on improvements made to the property being materially advantageous to the tenant. This could include changes such as insulating the property so it is more energy efficient and warmer in winter or installing a new kitchen that your tenant can enjoy.

The amount by which the rent is increased must be that which could be reasonably expected because of the improvements. Where the Rent Tribunal is required to determine a dispute on this issue and decide whether the proposed rent increase is reasonable, the Rent Tribunal may decide to take into account whether the property meets minimum standards as per the <a href="Public Health and Safety">Public Health and Safety (Rented Dwellings)</a> (Jersey) Law 2018, having regard to the condition of the property before improvements were made.

If your tenant does not agree that the rent increase is justified for this reason, they could decide to make an appeal to the Rent Tribunal. The Rent Tribunal would then assess independently whether the improvements to the property are to an extent that the higher rent increase was justified.

How would the statutory limit on rent increases be calculated?

You would calculate the statutory limit by using the most recently published RPI statistic (e.g. in <u>December 2024</u>, the All Items RPI percentage difference from the previous December was 2.5%). If RPI for the relevant period was higher than 5%, the statutory limit would be 5%.

#### I am a landlord-employer. What would happen to rent deducted from wages?

Landlord-employers who deduct rent using Jersey minimum wage offsets would be exempt from rent stabilisation provisions and the Rent Tribunal.

# What about landlords who think these proposed changes will impact their financial investment negatively? What measures would be in place to encourage them not to sell up and exit the rental market?

Landlords should be reassured that several measures in the Draft Amendment Law would allow them to make a fair rental return on their investment. Allowing landlords to increase rent above the statutory limit if they improve their properties means rent increases can reflect financial investment. Likewise, if rent has fallen behind the market value significantly, landlords could increase rents above the statutory limit.

The Draft Amendment Law also stipulates that rents would not need to decrease during rare times of deflation. But, in periods of high inflation, the States Assembly could increase the 5% figure. Landlords could also increase rents above the statutory limit if, during sustained high inflation, rents had fallen behind the market value significantly as a result.

#### I am a social housing landlord. What would the changes mean for me?

Social housing landlords that have alternative rent stabilisation measures agreed with the Minister for Housing (and where the Minister has provided them written confirmation of the alternative rent increase measures) would be exempt.

### Rent Tribunal

The Draft Amendment Law proposes a new Rent Tribunal that would adjudicate on rent stabilisation matters.

### What would happen if my tenant did not agree with the rent increase proposed?

Once a tenant receives a rent increase notice, they would have two months and two weeks (unless the Rent Tribunal agrees to a longer period under exceptional circumstances) to make an application to the Rent Tribunal, which would decide whether the rent increase was lawful.

#### How would the Rent Tribunal decide if a rent increase was lawful?

The Rent Tribunal would be comprised of members with the requisite mix of skills and experience to decide on rent matters in a legal context. The Rent Tribunal would be guided by the provisions of the Draft Amendment Law and would be able to receive or request evidence from the relevant parties as necessary to support decisions. In time, the Rent Tribunal would be able to make use of data on rents charged, proposed under the Draft Amendment Law, to offer a helpful reference point for market rents.

### What sorts of issues would the Rent Tribunal look at?

The Rent Tribunal would receive, evaluate, and decide on referrals as to whether proposed rent increases were consistent with the rent stabilisation provisions of the Draft Amendment Law. The Rent Tribunal's remit would be limited to rent increases within, and not between, residential tenancy agreements and would therefore not be involved in setting rents. The Rent Tribunal would be able to decide if:

- A rent has been increased more than once in a year.
- A rent has been increased with less than two months' written notice.
- A rent has been increased by more than the statutory limit (RPI capped at 5%), without the lawful justification.
- An exception to the statutory limit, with the lawful justification, is allowed.
- A social housing provider or landlord-employer is exempt from the rent stabilisation provisions.

The Rent Tribunal would have the power to order any correction, as appropriate, for any deviation from the legal provisions.

#### How would rent payments be managed while an appeal was being decided?

If the Rent Tribunal had not decided on an appeal by the date the rent increase would start, the tenant would continue to pay the rent that was payable before the increase until the Rent Tribunal's decision. In this type of situation, but where the tenant was appealing a rent increase that was more than the statutory limit but otherwise lawful (i.e., the notice was given in the correct way), the tenant could pay the rent increase up to the statutory limit until the Rent Tribunal decides.

Generally, if the Rent Tribunal approved a rent increase, the tenant would have to pay any extra amount owed. If the Rent Tribunal upheld the appeal, the landlord would need to repay any amount that was overpaid.

#### Could my tenant claim compensation for historic rent increases?

No. If a tenant decided to appeal a rent increase, they would need to do so within two months and two weeks (10 weeks) of a landlord giving notice of the increase. The only exception to this would be if the Rent Tribunal decided to give an extension to the deadline on exceptional grounds.

#### Who would sit on the Rent Tribunal?

There would be a minimum of three people: a chairperson and two members. Chairpersons and deputy chairpersons would need to be legally qualified. Members should have appropriate experience of housing matters, particularly rental issues. Politicians and government officials would not be allowed to serve on the Rent Tribunal (including within two years of these roles).

#### Would Rent Tribunal members be paid?

Yes. Tribunal membership would be remunerated in line with Judicial Greffe practices.

#### How would members be appointed?

The Minister for Housing, in consultation with the Jersey Appointments Commission, would nominate members. The States Assembly would appoint members.

### How will the Minister for Housing ensure that the Rent Tribunal is balanced and impartial?

The Rent Tribunal would be independent of Government, and form part of the Tribunal Service of the Judicial Greffe – an impartial body. Rent Tribunal members would require a balance of legal qualifications and housing expertise to ensure that decisions reached are evidence-based and credible. The final decision for appointments would be made by the States Assembly, who will naturally consider the balance of the proposed appointments.

#### What would happen if the Rent Tribunal members disagreed on a decision?

If there was not a majority decision, then the chairperson would have the casting vote.

#### Would the hearings be held in public?

Yes, unless the Rent Tribunal considered there were circumstances that should be heard in private.

#### What would happen if I failed to reimburse my tenant an amount that was overpaid?

The tenant could approach the Petty Debts Court for recovery of a civil debt.

### For how long would the Rent Tribunal's decision take effect?

The Rent Tribunal's decision would be binding until the next rent review period for the agreement (unless overturned on appeal).

#### Is there a maximum rent increase that the Rent Tribunal could set?

The Rent Tribunal could not order a rent increase to be more than what has been proposed by a landlord.

#### Is there a minimum rent increase that the Rent Tribunal could set?

The Rent Tribunal could not order a rent increase to be below the statutory limit (RPI capped at 5%).

#### What if I disagreed with the Rent Tribunal's decision?

You could appeal to the Royal Court, but only on a point of law (the incorrect application of the law in reaching the decision) and not just because you think the Rent Tribunal's decision is wrong.

You would need to apply for 'leave' of the Rent Tribunal to appeal within 28 days of the Rent Tribunal's decision, and if the Rent Tribunal did not grant leave, leave could be granted by the Royal Court if applied for within a period required by its rules of court. In applying for leave to appeal within the statutory time limit, you could also apply for a 'stay' of the Rent Tribunal's decision until the appeal is determined.

# How could I prove that my property's rent had fallen behind the market significantly and that the proposed rent increase was proportionate?

The Rent Tribunal would rely on the evidence presented by the parties. For example, a landlord may provide evidence that they have not increased the rent for several years, compared to examples of the advertised price of the same type of residential unit on the market. As part of the proposals, the Minister for Housing would collect data to accurately reflect market rent – this would support the Rent Tribunal's deliberation.

# How could I prove that my property had been 'improved to the tenant's benefit' and the proposed rent increase was proportionate?

The Rent Tribunal would rely on the evidence presented by the parties. For example, a landlord may provide evidence that they had undertaken works to insulate the property to a higher standard and the property had a Home Energy Audit and received a higher energy performance rating than it previously held.

#### How would the Rent Tribunal decide on the proportionality of such a rent increase?

The Rent Tribunal would decide whether the proposed increase did or did not comply with the Draft Amendment Law (i.e., whether the property had been improved to the tenant's benefit and the proposed rent increase was proportionate, or whether the property's rent was behind

market value significantly and the proposed rent increase was proportionate). If the proposed increase complied with the Draft Amendment Law, the increase would take effect from the day on which it was to start. If the proposed rent increase did not comply with the Draft Amendment Law, then the Rent Tribunal could decide that the increase had no effect and may also decide that the rent was instead increased by another specified amount that would be no more than the amount proposed by the landlord and starting on a specified date that would comply with the Draft Amendment Law.

#### Would I need to approach the Rent Tribunal to increase rent above the statutory limit?

No. The proposals require a tenant to apply to the Rent Tribunal if they believe a rent increase above the statutory limit is not justified, or if the rent increase notice was not given in the proper way (with adequate notice, in writing, and with an explanation if above the statutory limit). If your tenant agreed to a rent increase above the statutory limit, then you would not need to take any further action.

#### Rental data

As part of the Draft Amendment Law proposals, landlords will submit figures for rents charged.

#### Why is collecting data for rents charged important?

Current rental data collected in Jersey is for advertised, not actual, rents. Data on actual rents would reflect rental market conditions more accurately, better informing the Rent Tribunal in its deliberations and the States Assembly, should it need to revise the statutory limit for rent increases. This data could also be helpful to landlords when setting rents.

#### How will the data on rents charged be collected?

The current proposal is that landlords would submit the information when submitting or renewing their Rented Dwellings Licence. There would be an additional set of questions relating to rents charged.

#### Isn't this just another thing for landlords to do?

The intention currently is that when landlords submit their application for a Rented Dwelling Licence, they would be asked for information related to the rent they charge at the same time. Whilst it means information on rents would only be available in two-year cycles, collecting the information in this way would ease the burden of submission for landlords.

Given the lack of accurate rental data, it is hoped that landlords would see the value in contributing to the figures.

#### What if I don't submit my rental figures?

Misconduct around provision of the required information would be a criminal offence liable to a fine of level 2 on the <u>standard scale</u> (£1,000).

#### How would the data impact on the Rent Tribunal's decisions?

Having a dataset on actual rents charged on similar properties would allow the Rent Tribunal to make a more informed decision as to whether a rent was proportionate. This would be particularly helpful for decisions on rent increase exceptions where a landlord increased rent by more than the statutory limit.

#### Would everyone be able to see the data?

Information on individual rents would be collected, stored and managed appropriately and would not be published in a way that discloses individual rents. Anonymised data on rents

charged across the rental market would inform the quarterly Jersey Private Sector Rental Index provided by Statistics Jersey, which is publicly available.

### Contractual obligations on you and your tenant

The Draft Amendment Law proposes more clarity on what is expected from you and your tenant, and what should be set out in your tenancy agreement.

#### Would there be any caps on fees and charges relating to my tenancy?

No. But any fees or charges would need to be set out in the tenancy agreement, so your tenant would be aware of them before signing the agreement.

# What could my tenant do if I charged them a fee that was not set out in the tenancy agreement?

It would not be lawful to charge a tenant a fee that was not set out in the tenancy agreement. If you issued a fee or charge despite not being set out in the law, parties would be free take their complaint to the Petty Debts Court, where it would be treated as a civil matter.

#### What would happen if my tenant failed to pay a fee set out in the tenancy agreement?

If your tenant persisted in failing to pay a fee set out in the tenancy agreement, this could amount to a serious breach of your tenancy agreement. If the breach was sufficiently serious, you could give your tenant an opportunity to pay the fee (usually a notice with seven days to pay), and if they did not comply with this, you would be entitled to give them one months' notice.

The Petty Debts Court could make an order for the payment of the fee as part of any resultant eviction proceedings if that were necessary.

#### Would I be required to have buildings insurance?

Yes. Landlords would need to insure their property. Building insurance would need to be comprehensive enough to cover any risk, loss, or damage for which the residential unit could be reasonably insured.

# Why would tenants not be required to have contents insurance if I need to have building insurance?

Whilst it is advisable for tenants to have comprehensive contents insurance to protect their belongings, this would not be a legal requirement. This is because a landlord's building insurance affects both the tenant and landlord, whereas contents insurance mainly applies to a tenant's possessions like their furniture or elements that may be covered by a deposit should damage occur.

However, some parts of a property like carpets and white goods mean it may be preferable for a tenant to have contents insurance to protect the landlord's potential loss (in case, e.g., carpets are damaged by a flood).

There is nothing in the Draft Amendment Law to prevent contents insurance being a condition of a tenancy agreement, as is often the case for tenancies in Jersey.

### Uninhabitable residences

The Draft Amendment Law makes the process clearer for how a property can be deemed uninhabitable and what happens as a result.

#### What would happen if the property was determined to be uninhabitable?

Once an authorised officer had determined the property was uninhabitable, your tenant would need to vacate the property. Your obligations to your tenant will depend on whether the reason the premises became unhabitable was due to an event without fault of the tenant, or whether it was due an intentional or reckless act of the tenant.

If it was without fault of the tenant, the tenant would not be liable to pay rent, unless you have agreed to arrange suitable alternative accommodation whilst necessary works are completed. If the premises becoming uninhabitable was a fault of your tenant, there would be a requirement to pay rent.

In both these examples, the tenant should only return to the original rental unit when it is safe to do so.

The property being determined by an authorised officer as uninhabitable is a reason that landlords can serve 1 months' notice.

### Mandatory eviction grounds

In recognition that landlords could benefit from greater certainty that they will regain possession of their property after giving a tenant notice, the Draft Amendment Law will state the specific grounds (i.e., mandatory eviction grounds) in which the Court must order the eviction of a tenant where the tenancy has been ended in accordance with the Law.

#### What would the mandatory eviction grounds be?

If you ended the residential tenancy in accordance with the Draft Amendment Law, and your tenant had not given vacant possession of the property, and you ended the tenancy for any of the following reasons:

- You intend to sell the unit or change its use
- You intend to renovate the unit
- You or your family member intends to occupy the unit for 6 months or more
- You require a helper to occupy the unit for 6 months or more
- Your tenant's residential status has been revoked because it was granted on incorrect information
- Your tenant-employee's employment contract has ended, or the employment contract provides for how the tenancy may be ended before the employment ends
- Your tenant's work permit or visa has ended

You could apply for an eviction order at the Petty Debts Court. But the Petty Debts Court would retain discretion on ordering a stay of eviction and would be required to consider the reason for notice when considering whether to order a stay of eviction.

# What would happen if a landlord used a false ground to try to ensure an eviction was mandatory?

As with all reasons for notice, if a landlord served notice to end the tenancy on the basis of a false or misleading reason, then the landlord would have committed an offence and would be liable to a fine of level 3 on the <u>standard scale</u> (£10,000).

### <u>Transitional arrangements</u>

The Draft Amendment Law proposes transitional arrangements (from the 2011 Law to the Draft Amendment Law) that would be a staggered approach, allowing the market to ease into the new measures.

# I have a tenant currently on a fixed term tenancy agreement. How would the Draft Amendment Law apply to this agreement post-commencement?

Your fixed-term tenancy would be allowed to run its course under the 2011 Law, unless it was renewed or varied. If you renewed, varied, or ended your tenancy, it would be treated as a new agreement and would need to comply with the Draft Amendment Law (i.e., it would need to be either an initial term of up to three years, or a periodic tenancy).

If you and your tenant decided to enter into a new agreement post-commencement or let it roll into a periodic tenancy under the Draft Amendment Law, it would be treated as a new agreement, meaning that any time spent in the previous tenancy would not count towards the total duration of the new tenancy. This would mean that notice periods that honour the tenancy's total duration would begin when the new agreement begins, or the fixed term rolls into a periodic tenancy under the Draft Amendment Law. This would also apply to the rent level, which could reset as if starting a new agreement.

If your fixed term agreement were to end post-commencement, and no action was taken by either you or your tenant to end the agreement, and you continued to accept rent paid by the tenant, then your agreement would be taken to be a periodic tenancy under the Draft Amendment Law.

If you or your tenant were required by your tenancy agreement to give notice for the fixed-term tenancy to end on the end date (rather than roll into a periodic tenancy), then the tenancy could be extended if, after commencement, your or your tenant gave notice, and the notice required was longer than the time left in the tenancy.

# I have a tenant on a periodic tenancy agreement. How would the Draft Amendment Law apply to this agreement post-commencement?

Your periodic tenancy would be treated as a periodic tenancy under the Draft Amendment Law and subject to its provisions. The time your tenant had spent in the tenancy would count towards the total duration of tenancy under the Draft Amendment Law. This would mean that if they had lived in the property for more than five years, they would qualify for six months' notice if you were to give them notice for any of the following reasons:

- You intend to sell the property or change its use
- You intend to renovate the property
- You or your family intends to occupy the property for six months or more
- You require a helper to occupy the property for six months or more
- You are a social housing landlord, and your tenant is under-occupying their social rented housing

If your tenant had lived in the property for less than five years, they would qualify for three months' notice for the above notice reasons. However, once the total duration reaches five years, they would qualify for six months' notice.

This would require you, as a landlord, to plan in advance for future events, should you need to give your tenant notice for any of the above reasons.

As periodic tenancies under the 2011 Law would automatically roll into periodic tenancies under the Draft Amendment Law, when the Draft Amendment Law commences, your agreement would become subject to the rent increase provisions. This would mean that rent could not be increased less than a year after a pre-commencement rent review.

How would the Draft Amendment Law apply to new agreements post-commencement? Any new agreements, whether periodic or an initial fixed term of up to three years, would be required to comply with the Draft Amendment Law.

# What would happen if I did not update my agreement to a new agreement under the Draft Amendment Law?

Unless your tenancy was a fixed-term agreement, which (as above) would be allowed to run its course under the 2011 Law, you and your tenant would have the rights and responsibilities afforded to you respectively under the Draft Amendment Law, regardless of whether you had physically replaced your tenancy agreement to comply with the Draft Amendment Law.

It is recommended that your residential tenancy agreement should be updated following the commencement of the Draft Amendment Law as soon as reasonably practicable, because your agreement would be treated as having been varied when the Draft Amendment Law came into effect. If this is not done, your tenant would be entitled to apply to the Petty Debts Court for an order varying the agreement so that it included the information required by the Draft Amendment Law.

### **Tenants Q&A**

This section sets out some questions and answers that tenants may find useful when considering what the proposals could mean for them.

### How this Draft Amendment Law applies

The Draft Amendment Law proposes no changes to how the 2011 Law applies. If your tenancy agreement is currently regulated by the 2011 Law, then it would continue to be regulated by the Draft Amendment Law.

#### I live in a lodging house. Would this Draft Amendment Law apply to me?

The Draft Amendment Law would not change the premises that are within scope of the 2011 Law, so non-self-contained rental units would not be affected (which would include non-self-contained lodging houses and staff accommodation).

A residential tenancy agreement would afford you rights and protections under the 2011 Law (and the Draft Amendment Law, once commenced). If you live in self-contained accommodation (e.g., a self-contained unit within a lodging house), the Draft Amendment Law may apply to you.

However, as is the case now under Article 3(4)(c) of the 2011 Law, the Draft Amendment Law would not apply to tenancy agreements where "the occupier of a residential unit occupies it only as a boarder, lodger or other licensee". This exclusion would depend on whether your tenancy agreement made this sort of stipulation. For example, if you live in a self-contained unit, within a lodging house, governed by a tenancy agreement that does not state an exclusion consistent with Article 3(4)(c), it is possible your tenancy agreement would be subject to the Draft Amendment Law.

If you live in a lodging house and want to discuss your current circumstances and whether you might have rights under the 2011 Law (or Draft Amendment Law) you should contact Environmental Health via email at <a href="mailto:environmentalhealth@gov.je">environmentalhealth@gov.je</a> or via telephone on 01533 445808.

#### What would count as self-contained accommodation?

A residential unit comprising a shower or bath, a washbasin, a kitchen, a sleeping space and a lavatory for the exclusive use of the occupants.

### Tenancy types

The Draft Amendment Law proposes new tenancy types. Parties would be allowed to enter an initial term (fixed end date) of up to three years in length, which would then roll into a periodic agreement (no fixed end date) if the tenancy continued for longer, or they could enter an agreement that is periodic from the outset. Also see ending a tenancy section, page 4.

#### How would the proposed new tenancy work?

All tenancies will be periodic at the start or after an initial fixed term (of up to three years), depending on what type is selected at the outset of a new agreement.

#### What if I wanted more than one fixed term?

There could not be more than one fixed term of up to three years in length. After that, the agreement could either roll into a periodic tenancy or be ended by notice. The law will not prevent you from discussing and managing expectations for the tenancy with your landlord, by mutual agreement.

# Could there be multiple fixed terms up to a combined period of the three-year initial fixed term maximum?

No. Whatever the length of the initial fixed term (up to a maximum of three years), the proposal is that there could only be one initial term agreement before a tenancy is either ended or becomes periodic automatically.

#### How could my landlord end my tenancy?

Table 1 (page 4) sets out the reasons that a landlord could end a tenancy under the Draft Amendment Law proposals. It shows the different notice periods allowed for an initial term tenancy or a periodic tenancy (no fixed end date).

Under an initial term, landlords could end a tenancy without a reason at the end of the initial term (with three months' notice), or before the tenancy ends with no reason and three months' notice (but this would be subject to conditions set out in the tenancy agreement around breaking a lease early).

# I am on a 12-month immigration work visa. If my visa was extended for another 12-months, what would I need to do for my tenancy?

One option would be for a landlord and tenant to agree a 12-month initial term and allow it to roll into a periodic agreement should they want to because the visa has been extended. Under a periodic agreement, tenants would be able to give one months' notice, no reason needed, and landlords would be able to give a short amount of notice (seven days) should a work permit or visa end or be revoked.

#### How would I end the tenancy at the end of the initial term?

You would need to give your landlord one months' notice. Your landlord could also end the tenancy by giving you three months' notice.

### What would happen if I did not give enough notice before the end of the initial term?

Your tenancy could be extended for an additional period as necessary beyond the end date to honour this minimum notice (one month). For example, if an initial term was due to end 31 December and you gave notice on 15 December, your tenancy could continue until 15 January (one month after the landlord received notice from you).

#### What if I wanted to end the initial term early?

Your agreement should set out any requirements on you should you wish to end the agreement early. Your agreement should set out any requirements on you should you wish to end the agreement early. You would need to give one months' notice and meet any relevant conditions.

It would be important for landlords and tenants to ensure that they have considered any relevant conditions to break an initial term tenancy and that these are reflected in the agreement as needed, e.g., a minimum period before the break could be exercised, and any fee or replacement tenant finding obligations etc.

#### Would I need to give a reason for notice during a periodic tenancy?

No. You could give one months' notice, no reason needed.

# I am a tenant on a visa or work permit. What would happen if I had my visa revoked, or was not successful in applying for a new visa?

You should inform your landlord if your visa has ended or has been revoked, or your application for renewal has been unsuccessful (which means you no longer have the right to remain in Jersey). A landlord could give you seven days' notice in these circumstances. Landlords and tenants could also end any type of tenancy agreement (initial or periodic) by mutual agreement at any time.

# What would happen if my residential status no longer matched the categorisation of my rented property under Control of Housing and Work legislation?

If your residential status has changed, or the categorisation of the rental property has changed to the extent that your residential status no longer permits you to reside in the property, your landlord could serve you with three months' notice. If your residential status were to change so that you were no longer eligible to reside in the property, and you were in a periodic tenancy, you could give your landlord 1 months' notice without needing to give a reason. If you were in an initial term agreement, you would need to check your lease for any "break" requirements and abide by those, including issuing 1 months' minimum notice. You and your landlord could also mutually agree to end the tenancy early.

#### Rent increases

The Draft Amendment Law proposes measures to stabilise rents within (but not between) tenancies.

#### How would the statutory limit on rent increases be calculated?

You would calculate the statutory limit by using the most recently published RPI statistic (e.g. in <u>December 2024</u>, the All Items RPI percentage difference from the previous December was 2.5%). If RPI was higher than 5%, the statutory limit would be 5%.

#### Would there be limits on the amount that my landlord can increase my rent by?

Your landlord could increase rents no more than once per year, with two months' notice, and to no more than RPI capped at 5%, but there are some exceptions and exemptions from this limit.

Your landlord could increase rent above the statutory limit (RPI capped at 5%) if the current rent was significantly behind market value or if the property was improved to your benefit. Your landlord would need to inform you why the rent is more than the limit and give you the mandatory two months' notice.

# What if I couldn't make the rent increase in one go, so asked for several increments or two smaller rent increases in one year?

This would be allowed, if the payments did not exceed the lawful rent increase. You and your landlord would have to agree to incrementally adjust the single rent increase over a 12-month period.

#### What if I couldn't afford the rent increase?

Given that the rent increase measures would be set out in the tenancy agreement, failure to meet the increase means you would be in breach of contract, if the increase was lawful. However, you could seek to negotiate with your landlord by explaining your circumstances and seeking to resolve this in a more manageable way, like the approach in the question above.

Ultimately, if you felt that a rent increase was unaffordable and your landlord was not willing or able to be flexible, you could give one months' notice during a periodic tenancy, no reason needed, or during a fixed term tenancy, you could also give one months' notice (subject to "break clause" conditions set out in the tenancy agreement).

Remember, if the rent increase was above the statutory limit (RPI capped at 5%), or your landlord gave an increase more than once per year, or without at least two months' notice, you could apply to the Rent Tribunal to contest the rent increase within two months and two weeks (10 weeks) of the rent increase notification (which may be extended at the Rent Tribunal's discretion in exceptional circumstances). This would not be possible if your landlord was exempt because they are a certain landlord-employee or social housing landlord (see Rent Tribunal section for more information).

### Rent Tribunal

The Draft Amendment Law proposes a new Rent Tribunal that would adjudicate on rent stabilisation matters.

# Could I go to the Rent Tribunal for rent increases that happened before the Draft Law commences?

No retrospective action would be able to happen on rent increases made prior to commencement. After commencement, agreements which comply with the Draft Amendment Law (periodic tenancies and new agreements) will be subject to the Draft Amendment Law. This means that you could apply to the Rent Tribunal for any rent increases that occur after the Draft Amendment Law commences, within two months and two weeks (10 weeks) of the rent increase notification (which may be extended at the Rent Tribunal's discretion in exceptional circumstances).

#### What could I appeal at the Rent Tribunal?

Within ten weeks (two months and two weeks) of a rent increase notification, you could appeal to the Rent Tribunal on the following grounds:

- The rent increase notification does not give two months' notice before the rent increase starts.
- The rent increase notification sets a date that the rent increase will start by which is less than a year since the last rent increase.
- The rent increase notification sets a rent increase amount above the statutory limit (RPI capped at 5%) without giving a reason (either that the rent has fallen behind market value, or the property has been improved to your benefit); or
- The rent increase notification sets a rent increase amount above the statutory limit (RPI capped at 5%) and gives a lawful reason (either that the rent has fallen behind market value, or the property has been improved to your benefit), but you disagree with the reason or the amount.

### I am a social housing tenant. Would I be able to apply to the Rent Tribunal?

You would not be able to apply to the Rent Tribunal if your social housing provider has alternative rent stabilisation measures agreed with the Minister for Housing, and is applying rent increases consistent with that agreement, as your social housing provider would be exempt from the rent stabilisation provisions. If such agreements are not in place, then you would be able to go to the Rent Tribunal to dispute a rent increase.

# I am a tenant-employee living in self-contained accommodation. Would I be able to apply to the Rent Tribunal?

If your landlord deducts your rent from your salary or wages and the rent is increased according to Jersey minimum wage offsets, then you would not be eligible to apply to the Rent Tribunal as your landlord-employer would be exempt from the rent stabilisation provisions. But if your rent was not deducted according to minimum wage offsets, then you would be able to apply to the Rent Tribunal (provided your accommodation is self-contained).

If you are not sure if your landlord-employer would be exempt, you should contact them to check. If you suspect that your landlord-employer may not be exempt, you could apply to the Rent Tribunal, who would be able to determine whether this was the case based on information provided by you and your landlord.

#### Would it cost money for me to make an application to the Rent Tribunal?

No. It is proposed that the Rent Tribunal would be a free service.

# If I made an application to the Rent Tribunal, what would happen to my rent payments whilst the Rent Tribunal decides?

If the rent increase was due to start whilst the Rent Tribunal was still deciding on the outcome of your application, you should continue to pay rent to avoid arrears. If you were appealing a rent increase that is above the statutory limit but is otherwise lawful, then once the rent increase was due to start, you should pay an increased amount of rent up to the statutory limit. If your rent increase was unlawful for other reasons, then you should keep paying the rent you were paying before the rent increase notification.

#### What could the Rent Tribunal order after it decided?

If the Rent Tribunal found in favour of your landlord, you would need to pay the landlord any extra amount owed that you would have needed to pay from when the rent increase started. If the Rent Tribunal found in favour of you, your landlord would need to reimburse you any rent overpaid.

### What if I disagreed with the Rent Tribunal's decision?

If you disagreed with the Rent Tribunal's decision, you could appeal to the Royal Court, but only on a point of law (the incorrect application of the law in reaching the decision) and not just because you think the Tribunal has reached the wrong decision.

You would need to apply for 'leave' of the Rent Tribunal to appeal within 28 days of the Rent Tribunal's decision, and if the Rent Tribunal did not grant leave, leave could be granted by the Royal Court if applied for within a period required by its rules of court. In applying for leave to appeal, you could also apply for a 'stay' of the decision until leave to appeal can no longer be granted or the appeal is determined.

#### Who would sit on the Rent Tribunal?

There would be a minimum of three people: a chairperson and two members. Chairpersons and deputy chairpersons would need to be legally qualified. Members should have appropriate experience of housing matters, particularly rental issues. Politicians and government officials would not be allowed to serve on the Rent Tribunal (including within two years of these roles).

#### Would Rent Tribunal members be paid?

Yes. Tribunal membership would be remunerated in line with Judicial Greffe practices.

#### How would members be appointed?

The Minister for Housing, in consultation with the Jersey Appointments Commission, would nominate members. The States Assembly would appoint members.

#### What would happen if the Rent Tribunal members disagreed on a decision?

If there was not a majority decision, then the chairperson would have the casting vote.

### Would the hearings be held in public?

Yes, unless the Rent Tribunal considered there are circumstances that should be heard in private.

### Contractual obligations on you and your landlord

The Draft Amendment Law proposes more clarity on what is expected from you and your landlord, and what should be set out in your tenancy agreement.

### Could I still be charged letting agents' fees?

Yes, but only if the fee was specified in your tenancy agreement. You should only pay fees that are set out in writing in the tenancy agreement. This means you should know what you may be required to pay from the outset.

Would there be any caps on fees and charges relating to my tenancy / tenancy agreement? No. But again, any fees or charges would need to be set out in the agreement, so you are aware of them before signing.

What action could I take if I was charged a fee not set out in my tenancy agreement? You would be entitled to take your complaint to the Petty Debts Court, where it would be treated as a civil matter.

# What action could be taken on me if I was charged a fee set out in my tenancy agreement and I failed to pay?

If you persisted in failing to pay a fee set out in the tenancy agreement, this could amount to a serious breach of your tenancy agreement. If the breach was sufficiently serious, your landlord could give you an opportunity to pay the fee (usually a notice with seven days to pay), and if you did not comply with this, your landlord would be entitled to give you one months' notice.

The Petty Debts Court could make an order for the payment of the fee as part of any resultant eviction proceedings if that were necessary.

#### Would I be required to have contents insurance?

Whilst landlords would be required to have adequate buildings insurance, there is nothing in the Draft Amendment Law that would require tenants to have contents insurance.

However, your tenancy agreement could still require you to have contents insurance and in these circumstances, you should be aware that not having cover would constitute a breach of your tenancy agreement and could result in your landlord instigating proceedings to terminate your tenancy.

Even if your agreement does not require you to have contents insurance, it is recommended that you have contents insurance because in the unlikely event the rental property is damaged, it may be able to help you recover your losses.

#### What would happen if my tenancy agreement didn't set out the things it must specify?

The tenancy agreement would still be legally binding on you and the landlord, and the Draft Amendment Law would treat the agreement as including certain provisions set out in the Draft Amendment Law, i.e., those contained in Schedule 2. These include provisions requiring the landlord to insure the property and provide rent receipts on request of the tenant. If the agreement does not set out the information the draft Amendment Law requires, you would be entitled to apply to the Petty Debts Court for an order requiring the agreement to be varied so that it includes all the required information.

### Uninhabitable residences

The Draft Amendment Law makes the process for how a property can be deemed uninhabitable and what happens as a result clearer.

#### What would happen if my home was determined to be uninhabitable?

Once an authorised officer had determined the property was uninhabitable, you would need to vacate the property. Your landlord's obligations to you would depend on whether the reason the premises became unhabitable was due to an event that was not your fault, or whether it was your intentional or reckless act.

If it was not your fault, you would not be liable to pay rent, unless your landlord had agreed to arrange suitable alternative accommodation whilst necessary works are completed. If the premises becoming uninhabitable was your fault, there would be a requirement for you to continue to pay rent.

In both these examples, you should only return to your home when it is safe to do so.

The property being determined by an authorised officer as uninhabitable is a reason that landlords can serve 1 months' notice.

### Mandatory grounds for eviction

In recognition that landlords could benefit from greater certainty that they will regain possession of their property after giving a tenant notice, the Draft Amendment Law will state the specific grounds (i.e., mandatory eviction grounds) in which the Court must order the eviction of a tenant where the tenancy has been ended in accordance with the Law.

#### What are the reasons for notice that would be mandatory grounds for eviction?

If your residential tenancy had ended, and you had not given vacant possession of the property, and your tenancy was ended for any of the following reasons:

- Your landlord intends to sell the unit or change its use
- Your landlord intends to renovate the unit
- Your landlord or their family member intends to occupy the unit for 6 months or more
- Your landlord requires a helper to occupy the unit for 6 months or more
- Your residential status has been revoked because it was granted on incorrect information
- Your employment contract has ended, or the employment contract provides for how your tenancy may be ended before the employment ends
- Your work permit or visa has ended

This would mean that if your landlord applied for an eviction order at the Petty Debts Court, the Petty Debts Court would be required to order an eviction. But they would retain discretion on ordering a stay of eviction and would be required to consider the reason for notice when considering whether to order a stay of eviction.

What if a landlord used a false ground to try to ensure an eviction was mandatory? As with all reasons for notice, if your landlord gave you written notice to end the tenancy and provided a false or misleading reason, then your landlord would commit an offence and would be liable to a fine of level 3 on the standard scale (£10,000).

### <u>Transitional arrangements</u>

The Draft Amendment Law proposes transitional arrangements (from the 2011 Law to the Draft Amendment Law) that would be a staggered approach, allowing the market to ease into the new measures.

# I am a tenant in a fixed-term tenancy. How would the Draft Amendment Law apply to me post-commencement?

Your fixed term tenancy would be allowed to run its course under the 2011 Law, unless it was renewed or varied. If your tenancy was renewed, varied, or ended, it would be treated as a new agreement and would need to comply with the Draft Amendment Law (i.e., it would need to be either an initial term of up to three years, or a periodic tenancy).

If you and your landlord decided to enter into a new agreement post-commencement or let it roll into a periodic tenancy under the Draft Amendment Law, it would be treated as a new agreement, meaning that any time spent in the previous tenancy would not count towards the total duration of the new tenancy. This would mean that notice periods that honour the tenancy's total duration would begin when the new agreement begins, or the fixed term rolls into a periodic tenancy under the Draft Amendment Law. This would also apply to the rent level, which could reset as if starting a new agreement.

If your fixed-term agreement were to end post-commencement, and no action was taken by either you or your landlord to end the agreement, and you continued to act as if you were in a tenant-landlord relationship (e.g., paying rent to the landlord), then your agreement would likely be taken to be a periodic tenancy under the Draft Amendment Law.

If you or your landlord are required by your tenancy agreement to give notice for the fixed-term tenancy to end on the end date (rather than roll into a periodic tenancy), then the tenancy could be extended if, after commencement, you or your landlord gave notice, and the notice required was longer than the time left in the tenancy.

For example, if your fixed term tenancy was due to end 31 December and your tenancy agreement required the tenant to give notice for the agreement to end (and not roll into a periodic tenancy), and you gave notice on 15 December, your tenancy could continue until 15 January (one month after the landlord received notice from you).

# I am a tenant in a periodic tenancy. How would the Draft Amendment Law apply to me post-commencement?

Your periodic tenancy would be treated as a periodic tenancy automatically under the Draft Amendment Law and subject to its provisions. The time you had spent in the tenancy would count towards the total duration of your tenancy under the Draft Amendment Law. This would mean that if you had lived in your home for more than five years, you would qualify for six months' notice for the following notice reasons:

- Your landlord intends to sell the unit or change its use
- Your landlord intends to renovate the unit
- Your landlord or their family intends to occupy the property for six months or more
- Your landlord requires a helper to occupy the property for six months or more
- You are a social housing tenant, and your home is under-occupied

If you had lived in your home for fewer than five years, you would qualify for three months' notice for the above notice reasons. However, once the total duration reaches five years, you would qualify for six months' notice.

As periodic tenancies would automatically roll into periodic tenancies under the Draft Amendment Law, when the Draft Amendment Law commences, your agreement would become subject to the rent increase provisions. This would mean that rent could not be increased less than a year after a pre-commencement rent review.

How would the Draft Amendment Law apply to new agreements post-commencement? Any new agreements, whether periodic or an initial fixed term of up to three years, would be required to comply with the Draft Amendment Law.

# What action could I take if, post-commencement, my agreement was not updated to a new agreement under the Draft Amendment Law?

Unless your tenancy was a fixed-term agreement, which (as above) would be allowed to run its course under the 2011 Law, you and your landlord would have the rights and responsibilities afforded to you respectively under the Draft Amendment Law, regardless of whether your tenancy agreement had been physically replaced to comply with the Draft Amendment Law.

It is recommended that your landlord should update your residential tenancy agreement following the commencement of the Draft Amendment Law as soon as reasonably practicable. If this is not done, you would be entitled to apply to the Petty Debts Court for an order varying the agreement so that it included the information required by the Draft Amendment Law.

### Advice for tenants and landlords

It is anticipated that the Draft Amendment Law will be reviewed by the <u>Environment, Housing</u> and <u>Infrastructure Scrutiny Panel</u> before it is debated in the States Assembly in summer 2025.

The Draft Amendment Law, if passed, would represent the biggest overhaul of residential tenancy legislation in Jersey in over a decade. In the meantime, it is important that Islanders can receive advice and support about what the proposed changes would mean for them.

Where can I find more information on the changes proposed in the Draft Amendment Law? The full proposition to the States Assembly, including the Draft Amendment Law and the Minister's report can be found here: States Assembly | P.24/2025

Can I submit comments on the changes proposed in the Draft Amendment Law? The diagram below (Figure 1, page 28) sets out the policy development and consultation process for the changes proposed in the Draft Amendment Law.

This includes a 10-week public consultation in 2023 on proposals for the reform of the 2011 Law (Findings Report on Improving Residential Tenancies in Jersey - Residential Tenancy Law Reform proposals.pdf).

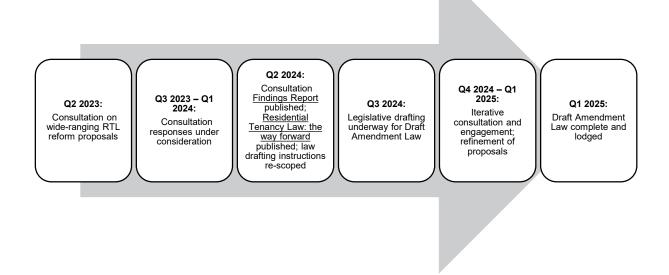


Figure 1: Policy development process

If you have personal stories, thoughts or opinions that you would like to share, you could contact:

- The Minister for Housing, Deputy Sam Mézec, via email at <a href="mailto:s.mezec@gov.je">s.mezec@gov.je</a> or via telephone on 07797 811130;
- The Environment, Housing and Infrastructure Scrutiny Panel, via email at scrutiny@gov.je; or
- Your elected representative. Find your elected representative's contact details on <u>States Assembly | All elected States Members</u>.